

Agenda

Downtown Economic Growth Authority

Board of Directors

City of Kalamazoo



Monday, September 18, 2023

3:00 PM

The Community Room at City Hall - 241 W. South Street

A. CALL TO ORDER/ROLL CALL

1. Purpose Statement:

The purpose of this Downtown Development Authority is to halt property value deterioration and promote economic growth within its business district, to increase property value.

The purpose of this Downtown Economic Growth Authority is to correct and prevent deterioration in residential, commercial, and industrial areas, to authorize the acquisition and disposal of interests in real and personal property; to authorize the creation and implementation of development plans and development areas.

The Kalamazoo DDA and DEGA, acting in concert, have set forth the strategic objective of focusing its resources on improving “**The First 16 Feet**”, a three-dimensional volume of space including buildings **ground floor façade**, the **frontage** that exists between the façade and the common space, and the **common space** that provides access to and through the district.

B. ADOPTION OF FORMAL AGENDA

C. APPROVAL OF MINUTES

1. Approval of the minutes from the meeting of the Downtown Economic Growth Authority Board on August 21, 2023. (**Action: Motion to approve**)

D. REPORTS AND PRESENTATIONS

1. Financial Report (**Action: Motion to Approve the Financial Report as Presented**)
2. Introduction to the DEGA Plan Update

E. DISCUSSION/ACTION ITEMS

1. Recommendation of DEGA Board Member Nomination to Mayor/City Commission of Kwame Gyimah (**Action: Motion to Recommend the DEGA Board Appointment of Kwame Gyimah to the Mayor/City Commission**)
2. Creation of DDA/DEGA Recruitment and Retention Committee (**Action: Motion to create the DDA/DEGA Recruitment and Retention Committee**)

F. PUBLIC COMMENTS**G. DIRECTORS' COMMENTS****H. ADJOURNMENT**

Board of Directors Regular Meeting Minutes

August 21, 2023, 3:00 p.m. | Community Room, Kalamazoo City Hall

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

ABSENT:

STAFF: Chelsie Downs-Hubbarth, Jamie McCarthy, Melissa Fuller, Paul Thuringer, Jaime Marsman

A. CALL TO ORDER

DIRECTOR LINDEMANN CALLED THE MEETING TO ORDER AT 3:01 P.M

ROLL CALL

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

ABSENT:

EXCUSED:

THE AUGUST 21, 2023, ATTENDANCE INCLUDING EXCUSED AND UNEXCUSED ABSENCES ARE RECORDED.

B. ADOPTION OF FORMAL AGENDA

DIRECTOR HOLLANDER MOVED TO ADOPT THE AUGUST 21, 2023 AGENDA. DIRECTOR BROWN SECONDED. NO OBJECTIONS. MOTION CARRIED.

C. APPROVAL OF MINUTES

DIRECTOR BRENEMAN MOVED TO APPROVE THE JULY 17, 2023 MINUTES. DIRECTOR FLETCHER SECONDED. NO OBJECTIONS. MOTION CARRIED.

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D. REPORTS AND PRESENTATIONS

1. Financial Report

Ms. Fuller presented the financial report, sharing highlights on revenues and expenses.

DIRECTOR FLETCHER MOVED TO ACCEPT THE FINANCIAL REPORT AS PRESENTED. DIRECTOR AARDEMA SECONDED. NO OBJECTIONS. MOTION CARRIED.

E. DISCUSSION/ACTION ITEMS

1. 203 N Rose, The Iron Works (formerly named Arcadia Lofts) Project RE: BRA Plan and DEGA Step-Aside

Director Lindemann noted that this project came before the Board last year, at which time the Board voted to step aside to allow PlazaCorp to go to the Brownfield Authority to allow capture. It is back before the Board as there have been some changes.

Ms. McCarthy introduced herself as the Staff Liaison to the Brownfield Redevelopment Authority (BRA). She noted that she appeared before the DEGA Board last October with PlazaCorp to request the Board to allow the Brownfield Authority to support this project with tax increment financing. Since that time, the BRA Board recommended a Brownfield Plan which was also supported by City Commission in February, 2023. The project has since come forward with some financial gaps due to cost increases and increases in interest. The developers have requested an amendment to the Brownfield Plan from the BRA. Ms. McCarthy stated that the BRA Board has been supportive of this project, noting the inclusion of affordable homes. This will bring an additional 80 units.

