
CITY OF KALAMAZOO
ECONOMIC DEVELOPMENT CORPORATION BOARD MEETING
Thursday, May 16, 2024
Community Planning and Economic Development
245 N. Rose Street, Kalamazoo, MI 49007

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

MEMBERS ABSENT: Michael Gurnee; Kyle Gulau; Andrew Schipper; Torean Greeley; Alonzo Wilson

CITY STAFF PRESENT: Jamie McCarthy (Sustainable Development Coordinator); PJ Thuringer (Economic Development Supervisor); Jessica Wood (Attorney, Dickinson Wright); David Stegink (Consultant, Fishbeck); Jared Chambers (Business Specialist); Jerrid Burdue (Neighborhood Business & Special Projects Coordinator); Heidi Gartley (Brownfield Project Assistant)

Meeting was called to order at 7:51 AM by Chair Hess.

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

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

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

PUBLIC COMMENTS

None.

DIRECTORS' COMMENTS

None.

NEW BUSINESS

1. Approval of a recommendation to the City Clerk to Approve the 2-year renewal of the Medical Provisioning & Adult Use Retail Permits for AEY Capital, LLC dba Gage Cannabis Company.

Mr. Chambers presented information on the business, as found in the agenda packet. Staff recommends a two-year renewal.

Peter Grace, representative of Gage Cannabis Company, said he is happy to be there and continue to support the City of Kalamazoo. He is happy to answer any questions. There were no questions from directors.

Director Novotny moved approval of recommendation to the City Clerk to Approve the 2-year renewal of the Medical Provisioning & Adult Use Retail Permits for AEY Capital, LLC dba Gage Cannabis Company; seconded by Director Ferraro.

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

UNFINISHED BUSINESS

None.

COMMUNICATIONS AND ANNOUNCEMENTS

None.

STAFF REPORTS AND UPDATES

1. Economic Development Strategy Update Presentation – Camoin Associates (virtual)

Alex Tranmer and Dan Gunderson, representatives of Camoin Associates, joined the meeting virtually. Ms. Tranmer summarized Camoin Associates' work-to-date, including one-on-one digital interviews, City staff interviews, and a public Open House. They also compiled the data report included in the agenda packet. She shared the upcoming meeting dates. The next meeting will be another digital meeting with the EDC in mid-June to present a strategy and get feedback from the board. In July, they will present draft versions to the Committee of the Whole, also hoping to get feedback. The goal is to have a final draft version ready by the end of July to present to the Committee of the Whole to hopefully be adopted.

Ms. Tranmer shared the three stations of the Open House were business vitality, quality of life, and vision and leadership. She explained each of these key topics and stated that while the Open House was a very particular example of feedback, it does echo what they have been hearing across other platforms.

Mr. Gunderson revisited the economic development chart with all of the different factors of economic prosperity, as he had introduced to the board in the Board Retreat meeting in February. As a region, he said Kalamazoo is strong in some areas and not as articulated in other areas. In most of Camoin Associates' work across the nation, he said they do a lot to encourage the Economic Development community to be more integrated with the Community Development efforts and focus more on the quality of life and the neighborhoods. He said it is almost the reverse situation for Kalamazoo. The community-based economic development is front and center. They are impressed by that, but it does get more confusing for the business community and from an economic development perspective. It becomes not as clear who is leading the different economic development areas, as displayed in his chart.

- He stated the first three components – *Business Retention and Expansion*, *New Business Attraction*, and *Targeted Industries and Clusters* – are the purview of Southwest Michigan First. While Southwest Michigan First has an interest in all businesses, the predominant efforts tend to be with the middle to larger tier businesses rather than small businesses.
- *Entrepreneurship and Innovation* is strong, but ultimately scattered in who is leading it and where it is happening. Where is the second stage growth? Who is helping these businesses ramp up and stay alive?
- Kalamazoo has a lot of momentum with *Workforce Development*. This goes all the way to K-12, and they believe there are some fantastic initiatives happening there.
- In regards to *Downtown, Infrastructure, and Sites*, he said these efforts are being attended to, but somewhat without a strong integrated strategy itself. He said there are hundreds of sites and a lot of opportunity in Kalamazoo.

