

Agenda

Downtown Development Authority

Board of Directors

City of Kalamazoo



Monday, February 17, 2025

3:00 PM

Main Conference Room at Community Planning and Economic Development

A. CALL TO ORDER/ROLL CALL

1. Purpose Statement:

The purpose of this Downtown Development Authority is to halt property value deterioration and promote economic growth within its business district, to increase property value.

The purpose of this Downtown Economic Growth Authority is to correct and prevent deterioration in residential, commercial, and industrial areas, to authorize the acquisition and disposal of interests in real and personal property; to authorize the creation and implementation of development plans and development areas.

The Kalamazoo DDA and DEGA, acting in concert, have set forth the strategic objective of focusing its resources on improving “The First 16 Feet”, a three-dimensional volume of space including buildings ground floor façade, the frontage that exists between the façade and the common space, and the common space that provides access to and through the district.

B. ADOPTION OF FORMAL AGENDA

C. APPROVAL OF MINUTES

1. Approval of the minutes from the meeting of the Downtown Development Authority Board on January 27, 2025. (**Action: Motion to approve**)

D. REPORTS AND PRESENTATIONS

1. Financial Report - December 2024

E. DISCUSSION/ACTION ITEMS

1. Approval of Director Curt Aardema as Secretary of the Downtown Development

Authority (**Action: Motion to Approve**)

2. Recommendation of DDA Board Member Nomination to Mayor and City Commission.
3. Authorize Board Chair to execute legal services extension agreement with Dickinson Wright PLLC through February 2028

F. PUBLIC COMMENTS

G. DIRECTOR COMMENTS

H. ADJOURNMENT

Board of Directors Regular Meeting Minutes

January 27, 2025, 3 p.m. | Community Planning & Economic Development, 245 N Rose Street

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

ABSENT: Jeff Breneman, Jessica Thompson, Kwame Gyimah

STAFF: Meghan Behymer, Erin Hahn

A. CALL TO ORDER

DIRECTOR LINDEMANN CALLED THE MEETING TO ORDER AT 4:05 P.M.

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

ABSENT: Jessica Thompson, Kwame Gyimah

EXCUSED: Jeff Breneman

THE JANUARY 27, 2025 ATTENDANCE INCLUDING EXCUSED AND UNEXCUSED ABSENCES ARE RECORDED.

B. ADOPTION OF FORMAL AGENDA

DIRECTOR HINMAN MOVED TO ADOPT THE JANUARY 27, 2025 AGENDA AS PRESENTED. DIRECTOR HOLLANDER SECONDED. NO OBJECTIONS. MOTION CARRIED.

C. APPROVAL OF MINUTES

DIRECTOR AARDEMA MOVED TO APPROVE THE DECEMBER 16, 2024 MINUTES. MAYOR ANDERSON SECONDED. NO OBJECTIONS. MOTION CARRIED.

D. REPORTS AND PRESENTATIONS

a. Presentation of the November 2024 Financial Report – Meghan Behymer

Meghan Behymer, Downtown Coordinator, presented the November 2024 Financial Report, highlighting that the DDA recorded \$17,320 in tax revenue, bringing the year-to-date revenue to \$318,962. Ms. Behymer stated that revenues less expenses through November 2024 amount to \$133,477. Ms. Behymer also noted that there was a reversal

Board of Directors Regular Meeting Minutes

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of the brick repair by landscaping plus expense for \$4,940, adding that there are ongoing conversations about a smoother process of handling expenses with Public Works.

DIRECTOR HOLLANDER MOVED TO ACCEPT THE NOVEMBER 2024 FINANCIAL REPORT.

DIRECTOR AARDEMA SECONDED. NO OBJECTIONS. MOTION CARRIED.

E. DISCUSSION/ACTION ITEMS

There were no discussion/action items.

F. PUBLIC COMMENTS

There were no members of the public present.

G. DIRECTOR COMMENTS

Director Hinman gave an update on the plans for the Arcadia Creek portion of the Event Center project. Director Aardema asked about having a representative from the Event Center project speak at a future meeting, as there will be logistics that will need to be discussed upon the opening of the Event Center, including considering expansion of the Bigbelly and Ambassador programs.

H. ADJOURNMENT

Director Lindemann adjourned the meeting at 4:27 p.m.

