

Agenda

Downtown Economic Growth Authority

Board of Directors



City of Kalamazoo

Monday, July 21, 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 Economic Growth Authority Board on June 16, 2025 (**Action: Motion to approve**)

D. REPORTS AND PRESENTATIONS

1. Transformational Brownfield Plan
2. Financial Report - May 2025
3. Committee Reports

4. Downtown Report - July 2025

E. DISCUSSION/ACTION ITEMS

1. Downtown Restrooms

F. PUBLIC COMMENTS

G. DIRECTOR COMMENTS

H. ADJOURNMENT

Board of Directors Regular Meeting Minutes

June 16, 2025, 3 p.m. | Community Planning & Economic Development, 245 N Rose Street

PRESENT: Curt Aardema, David Anderson, Jeff Breneman, Clarence Lloyd, Rick Searing, Stanley Steppes, Jessica Thompson

EXCUSED: Trisha Kidd

ABSENT: Kwame Gyimah

STAFF: Meghan Behymer (Downtown Coordinator); Erin Hahn (Community Investment Administrative Assistant); Jessica Wood (Legal Counsel)

A. CALL TO ORDER

DIRECTOR AARDEMA CALLED THE MEETING TO ORDER AT 3:03 P.M.

PRESENT: Curt Aardema, David Anderson, Jeff Breneman, Clarence Lloyd, Rick Searing, Stanley Steppes, Jessica Thompson

EXCUSED: Trisha Kidd

ABSENT: Kwame Gyimah

THE JUNE 16, 2025 ATTENDANCE INCLUDING EXCUSED AND UNEXCUSED ABSENCES IS RECORDED.

B. ADOPTION OF FORMAL AGENDA

DIRECTOR BRENEMAN MOTIONED TO ADOPT THE JUNE 16, 2025 AGENDA AS PRESENTED. DIRECTOR LLOYD SECONDED. NO OBJECTIONS. MOTION CARRIED.

C. APPROVAL OF MINUTES

DIRECTOR BRENEMAN MOTIONED TO APPROVE THE MINUTES FROM THE DOWNTOWN ECONOMIC GROWTH AUTHORITY BOARD MEETING ON MAY 19, 2025. DIRECTOR THOMPSON SECONDED. DIRECTOR AARDEMA ABSTAINED. NO OBJECTIONS. MOTION CARRIED.

D. REPORTS AND PRESENTATIONS

1. Financial Report

Meghan Behymer, Downtown Coordinator, presented the April 2024 financial report for the Downtown Economic Growth Authority. DEGA received \$916,037 in revenue

Board of Directors Regular Meeting Minutes

June 16, 2025, 3 p.m. | Community Planning & Economic Development, 245 N Rose Street

for the month, including \$874,337 in tax capture, \$1,700 in sponsorship from the Arts Council of Greater Kalamazoo, and a \$40,000 City contribution in support of the Bigbelly expansion. Expenses totaled \$38,573, with major expenditures including \$28,220 for the Ambassador Program, \$3,575 for Bigbelly, \$2,000 for website hosting, \$155 for board onboarding materials, and \$4,623 in legal services. Year-to-date revenues total \$916,037, with year-to-date expenses of \$192,450.

Director Lloyd asked whether all anticipated tax revenue for 2025 had been received; Ms. Behymer confirmed that it had. Director Searing inquired about the “Other Revenue” category, and Ms. Behymer clarified that it includes the ISG Foundation contribution and solid waste funding for the ambassador program. Director Breneman questioned why the ISG contribution wasn’t listed under “Contributions,” and staff noted the need to clean up and clarify revenue classifications going forward.

DIRECTOR SEARING MOTIONED TO ACCEPT THE APRIL 2024 FINANCIAL REPORT AS PRESENTED. DIRECTOR STEPPES SECONDED. NO OBJECTIONS. MOTION CARRIED.

2. Committee Reports

Ms. Behymer stated that the Events and Marketing Committee approved funding for the Canadiana and Caribbean Festivals and advanced a \$25,000 holiday lighting recommendation.

Ms. Behymer reported that the Business Recruitment and Retention Committee discussed incentive strategies, long-term funding models, and peer city approaches to support downtown retail and restaurant growth. Director Aardema shared takeaways from a national retail conference, noting that most national brands prioritize suburban sites like Westnedge, West Main, or Gull Road over downtown. He emphasized the need to strengthen Kalamazoo’s downtown brand and visibility, as other cities had strong representation at the event. Aardema noted that foot traffic, events, and overall downtown vibrancy are key selling points, and attracting one successful retailer could help build momentum. Parking availability and ease also remain important factors for prospective businesses.

The Clean and Green Committee discussed potential adjustments to the Ambassador Program to align with the Board-approved budget.

Board of Directors Regular Meeting Minutes

June 16, 2025, 3 p.m. | Community Planning & Economic Development, 245 N Rose Street

Director Lloyd requested putting something together to share about the ambassador program to different organizations.

The Executive and Finance Committee reviewed June board materials, discussed strategic priorities for 2025–2026, and explored funding opportunities, vision alignment, and program capacity needs.

3. Downtown Report

Ms. Behymer provided May updates. Ambassadors removed over 9,000 lbs. of trash, 575 lbs. of litter, completed 58 restroom cleanings, pressure-washed the Kalamazoo Mall, and refreshed Bates Alley with mulch and planting adjustments ahead of Bigbelly unit installation.

Director Lloyd inquired about maintenance responsibilities in Bates Alley. Ms. Behymer confirmed no formal agreement exists and that staff are reviewing next steps. Board members discussed the need for clear roles, consistent maintenance, and cost-sharing by businesses benefiting from alley activations and parklets. This topic will be reviewed further by the Executive Committee.

The Board was informed that the City Commission approved the purchase of a Portland Loo, with installation expected in early 2026. Staff are coordinating a pilot to identify potential downtown locations.

A new sustainability partnership with WMU will involve student-led audits of Bigbelly recycling bins and updated signage to reduce contamination.

Ms. Behymer reported that \$3,740 in Downtown Dollars were sold in May (up 30% year-over-year) and \$1,425 were redeemed (up 13%). Nineteen businesses participated, with increases likely driven by large employer purchases. Board members suggested growing event-based promotions and partnerships with Discover Kalamazoo to reach visitors and conference attendees.

An updated Ambassador zone map was included in the report, addressing prior board requests for better spatial data on service areas.

E. DISCUSSION/ACTION ITEMS

1. DDA/DEGA Strategic Plan 2025-2027 DRAFT

Board of Directors Regular Meeting Minutes

June 16, 2025, 3 p.m. | Community Planning & Economic Development, 245 N Rose Street

Ms. Behymer presented the draft 2025–2027 Strategic Plan, noting that it reflects input from the January board retreat, Executive Committee feedback, and builds upon the 2022 Yard & Company framework. The plan is an update—not a full rewrite—intended to align with current community goals and the evolving downtown landscape.

The updated vision emphasizes a vibrant, welcoming downtown where people feel connected and businesses thrive. While walkability remains a core value, the focus has broadened to include six strategic pillars:

1. Downtown is Built for Business
2. Downtown is a Place with Purpose
3. Downtown is Clean, Safe, and Welcoming
4. Downtown is Streetwise and Connected
5. Downtown is Vibrant and Visible
6. Downtown is Strong and Sustainable

The “first 16 feet” remains a foundational concept, referring to the critical zone of interaction between buildings and the public realm. Clarification was provided on its definition as a three-dimensional space including the facade, sidewalk, and adjacent elements.

Board members emphasized the need to communicate what work will no longer be prioritized as a result of the strategic focus. There was also strong interest in creating new opportunities—such as a placemaking-focused group or community coalitions—to engage a broader and more diverse set of voices, especially younger professionals.

Implementation priorities for 2025 include placemaking projects, updates to the ambassador and maintenance agreements, and downtown branding. For 2026, efforts will center on business support, design guidelines, wayfinding improvements, and organizational capacity building.

