



Battle Creek Tax Increment Finance Authority
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Regular Meeting
Battle Creek Tax Increment Finance Authority Board of Directors
Tuesday, January 21, 2020
Frederick R. Brydges Customs Cargo Center
4950 West Dickman Road, Ste. 1, BCU New Board Room

AGENDA

Agenda

- ACTION: 1. Approval of Minutes – 12/20/19

 - ACTION: 2. Approval of Audit ending June 30, 2019 – Corrin Day, Rehmann Robson

 - ACTION: 3. Approval of Annual Report FY 2019 – Ms. Hovarter

 - REPORT: 4. Budget – Ms. Hovarter/Mr. Sobieralski
 - A) Budget Finance Committee schedule

 - REPORT: 5. Prospect/Project Development Update – Staff
 - A) Airport Road Preliminary Engineering (attachment)
 - B) Cannabis Park Update
 - C) Industrial Partners USA, LLC Update
 - D) Robbins Building Update

 - 6. Public Comments

 - 7. Adjourn
-

BATTLE CREEK TAX INCREMENT FINANCE AUTHORITY
Friday, December 20, 2019

A special meeting of the Battle Creek Tax Increment Finance Authority (BCTIFA) was held on Friday, December 20, 2019 at 9:00 a.m. at the Frederick R. Brydges Customs Cargo Center, BCU Board Room. The following individuals were in attendance: Messrs. Christensen, Claywell, Czerney, Davis, Stewart, and Wilson and Mmes. Darner, Fleury, and Visger.

Absent were: Messrs. McKernan, Newsome, and Ms. White.

Also, in attendance were: Messrs. Corder, Dearing, Greg Dilone (Clark Logic), Gibson, Mumford, Reid, Sobieralski, Jeff Smoke (Great Lakes Capital) and Mmes. Jones and Young.

Mr. Stewart called the meeting to order at 9:00 a.m. Roll call of attendance was recorded.

APPROVAL OF MINUTES

Ms. Young stated on page 5, second sentence, the word consul should be corrected as counsel.

MOTION: Mr. Christensen moved that the Battle Creek Tax Increment Finance Authority Board of Directors approve the October 15, 2019 minutes as corrected. Mr. Davis supported the motion and it was unanimously approved.

CLARK LOGIC PROPOSAL FOR I-94 SOUTH

Mr. Sobieralski stated that the proposed project has been under discussions with Battle Creek Unlimited (BCU) and the BCTIFA Board for approximately one year. Staff has been negotiating with Clark Logic and Great Lakes Capital which have partnered and formed an entity named Industrial Partners USA, LLC. The project will be beneficial to all parties involved and will provide some spec buildings that will set Battle Creek apart in the Southwest Michigan area. The site of interest is I-94 South.

Mr. Corder presented the details of the project. The developer (Industrial Partners USA, LLC) has proposed \$1,000,000 for the 88 acres and plans to construct three buildings in three separate phases. Each building will be roughly 250,000 sq. ft. for a total of 750,000 sq. ft. within 5-6 years. Staff and the developer have worked out terms of an agreement for Phase 1; Phase 2; and Phase 3. Each phase is contingent on 75% occupancy or 24 months after closing. The developer has agreed to invest \$10 million in Phase 1; \$8 million in Phase 2; and \$8 million in Phase 3, for a total capital investment of \$26 million. Staff believes this is a good opportunity for BCU, BCTIFA, and the developer.

Mr. Stewart raised the question about the property on the East side of the tracks. Mr. Sobieralski stated the developer did not want the 30.67 acres on the East side. The property has approximately 10 acres that is developable, the remaining property is wetlands. There are no plans to build on the East side acreage, however it could be used for a rail spur, truck drop, or possible drainage. When the property was evaluated by OHM it was recommended that it be used for drainage.

Mr. Claywell asked the developer what their process and vision was for creating local jobs. Mr. Claywell indicated by creating local jobs, it creates opportunities for our local businesses, keeps the money in our tax districts, we have the responsibility to look after the businesses that supply the money. Mr. Claywell encouraged extending the contracts to our local contractors that employ our local labor.

Mr. Smoke stated the opportunity is the building, it will allow a business to move to Battle Creek and employ jobs locally. The developer indicated his preference is to use local labor where it makes sense. The project has been bid out and the market is very competitive. Mr. Smoke stated he would be happy to make sure they have a last look to verify things are fairly bid. The developer did not intend to bring in subs from one hour away.

Mr. Sobieralski asked Mr. Smoke to define “last look”.

Mr. Smoke stated if they had a drywall sub from Elkhart or Goshen area and they provided a competitive price, they would inform the local contractor of the price they would need to be at to make the deal work. It must make sense financially, but the developers’ preference is to employ local labor.

Mr. Corder stated that during discussions, hiring local labor was included in the working document of terms between Industrial Partners USA, LLC and the BCTIFA. The terms were included under Section E, of the legal document created by legal counsel.

Mr. Smoke stated that they have three phases of buildings to develop and want to build relationships with the subs and contractors locally.

Mr. Stewart thank the developer for that consideration. He appreciated that it was included in the document and the feedback. He stated he did not want it to be lost on other types of diverse businesses (women-or minority owned businesses) set a precedent for other projects.

Mr. Dilone suggested Mr. Claywell submit any contractors that they can include in the bid process.

Mr. Storm stated that once this project is approved, next steps include going to Michigan Economic Development Corporation (MEDC) seeking a spec collateral loan.

Mr. Sobieralski stated that the land was appraised at \$1.4 million. The developer proposed an agreement for \$1,000,000 in phased out terms. Therefore, a \$1,000,000 check will not be written at closing. The rationale behind this is because it is a speculative building and market. The developer needs to seek financing for the \$10 million investment, and it needs up front concessions once the building is made whole.

Mr. Corder stated that Battle Creek Unlimited will work with the developer to place tenants on the property. He informed the Board that Battle Creek continues to miss out on several opportunities because we do not have any available buildings to market. This will be a great partnership for us and the opportunity to have 750,000 sq. ft. to market, and the sizes are flexible.

Mr. Czerney asked if we proceed with the project are we committed to idle the other two phases for up to two years.

Mr. Sobieralski stated two years will go by pretty quick. The BCTIFA has other large parcels of size that are available should something of size come along and/or they need something of that size.

Mr. Mumford asked if staff was ready for the Board to authorize the BCTIFA Chair to enter into a Development Agreement with Industrial Partners USA, LLC.

Mr. Stewart stated that this proposal is much improved over what was proposed in the past. He appreciated the work that has been done to move this project forward.

Mr. Christensen stated that the previous \$300,000 proposal was going to place the developer in a competitive market for lease space of \$4.25 - \$4.50 sq. ft. How does the new price affect the rates?

Mr. Smoke stated that the costs should be the same and should not affect the first building. But, to keep the momentum going for the second and third buildings it will be more expensive.

Mr. Dilone stated that Clark Logic has 1.5 million sq. ft. of lease space and they are at capacity. There are spaces with 100,000 sq. ft. benching \$5.00 sq. ft. in the marketplace along I-94.

MOTION: Mr. Claywell moved that the Battle Creek Tax Increment Finance Authority Board of Directors authorize the Chair to enter into a Development Agreement with Industrial Partners USA, LLC as presented. Ms. Fleury supported the motion and it was approved unanimously.

Mr. Stewart stated that he and legal counsel will complete the necessary work to get the project moving.

W. RIVER ROAD/ARMSTRONG ROAD LAND SALE

Mr. Corder stated that this project is being called Project Deep Dish. A real estate developer came to Battle Creek from the Chicago area approximately one month ago. The company was previously interested in 120 acres in Muskegon for a cannabis park. They have discussed construction of a building between 3,000,000 – 5,000,000 sq. ft. They are interested in acquiring the entire 100 acres just north of the VA Medical Center. An image of the proposed building was displayed. The project fell through in Muskegon because the site was a Superfund Site and there were limitations for use. The Environmental Protection Agency (EPA) came in and said they could not sell the property for cannabis use. The company would serve as a developer, who would build the property, they do not intend to operate any cannabis businesses. They will develop the buildings and manage the facilities. They like the location and our vision of the space. They are ready to negotiate a price for the property. The developer proposed \$1.4 million for 104.835 acres of land which includes six parcels owned by the BCTIFA. One parcel is owned by the City of Battle Creek and is used as a retention pond. Staff is currently in negotiations with the developer, with terms including: access control, fencing, and Fort Custer Industrial Park Protective Covenants.

The developer will develop the property for grow, processing, storage, and testing. There will be no retail on site.

Our plan was to have one access road off Armstrong Road which would extend to the length of the property with a cul-de-sac. The developer may want two access roads, or a horseshoe. The offer is for \$1.4 million with a 60-day due diligence period, with an option for an additional 60-days.

Mr. Sobieralski stated that negotiations started at \$2 million, the developer countered at \$1.2 million, and we countered at \$1.6 million and negotiated to \$1.4 million.

Mr. Stewart asked if the property has ever been appraised. Mr. Corder stated that the property is from the original plat from the government and the land has not been appraised. Years ago, BCU had the property cleared of large hard woods. It will not take much to clear the sites. A question was asked on how much do we have invested in the site? Investments would include Phase I and Phase 2 when the sites were cleared, well under \$500,000.

Mr. Claywell suggested that the Development Agreement be written that the developer is responsible for all utilities and that the property is being purchase as is. The BCTIFA is not responsible for the access road, soil samples, drainage, or utilities.

Mr. Corder stated that the developer plans to have their own co-generation plant on site. They anticipate being a large energy user. This site is well served by all utilities.

Mr. Sobieralski stated that a clause can be added that they are buying the land as is, there will be no support for road construction and utilities.

Mr. Mumford stated that the developer would use BCTIFA standard sales agreement and would compel the developer to go through the BCU Development Review Board process. The document would also include language that BCTIFA will not be responsible for bringing additional utilities to the site.

Mr. Claywell asked if staff has considered reaching out to the existing businesses located in Fort Custer Industrial Park to inform the tenants of this size of project. Mr. Sobieralski stated that BCU has not informed anyone to date. However, there are several board members that sit on the board that are aware of the project. BCU can plan to make direct contact.

Mr. Claywell suggested a courtesy luncheon to let the businesses know that a developer is planning to acquire 100+ acres and will build up to a 5,000,000 sq. ft. building for a cannabis business in the Fort Custer Industrial Park and any feedback would be appreciated.

Mr. Corder stated that the developer is anticipating 200-300 employees working in the area, they asked about adding a café and bank to serve the needs of the employees, because of the location in the park. The intent to open the campus to other park tenants is not the intent.

Mr. Czerney asked if we had any information on the perspective buyer and what are the prospects for job creation.

Mr. Corder stated that staff knows they are a real estate developer from the Chicago area. They have built other properties, this is their first cannabis development. The prospect for creation of jobs, really depends on the product. There will be facility managers to manage the properties, they anticipate the jobs created from the companies coming in and investing. The developer in anticipating this project to be a job creator and job attractor.

Mr. Sobieralski stated that for every 150,000 sq. ft. building, it would be 75-100 jobs for this type of operation.

Mr. Corder stated that staff is seeking approval of the purchase price, not approval of final terms.

Mr. Sobieralski stated that the real estate agent wrote up an offer for \$1.4 million with a 4% commission (\$56,000) paid by the seller. Mr. Mumford stated that the BCTIFA has never paid a commission before, we need to consider the \$1.4 million, minus the \$56,000 for a total cash purchase of \$1,344,000.

Mr. Christensen asked if the local roads would accommodate an additional 1,000 people. River Road west is in good shape, however Armstrong Road is a county line and would require improvements.

Mr. Claywell stated that the intent is not specifically the money, but the intent setting a caveat for future sales that we are now committing to 4%. His focus is on if we are going into the business of paying realtors, what does that look like.

