
**CITY OF KALAMAZOO
ECONOMIC DEVELOPMENT CORPORATION BOARD MEETING
Thursday, September 19, 2024
Community Planning and Economic Development
245 N. Rose Street, Kalamazoo, MI 49007**

MEMBERS PRESENT: Jason Novotny; Lucas Middleton; Kevan Hess; Kyle Gulau; Michael Gurnee; Andrew Schipper; *Alonzo Wilson; *Rachel Bair; *Sharon Ferraro

MEMBERS ABSENT: Torean Greeley; Nathan Bolton

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

Meeting was called to order at 7:47 AM by Chair Hess.

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

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

APPROVAL OF MINUTES: Director Middleton moved approval of the minutes from the meeting of August 15, 2024; seconded by Director Novotny. Motion approved by voice vote unanimously.

PUBLIC COMMENTS

None.

DIRECTORS' COMMENTS

None.

NEW BUSINESS

1. Approval of a recommendation to the City Clerk's Office for a 1-year approval of the Adult Use Retailer Permit to Kalamazoo Gallery Inc. DBA Herbana.

*Director Bair and Commissioner Wilson entered at 7:49 AM.

Mr. Burdue shared staff is recommending a one-year approval, due to their silver status.

Caitlin McLeod, representative of Herbana, shared she has been with the company for three years and a resident of Kalamazoo for a little of ten years. She said it has been nice to be a part of the community and give back as much as they can,

*Director Ferraro entered at 7:50 AM.

Director Middleton moved approval of a recommendation to the City Clerk's Office for a 1-year approval of the Adult Use Retailer Permit to Kalamazoo Gallery Inc. DBA Herbana; seconded by Director Novotny.

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

2. Approval of the 2025 EDC Budget.

Mr. Burdue shared information on the budget, as found in the agenda packet. He highlighted the 2025 Notes section on the budget. For strategy implementation, the budget will be a little lean for 2025. They are looking at finding additional revenue sources moving forward to further implement the strategy. It will be a planning year designing some programming around the discussions from the strategy.

Director Gulau asked if they have an estimate on what they expect the amount to be next year to start implementing the plan or do they anticipate to know that number the more they learn after the budget next year.

Mr. Burdue shared they will know more as they get into next budget year. He said it really depends on how they find other revenue sources as well.

Chair Hess asked what would be the most obvious sources of revenue they could pursue.

Director Mitchell explained possible sources of revenue that they will be looking at next year. He shared they want to show the value of the EDC through data and information that shows the impact that economic development does. They have been working with Discover Kalamazoo, so they will be able to track certain data that is impactful. One of the key components of EDC is promotion and recruitment of future economic impacts for the City, outside of just downtown. He hopes the collaboration with the BRA and EDC working together will enhance the ability of the City to show the value of this EDC board – more than just the Cannabis component.

Director Gulau asked if there is a gap that they found that the EDC would be trying to fill.

Mr. Burdue shared that yes, a gap was found. He said Southwest Michigan First is a great partner that is a regional entity. One of the strong recommendations from Camoin Associates was to have something more local, that can be championing economic development at the City level. Southwest Michigan First does work with larger-scale manufacturers. The City does not currently have a strong business retention and expansion program for entities that are on a smaller scale.

Director Gurnee moved approval of the 2025 EDC Budget; seconded by Director Bair.

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

3. Nomination and Approval of New Officer Positions for Chair, Vice Chair, and Treasurer/Secretary Effective October 1, 2024.

Chair Hess nominated Director Novotny as Chair, Director Middleton as Vice-Chair, and Director Gulau as Treasurer/Secretary.

**Director Ferraro moved approval; seconded by Director Schipper.
A voice vote was taken, and the motion passed unanimously.**

4. Adoption and Recommendation to City Commission of the Economic Development Strategy 2024.

Ms. Alex Tranmer and Mr. Dan Gunderson, of Camoin Associates, gave a virtual presentation of the Economic Development Strategy to the board. They invited EDC Directors to share feedback and comments.

Director Bair shared that it was great work. It is a very community-informed plan. Looking through the strategy, she is most familiar with the work of the EDC and BRA. She noticed a few immediate or short-term strategies listed that the boards are already doing, but it is not reflected as already under-way. She is curious what of the other short term and immediate strategies that were shared have already been happening and if that is something they want to communicate. It would make it clear that some of this work was already under-way and the plan has been built around that work that was already underway to incorporate it.

Ms. Tranmer shared it was a conversation during the process as to whether or not to include those strategies that have already been going on. She does think it is important to communicate what already has been going on. It may be a matter of changing the verbiage in the strategy to reflect that they are not starting from ground zero but building upon the work that has been going on.

Director Bair said it is powerful to include those items that are already going on so they are placed in the broader strategy and validated. She appreciates they have done that. She would like to make sure it is clearly communicated.

Mr. Gunderson said they are trying to find a balance, so that the attention remains on the good work, but it also gives an urgency to some things that just haven't been focused on.

Director Ferraro made a comment on Box 3.9 on page 25, she noted it says building a variety of housing types. She asked if it can also include rehabilitating.

Ms. Tranmer said "build" was meant in the most general sense of the word. She said it can include redevelopment, rehabilitating, and some new build. She said that can be a clarification.

Director Novotny said he feels there is still a foundational piece to promote economic development and community building that includes an environment that people feel safe and welcomed in, that is clean and inviting. That is a building block that he doesn't see in the strategy yet. It goes with their first goal, but he is not sure what the metric is. Director Novotny mentioned articles he's read as to why businesses are leaving the downtown and the pressures they feel. A safe, clean, welcoming environment needs to show up as a goal.

