The Kalamazoo City Commission met as a Committee of the Whole on Monday, April 18, 2022 at 5:00 p.m. in the City Commission Chambers at City Hall.

Roll Call

COMMISSIONERS PRESENT: Mayor David Anderson
Vice Mayor Don Cooney
Qianna Decker
Jeanne Hess
Stephanie Hoffman
Esteven Juarez
Chris Praedel

COMMISSIONERS ABSENT: None

Also present were City Manager Jim Ritsema, Deputy City Manager Jeff Chamberlain, City Attorney Clyde Robinson, and City Clerk Scott Borling.

Public Comments

Next, when an opportunity was given for general public comments, the following people addressed the City Commission:

<u>In Person Comments</u>

Benjamin Stanley spoke about the rules for City facilities and questioned whether there was a potential conflict of interest with the appointment of a County Commissioner to a City board.

<u>Call-In Comments</u>

None

2022-00
Presentation on Economic Development Tools and Processes

Community Planning and Economic Development (CPED) Director Rebekah Kik, Community Development Manager Antonio Mitchell, Sustainable Development Coordinator Jamie McCarthy, and attorney Jessica Wood delivered a presentation entitled *Economic Development, City of Kalamazoo*. A copy of the slides from this presentation was filed with the papers for this meeting.

In response to questions and comments from Commissioners, Director Kik, Community Development Manager Mitchell, Sustainable Development Coordinator McCarthy, and Ms. Wood provided the following information:

- sometimes developers came to brownfield sites with a good idea of the environmental challenges, and sometimes they did not know about the problems with a site until the middle of a project. The City had the ability to look back and reimburse a developer for eligible expenses already incurred.

- the City entered into agreements with brownfield developers, and those agreements spelled out the project timelines. The development agreements could be amended if the project experienced setbacks.

- brownfield developments tended to be larger projects ($500,000+), but the City was trying to work more with emerging developers and smaller projects. A lot of brownfield properties were located downtown and in the Northside Neighborhood.

2022-00
Presentation on Economic Development Tools and Processes (cont'd)

- CPED staff talked with multiple developers each month about brownfield properties and moved forward with approximately six projects per year.

- almost 100% of brownfield applications were approved because staff worked with developers before they submitted their applications.

- the Brownfield Revolving Fund captured the incremental tax revenue for five years after the completion of a brownfield plan for a particular development. The revolving fund was used to give grants and loans for site preparation costs.

- the City Commission approved the boundaries of Tax Increment Financing (TIF) districts. The City Commission also approved any amendments to those districts.

- the Downtown Development Authority (DDA) and Downtown Economic Growth Authority (DEGA) were undergoing changes, including terminating their service agreements with the Kalamazoo Downtown Partnership. Funding was an issue for both entities, as the DEGA TIF estimates had been way off, and the DDA only had a tax levy and no TIF revenue. CPED staff would absorb the administrative duties to support the DDA and DEGA.

- this presentation was setting a baseline for future discussions about capacity within CPED. There would be a request for additional staffing.

- Commissioners were invited to an upcoming training for the Brownfield Redevelopment Authority, and staff would prepare infographics and charts to help Commissioners understand the various economic development tools and processes.

- staff was proposing the creation of a "cannabis chamber" to fund a system of programming that would support community involvement in the cannabis industry. The cannabis incubator would be located at the old KPEP building. The City did not have the resources to directly fund cannabis development projects.

City Manager Ritsema commended CPED staff and explained the Community Development and Economic Development departments had been combined under Director Kik.

Preview of the Community Benefits Agreement with Graphic Packaging International

Community Investment Manager Mitchell reviewed the history of the 2020 Graphic Packaging International (GPI) tax abatement and explained the 2021 extension of the abatement included a commitment that the City and GPI would develop a Community Benefits Agreement (CBA). Community Investment Manager Mitchell reported a group with representatives from the City and GPI had met every other week from January through March and had developed a proposed CBA. Community Investment Manager Mitchell summarized the elements of the CBA as follows:

- GPI would hire a community engagement liaison to build relationships with the community.

- GPI would conduct job fairs in the Northside and Eastside Neighborhoods and would provide training to prepare candidates for entry level jobs.

Preview of the Community Benefits Agreement with Graphic Packaging International (cont'd)

- GPI would provide funding, along with other sources, to create a multi-purpose site for community activities.

- GPI would put 50% of the value of their abated taxes in a fund for community investment grants (approximately $60,000).

Community Development Manager Mitchell noted the CBA would track with the term of the tax abatement, and GPI would need to apply for another extension of the abatement by the end of the summer or early fall. Community Development Manager Mitchell indicated staff was impressed with the communication, collaboration and feedback with GPI during the development of the CBA.

In response to questions and comments from Commissioners, Community Development Manager Mitchell provided the following information:

- approval of the CBA would not extend or end the tax abatement. GPI and City staff would like a multi-year extension to allow for more significant projects in the CBA and to enable project measurement and tracking.

- environmental and health issues were under the purview of the state.

- the community engagement liaison would survey residents and make sure GPI was listening to and hearing them regarding the investments made in the community.

- the community investment grant fund was separate from the other elements of the CBA; it was not the funding source for those elements.

- GPI was looking for input from the community on how the dollars in the community grant fund would be used. GPI would contribute $60,000 to this fund each year the CBA was in effect.

Vice Mayor Cooney stated there was a cost for having GPI and its benefits in the community, and City would be receiving a report from the state on the health impacts of GPI. Vice Mayor Cooney stated health and quality of life issues were City issues.

Mayor Anderson recapped the meeting and noted CBA's were a new tool for the City. Mayor Anderson reminded Commissioners there were only eight months left on the current abatement.

Commissioner Comments

An opportunity was given for comments from City Commissioners, but no comments were offered.

Adjournment

The meeting adjourned at 6:35 p.m.

Scott A. Borling
City Clerk

Approved by the City Commission on: ____________________________

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