CITY OF KALAMAZOO
BROWNFIELD REDEVELOPMENT AUTHORITY BOARD MEETING
Thursday, February 20, 2025
Community Planning and Economic Development
245 N. Rose Street, Kalamazoo, MI 49007

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

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

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

Meeting was called to order at 8:56 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 Gulau moved the approval of the agenda as amended; seconded by Director Bolton. Motion approved by voice vote unanimously.

Chair Novotny shared Item 5 would be added under New Business for a Bronco Commons update.

Director Gulau also motioned to switch Item 3 of New Business to Item 1.

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

PUBLIC COMMENTS

Mr. Fritz Brown, representative of TreyStar, shared he is with the 215 E Michigan project – Item 1 on the amended agenda, which has a Brownfield, OPRA, and loan from the EDC. He said they today they are asking for the $9,785 for demolition work on the upstairs. From the beginning they promised to put a compatible use in the upstairs, and they decided the best course of action would be to have TreyStar offices move up there. He said the project is still healthy and going strong. He appreciates everything the board has done for their project and everything they do.

DIRECTOR'S COMMENTS

None.

PUBLIC HEARING

1. Public hearing for an Act 381 Brownfield Plan for the Redevelopment Project at 447 W North St and 707 N Westnedge Ave, Kalamazoo, MI.
    a. Opening of the Public Hearing: The public hearing was opened at 9:01 AM.
    b. Project Presentation: Ms. Logan Mulholland, Fishbeck consultant, explained the project and

brownfield plan, as found in the agenda packet. She shared they qualify as a housing property, but because they are not seeking a financing gap, they will not need to meet compliance requirements.

c. Public Comment Period: None.
d. Board of Directors Comments: None.
e. Closing of the Public Hearing: The public hearing was closed at 9:07 AM.

NEW BUSINESS

1. Adoption of a Resolution Approving Reimbursement Request #3 for 215 E Michigan Avenue in the Amount of $9,785.

Ms. Mulholland shared information regarding the request, as found in the agenda packet.

Director Gulau moved adoption of a Resolution Approving Reimbursement Request #3 for 215 E Michigan Avenue in the Amount of $9,785; seconded by Director Bolton.
A roll call vote was taken, and the motion passed unanimously.

2. Approval of an Interlocal Agreement between the Brownfield Redevelopment Authority and Northside Cultural Business District Authority to Capture Tax Increment Revenue for 447 West North Street, Kalamazoo, Michigan.

Ms. McCarthy shared these interlocal agreements are signed by both parties and will be recorded with the County. Per legal counsel, they are also going to add a not-to-exceed dollar amount to the agreement that matches the brownfield plan.

Director Ferraro moved approval of an Interlocal Agreement between the Brownfield Redevelopment Authority and Northside Cultural Business District Authority to Capture Tax Increment Revenue for 447 West North Street, Kalamazoo, Michigan; seconded by Director Bair.
A roll call vote was taken, and the motion passed unanimously.

3. Adoption of a Resolution Approving the Implementation of an Act 381 Brownfield Plan for the Redevelopment Project at 447 W North St and 707 N Westnedge Ave and Recommending City Commission Adopt the Plan.

Ms. McCarthy shared the loan agreement will come forward on a future agenda as a separate item.

Director Hess moved adoption of a Resolution Approving the Implementation of an Act 381 Brownfield Plan for the Redevelopment Project at 447 W North St and 707 N Westnedge Ave and Recommending City Commission Adopt the Plan; seconded by Director Bolton.
A roll call vote was taken, and the motion passed unanimously.

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

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

5. Approval for the Chairperson and Legal Counsel to Negotiate More Substantive Changes Beyond What the Board Approved at the Meeting on January 16, 2025 for the Development and Reimbursement Agreement

Relating to 3625 W Michigan Avenue.

Ms. McCarthy shared in the previous month the board approved a draft development and reimbursement agreement for the Bronco Commons brownfield plan. It is the first housing TIF project the board has seen. The way the terms were laid out in the previous draft included a very specific AMI and income limit. She shared the development team has talked about the specific AMI limits that were listed in the agreement and how restrictive they are to find an exact income match for an exact unit rental rate. She said the City is still very interested in making sure that those AMI limits are at or around the 100% AMI level. The development team is close to getting their draft work plan done. They are also asking about a restrictive covenant that the City wants to have recorded while the TIF repayment period is active. These items are the current negotiation points, and staff feels that these are starting to be substantive changes that went beyond what the board approved in the previous month. This item is brought to the board today seeking approval to continue these negotiations with the board chair and legal counsel.

Director Hess asked if they feel the terms are unfair or if they are just so new that it is just part of the negotiation to work through.

Ms. Mulholland and Attorney Wood said MSHDA is still working on things, so they are running into negotiations due to that as well.

Director Gulau asked if we are surprised by the request of the developers. He asked if the reporting requirements and that they won't be able to match the AMI per unit are their main concerns.

Ms. McCarthy shared it is not necessarily the rental rates that they are concerned about. The developer gave an example that they would have to look for and find someone who makes exactly within a certain pay-band. There have been discussions about giving a range of what AMI the units need to be at so there is a bigger pool of potential renters with a larger pay-band. They are checking that with MSHDA because the guidance is not yet clear about whether the rents and incomes have to match perfectly or if some gap is allowed for them to have a larger renter pool. She said it is negotiating the risks to the developer and the tolerance of the City to make sure the right renters are getting into these units – but that they also are not creating unneeded vacancies and driving up vacancy rates for these developments.

Director Hess said he would be in favor of giving them some flexibility. The biggest thing is that they can fill the need for what the community has.

Director Gulau moved approval for the Chairperson and Legal Counsel to Negotiate More Substantive Changes Beyond What the Board Approved at the Meeting on January 16, 2025 for the Development and Reimbursement Agreement Relating to 3625 W Michigan Avenue; seconded by Director Hess.
A roll call vote was taken, and the motion passed unanimously.

UNFINISHED BUSINESS

None.

COMMUNICATIONS AND ANNOUNCEMENTS

None.

STAFF REPORTS AND UPDATES

1. Financial Reports (2024 Year End – Fund 242 Local Brownfield Revolving Fund & Fund 243 BRA Operations).

Ms. McCarthy shared information on the financial reports from the 2024 fiscal year. She explained revenues that came in due to payment of two Part Two brownfield applications, as well as property sale proceeds from 508 Harrison and 708 Ampersee. For state brownfield grants, they had up to 2.03 million budgeted for revenues in case they happened to work all the way through their grants. They did not, so there is 1.7 million rolling over into next years budget. These projects include the Brewsters redevelopment site and River's Edge.

Ms. McCarthy moved on to the expenses, which were estimated as best as possible based on what they expect to spend in all of those categories. She pointed out that professional and contractual services had some contracts that were shifted over from grounds maintenance. The revenues in and expenses out do not always match up due to the fact they take in local tax increment financing in one year and pay it out in a subsequent year.

Ms. McCarthy shared they had more TIF revenues into the LBRF than was originally budgeted. There are no other significant sources of funding into this fund. The only expenses out of the LBRF was the loan to Zone 32 for their pre-development costs.

ADJOURNMENT: The meeting was adjourned at 9:31 A.M. by Chair Novotny.

Heidi Waffle
Heidi Waffle
Recording Clerk

Chair Signature

Lucas Middleton
Printed Name/Chair