
CITY OF KALAMAZOO
BROWNFIELD REDEVELOPMENT AUTHORITY – SPECIAL MEETING
Thursday, August 16, 2018 • Community Room, City Hall

MEMBERS PRESENT: Nathan Bolton; Fritz Brown; Jim Escamilla; Kevan Hess; Patti Owens; Doug Phillips; Tom Schlueter; Nancy Troff

MEMBERS ABSENT: Mayor Bobby J. Hopewell; Bob Miller;

CITY COMMISSIONERS/CITY STAFF PRESENT: Eric Kemmer (Development Manager); Rebekah Kik (Director of City Planning & Economic Development); Joy Orr (Administrative Coordinator); Jerome Kisscorni (Assistant City Manager); Richard Cherry (Assistant City Attorney)

Meeting was called to order at 7:30 a.m. by Vice Chair Nathan Bolton

MOTION TO EXCUSE ABSENT MEMBERS: Mr. Bolton moved to excuse the absent; supported by Mr. Miller. Motion approved by voice vote unanimously.

APPROVAL OF AGENDA: Mr. Schlueter moved the approval of the amended agenda; supported by Mr. Brown. Motion approved by voice vote unanimously.

APPROVAL OF THE MINUTES OF JULY 12, 2018: Mr. Phillips had two revisions: 1) Under Item #4, Paragraph 3 there is a typo and “street scraping” should be changed to “street scaping”; and where the minutes state “Ms. Owens returned to the meeting after voting” there should be the addition of “after voting was completed” for clarity. Mr. Phillips moved approval of the minutes; supported by Ms. Troff. Motion approved by voice vote unanimously.

NEW BUSINESS

- 1. Consideration of a recommendation to approve the Redevelopment and Purchase Agreement regarding the approximate northerly 7 acre portion of Davis Creek Business Park to Harbor Farms Real Estate, LLC, and authorize the BRA Chair to sign on behalf of the BRA. (Action: Motion to approve the Redevelopment and Purchase Agreement regarding the approximate northerly 7 acre portion of Davis Creek Business Park to Harbor Farms Real Estate, LLC, and authorize the BRA Chair to sign on behalf of the BRA.)**

Carl Baxmeyer from Wightman and Associates presented to the board on behalf of Harbor Farms for their medicinal marihuana project intended for the above mentioned portion of the Davis Creek Business Park (DCBP) property. The building will be just over 32k sq.ft. and will have loading docks, equipment storage, office spaces, and will be gated. In case of an emergency, driving paths that encompass the entire building have been included in the design so employees can evacuate. The facility will harbor both growing and processing. The facility will have high security, and special features are being included in the design to prevent

contamination of the plants between the processing and growing sections of the building. One of these features includes having separate grow rooms to decrease the chance of spreading mites, mold, or any contamination from the processing portion across all the plants. A walk in freezer is included in the design to house any edibles. Mr. Baxmeyer stated that the facility design is comparable to a pharmaceutical manufacturing facility. He also stated that they are currently doing their environmental due diligence and finalizing design elements such as building finishes and materials.

Ms. Troff asked about the space dedicated as a "mother room." Mr. Baxmeyer explained is part of the plants' growing stations. They first start as seedlings, then go the mother room to grow, then the veg rooms where they will eventually be taken from for harvesting, and then the harvested portions go to the drying room prior to processing.

Mr. Phillips asked if there was going to be any fencing required by the City for this type of facility. Mr. Kisscorni and Ms. Kik said there is not a requirement, and it is up to the property owner.

Mr. Schlueter asked what the expected salaries would be for those who get jobs here, and what the shifts are expected to be like. Mr. Baxmeyer stated that when studying existing operations, the salaries were higher than average across the board. He said this will not be a 24/7 operation, and that at this time there is one primary shift expected.

Mr. Escamilla wanted to know more about the methane layer shown in the design. Mr. Baxmeyer answered that there is a company in California who is leading the design team with recommended materials and the estimated costs for them regarding the methane mitigation.

Mr. Brown and Mr. Miller wanted to know how the air quality would be affected for not just those working in the building but also for surrounding neighborhoods. Mr. Baxmeyer explained that they would be using carbon air filters to trap any contaminates, but that neighborhoods would not have to worry about any odors coming from the facility. When they toured existing operations there were no odors, and that is due to the building's design. There will be an odor inside the building; however, it will not cause any effects on the employees. It is just the plants' natural odor.

