

Agenda

Economic Development Corporation

Board of Directors



City of Kalamazoo

Thursday, January 15, 2026

7:45 AM

CPED Main Conference Room - 245 N. Rose Street, Suite 100

- A. CALL TO ORDER/ROLL CALL
- B. ADOPTION OF FORMAL AGENDA
- C. APPROVAL OF MINUTES
 - 1. Approval of minutes from the EDC meeting on November 20, 2025.
- D. PUBLIC COMMENTS
- E. DIRECTOR COMMENTS
- F. NEW BUSINESS
 - 1. Economic Initiative Fund (EIF) Loan Policy Discussion
 - 2. Discussion and Formation of Committee on Cannabis Social Equity Fund Uses
- G. UNFINISHED BUSINESS
- H. COMMUNICATIONS AND ANNOUNCEMENTS
- I. STAFF REPORTS AND UPDATES
- J. ADJOURNMENT

CITY OF KALAMAZOO
ECONOMIC DEVELOPMENT CORPORATION BOARD MEETING
Thursday, November 20, 2025
Community Planning and Economic Development
245 N. Rose Street, Kalamazoo, MI 49007

MEMBERS PRESENT: Jason Novotny; Sharon Ferraro; Andrew Schipper; Rachel Bair; *Scott Petersen; Lucas Middleton; Kyle Gulau; Alonzo Wilson

MEMBERS ABSENT: Eddie Warr; T.J. Ward; Michael Gurnee

CITY STAFF PRESENT: Jamie McCarthy (Development Manager); Heidi Waffle (Brownfield Project Assistant); Bobby Boyd (Economic Development Supervisor); Jessica Wood (Attorney, Dickinson-Wright); Erin Hahn (Business Specialist)

Meeting was called to order at 7:50 AM by Chair Middleton.

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

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

APPROVAL OF MINUTES: Director Ferraro moved approval of the minutes from the meeting of October 16, 2025; seconded by Commissioner Wilson. Motion approved by voice vote unanimously.

PUBLIC COMMENTS

None.

DIRECTORS' COMMENTS

None.

NEW BUSINESS

1. Economic Initiative Fund Loan Approval for Winstons, LLC.

Mr. Boyd shared the business is requesting about \$35,000 for an EIF loan in regards to rehabbing the location at 224 E Michigan Avenue for a new bar. The project's total cost is about \$400,000. He introduced the representative of the development team.

Ms. Hahn passed out EIF Loan materials to the directors, including the complete application packet, personal guaranty, promissory note, amortization schedule, and the proposed resolution approving and recommending City Commission approval.

Robert Nicol, one of the owners of Winston's LLC, shared about the other restaurants they own, including Principle Food and Drink, Roca, and Salt of the Earth. He said this is the newest project at 224 E Michigan. A long time ago it was Winston's and then it became a spill-over for the London Grill, but it hasn't done much since then. His business partner and himself are from Kalamazoo, so it is always fun to rehab these spaces that are outdated. He said right now it seems like there is a need for a neighborhood bar in downtown Kalamazoo, safe places people can get together and mingle at an affordable price point. He said that block is becoming a destination for that, citing Ouzos reopening, active lease for what was recently Saugatuck brewing, Green Top, HighDive, and themselves. They are doing their best to be part of that and create kind of a bigger city neighborhood bar feeling.

Director Ferraro shared, as a semi-official historian, that before alcohol was banned that whole block almost consisted of bars. She said they are getting close to the same proportion of what there was then.

Chair Middleton said thank you to Mr. Nicol. He has really enjoyed their other restaurants in the community and he is glad to see he is investing elsewhere.

Director Schipper moved approval of an Economic Initiative Fund Loan for Winstons, LLC; seconded by Director Bair. A roll call vote was taken, and the motion passed unanimously.

2. Recommendation to the City Clerk's Office of a 2-year approval of the 2 Adult Use Class C Grower Permits to Pure, LLC.

Mr. Boyd shared information on the business, as found in the packet.

Director Ferraro moved approval of a recommendation to the City Clerk's Office of a 2-year approval of the 2 Adult Use Class C Grower Permits to Pure, LLC; seconded by Director Novotny. A roll call vote was taken, and the motion passed unanimously.

UNFINISHED BUSINESS

1. 2026 Social Equity Fund Budget.

