



Agenda

Committee of the Whole Meeting

City of Kalamazoo

Monday, April 5, 2021

5:00 PM

Electronic Meeting

A. CALL TO ORDER/ROLL CALL

B. COMMUNICATIONS

C. PUBLIC COMMENTS

D. SPECIAL AGENDA ITEMS

E. COMMITTEE OF THE WHOLE

1. Review of Items on Upcoming City Commission Agendas

F. WORK SESSION

1. Retreat Follow-Up: Economic Development

G. COMMISSIONER COMMENTS

H. ADJOURNMENT



180 E Water Street



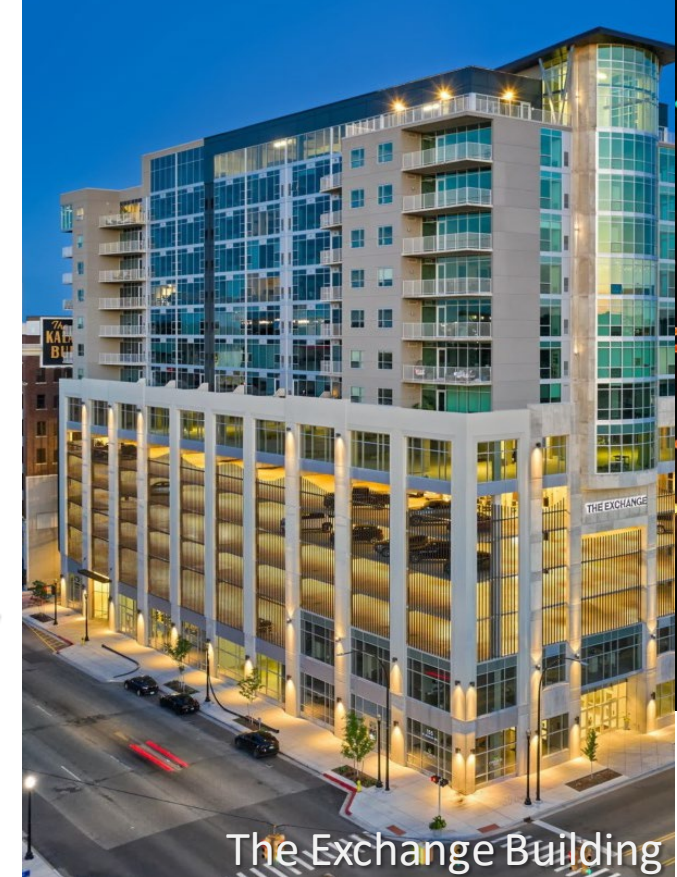
The Creamery



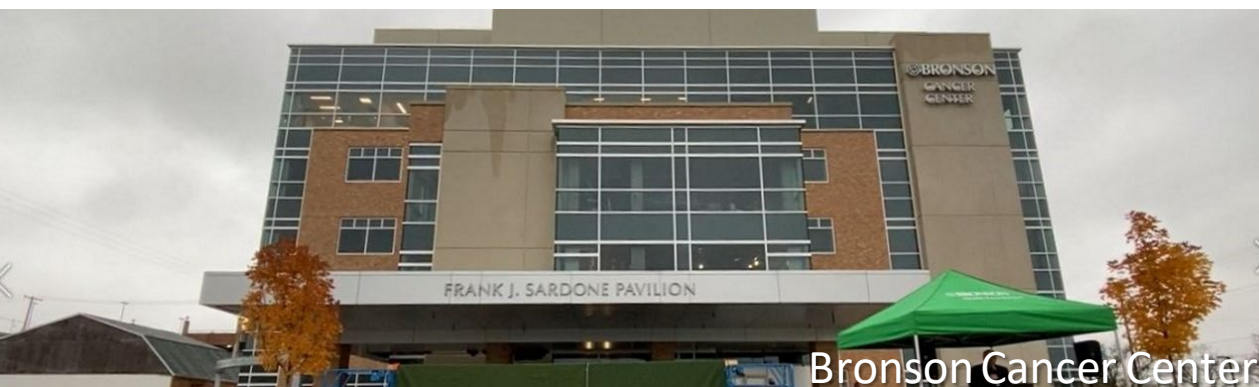
400 Rose



Hilton Garden Inn



The Exchange Building



Bronson Cancer Center



Economic Development in the City of Kalamazoo



The Challenge and the Solution to Economic Development in the City of Kalamazoo

What are the challenges?

- Is Economic Development a Priority for the City of Kalamazoo?
- Resources (What do we have to offer?)
- Staff Capacity (Business Retention and Marketing Specialist)
- What is the focus? Shared Prosperity Kalamazoo (SPK)
 - Business Development Equity
 - Workforce Equity
- Mayor Hopewell Past Business Recruiting Example (Business Packet)

Solutions

- Economic Development Corporation Board (Tool of the City: Economic Advisory Board)
- City of Kalamazoo Website update
- Salesforce (Data Tracking and Reporting)
- Business Recruiting Efforts
- Business Retention Efforts

Small Business Support

What is our Economic Development Process?



- Current Business Steps (311 and City Website)
- New Business Steps would include City Website Updates
- Become the Economic Development hub for the City of Kalamazoo business development.
- The importance of Business Data Tracking (Salesforce)
- Business Retention and Recruiting (Downtown and Business Corridors)
- Create a Commercial/Retail Sales Kit (Downtown and Business Corridors) (**Business Packet**)
- The Creation of New Incentive Programming for Small Business Development
- New business start-up support in the Shared Prosperity Kalamazoo (SPK) Neighborhoods



Understanding Business Community Needs

- Funding Options
- Land Development Options
- Building Space Options
- Economic Market Options
- Workforce Population
- Quality of Life for the business and the employees
- Location in the State
- Education Support (K-12 and local Colleges) (Kalamazoo Promise)
- WMU, KVCC, and Kalamazoo College (Increase of around 30,000 each year) (Future focus)
- Medical Industry (Borgess and Bronson medical facilities) (Two Cancer Centers)
- **(The City of Kalamazoo checks the boxes for these items and being a young, vibrant, educational and arts community).**

Business Assistance Process



Mel Daacon

Neighborhood Business & Special
Projects Coordinator

- Identifies and meets with business owners in the City of Kalamazoo
- Technical Assistance Focus for Business Growth and Development
 - Technical Assistance Grant
- Facades/White Box Grant Program
- Business Retention
- Business Recruiting/Marketing Initiative (2022 Implementation)
- Minority business development and identification (includes African American and Hispanic owned businesses)
 - What is the real number of minority businesses we have in the city?
 - Minority Contractors (Kalamazoo Home Builders Association)
 - Past Minority Business Development and Contractors Information Update
 - What we are doing now
 - Providing future training & education in the areas of procurement/purchasing/contracting with the City of Kalamazoo process
- Kalamazoo Capital Consortium (Nonprofit Lenders and for-profit Lenders) (Continued expansion and growth)
- Salesforce (Data Tracking)

Development Process

- Working with Developers on City development project process
- City Project Review Assistance
- City Site Plan Review Process Assistance
- City Site and Building Research Assistance
- Economic Development Tools and Other Financial Options
- Brownfield Redevelopment Authority (BRA) Process Assistance
- Development of Site Request for Proposals (RFP's) or Request for Qualifications (RFQ's)
- RFQ Sample: 140 South Edwards Street Power Point



Paul Thuringer

Development Project Coordinator

ANP Consulting

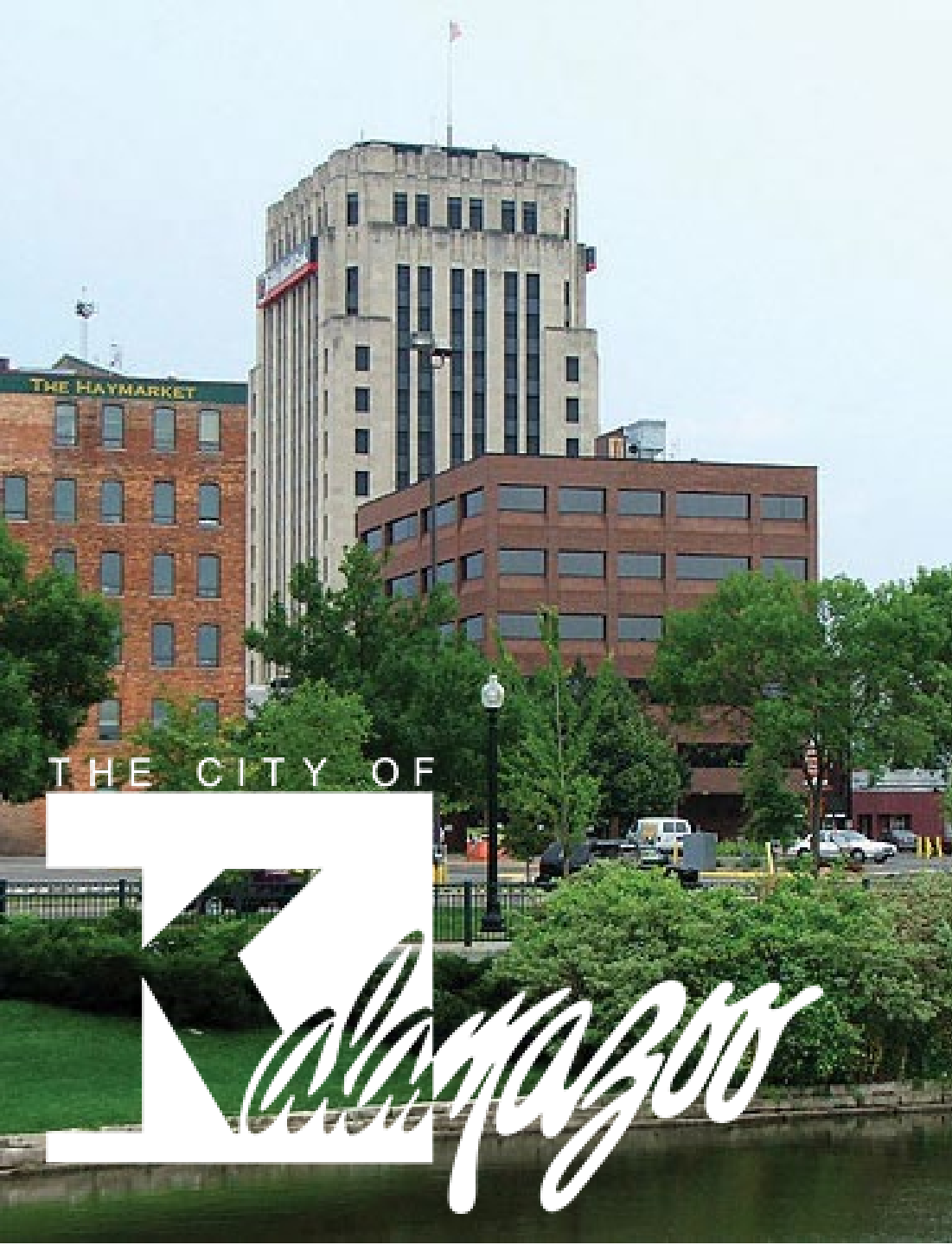
- Business Development Fund (BDF) Business Client Review (Independent Report)
- 90% of the past BDF funds granted were to African American and women owned businesses in the City of Kalamazoo.
- Scope/Deliverables of BDF Program
- Provide the ANP Report in May 2021 to City Commission from ANP Consulting
- Salesforce (New Business Data)



