

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

A. CALL TO ORDER

DIRECTOR LINDEMANN CALLED THE MEETING TO ORDER AT 3:26 P.M

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

Mr. Thuringer noted that the previously unaccepted December financial reports were added to the packet.

**DIRECTOR HOLLANDER MOVED TO ADOPT THE MARCH 18, 2024 AGENDA AS PRESENTED.
DIRECTOR BRENEMAN SECONDED. NO OBJECTIONS. MOTION CARRIED.**

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C. APPROVAL OF MINUTES

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

D. REPORTS AND PRESENTATIONS

1. Financial Report

Mr. Vicenzi walked the Board through the year-end report, noting that there was not a lot of activity in December. He noted that this is an interim report and there may be some adjustments to the numbers after the audit. Details of expenditures were shared, and the year ended with less revenue and less expenses than expected. He noted that there are funds from solid waste of \$32,000 that will be transferred for the Big Belly and Ambassador.

Sponsorships for the Ambassador program were discussed. Mr. Vicenzi stated that several sponsors of the Ambassador program dropped their sponsorship in 2023. These were not formal agreements. Director Lindemann stated that there was an initial three-year agreement with Block by Block to run the Ambassador program and there were two years that had grants to assist with covering the costs. The necessity of finding other funding supports for this program was discussed. The Board will consider this contract at next month's meeting.

There was discussion regarding the need for more clarity going forward regarding deficits and what is being approved through the budget. Director Breneman noted that there is a gap between what is presented and what needs to be approved for contracts and stated that this issue needs to be resolved. Director Lindemann noted that part of the service agreement with the city is to assist with grants. This will assist with the gap.

Mr. Vicenzi noted that there is the ability to cover the contract costs through the increased tax revenue in 2024 without additional grant funding. Mr. Vicenzi stated that the Finance Committee went through the budget in detail for 2024. It was agreed that 2023 was a transition year. Mr. Vicenzi stated that these items (such as when a funder does not come through) can be added as a note on the financial reports.

Director Aardema noted that there was a big jump in increased tax revenue in 2024 from 2022. Mr. Vicenzi stated that there was a one-time bump in 2024 and provided details regarding this. Director Lloyd noted that the Board should develop a plan for when these events occur.

Director Aardema questioned what the fund balance should be. Mr. Vicenzi stated that it should be between three to five or four to six months of normal budget. He stated that the fund balance typically decreases from January – May until the tax increment funding is received. Director Hollander noted that this would be approximately \$300,000. Director Breneman stated that contracts such as Big Belly or Block by Block should come with a recommendation from the Finance Committee.

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Director Lindemann stated that the City is in the process of hiring a Downtown Coordinator. She asked for Mr. Vicenzi's continued help with the Finance Committee to assist with these issues, especially in the absence of a Coordinator. Mr. Vicenzi affirmed that he is willing to assist with this and will assist in getting the Coordinator up to speed as well. She noted that the Finance Committee also needs to balance priorities between finance and policy so that the budget can be fully understood.

It was discussed that the intention for the Coordinator will be to act as the link to all City departments including Management Services. Director Aardema asked for clarification regarding city roles. Mr. Thuringer stated that the position has been posted and that he was assisting in the interim.

DIRECTOR LLOYD MOVED TO ACCEPT THE FINANCIAL REPORTS FOR DECEMBER, 2023 AND JANUARY, 2024 AS PRESENTED. MAYOR ANDERSON SECONDED. NO OBJECTIONS. MOTION CARRIED.

2. Committee Reports

Events and Marketing Committee

The Committee met today and is moving forward with the RFP for Beats on Bates. There is some urgency with this as bands need to be booked. It is currently in the hands of City Purchasing.

Director Lloyd stated that there are 7 primary events that are in the planning with Beats on Bates and Holidays as the largest ones which will be handled through RFP. The other five will be assigned through an application process. The web form for this application process is being finalized. Marketing dollars for Beats on Bates is also desired and will not need to go through the RFP process. It is hoped that everything will be ready for Board approval next month.

Smaller events can be taken care of at the Committee level.

Director Aardema questioned if other events could be sponsored in a similar way that the Holiday parade is. Director Breneman stated that the Skeletour received sponsorships last year.

Recruitment and Retention Committee

Director Aardema shared that they met last week. Work on the marketing packet continues. They hope to have a draft document within the next 30 days. This will assist with both recruiting and retention.

3. Kalamazoo Downtown Ambassador 2023 Reports

Reports were provided in the packet.

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E. DISCUSSION/ACTION ITEMS

1. Motion to Appoint 2023-2024 Slate of Officers

Proposed Slate is as follows:

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

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

2. BRA TIF Step-Aside Policy

Director Lindemann noted that the Board has recognized the need for a step-aside policy. Attorney Wood shared that the goal was to create procedures for the Board to follow when approached with a step-aside request. She stated that the process has been approved by the Executive Committee. When a developer requests a Brownfield reimbursement, the Brownfield staff approach the DEGA Staff and the developer shares a presentation with the DEGA Board. It was noted that the Board prefers to see the presentation at the first meeting and then vote on the matter at the next meeting. Attorney Wood affirmed that this does spread the decision out fairly far, and the Board does have the option to vote on the step-aside immediately.

It was discussed that developers can be reimbursed for more activities under a Brownfield Plan. Attorney Wood stated that it is routine for developers to go after Brownfield first as it is a state program. Attorney Wood stated that the plans can be split in a gainsharing agreement, however, this becomes more complicated. Project completion and calendar year implications were discussed.

Attorney Wood clarified that the goal of this policy is to standardize the procedure and presentation process that allows the DEGA to negotiate an agreement.

MAYOR ANDERSON MOTIONED TO APPROVE THE BRA TIF STEP-ASIDE POLICY. DIRECTOR HOLLANDER SECONDED. NO OBJECTIONS. MOTION CARRIED.

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

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

F. PUBLIC COMMENTS

1. None.

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G. STAFF COMMENTS

1. None.

H. CLOSED SESSION

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 LLOYD SECONDED. NO OBJECTIONS. ROLL CALL VOTE.

The Board returned from Closed Session at 4:52 p.m.

DIRECTOR HINMAN MOTIONED TO AMEND THE AGENDA TO INCLUDE AN ACTION ITEM AUTHORIZING THE BOARD CHAIR TO SIGN FINAL DEBT SETTLEMENT AGREEMENT ON BEHALF OF THE DDA/DEGA. DIRECTOR AARDEMA SECONDED. NO OBJECTIONS. MOTION CARRIED.

I. ACTION ITEM

DIRECTOR HINMAN MOTIONED TO AUTHORIZE THE BOARD CHAIR TO APPROVE AND EXECUTE THE DEBT SETTLEMENT AGREEMENT ON BEHALF OF THE DDA/DEGA. DIRECTOR HOLLANDER SECONDED. NO OBJECTIONS. MOTION CARRIED.

J. DIRECTOR'S COMMENTS

1. Director Lloyd stated that we should develop a Special Projects List and make decisions regarding sponsorships and fundraising to bring in additional funding.
 - i. It was affirmed that grant applications are included in the service agreement with the City.
 - ii. A consistent format for financial reports was discussed.
 - iii. Director Hinman spoke about the need for a realistic budget. The implications of this were discussed as well as the focus on the first 16 feet. Attorney Wood stated that a BID can also be discussed.
 - iv. Director Hollander stated that other sources of revenue besides TIF need to be found. Other sources of possible revenue were discussed.

K. ADJOURNMENT

DIRECTOR LINDEMANN ADJOURNED THE MEETING AT 5:03 P.M.