Mr. Boyd shared this is a carry-forward from the previous month when the budget was approved. An extra tab that included the Social Equity Fund Budget was not printed off at that time. A presentation from the contractor, Detroit Cannabis, will occur at the next board meeting. This November agenda was already too full to include the presentation this month.

Director Ferraro stated that "corporation" was misspelled in the header.

Directors Bair and Gulau pointed out that the Social Equity Fund Budget was not included in the packet for review. It was the EDC budget that was included.

Director Gulau felt it was out of order to approve the budget and then receive a presentation. They have no information to consider the budget.

Directors and Attorney Wood discussed tabling the item.

*Director Petersen arrived at 8:00 AM.

Director Novotny moved to table the 2026 Social Equity Fund Budget; seconded by Director Ferraro.

A voice vote was taken, and the motion passed unanimously.

2. Buy Local Greater Kalamazoo Presentation by Clarence Lloyd.

Clarence Lloyd, Director of the Southwest Michigan First Chamber, discussed the challenges that local businesses face. He said Buy Local Greater Kalamazoo has been around in the community for a number of years. He talked about the Chamber taking on this effort recently and how the name is switching to Shop Local Kalamazoo.

Mr. Lloyd shared that establishing e-commerce can be expensive and time-consuming for businesses to start. The lack of office workers is also hurting the downtown businesses. Employers have either taken their businesses elsewhere or people are working from home, so a group of people businesses used to rely on are not there anymore.

He shared about the construction around Whites and Oakland all the way down to Whites and Westnedge and how negatively that impacted businesses in that area. He said he thinks there are things they can do to make sure businesses stay visible and viable even when things are happening outside of their front door. Compared to 2019, online shopping has doubled. People want to shop local, but it is hard and inconvenient. And sometimes it is hard to tell whether or not a business is locally owned. Mr. Lloyd discussed what might happen if this issue is not addressed and local businesses are not supported.

Mr. Lloyd said municipal support is hard to see and feel tangible. There are one-time grants that support businesses, but it is hard for businesses to feel that support, especially existing businesses.

He said they have a solution that he thinks can address a lot of the issues and become a mainstay of how they support small, locally-owned retail and restaurant service businesses in this community. The solution is Shop Local Greater Kalamazoo. It is a comprehensive online platform dedicated to small, locally-owned businesses. It is a representation of the businesses that make us who we are, the ones that you would miss if they left.

The website is easy to navigate. Categories to shop by include community (i.e. Portage, Richland), category (i.e. apparel, baby, gift ideas, seasonal items), owner type (i.e. woman owned). Mr. Lloyd noted that Downtown Dollars will not be accepted. The shopper is also able to shop at multiple stores and check out one time.

Mr. Lloyd said the goal of Southwest Michigan First is not to make money. It is to provide a solution and that is why they are coming to municipalities for support. He discussed the cost for businesses to participate. It is free for Chamber members and \$395 annually for non-members. If they already use Shopify or Square, the businesses' POS system can automatically be linked to the Shop Local Website, so all of their inventories would stay up-to-date. He said the team they're working with for the website is super responsive, because the Chamber also used them for the Chamber member directory as well.

Mr. Lloyd said the data shows that this will encourage local job creation. If they can help create additional traffic, additional revenue, and additional stability for businesses, they'll hang on to the teams they have and potentially even add jobs. Economic diversity comes from tools like this where people can see where gaps are a bit easier and maybe create entrepreneurial ideas. It can also capture more visitor spending.

He acknowledged the thought that this website might hurt brick and mortar stores. He shared that the opposite is true. The reality is that brick and mortar is going to continue to be a strong portion of the retail and service and shopping experience. They have to consider how to help businesses that might not otherwise be able to have a built-out omnichannel experience get there. Shop Local Greater Kalamazoo gives them that.

Mr. Lloyd discussed how Shop Local Greater Kalamazoo is promoted. The whole cost for the platform was \$52,000. He shared about the process and how the individuals who came from out of town to build the site also met with 15 local businesses in the County. The dollar amount, in addition to the marketing and promotion, covered the development and maintenance of the site by the company. Mr. Lloyd said they are requesting their partners, including the EDC, to support with \$10,000 annually for an initial three years to build, maintain, and promote this initiative. In exchange for support, they want people to know the City is supporting it, so they will have logos there and side-bar ad opportunities on social media and a newsletter.

