

Agenda

Brownfield Redevelopment Authority

Board of Directors

City of Kalamazoo



Thursday, February 15, 2024

7:45 AM

CPED Main Conference Room - 245 N. Rose Street, Suite 100

A. CALL TO ORDER/ROLL CALL

B. ADOPTION OF FORMAL AGENDA

C. APPROVAL OF MINUTES

1. Approval of minutes from the BRA meeting on January 18, 2024

D. PUBLIC COMMENTS

E. DIRECTOR COMMENTS

F. NEW BUSINESS

1. Approval of a Letter of Intent between the Kalamazoo Brownfield Redevelopment Authority and Bogan Developments LLC related to Property for the Redevelopment Project Zone 32 Phase 2 and Authorize the Department Director to Sign
(ACTION: Motion to Approve a Letter of Intent between the Kalamazoo Brownfield Redevelopment Authority and Bogan Developments LLC Related to Property for the Redevelopment Project Zone 32 Phase 2 and Authorize the Department Director to Sign)
2. Approval of a Letter from the Kalamazoo Brownfield Redevelopment Authority to the Michigan Economic Development Corporation Regarding Arcadia Loft's Dual Eligibility as Brownfield Property Authorizing the Chair to Sign
(ACTION: Motion to approve a letter from the Kalamazoo Brownfield Redevelopment Authority to the Michigan Economic Development Corporation regarding Arcadia Loft's dual eligibility as Brownfield Property and authorize the Chair to sign and staff to send on behalf of the Authority)

G. UNFINISHED BUSINESS

H. COMMUNICATIONS AND ANNOUNCEMENTS

I. STAFF REPORTS AND UPDATES

1. 266 E Michigan - First Amendment to Brownfield Plan (Adopted 2/5)
2. Financial Reports (2023 Year End - Present @ March Meeting)

J. ADJOURNMENT

**CITY OF KALAMAZOO
BROWNFIELD REDEVELOPMENT AUTHORITY BOARD MEETING
Thursday, January 18, 2024
Community Planning and Economic Development
245 N. Rose Street, Kalamazoo, MI 49007**

MEMBERS PRESENT: Sharon Ferraro; Lucas Middleton; Kevan Hess; Michael Gurnee; Rachel Bair; Jason Novotny; Nathan Bolton

MEMBERS ABSENT: Andrew Schipper; Qianna Decker; Torean Greeley; Kyle Gulau

CITY COMMISSIONERS/CITY STAFF PRESENT: John Weiss (Attorney, Dickinson Wright); Jamie McCarthy (Sustainable Development Coordinator); PJ Thuringer (Economic Development Supervisor); Logan Mulholland (Fishbeck, Consultant); Jared Chambers (Business Specialist); Heidi Gartley (Brownfield Project Assistant)

Meeting was called to order at 8:13 AM by Chair Novotny.

MOTION TO EXCUSE ABSENT MEMBERS: Director Hess moved to excuse absent members; seconded by Director Bair. Motion approved by voice vote unanimously.

APPROVAL OF AGENDA: Director Gurnee moved the approval of the agenda as presented; seconded by Director Middleton. Motion approved by voice vote unanimously.

APPROVAL OF MINUTES: Director Bolton moved approval of minutes from the meeting of December 21, 2023 as presented; seconded by Director Hess. Motion approved by voice vote unanimously.

PUBLIC COMMENTS

None.

DIRECTOR'S COMMENTS

Director Novotny stated he will abstain from New Business Item 4 due to involvement with that development.

NEW BUSINESS

1. Adoption of a Resolution Approving and Authorizing Execution of a First Amendment to Brownfield Plan Development Agreement with 266 Michigan Ave Kalamazoo LLC.

Ms. McCarthy shared this project is moving forward and currently working with the state. It is also getting lined up in the approval process to go on the next City Commission agenda. Attorney Weiss has been working with the project's legal counsel to amend their Development and Reimbursement Agreement to match the updated Brownfield Plan figures.

Attorney Weiss shared this is a bit of an unusual progression as they are doing the Development and Reimbursement Agreement before official approval by City Commission of the Brownfield Plan amendment. If for any reason the City Commission does not approve the amendment, it will go back to the original plan.

Director Gurnee moved adoption of a Resolution Approving and Authorizing Execution of a First Amendment to Brownfield Plan Development Agreement with 266 Michigan Ave Kalamazoo LLC; seconded by Director Middleton.

A roll call vote was taken, and the motion passed unanimously.

