
CITY OF KALAMAZOO
ECONOMIC DEVELOPMENT CORPORATION BOARD MEETING
Thursday, October 17, 2024
Community Planning and Economic Development
245 N. Rose Street, Kalamazoo, MI 49007

MEMBERS PRESENT: Lucas Middleton; Kevan Hess; Kyle Gulau; Michael Gurnee; *Andrew Schipper; Rachel Bair; Sharon Ferraro; Torean Greeley

MEMBERS ABSENT: Jason Novotny; Nathan Bolton; Alonzo Wilson

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); Erin Hahn (Community Investment Administrative Asssitant)

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

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

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

Mr. Burdue shared that Great Lakes Holistics Kalamazoo Inc. achieved their Gold level designation so they will not need the possibility of a 90-day probation. This contingency will be removed from the latter half of New Business – Item 1.

APPROVAL OF MINUTES: Director Ferraro moved approval of the minutes from the meeting of September 19, 2024; seconded by Director Hess. 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 2-year approval of the Adult Use Retailer Permit to Great Lakes Holistics Kalamazoo Inc.

Mr. Burdue shared the business reached their Gold level designation and are in good standing otherwise. Staff recommends a 2-year approval.

Director Gurnee moved approval of a recommendation to the City Clerk's Office for a 2-year approval of the Adult Use Retailer Permit to Great Lakes Holistics Kalamazoo Inc.; seconded by Director Greeley.

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

2. Approval of a recommendation to the City Clerk's Office for a 2-year approval of the Medical Class C Grower & Adult Use Class C Grower Permits to The Woods Cultivation LLC dba AHKI Canna.

Mr. Burdue shared that they have Gold level designation and that they are in good standing. Staff recommends a 2-year approval.

Director Gurnee moved approval of a recommendation to the City Clerk's Office for a 2-year approval of the Medical Class C Grower & Adult Use Class C Grower Permits to The Woods Cultivation LLC dba AHKI Canna; seconded by Director Hess.

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

UNFINISHED BUSINESS

None.

COMMUNICATIONS AND ANNOUNCEMENTS

None.

STAFF REPORTS AND UPDATES

1. Economic Development Strategy – Update

Mr. Burdue shared the strategy was approved by City Commission. They are engaging with partners and stakeholders outlined in the plan. The partners are very excited that their goals and vision are included in the document. Mr. Burdue said they will continue doing outreach and plan on doing a kickoff with the full list of stakeholders in December or January. Next steps include city staff working on a Work Plan for 2025 to incorporate different elements where the City or EDC is involved.

Director Gurnee said it is nice to hear the stakeholder response.

2. Kalamazoo Social Equity Cannabis Chamber – Update (virtual)

Rebecca Colette, representative of Detroit Cannabis Project and the Kalamazoo Social Equity Chamber, gave a virtual presentation to the board. She shared the overall goals of the Social Equity Chamber. Ms. Colette re-capped past events that have taken place, including a KVCC Reimbursement Info Session. There will be another cohort in January. There was also an Intro to Cannabiz Webinar conducted. Webinars will be recorded and hosted on the new website. On October 24, there will be a Cannabis Job and Resource fair. There are currently 160 attendees and 15 vendors signed up. She said they are working with a couple cannabis companies to track applicants from the job fair to understand the data as to whether not these applicants eventually get interviews and jobs.

*Director Schipper entered the meeting at 8:09AM.

Ms. Colette shared other upcoming events in October, November, and December. They include topics such as Job Readiness, Raising Capital for a Cannabis business, Community Give-Back, KVCC Reimbursement Program Information, and Cannabis Industry networking holiday party.

Ms. Colette said they re-branded and re-launched a Kalamazoo Social Equity Chamber website. She shared data on visits to the website. She explained how they are marketing the chamber and the work they are doing. They have sent bi weekly text messages, partnered to have paid ads on Facebook, weekly email event reminders, monthly in-store vendor tables, 40 monthly ads on two local radio stations, and shared press releases with local media for two events. Some marketing materials are currently being translated into Spanish as well.

Ms. Colette thanked the board for giving her an opportunity to share an update with them.

Director Middleton said it is great, and he is excited about what the chamber is doing. He is excited to check out the website.