MOTION: Mr. Claywell moved that the Battle Creek Tax Increment Finance Authority Board of Directors approve the \$1.4 million and give staff the flexibility to remove the 4% commission (\$56,000) and come up with a rate consistent to that amount, removing the negotiation clause would be acceptable. Ms. Dahner supported the motion and it was approved by majority vote. Mr. Czerney voted No.

PROSPECT/PROJECT DEVELOPMENT UPDATE

Franklin Plastics - Mr. Sobieralski stated that the company has a lot of storage outside on their property and is in violation of the Fort Custer Industrial Park Protective Covenants. BCU staff continues to work with the offenders of the Protective Covenants. There are some other businesses that staff is working with. Franklin is interested in building a new 50,000 sq. ft. building on an adjacent site, south of their current location and utilize the existing parking lot for both facilities. The company is not able to expand on their existing site because of the Air National Guard (Blast Zone) radius around the ammunition storage. Staff will do some due diligence, soil borings, and geotechnical to see if site is viable. Staff will engage in some professional services (SME) to make sure the construction is supported on the site. The building would be used for storage with small amount of processing. The storage behind their facility would be moved into the new building.

Jones Lang LaSalle (JLL) Real Estate Services – Mr. Corder stated that he has been in contact with the JLL real estate company interested in listing the available BCTIFA sites. The sites include Fort Custer Industrial Park and surrounding area Watkins Road, I-94 North, and Stone Jug. We have a list of properties that we are proposing to give them. This is a strategy that staff plans to move forward with. JLL is an American commercial real estate services firm, the second-largest company of its kind in the world. JLL is a property consultancy company specializing in property services and they have global reach, with offices all over the world.

Mr. Stewart requested that the McQuiston Drive acreage be removed from the list.

Robbins Building Update – Ms. Jones stated that on December 2nd, the developer contacted the realtor asking for additional time for the due diligence. The roof inspections did not get completed as the developer started the due diligence a month later than scheduled. The Robbins Building Committee agreed to extension of time until January 17, 2020 for the agreement. The closing would take place 10 days later.

PUBLIC COMMENTS

Mr. Sobieralski thanked everyone for attending the special meeting and wished everyone happy holidays. He mentioned that if all of these projects come to fruition, it will free up some bandwidth for the UAS drone development activity.

The next meeting is scheduled for Tuesday, January 21, 2020 at 3:00 PM.

There being no further business, the meeting was adjourned at 9:50 a.m.

BATTLE CREEK TAX INCREMENT
FINANCE AUTHORITY
(A Component Unit of the
City of Battle Creek, Michigan)

Year Ended
June 30, 2019

Financial
Statements and
Supplementary
Information

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BATTLE CREEK TAX INCREMENT FINANCE AUTHORITY

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INDEPENDENT AUDITORS' REPORT

December 19, 2019

To the Board of Directors of the
Battle Creek Tax Increment Finance Authority
City of Battle Creek, Michigan

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities and each major fund of the *Battle Creek Tax Increment Finance Authority, a component unit of the City of Battle Creek, Michigan* (the "Authority") as of and for the year ended June 30, 2019, and the related notes to the financial statements, which collectively comprise the Authority's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Independent Auditors' Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Authority's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities and each major fund of the Authority, as of June 30, 2019, and the respective changes in financial position thereof and the budgetary comparison for the general fund for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis listed in the table of contents be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

Our audit was conducted for the purpose of forming opinions of the financial statements that collectively comprise the Battle Creek Tax Increment Finance Authority's basic financial statements. The supplementary information listed in the table of contents is presented for purposes of additional analysis and is not a required part of the basic financial statements.

The supplementary information has not been subjected to the auditing procedures applied in the audit of the basic financial statements, and accordingly, we do not express an opinion or provide any assurance on it.

Rehmann Lohman LLC

MANAGEMENT'S DISCUSSION AND ANALYSIS

BATTLE CREEK TAX INCREMENT FINANCE AUTHORITY

Management's Discussion and Analysis

The Battle Creek Tax Increment Finance Authority (the "Authority") was established pursuant to Public Act 450 of 1980. The Authority is a component unit of the City of Battle Creek, Michigan, and presents this management discussion and analysis of its financial performance as an overview of financial activities for the fiscal year ended June 30, 2019.

Using this Annual Report

This discussion and analysis is intended to serve as an introduction to the Authority's basic financial statements. The basic financial statements are comprised of the following:

- The statement of net position and governmental funds balance sheet presents information on all of the Authority's assets, liabilities and deferred inflow of resources, with the difference reported as net position/fund balance. Over time, increases or decreases in net position/fund balance may serve as a useful indicator of whether the financial position of the Authority is improving or deteriorating.
- The statement of activities and governmental fund revenues, expenditures and changes in fund balances presents information showing how the Authority's net position/fund balance changed during the most recent fiscal year.
- The balance sheet and statement of revenues, expenditures and changes in fund balances - governmental funds focuses on *near-term inflows and outflows of spendable resources*, as well as on *balances of spendable resources available* at the end of the fiscal year. Such information may be useful in evaluating a government's near-term financing requirements.
- The statement of revenues, expenditures, and changes in fund balance - budget and actual - general fund presents information showing the comparison of the Authority's actual revenues and expenditures to what was budgeted.
- The notes to the basic financial statements provide additional information that is essential to a full understanding of the data provided in the basic financial statements.

Financial Analysis

The net position of the Authority is summarized for the purpose of determining the overall fiscal position. As shown below, the Authority's assets exceeded liabilities by \$27,007,163 at the end of the fiscal year, of which \$22,998,663 was the investment in capital assets, leaving \$3,350 restricted net position for debt service and \$4,005,150 in unrestricted net position. The investment in capital assets increased by \$948,987 in the current year due to the airport bridge engineering project. The Authority had an increase in capital project expenditures related to this project which also increased capital assets.

BATTLE CREEK TAX INCREMENT FINANCE AUTHORITY

Management's Discussion and Analysis

A comparative analysis of the data is presented below:

	Net Position as of June 30,	
	2019	2018
Assets		
Current and other assets	\$11,135,608	\$14,912,162
Capital assets, net	22,998,663	22,049,676
Total assets	<u>34,134,271</u>	<u>36,961,838</u>
Liabilities		
Other liabilities	2,990,677	3,004,360
Long-term debt	4,136,431	4,545,635
Total liabilities	<u>7,127,108</u>	<u>7,549,995</u>
Net position		
Investment in capital assets	22,998,663	22,049,676
Restricted for debt service	3,350	3,194
Unrestricted	4,005,150	7,358,973
Total net position	<u>\$27,007,163</u>	<u>\$29,411,843</u>

For the current year, net position decreased by \$2,404,680. This unfavorable change from the prior year is a result of the decrease in revenues of \$966,603 mainly due to a decrease in the state aid revenue through the personal property tax reimbursements in the current year. Additionally, total expenses as compared to the prior year increased by \$486,526 and assets also decreased in comparison to the prior year by \$2,827,567 due to an increase in administrative services, transfers to the Airport for projects of \$467,846 and a contribution of \$1,075,000 to Kellogg Regional Manufacturing Technology Center (RMTC) building project.

BATTLE CREEK TAX INCREMENT FINANCE AUTHORITY

Management's Discussion and Analysis

	Changes in Net Position for the Year Ending June 30,	
	2019	2018
Revenues		
Program revenues:		
Charges for services	\$ 67,406	\$ 285,721
Capital grants and contributions	1,690,489	2,870,961
General revenues:		
Property taxes	1,596,192	1,486,153
Unrestricted investment earnings	497,506	175,361
Total revenues	<u>3,851,593</u>	<u>4,818,196</u>
Total expenses	<u>6,256,273</u>	<u>5,769,747</u>
Change in net position	(2,404,680)	(951,551)
Net position, beginning of year	<u>29,411,843</u>	<u>30,363,394</u>
Net position, end of year	<u><u>\$27,007,163</u></u>	<u><u>\$29,411,843</u></u>

Governmental funds. As of the end of the current fiscal year, the Authority's governmental funds reported combined ending fund balances of \$4,796,781 a decrease of \$3,500,339 from the prior year. This is a result of increased capital project expenditures in the current year related to land procurement and the southwest quadrant of the Hill Brady and Skyline project.

The fund balance of the Authority's general fund decreased by \$939,998 during the current fiscal year. This is a result of a decrease in state aid revenue through the personal property tax reimbursements.

General Fund Budgetary Highlights

The general fund original adopted budget reflected revenues in excess of expenditures and an increase of fund balance of \$314,572. Mid-year budget adjustments were made to reflect a decrease in the state aid revenue through the personal property tax reimbursements resulting in a budgeted decrease in fund balance of \$1,195,477. Ultimately actual revenues were over budget (primarily in the unrestricted investment earnings line item) resulting in an ending decrease to fund balance in the amount of \$939,998.

BATTLE CREEK TAX INCREMENT FINANCE AUTHORITY

Management's Discussion and Analysis

Capital Assets

The Authority had \$22,998,663 in capital assets at the end of the fiscal year. Capital assets include land, construction in progress, land improvements, buildings, and equipment with an original cost of more than \$10,000. Major outlays for capital assets are capitalized as projects are constructed or the assets are otherwise acquired and placed into service.

	2019	2018
Land	\$14,385,579	\$14,266,053
Construction in progress	7,029,934	6,206,785
Land improvements	1,496,475	1,536,461
Buildings	16,945	31,829
Equipment	69,730	8,548
Total	<u>\$22,998,663</u>	<u>\$22,049,676</u>

The Authority had an increase in capital assets of \$948,987 at the end of the fiscal year as a result of the construction in progress for the airport bridge engineering project.

Long-term Debt

At the end of the current fiscal year, the Authority had general obligation bonds outstanding of \$4,145,000. General obligation bonds were issued to provide funds for the construction and acquisition of major capital assets. All debt is related to infrastructure or other capital assets for which the Authority does not hold legal ownership. While the Authority may be obligated to repay the debt issued to finance the related projects, such capital assets become the property of the City when they are placed into service and, accordingly, are reported in the City's capital assets. These bonds are outstanding with varying amounts of principal maturing until 2030.

	2019	2018
General obligation bonds		
2009 Limited tax bonds	\$ 2,310,000	\$ 2,495,000
2010 Limited tax bonds (hangar)	1,835,000	2,060,000
Total	<u>\$ 4,145,000</u>	<u>\$ 4,555,000</u>

The City's total bonded debt decreased by \$410,000 during the current fiscal year as a result of scheduled debt payments.

Economic Factors

The Battle Creek Tax Increment Finance Authority's expenses are governed by the laws of the State of Michigan and bond indenture covenants. These laws and covenants determine how bond proceeds are spent and how and when debt retirement payments are made. During 2019, total community development expenses were \$6,072,328, which included \$62,208 of depreciation (a non-cash item).

BATTLE CREEK TAX INCREMENT FINANCE AUTHORITY

Management's Discussion and Analysis

Contacting the Battle Creek Tax Increment Finance Authority

This financial report is designed to provide a general overview of the Battle Creek Tax Increment Finance Authority's finances and to show accountability for the money it receives and expends. The financial statements can be found on the City's website: www.battlecreekmi.gov. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to the City Finance Director, P.O. Box 1717, Battle Creek, MI 49016-1717.

BASIC FINANCIAL STATEMENTS

BATTLE CREEK TAX INCREMENT FINANCE AUTHORITY

Statement of Net Position

June 30, 2019

	Governmental Activities
Assets	
Pooled cash and investments	\$ 7,695,498
Taxes receivable	506,733
Interest receivable	77,543
Loans receivables - due in more than one year	2,855,834
Capital assets not being depreciated	21,415,513
Capital assets being depreciated, net	<u>1,583,150</u>
Total assets	<u>34,134,271</u>
Liabilities	
Accounts payable and accrued liabilities	2,976,260
Accrued interest payable	14,417
Long-term debt:	
Due within one year	324,204
Due in more than one year	<u>3,812,227</u>
Total liabilities	<u>7,127,108</u>
Net position	
Investment in capital assets	22,998,663
Restricted for debt service	3,350
Unrestricted	<u>4,005,150</u>
Total net position	<u><u>\$ 27,007,163</u></u>

The accompanying notes are an integral part of these financial statements.

