Agenda
Downtown Economic Growth Authority
Board of Directors

City of Kalamazoo

Monday, December 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 November 20, 2023. (**Action: Motion to approve**)

D. REPORTS AND PRESENTATIONS

1. Financial Report **(Action: Motion to Approve the Financial Report as Presented)**

E. DISCUSSION/ACTION ITEMS

1. 266 E Michigan - DEGA Step Aside Request **(Action: Motion to Approve the 266 E Michigan - DEGA Step Aside Request)**

2. Amendment to Tax Increment Financing Plan **(Action: Motion to Approve Amendment to Tax Increment Financing Plan)**

3. Service Agreement Between DDA/DEGA and The City of Kalamazoo **(Action: Motion to Approve the Service Agreement Between DDA/DEGA and The City of Kalamazoo)**

4. 2024 DEGA Budget **(Action: Motion to Approve the 2024 DEGA Budget)**

5. 2024 DDA/DEGA Board Meeting Calendar **(Action: Motion to Approve the 2024 DDA/DEGA Board Meeting Calendar)**

F. PUBLIC COMMENTS

G. DIRECTORS' COMMENTS

H. ADJOURNMENT

KALAMAZOO DOWNTOWN
ECONOMIC GROWTH
AUTHORITY

Board of Directors Regular Meeting Minutes

November 20, 2023, 3:00 p.m. |Community Planning & Economic Development, 245 N Rose Street

PRESENT: Curt Aardema, Jeff Breneman*, Kwame Gyimah, Susan Lindemann, Clarence Lloyd

ABSENT: Mayor Anderson, Grant Fletcher, Stephanie Hinman, Matt Hollander

STAFF: Paul Thuringer, Jaime Marsman

*Left the meeting early

A. CALL TO ORDER

DIRECTOR LINDEMANN CALLED THE MEETING TO ORDER AT 4:55 P.M.

SWEARING IN OF NEW MEMBERS
This was accomplished by Scott Borling, City Clerk, at the beginning of the Downtown Development Authority (DDA) Board meeting before Roll Call.

ROLL CALL

PRESENT: Curt Aardema
Jeff Breneman
Kwame Gyimah
Susan Lindemann
Clarence Lloyd

ABSENT: Mayor David Anderson
Grant Fletcher
Stephanie Hinman
Matt Hollander

EXCUSED: Mayor David Anderson
Grant Fletcher
Stephanie Hinman
Matt Hollander

THE NOVEMBER 20, 2023, ATTENDANCE INCLUDING EXCUSED AND UNEXCUSED ABSENCES ARE RECORDED.

B. ADOPTION OF FORMAL AGENDA

DIRECTOR BRENEMAN MOVED TO ADOPT THE NOVEMBER 20, 2023 AGENDA AS PRESENTED. DIRECTOR LLOYD SECONDED. NO OBJECTIONS. MOTION CARRIED.

Board of Directors Regular Meeting Minutes

November 20, 2023, 3:00 p.m. |Community Planning & Economic Development, 245 N Rose Street

C. APPROVAL OF MINUTES

DIRECTOR AARDEMA MOVED TO APPROVE THE OCTOBER 16, 2023 MINUTES. DIRECTOR LLOYD SECONDED. NO OBJECTIONS. MOTION CARRIED.

D. REPORTS AND PRESENTATIONS

1. 266 E Michigan – DEGA Step Aside Request

Matt O'Connor, Developer and Owner of 266 E Michigan (Coney Island building) was present. He gave a brief history of the project to date. Initial plans were for 11 apartments, and the project received CRP support from MEDC along with local incentives. The project, however, was over budget. The project has now shifted into 13 units. Coney Island will remain on the main floor. Mr. O'Connor stated that he may have a potential new owner of what was formerly Ouzos. He was able to secure additional funding through an MEDC RAP Grant and also a grant from Kalamazoo County. They are ready to close on the construction loan in mid-December and are working to update their site plan with the City.

The request today is a modification of their last proposal with a change in scope. Information was included in the packet.

Logan Mulholland from Fishbeck was present to answer questions about the Brownfield Plan. She noted that there are now additional eligible activities in the Brownfield Plan which push the plan to 22 years instead of the original 6. A fact sheet was included. Ms. Mulholland noted that they are working with the City Assessor to update the future taxable value, which may decrease the years of the plan.

Director Lloyd asked what the plan for the first floor was. Mr. O'Connor affirmed that Coney Island will remain. They would like to maintain Ouzo's as a restaurant. Lot 1 is directly behind the space which provides good parking for both retailers and tenants. There is also the possibility of outdoor dining as well.

Mr. O'Connor stated that they are in process with the Historic District Commission as well and will go before that Board in December. Brownfield eligible activities have increased from $100,000 to over $300,000.

Director Lindemann noted that this is not a new project coming to the DEGA, but is a project update.

There are 4 units which will be leased at 80-120 AMI.

Director Aardema noted that this is a significant increase in years of the plan. Director Lindemann stated that discussions with the Brownfield Authority will be needed before additional projects of this nature are considered. There was discussion regarding the short-term and long-term effects of these projects upon the DEGA.

Director Lloyd spoke about the importance of activating the first-floor space to enhance the vitality of the downtown area.

The DEGA Board will vote on this issue in December.

2. 2024 DEGA Budget Discussion

No discussion.

3. Financial Report

Due to the lack of quorum, the Financial Report was not able to be approved.

4. Events & Marketing Committee Update

No members were present.

5. Recruitment and Retention Committee Report

Director Aardema shared committee details. He stated that an inventory of ground-floor uses was prepared and categorized. They are looking at a targeted approach and will begin by looking at vacant spaces. Recruiting will be part of this. They will work with prospective and existing tenants on a tiered scale. The goal is to have a core retail/restaurant corridor. Follow-ups with specific retailers will happen soon.

Director Lindemann spoke about potential funding concepts to support these initiatives.

E. DISCUSSION/ACTION ITEMS

1. Service Agreement Between DDA/DEGA and The City of Kalamazoo

No discussion.

2. Amendment to Tax Increment Financing Plan

This agenda item was tabled due to lack of quorum.

F. STAFF UPDATES

None.

G. PUBLIC COMMENTS

1. None.

H. DIRECTOR'S COMMENTS

1. Director Lloyd stated that he is looking forward to streamlining and clarifying processes and concepts.
2. Director Gyimah stated that he has many things to learn as a new member of the Board and will be reaching out regarding the Brownfield Plan calculation.
3. Director Lindemann affirmed that the Brownfield Plan is a long game instead of a benefit in the near future. Director Lindemann stated that talks with the City will continue to happen.

I. ADJOURNMENT

DIRECTOR LINDEMANN ADJOURNED THE MEETING AT 5:20 P.M.

Downtown Economic Growth Authority
10/31/2023 Trial Balance

Assets:		
Cash	$	193,603
Receivables		-
Due From Primary Government		-
Due from Grants Fund		-
Taxes Receivable		-
Total Assets	**$**	**193,603**
Liabilities:		
Accounts Payable	$	-
Event Deposits	$	1,500
Accrued Interest Payable	$	40,000
Total Liabilities		41,500
Fund Balance:		
Fund Balance		152,103
Total Liabilities & Fund Balance	**$**	**193,603**

	2023 Adopted Budget	**October Totals**	**2023 YTD Actuals**
Revenues:			
Taxes	$ 292,702	$ -	280,776
Event Fees	-	200	5,035
Event Sponsorships	424,500	-	150
Transfers In	80,000	-	-
Interest And Rentals	-	-	103
Total Revenues	**797,202**	**200**	**$ 286,064**
Expenses:			-
Professional And Contractual Services	568,700	49,943	319,920
Legal Services And Fees	7,500	-	4,921
Insurance Services	8,500	-	-
Operating Supplies	10,500	-	832
Garbage Disposal	49,100	4,365	39,269
Repairs	-	-	3,575
Community Promotion	10,000	-	31,000
Audit Fees	12,900	2,500	12,900
Tax Appeal Refunds	5,000		-
Administrative Fees	125,000		-
Debt Service	-		20,000
Total Expenses	**$ 797,200**	**$ 56,808**	**$ 432,417**
Revenues Less Expenses	**$ 2**		**$ (146,353)**

Informational:

Transfers In

Holiday Events Grant Given To The City, Utilized By DEGA

Professional And Contractual Services	
Ambassador Contract	299,500
Winter Events	151,000
Summer Events	67,000
Miscellaneous	51,200
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

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Kalamazoo, Michigan 49048

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266 E. Michigan Project Fact Sheet

Project Overview: The proposed project includes the redevelopment of a commercial building situated on an approximately 0.078-acre parcel located at 266 E. Michigan Avenue in the City of Kalamazoo, Michigan (the "Property"). The Property is comprised of an approximately 13,600-square-foot, four-story building, in the heart of downtown Kalamazoo. The first floor is developed as restaurant space, with three vacant and undeveloped upper floors. The developer will redevelop the upper three floors into 13 residential apartments over the first-floor commercial space.

Parcel ID: 06-15-379-006

The purpose of this Plan is to provide for reimbursement of the eligible activity expenses incurred and to be incurred by the developer on the Property and improvements that will directly benefit the Property.

Eligible Costs

School and Local

- **Pre-Approved Activities** (i.e., Phase I Environmental Site Assessments, Phase II Environmental Site Assessments, Baseline Environmental Assessments, Asbestos, Lead, and Mold Surveys, and Pre-Demolition Survey) $20,000.
- **Lead and Asbestos Abatement**: The developer will incur costs associated with initial surveys of the Property and proper abatement and disposal of lead and asbestos prior to demolition activities. The initial cost of these activities was anticipated to total $15,500. The new anticipated total is $17,500.
- **Demolition:** Existing site improvements and parts of the interior of the building will be demolished, including the removal of certain interior improvements in the upper three floors of the building that are outdated or unsuited to the proposed residential housing. The initial cost of these activities was anticipated to total $35,000. The new anticipated total is $200,000.
- **Public Infrastructure:** Infrastructure improvements that directly benefit eligible property will include utility, road, and other eligible infrastructure improvements. The initial cost of these activities was anticipated to total $10,500. The new anticipated total is $20,000.
- **Brownfield Plan/Work Plan Preparation** The total cost of these activities is anticipated to be $10,000. The new anticipated total is $10,750.
- **15% Contingency:** The total contingency cost is anticipated at $9,000. The new anticipated total is $35,625.

Original Total: $100,000
Requested Amendment Total: $303,875

Anticipated Outcomes:

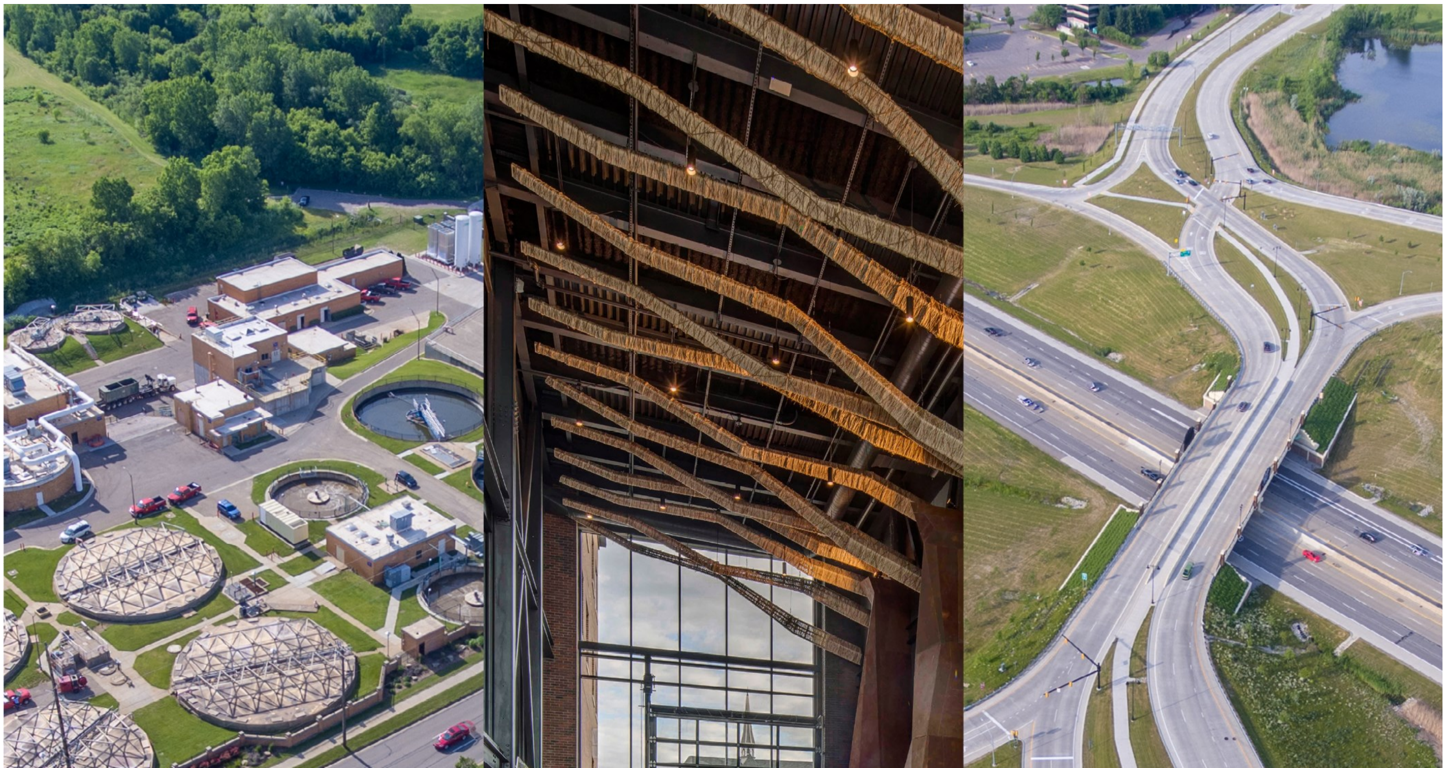
- **$104,489** Initial Taxable Value (2020)

