

**DOWNTOWN DEVELOPMENT AUTHORITY
REGULAR MEETING MINUTES
October 17, 2005**

DIRECTORS PRESENT: John Steele, Dan Van Sweden, Kenneth Miller,
Robert Jones, Chris Shook, Stacy Skartsiaris,
Ann Rohrbaugh

DIRECTORS ABSENT: Bob Doud, Jeff Nicholson, Jennifer Shoub

STAFF PRESENT: Steve Deisler, Mary Staron, Marissa Ferrari,
Vicky Kettner, Nicole Emerson, Jillian Green

OTHER : Warren Cook, Lee Kirk

Director Steele called the meeting to order at 3:04 p.m.

II. ADOPTION OF AGENDA

K. Nacci noted two additions to the agenda under V) Action Items, C) *Building Revitalization Program* and D) *Business Recruitment Incentive Program*.

**DIRECTOR MILLER MOVED TO ADOPT
THE AGENDA AS AMENDED. SUPPORTED
BY DIRECTOR SHOOK. MOTION CARRIED.**

III. MINUTES – September 19, 2005

**DIRECTOR MILLER MOVED TO ACCEPT
THE MINUTES OF 9/19/05 AS PRESENTED.
SUPPORTED BY DIRECTOR JONES.
MOTION CARRIED.**

IV. FINANCIAL REPORT – August 31, 2005

M. Staron reviewed the finance reports and opened the floor to questions.

Director Jones asked if the Parking Committee is reviewing the five-year parking plan to determine necessary revisions. K. Nacci confirmed they were, noting the committee had just met on the proposed budget, which would be presented to the DDA Board in November.

Director Van Sweden asked if the extended Saturday parking would continue and if it seemed to be justified. K. Nacci answered that the committee reviews the data provided by Central City Parking to assess the revenues and determine if the plan needed amending. Director Shook (Parking Committee Chair) assured Director Van Sweden that he would get a specific answer to his question and follow up with him.

**DIRECTOR JONES MOVED TO ACCEPT
THE AUGUST 31, 2005 FINANCIAL REPORT
AS PRESENTED. SUPPORTED BY DIRECTOR
VAN SWEDEN. MOTION CARRIED.**

V. ACTION ITEMS

A. Resolution to Call a Public Hearing on the Proposed 2006 Budget

K. Nacci noted that along with approving the Public Hearing, he would like to propose canceling the November 21, 2005 regular meeting, replacing it with a special meeting on November 14, 2005 in order to coincide with the City's timeline for their budgets. M. Staron added that per a conversation with the County Assessor, the resolution language was changed, making it unnecessary to hold a Truth in Taxation Hearing.

DIRECTOR MILLER MOVED TO ADOPT RESOLUTION 05-02 TO CANCEL THE 11/21/05 BOARD MEETING AND REPLACE IT WITH AN 11/14/05 PUBLIC HEARING TO DISCUSS THE PROPOSED 2006 BUDGET. SUPPORTED BY DIRECTOR JONES.

ROLL CALL VOTE 8-0.

B. 230 N. Kalamazoo Mall, L.L.C.

K. Nacci stated that the owners of the building are converting the building into condominium units and have asked the Parking Committee to sell them seven parking spaces for their tenants; he noted that the spaces are in a non-income-producing portion of the parking system. The proceeds from the sale would go to create some replacement parking spaces on Eleanor St. that might generate income. S. Deisler noted that the City is in the process of finalizing the sales agreement that would be presented to the City Commission for approval. He clarified the action being sought was to sell the seven parking spaces. K. Nacci added the action would also include the DDA waiving its right of first refusal, and amending the parking sublease to remove the spaces from the parking inventory.

Director Jones asked what the selling price was. S. Deisler answered just under \$23,000.

DIRECTOR SHOOK MOVED TO APPROVE THE SALE OF SEVEN PARKING SPACES TO THE OWNERS OF 230 N. KALAMAZOO MALL, TO WAIVE THE DDA'S RIGHT OF FIRST REFUSAL, AND TO AMEND THE PARKING SUBLEASE AS DISCUSSED. SUPPORTED BY DIRECTOR JONES. MOTION CARRIED.

