

Agenda

Economic Development Corporation

Board of Directors

City of Kalamazoo



Thursday, March 21, 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 the minutes from the meetings of the Economic Development Corporation held:

- at the regular Board meeting on February 15, 2024
- at the EDC/BRA Retreat on February 29, 2024

(Action: Motion to Approve) - Voice Vote

D. PUBLIC COMMENTS

E. DIRECTOR COMMENTS

F. NEW BUSINESS

1. Approval of a recommendation to the City Clerk to Approve the 1-year renewal of the Adult Use Retailer Permit for Windsor Township OG, LLC DBA Rair
(Action: Approval of a recommendation to the City Clerk to Approve the 1-year renewal of the Adult Use Retailer Permit for Windsor Township OG, LLC DBA Rair) - Roll Call Vote
2. Approval of a Recommendation to the City Commission to Re-Appoint Director Kyle Gulau to a Second Six-Year Term to the Board of Directors for the City of Kalamazoo's Economic Development Corporation and Brownfield Redevelopment Authority
(Action: Approval of a Recommendation to the City Commission to Re-Appoint Director Kyle Gulau to a Second Six-Year Term to the Board of Directors for the City of Kalamazoo's Economic Development Corporation and Brownfield Redevelopment Authority) -

Voice Vote

- G. UNFINISHED BUSINESS**
- H. COMMUNICATIONS AND ANNOUNCEMENTS**
- I. STAFF REPORTS AND UPDATES**
- J. ADJOURNMENT**

CITY OF KALAMAZOO
ECONOMIC DEVELOPMENT CORPORATION BOARD MEETING
Thursday, February 15, 2024
Community Planning and Economic Development
245 N. Rose Street, Kalamazoo, MI 49007

MEMBERS PRESENT: Kevan Hess; Lucas Middleton; Michael Gurnee; Sharon Ferraro; Rachel Bair; Jason Novotny; Kyle Gulau; Torean Greeley

MEMBERS ABSENT: Andrew Schipper; Qianna Decker; Nathan Bolton

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

Meeting was called to order at 7:45 AM by Chair Hess.

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

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

APPROVAL OF MINUTES: Director Ferraro moved approval of the minutes from the meeting of January 18, 2024; seconded by Director Gurnee. Motion approved by voice vote unanimously.

PUBLIC COMMENTS

None.

DIRECTORS' COMMENTS

None.

NEW BUSINESS

1. Adoption of a Fund Reserve Policy Resolution to ensure Funding for the Social Equity Cannabis Chamber Contract.

Mr. Thuringer presented information on the Fund Reserve Policy Resolution, as found in the agenda packet.

Chair Hess asked if the board would see any type of progress reporting or metrics. Mr. Thuringer shared they will be given quarterly updates.

Director Novotny moved adoption of a Fund Reserve Policy Resolution to ensure Funding for the Social Equity Cannabis Chamber Contract; seconded by Director Ferraro.

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

UNFINISHED BUSINESS

None.

COMMUNICATIONS AND ANNOUNCEMENTS

Mr. Thuringer shared The Woods Cultivation LLC did meet the requirements presented in a previous meeting and their permit has been approved.

STAFF REPORTS AND UPDATES

Mr. Thuringer shared details about the retreat and guest speakers.

ADJOURNMENT: Meeting was adjourned at 7:50 AM by Chair Hess.

Signature

Signature

Printed Name/Chair

Printed Name/Recording Clerk

CITY OF KALAMAZOO
ECONOMIC DEVELOPMENT CORPORATION BOARD MEETING
Thursday, February 29, 2024
The Foundry, 600 E Michigan Ave, Kalamazoo, MI 49007

MEMBERS PRESENT: Kevan Hess; Lucas Middleton; Michael Gurnee; Sharon Ferraro; Rachel Bair; Kyle Gulau; Torean Greeley; Andrew Schipper; Qianna Decker

MEMBERS ABSENT: Nathan Bolton; Jason Novotny

CITY STAFF PRESENT: Jamie McCarthy (Sustainable Development Coordinator); PJ Thuringer (Economic Development Supervisor); John Weiss (Attorney, Dickinson Wright); Logan Mulholland (Fishbeck, Consultant); Jared Chambers (Business Specialist); Antonio Mitchell (Community Planning and Economic Development Director); Chelsie Downs-Hubbarth (Community Investment Manager); Jerri Burdue (Neighborhood Business and Special Projects Coordinator); Kevin Ford (Shared Prosperity SPK Coordinator); Heidi Gartley (Brownfield Project Assistant)

Meeting was called to order at 8:06 AM by Ms. McCarthy.

