

Agenda

Downtown Development 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 Development 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**)
2. Events & Marketing Committee Report

3. Recruitment and Retention Committee Report
4. Notice from the City of Kalamazoo Brownfield Redevelopment Authority

E. DISCUSSION/ACTION ITEMS

1. 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**)
2. 2024 DDA Budget (**Action: Motion to Approve the 2024 DDA Budget**)
3. 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

Board of Directors Regular Meeting Minutes

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

PRESENT: Mayor David Anderson*, Curt Aardema, Jeff Breneman, Kwame Gyimah, Stephanie Hinman, Susan Lindemann, Clarence Lloyd

ABSENT: Grant Fletcher, Matt Hollander

STAFF: Paul Thuringer, Jaime Marsman

*Left the meeting early

A. CALL TO ORDER

SWEARING IN OF NEW MEMBERS

Scott Borling, City Clerk, swore in Kwame Gyimah as a member of the DDA and DEGA Boards.

DIRECTOR LINDEMANN CALLED THE MEETING TO ORDER AT 3:06 P.M

ROLL CALL

PRESENT: Mayor David Anderson
Curt Aardema
Jeff Breneman
Kwame Gyimah
Stephanie Hinman
Susan Lindemann
Clarence Lloyd

ABSENT: Grant Fletcher
Matt Hollander

EXCUSED: Grant Fletcher
Matt Hollander

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

Director Lindemann read the Purpose Statement.

B. ADOPTION OF FORMAL AGENDA

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

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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. Arcadia Creek Discussion Regarding Event Center Planning

Mr. Thuringer introduced Mr. Paulson (Hurley & Stuart) and Mr. Pete Michell (Owner's representative for the project). Mr. Paulson shared that the Arcadia Creek has become a design issue for the project, particularly as it conflicts with the parking ramp design. The property that the Creek is located on is owned by the DDA. Mr. Paulson shared a general overview of the Arena project. They are working on the vacation of Eleanor and Cooley Street which runs through the center of the area. Mr. Paulson stated that there are three main areas identified for connectivity – neighborhood, regional, and downtown – and shared what those features may look like.

The Arcadia Creek proposal is to relocate the creek channel to the north to provide more space for the parking deck. This will allow for a 30-40 minute exit time from the ramp for large events. Mr. Paulson noted that this is the best option from an array of options that they have considered. They propose capping a further portion of the creek, however, they plan to use water as a performance feature in this space. They will not use creek water for this but will instead utilize stored rainwater.

They are working through permitting issues with Environment, Great Lakes and Energy (EGLE). They are requesting a formal letter from the DDA regarding moving the creek.

Long-term goals would be to take ownership of this property. Mr. Paulson acknowledged the DDA's concern that this is going backward from previous conversations regarding opening the creek further. Mr. Paulson requested input from the Board regarding how they can keep the discussion moving forward.

Director Lloyd asked about the changes of planned use in the parking ramp. Mr. Paulson explained that, originally, the parking ramp was located further east, however, further property was acquired to ensure that the parking ramp did not block the Event Center, visually, from the downtown area. Two parking decks were originally planned. Director Lloyd explained that they would like to see parking infiltrated throughout the city to encourage downtown connections. Mr. Michell stated that he does not believe that the parking count has changed, but this will be verified.

Director Aardema asked for legal agreement details. Director Lindemann noted that voting will occur in December. The developer requires a letter of support from the DDA to support moving the creek to allow them to move forward with their discussions with EGLE. Director Lindemann stated that she invited Public Services to come today to share information on how this affects the health of the creek. Director Aardema noted that the creek has been relocated previously.

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Director James Baker of Public Services stated that he would be available to answer any questions to assist with decision-making. Director Lindemann asked how covering a further portion of the creek would affect the creek. Director Baker stated that there is approximately one mile of the creek that was built in 1992 to discharge the creek to the Kalamazoo River. There is a canal section with concrete sides and a concrete bottom between Westnedge and Park Street and a culvert section as it crosses the street. It is their goal to maintain a certain level of conveyance to allow for flood flow. Director Baker stated that they recognize that this is a live and active creek. Fish live in the creek throughout its entirety. There are weirs that assist with low-flow issues and aquatic life.

