CITY OF KALAMAZOO
BROWNFIELD REDEVELOPMENT AUTHORITY BOARD MEETING
Thursday, September 19, 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; Alonzo Wilson; Andrew Schipper; Michael Gurnee

MEMBERS ABSENT: Torean Greeley; Nathan Bolton

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); Kevin Ford (Shared Prosperity Kalamazoo Coordinator)

Meeting was called to order at 9:02 AM by Chair Novotny.

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

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

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

PUBLIC COMMENTS

None.

DIRECTOR'S COMMENTS

Director Bair shared she will need to leave the meeting at 9:15. She mentioned that she is aware her name may come up during Item 6 – Nomination of New Officers and if she is not present at that time, please note that she accepts.

Director Schipper will need to abstain from New Business Items 1-4.

Chair Novotny thanked Chair Hess for his service as the EDC Chair.

NEW BUSINESS

1. Approve the Brownfield Plan Development and Reimbursement Agreement with 5135 Portage Road, LLC for the Brewster Redevelopment Project and Authorizing the Chairperson to Sign in Substantially the Form Attached, Subject to any Non-Substantive Changes Approved by the Chairperson and to Form by Legal Counsel.

Ms. McCarthy shared information on the fiscal impact of the Development and Reimbursement Agreement, as found in the agenda packet. She explained per the Agreement, the BRA will reimburse the developer for actual expenses incurred up to $1,017,200.00 or for 15 years, whichever occurs first. The plan will also cover Brownfield Administrative costs.

Ms. McCarthy continued speaking on the next business item, Item 2, as they are part of the same project. She said activities on this project will either be reimbursed through Tax Increment Financing (TIF) or grant dollars. Staff and Fishbeck will make sure those activities are accounted for and funds are reimbursed.

Mr. Curt Aardema, representative of AVB, said they are excited to be working on the project. It is a four-story Residence Inn Marriott hotel. The intention is to take a relatively complicated, contaminated site and convert it into the hotel project to act as a gateway for the Kalamazoo community and the airport and I-94. They hope to inject some life into a corridor that was hard-hit by past construction. They are making good progress and hoping to get started on demolition in the next month or two. He thanked the board and said they wouldn't be able to do the project without the support of the BRA, the City of Kalamazoo, and EGLE.

Director Gulau said it is good to see this project moving along.

Director Gulau moved approval of the Brownfield Plan Development and Reimbursement Agreement with 5135 Portage Road, LLC for the Brewster Redevelopment Project and Authorizing the Chairperson to Sign in Substantially the Form Attached, Subject to any Non-Substantive Changes Approved by the Chairperson and to Form by Legal Counsel; seconded by Director Middleton.
A roll call vote was taken, and the motion passed unanimously. Director Schipper abstained.

2. Approval of the Brewster's Redevelopment Project Grant Agreement with 5135 Portage Road, LLC and Authorize the Chairperson to Sign in Substantially the Form Attached, Subject to any Non-Substantive Changes Approved by the Chairperson and to Form by Legal Counsel.

Information was shared during previous item.

Director Ferraro moved approval of the Brewster's Redevelopment Project Grant Agreement with 5135 Portage Road, LLC and Authorize the Chairperson to Sign in Substantially the Form Attached, Subject to any Non-Substantive Changes Approved by the Chairperson and to Form by Legal Counsel; seconded by Director Gurnee.
A roll call vote was taken, and the motion passed unanimously. Director Schipper abstained.

3. Approval of the Fifth Amendment to the Purchase and Sale Agreement with 116 West Cedar, LLC and Burdick@Cedar, LLC for the Property at 116 W Cedar Street and Authorizing the Chairperson to Sign in Substantially to Form Attached, Subject to any Non-Substantive Changes Approved by the Chairperson and to Form by Legal Counsel.

Ms. McCarthy shared information on the project, as found in the agenda packet. The developer is looking for a six-month extension to have more time in the design phase.

Mr. Curt Aardema, AVB, said they have been working on this for a year and a half or more to find a development formula that works on this site. He said they are working on a smaller version and maybe breaking the former version into phases as well. The project they're focusing on is a four-story residential-oriented building tying into some of the momentum they have seen with the 400 Rose project. They have had great response from the community on the 400 Rose project and heard that residents love being in that area. They're hoping to carry that momentum to the Cedar Street area and hopefully tie it into the Bronson Hospital campus and start to move toward Burdick Street and the Kalamazoo mall as well. The goal is roughly 70 units. The focus has been on smaller-type units that they are hearing is desired for in the market. They have had meetings with different groups downtown and are hearing everything is at pretty full occupancy downtown. They are trying to get a new market by tapping into the missing middle housing that is really difficult to build. There's a lot of programs for the subsidized housing, and a natural market for the higher end. They are looking at surface parking right now to keep the building efficient from a cost standpoint. They have brought architects on board and are re-engaged with designing a project on this site.

Director Hess asked if there will be commercial on the bottom level.

