CITY OF KALAMAZOO
BROWNFIELD REDEVELOPMENT AUTHORITY BOARD MEETING
Thursday, March 21, 2024
Community Planning and Economic Development
245 N. Rose Street, Kalamazoo, MI 49007

MEMBERS PRESENT: Lucas Middleton; Kevan Hess; Michael Gurnee; Rachel Bair; Jason Novotny; Andrew Schipper; Kyle Gulau

MEMBERS ABSENT: Sharon Ferraro; Qianna Decker; Nathan Bolton; Torean Greeley

CITY COMMISSIONERS/CITY STAFF PRESENT: Jessica Wood (Attorney, Dickinson Wright); Jamie McCarthy (Sustainable Development Coordinator); PJ Thuringer (Economic Development Supervisor); David Steggink (Fishbeck, Consultant); Jared Chambers (Business Specialist); Antonio Mitchell (CPED Director); Chelsie Downs-Hubbarth (Community Investment Manager); Heidi Gartley (Brownfield Project Assistant)

Meeting was called to order at 7:59 AM by Chair Novotny.

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

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

APPROVAL OF MINUTES: Director Hess moved approval of minutes from the meeting of February 15, 2024 as presented; seconded by Director Gurnee. Motion approved by voice vote unanimously.

PUBLIC COMMENTS

None.

DIRECTOR'S COMMENTS

Director Schipper will abstain from items 2 and 3 due to AVB involvement with the project.

NEW BUSINESS

1. Update from Rivers Edge Development Project.

Jessica DeBone, representative of RiverCaddis, shared a presentation on the project. She summarized what has taken place since they last came to the board in November and the anticipated project timeline for March through June.

Director Hess asked if they closed in June, what would be their anticipated start date. Ms. DeBone said shortly after closing. She explained a lot of the items in the timeline are contingent on MSHDA.

Director Middleton asked when the current agreement expires. McCarthy shared the current agreement has May 31, 2024 as the required closing date.

Ms. DeBone shared that they are so close to closing. It is likely they will need an additional extension to cover the short amount of time while they wait on the AG's office and documents from MSHDA.

Director Gulau asked if the AMI mix has changed since November. DeBone said no.

Ms. McCarthy asked if getting the MSHDA commitment in April will give them clarity to know what the closing date would be, so the board can better understand what length of extension is needed.

Ms. DeBone shared through their conversations with MSHDA, they will likely know by mid-April if they can meet the June timeline.

Ms. McCarthy said it makes sense to bring something forward to the board again in May.

Director Gulau asked if the brownfield plan will need to be updated.

Ms. McCarthy shared they will want to look over all of the previous brownfield plan documents to determine if changes need to be made.

Ms. DeBone shared the project was previously approved for a PILOT and that they are re-pursuing one. Once that goes through, she said it is very likely the brownfield TIF will not be utilized.

Discussion item – no action taken.

2. Adoption of a Resolution Accepting the Third Amendment to the Purchase and Sale Agreement for 116 W Cedar Street and Authorize the Chair to Sign.

Ms. McCarthy shared a summary of the recommendation and request, as found in the packet.

Director Mitchell shared about the city's ownership of the lot and the parking lot.

Greg Dobson, representative of AVB, shared it has gotten more challenging to make the projects happen. He said the contributing factors are construction costs, as well as astronomical percentage increases and significant changes in interest rates that affect the proforma. Getting the numbers to work has become very hard. They are working really hard to find the right combination of things to make the first class project that they want to happen on this property.

Mr. Curt Aardema, representative of AVB, shared he was before the board a couple months prior asking for the ability to do some testing on the site. He said the testing was conducted and it's part of the analysis they are trying to do now to understand the soils involved. They appreciate the support to do that.

Director Middleton asked what they found in that exploration.

Mr. Aardema shared they learned about the adjacent building to the north. He explained when working on an urban-type project like this, the adjacent buildings have an impact on how they design and construct new buildings. He said they found information regarding basement depth and type of construction.

Mr. Dobson shared the soil is very loose and not ideal for standard footings.

Mr. Aardema said there have been multiple occurrences of development on that site throughout its history.

Director Middleton moved adoption of a Resolution Accepting the Third Amendment to the Purchase and Sale Agreement for 116 W Cedar Street and Authorize the Chair to Sign; seconded by Director Gurnee.

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

3. Approval of an EGLE Brownfield Grant Proposal for up to $1,000,000 in Support of Brewsters Redevelopment Project and Authorize the Chair to Sign.

Ms. McCarthy reminded the board how the application process and steps work for an EGLE Brownfield Grant. The submission of this proposal would be a first step in the process.

Mr. Dobson shared background information about the project and its location.

Director Hess said he thinks this would really help surrounding commercial properties.

Mr. David Steggink, Fishbeck consultant, said there are a couple phases of excavation. They evaluated all of the data. Knowing there was a bunch of soil to remove, they evaluated if they could do enough cleanup to eliminate the need for vapor mitigation. Following EGLE guidance, it will need a six-foot clean buffer between the soil and the building. They will level the site and then test to determine what is needed. The soil removal, transport, and disposal is costly. There is about $840,000 worth of EGLE eligible activities that would otherwise be placed into a brownfield plan. The timelines are lined up quite well on this site with the EGLE processes.

Director Middleton said until recently it seems they had talked often about vapor mitigation systems and asked if this evaluation is based on a site-to-site basis or if there is an evolving understanding from EGLE in terms of if soil removal is more appropriate or preferable than vapor mitigation.