2. Adoption of a Resolution Accepting the Second and Final TIF Reimbursement Request for 615 W Kalamazoo Avenue.

Mr. Reed, representative of 615 Holdings, LLC, said they finished their project in 2022 and now the project is fully up and running. Their average occupancy rate is 90-95%. Their commercial units are 75% full. Within the three filled commercial units, about 12-15 jobs have been supported. They are currently negotiating with a potential tenant to fill the fourth commercial unit. He said they have been really happy with the project and the community has been really accepting of it. He thanked the BRA for their support to help them get where they are.

Ms. Mulholland, Fishbeck Consultant, shared reimbursement request information, as found in the packet.

Director Middleton shared it was a great project which has elevated the space and been a great addition to the Stuart neighborhood. He thanked the developers for their work on it.

Director Ferraro shared their development showed people that building in a historic district does not necessarily mean a developer has to have an old-style building. She said it was a wonderful illustration of that.

Director Bolton moved adoption of a Resolution Accepting the Second and Final TIF Reimbursement Request for 615 W Kalamazoo Avenue; seconded by Director Hess.

A roll call vote was taken, and the motion passed unanimously.

3. Adoption of a Resolution Accepting the TIF Reimbursement Request for 400 Rose Phase 2.

Ms. Mulholland shared reimbursement request information, as found in the packet. She noted there were some costs incurred prior to the Brownfield Plan, but due to MEDC and EGLE guidance, those costs fall within an acceptable timeframe for reimbursement and will be supported local-only. She said the largest cost is the underground parking.

Director Gurnee asked why the excavate, transport, and disposal cost was local-only.

Ms. Mulholland shared that this plan was an MEDC workplan and not an EGLE workplan, hence why it is a local-only cost.

Ms. McCarthy thanked Ms. Mulholland for her help throughout the process and recognized that her assistance was a big resource to the BRA.

Director Gurnee moved adoption of a Resolution Accepting the TIF Reimbursement Request for 400 Rose Phase 2; seconded by Director Ferraro.

A roll call vote was taken, and the motion passed unanimously.

4. Adoption of a Resolution Accepting the TIF Reimbursement Request for 315 E Frank Street.

Ms. Mulholland shared reimbursement request information, as found in the agenda packet.

Director Middleton moved adoption of a Resolution Accepting the TIF Reimbursement Request for 315 E Frank Street; seconded by Director Bolton.

A roll call vote was taken, and the motion passed unanimously. Director Novotny abstained.

UNFINISHED BUSINESS

None.

COMMUNICATIONS AND ANNOUNCEMENTS

None.

STAFF REPORTS AND UPDATES

Ms. McCarthy shared the Project and Finance Committee's next Property Re-Use workshop will take place Wednesday, January 24. The committee will be emailed a packet prior to the meeting.

ADJOURNMENT: The meeting was adjourned at 8:31 A.M. by Chair Novotny.

Heidi Gartley
Recording Clerk

Chair Signature

Printed Name/Chair



BRA Board of Directors Staff Report

City of Kalamazoo

TO: Brownfield Redevelopment Authority Board of Directors

FROM: Antonio Mitchell, Director of Community Planning and Economic Development
Prepared by: Jamie McCarthy, BRA Staff Liaison

DATE: February 15, 2024

SUBJECT: Approval of a Letter of Intent between the Kalamazoo Brownfield Redevelopment Authority and Bogan Developments LLC related to property for the redevelopment project Zone 32 Phase 2 and authorize the Department Director to sign

RECOMMENDATION:

It is recommended the Brownfield Redevelopment Authority approve a Letter of Intent between the Kalamazoo Brownfield Redevelopment Authority and Bogan Developments LLC related to property for the redevelopment project Zone 32 Phase 2 and authorize the Department Director to sign.

BACKGROUND:

In Summer 2023, the Authority signed a Letter of Intent (LOI) with Bogan Developments, LLC (Developer) to purchase and redevelop property owned by the Authority at 810 and 915 N Pitcher, 314 Parsons, and 825 and 901 Porter Streets. The redevelopment project is part of the second phase of "Zone 32", an affordable housing and mixed-use project the Developer recently completed in the Northside neighborhood. The Developer is undertaking due diligence on a second phase of the project and is seeking an extension of the LOI to complete a Phase I Environmental Site Assessment and site plans to submit to the City and lending institutions.

The new LOI will provide both parties an additional three months to complete necessary due diligence and negotiate terms of a sale agreement to be presented to the board at a future meeting.

FISCAL IMPACT:

No direct fiscal impact is anticipated from the LOI at this time.