Ms. McCarthy introduced Trisha Kidd and Joe Agostinelli. Ms. Kidd is a representative of PlazaCorp. She gave a brief presentation of the project. Some of PlazaCorp's transformational projects that they have done include The Depot, The Hilton Garden Inn, and The Exchange.

Arcadia Lofts is an adaptive re-use and a 3-story mixed-use addition. This is a redevelopment of a brownfield. The main building was once the home of the historic Lawrence Chapin Building. The new project name is The Ironworks. This is a historic building, office to residential. When finished, it will be approximately 104,098 square feet. They have a planned tenant for the first-floor space, Bobcat Bonnie's.

Ms. Kidd shared a layout of the proposed space. These will be loft-styled units. An addition will be added to the end unit to create additional floors/units. Total units will be 82, with 32 of those as Workforce and 3 as Affordable units.

Director Breneman asked about timing and inquired whether the historical features of the original building would remain intact. Ms. Kidd stated that the Lawrence Chapin building would remain intact historically. Ms. Kidd noted that the outside public space is still under discussion, depending on the outside needs of Bobcat Bonnie's. No surface parking will be created as parking will be handled at the ramp. The only mixed-use element is the restaurant.

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Ms. Logan Mulholland from Fishbeck shared information on the fact sheet that was provided and regarding eligible reimbursement costs. Estimated outcomes were also included. Total investment is \$25 million, with 25 full-time jobs estimated to be created. Future taxable value is at \$3.1 million. The updated Brownfield Plan is 20 years, which is an additional 5 years from the last presentation.

Mr. Agostinelli provided information on the TIF Tables and explained how the NEZ affects the project and which portions of the project that it applies to. Mayor Anderson asked if each taxing jurisdiction needed to agree to this. Mr. Agostinelli stated that taxing districts are notified through public notice and that this is also brought to City Commission. Mr. Agostinelli provided information on the benefits of a NEZ and the challenges of balancing all of the variables.

They are not pursuing historic tax credits. The additions would not be eligible, and the adaptive re-use of the interior was not compatible with the tax credits.

Mr. Agostinelli stated that as construction costs and interests have risen drastically, MEDC will also be involved through tax capture and possible CRP (Community Revitalization Program) support. Their support is in the form of low-interest debt.

Director Hollander asked if there would be rent and income restrictions. Ms. McCarthy stated that the development agreement between the BRA and the developer will lay out these terms and the monitoring requirements for the term of the Brownfield Plan. The intent is that the units are rented to income-qualified individuals.

Director Aardema stated that this is an exciting opportunity for the area and the potential tenants.

Mr. Agostinelli stated that they are requesting the DEGA to step-aside to allow capture from the BRA.

Mr. Thuringer provided an informational sheet from Andrew Falkenberg that provided an estimated snapshot of what this step-aside means for the DEGA over the next 30 years. He emphasized that this is only an estimate. Ms. McCarthy noted that the sheet includes the larger projects that can be predicted, and shows the ebb and flow of capture. She noted that it is growth overall, but is deferred to allow for growth and tax capture.

There was discussion regarding the balance between affordable housing and having it work economically.

MAYOR ANDERSON MOTIONED FOR THE DEGA BOARD TO STEP ASIDE TO ALLOW PLAZACORP TO GO TO THE BROWNFIELD REDEVELOPMENT AUTHORITY TO CAPTURE FOR UP TO TWENTY YEARS. DIRECTOR FLETCHER SECONDED. NO OBJECTIONS. MOTION CARRIED.

F. PUBLIC COMMENTS

None.

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G. DIRECTOR'S COMMENTS

1. Mayor Anderson affirmed the plan of getting an older building re-used downtown. He noted that it will be interesting to see the long-term picture of how this will impact the City's economic system.
2. Director Aardema affirmed the challenges of the current housing market, and noted the importance of local and/or state support.
3. Director Lindemann stated that they are working on some tools to assist this Board in understanding these items when they come before the board with better standardization of reports.

H. ADJOURNMENT

DIRECTOR LINDEMANN ADJOURNED THE MEETING AT 3:50 P.M.

