KALAMAZOO DOWNTOWN
ECONOMIC GROWTH
AUTHORITY

Board of Directors Regular Meeting Minutes

November 18, 2024, 3 p.m. | Community Planning & Economic Development, 245 N Rose Street

PRESENT: Mayor David Anderson, Curt Aardema, Stephanie Hinman, Susan Lindemann, Jeff Breneman, Clarence Lloyd, Matt Hollander

ABSENT: Jessica Thompson, Kwame Gyimah

STAFF: Erin Hahn, Meghan Behymer, Chelsie Downs-Hubbarth, Jamie McCarthy, Paul Thuringer

OTHER: Rob Bacigalupi; Brian Harris; Carmen Harris

A. CALL TO ORDER

DIRECTOR LINDEMANN CALLED THE MEETING TO ORDER AT 3:03 P.M.

PRESENT: Mayor David Anderson
Curt Aardema
Susan Lindemann
Clarence Lloyd
Matt Hollander
Kwame Gyimah
Stephanie Hinman
Jeff Breneman

ABSENT: Kwame Gyimah

EXCUSED: Jessica Thompson

THE NOVEMBER 18, 2024, ATTENDANCE INCLUDING EXCUSED AND UNEXCUSED ABSENCES ARE RECORDED.

*Stephanie Hinman arrived at 3:14 P.M.
*Jeff Breneman arrived at 3:40 P.M.
*Stephanie Hinman departed at 3:52 P.M.
*Mayor Anderson departed at 4:35 P.M.

B. ADOPTION OF FORMAL AGENDA

DIRECTOR LLOYD MOVED TO ADOPT THE NOVEMBER 18, 2024 AGENDA AS PRESENTED. DIRECTOR AARDEMA SECONDED. NO OBJECTIONS. MOTION CARRIED.

C. APPROVAL OF MINUTES

DIRECTOR AARDEMA MOVED TO APPROVE THE OCTOBER 21, 2024 MINUTES. DIRECTOR HOLLANDER SECONDED. NO OBJECTIONS. MOTION CARRIED.

D. REPORTS AND PRESENTATIONS

1. Presentation of the Financial Report - Meghan Behymer

Meghan Behymer, Downtown Coordinator, presented the September 2024 financial report, noting that the $40,000 in revenue, labeled as "charges for services" can be attributed to a transfer-in from the Downtown Development Authority for the mall maintenance agreement.

Director Aardema asked if the Board was on track as they approach the end of the year. Ms. Behymer noted that legal services is over the budgeted amount, but City staff are monitoring.

DIRECTOR LLOYD MOTIONED TO ACCEPT THE SEPTEMBER 2024 DOWNTOWN ECONOMIC GROWTH AUTHORITY FINANCIAL REPORT AS PRESENTED. DIRECTOR HOLLANDER SECONDED. NO OBJECTIONS. MOTION CARRIED.

2. 234-238 E Michigan Ave – DEGA Step-Aside Presentation

Brian and Carmen Harris presented the 234-238 E Michigan Ave project to the Board for consideration of a step-aside agreement, which would allow the Brownfield Redevelopment Authority (BRA) to capture taxes. Brian and Carmen stated that the project will turn the formerly vacant second level of a 150-year-old building into four 1-bedroom apartments.

Jamie McCarthy called the Board's attention to items 3 and 4 on the Downtown Economic Growth Authority (DEGA) Step-Aside Project Information Request Form, stating that after completion, the taxable value of the parcels would increase from $244,200 to $350,000 total for both parcel IDs. Ms. McCarthy also stated that as of this year, tax capture contributions to the DEGA from these two parcels is just over $5,100.

Director Aardema read the DEGA's mission statement aloud, stating that he believes the project fits into the Board's mission. Director Aardema asked why the project must go through site-plan review, to which Ms. McCarthy answered that it is because the project requires a change in use and a change in occupancy, as there were no existing utilities on the second level of the building.

Director Lloyd asked how long the DEGA would have to step aside from tax capture, to which Ms. McCarthy replied that they are asking for 25 years of tax capture reimbursement to the developer, followed by five years of tax capture for the BRA. Director Lloyd also asked when the project would be completed, to which Mr. Harris answered that he anticipates six to nine months of construction, with the hopes that the project will be completed in the fall of 2025.

