

**ANNUAL REPORT**  
**2013-14**  
**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 2013-14.

**AMOUNT OF REVENUES, EXPENDITURES AND FUND BALANCE**

	General	Debt Service	Pipeline Bonds	Capital Projects
<b>REVENUES</b>				
Property Taxes - current	\$ 5,357,600	\$ -	\$ -	\$ -
Property Taxes - prior period delinquent collections and other	(293,689)	-	-	-
Interest	710,406	-	-	-
Intergovernmental	205,499	-	-	262,555
Sale of assets and other	106,582	-	-	36,343
Total revenues	6,086,398	-	-	298,898
<b>EXPENDITURES</b>				
General government	222,999	-	-	245,608
Capital outlay - infrastructure	-	-	-	469,162
Transfer to the City of Battle Creek for:				
Debt service	-	-	-	-
Capital outlay and other	407,733	-	-	194,991
Brownfield Redevelopment loan	-	-	-	-
Battle Creek Unlimited	3,700,000	-	-	-
Debt service:				
Principal	87,172	350,000	770,000	-
Interest	17,817	241,515	105,500	-
Bond Issuance Costs	-	-	-	-
Total expenditures	4,435,721	591,515	875,500	909,761
<b>EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES</b>	1,650,678	(591,515)	(875,500)	(610,863)
<b>OTHER FINANCING SOURCES (USES)</b>				
Proceeds from sale of capital assets	-	-	-	-
Bond Proceeds	-	-	-	-
Bond Discount	-	-	-	-
Operating transfers in	-	591,515	875,500	5,373,106
Operating transfers out	(6,840,121)	-	-	-
Total other financing sources	(6,840,121)	591,515	875,500	5,373,106
<b>EXCESS (DEFICIENCY) OF REVENUES AND OTHER FINANCING SOURCES OVER EXPENDITURES AND OTHER USES</b>	(5,189,444)	-	-	4,762,243
<b>FUND BALANCES - Beginning of Year, restated</b>	6,283,591	10,336	-	16,684,485
<b>FUND BALANCES - End of Year</b>	\$ 1,094,147	\$ 10,336	\$ -	\$ 21,446,728

Tax increment revenue during 2013-14 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 \$7,360,000 as of June 30, 2014. Economic development loans payable outstanding as of June 30, 2014 equals \$242,056. Total interest to be incurred on the above listed debts, if held to maturity, totals \$2,192,358.

#### **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 2013-14 was \$233,368,797. 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 1.397 mills passed through to that Fund in FY 2013-14. Additional millages not captured include the building and site millage of the Battle Creek Schools, special voted millage of the CISD, and 100% of millages levied by Kellogg Community College. Uncaptured amounts revert to taxing units, and are not included in revenue in this report.

#### **TAX INCREMENT REVENUES RECEIVED**

From local school districts-operating	\$	771,068
From intermediate school districts	\$	307,618
From State Education Tax (SET)	\$	259,679
From state share of IFT and other specific taxes**	\$	714,484
From county	\$	697,655
From municipalities (city, twp, village)	\$	2,263,939
	\$	5,014,444

# CAPTURED VALUES

	Current Taxable Value	Initial (base year) Assessed Value	Captured Value	Overall Tax rates captured by TIF plan	TIF Revenue
Ad valorem PRE Real	\$ -	\$ -	\$ -	0.0000000	\$0.00
Ad valorem non-PRE Real	\$ 50,506,100	\$ 9,194,055	\$ 41,312,045	44.1051020	\$1,822,071.96
Ad valorem industrial personal	\$ 73,032,111	\$ 3,741,045	\$ 69,291,066	20.1051020	\$1,393,103.95
Ad valorem commercial personal	\$ 4,285,871	\$ 11,775	\$ 4,274,096	32.1051020	\$137,220.29
Ad valorem utility personal	\$ 1,645,318	\$ -	\$ -	44.1051020	\$72,566.92
Ad valorem other personal	\$ -	\$ 3,951,505	\$ (3,951,505)	44.1051020	(\$174,281.53)
IFT New Facility real property, 0% SET exemption	\$ 19,802,916	\$ -	\$ 19,802,916	26.7575200	\$529,876.92
IFT New Facility real property, 50% SET exemption	\$ 2,381,271	\$ -	\$ 2,381,271	23.7575200	\$56,573.09
IFT New Facility real property, 100% SET exemption	\$ 1,984,524	\$ -	\$ 1,984,524	20.7575200	\$41,193.80
IFT New Facility personal property on industrial class land	\$ 96,629,066	\$ -	\$ 96,629,066	11.7575200	\$1,136,118.18
IFT New Facility personal property on commercial class land	\$ -	\$ -	\$ -	0.0000000	\$0.00
IFT New Facility personal property, all other	\$ -	\$ -	\$ -	0.0000000	\$0.00
CFT New Facility	\$ -	\$ -	\$ -	0.0000000	\$0.00
IFT Replacement Facility (frozen values)	\$ -	\$ -	\$ -	0.0000000	\$0.00
CFT Restored Facility (frozen values)	\$ -	\$ -	\$ -	0.0000000	\$0.00
	\$ -	\$ -	\$ -	0.0000000	\$0.00
			\$ 233,368,797		\$5,014,443.57

## Tax Increment Revenues Received

	(there may be a timing difference from item A revenue)
From local school districts-operating	\$ 771,068
From local school districts-debt	\$ -
From intermediate school districts	\$ 307,618
From State Education Tax (SET)	\$ 259,679
From state share of IFT and other specific taxes**	\$ 714,484
From county	\$ 697,655
From municipalities (city, twp, village)	\$ 2,263,939
From libraries (if levied separately)	\$ -
From community college	\$ -
From other _____	\$ -
Total*	\$ 5,014,444

\*\* This is the school operating mills and SET mills used to calculate the IFT and other specific taxes