Board of Directors Regular Meeting Minutes

June 16, 2025, 3 p.m. | Community Planning & Economic Development, 245 N Rose Street

Funding strategies will rely on TIF revenue supplemented by grants, sponsorships, and partnerships. Staffing growth was also identified as key to long-term implementation.

Board members encouraged greater storytelling and public communication around completed projects and ongoing progress to counter negative downtown narratives.

2. 2025 Holiday Lighting

Ms. Behymer presented an update on the 2025 holiday lighting request. In April, the City of Kalamazoo formally requested \$29,300 to support seasonal lighting in downtown, specifically along South Street, Michigan Avenue, and the Kalamazoo Mall. This request is part of a broader holiday lighting initiative supported by \$64,000 in city funds, a pending \$80,000 grant from the Irving S. Gilmore Foundation, and \$25,000 in private sponsorships.

The funding request covers the installation of existing light inventory along South Street and Michigan Avenue, and the replacement of worn lights on the Kalamazoo Mall. Due to year-round exposure, the lights on the mall often require annual replacements. The city conducted a competitive bid process; the bid for downtown lighting was \$26,312 for installation, with the remaining approximately \$3,000 allocated for replacement lights.

The Events and Marketing Committee reviewed the request and recommended a reduced allocation of \$25,000 due to budget constraints. This amount will cover installation but result in 160 fewer light strands downtown and no replacement lighting on the Kalamazoo Mall. The Executive Committee supported moving this recommendation to the full board.

During the discussion, board members expressed concerns about maintaining partially lit trees, suggesting that non-functional lights be removed if they cannot be replaced. Ideas were raised about longer-term solutions, including community sponsorship of lighting, volunteer efforts, and pursuing additional funding for future improvements. It was clarified that the City owns the lighting inventory, and the selected vendor, Elite Creations, will handle installation using lights from inventory.

Board of Directors Regular Meeting Minutes

June 16, 2025, 3 p.m. | Community Planning & Economic Development, 245 N Rose Street

The board approved the allocation of \$25,000 with the understanding of the reduced scope and the need to revisit replacement lighting options. Broader conversations about holiday lighting strategy and potential future improvements will continue at the committee level.

DIRECTOR BRENEMAN MOTIONED TO APPROVE THE ALLOCATION OF \$25,000 FROM THE EVENTS AND MARKETING COMMITTEE BUDGET TO SUPPORT HOLIDAY LIGHTING. DIRECTOR LLOYD SECONDED. NO OBJECTIONS. MOTION CARRIED.

3. Mavcon Update

Jessica Wood provided a brief update regarding the MAVCON settlement. The final agreement is expected to be approved at the City Commission meeting later that evening. Jessica confirmed she will attend the meeting and report back if anything unexpected occurs.

F. PUBLIC COMMENTS

There were no public comments.

G. DIRECTOR COMMENTS

Mayor Anderson noted that the portable restrooms are now in place downtown and emphasized the importance of collecting empirical data during the pilot period. He stated that usage would be measured daily to help determine optimal future placement. Additionally, he mentioned that this data may help evaluate whether the presence of portable restrooms reduces the frequency of biohazard cleanups, of which there have already been several hundred reported by the ambassador team this year. He affirmed that cleanup data is being tracked and mapped by the city and can inform decision-making on restroom placement and related sanitation efforts.

H. ADJOURNMENT

DIRECTOR AARDEMA ADJOURNED THE MEETING AT 4:33 P.M.

MGA Slides

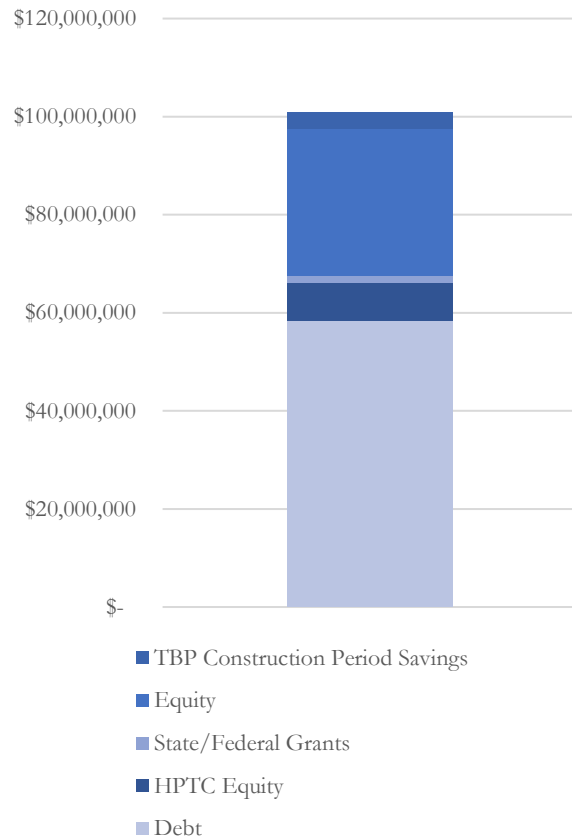
Transformational Brownfield Project

Committee of the Whole | June 2, 2025



Project Investment & Incentives Summary

Sources of Project Costs



Total Project Costs are estimated to be in excess of **\$100,800,000**

- Approximately **58%** of Project Costs are expected to be financed with **traditional debt**.
- Approximately **30%** of Project Costs are expected to be **equity contributions** from the Developer.
- Approximately **7%** of Project Costs are expected to be **Historic Preservation Tax Credit Equity**, created through the rehabilitation of a Historic Resource at 227 West Michigan (“The MAC”).
- Approximately **3%** of Project Costs are expected to be Transformational Brownfield Plan **Construction Period Savings**, through savings on State sales tax and State payroll withholding tax during the construction period.
- Approximately **2%** of Project Costs are expected to be **state and federal grants** through the American Rescue Plan Act (ARPA) and Revitalization and Placemaking (RAP) 2.0 Grants through the State.

Incentive Summary by Type – Tax Abatements

Project	619 Porter	The MAC	Spearflex
Abatement Type	Neighborhood Enterprise Zone (NEZ) Abatement	Commercial Redevelopment Act Abatement	Commercial Rehabilitation Act Abatement
Abatement Description	Reduces all millages proportionately to the statewide average millage rate on new residential tax for 12 Years with a 3-year phase in for City and County Operating	Freezes millages for new rehabilitation taxable value at taxable value prior to rehabilitation	Reduces millages for new rehabilitation taxable value at a CRA Taxable Value basis set by the City Assessor
Estimated Abatement Value	\$1,244,131	\$2,863,441	\$1,050,017
Abatement Period	15 Years	12 Years	10 Years

Transformational Brownfield Plan Overview

- The Transformational Brownfield Plan is a competitive program through the State of Michigan limited to Transformational projects that leverages additional revenue streams than a typical Brownfield Plan
- Transformational Brownfield Plans provide state tax savings through the capture of state sales tax, state payroll withholding tax, and state income tax in addition to property tax increment financing
- The Program allows municipalities to leverage additional state incentives for transformational projects that would otherwise be allocated to different municipalities throughout the State.

Incentive Summary by Type – TBP Incentive

Project	TOTAL
Construction Period Tax Capture	\$3,394,178
Sales Tax Capture	\$18,508,946
Residential Income Tax Capture	\$13,565,020
Commercial Payroll Withholding Tax Capture	\$2,949,787
Tax Increment Revenues - Local	\$9,998,800
Tax Increment Revenues – State	\$5,890,758
Proportion of Incentive Attributable to Local Tax	18.4%

Estimates provided are subject to underwriting by the Michigan Economic Development Corporation (MEDC) that is still under evaluation. These estimates are provided for informational purposes only at this time.