United Way of the Battle Creek and Kalamazoo Region

- Where small business owners get referred from Melody Daacon to apply for grant and loan funding
- Business grant (Expanded from the Covid-19 Program)
- Business loan (Expanded from the Covid-19 Program)
- What are we doing to make this process more equitable for SPK neighborhood residents? (Intentional Focus)
- United Way Business Assistant Reports (Example: Covid-19 Business Data Reports)





The Greater Kalamazoo Business Resources

The coalitions website is to assist Kalamazoo County Businesses with business resource service information.

The following organizations are involved:

- SCORE
- LISC
- Michigan SBDC (Small Business Development Center)
- Southwest Michigan First
- Western Michigan University
- United Way of the Battle Creek and Kalamazoo Region
- Southwest Michigan PTAC (Procurement Technical Assistance Center)
- Kalamazoo Capital Consortium
- Kalamazoo Downtown Partnership
- There are several other organizations not listed that are involved as well.

Faith-Based Organizations

- Housing & Economic Development
- CPED staff is currently working with 3 different faith-based organizations on development projects in the City.





Accelerator / Incubator

- The Greater Kalamazoo Business Resources team is involved with this incubator discussion process.
- Update on incubator development (Can-Do-Kitchen)
- Start-up business fund for home-based businesses focusing on SPK neighborhood residents. (Home-based business development grant)
- This is a CPED Economic Development Equity Initiative (2022 Initiative)

Marihuana Business Assistance / Development

- Equity Funds 25% - staff is meeting to discuss what this means to make a recommendation to the City Commission.
- New Marihuana Coordinator Needed – City staff time on current tasks
 - Licensing/re-licensing process (annual); multiple license types
 - Community Benefits and Engagement
 - Economic Development Corporation Marihuana Committee
 - Salesforce

City of Kalamazoo Marihuana Business Coalition (Summer of 2021)



Focus Areas:

- Marihuana Education
- Business development
- Business retention
- Business expansion
- Getting started in the marihuana business:
Investment options/supports
- On the job training options/education
- Other areas to be determined by the Committee
and the public

2021 EDC Staff Building and Capacity

- Business Retention and Marketing Coordinator
- Marihuana Business Development Coordinator





2022 EDC Implementation and Programming

- The CPED new staff is planning to start the implementation of these initiatives in late 2021 going into 2022.



Conclusion

In conclusion, these areas of focus on economic development have moved the CPED Staff closer to the Imagine Kalamazoo 2025 initiative created by the City Commission.

FIRST NEWSPAPER 1835.
TELEGRAPH 1846. TELEPHONE 1881



CITY HALL

Questions

Kalamazoo

Small Business Loan Fund

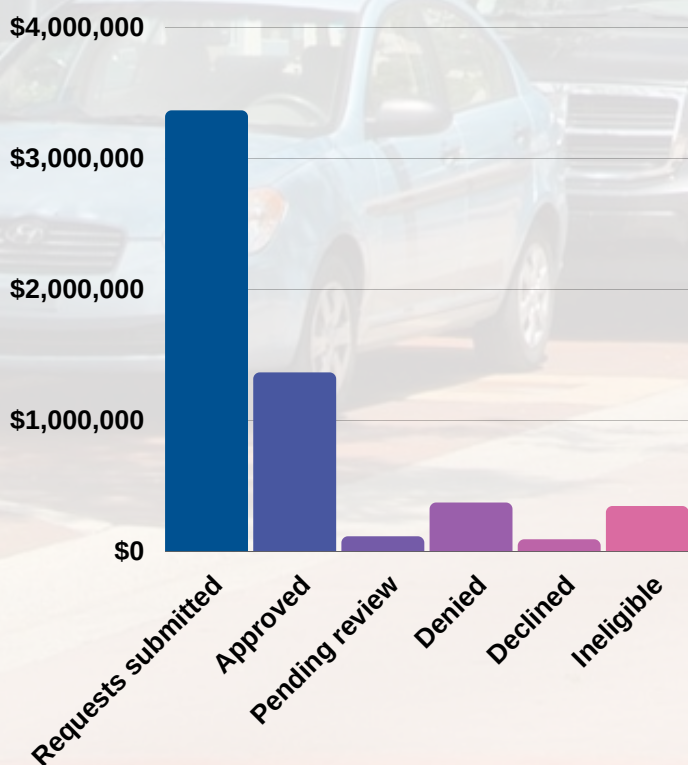
as of January 21, 2021

Total funding disbursed

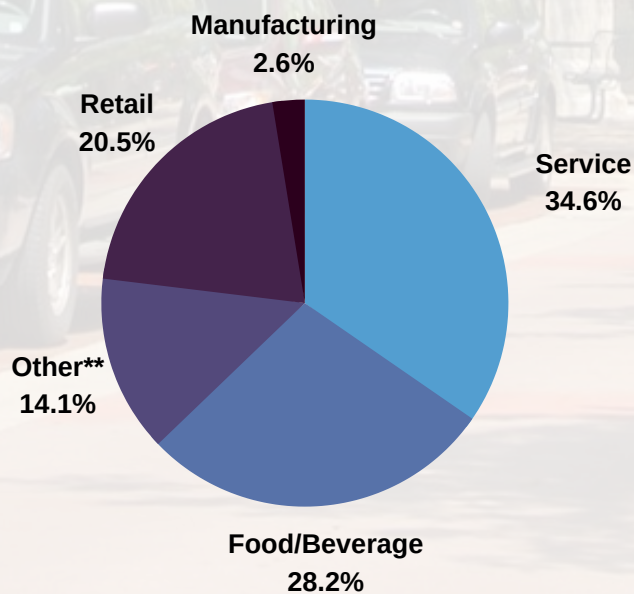
\$1,274,500

# of Businesses Submitted	105
# of Businesses Approved	78
# of Businesses Pending Review	5
# of Businesses Denied	10
# of Businesses Ineligible	11
# of Businesses that Declined (were approved but decided not to accept loan)	5

\$ Requested in Process



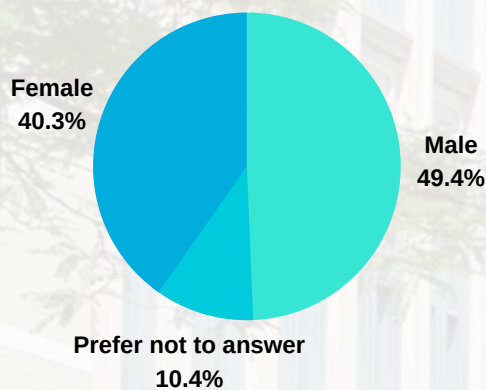
Funding by Industry*



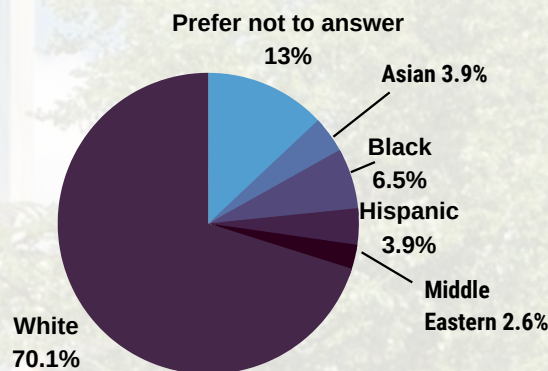
*Includes all approved businesses

**Other: Arts & performing arts, dance, entertainment, legal and compliance services, massage therapy, medical & laboratory, rental (hotel, real estate, residential)

Gender*



Race/Ethnicity*



*Charts represent borrowers who shared their information. We recognize there are many more identities not represented here.