Director Lindemann called attention to item 5.c on the project information request form, stating that it should say "no" to the question "Does the project include affordable housing?" as the project contains 25% workforce housing and 75% market rate housing.

Mayor Anderson asked now the Neighborhood Empowerment Zone (NEZ) interacts with TIF. Ms. McCarthy answered that NEZ is a tax abatement with which the City Commission can create districts and offer tax benefits to certain projects, and that this can layer into a Brownfield plan, but burns off after 16 years so that the most significant reimbursement to the developer happens between years 16 and 25.

Mayor Anderson then asked if the Board is being asked to vote today or at the next meeting. Director Lindemann answered that the standard practice in considering step-aside requests is to have the presentation at one meeting and a decision at the subsequent meeting. However, the Board can choose to vote on it at the presentation meeting if they wish. Mayor Anderson stated that he would be comfortable deciding today, and Director Aardema agreed.

Director Hollander asked if the developers had met with the Michigan State Historic Preservation Office. Mr. Harris answered that they have been locally approved but still must meet with the state.

DIRECTOR HOLLANDER MOTIONED TO APPROVE THE STEP-ASIDE REQUEST FOR 234-238 E MICHIGAN. DIRECTOR AARDEMA SECONDED. NO OBJECTIONS. MOTION CARRIED.

Attorney Jessica Wood stated that a formal agreement with the BRA would follow.

3. Park Kalamazoo Presentation – Rob Bacigalupi, Mission North

Rob Bacigalupi presented an update on the parking Blueprint for Park Kalamazoo. Mr. Bacigalupi stated that the Blueprint's purpose is to guide policies and actions that can best support livability and economic development in downtown Kalamazoo. Mr. Bacigalupi stated that there are four categories of strategies for implementation of the Blueprint, including expanding parking supply/capacity, managing parking demand, improving/expanding mobility options, and improving parking operations.

Mr. Bacigalupi stated that several of the action items in the blueprint are dependent on an update to a tiered-rate approach, but that this approach depends on the switching out of the old mechanical meters to new meters whose rates can be easily adjusted. Mr. Bacigalupi stated that most of the parking system's debt service is wrapped up in the parking ramps, especially the Epic Ramp, which requires extensive repairs and maintenance.

Board members expressed concern about having a parking system that is not focused just on adhering to a budget, but is designed to be the best system for the growth of downtown. Director Aardema stated that many of the downtown businesses are struggling and having free street parking available to customers as well as less aggressive ticketing would greatly benefit the businesses and people's impression of downtown. Director Lloyd stated that the City needs to be mindful of the messaging associated with future parking changes and the impact that these decisions will have on downtown.

Mr. Bacigalupi said that if the parking decks were taken away, the system is close to being financially sustainable. Director Aardema suggested that the City sell the parking decks to a third-party, giving the example of the Rose Street parking deck that is now successfully privately owned and operated. Mr. Bacigalupi stated that the Epic Ramp has a lot of costly repairs needed, and it would be challenging to find a buyer.

Mr. Bacigalupi stated that the current implementations of the Blueprint that have been made are the rate changes to be more in line with market rates, the availability of overnight residential on-street parking permits, the installation of the meters on the Kalamazoo Mall, as well as evening parking enforcement on the Kalamazoo Mall. Mr. Bacigalupi stated that the new meters for other areas of downtown will be coming toward the end of summer 2025, which will allow them to implement the two-tier system at the same time.

Mr. Bacigalupi asked the Board if there were any data points they would find useful. Director Lloyd stated that he would like to see pre-meter and post-meter projections of parking on the Kalamazoo Mall, as well as data on parking in the ramps before the 90-minutes free was offered, and after the 90-minutes free began. Director Lloyd also stated he would like to see if there is a way to quantify the value of turnover and amount of turnover in parking spaces on the mall.

Several Board members expressed concern over aggressive ticketing on the Kalamazoo Mall and lack of free street parking options. Mr. Bacigalupi stated that he would take this feedback to his team for evaluation and discussion and report back at a future meeting.