Incentive Summary by Type – TBP Incentive

Project	619 Porter	The MAC	Spearflex	TOTAL
Construction Period Tax Capture	\$825,078	\$2,133,250	\$435,850	\$3,394,178
Sales Tax Capture	\$1,572,036	\$16,936,910	\$0	\$18,508,946
Residential Income Tax Capture	\$6,759,617	\$0	\$6,805,403	\$13,565,020
Commercial Payroll Withholding Tax Capture	\$430,230,	\$2,495,116	\$24,441	\$2,949,787
Tax Increment Revenues - Local	\$1,790,805	\$4,985,258	\$3,222,737	\$9,998,800
Tax Increment Revenues – State	\$1,106,461	\$1,809,399	\$1,809,399	\$5,890,758
Proportion of Incentive Attributable to Local Revenues	14.3%	26.2%	16.9%	18.4%

Estimates provided are subject to underwriting by the Michigan Economic Development Corporation (MEDC) that is still under review.

Economic Benefits

This Transformational Brownfield Plan is expected to create approximately 605 temporary construction jobs and 144 permanent jobs as a result of the Project.

605

CONSTRUCTION JOBS

Temporary jobs created during construction period

\$75,000

ESTIMATED WAGE OF TEMPORARY CONSTRUCTION JOBS

144

PERMANENT JOBS

Permanent jobs created through the completion of the Projects

\$40,199

ESTIMATED WAGE OF PERMANENT JOBS

Economic Benefits

This Transformational Brownfield Plan is expected to create 115 new residential units in the City, with an estimated 172 new residents in the City, making significant strides in narrowing the housing gap identified in the Kalamazoo County Housing Needs Assessment.

115

NEW RESIDENTIAL UNITS

Temporary jobs created during construction period

172

ESTIMATED NEW RESIDENTS

Permanent jobs created through the completion of the Projects

1,200

NEW UNIT DEMAND IN THE URBAN CENTER OF TOTAL 7,750 TOTAL UNIT DEMAND*

600

NEW UNIT DEMAND IN THE URBAN CORE OF THE TOTAL 7,750 TOTAL UNIT DEMAND*

Economic Benefits

This Transformational Brownfield Plan is expected to create significant tax revenues to the City and taxing jurisdictions following the conclusion of Tax Increment Financing Capture in approximately 2057. Figures identified assume 2024 millage rates.

\$1,579,581

ESTIMATED ANNUAL TAX PAID TO ALL TAXING JURISDICTIONS FOLLOWING EXPIRATION OF BROWNFIELD PLAN, INCLUDING:

\$276,201

CITY OPERATING MILLAGE

\$160,968

KRESA MILLAGES

\$89,763

KALAMAZOO PUBLIC LIBRARY MILLAGE

Project Benefits

This Transformational
Brownfield Plan is expected
have a Transformational
Impact on the Community

- Over **\$100,000,000 investment** into the City of Kalamazoo
- Increase density of Downtown with an estimate **172 new residents** in the City of Kalamazoo
- Renovation of a vacant Historic Building (former Kalamazoo County Courthouse) that will **return the property to the tax rolls** and activate the property in the heart of downtown as a hotel
- **127 New Hotel Rooms** that will bring outside dollars into the community
- **Increase in the daytime and nighttime population** of the City by creating 127 hotel rooms and 115 residential units, which is expected to support the success of other high-profile projects in the Community such as the Event Center
- **144 new permanent jobs** with an estimated annual income impact of over **\$5.7M**
- Approximately **8,442-square feet** of new commercial and retail space downtown
- Activation of dilapidated and underused buildings with retail and residential development

Step-Aside Project Information Request Form

This form must be submitted to the Downtown Economic Growth Authority prior to presenting a project for step-aside consideration. The information provided will be shared with the DEGA Board as a reference during project review and deliberation.

PROJECT INFORMATION

Project Name

Transformational Brownfield Project

Project Address/Location (include parcel ID number)

1) 227 W Michigan Ave (06-15-359-001); 2) 261 E Kalamazoo (06-15-334-012)

Description of Project Concept

PlazaCorp is spearheading a major downtown Kalamazoo redevelopment through the State of Michigan's Transformational Brownfield Plan (TBP), transforming underutilized and environmentally challenged sites into vibrant community assets. The \$100+ million investment includes three sites located at 619 Porter, the Speareflex Building (Speareflex), and the Michigan Avenue Courthouse (MAC).

Two of the three projects are situated on sites within the DEGA boundaries: 1) MAC Hotel Conversion: An adaptive reuse of the historic 1937 courthouse into a 127-room boutique hotel featuring a restaurant, bar, speakeasy, meeting space, and valet parking—supporting downtown’s hospitality and tourism sectors. 2) Speareflex Redevelopment: An adaptive reuse of a former industrial site converting a current office building into 57 residential apartments within 51,150 sq. ft. of space, while retaining Shakespeare’s Pub as a key commercial anchor of the block.

These projects blend historic preservation with modern use.

Visual Aids

Please list and describe below any visual aids attached to this information form (e.g. conceptual site plans, architectural renderings, before/after photographs, or other visual materials)

See slide presentation.

Total Estimated Investment

MAC: \$55,700,000; Speareflex: \$18,341,000

Total Plan Length

30 years

Estimated Project Start/Completion Date

Start Dates: MAC: 2028/2029; Speareflex: 2026/2027

PROJECT APPROVAL STATUS

Please describe the current stage of approval with relevant departments (e.g., Part 1 application to BRA submitted, site plan approval underway, etc.):

Currently, the plan is undergoing review and underwriting analysis with the MEDC. Simultaneously, the Project is being introduced to the executive committees of the NCBDA, DEGA and BRA with full-board meetings to follow.

TAXABLE VALUE INFORMATION

Current Taxable Value

MAC: \$909,934; Speareflex: \$0 (held in Land Bank per MEDC requirement)

Anticipated Taxable Value Upon Project Completion

MAC: \$5.7 Million; Speareflex: \$2.8 Million

Estimated DEGA Capture Lost

Assuming a 100% step aside, what is the estimated DEGA capture lost. We can calculate the impact of a partial step aside (e.g., 80-20) from this information.

With the CRAs: MAC: \$4,514,740 & Speareflex: \$2,738,891

HOUSING COMPONENT

Is housing a component of the project? Yes No **If yes, indicate housing type:** Rental Sales

Does the project include affordable housing (if yes, provide details below)? Yes No

Total Number of Units: 57 units (see email)

Percentage Breakdown:

Speareflex:					
	<60%	60%-80%	80%-100%	100%-120%	Totals
Units	1	13	41	2	57
%/Total	1.75%	22.81%	71.93%	3.51%	100.00%

JOB CREATION

Number of Jobs Created: *Full-time* *Part-time:*

Type of Employment: Permanent Temporary

OTHER INCENTIVES

List any local, state, or federal incentives considered, applied for, or awarded.

TBP; TIF; CRA PA 255 (MAC); CRA PA 210 (Speareflex)

For reference:
619 Porter Project: NEZ is in process with the city; Awarded: ARPA grant from County and RAP 2.0 grant from State via SWMF

Submission Instructions: Completed forms and supporting documents must be submitted to the Downtown Economic Growth Authority at downtown@kalamazoo.org. Submission of this form is required before presenting a step-aside request to the DEGA Board. Developers are expected to reference and discuss the information provided during their project presentation.



Transformational Brownfield Project

Committee of the Whole | June 2, 2025



Presenting Today

Sarah Snoeyink

Michigan Economic Development Corporation

David Stegink, Fishbeck

City's Brownfield Authority Consultant

Trisha Kidd, Matt Bastos, Mark Chilcott

Plazacorp

Joe Agostinelli

Michigan Growth Advisors

Jamie McCarthy and Bobby Durkee

City of Kalamazoo, Community Planning & Economic
Development

Today's Topics



Overview: Transformational Brownfield Program

State program and local approval process



Introduction to Kalamazoo Project

Snapshot of each redevelopment site and anticipated applications



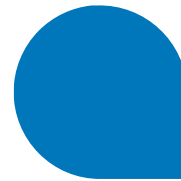
Project & Approval Timelines

Discuss timing of applications coming before boards and commissions this summer and fall

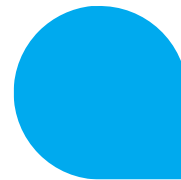
Transformational Brownfield Plan (TBP) Program Overview

The TBP program supports transformational investments in **blighted, historic, functionally obsolete**, or **contaminated** properties.