Minority/Woman Owned Businesses

	% of total from Pg. 1	
Businesses submitted	61	58%
Businesses approved	44	56%

Funded Businesses*

- 359 Corp. (dba Central City Tap House)
- 600 LLC (dba 600 Kitchen and Bar)
- Amy Zane: Store & Studio, LLC (dba Earthly Delights at Amy Zane)
- Andrea Beardslee, LMT
- Ballet Kalamazoo, LLC
- Bird Nest, LLC (dba The Stamped Robin)
- Blue Eyes Group, LLC (dba Wine Loft)
- Bookbug, LLC
- B&W Charters, Inc.
- C's Perfect Tie and Accessories
- CARSTAR Kalamazoo
- Cherri's Chocol'art, LLC
- Clock N Lock Escape Rooms, LLC
- Color Adventures, LLC (dba Art Bayou)
- Craft Investments, LLC
- Crawlspace Theatre Productions, L3C
- Crosstown Auto and Truck Parts, LLC
- Desiderata, LLC
- Econolodge Hotel Ayushi, Inc.
- Elite Beauty Inc. (dba Kali Beauty Supply)
- Factory Coffee
- Genemarkers, LLC
- Global Cleaning Pros, LLC
- Godfathers Pizza
- Golden Needle Tailor Shop
- Green Door Distilling Company, LLC
- He Reigns
- Inspiring Massage & Spa
- Kalamazoo Athletic Wellness
- Kalamazoo Psychology, PLLC
- Kalamazoo Station, LLC (dba The Station)
- K'zoo in the Mitten, LLC
- LFG Bar, LLC
- LFW Consulting, LLC
- Little Chick Shoe Shop, Inc.
- Loti Inc. (dba Big Apple Bagels)
- Nove Communications, Inc. (dba LFK Marketing)
- Martell's, LTD
- Martini's Pizza, LLC
- PHG-Kalamazoo, LLC
- Principle Food & Drink
- Ramen & Rice
- Rentalex of Michigan, Inc.
- RSA of Kalamazoo
- Rustica, LLC
- Second Chapter, Inc.
- Shawn Craft, PC
- Sherman's Pet Care
- Southwest Foot & Ankle Specialists PC
- Suzanne's Organics Salon
- The Holmer (dba Rocket Fizz)
- The Crew Family Restaurant and Bakery
- The Union, LLC (dba The Union Cabaret & Grille and Cityscape Event Center)
- Tulips Little Pop Up Shop, LLC
- Wm. D. Nord Jewelers, Inc.
- Zoo City Cycle & Sport, Inc.

*Includes only businesses that have completed loan paperwork and agreed to be listed



**140 SOUTH
EDWARDS
STREET
Kalamazoo,
Michigan**

TIMELINE

RFQ released:
03/11/2021

Site Showcase
virtual event:
03/26/2021

RFQ proposals due:
05/07/2021

Evaluation period:
05/10–06/04/2021

Finalists teams notified:
06/07/2021

Finalist teams
presentation to
evaluation committee:
June 2021

Finalize terms of a
development and
purchase agreement:
July 2021



**MICHIGAN ECONOMIC
DEVELOPMENT CORPORATION**



DEVELOPMENT REQUEST FOR QUALIFICATIONS



140 S. EDWARDS KALAMAZOO, MICHIGAN

PPN: 06-15-379-005



TABLE OF CONTENTS

Development Opportunity	4
Community Overview	5
Market Conditions and Opportunities	7
Site Overview	8
Site Utilities	9
Additional Site Information	9
Preferred Development Scenario	10
Available Incentives	14
Selection Process and Criteria	15
Contact / Questions	16



williams&works
engineers | surveyors | planners



140 S. EDWARDS (PARKING LOT #1)

Kalamazoo, Michigan

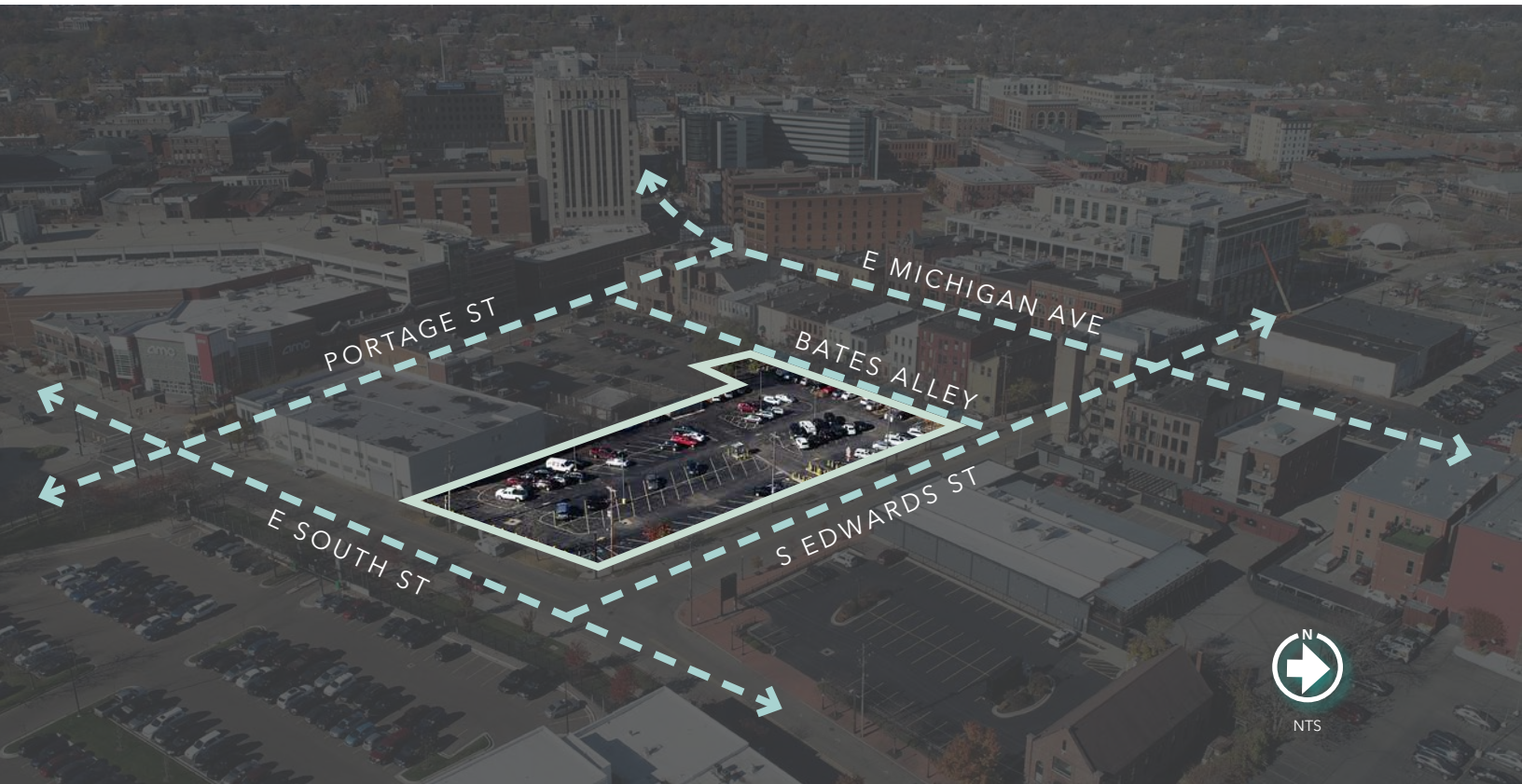
Join the resurgence in urban living and downtown amenities at 140 S. Edwards, where redevelopment abounds. Kalamazoo made history this year. Home to Pfizer and other top medical research companies, media outlets flocked to the city in December as the first COVID vaccines were shipped to points across all 50 states. Kalamazoo is the perfect blend of higher education institutions, medical and manufacturing, historic and well-maintained building stock, and a compelling riverfront. The city is an attractive place to live, work, and play.

The opportunity at 140 S. Edwards includes a 1.23 acre site located within the Central Business District with excellent access to parks, schools, and nearby neighborhoods. Since the 1930's, the property has been vacant, serving as a municipally-owned surface parking lot. The site is within walking distance to several bus routes and the popular pedestrian mall. Nearby are pubs, restaurants, breweries, the Radisson Park Hotel, and many new mixed-use developments.

The City would like to partner with a visionary developer to infill the site with active ground-level uses, micro-industry or maker spaces, parking, residential, and retail uses. The City, with stakeholder input, has developed a vision for a project featuring mixed-use commercial buildings, integrated parking, alley activation, and residential development.

Interested development teams are invited to submit qualifications in accordance with **the attached schedule**; please refer to **page 15** for submittal details.

DEVELOPMENT OPPORTUNITY



The 1.23 acre lot is vacant and owned by the City of Kalamazoo. The site address and parcel number follows. Please also see the recently completed ALTA survey for the property and market assessment, available as appendices to this RFQ:

- 140 S. Edwards (06-15-379-005)

It is anticipated that any new development may occur in phases and could include multiple buildings or incremental approaches to knit this site into the existing urban fabric. City leaders are flexible in terms of end uses and the newly updated zoning ordinance allows for many uses and development scenarios by right. There are no maximum building heights or lot coverage standards in the downtown. Additionally, underground parking could be contemplated. Parking requirements are waived for the property, acknowledging the surrounding walkable environment.

