

## **BATTLE CREEK TAX INCREMENT FINANCE AUTHORITY**

**Tuesday, December 19, 2017**

At a special meeting of the Battle Creek Tax Increment Finance Authority held on Tuesday, December 19, 2017 at 3:00 p.m. at the Frederick R. Brydges Customs Cargo Center. The following individuals were in attendance: Messrs. Bobrofsky, Bowman, Christensen, Claywell, Czerney, Karre, Newsome, Stewart and Mmes. Darner, Tuggle and White.

Absent were: Mr. Richmond and Ms. Fleury.

Also in attendance were: Messrs. Bowron, Corder, Dearing, Dopp, Fedders, Mumford, Reid, Sobieralski, Tribbett, and Mmes. Jones and Young.

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

### **APPROVAL OF AGENDA / ROLL CALL**

Changes were made to the agenda. Roll call of attendance recorded.

MOTION: Mr. Christensen moved to approve the changes made to the agenda as presented. Mr. Stewart supported the motion and it was unanimously approved.

### **APPROVAL OF MINUTES**

Page 4 of the October minutes was missing from the board packet.

MOTION: Ms. Darner moved to table the minutes until the next meeting. Mr. Karre supported the motion and it was unanimously approved.

### **FARM LAND LEASE RENEWALS**

Mr. Sobieralski presented the four sites that are currently farmed: West Columbia Avenue (49.3 acres), I-94 South (70 acres), Stone Jug Road (61 acres), and Watkins Road (45 acres) for a total of 225.3 acres.

Ms. Jones stated at the October meeting, the BCTIFA Board requested that staff research what the market lease rate was for farm land. Ms. Jones stated Richard Stuck with Stuck Farms has leased the 225.3 acres of land during the past 15 years and the contract is set to expire December 31, 2017. For the past two years, Mr. Stuck subleased the properties to Eric Hiscock of Hiscock Farms, Inc. Mr. Stuck provided the BCTIFA with a resignation letter and a letter of recommendation to contract with Mr. Hiscock. Ms. Jones provided the new farm market rate of \$138 per acre based on research from the 2017 Michigan State University Department of Agriculture report.

Ms. Jones reported that staff is not interested in farming the West Columbia Avenue site thus reducing the amount of land 49.3 acres to the amount of 176 acres.

Ms. Jones asked the Board for the recommendation to continue a leasing arrangement with Mr. Hiscock or send out a Request for Proposals for new bids.

Mr. Sobieralski stated there has been some interest from other farmers to lease the land. The standard language in the lease would be the same. The bid process could include the properties we want farmed and solicit bids with prices that the farmers wish to pay. The leases could be year-to-year with renewal up to three years. The farmer is leasing the use of the land to grow crops, the BCTIFA retains ownership.

Mr. Mumford suggested that if Mr. Hiscock is not interested in a leasing contract for the amount of \$138 per acre, then staff can send out the RFP.

MOTION: Mr. Karre moved that the BCTIFA Board enter into a farm leasing contract with Hiscock Farms, Inc. for the amount of \$138 per acre as presented; Should Mr. Hiscock not be interested, authorize staff to send out a RFP. Mr. Stewart supported the motion and it was unanimously approved.

### **PROPOSED NEW SIGNAGE**

Mr. Corder stated staff proposed two new signs be placed at the corners of North Brady Road and Shiga Drive at the October board meeting. The Board recommended that additional signage be placed at Fritz Keiper Blvd and suggested that staff return with all costs associated with the signs.

Mr. Corder presented costs including the construction of standard multi-tenant signs \$17,000 per sign; transformer installation and power from pole to ground \$4,000 each sign; and connection of power from ground to sign \$4,000 each sign; for a total of \$25,000 each sign.

Staff recommended four proposed signs. It was suggested not placing a sign at Armstrong Road as it currently has a gateway sign. Staff also recommended installation be done in the Spring. The construction of the Fritz-Keiper sign will be placed on hold until staff is informed of the new name for ASMO Manufacturing.