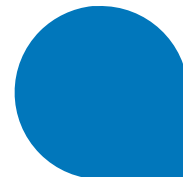
Projects must have a transformational impact based on the extent of brownfield redevelopment, overall capital investment, and growth in population, commercial activity, and employment.



Program builds off the traditional Brownfield Tax Increment Financing program and legislation (Act 381)



In Kalamazoo, a minimum investment of \$50m across project sites is required to be eligible for a TBP



Eligible expenses include traditional Brownfield eligible activities plus vertical construction and rehabilitation of structures

Transformational Brownfield Plan (TBP) Program Overview

TBPs are permitted to capture from the following revenue streams:

01

Traditional Property Tax Increment Revenue

04

Income Tax Capture from residents permanently living onsite (post-construction)

02

Construction Period Income Tax

05

Withholding Tax Capture from employees permanently working in business located onsite (post-construction)

03

Construction Period Sales and Use Tax Exemptions

06

Sales and Use Tax Capture from businesses operating permanently onsite (post-construction)

Transformational Brownfield Plan (TBP) Program Process

01

MEDC Intake & Invitation to Apply: MEDC staff reviews project for eligibility and extends an Invitation to Apply if appropriate. This step has been completed.

02

Combined Plan Review & Underwriting Analysis: A combined plan for all sites is submitted and reviewed by MEDC staff. Underwriting and third-party analysis of Sales & Use capture occurs. This step is underway.

03

Local Approval: Once the TBP plan is administratively complete to MEDC standards, the local approval process is initiated.

04

MSF Approval: The project is considered for approval by the Michigan Strategic Fund board. Following MSF approval, a reimbursement agreement is executed.

Role of Local Government

- Same as a “normal” Brownfield Plan
- Verify project is consistent with City plans for growth
- Ensure Brownfield plan is consistent with City policies
- Staff review of Plan, Public Hearing, BRA recommends, approval, City Commission adoption.
- Developer works with MEDC to secure *added* State support



ADDED STATE RESOURCES

- Sales and use tax exemption
- State income tax from residents and workers
- Commercial withholding tax

LOCAL RESOURCES

- Property tax increment (same as “normal plan”)
- Staff time



Project Intro



- PlazaCorp is leading a **\$100M+** investment through a Transformational Brownfield Program across **three major sites** in downtown Kalamazoo:
 - **619 Porter,**
 - **Spearflex Building, and**
 - **Michigan Avenue Courthouse (MAC).**
- This project aims to **transform underused, environmentally challenged properties** into vibrant spaces that **promote economic growth, environmental cleanup, and lasting community revitalization.**

Project Site Map





619 Porter Street

REDEVELOPMENT OF A BROWNFIELD



619 Porter Street



- 58 Residential Units
- 5,000± SF of Commercial
- 61,000 ± Total SF
- 5-story New Construction
- Mixed-use Brownfield Redevelopment
- Roof-top Deck



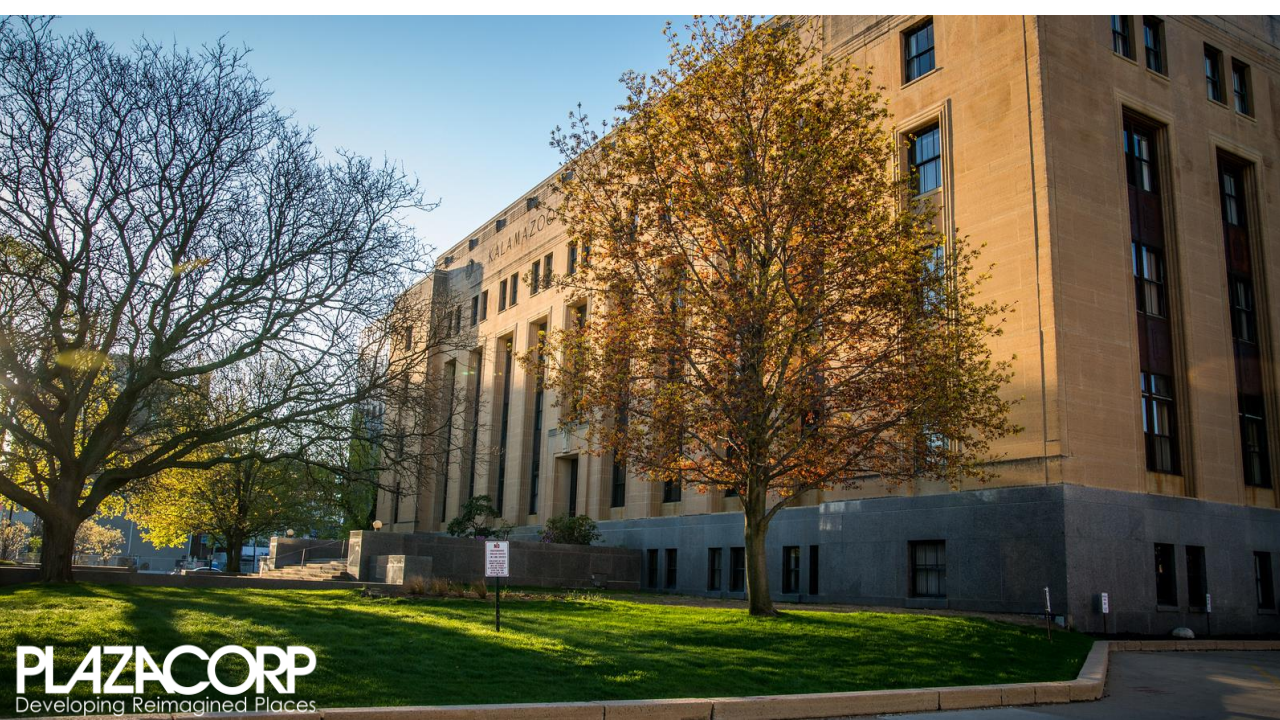
Spearflex Building

OFFICE TO RESIDENTIAL CONVERSION

Spearflex Building



- 57 Residential Units
- Open Atrium
- 51,000± Total SF
- Adaptive Re-use Rehabilitation
- 5-Stories (lower garden level)
- On-site Surface Parking



Michigan Avenue Courthouse

RE-PURPOSE HISTORIC COURTHOUSE

Michigan Avenue Courthouse



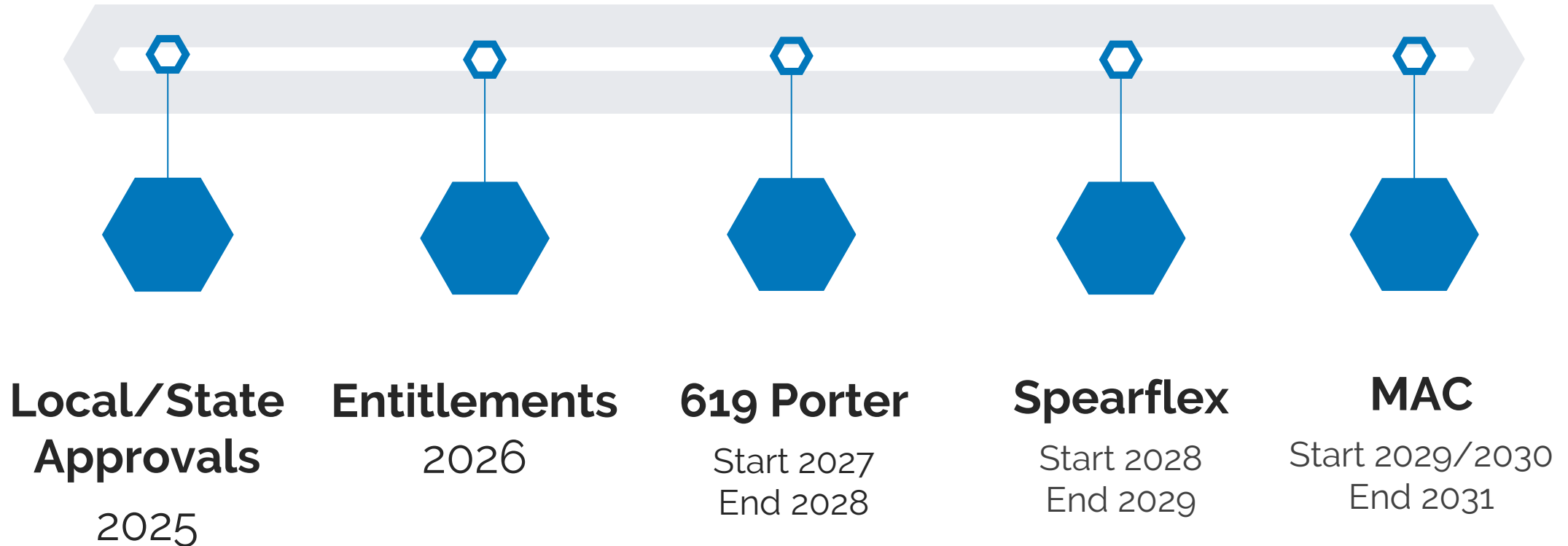
- Flag Hotel
- 127 Rooms
- 100,000± Total SF
- Historic Redevelopment
- Restaurants, Lobby Bar
- On-site Parking, Ramp & Valet