He said they also have commitments from Vicksburg, Portage, and they are pursuing others as well., including some private companies. They are doing a slow and intentional build into and through Q1-3 2026, avoiding a grand rollout. They currently have about 50 businesses on the site now with about of them with products up. The 2026 holiday season, starting on November 1, will be the grand rollout. The goal is to have people in the community visit this site first before shopping with big box stores. He shared materials with the board for business recruitment. They are primarily focusing on businesses that sell things first.

Director Petersen asked about an app and when they might pursue that.

Mr. Lloyd said the team hired to help them build this does coding and would be able to assist with an app whenever they are ready for that.

Director Novotny questioned about being able to vote on a three-year commitment and if their board is allowed to do that since they approve their budget on an annual basis. He is a big proponent of supporting the initiative for the upcoming year.

Attorney Wood, Mr. Lloyd, and directors discussed partnering for one year and choosing to re-new the partnership in the future for further years.

Director Bair asked how this works if a business already has an e-commerce presence.

Mr. Lloyd said rather than duplicating, it is like targeting a whole different audience. He shared an example of a business that had joined and that the business owner is maintaining one inventory because he utilizes Shopify, which talks to both systems.

Director Gulau asked about their metrics for success. He asked what a “win” in the first year looks like.

Mr. Lloyd said their goal is 200 businesses listed by the time of the grand rollout. They are targeting Shopify and Square POS users. They also want to make sure there is good representation in all of the categories.

Chair Middleton asked if there is an opportunity for fully online businesses to leverage this for their online presence.

Mr. Lloyd shared not everyone on the site has a brick-and-mortar presence. He said micro-businesses are important.

Mr. Lloyd told the board he wants this to be a partnership and he appreciates their time.

3. 2026 EDC Updated Budget.

Chair Middleton discussed a year-to-year review of the Shop Local Greater Kalamazoo initiative rather than a three-year commitment.

Director Gulau said he wants to make sure the City of Kalamazoo or the City of Kalamazoo EDC logo gets onto the Shop Local website.

Director Gulau moved approval of the 2026 EDC Updated Budget; seconded by Director Novotny. A roll call vote was taken, and the motion passed unanimously.

*Director Petersen left the meeting at 8:41 AM.

4. Updated EDC Bond Fee Schedule Approval.

Mr. Boyd shared that the bond fee schedule had not been updated since 2007. He and Attorney Wood worked diligently to create a new schedule.

Attorney Wood shared that the board does have discretion to set it.

Chair Middleton asked what she meant by discretion. Did it mean they have discretion to adopt their own schedule or that they have discretion on an issuance basis?

Attorney Wood said she thinks they should have a policy in place so that everyone gets treated the same. In terms of setting the fee schedule, she said the City Attorney's office sent it back for the EDC to have authority of. There is also discretion on how they cap the fees. She provided several models to staff and this is what was brought before the board.

Mr. Boyd said they wanted to make sure the bond fees were competitive and not too aggressive.

Chair Middleton asked about an application fee and if that would be captured in the event the issuance doesn't occur.

Attorney Wood said the application fee gets paid no matter what. The others would be contingent on the bond issuance actually going forward.

Director Schipper moved approval of the Updated EDC Bond Fee Schedule; seconded by Director Gulau.

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

5. Approval of a Resolution Recommending the Project Plan for the Friendship Village of Kalamazoo.

Tim Cain, Executive Director of Friendship Village, shared information about the Friendship Village campus. He said they have a high demand for senior housing all over the country and Friendship Village has a long waiting list. They are looking at adding 76 independent living apartments, ranging from 900sf to 1,300sf. What's really driving the project is the need to replace their existing skilled nursing facilities. The skilled nursing is the highest level of care and right now it is the oldest area of construction on their campus. They are looking to add 40 beds for skilled nursing, which will replace an existing skilled nursing. They are going to renovate their culinary dining spaces as well. Ultimately, they are doing a lot for their existing residents and building apartments to gain new residents from the wait list, too. Mr. Cain thinks this will be a great improvement and continue the evolution of Friendship Village.

Mr. Cain introduced Larry Moon and Tom Hays, residents of Friendship Village, who will be voting with EDC board members on items relating to the bond.

Chair Middleton thanked them for continuing to invest in the community and in this type of facility, where there seems to be a great need.

Director Gulau moved approval of a Resolution Recommending the Project Plan for the Friendship Village of Kalamazoo; seconded by Director Bair.

A roll call vote was taken, and the motion passed unanimously. This vote included Director Moon and Director Hays.

