Agenda
Downtown Development Authority
Board of Directors

City of Kalamazoo

Monday, April 15, 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 Development Authority Board on March 18, 2024. (**Action: Motion to approve**)

D. REPORTS AND PRESENTATIONS

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

E. DISCUSSION/ACTION ITEMS

1. Approval of Budget Amendment for Downtown Development Authority for FY2023

2. Authorize the Finance Committee and DDA Staff to expend funds up to $5,000 for contractural services and goods that have been anticipated and included in the DDA's approved budget **(Action: Authorize the Finance Committee and DDA Staff to expend funds up to $5,000 for contractural services and goods that have been anticipated and included in the DDA's approved budget).**

3. Recommendation of DDA Board Member Reappointment to Mayor/City Commission of Matt Hollander **(Action: Motion to Recommend the DDA Board Reappointment of Matt Hollander to the Mayor/City Commission)**

F. PUBLIC COMMENTS

G. DIRECTOR COMMENTS

H. ADJOURNMENT

CITY OF KALAMAZOO
DOWNTOWN
DEVELOPMENT
AUTHORITY

Board of Directors Regular Meeting Minutes

March 18, 2024, 3:00 p.m. | Community Planning & Economic Development, 245 N Rose Street

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

ABSENT: Grant Fletcher

STAFF: Paul Thuringer, Jaime Marsman, Chelsie Downs-Hubbarth, Steve Vicenzi

OTHER: Attorney Jessica Wood

*Arrived after roll call

A. CALL TO ORDER

DIRECTOR LINDEMANN CALLED THE MEETING TO ORDER AT 3:05 P.M

Director Lindemann read the Purpose Statement.

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

ABSENT: Grant Fletcher

EXCUSED: Grant Fletcher

THE MARCH 18, 2024, ATTENDANCE INCLUDING EXCUSED AND UNEXCUSED ABSENCES ARE RECORDED.

B. ADOPTION OF FORMAL AGENDA

Director Lindemann requested that Staff Updates be moved to before Public Comments.

DIRECTOR BRENEMAN MOVED TO ADOPT THE MARCH 18, 2024 AGENDA AS AMENDED. DIRECTOR LLOYD SECONDED. NO OBJECTIONS. MOTION CARRIED.

CITY OF KALAMAZOO
DOWNTOWN
DEVELOPMENT
AUTHORITY

Board of Directors Regular Meeting Minutes

March 18, 2024, 3:00 p.m. | Community Planning & Economic Development, 245 N Rose Street

C. APPROVAL OF MINUTES

DIRECTOR AARDEMA MOVED TO APPROVE THE FEBRUARY 19, 2024 MINUTES. DIRECTOR LLOYD SECONDED. NO OBJECTIONS. MOTION CARRIED.

D. REPORTS AND PRESENTATIONS

1. Financial Report

Director Lindemann thanked Steve Vicenzi for joining the Board and shared that the Board has some questions around debt.

Mr. Vicenzi walked through the financial report, and he noted that the debt situation could change in the new few months.

There was discussion that the report format would be amended going forward to be more understandable and standardized. Mr. Vicenzi asked the board for feedback on what they would like to see.

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

E. DISCUSSION/EDUCATION ITEMS

1. Motion to Appoint 2023-2024 Slate of Officers

Director Lindemann noted the proposed slate of officers. It was noted that Director Fletcher's term is ending and Director Hollander has agreed to join the Executive Committee.

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

DIRECTOR HINMAN MOTIONED TO APPROVE THE 2023-2024 SLATE OF OFFICERS. DIRECTOR AARDEMA SECONDED. NO OBJECTIONS. MOTION CARRIED.

2. Recommendation of DDA Board Member Nomination to Mayor/City Commission of Jessica Thompson

Director Lindemann stated that the Executive Committee would like to recommend to the Mayor and City Commission to appoint Jessica Thompson to the Board. Interviews with everyone who applied for the Board position happened last week. The recommendation is based on regular engagement with the previous committee work, being a key stakeholder in the downtown as a retailer, and valuable skill set.

