CITY OF KALAMAZOO
BROWNFIELD REDEVELOPMENT AUTHORITY BOARD MEETING
Thursday, December 19, 2019 • Community Room Conference Room, City Hall

MEMBERS PRESENT: Nathan Bolton; Fritz Brown; James Escamilla; Kyle Gulau; Kevin Hess; Jason Novotny; Patti Owens; Doug Phillips; Tom Schlueter; Jasmine Vedua

MEMBERS ABSENT: Patti Owens

CITY COMMISSIONERS/CITY STAFF PRESENT: Richard Cherry (Deputy City Attorney); Marcy Dix (Program Finance Supervisor); John Kneas (City Attorney); Jamie McCarthy (Development Coordinator); Antonio Mitchell (Development Project Coordinator)

Meeting was called to order at 7:41 AM by Vice Chair Nathan Bolton.

MOTION TO EXCUSE ABSENT MEMBERS: Mr. Phillips moved to excuse absent members; supported by Mr. Brown. Motion to excuse the absent members was approved unanimously by voice vote.

APPROVAL OF AGENDA: Ms. McCarthy recommended amending the agenda to authorize Vice Chair Nathan Bolton to sign applicable documents in Chair Patti Owens' absence. Mr. Novotny moved the approval of the agenda with the amendment; supported by Mr. Brown. Motion approved unanimously by voice vote.

APPROVAL OF THE MINUTES OF NOVEMBER 21, 2019: Mr. Schlueter moved the approval of the minutes; supported by Mr. Brown. Motion approved unanimously by voice vote.

NEW BUSINESS

1. **Consideration of a recommendation to adopt the budgets for Fund 709 (Brownfield Redevelopment Authority) and Fund 243 (Local Brownfield Revolving Fund) for the 2020 fiscal year.**
   a. **Recommendation to adopt the budget for Fund 709 (Brownfield Redevelopment Authority)**
   Ms. Dix provided a summary of the budget that was included in the agenda packet. Ms. Dix highlighting the allocation of $60,000 for Phase I and Phase II environmental activities in case that is a barrier to a project and $65,000 in consulting services. Discussion ensued regarding whether the board should anticipate incurring some of the line items in the budget.

   Mr. Phillips moved to recommend the adoption of the budget for Fund 709; supported by Mr. Brown. Motion was approved unanimously by roll call vote.

b. **Recommendation to adopt the budget for Fund 243 (Local Brownfield Revolving Fund)**
Ms. Dix provided a summary of the budget that was included in the agenda packet. Ms. McCarthy highlighted the need for remediation costs and the costs associated with the development of the Davis Creek Business Park.

Discussion ensued regarding whether the board should anticipate incurring some line items outlined in the budget. Ms. Dix reassured the board that some line items were expanded to ensure the board has the freedom to take on necessary projects.

Mr. Escamilla moved to recommend the adoption of the budget for Fund 243; supported by Mr. Brown. Motion approved unanimously by roll call vote.

2. **Consideration of a recommendation to approve the proposal for brownfield and economic development consulting services from Southwest Michigan First for a not-to-exceed amount of $75,000 and authorize the Director of Community Planning and Economic Development to sign.**

Ms. McCarthy notified the board of the memo in the agenda that notes the list of services provided by Southwest Michigan First. Ms. McCarthy added that the staff has had a decrease in personnel expenditures and using outside services has proven successful.

Mr. Brown added that he is in full support of continuing this partnership and that Mr. Agostinelli has done a great job. Mr. Brown added that Mr. Agostinelli has been good about managing the various roles he holds. Mr. Agostinelli noted that the contract is hourly fee for service, thus the size of the contract is a function of the active deal flow.

Mr. Phillips moved to authorize the execution of a fee for service agreement with Southwest Michigan First not to exceed $65,000 in BRA costs and $10,000 in Department of Community Planning and Economic Development; supported by Mr. Brown. Motion was approved unanimously by roll call vote.

3. **Consideration of a recommendation to approve the termination agreements with ENMAR/Arcadia Ales and authorize the board vice-chair to sign.**

Mr. Kneas provided a summary of the project and why the project was foreclosed upon. Mr. Kneas added that this project prompted conversations regarding the reimbursement schedule through TIF now that TIF capture is longer.

Mr. Brown moved to approve the termination agreements with ENMAR/Arcadia Ales; supported by Mr. Schlueter. Motion was approved unanimously by roll call vote.