Original Outcomes:

- **$412,500** Estimated Future Taxable Value
- **$3.7M** Total Investment
- **11** Units Upon Completion
- **11** Years of Brownfield Plan Capture (6 Years for the Developer + 5 Years for LBRF)
- **$100,000** Maximum Amount of Developer Eligible Activities
- **$11,156** Estimated Administrative Fees (10% of Local-Only Capture)

Amendment Outcomes:

- **$610,000** Estimated Future Taxable Value
- **$4.6M** Total Investment
- **13** Units Upon Completion, **4** will be leased at 80-120% of Area Median Income (AMI)
- **16** Years of Brownfield Plan Capture (11 Years for the Developer + 5 Years for LBRF)
- **$303,875** Maximum Amount of Developer Eligible Activities
- **$34,137** Estimated Administrative Fees (10% of Local-Only Capture)
- **$126,589** Estimated Local Brownfield Revolving Fund (LBRF) Capture



Act 381 Brownfield Plan

266 E. Michigan Avenue
Kalamazoo, MI 49048

City of Kalamazoo Brownfield Redevelopment Authority

Project No. 231677
Amendment #1
November 28, 2023

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2960 Interstate Parkway
Kalamazoo, Michigan 49048

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Act 381 Brownfield Plan

266 E. Michigan Avenue
Kalamazoo, MI 49048

Prepared For:
City of Kalamazoo Brownfield Redevelopment Authority
Kalamazoo, Michigan

Amendment #1
November 28, 2023
Project No. 231677

Amendment #1: (Fishbeck)
Recommended for Approval by the Brownfield Redevelopment Authority on: ____________
Adopted by the Kalamazoo City Commission on: ____________

Initial Brownfield Plan Approval: (Southwest Michigan First)
Adopted by the Kalamazoo City Commission on: December 7, 2020

Table of Contents

1.0 Introduction ... 1
- 1.1 Proposed Redevelopment and Future Use for Each Eligible Property ... 1
- 1.2 Eligible Property Information ... 1

2.0 Information Required by Section 13(2) of the Statute ... 1
- 2.1 Description of Costs to Be Paid for With Tax Increment Revenues ... 1
  - 2.1.1 Phase I & Phase II ESA, BEA, and Due Care Plan ... 2
  - 2.1.2 Lead and Asbestos Abatement ... 2
  - 2.1.3 Demolition ... 2
  - 2.1.4 Infrastructure Improvements ... 2
  - 2.1.5 Contingency ... 2
  - 2.1.6 Brownfield Plan Preparation ... 2
  - 2.1.7 Authority Administration Cost ... 2
  - 2.1.8 Local Brownfield Revolving Fund ... 2
- 2.2 Summary of Eligible Activities ... 2
- 2.3 Estimate of Captured Taxable Value and Tax Increment Revenues ... 3
- 2.4 Method of Financing and Description of Advances Made by the Municipality ... 3
- 2.5 Maximum Amount of Note or Bonded Indebtedness ... 3
- 2.6 Duration of Brownfield Plan ... 3
- 2.7 Estimated Impact of Tax Increment Financing on Revenues of Taxing Jurisdictions ... 4
- 2.8 Legal Description, Property Map, Statement of Qualifying Characteristics and Personal Property ... 4
- 2.9 Estimates of Residents and Displacement of Individuals/Families ... 4
- 2.10 Plan for Relocation of Displaced Persons ... 4
- 2.11 Provisions for Relocation Costs ... 4
- 2.12 Strategy for Compliance with Michigan's Relocation Assistance Law ... 4
- 2.13 Other Material that the Authority or Governing Body Considers Pertinent ... 4

List of Figures

Figure 1 – Location Map of the Eligible Property

Figure 2 – Site Plan

List of Tables

Table 1 – Summary of Eligible Costs

Table 2 – Total Captured Incremental Taxes Estimates

Table 3 – Estimated Reimbursement Schedule

List of Appendices

Appendix 1 Brownfield Plan Resolution(s)

Appendix 2 Development/Reimbursement Agreement

Appendix 3 Notice to Taxing Jurisdictions

Appendix 4 Notice of Public Hearing

Appendix 5 Functional Obsolescence Letter

1.0 Introduction

1.1 Proposed Redevelopment and Future Use for Each Eligible Property

The proposed project includes the redevelopment of a commercial building situated on an approximately 0.078-acre parcel located at 266 E. Michigan Avenue in the City of Kalamazoo, Michigan (the "Property"). The Property is comprised of an approximately 13,600-square-foot, four-story building, in the heart of downtown Kalamazoo. The first floor is developed as restaurant space, with three vacant and undeveloped upper floors. The developer will redevelop the upper three floors into 13 residential apartments over the first-floor commercial space.

The developer has incurred and will incur "eligible activity" expenses in connection with the Property, as defined in the Brownfield Redevelopment Financing Act of 1996 ("Act 381"), including department specific activities, lead and asbestos abatement, demolition, and infrastructure improvements.

The purpose of this plan is to provide for reimbursement of the eligible activity expenses incurred and to be incurred by the developer on the Property and improvements that will directly benefit the Property. The Property requires significant investment to return it to functional use. The proposed project includes the selective interior demolition and redevelopment of the vacant upper three floors of the Property into 13 residential apartments, in addition to minimal rehabilitation activities on the first floor in order to support the apartments located on the upper three floors (the "Project").

The total capital investment on the project will be approximately $4.6 million.

1.2 Eligible Property Information

<u>Basis of Eligibility</u>

The Property is located in the City of Kalamazoo (the "City"), a qualified local governmental unit pursuant to Act 381. The Property is considered an "eligible property" under Act 381 because it was deemed functionally obsolete. See Appendix 5 for the determination of functional obsolescence.

<u>Location and Legal Description</u>

266 E. Michigan Ave Kalamazoo, MI 49007	Parcel ID: 06-15-379-006	0.078 Acres

332, 334 ORIGINAL PLAT OF THE TOWN (NOW CITY) OF KALAMAZOO; Liber 6 of Plats Page 8; That part of the Southwesterly 48 feet of the Northeasterly 72 feet of Lot 105 lying North of Bates Alley.

2.0 Information Required by Section 13(2) of the Statute

2.1 Description of Costs to Be Paid for With Tax Increment Revenues

Tax increment revenues will be used to reimburse the developer and City of Kalamazoo Brownfield Redevelopment Authority for the cost of eligible activities as authorized by the Brownfield Redevelopment Financing Act (Act 381). Statutorily approved environmental eligible activities and, if approved by the Michigan Strategic Fund ("MSF"), non-environmental eligible activities will be reimbursed with local and school tax increment revenues (TIR). The remaining eligible activities will be reimbursed with local TIR only.

The total cost of eligible activities is anticipated to be $303,875. The estimated costs of all eligible activities under this plan are summarized in Table 1. Authority administrative costs are anticipated to be $34,137. Funding to the State Brownfield Redevelopment Fund is anticipated to be $19,447. Capture for the Local Brownfield Revolving Fund (LBRF) is anticipated to be $126,589.

2.1.1 Phase I & Phase II ESA, BEA, and Due Care Plan

The developer conducted Baseline Environmental Assessment (BEA) activities on the Property during the acquisition phase of the Project. The cost of these activities is estimated to be $20,000.

2.1.2 Lead and Asbestos Abatement

The developer will incur costs associated with initial surveys of the Property and proper abatement and disposal of lead and asbestos prior to demolition activities. The cost of these activities is estimated to be $17,500.

2.1.3 Demolition

Existing site improvements and parts of the interior of the building will be demolished to prepare the Property for redevelopment. This demolition will include the removal of certain interior improvements in the upper three floors of the building that are outdated or unsuited to the proposed residential housing. The cost of these activities is estimated to be $200,000.

2.1.4 Infrastructure Improvements

Infrastructure improvements that directly benefit eligible property will include utility improvements, road improvements, and other eligible infrastructure improvements. The cost of these activities is estimated to be $20,000.

2.1.5 Contingency

A 15% contingency on future costs is included to cover unexpected cost overruns encountered during construction on future costs. The contingency is $35,625.

2.1.6 Brownfield Plan Preparation

The cost to prepare the Brownfield Plan, Brownfield Plan Amendment, and Act 381 Work Plan is anticipated to be $10,750.

2.1.7 Authority Administration Cost

Actual eligible costs incurred by the City of Kalamazoo Brownfield Redevelopment Authority are included in this plan as an eligible expense at a flat fee of 10% of local tax capture. These expenses will be reimbursed with local tax increment revenues only and are estimated to total as much as $34,137.

2.1.8 Local Brownfield Revolving Fund

The Authority intends to capture tax increments for deposits in the Local Brownfield Revolving Fund (LBRF) for a full five years, or as allowed by the statute. This capture is estimated to be as much as $126,589.

2.2 Summary of Eligible Activities

Environmental Activities

Pre-approved environmental costs are anticipated to be reimbursed through a Brownfield Plan using both school and non-school tax increment revenues, which may include Phase I & Phase II Environmental Site Assessments (ESA), Baseline Environmental Assessments (BEA), and Due Care Plans.

Non-Environmental Activities

Because the City of Kalamazoo is a Qualified Local Governmental Unit ("QLGU"), additional non-environmental costs ("Michigan Strategic Fund ["MSF"] Eligible Activities") can be reimbursed through a Brownfield Plan. This plan will provide for reimbursement of eligible demolition; lead, asbestos, and mold abatement; public infrastructure; and development of the Brownfield Plan and Act 381 Work Plan costs. Up to $250,000 of eligible demolition and lead, asbestos, and mold abatement activities are pre-approved for both school and non-school tax increment revenues. It is anticipated that an Act 381 Work Plan will be pursued for all other non-environmental activities, and upon approval, these costs will be reimbursed with school and non-school tax increment revenues.

Authority Expenses

Actual eligible costs incurred by the City of Kalamazoo Brownfield Redevelopment Authority are included in this plan as an eligible expense, at a flat fee of 10% of local tax capture.

Contingencies

A 15% contingency on future costs is included to cover unexpected cost overruns encountered during construction on future costs.

2.3 Estimate of Captured Taxable Value and Tax Increment Revenues

The initial taxable value will be the 2020 taxable value, $104,489. An estimate of the captured taxable value for this redevelopment by year is depicted in Table 2. This plan captures all available tax increment revenues, including real and personal property tax increment revenues.

Project activities will be initiated in 2023 with construction occurring into 2024. Tax increment revenue collection will start within five years of the adoption of this plan and is anticipated to begin as early as 2025.

After the completion of the project, the projected taxable value is estimated at $610,000. Reimbursements will be made on the actual tax increment that is realized. The estimated captured taxable value for this redevelopment by year and in aggregate for each taxing jurisdiction is depicted in tabular form (Table 2). Once eligible expenses are reimbursed, the Authority may capture up to five full years of the tax increment and deposit the revenues into an LBRF or an amount not to exceed the total cost of eligible activities. The plan also includes a flat fee of 10% of the local tax increment for administrative and operating expenses of the City of Kalamazoo Brownfield Redevelopment Authority. A summary of the estimated reimbursement schedule and the amount of capture into the LBRF by year and in aggregate is presented in Table 3.

2.4 Method of Financing and Description of Advances Made by the Municipality

The eligible activities contemplated under this plan will be financed by the developer, as outlined in this plan and the accompanying development agreement. No advances from the city are anticipated at this time.

2.5 Maximum Amount of Note or Bonded Indebtedness

No note or bonded indebtedness for this project is anticipated at this time. Therefore, this section is not applicable.

2.6 Duration of Brownfield Plan

The Authority intends to begin the capture of tax increment as early as 2025. This plan will then remain in place for 16 years, or until the eligible activities have been fully reimbursed and up to five full years of capture into the LBRF (not to exceed the amount of eligible activities), whichever occurs sooner. An analysis showing the reimbursement schedule is attached in Table 3.

2.7 Estimated Impact of Tax Increment Financing on Revenues of Taxing Jurisdictions

An estimate of the impact of tax increment financing on the revenues of all taxing jurisdictions is illustrated in detail within Table 2.

2.8 Legal Description, Property Map, Statement of Qualifying Characteristics and Personal Property

The property consists of one parcel that is 0.078 acres in size and is located at 266 E. Michigan Ave (Parcel Identification Number 06-15-379-006). A map showing eligible property dimensions is attached in Figure 1.

The legal description for the parcel is as follows:

> Parcel ID #06-15-379-006
> 332, 334 ORIGINAL PLAT OF THE TOWN (NOW CITY) OF KALAMAZOO; Liber 6 of Plats Page 8; That part of the Southwesterly 48 feet of the Northeasterly 72 feet of Lot 105 lying North of Bates Alley.