Key Objectives

- **Supports Imagine Kalamazoo 2025 goals:**
 - *Shared Prosperity*
 - *Complete Neighborhoods*
 - *Economic Vitality*
 - *Environmental Responsibility*
- **Boosts housing, jobs, tourism, and economic reinvestment**
- **Promotes a vibrant, walkable, and connected downtown**
- **Revitalization of distressed downtown sites**
- **Preservation of historic buildings**

Project Timeline





Tax Exemptions

- Three different tax exemptions sought by Developer
- Requires establishment of three different districts for the exemptions
- Requires developer to file a certificate with the State
- Does not reduce tax revenues currently collected. The increase in taxation is delayed.
- Developer benefits from lower taxes while project stabilizes
- City benefits from the higher taxable values when the exemptions expire



- Commercial Redevelopment Exemption (MAC Courthouse)

Taxable value frozen for up to 12 yrs

Does not reduce current tax revenues

Runs concurrent with the Brownfield Plan



- Neighborhood Enterprise Zone (619 Porter)

- Taxed at a reduced millage rate for 15 yrs

- Only applies to the new construction

- Runs concurrent with the Brownfield Plan



- Commercial Rehabilitation Exemption (Spearflex)

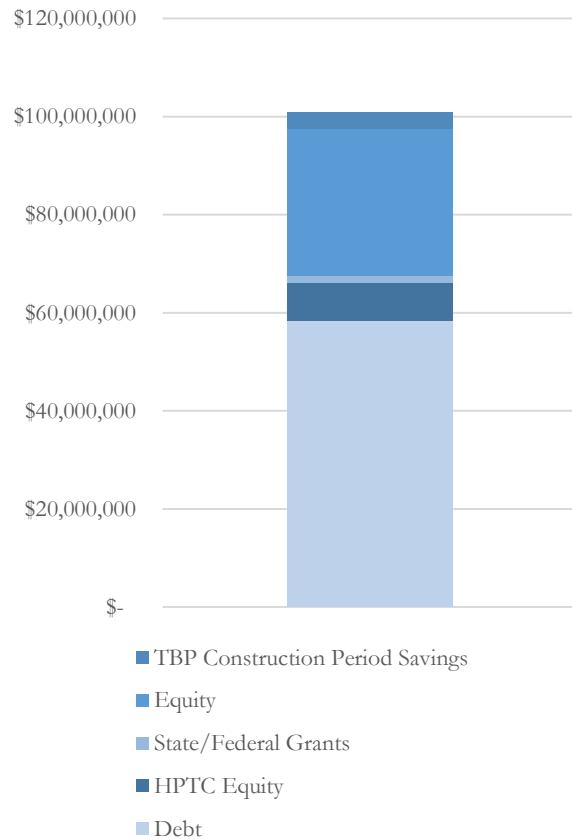
Taxable value frozen for up to 10 yrs

Does not reduce current tax revenues

Runs concurrent with the Brownfield Plan

Project Investment & Incentives Summary

Sources of Project Costs



Total Project Costs are estimated to be in excess of **\$100,800,000**

- Approximately **58%** of Project Costs are expected to be financed with **traditional debt**.
- Approximately **30%** of Project Costs are expected to be **equity contributions** from the Developer.
- Approximately **7%** of Project Costs are expected to be **Historic Preservation Tax Credit Equity**, created through the rehabilitation of a Historic Resource at 227 West Michigan (“The MAC”).
- Approximately **3%** of Project Costs are expected to be Transformational Brownfield Plan **Construction Period Savings**, through savings on State sales tax and State payroll withholding tax during the construction period.
- Approximately **2%** of Project Costs are expected to be **state and federal grants** through the American Rescue Plan Act (ARPA) and Revitalization and Placemaking (RAP) 2.0 Grants through the State.

Incentive Summary by Type – Tax Abatements

Project	619 Porter	The MAC	Spearflex
Abatement Type	Neighborhood Enterprise Zone (NEZ) Abatement	Commercial Redevelopment Act Abatement	Commercial Rehabilitation Act Abatement
Abatement Description	Reduces all millages proportionately to the statewide average millage rate on new residential tax for 12 Years with a 3-year phase in for City and County Operating	Freezes millages for new rehabilitation taxable value at taxable value prior to rehabilitation	Reduces millages for new rehabilitation taxable value at a CRA Taxable Value basis set by the City Assessor
Estimated Abatement Value	\$1,244,131	\$2,863,441	\$1,050,017
Abatement Period	15 Years	12 Years	10 Years

Incentive Summary by Type – TBP Incentive

Project	TOTAL
Construction Period Tax Capture	\$3,394,178
Sales Tax Capture	\$18,508,946
Residential Income Tax Capture	\$13,565,020
Commercial Payroll Withholding Tax Capture	\$2,949,787
Tax Increment Revenues - Local	\$9,998,800
Tax Increment Revenues – State	\$5,890,758
Proportion of Incentive Attributable to Local Tax	18.4%

Estimates provided are subject to underwriting by the Michigan Economic Development Corporation (MEDC) that is still under evaluation. These estimates are provided for informational purposes only at this time.

Meeting Dates & Milestones



JUNE - JULY

Corridor Improvement
Authorities –
Interlocal Agreements

AUGUST

Brownfield Plan –
Public Hearing

Begin Hearings for
Tax Districts

SEPTEMBER

City Commission –
Adopt Brownfield Plan

Form Tax Districts

OCTOBER

City Commission –
Decision on Tax
Abatement
Certificates

Project Partners



Brownfield Redevelopment Authority



MICHIGAN STRATEGIC FUND



Kalamazoo County Brownfield Redevelopment Authority

Incentive Summary by Type – TBP Incentive

Project	619 Porter	The MAC	Spearflex	TOTAL
Construction Period Tax Capture	\$825,078	\$2,133,250	\$435,850	\$3,394,178
Sales Tax Capture	\$1,572,036	\$16,936,910	\$0	\$18,508,946
Residential Income Tax Capture	\$6,759,617	\$0	\$6,805,403	\$13,565,020
Commercial Payroll Withholding Tax Capture	\$430,230,	\$2,495,116	\$24,441	\$2,949,787
Tax Increment Revenues - Local	\$1,790,805	\$4,985,258	\$3,222,737	\$9,998,800
Tax Increment Revenues – State	\$1,106,461	\$1,809,399	\$1,809,399	\$5,890,758
Proportion of Incentive Attributable to Local Revenues	14.3%	26.2%	16.9%	18.4%

Estimates provided are subject to underwriting by the Michigan Economic Development Corporation (MEDC) that is still under review.

**Downtown Economic Growth Authority
May 2025 Financial Summary**

In May, the Downtown Economic Growth Authority (DEGA) received no revenue. Year-to-date revenues remain at \$916,037.