The site is bounded by city streets, S. Edwards and South Street, both with driveway access. Further, the site is adjacent to the recently amenitized Bates Alley, which provides a unique sense of place with decorative paving, landscaping, murals, and catenary lights. Sidewalks, on-street parking and water, sewer, electric, and gas utilities are available to the site.

Site Location Key





COMMUNITY OVERVIEW

Kalamazoo values education. Business and philanthropists recognized the importance of higher education for the community and established the Kalamazoo Promise, Michigan's first place-based college scholarship program for high school graduates. Educational outcomes are indicators of community stability and Kalamazoo has seen that investing in the future of its students has returned measurable benefits including an increase in property values and in the number of people who choose to live downtown.

A prosperous city, Kalamazoo boasts three institutions of higher education, two nationally-recognized healthcare systems, cutting-edge medical research (including the first COVID-19 vaccine), many world-class breweries, restaurants, and cultural amenities. Its historic downtown is walkable, safe, and well connected to the Kalamazoo River where afternoon floats are

commonplace. The city is passionate about their forward-thinking city planning, that is both efficient and collaborative. Kalamazoo city leaders connect the dots of land use, transportation, education and economic development through a focus on strong neighborhoods and housing for all.

As the county seat, Kalamazoo has a strong government sector and diverse economy, showing its resilience during national economic ebbs and flows. The community is an anchor, well situated within the state of Michigan, being less than an hour to Grand Rapids, Lansing, and the Indiana border. The city has seen strong population growth, including growth in families choosing Kalamazoo because of the excellence in educational opportunities. Businesses appreciate the central location, with direct access to I-94 and US 131.

The city and surrounding communities have been growing over the last decade. Since 2010, total population has grown with approximately 30% composed of in-migration patterns. In contrast between 2000 and 2010 the overall population trend was net migration out of the region. The overall study area has had relatively stable growth over the last ten years to an increase of roughly 5% since 2010, which calculates to an annual growth rate of about 0.5% per year on average since the 2010 census. The downtown area (5-minute radius) is forecasted to increase in population at a greater rate than the region by an additional 0.7%. Growth rates are fastest in the downtown and new housing inventory is absorbed upon hitting the market.

In terms of cultural amenities in the walkable area surrounding 140 S. Edwards, there are a wide range of activities to choose from. Adjacent to the project site is a dynamic mixed-use development which includes a movie theater and arcade.

The Kalamazoo State Theater and nearby Miller Auditorium both host award-winning national acts, drawing audiences from near and far. Nationally-recognized museums include the Gilmore Car Museum and the Air Zoo.

Nature is nearby. Downtown Kalamazoo is bounded by the Kalamazoo River, a popular destination for paddling, walking, biking, and fishing. The Kalamazoo Nature Preserve, Bow in the Clouds Preserve, and Kleinstuck Preserve protect hundreds of acres and offer dog-friendly and family-friendly trails. With four season amenities, there are plenty of places to enjoy all that nature has to offer.

Every season welcomes new and exciting events. The City hosts a number of seasonal family-friendly events throughout the year including monthly art hops, holiday decorations within the downtown, a summer Blue's Festival, and weekly music and arts festivals in nearby parks and within the downtown.



Image Credit: Jaqua Realtors



Image Credit: Southwest Michigan First



Image Credit: Kalamazoo Downtown Partnership



MARKET GROWTH

Population projected to grow 2.7% by 2025.

Households projected to grow 2.8% by 2025.

An additional 518 housing units need to be constructed by 2025.



RETAIL MARKET

More than \$380 million flows outside this study area.

7,000 to 10,000 square feet of retail space can be absorbed.

14,627 square feet of retail space is currently available in the downtown.



HOUSING MARKET

For-Rent Multi-Family Absorbable Market Product - 75 units.

For-Sale Multi-Family Absorbable Market Product - 10 units.

For-Sale Absorbable Attached Single-Family Product - 14 units.

Sources: ESRI 2020 Forecast Modeling, CoStar, MLS.com, US Census Bureau, HUD Office of Policy Development and Research, 2019, US Bureau of Labor Statistics, 2019, US Department of Housing and Urban Development, 2020

MARKET CONDITIONS AND OPPORTUNITIES

Retail/Commercial Market Potential

Current retail and market conditions have been compiled and details of this analysis are available. The downtown Kalamazoo market presently contains 14,627 square feet of dedicated retail space available within one half mile of the project site. The downtown area within a half mile of the project site could safely absorb an additional 7,000 to 10,000 square feet of dedicated retail space. The largest regional (15-minute study area) leakages represent opportunities for the downtown, among the most significant are:

- Electronic Shopping Retailers (Amazon, ETSY, eBay) - \$25 million
- Specialty Food Stores - \$6 million
- Other Motor Vehicle Dealers (motorcycles, ATVs, snowmobiles, etc.) - \$5 million
- Electronics & Appliance Stores - \$4 million
- And dozens more which could be absorbed into small-mid format stores, including general merchandise, home goods, clothing, and children's products, and many others.

Residential Market Potential

Housing product absorption in the City of Kalamazoo was analyzed by Zimmerman Volk in 2018 which calculated the absorption rates for the Kalamazoo area with a target market of greater than 50% AMI (low- to moderate-income). This resulted in the total housing market product potential breaking down to 71% multi-family for-rent market, with 9% multi-family for-sale market, 8% attached single-family (townhouse/rowhouse) market, and 12% detached for-sale market. Using the conservative estimates of absorbable product, the immediate project site downtown can safely absorb approximately 75 units of for-rent product, 10 for-sale multifamily units, or 14 attached single-family units. The average market rate for-sale condo/apartment in the downtown is, at present, a 1,091 square feet 1-bedroom, 1-bath unit listed at \$210,950 per unit.

A full market study report for the 140 S. Edwards property is available as an attachment to this document.

SITE OVERVIEW

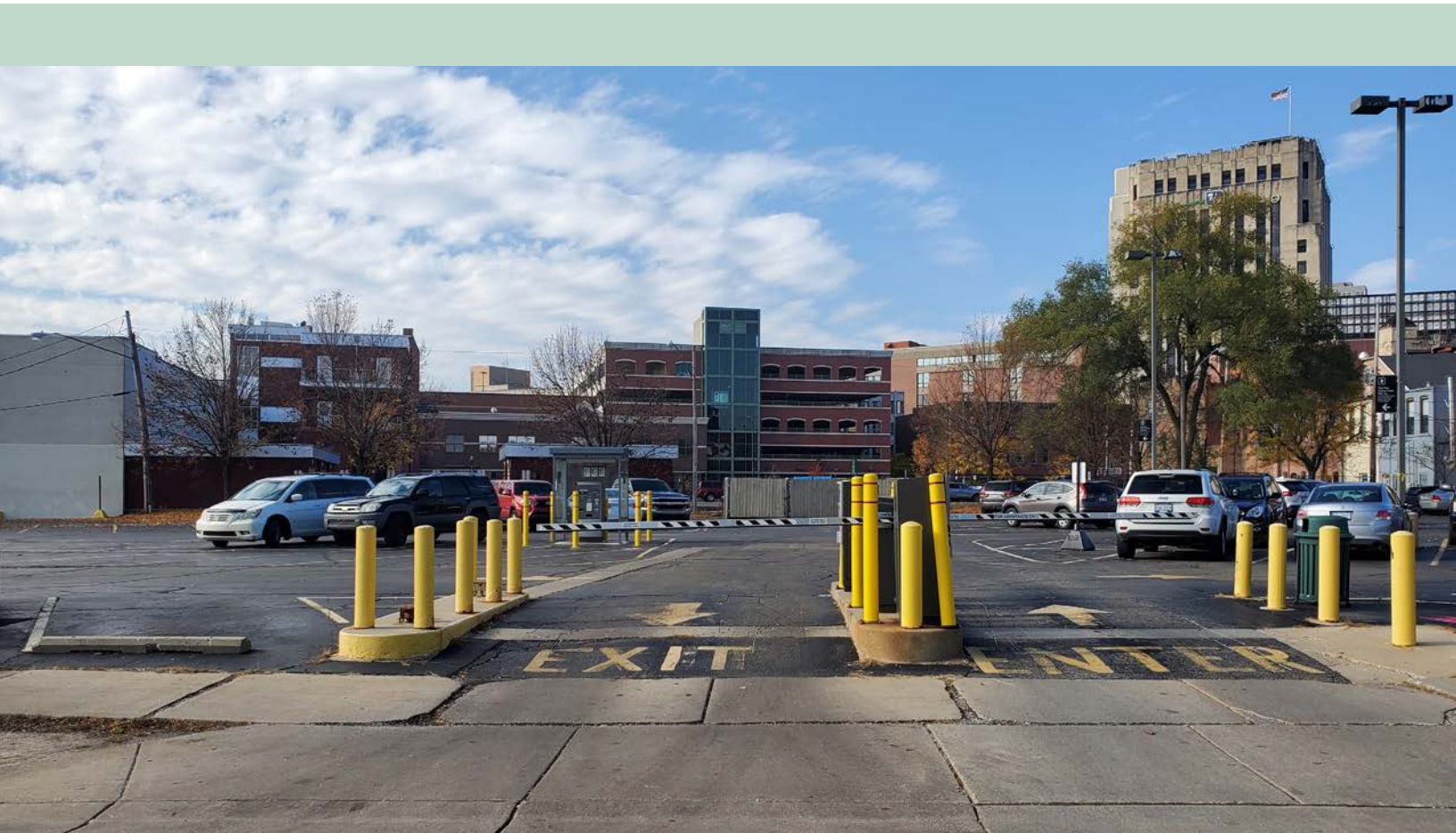
The development site is level and surrounded by multi-story, turn of the century mixed use buildings fronting Michigan Avenue, the city's primary business corridor. On Edwards, there is a blend of one-story retail buildings, restaurants, and surface parking. Across South Street is are major employers, Zoetis and the Western Michigan University Medical School. Bronson Health and Hospital System is within a 5-minute walk from the site.

