

BATTLE CREEK TAX INCREMENT FINANCE AUTHORITY
Friday, June 22, 2018

A special meeting of the Battle Creek Tax Increment Finance Authority was held on Friday, June 22, 2018 at 2:30 p.m. at the Frederick R. Brydges Customs Cargo Center. The following individuals were in attendance: Messrs. Christensen, Claywell, Czerney, Davis, Kreter, Stewart, and Ms. White.

Absent were: Messrs. Bowman, McKernan, Newsome and Mmes. Darner, Fleury and Visger.

Also in attendance were: Messrs. Allred (Calhoun Community High School), Deal (Waterland Properties), Dearing, Gibson, Hughes (Waterland Properties), Mumford, Sobieralski, Winslow and Mmes. Hovarter, Hunt (Battle Creek Community Foundation), Jones, and Young.

Mr. Stewart called the meeting to order at 2:50 p.m. Roll call of attendance was recorded.

APPROVAL OF MINUTES

MOTION: Mr. Christensen moved that the BCTIFA Board of Directors approve the May 8, 2018 minutes as presented. Mr. Czerney supported the motion and it was unanimously approved.

ELECTION OF OFFICERS

Mr. Sobieralski proposed the following slate of officers on behalf of previous Nominating Committee member Nelson Karre:

Proposed Slate of Officers:

Erick Stewart, Chair
Rod Christensen, Vice Chair
Steve Claywell, Secretary
Tim Czerny, Treasurer

Proposed Committees:

Finance Committee: Rod Christensen, Steve Claywell, Tim Czerney, Tracy Hovarter

Nominating Committee: Steve Claywell

Pass Through Committee: Rod Christensen, Rebecca Fleury

Robbins Building Committee: Rod Christensen, Michelle Darner, Dean Newsome, Erick Stewart, Daryl Mumford

MOTION: Mr. Kreter moved that the BCTIFA Board of Directors approve the FY 2018-19 Slate of Officers and Committees as presented. Mr. Claywell supported the motion and it was unanimously approved.

INTRODUCTIONS

Mr. Sobieralski stated there are four new BCTIFA Board members appointed and two were present today. Introduced were: Mark Kreter, Attorney/CFO with Kreis Enderle and Tim Davis, Co-Owner/Head of Brewing Operations, Territorial Brewing Company. The other two members are Shannon Visger, Chief Financial Officer with Rosler Metal Finishing and James McKernan, Chief Operating Officer with Bronson Battle Creek Hospital.

Mr. Kreter stated he has lived in Battle Creek for 35 years, married for 32 years. Kreis Enderle is located at One West Michigan Avenue. Has sat on the Lakeview School Board for 12 years and appreciates the opportunity to serve on the BCTIFA Board.

Mr. Davis is one of two owners at Territorial Brewing Company. Born and raised in Battle Creek, he graduated Lakeview High School in 1997. Mr. Davis lived in Otsego for a while and recently moved back to Battle Creek last summer.

ROBBINS BUILDING UPDATE

Mr. Christensen stated the Robbins Building is located at the corner of Hill Brady Road and West Dickman Road, the gateway into the Park. The BCTIFA has tried to sell the building for over five years. The Robbins Building Committee is pleased to announce the proposal today, will not only improve the Fort Custer Industrial Park, but also help the community.

Mr. Christensen stated the proposal is for the BCTIFA to take an offer of \$200,000 from the Battle Creek Community Foundation for the units at the Robbins Building. The Robbins Building is a condominium with five units total. BCTIFA owns three units, Manpower owns one unit, and Battle Creek Public Schools Commissary owns the basement unit. Manpower is seeking to sell their unit.

Mr. Mumford stated with the grant of \$200,000 from the Battle Creek Community Foundation we would use those funds to acquire the Manpower unit and transfer all four units to a developer to be hired by the Calhoun Community High School. The developer would rehab the facility, improve the look and maintain the place.

Mr. Sobieralski stated the Robbins Building has been a significant drain on the BCTIFA funds. The building needs a new roof. An estimate of \$200,000 to replace the roof was received.

Mr. Stewart stated that by selling it to the Calhoun Community High School it adds value to the City and Fort Custer Industrial Park in regards to future needs for workforce, community development, and education development.

Mr. Claywell commended all involved with bringing this project forward. As the BCTIFA we look at the economic development aspect of many of our decisions, this project is a win-win, not only are we able to create economic development, but meet the needs of the community. He looks forward to this project, the repurpose of the building, and providing a high school with a building of their own and the

geographical location to expand resources for continued education from Kellogg Community College-Regional Manufacturing Technology Center.

