

BATTLE CREEK TAX INCREMENT FINANCE AUTHORITY

Tuesday, August 14, 2018

A special meeting of the Battle Creek Tax Increment Finance Authority was held on Tuesday, August 14, 2018 at 4:00 p.m. at the Frederick R. Brydges Customs Cargo Center. The following individuals were in attendance: Messrs. Christensen, Claywell, Czerney, Davis, Kreter, McKernan, Newsome, and Mmes. Darner, Fleury, Visger, and White.

Absent were: Messrs. Bowman and Stewart.

Also in attendance were: Messrs. Corder, Gibson, Reid, Mumford, Sobieralski, and Mmes. Hovarter, Jones, and Young.

Mr. Christensen called the meeting to order at 4:00 p.m. Roll call of attendance was recorded.

APPROVAL OF MINUTES

MOTION: Mr. Kreter moved that the BCTIFA Board of Directors approve the June 22, 2018 minutes as amended. Ms. Darner supported the motion and it was unanimously approved.

INTRODUCTIONS

Mr. Sobieralski introduced two newly appointed members Shannon Visger and James McKernan.

Ms. Visger stated she is the Chief Financial Officer for Rosler Metal Finishing. She has been with Rosler since July 1999.

Mr. McKernan stated he is the Chief Operating Officer for Bronson Battle Creek Hospital. He has been in Battle Creek for four and half years.

APPROVAL OF BIDS FOR BUCKNER/SYSTEX/NEXTHERMAL/AIRPORT

Mr. Sobieralski stated the purpose for the special meeting was to approve bids for this project. Bids were obtained four to six weeks ago for this construction season. Bids were received late last week. A decision was made to throw out the bids as they were substantially higher than anticipated. The bid estimates were as follows: Engineers \$2.4 million; the low bid came in at \$3.1 million from Hoffman Construction; Peters Construction shy of \$4 million; and ET McKenzie \$4.225 million with an additional \$400,000 for engineering. A meeting was scheduled with the Department of Public Works, Nextthermal and Systex Products Corporation to strategize and discuss timelines. The recommendation was to seek rebids in January or February with a longer bid cycle and potential lower prices.

In addition, we are still waiting for concrete numbers from the state on the personal property reimbursement. The reimbursement will be made in November 2018 for the previous year. The State of Michigan has a formula so that communities have an idea what the reimbursement will be for the next four years. This is another reason why the bids were thrown out and will be rebid to get better prices for the BCTIFA.

WATKINS ROAD/CONSUMERS EASEMENT

Mr. Corder stated in July, BCU was contacted by Troy Fleckenstein regarding an easement. Mr. Fleckenstein is building a house at 16972 Watkins Road next to Peterman Concrete, and across the street from BCTIFA-owned property I-94 South. In order to get electricity to his property, Mr. Fleckenstein was instructed by Consumers Energy to contact the BCTIFA in order to get an easement for a new pole to be installed. Mr. Corder spoke with Consumers Energy who explained that Consumers Energy needed to get an easement to install a new electrical pole to connect to Mr. Fleckenstein's property.

In late July, Consumers Energy informed Mr. Corder that they no longer intended to install a new pole, instead Consumers Energy would just run a guy-wire to Mr. Fleckenstein's property. Consumers Energy would still require an easement from the BCTIFA. The easement is necessary for that property to make sure everything was proper and legal. Mr. Corder asked Consumers Energy to send a map of the proposed easements so the BCTIFA could vote on it. We have been waiting for that documentation since late July.

Mr. Corder has confirmed there are electrical lines running along the north, west, and south side of the property, as shown in a diagram provided.

Mr. Mumford stated that Consumers Energy does not have an easement and they need to place it within an easement. Staff can discuss with Consumers Energy the ability to modify the easement to something more acceptable. Staff needs Consumers Energy to describe what they have and contact a local surveyor (Bob Carr) to describe where we want it to be and discuss that with Consumers Energy.

NEXTHERMAL LAND

Mr. Sobieralski stated Nexthermal is one of the companies we have been working with to clear and balance a section of property they will buy in exchange for our cost to fill and balance. Nexthermal has an immediate need to expand to the west, towards the Harts Lake area. The company's building is currently up to the property line and there is approximately 60 feet from the existing building to the drainage ditch along Harts Lake. The company would like to acquire the property up to the drainage ditch. Mr. Sobieralski asked if the BCTIFA Board would convey the strip of land to Nexthermal at the cost for the surveying and legal expenses.

Mr. Czerney asked if there should be a buffer so the company does not compromise the drainage ditch.

Mr. Sobieralski stated that a buffer of 10-15 feet would still meet the company's needs. The company is seeking the property for a small expansion.

Mr. Christensen stated the building inspector would not allow Nexthermal to build on top of it.

Mr. Mumford mentioned the plat currently shows an existing drainage set aside. The company could take the property subject to that existing plat restriction. We would convey subject to the use of the westerly most 20 feet.

We are unsure whether it is a natural or manmade ditch.

Mr. Claywell suggested the company clean out and **taper** that portion of the ditch as they will have equipment present and it will cut down on maintenance in the future.

Mr. Sobieralski stated he believes the drainage flows from the Road towards Harts Lake.

Mr. Mumford suggested the surveyor tell us what needs to be set aside for drainage. Sell Nexthermal the property that is not described as the drainage ditch and subject it to Nexthermal paying for the legal recording and surveying.

Mr. Sobieralski stated Nexthermal was sold a piece of property completely surrounded by **swamp** and is limited on expansion capabilities.

Mr. Mumford stated the motion could read to grant staff the right to convey so much of the land west of the existing building as is not needed for a drain, the only cost to Nexthermal would be the cost of the survey and legal work necessary to describe it.

Mr. Sobieralski stated it makes complete sense to encourage the company to expand, pay taxes on a portion of land that will never be utilized, and the best way would be to follow the steps outlined by legal counsel.

MOTION: Mr. Kreter moved that the BCTIFA Board of Directors grant staff the right to convey so much of the land west of the Nexthermal building as is not needed for a drain. The only cost to Nexthermal would be associated with the land survey and legal work necessary to describe it. Mr. Czerney supported the motion and it was unanimously approved.

WATKINS ROAD LAND SALE

Mr. Sobieralski stated the company and their realtor are still working on the due diligence.

PUBLIC COMMENTS

Next Meeting - October 16th is the next regular scheduled BCTIFA Board meeting. The meeting will be held in BCU's new office space.

BCU Strategic Plan – a copy of the plan was distributed to the Board. A news release will be created and will be sent to the media. This is what staff will set as priority to work on for the next five years.

Robbins Building – the Calhoun Community High School and the developer are still working on a proposed lease agreement between the developer who owns the building and the Calhoun Community High School who will be the tenant. Mr. Mumford has taken the position that if the Calhoun Community High School is happy with the language of the lease, lease terms, length and cost that the BCTIFA would be happy with it. The Manpower unit has been purchased and closed. BCTIFA acquired the Manpower unit and the Battle Creek Community Foundation has committed to making the grant. The last piece includes the Calhoun Community High School signing a lease.

Manpower has until October 31, to move from existing unit. Manpower is currently seeking space in Battle Creek.

ADJOURN

There being no further business, the meeting was adjourned at 4:23 p.m.