MEMBERS PRESENT: Nathan Bolton; James Escamilla; Kevan Hess; Kyle Gulau; Jason Novotny; Patti Owens; Lucas Middleton; Jamauri Bogan; Vice Mayor Patrese Griffin; Fritz Brown

MEMBERS ABSENT: Jasmine Vedua

CITY COMMISSIONERS/CITY STAFF PRESENT: Joe Agostinelli (Consultant to the BRA); Richard Cherry (Deputy City Attorney); Rebekah Kik (Planning and Economic Development Director); Jamie McCarthy (Development Coordinator); Antonio Mitchell (Community Investment Manager); Beth Cheeseman (Executive Administrative Assistant); Marcy Dix (Program Finance Supervisor)

PUBLIC PRESENT: Mr. David Stegink, Envirologic Technologies; Mr. Derek Wissner, Memories Bridal & Evening Wear

Meeting was called to order at 7:30 AM by Chair Nathan Bolton.

MOTION TO EXCUSE ABSENT MEMBERS: Director Owens moved to excuse absent members; supported by Director Novotny. Motion approved by voice vote unanimously.

APPROVAL OF AGENDA:
Director Owens moved the approval of the agenda; supported by Director Novotny. Motion approved by voice vote unanimously.

APPROVAL OF THE MINUTES OF JULY 16, 2020: Director Owens moved the approval of the minutes; supported by Director Hess. Motion approved by voice vote unanimously.

NEW BUSINESS

1. Public hearing for the City of Kalamazoo Revised Brownfield Redevelopment Plan, Amendment 8 (NO ACTION).

   Presentation by staff

Ms. McCarthy reported that they did not add new chapters to the plan. In this case, they looked at the projects they needed to update to make them more accurate. They have decided to review the plan on an annual basis. Southwest Michigan First updated the TIF tables for every chapter and the tables at the end of the document. Some chapters in the plan were removed. The projects in these chapters (10, 13, 15, 18, 19, and 20) were complete and TIF was paid out or no project ever materialized. Some chapters were modified because there were changes to the project or more information was available. Ms. McCarthy spoke about Chapters 28 and 39 where the DDA was originally putting
forth some TIF capture. They are now looking at how the BRA can capture instead. Mr. Agostinelli is working with MEDC and PlazaCorp regarding the Exchange project (Chapter 28) to see what school capture can be added to that project. He explained that capturing school tax would shorten the BRA plan, pay developer back faster and get the property back on the tax rolls faster. Attorney Cherry revised the agreement for the Depot project (Chapter 39). Ms. McCarthy shared that Chapters 47 and 50 are projects that haven’t been built yet.

Ms. McCarthy explained that Brownfield Plans go to the Brownfield Authority for the public hearing and then it goes to the City Commission for approval. She said the BRA can’t capture any more than what is specified in the plan. Ms. McCarthy said the commitment to a developer is what gets negotiated in the developer agreement. That’s where the board pulls out the Incentives policy, evaluates and rates the project against the guidelines, and then says if the project qualifies for reimbursement for eligible activities and for how many years. Mr. Agostinelli would then build a TIF table. She said they are changing numbers in this plan to give the Board ability to negotiate the development agreement. Ms. McCarthy said that the developer asked them to add two adjacent parcels obtained from the railroad in Chapter 50.

- Public comment period

Director Bolton opened the public comment portion of the public hearing.

No comments.

Director Bolton closed the public comment portion of the public hearing.

- Board discussion

Director Bolton asked how much sooner the Exchange project would be on the tax rolls if the BRA captures instead of the DDA. Mr. Agostinelli estimated that it could be 18 months. If the MEDC allows for school capture on those additional activities, it would accelerate the process because the DDA could only capture local taxes.

Vice Mayor Griffin asked if there was a specific portion of the plan that Southwest Michigan First was reviewing. Mr. Agostinelli explained that his co-worker, Jared, reviewed the spreadsheet side and he did some technical cleanup of the plan. He said there was a lot of out-of-date information in the plans. They reviewed the plan chapter by chapter, making sure it reflected current information and that the chapters were consistent with each other. He reported that there had been some significant changes in millages that exist in the City and they updated the tables to reflect that. Ms. McCarthy showed an example of table that was updated and explained the numbers.

Vice Mayor Griffin thanked them for their explanation. She said that she is interested in the diversity and equity lens of the organization that reviewed the plans. She said that impacts the way things are viewed and the outcomes. Vice Mayor Griffin asked about the diversity of Southwest Michigan First’s organizational makeup. She commented that she was not questioning expertise, but they’ve found that some components could have been caught if the company had an equity lens at the beginning. Vice Mayor Griffin stated that is something she will always ask about and she hoped that was given consideration since equity is a part of the Master Plan 2025.