May expenses totaled \$42,986. Key expense categories included: **Professional and Contractual Services (\$31,795)** for the Ambassador Program (\$28,220) and Bigbelly (\$3,575); **Repairs and Maintenance Services (\$455)** for Portland Loo replacement parts; **Promotion and Advertising (\$10,000)** for social media marketing services; and **Legal Services (\$736)**.

Year-to-date expenses total \$235,436.

Contract and Agreement Snapshot (see full table below) includes agreements the DEGA is currently entered into and the contract period.

Contract and Agreement Snapshot		
Contractor	Contract Description	Contract Period
Bee Joyful Shop	Marketing Grant Agreement	March 2025 – September 2025
Big Belly Solar	Bigbelly Units	December 2021 – May 15, 2028
Block by Block	Ambassador short-term agreement	May 2025 – October 2025
City of Kalamazoo	Service Agreement	February 2024 – February 2027
City of Kalamazoo	Loan Agreement	Dec. 2024 – Dec. 2035
Guess Who’s Dancing Fitness	Beats on Bates	February 2025 – Dec. 2025
Maestro, LLC	Website Hosting & Maintenance	January 2025 – December 2025

Downtown Economic Growth Authority
Statement of Activity
5/31/2025

Total Available Cash 974,680

	<u>2025 Budget</u>	<u>May</u>	<u>2025 YTD Actuals</u>
Revenues			
Taxes	883,600		874,337
Other Revenue	82,000		1,700
Private Contributions and Sponsorships	21,700		-
Contributions from COK	40,000		40,000
Transfers			-
Charges For Services			-
Interest And Rentals	-		-
Total Revenues	1,027,300	-	916,037
Expenses			
Operating Supplies	2,004		-
Professional And Contractual Services	502,448	31,795	130,756
Solid Waste Disposal	7,500		404
Communication And Network Services	576		-
Repairs And Maintenance Services	2,000	455	455
Consulting Services And Fees	55,150		2,000
Audit Fees	13,800		-
Legal Services	30,000	736	6,898
Memberships And Subscriptions	3,000		1,550
Professional Development	13,000		2,123
Administrative Fees	125,000		31,250
Promotion And Advertisting	10,000	10,000	10,000
Contribution To General Fund	20,000		-
Community Promotion	114,850		50,000
Interest Expense - Notes Payable	52,400		-
Total Expenses	951,728	42,986	235,436
Revenues Less Expenses	75,572	(42,986)	680,601

Notes:

Long Term Debt:

Mavcon Agreement	TBD
City of Kalamazoo	1,060,000

Professional And Contractual Services:

	<u>May</u>	<u>2025 YTD Actuals</u>
Recycling Services - BIG BELLY SOLAR LLC	3,575	17,875
Ambassador Services - BLOCK BY BLOCK	28,220	112,882
TOTAL	31,795	130,757

Community Promotion:

Beats on Bates Events - Sponsorship		50,000
TOTAL	-	50,000

Message from Downtown Coordinator

Downtown Kalamazoo is alive with summer happenings—and we’re just getting started. Beats on Bates is in full swing every Wednesday night, Restaurant Week kicked off July 17, and Summer Sidewalk Sales are back July 24–26 with great deals and local energy. As we celebrate the now, we’re also planning ahead—refining the Ambassador Program, improving recycling through student audits, and growing Downtown Dollars to reach more businesses.

— *Meghan Behymer*



Ambassador Program

In June, Ambassadors removed 11,000+ pounds of trash, cleaned the Portland Loo 56 times, and made 59 hospitality assists. The team also placed 12 new flower planters for JumpstART weekend, began watering 11 concrete planters on the Mall, and refreshed downtown tree wells with new mulch.

Program led by: Meghan Behymer
(Downtown Coordinator)

Portland Loo

To address the need for additional public restrooms downtown, the Kalamazoo City Commission approved the purchase of a Portland Loo in early June 2025. The Portland Loo will take approximately 18 weeks to arrive, with full installation taking place 37 weeks after site selection.

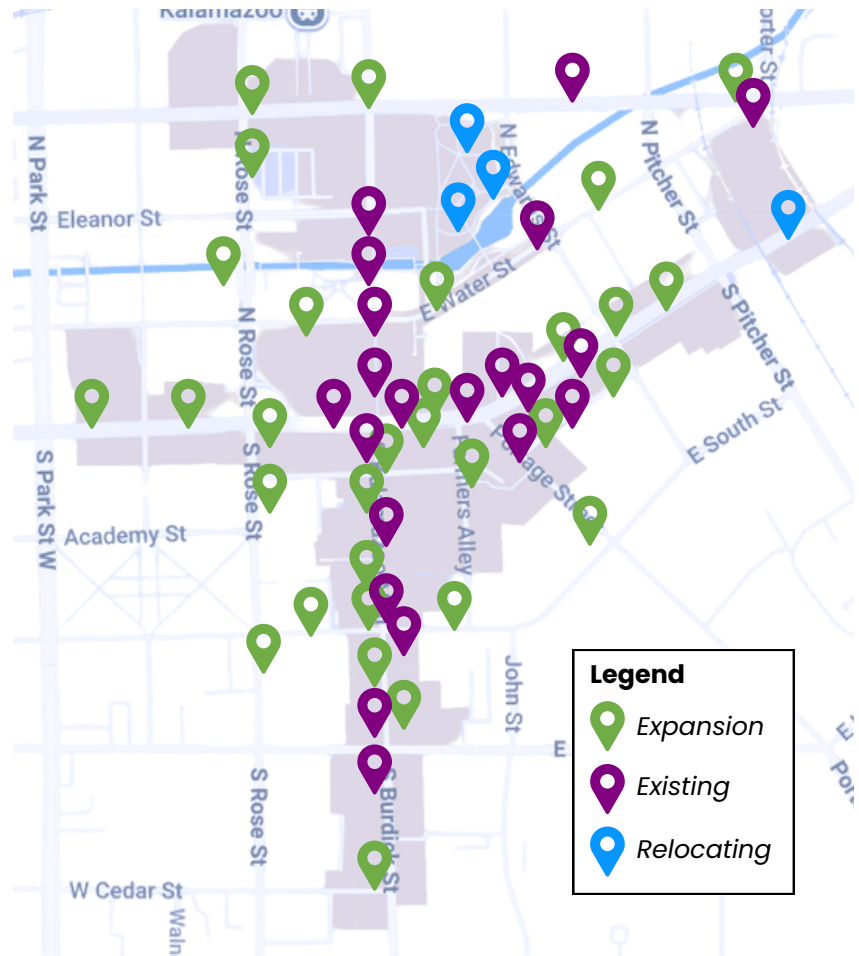
While the City conducts a pilot using temporary restrooms at three locations outside the DDA boundary (June–November), DDA/DEGA Board and staff are working in partnership with the City to explore downtown district locations through business surveys, potential pilot testing, and site evaluations. A final recommendation is expected later this year.



Bigbelly Waste & Recycling

The expansion of downtown's Bigbelly Waste & Recycling Program is moving forward. We are anticipating an August installation

- **Adding 26 New Units:** Expanding the network to 51 units will provide coverage and efficiency for collection
- **Relocating 4 Existing Units:** Optimizing placement based on waste patterns and pedestrian traffic will enhance service effectiveness
- **Unlocking Revenue Opportunity:** Next, we will build an advertising and sponsorship model to leverage Bigbelly as a sustainable, revenue-generating asset.



Sustainability in Action: Student Partnership to Improve Downtown Recycling

A new effort with Western Michigan University and Kalamazoo College student interns is tackling contamination in downtown recycling bins—a major barrier to effective waste diversion. Over three weeks, interns are auditing recycling bins throughout downtown, separating recyclables from trash to gather baseline data. **Week one revealed 46% of materials placed in the recycling bins were non-recyclable.**

The goal? Smarter, photo-informed signage that helps people make better choices at the bin.