Mayor Anderson asked how these positions are advertised. Mr. Thuringer noted that the application process is open and ongoing. Four applications were received, two responded to the interview request and two interviews occurred.

DIRECTOR AARDEMA MOTIONED TO RECOMMEND THE DDA BOARD APPOINTMENT OF JESSICA THOMPSON TO THE MAYOR/CITY COMMISSION. DIRECTOR HOLLANDER SECONDED. ROLL CALL VOTE.

F. STAFF UPDATES

1. None.

G. PUBLIC COMMENTS

1. None.

H. DIRECTOR COMMENTS

1. Mayor Anderson stated that the Board should examine their recruitment policies.
2. Director Breneman stated that he would like a list of Board term expirations. He noted that Board members are also to reach out to their networks for recruitment.
3. Director Lindemann noted that the terms are staggered so that there is a vacancy each March. A list of Board terms will be included in next month's packet. Director Lindemann stated that there should be a rhythm of outreach towards the end of each year.
4. Director Aardema asked about term limits and noted that terms can be extended to a second term. He noted that the position can be posted three months before the end of the term limit.
5. Director Lloyd stated that it may be wise to open applications at a certain time each year for review by the Executive Committee.
6. Attorney Wood noted that the current system of open recruitment is in place as it stands because the positions are appointed by the Mayor.

I. ADJOURNMENT

1. DIRECTOR LINDEMANN ADJOURNED THE MEETING AT 3:26 P.M.

Downtown Development Authority
2/29/2024 Trial Balance

Assets:		
Cash	$	685,794
Receivables		26,487
Taxes Receivable		7,187
Due from DEGA		1,660
Due from Others		11
Total Assets	**$**	**721,139**
Liabilities & Equity*:		
Accounts Payable		-
Due to DEGA		3,619
Accrued Interest Payable		72,551
Deferred Revenue - Accounts Receivable		33,674
Total Liabilities		109,844
Fund Balance		
Operating Fund Balance		611,295
Total Liabilities and Fund Balance	**$**	**721,139**

	2024 Adopted Budget	Feburary	2024 YTD Totals
Revenues:			
Taxes	274,000	904	904
Delinquent Property Taxes			-
Payment In Lieu Of Taxes (Pilot)	2,000		-
Interest			-
Other Revenues - Mall Maintenance	59,210	59,210	59,210
Total Revenues	335,210	60,114	60,114
Expenses:			
Professional And Contractual Services	103,000	1,667	1,667
Land Improvements			-
Software fees			-
Legal Services And Fees	30,000		-
Audit Fees	14,600		-
Insurance Services			-
Utilities	17,000	587	1,146
Administrative Fees	125,000		-
Contribution to DEGA	40,000		-
Debt Service			-
MetroCenter Debt Service	-		-
Tax Appeal Refunds	5,000		-
Total Expenses	334,600	2,254	2,813
Revenues Less Expenses	**$ 610**		**$ 57,302**

* Does not include long term debts

Notes:

Long Term Debt Outstanding:

City Of Kalamazoo Note	459,000
City Of Kalamazoo Note - Related Tax Liability	460,000
Mavcon Note - In Negotiation	TBD

Downtown Economic Growth Authority
Staff Report

City of Kalamazoo

TO: The Downtown Economic Growth Authority Board of Directors

FROM: James K. Ritsema, ICMA-CM, City Manager
Reviewed by: Steve Vicenzi, Director of Management Services/CFO
Reviewed by: Paul Thuringer, Economic Development Supervisor
Prepared by: Stephanie Radant, Budget Manager

DATE: April 15, 2024

SUBJECT: Approval of Budget Amendment for Downtown Development Authority

SUMMARY:

It is requested that the Downtown Development Authority approve a budget amendment for FY 2023 for debt service in the amount of $262,117.

