CITY OF KALAMAZOO
DOWNTOWN
DEVELOPMENT
AUTHORITY

Board of Directors Regular Meeting Minutes

December 19th, 2022, 3:00 p.m. | Community Room, Kalamazoo City Hall

PRESENT: Mayor David Anderson, Jeff Breneman, Carl Brown, Grant Fletcher, Stephanie Hinman, Matt Hollander, Susan Lindemann

ABSENT:

STAFF: Rebekah Kik, Antonio Mitchell, Steve Vicenzi, Jaime Marsman

A. CALL TO ORDER

DIRECTOR FLETCHER CALLED THE MEETING TO ORDER AT 3:00 P.M

ROLL CALL

PRESENT: Mayor David Anderson
Jeff Breneman
Carl Brown
Grant Fletcher
Stephanie Hinman
Matt Hollander
Susan Lindemann

ABSENT:

EXCUSED:

THE DECEMBER 19, 2022, ATTENDANCE INCLUDING EXCUSED AND UNEXCUSED ABSENCES ARE RECORDED.

B. ADOPTION OF FORMAL AGENDA

Director Fletcher asked if there were any changes to the agenda.

DIRECTOR LINDEMANN MOVED TO ADOPT THE DECEMBER 19, 2022 AGENDA. DIRECTOR BROWN SECONDED. NO OBJECTIONS. MOTION CARRIED.

C. APPROVAL OF MINUTES

DIRECTOR BRENEMAN MOVED TO APPROVE THE OCTOBER 17, 2022 MINUTES. DIRECTOR HINMAN SECONDED. NO OBJECTIONS. MOTION CARRIED.

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D. REPORTS AND PRESENTATIONS

1. Financial Report

Mr. Vicenzi presented a Financial Report. He noted that invoices are still being directed to the Kalamazoo Downtown Partnership offices and being forwarded to City Hall. He stated that there is not a lot of activity in the DDA.

DIRECTOR HOLLANDER MOVED TO ACCEPT THE FINANCIAL REPORT AS PRESENTED. DIRECTOR LINDEMANN SECONDED. NO OBJECTIONS. MOTION CARRIED.

E. DISCUSSION/ACTION ITEMS

1. Approval of Professional Services Agreement For Auditing Services with Maner Costerisan

Mr. Vicenzi stated that the DDA & DEGA were previously audited by BDO. The City has been working with Maner Costerisan for the last decade and the City would like to request that auditing services are switched to Maner Costerisan. There are cost savings associated due to internal controls only needing to be audited once. An engagement letter was included in the packet.

Director Fletcher acknowledged that the Finance Committee also believes that this is a good direction.

Mr. Vicenzi noted that there was no bid out to other vendors. Mr. Brown stated that he believes it would be more efficient to seek bids from other vendors and expressed his disappointment that this was not done. Mr. Vicenzi stated that the City does not put bids out for items less than $50,000.

The previous vendor was paid just over $17,000. Mr. Vicenzi noted that there is an additional cost savings of staff time. Director Lindemann affirmed that shared efficiencies are important to consider.

DIRECTOR BRENEMAN MOVED TO APPROVE THE PROFESSIONAL SERVICES AGREEMENT FOR AUDITING SERVICES WITH MANER COSTERISAN. DIRECTOR HOLLANDER SECONDED.

It was noted that this is a one-year engagement.

Mayor Anderson asked if there were separate policies for DDA/DEGA related to purchasing. Ms. Kik stated that she is not aware of any policy alignment between the DDA/DEGA and the City. She stated that purchase requests are sent first to Attorney Jessica Wood, then to City Attorney Robinson. She noted that this is an important conversation to be had in the future. This was historically managed by the Kalamazoo Downtown Partnership.

NO OBJECTIONS. MOTION CARRIED.

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Mayor Anderson asked for clarification regarding length of agreement, noting that it is a three-year contract as stated in the packet materials. Mr. Vicenzi stated that the three-years was part of the resolution which was included in the packet in error. The correct length of agreement is one year.

2. **Adoption of a resolution recommending approval of the application from Kzoo Tacos LLC for a Development District Liquor License located at 215 E Michigan Ave, within the City's existing Downtown Development District**

Director Fletcher stated that the resolution was included in the packet. Mr. Mitchell shared that this is the liquor license holder for the business that is expanding here and this will be their 4th location in Michigan. They are Cleveland-based with approximately 14 locations. He noted that this location is also the OPRA area that was recently developed.

Mr. Mitchell stated that this will be an excellent opportunity for further alley activation. Director Brown asked if their other locations utilized a Development Liquor License. Ms. Kik stated that she has heard that there are not many State liquor licenses currently available for purchase and noted that this is an important tool for the district.

MAYOR ANDERSON MOVED TO ADOPT THE RESOLUTION RECOMMENDING APPROVAL OF THE APPLICATION FROM KZOO TACOS LLC FOR A DEVELOPMENT DISTRICT LIQUOR LICENSE LOCATED AT 215 E MICHIGAN AVE, WITHIN THE CITY'S EXISTING DOWNTOWN DEVELOPMENT DISTRICT. DIRECTOR HINMAN SECONDED.

