
CITY OF KALAMAZOO
ECONOMIC DEVELOPMENT CORPORATION BOARD MEETING
Thursday, February 20, 2025
Community Planning and Economic Development
245 N. Rose Street, Kalamazoo, MI 49007

MEMBERS PRESENT: Kevan Hess; Rachel Bair; Jason Novotny; Sharon Ferraro; Kyle Gulau; Nathan Bolton

MEMBERS ABSENT: Lucas Middleton; Andrew Schipper; Michael Gurnee; Alonzo Wilson

CITY STAFF PRESENT: Jamie McCarthy (Development Manager); *Jessica Wood (Attorney, Dickinson Wright); Logan Mulholland (Consultant, Fishbeck); Jared Chambers (Business Specialist); Heidi Waffle (Brownfield Project Assistant)

*Attorney Wood attended the meeting virtually.

Meeting was called to order at 7:48 AM by Chair Novotny.

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

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

APPROVAL OF MINUTES: Director Ferraro moved approval of the minutes from the meeting of January 16, 2025; seconded by Director Gulau. Motion approved by voice vote unanimously.

PUBLIC COMMENTS

Marty Webber, representative of Only Alien, shared comments regarding New Business Item 2. He said they did get the Silver level as far as social equity with the State. The remaining deficiencies include the Personal Property Tax Statement that needs submitted and the delinquent property taxes. He shared he submitted the personal property tax statement recently, but because his accountant was not available, he had to complete it himself and he still needs to submit an itemized list. He also spoke to the hardships they have faced that have set them back on paying the property taxes, which includes the State limiting them on selling their flour and fewer crops than anticipated due to issues with the water. He requested that the board consider the business for a 90-day approval period for them to get caught up on the property taxes and thanked the board.

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 Green Peak Industries, Inc dba Skymint.

Mr. Chambers shared information on the business, as found in the agenda packet.

Director Hess moved approval of a recommendation to the City Clerk's Office for a 2-year approval of the Adult Use Retailer Permit to Green Peak Industries, Inc dba Skymint; seconded by Director Bolton.

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

2. Approval of a recommendation to the City Clerk's Office for a 1-year approval of the Class A Microbusiness and Designated Consumption Lounge Permits to Royalweb, LLC dba Only Alien, contingent on the Applicant correcting the deficiencies by paying delinquent property taxes, and submitting approved Silver Level designation from the CRA by February 28, 2025. If the applicant fails to correct the deficiencies by this deadline, then the recommendation is approval of a 90-day probationary renewal.

Mr. Chambers shared Mr. Webber has been working really hard to get this business up and running and has continued to work closely with staff.

Director Gulau moved approval of a recommendation to the City Clerk's Office for a 1-year approval of the Class A Microbusiness and Designated Consumption Lounge Permits to Royalweb, LLC dba Only Alien, contingent on the Applicant correcting the deficiencies by paying delinquent property taxes, and submitting approved Silver Level designation from the CRA by February 28, 2025. If the applicant fails to correct the deficiencies by this deadline, then the recommendation is approval of a 90-day probationary renewal; seconded by Director Bolton.

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

3. Approval of a recommendation to the City Clerk's Office for a 2-year approval of the Medical & Adult Use Processor Permits to Portage Acquisitions, Inc dba Black Market Retailers, contingent on the Applicant correcting the outstanding deficiencies by paying the delinquent taxes and paying the renewal permit application fee by February 28, 2025. If the Applicant fails to correct the deficiencies by this deadline, then the recommendation is approval of a 90-day probationary renewal.

Mr. Chambers shared information on the business, as found in the agenda packet.

Jevin Weyenberg, representative of Portage Acquisitions, thanked the board for their time and everything they are doing for the community. He said he is paying the renewal fee at the Clerk's Office directly after the meeting. They are going to pay the property taxes by next week. He said it is an honor and privilege to do work in this community, and he is happy to work with the board on the current bi-annual basis.

Director Ferraro moved approval of a recommendation to the City Clerk's Office for a 2-year approval of the Medical & Adult Use Processor Permits to Portage Acquisitions, Inc dba Black Market Retailers, contingent on the Applicant correcting the outstanding deficiencies by paying the delinquent taxes and paying the renewal permit application fee by February 28, 2025. If the Applicant fails to correct the deficiencies by this deadline, then the recommendation is approval of a 90-day probationary renewal; seconded by Director Hess.