BACKGROUND:

State law requires that the Downtown Development Authority's appropriated expenditures be adequate to cover actual expenditures. Amendments to the 2023 budget require approval from the Downtown Development Authority to recognize the debt service for 2023.

Increase in expenditures for 2023 for debt service of $262,117. This includes payment to the City of Kalamazoo TIF agreement, Metropolitan Center TIF and Grant agreements and the Kalamazoo Community Foundation Grant Agreement. While some of these debt agreements have had ongoing negotiations which are expected to result in lower debt service payments, we are required to recognize the cost of accruing debt service as of 12/31/2023, even though the payments were not made.

Details of the adjustment is attached.

RECOMMENDATION:

It is recommended that the Downtown Development Authority approve a budget amendment for FY 2023 for debt service in the amount of $262,117.

DDA:

	Payee	Loan Amount	Payment Start	Payments Complete	Interest		Annual Payment	Current Balance
CITY OF KALAMAZOO TIF LOAN AGREEMENT (MTT DUE COUNTY)	City of Kalamazoo	$666,080	7/1/2015	7/1/2024		2.59%	$76,460	$532,864
METROPOLITAN CENTER: TIF AGREEMENT - 100 BLOCK E MICHIGAN	Metropolitan Center	$460,000	10/27/2015	10/27/2034	N/A		23,000	460,000
METROPOLITAN CENTER: GRANT AGREEMENT - FAÇADE AND REHAB	Metropolitan Center	$518,000	10/27/2014	10/27/2034	N/A		25,900	768,000
KALAMAZOO COMMUNITY FOUNDATION - DTI GRANT AGREEMENT	Community Foundation	$374,138	3/11/2023	3/11/2025		1.50%	136,757	403,052
CITY OF KALAMAZOO ADVANCE - PAY OFF FESTIVAL SITE	City of Kalamazoo	$459,000	N/A	N/A	N/A		N/A	459,000
							$262,117	$2,163,916

CITY OF KALAMAZOO
DOWNTOWN DEVELOPMENT AUTHORITY
KALAMAZOO COUNTY, MICHIGAN

RESOLUTION TO AMEND 2023 BUDGET

Boardmember _____, supported by Boardmember _____, moved the adoption of the following resolution:

WHEREAS, the City of Kalamazoo Downtown Development Authority (the "DDA") was created in 1982 by the Kalamazoo City Commission and operates pursuant to the authority of Act 197 of 1975, as recodified in Part 2 of Act 57 of 2018 ("Act 57"); and

WHEREAS, pursuant to Act 57 and Appendix F of the Kalamazoo Code of Ordinances, the DDA Board approved a budget on _____ for the operation of the DDA for the fiscal year ending December 31, 2023 (the "2023 Budget"); and

WHEREAS, upon review and reconciliation, the DDA now desires to amend the 2023 Budget to reflect certain debt obligations that currently exist.

NOW, THEREFORE, BE IT HEREBY RESOLVED AS FOLLOWS:

1. That the 2023 Budget is hereby amended as proposed and presented at this meeting, as reflected on Exhibit A, Summary of Budget Amendment Purpose and Scope.

2. 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: April 15, 2024

_____
_____, Secretary

CERTIFICATION

I hereby certify that the above is a true and complete copy of a resolution adopted by the Board of the City of Kalamazoo Downtown Development Authority at a meeting held on April 15, 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

Summary of Budget Amendment Purpose and Scope

CITY OF KALAMAZOO
DOWNTOWN DEVELOPMENT AUTHORITY
KALAMAZOO COUNTY, MICHIGAN

RESOLUTION TO AUTHORIZE THE FINANCE COMMITTEE AND DDA STAFF TO EXPEND BUDGETED FUNDS UP TO $5,000

Boardmember _____, supported by Boardmember _____, moved the adoption of the following resolution:

WHEREAS, the City of Kalamazoo Downtown Development Authority (the "DDA") was created in 1982 by the Kalamazoo City Commission and operates pursuant to the authority of Act 197 of 1975, as recodified in Part 2 of Act 57 of 2018 ("Act 57"); and

WHEREAS, the DDA desires to authorize its Finance Committee and DDA staff to expend funds up to $5,000 for contractual services and goods that have been anticipated and included in the DDA's approved budget.

