

BATTLE CREEK TAX INCREMENT FINANCE AUTHORITY

Tuesday, April 18, 2017

At the annual meeting of the Battle Creek Tax Increment Finance Authority held on Tuesday, April 18, 2017 at 4:30 p.m. at the Frederick R. Brydges Customs Cargo Center, the following individuals were in attendance: Messrs. Bowman, Christensen, Claywell, Cutshall, Czerney Frantz, Karre, Richmond and Stewart and Mmes. Fleury, and White.

Absent were: Mr. Bobrofsky and Ms. Tuggle.

Also in attendance were: Messrs. Bowron, Bradstreet, Corder, Dearing, Good (KCC-RMTC), Longman (KCC/RMTC), Mumford, O'Connell (KCC), Sobieralski, and Mmes. Frantz, Hovarter, Jones, and Young.

Mr. Karre called the meeting to order at 4:30 p.m.

BOARD MEMBER APPRECIATION

Mr. Sobieralski thanked and presented gifts honoring Robert Cutshall, 32-years of service and Richard Frantz, 36-years of service on the BCTIFA Board. Both of their contributions have made Battle Creek successful. Mr. Karre congratulated both board members for enduring the BCTIFA Board for all those years.

APPROVAL OF MINUTES

MOTION: Mr. Czerney moved that the Battle Creek Tax Increment Finance Authority Board of Directors approve the minutes of the March 21, 2017 as presented. Mr. Stewart supported the motion and it was unanimously approved.

BCTIFA PASS-THROUGH REVIEW

Mr. Sobieralski stated a presentation was made at the last meeting and it was decided to grant the City of Battle Creek with a 35% Pass-Through of the operating mills in an effort to do community-wide economic development. The personal property laws continue to change and the calculations of 35% represented \$282,000. The City of Battle Creek has proposed the amount of \$320,000 is needed to do the community-wide economic development.

Ms. Fleury proposed a 40% Pass-Through to implement the community-wide economic development. The increase from 35% to 40% would not result in any additional dollars, as the elimination of personal property tax brings the figure to \$320,000.

MOTION: Mr. Czerney moved that the Battle Creek Tax Increment Finance Authority Board of Directors amend the BCTIFA Financing and Development Plan to include the 35% pass-through with the modification of not less than \$320,000 payment made to the City of Battle Creek every year for the community-wide economic development. Mr. Frantz supported the motion and it was unanimously approved.

KCC-RMTC CAPITAL OUTLAY REQUEST

Mr. O'Connell provided additional slide presentation from the questions he received on the KCC-RMTC capital outlay request. KCC is respectfully requesting the BCTIFA consider matching KCC's split of \$1.075 million.

- KCC received a grant approval from the State of Michigan for building renovations at the RMTC scheduled for 2018 to reset the building for the next 25 years.
- The grant is for \$4.3 million funded 50/50 by state and local sources (\$2.15 million)
- Stakeholders that were originally involved with the RMTC have been approached to contribute towards the \$2.15 million match.
- A commitment from the Board is needed now, however funding is needed in approximately 8-9 months.
- Tom Longman and Levi Good were both present to answer any questions the Board may have.

MOTION: Mr. Richmond moved that the Battle Creek Tax Increment Finance Authority Board of Directors approve funding \$1.075 million to reset the RMTC building for the next 25 years. Mr. Bowman supported the motion and it was unanimously approved. Mr. Claywell abstained from voting.

Mr. Czerny stated he would like to see the stakeholders that directly benefit from using the RMTC consider donations.

Mr. O'Connell stated that KCC would do everything they can to raise as much money for the grant match. Some of the primary funding sources are helping the RMTC in other contributions.

AMENDED MOTION: Mr. Czerny moved that the Battle Creek Tax Increment Finance Authority Board of Directors approve spending up to 50% of the match not to exceed \$1.075 million. Mr. Bowman supported the motion and it was unanimously approved. Mr. Claywell abstained from voting.

