CITY OF KALAMAZOO
BROWNFIELD REDEVELOPMENT AUTHORITY BOARD MEETING
Thursday, August 15, 2024
Community Planning and Economic Development
245 N. Rose Street, Kalamazoo, MI 49007

MEMBERS PRESENT: Jason Novotny; Sharon Ferraro; Lucas Middleton; Rachel Bair; Kevan Hess; Kyle Gulau

MEMBERS ABSENT: Torean Greeley; Alonzo Wilson; Andrew Schipper; Nathan Bolton; Michael Gurnee

CITY COMMISSIONERS/CITY STAFF PRESENT: Jamie McCarthy (Sustainable Development Coordinator); Jerrid Burdue (EDC Liaison/Neighborhood Business & Special Projects Coordinator); Jessica Wood (Attorney, Dickinson Wright); Logan Mulholland (Fishbeck, Consultant); Jared Chambers (Business Specialist); Heidi Waffle (Brownfield Project Assistant); Antonio Mitchell (CPED Director); Chelsie Downs-Hubbarth (Community Investment Manager)

Meeting was called to order at 8:15 AM by Chair Novotny.

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

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

Ms. McCarthy shared Item 3 would be added to Staff Reports and Updates to discuss 2025 Budget Planning.

APPROVAL OF MINUTES: Director Gulau moved approval of minutes from the meeting of June 20, 2024 as presented; seconded by Director Hess. Motion approved by voice vote unanimously.

PUBLIC COMMENTS

None.

DIRECTOR'S COMMENTS

Director Novotny shared he will be abstaining from New Business Item 3 due to involvement with the project. Vice-Chair Middleton will be signing the documents related to that item of business.

NEW BUSINESS

1. Adoption of a Resolution Approving Reimbursement Request #2 for 215 E Michigan Avenue in the Amount of $51,642.

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

Ms. Mulholland shared the items that were included in Reimbursement Request #2.

Director Middleton asked if there is further information for the upper levels of the building yet. McCarthy has not heard of anything yet.

Director Middleton 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 Bair.
A roll call vote was taken, and the motion passed unanimously.

2. Adoption of a Resolution Accepting an EGLE Brownfield Grant Agreement and Authorizing the Board Chair to Sign.

Ms. McCarthy shared this is a 2-year grant agreement between the BRA and EGLE. The state is allowing up to one million dollars. Some of the first activities they will be approving is further site assessment. Time will tell what exact work will have to happen.

Mr. Greg Dobson, AVB representative, shared they plan to begin after September 4.

Mr. Curt Aardema, AVB representative, said they are finishing up site plan review as well.

Director Hess moved Adoption of a Resolution Accepting an EGLE Brownfield Grant Agreement and Authorizing the Board Chair to Sign; seconded by Director Middleton.
A roll call vote was taken, and the motion passed unanimously.

3. Adoption of a Resolution Approving the Purchase and Sale Agreement with Zone 32, Phase II, LLC, and Authorizing the Vice Chair to Sign.

Ms. McCarthy shared the board saw this item on their agenda in June and approved staff to make changes and legal counsel to approve. Legal counsel has been working with the developer's legal counsel over the last couple months, digging into some of the terms of the agreement. Staff felt that they wanted to bring it back to the board to bring the changes to their attention. The changes can be found in the agenda packet. A commitment to the MSHDA affordable units, coverage of closing costs, and a 16-month investigation period are all adjustment items made to the agreement.

Director Gulau asked about the affordable housing mix and associated discounted property price, and if they are worried that the mix will change and go against the discounted price.

Ms. McCarthy explained they tend to match whatever the project actually ends up providing at their MSHDA closing.

Director Bair moved adoption of a Resolution Approving the Purchase and Sale Agreement with Zone 32, Phase II, LLC, and Authorizing the Vice Chair to Sign; seconded by Director Middleton.
A roll call vote was taken, and the motion passed unanimously. Director Novotny Abstained.