A review of the historic Sanborn Maps, which were developed for fire insurance purposes, indicates that the site was once occupied by a single family home, a lodging house, and a small commercial building which fronted S. Edwards prior to 1920. The 1936 Sanborn Maps show that the lot is vacant. Since this time (or potentially earlier) the lot has been vacant and has been

used for surface parking. There are no known contaminants on the site.

Notably, the site is adjacent to the popular Bates Alley, which is part of the city's unique system of 3rd places, maintained by the local downtown development authority as unique locations for dining, walking, and relaxing. It is envisioned that any new development would take advantage of the alley frontage, considering also 2nd and 3rd story roof top activation.

The property is within a 5-minute walk of several community and regional park spaces, including Arcadia Creek Festival Place, the Kalamazoo River Valley Trail, and Bronson Park. These spaces keep nature nearby, and provide formal and informal gathering opportunities for residents of downtown, visitors, and those looking for a space to enjoy lunch.





SITE UTILITIES

The site is surrounded by city-maintained streets, and on-street parking is available. There are 5 municipal parking structures and surface lots within a short walk of the property, occupancy hovers around 55-60%.

Water/Sewer

- Site is fully served. James J. Baker, PE, City Engineer, City of Kalamazoo Public Works, (269) 337-8601

Gas/Electric

- Site is fully served, contact Consumers Energy and/or DTE.
- DTE Energy: (855) 383-4249
- Consumers Energy: (800) 477-5050

Planning/Zoning

- Christina Anderson, (269) 337- 8893, andersonc@kalamazoocity.org

Economic Development

- Antonio Mitchell, (269) 337-8165, mitchella@kalamazoocity.org

ADDITIONAL SITE INFORMATION

Master Plan and Zoning

The land use category for the subject site is "Downtown." Downtown is welcoming year-round with inviting public spaces; events and activities for all ages and interests; and ease of movement in, around, and to Downtown. The site is bounded by Edwards and South streets which are designated as "main street" corridors encouraging active ground-floor uses, storefront design with entries facing the streets, and clear, non-reflective windows.

Recent amendments to the City of Kalamazoo Zoning Ordinance designate the subject site in the Downtown 2 District. This district allows for entertainment, commercial and retail, office uses, restaurants, attached single family, and multi-family residential. Craftsman industrial uses are also allowable with development standards. The site is within the Downtown Exempt Parking area, meaning any future development is exempt from providing off-street parking.

PREFERRED DEVELOPMENT SCENARIO

The City of Kalamazoo is certified as a Redevelopment Ready Community by the Michigan Economic Development Corporation. The RRC certification recognizes the city's development regulations and processes as up-to-date, clear, and predictable, as determined by a rigorous external assessment.

The City has undertaken an analysis of preferred uses for the site that includes two multi-story, mixed use buildings, with step backs from Bates Alley to encourage the use of rooftops to enliven various levels of the public realm. The use mix includes active uses at the ground floor, including a desire for maker spaces and live/work opportunities which incubate and foster small business and increase urban vitality. With new construction, the City is open to ceiling heights that enable clean, light industrial uses that can co-exist with residential and commercial uses.

Building A is two stories, with rooftop activation overlooking Bates Alley. Cantilevered garage parking accommodates six vehicles, two live/work units, five residential one-bedroom units, and an additional 3,200 square feet of commercial space. Building B is five stories, with 24 covered parking spaces, 62 residential one-bedroom units, and just over 8,500 square feet of commercial uses.

Recognizing that development may occur in phases, the site may include multiple buildings. To encourage a continuation of the walkable nature of downtown and Michigan Street to the north, the predominant vehicular and service access would be taken from South Street. Active uses wrap internal surface parking, where an additional 51 surface spaces would provide shared parking for both buildings A and B.



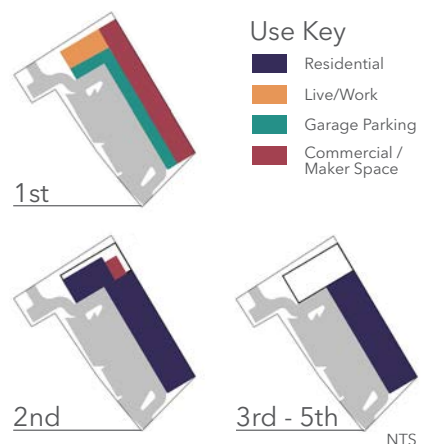
Although the conceptual plan shows an efficient design that utilizes much of the site for buildings and parking, high-quality areas for pedestrian use are encouraged, such as enhanced landscape, residential balconies, and rooftop patios for building tenants to enjoy. This illustrative rendering shows how the development may build upon the activity of S. Edwards and Bates Alley.



Conceptual Site Plan Legend

- A** Building A: 2-story mixed use commercial, residential, and live/work, with at grade first floor covered parking in rear
- B** Building B: 5-story mixed use commercial/maker space, and residential with at grade first floor covered parking in rear
- C** Point of entry
- D** Shared surface lot
- E** Pedestrian alley in rear
- F** Community greenspace
- G** Stepped back 2nd story for rooftop balcony
- #** Parking counts

Use Diagrams by Story





Building A | Connection to Bates Alley

Turning the corner of Bates Alley from S. Edwards, building A shows a stepped back architecture that provides space for rooftop patios and balconies. A two-story restaurant is envisioned to hold the corner, while live/work spaces fill the remaining first floor and residential on the second along Bates.

Site Elements = Commercial, Residential, Live/Work, Parking

Number of Stories = 2

Dwelling Units = 7
 Apartment Units = 5
 Live/Work Units = 2

Commercial Space = 3,200 sf

Garage Parking Spaces = 6



Building B | Activating South Edwards

The mixed-use frontage of Building B completes S. Edwards and brings activity all the way down to South Street. A mixture of commercial and maker space front the street while garage and surface parking are located in the rear. The upper four floors could provide 62 residential dwelling units that are a short walk to the many amenities of downtown Kalamazoo, major employers, and university facilities.

Site Elements = Commercial/ Maker Space, Residential, Parking

Number of Stories = 5

Dwelling Units = 62

Commercial/Maker Space = 8,510 sf

Garage parking spaces = 24

Off Street Parking = 81 spaces
 Surface Lot = 51
 Garage (Building A & B) = 30

On Street Parking = 32 approximate spaces on directly adjacent blocks of S. Edwards and E. South Streets.

Total Parking
 = 113 spaces

PREFERRED DEVELOPMENT SCENARIO PROJECT COSTS

The preferred development scenario has been validated against local market conditions and typical development costs. A pro forma report for the 140 S. Edwards property has been created. Highlights from this report are represented below in the *Project Costs & Income* section.

The construction, development, and operating costs for a future project may differ greatly from this estimate and pro forma depending on a number of factors. This pro forma should not be considered as final or approved by MEDC in any way. It has been created as a representative sample for a project similar to the size and shape of the preferred development scenario featured in the RFQ.

.....



Project Costs & Income

Contains residential and commercial rental income and income calculated from dedicated parking.

- IRR = 7.10%
- COCR = 9.70%
- DSCR = 1.30
- NOI = \$1,051,288

..... **Real Estate Valuation after 20 years = \$17,528,799**

..... **Proceeds available upon sale = \$8,737,191**

.....

AVAILABLE INCENTIVES

The City of Kalamazoo is a Core Community and the following incentives may be leveraged by the developer:

- MEDC Community Revitalization Grants & Loans – Up to 25% of site improvement and construction costs.
- Brownfield Tax Increment Financing – Reimbursement through paid taxes of 100% of demolition, site preparation, public infrastructure, and lead and asbestos abatement, as well as environmental remediation.
- Neighborhood Enterprise Zone – For new home construction, instead of the full millage rate, the new home is taxed at half of the statewide average up to 15 years.
- Purchase Price Reduction – Developments that include affordable housing units are eligible for discounted purchase price based on the share of units included.

Respondents are encouraged to review the City of Kalamazoo's incentive policy and evaluation worksheet, available at www.kalamazoo.org/development





SELECTION PROCESS AND CRITERIA

The City of Kalamazoo will review and evaluate all complete proposals in response to this Request for Qualifications (RFQ) to identify and engage with qualified developers. An initial response to this RFQ must include the following information:

- Letter of Interest: Provide a letter (up to 3 pages) identifying the development team and providing a brief description of the team's vision for the site and timeline.
- Concept plans or renderings.
- Estimated purchase price and potential incentives requested.
- Development Experience / Portfolio: Provide a short description of past projects of a similar nature completed by the development team (up to 10 pages). Include a description of the projects, cost, completion date, and references.
- Evidence of development team's fiscal capacity to undertake the proposed project.
- Resume of firm and lead team members.

City of Kalamazoo staff may seek additional information upon receipt of a development proposal.

The RFQ and responses should not be considered a legally binding agreement. Upon selection of a qualified development team, City of Kalamazoo will enter into a pre-development agreement including purchase price, due diligence period, and other terms.

