# CITY OF KALAMAZOO
# BROWNFIELD REDEVELOPMENT AUTHORITY BOARD MEETING
## Thursday, June 20, 2024
## Community Planning and Economic Development
## 245 N. Rose Street, Kalamazoo, MI 49007

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**MEMBERS PRESENT:** Jason Novotny; Sharon Ferraro; Nathan Bolton; Lucas Middleton; Rachel Bair; Michael Gurnee

**MEMBERS ABSENT**: Kevan Hess; Kyle Gulau; Torean Greeley; Alonzo Wilson; Andrew Schipper

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

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Meeting was called to order at 9:12 AM by Chair Novotny.

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

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

**APPROVAL OF MINUTES**: Director Bolton moved approval of minutes from the meeting of May 16, 2024 and the BRA Special meeting of June 4, 2024 as presented; seconded by Director Middleton. Motion approved by voice vote unanimously.

### PUBLIC COMMENTS

None.

### DIRECTOR'S COMMENTS

Director Gurnee said thank you for the June 4th special meeting and discussion. He is looking forward to continuing the policy discussions.

### PUBLIC HEARING

1. Public hearing for the 12th Amendment to the City of Kalamazoo's Revised Brownfield Plan.
    a. Opening of the Public Hearing: The public hearing was opened at 9:14 AM.
    b. Presentation: Ms. McCarthy shared information on the amendments to the Revised Brownfield Plan, as found in the agenda packet. Three chapters have been completed and are ready to be closed out. One chapter requires an amendment to the amount of TIF capture due to clerical error.
    c. Public Comment Period: None.
    d. Board of Directors Comments: None.
    e. Closing of the Public Hearing: The public hearing was closed at 9:17 AM.

## NEW BUSINESS

1. Adoption of a Resolution Approving the Implementation of the 12th Amendment to the City of Kalamazoo's Revised Brownfield Plan and Recommending Adoption by City Commission.

**Director Gurnee moved adoption of Resolution Approving the Implementation of the 12th Amendment to the City of Kalamazoo's Revised Brownfield Plan and Recommending Adoption by City Commission; seconded by Director Middleton.**
**A roll call vote was taken, and the motion passed unanimously.**

2. Acceptance of a Revised Capture and Reimbursement Schedule for the Fourth Amendment to the Scattered Site Brownfield Plan.

Ms. McCarthy shared the City Assessor brought to staff's attention that the TIF tables listed millages that the BRA does not have authority to capture. These millages have not been captured, but it is brought to the BRA board to acknowledge and approve the change to the tables in the Plan.

**Director Ferraro moved Acceptance of a Revised Capture and Reimbursement Schedule for the Fourth Amendment to the Scattered Site Brownfield Plan; seconded by Director Gurnee.**
**A roll call vote was taken, and the motion passed unanimously.**

3. Adoption of a Resolution Approving Reimbursement Request #3 from Kalamazoo Neighborhood Housing Services in the Amount of $96,957.16.

Ms. McCarthy shared Fishbeck reviewed all of the items KNHS submitted.

Ms. Mulholland shared KNHS originally requested a larger amount, but some of the items were not found to be located in the right-of-way. They changed the amount to align with the statute.

**Director Middleton moved adoption of a Resolution Approving Reimbursement Request #3 from Kalamazoo Neighborhood Housing Services in the Amount of $96,957.16; seconded by Director Bolton.**
**A roll call vote was taken, and the motion passed unanimously.**

4. Adoption of a Resolution Approving Reimbursement Request #1 for 215 E Michigan Avenue in the Amount of $180,198.50.

Ms. Mulholland shared the amount is lower than the amount the developer requested. They are working with their contractors to determine whether or not other items are located in the right-of-way.

**Director Ferraro moved adoption of a Resolution Approving Reimbursement Request #1 for 215 E Michigan Avenue in the Amount of $180,198.50; seconded by Director Gurnee.**
**A roll call vote was taken, and the motion passed unanimously.**

Chair Novotny shared he will be abstaining from items 5 and 6 due to his ongoing involvement with the project. Any signatures for those items will be done by the vice-chair.

5. Adoption of a Resolution Approving the Purchase and Sale Agreement with the Zone 32 Phase II, LLC, and Providing Authority for the Department Director to Approve Non-Substantive Changes and Authorizing the Vice-Chair to Sign the Agreement.

Ms. McCarthy shared information on the project, as found in the agenda packet.

**Director Ferraro moved adoption of a Resolution Approving the Purchase and Sale Agreement with the Zone 32 Phase II, LLC, and Providing Authority for the Department Director to Approve Non-Substantive Changes and Authorizing the Vice-Chair to Sign the Agreement; seconded by Director Bair.**
**A roll call vote was taken, and the motion passed unanimously. Director Novotny abstained.**

6. Adoption of a Resolution Approving the Third Amendment to the Brownfield Plan Development Agreement with Bogan Developments, LLC and Authorizing the Vice-Chair to Sign.

Ms. McCarthy explained the amendment regarding 50% TIF advance to the developer, as found in the agenda packet.

**Director Gurnee moved adoption of a Resolution Approving the Third Amendment to the Brownfield Plan Development Agreement with Bogan Developments, LLC and Authorizing the Vice-Chair to Sign; seconded by Director Bolton.**
**A roll call vote was taken, and the motion passed unanimously. Director Novotny abstained.**

7. Approval of the Fourth Amendment to the Purchase and Sale Agreement with 116 WEST CEDAR, LLC and BURDICK@CEDAR, LLC, extending the Investigation Period to September 28, 2024 and to authorize the Chair to sign the Fourth Amendment to the Purchase and Sale Agreement with such other provisions not materially adverse to the BRA approved as to form by legal counsel and as to consent by the Department Director serving as Attorney-In-Fact.