Why This Matters

- Reduces contamination and improves recyclability of collected materials
- Decreases long-term costs for waste processing partners
- Strengthens Kalamazoo's reputation for innovation in urban sustainability
- Provides real-world learning for students and strengthens university-city ties
- Unlocks future funding and sponsorship opportunities for waste and recycling improvements

This effort supports key goals of the DDA/DEGA by promoting a cleaner, more welcoming downtown and demonstrating fiscal and environmental stewardship.

Program led by: Meghan Behymer (Downtown Coordinator), Chris Broadbent (Solid Waste Coordinator), Justin Gish (Sustainability Planner)

Kalamazoo Streets for All

Kalamazoo Streets For All is a lane conversion project that will transform downtown Kalamazoo into a welcoming, inclusive and vibrant destination that offers safe travel for all modes of transportation.

Updates can be found at: <https://www.kalamazoo.org/Community/Projects/Streets-for-All>



Project led by: Rebekah Kik (Deputy City Manager), Christina Anderson (City Planner, Deputy Director of Community Planning and Economic Development), and James Baker (Director, Public Services) with Consultants from Progressive AE, C2D, and Wightman Engineering

Parking Plan Implementation

The Parking Blueprint is organized into four sections defined by the following shared strategic objectives: (1) expanding parking supply/capacity; (2) managing parking demand; (3) improving/expanding mobility options; and (4) improving parking operations.

2025 Planned Changes:

- **Upgrade Meters:** Replace outdated meters with smart tech; decide on meter type, payment options, and quantity.
- **Adopt Tiered Rates:** Update pricing model to reflect demand and include evening enforcement zones.
- **Improve Accessibility:** Address gaps in barrier-free parking per 2024 inventory and code standards.

Project led by: Led by Rob Bacigalupi (Mission North Consulting) with City staff Christina Anderson (Planning); Dennis Randolph (Public Services); and Rebekah Kik (City Manager's Office Liaison)

In the News

[See inside downtown Kalamazoo's new senior apartments, a \\$20M development](#)

[2 downtown Kalamazoo apartment projects get tax break for renovation](#)

['JumpstART Summer' with Pride, art and Do-Dah in downtown Kalamazoo](#)

[Kalamazoo redevelopment project seeks to transform old county courthouse into hotel](#)

Upcoming Events

Beats on Bates

Bates Alley

Every Wednesday, June - September, 5:30 - 8:30 p.m.

Restaurant Week

Downtown Kalamazoo

July 17 - 26, 2025

Summer Sidewalk Sales

Kalamazoo Mall

July 24 - 26, 2025



Southwest Michigan First Chamber

Downtown Kalamazoo Business Townhall

October 14, 2025 @ 2 p.m.

180 East Water Street
Kalamazoo, Mich. 49007

Downtown Placemaking

Downtown Placemaking seeks to add to the vibrancy with another alley activation, plaza redesigns that act as connectors, and enhancing the experience of the Kalamazoo Mall as a more active and engaging place.



Project led by: Rebekah Kik (Deputy City Manager), Christina Anderson (City Planner, Deputy Director of Community Planning and Economic Development), Patrick McVerry (Parks and Recreation); Dennis Randolph (Public Services), and Meghan Behymer (Downtown Coordinator)

- 1 North Kalamazoo Mall**
Construction project - pending federal grant approval
- 2 Exchange Place**
Mural project - pending property owner approval
- 3 Farmer's Alley**
Project is moving forward with construction documents to improve the concrete plaza, lighting, and landscaping.
- 4 Rose Street Plaza**
Project is moving forward with construction documents to improve the concrete plaza with furniture and landscaping. Coordination currently underway with adjacent property owners to partner on improvements on the public/private areas.
- 5 South Burdick (Lovell to Cedar)**
Currently on hold awaiting budget or grant opportunity.
- 6 Arcadia Creek Festival Place**
ACFP is undergoing a major renovation to improve infrastructure such as electrical and landscaping, supported by \$3.6 million in grants from the MEDC and City Commission, with additional funding being pursued for the \$14M project. Design focus groups were held in April with community input, and a public meeting was held in early June to share proposed design recommendations.

WMU Economic Vitality Study

The WMU Economic Vitality Study is a collaborative research initiative between the City of Kalamazoo and Western Michigan University designed to better understand the economic health of Downtown Kalamazoo. The study aims to evaluate short- and long-term impacts of major downtown infrastructure projects, business activity trends, and the effectiveness of public investments.

- Business survey updated with feedback from group of downtown businesses, fourth quarterly survey open until July 31st.
- WMU presented early findings at the July Downtown Business Town Hall.

Study led by: Center for Transportation and Livability at Western Michigan University – Dr. Jun Oh with City staff Christina Anderson (Planning); Dennis Randolph (Public Services); Meghan Behymer (Downtown Coordinator); and Rebekah Kik (City Manager’s Office Liaison)

Downtown Dollars

May saw \$1,045 Downtown Dollars spent locally and \$1,450 in new purchases—supporting 19 of our businesses! A special welcome to our newest Downtown Dollars merchant - HopCat!

Month	# of Businesses that Redeemed DT\$ (% of total)	Total Sold	Total Spent
January	20 (38%)	\$935	\$1,785
February	18 (34%)	\$620	\$850
March	17 (30%)	\$785	\$1,190
April	23 (41%)	\$900	\$2,740
May	19 (34%)	\$3,740	\$1,425
June	16 (28%)	\$1,450	\$1,045
July			
August			
September			
October			
November			
December			
2025 TOTAL	31 (55%)	\$8,430	\$9,035

Program led by: Chelsie Downs-Hubbarth (Community Investment Manager), Meghan Behymer (Downtown Coordinator)

June 2025 Stats

\$1,450

SOLD

↑ 31% vs. June 2024

\$1,045

SPENT

↓ 23% vs. May 2024

Program Life Stats

\$518K

SOLD

\$364K

SPENT

\$135.5K

IN CIRCULATION



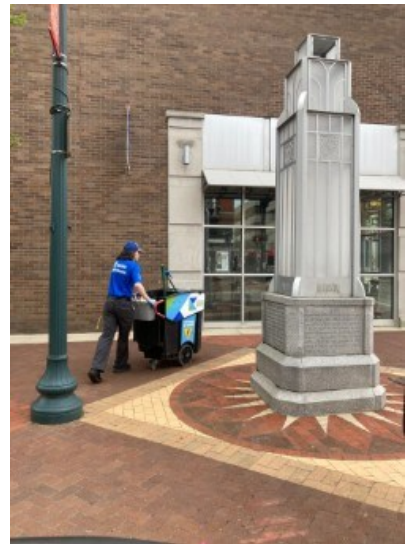
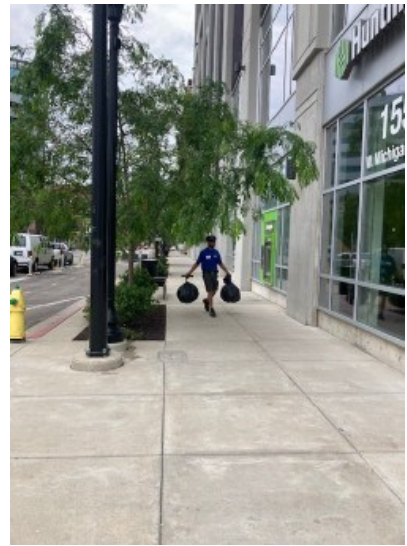
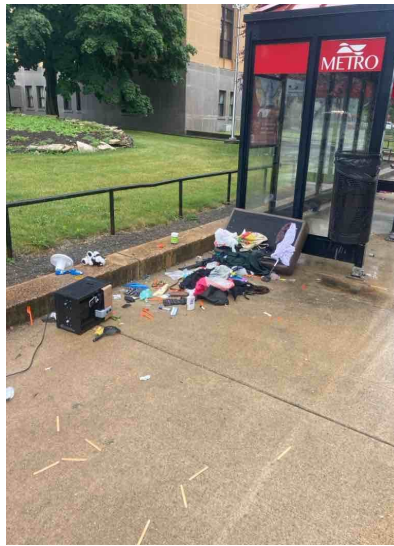
DOWNTOWN KALAMAZOO

AMBASSADOR PROGRAM

JUNE 2025 REPORT



AROUND TOWN IN JUNE

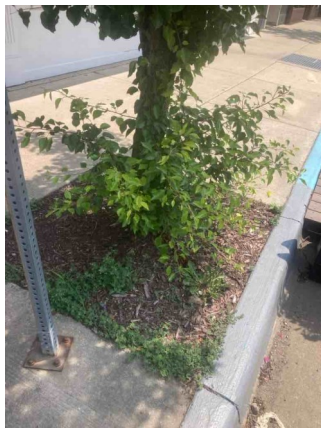


JUNE 2025 HIGHLIGHTS



June In Bloom

Ahead of Jump Start weekend our team went and picked up 12 flower planters to put them back out on Michigan Ave. Big shout out to Kalamazoo In Bloom for getting the arrangements done for us. You can see the planters at the intersections of Michigan Ave and the Mall, Portage and Rose St. In 2025 Ambassadors will also add watering the 11 concrete planters on the Mall to our workload.