BATTLE CREEK TAX INCREMENT FINANCE AUTHORITY

Statement of Activities

For the Year Ended June 30, 2019

Functions/Programs	Expenses	Program Revenues		Net (Expense) Revenue
		Charges for Services	Capital Grants and Contributions	
Governmental activities				
Community development	\$ 6,072,328	\$ 67,406	\$ 1,690,489	\$ (4,314,433)
Interest on long-term debt	183,945	-	-	(183,945)
Total governmental activities	<u>\$ 6,256,273</u>	<u>\$ 67,406</u>	<u>\$ 1,690,489</u>	<u>(4,498,378)</u>
General revenues				
Property taxes				1,596,192
Unrestricted investment earnings				497,506
Total general revenues				<u>2,093,698</u>
Change in net position				(2,404,680)
Net position, beginning of year				<u>29,411,843</u>
Net position, end of year				<u>\$ 27,007,163</u>

The accompanying notes are an integral part of these financial statements.

BATTLE CREEK TAX INCREMENT FINANCE AUTHORITY

Balance Sheet

Governmental Funds

June 30, 2019

	General	Debt Service	Airport Bonds
Assets			
Pooled cash and investments	\$ 3,234,377	\$ -	\$ 9,836
Taxes receivable	506,733	-	-
Interest receivable	77,543	-	-
Loans receivables - due in more than one year	2,855,834	-	-
Total assets	<u>\$ 6,674,487</u>	<u>\$ -</u>	<u>\$ 9,836</u>
Liabilities			
Accounts payable	\$ 2,817,473	\$ -	\$ -
Deferred inflows of resources			
Unavailable revenue:			
Property taxes	506,733	-	-
Loans receivable	2,855,834	-	-
Total deferred inflows of resources	<u>3,362,567</u>	<u>-</u>	<u>-</u>
Fund balances			
Restricted for debt service	-	-	9,836
Committed for capital projects	-	-	-
Unassigned	494,447	-	-
Total fund balances	<u>494,447</u>	<u>-</u>	<u>9,836</u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 6,674,487</u>	<u>\$ -</u>	<u>\$ 9,836</u>

The accompanying notes are an integral part of these financial statements.



Capital Projects	Total Governmental Funds
-----------------------------	---

\$ 4,451,285	\$ 7,695,498
-	506,733
-	77,543
-	2,855,834

<u>\$ 4,451,285</u>	<u>\$ 11,135,608</u>
---------------------	----------------------

<u>\$ 158,787</u>	<u>\$ 2,976,260</u>
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-	506,733
-	2,855,834

-	3,362,567
---	-----------

-	9,836
4,292,498	4,292,498
-	494,447

<u>4,292,498</u>	<u>4,796,781</u>
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<u>\$ 4,451,285</u>	<u>\$ 11,135,608</u>
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BATTLE CREEK TAX INCREMENT FINANCE AUTHORITY

Reconciliation

Fund Balances of Governmental Funds
to Net Position of Governmental Activities
June 30, 2019

Fund balances - total governmental funds	\$ 4,796,781
 Amounts reported for <i>governmental activities</i> in the statement of net position are different because:	
Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds.	
Capital assets not being depreciated	21,415,513
Capital assets being depreciated, net	1,583,150
 Because the focus of governmental funds is on short-term financing, some assets will not be available to pay for current expenditures. Those assets (i.e., receivables) are offset by deferred inflows of resources in the governmental funds and, therefore, not included in fund balance.	
Unavailable taxes receivable	506,733
Unavailable loans receivable	2,855,834
 Certain liabilities, such as bonds payable, are not due and payable in the current period and therefore are not reported in the funds.	
Bonds payable, net of issuance discounts	(4,136,431)
Accrued interest payable on long-term debt	(14,417)
	<hr/>
Net position of governmental activities	<u>\$ 27,007,163</u>

The accompanying notes are an integral part of these financial statements.

BATTLE CREEK TAX INCREMENT FINANCE AUTHORITY

Statement of Revenues, Expenditures and Changes in Fund Balances

Governmental Funds

For the Year Ended June 30, 2019

	General	Debt Service	Airport Bonds
Revenues			
Property taxes	\$ 1,547,781	\$ -	\$ -
Intergovernmental:			
State	1,174,273	-	-
Local	516,216	-	-
Rents and leases	-	-	-
Unrestricted investment earnings	497,506	-	-
Charges for services	38,520	-	-
Total revenues	3,774,296	-	-
Expenditures			
Community development	3,720,507	-	-
Debt service:			
Principal	-	225,000	185,000
Interest and fiscal charges	-	85,706	98,581
Total expenditures	3,720,507	310,706	283,581
Revenues over (under) expenditures	53,789	(310,706)	(283,581)
Other financing sources (uses)			
Transfers in	-	310,706	283,081
Transfers out	(993,787)	-	-
Total other financing sources (uses)	(993,787)	310,706	283,081
Net change in fund balances	(939,998)	-	(500)
Fund balances, beginning of year	1,434,445	-	10,336
Fund balances, end of year	\$ 494,447	\$ -	\$ 9,836

The accompanying notes are an integral part of these financial statements.



Capital Projects	Total Governmental Funds
\$ -	\$ 1,547,781
-	1,174,273
-	516,216
28,886	28,886
-	497,506
-	38,520
<u>28,886</u>	<u>3,803,182</u>
2,988,727	6,709,234
-	410,000
-	184,287
<u>2,988,727</u>	<u>7,303,521</u>
<u>(2,959,841)</u>	<u>(3,500,339)</u>
400,000	993,787
-	(993,787)
<u>400,000</u>	<u>-</u>
(2,559,841)	(3,500,339)
<u>6,852,339</u>	<u>8,297,120</u>
<u>\$ 4,292,498</u>	<u>\$ 4,796,781</u>

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BATTLE CREEK TAX INCREMENT FINANCE AUTHORITY

Reconciliation

Net Changes in Fund Balances of Governmental Funds
to Change in Net Position of Governmental Activities
For the Year Ended June 30, 2019

Net change in fund balances - total governmental funds	\$ (3,500,339)
Amounts reported for <i>governmental activities</i> in the statement of activities are different because:	
Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense.	
Acquisition/construction of capital assets	1,011,195
Depreciation expense	(62,208)
Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds, but rather deferred to subsequent fiscal years.	
Change in unavailable revenues related to taxes receivable	48,411
Governmental funds report loans to other component units of the reporting entity as an expenditure; however, in the statement of activities, those costs are eliminated and capitalized as long-term receivables.	
Loans made to other component units	204,135
Amounts repaid on loans	(516,216)
Bond proceeds provide current financial resources to governmental funds in the period issued, but issuing bonds increases long-term debt in the statement of net position. Repayment of bond principal is an expenditure in the governmental funds, but the repayment reduces long-term debt in the statement of net position.	
Principal payments on long-term debt	410,000
Some expenses reported in the statement of activities do not require the use of current financial resources and therefore are not reported as expenditures in the funds.	
Change in accrued interest payable on long-term debt	342
Change in net position of governmental activities	<u><u>\$ (2,404,680)</u></u>

The accompanying notes are an integral part of these financial statements.

BATTLE CREEK TAX INCREMENT FINANCE AUTHORITY

Statement of Revenues, Expenditures and Changes in Fund Balance

Budget and Actual - General Fund

For the Year Ended June 30, 2019

	Original Budget	Final Budget	Actual	Actual Over (Under) Final Budget
Revenues				
Property taxes	\$ 1,553,226	\$ 1,448,171	\$ 1,547,781	\$ 99,610
Intergovernmental:				
State	3,468,145	1,174,273	1,174,273	-
Local	590,000	551,886	516,216	(35,670)
Unrestricted investment earnings	198,926	164,793	497,506	332,713
Charges for services	477,500	28,625	38,520	9,895
Total revenues	6,287,797	3,367,748	3,774,296	406,548
Expenditures				
Community development	3,578,438	3,568,438	3,720,507	152,069
Revenues over (under) expenditures	2,709,359	(200,690)	53,789	254,479
Other financing uses				
Transfers out	(2,394,787)	(994,787)	(993,787)	(1,000)
Change in fund balance	314,572	(1,195,477)	(939,998)	255,479
Fund balance, beginning of year	1,434,445	1,434,445	1,434,445	-
Fund balance, end of year	\$ 1,749,017	\$ 238,968	\$ 494,447	\$ 255,479

The accompanying notes are an integral part of these financial statements.

NOTES TO FINANCIAL STATEMENTS

BATTLE CREEK TAX INCREMENT FINANCE AUTHORITY

Notes to Financial Statements

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Reporting Entity

These financial statements present the activities of the Battle Creek Tax Increment Finance Authority (the "Authority"). The Authority was organized pursuant to Public Act 450 of 1980. The primary purpose of the Authority is to encourage economic activity in the Fort Custer Industrial Park Development District. The Authority's activities are primarily funded through tax increment financing and bonded debt.

The Authority is a component unit of the City of Battle Creek, Michigan (the "City") because the City appoints the Authority's Board of Directors, it has the ability to significantly influence the Authority's operations and it is financially accountable for the Authority. Accordingly, the Authority is presented as a discrete component unit in the City's financial statements and is an integral part of that reporting entity.

Government-wide and Fund Financial Statements

The statements of net position and activities display information about the financial activities of the Authority. Eliminations have been made to minimize the double-counting of internal activities. Governmental activities generally are financed through taxes and other nonexchange transactions.

The statement of activities presents a comparison between direct expenses and program revenues for each function of the Authority's governmental activities. Direct expenses are those that are specifically associated with a program or function and, therefore, are clearly identifiable to a particular function. Program revenues include (a) fees and charges paid by the recipients of goods or services offered by the programs and (b) grants and contributions that are restricted to meeting the operational or capital requirements of a particular program. Revenues that are not classified as program revenues, including all taxes, are presented as general revenues.

The fund financial statements provide information about the Authority's funds. The emphasis of fund financial statements is on major governmental funds, each displayed in a separate column.

Measurement Focus, Basis of Accounting and Financial Statement Presentation

The government-wide financial information is reported using the *economic resources measurement focus* and the *accrual basis of accounting*. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year for which they are levied.

BATTLE CREEK TAX INCREMENT FINANCE AUTHORITY

Notes to Financial Statements

Governmental fund financial information is reported using the *current financial resources measurement focus* and the *modified accrual basis of accounting*. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the Authority considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures are recorded only when payment is due.

Property taxes and interest associated with the current fiscal period are all considered to be susceptible to accrual and so have been recognized as revenues of the current fiscal period. All other revenue items are considered to be measurable and available only when cash is received by the government.

The Authority reports the following major governmental funds:

The *general fund* is the Authority's primary operating fund. It accounts for all financial resources of the Authority, except those accounted for and reported in another fund.

The *debt service fund* is used to account for and report financial resources that are restricted, committed, or assigned to expenditure for principal and interest.

The *airport bonds debt service fund* is used to account for and report financial resources that are restricted, committed, or assigned to expenditure for principal and interest.

The *capital projects fund* accounts for and report financial resources that are restricted, committed or assigned to expenditure for capital outlays, including the acquisition or construction of capital facilities and other capital assets.

Generally, the effect of interfund activity has been eliminated from the government-wide financial statements.