4. **Consideration of a recommendation to approve the Release of All Claims agreement between Catalyst Development Co 3, LLC, the Kalamazoo Downtown Development Authority, and the City of Kalamazoo Brownfield Redevelopment Authority for reimbursement of eligible activities at the South Street and Rose Street**

Development, authorize the board vice-chair to sign, and authorize payment to Catalyst Development Co 3, LLC.

Ms. McCarthy noted that there have been ongoing conversations with community partners about how to make the developer whole, in light of the transition from the Downtown Development Authority to the Downtown Economic Growth Authority.

Mr. Brown expressed that even though this is not directly the board's problem to solve, it is the right thing to do to make the developer whole, particularly because the developer did a lot of good for the general public space.

Mr. Agostinelli noted that if the board does not take action on this item, the board will have to stop capturing TIF on the property and thus there would be no functional way to satisfy this request. Essentially, this is a short-term reallocation of money from the revolving fund to the general fund to satisfy the request, which will ultimately be recuperated through the continuation of TIF capture.

Mr. Phillips moved to recommend the approval of the Release of All Claims agreement between Catalyst Development Co 3, LLC, the Kalamazoo Downtown Development Authority, and the City of Kalamazoo Brownfield Redevelopment Authority for reimbursement of eligible activities at the South Street and Rose Street Development; supported by Mr. Brown. Motion was approved unanimously by roll call vote.

OLD BUSINESS

1. **Consideration of a request by Metropolitan Center, LLC for reimbursement of eligible expenses in the amount of $200,000 it incurred for the project at 103-105 E. Michigan Avenue (known as the Metropolitan Center).**

Steve Sielatycki, Legal Counsel for Metropolitan Center, LLC, provided historical record on the 10-year process of the Metropolitan Center development. Mr. Sielatycki provided an overview whether sub-contracting documentation was required for reviewal to the Brownfield Redevelopment Authority Board to capture TIF on eligible activities. Metropolitan Center, LLC sought a resolution that would provide the developer an opportunity to capture some of the incurred costs, with a less stringent stipulation on sub-contracting documentation.

Mr. Bolton inquired whether the TIF agreements asked for subcontractor documentation and Mr. Sielatycki noted that by exclusion he believed it was not required. Mr. Kneas recommended entering private session to consider attorney-client privilege material and take no action in closed session.

Mr. Brown moved to enter closed session to discuss attorney-client privilege material; supported by Mr. Novotny. Motion to enter closed session was approved unanimously by roll call vote.

The Board opened the closed session at 8:37 AM.

The Board closed the closed session at 8:57 AM.

Mr. Schlueter moved to recommend the approval of the request by Metropolitan Center, LLC for reimbursement of eligible expenses; supported by Mr. Schleuter.

Mr. Brown noted that he has no doubt that there were eligible activity expenses and that the board is happy to have the property developed but expressed his frustration, on behalf of the board, with the way this project was managed. Mr. Phillips echoed Mr. Brown's frustration, adding that the timeliness of this process was excessive, and it is the board's hope that if this developer ever comes back to the board, the developer will proceed through the process differently.

The motion to recommend the approval of the request by Metropolitan Center, LLC for reimbursement of $200,000 for eligible expenses was approved unanimously by roll call vote.

COMMUNICATIONS AND ANNOUNCEMENTS

Ms. McCarthy noted that this will be Mr. Kneas's last meeting with the board and expressed her gratitude for his work and dedication to the board. Ms. McCarthy noted that the board is excited to engage with Mr. Cherry in the coming years. Mr. Kneas added that joining the city's attorney office was the best decision he made.

STAFF UPDATES

Mr. Mitchell expressed that Ms. Rebekah Kik could not make it to the meeting today as she has been coordinating the division's move to a new office.

CITIZEN COMMENTS

None.

DIRECTOR'S COMMENTS

Mr. Phillips spoke to Ms. Owens the day prior and noted her regrets for her absence but was too sick to attend.

Ms. McCarthy noted that all meetings will remain in the Community Room at City Hall through the first quarter of 2020 or until further notice.

Mr. Bolton expressed his gratitude for the boards attendance this year. The board has accomplished a lot and looks forward to the work to be done next year. Mr. Bolton wished the board a happy holiday.

ADJOURNMENT: 9:05AM

Signature

Patti Owens, Chair

Name/Title

Signature

Jamie McCarthy / Recording Secretary