Director Baker also stated that maintenance is a concern, and the creek needs a gradient to support continuous cleansing or a way to dredge for cleaning.

Mayor Anderson requested information on the construction process for the creek. Director Baker stated that there are many factors that influence the moving of the creek and that the development is planning to move the creek back to its 1937 location. Director Baker stated that the channel in its current configuration is robust and can handle a 500-year flood. He noted that if the channel is moved, they would want to ensure that capacity is maintained. Mr. Paulson stated that they do not anticipate changing the grade or cross-section.

Director Aardema questioned how the DDA became involved as the owner of the creek. Director Lindemann stated that the purpose of the DDA's involvement was to facilitate the daylight of the creek. The DDA is still experiencing the debt associated with this. They were also in charge of maintenance.

Director Breneman asked about the timing of the letter for EGLE. Mr. Paulson stated that they would like this as soon as possible.

Mr. Glista stated that the DDA can express support for moving the creek independently of deciding about a change in ownership. Director Aardema asked if there was a reason for not voting today. Director Lindemann stated that the Board has been trying to not request a vote on the same date as a presentation is made.

Director Breneman stated that EGLE will take a mindful approach of environmental concerns. He noted that this project will be of great economic benefit to the downtown area.

Doug McLaughlin, Executive Director of Kalamazoo River Watershed Council stated that Arcadia Creek has been heavily developed and much of it is urbanized. Further upstream there is a less concrete watershed. He noted the close location of Arcadia Creek to the Kalamazoo River. He stated that there is value in thinking of changes to the creek in the greater context of the Kalamazoo River. He noted that the changes being discussed do not appear to be a drastic hardship to the system. He encouraged the process going forward to be mindful of the larger role that the creek plays in the entire system. Mr. Kornheiser, Vice-President, Kalamazoo River Watershed Council, affirmed Mr.

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McLaughlin's words. He noted that the outflow of Arcadia Creek into the Kalamazoo River is not significant, however, it is part of our natural water system. He spoke of the need to use this as an educational opportunity for the public. Mr. McLaughlin stated that there is great interest in the restoration of the Kalamazoo River. Mr. Kornheiser suggested signage for the watershed boundaries to increase public awareness. Mr. Michell affirmed that the developer values public education.

Mr. Gyimah asked for clarification on the parking situation for the Event Center. Mr. Michell stated that efficiencies need to be maintained for parking ramps, which has created the size requirements. It was noted that programming in the arena has also grown. It was agreed that this parking will not handle all of the parking needs of the arena. Mr. Paulson affirmed that the activated corridor would also remain.

Mayor Anderson agreed that bringing the water above ground with educational opportunities would be beneficial, especially as the creek in its current form is not easily apparent as a water feature from afar. He stated that he would be in support of the letter of support. It was agreed that the letter of support can contain restrictions.

DIRECTOR AARDEMA MOTIONED TO AUTHORIZE LEGAL COUNSEL OF THE EXECUTIVE COMMITTEE TO SEND A LETTER OF SUPPORT FOR RELOCATING THE CREEK FOR THE PURPOSE OF PARKING AT THE EVENT CENTER. DIRECTOR LLOYD SECONDED. NO OBJECTIONS. MOTION CARRIED.

2. 2024 DDA Budget Discussion

Mr. Thuringer walked the Board through the 2024 Draft Budget. The goal is to vote for approval in December. Director Lindemann stated that the Finance Committee has been working on the budget. She noted that cuts were necessary, and some basic services were reduced including Festival Site maintenance and mowing. Additional conversations will be had with the City regarding what the impact of this is. Director Lindemann stated that we hope to vote on the budget in December. It was noted that the DDA pays for the maintenance, but does not receive revenue generated by the Arcadia Creek Festival Site. It was agreed that further discussion and clarification needs to happen regarding the maintenance of the Arcadia Creek Festival Site. It is not sustainable for the DDA to continue to work in a deficit situation with no ability to generate revenue. Further conversations with the City will occur.