BATTLE CREEK TAX INCREMENT FINANCE AUTHORITY

Notes to Financial Statements

Fund Balances

Governmental funds report *nonspendable fund balance* for amounts that cannot be spent because they are either (a) not in spendable form or (b) legally or contractually required to be maintained intact. *Restricted fund balance* is reported when externally imposed constraints are placed on the use of resources by grantors, contributors, or laws or regulations of other governments. *Committed fund balance* is reported for amounts that can only be used for specific purposes pursuant to constraints imposed by formal action of the government's highest level of decision-making authority, the Board. A formal resolution of the Board is required to establish, modify, or rescind a fund balance commitment. Assigned fund balances are neither restricted nor committed. The Board authorized City management to assign fund balance. Unassigned fund balance is the residual classification for the general fund.

When the government incurs an expenditure for purposes for which various fund balance classifications can be used, it is the government's policy to use restricted fund balance first, then committed, assigned, and finally unassigned fund balance.

Capital Assets

Capital assets, which include property and equipment, are reported in the government-wide financial statements. The Authority defines capital assets as assets with an initial, individual cost of more than \$10,000 and an estimated useful life in excess of two years. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets, if any, are recorded at the estimated acquisition cost as of the date of donation. The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend assets lives are not capitalized.

Major outlays for capital assets and improvements are capitalized as projects are constructed. Interest incurred during the construction phase of capital assets, if any, is included as part of the capitalized value of the assets constructed. No such interest expense was incurred during the current fiscal year.

Infrastructure assets (e.g., roads, curbs, sidewalks, storm sewers and similar items), along with water and wastewater subsystems, constructed by the Authority are not recorded as the Authority's capital assets, even though the Authority may be obligated to repay the debt issued to finance the related projects. Such capital assets become the property of the City when they are placed into service and, accordingly, are reported in the City's capital assets.

The Authority's capital assets are depreciated using the straight-line method over the following estimated useful lives:

	Years
Land improvements	50
Buildings	25
Equipment	10

BATTLE CREEK TAX INCREMENT FINANCE AUTHORITY

Notes to Financial Statements

Deferred Outflows of Resources

In addition to assets, the statement of financial position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element represents a consumption of net position that applies to one or more future periods and will not be recognized as an outflow of resources (expense/expenditure) until then. The City has no deferred outflows of resources at year-end.

Long-term Obligations

In the government-wide financial statements, long-term debt is reported as a liability. Bond discounts, if any, are deferred and amortized over the life of the bonds using the effective interest method. Bonds payable are reported net of the applicable bond discount.

In the fund financial statements, governmental fund types recognize bond discounts, as well as bond issuance costs, during the current period. The face amount of debt issued is reported as other financing sources. Discounts on debt issuances are reported as other financing uses. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as debt service expenditures.

Deferred Inflows of Resources

In addition to liabilities, the statement of net position and/or governmental funds balance sheet will sometime report a separate section for deferred inflows of resources. This separate financial statement element represents an acquisition of net position that applies to one or more future periods and so will not be recognized as an inflow of resources (revenue) until that time. The governmental funds report unavailable revenues, which arises only under a modified accrual basis of accounting, from property taxes and loans receivable. These amounts are deferred and recognized as an inflow of resources in the period that the amounts become available.

BATTLE CREEK TAX INCREMENT FINANCE AUTHORITY

Notes to Financial Statements

Budgetary Information

The general fund is under formal budgetary control and its budget is prepared on the same modified accrual basis used to reflect actual results. The Authority follows the City budget process in establishing the budgetary data reflected in the financial statements:

- The Authority submits a proposed budget to the City Manager. After review and approval, the City Manager submits a recommended operating budget to the City Commission. Public hearings are held to obtain taxpayer comments. The budget is legally adopted at the fund level through a City Commission resolution prior to the beginning of the budgetary year for the Authority's funds.
- The budget is adopted on a basis consistent with generally accepted accounting principles. Budgeted amounts are as originally adopted or amended by the City Commission during the year. Individual amendments were not material in relation to the original appropriations.

For the year ended June 30, 2019, the Authority incurred general fund expenditures in excess of the amounts appropriated for community development of \$152,069.

2. CASH AND INVESTMENTS

At year-end, the carrying amount of the Authority's pooled cash and investments, which were deposited entirely in the City's internal cash management pool, was \$7,695,498. Because it is infeasible to allocate risk to individual pool participants, aggregate cash and investment categorizations are presented in the City's financial statements.

BATTLE CREEK TAX INCREMENT FINANCE AUTHORITY

Notes to Financial Statements

3. CAPITAL ASSETS

Capital assets activity for the year ended June 30, 2019, was as follows:

	Beginning Balance	Additions	Disposals	Transfers	Ending Balance
Capital assets not being depreciated:					
Land	\$ 14,266,053	\$ 119,526	\$ -	\$ -	\$ 14,385,579
Construction in progress	6,206,785	823,149	-	-	7,029,934
	<u>20,472,838</u>	<u>942,675</u>	<u>-</u>	<u>-</u>	<u>21,415,513</u>
Capital assets being depreciated:					
Land improvements	1,908,417	-	-	-	1,908,417
Buildings	315,845	-	-	-	315,845
Equipment	446,951	68,520	127,146	-	388,325
Total capital assets being depreciated	<u>2,671,213</u>	<u>68,520</u>	<u>127,146</u>	<u>-</u>	<u>2,612,587</u>
Less accumulated depreciation for:					
Land improvements	(371,956)	(39,986)	-	-	(411,942)
Buildings	(284,016)	(14,884)	-	-	(298,900)
Equipment	(438,403)	(7,338)	(127,146)	-	(318,595)
Total accumulated depreciation	<u>(1,094,375)</u>	<u>(62,208)</u>	<u>(127,146)</u>	<u>-</u>	<u>(1,029,437)</u>
Total capital assets being depreciated, net	<u>1,576,838</u>	<u>6,312</u>	<u>-</u>	<u>-</u>	<u>1,583,150</u>
Total capital assets, net	<u>\$ 22,049,676</u>	<u>\$ 948,987</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 22,998,663</u>

Depreciation expense in the amount of \$62,208 was reported in the community development function in the government-wide statement of activities.

At June 30, 2019, the Authority had outstanding commitments through a construction contract of approximately \$531,000 for building and equipment improvements.

BATTLE CREEK TAX INCREMENT FINANCE AUTHORITY

Notes to Financial Statements

4. LOANS RECEIVABLE

During the year ended June 30, 2008, the Authority approved a loan to the Battle Creek Brownfield Redevelopment Authority ("BCBRA"; a component unit of the City of Battle Creek, Michigan) in the total amount of \$3,530,000 to be used in accordance with a particular brownfield plan. As of June 30, 2019, \$178,161 was outstanding (\$2,560,708 had been drawn) on the authorized amount (no amount was drawn during the current year) and is included in the long-term receivable reported in the statement of net position. Future repayment from the BCBRA is based on its collection of tax increment revenues.

During the year ended June 30, 2010, the Authority approved a loan to the BCBRA in the total amount of \$5,500,000 to be used in accordance with another particular brownfield plan. As of June 30, 2019, \$2,677,673 had been drawn and is outstanding on the authorized amount and is also included in the long-term receivable reported in the statement of net position. Future repayment of this loan by the BCBRA is based on its collection of tax increment revenues.

Each of the above loans includes interest at 5% per annum. The total amount drawn by BCBRA on the loans through June 30, 2019 is \$5,238,381 (\$204,135 in the current year). As of June 30, 2019, \$2,382,547 has been paid on the loans resulting in a net balance of \$2,855,834. No amount is presently reported as due within one year since repayment is based on the future collection of incremental tax revenues.

5. TRANSFERS

For the year ended June 30, 2019, interfund transfers are summarized as follows:

Transfers In	Transfers Out	
	General	
Debt service	\$	310,706
Airport bonds		283,081
Capital projects		400,000
Totals	\$	993,787

Transfers are used to: (1) move revenues from the fund that is required to collect them to the fund that is required or allowed to expend them and (2) move receipts restricted to or allowed for debt service from the funds collecting the receipts to the debt service fund as debt service payments become due.

BATTLE CREEK TAX INCREMENT FINANCE AUTHORITY

Notes to Financial Statements

6. LONG-TERM DEBT

Following is a summary of the Authority's debt outstanding as of June 30, 2019:

	Year of Maturity	Interest Rate	Original Amount	Outstanding Principal
General Obligation Bonds				
2009 Limited tax bonds	12/1/2028	3.00 - 4.30%	\$ 3,935,000	\$ 2,310,000
2010 Limited tax bonds (hangar)	6/1/2030	2.00 - 4.75%	3,585,000	<u>1,835,000</u>
				<u>\$ 4,145,000</u>

All debt is related to infrastructure or other capital assets for which the Authority does not hold legal ownership. Even though the Authority may be obligated to repay the debt issued to finance the related projects, such capital assets become the property of the City when they are placed into service and, accordingly, are reported in the City's capital assets.

Annual debt service requirements to maturity for the Authority's debt are as follows:

Year Ending June 30,	Authority Obligation	
	Principal	Interest
2020	\$ 325,000	\$ 169,316
2021	340,000	156,986
2022	350,000	143,839
2023	365,000	129,849
2024	380,000	115,269
2025-2029	2,175,000	315,877
2030	<u>210,000</u>	<u>9,975</u>
	<u>\$ 4,145,000</u>	<u>\$ 1,041,111</u>

Changes in Long-term Debt. Long-term liability activity for the year ended June 30, 2019, was as follows:

	Beginning Balance	Additions	Deductions	Ending Balance	Due Within One Year
General obligation bonds	\$ 4,555,000	\$ -	\$ (410,000)	\$ 4,145,000	\$ 325,000
Less bond issuance discounts	(9,365)	-	796	(8,569)	(796)
	<u>\$ 4,545,635</u>	<u>\$ -</u>	<u>\$ (409,204)</u>	<u>\$ 4,136,431</u>	<u>\$ 324,204</u>

BATTLE CREEK TAX INCREMENT FINANCE AUTHORITY

Notes to Financial Statements

7. PROPERTY TAXES

Property tax revenue is derived pursuant to a tax increment financing agreement between the Authority and various applicable taxing districts. Real and personal property taxes are levied and attach as an enforceable lien on properties located within the boundaries of the tax increment financing district. The City bills and collects the taxes on behalf of the Authority. Delinquent taxes on ad valorem real property are purchased by Calhoun County. Property tax revenue is recognized when levied in the government-wide financial statements and in the fund financial statements to the extent that it is available to pay current obligations.

Except for property taxes captured from local schools that exceed contractual obligations, the Authority is entitled to all taxes levied on property within the Battle Creek Tax Increment Finance Authority district to the extent that the current taxable value exceeds the base year taxable value. Renaissance zone property is tax abated property against which property taxes are not currently levied, but in the near future will return or revert to the ad valorem tax rolls. Similarly, industrial and commercial facility tax properties are abated personal property that receive up to a 50% reduction in the millage rate for a stated number of years as approved by the City of Battle Creek, Michigan (or applicable taxing jurisdiction).

The captured increments in taxable value for the 2018 levy are summarized as follows:

Ad valorem property	\$ 76,460,840
IFT*/CFT**/ Other property	<u>47,986,655</u>
Total	<u><u>\$124,447,495</u></u>
* Industrial Facility Tax	
** Commercial Facility Tax	

8. CONTINGENCIES

The Authority has filed various tax increment capture and personal property tax exemption loss forms with the Michigan Department of Treasury for their review and have received reimbursement. Any disallowed claims, including amounts already collected, may constitute a liability of the applicable funds. Any amounts which may be adjusted by the Department of Treasury cannot be determined at this time although the government expects such amounts, if any, to be immaterial.



