

**BATTLE CREEK TAX INCREMENT FINANCE AUTHORITY**  
**Tuesday, July 18, 2017**

At a regular meeting of the Battle Creek Tax Increment Finance Authority held on Tuesday, July 18, 2017 at 3:00 p.m. at the Frederick R. Brydges Customs Cargo Center, the following individuals were in attendance: Messrs. Bobrofsky, Christensen, Claywell, Czerney, Karre, Newsome, Richmond, Stewart and Mmes. Darner, Fleury, Tuggle and White.

Absent were: Mr. Bowman.

Also in attendance were: Messrs. Scott Bartholomew (Consumers Energy), Bowron, Corder, Dearing, Julio Morales (Consumers Energy), Mumford, Davin Ojala (SME), Reid, Sobieralski, and Mmes. Jennifer Bowman (Battle Creek Enquirer), Hovarter, Jones, and Wood.

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

**APPROVAL OF AGENDA / ROLL CALL**

Mr. Sobieralski added to the agenda under #13 (b) Western Michigan University Traffic Study.

**AFFIRMATION OF BOARD APPOINTEES/INTRODUCTIONS**

Mr. Bobrofsky welcomed the two new members to the meeting and had both introduce themselves. The members visited the Clerk's office at City Hall and were sworn in prior to the meeting.

Michelle Darner introduced herself as a representative of ASMO Manufacturing, a company located in the Fort Custer Industrial Park.

Dean Newsome introduced himself and advised he is employed with the Defense Logistics Agency at the Federal Center. He is representing a resident of the City.

**APPROVAL OF MINUTES**

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

**ELECTION OF OFFICERS**

Mr. Karre presented the proposed FY 2017-18 slate of officers: Albert Bobrofsky, Chair; Erick Stewart, Vice Chair; Nelson Karre, Secretary; Treasurer, none.

MOTION: Mr. Karre moved that the Battle Creek Tax Increment Finance Authority Board of Directors approve the Slate of Officers as presented. Ms. Tuggle supported the motion and it was unanimously approved.

### **ASSIGNMENT OF SURRENDER OF LAND CONTRACT**

Mr. Mumford provided the Board with history of the City of Battle Creek owning the land in Fort Custer Industrial Park prior to selling it under land contract to the Battle Creek Tax Increment Finance Authority which was completed several years ago. The BCTIFA Board took title and received the Deed, but the two lots (north) behind the Customs Cargo Center consist of a retention pond (drain basin). Therefore, requesting the BCTIFA Board approve the execution to surrender the two lots for easement purposes back to the City of Battle Creek.

MOTION: Mr. Christensen moved that the Battle Creek Tax Increment Finance Authority Board of Directors authorize the Chair to sign the surrender of land contract as presented. Mr. Karre supported the motion and it was unanimously approved.

### **CONSUMERS ENERGY WASTE REDUCTION**

Mr. Sobieralski stated BCU/BCTIFA has been working with Consumers Energy on a proposed opportunity of an eco-friendly waste reduction solar initiative in the Fort Custer Industrial Park. Mr. Sobieralski originally proposed the idea to the BCTIFA Board six months ago. This opportunity can help attract businesses to the Fort Custer Industrial Park; help increase retention of existing businesses; and provide assistance to companies to help reach corporate goals, among them: sustainability, waste reduction, operational efficiency and profitability. Consumer's unique blend of telemetry, data analytics extensive expertise and Certified Energy Management resources allows them to partner with BCU/BCTIFA in a variety of ways. Consumers would provide a designated On-Site Energy Engineer (OSEE), who would serve as a single point of contact for all BCU clients and their energy needs.

- The OSEE would bring their utility knowledge, project management, and overall energy and operational cost-management skills directly to Fort Custer Industrial Park businesses.
- The OSEE would work directly with BCU clients to promote energy efficiency programs and perform related energy optimization tasks tailor-made to the specific needs of BCU clients.
- The OSEE would analyze all aspects of energy systems: water, compressed air, natural gas, electricity and sewer, from supply-side to demand-side and find opportunities for efficiency and cost mitigation.
- The OSEE is an expert on educating customers on all of the opportunities available for financing energy efficiency projects. From utility rebate incentives to Federal Tax incentives, to full project financing. Each client would be aware of and understand all of the options available to them.