Commissioner Decker shared a welcome message to kick-off the retreat, followed by Director Mitchell speaking to the directors regarding his time with the City of Kalamazoo and the impact of brownfield redevelopment in the city.

MEETING BUSINESS

Dan Gundersen and Alexandra Tranmer, representatives of Camoin Associates, gave a presentation on the Kalamazoo Economic Development Strategy process.

Rebecca Colett, Founder of The Detroit Cannabis Project, gave a presentation on the work she will be doing with the City of Kalamazoo on the new Social Equity Chamber.

Lyonel LaGrone II, representative of United Way of South Central Michigan, gave a presentation on A.L.I.C.E. (Asset Limited, Income Constrained, Employed) populations in Kalamazoo.

ADJOURNMENT: Meeting was adjourned at 11:06 AM by Ms. McCarthy.

Signature

Signature

Printed Name/Chair

Printed Name/Recording Clerk

INTER-OFFICE MEMO

To: The Economic Development Corporation Board of Directors

From: Paul Thuringer, Economic Development Supervisor
Jared Chambers, Business Specialist

Date: February 13, 2024

Re: Adult Use Retailer Permit Renewal for WTOG, LLC dba Rair

The City Clerk's Office has requested that the Economic Development Corporation (EDC) Board of Directors evaluate the *Marihuana Facility Permit Renewal Application* submitted by: WTOG, LLC dba Rair for its facility at 104 N Drake Road and that the EDC Board provide a recommendation regarding the renewal of this permit. The City Operating Permit, issued on April 1, 2023, is scheduled to expire on March 31, 2024, and must be renewed before its expiration for the facility to continue operating. The applicant has submitted the required renewal application and the annual permit fee. Below is the ordinance language that describes the specific role and responsibilities of the EDC in this process:

§ 20B-12

C. In determining whether to grant a renewal of a permit, the members of the City's Economic Development Corporation board will evaluate the permit holder's compliance with the statements it provided with its initial application and submission with its request for renewal of the following information:

1. The Staffing plan for the business which describes the actual number of employees, including the number and type of jobs that the facility has created, and the amount and type of compensation (including benefits) paid for such jobs;
 - They have 20 employees, 8 full-time & 12 part-time.
 - 1 Manager at \$47k/year.
 - 4 Leads at \$37,440/year.
 - 3 Full-time Guides at \$31,200/year.
 - 2 Delivery Drivers at \$31,200/year plus tips.
 - 10 Part-time Guides at \$21,600/year.
 - Benefits for full-time employees include paid vacation, dental, vision, and life insurance.
2. An explanation, with supporting factual data, of the economic benefits to the City and the job creation for local residents achieved by the business, results of efforts for community outreach and worker training programs;
 - They employ 20 individuals with 10 from the Kalamazoo area.
 - Rair partnered with the Kalamazoo State Theatre to promote the Lettuce concert.
 - They have done trash pickups around the store and in the surrounding