Proposal Format

Six (6) printed proposals and a PDF version shall be submitted by the deadline stated in the attached schedule to:

Antonio L. Mitchell
Community Investment Manager
Community Planning & Economic
Development Department
245 North Rose Street, Suite #100
Kalamazoo, MI 49007

(W) 269-337-8165
(F) 269-337-8513
www.kalamazoocity.org
mitchella@kalamazoocity.org

CONTACT / QUESTIONS

Questions may be directed to:
Antonio L. Mitchell
Community Investment Manager
(W) 269-337-8165 | (F) 269-337-8513
mitchella@kalamazoocity.org





140 S. EDWARDS KALAMAZOO, MI

DEVELOPMENT REQUEST FOR QUALIFICATIONS

REDEVELOPMENT READY SITE SHOWCASE

VIRTUAL





Kalamazoo Site & RFQ Showcase

March 26, 2021 – Virtual Zoom Meeting

10 – 11:30 am



10:00 am **Welcome - MEDC**

10:10 am **Community Introduction**

Andrew Haan, President – Kalamazoo Downtown Partnership

RFQ Summary

Antonio Mitchell, Community Investment Manager

Incentive Opportunities

Nate Scramlin, Michigan Economic Development Corporation

11:00 am **Development Q & A**

Rebekah Kik, Director Community Planning & Economic Development

Antonio Mitchell, Community Investment Manager

Andrew Haan, President – Kalamazoo Downtown Partnership

Nate Scramlin, Michigan Economic Development Corporation





Demographic Snapshot

- **City Population:** 75,885
- **Median HH Income:** \$34,767
- **Households:** 28,557





Dining & Restaurants

- 600 Kitchen & Bar
- Artisan Sandwich Co
- Bimbo's Pizza
- Central City Tap House
- Comensoli's Italian Bistro & Bar
- Coney Island
- Food Dance
- Fuze Kitchen & Bar
- Kalamazoo Beer Exchange
- Loft 310
- Old Burdick's Bar & Grill
- Old Dog Tavern
- Olde Peninsula Brewpub & Restaurant
- Principle Food & Drink
- Rustica
- Skydeck
- Something's Brewing
- Water Street Coffee
- Webster's
- Wild Bull
- & More!





Kalamazoo Valley Museum



Civic Auditorium



Kalamazoo Institute of Arts

Arts & Entertainment

- Ballet Kalamazoo
- Black Arts & Cultural Center
- Civic Auditorium
- Farmers Alley Theatre
- Kalamazoo Civic Theater
- Kalamazoo Institute of Arts
- Kalamazoo Public Library
- Kalamazoo State Theater
- Kalamazoo Symphony Orchestra
- Kalamazoo Valley Museum
- New Vic Theatre
- & More!