Downtown Development Authority
Statement of Activity
12/31/2024

Total Available Cash **\$ 734,517**

	2024 Amended Budget	December	2024 YTD Totals	Budget to Actual Variance
Revenues:				
Taxes*	274,000	17,001	250,266	(23,734)
Delinquent Property Taxes			5,141	5,141
Payment In Lieu Of Taxes (Pilot)	2,000		2,035	35
Interest			-	-
Sale of Capital Assets			10,000	10,000
Other Revenues			9,310	9,310
Other Revenues - Mall Maintenance	59,210		59,210	-
Total Revenues	335,210	17,001	335,962	752

**Taxes will be accrued back over the next couple of months. Final amounts are expected to be in line with budget.*

Expenses:				
Professional And Contractual Services	108,000	222	12,590	95,410
Land Improvements			13,659	(13,659)
Legal Services And Fees	30,000	399	11,870	18,130
Audit Fees	14,600		5,840	8,760
Utilities	17,000	1,607	10,004	6,997
Administrative Fees	125,000	31,250	125,000	-
Contribution to DEGA	40,000		40,000	-
MetroCenter Debt Service	-		-	-
Tax Appeal Refunds			-	-
Total Expenses*	334,600	33,478	218,962	115,638

**Interest/debt service will be updated on financial statements to meet accounting requirements for updated and transferred debt obligations.*

Revenues Less Expenses	610	(16,477)	117,000	116,390
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Notes:

Long Term Debt Outstanding:

City Of Kalamazoo	1,070,680
Mavcon Note - In Negotiation	TBD

Utilities:

	December	2024 YTD Totals
Electricity (Including Street Lights)	544	6,470
Water & Sewer	1,063	3,533
TOTAL	1,607	10,003

Professional And Contractual Services:

Holiday Banners Removal by Sign Depot		1,667
Banner Repairs by Sign Depot	222	222
Abraxas DDA/DEGA File Processing		3,611
Emergency Landscaping Services - by Santiago		3,360
Landscape Supplies (Mulch)		1,120
12 Downtown Planter Pots		780
Sprinkler System Repair City Hall		94
Brick Repair by Landscaping Plus		-
Irrigation - Repair Service For Downtown Mall		1,737
TOTAL	222	12,590

Professional And Contractual Services Budgeted Plan:

Portland Loo Maintenance	5,000
Mall Maintenance	15,000
Wolverine PO	25,000
Mulders	5,000
Banners	2,000
Bridge Inspections	14,000
Bates Alley Maintenance	12,000
Available for Maintenance Projects or Dredging	25,000
Total	103,000

**Downtown Development Authority
December 2024 Financial Summary**

In December, the Downtown Development Authority (DDA) received \$17,001 in tax revenue. This brought year-to-date revenues to \$335,962, which is \$752 over budget. With upcoming accruals, we are expecting the tax revenues to be in line with the 2024 budgeted amount.

December expenses totaled \$33,478. Key expense categories included: **Professional and Contractual Services (\$222)** for repair of downtown banner hardware; **Legal Services and Fees (\$399)**; **Utilities (\$1,607)**; and the **Quarterly City Service Agreement (\$31,250)**.

Year-to-date expenses totaled \$218,962, exceeding the revenues by \$117,000.



Advisory Boards and Commissions Appointee Nomination Report

City of Kalamazoo

RECOMMENDATION

It is recommended that the City Commission approve the following appointments (and/or reappointments) to the Downtown Development Authority:

Full Term Appointment

- Rick Searing for a full term expiring on March 31, 2029
- Trisha Kidd for a full term expiring on March 31, 2029

Partial Term Appointment

- Stanley Steppes for a partial term expiring on March 31, 2028

SPECIAL REQUIREMENTS FOR THIS POSITION

At least 5 members of the 9-person board must have an interest in property located in the downtown district. At least one of the members must be a resident of the downtown district.

SELECTION PROCESS

The DDA/DEGA Executive Committee held three interviews to gauge interest of candidates and select those whose professional expertise and lives experience help to diversify the board makeup

Applicants Considered

- Rick Searing
- Trisha Kidd
- Stanley Steppes

Interview Process and Final Recommendation

- Rick Searing
- Trisha Kidd
- Stanley Steppes

NOMINEE QUALIFICATIONS

Dual Board Memberships

- Rick Searing is not a member of any other City boards, commissions or committees.
- Trisha Kidd is a board member of Big Brothers Big Sisters of Southwest Michigan. Trisha is not a member of any other City boards, commissions or committees.
- Stanley Steppes is not a member of any other City boards, commissions or committees.

Residency

- Rick Searing resides in downtown Kalamazoo.
- Trisha Kidd resides in Oshtemo and is an employee of PlazaCorp, a downtown business.
- Stanley Steppes resides and works in downtown Kalamazoo.

Term Limits

- This would be Rick Searing's first full term on the DDA board. He would be eligible for reappointment for a second full term at the conclusion of this term.
- This would be Trisha Kidd's first full term on the DDA board. She would be eligible for reappointment for a second full term at the conclusion of this term.
- This would be Stanley Steppes' first partial term on the DDA board. He would be eligible for reappointment for a first full term at the conclusion of this term.