- neighborhood, several times throughout the year.
 - In September they participated in Sounds of the Zoo, Kalamazoo's local free music fest in the heart of downtown.
 - They volunteered at Kalamazoo Loaves & Fishes and over the last few months they have developed a working relationship with the Westwood Food Pantry.
 - They run a pre-roll tube recycling program, one of the only dispensaries in Kalamazoo to offer such a program.
 - To end 2023, Rair was the main cannabis sponsor at the Greensky Bluegrass New Year's eve weekend shows at the Kalamazoo State Theater.
3. An explanation, with supporting factual data, of the efforts and success achieved by the social equity plan of the business to promote and encourage participation in the marihuana industry by local residents that have been disproportionately impacted by marihuana prohibition and enforcement, and the positive impact of the social equity plan on local residents;
- In January, Rair hosted The Southwest Michigan First Chamber in their store, the first time they ever did their monthly meeting event at a dispensary. In doing so Rair helped partner and sponsor OutFront Kalamazoo.
 - They have partnered with the Professional Cannabis Educational Network (PCEN) to host an Educational/Career Fair on April 13th, 2024 at the Kalamazoo Black Arts & Cultural Center from 1-4 pm.
 - They are also working with the Kalamazoo Valley Community College Cannabis Certification Program. Their mission is to use proceeds from the sale of a new strain that they are naming, "Kalamazoo Cares" to provide grant funds to Kalamazoo residents that they locate and identify through their store and their community partners, with a flyer/card program to announce the educational/Career Fair in April.
4. A statement that the business is not in default to the City for any property tax, special assessment, utility charges, fines, fees, or other financial obligation owed to the City;
- They are in good standing with the City.
5. A statement that the hiring and public accommodation practices of the facility conform to the City's Nondiscrimination Ordinance provisions and documentation of the total number of employees broken out by managerial and operational employees, number of women, and number of minority employees and number of employees disproportionately impacted by marihuana prohibition and enforcement.
- The facility conforms to the City's Nondiscrimination Ordinance provisions.
 - 6 employees in management: 2 women and 1 minority.
 - 14 employees in operational positions: 8 women and 1 minority.
 - Currently, no employees have been disproportionately impacted by marihuana prohibition.
6. A statement, with supporting documentation, providing answers to the following questions:
- a. How many City residents do you currently employ?
- 10

- b. How many current employees reside in Census Tracts 1 (Eastside); 9, 10 (Edison), and/or 2, 02, 3 (Northside)?
 - Currently, no employees reside in the identified census tracts. However, this facility is located on the farthest West edge of the City and not near any of the 3 core neighborhoods.
 - c. What is your plan to employ residents of the identified census tracts?
 - They are holding a career fair at the Kalamazoo Black Arts & Cultural Center, centrally located between the 3 identified census tracts.
 - d. How many of your employees have prior marihuana convictions (excepting a conviction for delivery or distribution to a minor)?
 - Currently, no employees with prior marihuana convictions.
 - e. What is your plan for employees with a prior marihuana conviction to move up within your business and/or the marihuana industry?
 - They have partnered with a local Cannabis Attorney, Devin Loker, who will assist with expungement representation for people who attend the career fair and who are interested in employment.
7. Proof that the marihuana business has received recognition and maintains the status as a Silver Level Social Equity All-Star or better with the Michigan Cannabis Regulatory Agency.
- Rair has achieved the Silver level tier of the Social Equity All-Star Program.

Please see the attached Marihuana Renewal Application Checklist, completed by City staff to verify that all requirements of the ordinance have been met. The City Clerk has verified that the applicant has no outstanding financial obligations to the City, there have been no complaints to the City Manager regarding compliance with the City's anti-discrimination ordinance, and the facility has passed its City Fire & Zoning inspections. The applicant has met all the requirements for renewal.

RECOMMENDATION

Staff recommends that the EDC Board recommend to the City Clerk's Office a 1-year approval of the Adult Use Retailer Permit to WTOG, LLC dba Rair.

ATTACHMENTS

Renewal Application, (Staffing Plan), (Community Benefits Statement), and (Social Equity Plan) from the applicant.

