

Agenda

Brownfield Redevelopment Authority

Board of Directors



City of Kalamazoo

Thursday, October 9, 2025

8:00 AM

Community Room at City Hall, 241 W. South Street

- A. CALL TO ORDER/ROLL CALL**
- B. ADOPTION OF FORMAL AGENDA**
- C. APPROVAL OF MINUTES**
- D. PUBLIC COMMENTS**
- E. DIRECTOR COMMENTS**
- F. NEW BUSINESS**
 - 1. Consideration of a Step Aside Agreement with Sharing of the Administrative Fee as Presented by NCBDA
- G. UNFINISHED BUSINESS**
- H. COMMUNICATIONS AND ANNOUNCEMENTS**
- I. STAFF REPORTS AND UPDATES**
- J. ADJOURNMENT**



BRA Board of Directors Staff Report

City of Kalamazoo

TO: Brownfield Redevelopment Authority Board of Directors

FROM: Antonio Mitchell, Director of Community Planning and Economic Development
Prepared by: Attorney Wood

DATE: October 9, 2025

SUBJECT: Consideration of a Step Aside Agreement with Sharing of the Administrative Fee as Presented by NCBDA

RECOMMENDATION:

It is recommended the BRA Board of Directors approve sharing of the administrative fee and step aside agreement as presented by the NCBDA executive committee and sign the agreement

BACKGROUND:

The Northside Cultural Business District Association (NCBDA) and the City of Kalamazoo Brownfield Redevelopment Authority (BRA) have negotiated a Step Aside Agreement related to the redevelopment of 619 Porter Street, including 314 and 316 E North Street. This agreement is connected to a voluntary Community Benefits Agreement between the NCBDA and Plazacorp, the project developer, which provides a lump sum payment to support community priorities associated with the project.

As a condition of signing the Step Aside Agreement, the NCBDA has requested that the BRA share a portion of the administrative fee it will collect through the Transformational Brownfield Plan for the project, once adopted by the City Commission. This shared fee would support NCBDA's qualifying administrative expenses.

FISCAL IMPACT:

The Step Aside Agreement includes a request to allocate 2% of the local tax increment revenues generated by the project to the NCBDA, representing a split of the BRA's 10% administrative fee (8% retained by the BRA and 2% allocated to NCBDA).

STEP ASIDE AGREEMENT

BETWEEN THE NORTHSIDE CULTURAL BUSINESS DISTRICT AUTHORITY (A CORRIDOR IMPROVEMENT AUTHORITY) AND THE CITY OF KALAMAZOO BROWNFIELD REDEVELOPMENT AUTHORITY RELATING TO TAX INCREMENT REVENUE CAPTURE FOR 619 PORTER

THIS STEP-ASIDE AGREEMENT (the “Agreement”) dated _____, 2025, is entered into between the **NORTHSIDE CULTURAL BUSINESS DISTRICT AUTHORITY** (A CORRIDOR IMPROVEMENT AUTHORITY, established by the City of Kalamazoo), (the “NCBDA”), whose address is 245 North Rose Street, Suite 100, Kalamazoo, Michigan 49007; and the **CITY OF KALAMAZOO BROWNFIELD REDEVELOPMENT AUTHORITY** (the “BRA”), whose address is 245 North Rose Street, Suite 100, Kalamazoo, Michigan 49007. The NCBDA and the BRA shall be referred to, collectively, as the “Parties.”

RECITALS

WHEREAS, the Urban Cooperation Act, Public Act 7 of 1967, as amended (“Act 7”), provides that a public agency may enter into interlocal agreements (such as this step-aside agreement) with other public agencies to exercise jointly any power, privilege, or authority that the agencies share in common and that each might exercise separately, to allow for the allocation of certain taxes or money received from tax increment financing plans as revenues, and to permit tax sharing; and

WHEREAS, the NCBDA is an authority established and operating pursuant to Part 6 of the recodified Act 57 of 2018, as amended (“Act 57”), and the BRA is an authority established pursuant to Act 381 of the Public Acts of 1996, as amended (“Act 381”), both being public agencies; and

WHEREAS, the BRA has the authority to reimburse the cost of “Eligible Activities” and other reimbursable costs through the capture of “Tax Increment Revenues” on “Eligible Property” pursuant to and as described in Act 381; and

