

BATTLE CREEK TAX INCREMENT FINANCE AUTHORITY

Wednesday, September 3, 2008

At a special meeting of the Battle Creek Tax Increment Finance Authority held on Wednesday, September 3, 2008 at 3:00 p.m. at the Frederick R. Brydges Customs Cargo Center, the following were in attendance: Messrs. Adams, Bobrofsky, Cutshall, Frantz, Karre, Prochazka, Rae, Stewart and Tsuchiyama.

Absent were: Messrs. Bietsch, Ihrig, Noble and Ms. Tuggle.

Also in attendance were: Messrs. Bowron, Dehn, Hettinger, Ritsema, Voshell, Zanotti and Mmes. Albrant and Young.

Mr. Bobrofsky called the meeting to order at 3:00 p.m.

Authorization of Airport Operations & Maintenance Building Project

The BCTIFA included this project in the fiscal year 2008-09 Budget approved in April and requested that City staff return to the BCTIFA after federal funding and construction bid pricing had been determined. Airport Manager Larry Bowron provided a two-page correspondence describing the results of the federal funding and construction bidding, along with the proposed schedule for the project to proceed.

Mr. Bowron stated that during a late April meeting at the FAA Regional Office in Chicago, the City requested additional discretionary funds for the AOMF project. FAA stated that in order to be eligible for such funds the project would have to be designed and bid by the first week of July 2008. However, FAA did inform the City that any funding would be contingent upon the agency receiving a continued resolution from Congress for the remaining federal fiscal year. The City also selected Skanska to provide pre-construction services including detailed cost estimates and value engineering based on the proposed design.

Bids were taken for the project on July 17 and post bid interviews were conducted. The results of the competitive bid process based on the final AOMF design were approximately 8% higher than the original estimate provided in April which was based on the conceptual design. The bid results were provided to the FAA/MDOT to support our request for additional discretionary funds.

The City received notice from the FAA/MDOT on August 13 that additional federal discretionary funds in the amount of \$600,000 had been programmed for the construction of the AOMF.

Mr. Bowron stated that at this point, the AOMF budget has a surplus of approximately \$95,000. As in all capital improvements, any remaining balance at project completion will be returned to the BCTIFA. A resolution has been prepared for the City Commission meeting scheduled for September 16 to accept the FAA/MDOT grants and award a construction contract. He hopes to begin construction by the week of September 22 to avoid problems associated with winter conditions.

Staff would consider a TIF bond for the financing of the proposed infrastructure planning for the I-94/Exit 92 properties.

MOTION: Mr. Frantz moved that the Battle Creek Tax Increment Finance Authority Board approve the project development and refer the bond financing to the BCTIFA Finance Committee. Mr. Adams supported the motion and it was unanimously approved.

Infrastructure Planning for I-94/Exit 92 Properties

Staff requested support from the Board to begin planning and engineering activities with the City's Engineering Department for extending water and sewer utilities to the BCTIFA-owned properties along I-94. BCU is experiencing national site selection projects for manufacturing and corporate development projects that are increasingly requiring that infrastructure be in place for sites to receive even first round consideration. While in the past we have been able to demonstrate a commitment and timeline for utilities to be constructed to meet the needs of projects, it has become the norm for major development projects to require infrastructure to be located at the site in order to give any consideration for the site. Given the funding capabilities we currently have from fund balance and capital project reserves, staff believes it is time to make an investment to equip these sites.

MOTION: Mr. Rae moved that the Battle Creek Tax Increment Finance Authority Board authorize staff to move forward with the infrastructure development. Mr. Adams supported the motion and it was unanimously approved.

Mr. Dehn stated that this property is outside the BCTIFA district. The site on the north side of I-94 would immediately receive a Phase I infrastructure project. A discussion with Daryl Mumford included his opinion that because the property is outside of the district, there is a benefit to the district by expanding our property inventory and protecting the interchange because it's a main entrance into the district. Mr. Mumford supports adding the infrastructure to the sites, but does not recommend bonding for the infrastructure.

Mr. Dehn stated that because there is a Local Development Finance Authority (LDFA) district established in that area, staff would bring back that the LDFA enter into an agreement with BCTIFA when the development is established and funds are available, that they would repay the BCTIFA. It could be structured as a loan to BCTIFA. Mr. Dehn stated that legislation does not allow the BCTIFA to expand its boundaries. This is why the LDFA was created.

Introduction

Mr. Dehn introduced Doug Voshell as the new Marketing Director with BCU. Mr. Voshell has 25 years experience with the Michigan Economic Development Corporation.

Public Comments

No comments were made.

Adjourn

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