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

4. Motion to establish a nominating committee to recommend candidates for 2025 board vacancies.

Chair Novotny asked if there are two or three members who would be willing to sit on a nominating committee to put together a list and review candidates for the vacancies that will be open following the end of Director Bolton and Director Hess' second term.

Director Hess and Director Bolton volunteered to serve on the committee.

Director Gulau moved motion to establish a nominating committee to recommend candidates for 2025 board vacancies; seconded by Director Bair.

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

5. Approval of a Contract Renewal with Dickinson-Wright to provide legal services to the Brownfield Redevelopment Authority from April-December 2025.

Ms. McCarthy explained the contract term length was changed to align with the City's fiscal year. She stated the rate was unchanged.

Director Hess moved approval of a Contract Renewal with Dickinson-Wright to provide legal services to the Brownfield Redevelopment Authority from April-December 2025; seconded by Director Gulau.

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

6. Kalamazoo Social Equity Cannabis Chamber Annual Report Presentation

Rebecca Colette, contracted by the City of Kalamazoo, gave a presentation on the Social Equity Cannabis Chamber to-date. She noted they did not start in January 2024, but rather in the summer of 2024. She went over the 2024 goals, including supporting existing Cannabis businesses in Kalamazoo, creating a job board, focusing on workforce development, and supporting ancillary businesses. Their performance goals and benchmarks for last year was through events and participation, which they were able to accomplish. She shared there was no social media prior to beginning, but they have built Instagram and Facebook channels. She shared data regarding social media and outreach.

Ms. Colette discussed their event achievements. They had a total of fourteen events – six in-person and eight webinars. They had 157 repeat attendees for events. She noted all of their events were free. They had 900 total registrations over the 14 total events and an over 55% attendance rate, which she said is above and beyond what free events usually have. From one event, they were able to provide ten job interviews and five job placements. She shared the Cannabis industry is about economic development, too, as the Cannabis industry can support the business economy of Kalamazoo. They were able to support 100% local women and minority owned business vendors for their events. She said it is about supporting the local businesses that can also touch Cannabis and listed the types of vendors they had hired.

Ms. Colette explained their partnership with Kalamazoo Valley Community College, through which they offer a financial aid scholarship for city residents that want to take one of their Cannabis certificate programs. They hosted three informational sessions in 2024 and attendance averaged twenty people each session. They got fifteen city residents registered in the KVCC course, six of whom completed the course. Four of those completions were from SPK neighborhoods, which was a major goal of the contract to reach into those neighborhoods.

She continued to talk about the marketing efforts of the Social Equity Cannabis Chamber. She shared about the hardships of using the word "Cannabis" because many platforms block that. She explained the emails and texts they send out. With the SMS text messaging, they were able to get 320 opted-in SWMS subscribers. They also built a website last year and had over 626 website visits by January 2025. Their email marketing campaign has over 500 subscribers, with 55% open rate and 40% click-through rate. They also have forty monthly radio ads, and they do in-person pop-ups in local Cannabis businesses.

She talked about how important collecting data is to them and that it is showing from the beginning of the year to the end of the year that their engagement has increased. She said 61% of participants have been identified as women and 55% have been identified as people of color, which surpasses national averages in the Cannabis industry. One of their goals is to penetrate the SPK neighborhoods in Kalamazoo, and 40% of their participants last year came from these neighborhoods. It is their goal to continue to increase that number as they form alliance with local nonprofits. 80% of their participants live in the City and about 20% live in the County of Kalamazoo. 63% of event participants are already working in the Cannabis industry. This allows them an opportunity to create an organic mentorship/mentee program.

Ms. Colette discussed the community partnerships they have built. Their title community partner last year was a local organization called Steps to Victory, which is located in the Edison neighborhood. This organization holds coat drives and food drives, as well as has an adult STEM program for the re-entry community. Ms. Colette said the re-entry community is very important to Cannabis professionals such as herself because they must not forget the past of Cannabis and that 85% of all Cannabis convictions were people of color. Last year they were able to give them a monetary donation, as well as provide hundreds of coats, hundreds of turkeys, and nonperishable food items. They also formed alliance and partnerships with Sisters in Business, Southwest Michigan First Chamber, Douglass Community Association, Black Wall Street Kalamazoo, and Outfront Kalamazoo. Many of these partners will be at their upcoming 2025 events.