NOW, THEREFORE, BE IT HEREBY RESOLVED AS FOLLOWS:

1. That the Finance Committee and DDA staff are hereby authorized to expend funds up to $5,000 for contractual services and goods that have been anticipated and included in the DDA's approved budget.

2. 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: April 15, 2024

_____
_____, Secretary

CERTIFICATION

I hereby certify that the above is a true and complete copy of a resolution adopted by the Board of the City of Kalamazoo Downtown Development Authority at a meeting held on April 15, 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

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 (DDA) and Downtown Economic Growth Authority (DEGA) Boards:

- The Reappointment of Matt Hollander for his first full-term as DDA/DEGA Board member.

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 DDA & DEGA Board approved the recommendation for the reappointment of Matt Hollander at the April 15, 2024, DDA & DEGA Board meetings.

NOMINEE QUALIFICATIONS

Dual Board Memberships

Matt Hollander is a member of the Natural Features Protection Review Board.

Residency

Matt Hollander is a 20+ year resident of Kalamazoo and lives with his wife and two children in the Winchell Neighborhood.

Term Limits

Mr. Hollander has served a partial term to fulfill the remainder of Director Patti Owens' term. This would be his first full term.

Training, Experience, Education And Skills

Mr. Hollander's private real estate development company, Hollander Development Corporation, focuses on affordable housing, environmental sustainability, and equitable community development. Hollander Development completed The Creamery, a 60,000 square foot mixed use project in the Edison Neighborhood which includes affordable housing, a 24-hour early childhood learning center, a small business incubator, and the future home office of Hollander Development. Mr. Hollander and his company are committed to addressing, head on, issues of affordability, climate adaptation, and racial equity in the housing market.

NOMINATION RATIONALE
Historically, the DEGA seat that Mr. Hollander has been nominated to fill has been occupied by a Developer or representative from a Development company. This professional experience is critical to the DDA & DEGA decision making process.

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.

_____
Scott A. Borling, City Clerk

DDA/DEGA Appointment Report

As of April, 2024

Member	Board	Start Date	End Date
Matt Hollander	Downtown Economic Growth Authority	6/6/2022	03/31/2028
David Anderson	Downtown Economic Growth Authority	11/20/2023	11/13/2023
Jessica Thompson	Downtown Economic Growth Authority	4/1/2024	03/31/2028
Jeff Breneman	Downtown Economic Growth Authority	4/17/2023	03/31/2026
Curt Aardema	Downtown Economic Growth Authority	4/17/2023	03/31/2027
Kwame Gyimah	Downtown Economic Growth Authority	10/16/2023	03/31/2025
Stephanie Hinman	Downtown Economic Growth Authority	4/1/2021	03/31/2025
Susan Lindemann	Downtown Economic Growth Authority	4/1/2021	03/31/2025
Clarence Lloyd	Downtown Economic Growth Authority	4/17/2023	03/31/2027

Member	Board	Start Date	End Date
Matt Hollander	Downtown Development Authority	6/6/2022	03/31/2028
David Anderson	Downtown Development Authority	11/20/2023	11/13/2023
Jessica Thompson	Downtown Development Authority	4/1/2024	03/31/2028
Jeff Breneman	Downtown Development Authority	4/17/2023	03/31/2026
Curt Aardema	Downtown Development Authority	4/17/2023	03/31/2027
Kwame Gyimah	Downtown Development Authority	10/16/2023	03/31/2025
Stephanie Hinman	Downtown Development Authority	4/1/2021	03/31/2025
Susan Lindemann	Downtown Development Authority	4/1/2021	03/31/2025
Clarence Lloyd	Downtown Development Authority	4/17/2023	03/31/2027