Application Checklist (see next page)

Adult Use Retailer Marihuana Renewal Application Checklist for:

Windsor Township OG, LLC DBA Rair

104 N Drake Road

Contact: Patrick Frakes

pfrakes@rairco.com

Type: Adult Use Retailer

	Date Received	Received By	Comments	
Renewal Application Received	1/17/2024	Scott Borling		
Inspection Type:	Inspection Date	Completed by:	Satisfactory?	Notes
Zoning Inspection	2/9/2024	Pete Eldridge	Yes	
Fire Inspection	2/9/2024	Scott Brooks	Yes	
	Date	Name	Comments	
Business Community Benefits Check-In	2/13/2024	Jared Chambers		
	Invite Sent	EDC Meeting Date		
Invite to EDC Meeting		3/16/2023		
	Full-Time	Part-Time	Comments	
Jobs Created	8	12		
	Yes/No	Comments:	Verified by:	
Any Past Due Financial Obligations with City? (i.e. taxes owed, fees, fines, etc)	No		Andrew Falkenberg	
Silver Level Social Equity All-Star or better status with the Michigan Cannabis Regulatory Agency	Yes	Silver		
Attachments	Staffing Plan	City Economic Benefits Plan	Social Equity Plan	Handbook
	Yes	Yes	Yes	N/A

All Items Complete Yes

MARIHUANA BUSINESS PERMIT RENEWAL APPLICATION

Pursuant to Chapter 20B of the Kalamazoo City Code

**City of Kalamazoo
Office of the City Clerk
241 West South Street
Kalamazoo, MI 49007**

(Please Print)

BUSINESS INFORMATION (The entity that is licensed by the state and that holds a City MMF permit)

Official Business Name WTOG, LLC dba Rair

Business Address 1225 S Dettman Road

City Jackson **State** MI **Zip Code** 49203 **Business Phone** 517-395-4324

Business E-mail pfrakes@rairco.com **Business Website** www.rairco.com

TYPE OF PERMIT BEING RENEWED

Medical

Grower:

☐ Class A (500 plants)

☐ Class B (1,000 plants)

☐ Class C (1,500 plants) No. of Class C Permits _____

☐ Processor

☐ Safety Compliance

☐ Provisioning Center

☐ Secure Transporter

Adult Use

Grower:

☐ Class A (100 plants)

☐ Class B (500 plants)

☐ Class C (2,000 plants) No. of Class C Permits _____

☐ Excess Grower

☐ Processor

☐ Safety Compliance

☐ Microbusiness

☒ Retailer

☐ Secure Transporter

☐ Designated Consumption Lounge

FACILITY INFORMATION

Property Address 104 N Drake Road Kalamazoo, MI 49009

Real Property Parcel Number 06-18-320-001,06-18-321-001,06-18-320-002

Advertised Facility Name Rair

Manager - Full Name Justin Forrest

CONTACT INFORMATION [the primary point(s) of contact for this application]

Name Patrick Frakes

Address 1225 S Dettman Road

City Jackson

State MI

Zip Code 49203

Phone 804-943-5552

E-mail pfrakes@rairco.com

Name _____

Address _____

City _____

State _____

Zip Code _____

Phone _____

E-mail _____

ATTACHMENTS

Please attach the following as separate documents to this application:

1. The attached Staffing Plan worksheet and any additional pages that provide a description of the actual number of employees, including the number and type of jobs that the licensed facility has created, and the amount and type of compensation (including benefits) paid for such jobs; and
2. An explanation, with supporting factual data, of the economic benefits to the City and the job creation for local residents achieved by the facility; the results of community outreach efforts; and worker training programs.
3. A social equity plan that: (a) promotes and encourages participation in the marihuana industry by local residents that have been disproportionately impacted by marihuana prohibition and enforcement; and (b) positively impacts local residents.

The City's Economic Development Corporation will use the information provided in these documents to evaluate the permit holder's compliance with the statements it provided with its initial application (specifically the representations made in Attachment G – Staffing Plan and Attachment H – Community Benefits Statement).

Please complete the following certifications:

- ☒ The permitted facility is not in default to the City for any property tax, special assessment, utility charges, fines, fees or other financial obligation owed to the City.
- ☒ The hiring and public accommodation practices of the permitted facility conforms to the City's anti-discrimination ordinance provisions.
- ☒ I consent to an inspection of the permitted premises as required by ordinance to ensure the premises and its systems are in compliance with the requirements of Chapter 20B of the Kalamazoo City Code.
- ☒ I understand that renewal of a City Operating Permit is contingent on renewal of the State Operating License for this facility.

