NORTHSIDE CULTURAL BUSINESS DISTRICT AUTHORITY BOARD

October 17, 2024

A meeting of the Northside Cultural Business District Authority (NCBDA) Board of Directors was held on Thursday, October 17, 2024 at 6:00 p.m. at 530 N Rose St.

DIRECTORS PRESENT:

Mayor Anderson, Mattie Jordan-Woods, Tami Rey, Marilyn Pulley, Chad Dodd, Ricky Thrash, Kiar Gamsho

DIRECTORS ABSENT:

Matthew Norman, Damian Henderson

Also present from the City of Kalamazoo were:

- Chelsie Downs-Hubbarth, Community Investment Manager
- Erin Hahn, Community Investment Administrative Assistant
- Jamie McCarthy, Sustainable Development Coordinator

Also present from the community were:

- Attorney Jessica Wood
- Dave Stegink

The meeting was called to order at 6:00 p.m.

ROLL CALL

Roll call was taken at 6:00 p.m. and it was determined that quorum did exist.

APPROVAL OF THE AGENDA

Director Dodd motioned to approve the agenda as presented. Director Pulley seconded the motion. A voice vote was taken and the motion passed.

APPROVAL OF NCBDA MINUTES

Director Jordan-Woods stated that in the July minutes, under the approval of the agenda section, it should read that Director Jordan-Woods asked for a motion, not that she made the motion, as the motion was made by Director Thrash and seconded by Director Henderson.

Director Jordan-Woods stated that more comments from board members need to be in the minutes and that any vote needs to be recorded.

Director Jordan-Woods asked for a motion to table the approval of the minutes until further review can be completed. Director Pulley made the motion and Director Thrash seconded the motion. A voice vote was taken and the motion passed.

PUBLIC COMMENTS

There were no members of the public present.

DIRECTOR COMMENTS

There were no director comments.

NEW BUSINESS

1. **Brownfield Redevelopment Authority Presentation**

Jamie McCarthy, Sustainable Development Coordinator, presented to the Board about the Brownfield Redevelopment Authority. Ms. McCarthy stated that her main purpose with the presentation was to talk about the overlap of projects that may want to come into the Northside Cultural Business District that want to take advantage of Brownfield incentives, and how a project can apply for a Brownfield plan when there is already a district in place.

Ms. McCarthy stated that the City has one other example of this in our city, and that is in the Downtown Economic Growth Authority. Ms. McCarthy added that she had Attorney Jessica Woods with her to share about the legal technicalities of Brownfield, as well as a representative from Fishbeck who would be talking about how TIF can work and benefit the district.

Ms. McCarthy stated that the City Commission cannot adopt a new Brownfield plan without the board seeing that project and having some sort of agreement and approval process within that. Ms. McCarthy explained that the NCBDA can come up with their own policy that outlines how they want Brownfield applicants to come forward to their board, what information they want to see, the structure for how the board likes to evaluate those projects, and what kind of agreement they want to come to that benefits their district, but allows development projects to get the incentives that they need.

Ms. McCarthy shared an image of a map of the Northside Cultural Business District, where black dots represented projects that are currently on the NCBDA's tax roll because the TIF had been terminated, and green dots represented projects that are currently on the Brownfield Redevelopment Authority's tax roll. Ms. McCarthy stated that there will be no new applications until the Board has their new policy in place.

Director Jordan-Woods asked for clarification on what it means for a TIF to be terminated. Ms. McCarthy answered that when the City Commission approves or adopts a Brownfield plan, the plan says how many years of tax capture that the Brownfield Authority will capture, and that there is a second agreement that tells the developer what will be paid to them. Ms. McCarthy stated that the two black dots are not paying property taxes, so there are no taxes to pay them back, therefore they do not qualify for Brownfield anymore.

Director Pulley asked Ms. McCarthy to explain what Brownfield means. Ms. McCarthy stated that Brownfield is a specific state law that allows a Brownfield Redevelopment Authority to provide tax incentives for certain kinds of property, including blighted property, contaminated property, sometimes historic property, and most recently, housing property. Ms. McCarthy explained that the important thing to remember is that the black dots are not going to have a Brownfield plan.

Director Jordan-Woods asked if the Northside Cultural Business District will be able to capture any taxes from those plans. Ms. McCarthy responded that those properties are not paying regular taxes, so there would be no taxes to collect. Mayor Anderson stated that they applied for pilots, so that is why the Brownfield agreement was terminated due to payment in lieu of taxes.