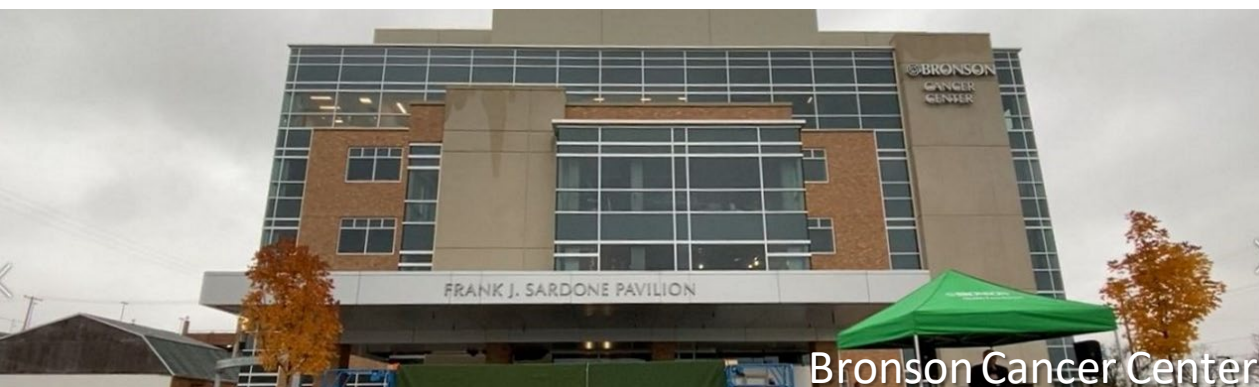
State Theater



Bronson Methodist Hospital



West Michigan Cancer Center



Bronson Cancer Center



Kalamazoo Valley Community
College Culinary School



Kalamazoo Valley Community
College Arcadia Campus

Medical & Educational



Western Michigan University
School of Medicine



Kalamazoo Public Library



Radisson Hotel



Kalamazoo City Hall



Hilton Garden Inn

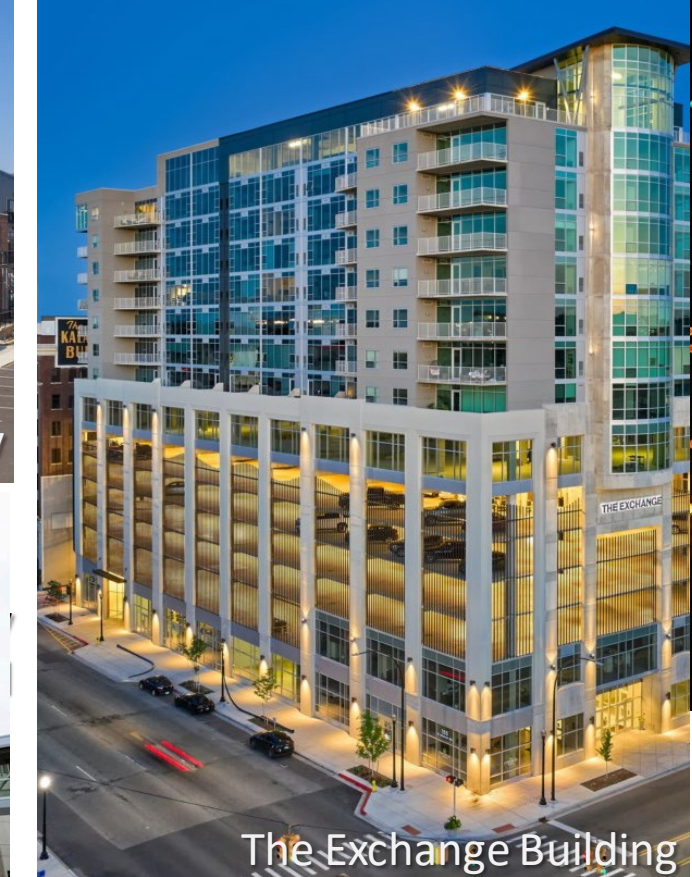


Kalamazoo Transportation Center



Kalamazoo Courthouse

Other Amenities



Completed
in the last
two years

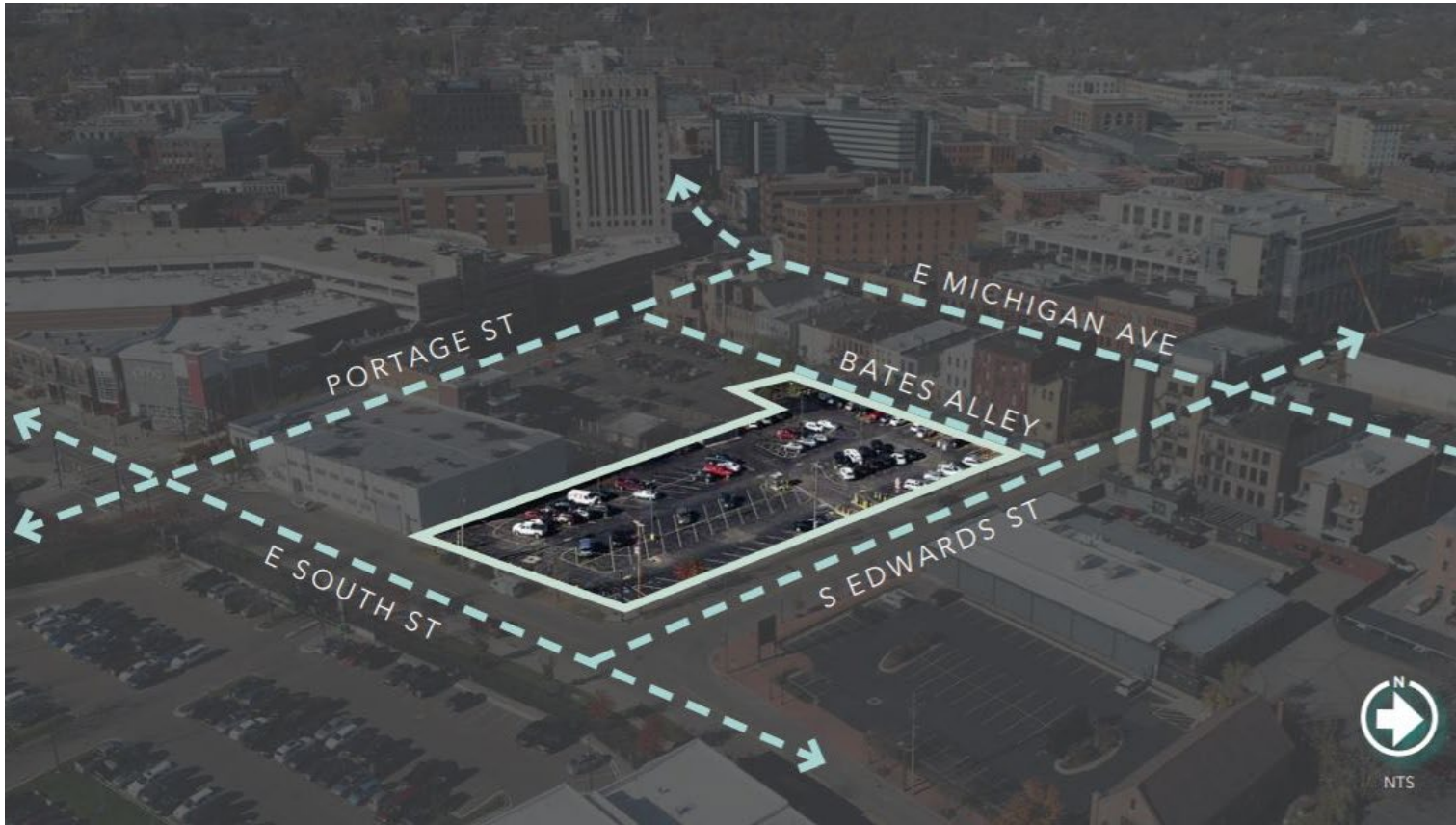
RFAQ

**140 S. Edwards
Location**

DOWNTOWN KALAMAZOO

THE SITE





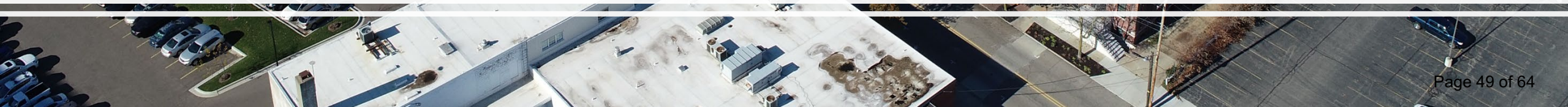
Site Location Key



140 S. Edwards Redevelopment Opportunity



140 S. Edwards Redevelopment Opportunity





140 S. Edwards
Redevelopment
Opportunity



140 S. Edwards Redevelopment Opportunity

- City-owned vacant parking lot
- 1.23 acres
- Located in CBD
- Walk Score: 78 (very walkable)
- Walkable to:
 - Public Transit
 - Popular pedestrian mall
 - New mixed-use developments





Downtown Lofts
Creative Office Space
Retail
Activated Rooftops
Eateries
FUN

Site Vision

LIVABILITY | WALKABILITY
PUBLIC SPACE | SMALL BUSINESS



Development Concept – Building A



Development Concept – Building B



Market Conditions

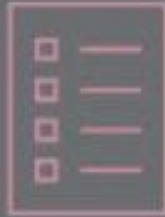


MARKET GROWTH

Population projected to grow 2.7% by 2025.

Households projected to grow 2.8% by 2025.

An additional 518 housing units need to be constructed by 2025.



RETAIL MARKET

More than \$380 million flows outside this study area.

7,000 to 10,000 square feet of retail space can be absorbed.

14,627 square feet of retail space is currently available in the downtown.



HOUSING MARKET

For-Rent Multi-Family Absorbable Market Product - 75 units.

For-Sale Multi-Family Absorbable Market Product - 10 units.

For-Sale Absorbable Attached Single-Family Product - 14 units.

Economic Development Incentives		
Program Name	Benefit	Eligibility (not comprehensive)
Brownfield Program	The Brownfield Program uses tax increment financing to reimburse Brownfield related costs incurred while redeveloping contaminated, functionally obsolete, blighted or historic properties that are former industrial, commercial, residential or public property. It is also responsible for managing the Single Business Tax and Michigan Business Tax Brownfield Credit legacy programs (SBT/MBT Brownfield Credits).	• Site must either be, or apply for, in the City's Brownfield Plan • Site must be at least ONE of the following: ○ Environmental Hazard ○ Functionally Obsolete ○ Blighted
Capital Access Program	The CAP uses small amounts of public resources to generate private bank financing, providing small Michigan businesses access to capital that might not otherwise be available.	• CAP loans are available to most businesses located and legally authorized to do business in Michigan that satisfy the bank's criteria • No more than 500 employees • Must be for profit institutions
Certified Business Parks	Certified business parks are areas designated by municipalities to halt property value deterioration, to increase tax valuation in the business park, to eliminate the causes of deterioration, and to promote economic growth.	Eligible developments must have a set of protective covenants in place that address: • Compatible zoning uses allowed • Type and style of building, building materials • Landscaping • Parking • Screened outdoor storage • Location of loading docks • Setback specifications • Sign control • Continuous management of park by municipality, major property owners within park or developer of park
Commercial Redevelopment Act (PA 255 of 1978)	Encourages the replacement, restoration, and new construction of commercial property by abating the property taxes generated from new investment for a period of up to 12 years.	Business must be either: • Commercial • Office • Engineering • Research and development • Warehousing parts distribution • Retail sales • Hotel or motel • Other commercial facilities
Commercial Rehabilitation Act (PA 201 of 2005)	Encourages the rehabilitation of commercial property by abating the property taxes generated from new investment for a period up to 10 years.	Property is a qualified facility that includes a building or group of contiguous buildings of commercial property that is 15 years or older, of which the primary purpose of the operation of a commercial business enterprise or multifamily residential use (five or more units). May also include vacant property.
Community Development Block Grant (CDBG) Business Development Initiatives	Federal funds administered by the City and State to provide financial assistance to private and for-profit businesses. There are three subcategories of projects eligible for direct assistance: machinery and equipment, job training, and rail enhancement. Additionally, infrastructure improvements can be financed with CDBG dollars for the location, expansion, and/or retention of a specific firm.	Private and for-profit businesses

Economic Development Incentives		
Program Name	Benefit	Eligibility (not comprehensive)
Corridor Improvement Authority	Designed to assist communities with funding improvements in commercial corridors outside of their main commercial downtown area. TIF funding can be used within these corridors to assist business development.	Private and for-profit businesses located within the designated corridor.
Downtown Development Authority	Designed as a catalyst in the development of a community's downtown district. TIF funding can be used for improvements to the downtown and for business development.	Private and for-profit businesses located within the DDA.
Energy Efficiency and Renewable Energy (EERE) Loans	Financial assistance to small businesses currently located in Michigan for energy efficiency upgrades and renewable energy project implementation.	Michigan businesses with 500 employees or less. Businesses must have projects that: • Are ready to go no later than 30 calendar days of the loan agreement effective date; • Reduce energy consumption by at least 20% (through building retrofits); • Equipment purchases for general and advanced manufacturing of commercially available products (retooling); and • Contribute to the reduction in greenhouse gas emissions.
Historic Neighborhood Tax Increment Financing Authority (HNTIF)	An HNTIF may use its funds, including TIF, to fund residential and economic growth in local historic districts. An authority may also issue bonds to finance these improvements.	Private and for-profit businesses located within the authority.
Industrial Property Tax Abatement (PA 198 of 1974)	Incentive to Michigan businesses to build new plants, expand existing plants, renovate aging plants, or add new machinery and equipment. High technology operations are also eligible for the abatement.	Private and for-profit businesses operating as industrial or high technology.
Local Development Financing Act (LDFA) (PA 281 of 1986)	Designed to promote economic growth and job creation in manufacturing, agricultural processing, and high technology operations.	Private and for-profit businesses whose primary use is either manufacturing, high technology, value added agricultural processing, or energy production.
Emerging Technologies Fund	The ETF expands funding opportunities for Michigan technology companies in federal research and development by providing matching dollars to support commercialization of Small Business Innovation Research/Small Business Technology Transfer (SBIR/STTR) projects.	• Must be a Michigan company or have its principal place of business in Michigan prior to the disbursement of an ETF award; • Must submit a SBIR/STTR proposal in at least one of the Four Technology Sectors; • May not have more than two (2) SBIR/STTR Phase II federal grants within the previous five years; and • May receive no more than two (2) ETF awards per twelve month period. Four Technology Sectors: • Live Sciences • Homeland Security and Defense • Advance Automotive, Manufacturing and Materials • Alternative Energy