The challenges of the Arcadia Festival Site were discussed. The pros and cons of ownership of the festival site were discussed.

3. Financial Report

Mr. Thuringer noted that the Financial Report was included in the packet.

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

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E. DISCUSSION/ACTION ITEMS

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

Director Lindemann stated that many conversations have taken place around this issue. She acknowledged that some work remains on this agreement including the elimination of duplicate services and clarification regarding the Arcadia Festival Site. Mr. Thuringer shared a summary of specific services provided by the City of Kalamazoo in the Service Agreement.

Director Lindemann requested a representative from Management Services to be present each month. Mr. Thuringer stated that CPED is exploring the possibility of hiring an additional employee to provide additional supports to the downtown and the DDA/DEGA Board.

Director Breneman stated that he supports many of the items that are needed, however, he requested clarification regarding payment and what category they would fall in. It was agreed that redundancies need to be identified.

Director Lloyd noted that other options may be available to consider that include city and other supports. Director Lindemann affirmed that they would like to understand what the full-time position would accomplish.

Mr. Thuringer stated that he would look through the document for redundancies and then discuss this again with the Finance and Executive Committees.

Director Lindemann stated that they would need a contact person for finance and that person should participate in Board meetings.

2. CD Arena Vacation of West Street (legacy Westnedge) Request

Mr. Glista shared a brief history of West Street, now Westnedge. The original right of way is still intact, despite developments that have occurred. Mr. Glista noted that the developer is attempting to clear the title for these two sections of the public right of way. The developer is requesting the DDA, as the owner of these two strips of land, to consent to the application to vacate these streets. The three options available to the DDA are: Deny, consent with conditions, or consent. In preliminary discussions with the Executive Team, they requested Mr. Glista to prepare a resolution that supports the request for these vacations as West Street is no longer used. There was a previous motion to vacate in 2018-9 for the eastern portion. They are requesting the same consent for the western portion and also the strip along Westnedge.

The DDA still retains title to the real estate that the creek is in. Mr. Glista stated that there is no practical reason for objection.

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DIRECTOR BRENEMAN MOTIONED TO APPROVE THE RESOLUTION TO SUPPORT THE APPLICATIONS BY CD ARENA, LLC TO VACATE PORTIONS OF “WEST STREET” AND PUBLIC ALLEY. DIRECTOR LLOYD SECONDED. NO OBJECTIONS. MOTION CARRIED.

F. PUBLIC COMMENTS

1. Jeff Lectka. Mr. Lectka is a business owner and resident. He questioned the purpose of the Arcadia Festival Site and whether it is intended to be a public space or a revenue-producing activity. He noted that it should be protected as a business. He shared concerns regarding the deterioration of that space as a venue. Mr. Lectka spoke of the need to secure the site or find another purpose for the site.
2. Karla Reno. Ms. Reno is a business owner and downtown resident. She shared her concerns about the potential BID downtown. She spoke of the need for accountability in financing. She also spoke about the Arcadia Festival Site and the need to keep it clean and protected with an enclosure.

G. DIRECTOR'S COMMENTS

1. Director Aardema thanked the public for their attendance and participation. He noted that guidelines and regulations for the Arcadia Festival site need to be explored.

H. ADJOURNMENT

DIRECTOR LINDEMANN ADJOURNED THE MEETING AT 4:55 P.M.