I hereby certify under the penalty of perjury that the statements made in this application, including all attachments thereto, are true. I further certify that I am an officer, director, or managerial employee of the applicant or a person who holds a direct or indirect ownership interest in the applicant.

Applicant Signature: Patrick Frakes Date: 1/15/24

Name (printed): Patrick Frakes Position: Chief Revenue Officer

STAFFING PLAN

Summary

Please indicate the number of employees who work at the licensed facility:

Full-time employees (32+ hours per week) 8 Part-time employees (< 32 hours per week) 12

Position Types and Compensation

Please provide a description of the types of jobs the licensed facility has created, along with the amount of compensation and benefits paid for such jobs:

Position Title: Manager Annual Average Compensation \$ 47,000

How many people are employed in this position at the licensed facility? 1

Are health insurance benefits available for employees in this position? Yes X No

If yes, please indicate the employer contribution to health insurance costs: All 100% Partial None

Position Title: Leads Annual Average Compensation \$ 37,440

How many people are employed in this position at the licensed facility? 4

Are health insurance benefits available for employees in this position? Yes X No

If yes, please indicate the employer contribution to health insurance costs: All Partial 60% None

Position Title: Full Time Guides Annual Average Compensation \$ \$31,200

How many people are employed in this position at the licensed facility? 3

Are health insurance benefits available for employees in this position? Yes X No

If yes, please indicate the employer contribution to health insurance costs: All Partial 60% None

Position Title: Delivery Driver Annual Average Compensation \$ \$31,200 plus tips

How many people are employed in this position at the licensed facility? 2

Are health insurance benefits available for employees in this position? Yes x No

If yes, please indicate the employer contribution to health insurance costs: All Partial 60% None

Position Title: Part Time Guides Annual Average Compensation \$ \$21,600

How many people are employed in this position at the licensed facility? 11

Are health insurance benefits available for employees in this position? Yes No X

If yes, please indicate the employer contribution to health insurance costs: All Partial None X

Please provide information on any benefits other than health insurance that are offered to all employees:

paid vacations for full time employees

Dental, Vision & Life Insurance offered to all full time employees

Attach additional pages as necessary.

The first economic benefit to the City was the construction of new real property at 104 N Drake Road. This facility is 4,500 square feet with a construction cost of approximately \$1.3 million dollars.

Rair has also created jobs for Kalamazoo city residents and currently in early 2024 we provide employment to 20 individuals with 10 from the Kalamazoo area.

In January Rair hosted The Southwest Michigan First Chamber here in our store, which was the first time they ever did their monthly meeting event at a dispensary. As doing so we helped partner and sponsor OutFront Kalamazoo, a not-for-profit, charitable organization serving the LGBTQIA+ community in Southwest Michigan.

In the Spring Rair partnered with the Kalamazoo State Theatre for the promotion of the Lettuce concert.

Rair did trash pickups around the store and our neighborhood several times throughout the year.

In September we participated in Sounds of the Zoo, Kalamazoo's local free music fest in the heart of downtown.

Also, in September a group of us from the Rair store volunteered at Loaves and Fishes pantry, Kalamazoo Loaves & Fishes is the largest provider of supplemental food in Kalamazoo County and over the last few months we have developed a working relationship with the Westwood Food pantry.

In November we brought back our pre-roll tube recycling program, one of the only dispensaries in Kalamazoo to offer such a program.

To end the year, Rair was the main cannabis sponsor at the Greensky Bluegrass New Years eve weekend shows at the Kalamazoo State Theater.

Our main addition for 2024 will be partnering with Kalamazoo Valley CC and offering support in the way engagement, instruction and participation with grant funds through charitable drives in our store with a new product called "Kalamazoo Cares". 100% of the profits will go to support eligible residents to receive their cannabis certifications through the KVCC Cannabis Curriculum. This will be discussed further in our Social Equity Plan document.