WHEREAS, the NCBDA has the authority to pay for certain activities and capture Tax Increment Revenues generated by the levy of certain taxes on property within its District pursuant to Act 57 and the NCBDA’s Tax Increment Financing and Development Plan; and

WHEREAS, 619 LLC (“Developer”, referred to throughout some proceedings, discussions, and in materials leading up to this Agreement, as “PlazaCorp”) is at the time of this drafting, beginning the process of submitting a Transformational Brownfield Plan for approvals (the “Brownfield Plan”), for redevelopment of certain property identified in the Brownfield Plan including a property consisting of three parcels numbered 06-15-261-005, 06-15-260-003, and 06-15-260-005, referred to collectively herein as “619 Porter” located within the NCBDA District (the “Property”); and

WHEREAS, certain Tax Increment Revenues generated by the Property are currently subject to capture by the NCBDA pursuant to its Tax Increment Financing and Development Plan; and

WHEREAS, the NCBDA and the BRA now wish to enter into this Agreement to share and/or transfer the Tax Increment Revenues generated by the redevelopment of the Property from the NCBDA to the BRA for the limited purpose of reimbursing Eligible Activities as set forth in the Brownfield Plan, if and when approved, only during the term of the Brownfield Plan; and

WHEREAS, this Agreement, in which the NCBDA permits the BRA to capture tax increment revenues related to 619 Porter, shall last only during the term of the Brownfield Plan, if and when approved, and shall only take effect after the Developer Contribution owing to the

NCBDA is paid to the NCBDA in full, pursuant to the terms of the Voluntary Community Benefits Agreement entered by the NCBDA and Developer.

NOW THEREFORE, the NCBDA and BRA agree to the following:

1. Transfer and Use of Tax Increment Revenues. Upon the satisfaction of the contingencies set forth herein, Tax Increment Revenues generated by the Property otherwise subject to capture by the NCBDA shall be transferred to the BRA within thirty (30) days of receipt. If Developer does not meet the contingencies set forth herein or in the Voluntary Community Benefits Agreement, this Agreement shall be null and void.

2. Term. Upon the conclusion or termination of the Brownfield Plan, and subject to paragraph 5, this Agreement shall automatically terminate and all Tax Increment Revenues generated by the Property shall thereafter be captured and retained by the NCBDA as authorized by Act 57 and consistent with the NCBDA's Tax Increment Financing and Development Plan.

3. Limitation to Tax Increment Revenues from Property. The BRA shall only use Tax Increment Revenues actually generated by the Property to pay for approved costs of Eligible Activities and as authorized by Act 381, the Brownfield Plan, if and when approved.

4. Duration. This Agreement, in which the NCBDA permits the BRA to capture tax increment revenues related to 619 Porter, shall last only during the term of the Brownfield Plan, if and when approved.

5. Effective Date. This Agreement shall not take effect until all of the following have occurred: (a) the Voluntary Community Benefits Agreement entered by the NCBDA and Developer must be fully executed, (b) this Agreement must be fully executed, (c) the Development and Reimbursement Agreement entered by the BRA and Developer must be fully executed, and (d) the Developer Contribution owing to the NCBDA must be paid to the NCBDA in full, pursuant

to the terms of the Voluntary Community Benefits Agreement entered by the NCBDA and Developer (“Effective Date”).

6. Administrative Fees. Act 381 allows a Brownfield Authority to use, subject to required documentation and audits, and in certain circumstances, to share with other authorities, taxes captured from eligible properties to pay for administrative and operating costs, including certain legal and consulting fees that are not in the ordinary course of acquiring and developing real estate, costs to implement, monitor, and maintain compliance with the income and price monitoring responsibilities associated with housing development activities, fees and expenses, including licensing, permitting, planning, engineering, architectural, testing, legal, and accounting fees, not included in the legal and consulting fees as described above; the BRA agrees to share 20% of the administrative fees collected annually with NCBDA for use within the definition of eligible expenditures.

[SIGNATURES ON FOLLOWING PAGE]

IN WITNESS THEREOF, the NCBDA and the BRA, by their authorized representatives,
have executed this Step-Aside Agreement on the dates set forth below.

**NORTHSIDE CULTURAL BUSINESS
DISTRICT AUTHORITY**

By: _____
Mattie Jordan-Woods

Title: Board Chairperson

Date: _____

**CITY OF KALAMAZOO BROWNFIELD
REDEVELOPMENT AUTHORITY**

By: _____

Title: _____

Date: _____

