

BATTLE CREEK TAX INCREMENT FINANCE AUTHORITY

Tuesday, November 21, 2023

At a regular meeting of the Battle Creek Tax Increment Finance Authority (BCTIFA) held on Tuesday, November 21, 2023, at 3:18 p.m. located at the Frederick R. Brydges Customs Cargo Center, BCU Office Board Room. The following individuals were in attendance: Messrs. Christensen, Claywell, Wilson and Mmes. Fleury, Straub, Visger, and White.

Absent: Mr. Hodge and Ms. Darner.

Also, in attendance were: Messrs. Corder, Jarret Geering (City of Battle Creek), Hughes, Kroll, Davin Ojala (SME), Sobieralski, Bret Stuntz (SME), and Mmes. Jones and Young.

Ms. White called the meeting to order at 3:18 p.m. Roll call of attendance was recorded.

APPROVAL OF REGULAR MINUTES

MOTION: Ms. Fleury moved that the Battle Creek Tax Increment Finance Authority Board of Directors approve the May 16, 2023, regular meeting minutes as presented. Mr. Christensen supported the motion, and it was unanimously approved.

APPROVAL OF ANNUAL MINUTES

MOTION: Mr. Wilson moved that the Battle Creek Tax Increment Finance Authority Board of Directors approve the May 16, 2023, annual meeting minutes as presented. Ms. Visger supported the motion, and it was unanimously approved.

ACCEPT TIM DAVIS RESIGNATION

Mr. Tim Davis submitted a letter of resignation to the BCTIFA Board. He has moved out of the City of Battle Creek and is no longer eligible to serve on the Board. His resignation letter was included in the board package.

MOTION: Ms. Straub moved that the Battle Creek Tax Increment Finance Authority Board of Directors accept Tim Davis resignation as presented. Mr. Wilson supported the motion, and it was unanimously approved.

RESOLUTION FOR ROBERT CORDER TO SIGN DOCUMENTS

A Resolution to allow Robert Corder to sign all necessary documents and agreements on behalf of BCTIFA was included in the board package.

MOTION: Mr. Christensen moved that the Battle Creek Tax Increment Finance Authority Board of Directors approve the Resolution for Robert Corder to sign documents as presented. Mr. Wilson supported the motion, and it was unanimously approved.

APPROVAL OF ROUNDABOUT OVERAGES

Mr. Corder stated that construction of the new roundabout at the intersection of Skyline Drive and Hill Brady Road is now complete. The project was budgeted at \$1,753,903.35 and the final cost of the project is \$1,877,553.98, a difference of \$123,650.63. Mr. Jarret Geering, City Engineer, City of Battle Creek addressed the overages to the board. Mr. Corder asked for approval on the roundabout overages. Budget line item: This will increase BCTIFA Capital: 440.61.9923 by \$123,650.63.

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

EASEMENT FOR CONSUMERS ENERGY

Mr. Corder stated that Consumers Energy is seeking an easement for the installation of utilities along the former Skyline Drive extension. This project is associated with the new entrance for the Air National Guard base that is currently under construction. Existing overhead utility equipment will be removed and replaced with underground utility lines as shown in Exhibit B of the easement document provided in the board package.

MOTION: Ms. Straub moved that the Battle Creek Tax Increment Finance Authority Board of Directors approve the utility easement for Consumers Energy as presented. Mr. Christensen supported the motion, and it was unanimously approved.

INFRASTRUCTURE SUPPORT CSE MORSE

Mr. Corder stated that in January 2023, CSE Morse acquired the former Marley Precision property at 455 Fritz Keiper Blvd. This includes the 34,000 sq. ft. building and the adjacent six acres. The company will renovate the facility and relocate their operations from downtown out to the industrial park. This aligns with the overall river naturalization effort. As part of the renovation, the company will add a covered shipping and receiving area on the south side of the building. This will make it easier for trucks to load and unload materials and finished products. As part of the project, CSE Morse would like to install a curb cut on Clark Road for a pull through, which would connect to the parking lot and allow trucks to exit directly to Fritz Keiper. This project (building acquisition and renovations) is estimated to cost \$3.5 million and will support five to ten new jobs.

This will increase Budget line item 440.61.8890 (Capital Projects) by \$10,000. Staff is seeking approval of funds for the curb cut on Clark Road, in the amount not to exceed \$10,000.

MOTION: Mr. Claywell moved that the Battle Creek Tax Increment Finance Authority Board of Directors approve the infrastructure support not to exceed \$10,000 for CSE Morse as presented. Mr. Wilson supported the motion, and it was unanimously approved.

FCIP ROAD SIGNAGE

Mr. Corder stated that staff is proposing the addition of one large and two small wayfinding signs for the Fort Custer Industrial Park. The large sign would be installed at Clark Road and West Dickman Road; the smaller signs would be installed at Harts Lake Road, Hill Brady Road, and Shiga Drive. In addition, several panels on existing signs will be updated. There will be some additional cost in the Spring to run power to the sign on Clark Road. The two smaller signs will not have power. The new signs plus installation will cost \$42,000. This will increase Budget line item 440.61.8890 by \$42,000.

MOTION: Ms. Fleury moved that the Battle Creek Tax Increment Finance Authority Board of Directors approve the Fort Custer Industrial Park Road Signage as presented. Ms. Visger supported the motion, and it was unanimously approved.

FARM LEASE EXTENSION

Mr. Corder stated that BCTIFA owns four vacant parcels totaling over 269 acres. The properties have been leased to Eric Hiscock of Hiscock Farms for several years now who farms approximately 198 acres. The current leases will expire December 31, 2023. Mr. Hiscock currently pays \$140 an acre to farm the land and has expressed interest in renewing leases at \$145 an acre, which would total \$28,710 per year.

