

BATTLE CREEK TAX INCREMENT FINANCE AUTHORITY

Tuesday, October 17, 2017

At a regular meeting of the Battle Creek Tax Increment Finance Authority held on Tuesday, October 17, 2017 at 3:00 p.m. at the Frederick R. Brydges Customs Cargo Center, the following individuals were in attendance: Messrs. Bobrofsky, Christensen, Czerney, Karre, Newsome, Richmond, Stewart and Mmes. Darner, Fleury, Tuggle and White.

Absent were: Messrs. Bowman and Claywell.

Also in attendance were: Messrs. Bowron, Corder, Dearing, Krol, Mumford, Reid, Sobieralski, and Mmes. Natasha Blakely (Battle Creek Enquirer), Jones, and Young.

Mr. Bobrofsky called the meeting to order at 3:00 p.m.

INTRODUCTION

Mr. Sobieralski introduced Shabaka Gibson as the newest hire at BCU. Mr. Gibson will work on workforce, retention efforts, and Brownfield Redevelopment Authority.

APPROVAL OF AGENDA / ROLL CALL

No changes to the agenda were made. Roll call of attendance recorded.

APPROVAL OF MINUTES

MOTION: Mr. Czerny moved that the Battle Creek Tax Increment Finance Authority Board of Directors approve the minutes of the July 18, 2017 as revised and presented. Mr. Stewart supported the motion and it was unanimously approved.

RESOLUTION AUTHORIZING BRIDGETTE JONES TO SIGN DOCUMENTS

Mr. Sobieralski stated on page 9 of the board packet is a Resolution authorizing Bridgette Jones to sign all necessary documents and agreements on behalf of the BCTIFA. In the past, there have been two staff authorized to sign documents. Currently only Joe Sobieralski is able to sign on behalf of the BCTIFA. Ms. Jones' position has shifted to Operations. Ms. Lori Schroll and Mr. Brian Krol will process the bills and Ms. Jones and Mr. Sobieralski can authorize for payment. The City of Battle Creek Finance Department produces the check.

MOTION: Mr. Stewart moved that the Battle Creek Tax Increment Finance Authority Board of Directors approves the Resolution authorizing Bridgette Jones to sign documents on behalf of the BCTIFA. Mr. Christensen supported the motion and it was unanimously approved.

ROBBINS BUILDING UPDATE

Ms. Jones stated that as of September 2017, the Robbins Building was listed with local real estate broker NAI Wisinski of West Michigan. The property has been shown three times since listed. There is someone interested in the Day Care unit, however they feel the condo dues are too high for the property. The dues are current with market standards. During the showing, the prospect had an inspector to assess the structure. The assessment showed the roof has several leaks and in need of repairs. Ms. Jones suggested the BCTIFA Board approve funds for an emergency roof repair for the unit associated with the daycare. Ms. Jones indicated that she had an estimate for roof repairs earlier in the year for the amount of \$7,500.

The Robbins Building roof is a common element for all tenants and therefore an account is being created so that the common elements are shared and the BCTIFA no longer bears all the costs. The BCTIFA will attempt to collect reimbursement from existing tenants.

The parking lot was repaved a few years ago and the BCTIFA covered the entire costs.

MOTION: Ms. Fleury moved that the Battle Creek Tax Increment Finance Authority Board of Directors approves not to exceed \$10,000 to repair the roof. Mr. Christensen supported the motion and it was unanimously approved.

PAYMENT TO ROBBINS BUILDING CONDO ASSOCIATION

Mr. Krol stated on page 10 of the board packet is the Robbins Building budget as it is allocated and paid out by the City of Battle Creek. Mr. Krol stated that the Robbins Building is a separate association and it needs to be migrated into its own chart of accounts, own books, balance sheet, income statement, etc. The association would be paid from the account and overtime, once a reserve is built, it can be used to offset the major repairs and maintenance costs.

The monthly expenses are allocated by the Deed. The BCTIFA owns Units A, B and D, and pays monthly allocated fees associated with those units.

MOTION: Mr. Czerny moved that the Battle Creek Tax Increment Finance Authority Board of Directors authorizes extraction of the Robbins Building from the BCTIFA accounts and the creation of new charter of accounts and bank accounts for the Robbins Building Association for monthly payments made to the Robbins Building Association in the amount of \$3,413, plus utilities and other miscellaneous fees. Ms. Tuggle supported the motion and it was unanimously approved.

FARM LAND LEASE RENEWALS

Mr. Sobieralski stated the BCTIFA owns approximately 240 tillable acres and leases the land to a local farmer. The lease is due to expire December 31, 2017. The existing farmer is unable to farm due to health reasons and has referred the name of a proposed farmer that he sublets to. Mr. Sobieralski recommends continuing with the farmer Mr. Rick Stuck has recommended. Supporting documents were included on pages 11-13. Mr. Sobieralski stated the property on West Columbia Avenue is being explored for balancing the site. The same price of \$100.00 per acre of tillable acreage is proposed. Mr. Sobieralski indicated there are meetings scheduled with OHM and the City of Battle Creek's Dept of Public Works for balancing the site.

Mr. Karre asked how is market value prices for tillable acres set? Mr. Sobieralski stated that staff will research and provide details at the next meeting.

