

# **Board of Directors Regular Meeting Minutes**

July 21, 2025, 3 p.m. | Community Planning & Economic Development, 245 N Rose Street

**PRESENT:** Curt Aardema, David Anderson, Jeff Breneman, Clarence Lloyd, Trisha Kidd, Stanley Steppes, Jessica Thompson

**EXCUSED:** Rick Searing

**ABSENT:** Kwame Gyimah

**STAFF:** Erin Hahn (Community Investment Administrative Assistant); Jessica Wood (Legal Counsel); Jamie McCarthy (Development Manager)

**OTHER:** Logan Mulholland (Fishbeck); Jared Lutz (Michigan Growth Advisors); Mark Chilcott (PlazaCorp)

## **A. CALL TO ORDER**

**DIRECTOR AARDEMA CALLED THE MEETING TO ORDER AT 3:10 P.M.**

**PRESENT:** Curt Aardema, David Anderson, Jeff Breneman, Clarence Lloyd, Trisha Kidd, Stanley Steppes, Jessica Thompson

**EXCUSED:** Rick Searing

**ABSENT:** Kwame Gyimah

**THE JULY 21, 2025 ATTENDANCE INCLUDING EXCUSED AND UNEXCUSED ABSENCES IS RECORDED.**

## **B. ADOPTION OF FORMAL AGENDA**

**DIRECTOR BRENEMAN MOTIONED TO ADOPT THE JULY 21, 2025 AGENDA AS PRESENTED. DIRECTOR LLOYD SECONDED. NO OBJECTIONS. MOTION CARRIED.**

## **C. APPROVAL OF MINUTES**

**MAYOR ANDERSON MOTIONED TO APPROVE THE MINUTES FROM THE DOWNTOWN ECONOMIC GROWTH AUTHORITY BOARD MEETING ON JUNE 16, 2025. DIRECTOR KIDD SECONDED. NO OBJECTIONS. MOTION CARRIED.**

## **D. REPORTS AND PRESENTATIONS**

### **1. Transformational Brownfield Plan**

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Director Kidd excused herself from the room due to a conflict of interest.

City of Kalamazoo Development Manager Jamie McCarthy presented a request for the DEGA to enter into a step-aside agreement in support of a proposed Transformational Brownfield Plan in partnership with the Michigan Economic Development Corporation (MEDC). Mark Chilcott of PlazaCorp explained that the agreement would allow local tax increment revenues generated by two downtown redevelopment projects—the Spearflex building and the Michigan Avenue Courthouse (“The MAC”)—to be redirected to the Brownfield Authority to reimburse eligible redevelopment costs. A third project at 619 Porter Street is also included in the broader brownfield plan but falls outside the DEGA boundaries and is not part of the step-aside request being presented.

Mr. Chilcott outlined the scope of the proposed developments. The Spearflex building, currently used as office space, would be converted into 57 residential units, while preserving on-site parking that will continue to serve both residents and Shakespeare’s Pub. The MAC project would transform the former courthouse into a 127-room boutique hotel with a restaurant, bar, and event space. Together with the Porter project, the developments represent approximately \$100 million in private investment. Mr. Chilcott noted that local and state approvals are anticipated in 2025, with construction beginning as early as 2026 and continuing in phases through 2029. He emphasized that this plan offers a significant reinvestment opportunity in the downtown area without requiring any direct financial contributions from the DEGA. In response to questions from board members, Mr. Chilcott clarified that while the DEGA would not have formal design approval roles, there will be opportunities for public input as the projects move through the City’s planning and zoning process. He also addressed long-term development opportunities on adjacent sites and confirmed that only the Spearflex and MAC properties are subject to this specific request.

Jared Lutz from the consulting team followed with a financial overview of the proposed tax capture. He explained that the Brownfield Authority is seeking permission to redirect new tax increment revenues from the Spearflex and MAC sites for up to 30 years to reimburse brownfield-eligible expenses, including environmental remediation, demolition, and site preparation. This redirection would apply only to new taxable value created by the developments and would not impact current DEGA revenue streams or any state-level tax capture. Mr. Lutz emphasized that the plan is performance-based, with reimbursement

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occurring only if the projects are built and generate the anticipated tax increment.

Mr. Lutz also presented projected outcomes, including 172 new housing units, the addition of a full-service hotel, hundreds of construction and permanent jobs, and a boost in downtown vibrancy and foot traffic. Board members asked how much revenue would be redirected and whether it would constrain the DEGA's ability to support future priorities. Mr. Lutz confirmed that the agreement would apply only to the specific parcels involved and would not interfere with other funding obligations or planning efforts. After a robust discussion, board members ultimately decided to take action.