Ms. McCarthy updated the board on the developer's status with the project.

Mr. Curt Aardema, representative of AVB, said they have been working on this for a number of years. He explained some of the challenges they faced and that they came up with another concept that is housing-focused. They have done work with the county's housing study, as well as market studies. He said it will be focused on the missing-middle housing and urban design to be a bridge for the downtown core and the Vine neighborhood. They are looking at roughly three stories. They want to create something that is exciting and appealing and adds to the downtown environment. Their thought is to tie it with the 400 Rose development as a complementary design and link the two communities together. Mr. Aardema said they appreciate the flexibility. They kind of reached a point where they thought they weren't going to be able to do anything, but are now excited that they think there is something they can continue to do. They are focused on downtown's growth and development. He said it is a challenging, contaminated site, and the City has been very helpful in working through some creative ideas to address that as well. He said they need more time to work on it, and he is happy to answer any questions.

**Director Middleton moved approval of the Fourth Amendment to the Purchase and Sale Agreement with 116 WEST CEDAR, LLC and BURDICK@CEDAR, LLC, extending the Investigation Period to September 28, 2024 and to authorize the Chair to sign the Fourth Amendment to the Purchase and Sale Agreement with such other provisions not materially adverse to the BRA approved as to form by legal counsel and as to consent by the Department Director serving as Attorney-In-Fact; seconded by Director Gurnee.**
**A roll call vote was taken, and the motion passed unanimously.**

8. Adoption of a Resolution Committing up to $100,000 in Local Brownfield Revolving Funds as Grant Match for an EGLE Environmental Justice Impact Grant.

Ms. McCarthy shared the city has been keeping an eye on a new EGLE funding source. The grants are open right now and due July 15. One category is for remediation of contaminated property. She said 116 W Cedar was a property that came up when they were looking at sites in the City that would qualify. She said the grant cap is up to half a million dollars. Staff asked AVB for estimated costs of abatement and demolition. AVB supplied that value, and it would leave a gap from the grant, if awarded. They are looking for a commitment from the board that they would build into their 2025 budget. The grant recipients will be awarded by September of 2024. She said it will be a huge lift for the future redevelopment of this site and a benefit to the community.

Director Ferraro said she thinks this is especially appropriate because this is a City building. This is good redevelopment.

Director Bair asked about how the timing of the grant interacts with the Purchase and Sale Agreement from the previous item on the agenda. Ms. McCarthy said they would want to sync up the timing and work closely with the developer.

Director Bair asked if the BRA would retain ownership of the property until demolition is complete.

Ms. McCarthy shared the extension of the Purchase and Sale Agreement gives time to understand if they get a grant in September. In September, they can revisit if they have money to take the building down or if they will be selling the property with a building on it.

Chair Novotny asked if the grant is a pass-through or if the City would be the receiver. Mr. Burdue and Ms. McCarthy shared the grant would have to go to the City of Kalamazoo.

Mr. Burdue shared they have letters of support from the DDA and DEGA. They are looking to receive letters of support from Edison and Vine neighborhoods.

**Director Bair moved adoption of a Resolution Committing up to $100,000 in Local Brownfield Revolving Funds as Grant Match for an EGLE Environmental Justice Impact Grant; seconded by Director Middleton. A roll call vote was taken, and the motion passed unanimously.**

9. Adoption of a Resolution Approving the Purchase and Sale Agreement for the Property at 708 Ampersee and Authorizing the Chair to Sign.

Ms. McCarthy shared information on the sale, as found in the agenda packet.

**Director Middleton moved adoption of a Resolution Approving the Purchase and Sale Agreement for the Property at 708 Ampersee and Authorizing the Chair to Sign; seconded by Director Bolton.**
**A roll call vote was taken, and the motion passed unanimously.**

## UNFINISHED BUSINESS

None.

## COMMUNICATIONS AND ANNOUNCEMENTS

None.

## STAFF REPORTS AND UPDATES

1. Letter from State Rep. Rogers' Office

Ms. McCarthy shared the BRA received a letter congratulating them on their involvement in the Arcadia Lofts recent approval through the Michigan Strategic Fund.

2. City Commission Brownfield Plan Approval – Brewster Hotel

Ms. McCarthy shared that staff, and the developer gave a presentation at the Committee of the Whole meeting. They can watch it online if interested. She said they had some positive feedback from Commissioners, especially on a project in the Milwood neighborhood.

3. No July Brownfield Meetings

Ms. McCarthy reminded the board there will also be no committee meetings in July.

4. Policy Report-Out

Ms. McCarthy said they did a briefing on the July Special meeting during committee meetings to get the board members who were not present up-to-speed. She thinks there were good continued discussions in the committees that re-iterated to staff what the board was looking for from the policy. Staff needs to look at MSHDA's guidance on what they are expecting of plans. They are going to take the last bit of the contract with Mr. Ryan Kilpatrick to have him run some proforma analysis again and see if there are any sort of recommendations or guidance he might come up with on any type of sweet-spot for workforce housing inclusion or rental rate recommendations.

**ADJOURNMENT**: The meeting was adjourned at 9:59 A.M. by Chair Novotny.

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| Heidi Gartley<br>Recording Clerk | Chair Signature | Printed Name/Chair |