COMMUNICATIONS AND ANNOUNCEMENTS

Mr. Boyd shared for 2026 they have a lot of activity going on for the EDC to boost economic development for the City. He will be asking for their help to move forward some of these initiatives throughout the City.

STAFF REPORTS AND UPDATES

None.

ADJOURNMENT: Meeting was adjourned at 8:52 AM by Chair Middleton.

Signature

Printed Name/Chair

/Recording Clerk



EDC Board of Directors Staff Report

City of Kalamazoo

TO: The Economic Development Corporation Board of Directors

FROM: Antonio Mitchell, Director of Community Planning and Economic Development
Prepared by: Bobby Boyd, Economic Development Supervisor

DATE: January 15, 2026

SUBJECT: Economic Initiative Fund (EIF) Loan Policy Discussion

SUMMARY:

Staff is presenting an updated Economic Initiative Fund (EIF) Loan Policy for Board review and direction. The proposed policy replaces a limited, process-focused policy with a clearer, more complete framework that explains how the EIF program works, who it is for, and how loan decisions are made.

The updated policy has been reviewed by the City Attorney's Office and Attorney Wood, legal counsel to the EDC Board. Staff is also requesting Board direction on a policy question raised by a City Commissioner related to applicant eligibility.

BACKGROUND:

The current EDC loan policy, adopted in October 2023, establishes the EDC's authority to issue loans and requires approval by both the EDC Board and the City Commission. While this policy meets legal requirements, it does not describe the EIF program in detail or reflect how loans are evaluated and administered in practice.

As EIF lending activity has grown, staff identified the need for a clearer and more transparent policy that better explains program goals, applicant expectations, and decision-making processes. The revised EIF Loan Policy is intended to provide that clarity while maintaining the same approval structure.

The proposed policy includes several key improvements:

- Clearly explains the **purpose of the EIF program**, including job creation, private investment, redevelopment, and tax base growth.

- Defines **who is eligible** and what types of projects are prioritized.
- Describes typical **loan terms and security requirements**.
- Lays out a clear **application and approval process**, from initial staff review through City Commission approval.
- Updates the **fee structure** after staff determined that the previous \$2,500 application fee created an unnecessary barrier for some businesses. The revised policy lowers upfront costs and scales fees based on loan size.
- Clarifies **payment expectations and follow-up procedures**.

Legal counsel has reviewed the revised policy to ensure it is clear, enforceable, and consistent with state law.

During a recent loan review, a City Commissioner raised a question about how the eligibility requirement should apply when an applicant, or a closely related business entity, already has a City loan that is current and not in default. The policy requires applicants to be current on City obligations, but does not specifically address this situation. Staff is requesting Board direction to ensure the policy is applied consistently in the future.

RECOMMENDATION:

Staff recommends that the EDC Board:

1. Review the updated Economic Initiative Fund (EIF) Loan Policy.
2. Provide direction on how the policy should apply to applicants or closely related entities with existing, non-defaulted City loans.
3. Direct staff to proceed with the policy as presented or return with revisions based on Board direction.

No formal action is required unless the Board wishes to request changes to the proposed policy.



**Community Planning &
Economic Development**

245 N Rose Street Suite 100
Kalamazoo, MI 49007
Phone: (269) 337-8047
311 (269) 337-8000
www.kalamazoo.org

Economic Development Corporation Board of Directors

Economic Initiative Fund (EIF) Loan Policy

I. Purpose

The Economic Initiative Fund (EIF) is a revolving loan fund established by the City of Kalamazoo and administered by the Economic Development Corporation (EDC). The purpose of the EIF is to provide low-interest debt financing to business projects that demonstrate community benefits, but face funding gaps not met by conventional lending sources.

EIF loans are intended to:

- Stimulate private investment within the City of Kalamazoo.
- Support job creation and retention.
- Expand or preserve the City's tax base.
- Encourage high-quality development aligned with community and neighborhood goals.
- Facilitate redevelopment of underutilized, historic, or brownfield sites.

II. Authority and Approval

The Economic Development Corporation (EDC) is authorized to make loans in accordance with the Economic Development Corporations Act, Public Act 338 of 1974, as amended, and the EDC Articles of Incorporation.

All Economic Initiative Fund (EIF) loans shall be approved by resolution of the EDC Board of Directors and are subject to final approval by the Kalamazoo City Commission.

Loan agreements, promissory notes, guaranties, and related documents shall be reviewed by legal counsel and executed in accordance with City and EDC requirements.

