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

MEMBERS PRESENT: Sharon Ferraro; Kevan Hess; Jason Novotny; *Kyle Gulau; Lucas Middleton; Andrew Schipper; Michael Gurnee; Alonzo Wilson

MEMBERS ABSENT: Nathan Bolton; Rachel Bair

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

Meeting was called to order at 8:11 AM by Chair Middleton.

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

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

APPROVAL OF MINUTES: Director Gulau moved approval of minutes from the meeting of February 20, 2025 as presented; seconded by Director Novotny. Motion approved by voice vote unanimously.

PUBLIC COMMENTS

None.

DIRECTOR'S COMMENTS

Director Schipper shared he will need to abstain from New Business Item 1 due to work involvement.

NEW BUSINESS

1. Approval of the Sixth Amendment to the Purchase and Sale Agreement related to 116 West Cedar Street to extend the investigation period.

Mr. Curt Aardema, representative of AVB, shared a presentation on the project. AVB is partnering with Hinman Company on this project. He shared about local projects they have also completed. The existing site conditions include a building that has been vacant for a long time. It is an active nuisance and active blight in the community. They also researched the previous neighborhood context of the sites. In the 1950s, it began to switch to an urban setting with more of a parking lot focus. He also shared about the current neighborhood context. He said for past projects they worked with a few companies to salvage any practical materials during demolition, and they plan to do so with this project, too.

Mr. Aardema continued to speak on the proposed project plans. He mentioned there is a Phase 1 and Phase 2 for the project. They are looking at a four story building and trying to bring the urban-residential feel back. He said they are having some early discussions about potential small scale commercial spaces. He said part of the project would be rebuilding the edges of the streets. They are working with city staff to bring on-street parking back to the street and bring back the green parkway that had historically existed. They are looking at roughly 70 units and targeting LEED certification.

For Phase 2, they think that the corner of Rose and Cedar should be commercial to connect the Kalamazoo Mall to the South Burdick area. They are hoping once the State Theatre is reactivated and the Event Center is farther along in its construction, they will have the opportunity to go out to the Marketplace and work with somebody to create some sort of destination, such as restaurant or retail, at this corner.

He shared the Proposed Project Timeline. They appreciate the support they have been given so far. The six month extension they are asking for today will allow them to do design updates, Brownfield plan, MEDC review, and site plan review. They hope to be back in September with an update to move forward. If all goes as planned, they would begin demolition, salvaging, and site preparation in October 2025. January and February 2026 they would do final site design and permits with the City. Likely in March 2026, they would start foundations for Phase 1 of the project. It will be about 14 or 15 months of construction, with a goal to open in the summer of 2027. Phase 2 planning and implementation will be ongoing throughout the process, but likely to start after Phase 1 finishes, depending on what the market conditions are at that time.

Director Hess asked if he thinks the increase in cost of environmental remediation has leveled off over the last couple of years compared to what it was in 2020-2021.

Mr. Aardema said this site is still relatively complicated because of the existing building that is there. He does not know exactly yet what the cost will look like. They have allocated $600,000. They have done some geotechnical borings and environmental work on the site and the soil conditions have led to the design they have now. They do not have underground parking primarily because of soil conditions. The soils on this site are different and more challenging than what was there on the 400 Rose project.

Director Gulau asked if they have started site plan review and if they think six months is enough time.

Mr. Aardema said they have not started site plan review yet. They are optimistic that it is enough time to at least get to the point where they can do site prep work. They also need to do demolition, so it is a phased approach. There are some complications with the way demolition feathers in to the site plan review process involved.

Mr. Aardema thanked the board.

Director Novotny said he thinks it is important to continue to let this project play its life out. He appreciates the time that has gone into it to figure out how to make it out. He said he appreciates the importance of properly going through the process they, as a board, are doing right now – in advance of time expiring, getting an extension properly in place and continuing to give time to a development team that is putting hours and dollars to get this figured out. He has seen it go the wrong way in other communities recently. He said it might seem like a trivial thing to the board but doing this the right way is important, and he is in favor of continuing on and granting the extension that is being requested.

Director Middleton agreed with Director Novotny. They have seen a lot of challenges with this site and different paths they have taken, particularly with trying to demolish the former Public Works building. He thinks this is a thoughtful next step from the developer to try to make this work.

Director Novotny moved approval and authorization of the Sixth Amendment to the Purchase and Sale Agreement related to 116 West Cedar Street to extend the investigation period, with such amendment being

in such form as approved by the Board Chair and subject to review by legal counsel; seconded by Director Ferraro.
A roll call vote was taken, and the motion passed unanimously. Director Schipper abstained.