The Property is located in the City of Kalamazoo (the "City"), a qualified local governmental unit pursuant to Act 381. The Property is considered an "eligible property" under Act 381 because it was deemed functionally obsolete. See Appendix 5 for the determination of functional obsolescence. This Brownfield Plan does intend to capture tax increment revenues associated with personal property tax, if available.

2.9 Estimates of Residents and Displacement of Individuals/Families

No persons reside at the property; therefore, this section is not applicable.

2.10 Plan for Relocation of Displaced Persons

No persons reside at the property; thus, none will be displaced. Therefore, this section is not applicable.

2.11 Provisions for Relocation Costs

No persons reside at the property; thus, none will be displaced. Therefore, this section is not applicable.

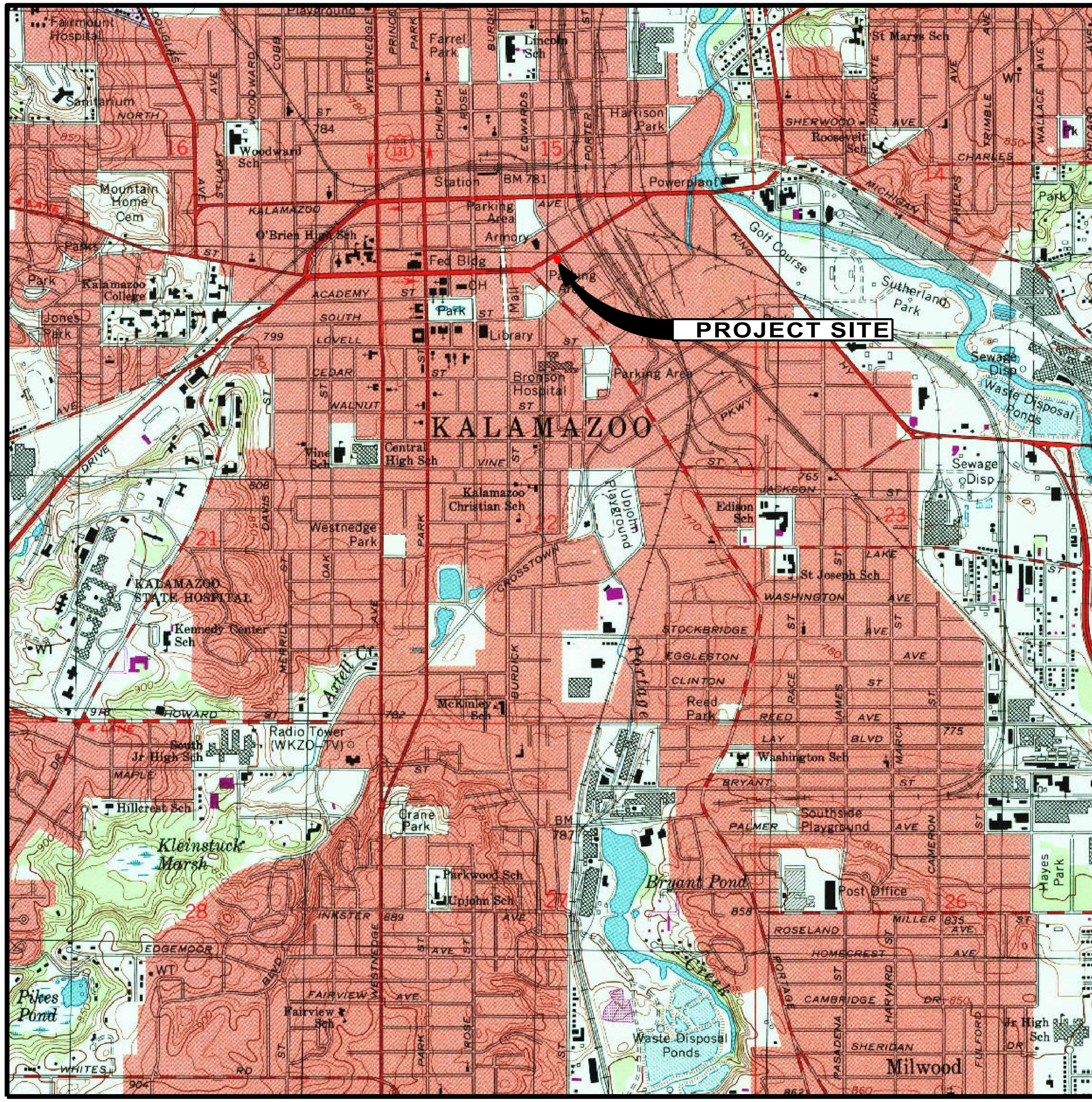
2.12 Strategy for Compliance with Michigan's Relocation Assistance Law

No persons reside at the property; thus, none will be displaced. Therefore, this section is not applicable.

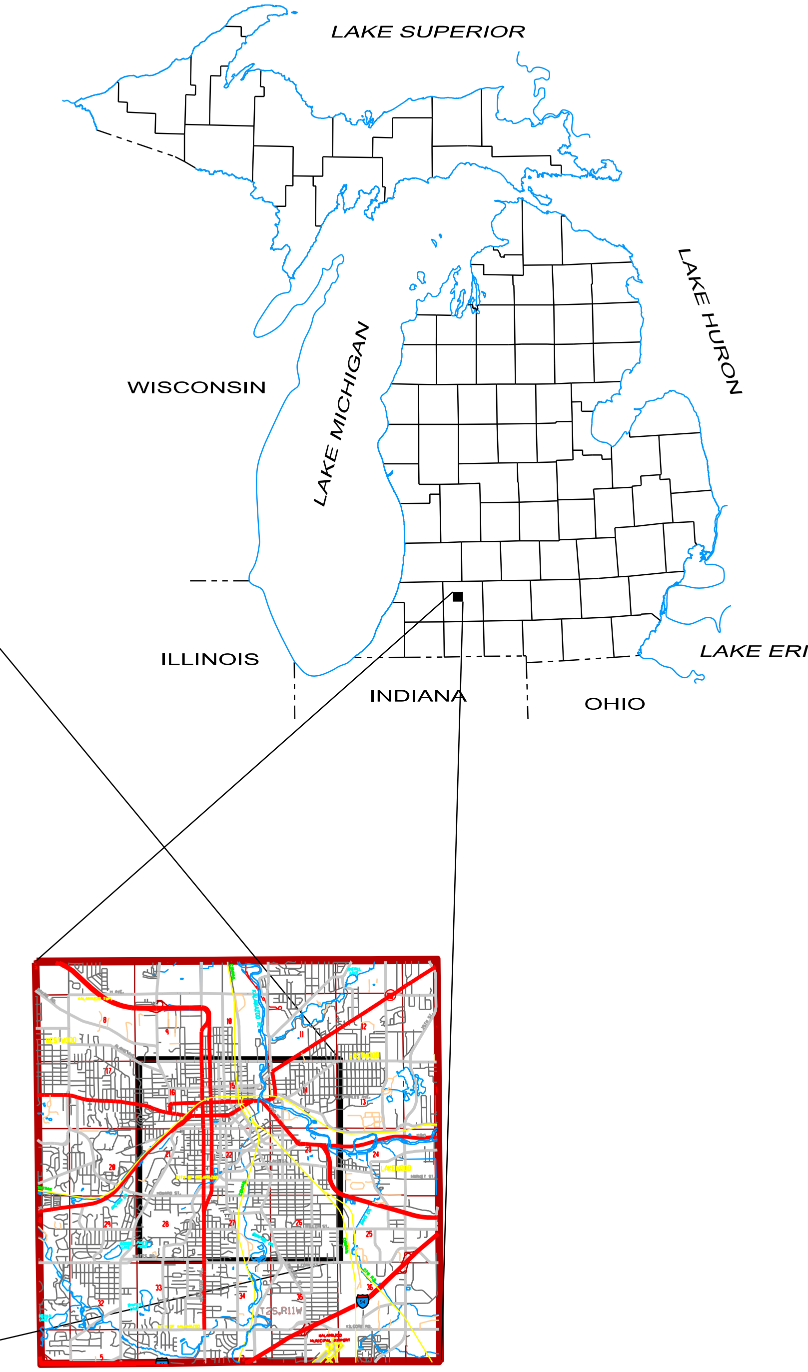
2.13 Other Material that the Authority or Governing Body Considers Pertinent

None.

Figures



SOURCE: KALAMAZOO, MICHIGAN USGS 7.5 MINUTE TOPOGRAPHIC QUADRANGLE MAPS
MAPTECH© U.S. TERRAIN SERIES™ ®MAPTECH©, INC. 606-433-8500



T 72S. R. 11 W.
KALAMAZOO COUNTY
KALAMAZOO, MICHIGAN

0 500 1000 2000 4000
SCALE 1" = 2000'

fishbeck

266 E MICHIGAN AVE

266 E MICHIGAN AVE
KALAMAZOO, MI 49007

LOCATION MAP

PROJECT NO.
231677

FIGURE No.
1

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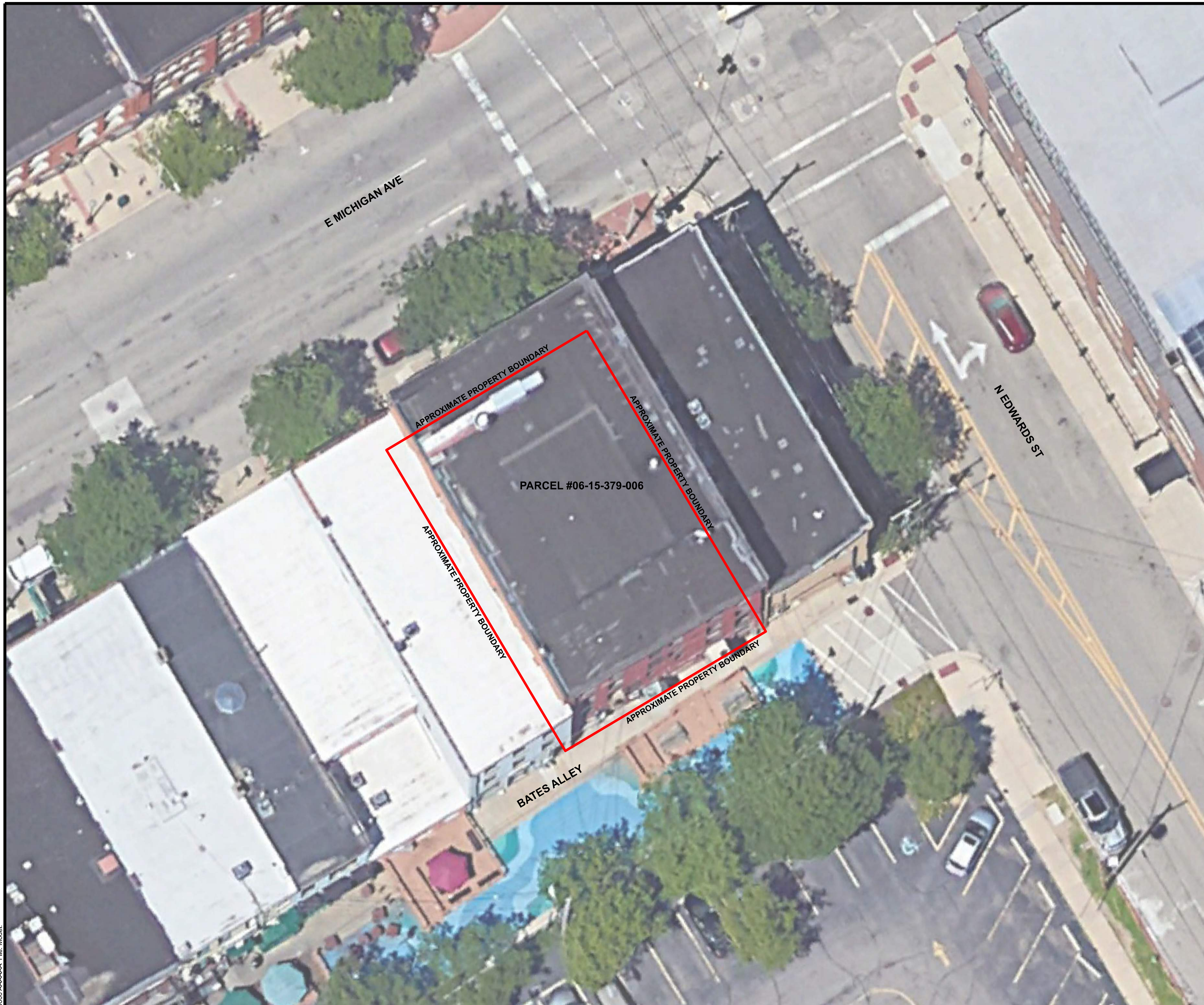

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SCALE: 1" = 20'

0 5 10 20 40

NOTE:
THIS IS NOT A PROPERTY BOUNDARY SURVEY. PROPERTY BOUNDARIES SHOWN ON THIS MAP ARE BASED ON AVAILABLE FURNISHED INFORMATION AND ARE APPROXIMATE ONLY AND SHOULD NOT BE USED TO ESTABLISH PROPERTY BOUNDARY LOCATION IN THE FIELD.