Ms. Colette shared the background story of how they began working with Steps to Victory and how they contributed to this existing organization since building the partnership. She talked about amplifying the work Steps to Victory has already started.

She shared their financial spending allocations of the contract money in 2024 and their expected spending allocations for 2025. 10% was allocated to start-up costs in 2024. In 2025, there will be no more allocation for start-up costs, but 5% allocated for policy and advocacy efforts, as well as 15% workforce development reimbursements. The donations to local community organizations will increase from 5% to 15% in 2025.

Lastly, she shared the 2025 goals for the Social Equity Cannabis Chamber. These include expanding business and workforce development programs, strengthening policy and advocacy work, and fostering more networking and business support initiatives. She thanked the board for the opportunity to share the presentation and also invited board members to share their feedback via a survey link.

Director Bolton asked if there are benchmark numbers they would be using for the 2025 goals.

Ms. Colette stated they have benchmarks just like they did for the 2024 goals. For instance, they want to see job placements from events to increase by 10%. They do have some specific data metrics to track.

Director Gulau mentioned that Cannabis sales have declined and hiring has declined in the last three months. He said it appears there is some over-supply and some pricing competition that is starting to catch up to the market. He asked how is the Chamber trying to help the businesses grow and be successful as they go through those challenges.

Ms. Colette stated one of their main goals has been supporting the Kalamazoo Cannabis businesses that already exist. She shared each business is not the same with the challenges they are trying to overcome in the Cannabis industry. They also have office hours where existing Kalamazoo businesses can consult with CPAs, attorneys, etc.

Director Bolton said similar to breweries from a competition standpoint and speaking to the numbers Director Gulau mentioned, as they continue to see the market grow with the number of suppliers, it is an economical fact that everyone can't succeed.

Ms. Colette explained the Cannabis industry is similar to alcohol, but not really because they can't open Cannabis businesses wherever they want. There are still not as many as alcohol or smoke shops – businesses that are not as regulated. They do not anticipate a large number of Cannabis businesses popping up next year because there are extreme zoning restrictions that do not allow that.

UNFINISHED BUSINESS

None.

COMMUNICATIONS AND ANNOUNCEMENTS

None.

STAFF REPORTS AND UPDATES

1. 2024 EDC Budget Report.

Mr. Chambers shared that the Cannabis Chamber fund will be moved out of the EDC account and into the Social Equity account. It still exists, but will be in a separate bucket. The same is occurring with the EIF loan fund, which will be moved into a separate budget as well.

Director Hess asked about where we are at with potential website marketing. With the new economic development strategy, he wants to make sure they get the word out for what is available.

Mr. Chambers said there is \$4,000 in the budget for 2025 and staff shared that is in the works.

Director Gulau asked if they feel like the value is there for the Social Equity Cannabis Chamber contract.

Director Hess said he would like to see the data on jobs it has retained and the diversity it has caused in the industry here.

Director Gulau mentioned jobs he saw posted on their job board. He thinks they have a big challenge ahead of them. This could be a valuable resource for helping people stay in businesses, but he thinks there is a lot of headwinds in the industry that will make the Chamber and the Cannabis businesses' jobs more difficult.

Director Gulau asked for verification on how the funds are collected for the Social Equity Cannabis Chamber.

Mr. Chambers said per the City's Social Equity Policy, it requires that 25% of the excess tax from Cannabis goes towards a social equity initiative, which is the Cannabis Chamber.

Director Bair said she sees the purpose of the Chamber as the initiative they have to ensure there is equity even when the industry is facing tough times. She thinks there is value in it and she is impressed with the work that is being done. She agreed it is a matter of keeping an eye on the data and making sure it is having the impact it is supposed to.

ADJOURNMENT: Meeting was adjourned at 8:53 AM by Chair Novotny.



Signature

Jason Novotny

Printed Name/Chair

Heidi Waffle

Heidi Waffle/Recording Clerk