February 12, 2024

Jamauri Bogan
Bogan Developments, LLC
180 E. Water Street
Kalamazoo, Michigan 49007

Re: Letter of Intent – Redevelopment of 810 N. Pitcher, 915 N. Pitcher, 314 Parsons, 825 Porter, and 901 Porter Streets for Zone 32, Phase 2

Dear Mr. Bogan:

On January 29, 2024 the Kalamazoo Brownfield Redevelopment Authority (“BRA”) and Bogan Developments, LLC (“Developer”) extended the original LOI granting Developer, subject to conditions and requirements in the LOI, the exclusive right to purchase and redevelop 810 N. Pitcher, 915 N. Pitcher, 314 Parsons, 825 Porter, and 901 Porter Streets (“Property”) until close of business on February 15, 2024. At this time, both parties desire to further extend the LOI Exclusivity Period until May 16, 2024.

This LOI document shall serve to memorialize the next steps that Developer and BRA, respectively, will undertake toward the eventual purchase of the Property and development of the Property. To that end, and upon execution of this LOI document, Developer shall use its best efforts and due diligence to complete the outlined tasks within the timeframes provided.

During the Exclusivity Period:

1. Developer will:
 - a. Make application to the Kalamazoo County Housing Millage Fund
 - b. Work with staff and Michigan Department of Environment, Great Lakes, and Energy (EGLE) to explore funding opportunities for environmental site assessment of the Property
 - c. Apply for Pre-Site Plan and make progress toward Conditional Site Plan Approval
 - d. Apply for a Payment in Lieu of Taxes (PILOT) through CPED Department
 - e. Negotiate the terms of sale and redevelopment of the Property with staff to present to the BRA Board of Directors for approval
2. BRA will:
 - a. Engage EGLE on potential site assessment funding for the Property
 - b. Negotiate the terms of sale and redevelopment of the Property with Developer to present to the BRA Board of Directors for approval

Sincerely,

CITY OF KALAMAZOO
BROWNFIELD REDEVELOPMENT AUTHORITY

By: Antonio Mitchell
Its: Attorney-in-fact

ACCEPTED:

Date: _____

By: _____
Mr. Jamauri Bogan

cc: Jessica Wood, Brownfield Redevelopment Authority Legal Counsel
Jamie McCarthy, Sustainable Development Coordinator

EXHIBIT A

810 N. Pitcher

35870 PLAT NO 2 OR THE REVISED PLAT OF RICHARDSON & WATTLES ADDITION,
Liber 2 of Plats Page 13; The South 2.75 Rods of the North 5.5 Rods of Lot 31.

915 N. Pitcher

38536 T C SHELDONS ADDITION, Liber 3 of Plats Page 16; Part of Lot R described as follows:
Commencing on the west line of Pitcher Street 4 Rods South of the south line of Parsons Street;
thence West 5 Rods; thence South 2 Rods; thence East 5 Rods; thence North 2 Rods to the point of
beginning.

314 Parsons

T C SHELDON'S ADDITION Part of Lot R, Beginning at the southwest corner of Parsons Street
and North Pitcher Street; thence South 66ft along the west line of Pitcher Street; thence West 82.5ft;
thence North 66ft to the south line of Parsons Street; thence East 82.5ft along the south line of
Parsons Street to the point of beginning.

825 Porter

PLAT NO 2 OR REVISED PLAT OF RICHARDSON & WATTLES ADDITION; North 1/2 of Lot
52, excluding the North 46.5ft Lot 54. Also the North 1/2 of Lot 53. Also North 2.75 Rods of Lot 31.

901 Porter Street

PLAT NO 2 OR REVISED PLAT OF RICHARDSON & WATTLES ADDITION; South 1/2 of Lot
57. Lot 56. Also the South 1/2 of Lot 55. Also the South 1/2 of the North 1/2 of Lot 57.
4880-1095-5424 v1 [105916-1]



BRA Board of Directors Staff Report

City of Kalamazoo

TO: Brownfield Redevelopment Authority Board of Directors

FROM: Antonio Mitchell, Director of Community Planning and Economic Development
Prepared by: Jamie McCarthy, BRA Staff Liaison

DATE: February 15, 2024

SUBJECT: Approval of a Letter from the Kalamazoo Brownfield Redevelopment Authority to the Michigan Economic Development Corporation Regarding Arcadia Loft's Dual Eligibility as Brownfield Property and Authorizing the Chair to Sign

RECOMMENDATION:

It is recommended the Brownfield Redevelopment Authority approve the letter from the Authority to the Michigan Economic Development Corporation regarding Arcadia Loft's dual eligibility as Brownfield Property authorize the Chair to sign and staff to send on behalf of the Authority.

