Agenda
Downtown Economic Growth Authority Board of Directors

City of Kalamazoo

Monday, March 18, 2024 3:00 PM

Community Planning and Economic Development - 245 N. Rose Street
Main Conference Room

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 February 19, 2024. (**Action: Motion to approve**)

D. REPORTS AND PRESENTATIONS

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

2. Committee Reports

3. Kalamazoo Downtown Ambassador 2023 Reports

E. DISCUSSION/ACTION ITEMS

1. Motion to Approve the 2023-2024 Slate of Officers **(Action: Motion to Approve the 2023-2024 Slate of Officers)**
   Proposed Slate is as follows:

   - Chair: Susan Lindemann
   - Vice-Chair: Jeff Breneman
   - Treasurer: Stephanie Hinman
   - Secretary: Matt Hollander

2. BRA TIF Step-Aside Policy **(Action: Motion to Approve BRA TIF Step-Aside Policy)**

3. Recommendation of DEGA Board Member Nomination to Mayor/City Commission of Jessica Thompson **(Action: Motion to Recommend the DEGA Board Appointment of Jessica Thompson to the Mayor/City Commission)**

F. PUBLIC COMMENTS

G. CLOSED SESSION

1. Closed Session to consider material exempt from discussion or disclosure by state or federal statute, namely, a privileged legal opinion, under MCL 15.268(h). **(Roll Call)**

H. DIRECTOR COMMENTS

I. ADJOURNMENT

KALAMAZOO DOWNTOWN
ECONOMIC GROWTH
AUTHORITY

Board of Directors Regular Meeting Minutes

February 19, 2024, 3:00 p.m. | Community Planning & Economic Development, 245 N Rose Street

PRESENT: Mayor David Anderson, Curt Aardema, Jeff Breneman, Kwame Gyimah, Grant Fletcher, Matt Hollander, Clarence Lloyd

ABSENT: Stephanie Hinman, Susan Lindemann

STAFF: Paul Thuringer, Jerrid Burdue, Jaime Marsman

A. CALL TO ORDER

DIRECTOR FLETCHER CALLED THE MEETING TO ORDER AT 3:30 P.M.

PRESENT: Mayor David Anderson
Curt Aardema
Jeff Breneman
Kwame Gyimah
Grant Fletcher
Matt Hollander
Clarence Lloyd

ABSENT: Stephanie Hinman
Susan Lindemann

EXCUSED: Stephanie Hinman
Susan Lindemann

THE FEBRUARY 19, 2024, ATTENDANCE INCLUDING EXCUSED AND UNEXCUSED ABSENCES ARE RECORDED.

B. ADOPTION OF FORMAL AGENDA

DIRECTOR AARDEMA MOVED TO ADOPT THE FEBRUARY 19, 2024 AGENDA AS AMENDED. DIRECTOR HOLLANDER SECONDED. NO OBJECTIONS. MOTION CARRIED.

C. APPROVAL OF MINUTES

DIRECTOR AARDEMA MOVED TO APPROVE THE JANUARY 16, 2024 MINUTES. MAYOR ANDERSON SECONDED. NO OBJECTIONS. MOTION CARRIED.

D. REPORTS AND PRESENTATIONS

1. Financial Report

Mr. Burdue was present to go through the Financial Report. He noted that at the last meeting there were questions regarding transfers in and provided further explanation. There was discussion regarding this. The gap in the Ambassador program explains some of the overall negative numbers on the actuals. Mr. Burdue stated that he would look into the Ambassador contributions further regarding funding.

It was affirmed that these are end-of-year reports, however, there is still the chance for adjustment.

It was noted that there was $250,000 anticipated as revenue that did not come in to support the Downtown Ambassador program. Director Lloyd stated that this should be addressed with contributors. Funders for Ambassadors were discussed. It was noted that FFE also contributed in previous years, with three years committed. FFE's commitment was finalized in 2022.

Mayor Anderson expressed his frustration that there was no representative from Management Services to discuss these items.

Director Breneman stated that a written explanation should have accompanied the report to give further details and explanations.

DIRECTOR BRENEMAN MOVED TO TABLE ACCEPTANCE OF THE FINANCIAL REPORT AS PRESENTED UNTIL MARCH AND REQUESTED THE PRESENCE OF THE CHIEF FINANCIAL OFFICER. DIRECTOR HOLLANDER SECONDED. NO OBJECTIONS. MOTION CARRIED.

Director Gyimah questioned the ramifications of accepting versus approving the financial reports. Attorney Woods stated that approving indicates that the Board understands and approves of the contents which is stronger than accepting.