- **Shiga Drive** (at the intersection of Hill Brady Road and Stanley Drive)  
*Would serve Bowers Aluminum and future companies on Shiga Drive*
- **North Brady Road** (at the intersection of W Dickman and N Brady Road)  
*Would serve Prairie Farms, Musashi Auto Parts, Michigan Shoe Company and Dairyland Laboratories*
- **Logistics Drive** (at the intersection of Skyline, Hill Brady and Logistics Drive)  
*Would serve Binger Shipping Suppliers, Janesville Acoustics and future companies on Logistics Drive*
- **Fritz-Keiper Blvd** (at the intersection of Fritz-Keiper and W Dickman)  
*Would serve WSI, Omega Casting, Printlink, Denso Air, ASMO, Toyota Tsusho*

MOTION: Mr. Stewart moved that the BCTIFA Board approve the four signs as presented. Mr. Claywell supported the motion and it was unanimously approved.

**LAND SALE PROJECT PRESENT**

Mr. Sobieralski reported that staff has been working with a local company interested in building a new 40,000 sq. ft. building in the Fort Custer Industrial Park. The company is interested in a five acre site located at 5200 W. Dickman Road (corner of Leonard Wood Drive and W. Dickman Road). Staff recommends the sale of five acres at \$12,000 per acre. The company currently has four employees and the project would add seven new jobs. The company may choose to construct a larger facility to house additional warehousing needs in the area for potential clients.

MOTION: Mr. Karre moved that the BCTIFA Board approve the land sale of five acres at \$12,000 per acre for the total sale of \$60,000 to Project Present as presented. Mr. Newsome supported the motion and it was unanimously approved.

**PROSPECT/PROJECT DEVELOPMENT UPDATE**

Mr. Sobieralski provided a Power Point presentation on the following:

TENTATIVE CLOSE OUT NUMBERS FOR SHIGA DRIVE PROJECT/AIRPORT/BUDGET OVERVIEW – the original budget for this project was \$9,113,130. Tentative close out figures totaled \$6,143,955 leaving a difference of \$2,969,175. Variations included additional costs of approximately \$809,000.

SITE EVALUATION STATUS – OHM Advisors evaluated a total of seven sites for topography and utility delineation, soils delineations, floodplain and wetlands delineations, and proposed mass grading delineations. Costs associated to make these sites “shovel ready” were also presented for each site.

Sites included: Hill Brady Road, Lot 54 (\$1.60M); West River Road (\$30.56M); I-94 North (\$13M); I-94 South (\$2.32M); and West Columbia Avenue (\$5.24M). In addition, two existing property owners earthwork for Nexthermal (\$42,000-\$89,000) and Systex Products Corporation (\$857,000).

PROPOSED DEMO SITES – W. River Road/Armstrong Road needs masonry removal (\$22,300); 145 Newtown Avenue (\$36,360); 207 Robertson Avenue (\$22,240); 4857 W. Columbia Avenue (\$12,830); W. Columbia Avenue (farm) two foundations (\$13,800); Oversee/Contingencies: ~25%  
Mr. Sobieralski requested a not to exceed amount of \$135,000 to demolish sites presented.

CLEARING/GRUBBING PROJECT - Nexthermal Corporation, 4.2 acres (\$42,000); Systex Products Corporation, 10 acres (\$40,000); Hill Brady Road, Lot 54, 27 acres (\$108,000); Skyline Road/Buckner Drive reconfigure, 3.5 acres (\$14,000); W. Columbia Avenue (William Farm) (\$50,000).  
Mr. Sobieralski requested a not to exceed amount of \$275,000 to clear/grub these sites presented.

BRIDGE TO AIRPORT PROJECT – Bridge road work and engineering design (\$260,000); Systex Products Corporation parking lot (\$100,000). Mr. Sobieralski requested a not to exceed amount of \$450,000 for this project presented.

BY THE NUMBERS/BUDGET OVERVIEW – As of June 30, 2017 Audit \$14,420,781 Unrestricted assets; 2018 Year-to-Date expenses; Capital budget \$4,295,034.44; Anticipated additional expenses: ~\$517,492; General budget ~-\$900,000; Funds remaining: \$8,708,255. Project dollars are used from the 801 account, professional and other services.