UNFINISHED BUSINESS

None.

COMMUNICATIONS AND ANNOUNCEMENTS

None.

STAFF REPORTS AND UPDATES

1. Quarterly Budget Report – Fund 242 Local Brownfield Revolving Fund

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

2. Quarterly Budget Report – Fund 243 Brownfield Operating Budget

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

3. 2025 Budget Planning

Ms. McCarthy shared information on the Tax Increment Revenues (TIR) that were paid at the end of July. She explained the different amounts that went to developers, BRA Admin, LBRF revenue, and a small bond that was paid to the Building Authority. With the knowledge of 2024 property values, she presented the 2025 TIR Budget estimate for these same categories.

Ms. McCarthy spoke on the Professional & Contractual Services they can expect to be budgeted for 2025. This includes third-party financial review services. She highlighted obtaining professional services for real estate marketing to continue the work that was completed on a land re-use strategy started with the Projects & Finance Committee. She shared the revenues from BRA property sales could go towards the real estate services. She is not sure what an RFP for this service looks like yet.

The 2025 National Brownfields Conference will be in Chicago, IL. Ms. McCarthy would like to hear if any of the board members might be interested in attending, so they can discuss setting money aside. She is interested in knowing if there are additional professional development opportunities they may want to have next year, such as when Ryan Kilpatrick presented on housing and housing proforma.

Ms. McCarthy shared there are BRA property due care items that can be addressed for 2025, including Davis Creek Business Park and 701 E Michigan.

Ms. McCarthy asked the board if there are other priorities or items that they feel need to be budgeted for. She said they can reach out to her about those as staff works on developing draft budgets over the next couple of weeks.

Director Gulau shared he is interested in the Brownfield Conference and other professional development. He likes the item regarding property due care. He noted the balance of the revolving fund and proposed thinking about ideas on how they can use some of those funds in 2025.

Director Hess said the sale of 508 Harrison will be nice to get revenue and also cut down on the maintenance budget. He also mentioned Ryan Kilpatrick's presentation was very educational for the board and the public, and he would be in favor of something like that again.

Director Novotny asked about marketing in partner with EDC.

Director Hess asked if there is a list of projects that have been completed with the revolving fund. Ms. McCarthy shared it has only been in the last five years that they have had a lot of revenues coming into that fund, which makes sense based on the timeline of when the BRA started. She will grab some of the information to share.

Director Gulau asked about the real estate marketing. Ms. McCarthy shared information on hiring an agent and likely working from a contract rather than commission based. She explained the unique situation of trying to sell Brownfield properties and what may be required from a real estate agent. Director Gulau agreed the services would be valuable because it would solve the staff capacity problem and offer expertise. He said what happens if they are successful and there are a lot of interested buyers coming to the door. How do they know they are getting good deal-flow? He said they have to make sure the real estate agent isn't just a middle person that passes people off to staff because that wouldn't solve the capacity problem. He asked how do they make sure the real estate agent knows enough about Brownfield stuff to make sure it saves city staff time?

Director Hess said from the city perspective they want to look at what are we spending to maintain these properties, what would we be bringing in if they are put back on tax rolls, and then factor that in when thinking of compensation offers for an agent. Something to think about is that that agent will get a lot of exposure as well, so that is the reason they will be interested. He said you do want to have a strategy and you don't want to saturate the market. It will be very interesting to see these proposals as they put them out or if they even get proposals. He added that one of the requirements would be making sure the agent is very knowledgeable about the Brownfield process or have them go through a training. They could also attach a list of similar parcels on the MLS to show similar Brownfield projects that have occurred.

Director Middleton asked about professional development opportunities that would allow them to connect with other Michigan Brownfield authorities. He also said an interesting topic may be potential synergies with Land Banks.

ADJOURNMENT: The meeting was adjourned at 9:04 A.M. by Chair Novotny.

Heidi Waffle

Heidi Waffle
Recording Clerk

Chair Signature

JASON NOVOTNY

Printed Name/Chair