266 E MICHIGAN AVE

266 E MICHIGAN AVE
KALAMAZOO, MI 49007

SITE PLAN

fishbeck

PROJECT NO.
231677

FIGURE No.
2

000000 AAAAA File: Model:

Tables

Table 1 – Summary of Eligible Activities

EGLE Eligible Activities Costs and Schedule

EGLE Eligible Activities	Cost	Completion Season/Year
Department Specific Activities	**$20,000**	
Phase I & II Environmental Site Assessment	$7,500	
Baseline Environmental Assessment	$9,500	
Pre-Demolition Survey	$3,000	
EGLE Eligible Activities Subtotal	**$20,000**	
Contingency (0%)	**$0**	
Interest (0%)	**$0**	
EGLE Eligible Activities Total Costs	**$20,000**	

MSF Eligible Activities Costs and Schedule

MSF Eligible Activities	Cost	Completion Season/Year
Lead and Asbestos Abatement	**$17,500**	**2023–2024**
Abatement Including Disposal and Air Monitoring	$17,500	
Building Demolition	**$200,000**	**2023–2024**
Building Demolition/Deconstruction	$200,000	
Public Infrastructure	**$20,000**	**2023–2024**
Streets, Roads	$20,000	
Brownfield Plan/Act 381 Work Plan	**$10,750**	**2020–2023**
Brownfield Plan Preparation	$5,000	
Brownfield Plan Amendment	$750	
Work Plan Preparation	$5,000	
MSF Eligible Activities Subtotal	**$248,250**	
Contingency (15%)	**$35,625**	
Interest (0%)	**$0**	
MSF Eligible Activities Total Costs	**$283,875**	

Tax Increment Financing (TIF) Capture Estimate
266 E Kalamazoo Ave
Kalamazoo, MI
November 28, 2023

Estimated Taxable Value (TV) Increase Rate: 1.00%

	Millage Rate	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	TOTAL
Plan Year		**1**	**2**	**3**	**4**	**5**	**6**	**7**	**8**	**9**	**10**	**11**	**12**	**13**	**14**	**15**	**16**	**TOTAL**
Calendar Year		2025	2021	2022	2023	2024	2025	2025	2025	2025	2025	2025	2025	2026	2027	2028	2029	
*Base Taxable Value		$ 104,489	$ 104,489	$ 104,489	$ 104,489	$ 104,489	$ 104,489	$ 104,489	$ 104,489	$ 104,489	$ 104,489	$ 104,489	$ 104,489	$ 104,489	$ 104,489	$ 104,489	$ 104,489	$ -
Estimated New TV		$ 610,000	$ 616,100	$ 622,261	$ 628,484	$ 634,768	$ 641,116	$ 647,527	$ 654,003	$ 660,543	$ 667,148	$ 673,819	$ 680,558	$ 687,363	$ 694,237	$ 701,179	$ 708,191	$ -
Incremental Difference (New TV - Base TV)		**$ 505,511**	**$ 511,611**	**$ 517,772**	**$ 523,995**	**$ 530,279**	**$ 536,627**	**$ 543,038**	**$ 549,514**	**$ 556,054**	**$ 562,659**	**$ 569,330**	**$ 576,069**	**$ 582,874**	**$ 589,748**	**$ 596,690**	**$ 603,702**	$ -
School Capture	Millage Rate																	
State Education Tax (SET)	6.0000	$ 3,033	$ 3,070	$ 3,107	$ 3,144	$ 3,182	$ 3,220	$ 3,258	$ 3,297	$ 3,336	$ 3,376	$ 3,416	$ 3,456	$ 3,497	$ 3,538	$ 3,580	$ 3,622	$ 53,133
School Operating Tax	17.6757	$ 8,935	$ 9,043	$ 9,152	$ 9,262	$ 9,373	$ 9,485	$ 9,599	$ 9,713	$ 9,829	$ 9,945	$ 10,063	$ 10,182	$ 10,303	$ 10,424	$ 10,547	$ 10,671	$ 156,527
School Total	**23.6757**	**$ 11,968**	**$ 12,113**	**$ 12,259**	**$ 12,406**	**$ 12,555**	**$ 12,705**	**$ 12,857**	**$ 13,010**	**$ 13,165**	**$ 13,321**	**$ 13,479**	**$ 13,639**	**$ 13,800**	**$ 13,963**	**$ 14,127**	**$ 14,293**	**$ 209,660**
Local Capture	Millage Rate																	
CITY OPERATING	12.0000	$ 6,066	$ 6,139	$ 6,213	$ 6,288	$ 6,363	$ 6,440	$ 6,516	$ 6,594	$ 6,673	$ 6,752	$ 6,832	$ 6,913	$ 6,994	$ 7,077	$ 7,160	$ 7,244	$ 106,266
CCTA	0.8935	$ 452	$ 457	$ 463	$ 468	$ 474	$ 479	$ 485	$ 491	$ 497	$ 503	$ 509	$ 515	$ 521	$ 527	$ 533	$ 539	$ 7,912
SOLID WASTE	1.8000	$ 910	$ 921	$ 932	$ 943	$ 955	$ 966	$ 977	$ 989	$ 1,001	$ 1,013	$ 1,025	$ 1,037	$ 1,049	$ 1,062	$ 1,074	$ 1,087	$ 15,940
KCTA	0.3110	$ 157	$ 159	$ 161	$ 163	$ 165	$ 167	$ 169	$ 171	$ 173	$ 175	$ 177	$ 179	$ 181	$ 183	$ 186	$ 188	$ 2,754
KVCC	2.7802	$ 1,405	$ 1,422	$ 1,440	$ 1,457	$ 1,474	$ 1,492	$ 1,510	$ 1,528	$ 1,546	$ 1,564	$ 1,583	$ 1,602	$ 1,621	$ 1,640	$ 1,659	$ 1,678	$ 24,620
DDA	1.9638	$ 993	$ 1,005	$ 1,017	$ 1,029	$ 1,041	$ 1,054	$ 1,066	$ 1,079	$ 1,092	$ 1,105	$ 1,118	$ 1,131	$ 1,145	$ 1,158	$ 1,172	$ 1,186	$ 17,390
COUNTY OPERATING - Summer	4.6318	$ 2,341	$ 2,370	$ 2,398	$ 2,427	$ 2,456	$ 2,486	$ 2,515	$ 2,545	$ 2,576	$ 2,606	$ 2,637	$ 2,668	$ 2,700	$ 2,732	$ 2,764	$ 2,796	$ 41,017
COUNTY OPERATING - Winter - Public Sa	1.4380	$ 727	$ 736	$ 745	$ 754	$ 763	$ 772	$ 781	$ 790	$ 800	$ 809	$ 819	$ 828	$ 838	$ 848	$ 858	$ 868	$ 12,734
COUNTY 911	0.6459	$ 327	$ 330	$ 334	$ 338	$ 343	$ 347	$ 351	$ 355	$ 359	$ 363	$ 368	$ 372	$ 376	$ 381	$ 385	$ 390	$ 5,720
COUNTY HOUSING	0.7453	$ 377	$ 381	$ 386	$ 391	$ 395	$ 400	$ 405	$ 410	$ 414	$ 419	$ 424	$ 429	$ 434	$ 440	$ 445	$ 450	$ 6,600
COUNTY SENIOR	0.3462	$ 175	$ 177	$ 179	$ 181	$ 184	$ 186	$ 188	$ 190	$ 193	$ 195	$ 197	$ 199	$ 202	$ 204	$ 207	$ 209	$ 3,066
COUNTY VETERAN	0.1000	$ 51	$ 51	$ 52	$ 52	$ 53	$ 54	$ 54	$ 55	$ 56	$ 56	$ 57	$ 58	$ 58	$ 59	$ 60	$ 60	$ 886
KRESA OPERATING	3.0091	$ 1,521	$ 1,539	$ 1,558	$ 1,577	$ 1,596	$ 1,615	$ 1,634	$ 1,654	$ 1,673	$ 1,693	$ 1,713	$ 1,733	$ 1,754	$ 1,775	$ 1,796	$ 1,817	$ 26,647
KRESA SPECIAL ED	1.4941	$ 755	$ 764	$ 774	$ 783	$ 792	$ 802	$ 811	$ 821	$ 831	$ 841	$ 851	$ 861	$ 871	$ 881	$ 892	$ 902	$ 13,231
KRESA ENHANCEMENT	1.5000	$ 758	$ 767	$ 777	$ 786	$ 795	$ 805	$ 815	$ 824	$ 834	$ 844	$ 854	$ 864	$ 874	$ 885	$ 895	$ 906	$ 13,283
KRESA CTE	0.9903	$ 501	$ 507	$ 513	$ 519	$ 525	$ 531	$ 538	$ 544	$ 551	$ 557	$ 564	$ 570	$ 577	$ 584	$ 591	$ 598	$ 8,770
KALAMAZOO LIBRARY	3.8999	$ 1,971	$ 1,995	$ 2,019	$ 2,044	$ 2,068	$ 2,093	$ 2,118	$ 2,143	$ 2,169	$ 2,194	$ 2,220	$ 2,247	$ 2,273	$ 2,300	$ 2,327	$ 2,354	$ 34,535
Local Total	**38.5491**	**$ 19,487**	**$ 19,722**	**$ 19,960**	**$ 20,200**	**$ 20,442**	**$ 20,686**	**$ 20,934**	**$ 21,183**	**$ 21,435**	**$ 21,690**	**$ 21,947**	**$ 22,207**	**$ 22,469**	**$ 22,734**	**$ 23,002**	**$ 23,272**	**$ 341,371**
Non-Capturable Millages	Millage Rate																	
COUNTY JUV. HOME DEBT	0.1668	$ 84	$ 85	$ 86	$ 87	$ 88	$ 90	$ 91	$ 92	$ 93	$ 94	$ 95	$ 96	$ 97	$ 98	$ 100	$ 101	$ 1,477
SCHOOL DEBT	8.2000	$ 4,145	$ 4,195	$ 4,246	$ 4,297	$ 4,348	$ 4,400	$ 4,453	$ 4,506	$ 4,560	$ 4,614	$ 4,669	$ 4,724	$ 4,780	$ 4,836	$ 4,893	$ 4,950	$ 72,615
Total Non-Capturable Taxes	**8.3668**	**$ 4,230**	**$ 4,281**	**$ 4,332**	**$ 4,384**	**$ 4,437**	**$ 4,490**	**$ 4,543**	**$ 4,598**	**$ 4,652**	**$ 4,708**	**$ 4,763**	**$ 4,820**	**$ 4,877**	**$ 4,934**	**$ 4,992**	**$ 5,051**	**$ 74,092**
Total Tax Increment Revenue (TIR) Available for Capture		**$ 31,455**	**$ 31,835**	**$ 32,218**	**$ 32,605**	**$ 32,997**	**$ 33,392**	**$ 33,790**	**$ 34,193**	**$ 34,600**	**$ 35,011**	**$ 35,426**	**$ 35,846**	**$ 36,269**	**$ 36,697**	**$ 37,129**	**$ 37,565**	**$ 551,030**

Millage Rates are Summer and Winter 2023

Tax Increment Financing (TIF) Reimbursement Estimate
266 E Kalamazoo Ave
Kalamazoo, MI
November 28, 2023

Developer Maximum Reimbursement	Proportionality	School & Local Taxes	Local-Only Taxes	Total
State	**38.0%**	$ 115,620	$ -	$ 115,620
Local	**62.0%**	$ 188,255	$ -	$ 188,255
TOTAL				
EGLE	6.6%	$ 20,000	$ -	$ 20,000
MSF	93.4%	$ 283,875	$ -	$ 283,875

Estimated Total Years of Plan: 16

Estimated Capture	
Administrative Fees	**$ 34,137**
State Brownfield Redevelopment Fund	**$ 19,447**
Local Brownfield Revolving Fund	**$ 126,589**

