

**BATTLE CREEK TAX INCREMENT FINANCE AUTHORITY**

**Tuesday, January 17, 2017**

At a regular meeting of the Battle Creek Tax Increment Finance Authority held on Tuesday, January 17, 2017 at 3:30 p.m. at the Frederick R. Brydges Customs Cargo Center, the following individuals were in attendance: Messrs. Bobrofsky, Bowman, Christensen, Czerney Frantz, and Stewart Mmes. Fleury, Tuggle and White.

Absent were: Messrs. Claywell, Cutshall, Karre, and Richmond.

Also in attendance were: Messrs. Bowron, Mumford, Pruim (Rehmann Robson), Sobieralski, and Mmes. Hovarter, Jones, and Young.

Mr. Bobrofsky called the meeting to order at 3:30 p.m.

**APPROVAL OF MINUTES**

MOTION: Ms. Tuggle moved that the Battle Creek Tax Increment Finance Authority Board of Directors approve the minutes of the December 15, 2016 as presented. Mr. Czerney supported the motion and it was unanimously approved.

**APPROVAL OF AUDIT ENDING JUNE 30, 2016**

Mr. Brent Pruim stated the Audit ending June 30, 2016 was submitted for board review. The audit is unmodified clean opinion, the highest level of assurance you will get on the financial statements.

MOTION: Mr. Stewart moved that the Battle Creek Tax Increment Finance Authority Board approve the Audit for fiscal year ending June 30, 2016 as presented and respectfully submits it for City Commission approval. Mr. Czerney supported the motion and it was unanimously approved.

**APPROVAL OF ANNUAL REPORT 2015-16**

Ms. Hovarter presented the Annual Report for 2015-16 that was provided in the board packet on pages 7 and 8. These figures are taken from pages 12 and 13 of the audit.

MOTION: Mr. Frantz moved that the Battle Creek Tax Increment Finance Authority Board approve the Annual Report for 2015-16 as presented and respectfully submits it for City Commission approval. Ms. Tuggle supported the motion and it was unanimously approved.

**BUDGET**

Ms. Hovarter presented a summary of the fiscal year to date (12/31/2016) budget for the Battle Creek Tax Increment Finance Authority.

### **TIFA/CITY ECONOMIC DEVELOPMENT ORGANIZATION**

Ms. Fleury was asked by Joe Sobieralski and Albert Bobrofsky to present a follow-up discussion on pass through dollars and how they would be utilized. Ms. Fleury pointed out with the 2017 negative announcements of several closures: Macy's, Beckley Road Wendy's, Don Pablo's, etc. (the resources to mobilize and meet with these customers to find out what is next is just not there.) There are some gaps in the current economic development services and there are needs for additional community-wide economic development services. There are businesses all over the community seeking the same level of customer service. The City is currently looking at a TIFA Pass Through, however TIFA dollars are tied to that geographic area. If the dollars come through as a pass through to the taxing jurisdiction, they can be used in a broader content. The City is hopeful, the BCTIFA will come together on an agreement on the pass through. The City is interested in taking these pass through dollars and providing broader based economic development services. The City believes BCU should be that organization. BCU has the name recognition, legacy, and the City would like to build upon this need for the community. The gaps are not only small businesses, but include: entrepreneurial, micro loans, events, parades, and the cool things that round out a community to help grow its population.

Ms. Fleury and Ted Dearing have meet with each of the City Commissioners and have received 100% support to move forward in this direction. The City has looked at organization structures and has talked with Mr. Sobieralski about what this might look like. While we have had negative news, there has also been positive news. Post Foods announced that they were cutting 80 jobs, but the company plans to invest \$30 million into their facility and Denso Manufacturing Michigan, Inc. has invested \$37 million. Several of the Fort Custer Industrial Park companies have stepped up to absorb the impacted employees and that is the message that needs shared. Ms. Fleury stated there is so much more synergy and energy that is created when it is all happening under one roof with the right people in place.