- For *Housing*, Mr. Gunderson said they see optimism and new development happening in the city. He said there are strong efforts happening at the development level and neighborhood level. However, as a whole, it is not clear to the outsider where the leadership is for this. He questioned whether this is a problem.

Mr. Gunderson introduced the following Strategy Themes, which they see from their perspective:

- **Vision Setting:** Where is this happening and what is the direction moving forward? Hopefully that is the outcome of this strategy – to help set a vision.
- **Maintain and Grow Access to Business Resources:** The resources are there, but people still do not know which door to walk through to access them.
- **Managing the Implications of Investment and Growth:** Kalamazoo is on the verge of really taking off in terms of investment, due to all the different investments that are on the books right now. We are at a crossroads here and how do we leverage that? For all in the room today, what is your role? Are you a leader, are you assisting, are you following? What is the role of the City in trying to make the most of what is about to occur?
- **Leveraging Philanthropic Resources:** Because of its strong philanthropic base, Kalamazoo is an outlier of communities across the nation, and this is a good thing. They see challenges in understanding who is the leader. There's some feeling of if an issue is present, it will get taken care of because we have the money. At the same time, there are deep social issues. If you are a city resident living in the downtown area, you will hear a lot of concerns about human and social issues – why these things cannot be addressed and who is doing something about that. Camoin is curious about how to direct more of those resources to address the homelessness and social issues that remain and are having a negative impact on the community, as well as the perception of the community amongst business leaders, visitors, and some residents.
- **Making Strategic Choices in Land Development:** For the downtown area and the rest of the city.
- **Leadership and City-Focus:** Whose job is it to champion economic opportunities for the City of Kalamazoo? Currently, there is a team mindset taking place. Camoin believes this position goes against human nature and economic reality. With multiple jurisdictions, you need to have champions for the individual jurisdiction, particularly Kalamazoo, which is almost the base or core. Mr. Gunderson thinks someone needs to be standing up and when an opportunity is present, saying this opportunity ought to be considered for Kalamazoo. Or saying these are the needs of Kalamazoo and being very clear about it when it comes to economic development. Then mobilize others to move in the direction to follow the strategy that they will have very soon.

Mr. Gunderson paused the presentation to ask the Directors for their reactions and thoughts.

Director Hess asked how we can educate our population to be more workforce ready and fill in the jobs that we are lacking in? Mr. Gunderson said there are many good efforts here. He said we just need to double down and keep going on those efforts, and make sure the private sector is engaged with it every step of the way. Ms. Tranmer mentioned the new workforce center is something to look forward to in the future, but in the meantime, we want to continue ongoing efforts. She thinks at the community development level and in the neighborhoods, how do we take that knowledge on the ground and the work in the communities and take what we learned from individuals and the schools, using their experiences to break down barriers to workforce opportunities. Ms. Tranmer shared there is workforce development efforts going on, but questioned where is the City focus in some of this?

Director Hess said he sees they started it with the Cannabis industry, creating workforce-ready employees and potential entrepreneurs. He asked in other municipalities, do they find it falls mostly on the employer or that efforts from the City make a big difference?

Mr. Gunderson said it is joint. When employers are more engaged with the schools and providing internships and thinking about the future of the next workforce, all kinds of doors can open. He said clearly Kalamazoo has a better chance than most places they work with in making that connection. Where the public can play a big role is in identifying the gaps and funding the gaps. Some of the idea of work-ready means dealing with the soft skills as well as the hard skills. He knows that's a difficult area, but it is just to make sure the graduates are ready for the world of work today, which involves a lot of creativity, flexibility, critical thinking, problem solving. He said the role of the nonprofit organizations and the City's support of these organizations that provide these services will be absolutely critical. It's not in their scope to delve into policy, but they can address it in the strategy as an area of critical importance.