PROSPECT/PROJECT DEVELOPMENT UPDATE

Mr. Sobieralski reported on the following:

- **SHOVEL READY STATUS** - Phase I of the project has been completed. Contractors are still seeding the sites. One of the sites (27 acres) has been sold and a closing was held last week. During the process of closing we learned: amended the plot, the City Commission approved amending the plot, closing Skyline portion for the Air National Guard. It was understood that the jurisdiction for transfer of the road, MDOT to local road, the underlying ground was not owned. The section of Skyline has a massive 200 feet right of way. The majority of the right of way included some of the land we were proposing to sell. The title work showed that MDOT still owned the right of way. The property must be purchased at fair market value so there are no restrictions on the property. MDOT will sell 100 acre right of way x 1,500 feet (3.5 acres) along Skyline Drive at fair market value. Staff has received great cooperation with the State. Mr. Sobieralski will provide an update to the board on the close out numbers associated with the project. Calculations on how much dirt was removed and delivered to the airport ended up 100,000 cubic yards short of what the airport needs to fill in. There was more topsoil on the site (30,000-40,000 cubic yards) that can be sold. There was additional land configured for the buyer (20,000-30,000 cubic yards). A wetland area was found at the airport which took additional fill.
- **BOWERS ALUMINUM STATUS** - A closing was scheduled last week to purchase the property. Working with the City of Battle Creek to acquire the building permit. Footings are scheduled very soon and steel installed by mid-November.
- **ADDITIONAL SITE EVALUATION STATUS** – BCTIFA approved to have an engineer firm come in and evaluate some sites to see what sites have fill, wetlands, etc. A meeting will be held on October 30, to discuss the results and next steps.

- CONSUMERS ENERGY STATUS – We discussed at the last meeting some initiatives and working with Fort Custer Industrial Park companies. We have not received feedback. Project on hold. Micro-grids and these projects are something to explore.
- LED LIGHT STATUS – the BCTIFA approved having all lights within Fort Custer Industrial Park retrofitted for LED lighting. Consumers Energy should complete by the end of the year.
- WATKINS POLE BARN STATUS – the BCTIFA Board approved in July the sale of two acres with the existing pole barn on Watkins Road for \$20,000. The Purchase Agreement has been drafted and signed, title work underway.
- NEW SIGNAGE FOR BRADY ROAD/SHIGA ROAD – A tenant in the Park brought to our attention that they are not listed on any of the road signs. It was suggested that we have two additional signs created for Brady Road and new Shiga Drive. Mr. Sobieralski stated that an estimate for one sign costs \$16,000. He recommends that the two signs be purchased.

Mr. Stewart suggested an additional sign be installed at Fritz-Keiper Blvd. He recommended that staff prepare an estimate with costs associated with electric and return for approval.

The intention is for the businesses located off the main shoots (Buckner Drive and McQuiston Drive) for semi-truck traffic.

- MARIJUANA LAND STATUS – legislation is currently moving through and communities are adopting ordinances. The City of Battle Creek is currently going through the process. Staff has received some calls wanting to purchase land to set up operations. Staff is seeking direction from the Board.

Ms. Fleury stated that the City of Battle Creek is going through the process with a community survey, gathering input. City has drafted five ordinances related to the five licenses and it will go before the City Commission for consideration. As of December 15th, the State of Michigan will start issuing licenses.

Mr. Sobieralski stated the Fort Custer Industrial Park is unique with the geographical footprint with 13,000 employees and employers having workforce difficulties of employees not able to pass drug tests.

The City of Battle Creek has zoning map overlays that potentially fit the proposed zoning for this industry.

Mr. Sobieralski asked what is BCTIFA's authority if it passes at the City, could they prohibit use? Mr. Mumford advised assuming the City opts in, and the City's zoning allows operations within Fort Custer Industrial Park. BCTIFA would decide on each individual prospect, cost for land, and how many jobs will be created.

Ms. Darner asked if we could lease the land, some of the unused lots that we cannot build on or not useable.

Mr. Sobieralski advised using the same concept for solar farms.

Mr. Richmond is against the concept noting the reputation of Fort Custer Industrial Park.

Ms. White asked if the City of Battle Creek will consider doing an economic impact study of what this industry could do to Battle Creek? The states that have pursued this have had a significant impact. This maybe a piece of information that we may want to assess. It is hard to understand based on what we know currently, if the industry is allowed versus another developer whether the economic impacts are equal or not equal.

The State of Michigan has a lot of unanswered questions at the state level.

Mr. Sobieralski advised that he would respond to inquiries with waiting on the direction of what the City of Battle Creek is going to do.

Mr. Gibson provided an argument scenario, based upon a time when the Lion's Den was popping up all over, the same question was asked, these are businesses where do you place them? If they are not regulated, they are allowed to go where ever they wanted. It is based on what the City comes up with to determine whether or not they are placed in the Park, if we don't want it in the Park, there needs to be justification for it, or we will find ourselves in legal litigation.

Mr. Corder stated we are talking about land that we own, but nothing would exclude someone from purchasing an existing building and operating with allowable city ordinance. The Fort Custer Industrial Park has a Protective Covenant that governs what can be in the Park.

Mr. Sobieralski stated that we wait to see what the City of Battle Creek does and investigate an economic impact study costs.

- PROPOSED MEETING DATES – Mr. Sobieralski asked the BCTIFA Board to hold dates: November 21, December 19, and January 16, 2018.

PUBLIC COMMENTS

No public comments were made.

ADJOURN

There being no further business, the meeting was adjourned at 4:10 p.m.