Mr. Bobrofsky asked the BCTIFA Board if there was any comments regarding this presentation.

Mr. Stewart asked what was the BCU Board's reaction and discussion to the presentation.

Mr. Sobieralski stated the decision would be between BCU Board, City of Battle Creek, and BCTIFA Board. From a 50,000 feet view, it makes sense, but what does the nuts and bolts look like (dollar amount, number of employees, expectations, etc.).

Mr. Stewart stated this could potentially be exciting if you have the right support system.

Mr. Sobieralski agreed it could be very exciting to lead an effort like this. His hesitations are political, the right people and the funding to make things happen. He stated it could potentially take three years to gain momentum, plus three more years before you start to see results. It will take time and commitment. He stated he came to Battle Creek because of the power of the BCTIFA and what it has to offer.

Ms. Fleury stated the next presentation will be more formal and will include metrics with goals.

Mr. Mumford stated he believes once we reach an agreement the City Commission can approve the agreement, he did not believe there was a need to amend the BCTIFA Plan.

Ms. Fleury stated this proposal is still very fluid and knowing that BCU has plans for diversification of BCU funding. Ms. Fleury discussed a staggered pass through that starts at 20% and ends at an agreed upon date over a 3-5 year period. The City would like to get the economic development process going to utilize the funds and bridge funding to get the City through the 3-5 years until it is ready to be launched. Much of this depends on the community and how it responds. The City would like to have a team in place by July 1, 2017.

### **PROJECT/PROJECT DEVELOPMENT**

Ms. Jones reported on the following:

Robbins Building – a meeting was held today with Jamie Clark, the developer interested in purchasing the building. BCU and the developer have been working towards the sale of the Robbins Building for nearly 18 months. The only way for this deal to happen, is securing the unit owned by the Battle Creek Public Schools Commissary. If the developer is unable to secure the unit, the deal will fall through. Next steps include a discussion with Battle Creek Public Schools to encourage selling and proposed leasing rates from the developer. Ms. Jones stated there are several items in need of repair on this building and she is gathering quotes for a roof replacement and utility meter upgrades.

Ms. Jones stated the BCTIFA has been subsidizing this building for a number of years. The existing condo units have not been paying a great deal of the improvements made to the building (i.e. parking lot pavement).

Mr. Mumford suggested at the next BCTIFA Board meeting the proposals made to Battle Creek Public Schools Commissary be provided along with their reactions to the proposals. Mr. Mumford also requests recommendations on how the BCTIFA can assist to move this project forward.

Mr. Sobieralski reported on the following:

Stanley Road Sites - The land balancing project is underway. Two cuts were made to stage large equipment for a prospect (Project Coat) that was visiting the Battle Creek area over the weekend. The following timeline was shared:

- February 7<sup>th</sup>, City Commission awards a contract to begin the massive clearing of the project. Per the City's contract, the developer must be mobilized within ten days.
- March 7<sup>th</sup> or 21<sup>st</sup>, City Commission awards a contract for mass grading work.
- May 2<sup>nd</sup> or 16<sup>th</sup>, City Commission awards a contract for infrastructure work, water, sewer and road work.

Project Coat – the Japanese prospect plans to visit Battle Creek this weekend to make a decision to locate its business in Battle Creek or Kalamazoo area. The project investment is for \$20 million.

W.K. Kellogg Airport – extra earth from the Stanley Road sites will be placed at the airport to balance a 200+acre site.

A new company has signed a contract to lease space at 5701 W. Dickman Road. This project could generate 20 new jobs.

2017 Economic Outlook – 250 guests have registered to attend the event on January 19. This is the largest attendance in over 20 years. Eight experts in their fields will speak on Battle Creek's economy.

#### **PUBLIC COMMENTS**

No public comments were made.

#### **ADJOURN**

There being no further business, the meeting was adjourned at 4:45 p.m.