2. **Committee Reports**

Events and Marketing Committee

Director Breneman stated that the Committee met today. One of the agenda items is the RFPs that will be put out for summer events. Discussions regarding sidewalk sales and holiday events will need to be had. He noted that there is a limited budget for all of these events, as marketing is included in the budget. Sponsorships will need to be sought as this is not enough funding to do the marketing and events to live up to expectations.

Director Lloyd stated that long-term, budget constraints will need to be addressed. Moving forward with the RFP process will allow them to begin the work.

Director Gyimah questioned whether there would be issues regarding viewpoint discrimination based on approval standards. Attorney Wood stated that the Executive Committee met to discuss awarding criteria and language that would allow the Committee discretion. The goal of all events is to market and support the downtown retailers. Attorney Wood affirmed that economic development is within the DEGA's statutory authority.

Director Fletcher asked if there was a fundraising component of the agreement. Carl Brown was given the floor. He stated that the committee has worked for the past year on these issues. He spoke of the role of fundraising and the Committee. It was noted that these events do not have to be the sole work of the DDA, but rather the DDA can assist to partner with these events.

Director Fletcher thanked them for their work.

Recruitment and Retention Committee

Director Aardema stated that they met last week. The possibility of getting updated information from the Gibbs study was discussed. A flyer of key information is under discussion for development. The Committee will lean on Discover Kalamazoo for assistance with key metrics. This will allow the committee the ability to better communicate with possible investors. They continue to meet with retailers and landlords.

Director Lloyd stated that the goal is a retail strategy, as this would benefit the public and also allow the DEGA to make more informed decisions.

Director Gyimah stated that this study will also assist in knowing which vendors should be targeted. Ongoing conversations with stakeholders will continue.

Director Lloyd stated that we need to ensure that messaging is branded.

Director Aardema shared points of interest from other communities. He noted that zoning plays an important role as well.

E. DISCUSSION/ACTION ITEMS

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

Director Fletcher noted that there is a resolution attached to the packet. Attorney Wood stated that this is the same item that was approved at DDA.

DIRECTOR AARDEMA MOTIONED TO APPROVE THE SERVICE AGREEMENT BETWEEN THE DDA/DEGA AND THE CITY OF KALAMAZOO AS AMENDED. DIRECTOR HOLLANDER SECONDED.

Mayor Anderson questioned how the payment for this agreement amount would be split between the DDA/DEGA and stated that it could be interpreted that each Board is paying the same amount. Attorney Wood stated that there is some discussion on how this is to be split, however, she emphasized that this is one contract. Mr. Burdue stated that it is budgeted in each DDA/DEGA budget as $125,000. The contract does not allocate who is paying what. Attorney Wood stated that it is abundantly clear that the City does not expect the DDA/DEGA to pay $250,000 each as it is one agreement that is approved by each Board.

NO OBJECTIONS. ROLL CALL VOTE.

2. Creation and Distribution of RFPs for Summer Events, Holiday Events, and Marketing Subject to Approval in Substance by the Board Chair and in Form by Legal Counsel.

Mr. Burdue stated that this allows the Events and Marketing Committee to put out RFPs for summer events, holidays and marketing as they feel are needed.

MAYOR ANDERSON MOTIONED FOR THE CREATION AND DISTRIBUTION OF RFPS FOR SUMMER EVENTS, HOLIDAY EVENTS, AND MARKETING SUBJECT TO APPROVAL IN SUBSTANCE BY THE BOARD CHAIR AND IN FORM BY LEGAL COUNSEL. DIRECTOR AARDEMA SECONDED. NO OBJECTIONS. MOTION CARRIED.

F. PUBLIC COMMENTS

1. Remi Harrington stated that she purchased a building at 210 Mill Street. She shared that it is important that her building remain in the DEGA district and questioned the upcoming DEGA TIF Plan changes and whether those included rezoning.
    i. Attorney Wood stated that this Board did not send a rezoning notice, but rather a notice regarding the DEGA Development and TIF Plan. She assured Ms. Harrington that the boundaries are not being changed at this time and explained the changes that were being done.
2. Rob Peterson stated that on February 28, the Downtown Merchants are inviting Michigan Mainstreet to present. They will hear about the Main Street program - the benefits and how to implement that in Kalamazoo. The event will be held on Wednesday, February 28 at 9:00 a.m. at The Catalyst Center.
3. Carl Brown thanked everyone for their continued hard work. He thanked the Board for approval on the RFP process. He thanked City staff. He encouraged the Board to consider how we can continue to encourage collaboration among subgroups.