Director Jordan-Woods asked to clarify that the projects were able to obtain the pilots without coming to the Board. Attorney Wood stated that pilots are dictated by a Michigan State Housing and Development Authority (MSHDA) statute, which are usually dictated pursuant to an ordinance that the City Commission in each city adopts, so these projects usually go straight to City Commission without going before any of the other taxing jurisdictions.

Director Jordan-Woods asked to clarify that if a project goes straight to City Commission to ask to be a pilot, that there is no tax capture because of payment in lieu. Attorney Wood explained that they would have to meet certain statutory requirements to be able to qualify for a pilot, as laid out by MSHDA.

Director Jordan-Woods asked to clarify if one of the MSHDA requirements is to do community engagement, because a developer at a recent groundbreaking ceremony said that he did community engagement, but did not come before the NCBDA Board. Director Jordan-Woods said that the whole point of forming the district was to generate dollars so that there would be developments that would help the residents in the neighborhood.

Ms. McCarthy stated that she would bring a pilot back to the Board to discuss more about the City’s ordinance regarding community engagement and Brownfield projects, and that when Kevin returns, the Board can decide what it wants to do in terms of creating a policy.

Ms. McCarthy presented a diagram that laid out the Brownfield application process, stating that the lengthy process starts with a pre-application meeting, and end with the final approval by the City Commission. Ms. McCarthy also stated that there are project criteria that the City uses to score a project in order to create transparency. Ms. McCarthy also stated that projects get stopped if they are located within another tax capture district, like the DEGA or NCBDA, and requires some sort of step-aside or sharing agreement giving the approval of the district.

Attorney Jessica Wood presented a legal overview of the Brownfield Redevelopment Authority. Director Jordan-Woods asked for clarification on the difference between the Brownfield Redevelopment Authority and a Corridor Improvement Authority. Attorney Wood stated that they are both legally authorized to capture tax revenues, which is a huge authority under the law.

Attorney Wood explained that the Brownfield Redevelopment Authority was created to encourage and incentivize developers to rehabilitate existing buildings. Attorney Wood stated that if there is an existing district in place, it is first in line for the tax capture. Attorney Wood stated that it is important for the Board to know that tax increment revenues under the Brownfield Act specifically excludes any existing capture that’s occurring. This means that since the district’s establishment in 2023, Brownfield cannot capture unless there is an agreement with the district stating that they can do so.

Director Jordan-Woods asked if Attorney Wood could work with the Board to create their own process and policy to use when Brownfield requests come before them, and if the services would be included in her contract with the City, or if the Board would have to secure funds to work with her. Attorney Wood answered that she represents a lot of different authorities, but if everyone was willing to wave conflicts, they could discuss it, otherwise she could direct the Board to someone else who could help them.

Director Jordan-Woods expressed concern about projects being able to go the pilot route without having to come before the Board, specifically citing the Mount Zion project. Mayor Anderson answered that MSHDA requires it in order to get 9% tax credits. Attorney Wood stated that eventually the pilot will expire in 30-40 years, and then the district would get that value. Attorney Wood also explained that Brownfield does not have a say in pilot, but she understands that there is an issue with pilots and those processes being communicate to the board.

Attorney Wood stated that developers will likely go straight to Brownfield, and get flagged because they are located within the district, meaning that no plan can be approved until they come to the Board. Director Jordan-Woods stated that she would like Jessica to come back at a future meeting, and possibly have a special meeting just about the policy. Mayor Anderson agreed that it would take more than one meeting to come up with a policy.

Director Jordan-Woods asked the Board for a motion to move the Brownfield/TIF discussion to the next meeting. Mayor Anderson answered that the board did not need a motion, they could just move the item to the next meeting. Mayor Anderson asked for the Brownfield/TIF discussion to be simplified, with easy-to-understand terms and examples. Director Pulley asked for more handouts to accompany the discussion.

2. **Meeting Dates and Locations for the Remainder of 2024**

Director Pulley asked when the next meeting is scheduled. Director Jordan-Woods answered that it would be November 21st at NACD.

UNFINISHED BUSINESS

Director Jordan-Woods stated that the Board's unfinished business is the budget, but further discussion would need to be had prior to December.

COMMUNICATIONS AND ANNOUNCEMENTS

There were no announcements.

STAFF REPORTS AND UPDATES

1. **Financial Report – August 2024**

Chelsie Downs-Hubbarth stated that the financial report had not changed since the previous month. There were no questions from the Board.

ADJOURNMENT

Director Pulley, supported by Director Dodd motioned to adjourn the meeting. A voice vote was taken and the motion carried.