

DRAFT – Minutes have not been approved.

BATTLE CREEK TAX INCREMENT FINANCE AUTHORITY

Tuesday, August 16, 2022

At a regular meeting of the Battle Creek Tax Increment Finance Authority (BCTIFA) held on Tuesday, August 16, 2022, at 3:00 p.m. located at the Frederick R. Brydges Customs Cargo Center, BCU Office Board Room. The following individuals were in attendance: Messrs. Christensen, Davis, Wilson and Mmes. Straub, Visger and White.

Absent: Messrs. Claywell, Czerney, Hodge and Mmes. Darner and Fleury.

Also, in attendance were: Messrs. Corder, Dearing, Hughes, Kroll, Sobieralski, and Mmes. Jones, Matuschka, and Mullett.

Ms. White called the meeting to order at 3:05 p.m. Roll call of attendance was recorded.

APPROVAL OF MINUTES

MOTION: Mr. Wilson moved that the Battle Creek Tax Increment Finance Authority Board of Directors approve the May 17, 2022, regular and annual meeting minutes as presented. Mr. Christensen supported the motion, and it was unanimously approved.

APPROVAL OF STEVE CLAYWELL FOR SECRETARY

MOTION: Mr. Christensen moved that the Battle Creek Tax Increment Finance Authority Board approve Steve Claywell for Secretary as presented. Ms. Visger supported the motion, and it was unanimously approved.

RATIFY MOWING CONTRACT

Mr. Sobieralski stated that on May 19, 2022, BCTIFA and BCU were notified by Diamond Edge Lawncare that they were immediately suspending lawncare services and could no longer provide services for the Fort Custer Industrial Park (FCIP) and the Customs Cargo Center for the remainder of the contract, which ends on October 31, 2022. The contractor's reasoning was due to financial and medical issues and that the City of Battle Creek and BCU deserves better service than what their company could provide.

To prevent disruption in lawncare services, staff contacted the other two companies (MLA and Turfworks) that had submitted RFPs in 2019. MLA did not have the workforce and was not interested in taking on the job. Instead, MLA would like to be considered for smaller, odd jobs in the future. Turfworks, who had previously had the lawncare contracts for the FCIP and the Customs Cargo Center agreed to provide lawncare services through the end of the season at the same cost of their last contract with BCTIFA for \$7,200 per month. However, the first bill was slightly higher due to the additional trimming, man hours, and chemical applications. BCTIFA was paying Diamond Edge \$4,500 per month.

In this situation, it was imperative for staff to take immediate action by hiring a company we knew could perform at high standards and address the immediate needs of mowing the FCIP roadsides. Since hiring Turfworks, the transition has been smooth, and we have seen a vast improvement to the FCIP roadsides. They have the capacity and history of beautifying the FCIP roadsides. As you may recall, Turfworks provided service for over 10 years until they were underbid during the 2019 RFP process.

An RFP for lawncare services will go out to lawncare companies in August 2022 with the intentions of selecting a contractor by November 2022. The terms for the next contract will be for three years with two (one-year) renewals. A recommendation for awarding the contract will be discussed during the November BCTIFA meeting. We will need to approve this contract. Any amendment to the BCTIFA line item 247.61.2500.955.070 will be made once the new three-year contract is selected in November. It is staff's recommendation to continue to use Turfworks for lawncare services for the remainder of the season.

MOTION: Ms. Straub moved that the Battle Creek Tax Increment Finance Authority Board approve to ratify the lawn mowing contract as presented. Mr. Davis supported the motion, and it was unanimously approved.

APPROVAL OF WATKINS LAND SPLITS – CONSUMER SUB STATION

Mr. Sobieralski stated the agreement with Industrial Partners USA (IPUSA) for the Watkins Road property was divided into three separate parcels. IPUSA's plan was a phased approach of development. Phase 1 was the larger parcel, West of the Grand Trunk Railroad line consisting of 54+ acres. On the map presented Parcel B, is the section that Consumers Energy is interested in for a 20 megawatts substation. The substation will support the general area. IPUSA proposes consideration to provide a supplemental transfer of two land division rights associated with the Phase 1 property. This will enable IPUSA to help support the expansion of Consumers Energy's substation which is necessary to serve the park for potential future development in this area.

APPROVAL WATKINS LAND SALE

Mr. Sobieralski stated that IPUSA is requesting to move forward and exercise the option to purchase Phase 2, (17-acres immediately West of Phase 1) as the company has met the full obligation for Phase 1. IPUSA invested an additional \$5 million then what was agreed upon in Phase 1. They have a tenant that has leased 150,000 sq. ft. IPUSA would put earnest money down and pay \$175,000 for Phase 2.

MOTION: Mr. Wilson moved that the Battle Creek Tax Increment Finance Authority Board approves Watkins Road land splits – Consumers Energy substation (Action Item #5) and Watkins Road land sale (Action Item #6) as presented. Mr. Christensen supported the motion, and it was unanimously approved.

APPROVAL CLARK ROAD GRANT MATCH

Mr. Sobieralski stated that the City's Department of Public Works (Engineering Department) was able to apply for and successfully receive a commitment from MDOT to resurface Clark Road. These funds were "leftover" ARPA dollars that MDOT made available to local communities to apply for.

The City Engineering Department deserves credit for volunteering to utilize these funds and navigating MDOT's bureaucratic red tape to get the project obligated this year. Clark Road is within the City's 2-3-year road resurfacing schedule. The resurfacing would traditionally be paid for with 100% TIFA dollars from the BCTIFA Capital Budget.

