

BATTLE CREEK TAX INCREMENT FINANCE AUTHORITY

Tuesday, December 7, 2021

At a special meeting of the Battle Creek Tax Increment Finance Authority (BCTIFA) held on Tuesday, December 7, 2021, at 3:00 pm via virtual Zoom conference call and streamed live on the City of Battle Creek Facebook. The following individuals were in attendance: Messrs. Christensen, Czerney, Wilson and Mmes. Darner, Straub and Visger.

Absent: Messrs. Claywell, Davis, Hodge, and Mmes. Fleury and White.

Also, in attendance were: Messrs. Corder, Dearing, Hughes, Patrick McGow (Miller Canfield), Reid, Sobieralski, Stange, and Mmes. Jones, Matuschka, Morrison, Mullett and Young.

Mr. Sobieralski called the meeting to order at 3:00 pm. Roll call of attendance was recorded.

APPROVAL OF MINUTES

MOTION: Mr. Czerney moved that the Battle Creek Tax Increment Finance Authority Board of Directors approve the November 16, 2021, Regular Meeting minutes as presented. Mr. Christensen supported the motion, and it was unanimously approved.

RESOLUTION AUTHORIZING ISSUANCE AND SALE OF BONDS TO REFUND THE TAX INCREMENT BONDS, SERIES 2009

Mr. Sobieralski shared with the board the background details and reasoning for agenda items #2 and #3. BCU leadership has explored some potential airport projects over the last 18 months. Mr. Sobieralski stated that by refinancing the current bond debt would best prepare the BCTIFA to take out additional bond debt for future projects. The rates are advantageous before year end. The two bonds would be refinanced, and the life of the bond would not change. This would save the BCTIFA some significant dollars. The savings for Bond Series 2009, would be approximately \$139,000 for the remaining life of the bond. The savings for Bond Series 2010, would be approximately \$164,000 for the remaining life of the bond. The combined savings minus the fees, would be \$227,000. The refinancing would also require City Commission approval. Mr. Sobieralski stated that there were bond attorneys on the call if there were any questions.

Mr. Christensen asked when the bonds expire? Mr. Sobieralski stated that both bonds were 20-year bonds. These bonds will expire on the original dates in 2029 and 2030.

Mr. Sobieralski stated that the Battle Creek Tax Increment Finance Authority sunsets after the 2030 bond. Any new bond proposals should be consideration would also require an amendment to the BCTIFA Development Plan and the extension of the BCTIFA life to make sure the debt service can service the entire bond.

Mr. Wilson asked if the Board should be aware of any risks or concerns?

Mr. McGow with Miller Canfield was on the call and indicated that he has worked with the City of Battle Creek and the BCTIFA on prior bonds. He stated that the previous bonds interest rates are in the 3-4.75% rate range. The interest rate for the bond market today is 1.5% or less. This would make a significant advantage as rates are lower today and there is only 10-years left on the bonds. It would make economic sense to refinance. Both bonds set up well for private placement to financial institutions. Mr. McGow stated that the two Resolutions are on the City Commission agenda this evening.

Mr. Czerney asked if there were any penalties for early payment? Mr. McGow stated that there would be no prepayment penalties.

MOTION: Ms. Straub moved that the Battle Creek Tax Increment Finance Authority Board of Directors approve the Resolution authorizing issuance and sale of bonds to refund the Tax Increment Bonds Series 2009 as presented. Mr. Czerney supported the motion, and it was unanimously approved with roll call vote.

RESOLUTION AUTHORIZING ISSUANCE AND SALE OF BONDS TO REFUND THE TAX INCREMENT BONDS, SERIES 2010

MOTION: Mr. Wilson moved that the Battle Creek Tax Increment Finance Authority Board of Directors approve the Resolution authorizing issuance and sale of bonds to refund the Tax Increment Bonds Series 2010 as presented. Mr. Christensen supported the motion, and it was unanimously approved with roll call vote.

PROSPECT/PROJECT DEVELOPMENT UPDATE

Mr. Sobieralski provided an update on the following:

Viking-Cives – a closing was held on November 29 for the purchase of forty acres of vacant land on Shiga Drive for the snowplow equipment manufacturer. The company is moving forward with the preconstruction due diligence with plans to break ground in the spring.

Watkins Road Spec Building – there are multiple tenants continuing to look at the building. The owner has not had a tenant sign a lease to date.

Build Back Better – a grant application was submitted last month for a drone park at the airport. There were 529 applications submitted nationwide. Only sixty phase one awards of \$500,000 for technical support will be granted. An announcement is expected by mid-December.

Multiple Expansion Projects – are ongoing in the Battle Creek area. The pipeline continues to be full and busy.

Cannabis Park – the BCTIFA extended the agreement for the due diligence period. A deposit was made. The developers have not provided any due diligence and the project may be extinguished.

PUBLIC COMMENTS

No public comments were made.

ADJOURN MEETING

There being no further business, the meeting was adjourned at 3:19 p.m.