Rair Kalamazoo Social Equity Plan for 2024

After meeting with Kalamazoo's Social Equity Committee last year during our renewal it became apparent that we needed to switch it up and find ways to identify, engage and educate to have a meaningful impact in the community.

To identify Kalamazoo residents who have been negatively impacted by the marihuana laws from the past, we have connected with three groups to assist us in this area. The first is Devin Loker, a practicing attorney with Veritas Law Group here in Kalamazoo [Veritas Law Group | Kalamazoo Business Law Attorneys](#). Devin has volunteered his time and services to participate in a joint expungement clinic and job fair to be held at the Douglass Community Center on March 9th, 2024. This facility is very close to some of the most impacted census tracts in Kalamazoo which will make it easier for impacted groups to attend. If they do not approve our request because it is cannabis related our back up is the Dormouse Theatre. The second group is the Great Lakes Expungement Network [Great Lake Expungement Network - \(greatlakesexpungementnetwork.org\)](#). GLEN is a non- profit organization created to connect individuals with simple possession convictions of marihuana to attorneys that can help them complete the process to expunge those marijuana possession related convictions.

The third group is the Kalamazoo Valley Community College Cannabis Certification Program [Home - Kalamazoo Valley Community College - Cannabis Studies - Kalamazoo Valley Community College \(kvcc.edu\)](#). Our mission is to use profits from the sale of a new strain that we are naming, Kalamazoo Cares" to provide grant funds to Kalamazoo residents that we locate and identify through our store and our community partners with a flyer program to announce the expungement clinic/job fair in March. We want to use January and February to try to reach as many individuals as possible. The partners would include retail businesses we work with like the State Theater, Dormouse Theatre group and others as well as community organizations like the Food Pantries.

At the event in March Rair will invite other Kalamazoo cannabis businesses to participate to drive further engagement and connect as many individuals as possible to educational and job opportunities. We will also be seeking funds from those cannabis partners to assist with any expungement or educational opportunities we find for impacted Kalamazoo residents.

For \$900 per person, we could provide individuals with the educational tools to find gainful employment in this industry and that is how we can truly impact some Kalamazoo residents that are looking for a fresh start.

We have already got the process moving but the next steps are to meet with your social equity committee in late January for ideas, feedback and involvement with the event.

We did reach out to other groups earlier like the Redemption Foundation but they just passed us along to the Great Lakes Expungement Network. We also reached out to the Professional Cannabis Education Network but did not hear back from their contact us page.



EDC Board of Directors Staff Report

City of Kalamazoo

TO: The Economic Development Corporation Board of Directors

FROM: Prepared by: PJ Thuringer, Economic Development Supervisor

DATE: March 21, 2024

SUBJECT: Approval of a Recommendation to the City Commission to Re-Appoint Director Kyle Gulau to a Second Six-Year Term to the Board of Directors for the City of Kalamazoo's Economic Development Corporation and Brownfield Redevelopment Authority (**Action: Approval of a Recommendation to the City Commission to Re-Appoint Director Kyle Gulau to a Second Six-Year Term to the Board of Directors for the City of Kalamazoo's Economic Development Corporation and Brownfield Redevelopment Authority**) - Voice Vote

SUMMARY:

Approval of a Recommendation to the City Commission to Re-Appoint Director Kyle Gulau to a Second Six-Year Term to the Board of Directors for the City of Kalamazoo's Economic Development Corporation and Brownfield Redevelopment Authority

BACKGROUND:

Mr. Kyle Gulau was first appointed to the EDC and BRA Board of Directors on November 15, 2018. He completed his first six-year term as a successful board member, serving on the Projects & Finance Committee for the majority of the term. He was recently appointed to the Executive Committee where he serves as the Treasurer/Secretary of the BRA. The Executive Committee supports his appointment to a second six-year term to the board of directors.

RECOMMENDATION:

It is recommended that the Board approve a Recommendation to the City Commission to Re-Appoint Director Kyle Gulau to a Second Six-Year Term to the Board of Directors for the City of Kalamazoo's Economic Development Corporation and Brownfield Redevelopment Authority.