Director Bair asked what direction they are thinking for the vision and who needs to step up. Mr. Gunderson said that is the million dollar question, and they do not have an answer yet. Director Bair asked what options they are considering. Mr. Gunderson said they are beginning to flesh out a model of "if we did this, then that," and as they start to develop that model, they look at things like where is the trust, where are the skills, and what is the dynamic in the community and all these other players. Specifically, what is going to work in this community? Kalamazoo is unique. What they do not want to do is drop a strategy that is dead on arrival, for any number of reasons. At the same time, he doesn't know that they want to create a whole new effort or initiative on top of everything else. He added, though, that last week when they were driving around and talking to people, it is interesting that when it comes to the big development-oriented type of projects, that it's often times the private sector driving it. He stated there's no development authority, per say, that can really take on these big projects. The question becomes, is there a technical gap here or is that okay?

Director Bolton asked what thought is being put into how the county as a whole or how the nearby City of Portage affects this strategy. Mr. Gunderson said it is a factor here, as you can't have a city stand apart from the county or the region. However, their intuition is telling them there needs to be a stronger City voice here. He asked if that registered true for those in the room today. Directors had no direct comment on this.

Director Novotny said this might be more of a personal view rather than collective statement, but he believes if the City is not a strong partner in trying to address some of the societal and mental health issues, we shouldn't rely on philanthropy to solve those problems, which in his opinion arose as some of the foundational structure of what you build economic development off of. He said the fourth bullet point struck a chord with him because he would like to see something that references partnerships or the city's responsibility in all of that. He thinks the city has a lot of responsibility and there is a lot of work to do on those issues which deeply impact economic development. Mr. Gunderson said it is a very valid statement. He believes the public sector voice can help guide the philanthropic decisions. The public voice – the government – looks out for the public welfare of all residents. Philanthropy is more challenged in doing that. He said government has generations to be concerned about, and they have to look at all the other pieces of the strategy and what is needed. Camoin is moving in the direction of thinking that the philanthropic community may have an opportunity here to do more to address the human and social issues that are beginning to impact the perception of the city as a good place to live and work.

Mr. Burdue asked if there were any other slides they wanted to share and mentioned there were ten minutes remaining for the presentation.

Ms. Tranmer said they wanted to get a general sense of whether or not these strategy themes fit with the direction that this group, based on conversations and data, believes the strategy needs to go. At this point, is there a topic that has not come up that they need to be aware of or do they need to dig deeper into the topics that they have?

Mr. Gunderson said they were providing some reality checks today and trying to bring out some tough issues. He said the strategy itself will be opportunistic and optimistic. It will focus on the potential and positioned to be a mobilizing instrument to achieve even greater prosperity.

Director Bair shared she is excited for what they present next month. One point of focus she would like to see attention given to is the physical layout of the investment that is needed. She thinks a lot of challenges in the City have to do with how spread out things are – how spread out opportunity is and how spread out investments are. This makes it difficult to plan mobility around those things. How do we get people to work when the businesses are all over the place and we can't have an efficient transit system? She would love to see some thought around the physical space in the strategy.

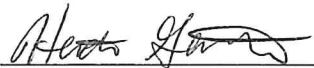
Attorney Wood asked about Mr. Gunderson's comment that there was no development authority to take the lead. She named the Downtown Development Authority, the Corridor Improvement Authority, and the Economic Development Corporation. She was curious what sort of development authority he was referring to. Mr. Gunderson said they will now begin to look at the existing authorities and their bylaws when they develop the strategy. They will see if there are gaps.

Ms. Tranmer will send the slides to Mr. Burdue to be distributed to the Directors. She said they will be back in a month to talk through more of the strategy. Ms. Tranmer and Mr. Gunderson logged off.

ADJOURNMENT: Meeting was adjourned at 8:41 AM by Chair Hess.

Signature

Printed Name/Chair



Heidi Gartley/Recording Clerk