Downtown Development Authority

10/31/2023 Trial Balance

Assets:

Cash	\$ 622,584
Receivables	26,487
Taxes Receivable	6,283
Total Assets	655,354

Liabilities & Equity:

Accounts Payable	-
Accrued Debts Payable	-
Deferred Revenue - Accounts Receivable	32,770
Total Liabilities	32,770

Fund Balance

Fund Balance	622,584
Total Liabilities and Fund Balance	\$ 655,354

	2023 Adopted Budget	October Totals	2023 YTD Actuals
Revenues:			
Taxes	274,000	16,415	212,252
Delinquent Property Taxes		-	2,895
Payment In Lieu Of Taxes (Pilot)	2,000	-	-
Interest		-	303
Other Revenues - Mall Maintenance	59,210	-	59,210
Total Revenues	335,210	16,415	274,660
Expenses:			
Professional And Contractual Services	154,000	4,837	22,007
Land Improvements	-	-	66,716
Software fees	-	1,300	5,200
Legal Services And Fees	7,500	-	7,239
Audit Fees	10,000	1,000	6,640
Insurance Services	2,500	-	-
Utilities	31,000	2,450	10,415
Administrative Fees	125,000	-	-
Debt Service	-	-	213,217
Tax Appeal Refunds	5,000	-	-
Total Expenses	335,000	9,587	331,434
Revenues Less Expenses	210		(56,774)

Notes:

Pilot Details From 2022:

Rickman House	\$ 162
Skyrise	\$ 1,582

Professional And Contractual Services:

Arcadia Creek Festival
2023 Bridge & Structure Engineering Services

Utilities:

Electricity
Water And Sewer
Street Light Electricity

Long Term Debt Outstanding:

City Of Kalamazoo Note	459,000
City Of Kalamazoo Note - Related Tax Liability	532,864
Mavcon Note - In Negotiation	TBD



Economic Development Department
241 W. South Street
Kalamazoo, MI 49007
Phone 269.337.8082 | Fax 269.337.8182
COKeconomicdevelopment@kalamazoo.org
www.kzoobiz.org

December 6, 2023

Downtown Development Authority
Board of Directors Chairperson
141 East Michigan Avenue, Suite 501
Kalamazoo, MI 49007

To Whom it May Concern:

On Thursday, December 21, 2023, at or after 7:45 a.m. the City of Kalamazoo Brownfield Redevelopment Authority will conduct a public hearing for the First Amendment to the Act 381 Brownfield Plan for 266 E. Michigan Avenue. The public hearing will take place during a regular Authority meeting held at the City's Community Planning and Economic Development Office, 245 N. Rose, Suite 100, Kalamazoo, Michigan. The public hearing is being held pursuant to PA 381 of 1996, as amended.

The plan is related to a request for Tax Increment Financing for a rehabilitation project located at 266 E. Michigan Avenue in Kalamazoo, Michigan.

At the public hearing, all citizens, taxpayers and representatives or officials from any taxing jurisdiction whose millage may be subject to capture under the proposed plan shall be afforded an opportunity to be heard regarding the brownfield plan. The plan, which includes a site map and legal descriptions of all parcels identified as eligible property, is available for public inspection by requesting a copy at development@kalamazoo.org or (269) 377-8000.

If you wish to express your views and recommendations prior to the hearing, or if you have any questions regarding the fiscal, economic, or general implications of the proposed Act 381 Brownfield Plan, please contact Jamie McCarthy, Sustainable Development Coordinator at (269) 337-8789.

Sincerely,

Antonio Mitchell, Community Planning & Economic Development Director

Enclosure

c: Jamie McCarthy, Sustainable Development Coordinator



**Summary of the
Act 381 Brownfield Plan for the Project Located
at 266 E Michigan Avenue, Kalamazoo, Michigan
December 2023**

An Amended Brownfield Plan Proposed for 266 E Michigan Avenue: Mixed-use redevelopment involving rehabilitation of an existing commercial building

- **Project Summary:** The proposed redevelopment consists of a single vacant parcel totaling 0.078 acres in the City of Kalamazoo which is a qualified local governmental unit ("QLGU"). This project will involve redeveloping a historic building located at 266 E. Michigan Avenue into 13 new apartment units and rehabilitating the main floor for commercial space.
- **Parcel Included in the Plan:**
06-15-379-006
- **Qualifier as Eligible Property:** historic resource
- **Plan Support:** the Brownfield Redevelopment Authority will support the project with Tax Increment Financing for eligible activities up to \$303,125 plus eligible administrative fees to the Authority and up to five years capture to the Local Brownfield Revolving Fund.
- **Eligible Activities:** TIF will be used to reimburse eligible activities allowed under Act 381, including but not limited to EGLE Department Specific Activities, demolition, abatement activities, infrastructure improvements, site preparation, and Act 381 Work Plan preparation.