Training, Experience, Education And Skills

- Rick Searing brings board governance experience as a former Trustee of the Portage Rotary Club and current Treasurer of the IB Schools of Michigan. A longtime educator with a Master's in Educational Leadership, he has been a high school teacher and administrator since 1997, specializing in government, economics, and history. Deeply invested in downtown Kalamazoo, he has served on zoning and downtown partnership committees and actively engages in leadership development through Southwest Michigan First. Living on the Kalamazoo Mall, he and his wife are passionate about the community's growth and development.
- With over 20 years in real estate development, management, brokerage, banking, and law, Trisha Kidd is the Principal Associate Broker at PlazaCorp Realty Advisors, Inc. and Director of Project Management. She holds an Executive Certificate from Notre Dame, a Paralegal Certificate, and a B.A. from Western Michigan University. A CCIM candidate and active in multiple real estate organizations, she also serves on the Board of Big Brothers Big Sisters of Southwest Michigan. Deeply engaged in West Michigan, she has been involved in downtown Kalamazoo's business and nonprofit communities for over a decade.
- With a background in marketing for a nonprofit serving Kalamazoo County, Stanley Steppes has a deep understanding of community needs and regional dynamics. As an entrepreneur in finance and video production, he brings strategic thinking and creative problem-solving to complex projects. His experience and entrepreneurial mindset position him to contribute meaningfully to community growth and development.

Contribution To Diversity

- Rick Searing is a white male in the 45 to 54 age bracket.
- Trisha Kidd is a white female.
- Stanley Steppes is a black male in the 35 to 44 age bracket.

NOMINATION RATIONALE

We are nominating these individuals for board seats because of the unique skills, diverse experiences, and valuable perspectives they bring to the table. Their backgrounds, expertise, and passion for community engagement will provide fresh insights and strengthen the board's ability to make informed, impactful decisions. We believe their contributions will help further our mission and support the continued growth and vibrancy of downtown.

CITY CLERK'S CERTIFICATION

The nominee's qualifications regarding dual board memberships, residency, and term limits have been reviewed and verified by the City Clerk's Office.

Scott A. Borling, City Clerk

TO: Downtown Development Authority and Downtown Economic Growth Authority Board of Directors
FROM: Downtown Development Authority and Downtown Economic Growth Authority Executive Committee
DATE: February 17, 2025
SUBJECT: Recommendation to Continue with Current Legal Counsel

Purpose

This memo serves to recommend that we continue with our current legal counsel, Dickinson Wright PLLC, for the Downtown Development Authority (DDA) and Downtown Economic Growth Authority (DEGA) while updating the existing agreements.

Background

Our current legal counsel agreement for both DDA and DEGA was entered into in 2019 and has not been revisited since. The contract formally ended in June 2022 but has continued on an informal basis. Dickinson-Wright has recently requested an hourly rate increase from \$190 to \$230, rates that remain well below standard industry rates. Given the lapse in a formal agreement and the reasonable request for a rate adjustment, now is an appropriate time to update the terms to ensure continued high-quality legal support for both authorities.

Assessment

Continuing with our current legal counsel, Dickinson-Wright, offers several significant advantages that make it a sound choice for our organization. Their deep institutional knowledge of both the Kalamazoo Downtown Development Authority (DDA) and the Downtown Economic Growth Authority (DEGA) enables them to provide insightful, targeted advice that reflects our history, strategic objectives, and past legal matters. This expertise has been demonstrated time and again as they have reliably supported key initiatives and guided us through complex legal situations, ensuring that our actions align with legal frameworks and strategic goals.

Moreover, maintaining continuity with Dickinson-Wright avoids the disruption and time investment that would come with onboarding a new legal team. The firm's familiarity with our operations and past decisions streamlines their ability to deliver sound counsel without the need for a steep learning curve.

Dickinson-Wright's specialization in economic development law further sets them apart, particularly with their extensive experience representing numerous DDAs, corridor improvement authorities, and similar entities across Michigan. Their broad knowledge base includes a comprehensive understanding of statutes, legal mechanisms, and best practices related to financing, tax capture, levies, bonds, and the daily implementation of these structures. Their work with a wide range of economic development entities has provided them with a robust library of working documents, which they bring to bear in support of our efforts. This specialized expertise, coupled with very reasonable rates, makes Dickinson-Wright a far more effective and cost-efficient choice than a local general practitioner who may lack this level of focused knowledge.

Fiscal Impact

The proposed hourly rate increase from \$190 to \$230 will result in a moderate increase in legal expenses. Legal services are currently funded through the existing operating budgets of both the DDA and DEGA. Funds for legal counsel are already budgeted for the current fiscal year (\$30,000 for DEGA and \$20,000 for DDA) and can accommodate the proposed rate adjustment. No immediate budget amendment is required but continued monitoring of legal expenditures will ensure alignment with budgeted allocations. If legal expenses exceed projections, staff will return to the board to propose any necessary budget adjustments.

Recommendation

The joint DDA/DEGA Executive Committee recommends that the DDA and DEGA continue with current legal counsel through Dickinson Wright at the increased hourly rate of \$230 and authorize the Board Chair to execute legal services agreement with Dickinson Wright PLLC for a period of three years.