		1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	
		2025	2026	2027	2028	2029	2030	2031	2032	2033	2034	2035	2036	2037	2038	2039	2040	TOTAL
Total State Incremental Revenue		$ 11,968	$ 12,113	$ 12,259	$ 12,406	$ 12,555	$ 12,705	$ 12,857	$ 13,010	$ 13,165	$ 13,321	$ 13,479	$ 13,639	$ -	$ -	$ -	$ -	$ 153,477
State Brownfield Redevelopment Fund (50% of SET)		$ 1,517	$ 1,535	$ 1,553	$ 1,572	$ 1,591	$ 1,610	$ 1,629	$ 1,649	$ 1,668	$ 1,688	$ 1,708	$ 1,728	$ -	$ -	$ -	$ -	$ 19,447
State TIR Available for Reimbursement		**$ 10,452**	**$ 10,578**	**$ 10,705**	**$ 10,834**	**$ 10,964**	**$ 11,095**	**$ 11,228**	**$ 11,362**	**$ 11,497**	**$ 11,633**	**$ 11,771**	**$ 11,911**	**$ -**	**$ -**	**$ -**	**$ -**	**$ 134,029**
Total Local Incremental Revenue		$ 19,487	$ 19,722	$ 19,960	$ 20,200	$ 20,442	$ 20,686	$ 20,934	$ 21,183	$ 21,435	$ 21,690	$ 21,947	$ 22,207	$ 22,469	$ 22,734	$ 23,002	$ 23,272	$ 341,371
BRA Administrative Fee (10%)		$ 1,949	$ 1,972	$ 1,996	$ 2,020	$ 2,044	$ 2,069	$ 2,093	$ 2,118	$ 2,144	$ 2,169	$ 2,195	$ 2,221	$ 2,247	$ 2,273	$ 2,300	$ 2,327	$ 34,137
Local TIR Available for Reimbursement		**$ 17,538**	**$ 17,750**	**$ 17,964**	**$ 18,180**	**$ 18,398**	**$ 18,618**	**$ 18,840**	**$ 19,065**	**$ 19,292**	**$ 19,521**	**$ 19,752**	**$ 19,986**	**$ 20,222**	**$ 20,461**	**$ 20,702**	**$ 20,945**	**$ 307,233**
Total State & Local TIR Available		**$ 27,990**	**$ 28,328**	**$ 28,669**	**$ 29,014**	**$ 29,362**	**$ 29,713**	**$ 30,068**	**$ 30,427**	**$ 30,789**	**$ 31,154**	**$ 31,524**	**$ 31,897**	**$ 20,222**	**$ 20,461**	**$ 20,702**	**$ 20,945**	**$ 441,263**
DEVELOPER	Beginning Balance																	
Reimbursement Balance	***$ 303,875***	***$ 275,885***	***$ 247,557***	***$ 218,888***	***$ 189,875***	***$ 160,513***	***$ 130,800***	***$ 100,732***	***$ 70,306***	***$ 39,517***	***$ 8,363***	***$ -***	***$ -***	***$ -***	***$ -***	***$ -***	***$ -***	***$ -***
MSF Non-Environmental Costs	*$ 283,875*	*$ 283,875*	*$ 255,885*	*$ 227,557*	*$ 198,888*	*$ 169,875*	*$ 140,513*	*$ 110,800*	*$ 80,732*	*$ 50,306*	*$ 19,517*	*$ -*	*$ -*	*$ -*	*$ -*	*$ -*	*$ -*	*$ -*
State Tax Reimbursement	$ 108,011	$ 10,452	$ 10,578	$ 10,705	$ 10,834	$ 10,964	$ 11,095	$ 11,228	$ 11,362	$ 11,497	$ 9,297	$ -	$ -	$ -	$ -	$ -	$ -	$ 108,011
Local Tax Reimbursement	$ 175,864	$ 17,538	$ 17,750	$ 17,964	$ 18,180	$ 18,398	$ 18,618	$ 18,840	$ 19,065	$ 19,292	$ 10,220	$ -	$ -	$ -	$ -	$ -	$ -	$ 175,864
Total MSF Reimbursement Balance		*$ 255,885*	*$ 227,557*	*$ 198,888*	*$ 169,875*	*$ 140,513*	*$ 110,800*	*$ 80,732*	*$ 50,306*	*$ 19,517*	*$ -*	*$ -*	*$ -*	*$ -*	*$ -*	*$ -*	*$ -*	*$ 283,875*
EGLE Environmental Costs	*$ 20,000*	*$ 20,000*	*$ 20,000*	*$ 20,000*	*$ 20,000*	*$ 20,000*	*$ 20,000*	*$ 20,000*	*$ 20,000*	*$ 20,000*	*$ 20,000*	*$ 8,363*	*$ -*	*$ -*	*$ -*	*$ -*	*$ -*	*$ -*
State Tax Reimbursement	$ 7,610	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ 2,337	$ 5,273	$ -	$ -	$ -	$ -	$ -	$ 7,610
Local Tax Reimbursement	$ 12,390	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ 9,301	$ 3,090	$ -	$ -	$ -	$ -	$ -	$ 12,390
Total EGLE Reimbursement Balance		*$ 20,000*	*$ 20,000*	*$ 20,000*	*$ 20,000*	*$ 20,000*	*$ 20,000*	*$ 20,000*	*$ 20,000*	*$ 20,000*	*$ 8,363*	*$ -*	*$ -*	*$ -*	*$ -*	*$ -*	*$ -*	$ 20,000
Total Annual Reimbursement		*$ 27,990*	*$ 28,328*	*$ 28,669*	*$ 29,014*	*$ 29,362*	*$ 29,713*	*$ 30,068*	*$ 30,427*	*$ 30,789*	*$ 31,154*	*$ 8,363*	*$ -*	*$ -*	*$ -*	*$ -*	*$ -*	$ 303,875
LOCAL BROWNFIELD REVOLVING FUND																		
LBRF Deposits *		**$ -**	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**	**$ 23,161**	**$ 44,259**	**$ 64,481**	**$ 84,942**	**$ 105,644**	**$ 126,589**
State Tax Capture	*$ 7,610*	*$ -*				*$ -*	*$ -*	*$ -*	*$ -*	*$ -*	*$ -*	*$ 6,498*	*$ 1,111*	*$ -*	*$ -*	*$ -*	*$ -*	$ 7,610
Local Tax Capture	*$ 118,979*	*$ -*				*$ -*	*$ -*	*$ -*	*$ -*	*$ -*	*$ -*	*$ 16,663*	*$ 19,986*	*$ 20,222*	*$ 20,461*	*$ 20,702*	*$ 20,945*	$ 118,979
Total LBRF Capture		*$ -*				*$ -*	*$ -*	*$ -*	*$ -*	*$ -*	*$ -*	*$ 23,161*	*$ 21,098*	*$ 20,222*	*$ 20,461*	*$ 20,702*	*$ 20,945*	*$ 126,589*

* Up to five years of capture for LBRF Deposits after eligible activities are reimbursed. May be taken from EGLE & Local TIR only.

Returned to the Taxing Jur.: $ 10,799

Appendix 1

RESOLUTION SUPPORTING THE ADOPTION OF A BROWNFIELD PLAN AMENDMENT
266 E. MICHIGAN AVE, CITY OF KALAMAZOO, MICHIGAN
BY THE CITY OF KALAMAZOO
PURSUANT TO AND IN ACCORDANCE WITH
THE PROVISIONS OF ACT 381 OF THE PUBLIC ACTS
OF THE STATE OF MICHIGAN OF 1996, AS AMENDED

At a regular meeting of the City of Kalamazoo Brownfield Redevelopment Authority, held at 245 N Rose Street, MI 49007 on the ______ day of ______ 2023 at _____ AM.

PRESENT:

ABSENT:

MOTION BY:

SUPPORTED BY:

WHEREAS, the City of Kalamazoo, pursuant to and in accordance with the provisions of the Brownfield Redevelopment Financing Act being Act 381 of the Public Acts of the State of Michigan of 1996, as amended (the "Act"), has formally resolved to participate in the Brownfield Redevelopment Authority of the City of Kalamazoo (the "Authority") and have designated that all related activities shall proceed through the Authority; and

WHEREAS, the Authority, pursuant to and in accordance with Section 3(4) and Section 13 of the Act, has reviewed and recommended for adoption by the City Commission of Kalamazoo, the Brownfield Plan Amendment (the "Plan") attached hereto, to be carried out within the City of Kalamazoo, relating to the development of property located at 266 E. Michigan Ave, City of Kalamazoo, Michigan (the "Site"), as shown in Figures 1 and 2 of the Plan and more particularly described in the legal description of the property contained within the attached Plan; and

WHEREAS, the Authority has reviewed the Plan, and has been provided a reasonable opportunity to express their views and recommendations regarding the Plan and in accordance with Section 14(5) of the Act; and

NOW, THEREFORE BE IT RESOLVED THAT:

1. **Plan Support**. Pursuant to the authority vested in the Authority, by the Act, the Plan is hereby supported in the form attached to this Resolution.
2. **Severability**. Should any section, clause, or phrase of this Resolution be declared by the courts to be invalid, the same shall not affect the validity of this Resolution as a whole nor any part thereof other than the part so declared to be invalid.
3. **Repeals**. All resolutions or parts of resolutions in conflict with any of the provisions of this Resolution are hereby repealed.

AYES:

NAYES:

ABSTAINED:

RESOLUTION DECLARED ADOPTED.

STATE OF MICHIGAN)

)§

CITY OF KALAMAZOO)

I, the undersigned, the fully qualified and acting Clerk of the City of Kalamazoo, State of Michigan, do hereby certify that the foregoing is a true and complete copy of a resolution adopted by the City of Kalamazoo Board at a regular meeting held on the _____ day of ______ 2023, the original of which resolution is on file in my office.

IN WITNESS WHEREOF, I have hereunto set my official signature this ____ day of _______ 2023.

Scott Borling

City of Kalamazoo Clerk

KALAMAZOO, MICHIGAN

**RESOLUTION ADOPTING A BROWNFIELD PLAN AMENDMENT
266 E. MICHIGAN AVE, CITY OF KALAMAZOO, MICHIGAN
BY THE CITY OF KALAMAZOO
PURSUANT TO AND IN ACCORDANCE WITH
THE PROVISIONS OF ACT 381 OF THE PUBLIC ACTS
OF THE STATE OF MICHIGAN OF 1996, AS AMENDED**

At a regular meeting of the Board of Commissioners of the City of Kalamazoo, Michigan, held in City Commission Chambers, City Hall located at 241 W South Street, Kalamazoo, Michigan, on the ______ day of ________ 202__ at ____ PM.

PRESENT:

ABSENT:

MOTION BY:

SUPPORTED BY:

WHEREAS, the City of Kalamazoo, pursuant to and in accordance with the provisions of the Brownfield Redevelopment Financing Act, being Act 381 of the Public Acts of the State of Michigan of 1996, as amended (the "Act"), has formally resolved to participate in the Brownfield Redevelopment Authority of the City of Kalamazoo (the "Authority") and have designated that all related activities shall proceed through the Authority; and

WHEREAS, the Authority, pursuant to and in accordance with Section 13 of the Act, has reviewed, and recommended for adoption by the Kalamazoo City Commissioners, the Brownfield Plan Amendment (the "Plan") attached hereto, to be carried out within the City of Kalamazoo, relating to the development of property located at 266 E. Michigan Ave, Kalamazoo, Michigan (the "Site"), as shown in Figures 1 and 2 of the Plan and more particularly described in the legal description of the property contained within the attached Plan; and

WHEREAS, the Kalamazoo City Commissioners have reviewed the Plan, and have been provided a reasonable opportunity to express their views and recommendations regarding the Plan and in accordance with Section 14(5) of the Act; and

WHEREAS, the Kalamazoo City Commissioners have noticed and held a public hearing in accordance with Section 14 (1, 2, 3, 4, and 5) of the Act, and

WHEREAS, the City of Kalamazoo Brownfield Redevelopment Authority has passed a resolution supporting the adoption of the Plan;

WHEREAS, the Kalamazoo City Commissioners have made the following determinations and findings:

1. The Plan constitutes a public purpose under the Act;
2. The Plan meets all of the requirements for a Brownfield plan set forth in Section 13 of the Act;
3. The proposed method of financing the costs of the eligible activities, as described in the Plan, was feasible and the Authority has the ability to arrange the financing;
4. The costs of the eligible activities proposed in the Plan are reasonable and necessary to carry out the purposes of the Act; and
5. The amount of captured taxable value estimated to result from the adoption of the Plan is reasonable; and

WHEREAS, as a result of the review of the Plan the Kalamazoo City Commissioners concur with the adoption of the individual Plan.

NOW, THEREFORE BE IT RESOLVED THAT:

1. **Plan Support**. Pursuant to the authority vested in the Kalamazoo City Commissioners, by the Act, the Plan is hereby supported in the form attached to this Resolution.
2. **Severability**. Should any section, clause, or phrase of this Resolution be declared by the courts to be invalid, the same shall not affect the validity of this Resolution as a whole nor any part thereof other than the part so declared to be invalid.
3. **Repeals**. All resolutions or parts of resolutions in conflict with any of the provisions of this Resolution are hereby repealed.

AYES:

NAYES:

ABSTAINED:

RESOLUTION DECLARED ADOPTED.

STATE OF MICHIGAN)

)§

CITY OF KALAMAZOO)ss:

I, the undersigned, the fully qualified and acting Clerk of the City of Kalamazoo, State of Michigan, do hereby certify that the foregoing is a true and complete copy of a resolution adopted by the Kalamazoo

City Commissioners at a regular meeting held on the _____ day of ______ 202__, the original of which resolution is on file in my office.

IN WITNESS WHEREOF, I have hereunto set my official signature this ____ day of _______ 202__.

Scott Borling

City of Kalamazoo Clerk

Appendix 2

Appendix 3

NOTICE TO ALL TAXING JURISDICTIONS

The City of Kalamazoo proposes to approve a Brownfield Plan Amendment (the “Plan”) for a property in the City of Kalamazoo, Kalamazoo, Michigan.

The City of Kalamazoo has established a Brownfield Redevelopment Authority (the “Authority”) in accordance with the Brownfield Redevelopment Act, Act No. 381 of the Michigan Public Acts of 1996, as amended (the “Act”). The Act was enacted to provide a means for local units of government to facilitate the revitalization of environmentally impacted, functionally obsolete, or blighted properties. The Act permits the use of tax increment financing in order to provide the Authority with the means of financing the redevelopment project included in a Brownfield Plan.

The Authority Board has reviewed and recommended the adoption of a Brownfield Plan Amendment related to the development of one parcel of property located at 266 E. Michigan Ave, City of Kalamazoo, Michigan. The property is one commercially developed parcel that will be redeveloped as a mixed-use building with first-floor commercial and 13 residential units above. The project is estimated to be approximately a $4.6M investment.

The site meets the definition of a “functionally obsolete” as defined by 1984 PA 270, MCL 125.2090a. As such, the property is an “eligible property” under Act 381.

This Brownfield Plan Amendment provides a means for the developer to recover their costs of eligible activities which primarily includes environmental assessment, lead and asbestos abatement, demolition, and public infrastructure improvements.