Tree Wells





In June the team tackled some of the highly visible tree wells around town that needed attention. All weeds were pulled and mulch was added.




June 2025 Stats By Zone						
	East	Kalamazoo Mall	North	West	Total	
CLEANING						
Abandoned Property	106	65	27	17	215	
Area Cleaned	12	15	3	8	38	
Biohazardous Material	23	3		2	28	
Restroom Cleaned/Stocked	52	0	4	0	56	
Graffiti - Removed	31	14	10	9	64	
Lawn Care (hours)					0	
Leaf Removal (hours)	1	2			3	
Power Washing (hours)					0	
Snow Removal (hours)					0	
Litter (lbs)	75	25	75	25	200	
Trash (lbs)	3175	5350	1075	1725	11325	
Flower Watering (gallons)	285	289		220	794	
Weed Abatement (block faces)	11	6	4	9	30	
Special Project (hours)	18	4		10	32	
HOSPITALITY						
Business Contact	1	6			7	
Hospitality Assistance	22	21	3	13	59	
SAFETY						
Observed Visible Alcohol/Drug Use		6			6	
Interaction With Alcohol/Drug Use		6			6	
Needles Found					0	
Panhandling - Aggressive					0	
Panhandling - Passive				1	1	
Public Defecation/Urination	1			0	1	
Safety Escorts					0	
OUTREACH						
Transient	45	49	12	10	116	
Unhoused/Sleeping	54	45	30	8	137	
Unsheltered Relocation	3	1	0		4	

KDP Zone Map


KDP Zones

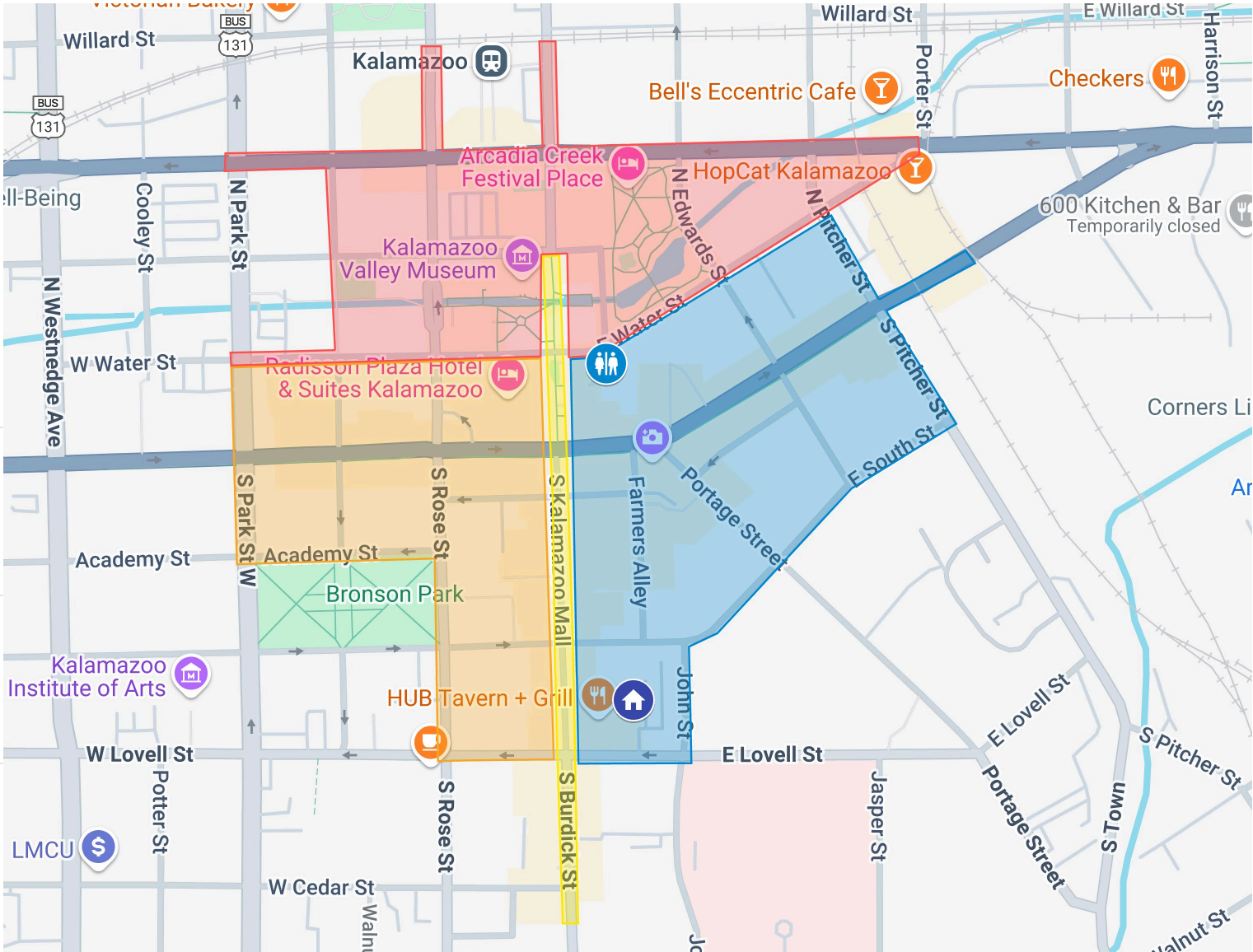
-  Kalamazoo Mall
-  North
-  West
-  East

Restroom

-  Portland Loo

Operations Center

-  Operations Center



2025 STATISTICS

	January	February	March	April	May	June	July	August	September	October	November	December	Total
CLEANING													
Abandoned Property	119	201	301	433	276	215							1545
Area Cleaned	27	39	105	43	47	38							299
Biohazardous Material	36	40	42	56	59	28							261
Restroom Cleaned/Stocked	23	41	50	55	58	56							283
Graffiti - Removed	20	31	95	103	53	64							366
Lawn Care (hours)													0
Leaf Removal (hours)	6	4	10		6	3							29
Power Washing (hours)				44	51								95
Snow Removal (hours)	122	38											160
Litter (lbs)				1175	575	200							1950
Trash (lbs)	6800	5775	8425	10200	9225	11325							51750
Flower Watering (gallons)						794							794
Weed Abatement (block faces)				11	10	30							51
Special Project (hours)		1	9		30	32							72
HOSPITALITY													
Business Contact	27	41	16	18	4	7							113
Hospitality Assistance	43	25	41	47	33	59							248
SAFETY													
Observed Visible Alcohol/Drug Use	11	12	12	41	7	6							89
Interaction With Alcohol/Drug Use			7	11		6							24
Needles Found	5			7	8								20
Panhandling - Aggressive				1	1								2
Panhandling - Passive		1		1	7	1							10
Public Defecation/Urination	1					1							2
Safety Escorts	1	8	1	3									13
OUTREACH													
Transient	28	24	53	114	144	116							479
Unhoused/Sleeping	110	94	206	296	157	137							1000
Unsheltered Relocation	30	9	12	28	4	4							87