Mr. Steggink summarized the different categories of contaminated soils and the methods used to address them.

Director Gurnee asked if they have gotten information from EGLE about sampling they might need before, during, and after the development.

Mr. Steggink explained how they are working with EGLE on this.

Director Gurnee asked if the soil boring that was done at 35 ½ - 36 ½ feet is an accurate measurement.

Mr. Steggink explained soil boring was completed at that depth.

Mr. Doug Koop, EGLE Brownfield Coordinator, elaborated on the history of contamination at the project site.

Director Gurnee moved approval of an EGLE Brownfield Grant Proposal for up to $1,000,000 in Support of Brewsters Redevelopment Project and Authorize the Chair to Sign; seconded by Director Gulau.
A roll call vote was taken, and the motion passed unanimously. Director Schipper abstained.

*8:43 Director Novotny stepped out of the meeting and Director Middleton took over chair duties.

4. Adoption of a Resolution Accepting the First Amendment to the Right of First Refusal Agreement with Republic Services of Michigan Hauling, LLC and Authorize the Chair to Sign.

Ms. McCarthy noted updates to the Resolution presented. Item 1 Resolved is to be updated from "Purchaser" to "Owner." The date will also be updated to reflect the board meeting date of March 21, 2024.

Ms. McCarthy shared information on the agreement and the properties included.

Director Mitchell further discussed the past agreement and the city's role in the process.

Director Gulau asked if the BRA Board is prepared to buy that land. He also asked if it was the BRA, the EDC, or another entity that would be purchasing the property if it came to that point in the future.

Director Mitchell explained in the past it was the City that would put up the funding for purchase. It would likely follow that process and the BRA board would be involved with collaboration on the development. Right now the City wants to wait for nearby development in the area to complete their projects so they can set the tone for what type of development needs to happen in the location.

Director Gulau asked if hypothetically they purchased the property, would they be able to use revolving fund dollars to help clean up the site.

Director Mitchell explained that if revolving fund dollars were utilized with the City's purchase, it would require a city project to be developed. If using revolving fund dollars, the BRA would need to work with a third party developer.

Director Gulau shared that he was reflecting on the EDC legislation and stated that the EDC can legally buy and sell land. He said if the Brownfield cannot, than the EDC could technically take over that property and get it development ready, even if they do not know what the final use will be.

Director Mitchell shared that is correct, the EDC could step up and do that if they chose to. However, the City cannot.

Attorney Wood shared there are a lot of different entities authorized to engage in that kind of activity. She stated the City proper doesn't typically get involved.

Director Gulau commented on how the timeline of this amendment lines up with the approximate completion date of the Event Center project happening downtown. He said it would be proactive to try to have something happening in conjunction with this timeframe.

Director Hess asked if the BRA would be paying for their relocation acquisition and for the purchase of the property. Director Mitchell said yes.

Director Bair asked after they sign the amended Right of First Refusal, how will the process of finding a new site for Republic Services be prioritized moving forward. She asked if staff is moving into a more active phase of work on this.

Director Mitchell shared staff will be moving forward in the process and updating the board. He elaborated on the steps they will be taking to do so.

Director Hess commented that the city's landscape in that area is looking very different than it did when the original agreement was established. There is a large handful of projects that will be happening within a half mile.

Director Gulau moved adoption of a Resolution Accepting the First Amendment to the Right of First Refusal Agreement with Republic Services of Michigan Hauling, LLC and Authorize the Chair to Sign; seconded by Director Schipper.
A roll call vote was taken, and the motion passed unanimously.

5. Approval of a Month-to-Month Contract Extension with Fishbeck, Inc. for up to 6-Month Period and Authorize Staff to begin the RFP Process for a New Brownfield Consulting Contract.

Ms. McCarthy shared background information on the contract extension and RFP process, as found in the packet.

Director Gurnee moved approval of a Month-to-Month Contract Extension with Fishbeck, Inc. for up to 6-Month Period and Authorize Staff to begin the RFP Process for a New Brownfield Consulting Contract; seconded by Director Hess.
A roll call vote was taken, and the motion passed unanimously.

UNFINISHED BUSINESS

None.

COMMUNICATIONS AND ANNOUNCEMENTS

Director Gulau shared about his recent experience making a GPT AI and training it on EDC legislation and brownfield plans.

STAFF REPORTS AND UPDATES

Ms. McCarthy shared they received a copy of the LOI with MEDC for the Arcadia Lofts project. It continues to move forward.

Ms. McCarthy shared about an EGLE Brownfield District meeting taking place in the Kalamazoo area during the week, which she had the opportunity to present at with county brownfield staff. The EGLE team toured multiple brownfield projects within the City of Kalamazoo.

Director Gurnee shared that many of the EGLE staff members were impressed by the successes the BRA Board and the City of Kalamazoo have had.

Director Middleton acknowledged staff's work in making the successes happen.

Ms. McCarthy thanked him for this acknowledgement but talked about how it is a good balance. She mentioned the policy work the board has been working on. She gave credit to other city staff members that have a role in bringing developers in and working with a diversity of developers and their diverse projects. She said it is all part of an ecosystem of development happening across our community.

Director Hess shared the work to create a rounded-out board, as well as staff continuity and environmental consultant continuity has been extremely important and allowed them to be very successful as a board.

ADJOURNMENT: The meeting was adjourned at 9:09 A.M. by Director Middleton.

Heidi Gartley
Recording Clerk

Chair Signature

JASON NOVOTNY
Printed Name/Chair