Discussion ensued. The BCTIFA Board recommended approving a one-year lease at the price of \$145 per acre and in future years increasing the rate by 3%. The farm leases will be discussed at a future meeting.

MOTION: Mr. Wilson moved that the Battle Creek Tax Increment Finance Authority Board of Directors approve a one-year lease at \$145.00 per acre. Ms. Straub supported the motion, and it was unanimously approved.

PROSPECT/PROJECT DEVELOPMENT UPDATE

Mr. Corder reported on the following items:

New Directors/Director Renewal/Treasurer Position – Ms. Fleury stated that the City Commission has a new process for appointing members. A Review Committee, consisting of the Mayor, City Manager, and Assistant City Manager reviews the applications and makes recommendations to the City Commission. Once a slate of potential members are selected, they must go through the review process.

Mr. Corder stated that BCTIFA currently has four vacancies. Also, there are several members whose terms will expire in 2024. Staff will reach out individually to see if they wish to remain on the board. We will also need to fill the Treasurer position after the new members join.

Mr. Sobieralski stated that BCTIFA is currently in compliance with the By-Laws which state no less than nine or more than thirteen members. He suggested that we strive to add two new members, one city

resident, and one business representative. Mr. Sobieralski requested that members send him an email of any potential candidates between now and mid-January.

Ms. White suggested that the new members receive a new member orientation presentation, and a board member binder.

Potential FY 2024 Schedule Change – the meeting schedule was approved in May at the annual meeting. There is currently one member who is not available to participate on Tuesdays. A question was asked if there would be support if we moved the future meetings from Tuesday to Monday? Staff will poll all the members to find the best day to conduct the meetings.

Project Triplet (Watkins Road Spec Building) – Phase 2 construction on the next spec building on Watkins Road has begun. BCTIFA sold 35 acres to the IPUSA for \$700,000. After closing costs and title fees, the first payment was \$347,750.00. This will be added to the BCTIFA's capital budget. A second payment will be due once the finished building is leased, likely in 18-24 months. The developer is planning a groundbreaking ceremony on December 8th. Staff has already begun to include the property in project proposals.

Mr. Sobieralski stated that Phase 1 is complete, and the building is filled with Zoetis. During the construction of Phase 1, no local labor was used. However, during the construction of Phase 2 the developers were asked to consider using local labor during this project.

Mr. Claywell expressed his appreciation for the opportunity to meet with the developers to discuss the Phase 2 project and to utilize local labor.

Mr. Sobieralski stated that the project will increase the BCLDFA tax base and accelerate paying back the road bond.

Project White Birch – this is a biodigester company that expressed interest in the Fort Custer Industrial Park. The company continues talking with respective customers.

Project Beacon – the company is working to finalize financing of the project, now estimated at \$4 million. Phase 1 would include the construction of a 5,500 sq. ft. facility, which will be used for floor malting, a traditional process for converting barley to malt. They are proposing nine FTE, with average starting salaries between \$20-\$37 per hour. Phase 2 would include a multi-tenant food-grade production and warehousing facility, a total of 25,000-40,000 sq. ft. It would provide warehouse space for the company and space to lease for food and beverage companies for production and warehousing. BCTIFA approved the sale of the property in September 2020.

Project Thunderbird – BCU is working with a prospect company considering a new \$175 million investment in Battle Creek. The company is developing lithium-ion capacitors, also called hybrid supercapacitors. This is an energy storage device with applications such as backup, leveling, storage, peak assist, and energy regeneration. The technology would be used in places like hospitals, data storage, trains and subways, and other locations the require uninterrupted power. The company intends to build a new facility between 60,000-75,000 square feet, with production, admin, and demonstration space. Total employment could be as many as 220 employees by 2027. The company is

also considering sites in Tennessee and Kentucky. Based on their preliminary plans and design, it is anticipated that the project would require 15-20 acres. Staff will come back to the Board in February to seek approval of an option on 15-20 acres.

Mr. Sobieralski stated staff has a couple sites they plan to submit for the project. The first site is Hill Brady Road, Lot 54, next to KCC-RMTC. The second site is West Columbia Avenue. The State of Michigan is providing funding resources to pre-engineer the sites.

Mr. Christensen mentioned his concern with the Blue Oval plant and the 1,700 employees they need for that project. He asked if there are any concerns being raised by companies in the Fort Custer Industrial Park finding employees.

Mr. Corder stated that yes, it is always a concern. The shift in EV will free up people. EV requires fewer parts.

Mr. Sobieralski stated that there will always be a strain for employees. The only way to overcome it is proper community development. Housing is at the top of the list.

2024 FCIP Maintenance – Mr. Corder stated that the Fort Custer Industrial Park will have some maintenance that will take place, specifically tree trimmings, path maintenance, and new tree plantings.

Attorney RFP – Ms. Jones stated that Clark Hill (Nancy Mullett) was hired approximately two years ago for legal counsel. Ms. Mullett will be retiring; therefore, BCTIFA will be sending out a Request for Proposal (RFP) in search of new legal counsel. Ms. Jones provided a list of members for a committee to review the RFPs once they return. These members included: Jeremy Wilson, Rebecca Fleury, and Amber Straub. It is anticipated that the RFPs will be back and reviewed prior to the February meeting.

Ms. Straub recommended that the BCTIFA consider local and regional law firms.

Airport Update – Mr. Kroll provided the board with an update on the airport capital budget items for FY 2023/2024. The lists were included in the board package. The airport maintenance building structure has declined, and further environmental assessments need to be taken. Estimated costs for assessments are upwards of \$80,000.

PUBLIC COMMENTS

No comments were made.

ADJOURN MEETING

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

There being no further business, the meeting was adjourned at 4:51 p.m.