4. Committee Reports

<u>Events and Marketing Committee</u>

Ms. Behymer stated that the committee voted to recommend the extension of the Beats on Bates agreement with Guess Who's Dancing Fitness, LLC, which is on the agenda for the Board's approval today.

<u>Ambassador Program Committee</u>

Ms. Behymer stated that she has conducted outreach with the Department of Public Safety and Discover Kalamazoo, and that several Board members participated in Ambassador Program Walkthroughs last week. She added that City staff put out a survey about the Ambassador Program to downtown business owners, property owners, and the public and received 45 responses. She stated that the committee will see a draft of the RFP the first week of December.

<u>Finance Committee</u>

Director Lindemann stated that there were no updates from the finance committee.

<u>Business Recruitment and Retention Committee</u>

Ms. Behymer stated that the committee is continuing to work on an informational packet geared towards real estate brokers that will be completed in early 2025.

<u>Executive Committee</u>

Director Lindemann stated that there were no updates from the executive committee.

5. Downtown Report

Ms. Behymer stated that there is another opportunity for feedback on the Michigan Avenue Redesign initiative at the Streets for All Open House on December 5. Ms. Behymer also stated that one new business, Kalamazoo Dry Goods, joined the Downtown Dollars program.

Ms. Behymer stated that she and the Ambassadors have created a trash receptacle map and are moving forward with the removal of most of the green trash bins, pursuing a Bigbelly expansion with grant and donation dollars in the near future.

Director Hollander asked if there had been a recent comparison study done on different waste programs available. Ms. Behymer responded that there has not been a comparison done since the Kalamazoo Downtown Partnership first initiated the contract with Bigbelly. Director Lindemann added that it is time to act, but the contract with Bigbelly needs to be renegotiated upon expansion.

E. DISCUSSION/ACTION ITEMS

1. Motion to Authorize the DEGA Board Chair to execute the Final Settlement Agreement (and any related documents necessary to implement the agreement) with MAVCON in consultation with the Authority's legal counsel.

   DIRECTOR BRENEMAN MOTIONED TO AUTHORIZE THE DEGA BOARD CHAIR TO EXECUTE THE FINAL SETTLEMENT AGREEMENT (AND ANY RELATED DOCUMENTS NECESSARY TO IMPLEMENT THE AGREEMENT) WITH MAVCON IN CONSULTATION WITH THE AUTHORITY'S LEGAL COUNSEL. DIRECTOR LLOYD SECONDED. NO OBJECTIONS. MOTION CARRIED.

2. Motion to Authorize Board Chair to Amend and Extend Beats on Bates Agreement with Guess Who's Dancing Fitness, LLC for a period of one year in consultation with the Authority's legal counsel.

   DIRECTOR LLOYD MOTIONED TO AUTHORIZE THE BOARD CHAIR TO AMEND AND EXTEND THE BEATS ON BATES AGREEMENT WITH GUESS WHO'S DANCING FITNESS, LLC FOR A PERIOD OF ONE YEAR IN CONSULTATION WITH THE AUTHORITY'S LEGAL COUNSEL. DIRECTOR AARDEMA SECONDED. NO OBJECTIONS. MOTION CARRIED.

F. PUBLIC COMMENTS

There were no public comments.

G. DIRECTOR COMMENTS

Director Lloyd stated that the Board needs to examine new revenue streams if they are going to get continually asked to step-aside for Brownfield projects. Director Hollander added that the Board cannot compete with the terms of housing TIF, and that every project will now go to the BRA if there is a housing component. Director Hollander asked if there could be a way where the Board could automatically approve the step-aside requests of any housing projects without having to hear the presentation. Attorney Wood stated that it could not be an automated process and that the Board would still have to take action. Director Lindemann stated that there is no harm in the Board knowing what is going on, but that it can be a quick and simple process. Director Breneman stated that City staff needs to follow through on getting the Board's questions answered in advance so that decisions can be made in a timely manner.

H. STAFF COMMENTS

There were no staff comments.

I. ADJOURNMENT

DIRECTOR LINDEMANN ADJOURNED THE MEETING AT 4:42 P.M.