Mr. Claywell provided additional information. A local contractor was brought in to discuss concerns that related to customers that have existing relationships in the Park and how this design could essentially benefit those individuals with local contractors and not overlap.

Mr. Sobieralski proposed a one-year contract with Consumers Energy to begin this initiative. The contract would be for the cost of \$250,000 for one year paid by BCTIFA.

Several concerns were discussed which concluded that there was not enough data to proceed with the contract of spending \$250,000. The Board was interested in finding out whether the businesses are truly interested in the program and what the return on investment would be.

Mr. Mumford concluded that staff should move forward with a survey of existing companies in the Fort Custer Industrial Park that may be interested in the project and BCU secure a contract with Consumers so that the BCTIFA Board could see what the contract would look like. Questions that need to be addressed are: Would BCTIFA pay for all of the expenses, would BCU/BCTIFA split the costs, and how would success be monitored.

### **LED LIGHTING**

Mr. Sobieralski proposed working with the City of Battle Creek's Department of Public Works and Consumers Energy to replace all existing light poles located in the Fort Custer Industrial Park to LED lighting. The proposal from Consumers Energy to switch out 230+ light poles to LED lighting will cost \$227,000. Additional lighting has been proposed along Skyline Drive to W. Columbia Avenue. The total cost for this work is \$237,581. The project was budgeted for this fiscal year.

MOTION: Ms. Fleury moved that the Battle Creek Tax Increment Finance Authority Board of Directors authorize a not to exceed \$240,000. Mr. Stewart supported the motion and it was approved. Mr. Czerney opposed.

### **AMEND STANLEY ROAD/HILL BRADY/SKYLINE PLAT**

Mr. Sobieralski informed the Board of the clearing activity going on at the corner of Skyline Drive/Hill Brady Road/Stanley Road. Once the clearing began, BCU received interest from a prospect interested in purchasing the southern shaded section. The property line has been moved approximately 150 feet and reduced the road 150 feet. The right-of-way along Skyline Drive was not centered and it consisted of approximately two acres of the original plat which also consisted of several smaller parcels. Mr. Sobieralski suggested that the BCTIFA Board approve amending the plot to reflect the new property lines, reduce the right-of way, reduce the easement to move forward with the land sale. The project has been moving forward rapidly. The City Commission will also need to approve the land plot. New Moon Noodle is also a part of the original plot and requires the company to sign off.

MOTION: Mr. Karre moved that the Battle Creek Tax Increment Finance Authority Board of Directors approve the amended plot as presented. Mr. Czerney supported the motion and it was unanimously approved.

### **LAND SALE STANLEY DRIVE LOT #1**

Mr. Sobieralski proposed the Sales Agreement between the BCTIFA and Full Circle Partners, LLC who will lease the property to Bowers Aluminum Company. The sale would include 27.301 acres at the price of \$8,000 per acre for the amount of \$218,408. The property is the southern-most portion of the re-platted property to be identified as (Lot #1) of the Re-Plat of Lots 119 through Lot 128 of Battle Creek – Ft. Custer Urban Renewal Plat No. 2. The premises are currently described essentially, but not precisely as Lot 125 of Battle Creek – Ft. Custer Urban Renewal Plat No. 2 recorded in Liber 20 of Plats in the Office of the Register of Deeds for Calhoun County at Pages 8-23.

The company plans to build in Phase I a 68,000 sq. ft. facility with two future expansions, Phase 2 and Phase 3, with a building consisting of 200,000 sq. ft. The company will create 94 new jobs. The company would like access to the site as soon as possible.

Mr. Sobieralski stated that BCU started working with the company prior to the clearing of the project with a marketed price of \$10,000 per acre.