SUPPLEMENTARY INFORMATION

BATTLE CREEK TAX INCREMENT FINANCE AUTHORITY

Continuing Bond Disclosures (Unaudited)

1. State Equalized Value (SEV) and Taxable Value (TV) of Ad Valorem Tax Roll

Assessed Value as of December 31	Year of Tax Levy	Fiscal Year Ended June 30	Ad Valorem SEV		Ad Valorem TV	
			Amount	% Change	Amount	% Change
2017	2018	2019	\$ 95,785,996	16.31%	\$ 93,222,049	17.08%
2016	2017	2018	82,356,184	-5.06%	79,625,099	-6.34%
2015	2016	2017	86,744,497	-37.71%	85,017,939	-38.88%
2014	2015	2016	139,269,155	2.31%	139,089,323	2.25%
2013	2014	2015	136,121,530	1.73%	136,027,637	1.77%
2012	2013	2014	133,808,353	-6.63%	133,662,882	-6.42%
2011	2012	2013	143,315,610	2.04%	142,831,246	2.09%
2010	2011	2012	140,456,959	-6.35%	139,913,722	-6.26%
2009	2010	2011	149,976,594	-3.71%	149,264,563	-3.70%
2008	2009	2010	155,759,428	-4.05%	154,998,062	-3.70%

Note - Tax Year 2016 is the first year for Eligible Manufacturing Personal Property Exemption per legislative action.

2. Taxable Value (TV) of Ad Valorem Tax Roll by Use

Fiscal Year Ended June 30	Commercial	Industrial	Total
2019	\$ 13,681,269	\$ 79,540,780	\$ 93,222,049
2018	10,156,357	69,468,742	79,625,099
2017	9,931,597	75,086,342	85,017,939
2016	10,524,286	128,565,037	139,089,323
2015	12,741,620	123,286,017	136,027,637
2014	15,134,007	118,528,875	133,662,882
2013	16,765,363	126,065,883	142,831,246
2012	15,558,198	124,355,524	139,913,722
2011	14,226,748	135,037,815	149,264,563
2010	8,633,075	146,364,987	154,998,062

Note - Tax Year 2016 is the first year for Eligible Manufacturing Personal Property Exemption per legislative action.

continued...

BATTLE CREEK TAX INCREMENT FINANCE AUTHORITY

Continuing Bond Disclosures (Unaudited)

3. Taxable Value (TV) of Ad Valorem Tax Roll by Class

Fiscal Year Ended June 30	Real	Personal	Total
2019	\$ 57,813,745	\$ 35,408,304	\$ 93,222,049
2018	54,549,418	25,075,681	79,625,099
2017	53,021,161	31,996,778	85,017,939
2016	52,029,712	87,059,611	139,089,323
2015	54,665,855	81,361,782	136,027,637
2014	53,835,599	79,827,283	133,662,882
2013	56,813,866	86,017,380	142,831,246
2012	57,040,919	82,872,803	139,913,722
2011	61,672,808	87,591,755	149,264,563
2010	64,145,081	90,852,981	154,998,062

Note - Tax Year 2016 is the first year for Eligible Manufacturing Personal Property Exemption per legislative action.

4. Taxable Value (TV) of the Industrial Facilities Tax Roll by Class

Fiscal Year Ended June 30	Real	Personal	Total
2019	\$ 16,077,055	\$ 32,427,099	\$ 48,504,154
2018	18,550,392	34,760,516	53,310,908
2017	19,424,778	42,196,701	61,621,479
2016	20,646,502	111,453,701	132,100,203
2015	19,304,922	111,027,139	130,332,061
2014	26,064,354	98,794,626	124,858,980
2013	28,196,419	115,284,126	143,480,545
2012	26,521,613	121,779,255	148,300,868
2011	25,959,973	128,444,334	154,404,307
2010	24,162,493	145,800,236	169,962,729

Note - Tax Year 2016 is the first year for Eligible Manufacturing Personal Property Exemption per legislative action.

continued...

BATTLE CREEK TAX INCREMENT FINANCE AUTHORITY

Continuing Bond Disclosures (Unaudited)

5. Property Tax Collections

Fiscal Year Ended June 30	Taxes Levied	Collections to March 1	MBT Reimbursement	Total Collected
2019	\$ 1,645,241	\$ 1,547,781	\$ -	\$ 1,547,781
2018	1,413,591	1,354,888	-	1,354,888
2017	2,015,970	1,885,239	-	1,885,239
2016	3,862,179	3,862,179	-	3,862,179
2015	4,896,858	4,896,858	-	4,896,858
2014	4,713,335	4,713,335	644,265	5,357,600
2013	5,002,634	5,002,634	837,365	5,839,999
2012	5,509,155	5,509,155	2,604,869	8,114,024
2011	5,622,324	5,622,324	3,860,229	9,482,553
2010	6,372,819	6,372,819	4,156,853	10,529,672

Note - Starting in 2010 levied and collections to March 1 amounts are lower than prior year due to industrial and commercial exemptions per legislative action.

Note - Starting in 2017 levied and collections to March 1 amounts are lower than prior year due to the State Reimbursement of Tax Incremental Finance Authority Personal Property Loss for Authorities with Increased Captured Loss.

6. Captured Property Tax Rates (per \$1,000 of value)

Fiscal Year Ended June 30	City	B.C. & ISD Schools	County	State Education Tax
2019	9.4159	20.7327	4.0334	6.0000
2018	9.6720	20.7327	4.0334	6.0000
2017	13.4310	20.7327	4.0334	6.0000
2016	12.3910	20.7327	4.0334	6.0000
2015	12.9980	20.7327	4.0334	6.0000
2014	13.3390	20.7327	4.0334	6.0000
2013	13.6180	20.7327	4.0334	6.0000
2012	13.6790	20.7327	4.0334	6.0000
2011	13.6790	20.7794	4.0334	6.0000
2010	13.7490	20.7794	4.0334	6.0000

Note - Starting in 2018, the Authority's Board of Directors approved a 35% pass through of the City captured property tax to the community-wide economic development fund.

continued...

BATTLE CREEK TAX INCREMENT FINANCE AUTHORITY

Continuing Bond Disclosures (Unaudited)

7. Taxable Value of Twenty Largest Ad Valorem Taxpayers (Fiscal Year Ended June 30, 2019)

Taxpayer	Product or Service	Taxable Value	% of Taxable Value
1 Musashi Auto Parts	Automotive parts	\$ 19,405,488	20.82%
2 Denso Manufacturing	Automotive parts	11,228,994	12.05%
3 TRMI Inc.	Automotive parts	4,824,556	5.18%
4 Il Stanley Co., Inc.	Automotive parts	3,275,929	3.51%
5 Agracel Inc.	Industrial developer	2,940,707	3.15%
6 Consumers Energy Co	Electric utility	2,778,922	2.98%
7 WKW Erbsloeh North America Hold	Manufacturer	2,474,445	2.65%
8 VIB Inc.	Industrial printing	1,996,714	2.14%
9 Dickman Road Associates LLC	Property management	1,989,050	2.13%
10 Eagles Ridge Properties LLC	Property management	1,922,693	2.06%
11 Duncan Aviation Inc.	Aviation	1,865,040	2.00%
12 Systex Products Corp.	Plastic manufacturer	1,851,652	1.99%
13 ASMO Manufacturing	Automotive parts	1,775,310	1.90%
14 Adient US LLC	Automotive seating	1,733,137	1.86%
15 Semco Energy Inc.	Natural gas utility	1,709,118	1.83%
16 Prairie Farms Dairy Inc.	Dairy products	1,664,877	1.79%
17 Yorozu Automotive	Automotive parts	1,659,973	1.78%
18 Hi-Lex Corp.	Automotive parts	1,602,141	1.72%
19 Lotte USA Inc.	Automotive parts	1,589,421	1.70%
20 Advantage Sintered Metals Inc.	Manufacturer	1,587,782	1.70%
		<u>\$ 69,875,949</u>	<u>74.94%</u>

continued...

BATTLE CREEK TAX INCREMENT FINANCE AUTHORITY

Continuing Bond Disclosures (Unaudited)

8. Taxable Value of Twenty Largest IFT Taxpayers (Fiscal Year Ended June 30, 2019)

Taxpayer	Product or Service	Taxable Value	% of Taxable Value
1 Denso Manufacturing Michigan, Inc.	Automotive parts	\$ 10,245,023	21.12%
2 Musashi Auto Parts	Automotive parts	9,945,003	20.50%
3 Bleistahl North America LP	Automotive parts	5,630,231	11.61%
4 Il Stanley Company, Inc.	Automotive parts	3,924,168	8.09%
5 Dieomatic Inc.	Solar panels	3,864,132	7.97%
6 Toda America Inc.	Automotive parts	3,618,648	7.46%
7 TRMI, Inc.	Electronic switches	2,968,184	6.12%
8 Roesler Metal Finishing	Metal finishing	2,332,383	4.81%
9 Geislinger Corp.	Molded parts	1,700,825	3.51%
10 Prairie Farms Dairy Inc.	Dairy products	817,584	1.69%
11 ASMO Manufacturing	Automotive parts	787,727	1.62%
12 Hi-Lex Corp	Automotive parts	546,188	1.13%
13 Advanced Special Tools Inc.	Specialty tools	540,657	1.11%
14 Systex Products Corp.	Plastic moldings	360,567	0.74%
15 Nexthermal Corporation	Heating elements	238,217	0.49%
16 Bowers Aluminum Company	Aluminum Manufacturer	172,221	0.36%
17 EPI Printers, Inc.	Printing	152,662	0.31%
18 L S Precision Tool & Die Inc.	Automotive parts	54,517	0.11%
19 Hill Brady Investments LLC	Automotive parts	49,560	0.10%
20 Advanced Plastic Manufacturing Inc.	Specialty tools	38,158	0.08%
		<u>\$ 47,986,655</u>	<u>98.93%</u>

concluded.



BCTIFA Capital Projects

Fiscal Year to Date 12/31/19
 Include Rollup Account and Rollup to Object Act

Account	Account Description	Adopted Budget	Budget Amendments	Amended Budget	Current Month Transactions	Encumbrances	YTD Transactions	YTD Transactions	Budget - YTD Transactions	% Used/Rec'd	Prior Year Total
Fund 440 - BCTIFA Capital Projects											
REVENUE											
Department 61 - TIFA											
Business Unit 1440 - BCTIFA Capital Projects Rev											
667	Rents										
667.010	Rents Rents on Buildings	13,200.00	.00	13,200.00	400.00	.00	5,900.00	7,300.00	45	10,200.00	
667.060	Rents Land Lease/Ground Lease (Toda)	7,143.00	.00	7,143.00	1,190.48	.00	7,142.88	.12	100	14,285.76	
	667 - Rents Totals	\$20,343.00	\$0.00	\$20,343.00	\$1,590.48	\$0.00	\$13,042.88	\$7,300.12	64%	\$24,485.76	
671	Misc Other Rev										
671.040	Misc Other Rev Miscellaneous Revenue	117,000.00	.00	117,000.00	.00	.00	.00	117,000.00	0	.00	
	671 - Misc Other Rev Totals	\$117,000.00	\$0.00	\$117,000.00	\$0.00	\$0.00	\$0.00	\$117,000.00	0%	\$0.00	
699	Trans In										
699.247	Trans In Transfer from BCTIFA General Fd	100,000.00	.00	100,000.00	8,333.33	.00	49,999.99	50,000.01	50	400,000.00	
	699 - Trans In Totals	\$100,000.00	\$0.00	\$100,000.00	\$8,333.33	\$0.00	\$49,999.99	\$50,000.01	50%	\$400,000.00	
	Business Unit 1440 - BCTIFA Capital Projects Rev Totals	\$237,343.00	\$0.00	\$237,343.00	\$9,923.81	\$0.00	\$63,042.87	\$174,300.13	27%	\$424,485.76	
	Business Unit 8700 - Robbins Building										
667	Rents										
667.010	Rents Rents on Buildings	.00	.00	.00	.00	.00	6,976.92	(6,976.92)	+++	4,400.00	
	667 - Rents Totals	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$6,976.92	(\$6,976.92)	+++	\$4,400.00	
	Business Unit 8700 - Robbins Building Totals	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$6,976.92	(\$6,976.92)	+++	\$4,400.00	
	Department 61 - TIFA Totals	\$237,343.00	\$0.00	\$237,343.00	\$9,923.81	\$0.00	\$70,019.79	\$167,323.21	30%	\$428,885.76	
	REVENUE TOTALS	\$237,343.00	\$0.00	\$237,343.00	\$9,923.81	\$0.00	\$70,019.79	\$167,323.21	30%	\$428,885.76	
EXPENSE											
Department 61 - TIFA											
Business Unit 8700 - Robbins Building											
801	Prof & Oth Svcs										
801.010	Prof & Oth Svcs Professional Services	3,000.00	.00	3,000.00	.00	.00	.00	3,000.00	0	2,000.00	
801.030	Prof & Oth Svcs Attorney Fees	.00	.00	.00	224.00	.00	4,648.00	(4,648.00)	+++	.00	
	801 - Prof & Oth Svcs Totals	\$3,000.00	\$0.00	\$3,000.00	\$224.00	\$0.00	\$4,648.00	(\$1,648.00)	155%	\$2,000.00	
920	Utilities										
920.030	Utilities Electricity	5,000.00	.00	5,000.00	433.05	.00	1,981.85	3,018.15	40	4,744.02	
920.040	Utilities Gas	3,000.00	.00	3,000.00	574.44	.00	835.09	2,164.91	28	1,863.63	
920.060	Utilities Water and Sewer	.00	.00	.00	.00	.00	3,075.32	(3,075.32)	+++	834.43	
	920 - Utilities Totals	\$8,000.00	\$0.00	\$8,000.00	\$1,007.49	\$0.00	\$5,892.26	\$2,107.74	74%	\$7,442.08	
931	Maintenance										
931.050	Maintenance Building	.00	.00	.00	34.20	.00	376.20	(376.20)	+++	68.40	
	931 - Maintenance Totals	\$0.00	\$0.00	\$0.00	\$34.20	\$0.00	\$376.20	(\$376.20)	+++	\$68.40	
955	Miscellaneous										
955.070	Miscellaneous Other Contractual Services	1,500.00	.00	1,500.00	42.21	.00	5,956.95	(4,456.95)	397	3,351.86	
955.180	Miscellaneous Association Dues - Robbins Bldg	52,596.00	.00	52,596.00	.00	.00	.00	52,596.00	0	38,703.00	
955.190	Miscellaneous Capital Replacement - Robbins	10,524.00	.00	10,524.00	.00	.00	.00	10,524.00	0	7,744.00	