**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 fulfillment of 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 pursuant to 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 upon written 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 canceled or 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, or physical 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: | <i>City of Kalamazoo Downtown
Development Authority</i>
Attention: Current <u>DDA Chairperson</u>
E-Mail Address: _____
c/o City Hall 241 W. South Street
Kalamazoo, Michigan 49007 |
| b. | If to the DEGA: | <i>City of Kalamazoo Downtown
Economic Growth Authority</i>
Attention: <u>DEGA Chairperson</u>
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 the Agreement 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]

Signature Page

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

THE DDA

City of Kalamazoo Downtown Development Authority

_____ Date Signed: _____
By:
Its: Chairperson

THE DEGA

City of Kalamazoo Downtown Economic Growth Authority

_____ Date Signed: _____
By:
Its: Chairperson

THE CITY

City of Kalamazoo

_____ Date Signed: _____
By:
Its: City Manger

4888-1233-3844 v1 [88592-1]

**Downtown Development Authority
Proposed 2024 Budget**

Revenues		
Local Tax Capture	\$	274,000
Payment in Lieu of Taxes (PILOT)	\$	2,000
Charges for Services	\$	59,210
Total Revenue	\$	335,210
Expenses		
Professional and Contractual Services	\$	103,000
Tax Appeals	\$	5,000
Audit Fees	\$	14,600
Legal Services	\$	30,000
Liability Insurance	\$	-
Administrative Fees	\$	125,000
Contribution to DEGA	\$	40,000
Utilities	\$	17,000
Debt Service	\$	-
Total Expenses	\$	334,600
Net Income (Loss)	\$	610

**Downtown Development Authority
Proposed 2024 Budget**

Revenues		
Local Tax Capture	\$	274,000
Payment in Lieu of Taxes (PILOT)	\$	2,000
Charges for Services (DDA charges the City)	\$	59,210
Total Revenue	\$	335,210

2 mill levy, capped by DEGA capture

MOU with the City to provide mall maintenance. Recommend revisiting during 2024, possible move to DEGA with Ambassador work.

Expenses		
Professional and Contractual Services	\$	103,000
Tax Appeals	\$	5,000
Audit Fees	\$	14,600
Legal Services	\$	30,000
Liability Insurance	\$	-
Administrative Fees	\$	125,000
Contribution to DEGA	\$	40,000
Utilities	\$	17,000
Debt Service	\$	-
Total Expenses	\$	334,600

Net Income (Loss)	\$	610
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Professional and Contractual Services:

Portland Loo Maintenance	5,000.00
Mall Maintenance	15,000.00
Wolverine PO	25,000.00
Mulders	5,000.00
Banners	2,000.00
Bridge Inspections	14,000.00
Bates Alley Maintenance	12,000.00
Available for Maintenance Projects or Dredging	25,000.00
	<u>103,000.00</u>

Outstanding Bond Payment	459,000	To be renegotiated with DEGA making Payment
Outstanding TIF appeal loan to City	460,000	To be renegotiated with DEGA making Payment
Mavcon Debts	TBD	To be renegotiated with DEGA making Payment