Economic Development Incentives		
Program Name	Benefit	Eligibility (not comprehensive)
MI Manufacturing Technology Centers (MMTC)	Provides Michigan's small- and medium-sized manufacturers and food processors with operational assessments, process improvement training, mentoring services, website technical assistance and market diversification tactics.	Private and for-profit businesses whose primary use is manufacturing.
Michigan Skills Enhancement Fund	Grant funding may be used as a financial incentive to provide assistance to companies for expenses related to skills enhancement of an existing or newly hired workforce. Funding consideration will focus on those projects that demonstrate a significant economic impact and provides transferable skills to trainees. The talent or training gap can be the primary business case for incentive need.	Grants to reimburse eligible costs are performance-based.
MI SmartZone Network	This network connects universities, research organizations and corporations to stimulate the growth of technology-based businesses and jobs.	New and emerging businesses in SmartZone technology clusters are primarily focused on commercializing ideas, patents and other opportunities surrounding corporate, university or private research institute R&D efforts.
MI Technical Education Centers (M-TEC)	Eighteen state-of-the-art centers are associated with Michigan's community college system. They provide educational, training, and workforce development infrastructure for Michigan's businesses.	Private and for-profit businesses located in Michigan.
Michigan Collateral Support Program	Supplies cash collateral accounts to lending institutions to enhance the collateral coverage of borrowers. This is a gap financing program intended to cover all or a portion of the collateral shortfall as described by the lending institutions.	To qualify, a business must be engaged with a private lender for the purpose of acquiring a commercial extension of commercial credit and must exhibit a collateral shortfall according to the lender's analysis. Borrower must have no more than 750 employees, and otherwise comply with all state and federal requirements for the program.
Michigan Loan Participation Program	The intent of the MBGF-LPP is to participate with lenders to finance expansion and diversification projects when faced with borrowers whose projected cash flows are considered speculative by the lender. The MBGF-LPP will purchase a portion of a loan from the lender and has the option to offer a grace period on the program's portion of the loan for up to 36 months. This limits the project exposure of lenders and offers borrowers "free cash flow" during the grace period allowing full coverage on the lender's portion of the loan.	To qualify, a business must be engaged with a private lender for the purpose of acquiring a commercial extension of commercial credit for a diversification or expansion project. Borrower must have no more than 750 employees, and otherwise comply with all state and federal requirements for the program.
Neighborhood Enterprise Zone	The Neighborhood Enterprise Zone Program provides a tax incentive for the development and rehabilitation of residential housing in communities where it may not otherwise occur.	A rehabilitated facility with a true cash value of \$80,000 or less per unit that has or will have as its primary purpose residential housing consisting of between 1 – 8 units. A new facility that has as its primary purpose residential housing consisting of one or two units, one of which will be owner occupied as a principal residence.
Neighborhood Improvement Authority	Allows the use of TIF to fund residential and economic growth in a residential neighborhood.	• Development within the NIA boundary • Improvements to residential housing, streets, plaza or pedestrian mall, park, parking facility, recreational facility, right-of-way, structure, waterway, bridge, lake, pond, canal, utility line or pipe or building, including access routes designed and dedicated to use by the public generally, or used by a public agency.

Economic Development Incentives		
Program Name	Benefit	Eligibility (not comprehensive)
Obsolete Property Rehabilitation Act (OPRA)	Provides for a tax incentive to encourage the redevelopment of obsolete buildings that are contaminated, blighted or functionally obsolete. The goal is to rehabilitate older buildings into vibrant commercial and mixed-use projects.	OPRA tax abatements may be given for those eligible projects that take place on an obsolete property and result in a commercial or mixed-use building project.
Procurement Technical Assistance Centers	PTACs assist companies in getting government contracts. They assist throughout the entire procurement process from pre-award to post-award.	Businesses located in Michigan interested in securing government contracts.
Pure MI Business Connect	This public/private program is focused on partnering Michigan businesses to help them grow. Developed by the Michigan Economic Development Corporation, PMBC helps companies find resources to expand their supply chain, discover new business opportunities, access a business-to-business network and provides services like legal and accounting assistance at little or no cost.	Private and for-profit businesses located in Michigan.
Redevelopment Liquor License (PA 501 of 2006)	The Liquor Control Commission may issue new public on-premises liquor licenses to local units of government for businesses located in either a Business District or City Redevelopment Area. These licenses are in addition to those quota licenses allowed by the Michigan Liquor Control Code.	A business must be located in either a Business District listed below or in a City Redevelopment Area • Tax Increment Financing Authority • Corridor Improvement Authority • Downtown Development Authority • Principal Shopping District Be a business engaged in dining, entertainment or recreation and be open to the public. • Have a seating capacity of at least 25 people. • Have spent at least \$75,000 for the rehabilitation or restoration of the building where the license will be housed over a period of the preceding five years or a commitment for capital investment of at least \$75,000 that will be spent before the issuance of the license. • Show that the total amount of private and public investment in real and personal property in a District listed above was at least \$250,000 in the period covering the preceding five years.
Small Business Administration Loan Programs	Several loan and loan guarantee programs made available through the US Small Business Administration	See specific loan program requirements
Taxable Bond Financing	Taxable Bond Financing provides small-and medium-sized companies access to public capital markets normally available to larger companies.	Project must be compatible with the Michigan Strategic Fund's (MSF) economic development mission.

Potential Incentives



MICHIGAN ECONOMIC
DEVELOPMENT CORPORATION

Architectural Allowance – Reimbursable Fund

**Community Revitalization Program –
Grant/Loan**

**Brownfield TIF – Demolition, Lead & Asbestos
Abatement Site Prep, Public Infrastructure,
Remediation**

Public Spaces Community Places – Grant



Other Programs

Located within an *OPPORTUNITY ZONE*



Proposal Contents

- Letter of Interest
- Concept Plans
- Experience & Portfolio
- Demonstration of Fiscal Capacity
- Complete Team Resume'

Full RFQ available at:
miplace.org/RFQ





Selection Process

- RFQ Proposals Due: *May 7, 2021*
- Finalist(s) Notified: *June 7, 2021*
- Finalist Presentations to Evaluation Committee: *June 2021*
- Finalize Purchase/Development Agreement: *Summer 2021*

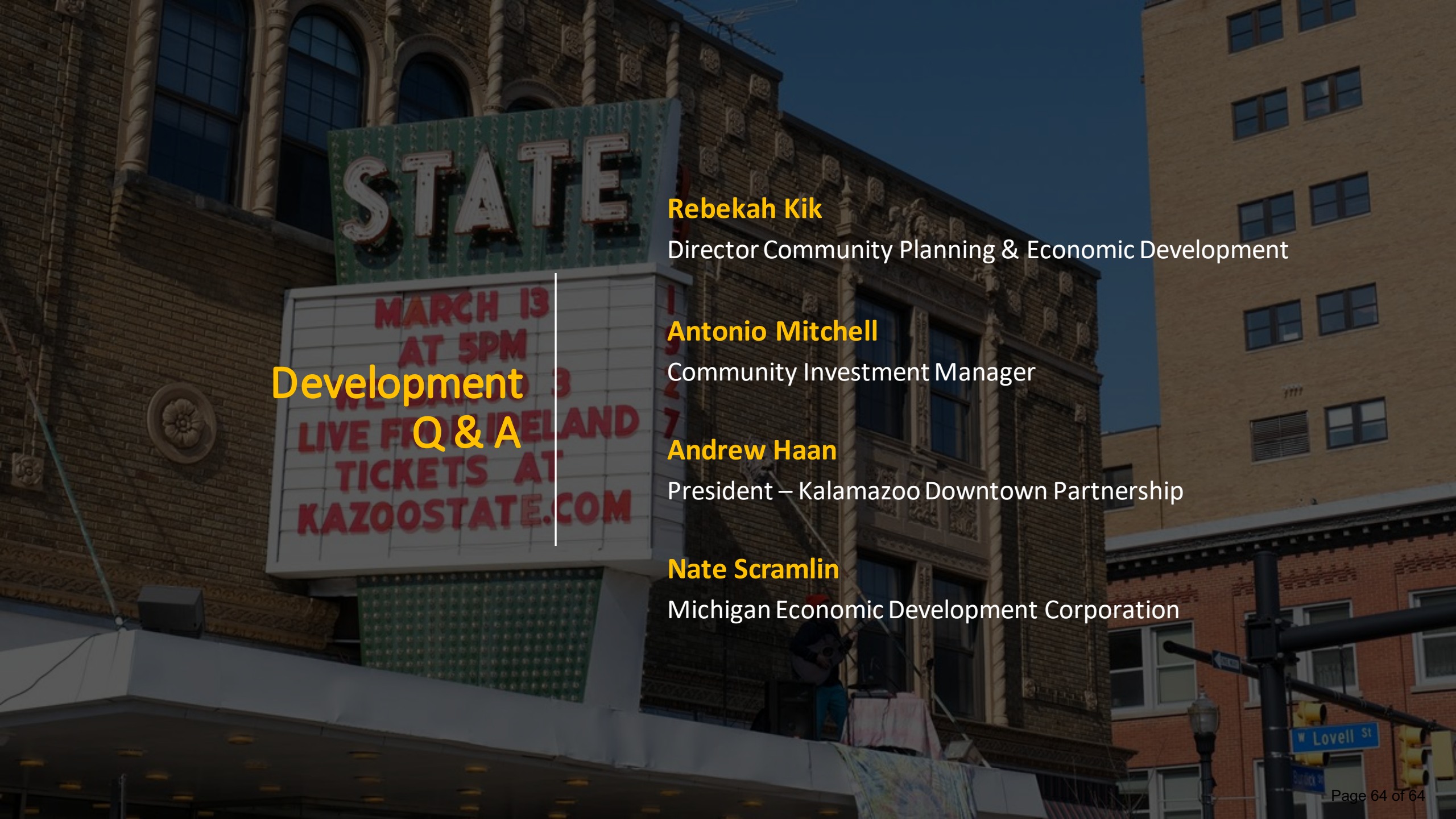


On-Site Tour & Consultation

- *By appointment with City of Kalamazoo*
- *1 on 1 Consultation*
- *April 2021*

Contact: **Antonio Mitchell**
Community Investment Manager
(269) 337-8165
mitchella@kalamazoocity.org



The background image shows the State Theatre building, a historic brick structure with ornate architectural details. A large marquee sign is visible, displaying the word "STATE" in large white letters on a green background. Below it, a white sign with red lettering reads: "MARCH 13 AT 5PM WE DANCE LIVE FROM IRELAND TICKETS AT KAZOOSTATE.COM". A vertical white line is positioned to the right of the "Development Q&A" text.

Development Q&A

Rebekah Kik

Director Community Planning & Economic Development

Antonio Mitchell

Community Investment Manager

Andrew Haan

President — Kalamazoo Downtown Partnership

Nate Scramlin

Michigan Economic Development Corporation