Mr. Tim Allerd, Superintendent, Calhoun Community High School (CCHS) is grateful for the building and its location. Their mission is to be a pipeline for jobs and post-high school opportunities. They have students with dual enrollment which includes the KCC-RMTC and the plan is to have more. The location will be beneficial for these students. The school's graduation coach assesses at risk funds and takes students to many places within the fort to prepare the students for job opportunities and knowledge about career opportunities. The CCHS feel they provide an valuable resource to the community.

Ms. Hunt was pleased the Battle Creek Community Foundation could support the project, and in addition, the opportunity to support the future childcare services center to benefit the Park. The BCCF appreciates the opportunity.

Mr. Stewart stated it is a wonderful opportunity for the Park and entire community and it is exactly what is needed for the future of what is happening in Battle Creek.

MOTION: Mr. Claywell moved that the BCTIFA Board comply with the recommendation of the Robbins Building Committee to sell the four-units to the Battle Creek Community Foundation. Ms. White supported the motion and it was unanimously approved.

Mr. Stewart thanked the Robbins Building Committee for their hard work in putting this deal together. Ms. Jones was commended as her efforts on the project were spectacular.

APPROVAL OF AIRPORT ENGINEERING FOR WESTSIDE AIRPORT PROPERTY

Mr. Sobieralski stated we have been working on the Westside of the airport for future development. Last year funds were used to develop property to prepare sites to be shovel ready. Approximately 150,000 cubic yards of soil were trucked to the airport from this site. The airport requires 400,000 cubic yards. The BCTIFA approved a project to clear land on Buckner Drive to prepare for a potential bridge to the airport. The BCTIFA partnered with Systex Products Corporation to acquire some land, clear some land, and provide excess fill at the airport. The airport will be doing some taxi-way work which will also allow additional cubic yardage. The airport property should be completed this fiscal year.

An information sheet was distributed with five tasks needed to complete the airport mass grading:

- Task 1 - \$11,500 – Develop bidding documents for the completion of the preliminary fill which was started last summer. That preliminary fill project was environment cleared through a CatEx in 2017 with the requirement to not impact the on-site wetlands. This will include proving sheets, specs, and air space review documents to the City for insertion onto their preliminary grading project for the over pass.

- Task 2 - \$56,900 - Complete the construction administration (inspection) for the remaining preliminary fill at the airport site. Similar to what was done last summer.
- Task 3 - \$146,010 – Environmental clearance for the final grading of the westside, which will destroy several of the wetlands on the airfield.
- Task 4 - \$24,860 – Develop bidding documents for the final grading of the westside. This will include a complete set of documents. The work will be 100% complete on airport property and will not be tied to an outside city project. This will include the design of the detention ponds and the access road (on airport property). This task will not take place until after Task 3 is complete and approved.
- Task 5 - \$116,280 – Complete the construction administration (inspection) for the final grading and construction of the detention ponds and access road.

MOTION: Mr. Christensen moved that the BCTIFA Board of Directors authorize spending up to \$230,000 to engage Mead & Hunt to begin activities and proceed with bids for the airport project. Mr. Kreter supported the motion and it was unanimously approved.

AUTHORITY TO CONVEY LAND ACQUIRED FROM SYSTEX PRODUCTS CORPORATION FOR THE EXPANSION OF BUCKNER DRIVE TO THE CITY OF BATTLE CREEK

Mr. Sobieralski stated the BCTIFA has a legal agreement with Systex Products Corporation to convey land to the BCTIFA to begin designing for a future bridge to the airport.

Mr. Mumford stated BCTIFA owns the land that was acquired from Systex Products Corporation and the BCTIFA Board needs to transfer the land on Buckner Drive for purposes of an extension and potential bridge on Buckner Drive to the City of Battle Creek. The City of Battle Creek has committed to the objective and a Deed has been created.

MOTION: Mr. Czerny moved that the BCTIFA Board of Directors approve to transfer the property acquired from Systex Products Corporation on Buckner Drive and convey the Buckner Drive land to the City of Battle Creek. Ms. White supported the motion and it was unanimously approved.

ASSIGNMENT OF RIGHT FROM WATERLAND PROPERTIES TO APPROVE PURCHASE OF LAND

Mr. Sobieralski stated the BCTIFA Board agreed in February to pursue additional land that is adjacent to land currently owned along West Columbia Avenue. Mr. Sobieralski presented a map that included parcels #2, #3, #4 and #5 surrounding the existing 62-acre property. The BCTIFA set a price not to exceed \$1.7 million to acquire the parcels. Parcel #1 is currently under a six-month option under a LLC with BCU. Waterland Properties, a local real estate company has successfully negotiated parcels #2, #3, #4 and #5 for \$1,421,231.97. Mr. Sobieralski stated we are seeking approval to

sign the rights from Waterland Properties to the BCTIFA and to close on the properties. Mr. Sobieralski stated that BCU is currently courting a company for the site. However, we are working to create a 100-150 acre parcel that would include a buffer on the south side for the nearby residential community.