BCTIFA Capital Projects

Fiscal Year to Date 12/31/19
 Include Rollup Account and Rollup to Object Act

Account	Account Description	Adopted Budget	Budget Amendments	Amended Budget	Current Month Transactions	YTD Encumbrances	YTD Transactions	Budget - YTD Transactions	% Used/Rec'd	Prior Year Total
Fund 440 - BCTIFA Capital Projects	EXPENSE									
Department 61 - TIFA	Business Unit 8700 - Robbins Building									
	Business Unit 8700 - Robbins Building									
	Business Unit 8890 - Park Development									
	Worked Time									
703	703.010 Worked Time Regular Salaries	63,088.00	.00	63,088.00	5,301.73	.00	24,236.28	38,851.72	38	33,259.25
	703.030 Worked Time Overtime	.00	.00	.00	214.03	.00	3,339.09	(3,339.09)	+++	1,331.80
	703.070 Worked Time Compensatory Pay	.00	.00	.00	.00	.00	31.57	(31.57)	+++	10.46
	703.950 Worked Time BUDGET ONLY-Personnel Svcs Aje	867.00	.00	867.00	.00	.00	.00	867.00	0	.00
	703 - Worked Time Totals	\$63,955.00	\$0.00	\$63,955.00	\$5,515.76	\$0.00	\$27,606.94	\$36,348.06	43%	\$34,601.51
	Non-Worked Time									
704	704.010 Non-Worked Time Vacation	.00	.00	.00	390.29	.00	2,299.81	(2,299.81)	+++	3,785.98
	704.020 Non-Worked Time Holiday	.00	.00	.00	964.28	.00	1,582.88	(1,582.88)	+++	1,801.32
	704.070 Non-Worked Time S&A Benefit	.00	.00	.00	312.50	.00	312.50	(312.50)	+++	442.43
	704 - Non-Worked Time Totals	\$0.00	\$0.00	\$0.00	\$1,667.07	\$0.00	\$4,195.19	(\$4,195.19)	+++	\$6,029.73
	Other P/R Related Pmts									
710	710.010 Other P/R Related Pmts Longevity	383.00	.00	383.00	180.00	.00	180.00	203.00	47	260.00
	710.030 Other P/R Related Pmts Cellphone Stipend	564.00	.00	564.00	64.77	.00	246.49	317.51	44	364.99
	710.090 Other P/R Related Pmts Education Allowance	198.00	.00	198.00	.00	.00	.00	198.00	0	.00
	710 - Other P/R Related Pmts Totals	\$1,145.00	\$0.00	\$1,145.00	\$244.77	\$0.00	\$426.49	\$718.51	37%	\$624.99
	FICA									
716	716.010 FICA Social Security/Medicare	4,958.00	.00	4,958.00	537.92	.00	2,330.25	2,627.75	47	2,911.22
	716 - FICA Totals	\$4,958.00	\$0.00	\$4,958.00	\$537.92	\$0.00	\$2,330.25	\$2,627.75	47%	\$2,911.22
	Insurance									
718	718.010 Insurance Hospitalization	10,816.00	.00	10,816.00	1,183.64	.00	4,711.80	6,104.20	44	6,440.67
	718.020 Insurance Life Insurance	190.00	.00	190.00	29.25	.00	91.16	98.84	48	115.88
	718.030 Insurance Dental Insurance	788.00	.00	788.00	90.07	.00	335.73	452.27	43	399.77
	718 - Insurance Totals	\$11,794.00	\$0.00	\$11,794.00	\$1,302.96	\$0.00	\$5,138.69	\$6,655.31	44%	\$6,956.32
	Retirement									
720	720.010 Retirement Municipal Employ Retirement Sys	18,660.00	.00	18,660.00	2,210.84	.00	9,689.63	8,970.37	52	13,682.29
	720.070 Retirement City Paid ICMA	485.00	.00	485.00	91.33	.00	375.26	109.74	77	341.77
	720.080 Retirement City Paid ICMA-MSA	277.00	.00	277.00	31.40	.00	146.55	130.45	53	274.20
	720 - Retirement Totals	\$19,422.00	\$0.00	\$19,422.00	\$2,333.57	\$0.00	\$10,211.44	\$9,210.56	53%	\$14,298.26
	Other Benefits									
722	722.010 Other Benefits Unemployment	56.00	.00	56.00	7.84	.00	7.84	48.16	14	31.19
	722.020 Other Benefits Workers Comp-Due to Self Ins	740.00	.00	740.00	95.32	.00	370.78	369.22	50	477.06
	722 - Other Benefits Totals	\$796.00	\$0.00	\$796.00	\$103.16	\$0.00	\$378.62	\$417.38	48%	\$508.25

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BCTIFA Capital Projects

Fiscal Year to Date 12/31/19
 Include Rollup Account and Rollup to Object Act

Account	Account Description	Adopted Budget	Budget Amendments	Amended Budget	Current Month Transactions	Encumbrances	YTD Transactions	YTD Transactions	Budget - YTD Transactions	% Used/Rec'd	Prior Year Total
Fund 440 - BCTIFA Capital Projects											
	EXPENSE										
	Department 61 - TIFA										
	Business Unit 8890 - Park Development										
	Matl & Supplies										
727	Matl & Supplies BUDGET ONLY-Personnel Svcs Aje	1,221.00	.00	1,221.00	.00	.00	.00	.00	1,221.00	0	.00
727.280	Matl & Supplies Uniform Purchase	90.00	.00	90.00	.00	.00	.00	.00	90.00	0	.00
	727 - Matl & Supplies Totals	\$1,311.00	\$0.00	\$1,311.00	\$0.00	\$0.00	\$0.00	\$0.00	\$1,311.00	0%	\$0.00
	Prof & Oth Svcs										
801	Prof & Oth Svcs Professional Services	25,000.00	.00	25,000.00	.00	.00	1,400.00	60.00	23,600.00	6	60.00
801.310	Prof & Oth Svcs Service Contracts	.00	399,463.00	399,463.00	8,161.96	321,370.09	371,678.59	173	(293,585.68)	173	820,588.69
801.400	Prof & Oth Svcs Permits-Fees-Licenses	.00	.00	.00	.00	.00	.00	+++	.00	+++	3,615.25
	801 - Prof & Oth Svcs Totals	\$25,000.00	\$399,463.00	\$424,463.00	\$8,161.96	\$321,370.09	\$373,078.59	164%	(\$269,985.68)	164%	\$824,263.94
	Printing & Publishing										
900	Printing & Publishing Print-Publish-Broadcast	.00	.00	.00	.00	.00	.00	+++	.00	+++	122.74
900.010	Printing & Publishing Print-Publish-Broadcast	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	+++	\$0.00	+++	\$122.74
	900 - Printing & Publishing Totals	.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	+++	\$0.00	+++	\$122.74
	Utilities										
920	Utilities Electricity	.00	.00	.00	644.17	.00	2,418.68	+++	(2,418.68)	+++	4,897.05
920.030	Utilities Electricity	\$0.00	\$0.00	\$0.00	\$644.17	\$0.00	\$2,418.68	+++	(\$2,418.68)	+++	\$4,897.05
	920 - Utilities Totals	.00	\$0.00	\$0.00	\$644.17	\$0.00	\$2,418.68	+++	(\$2,418.68)	+++	\$4,897.05
	Rentals										
940	Rentals Vehicle	2,858.00	.00	2,858.00	238.21	.00	1,429.26	50	1,428.74	50	1,486.82
940.060	Rentals Vehicle	\$2,858.00	\$0.00	\$2,858.00	\$238.21	\$0.00	\$1,429.26	50%	\$1,428.74	50%	\$1,486.82
	940 - Rentals Totals	2,858.00	\$0.00	2,858.00	238.21	.00	1,429.26	50%	1,428.74	50%	1,486.82
	Facilities										
971	Facilities Land Procurement	.00	.00	.00	.00	.00	.00	+++	.00	+++	119,560.76
971.010	Facilities Land Procurement	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	+++	\$0.00	+++	\$119,560.76
	971 - Facilities Totals	.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	+++	\$0.00	+++	\$119,560.76
	Business Unit 8890 - Park Development										
	971 - Facilities Totals	\$131,239.00	\$399,463.00	\$530,702.00	\$20,749.55	\$321,370.09	\$427,214.15	141%	(\$217,882.24)	141%	\$1,016,261.59
	Business Unit 9896 - Airport Snow Removal Equip										
	Transfer to Primary Government										
960	Transfer to Primary Government	.00	.00	.00	.00	.00	.00	+++	.00	+++	44,924.46
960.580	Transfer to Primary Government	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	+++	\$0.00	+++	\$44,924.46
	960 - Transfer to Primary Government Totals	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	+++	\$0.00	+++	\$44,924.46
	Business Unit 9896 - Airport Snow Removal Equip										
	960 - Transfer to Primary Government Totals	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	+++	\$0.00	+++	\$44,924.46
	Business Unit 9923 - FCIP Roadway Resurfacing										
	Prof & Oth Svcs										
801	Prof & Oth Svcs Service Contracts	.00	.00	.00	.00	.00	.00	+++	.00	+++	338,769.19
801.310	Prof & Oth Svcs Service Contracts	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	+++	\$0.00	+++	\$338,769.19
	801 - Prof & Oth Svcs Totals	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	+++	\$0.00	+++	\$338,769.19
	Business Unit 9923 - FCIP Roadway Resurfacing										
	801 - Prof & Oth Svcs Totals	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	+++	\$0.00	+++	\$338,769.19
	Business Unit 9924 - RMTTC Automation Training Pgm										
	Prof & Oth Svcs										
801	Prof & Oth Svcs Service Contracts	.00	.00	.00	.00	.00	.00	+++	.00	+++	1,075,000.00
801.310	Prof & Oth Svcs Service Contracts	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	+++	\$0.00	+++	\$1,075,000.00
	801 - Prof & Oth Svcs Totals	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	+++	\$0.00	+++	\$1,075,000.00

