NORTHSIDE CULTURAL BUSINESS DISTRICT AUTHORITY BOARD

December 19, 2024

A meeting of the Northside Cultural Business District Authority (NCBDA) Board of Directors was held on Thursday, December 20th at 612 N Park St.

DIRECTORS PRESENT: Mattie Jordan-Woods, Mayor Anderson, Ricky Thrash, Damian Henderson, Chad Dodd, Marilyn Pulley

DIRECTORS ABSENT: Kiar Gamsho, Tami Rey, Matthew Norman

Also present from the City were:

- Kevin Ford, Shared Prosperity Coordinator
- Erin Hahn, Community Investment Administrative Assistant

Also present from the community were:

- Jessica Wood, Attorney for the Brownfield Redevelopment Authority
- Gene Wright, Second Baptist Church
- Mae Skinner, Community Member

The meeting was called to order at 6:03 p.m.

ROLL CALL

Roll call was taken at 6:03 p.m. and it was determined that quorum did exist.

ADOPTION OF AGENDA

Director Pulley motioned to adopt the agenda as presented. Director Henderson seconded the motion. A voice vote was taken and there were no objections. The motion passed.

APPROVAL OF MINUTES

Mayor Anderson motioned to approve the minutes from the Northside Cultural Business District Authority meeting on November 21, 2024. Director Henderson seconded the motion. A voice vote was taken and there were no objections. The motion passed.

PUBLIC COMMENTS

There were no public comments.

DIRECTOR COMMENTS

Director Henderson asked if Matthew Norman is still on the board, as he has been absent from multiple meetings this year. Director Jordan-Woods stated that it should be added to the January agenda to remove Matthew Norman from the board, and that the board should post a public notice stating that there is a position open on the board.

Director Jordan-Woods gave an update about the cultural monuments project, stating that she is working with Kevin Ford, Jae Slaby, and James Baker to secure a $500,000 grant for the initiative. The grant will use funding from the city's Damien Street infrastructure project, which includes sewer line replacements and lighting improvements, as a match.

Gene Wright asked for clarification on the location of the improvements, and Director Jordan-Woods stated that the improvements would take place on North Street and Church Street.

Director Jordan-Woods stated that these funds will cover the installation of cultural monument pillars, as well as the hiring of ambassadors and historians. She also stated that the board plans to request a letter of support from the City of Kalamazoo and will schedule a special meeting in January to ensure everyone is familiar with the details of the project.

NEW BUSINESS

1. 2025 Dates for NCBDA Meetings

The board discussed the 2025 meeting schedule for the Northside Cultural Business District Authority. It was proposed that meetings continue to be held on the third Thursday of every month at 6:00 PM, with the location changing for January. In January, meetings will be held at Director Jordan-Woods' office and meeting space at 622 North Westnedge Ave., and from February to December, they will take place at the NACD at 612 N Park St.

Mayor Anderson motioned that the 2025 meeting schedule be a monthly meeting on the third Thursday of every month at 6 p.m. Director Thrash seconded the motion. A voice vote was taken and there were no objections. The motion carried.

UNFINISHED BUSINESS

1. **NCBDA Social District Policy**

   The board discussed the social district policy, which aims to allow businesses within the Northside Cultural Business District to serve alcohol and permit people to carry drinks between establishments. Earlier in the year, the board considered adopting the same policy as the DEGA downtown but decided not to cover the fees for businesses seeking to participate. The policy would require businesses to pay any necessary fees themselves. The board also debated how to manage the district, agreeing that if a business wants to participate in the social district, they must handle their fees. Additionally, the board discussed establishing a local maintenance and management plan, with the goal of involving Northside residents in the cleaning and upkeep of the district. The mayor clarified that the city would apply for the necessary permits, but the district could delegate responsibility to other entities. Ultimately, the board decided to form a subcommittee to further refine the policy and bring a proposal back to the full board. The board then decided to table the vote on the policy until the subcommittee has finalized the details.

2. NCBDA Step-Aside Policy

The step-aside policy was discussed in detail, with Attorney Jessica Wood providing an overview. The policy revolves around managing requests for Brownfield reimbursements, which have become more common as the Brownfield model has expanded to include housing activities. Developers now seek reimbursement for expenses like architectural and environmental costs, and these requests require approval from entities like the Northside Cultural Business District (NCBDA). The proposed policy ensures fairness and consistency by standardizing the information required for such requests. Examples included in the packet demonstrate how similar policies are applied elsewhere. Adopting this policy would allow the district to make informed decisions about whether to forego tax revenue for a limited time in exchange for project benefits. Additionally, the policy outlines the ability to negotiate incentives, ensuring that the district's interests are considered. A procedure document further details how the process would work, providing a clear framework for evaluating these proposals.

The process outlined for Brownfield reimbursement begins with city staff notifying the board when a developer requests reimbursement, as they are the first to be informed. The developer, alongside city staff, presents detailed project information to the board for consideration, often at two separate meetings to allow time for deliberation. The board retains discretion over whether to approve the reimbursement, including setting terms for sharing administrative fees and limiting the duration of tax capture, which can range from 10 to 30 years. This policy ensures consistency and transparency, giving the board the flexibility to approve projects that align with the district’s long-term financial benefits. While direct benefits to residents may vary, the focus is on the increased taxable property value generated for future district investments. To maintain fairness and preparedness, the board aims to finalize its policy and agreement template, ensuring an equitable process for all developers and projects.

The discussion revolved around the pitfalls and safeguards of tax abatements for development projects. Concerns were raised about businesses obtaining lengthy tax breaks, such as 15 years, but going out of business after a decade, leaving cities unable to recoup lost taxes. The Brownfield program was highlighted as a more secure alternative since it operates as a reimbursement mechanism: businesses must fund and complete their projects before receiving any tax reimbursements based on actual value generated. Safeguards like clawback provisions were noted, allowing recovery of funds if businesses default on agreements. Examples were shared, such as Graphics Packaging, which failed to meet promised commitments yet faced no penalties due to weak policies. Issues with vacant buildings and developers demolishing structures to avoid taxes were also discussed, emphasizing the need for long-term oversight and careful negotiation of terms, including administrative fee-sharing. Ultimately, the board voted to approve a policy to address these concerns while enabling flexibility for future development agreements.

Director Dodd motioned to adopt the NCBDA Step-Aside Policy and Request Form as presented. Director Henderson seconded the motion. A voice vote was taken and there were no objections. The motion carried.

COMMUNICATIONS AND ANNOUNCEMENTS

There were no communications or announcements.

STAFF REPORTS AND UPDATES

1. October 2024 Financial Report – Kevin Ford

Kevin Ford, Shared Prosperity Coordinator, shared the financial report for October 2024, stating that as the board had not spent any money, the balance remained the same. Director Pulley asked if the balance should be $20,000, and Mr. Ford answered that in 2025 the tax capture will be an additional $10,000, so that number will be reflected in the financial report as the capture comes in.

ADJOURNMENT

Director Henderson motioned to adjourn the meeting. Director Dodd seconded the motion. A voice vote was taken and there were no objections. The motion carried.

The meeting was adjourned at 6:50 p.m.