The plan will be considered for adoption at the _________________, 202__ meeting of the Kalamazoo City Commissioners held at ______ pm in the City Commission Chambers, at City Hall, 241 W South Street, 49007, Michigan. If you have any questions or comments concerning the Brownfield Redevelopment Authority or the adoption of the Plan you may attend the meeting and express those concerns during the Public Hearing. You may also direct inquiries to Jamie McCarthy, mccarthyja@kalamazoocity.org, or at (269) 337-8789.

Dated: _____________, 202__

Appendix 4

<u>NOTICE OF PUBLIC HEARING</u>

CITY OF KALAMAZOO BROWNFIELD REDEVELOPMENT AUTHORITY

REGARDING THE ADOPTION OF A BROWNFIELD PLAN AMENDMENT
266 E. MICHIGAN AVE, CITY OF KALAMAZOO
KALAMAZOO COUNTY, MICHIGAN

TO ALL INTERESTED PERSONS IN THE CITY OF KALAMAZOO

PLEASE TAKE NOTICE that the Kalamazoo City Commissioners will hold a Public Hearing on ________, the ___ day of _________ 202__, at approximately ______ pm, Eastern Daylight time held in the City Commission Chambers, City Hall, 241 W South Street, Kalamazoo, Michigan to receive public comment on a Brownfield Plan Amendment (the "Plan") to include therein the property located at 266 E. Michigan Ave, City of Kalamazoo, Kalamazoo, Michigan. The following legal parcels are included in the "eligible property":

- Parcel ID # 06-15-379-006

The project consists of one commercially developed parcel of property in the City of Kalamazoo. The project will involve the redevelopment of the existing structure into a mix-use development with commercial space on the first floor, and 13 residential units above. Primary eligible activities include environmental assessment activities, lead and asbestos abatement, demolition, and public infrastructure.

The site meets the definition of a "functionally obsolete" as defined by 1984 PA 270, MCL 125.2090a. As such, the property is an "eligible property" under Act 381.

The Brownfield Plan Amendment, which includes a site map and legal description of the parcel, is available for public inspection at the City's Community Planning & Economic Development Offices. All aspects of the plan are open for discussion at the public hearing.

FURTHER INFORMATION may be obtained from Jamie McCarthy, mccarthyja@kalamazoocity.org, or at (269) 337-8789.

THIS NOTICE is given by order of the City of Kalamazoo, Michigan.

Scott Borling
City of Kalamazoo Clerk

Appendix 5

AFFIDAVIT OF CITY OF KALAMAZOO ASSESSOR

I, Aaron P. Powers, being duly sworn, states that if called upon will testify to the following facts:

1. I am employed by the City of Kalamazoo in the Management Services Department as the City Assessor.
2. I am a certified Michigan Master Assessing Officer (4).
3. I am familiar with the property located at 266 E. Michigan Avenue, in the City of Kalamazoo
4. This affidavit is given in accordance with MCL 125.2663(1) (h) and is made to confirm this property qualifies as 'Functionally Obsolete Property' as that term is defined under MCL 125.2652(r). The following facts, without limitation, form the basis for my expert opinion:
5. The property is unable to be used to adequately perform the function for which it was intended due to a substantial loss in value resulting from factors such as overcapacity, changes in technology, deficiencies or super adequacies in design, or other similar factors that affect the property itself or the property's relationship with other surrounding property.

Aaron P. Powers, City Assessor

Subscribed and sworn to before me by Aaron Powers on August 18, 2020.

ROBIN L MOORE
Notary Public - Michigan
Wayne County
My Commission Expires May 29, 2021
Acting in the County of Kalamazoo

Robin Moore, Notary Public
Wayne County, Michigan
Commission Expires: May 29, 2021
Acting in Kalamazoo County

Prepared by:
Aaron P. Powers (R-6684)
City Assessor
241 West South Street
Kalamazoo, MI 49008
(269) 337-8011

CITY OF KALAMAZOO
DOWNTOWN ECONOMIC GROWTH AUTHORITY

RESOLUTION APPROVING AND RECOMMENDING SECOND AMENDMENT TO CITY OF KALAMAZOO DOWNTOWN ECONOMIC GROWTH AUTHORITY DEVELOPMENT PLAN & TAX INCREMENT FINANCING PLAN

Boardmember ___________________, supported by Boardmember ________________, moved the adoption of the following resolution:

WHEREAS, to accomplish the purposes of Part 6 of Act 57 of the Public Acts of Michigan of 2018 ("Act 57"), the Board of Directors (the "Board") of the Downtown Economic Growth Authority of City of Kalamazoo (the "DEGA") caused to be prepared, approved, and recommended a Development Plan and Tax Increment Financing Plan (the "Plan") and the City Commission for the City of Kalamazoo approved the Plan after notice and public hearing on December 3, 2018, in accordance with the requirements of Act 280 of the Public Acts of Michigan of 2005, as amended, the predecessor to Act 57; and

WHEREAS, to further accomplish the purposes of Act 57, the Board of the DEGA caused to be prepared, approved, and recommended an amendment to the Plan and the City Commission for the City of Kalamazoo approved that amendment to the Plan after notice and public hearing on December 7, 2020, in accordance with the requirements of Act 57 (together with the Plan, the "Amended Plans"); and

WHEREAS, to further accomplish the purposes of Part 6 of Act 57, the DEGA has determined to further amend the Amended Plans; and

WHEREAS, the Board of the DEGA desires, in accordance with the requirements of Part 6 of Act 57, to approve and recommend to the City Commission the Second Amendment to

City of Kalamazoo Downtown Economic Growth Authority Development Plan & Tax Increment Financing Plan presented at this meeting (the "2023 Plan Amendment").

NOW, THEREFORE, BE IT HEREBY RESOLVED AS FOLLOWS:

1. That the 2023 Plan Amendment in the form presented at this meeting is hereby approved and recommended to the City Commission for its approval.

2. That all resolutions or parts of resolutions in conflict herewith shall be and the same are hereby rescinded.

YEAS: Boardmembers ____

____

NAYS: Boardmembers ____

ABSTAIN: Boardmembers ____

ABSENT: Boardmembers ____

RESOLUTION DECLARED ADOPTED.

Dated: ___________

____

__________________, Secretary

CERTIFICATION

I hereby certify that the above is a true and complete copy of a resolution adopted by the Board of the Downtown Economic Growth Authority of City of Kalamazoo at a meeting held on ___________, and that public notice of said meeting was given pursuant to, and in compliance with, Act 267 of the Public Acts of Michigan of 1976, as amended.

Dated: ___________

____

___________________, Secretary

SECOND AMENDMENT TO CITY OF KALAMAZOO DOWNTOWN ECONOMIC GROWTH AUTHORITY DEVELOPMENT PLAN & TAX INCREMENT FINANCING PLAN

I. Introduction

A. On December 3, 2018, the City of Kalamazoo City Commission approved the City of Kalamazoo Downtown Economic Growth Authority Development Plan and Tax Increment Financing Plan (collectively, the “Plans”) with the passage of Resolution No. 18-85.

B. On December 7, 2020, the City of Kalamazoo City Commission approved an amendment to the Plans with the passage of Resolution No. 20-62.

C. As set forth in the Plans, as amended, the City of Kalamazoo Downtown Economic Growth Authority (DEGA), together with City of Kalamazoo and the City of Kalamazoo Brownfield Redevelopment Authority, agreed to honor project obligations created by the City of Kalamazoo Downtown Development Authority (DDA) following the dissolution of the DDA’s Development Plan and Tax Increment Financing Plan. This included using the DEGA’s tax increment revenues to reimburse certain eligible DDA project obligations. Following the dissolution of its tax increment financing plan, the DDA has continued to levy a two-mill tax to support its operations in furtherance of downtown economic development activities within the DDA’s district. Although the DDA and DEGA are separate legal entities, each entity’s respective activities are closely coordinated.

D. Since the Plans’ initial adoption, DEGA has captured tax increment revenues in the QDA produced by the DDA millage. The DEGA Board of Directors recently became aware that the Plans, as amended, did not specifically allow for such capture or include an estimate of the captured assessed values on the tax revenues of the DDA as an affected taxing unit. However, the Plans, as amended, did not expressly disclaim the impact on the DDA as it did the Kalamazoo Regional Educational Service Agency millages and the Kalamazoo County Housing Millage. This Amendment confirms, consistent with the City’s overall purpose of transitioning certain economic development activities from the DDA to the DEGA, the DEGA has been and continues to be permitted to capture available tax increments from the DDA millage.

E. On July 19, 2023, Act 90 of the Michigan Public Acts of 2023 (“Act 90”) became effective. Act 90 amended Michigan Public Act 381 of 1996, the Brownfield Redevelopment Financing Act (“Act 381”) to, among other things, allow the City of Kalamazoo Brownfield Redevelopment Authority (BRA) to enter into agreements with DEGA whereby DEGA would forgo or transfer its tax capture to allow the BRA to instead capture and utilize those taxes to pay for eligible activities permitted by Act 381. This Amendment also confirms that the DEGA may, from time to time and to the extent permitted by Act 381, enter into agreements with the BRA to forgo or transfer its tax capture to allow the BRA to instead capture and utilize those tax increments.

II. Tax Increment Financing Plan Amendments

A. Amendment to Paragraph III.B.2 ("Procedure for Capture and Tax Increment Revenues") of Tax Increment Financing Plan. Paragraph III.B.2 of the Tax Increment Financing Plan is amended in its entirety to read as follows:

2. Procedure for Capture and Tax Increment Revenue. The Act permits the DEGA to capture the increase ("Increment") that the current assessed value of the QDA exceeds the initial assessed value (IAV) of the QDA. Revenue thus captured may be expended by the DEGA pursuant to the Act and consistent with the Development and TIF Plans. The City and County Treasurers shall transmit the tax increment revenues to the DEGA which shall expend such revenues only upon the terms of the TIF Plan.

The IAV is being established as of December 31, 2017. The IAV is the State Equalized Value of the eligible property on that date, effective for property taxes levied for the fiscal year from January 1, 2018 – December 31, 2018. The Authority will capture the increment on the assessed value growth, including growth from inflation.

The DEGA Board of Directors may, from time to time and to the extent permitted by 1996 PA 381, as amended, decide to enter into agreements with the BRA to forgo or transfer its tax capture (or a portion thereof) to allow the BRA to instead capture and utilize those tax increments for a specific project. Following the termination of the Brownfield Plan, the DEGA will thereafter capture all available tax increment for the remaining duration of the TIF Plan.

B. Amendment to Paragraph III.C ("Estimates of Captured Assessed Value, Impact of TIF on the Assessed Values and Tax Revenues of the Affected Taxing Units") of Tax Increment Financing Plan. Paragraph III.C of the Tax Increment Financing Plan is amended in its entirety to read as follows:

C. Estimates of Captured Assessed Value, Impact of TIF on the Assessed Values and Tax Revenues of the Affected Taxing Units.

The taxing units affected by this TIF plan are listed in the table below along with the corresponding millage rate that will be captured and the percent at which it will be captured by the DEGA. The local units participating in this TIF plan each have facilities within the QDA. Kalamazoo Regional Educational Service Agency (KRESA) millages and the Kalamazoo County Housing Millage are not impacted by this plan. **Exhibit 5** shows the current estimates of tax revenue that will be captured within the QDA and eligible State contributions. All revenue projections are estimates only.

Taxing Unit	Millage	DEGA Capture
	2018	(% of incremental growth captured within the QDA)
Central & Kalamazoo County Transit Authorities	**1.0645**	100%
City of Kalamazoo	**13.8000**	100%
Kalamazoo County	**6.4782**	100%
Kalamazoo Public Library	**3.9478**	50%
Kalamazoo Valley Community College	**2.8089**	100%
DDA	**1.9638**	100%

The DEGA Board of Directors may, from time to time and to the extent permitted by 1996 PA 381, as amended, decide to enter into agreements with the BRA to forgo or transfer its tax capture (or a portion thereof) to allow the BRA to instead capture and utilize those tax increments for a specific project. Following the termination of the Brownfield Plan, the DEGA will thereafter capture all available tax increment for the remaining duration of the TIF Plan. Such agreements, if any, may impact the percentage of incremental growth captured by the DEGA.