Downtown Economic Growth Authority
7/31/2023 Trial Balance

Assets

Cash	\$	300,755
Receivables		-
Due From Primary Government		-
Due from Grants Fund		-
Taxes Receivable		-
Total Assets	\$	300,755

Liabilities

Accounts Payable	\$	13,992
Accrued Interest Payable	\$	20,000
Total Liabilities		33,992

Fund Balance

Fund Balance		266,763
Total Liabilities & Fund Balance	\$	300,755

	2023 Adopted Budget	July Totals	2023 YTD Actuals
Revenue			
Taxes	\$ 292,702		\$ 280,776
Event Fees	-	990	3,090
Event Sponsorships	424,500		150
Transfers In	80,000		-
Interest And Rentals	-	14	97
Total Revenues	797,202	1,004	\$ 284,113
Expenses			
Professional And Contractual Services	568,700	22,071	220,275
Legal Services And Fees	7,500		4,921
Insurance Services	8,500		-
Operating Supplies	10,500	821	821
Garbage Disposal	49,100	3,963	27,366
Repairs	-		3,575
Community Promotion	10,000	8,000	26,000
Audit Fees	12,900	4,500	10,400
Tax Appeal Refunds	5,000		-
Administrative Fees	125,000		-
Debt Service	-	20,000	20,000
Total Expenses	\$ 797,200	\$ 59,355	\$ 313,358
Revenues Less Expenses	\$ 2		\$ (29,245)

Informational:

Transfers In

Holiday Events Grant Given To The City, Utilized By DEGA

Professional And Contractual Services

Ambassador Contract	339,500
Winter Events	151,000
Summer Events	67,000
Miscellaneous	11,200

Garbage Disposal

Big Belly Contract	42,900
Waste Disposal	6,200

Long Term Debt

City Of Kalamazoo 2019 Loan	300,000
City Of Kalamazoo 2020 Loan	700,000

City staff review of the DEGA TIF Plan – Development Plan pieces. The review focused on plans and activities not accounted for in this document. The Monday board meeting discussion can review these more recent activities and discuss others to include in the updated development plan. City staff will take all these comments and edit this document for further review and discussion at a subsequent meeting.

1) Mobility Improvements

Make key investments to improve connectivity and accessibility both within the QDA boundaries and between the Downtown district and surrounding neighborhoods, taking into consideration various modes of transportation and key corridors.

Support and/or make investments to improve mobility for various modes of transportation Downtown, including:

Vehicles

Parking Management – Assess and evaluate parking system and supply/demand; implement improvements to support existing businesses and continued growth and development Downtown; invest in landscaping, lighting, signage and cosmetic improvements to existing surface lots and ramps; develop new parking facilities to accommodate demand arising from new investment in the Downtown; assess and invest in additional, innovative parking solutions, including, but not limited to, valet programs, ride share, car share, and autonomous vehicles. Continue operation of the public parking system in the Downtown for the City’s benefit either by assuming the responsibilities of the DDA under the existing Sublease or informally by providing assistance when necessary under the existing Sublease arrangement.

Street Conversions – Invest in streetscape and parking infrastructure in coordination with City efforts to convert one-way streets to two-way streets. Invest in intersection reconfigurations, road diets, traffic calming, and other necessary changes to better accommodate all modes of travel.

Public Transit – Plan for and support transit-oriented development projects. Assess and/or implement additional transit needed, including bus, bus rapid transit, light rail and other modes. Make improvements to public transit facilities, including bus stops, bus shelters, and installation of accessibility compliance infrastructure. Support planning of and changes to rail infrastructure downtown, including, but not limited to signals, crossings, and relocations of tracks.

Commented [AC1]: Missing Streets for All and Street Design Manual references

Commented [AC2]: Missing Strategic Blue Print for Downtown Parking goals and tasks

Commented [AC3]: Out of date, this work is underway and a rough timeline for the street conversions exists. Investments needed in improved wayfinding, branding, and streetscape. For later projects on the list, like the spaghetti bowl, investment in the roadway project might be important.

Commented [AC4]: Missing a focus on the key institutions (WMU, K, Bronson) and Downtown; impact of arena, and consideration of bus rapid transit (BRT) or micro mobility such as a circulator or year-round holly jolly trolley type of mobility.

Bicycles

Bicycle infrastructure – Support further investment in bicycle network Downtown, including, but not limited to coordination of protected bicycle lane pilot programs; extension of bicycle trails throughout Downtown, bicycle share programs; and investment in bicycle amenities, such as additional and/or improved bicycle parking and signage.