Worksheet	Department program description Name	Type	Account Code	Account Name	Description	Period 1 Base	Period 1 Itemizations	Period 1 Proposed	Period 2 Base
								58,110.00	Net Total
								277,100.00	Total Expense
DDA (248)	DOWNTOWN DEVELOPMENT	Expenses	729.000	OPERATING SUPPLIES		-		-	
DDA (248)	DOWNTOWN DEVELOPMENT	Expenses	801.000	PROFESSIONAL AND CONTRACTUAL SERVICES		-		103,000.00	
DDA (248) (itemization)	DOWNTOWN DEVELOPMENT	Expenses	801.000	PROFESSIONAL AND CONTRACTUAL SERVICES	Portland Loo Maintenance		5,000.00		
DDA (248) (itemization)	DOWNTOWN DEVELOPMENT	Expenses	801.000	PROFESSIONAL AND CONTRACTUAL SERVICES	Mall Maintenance		15,000.00		
DDA (248) (itemization)	DOWNTOWN DEVELOPMENT	Expenses	801.000	PROFESSIONAL AND CONTRACTUAL SERVICES	Wolverine PO		25,000.00		
							5,000.00		
								Need Update per Anthony Ladd	
							2,000.00		
							14,000.00		
DDA (248) (itemization)	DOWNTOWN DEVELOPMENT	Expenses	801.000	PROFESSIONAL AND CONTRACTUAL SERVICES	Bates Alley Maintenance		12,000.00		
DDA (248) (itemization)	DOWNTOWN DEVELOPMENT	Expenses	801.000	PROFESSIONAL AND CONTRACTUAL SERVICES	Creek Dredging				
					Available for Maintenance Projects		25,000.00		
DDA (248)	DOWNTOWN DEVELOPMENT	Expenses	801.001	BANK FEES		-		-	
DDA (248)	DOWNTOWN DEVELOPMENT	Expenses	801.003	CONSULTING FEES		-		5,000.00	
DDA (248) (itemization)	DOWNTOWN DEVELOPMENT	Expenses	801.003	CONSULTING FEES	Tax appeals		5,000.00		
DDA (248)	DOWNTOWN DEVELOPMENT	Expenses	801.004	AUDIT FEES		-		14,600.00	
DDA (248) (itemization)	DOWNTOWN DEVELOPMENT	Expenses	801.004	AUDIT FEES	DDA Audit fees split 50/50 with DEGA		14,600.00		

								Increase per recent years usage, may need more
DDA (248)	DOWNTOWN DEVELOPMENT	Expenses	802.001	LEGAL SERVICES	-		10,000.00	
DDA (248) (itemization)	DOWNTOWN DEVELOPMENT	Expenses	802.001	LEGAL SERVICES	DDA Legal Services, split 50/50 with DEGA	10,000.00		
DDA (248)	DOWNTOWN DEVELOPMENT	Expenses	810.001	BUSINESS AND EMERGENCY MEALS	-		-	
DDA (248)	DOWNTOWN DEVELOPMENT	Expenses	810.003	MEMBERSHIPS AND SUBSCRIPTIONS	-		-	
DDA (248)	DOWNTOWN DEVELOPMENT	Expenses	811.000	PROFESSIONAL DEVELOPMENT	-		-	
								TBD per MMRMA renewal. Amount likely good
DDA (248)	DOWNTOWN DEVELOPMENT	Expenses	821.003	LIABILITY INSURANCE	-		2,500.00	
DDA (248) (itemization)	DOWNTOWN DEVELOPMENT	Expenses	821.003	LIABILITY INSURANCE	DDA Insurance; 50/50 split with DEGA	2,500.00		
DDA (248)	DOWNTOWN DEVELOPMENT	Expenses	830.001	ADMINISTRATIVE FEES	-		125,000.00	
DDA (248) (itemization)	DOWNTOWN DEVELOPMENT	Expenses	830.001	ADMINISTRATIVE FEES	COK expense allocation split between DDA and	125,000.00		
DDA (248)	DOWNTOWN DEVELOPMENT	Expenses	880.000	PROMOTION AND ADVERTISTING	-		-	
DDA (248)	DOWNTOWN DEVELOPMENT	Expenses	920.001	ELECTRICITY	-		17,000.00	
DDA (248) (itemization)	DOWNTOWN DEVELOPMENT	Expenses	920.001	ELECTRICITY	General Downtown Utilities	17,000.00		
DDA (248)	DOWNTOWN DEVELOPMENT	Expenses	920.002	NATURAL GAS	-			
DDA (248)	DOWNTOWN DEVELOPMENT	Expenses	920.003	WATER AND SEWER	-			
DDA (248)	DOWNTOWN DEVELOPMENT	Expenses	920.004	STREET LIGHT ELECTRICITY	-			
DDA (248)	DOWNTOWN DEVELOPMENT	Expenses	930.000	REPAIRS AND MAINTENANCE SERVICES	-	-	-	
DDA (248)	DOWNTOWN DEVELOPMENT	Expenses	930.001	GROUND'S MAINTENANCE	-	-	-	
DDA (248)	DOWNTOWN DEVELOPMENT	Expenses	940.000	RENTAL/LEASE PROPERTY	-		-	