C. **Substitution of Exhibit 5F ("City of Kalamazoo Downtown Development Authority – Estimates") to Tax Increment Financing Plan**. A new Exhibit 5F to the Tax Increment Financing Plan, "City of Kalamazoo Downtown Development Authority – Estimates," is substituted in place of the existing Exhibit 5F to read as follows:

Kalamazoo Downtown Economic Growth Authority - Estimates			
Downtown Development Authority millage			
Year	**DEGA District Total Taxable Value**	**DEGA District Projected Taxable Value Growth ***	**DEGA Tax Capture ***
	(Values based on estimated 3% growth annually)	(Projected Total Taxable Value, minus ITV) *	(Dollar Estimate based on Taxable Value Growth in Downtown District)*
2018	**131,244,499**		
2019	135,181,834	3,937,335	$ 6,626
2020	139,237,289	7,992,790	$ 13,451
2021	143,414,408	12,169,909	$ 20,480
2022	147,716,840	16,472,341	$ 27,721
2023	152,148,345	20,903,846	$ 35,178
2024	156,712,795	25,468,296	$ 42,860
2025	161,414,179	30,169,680	$ 50,772
2026	166,256,605	35,012,106	$ 58,921
2027	171,244,303	39,999,804	$ 67,314
2028	176,381,632	45,137,133	$ 75,960
2029	181,673,081	50,428,582	$ 84,865
2030	187,123,273	55,878,774	$ 94,037
2031	192,736,971	61,492,472	$ 103,484
2032	198,519,081	67,274,582	$ 113,214
2033	204,474,653	73,230,154	$ 123,237
2034	210,608,893	79,364,394	$ 133,560
2035	216,927,159	85,682,660	$ 144,193
2036	223,434,974	92,190,475	$ 155,145
2037	230,138,023	98,893,524	$ 166,425
2038	237,042,164	105,797,665	$ 178,044
2039	244,153,429	112,908,930	$ 190,011
2040	251,478,032	120,233,533	$ 202,337
2041	259,022,373	127,777,874	$ 215,034
2042	266,793,044	135,548,545	$ 228,111
2043	274,796,835	143,552,336	$ 241,580
2044	283,040,740	151,796,241	$ 255,453
2045	291,531,963	160,287,464	$ 269,743
2046	300,277,922	169,033,423	$ 284,461
2047	309,286,259	178,041,760	$ 299,621
2048	318,564,847	187,320,348	$ 315,236
Millage	***1.9638***		
Initial Taxable Value (ITV)	***131,244,499***	**less projected brownfield captures*	
Estimated Annual Inflation Rate	*1.03*		

D. **Addition of Exhibit 5G ("Kalamazoo Downtown Economic Growth Authority – Local and State Estimates") to Tax Increment Financing Plan**. A new Exhibit 5G, "Kalamazoo Downtown Economic Growth Authority – Local and State Estimates," is added to the Tax Increment Financing Plan to read as follows:

Kalamazoo Downtown Economic Growth Authority - Local and State Estimates							
Year	DEGA District Total Taxable Value	DEGA District Projected Taxable Value Growth *	Local Tax Capture *	SET *	KPS *	Total State Capture *	DEGA Tax Capture *
	(Values based on estimated 3% growth annually)	(Projected Total Taxable Value, minus Initial Taxable Value) *		(Reimbursed)	(Reimbursed)	(SET + KPS)	(Dollar Estimate based on Taxable Value Growth in Downtown District)*
Initial Taxable Value	**131,244,499**						
2019	135,181,834	3,937,335	**$ 94,777**	$ 20,157	$ 55,422	**$ 75,579**	**$ 170,356**
2020	139,237,289	7,992,790	**$ 192,398**	$ 40,918	$ 112,506	**$ 153,424**	**$ 345,822**
2021	143,414,408	12,169,909	**$ 292,947**	$ 62,302	$ 171,303	**$ 233,605**	**$ 526,552**
2022	147,716,840	16,472,341	**$ 396,512**	$ 84,328	$ 231,863	**$ 316,191**	**$ 712,703**
2023	152,148,345	20,903,846	**$ 503,185**	$ 107,015	$ 294,241	**$ 401,256**	**$ 904,441**
2024	156,712,795	25,468,296	**$ 613,057**	$ 130,382	$ 358,489	**$ 488,871**	**$ 1,101,928**
2025	161,414,179	30,169,680	**$ 726,226**	$ 154,450	$ 424,666	**$ 579,116**	**$ 1,305,342**
2026	166,256,605	35,012,106	**$ 842,790**	$ 179,240	$ 492,827	**$ 672,067**	**$ 1,514,857**
2027	171,244,303	39,999,804	**$ 962,851**	$ 204,774	$ 563,034	**$ 767,808**	**$ 1,730,659**
2028	176,381,632	45,137,133	**$ 1,086,514**	$ 231,074	$ 635,346	**$ 866,420**	**$ 1,952,934**
2029	181,673,081	50,428,582	**$ 1,213,886**	$ 258,163	$ 709,828	**$ 967,991**	**$ 2,181,877**
2030	187,123,273	55,878,774	**$ 1,345,080**	$ 286,064	$ 786,545	**$ 1,072,609**	**$ 2,417,689**
2031	192,736,971	61,492,472	**$ 1,480,210**	$ 314,803	$ 865,563	**$ 1,180,366**	**$ 2,660,576**
2032	198,519,081	67,274,582	**$ 1,619,393**	$ 344,403	$ 946,951	**$ 1,291,354**	**$ 2,910,747**
2033	204,474,653	73,230,154	**$ 1,762,752**	$ 374,892	$ 1,030,781	**$ 1,405,673**	**$ 3,168,425**
2034	210,608,893	79,364,394	**$ 1,910,412**				**$ 1,910,412**
2035	216,927,159	85,682,660	**$ 2,062,501**				**$ 2,062,501**
2036	223,434,974	92,190,475	**$ 2,219,153**				**$ 2,219,153**
2037	230,138,023	98,893,524	**$ 2,380,505**				**$ 2,380,505**
2038	237,042,164	105,797,665	**$ 2,546,697**				**$ 2,546,697**
2039	244,153,429	112,908,930	**$ 2,717,875**				**$ 2,717,875**
2040	251,478,032	120,233,533	**$ 2,894,189**				**$ 2,894,189**
2041	259,022,373	127,777,874	**$ 3,075,792**				**$ 3,075,792**
2042	266,793,044	135,548,545	**$ 3,262,842**				**$ 3,262,842**
2043	274,796,835	143,552,336	**$ 3,455,505**				**$ 3,455,505**
2044	283,040,740	151,796,241	**$ 3,653,947**				**$ 3,653,947**
2045	291,531,963	160,287,464	**$ 3,858,343**				**$ 3,858,343**
2046	300,277,922	169,033,423	**$ 4,068,870**				**$ 4,068,870**
2047	309,286,259	178,041,760	**$ 4,285,713**				**$ 4,285,713**
2048	318,564,847	187,320,348	**$ 4,509,062**				**$ 4,509,062**
TOTAL			**$ 60,033,984**			**$ 10,472,330**	**$ 70,506,314**

**less projected brownfield captures*

III. Ratification. The City of Kalamazoo Downtown Economic Growth Authority Development Plan and Tax Increment Financing Plan is in all other respects ratified and confirmed.

DOWNTOWN DEVELOPMENT AUTHORITY &
DOWNTOWN ECONOMIC GROWTH AUTHORITY

SERVICE AGREEMENT

This Service Agreement (the "Agreement") is made effective as of the date of the last authorized signatory of a Party, by and between the **Downtown Development Authority of the City of Kalamazoo**, a Michigan statutory authority formed pursuant to Section 2 of Act 57 of 2018, as amended, (the "DDA"), the **Downtown Economic Growth Authority,** a Corridor Improvement Authority formed pursuant to Section 6 of Act 57 of 2018, as amended, (the "DEGA"), mailing address at City Hall, 241 W. South Street, Kalamazoo, Michigan 49008 and the **City of Kalamazoo,** 241 South Street, Kalamazoo, Michigan 49007 (the "City"). Throughout this Agreement, the DDA, the DEGA, and the City are also referred to individually as a "Party" and collectively as the "Parties."

Recitals

A. Pursuant to the Recodified Tax Increment Financing Act, being Act 57 of the Public Acts of Michigan of 2018, and actions of the governing body of the City of Kalamazoo (the "City"), the DDA and the DEGA (the "DDA/DEGA") were created for the purpose of halting property value deterioration, increasing property tax valuation, and promoting economic growth in the City's downtown area and are authorized to exercise all powers granted by Act 57 or its predecessor Acts.

B. The DDA/DEGA do not have any employed staff or the internal capacity to carry out its specific purposes, and accordingly, the DDA/DEGA desires to contract with the City of Kalamazoo to provide services listed under Section 2. Specific Services in this Agreement.

C. The DDA/DEGA and City of Kalamazoo now enter into this Agreement pursuant to the terms and conditions set forth below.

Agreement

1. Engagement of the City. Subject to the terms and conditions of this Agreement,the DDA/DEGA engages the City to provide the specific services set forth below in Section 2 (the "Services") during the term set forth below in Section 3 (the "Term"), and the City accepts such engagement.

2. Specific Services. The City will provide the Services detailed below directly to (and, as applicable, on behalf of) the DDA/DEGA:

a. Negotiate and recommend purchase and disposition of contracts, leases, options, and easements relating to lands that support, incentivize, and implement development agreement contracts with public and private developers.

b. Negotiate and recommend incentives and development agreement contracts with public and private developers for constructing, reconstructing, rehabilitating, restoring, preserving, equipping, improving, maintaining, repairing, and operating any building or public facility.

c. Develop and implement long-range plans designed to halt the deterioration of property values, expand the taxable land value, increase property tax base, and attract new people living and working to promote the economic growth of the City's downtown area.

d. Develop and implement plans for the construction, renovation, repair, remodeling, rehabilitation, restoration, preservation, or reconstruction of any building or public facility that may be necessary or appropriate for the DDA/DEGA's purposes including Arcadia Festival Place.

e. Operate and manage any parcel, building or public facility under the DDA/DEGA's control including Arcadia Festival Place.

f. Conduct studies and analyses of the impact of metropolitan growth and economic changes under the City's downtown area. To update goals, track impact, and adjust long and short-range plans if necessary.

g. Provide the above and all other services as the DDA/DEGA and the City may agree to in writing, only as authorized by Section 2 of Act 57 of 2018, as amended, and by any applicable DDA or DEGA Development Plan, necessary or incidental to the exercise of the DDA/DEGA's powers, which are in fulfillmentof the DDA/DEGA's purposes and are in accordance with applicable law.

h. Provide day-to-day administrative services in support of the Services provided pursuant to this Agreement including vendor coordination, contract management, bookkeeping, bidding and RFP production, board management, communications, and planning including, but not limited to, the posting of notices and minute keeping as required by the Open Meetings Act, Act 267 of 1976, as amended.

3. Term. Subject to the provisions of this Agreement, the term of this Agreement will commence on the Effective Date and continue for three years (the "Term"), unless terminated earlier as provided below in Section 4. For purposes of clarification, although it is the intent of the Parties for their relationship as set forth in this Agreement to be long-term, this Agreement will not renew or extend automatically, and the Parties must execute a separate written agreement to renew or extend this Agreement.

4. Termination. Either Party may terminate this Agreement during the Term with or without cause, for any reason, following 180 days written notice.

5. Obligations After Expiration or Termination. Upon the expiration of this Agreement at the end of the Term pursuant to Section 3 above or the termination of this Agreement during the Term pursuant to Section 4 above, all obligations of the Parties under this Agreement will terminate.

6. Payments and Fee Schedule for the Services. The City agrees to render the Services to the DDA/DEGA based upon the following payment and fee schedule:

a. For all items defined under above in Section 2 as the "Services", unless otherwise agreed to in a separate writing between the Parties, the DDA/DEGA will pay the City the sum of Two Hundred and Fifty Thousand Dollars ($250,000.00).

b. To be paid in four equal installments of $62,500.00 on a quarterly basis.

c. In the event of termination under Section 3 or 4, DDA/DEGA shall pay all amounts due to the City for services performed until the date of termination.

7. Tangible Assets Provided. If the DDA/DEGA acquires tangible assets (the "DDA/DEGA Assets") which are used by the City in connection with the Services and/or services provided pursuantto agreements with others, the annual depreciated amount of such assets, until fully depreciated, shall be allocated based on usage for the purpose of crediting and assigning costs of such assets. **The City agrees to keep a current inventory of such assets and any additions including the annual depreciated amount, which it shall provide to the DDA/DEGA from time to time upon request. The City shall not dispose of any such assets without the approval of the DDA/DEGA.**

8. Accounting Records. The City shall keep or cause to be kept full and accurate accounting records related to its activities in providing the Services in accordance with generally accepted accounting principles (GAAP). The City shall maintain or caused to be maintained a system of bookkeeping to track and apportion its expenses related to providing the Services so that they are separate from the other activities of the City that are not Services provided pursuant to this Agreement. The City shall, upon request, give an authorized representative(s) of the DDA/DEGA, designated by the DDA/DEGA's governing board, or an authorized representative(s), designated by the Chief Financial Officer of the City, access to inspect and audit such books and records as is deemed necessary and desirable by the DDA/DEGA or the City. The City shall keep and safely store or caused to be kept and stored such books and records for a minimum of three (3) years or longer if required by the City's record and retention schedule at the cost of the DDA/DEGA.

9. Ownership of Assets. The ownership of all equipment, furniture, displays, vehicles, and similar tangible property acquired with funds provided by the DDA/DEGA shall immediately upon purchase or acquisition vest in the DDA/DEGA. The City shall keep a written current inventory of such assets identifying the owner which shall be available to the DDA/DEGA for review and inspection uponwritten request. The ownership of all consumable assets, such as office supplies and cleaning materials, purchased with funds received from the DDA/DEGA, shall remain with the DDA/DEGA, but such assets may be utilized and consumed by the City in the provision of the Services pursuant to this Agreement. The assets described in this Agreement shall not be pledged, licensed, encumbered, or otherwise alienated or assigned.

10. Insurance. The City will keep in force at all times during the Term a general

commercial liability insurance policy, including public liability and property damage, subject to normal policy exclusions, covering the Services provided pursuant to this Agreement in a combined single limit of $1,000,000.00 for each occurrence and $3,000,000.00 in the annual aggregate. Both the DDA/DEGA and the City will be named as an additional or co-insured as their interest may appear. Copies of the policies or certificates evidencing the policies will be provided to the DDA/DEGA and the City upon request. Each policy or certificate will contain a provision or endorsement stating that the policy will not be canceledor materially changed or altered without requiring 30 days' advanced written notice to the DDA/DEGA and the City. The terms of all insurance policies will preclude subrogation claims against the DDA/DEGA and the City.