MOTION: Mr. Christensen moved that the BCTIFA Board of Directors authorize and accept the assignment of the three Sales Agreements in place (parcels #2, #3, and #4, #5) with Waterland Properties. The BCTIFA Chair would sign by accepting the assignment and close on the properties for \$1,421,231.97. Mr. Davis supported the motion and it was unanimously approved.

POTENTIAL RESOLUTIONS FOR PROJECT RAILROAD

Mr. Sobieralski stated Project Railroad is a potential prospect interested in the existing building located at 215 N. Hill Brady Road. The prospect is interested in Battle Creek because of the existing building 190,000 sq. ft., a large substation, rail spur, and additional land availability. A key requirement for this project is the rail access. The BCTIFA owns a 11-acre parcel at the end of the cul-de-sac and also the rail spur. In order to access the rail, Project Railroad would like to purchase the 5-acre parcel owned by the City of Battle Creek. This parcel includes a shallow retention pond and a linear path runs through the parcel. Project Railroad would be responsible for relocating the linear path as well as the retention pond.

Mr. Sobieralski stated some drawing concepts were provided by Norfolk Southern on potential rail spur options. One of the options includes a land purchase from Musashi Auto Parts. Four resolutions were included on pages 11 and 12 of the board packet. The company is seeking a commitment from the BCTIFA Board to continue with the due diligence process.

Project Railroad expects to invest over \$222 million in the site and anticipates hiring 142 people over a three-year period paying well above \$22 per hour with benefits.

Mr. Kreter asked if it was possible to incentivize the company or employees to live in the Battle Creek area.

Mr. Sobieralski stated that the BCTIFA Board typically takes care of the infrastructure piece and Battle Creek Unlimited can provide a financial incentive to encourage living in the City of Battle Creek.

Mr. Mumford stated if the company buys the former WKW Roof Rail building, enters into a development agreement, uses our purchase agreements, and hires the proposed employees, additional credit could be provided if they live in the City of Battle Creek.

Mr. Claywell asked if Fort Custer Industrial Park companies have been notified of the potential fuel company?

Mr. Sobieralski stated Prairie Farms Dairy is aware, Musashi Auto Parts will be notified once we begin the land negotiations.

Mr. Davis asked if there was an odor from their process as that could potentially impact companies.

Mr. Sobieralski stated we have asked that question and the company assured staff that they would comply to the highest possible standards.

Mr. Mumford stated by using our Sales Agreement it subjects the company to our odor, noise, and pollution concerns. Companies that feel impacted by having this company in the Park have a right to appear at the BCU Development Review Board.

MOTION: Mr. Kreter moved that the BCTIFA Board of Directors approve the four resolutions as presented on pages 11 and 12 of the board packet. Mr. Christensen supported the motion and it was approved by a majority vote. Mr. Czerney abstained.

WATKINS ROAD LAND SALE

Mr. Sobieralski stated the company is currently working with the FAA and the airport to make sure their needs are met. There were some concerns on the distance from the airport. A project proposal may or may not be discussed at the next meeting.

PUBLIC COMMENTS

Mr. Deal commented that when he first arrived to Battle Creek from the Grand Rapids area, he decided the leadership of BCU encouraging businesses to locate in the city was the best in all of the State of Michigan. He stated he is seeking approximately 180 acres to build a 500,000 sq. ft. warehouse/distribution/manufacturing facility in the Grand Rapids area. There are zero possibilities for land of that size. If Battle Creek can put 180 acres together and another one like it, Battle Creek will be ahead of other EDOs in the State of Michigan. As a taxpayer in the community, he is happy to see the money is being used right.

SETTING A CLOSED SESSION

A roll call vote was made to go into closed session for discussion at 3:40 p.m.

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

A roll call vote was made to return to open session at 3:50 p.m.

MOTION: Mr. Claywell moved that the BCTIFA Board of Directors go back into open session. Ms. White supported the motion and it was unanimously approved.

OPEN SESSION

MOTION: Mr. Claywell moved that the BCTIFA Board of Directors authorize the Robbins Building Committee the latitude to negotiate the best deal possible to acquire the Manpower Unit C. Ms. White supported the motion and it was unanimously approved.

ADJOURN

There being no further business, the meeting was adjourned at 3:50 p.m.