PROJECT SQUARE TIRE FUNDING REQUEST

Mr. Sobieralski stated an existing airport operation is interested in expanding. The company will retrofit a current facility to get it operational and hire a minimum of 40-50 new jobs. Expenses associated with that construction to retrofit the facility are \$663,000. The Michigan Economic Development Corporation will also be approached for financing. Mr. Sobieralski recommended providing the company with financial assistance for an amount of \$250,000-\$300,000 for the project. In the near future the company may need financial assistance to extend the taxiway.

MOTION: Mr. Claywell moved that the Battle Creek Tax Increment Finance Authority Board of Directors approve spending \$250,000 for Project Square Tire as presented. Ms. Fleury supported the motion and it was unanimously approved. Mr. Christensen abstained from voting.

AMEND FY 2016-17 OPERATING AND CAPITAL BUDGETS

Mr. Sobieralski presented the FY 2016-17 General Operating and Capital budgets on page 23 of the board packet. The budget as adopted is in the first column, and the budget as amended is in the third column.

MOTION: Mr. Christensen moved that the Battle Creek Tax Increment Finance Authority Board of Directors approve the FY 2016-17 General Operating budget as presented and amended. Mr. Frantz supported the motion and it was unanimously approved.

MOTION: Ms. Fleury moved that the Battle Creek Tax Increment Finance Authority Board of Directors approve the FY 2016-17 Capital budget as presented and amended. Mr. Stewart supported the motion and it was unanimously approved.

APPROVAL OF FY 2017-18 OPERATING AND CAPITAL BUDGETS

Mr. Sobieralski presented the FY 2017-18 Operating and Capital budgets on page 23 of the board packet. The fourth column of the budget is what is being proposed.

MOTION: Mr. Frantz moved that the Battle Creek Tax Increment Finance Authority Board of Directors approve the FY 2017-18 General Operating budget as presented and amended. Mr. Stewart supported the motion and it was unanimously approved.

MOTION: Mr. Claywell moved that the Battle Creek Tax Increment Finance Authority Board of Directors approve the FY 2017-18 Capital budget as presented and amended. Ms. Fleury supported the motion and it was unanimously approved.

BCTIFA MEMBER APPLICATIONS RECEIVED

Ms. Fleury stated that the City of Battle Creek received nine applications for the two vacant seats. Three recommendations will be presented at the City Commission meeting tonight. Mr. Mike Bowman will be re-appointed for four years; Ms. Michelle Darner (ASMO Manufacturing, Inc./business representative) and Mr. Dean Newsome (resident/representative) will be appointed for four years.

ROBBINS BUILDING UPDATE

Ms. Jones stated she has made two telephone calls into the Battle Creek Public Schools (BCPS) since the last BCTIFA Board meeting. The last contact made with the BCPS is that they are still waiting for information from their facilities manager. As soon as they receive the information, Ms. Jones will facilitate a meeting to discuss the information with our legal counsel present. Ms. Jones is hopeful to close the deal very soon.

PROSPECT/PROJECT DEVELOPMENT UPDATE

Stanley Road Clearing Project – a bid process is underway and will close on April 20 for the mass grading of the site. The bid will be awarded in May. There are approximately six or seven interested contractors for the project.

Vice President Position – Robert Corder has been hired as the Vice President, Attractions. Mr. Corder worked for JETRO in Chicago for nine and half years.

PUBLIC COMMENTS

No public comments were made.

BOARD COMMENTS

Mr. Frantz thanked everyone for his years of service on the BCTIFA Board. He watched the Fort Custer Industrial Park go from being an abandoned military base to the Park that it is today. He stated the hundreds of meetings and thousands of hours he served is one of only a few boards that he served on that he found rewarding. The accomplishments have been rewarding. Build, maintain, expand the Park and take care of the tenants that are here. Thank you for all the great work!

Mr. Cutshall stated that he has been in the Fort Custer Industrial Park for 43 years as a business owner. It has been a pleasure to be on the BCTIFA Board and involved with this organization. It has been an honor to benefit the people by creating employment to approve their quality of life and the City of Battle Creek by creating employment and a larger tax base. It has been very rewarding. Thank you!

ADJOURN

There being no further business, the meeting was adjourned at 6:12 p.m.