MOTION: Mr. Karre moved that the Battle Creek Tax Increment Finance Authority Board of Directors approve the Sales Agreement to Full Circle Partners, LLC for the sale of 27.301 acres for the price of \$218,408. Ms. Fleury supported the motion and it was unanimously approved.

Ms. Fleury asked when was the last new construction in the Park?

Mr. Sobieralski stated that TODA America was the last company with new construction. The company built in 2010.

### **BCTIFA LAND STRATEGY**

Mr. Sobieralski presented a Power Point presentation for the BCTIFA Board on the proposed land strategy for Fort Custer Industrial Park. During the initial land clearing on the Stanley Road sites, there were several road blocks encountered, proposing a case study for future sites. Included in the board packets are proposals from OHM and SME for environmental studies to prepare for shovel ready land. Mr. Sobieralski stated BCU has been marketing several parcels that he thought were wetlands. The process from conception to finish is about a one-year process and companies are not wanting to wait that long. BCU has found that having shovel ready land is a successful way to help attract companies. Mr. Sobieralski suggested selecting five top sites for the evaluation process: Phase I, Phase II and Geotechnical study and have all of the land evaluated to see what is actually developable.

SME would provide services for the Phase I, Phase II, and Geotechnical evaluations. OHM would provide services for the initial analysis on wetlands, extra soil or not enough soil. The costs associated with entire land evaluations from OHM would be approximately \$26,200; evaluations for top five sites, \$23,700. SME costs for Phase I and Phase II for top five sites, \$30,000; SME costs for and Geotechnical Reports \$63,500 for top five sites.

Mr. Sobieralski plans to have an inventory of sites to market to prospects and what will need to be done to each site.

MOTION: Ms. Fleury moved that the Battle Creek Tax Increment Finance Authority Board of Directors authorize the expenditures to OHM and SME for evaluations and environmental assessments for an amount not to exceed \$150,000. Mr. Richmond supported the motion and it was unanimously approved.

### **LAND SWAP/PURCHASE**

Mr. Sobieralski reported on the following:

Nexthermal – Approximately one year ago the company purchased additional land for a potential expansion on their building. The company's original plan was to expand towards the back of their property, but the area is wet. BCU has requested OHM evaluate their site to see whether it's buildable or deemed unbuildable. Once the property evaluation has been completed, it will be determined whether to proceed with a land swap or a purchase.

Systemx Products Corporation/Bridge Options – Two potential options for a bridge to the airport was presented. Systemx was approached to potentially acquire property near their parking lot to build a bridge over the Canadian National Railroad tracks to the Westside Airport site. Systemx is willing to provide the property, but the BCTIFA would need to compensate for additional parking. City Engineering has a conceptual drawing of Buckner Drive with a traffic light intersection that can be shared at the next meeting. Mr. Sobieralski would like to see our bases covered, an engineered bridge design, and an agreement in place with Systemx for right-of-way should the bridge come to fruition with a promise to Systemx that the BCTIFA would restore the parking that is lost.

1010 Watkins Road – BCU was approached by the individual that owns the landscape supply company next to property owned by the BCTIFA. BCTIFA acquired the 70-acre parcel in 2009, but did not acquire the easement to the gas pipeline that goes through the property. That is owned by the individual (Grosteffon). Mr. Mumford was contacted to see whether we could swap properties. Mr. Mumford stated that the BCTIFA purposely chose not to acquire the gas pipeline easement. The individual would like to purchase the existing 3,200 sq. ft. pole barn with two acres of land with an option to repurchase with costs of improvements for \$20,000. The individual would cover the surveying costs.

MOTION: Mr. Karre moved that the Battle Creek Tax Increment Finance Authority Board of Directors approve the sale of two-acres of land with the pole barn for the cost of \$20,000. Mr. Richmond supported the motion and it was unanimously approved.