11. Nondiscrimination. In connection with performance of the Services, the City will not discriminate against any employee or applicant for employment to be employed in performance of the Services with respect to hire, tenure, terms, conditions, or privileges of employment, or any matter directly or indirectly related to employment because of race, color, religion, natural origin, age, sex, height, weight, marital status, military status, sexual orientation, orphysical or mental disability. Breach of this provision may be regarded as a material breach of this Agreement as provided in the Persons with Disabilities Civil Rights Act and the Elliot-Larson Civil Rights Act,being respectively Act 220 and Act 243 of the Public Acts of Michigan of 1976, as amended.

12. Freedom of Information. The Parties acknowledge and agree that that DDA/DEGA is a "public body" as that term is defined by the Freedom of Information Act, being Act 442 of the Public Acts of Michigan of 1976, as amended. Accordingly, the DDA/DEGA's records and documents are available to the public pursuant to the guidelines and criteria established by the Freedom of Information Act, and the City will, in any activity performed pursuant to this Agreement on behalf of the DDA/DEGA,make its records and documents concerning such applicable activity available and provide them to the public upon a request made under and pursuant to the provisions of the Freedom of Information Act.

13. Compliance with Applicable Law. The City's performance of the Services will at all times be in conformance with any and all other applicable laws, ordinances, rules, and regulations, including, but not limited to the Michigan Recodified Tax Increment Financing Act, Act 57 of 2018, as amended.

14. Notices. All notices and other communications to be given pursuant to this Agreement will be given in writing and delivered personally, by first-class, or by e-mail, to the appropriate party at the address or e-mail address set forth below

a. If to the DDA:

City of Kalamazoo Downtown
Development Authority
Attention: Current DDA Chairperson
E-Mail Address: ________________________
c/o City Hall 241 W. South Street
Kalamazoo, Michigan 49007

b. If to the DEGA:

City of Kalamazoo Downtown
Economic Growth Authority
Attention: DEGA Chairperson
E-Mail Address: ________________________
c/o City Hall 241 W. South Street

Kalamazoo, Michigan 49007

c. If to the City: Attention: Rebekah Kik, Assistant City Manager
E-Mail Address: kikr@kalamazoocity.org
City Hall 241 W. South Street

Kalamazoo, Michigan 49007

Either Party may change its designated address/e-mail address by delivery of written notice of the change to the other Party. Notices will be deemed effective upon actual receipt. Actual receipt of electronic e-mail transmissions will be presumed based upon the transmitting Party's record that it was sent and received by the receiving Party.

15. Miscellaneous Provisions.

a. *Assignment*. This Agreement is not assignable by either Party without the prior written consent from the other Party.

b. *Successors and Assigns*. All of the terms and conditions contained in this Agreement will be binding upon and inure to the benefit of the Parties' successors, assigns, and legal representatives.

c. *No Third Parties*. Nothing in this Agreement, expressed or implied, is intended to confer upon any person, other than the Parties and their respective successors or permitted assigns, any rights or remedies whatsoever.

d. *Construction*. The Parties acknowledge and agree that each of them participated equally in the drafting of this Agreement. Any rule to the effect that theAgreement is to be construed more strictly against either Party is not applicable.

e. *Governing Law*. This Agreement will be construed in all respects in accordance with the laws of the State of Michigan. Venue of any dispute between the Parties based upon or arising from this Agreement shall lie with a Kalamazoo County court of competent jurisdiction.

f. *Captions and Headings*. The captions or headings of this Agreement are for convenience only and in no way define, limit, or describe the scope or intent of any provision of this Agreement.

g. *Entire Agreement*. This Agreement constitutes the entire agreement between the Parties and there are no other representations, warranties, promises, guarantees, or agreements, oral or written, expressed or implied, between the Parties with respect to this Agreement.

h. *Amendments*. This Agreement may not be amended, changed, modified, or altered without the express written consent of each Party.

i. *Severability*. In the event any provisions of this Agreement shall be held invalid or unenforceable by any court of competent jurisdiction, such holding shall not invalidate or render unenforceable any other provision of this Agreement.

j. *Waiver*. No waiver of any of the provisions of this Agreement will be deemed or constitute a waiver of any other provision, whether or not similar, nor will any waiver be a continuing waiver. No waiver will be binding unless executed in writing by the Party giving the waiver.

k. *Counterparts*. This Agreement may be simultaneously executed in counterparts, each of which will be an original and all of which will constitute one and the same instrument.

[Signatures on following page]

<u>Signature Page</u>

Each of the Parties have authorized the signing of this Agreement by their respective duly authorized officers all effective as of the Effective Date.

<u>THE DDA</u>

City of Kalamazoo Downtown Development Authority

____________________________________ Date Signed: ___________________
By:
Its: Chairperson

<u>THE DEGA</u>

City of Kalamazoo Downtown Economic Growth Authority

____________________________________ Date Signed: ___________________
By:
Its: Chairperson

<u>THE CITY</u>

City of Kalamazoo

____________________________________ Date Signed: ___________________
By:
Its: City Manger

4888-1233-3844 v1 [88592-1]

Downtown Economic Growth Authority
2024 Proposed Budget

Revenues		
Local Tax Capture	$	615,000
Contributions & Sponsorships	$	102,000
Charges for Services	$	5,000
Transfer from DDA	$	40,000
Total Revenues	**$**	**762,000**

Expenses		
Professional and Contractual Services	$	353,600
Sponsorships	$	103,000
Tax Appeals	$	5,000
Audit Fees	$	13,400
Legal Services	$	30,000
Administrative Fees	$	125,000
Total Expenses	**$**	**630,000**

Surplus (Deficit)	**$**	**132,000**

Downtown Economic Growth Authority
2024 Proposed Budget

Revenues			
Local Tax Capture	$	615,000	tax capture for the increment
Contributions & Sponsorships	$	102,000	See detail on side
Charges for Services	$	5,000	Arcadia Festival Site Fees
Transfer from DDA	$	40,000	For mall maintenance work completed by Ambassador contract
Total Revenues	**$**	**762,000**	

Expenses			
Operating Supplies	$	-	
Professional and Contractual Services	$	353,600	See detail on side
Sponsorships	$	103,000	See detail on side
Tax Appeals	$	5,000	Accounts for variance in projected to actual tax capture
Audit Fees	$	13,400	Per auditor engagement letter
Legal Services	$	30,000	Based on recent years experience
Liability Insurance	$	-	Included in Admin Fee
Administrative Fees	$	125,000	
Debt Service	$	94,000	See below
Total Expenses	**$**	**724,000**	
Surplus (Deficit)	**$**	**38,000**	

Contributions and Sponsorships:	
Gilmore Ambassador Revenue	50,000.00
COK Solid Waste Ambassador Revenue	32,000.00
Parking funds ambassador revenue	20,000.00
	102,000.00

Professional and Contractual Services:	
Ambassador contract with Block by Block	299,500.00
Big Belly Trash Cans Waste Pickup Fee	4,200.00
Big Belly Trash Cans Monthly Charges	42,900.00
BestWay Contract	2,000.00
Website	5,000.00
Total	**353,600.00**

Sponsorships: Amounts used in prior years, marketing committee to decide in 2024 actual use

Beats on Bates	22,500.00
Summer Sidewalk Sales	6,225.00
Workout Wednesdays	3,250.00
Admin/Marketing for summer events	28,025.00
Restaurant Week	4,000.00
Chili Cookoff	4,000.00
Holiday Sponsorship	20,000.00
Skeletour	15,000.00
Total	**103,000.00**

Outstanding Debt:		**2024 Debt Service**	
Mavcon Agreement	TBD	94,000	Estimate based on negotiation
2019 Operations Loan from City	300,000	-	Pending new agreement for all DDA/DEGA past due debts = future discussion
2020 Operations Loan from City	700,000	-	Pending new agreement for all DDA/DEGA past due debts = future discussion
From DDA:			
Outstanding Bond Payment	459,000	-	Pending new agreement for all DDA/DEGA past due debts = future discussion
Outstanding TIF appeal loan to City	460,000	-	Pending new agreement for all DDA/DEGA past due debts = future discussion

Type	Account Code	Account Name	Description	Period 1 Base	Period 1 Itemizations	Period 1 Proposed	
						188,500.00	**Net Budget**
						528,500.00	**Total Expenses**
Expenses	729.000	OPERATING SUPPLIES		-		-	
Expenses	801.000	PROFESSIONAL AND CONTRACTUAL SERVICES		-		353,600.00	
Expenses	801.000	PROFESSIONAL AND CONTRACTUAL SERVICES	Ambassador contract with Block by Block		299,500.00		
Expenses	801.000	PROFESSIONAL AND CONTRACTUAL SERVICES	Big Belly Trash Cans Waste Pickup Fee		4,200.00		
Expenses	801.000	PROFESSIONAL AND CONTRACTUAL SERVICES	Big Belly Trash Cans Monthly Charges		42,900.00		
			BestWay Contract		2,000.00		
Expenses	801.000	PROFESSIONAL AND CONTRACTUAL SERVICES	Website		5,000.00		
Expenses	801.000	PROFESSIONAL AND CONTRACTUAL SERVICES	Beats on Bates		22,500.00		
Expenses	801.000	PROFESSIONAL AND CONTRACTUAL SERVICES	Summer Sidewalk Sales		6,225.00		
Expenses	801.000	PROFESSIONAL AND CONTRACTUAL SERVICES	Workout Wednesdays		3,250.00		
			Admin/Marketing for summer events		28,025.00		
Expenses	801.001	BANK FEES		-		-	
Expenses	801.003	CONSULTING FEES		-		5,000.00	
Expenses	801.003	CONSULTING FEES	Tax appeals		5,000.00		
Expenses	801.004	AUDIT FEES		-		13,400.00	Waiting on auditor confirmation
Expenses	801.004	AUDIT FEES	DEGA Audit fees		13,400.00		
Expenses	802.001	LEGAL SERVICES		-		15,000.00	Update on actual usage
Expenses	802.001	LEGAL SERVICES	DEGA Legal Services, split 50/50 with DDA		15,000.00		
Expenses	810.001	BUSINESS AND EMERGENCY MEALS		-		-	
Expenses	810.003	MEMBERSHIPS AND SUBSCRIPTIONS		-		-	
Expenses	811.000	PROFESSIONAL DEVELOPMENT		-		-	
Expenses	821.003	LIABILITY INSURANCE		-		8,500.00	
Expenses	821.003	LIABILITY INSURANCE	DEGA Insurance, split 50/50 with DDA		2,500.00		
Expenses	821.003	LIABILITY INSURANCE	Special Event insurance		6,000.00		
Expenses	830.001	ADMINISTRATIVE FEES		-		125,000.00	

Expenses	830.001	ADMINISTRATIVE FEES	COK expense allocation split between DDA and DEGA		125,000.00		
Expenses	880.000	PROMOTION AND ADVERTISTING	Restaurant Week	-	4,000.00	8,000.00	
	880.000	PROMOTION AND ADVERTISTING	Chili Cookoff		4,000.00		
	880.001	PROMOTION AND ADVERTISTING	Holiday Sponsorship		20,000.00		
		PROMOTION AND ADVERTISTING	Skeletour		15,000.00		
						717,000.00	**Total Revenue**
Revenues	405.000	LOCAL TAX CAPTURE	DEGA Tax capture	-		**615,000.00**	
Revenues	405.000	LOCAL TAX CAPTURE	Summer				
Revenues	405.000	LOCAL TAX CAPTURE	Winter				
Revenues	574.000	STATE GRANTS - STATE REVENUE SHARING		-			
Revenues	581.000	CONTRIBUTIONS FROM LOCAL UNITS		-		-	
Revenues	586.101	CONTRIBUTIONS FROM GENERAL FUND		-		-	
Revenues	626.001	CHARGES FOR SERVICES		-		-	
Revenues	665.001	INTEREST ON INVESTMENTS		-		-	
Revenues	676.000	REIMBURSEMENTS		-		-	
Revenues	680.000	OTHER REVENUES		-		**102,000.00**	
Revenues	680.000	OTHER REVENUES	Gilmore Ambassador Revenue		50,000.00		
Revenues	680.000	OTHER REVENUES	FFE Ambassador Revenue		-		
Revenues	680.000	OTHER REVENUES	COK Solid Waste Ambassador Revenue		32,000.00		
Revenues	680.000	OTHER REVENUES	Parking funds ambassador revenue		20,000.00		
Revenues	693.000	SALE OF CAPITAL ASSETS (GOVERNMENTAL)		-		-	
Revenues	696.001	BOND PROCEEDS		-		-	

CITY OF KALAMAZOO
DOWNTOWN
DEVELOPMENT
AUTHORITY

KALAMAZOO DOWNTOWN
ECONOMIC GROWTH
AUTHORITY

2024 DDA & DEGA Board Meeting Calendar

3rd Monday of each month, 3:00 p.m. | 245 N Rose Street, Suite 100, Kalamazoo, MI 49007
Community Planning & Economic Development, Main Conference Room

2024 Calendar Dates:

- January 15, 2024
- February 19, 2024
- March 18, 2024
- April 15, 2024
- May 20, 2024
- June 17, 2024
- July 15, 2024
- August 19, 2024
- September 16, 2024
- October 21, 2024
- November 18, 2024
- December 16, 2024