KALAMAZOO DOWNTOWN ECONOMIC GROWTH AUTHORITY

Board of Directors Regular Meeting Minutes

December 18, 2023, 3:00 p.m. | Community Planning & Economic Development, 245 N Rose Street

PRESENT: Curt Aardema, Jeff Breneman, Kwame Gyimah, Grant Fletcher, Stephanie Hinman, Matt Hollander, Susan Lindemann, Clarence Lloyd

ABSENT: Mayor David Anderson

STAFF: Paul Thuringer, Jaime Marsman, Steve Vicenzi

A. CALL TO ORDER

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

Director Lindemann read the Purpose Statement.

Director Lindemann noted that the Events & Marketing and Recruitment and Retention reports will be moved to the DEGA Agenda from the DDA Agenda as, technically, they belong to the DEGA. This will eliminate confusion or overlap between the two Authorities.

ROLL CALL

PRESENT: Curt Aardema
Jeff Breneman
Kwame Gyimah
Grant Fletcher
Stephanie Hinman
Matt Hollander
Susan Lindemann
Clarence Lloyd

ABSENT: Mayor David Anderson

EXCUSED: Mayor David Anderson

THE DECEMBER 18, 2023, ATTENDANCE INCLUDING EXCUSED AND UNEXCUSED ABSENCES ARE RECORDED.

B. ADOPTION OF FORMAL AGENDA

Committee reports were moved from the DDA Agenda.

Director Aardema noted that there is a general lack of understanding of what to call the entities that represent the downtown. He questioned whether there was an umbrella name to use for branding purposes. Director Lloyd noted that this branding may need to occur at a later date when plans are more fully organized and formed. Director Fletcher noted that branding is part of the strategic plan.

DIRECTOR FLETCHER MOVED TO ADOPT THE DECEMBER 18, 2023 AGENDA AS AMENDED. DIRECTOR AARDEMA SECONDED. NO OBJECTIONS. MOTION CARRIED.

C. APPROVAL OF MINUTES

DIRECTOR FLETCHER MOVED TO APPROVE THE NOVEMBER 20, 2023 MINUTES. DIRECTOR LLOYD SECONDED.

There was discussion about Board attendance at the November DDA/DEGA meeting. It was affirmed that some members left early due to the length of the last meeting. Attendance data will be corrected to note that Director Hinman was present for the DEGA meeting and left early.

NO OBJECTIONS. MOTION CARRIED.

D. REPORTS AND PRESENTATIONS

1. Financial Report

Mr. Vicenzi was present to go through the Financial Report.

Director Aardema asked about the Big Belly contract. It was noted that it is a five-year contract at a fixed rate. Director Lloyd asked if the city portion of this was fixed or fluid. Director Lindemann shared that Rebekah Kik has offered to attend the January meeting to go through existing obligations for evaluation of what fits within the strategic goals of the DDA and DEGA.

Director Gyimah asked how the Boards operate with the existing deficits as presented. Director Lindemann explained that some of this is due to contractual obligations. In budgeting for 2024, efforts are being made to eliminate the deficit. Director Lindemann noted that the baseline is also relatively new and the increment will grow over time. It was discussed that the change in properties from taxable to tax-exempt also affected the previous budgets. It was noted that, at the end of the year, the budget will be fairly balanced.

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

2. Events & Marketing Committee Report

Director Lloyd stated that the committee is working on the grant application and work continues to move forward.

3. Recruitment and Retention Committee Report

Director Aardema stated that they have begun meeting with existing retailers. They have received strong feedback as to what is important to them as an operator, concerns/discussion regarding sales and events, what challenges they have experienced, what is on the horizon, etc. Director Aardema stated that they plan to take this model and roll it out to other retailers. The goal is to understand how the existing retailers are operating. An inventory of existing spaces on the mall has been performed. Outreach to retailers and landlords has begun.

Director Gyimah stated that they are asking top-level operators what barriers to entry they have or experience. He stated that he is excited and hopeful that the barriers are items that can be addressed/helped by the Board. He noted that there is a lot of opportunity. Director Aardema stated that they are looking for ways to work with both retailers and landlords in a mutually beneficial way.

E. DISCUSSION/ACTION ITEMS

1. 266 E Michigan – DEGA Step Aside Request

Director Lindemann noted that at the last meeting, the Board heard from the owner of this project and information can be found in the packet. She reminded the Board that this project has already been reviewed and approved by the Board, however, their budget has changed due to economic changes and the fact that they can now add additional items to their Brownfield Plan.

There was a question regarding project timelines. Jamie McCarthy explained the project timeline and noted that once the plan is approved by the Brownfield Redevelopment Authority (BRA) Board and then the City Commission, there will be an agreement with the project and the BRA that contains a specified timeline.

Director Hollander questioned how the rent and income verification that is attached to the County millage funding dovetails with the BRA. Ms. McCarthy replied that the BRA does not always require an affordability piece to projects. The BRA will not be the authority overseeing that, however, it is her understanding that this will happen due to the county funding.

DIRECTOR AARDEMA MOVED TO APPROVE THE DEGA STEP-ASIDE REQUEST. DIRECTOR HOLLANDER SECONDED. NO OBJECTIONS. MOTION CARRIED.

2. Amendment to Tax Increment Financing Plan

Director Lindemann noted that information was included in the packet. She provided a summary from counsel. The proposed DEGA Plan Amendment specifically names and confirms the millages that the DEGA captures with its TIF Plan. It identifies the DDA millage as part of that capture. In all other respects, it ratifies the existing plan. Director Lindemann noted that this will close any possible gap in clarity that this plan captures the growth in the 2 mil of the DDA.