Director Hess said he knows the local companies struggle to get applicants and employees from the SPK areas, so it is great they have this resource to help them.

Ms. Colette asked if the board has any other ideas or suggestions on marketing to get the message out to the Kalamazoo community. No ideas from board members.

Mr. Burdue also thanked Mr. Chambers for his work on spearheading the Social Equity Cannabis Chamber.

Director Gulau asked about the \$300,000 that they recently approved for this work in the budget. He asked if that was just for the upcoming year.

Mr. Burdue said that it is for the upcoming year and that covers administration fees for The Detroit Cannabis Project and all of the services and programming. The contract is \$300,000 a year for three years.

Director Gulau asked if they feel like the value is there for this contract.

Director Hess and Director Middleton felt it is too early to determine the value. They are not in a place yet to assess what the results are.

Mr. Burdue asked what level of engagement and frequency of updates would they like on the Social Equity Chamber.

Director Middleton said he would like to have some level of the presentation they had today, because it is more engaging and dynamic than having a staff report in the packet. He thought either a couple times a year or quarterly.

Director Gurnee said having a presentation similar to today's every six months and then staff reports quarterly would be helpful. They are going to ramp up this programming. They have a lot of lead indicators today, so it will be interesting once those start to take hold over the next three years and what the ROI looks like. He thought the engagement piece was great today.

Mr. Burdue explained where the funds are coming from, that there is an excess tax paid for Cannabis products and the state returns part of that to the local municipality. They were able to get 25% of that

money set aside for Social Equity Initiatives. Otherwise, funds not directed towards social equity initiatives remain in the City's general fund.

Director Middleton said it has broader impact than social equity. A lot of the programming is geared towards improving and maintaining the health of the industry, providing people with business acumen, and help sustain the existing cannabis businesses they have. He said social equity is a very important central part of it, but it is also a chamber, so it has benefits more broadly than just social equity.

Director Hess said it is an economic development tool.

Director Gulau said he feels they are over-paying.

Director Ferraro said a lot of that money will be put towards reimbursements and other financial support for new businesses in the community.

Director Gulau shared he thinks this is on the right track and he understands this is the start of the program, and he is not saying they need to take action. His sentiment right now is that it is a very rich contract and as an entrepreneur he would try to take on that contract because it feels like a pretty lucrative deal. He is sensitive to the fact that they are dealing with taxpayer dollars and wondering if they are using them effectively and efficiently.

Director Middleton believes it is too soon to know the value of what they are receiving. He said it is also not a guaranteed \$300,000, but it is reimbursement based on what takes place.

Director Schipper agreed that we wait to see a quarterly update. He asked about the range the Cannabis dollars can be used for.

Mr. Burdue said he would have to look at the guidelines authorized by City Commission. He also noted that the overall administration fee is 20% that the Cannabis Chamber can take, otherwise it is reimbursement and actual costs of services for the programming. They are not pocketing the entire \$300,000.

Mr. Chambers reminded the directors that this contract is new, and they are trying to figure it out as they go. If there are other initiatives or impactful things the money could go towards that are related to economic development, social equity, SPK, the 25% of the returned excess tax is not for the Cannabis Chamber, but it is for the Social Equity policy which spreads past the chamber. He said it is fair to say it can change as they go. If there are other things they think the money could go toward, they can discuss that.

Director Gulau said he does not have any recommendations and does not want to rock the boat as the process is starting to just get legs underneath it. He thinks it is something they should keep an eye on and see if they are getting the results there.

Director Hess said it is such a new industry and new idea. He said Kalamazoo has been very progressive in making these companies be socially equitable from the start.

Director Greeley said they are just rebranding, too. It is encouraging to see how many attendees and vendors are already signed up. He would love to see the results, so he thinks a quarterly check-in would be good to follow up and ask questions.

Director Middleton shared they ask a lot of cannabis businesses for the privilege of being able to operate in Kalamazoo. It is a very onerous regulatory scheme. He thinks they should do what they can to support those business with the revenue they generate and the burdens they place on them. For those reasons, he thinks these types of initiatives are worthwhile as long as they are being wise with their spending.

ADJOURNMENT: Meeting was adjourned at 8:43 AM by Vice Chair Middleton.


Signature


Printed Name/Chair


Heidi Waffle/Recording Clerk