Mr. Aardema said no commercial right now. They are looking at this project as a way to support existing businesses that exists downtown. They see this site as transition from downtown core to the Vine neighborhood. Everything to the south is residential, so they see this as urban-scale, urban-footprint, urban-design, but not necessarily having its own commercial uses on the ground floor. Potentially a commercial component would be included in a future phase if there was a market demand. He shared they are studying that closely.

Ms. McCarthy reminded the board the City submitted a grant ask to EGLE for demolition dollars at this site. EGLE has given an update that they are pushing back their announcement date to October.

Mr. Aardema said they wish it wasn't taking this long, but it is just the nature of development right now. Between construction costs, interest rates, and other components, development projects are complicated right now. They feel they have a project right now that is practical and something they can tackle hopefully in the near-term.

Ms. McCarthy added this amendment will extend the investigation period to March 31, 2025.

Director Middleton moved approval of the Fifth Amendment to the Purchase and Sale Agreement with 116 West Cedar, LLC and Burdick@Cedar, LLC for the Property at 116 W Cedar Street and Authorizing the Chairperson to Sign in Substantially to Form Attached, Subject to any Non-Substantive Changes Approved by the Chairperson and to Form by Legal Counsel; seconded by Director Bair.
A roll call vote was taken, and the motion passed unanimously. Director Schipper abstained.

*Director Bair left the meeting at 9:18 AM.

4. Approval of an Assignment of Option Agreement for 125 E North Street and Authorizing the Chairperson to Sign in Substantially the Form Attached, Subject to any Non-Substantive Changes Approved by the Chairperson and to Form by Legal Counsel.

Ms. McCarthy shared this project is a senior housing development in the Northside neighborhood. The BRA owns one parcel – 125 E North St – out of a group of properties intended for the project. There is a non-profit housing partnership that currently has a purchase option for that parcel. They are in the last steps of their process and made this request to the BRA to make an assignment to a new non-profit housing partnership they are forming. They gave Ms. McCarthy an update on next steps with MSHDA. They are expecting to close on their MSHDA financing as early as February. Once that closing happens, she shared they tend to match up closing on the property at the same time. The Assignment has been approved as to form by legal.

Director Ferraro moved approval of an Assignment of Option Agreement for 125 E North Street and Authorizing the Chairperson to Sign in Substantially the Form Attached, Subject to any Non-Substantive Changes Approved by the Chairperson and to Form by Legal Counsel; seconded by Director Gurnee.
A roll call vote was taken, and the motion passed unanimously. Director Schipper abstained.

5. Approval of a Letter of Intent with Davis Creek Land Development Co. to Purchase Property at Davis Creek Business Park.

Ms. McCarthy shared information on the project, as found in the agenda packet. This will give a three month extension.

Director Middleton moved approval of a Letter of Intent with Davis Creek Land Development Co. to Purchase Property at Davis Creek Business Park; seconded by Director Hess.
A roll call vote was taken, and the motion passed unanimously.

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

Director Novotny nominated Lucas Middleton as Chair, Kyle Gulau as Vice-Chair, and Rachel Bair as Treasurer/Secretary.

Director Ferraro moved approval of New Officer Positions for Chair, Vice Chair, and Treasurer/Secretary Effective October 1, 2024; seconded by Director Schipper.
Motion approved by voice vote unanimously.

Director Middleton thanked Chair Novotny for his service as Chair over the last year.

7. Adoption of FY 2025 Budgets for Fund 242 and Fund 243, in Substantially the Form Attached, Subject to Non-Substantive Changes by Management Services Department.

Ms. McCarthy shared information on FY Budgets for Fund 242 and Fund 243, as found in the agenda packet.

Director Gulau thanked Ms. McCarthy for her hard work and putting the narrative together. He said this is the most transparent, thoughtful, and strategic he has felt the budget preparation has been in his time on the board.

Director Gulau moved adoption of FY 2025 Budgets for Fund 242 and Fund 243, in Substantially the Form Attached, Subject to Non-Substantive Changes by Management Services Department; seconded by Director Schipper.
A roll call vote was taken, and the motion passed unanimously.

UNFINISHED BUSINESS

None.

COMMUNICATIONS AND ANNOUNCEMENTS

Ms. McCarthy shared the BRA closed on the sale of 508 Harrison on August 30, 2024. She said they have already begun demolition work on-site. They are doing regular meetings with the development team and the EGLE coordinator. She let directors know to expect a Save-The-Date to be sent out soon for their groundbreaking ceremony on October 9.

STAFF REPORTS AND UPDATES

1. U.S. EPA FY 2025 Assessment Coalition Grants – Solicitations Open/Due November 14, 2024

Ms. McCarthy shared the EPA released their assessment and cleanup grants, and the City grant staff is interested in looking at the Assessment Coalition Grants. It involves partnering with other municipalities to request funding for contaminants and property assessments. They are talking with other local municipalities. She said the County has had this grant for a number of years now and done it by themselves. She will let the board know if there is interest in a coalition coming together. Applications are Due November 14.

ADJOURNMENT: The meeting was adjourned at 9:37 A.M. by Chair Novotny.

Heidi Waffle
Recording Clerk

Chair Signature

Lucas Middleton
Printed Name/Chair