

BATTLE CREEK TAX INCREMENT FINANCE AUTHORITY

Tuesday, April 21, 2009

At a regular meeting of the Battle Creek Tax Increment Finance Authority held on Tuesday, April 21, 2009 at 3:00 p.m. at the Frederick R. Brydges Customs Cargo Center, the following were in attendance: Messrs. Adams, Bobrofsky, Cutshall, Ihrig, Karre, Noble, Rae and Ms. Tuggle.

Absent were: Bietsch, Frantz, Prochazka, Stewart and Tsuchiyama.

Also in attendance were: Messrs. Dehn, Miner, Mumford, Ritsema, Voshell and Mmes. Albrant, Rutherford and Young.

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

Approval of Minutes

MOTION: Mr. Rae moved that the Battle Creek Tax Increment Finance Authority Board of Directors approve the Minutes of January 20, 2009 as presented. Mr. Adams supported the motion and it was unanimously approved.

Nominating Committee recommendations for Board re-appointments

The terms of Board members Bob Cutshall, Richard Frantz and Dennis Bietsch are set to expire in April 2009. Nominating Committee Chair Nelson Karre recommended to the Board that Bob Cutshall and Richard Frantz be re-appointed for four years. Mr. Bietsch does not wish to be re-appointed to the Board and a recommended replacement from Denso will be re-appointed. At this time there is a vacancy on the Board.

MOTION: Mr. Rae moved that the Battle Creek Tax Increment Finance Authority Board of Directors recommend the re-appointment of Messrs. Cutshall and Frantz to the BCTIFA Board for a four-year term. Mr. Adams supported the motion and it was unanimously approved.

MOTION: Mr. Rae moved that the Battle Creek Tax Increment Finance Authority Board of Directors recommends the replacement of Jim Hettinger with Karl Dehn as the Secretary to the BCTIFA. Mr. Karre supported the motion and it was unanimously approved.

Approval of the Fiscal Year 2009-2010 Operating & Capital Budget

Mr. Dehn stated that the BCTIFA Finance Committee met on April 14 and recommends the approval of Fiscal Year 2009-2010 Operating and Capital Budget as presented with no changes. Mr. Dehn did not provide any backup information on the budget and highlighted the following notable line items in the budget:

OPERATIONS (RECEIPTS)

Tax Increment Revenues: Tax increment revenues are projected to decrease 2% due to the investment in the economy. The companies did not have much reinvestments. Due to the state capture cap restrictions of PA 29, approximately \$900,000 in school taxes will be passed through to the State of Michigan.

MEDC Grant: (I-94 water and sewer). Staff negotiated the incentive package for United Solar Ovonic, site improvements of \$1 million. MEDC asked for more local assistance to the project. MEDC offered to work out a grant of \$1.6 million to fund a portion of the I-94 water and sewer project. Construction of the project is planned to begin July 1, 2009.

OPERATIONS (DISBURSEMENTS)

Marketing/BCU: The requested funding this year is \$3 million, which is the maximum capture of state taxes allowed by PA 29 for the BCU contract. This is the last year to capture this amount. Next year there will be a 20% decrease each year over the next five years.

W.K. Kellogg Airport Operations: Larry Bowron stated that plans to move into the new office will likely happen by middle of August. Demolition of the old facility will take place in the fall. Phase II of the Parallel Runway included matching funds. This portion will be the last payment from this fiscal year budget. Mr. Bowron stated that chemicals to clear the ice have increased 250%. Fuel costs have also increased.

DEBT SERVICE

Current fiscal year 2008-09 is a partial year of debt service on the Airport OMF Bond. FY 2009-2010 will be the first year of full payment of \$282,072 of debt service.

OTHER FINANCING SOURCES/USES

In the current Fiscal Year 2008-09, the 2008 loan to the Brownfield Authority, was for the W.K. Kellogg Institute project. We do not expect repayment to begin for a few years. Project will be completed in the current fiscal year.

CAPITAL PROJECTS DISBURSEMENTS:

Capital Project Reserves: A reserve of \$3.2 million will be required from Capital Project Reserves to be earmarked for projects between I-94 infrastructure project or land acquisitions.

FCIP Roadway Resurfacing: The City of Battle Creek Engineering Department has done a good job with the scheduling of five year resurfacing program to maintain a high level of performance on the road conditions. The \$150,000 is for an ongoing contribution.

MOTION: Mr. Karre moved that the Battle Creek Tax Increment Finance Authority Board of Directors recommend approval of the FY 2009-10 Budget as presented. Mr. Cutshall supported the motion and it was unanimously approved.

Public Comments

No comments were made.

Closed Session

MOTION: Mr. Karre moved that the Battle Creek Tax Increment Finance Authority go into closed session at 3:25 p.m. Mr. Rae supported the motion and it was unanimously approved.

MOTION: Mr. Karre moved that the Battle Creek Tax Increment Finance Authority come out of closed session at 3:38 p.m. Mr. Rae supported the motion and it was unanimously approved.

Adjourn

There being no further business, the meeting was adjourned at 3:38 p.m.