G. CLOSED SESSION

1. **MAYOR ANDERSON MOTIONED TO GO INTO CLOSED SESSION TO CONSIDER MATERIAL EXEMPT FROM DISCUSSION OR DISCLOSURE BY STATE OR FEDERAL STATUTE, NAMELY, A PRIVILEGED LEGAL OPINION, UNDER MCL 15.268(H). DIRECTOR AARDEMA SECONDED. NO OBJECTIONS. ROLL CALL VOTE.**

H. DIRECTOR'S COMMENTS

1. None.

I. ADJOURNMENT

DIRECTOR FLETCHER ADJOURNED THE MEETING AT 4:43 P.M.

Downtown Economic Growth Authority
1/31/2024 Trial Balance

Assets	1/31/2024
Cash	$ 127,614
Receivables	3,235
Due From Primary Government	5,744
Taxes Receivable	
Total Assets	**$ 136,593**
Liabilities*	
Accounts Payable	$ -
Deferred Taxes Receivable	-
Deferred Revenue - Accounts Receivable	3,235
Short Term Due to Primary Government	60,000
Due to State	700
Total Liabilities	63,935
Fund Balance	
Operational Fund Balance	72,658
Total Liabilities & Fund Balance	**$ 136,593**

	2024 Adopted Budget	January	2024 YTD Actuals
Revenues			
Taxes	$ 615,000		$ -
Other Revenue	-		-
Event Sponsorships	102,000		-
Transfers In	40,000		-
Charges For Services	5,000	1,575	1,575
Interest And Rentals	-		-
Total Revenues	**762,000**	**1,575**	**1,575**
Expenses			
Professional And Contractual Services	353,600		
Legal Services And Fees	30,000		-
Insurance Services			-
Operating Supplies			1,660
Garbage Disposal			-
Repairs			-
Utilities			-
Community Promotion	103,000		-
Audit Fees	13,400		-
Tax Appeal Refunds	5,000		-
Administrative Fees	125,000		-
Restricted For Debt Service	-		
Total Expenses	**$ 630,000**	**$ -**	**$ 1,660**
Revenues Less Expenses	**$ 132,000**	**$ 1,575**	**$ (85)**

***Does not include long term debts payable**

AMBASSADOR PROGRAM 2023

Kalamazoo Downtown PARTNERSHIP

SMARTsystem

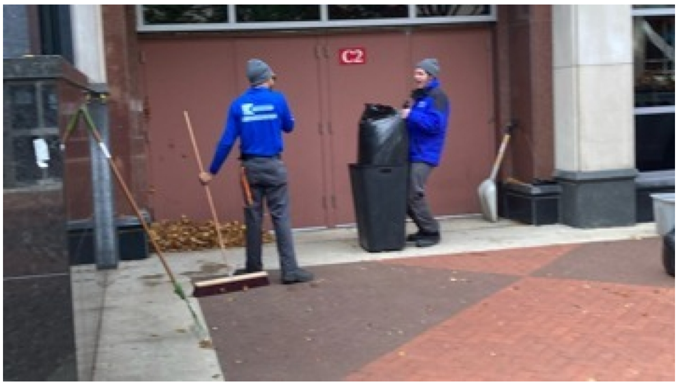
What we are doing.

Our team of Ambassadors is out on the streets of downtown Kalamazoo everyday keeping the area clean and friendly. Our cleaning operation includes, collecting trash from the trash cans, manual litter and debris removal, grafitti removal, power washing, and weeding tree beds/walkways. In the fall we collect leaves and in the winter we remove snow from crosswalk aprons, Bates Alley and around bus stops.