**DIRECTOR BRENEMAN MOTIONED TO ENTER INTO A TIF SHARING AGREEMENT PERMITTING THE BROWNFIELD REDEVELOPMENT AUTHORITY TO CAPTURE TIF GENERATED BY THE PLAZACORP TBP, AND AUTHORIZING THE BOARD CHAIR TO EXECUTE THE SHARING AGREEMENT IN A FORM APPROVED BY DEGA LEGAL COUNSEL. DIRECTOR LLOYD SECONDED. A ROLL CALL VOTE WAS TAKEN.**

### **ROLL CALL**

**YAY: Curt Aardema, Davis Anderson, Jeff Breneman, Clarence Lloyd, Stanley Steppes, Jessica Thompson**

**NAY: None**

**ABSTAIN: Trisha Kidd**

### **2. Financial Report – May 2025**

The Board elected to postpone the acceptance of the May 2025 financial report until the August 18 meeting so that City of Kalamazoo Downtown Coordinator Meghan Behymer would be present to provide an explanation of the report.

### **3. Committee Reports**

Director Aardema stated that the **Executive & Finance Committee** met to review the agenda packets for the July meetings.

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Director Thompson stated that the **Events & Marketing Committee** approved two sponsorship requests – the Black Arts Festival and Sounds of the Zoo. Director Thompson also stated that the committee is considering establishing term limits for members, and continues to evaluate and refine the sponsorship program for the coming year.

Director Aardema stated that the **Clean & Green Committee** continues to focus on the ambassador program and the Bigbelly expansion.

Director Lloyd stated that the **Business Recruitment & Retention Committee** met with representatives from the Kalamazoo Department of Public Safety to discuss a better strategy for promoting the safety of downtown.

#### 4. Downtown Report

Director Thompson noted strong community engagement with recent events, including Beats on Bates, Juneteenth in Bronson Park, the Black Arts Festival, and Ice Cream in the Zoo. Additionally, Director Thompson stated that branding and marketing work through a5 Branding & Digital is ongoing, with stakeholder meetings continuing through the end of the month and a rollout of the new brand strategy expected Fall 2025.

Mayor Anderson raised concerns about downtown maintenance issues referenced in a letter from a downtown stakeholder. Staff clarified that many of the items have been in progress with Meghan's involvement, and while some delays exist, all are being addressed. The board agreed it would be helpful to share the bullet points from the stakeholder's email with all members.

Mayor Anderson also highlighted recent Ambassador data showing decreases in biohazard cleanups and unhoused sleeping incidents since April. The board discussed possible reasons, including seasonal trends, reporting changes, or outside factors. The Clean & Green Committee will review how these metrics are tracked and reported.

#### E. DISCUSSION/ACTION ITEMS

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## **1. Downtown Restrooms**

Director Aardema provided an update regarding the planned installation of a second Portland Loo in downtown Kalamazoo. Over the past several months, a subcommittee composed of representatives from the DDA/DEGA has worked in collaboration with City staff to evaluate potential locations for the new facility. The process included surveying between downtown business owners, reviewing potential locations identified by the City, meeting with Public Services Director James Baker to better understand infrastructure needs, and conducting in-person site assessments at each proposed location. Following this analysis, the subcommittee determined that the Water Street site—adjacent to the existing Portland Loo—is the recommended location. This recommendation is based on support from survey respondents, cost-effectiveness, ease of construction and utility access, minimal disruption to neighboring businesses, and increased efficiency for maintenance and public safety operations.

The new Portland Loo has already been ordered by the City Commission.

**DIRECTOR LLOYD MOTIONED TO DRAFT A LETTER TO BE SHARED WITH DOWNTOWN KALAMAZOO STAKEHOLDERS INCLUDING THE CITY COMMISSION AND DOWNTOWN BUSINESS OWNERS AND AUTHORIZE THE BOARD CHAIR TO SIGN. DIRECTOR THOMPSON SECONDED. NO OBJECTIONS. MOTION CARRIED.**

## **F. PUBLIC COMMENTS**

There were no public comments.

## **G. DIRECTOR COMMENTS**

There were no director comments.

## **H. ADJOURNMENT**

**DIRECTOR AARDEMA ADJOURNED THE MEETING AT 5:00 PM.**