The cost of doing the project this year with the MDOT grant is ~\$368,000 requiring a local match of approximately 18%, or \$66,792. Staff recommends approving the expenditure of \$66,792 as a grant match to repave Clark Road this fiscal year, saving the BCTIFA \$300,000+ in the near term. The BCTIFA Capital Expense budget line item 801.310.9923 will be increased to \$306,792.

MOTION: Mr. Wilson moved that the Battle Creek Tax Increment Finance Authority Board approves the Clark Road grant match as presented. Ms. Visger supported the motion, and it was unanimously approved.

BUDGET ADJUSTMENTS/AMENDMENTS

Mr. Sobieralski stated there are a couple of budget adjustments. BCTIFA Capital Revenue includes increasing line item 673.010 to \$185,000; \$175,000 Watkins Road Phase 2, and \$10,000 for Watkins Road splits; Fund balance for 2021/2022 becomes ~ \$3,031,651.

BCTIFA Capital Expenses budget line item 801.310.9923 will be increased by \$66,792 to \$306,792 to cover the Clark Road grant match.

MOTION: Mr. Wilson moved that the Battle Creek Tax Increment Finance Authority Board approves the budget adjustments and amendments (Action Item #8 a and #8 b) as presented. Ms. Straub supported the motion, and it was unanimously approved.

APPROVAL BOND – AIRPORT APRON

Mr. Sobieralski stated that staff has been working with bond counsel, City of Battle Creek, and Miller Canfield to shop the bond for the airport apron. The airport apron project is \$2.5 million. There are two types of bonds, private placement (taxable) and public placement. This gives the bond counsel the ability to start shopping for either a 20 or 25-year bond. Mr. Sobieralski stated that it was previously discussed to include both the roundabout project on Skyline Drive and the airport apron with the same bond, but that is not possible. As one is taxable and the other is not. Mr. Sobieralski stated that \$235,000 was allocated in the budget for the bond. At the next meeting in November, the Board can amend the line item for any fees. The interest on the bonds is 5.507%. Approving the Resolution allows the BCTIFA Administrator to sign all documents necessary to close. This will also require City of Battle Creek City Commission approval.

MOTION: Ms. Visger moved that the Battle Creek Tax Increment Finance Authority Board approves the bond resolution for the airport apron as presented. Ms. Straub supported the motion, and it was approved. Mr. Christensen abstained from voting.

AIRPORT UPDATE

Mr. Kroll provided the Board with an Airport Advisory Board update. The following highlights were presented:

- In 2021 the airport hired a consultant to investigate different forms of governance for the airport
- On June 23, 2022, the final presentation was presented to the Airport Advisory Board
- The study found that it was in the best interest of the airport to remain under the current form of governance with the City of Battle Creek
- Currently working on efficiency recommendations made by consultant
- Continuing to meet with Advisory Board on quarterly basis
- Long term planning document used to provide a blueprint for development and capitalize on opportunities
- Airport Capital Projects:
 - Preliminary Runway Approach Clearing, \$88,650.00
 - Runway Approach Clearing - Phase 1, \$200,000.00
 - Air Traffic Control Tower Chiller Replacement, \$200,000.00
 - Air Traffic Control Tower Boiler Replacement, \$75,000.00
 - Airfield Lighting Control Management System Replacement, \$100,000.00
 - 2023 BIL Grant Match, \$29,500.00
 - Total: \$693,150.00
- The airport is currently engaged in two capital projects
- Air traffic control tower boiler replacement, waiting on boiler tank replacement, expecting shipment within the month
- Air traffic control tower chiller replacement, engaged consultant in the design, bid, build process

Ms. White requested the full airport advisory report from the consultants.

Mr. Christensen requested the minutes of the Airport Advisory Board be shared.

Mr. Wilson requested the Airport Advisory Board list be shared.

PROSPECT/PROJECT DEVELOPMENT UPDATE

Mr. Sobieralski provided an update on the following:

BASF TODA - land sale should be finalized in September.

Viking Cives Great Lakes - broke ground on Shiga Drive property in July.

Mr. Corder provided an update on the following:

BASF TODA was recently in the news as the company will be expanding in Japan. Mr. Corder reached out to the company inquiring about future expansion plans in Battle Creek, which was tabled.

BCU has a full pipeline of projects. Two existing sites, West River Road/Armstrong Road and Hill Brady Road, Lot 54, located in the park will soon have brush clearing to allow for potential site visits. There are two prospects that have expressed interest in Battle Creek to visit these sites. Both companies are in the EV battery sector.

BCU is engaged with MichiganWorks! Southwest and other partners for labor. The biggest problem for the community is housing. BCU will continue to be successful in attracting companies, as the Fort Custer Industrial Park is well built out, but the city will not get the full benefit if we do not add housing.

Ms. White asked Mr. Sobieralski for the status of the MOU between the Airport, BCU and the City. The MOU should clarify how these entities will work together, budget allocations, visibility, and what is required or not. How much contingency is in the Airport budget so Mr. Kroll does not have to keep coming back to BCTIFA.

Mr. Sobieralski shared the proposed capital improvements bonds summary schedule at the meeting. Staff will send this information sheet, as well as the other requested information as soon as it is received.

PUBLIC COMMENTS

No comments were made.

ADJOURN MEETING

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

There being no further business, the meeting was adjourned at 4:00 p.m.