Mr. Gunderson said Goal 3.2, under a section titled Land Use, Infrastructure, and Environment, addressed this item regarding the environment and safety. He said they heard those concerns during the public open house. He said they dabbled throughout the strategy development with addressing the unhoused and the public safety perceptions around that. He said there is a feeling amongst residents who live in the downtown that they do not always feel it is a welcoming, safe environment. New visitors to Kalamazoo certainly also have this feeling, as they are seeing something that may not be as physical elsewhere. He mentioned overall public safety in terms of a presence of police or downtown guides/helpful individuals.

Director Novotny said he is not sure what a metric would look like for this, but he is hopeful for them to find a way to track that the environment is becoming more friendly and viable for growth.

Ms. Tranmer said perhaps the City of Kalamazoo or Discover Kalamazoo could do regular perception surveys. She will touch base with Mr. Burdue.

Director Middleton agreed it is certainly a perception problem. Talking to people in his own experience, the ones who do not live or work downtown think it is a lot worse than it is. Those that do live or work downtown know that it is a real problem. He said it is not just a perception issue, there is an issue downtown with a lot of these issues surrounding the unhoused. He is not saying it in a way that is not empathetic, but the side effects of the problem are real – trash, safety concerns, and just helping those that are unhoused. It is not merely a perception, though that is part of it.

Director Hess mentioned each of the categories have some sort of theme of engagement and outreach. He felt there should be a fifth category just for “educate.” Developers, business owners, general public, neighborhood associations. It seems like it is all in there, but he wonders how much of that falls on the city to truly educate to eliminate these problems of perception. He said it’s easy to spread misinformation in today’s world, but it is also easy to spread the correct information. He wants to know how the city can do that with the resources they have and let people know how the strategy will affect and potentially help them. He asked if it should be a theme throughout or just its own category.

Mr. Gunderson said that is part of the role that anticipate for the EDC to help advise the city on how to do that and to amp up the communications that are taking place to bring out some of the goals, aspirations, and accomplishments that take place as they move forward. He said to keep this transparency going so people are feeling a sense of momentum.

Ms. Tranmer said they have examples of specific social media posts for how to communicate these thoughts and incorporate them into community events. She thinks it something that can be incorporated into what the city and EDC are doing.

Mr. Burdue mentioned for the budget implementation they are looking at the marketing pieces to figure out how to market for visitors, as well as attract additional businesses. At the city level they have been trying to promote some of the white box work and ribbon cuttings.

Director Gurnee said he is trying to separate the different metrics on how to track success with this. The big thing for him is measuring impacts throughout the lifetime of the strategy, as stated on a presentation slide. All of them are lag goals rather than lead measures. As a board, they should consider some of those lead measures that they want to track for their own success. They can then say along the process this is how they are tracking success and the work that they do. Over time, he said they can track the impact of the community through those lag measures. He wants to make sure the board is also tracking those lead measures along the way, so they can eventually show them to the community as a lag measure.

Director Gulau said he was thinking about the frequency at which they get the measurements. He said if they run off and do the five immediate steps, they probably wouldn’t know in a year if they are actually moving the needle or not. Not only should they think about lead or lag, but he is wondering what are their shorter-term feedback loops that they can get into to figure out if they are gaining traction, so they can pivot and move into a different direction if it’s not working.

Mr. Burdue said that is part of having the EDC be an advisory board for the strategy, where it is interacting with the business community, residents, and developers to start to understand that picture beyond the leading and lagging indicators. He likes the idea of having more immediate term metrics to look at. That is something they can spend some time building out in quarter one and two of 2025.

Mr. Gunderson discussed outputs and outcomes. He said the EDC could have a huge role in helping the city clarify which outputs are we going to need, what are the things you are going to do to help reach this goal. He said they didn't want to micro-manage or dictate but would rather let the process determine what those outputs that lead to outcomes ought to be.

Director Mitchell said the last portion of the conversation is the importance of the EDC. They need the EDC to hold the City and community accountable on implementing the strategy and measuring the success. He added the focus will not only be on downtown, but that there are other corridor areas, too.

Ms. Tranmer said they will return on October 7, 2024 to present the strategy to COW.

Director Gurnee moved adoption and recommendation to City Commission of the Economic Development Strategy 2024 subject to the possibility of minor revisions consistent with the discussion during the meeting today; seconded by Director Gulau. A roll call vote was taken, and the motion passed unanimously.

UNFINISHED BUSINESS

Director Mitchell added that General Fund and FFE dollars as possible funding sources. He reminded the board that the EDC could make specific request for FFE dollars for city projects for the following year.

Ms. Downs-Hubbarth explained that process happens in early 2025, so project plans would have to be developed and submitted in early February. The conversations would need to start nearly right after the strategy would get approved.

Director Mitchell said once the strategy is approved, staff is going to be moving toward implementation with the EDC board.

Director Gulau asked if as an EDC board they can also apply for grants and issue bonds.

Attorney Wood shared the most traditional revenue source for EDCs is to issue conduit bonds. You would have to wait for those borrowers to come to you, and they have to be certain qualified non-profit entities. The EDC would issue bonds on their behalf, they get the tax-exempt interest rate, and then the EDC would get the fee for doing that.

COMMUNICATIONS AND ANNOUNCEMENTS

Mr. Burdue invited board directors to attend the Imagine Kalamazoo 2035 Open House taking place tonight at 5:00pm at the Kalamazoo Institute of the Arts. It is the official Kick-Off.

STAFF REPORTS AND UPDATES

None.

ADJOURNMENT: Meeting was adjourned at 9:02 AM by Chair Hess.



Signature



Printed Name/Chair



Heidi Waffle/Recording Clerk