Ms. Troff asked if the purchase agreement is contingent on Harbor Farms obtaining their state license. Mr. Baxmeyer stated that is in the language, and Mr. Kisscorni confirmed. Currently Harbor Farms is in the reapplication phase of their licensing due to an error on their original application. After getting that approved, they would need the City's approval to move forward to Phase II which is the State's approval of the license.

Mr. Schlueter what the total investment costs would be and how would it affect taxes? Mr. Baxmeyer said it was a \$5M investment and while an exact tax number is not generated at this time, it should affect taxes positively. Mr. Kisscorni added that BRA incentives would not be discussed without a proforma from Harbor Farms.

Mr. Phillips asked what activities would be considered eligible for BRA incentives besides the methane mitigation. Mr. Kisscorni stated that any site prep would be eligible, but not much else as the site has already been prepped for redevelopment.

Ms. Troff motioned to approve the Redevelopment and Purchase Agreement regarding the approximate northerly 7 acre portion of Davis Creek Business Park to Harbor Farms Real Estate, LLC, and authorize the BRA Chair to sign on behalf of the BRA; supported by Mr. Brown. The motion passed 9 votes in favor, 0 against.

- 2. Consideration of a recommendation to approve the Brownfield Grant Contract with MDEQ and the First Amendment to the Brownfield Plan Development Agreement with Catalyst Development Co. 12, LLC and authorize the vice-chair to sign both documents. (Action: Motion to approve the Brownfield Grant Contract with MDEQ and the First Amendment to the Brownfield Plan Development Agreement with Catalyst Development Co. 12, LLC and authorize the vice-chair to sign both documents.)**

Mr. Kisscorni briefed the board on the proposed grant and amendment. The grant is for \$182k from the MDEQ. How the grant works is that it goes to the BRA to distribute to the project, however, there is a clause within the agreement that if the project does not meet the requirements of the grant the BRA is responsible for paying the entire value of the grant back to MDEQ. To protect the BRA, the First Amendment to the BRA Development Agreement was created stating that Catalyst Development will repay the BRA if the previous mentioned scenario were to happen.

Ms. Owens informed the board that the grant is part of a program MDEQ offers that assists with costs associated with hauling soils away from the site and covering other environmental remediation such as the vapor barrier need for the Lot 9 project.

Mr. Miller motioned to approve the Brownfield Grant Contract with MDEQ and the First Amendment to the Brownfield Plan Development Agreement with Catalyst Development Co. 12, LLC and authorize the vice-chair to sign both documents; supported by Ms. Troff. The motion passed 8 votes in favor, 0 against, and Ms. Owens abstained.

OLD BUSINESS

Mr. Kisscorni announced that Mr. John MacKenzie has submitted his resignation from the EDC/BRA board. We are now looking for potential candidates to fill his position whom the Mayor will appoint based on the applicant pool we receive.

COMMUNICATIONS & ANNOUNCEMENTS

None.

STAFF UPDATES

Mr. Kisscorni mentioned that conversations have started with Republic Waste about purchasing their properties on Ransom. At this time, the City has first right of refusal on the properties.

Ms. Kik announced that the Development Coordinator position (Ms. Sara Jo Shipley's former position) received 31 applications, in which the hiring team has narrowed down to 12 applicants. They will be reviewing over the next few weeks to try to get the applicant pool down to 3-5 for interviewing.

Mr. Kisscorni added that the City is looking at saving the former Public Safety Training building on 116 Cedar for either office space for the Community Planning & Economic Development

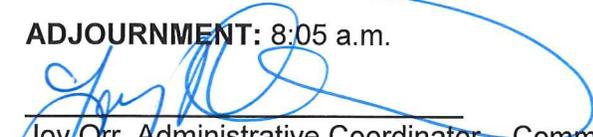
team or potential entrepreneurial incubator facility. Conversations have started with the developer of the property and with the City to see what would be the best use for the space.

CITIZEN COMMENTS

Mr. Kyle Barker from 7Points Supply wanted to thank the board for their support of medicinal marihuana.

DIRECTOR'S COMMENTS

ADJOURNMENT: 8:05 a.m.



Joy Orr, Administrative Coordinator – Community Planning & Economic Development



Patricia Owens, Chair