DDA (248)	DOWNTOWN DEVELOPMENT	Expenses	RENTAL/LEASE 941.000 EQUIPMENT	-	-
DDA (248)	DEBT SERVICE	Expenses	PRINCIPAL PAYMENTS- 991.001 BONDS	-	-
DDA (248)	DEBT SERVICE	Expenses	PRINCIPAL PAYMENTS- 991.003 NOTES PAYABLE	-	-
DDA (248)	DEBT SERVICE	Expenses	PRINCIPAL PAYMENTS - 991.021 CAPITAL LEASE	-	-
DDA (248)	DEBT SERVICE	Expenses	INTEREST EXPENSE - 993.001 BONDS	-	-
DDA (248)	DEBT SERVICE	Expenses	INTEREST EXPENSE - 993.003 NOTES PAYABLE	-	-
DDA (248)	DEBT SERVICE	Expenses	INTEREST EXPENSE - 993.021 CAPITAL LEASE	-	-
DDA (248)	DEBT SERVICE	Expenses	994.002 PAYING AGENT FEES	-	-
					335,210.00 Total Revenue
DDA Revenues (248)	DOWNTOWN DEVELOPMENT	Revenues	CURRENT REAL 402.000 PROPERTY TAXES (AV)	-	-
DDA Revenues (248)	DOWNTOWN DEVELOPMENT	Revenues	405.000 LOCAL TAX CAPTURE	Annual Millage to DDA	274,000.00
DDA Revenues (248)	DOWNTOWN DEVELOPMENT	Revenues	CURRENT PERSONAL 410.000 PROPERTY TAXES (AV)	-	-
DDA Revenues (248)	DOWNTOWN DEVELOPMENT	Revenues	DELINQUENT REAL 411.000 PROPERTY TAXES (AV)	-	-
DDA Revenues (248)	DOWNTOWN DEVELOPMENT	Revenues	DELINQUENT PERSONAL PROPERTY 412.000 (AV)	-	-
DDA Revenues (248)	DOWNTOWN DEVELOPMENT	Revenues	432.001 PRIVATE PILOT	PILOT income	2,000.00
DDA Revenues (248)	DOWNTOWN DEVELOPMENT	Revenues	CHARGES FOR 626.001 SERVICES	Mall Maintenance	59,210.00
DDA Revenues (248)	DOWNTOWN DEVELOPMENT	Revenues	INTEREST ON 665.001 INVESTMENTS	-	-
DDA Revenues (248)	DOWNTOWN DEVELOPMENT	Revenues	676.000 REIMBURSEMENTS	-	-

DDA Revenues (248)	DOWNTOWN DEVELOPMENT	Revenues	680.000	OTHER REVENUES	Gilmore Operations grant given to city - will need to transfer	-	Moved to DEGA
				SALE OF CAPITAL ASSETS			
DDA Revenues (248)	OTHER FINANCING SOURCES	Revenues	693.000	(GOVERNMENTAL)		-	-
DDA Revenues (248)	OTHER FINANCING SOURCES	Revenues	696.001	BOND PROCEEDS		-	-

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