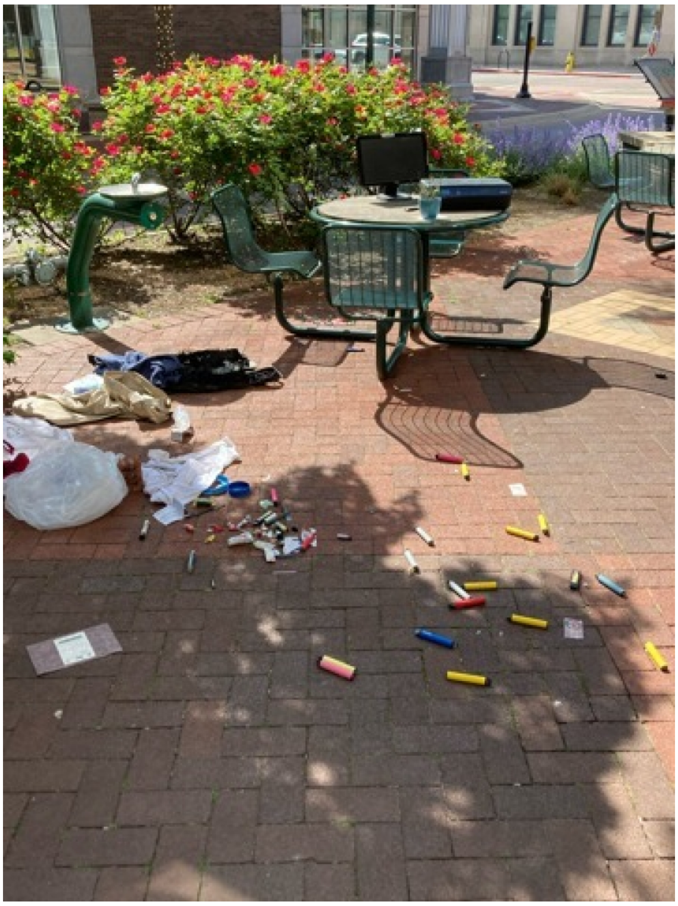
The team also works to give greetings to visitors, residents and those that work downtown and provide information and directions to those who need it both during the day while we are working on cleaning, and at night when our Hospitality Ambassador is working. Our Hospitality Ambassador will also do a Safety Escort if requested by a visitor, worker or resident of downtown.

Everything the Ambassadors do is in an effort to make downtown Kalamazoo cleaner, safer, friendly and more vibrant.

Highlights




STOP
THE
SWEEPS



2023 STATISTICS

	January	February	March	April	May	June	July	August	September	October	November	December	**Total**
CLEANING													
Abandoned Property	1	1	9	9	17	19	3	15		7	13	4	**98**
Biohazardous Material	10	5	2	4	4	2	10	3	2			2	**44**
Graffiti - Removed	7	58	51	99	30	37	56	35	22	51	8	39	**493**
Power Washing (hours)				16	12	4	29	12	2	9	2		**86**
Trash (lbs)	6550	11200	12950	9725	15250	17950	16075	15600	16475	11600	11325	10700	**155400**
Snow Removal (hours)	42	10	28										**80**
Lawn Care (hours)				13	5	3	6	9		7			**43**
HOSPITALITY													
Hospitality Assistance	20	18	24	48	22	22	16	16	20	9	21	21	**257**
Business Contact	3	3	3	2	6	2	1	2		1	1	4	**28**
SAFETY													
Drinking in Public	2			6	28	6	1		1		2		**46**
Needles Found	1		6	6	1		2	2				4	**22**
Panhandling - Aggressive									4	1			**5**
Panhandling - Passive		4	4	1	2	4	4	2	2	2	1		**26**
Public Defecation/Urination	1			1		3	1		1		1		**8**
Safety Escorts	4	5	5	11	4	2		2	1	1	4	8	**47**
Visible Drug Use					1				1	1	1		**4**
OUTREACH													
Transient	41	38	35	42	14	2	1	17			3		**193**
Unhoused/Sleeping	42	11	21	55	184	209	101	102	14		1	14	**754**

Policy Document: DEGA AND BRA AGREEMENTS

1. Purpose

This policy outlines the formal process for the Downtown Economic Growth Authority (DEGA), a Corridor Improvement Authority formed pursuant to Part 6 of Public Act 57 of 2018, as amended, to consider entering into tax increment sharing agreements with the Brownfield Redevelopment Authority (BRA) in the context of specific project support and remediation activities in downtown Kalamazoo, in a cooperative effort to enhance economic and environmental redevelopment.

2. Background

Recognizing the overlapping goals of DEGA and BRA, this policy is established to facilitate DEGA consideration, at its discretion, of tax increment sharing in certain circumstances, on a case by case basis, in favor of BRA, for targeted redevelopment projects within the designated DEGA district. A recent legislative amendment to the Brownfield Redevelopment Financing Act, Public Act 381 of 1996, as amended, expressly authorizes tax increment sharing agreements with entities like the DEGA.

3. Scope

This policy covers project support and remediation activities within the DEGA district identified for BRA management, including environmental remediation and infrastructure development. The BRA can sometimes support eligible activities and unlock resources beyond what a Corridor Improvement Authority can support and that sharing of increment foster economic growth.

