

BATTLE CREEK TAX INCREMENT FINANCE AUTHORITY

Tuesday, February 27, 2018

At a special meeting of the Battle Creek Tax Increment Finance Authority held on Tuesday, February 27, 2018 at 3:00 p.m. at the Frederick R. Brydges Customs Cargo Center. The following individuals were in attendance: Messrs. Bobrofsky, Bowman, Christensen, Claywell, Karre, Stewart, and Mmes. Darner, Fleury, Tuggle and White.

Absent were: Messrs. Czerney, Newsome, and Richmond.

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

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

APPROVAL OF MINUTES

MOTION: Mr. Karre moved that the BCTIFA Board of Directors approve the January 23, 2018 minutes as amended. Mr. Bowman supported the motion and it was unanimously approved.

TODA/BASF/BTA CONSENT TO ASSIGNMENT OF AGREEMENT

Mr. Sobieralski stated TODA America and BASF will be going into a strategic partnership with a new name of BTA. The company is asking the BCTIFA Board to consent to assignment of agreement over to the new entity BTA.

Mr. Mumford stated the BCTIFA has two agreements still in effect with TODA America, a Land Lease and a Development Agreement.

Mr. Sobieralski stated the BCTIFA Board committed to loan \$5.5 million to the Battle Creek Brownfield Redevelopment Authority to make the work happen. TODA America has drawn down \$2.4 million. There is still \$3 million dollars committed to this project. Once the partnership is confirmed, there will be a significant expansion associated with this project. The company will need to excavate toward the west of their existing building. This will draw down the remaining \$3 million.

MOTION: Mr. Christensen moved that the BCTIFA Board of Directors authorize the Chair to sign the TODA/BASF/BTA Consent to Assignment Agreement as presented. Mr. Bowman supported the motion and it was unanimously approved.

BCTIFA LAND SALE

Mr. Corder stated since the City of Battle Creek enacted the new medical marijuana ordinance there have been several inquiries in the Park. The individuals had interest in the existing buildings located in the Park, but a number of the individuals felt the buildings were too large for their needs.

Mr. Corder and Mr. Sobieralski discussed a potential area (West River Road) exclusive for the medical marijuana projects. Both proposed the number of reasons and benefits of why this would be a good idea.

- This site would be very expensive to prepare for shovel ready sites.
- Phase I and Phase II environmental studies were completed, but could be updated.
- This area is secluded and natural. The individuals don't want to broadcast their location. The process includes growing, processing, testing and storing.
- There are 100 acres total, plots ranging between 7 - 10 acre parcels.
- The area could be fenced for security.
- Controlled location to avoid several operations scattered throughout the Park on different roads.

The challenge is that we need to move quickly on this because the ordinance has passed. The individuals need an address in order to get their licenses. That is the first step in the process. The property will need to be surveyed, and an access drive created off Armstrong Road.

Mr. Sobieralski recommended the BCTIFA Board approve funds for professional services to allow conceptual drawings of the 100-acres located at West River Road/Armstrong Road so the sites can be marketed. Once the drawings have been completed, and road engineered, the onus would be on each individual.

MOTION: Mr. Claywell moved that the BCTIFA Board approve up to \$50,000 for professional services to have conceptual drawings of the West River Road/Armstrong Road site. Ms. Tuggle supported the motion and it was unanimously approved.

SALE OF ROBBINS BUILDING

Ms. Jones stated the Robbins Building Committee has met approximately three times since the last meeting to discuss 2-3 offers on the Robbins Building.

Mr. Stewart, Chair of the Robbins Building Committee, stated there has been some positive activity with the Robbins Building. However, at this time, we do not have a deal as the parties need time to process their due diligence. A third proposal was received after board packets were sent out. Mr. Stewart suggested the BCTIFA Board allow more time for the Committee to make the proper decision and the best interest of business for the Park, and allow the Chair, to sign subject to board approval.

PROSPECT/PROJECT DEVELOPMENT UPDATE

Mr. Sobieralski reported on the following:

TODA America/BASF – an announcement should be made in early March. Additional Brownfield work is required and will be discussed in a Brownfield Board meeting.

Bowers Aluminum – the project is moving along very well.

Medical Marijuana – several requests have been made to staff.

Shovel Ready Sites – some requests have been made on the sites that have already been developed. Working with the City’s Department of Public Works to continue with next projects.

Mr. Corder stated that BCU has a full pipeline of projects. There are several solid leads interested in moving into the Park. The Lead Generation process was very successful and we plan to continue efforts.

Mr. Sobieralski stated medical marijuana has changed the real estate dynamics. Some of the existing buildings in the Park have option agreements for the medical marijuana operations. Several companies throughout the Park lease space in these buildings and have been told they will need to move. We are working with companies to get letters of commitment so we can bring in a potential spec building developer.

PUBLIC COMMENTS

No public comments were made.

SETTING A CLOSED SESSION

A roll call vote was made to go into closed session for discussion of land acquisition.

MOTION: Mr. Karre moved that the BCTIFA Board of Directors go into closed session. Mr. Bowman supported the motion and it was unanimously approved.

OPEN SESSION

A roll call vote was made to return to open session.

MOTION: Mr. Stewart moved that the BCTIFA Board go back into open session. Ms. Tuggle supported the motion and it was unanimously approved.

MOTION: Ms. Fleury moved that the BCTIFA Board approves the acquisition of 75 acres for a price not to exceed \$1.7 million as presented. Ms. Darner supported the motion and it was unanimously approved.

ADJOURN

There being no further business, the meeting was adjourned at 4:20 p.m.