

**ANNUAL REPORT
2014-15
Battle Creek Tax Increment Finance Authority
For Fort Custer Industrial Park
Development Area Number One**

INTRODUCTION

This report on the status of the Battle Creek Tax Increment Finance Authority for Fort Custer Industrial Park is submitted to the Battle Creek City Commission in accordance with section 14 (3) of Act 450 of the Public Acts of 1980. This report covers fiscal year 2014-15.

AMOUNT OF REVENUES, EXPENDITURES AND FUND BALANCE

	General	Debt Service	Pipeline Bonds	Capital Projects
REVENUES				
Property Taxes - current	\$ 4,896,858	\$ -	\$ -	\$ -
Property Taxes - prior period delinquent collections and other	(168,358)	-	-	-
Interest	557,463	-	-	-
Intergovernmental	261,410	-	-	6,720
Sale of assets and other	26,303	-	-	30,695
Total revenues	5,573,676	-	-	37,415
EXPENDITURES				
General government	566,380	-	-	65,704
Capital outlay - infrastructure	-	-	-	515,905
Transfer to the City of Battle Creek for:				
Debt service	-	-	-	-
Capital outlay and other	-	-	-	294,291
Brownfield Redevelopment loan	-	-	-	-
Battle Creek Unlimited	2,700,000	-	-	-
Debt service:				
Principal	92,521	360,000	755,000	-
Interest	12,468	230,940	67,100	-
Bond Issuance Costs	-	-	-	-
Total expenditures	3,371,369	590,940	822,100	875,900
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	2,202,307	(590,940)	(822,100)	(838,485)
OTHER FINANCING SOURCES (USES)				
Proceeds from sale of capital assets	-	-	-	-
Bond Proceeds	-	-	-	-
Bond Discount	-	-	-	-
Operating transfers in	-	590,940	822,100	529,073
Operating transfers out	(1,942,113)	-	-	-
Total other financing sources	(1,942,113)	590,940	822,100	529,073
EXCESS (DEFICIENCY) OF REVENUES AND OTHER FINANCING SOURCES OVER EXPENDITURES AND OTHER USES	260,194	-	-	(309,412)
FUND BALANCES - Beginning of Year, restated	1,094,147	10,336	-	21,446,728
FUND BALANCES - End of Year	<u>\$ 1,354,341</u>	<u>\$ 10,336</u>	<u>\$ -</u>	<u>\$ 21,137,316</u>

Tax increment revenue during 2014-15 enabled Battle Creek Unlimited to continue to market and maintain the Fort Custer Industrial Park pursuant to the activities contained in the development plan. Tax increment revenue also enabled Battle Creek Unlimited to continue economic development as outlined in the plan.

THE AMOUNT OF PRINCIPAL AND INTEREST ON ANY OUTSTANDING BONDED INDEBTEDNESS AND LAND CONTRACTS

The Battle Creek Tax Increment Finance Authority has outstanding bond principal of \$6,245,000 as of June 30, 2015. Economic development loans payable outstanding as of June 30, 2015 equals \$149,535. Total interest to be incurred on the above listed debts, if held to maturity, totals \$1,884,954.

THE INITIAL ASSESSED VALUE AND CAPTURED ASSESSED VALUE OF THE PROJECT AREA

The Initial Assessed Value, i.e. the aggregate State Equalized/Taxable Value of all real and personal property not exempt from taxation, located within the defined development area at the time of the adoption of the Tax Increment Finance Plan was \$16,898,380. The Captured Taxable Value of the property in the district for 2014-15 was \$240,720,967. The Authority captured 75% of taxes derived from operating millages levied by Calhoun County and Calhoun Intermediate School District. 100% of taxes derived from operating millages of the City of Battle Creek, Battle Creek School District and Lakeview School District are captured. Millages not captured include the Willard Library and debt millages of the County. The City's Police and Fire Pension captured millage is capped at 2.691, with 1.738 mills passed through to that Fund in FY 2014-15. Additional millages not captured include the building and site millage of the Battle Creek Schools, special voted millage of the CISC, and 100% of millages levied by Kellogg Community College. Uncaptured amounts revert to taxing units, and are not included in revenue in this report.

CAPTURED VALUES	Current Taxable Value	Initial (base year) Assessed Value	Captured Value
Ad valorem non-PRE Real	\$ 51,479,459	\$ 9,194,055	\$ 42,285,404
Ad valorem industrial personal	\$ 71,707,992	\$ 3,741,045	\$ 67,966,947
Ad valorem commercial personal	\$ 3,984,347	\$ 11,775	\$ 3,972,572
Ad valorem utility personal	\$ 1,681,117	\$ -	\$ 1,681,117
Ad valorem other personal	\$ -	\$ 3,951,505	\$ (3,951,505)
IFT New Facility real property 0% SET exemption	\$ 17,005,059	\$ -	\$ 17,005,059
IFT New Facility real property 50% SET exemption	\$ 611,882	\$ -	\$ 611,882
IFT New Facility real property 100% SET exemption	\$ 1,931,191	\$ -	\$ 1,931,191
IFT New Facility personal property on industrial class land	\$ 109,218,300	\$ -	\$ 109,218,300
TOTAL	257,619,347	16,898,380	240,720,967

TAX INCREMENT REVENUES RECEIVED

From local school districts-operating	\$ 786,495
From intermediate school districts	\$ 305,933
From State Education Tax (SET)	\$ 263,925
From state share of IFT and other specific taxes**	\$ 675,284
From county	\$ 711,238
From municipalities (city, twp, village)	\$ 2,249,655
	<u>\$ 4,992,530</u>