BACKGROUND:

On February 6, 2023, the City of Kalamazoo City Commission approved an Act 381 Brownfield Plan for Arcadia Lofts, 203 N. Rose Street, Kalamazoo, Michigan (the "Plan"). In this plan, the property qualifies as "eligible property" under Act 381 on the basis of meeting the definition of a "historic resource". Subsequently, the developer prepared a draft Act 381 Work Plan and application for support through a separate Community Revitalization Program ("CRP") through the Michigan Economic Development Corporation ("MEDC").

As MEDC evaluated the CRP request, the developer learned that because the property's brownfield designation is "historic resource", MEDC requires the State Historic Preservation Office ("SHPO") review and approve the project for this separate program. MEDC and the developer have expressed concerns regarding the likelihood of securing a favorable review by SHPO due to the project involving new construction on the non-historic portion of the building and therefore have asked the developer to change the basis of eligibility for the property.

To address this potential concern, the developer sought and obtained a determination from the City Assessor stating the property qualifies as functionally obsolete property (affidavit attached). The attached letter was prepared on behalf of the Authority to the MEDC to confirm the project has dual eligibility under Act 381 as brownfield property for both "historic resource" and

"functionally obsolete property" to assist with additional grant support without the need to formally amend the Brownfield plan.

FISCAL IMPACT:

There is no direct fiscal impact to the Authority anticipated for this action.



Brownfield Redevelopment Authority

245 N. Rose, Suite 100, Kalamazoo, MI 49007

Phone 269.337.8082 | Fax 269.337.8182

development@kalamazoo-city.org

www.kalamazoo-city.org/development

February 12, 2024

Ms. Sarah Snoeyink
Michigan Economic Development Corporation
300 N. Washington Square
Lansing, MI 48913

Re: Brownfield Plan for Arcadia Lofts, 203 N. Rose Street, Kalamazoo, Michigan

Dear Ms. Snoeyink:

On February 6, 2023, the City of Kalamazoo City Commission approved an Act 381 Brownfield Plan for Arcadia Lofts, 203 N. Rose Street, Kalamazoo, Michigan (the "Plan"). The property qualifies as an "eligible property" under Act 381 on the basis of meeting the definition of a "historic resource" under Act 381, as described within the Plan. The developer prepared a draft Act 381 Work Plan and application for support through the Community Revitalization Program ("CRP") which has been submitted to the Michigan Economic Development Corporation ("MEDC").

As MEDC has evaluated the CRP request, the developer learned that because of the property's brownfield designation as a "historic resource", MEDC requires the State Historic Preservation Office ("SHPO") review and approve the project. MEDC and the developer have expressed concerns regarding the likelihood of securing a favorable review by SHPO due to the project involving new construction on the non-historic portion of the building and therefore have asked the developer to change the basis of eligibility for the property.

For this purpose, the developer sought and obtained a determination from the City Assessor (a Level 4 Michigan Master Assessing Officer) stating that the property qualifies as functionally obsolete property. The assessor's affidavit is enclosed.

The Board of Directors of the Brownfield Redevelopment Authority has reviewed the assessor's affidavit and, by this letter, can confirm the property's status as functionally obsolete constitutes a separate and additional basis for property eligibility under Act 381. We understand that this letter confirming the property's dual eligibility will be sufficient to satisfy any remaining concerns about the developer's eligibility for additional grant support without the need for any formal amendment of the Plan. Thank you very much for your continued support. Please do not hesitate to reach out with any questions.

Sincerely,

Jason Novotny
Chair of Brownfield Redevelopment Authority
City of Kalamazoo

Enclosure

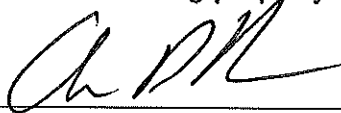
cc: Mr. Antonio Mitchell, Community Planning & Economic Development Director
Ms. Jamie McCarthy, City of Kalamazoo
Ms. Trisha Kidd, Plazacorp
Mr. Joe Agostinelli, Michigan Growth Advisors
Mr. David Stegink, Fishbeck
Ms. Logan Mulholland, Fishbeck
Ms. Jessica Wood, Dickinson Wright PLLC

DRAFT

AFFIDAVIT OF CITY OF KALAMAZOO ASSESSOR

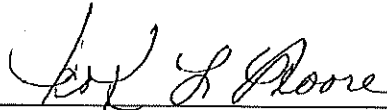
I, Aaron P. Powers, being duly sworn, states that if called upon will testify to the following facts:

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 203 North Rose Street, 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 January 25, 2024.



Robin L. Moore, Notary Public
Wayne County, Michigan
Commission Expires: May 29, 2028
Acting in Kalamazoo County

Prepared by:
Aaron P. Powers (R-6684)
City Assessor
241 West South Street
Kalamazoo, MI 49008
(269) 337-8636

