

**Annual Synopsis of the Battle Creek Tax Increment Finance Authority's Activities:**

The Battle Creek Tax Increment Finance Authority (BCTIFA) District includes the Fort Custer Industrial Park (FCIP) and the W.K. Kellogg Airport. The FCIP area consists of 3,000-acres with over 80 businesses and 13,500 employees. It is the third largest industrial park in the Midwest. The W.K. Kellogg Airport has a 10,004 ft. runway and is home to Duncan Aviation, Waco/Dimor, and Western Michigan University College of Aviation.

The 2016 Anderson Economic Group Study revealed that the FCIP had a net fiscal impact to the State of Michigan of \$13,500,000 annually. Of which, \$9,346,222 is comprised of income tax collections to the State of the Michigan via direct and indirect sources. Furthermore, the BCTIFA District had a \$5 billion direct impact and \$1 billion indirect impact, totaling \$6 billion annually. That equates to 75% of the total output for the entire City of Battle Creek. Also, employment in the BCTIFA District accounts for a third of Battle Creek's 41,000 jobs. Over 7,000 people work directly in the BCTIFA District and live in the City of Battle Creek. The FCIP employee earnings total almost \$700,000,000 annually and contribute over \$4,000,000 in income tax to the City of Battle Creek. The average salary in the FCIP is \$51,000.

The BCTIFA has a sunset date of 2023; therefore, the BCTIFA Board, the City of Battle Creek (City), and Battle Creek Unlimited (BCU) need to work on the general fund balance to leverage assets and continue development. The BCTIFA, City, BCU, stakeholders, and many groups are working on collaborative models that will work cooperatively with the goal of improving business infrastructures for economic development delivery.

**Unused Tax Capture Dollars for FY 17/18 (per June 30, 2018 Audit Report):**

When deemed necessary, the Authority will establish and maintain a capital replacement reserve as well as a capital expenditure reserve to fund project commitments in the pipeline, infrastructure improvements, various studies, reports, or other contractual services, as deemed appropriate by the Battle Creek Tax Increment Finance Authority in order to carry out the mission of the Authority.

Activities/Description	Total Governmental Fund	General Fund Balance	Capital Project Balance
See June 30, 2018 Audit Report	\$ 8,297,120	\$ 1,444,781	\$ 6,852,339
<b>Current Project Commitments</b>			
1. BCTIFA Loan to BRA (expires Dec 2020)			\$ 2,677,673
<b>Total</b>		<b>\$ 1,444,781</b>	<b>\$ 4,174,666</b>

**Future Unused Captured Tax Revenues for the Next Five Years (Capital Improvement Plan 2020-2025):**

The following table indicates the current estimates of the costs of the projects and programs. It represents the potential/actual/ongoing Battle Creek Tax Increment Finance Authority projects and programs.

Project Title	2019-2020 Expenditures	2020-2021 Expenditures	2021-2022 Expenditures	2022-2023 Expenditures	2023-2024 Expenditures	2024-2025 Expenditures	Project Total
<b>2. Airport Development</b>	\$ 1,800,000	\$ 2,000,000	\$ 2,750,000	\$ 2,550,000	\$ 2,400,000	\$ 2,350,000	\$ 13,850,000
<b>3. Airport Maintenance</b>	\$ 750,000	\$ 700,000	\$ 1,125,000	\$ 900,000	\$ 975,000	\$ 725,000	\$ 5,175,000
<b>4. Airport Retention Support</b>	\$ 600,000	\$ 1,100,000	\$ 1,100,000	\$ 600,000	\$ 600,000	\$ 600,000	\$ 4,600,000
<b>5. Fort Business Retention Support</b>	\$ 500,000	\$ 750,000	\$ 750,000	\$ 750,000	\$ 750,000	\$ 750,000	\$ 4,250,000
<b>6. Fort Maintenance</b>	\$ 900,000	\$ 1,000,000	\$ 750,000	\$ 1,000,000	\$ 750,000	\$ 1,000,000	\$ 5,400,000
<b>7. Fort Development</b>	\$ 650,000	\$ 1,650,000	\$ 1,650,000	\$ 1,150,000	\$ 1,150,000	\$ 900,000	\$ 7,150,000
<b>8. Hill Brady Multiuse Path</b>	\$ 560,000						\$ 560,000
<b>9. Infrastructure Development</b>	\$ 750,000	\$ 1,150,000	\$ 1,300,000	\$ 1,200,000	\$ 1,000,000	\$ 1,000,000	\$ 6,400,000
<b>10. Shovel Ready Site Preparation</b>	\$ 135,000	\$ 4,125,000	\$ 3,150,000	\$ 3,150,000	\$ 2,150,000	\$ 2,150,000	\$ 14,860,000
<b>Total</b>							<b>\$ 62,245,000</b>