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BCTIFA Capital Projects

Fiscal Year to Date 12/31/19
 Include Rollup Account and Rollup to Object Act

Account	Account Description	Adopted Budget	Budget Amendments	Amended Budget	Current Month Transactions	YTD Encumbrances	YTD Transactions	Budget - YTD Transactions	% Used/Rec'd	Prior Year Total
Fund 440 - BCTIFA Capital Projects										
	EXPENSE									
	Department 61 - TIFA									
	Business Unit 9924 - RMTA Automation Training Pgm	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	+++	\$1,075,000.00
	Business Unit 9925 - FCIP Signage Replacement									
	Prof & Oth Svcs									
801	Prof & Oth Svcs									
801.310	Prof & Oth Svcs Service Contracts	.00	.00	.00	.00	.00	909.00	(909.00)	+++	72,727.21
	801 - Prof & Oth Svcs Totals	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$909.00	(\$909.00)	+++	\$72,727.21
	Business Unit 9925 - FCIP Signage Replacement	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$909.00	(\$909.00)	+++	\$72,727.21
	Business Unit 9940 - Phase 2 - Taxiway C - Match	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$909.00	(\$909.00)	+++	\$72,727.21
960	Transfer to Primary Government									
960.580	Transfer to Primary Government Transfer to Airport Fund	.00	.00	.00	.00	.00	.00	.00	+++	135,713.00
	960 - Transfer to Primary Government Totals	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	+++	\$135,713.00
	Business Unit 9940 - Phase 2 - Taxiway C - Match	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	+++	\$135,713.00
	Department 61 - TIFA	\$206,859.00	\$399,463.00	\$606,322.00	\$22,057.45	\$321,370.09	\$444,996.56	(\$160,044.65)	126%	\$2,742,704.79
	EXPENSE TOTALS	\$206,859.00	\$399,463.00	\$606,322.00	\$22,057.45	\$321,370.09	\$444,996.56	(\$160,044.65)	126%	\$2,742,704.79
	Fund 440 - BCTIFA Capital Projects Totals	237,343.00	.00	237,343.00	9,923.81	.00	70,019.79	167,323.21	30%	428,885.76
	REVENUE TOTALS	206,859.00	399,463.00	606,322.00	22,057.45	321,370.09	444,996.56	(160,044.65)	126%	2,742,704.79
	EXPENSE TOTALS	\$30,484.00	(\$399,463.00)	(\$368,979.00)	(\$12,133.64)	(\$321,370.09)	(\$374,976.77)	\$327,367.86		(\$2,313,819.03)
	Grand Totals	237,343.00	.00	237,343.00	9,923.81	.00	70,019.79	167,323.21	30%	428,885.76
	REVENUE TOTALS	206,859.00	399,463.00	606,322.00	22,057.45	321,370.09	444,996.56	(160,044.65)	126%	2,742,704.79
	EXPENSE TOTALS	\$30,484.00	(\$399,463.00)	(\$368,979.00)	(\$12,133.64)	(\$321,370.09)	(\$374,976.77)	\$327,367.86		(\$2,313,819.03)

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BCTIFA General Fund

Fiscal Year to Date 12/31/19
 Include Rollup Account and Rollup to Object Act

Account	Account Description	Adopted Budget	Budget Amendments	Amended Budget	Current Month Transactions	YTD Encumbrances	YTD Transactions	Budget - YTD Transactions	% Used/Rec'd	Prior Year Total
Fund 247 - BCTIFA Ft Custer General Fund										
REVENUE										
Department 61 - TIFA										
Business Unit 1250 - BCTIFA Revenue										
402 Current Real Property Taxes										
402.100	Current Real Property Taxes Tax Incremental Revenue	1,741,847.00	.00	1,741,847.00	91,865.93	.00	1,691,000.18	50,846.82	97%	1,547,781.04
402.110	Current Real Property Taxes Tax Incremental Rev-Prior	.00	.00	.00	.00	.00	4,277.85	(4,277.85)	+++	.00
	402 - Current Real Property Taxes Totals	\$1,741,847.00	\$0.00	\$1,741,847.00	\$91,865.93	\$0.00	\$1,695,278.03	\$46,568.97	97%	\$1,547,781.04
573 State Aid Revenue										
573.001	State Aid Revenue LCSA - Appropriation Share	1,447,664.00	.00	1,447,664.00	(324,219.78)	.00	1,287,371.26	160,292.74	89%	1,174,273.04
	573 - State Aid Revenue Totals	\$1,447,664.00	\$0.00	\$1,447,664.00	(\$324,219.78)	\$0.00	\$1,287,371.26	\$160,292.74	89%	\$1,174,273.04
664 Investment Income										
664.010	Investment Income Appreciation - invest value	(50,000.00)	.00	(50,000.00)	.00	.00	16,619.02	(66,619.02)	-33	162,215.54
664.020	Investment Income Interest-Investments	75,000.00	.00	75,000.00	.00	.00	50,719.25	24,280.75	68	173,898.69
664.080	Investment Income Interest-Loan	137,166.00	.00	137,166.00	.00	.00	.00	137,166.00	0	161,391.26
	664 - Investment Income Totals	\$162,166.00	\$0.00	\$162,166.00	\$0.00	\$0.00	\$67,338.27	\$94,827.73	42%	\$497,505.49
671 Misc Other Rev										
671.040	Misc Other Rev Miscellaneous Revenue	28,625.00	.00	28,625.00	37,032.00	.00	148,996.70	(120,371.70)	521	38,518.88
	671 - Misc Other Rev Totals	\$28,625.00	\$0.00	\$28,625.00	\$37,032.00	\$0.00	\$148,996.70	(\$120,371.70)	521%	\$38,518.88
Business Unit 1250 - BCTIFA Revenue Totals		\$3,380,302.00	\$0.00	\$3,380,302.00	(\$195,321.85)	\$0.00	\$3,198,984.26	\$181,317.74	95%	\$3,258,078.45
Business Unit 2520 - Ft Custer BCTIFA Projects										
698 Bond/Note Issuance										
698.200	Bond/Note Issuance Loan Repayments	178,162.00	.00	178,162.00	.00	.00	.00	178,162.00	0	516,216.00
	698 - Bond/Note Issuance Totals	\$178,162.00	\$0.00	\$178,162.00	\$0.00	\$0.00	\$0.00	\$178,162.00	0%	\$516,216.00
Business Unit 2520 - Ft Custer BCTIFA Projects Totals		\$178,162.00	\$0.00	\$178,162.00	\$0.00	\$0.00	\$0.00	\$178,162.00	0%	\$516,216.00
Department 61 - TIFA Totals		\$3,558,464.00	\$0.00	\$3,558,464.00	(\$195,321.85)	\$0.00	\$3,198,984.26	\$359,479.74	90%	\$3,774,294.45
	REVENUE TOTALS	\$3,558,464.00	\$0.00	\$3,558,464.00	(\$195,321.85)	\$0.00	\$3,198,984.26	\$359,479.74	90%	\$3,774,294.45
EXPENSE										
Department 61 - TIFA										
Business Unit 2500 - Ft Custer Maint & Development										
801 Prof & Oth Svcs										
801.010	Prof & Oth Svcs Professional Services	15,000.00	.00	15,000.00	9,800.00	.00	9,800.00	5,200.00	65	9,975.00
	801 - Prof & Oth Svcs Totals	\$15,000.00	\$0.00	\$15,000.00	\$9,800.00	\$0.00	\$9,800.00	\$5,200.00	65%	\$9,975.00
900 Printing & Publishing										
900.010	Printing & Publishing Print-Publish-Broadcast	.00	.00	.00	.00	.00	.00	.00	+++	591.60
	900 - Printing & Publishing Totals	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	+++	\$591.60
920 Utilities										
920.030	Utilities Electricity	35,000.00	.00	35,000.00	.00	.00	12,656.99	22,343.01	36	49,184.53
	920 - Utilities Totals	\$35,000.00	\$0.00	\$35,000.00	\$0.00	\$0.00	\$12,656.99	\$22,343.01	36%	\$49,184.53
955 Miscellaneous										
955.070	Miscellaneous Other Contractual Services	60,000.00	.00	60,000.00	.00	.00	33,612.00	26,388.00	56	51,495.00



BCTIFA General Fund

Fiscal Year to Date 12/31/19
Include Rollup Account and Rollup to Object Act

Account	Account Description	Adopted Budget	Budget Amendments	Amended Budget	Current Month Transactions	Encumbrances	YTD Transactions	YTD Transactions	Budget - YTD Transactions	% Used/Rec'd	Prior Year Total
Fund 247 - BCTIFA Ft Custer General Fund											
EXPENSE											
Department 61 - TIFA											
Business Unit 2500 - Ft Custer Maint & Development											
955 - Miscellaneous Totals											
Business Unit	2500 - Ft Custer Maint & Development	\$60,000.00	\$0.00	\$60,000.00	\$0.00	\$0.00	\$33,612.00	\$26,388.00	\$26,388.00	56%	\$51,495.00
Totals		\$110,000.00	\$0.00	\$110,000.00	\$9,800.00	\$0.00	\$56,068.99	\$53,931.01	\$53,931.01	51%	\$111,246.13
Business Unit 2510 - Ft Custer Debt											
Trans Out											
999.382	Trans Out Transfer to BCTIFA/Hangar Bonds	213,331.00	.00	213,331.00	.00	.00	38,915.63	174,415.37	174,415.37	18	310,706.26
999.383	Trans Out Transfer to Airport Maint/Ops Bd	281,985.00	.00	281,985.00	.00	.00	237,595.00	44,390.00	44,390.00	84	283,080.63
999 - Trans Out Totals		\$495,316.00	\$0.00	\$495,316.00	\$0.00	\$0.00	\$276,510.63	\$218,805.37	\$218,805.37	56%	\$593,786.89
Business Unit 2510 - Ft Custer Debt Totals		\$495,316.00	\$0.00	\$495,316.00	\$0.00	\$0.00	\$276,510.63	\$218,805.37	\$218,805.37	56%	\$593,786.89
Business Unit 2520 - Ft Custer BCTIFA Projects											
Prof & Oth Svcs											
801	Prof & Oth Svcs Professional Services	5,000.00	.00	5,000.00	.00	.00	.00	5,000.00	5,000.00	0	.00
801.030	Prof & Oth Svcs Attorney Fees	40,000.00	.00	40,000.00	3,472.00	.00	10,020.00	29,980.00	29,980.00	25	32,317.00
801.040	Prof & Oth Svcs Mapping	65,000.00	.00	65,000.00	5,416.67	.00	32,500.00	32,500.00	32,500.00	50	65,000.00
801 - Prof & Oth Svcs Totals		\$110,000.00	\$0.00	\$110,000.00	\$8,888.67	\$0.00	\$42,520.00	\$67,480.00	\$67,480.00	39%	\$97,317.00
Insurance and Bonds											
820	Insurance and Bonds Liability Premium	8,000.00	.00	8,000.00	.00	.00	11,402.09	(3,402.09)	(3,402.09)	143	7,633.00
820 - Insurance and Bonds Totals		\$8,000.00	\$0.00	\$8,000.00	\$0.00	\$0.00	\$11,402.09	(\$3,402.09)	(\$3,402.09)	143%	\$7,633.00
Miscellaneous											
955	Miscellaneous Taxes	15,000.00	.00	15,000.00	1,709.91	.00	2,531.21	12,468.79	12,468.79	17	14,737.36
955 - Miscellaneous Totals		\$15,000.00	\$0.00	\$15,000.00	\$1,709.91	\$0.00	\$2,531.21	\$12,468.79	\$12,468.79	17%	\$14,737.36
Contribution-Other Govt Entities											
959.010	Contribution-Other Govt Entities BCU	1,800,000.00	.00	1,800,000.00	.00	.00	900,000.00	900,000.00	900,000.00	50	2,500,000.00
959 - Contribution-Other Govt Entities Totals		\$1,800,000.00	\$0.00	\$1,800,000.00	\$0.00	\$0.00	\$900,000.00	\$900,000.00	\$900,000.00	50%	\$2,500,000.00
Transfer to Primary Government											
960.580	Transfer to Primary Government Transfer to Airport Fund	499,949.00	.00	499,949.00	41,662.42	.00	249,974.51	249,974.49	249,974.49	50	785,438.00
960 - Transfer to Primary Government Totals		\$499,949.00	\$0.00	\$499,949.00	\$41,662.42	\$0.00	\$249,974.51	\$249,974.49	\$249,974.49	50%	\$785,438.00
Loan Principal											
993	Loan Principal Distribution of Loan	.00	.00	.00	.00	.00	140,986.30	(140,986.30)	(140,986.30)	+++	204,134.68
993 - Loan Principal Totals		\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$140,986.30	(\$140,986.30)	(\$140,986.30)	+++	\$204,134.68
Trans Out											
999.440	Trans Out Transfer to BCTIFA Cap Projects	100,000.00	.00	100,000.00	8,333.33	.00	49,999.99	50,000.01	50,000.01	50	400,000.00
999 - Trans Out Totals		\$100,000.00	\$0.00	\$100,000.00	\$8,333.33	\$0.00	\$49,999.99	\$50,000.01	\$50,000.01	50%	\$400,000.00
Business Unit 2520 - Ft Custer BCTIFA Projects Totals											
Business Unit	2520 - Ft Custer BCTIFA Projects	\$2,532,949.00	\$0.00	\$2,532,949.00	\$60,594.33	\$0.00	\$1,397,414.10	\$1,135,534.90	\$1,135,534.90	55%	\$4,009,260.04
Department 61 - TIFA Totals		\$3,138,265.00	\$0.00	\$3,138,265.00	\$70,394.33	\$0.00	\$1,729,993.72	\$1,408,271.28	\$1,408,271.28	55%	\$4,714,293.06
EXPENSE TOTALS		\$3,138,265.00	\$0.00	\$3,138,265.00	\$70,394.33	\$0.00	\$1,729,993.72	\$1,408,271.28	\$1,408,271.28	55%	\$4,714,293.06