Mr. Sobieralski noted the State reimbursement for personal property tax has been budgeted for the last two years, \$2.5 million as it was an unknown. Last year the BCTIFA received \$3.4 million. The state reimbursement (LCSA) received for this year is \$1.7 million. That amount is \$800,000 less than what was budgeted. Mr. Sobieralski stated he may be looking for some assistance or direction from the Board to challenge the State as to why it was much lower than anticipated. This amount will affect what the BCTIFA can do moving forward.

MOTION: Mr. Karre moved that the BCTIFA Board approve a not to exceed \$860,000 to cover expenses as presented for demolition (\$135,000), clearing/grubbing (\$275,000); and bridge road work design engineering (\$450,000). Ms. Tuggle supported the motion and it was unanimously approved.

Mr. Sobieralski stated that staff continues to search for land that the BCTIFA Board could acquire, this includes property outside of the BCTIFA district. There is precedence set that the BCTIFA Board could acquire land outside of the district to improve the district or corridor into the district. The tax benefits would go to the City of Battle Creek.

#### US ARMY CORPS OF ENGINEERS ACCESS AGREEMENT

Mr. Sobieralski stated the US Army Corps of Engineers are looking to access the area of Nexthermal Corporation, II Stanley Company, Inc., Franklin Plastics, Harts Lake and the Shiga Drive property that was cleared. There is a range that they would like to delineate where they shot off canons (artillery line). The area of concern is behind I I Stanley Company. An assessment will be performed where they x-ray the ground and should they find artillery, they will take care of the costs. The US Army Corps of Engineers will obtain a six-month easement to x-ray the grounds process.

#### MARIJUANA LAND SALES

The City of Battle Creek Planning Commission has passed the zoning ordinance portion. The City Commission has it on the agenda this evening to introduce the zoning ordinance. Mr. Sobieralski stated there are two vacant buildings within the Fort Custer Industrial Park and one on Watkins Road that have options on them to buy if the City Commission decides to opt in. Mr. Sobieralski stated that the Fort Custer Industrial Park has Protective Covenants in place to restrict the use.

Mr. Dearing stated that the City Commission will consider the zoning ordinance, however, the licensing and regulatory portion must be in place before anyone can obtain a license. The license will be on the City Commission agenda second week in January.

The three buildings proposed and combined include 400 jobs roughly paying \$17.50 per hour plus benefits.

### MISSILE DEFENSE

Mr. Sobieralski stated the \$700 billion Emergency Spending Bill that was passed spoke a lot about missile defense. The Bill instructed the Defense Secretary to get 26 more missiles in the ground in Alaska making a total of 54 missiles in the ground in the USA and to explore options to have 104 missiles and how to have it done with the Bill. This will mean the additional sites of Battle Creek, MI; Ohio or New York. The Roosevelt Group stated the day President Trump signed the Defense Spending Bill the 60-day clock started, approximately two weeks ago. An alternative site must be chosen.

### ROBBINS BUILDING UPDATE

Ms. Jones stated since the last BCTIFA Board meeting held in October, one prospect toured through Suite D, the former daycare unit. Ms. Jones indicated this prospect was a church and there has been no follow-up. Care Here! is a previous prospect that we have been working with on and off for approximately two years. The company has received additional business within the Fort Custer Industrial Park companies. The company is interested in leasing space in the Robbins Building with build out costs. Once a proposal has been received, a meeting with the Robbins Building Committee will be held to have a discussion as to entertain the offer.

The Robbins Building Committee was put in place to guide staff with decision making processes to get the building out of the ownership of the BCTIFA Board. It has been a long process. It was recommended that new Committee Members contact Ms. Jones for a site visit of the facility.

UPCOMING MEETING SCHEDULE - January 16<sup>th</sup> is currently the next meeting scheduled. Mr. Sobieralski suggested moving the date to January 23<sup>rd</sup>.

### PUBLIC COMMENTS

Ms. Jones stated Battle Creek Unlimited will be holding the 2018 Economic Outlook on February 8<sup>th</sup>. Invitations will be going out soon. The event is held at McCamly Plaza Hotel, 7:00 a.m – 9:00 a.m. At this meeting, the Fort Custer Economic Impact will be released showing what the economic impact on the city, region, and state.

Mr. Bobrofsky commended Steve Claywell on his new position as President with the Michigan Building and Construction Trades Council for the State of Michigan.

### ADJOURN

There being no further business, the meeting was adjourned at 4:35 p.m.