

DRAFT – Minutes have not been approved.

BATTLE CREEK TAX INCREMENT FINANCE AUTHORITY

Monday, March 7, 2022

At a special meeting of the Battle Creek Tax Increment Finance Authority (BCTIFA) held on Monday, March 7, 2022, at 5:50 p.m. at the Frederick R. Brydges Customs Cargo Center, BCU Board Room. The following individuals were in attendance: Messrs. Czerney, Davis, Hodge, Wilson and Mmes. Darner, Fleury, Straub, Visger, and White.

Absent: Messrs. Christensen and Claywell.

Also, in attendance were: Messrs. Corder, Hughes, Reid, Sobieralski, and Mmes. Corrin Day (Rehmann), Jones, Matuschka, and Young.

Ms. White called the meeting to order at 5:50 p.m. Roll call of attendance was recorded.

APPROVAL OF MINUTES

MOTION: Mr. Hodge moved that the Battle Creek Tax Increment Finance Authority Board of Directors approve the December 7, 2021, special meeting minutes as presented. Ms. Visger supported the motion, and it was unanimously approved.

APPROVAL OF AUDIT ENDING JUNE 30, 2021

Ms. Corrin Day from Rehmann provided a high-level presentation of the financial statements ending June 30, 2021. The audit is unmodified, clean opinion, the highest level of assurance you will get on the financial statements. There have not been any significant changes over prior years.

MOTION: Mr. Wilson moved that the Battle Creek Tax Increment Finance Authority Board of Directors approve the Audit ending June 30, 2021, as presented. Ms. Straub supported the motion, and it was unanimously approved.

APPROVAL OF CAPITAL BUDGET AMENDMENT

Mr. Sobieralski stated that Mead & Hunt submitted an invoice in the amount of \$72,406.86 for work at the airport. The balance can be transferred to the following year. The invoice would be paid from the line item Professional & Other Services Contract under the capital budget. Mr. Sobieralski stated that if the company does not complete the work by the end of current fiscal year, it will be carried over to the following fiscal year in the budgeting process.

MOTION: Ms. Fleury moved that the Battle Creek Tax Increment Finance Authority Board of Directors approve the capital budget amendment as presented. Mr. Hodge supported the motion, and it was unanimously approved.

APPROVAL OF ANNUAL REPORT FY 2021

Ms. Matuschka stated that the State of Michigan requires that we submit an annual report. It is a summary of the financial statements (audit) that was presented by Rehmann. The Annual Report was provided in the board package.

MOTION: Ms. Darner moved that the Battle Creek Tax Increment Finance Authority Board of Directors approve the FY 2021 Annual Report as presented. Mr. Wilson supported the motion, and it was unanimously approved.

RESOLUTION TO AMEND THE PLAN TO EXTEND THE DURATION OF BCTIFA

Mr. Sobieralski stated that the Resolution was included in the board package. Mr. Sobieralski stated that he has been working with the city and airport staff on some capital projects that the BCTIFA could consider. Ongoing discussions have taken place since the BCTIFA refinanced two bonds in December 2021 to take advantage of some savings. The Air National Guard Base roundabout and guard gate is a capital project, with an expense up to \$1.5M. A local company at the airport is interested in expanding, and the BCTIFA has contributed funding toward apron expansions at the airport. Both expenses are listed in the BCTIFA Development Plan which was created years ago. The latest amendment allowed for infrastructure improvements.

For the BCTIFA to consider additional bond consideration, the life of the BCTIFA would need to be extended. He stated that the current duration of the Tax Increment Financing and Development Plan is set to expire in 2030. The BCTIFA proposes an amendment to extend the duration of the Development Plan to 2047, to allow for a 25-year amortization of any bonds utilized for projects.

Mr. Sobieralski stated that discussions with the city and airport have been held on how to balance the expenses of BCU, airport, and community development. The city is proposing to take on the annual airport operating subsidy, which has been averaging \$750,000 annually.

Ms. White requested that the BCTIFA Board be made aware of the next steps and process of the City Commission on the extension so members could attend the hearings and meetings.

MOTION: Mr. Hodge moved that the Battle Creek Tax Increment Finance Authority Board of Directors approve the Resolution to amend the Development Plan to extend the duration of the BCTIFA as presented. Ms. Darner supported the motion, and it was unanimously approved.