C. Building Revitalization Program

1. Peregrine Realty — 224 E. Michigan Ave.
Grant request: NTE \$9,000 (rehab)

M. Ferrari noted that Tom Huff is looking to build out two residential units on the second floor of the building next to Olde Peninsula. The Project Review Committee has approved the request NTE \$9,000.

**DIRECTOR MILLER MOVED TO APPROVE
THE REHAB GRANT NTE \$9,000 FOR 224
E. MICHIGAN AVE. SUPPORTED BY
DIRECTOR JONES. MOTION CARRIED.**

DIRECTOR STEELE ABSTAINED.

D. Business Recruitment Incentive Program

1. Scott Gordon — 230 S. Kalamazoo Mall
Grant request: \$10,000

S. Deisler explained that the building owner plans to open a retail store in the former CyberMIND location. The business will occupy approximately 2,000 square feet and will bring five employees downtown with a proposed private investment of about \$75,000. The store is slated to open mid-to-late November and would include skateboard, snowboard, and ski equipment and apparel. The Business Recruitment Retention Committee has approved the application.

**DIRECTOR WALKER MOVED TO APPROVE
THE BRIP GRANT OF \$10,000 FOR 230 S.
KALAMAZOO MALL. SUPPORTED BY
DIRECTOR VAN SWEDEN. MOTION CARRIED.**

VI. DISCUSSION ITEMS

There were none.

VII. DIRECTOR COMMENTS

K. Nacci shared the somber news of the closing of the Athena Book store scheduled for November 12, 2005. He noted that V. Kettner had spoken with G. Hebben earlier that day and cited multiple reasons for his decision, including some personal strife.

Director Rohrbaugh expressed regret at the loss of Athena Book store, noting they had been a tremendous partner over the years and handled all of the book sales for the Kalamazoo Public Library's author visits.

Director Van Sweden mentioned that at the most recent Downtown Retailers Association meeting one of the members stated she was struggling and would have to close her doors if things didn't improve. He suggested a stronger focus on business retention for existing businesses that are having challenges with a possibility of setting funds aside to help them out for a few months. K. Nacci noted that the difficulty with retention is that it is a direct benefit to a business/individual. In contrast, recruitment efforts are legitimate use of public dollars because they create jobs and benefit the whole community. He offered to follow up with legal counsel, and get back to Director Van Sweden on his question. He also cited efforts to create a pool of funds through the Kalamazoo Community Foundation, which were unsuccessful. He noted it is important to determine if the issue is tenant/landlord related. Director Van Sweden stated that the retailer attributed her challenges to the demolition and construction of the parking ramp. Director Miller stated that the most of what the Board could do for retention would be global marketing.

He added that if monies were used for retention, after being amortized, the amount of money would not be enough to save a business. K. Nacci added that any city that has grown faces similar issues related to construction and noted the business owner has not approached DKI staff regarding her challenges. He affirmed he is happy to go talk to her landlord as he has a good rapport with them.

Director Miller asked about the status of the ramp and asked if it would be at least partially open during the holidays. K. Nacci confirmed that it would be partially open and there would likely be free customer parking for the holidays and ambassadors in the ramp. He also noted that Farmers Alley would be closed for two weeks starting November 7 to place panels on the parking structure.

Director Jones asked if the cinema was on schedule. K. Nacci answered that the project is slightly behind schedule due to the amount of large equipment in such a confined site and of the some agreements that needed to be finalized between the developer and the theater operator.

Director Skartsiaris stated that she hears comments regarding the lack of police officers downtown. K. Nacci noted that downtown has lost one beat officer, and although the crime rates are lower than they had been since the 1970's, some recent events have caused heightened concern. He stated DKI might be looking to supplement funding for a community police officer.

K. Nacci introduced City Attorney, Lee Kirk and Warren Cook, Business Growth Specialist with the City of Kalamazoo.

VIII. PUBLIC COMMENTS

There were none.

IX. ADJOURNMENT

The meeting was adjourned at 3:44 p.m.

APPROVED: _____

Jillian Green
Recording Secretary