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BCTIFA General Fund

Fiscal Year to Date 12/31/19
 Include Rollup Account and Rollup to Object Act

Account	Account Description	Adopted Budget	Budget Amendments	Amended Budget	Current Month Transactions	YTD Encumbrances	YTD Transactions	Budget - YTD Transactions	% Used/Rec'd	Prior Year Total
Fund 247 - BCTIFA Ft Custer General Fund	Totals									
	REVENUE TOTALS	3,558,464.00	.00	3,558,464.00	(195,321.85)	.00	3,198,984.26	359,479.74	90%	3,774,294.45
	EXPENSE TOTALS	3,138,265.00	.00	3,138,265.00	70,394.33	.00	1,729,993.72	1,408,271.28	55%	4,714,293.06
Fund 247 - BCTIFA Ft Custer General Fund	Totals	\$420,199.00	\$0.00	\$420,199.00	(\$265,716.18)	\$0.00	\$1,468,990.54	(\$1,048,791.54)		(\$939,998.61)
	Grand Totals									
	REVENUE TOTALS	3,558,464.00	.00	3,558,464.00	(195,321.85)	.00	3,198,984.26	359,479.74	90%	3,774,294.45
	EXPENSE TOTALS	3,138,265.00	.00	3,138,265.00	70,394.33	.00	1,729,993.72	1,408,271.28	55%	4,714,293.06
	Grand Totals	\$420,199.00	\$0.00	\$420,199.00	(\$265,716.18)	\$0.00	\$1,468,990.54	(\$1,048,791.54)		(\$939,998.61)

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Annual Report on Status of Tax Increment Financing Plan

Send completed form to: Treas-StateSharePropTaxes@michigan.gov	Municipality Name	TIF Plan #	For Fiscal Years ending in
Issued pursuant to :2018 PA 57, MCL 125.4911 Filing is required within 180 days of end of Authority's fiscal year 2018-2019.	TIFA	1	2019

Year AUTHORITY (not TIF plan) was created:	1981
Year TIF plan was created or last amended to extend its duration:	2008
Current TIF plan scheduled expiration date:	2030
Did TIF plan expire in FY19?	no
Year of first tax increment revenue capture:	1982
Does the authority capture taxes from local or intermediate school districts, or capture the state education tax? Yes or no?	Yes
If yes, authorization for capturing school tax:	Eligible Obligation
Year school tax capture is scheduled to expire:	2028

Revenue:	Tax Increment Revenue	\$	1,541,551
	Property taxes - from DDA levy	\$	-
	Interest	\$	497,506
	State reimbursement for PPT loss (Forms 5176 and 4650)	\$	1,180,503
	Other income (grants, fees, donations, etc.)	\$	583,622
	Total	\$	3,803,182

Tax Increment Revenues Received

From counties	\$	394,772
From municipalities (city, twp, village)	\$	915,390
From libraries (if levied separately)	\$	-
From community colleges	\$	-
From regional authorities (type name in next cell)	\$	-
From regional authorities (type name in next cell)	\$	-
From regional authorities (type name in next cell)	\$	-
From local school districts-operating	\$	148,996
From local school districts-debt	\$	-
From intermediate school districts	\$	38,962
From State Education Tax (SET)	\$	66,006
From state share of IFT and other specific taxes (school taxes)	\$	5,555
Total	\$	1,569,681

Expenditures

<u>General Government</u>	\$	290,243
<u>Battle Creek Unlimited</u>	\$	2,500,000
<u>Capital outlay and other</u>	\$	2,502,758
<u>Brownfield Redevelopment Loan</u>	\$	204,135
<u> </u>	\$	-

CAPTURED VALUES

Overall Tax rates captured by TIF plan

PROPERTY CATEGORY	Current Taxable Value	Initial (base year) Assessed Value	Captured Value	TIF Revenue
Ad valorem PRE Real	\$ 2,173	\$ -	2,173	\$32.34
Ad valorem non-PRE Real	\$ 57,811,572	\$ 9,069,055	48,742,517	\$869,252.34
Ad valorem industrial personal	\$ 25,963,759	\$ 3,741,045	22,222,714	\$308,841.38
Ad valorem commercial personal	\$ 5,447,519	\$ 11,775	5,435,744	\$86,241.09
Ad valorem utility personal	\$ 4,009,197	\$ -	4,009,197	\$71,498.23
Ad valorem other personal	\$ -	\$ 3,951,505	(3,951,505)	(\$70,469.38)
IFT New Facility real property, 0% SET exemption	\$ 12,931,272	\$ -	12,931,272	\$121,667.46
IFT New Facility real property, 50% SET exemption	\$ 376,806	\$ -	376,806	\$3,359.90
IFT New Facility real property, 100% SET exemption	\$ 1,701,737	\$ -	1,701,737	\$14,336.76
IFT New Facility personal property on industrial class land	\$ 32,976,840	\$ -	32,976,840	\$229,148.72
IFT New Facility personal property on commercial class land	\$ -	\$ -	-	\$0.00
IFT New Facility personal property, all other	\$ -	\$ -	-	\$0.00
Commercial Facility Tax New Facility	\$ -	\$ -	-	\$0.00
IFT Replacement Facility (frozen values)	\$ -	\$ -	-	\$0.00
Commercial Facility Tax Restored Facility (frozen values)	\$ -	\$ -	-	\$0.00
Commercial Rehabilitation Act	\$ -	\$ -	-	\$0.00
Neighborhood Enterprise Zone Act	\$ -	\$ -	-	\$0.00
Obsolete Property Rehabilitation Act	\$ -	\$ -	-	\$0.00
Eligible Tax Reverted Property (Land Bank Sale)	\$ -	\$ -	-	\$0.00
Exempt (from all property tax) Real Property	\$ -	\$ -	-	\$0.00
Total Captured Value	\$ 15,773,369	\$ -	124,447,495	\$1,633,908.83
				Total TIF Revenue

ENGINEERING COST ESTIMATE

PROJECT: Relocate S. Airport Rd
 LOCATION: W.K. Kellogg Airport
 CITY: Battle Creek, Michigan
 DATE: 11/11/19
 PREPARED BY: .JET
 REVIEWED BY: RJE

FINAL DESIGN
 PROJECT PROGRAMMING
 FEASIBILITY STUDY
 STATE PLANNING
 BASED ON FY 2019 DOLLARS

WORK DESCRIPTION: Relocate Airport Road to allow for MRO Facility Expansion. Includes relocation of fencing, lighting, detention pond and other drainage features.

ITEM DESCRIPTION	UNIT	QTY	UNIT PRICE	ITEM COST
Mobilization and General Conditions	LS	1	\$ 120,000.00	\$ 120,000
Safety and Security	LS	1	\$ 60,000.00	\$ 60,000
Contractors Quality Control Program/Staking	LS	1	\$ 50,000.00	\$ 50,000
Full Depth Pavement Removal	SYD	10,400	\$ 3.00	\$ 31,200
Remove Curb & Gutter	LFT	3,720	\$ 5.00	\$ 18,600
Remove Drainage Structure	EA	20	\$ 750.00	\$ 15,000
Remove Pipe (12"-15")	LFT	1,240	\$ 10.00	\$ 12,400
Remove Pipe (18"-24")	LFT	300	\$ 15.00	\$ 4,500
Remove Pipe (30"-36")	LFT	1,350	\$ 20.00	\$ 27,000
Relocate Fence	LFT	850	\$ 25.00	\$ 21,250
Relocate Gate	EA	1	\$ 15,000.00	\$ 15,000
Relocate Light Pole	EA	6	\$ 7,500.00	\$ 45,000
Remove Guard Rail	LFT	200	\$ 15.00	\$ 3,000
Excavation	CYD	20,000	\$ 7.00	\$ 140,000
Aggregate Base Course (6")	CYD	1,560	\$ 50.00	\$ 78,000
Subbase Course (12")	CYD	3,270	\$ 20.00	\$ 65,400
Bituminous Pavement (8")	TON	1,600	\$ 90.00	\$ 144,000
Pavement Marking	LS	1	\$ 10,000.00	\$ 10,000
Soil Erosion and Sedimentation Controls	LS	1	\$ 10,000.00	\$ 10,000
Drainage Structure	EA	20	\$ 6,000.00	\$ 120,000
Install Pipe (12"-15")	LFT	1,240	\$ 35.00	\$ 43,400
Install Pipe (18"-24")	LFT	300	\$ 60.00	\$ 18,000
Install Pipe (30"-36")	LFT	1,350	\$ 80.00	\$ 108,000
Cable (Direct Burial)	LFT	2,500	\$ 2.50	\$ 6,250
Utility Modifications	LS	1	\$ 100,000.00	\$ 100,000
Restoration	AC	12	\$ 4,000.00	\$ 48,800
CIVIL WORK				
CONSTRUCTION TOTAL = \$				1,314,800
CONSTRUCTION CONTINGENCIES (15%) = \$				197,220
CONSTRUCTION TOTAL = \$				1,512,020
PLANNING, PRELIMINARY ENGINEERING & NEPA = \$				141,370
FINAL ENGINEERING DESIGN = \$				73,650
CONSTRUCTION ADMIN (10%) = \$				151,202
				\$ 1,878,242
PROJECT YEAR BUDGET ESTIMATE = \$				1,880,000

Note: These costs were developed without the benefit of field surveys or soils investigation.
 A final cost estimate will be dependent upon development of these items and further design.

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