## **Future Project Justification:**

1. **Project Commitments - BCTIFA Loan To BRA:**
  - **Justification:** Remediation of the retention pond (landfill disposable). There is \$3M in reserve within the Capital Outlay for the TODA site loan from the original agreement from 2009/10. The original loan with TODA was \$5M. The loan is set to expire on December 2020.
2. **Airport Development:**
  - **Justification:** To grow the airport tenant list which will generate additional revenue for the airport there will need to be additional airport infrastructure built. Its typical for public entities and municipalities to erect hangar space. There is a lack of this space readily available. Also, the feasibility of a drone strategy is being pursued.
    - **Project Description:** new infrastructure; wetland remediation; hangar construction, apron construction, and bridge to airport land
3. **Airport Maintenance:**
  - **Justification:** To maintain assets already in place and to continue to attract new companies.
    - **Project Description:** hangar, runway, westside filling, apron and taxiway improvements
4. **Airport Retention Support:**
  - **Justification:** Retention of our current employers is key. In some instances, there are site factors that may impede further expansion.
    - **Project Description:** Support for capital site improvement projects for companies at the airport
5. **Fort Business Retention Support:**
  - **Justification:** Retention of our current employers is key. In some instances, there are site factors that may impede further expansion.
    - **Project Description:** Support for capital site improvement projects for companies in the FCIP
6. **Fort Maintenance:**
  - **Justification:** Routine upkeep of the industrial park, infrastructure, and roads
    - **Project Description:** road maintenance, resurfacing/paving, beautification, traffic flow improvements, storm water retention
7. **Fort Development:**
  - **Justification:** We have a need for speculative space/incubation/warehouse space. Creating a business-friendly environment. Traffic mitigation is needed as employment numbers continue to grow.
    - **Project Description:** non-traditional and traditional transportation improvements, contamination remediation, building construction, infrastructure, property access improvements; wetland remediation
8. **Hill Brady Multiuse Path:**
  - **Justification:** There is a need for walkable routes in the FCIP. It is dangerous to walk in many areas of the FCIP due to traffic. As per the non-motorized master plan. Installation of a 2.1-mile walking path on Hill Brady Road from Dickman Road to Skyline Drive to be completed November 15, 2019
    - **Project Description:** Installation of a multiuse path along Hill Brady Road from Dickman Road to Skyline Drive as per the non-motorized master plan.
9. **Infrastructure Development:**
  - **Justification:** To stay competitive there is a need to invest in non-traditional next generation investments. This will help retain current employers and attract additional employers. Employers utilizing next generation infrastructure tend to pay higher wages.
    - **Project Description:** Non-traditional next generation infrastructure (land, utility projects, solar, etc.)
10. **Shovel Ready Site Preparation:**
  - **Justification:** In order to compete globally we need to move at the speed of business. Having an inventory of various sized lots is critical to marketing Battle Creek as place to locate a new business. Prepared sites will also benefit existing companies expand in Battle Creek instead of other places.
    - **Project Description:** Evaluating additional available land and prepare it for future-use by balancing it; conducting environmental reports; conducting geotechnical reports; configuring land to maximize its use installing retention ponds and necessary infrastructure.

**Marketing and Development Accomplishments – FY 2017/18:**

*In the 2017-18 fiscal year:*

- completed site preparation on Shiga Drive providing 65-acres of prime shovel-ready real-estate
- one new company purchased 20-acres and started construction on its new facility
- two companies expanded their facilities in the BCTIFA District
- 234 new jobs were created
- Investment amounts totaling \$53,575,000.

**List of Capital Projects - FY 2017/18:**

<b>Capital Project Expenses FY 2017/18</b>	
<b>Projects</b>	<b>17/18 YTD Expenses</b>
Additional Site Prep/Balancing	\$ 1,472,332
Airport Bridge Engineering	\$ 100,214
BCTIFA Land Strategy	\$ 48,826
Clearing/Grubbing Sites	\$ 236,525
LED Lighting	\$ 237,205
Project Square Tire	\$ 250,000
Property Demo	\$ 102,195
River Road Development	\$ 44,717
SW Quad Hill Brady/Skyline	\$ 4,089,363
WMU Traffic Study	\$ 27,476
Total	\$ 6,608,852

**Other Projects Include:**

- Purchase of Unit C at the Robbins Building for \$110,000
- Appraisal of I-94 south property not to exceed \$2,000