2. Adoption of a Resolution Approving a Development and Reimbursement Agreement with Helping Other People Exceed Thru Navigation for the Tiny Houses of Hope Project.

Ms. McCarthy shared information on the project, as found in the packet. She mentioned the developer has talked about acquiring the site at 707 N Westnedge and making this a mirrored sister-site to 447 W North St where they will build three additional tiny homes and a commercial building. City Commission approved a brownfield plan at the beginning of March, so the BRA has the ability to capture on this site for up to twelve years. What this development agreement allows the BRA to do is reimburse the general contractor directly to cover the outstanding invoice. A lien waiver will accompany it. She said the brownfield plan allows, as the 707 N Westnedge parcel comes online, an additional payment to be authorized to the nonprofit for any of their due diligence costs upfront, i.e. Phase I, Phase II, Due Care Plan, up to $24,000. It is anticipating the work of the second phase of the project and the payment would be structured to go to Hope Thru Navigation. She pointed out a term in the agreement stating that if this property is taken off of the tax roll for any reason and the Local Brownfield Revolving Fund (LBRF) has only partially been reimbursed, then HOPE Thru Navigation would be responsible for any outstanding amount that was not reimbursed to the LBRF.

Director Gurnee moved adoption of a Resolution Approving and Authorizing a Development Agreement to provide advance reimbursements to Tiny Houses of Hope in a not to exceed amount of $60,000, with such agreement being in such form as approved by the Board Chair and subject to review by legal counsel; seconded by Director Hess.
A roll call vote was taken, and the motion passed unanimously.

3. Adoption of a Resolution Approving the Second Amendment to the Brownfield Plan Development Agreement related to 266 E Michigan Avenue in order to provide Local Brownfield Revolving Funds for Water Main Connection Fees.

Ms. McCarthy shared that these funds are not impacting the original TIF reimbursement amount, which was $303,875. That will flow to developer in their regular annual TIF reimbursements as structured in the original agreement once the project is fully complete and they provide us with a certificate of occupancy and all of the documentation that is required in the reimbursement agreement. This agreement is adding on an additional amount of payment that would be advanced as soon as the water connection work is done.

Ms. McCarthy shared staff recommendation to provide LBRF funds for the water main connection fee, as found in the packet. They are estimating the difference of the increase to be around $28,000. She said they would pay directly to the developer. They will be responsible for paying the contractor and will need to give staff proof that the work was completed, including closed-out permits, proof of payment, and a partial lien waiver.

Director Hess asked if there were any other projects that were in the middle of construction when the connection fee increase occurred.

Ms. McCarthy shared not any under construction that she is aware of, but there may have been some that were quoted and hadn't started yet or hadn't been fully financed.

Director Schipper moved adoption of a Resolution Approving and Authorizing the Second Amendment to the Brownfield Plan Development Agreement related to 266 E Michigan Avenue in order to provide Local Brownfield Revolving Funds for Water Main Connection Fees, with such amendment being in such form as approved by the Board Chair and subject to review by legal counsel; seconded by Director Gulau.

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

*Director Gulau left the meeting at 8:51 AM.

4. Approval of a Contract Renewal with Dickinson-Wright to provide legal services to the Brownfield Redevelopment Authority from April 2025-December 2026.

Director Gurnee moved approval and authorization of a Contract Renewal with Dickinson-Wright to provide legal services to the Brownfield Redevelopment Authority from April 2025-December 2026; seconded by Director Novotny.
A roll call vote was taken, and the motion passed unanimously.

UNFINISHED BUSINESS

None.

COMMUNICATIONS AND ANNOUNCEMENTS

None.

STAFF REPORTS AND UPDATES

Ms. McCarthy shared an update on the board's questions regarding terms expiring. Director Novotny will be eligible for a second term. Because Director Bair was appointed to a partial term, she will be eligible for a first full term. They plan on bundling the initiation of new terms when the new board members are brought forward.

Ms. McCarthy added that they have scheduled interviews with board applicants, so those are moving forward, and they hope to get the recommendations to the board next month.

ADJOURNMENT: The meeting was adjourned at 8:56 A.M. by Chair Middleton.

Heidi Waffle
Heidi Waffle
Recording Clerk

E-SIGNED by Lucas Middleton
on 2025-04-17 17:22:15 GMT
Chair Signature

Lucas Middleton
Printed Name/Chair