DIRECTOR HINMAN MOVED TO APPROVE THE AMENDMENT TO THE TAX INCREMENT FINANCING PLAN. DIRECTOR BRENEMAN SECONDED. ROLL CALL VOTE. NO OBJECTIONS. MOTION CARRIED.

There was discussion regarding the tables provided in the TIF Plan. Director Aardema noted that Central County Transit and Kalamazoo County Transit Authority are two separate millages but are grouped together. Director Lindemann stated that the number was correct as established in 2018, and she noted that if any of the millages were changed the table would become incorrect. She noted that it is not necessary to correct this in this document. It was agreed that moving forward they should be represented as separate lines in the table.

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

The proposed service agreement with the City was provided with the packet. This is an agreement that both Authorities would enter into with the City to support the operations of the Authorities. The cost is split evenly between the Authorities. It is a three-year agreement. The current agreement in place with the city has expired. Mr. Thuringer stated that the agreement is the city's best estimate of services.

Director Fletcher noted that a robust discussion of this occurred at the Executive Committee meeting and the Executive Committee supports this agreement.

The length of the agreement was discussed. Mr. Vicenzi stated that City Staff is dedicated to these organizations, and this is the time needed for staffing levels. Director Aardema noted that the agreement could be continuous as it can be managed by the termination clause. Director Lindemann stated that work is currently being done to further determine the role of the Authorities which may result in agreement changes. There was discussion surrounding this. Mr. Vicenzi stated that a Downtown Coordinator is being added to the City's budget. It was agreed that one point of contact would be beneficial to both the Authorities and the City.

Director Lloyd asked for clarification on where the agreement states that the City will be intentional on recruitment and retention and suggested amended language to explicitly state the expectations regarding this. There was discussion on the role of recruitment and retention with the Downtown Coordinator and whether to add clarifying language to the agreement regarding this. It was agreed that a change to the agreement can be made per the wishes of the Board. There was further discussion about the primary function of the Authorities. Director Lindemann stated that there is value in this, but reminded the Board that it is not a primary function of the Authorities. Director Hinman affirmed that there may be a need for what is being discussed, but noted that the focus of the Authorities should be maintained. There was discussion about how the designated city staff member would interact with the downtown businesses as a point of contact.

Director Lindemann suggested an amendment to the Service Agreement as follows:

- The following language would be added under Item 2, "Specific Services" as the letter "i".
    - "Act as a primary point of contact for businesses to access the assistance available through the Authorities."
- It was also noted that a second amendment to the agreement would be correcting the signatory to the City Manager instead of Rebekah Kik.

It was agreed that the termination clause provides an exit should either party be displeased.

DIRECTOR HOLLANDER MOVED TO APPROVE THE SERVICE AGREEMENT BETWEEN THE DDA/DEGA AND THE CITY AS AMENDED ABOVE. DIRECTOR HINMAN SECONDED. NO OBJECTIONS. MOTION CARRIED.

4. 2024 DEGA Budget

A copy of the proposed budget was included in the packet. Mr. Vicenzi provided a summary and explanation of revenues and expenses.

Director Fletcher noted that a discussion needs to occur in the future regarding the Festival Site and a change in fees in order to more fully support costs. Director Lindemann noted that the Authorities do not own the festival site, and it needs to be discussed how this and a variety of other activities fit into the Strategic Plan. There was discussion surrounding this. Director Lindemann stated that a 2024 Budget Amendment will likely need to happen.

Mr. Vicenzi explained the Mavcon agreement and outstanding debt. He noted that the city is amenable to different terms to consolidate debt into one agreement. Once the Mavcon agreement is finalized, an amendment to the budget can be done.

DIRECTOR BRENEMAN MOVED TO APPROVE THE 2024 BUDGET AS FOUND ON PAGE 51 OF THE PACKET. DIRECTOR HOLLANDER SECONDED. NO OBJECTIONS. MOTION CARRIED.

5. 2024 DDA/DEGA Board Meeting Calendar

Director Lindemann stated that the proposed meeting schedule was included in the packet. As January 15 is MLK Day, Director Lindemann proposed moving the January meeting to January 16. Director Lindemann also proposed canceling the July meeting in alignment with other City Boards.

Director Hollander noted that the April meeting falls under Spring Break for the Kalamazoo Public Schools.

DIRECTOR FLETCHER MOVED TO ADOPT THE 2024 DEGA BOARD MEETING CALENDAR, AMENDING JANUARY'S DATE TO JANUARY 16 AND CANCELING THE JULY MEETING. DIRECTOR LLOYD SECONDED. NO OBJECTIONS. MOTION CARRIED.

F. PUBLIC COMMENTS

1. Mattie Jordan-Woods, Chair for the Northside Cultural Business District Authority (NCBDA). Ms. Jordan-Woods stated that she came to learn more information about amending TIF districts. She noted that the NCBDA is looking to expand the TIF district in their area. Director Lindemann affirmed that after the changes to the plan are made, it will go to the City Commission for approval. Director Aardema noted that boundary changes will change the entire TIF district and the taxing authorities will also have the option to opt in or out. He encouraged their board not to take this lightly. Ms. Jordan-Woods also shared that James Pitts is purchasing 501 N Westnedge.

G. DIRECTOR'S COMMENTS

1. None.

H. ADJOURNMENT

DIRECTOR LINDEMANN ADJOURNED THE MEETING AT 4:36 P.M.