III. Eligibility

Eligible applicants must meet all of the following criteria:

1. The project is located within the City of Kalamazoo.
2. The project creates or retains jobs.
3. The project expands or preserves the City's tax base.



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4. The project demonstrates a reasonable return on investment.
5. The EIF loan leverages private funding and owner equity.
6. The applicant is current on all City taxes, fees, and charges and has no prior City loan defaults.

Special Considerations

Priority will be given to projects that provide clear positive community impact, such as:

- Redevelopment of brownfield or vacant sites.
- Creation of sustainable jobs that pay living wages.
- Provision of goods or services that align with neighborhood or community plans.
- Preservation or adaptive reuse of historic or culturally significant structures.
- High-quality site design, building design, and landscaping.

IV. Loan Terms

- Maximum loan amount: **Up to \$250,000**, not to exceed **10% of total project cost**.
- Interest rate: Determined by the EDC, generally below market rate.
- Repayment term: Established per project based on cash flow and collateral.
- Security: Personal guaranty; lien

Lien Requirements:

City staff, in coordination with the City Attorney's Office, shall place liens as a condition of EIF loan approval. Depending on the project, liens may be placed on:

- **Personal property** for a defined term, during which time the borrower must notify the City if the secured property is replaced; or
- **Real property**, which shall be released upon full repayment of the loan.
- Liens shall be recorded with the County Register of Deeds and handled in accordance with applicable law.

V. Application and Approval Process



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The EIF loan process includes the following general steps:

1. A pre-application discussion between the applicant and Economic Development staff
2. Submission of a completed application and required supporting documentation
3. Staff review for eligibility and completeness
4. Review by the EDC Project and Finance Committee
5. Approval by the EDC Board of Directors
6. Final approval by the Kalamazoo City Commission

VI. Payment and Compliance

Borrowers shall be provided with loan terms, an amortization schedule, and payment instructions. Staff shall monitor loan performance and maintain periodic communication with borrowers.

Late or delinquent payments may be addressed through a graduated escalation process, which may include borrower outreach, formal notice, legal review, and enforcement actions as permitted by law.

VII. Reporting and Recordkeeping

All EIF loan files, agreements, and supporting documentation shall be maintained by staff. EIF loan activity and performance shall be summarized periodically and included in reports to the EDC Board of Directors and the Kalamazoo City Commission.

IX. Administration

This policy is administered by the City of Kalamazoo Department of Community Planning and Economic Development through the Economic Development Division. The City Attorney's Office and Finance Department provide legal and financial oversight.

Detailed internal procedures for administering the EIF Loan Program are maintained separately through Standard Operating Procedures and may be updated as needed without requiring policy amendments.

X. Policy Review

This policy shall be reviewed periodically and updated as needed to ensure compliance with applicable laws, financial standards, and EDC operating procedures.



EDC Board of Directors Staff Report

City of Kalamazoo

TO: The Economic Development Corporation Board of Directors

FROM: Antonio Mitchell, Director of Community Planning and Economic Development
Prepared by: Bobby Boyd, Economic Development Supervisor

DATE: January 15, 2026

SUBJECT: Discussion and Formation of Committee on Cannabis Social Equity Fund Uses

SUMMARY:

The Board is being asked to discuss and consider the formation of a small, ad hoc committee (less than a quorum) to focus on the Social Equity Cannabis Chambers work and the appropriate uses of the Cannabis Social Equity Fund. The committee would establish a meeting schedule, review applicable legal and policy constraints, develop funding priorities, and return to the full Board with recommendations for consideration at a future EDC meeting.

BACKGROUND:

At the Board's recent meeting, members discussed the Social Equity Cannabis Chambers work and the need for additional clarity regarding priorities and allowable uses of Cannabis Social Equity Fund resources. While initial input was provided, further direction is needed before additional guidance can be given to contractors or program partners.

Legal counsel has advised that the most efficient and compliant approach is for the Board to form a small committee (less than a quorum) to focus specifically on this work. This committee would allow for more detailed discussion while ensuring compliance with state law requirements and City Commission direction governing the use of Cannabis Social Equity Fund resources. The committee would then return to the full Board with a set of recommendations for consideration at a subsequent EDC meeting.

RECOMMENDATION:

Staff recommends that the Board discuss and approve the formation of a small, ad hoc committee (less than a quorum) to focus on the Social Equity Cannabis Chambers work and

Cannabis Social Equity Fund uses, with direction to develop and return recommendations to the full Board.