New Moon Noodle – owns 5.5 acres of land on the Stanley Road. The remaining two parcels of land on the new re-platted land is approximately 41 acres. Mr. Sobieralski proposed offering the company some money now on an option to acquire New Moon Noodle’s building. Mr. Mumford provided two options: Option 1: Three-year option to acquire the property/building for \$600,000; Option 2: Five-year option to acquire/building for \$700,000. Mr. Sobieralski suggested the BCTIFA Board authorize staff to negotiate with New Moon Noodle to come up with some options.

MOTION: Mr. Karre moved that the Battle Creek Tax Increment Finance Authority Board of Directors authorize staff to pursue options with New Moon Noodle as discussed. Mr. Stewart supported the motion and it was unanimously approved.

### **ROAD IMPROVEMENTS**

Binger Shipping Supplies – The company has brought the issue to our attention of two areas on Logistics Drive near their company that trucks are in need of a larger turn area for semi-truck traffic. The areas affected are at their driveway and at the island area. Staff will explore options with the City.

Western Michigan University College of Aviation (WMU COA) – OHM documentation was distributed. WMU COA is planning their \$20 million expansion and is proposing reducing the amount of curb cuts along Helmer Road. OHM has proposed an engineering services traffic study for the amount of \$27,500. Mr. Sobieralski suggested covering the costs associated with the evaluation to support WMU COA’s expansion. The company is located in the BCTIFA District. A fundraising campaign is also underway and they may ask the BCTIFA to contribute.

MOTION: Mr. Claywell moved that the Battle Creek Tax Increment Finance Authority Board of Directors approve the \$27,500 OHM traffic study as presented. Ms. White supported the motion and it was unanimously approved.

### **ROBBINS BUILDING**

Ms. Jones and Mr. Sobieralski met with the Battle Creek Public Schools (BCPS) Financial Manager to discuss the possible sale of their condo unit. At the end of the discussion staff left with a \$1 million price tag to move their location from the Robbins Building to Northwestern Junior High School. Staff later followed up with BCPS to see if they would be interested in acquiring the three BCTIFA units for \$1.00 and managing the space. Staff feels that it is time to list the units for sale with a local realtor. Manpower has since contacted Ms. Jones and is interested in selling their unit.

Mr. Mumford stated that BCTIFA was working with Jaime Clark from CMS, who has since walked away from the transaction primarily because of the BCPS not selling. Mr. Clark was interested in acquiring all of the units. Mr. Mumford suggested putting the units on the market, get the units sold, and get out of the business of owning the Robbins Building Condo Units.

MOTION: Mr. Newsome moved that the Battle Creek Tax Increment Finance Authority Board of Directors authorize staff to proceed to work with a realtor to sell the three units at the Robbins Building. Ms. Fleury supported the motion and it was unanimously approved.

### **KELLOGG HANGAR BONDS**

Mr. Sobieralski reported that Duncan Aviation is planning to expand and create 50 new jobs. Duncan Aviation will be purchasing the former Kellogg Hangar from Kellogg. When the hangar was constructed it was structured to get the airport revenue. The BCTIFA pays the hangar bond and revenue generated from the hangar goes to support airport operations. Once the hangar is paid off (January 2018) there will be a \$35,000 difference in the budget. The sale of the hangar will pay off the BCTIFA bond debt.

The City of Battle Creek owns the airport property, the airport lease with Kellogg will be terminated, so that the facility can be sold to Duncan Aviation. The City of Battle Creek will receive title in exchange for the bond release.

### **BOARD MEMBER COMMENTS**

Mr. Bobrofsky requested a member of the BCTIFA Board be appointed to serve on the BCU Audit and Finance Committee. Ms. Alana White volunteered to serve on that committee.

MOTION: Mr. Stewart moved that the Battle Creek Tax Increment Finance Authority Board of Directors appoint Ms. Alana White to serve on the BCU Audit and Finance Committee. Ms. Tuggle supported the motion and it was unanimously approved.

### **PUBLIC COMMENTS**

No public comments were made.

### **ADJOURN**

There being no further business, the meeting was adjourned at 5:08 p.m.