Commented [AC5]: Missing connection/partnership with institutions around downtown; Streets for All; bike/scooter share; wayfinding, and bike parking

Pedestrians

Pedestrian infrastructure – Coordinate with City to enhance pedestrian safety and mobility, including but not limited to investments in sidewalks, crosswalks, traffic signs and signals, lighting and accessibility compliance. Activate vacant land, property and public space (see Priority 3), and make key streetscape improvements (see Priority 2) throughout the QDA to encourage pedestrian mobility.

Commented [AC6]: Missing Yard concept of 16', placemaking work of Notre Dame and Smith Group

Corridors

Key corridors – Make improvements along primary gateway corridors into Downtown as identified by the 2025 Imagine Kalamazoo Master Plan, 2009 Downtown Kalamazoo Comprehensive Plan, and future Downtown plans to improve connectivity between the Downtown district and surrounding neighborhoods. Relocate utilities to support execution of corridor improvement strategies and street reconfigurations, including, but not limited to, burying of overhead utilities.

Commented [AC7]: Missing Yard's priorities and those in the Notre Dame report. Consider greater focus on connections to institutions and Downtown

2) Streetscape Improvements

Make key investments in streetscape infrastructure to improve accessibility and walkability Downtown.

Streetscape Planning – Create and implement a comprehensive streetscape plan for Downtown.

Commented [AC8]: Missing Notre Dame report & current Smith Group Placemaking work

Sidewalk Network – Improve and maintain the quality of sidewalks and sidewalk network Downtown; assess and implement potential areas for expansion of the existing snowmelt system; identify investments needed consistent with accessibility compliance standards.

Commented [AC9]: Missing priorities from Yard & Notre Dame work.

Streetscape Elements – Invest in the addition and maintenance of streetscape amenities, including, but not limited to: updates, improvement and expansion of wayfinding signage; lighting throughout the district; benches, tables, chairs and additional furniture for public use; pedestrian islands; increase Downtown tree canopy; install planters, hanging baskets and other beautification elements; sustainable streetscape elements including permeable pavers and stormwater mitigation infrastructure.

Commented [AC10]: Missing Street Design Manual, Notre Dame Report, & Yard Strategic Plan

Maintenance – Engage in ongoing maintenance of streetscape and streetscape elements, existing and to be added.

3) Public Space Investment & Maintenance

Make key investments in public spaces to add value to and improve the vibrancy of Downtown.

Activation

Capital Improvements – Invest in permanent structural changes to existing and proposed public spaces Downtown, including Kalamazoo Mall, Arcadia Creek Festival Place and other strategic locations, to create accessible and inviting public spaces. Investments may be allocated toward improvements to waterfront areas along Kalamazoo River, Arcadia Creek and Portage Creek. Investments may also include installation of public facilities such as public restrooms.

Commented [AC11]: Consider adding events/marketing/programming support?

Commented [AC12]: Missing Yard Strategic Plan & Notre Dame Report

Public Art – Commission and/or install engaging public art to create vibrant public spaces Downtown, including, but not limited to, functional public art for transportation infrastructure.

Furniture – Invest in street furniture and related infrastructure to encourage regular use of key public spaces Downtown.

Green Space – Assess the need for, acquire, and develop green space Downtown.

Commented [AC13]: Green only? Unique open spaces that service the growing resident population, and visitors, and businesses?

Maintenance

Public space maintenance – Maintain existing public spaces within the district boundaries, including, but not limited to, landscaping, furniture and permanent infrastructure.

Commented [AC14]: Missing reference to Ambassador Program and partnership with Parks & Recreation

Storm system maintenance – Continue to maintain the reconstructed Arcadia Creek storm system and pond areas; provide additional cosmetic enhancements and water features to the creek area and pond site; conduct planning and engineering studies to reduce long-term clean-up costs associated with annual sediment removal efforts; undertake capital improvements to the storm system as required.

Commented [AC15]: Missing reimagining of Arcadia creek in Notre Report, impact of development along creek (arena), City grant applications for updated stormwater management in Downtown and towards WMU.

Presence

Ambassador Program – Create an ambassador program Downtown to maintain a clean, safe, and friendly Downtown.

Commented [AC16]: Is presence the ambassadors or is it programing, events, and marketing? Is it both?