APPROVAL WATKINS ROAD EASEMENT

Mr. Sobieralski stated that the Consumers Energy easements for Watkins Road were included in the board package. The easement is necessary so that Consumers Energy can move their electrical infrastructure away from the road for the Watkins Road upgrades. Legal counsel reviewed the easements. This is the \$1.7 million loan the BCTIFA gave to the LDFA for the Watkins Road upgrades.

MOTION: Mr. Czerney moved that the Battle Creek Tax Increment Finance Authority Board of Directors approve the Watkins Road Easement as presented. Mr. Hodge supported the motion, and it was unanimously approved.

APPROVAL OF MERCURY DRIVE EASEMENT

Mr. Sobieralski stated that the Consumers Energy easements for Mercury Drive were included in the board package. The easement is necessary so that Consumers Energy can move their electrical infrastructure away from the road for the Watkins Road upgrades. Legal counsel reviewed the easements.

MOTION: Mr. Wilson moved that the Battle Creek Tax Increment Finance Authority Board of Directors approve the Mercury Drive Easement as presented. Ms. Visger supported the motion, and it was unanimously approved.

BASF LAND SALE

Mr. Sobieralski stated that TODA America built their facility in 2010 on property owned by the BCTIFA. BCTIFA provided a 12-year Land/Ground Lease to TODA America (now BASF). The company does not own the land. The company has honored their financial commitment, TODA/BASF has paid \$200,000 on a 12-year Ground/Lease Agreement. Mr. Sobieralski was seeking approval of the original Land/Ground Lease terms to sell the land to BASF for \$1.00. The company has contemplated expansion plans.

Mr. Sobieralski stated that "Exhibit C" was not available at the time of the meeting. The Board suggested that they would approve the execution of Exhibit C.

Mr. Wilson asked if staff could share Exhibit C with the Board.

Mr. Czerney asked if the land still valued on our books at \$100,000?

MOTION: Ms. Straub moved that the Battle Creek Tax Increment Finance Authority Board of Directors approve the BASF Land Sale as presented. Ms. Visger supported the motion, and it was unanimously approved.

BUDGET SCHEDULE

Mr. Sobieralski stated the proposed Budget Committee meeting dates were provided. The first meeting will be held on April 5th and the second meeting if needed will be held on May 6th. The budgets will be presented at the May 17th meeting to adopt.

EXPLORE NEW TIFA BONDS

Mr. Sobieralski stated that the BCTIFA Board will be exploring some additional bonds for some proposed capital projects.

PROSPECT/PROJECT DEVELOPMENT UPDATE

Mr. Corder reported on the following:

Viking Cives – will be breaking ground in the Spring. The company has appointed the General Manager from internally and will be relocating to Battle Creek. The General Manager will hire four to six people internally who will relocate to Battle Creek and the remainder hires will be locally. The BCU Development Review Board has approved the site plans for the project. The plans are on target. The company purchased the two-parcels, forty acres located on Shiga Drive.

Camel Energy – is a Chinese battery company that purchased the existing building located at 4600 W. Dickman Road. This company focuses on the regular car battery. The company expects to hire forty people in their first phase. The company does do battery development for lithium-ion, and we are hopeful that this is the first step in a longer sustained expansion. The equipment will be installed in the Summer.

Stewart Industries - building is now available for lease. Staff was contacted by a MEDC representative with a company interested in leasing the building. The company has some business partners in the Battle Creek area. The company is also interested in the Foreign-Trade Zone program. The company will hire forty people.

The Fort Custer Industrial Park has a four percent vacancy rate. The spec building has 120,000 sq. ft. available. Marley Precision building on Fritz Keiper has 32,000 sq. ft. with eight acres available.

Mr. Sobieralski stated that the State of Michigan has made it a priority to invest money in two of the large sites in Michigan. At some point something large will land in Michigan. They are taking a playbook from the southern states.

Mr. Corder stated that over the past 14-months, there have been a dozen large projects well over a billion dollars each seeking 300-1,000 acres. The large sites in Emmett and Marshall have been looked at by Toyota, Lion Electric, Rivian, and other foreign companies.

PUBLIC COMMENTS

No public comments were made.

ADJOURN MEETING

MOTION: Ms. Staub moved that the Battle Creek Tax Increment Finance Authority Board of Directors adjourn the special meeting. Mr. Wilson supported the motion, and it was unanimously approved.

There being no further business, the meeting was adjourned at 6:34 p.m.