4. Mechanism & Implementation

BRA staff shall inform the DEGA staff when a Developer is seeking BRA reimbursement for a proposed project on property located within the DEGA District. If DEGA agrees to consider sharing, Developer requesting reimbursement shall, in conjunction with BRA staff, present detailed information related to the project to the DEGA Board for consideration. Generally, the DEGA will receive the presentation at one Board meeting and will not vote on the sharing request until the next DEGA meeting, although DEGA may, in its discretion, vote to approve a sharing request at the same meeting at which the presentation is given. The DEGA may, in its discretion, require that a portion of the BRA administrative fee be shared with the DEGA in consideration of a sharing agreement. DEGA and BRA will, following approval from their respective Boards of Directors, memorialize any increment sharing through an interlocal agreement detailing key terms, including but not limited to, duration and commitments by the developer.

5. Compliance

Activities under this policy will comply with state laws, local ordinances, and regulations governing DEGA and BRA authority.

6. Amendments

This policy may only be amended to reflect legal, policy, or redevelopment needs, following actions by the DEGA and BRA Boards of Directors.

7. Effective Date

The policy, and any amendments hereto, shall become effective only upon approvals by DEGA and BRA Boards.

4862-2346-5132 v2 [88591-1]

DOWNTOWN ECONOMIC GROWTH AUTHORITY
CITY OF KALAMAZOO

RESOLUTION NO. _____

RESOLUTION TO APPROVE THE ADOPTION OF A TAX INCREMENT REVENUE SHARING POLICY

WHEREAS, the Corridor Improvement Authority Act, Act 280 of the Public Acts of Michigan of 2005, as amended, MCL 125.2871 et seq., and now recodified within Public Act 57 of 2018 (the "Act"), authorized the City to establish a corridor improvement authority and to designate the boundaries of an authority corridor improvement development area provided certain criteria required by the Act had been met for the purpose of correcting and preventing deterioration in business districts, encouraging historic preservation and promoting economic growth; and

WHEREAS, on October 15, 2018, the Kalamazoo City Commission voted to create the Kalamazoo Downtown Economic Growth Authority (the "DEGA") under the Act to allow for a new method of financing activities associated with the continued growth, maintenance, administration, and programming of downtown Kalamazoo; and

WHEREAS, the DEGA Board of Directors has the authority under the Act and in accordance with recent amendments to the Brownfield Redevelopment Authority Act, Act 381 of 1996, as amended, ("Act 381") to, under certain circumstances, enter into agreements to share tax increment revenues; and

WHEREAS, the DEGA finds it necessary to adopt a policy to standardize the procedure and consideration of requests to share tax increment revenues during the operation and facilitation of DEGA business.

NOW, THEREFORE, BE IT HEREBY RESOLVED AS FOLLOWS:

1. That the DEGA TIF sharing policy (the "Policy") in substantially the form attached hereto as Exhibit A is hereby approved.

2. That the DEGA authorizes and directs its Chairperson to take such further action as may be necessary or advisable in carrying out this purpose, including approving modifications as may occur in finalizing the Policy, and executing same.

3. 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: ____________, 2024 ______________________________

_________________________, Secretary

CERTIFICATION

I hereby certify that the above is a true and complete copy of a resolution adopted by the Board of Directors of the Downtown Economic Growth Authority of the City of Kalamazoo at a meeting held on _______________, 2024 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: ___________, 2024 ______________________________

____________________, Secretary

EXHIBIT A

Purchasing Policy

(Attached)

Advisory Boards and Commissions Appointee Nomination Report

City of Kalamazoo

RECOMMENDATION

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

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

SELECTION PROCESS

The board held two interviews to gauge interest of candidates and select those whose professional expertise and lived experience help to diversify the makeup of the board.

NOMINEE QUALIFICATIONS

<u>Dual Board Memberships</u>
Jessica Thompson - DDA and DEGA

<u>Residency</u>
Jessica Thompson is the owner of Bee Joyful Shop, a downtown business.

<u>Term Limits</u>
Jessica Thompson – 4 year term

<u>Training, Experience, Education And Skills</u>
Jessica Thompson – With a degree in marketing and business management, 20 years of retail experience and 15 years of experience in event management, Jessica has developed a deep understanding of organizational dynamics and strategic planning. She has been a small business owner in Kalamazoo for eight years and is the Coordinator of Downtown Kalamazoo Shops. Jessica has a commitment to community collaboration and promotion.

<u>Contribution To Diversity</u>
Jessica Thompson is a female.

NOMINATION RATIONALE

CITY CLERK'S CERTIFICATION

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

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Scott A. Borling, City Clerk