4) Development & Project Support

Promote development Downtown through targeted project incentives and promotion of or direct investment in key land and/or property.

Project Incentives – Identify development priorities to create and maintain a toolbox of project incentives for new development Downtown. Priorities will include, but are not limited to: Mixed-Use Development; additions to existing buildings; diversification of residential mix and types of housing, sustainable infrastructure, energy efficiency measures, job creation, including specific incentives targeted at affordable and workforce housing; engagement in workforce development programs.

Commented [AC17]: Consider focus on housing at all price points and sizes. Daily needs commercial to support residential community

Land Acquisition, Redevelopment and Remediation – Acquire and/or redevelop land; acquire, redevelop or construct buildings; and support remediation activities at key development sites located within the QDA to further the goals and objectives of the Development Plan.

Information Technology Infrastructure – Support planning, site preparation, installation, and maintenance of IT infrastructure, including but not limited to fiber optic, wireless, facilities, and sensors.

Commented [AC18]: Missing coordination with Streets for All

Business Development – Provide resources and support to existing and new businesses, including, but not limited to workshops and grant programs.

Commented [AC19]: Missing Yard Strategic Plan, Gibbs Planning Group Market/Retail studies, and Notre Dame report

5) Economic Development Planning & Research

Commission and conduct research, studies, plans and/or reports to inform and further Downtown development priorities and the implementation of programs, services and initiatives.

Commented [AC20]: Missing Yard Strategic Plan and ND Report

6) Additional Programs, Services and Administration

Implement various components of the Development Plan, 2025 Imagine Kalamazoo Master Plan, the 2018 Urban Growth Initiative for Greater Downtown Kalamazoo, the 2009 Downtown Kalamazoo Comprehensive Plan, and future Downtown plans. This may include the continuation of programs established by the DDA, including:

Commented [AC21]: Missing Yard Strategic Plan, Gibbs Retail Market Studies

- Business Retention and Recruitment Program designed to encourage business development and retention in the Downtown, the Design Assistance Program to

assist with exterior façade improvements to historic Downtown commercial structures;

- Façade Improvement and Building Rehabilitation Program designed to bring dormant or under-utilized buildings in the central business district into productive use and to meet modern code, fire, safety and accessibility requirements;
- Downtown Kalamazoo Innovation Program to assist new retail, restaurant, service organizations and office tenants and to develop and fund such additional programs promoting the economic vitality of the Downtown;
- Conducting market research and public relations campaigns, develop, coordinate, and conduct retail and institutional promotions, and sponsor special events and related activities.
- Fulfilling DDA financial commitments incurred with the construction of public infrastructure, such as streetscape, public space and snowmelt.

Commented [AC22]: Current programs?

Tax increment financing (“TIF”) administration shall include audit and legal services and Development Plan updates as needed. Administration may also include support for staffing and execution of all programs, services and initiatives outlined in this plan.



Advisory Boards and Commissions Appointee Nomination Report

City of Kalamazoo

RECOMMENDATION

It is recommended that the City Commission approve the following appointments (and/or reappointments) to the Downtown Development Authority and Downtown Economic Growth Authority Boards:

SPECIAL REQUIREMENTS FOR THIS POSITION

At least 5 members of the 9 person board must have an interest in property located in the downtown district. At least one of the members shall be a resident of the downtown district.

SELECTION PROCESS

Applicants Considered

Kwame Gyimah

Interview Process and Final Recommendation

Kwame Gyimah

NOMINEE QUALIFICATIONS

Dual Board Memberships

Kwame Gyimah - DDA and DEGA

Residency

Kwame Gyimah is employed as an attorney with Lennon Miller PC and also lives downtown.

Term Limits

Kwame Gyimah – 4 year term

Training, Experience, Education And Skills

Kwame Gyimah – As an attorney, Kwame has extensive training in counseling and representing organizations ranging from private companies to municipal agencies. He has also successfully served on a number of public interest boards aimed at serving communities. Kwame is passionate about the downtown area, and his experience in both living and working downtown has given him insight into its potential and needs.

Contribution To Diversity

Kwame Gyimah is an African-American male.

NOMINATION RATIONALE

CITY CLERK'S CERTIFICATION

The nominee's qualifications regarding dual board memberships, residency, and term limits have been reviewed and verified by the City Clerk's Office.

Scott A. Borling, City Clerk