Director Hollander asked if there were any drawbacks to utilizing the Development Liquor License as a tool. Mr. Mitchell replied that it is an economic development tool. He stated that the organization that receives this license cannot sell it to anyone else. It was noted that a substantial investment in the property needs to be made for the license to be considered.

NO OBJECTIONS. MOTION CARRIED.

ROLL CALL VOTE:

Mayor David Anderson - Yes
Jeff Breneman - Yes
Carl Brown - Yes
Grant Fletcher - Yes
Stephanie Hinman - Yes
Matt Hollander - Yes
Susan Lindemann - Yes

3. **Approval of 2023 DDA Board Meeting Calendar**

DIRECTOR BRENEMAN MOVED TO APPROVE THE 2023 DDA BOARD MEETING CALENDAR AS PRESENTED. DIRECTOR HOLLANDER SECONDED. NO OBJECTIONS. MOTION CARRIED.

4. Approve Budget Recommendation to the City Commission

Mr. Vicenzi provided a brief presentation on the DDA/DEGA 2023 Budget. He shared a budget for each in standard accounting format. He noted that the budget in the packet has been updated to reflect an additional $25,000 in contributions.

Highlights Included:

- Ambassador Program
    - Annual Contract: $339,500
    - A list of projected funding sources was provided.
    - Mr. Vicenzi noted that the budgets are a true reflection of what each Board is doing.
- Maintenance Items:
    - Big Belly Trash and Recycling
        - Ms. Kik stated that it has been discussed with Public Services about using the solid waste fund for this, however, it is unclear whether an agreement was made with Big Belly. The remaining maintenance items are also being discussed with Parks & Recreation. It was noted that the Big Belly contract was done through the Kalamazoo Downtown Partnership and is very rigid. If the City would take on the maintenance of these items, the funds from events held there would also come to the City rather than the DDA/DEGA. Director Brown asked if these changes were adjusted in the presented budget (both revenue and expenses). Mr. Vicenzi stated that amendments would need to be done if any items were moved. Ms. Kik stated that an agreement will take place with the DDA/DEGA Board to ensure that these items are taken care of in the way that they best see fit.
        - Mr. Vicenzi noted that he did not have access to some information, so amendments may need to be done on both sides (expenses and revenues).
        - There was a discussion regarding the receipt of previous funds through the Arcadia Festival Site events. It was noted that The Kalamazoo Experiential Learning Center (KELC) was paid by the Partnership and/or the City to execute events on their behalf. Rebekah stated that the contract for KELC was for specific events, not all events. Mr. Fletcher noted that a significant amount was spent to clean up the Festival site this year.
    - Portland Loo Maintenance
    - Mall Maintenance
    - Arcadia Festival Site Maintenance
    - Bates Alley Maintenance
- Winter Holidays
    - Programs were noted such as Holiday Lighting, Holly Jolly Trolley, Marketing, etc. with funding sources identified. Ambassador funding sources are confirmed. Some of the funding sources for 2023 for the Winter Holidays are yet to be confirmed and the goal is to get a multi-year confirmation.
    - It was noted that the KELC – Holiday Parade is not funded through the DDA/DEGA. Director Fletcher affirmed that the goal of these types of large events was to find a sponsor that would be able to run the event, and, likewise, the profits from these events do not come through the DDA or DEGA.

- Other Programming
  - Includes: Skeletour, Beats on Bates, Summer Sidewalk Sales, Workout Wednesdays, Salsa Cookoff
- Next Steps
  - 12/19/2022 – Approved proposed budget for City Commission Review
  - City Commission Approval in January

Director Hollander questioned the $2,000 PILOT in the DDA. Director Hinman affirmed that there is a need to balance details with simplicity in the financial reports. Director Fletcher noted that this is a clean starting point coming out of a period of uncertainty, and these numbers may yet be re-formed based on updated calculations. Director Brown asked if the proposed RFP for Downtown Events was included in these budgets. Mr. Vicenzi noted that this is reflected in the current budget. Director Breneman stated that this budget is a work in progress and should be indicated as such to the City Commission.

DIRECTOR HINMAN MOTIONED TO APPROVE THE BUDGET RECOMMENDATION TO THE CITY COMMISSION. DIRECTOR BRENEMAN SECONDED. NO OBJECTIONS. MOTION CARRIED

Parking Budget

- Mr. Vicenzi noted that the Parking budget is not required to go before the City Commission.
- Mr. Vicenzi shared the 2023 Proposed Budget Parking System which includes ARPA Funding.
- It was agreed that talking points would be helpful for speaking to the City Commission. Ms. Kik and Mr. Vicenzi will assist with this.
- Director Lindemann requested a copy of the 2023 Proposed Budget Parking System as presented.
- It was noted that the Parking Consultant has begun.

F. PUBLIC COMMENTS

None.

G. DIRECTOR'S COMMENTS

1. Director Hinman stated that she would like to submit requests for what the Board would like to see included in the financial documents. She stated that she would be willing to compile such requests.

H. ADJOURNMENT

DIRECTOR FLETCHER ADJOURNED THE MEETING AT 3:55 P.M.