Director Owens asked Mr. Agostinelli to clarify why developers were able to opt out of school tax capture in the past. Mr. Agostinelli said that it is important to note that school tax capture holds local schools harmless. The taxes everyone pays at the local level go into a bucket at the state level. The local school district is held harmless. He said that, in the past, the City has not wanted to pursue school tax capture because there were different rules around the use of the Local BRA Revolving Fund if school taxes were captured. That was the impediment to capturing school taxes. Mr. Agostinelli said the Local BRA Revolving Fund rules have changed and it is not as problematic to capture school taxes anymore.
2. Consideration of a recommendation the BRA adopts a resolution approving the implementation of City’s Revised Brownfield Redevelopment Plan, Amendment 8 and recommending adoption by the City Commission (ACTION: Motion to approve the resolution approving implementation of City’s Revised Brownfield Redevelopment Plan, Amendment 8 and recommending adoption by the City Commission).

Director Brown moved to approve the resolution approving implementation of City’s Revised Brownfield Redevelopment Plan, Amendment 8 and recommending adoption by the City Commission; supported by Director Owens.

Director Owens said she appreciated Jamie’s thoughtful explanation of what they are doing and why.

Vice Mayor Griffin asked again about the diversity of the group that reviewed the plan.

Mr. Agostinelli said that they didn’t make any policy decisions. They just updated financial information. He said that it is a fair point that a lot of organizations need work on their diversity and that Southwest Michigan First needs to work on that. He will take that point back to their leadership.

Ms. McCarthy said that it is an excellent question and a way to look deeper at diversity and equity considerations. She said that Southwest Michigan First reviewed the math, but it was not a visionary plan. Ms. McCarthy stated it is the board that makes the decisions on the types of projects approved. They discern what the project means to the community, how inclusive the developers are, what neighborhoods are affected, and if the projects are meeting the needs of the neighborhoods. Ms. McCarthy said they have some requirements like the City’s Ex-Offender policy. She said they will look at the incentives policy later this fall and it is a good opportunity to think about diversity and equity.

Vice Mayor Griffin thanked them for their answer. She emphasized that every instance is important – it’s always needed.

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

OLD BUSINESS

3. Approval of payment for improvements at Haymarket Plaza in the amount $12,190 from Fund 243 Local Brownfield Revolving Fund (ACTION: Motion to approve payment for improvements at Haymarket Plaza in the amount $12,190 from Fund 243 Local Brownfield Revolving Fund).

Director Owens asked about the BRA Board’s policy when they are voting on a project that involves members of the board.

Attorney Cherry agreed that if any members have a financial tie to the decision of the vote, then they would need to abstain from discussion and vote. After discussion it was determined that Director Brown would excuse himself from the call and Ms. McCarthy would email him when he could return.

Ms. McCarthy shared that this is a publicly owned alleyway. To the north, Catalyst is working on the 180 Water Street project. She said Treystar and Mr. Wissner own buildings off the alley. Treystar and Catalyst have been coordinating on the design of the alley portions adjacent to their buildings. Mr. Wissner wanted to join in and make his area look the same. He brought up to City staff that a rectangular piece at the end of the alley is City owned. Ms. McCarthy said the City agreed that Mr. Wissner should complete that small portion and they would talk about where it could come out of the budget. She said they talked to the Downtown Partnership, but they were already contributing toward the project. Public
Services budget was tight. Ms. McCarthy said that because it was a public project investing in the main right of way, they felt it would be an appropriate expense for the BRA. She said Mr. Wissner met with the different property owners. They talked about logistics and made sure the design elements matched. The rest of the alley way will be improved in 2021. Ms. McCarthy asked the Board for approval to reimburse Mr. Wissner from the Local Brownfield Revolving fund.

Director Owens stated her support of the request and explained that the timing was critical. They had people out there to pour concrete. In her opinion, it was well worth it because they will have a cohesive pedestrian access.

Mr. Wissner agreed there was a tight timeframe to decide whether to do this or miss the window. If they missed the window, the alternative would have been to go back a year or two later to repair the asphalt after the fact.

Director Bolton asked how much that would have cost if it had been done later. Director Owens said had they had waited; it would have been more expensive. They would have had to remobilize concrete as well as go back and get easements.

Mr. Wissner added that the alleyway now looks consistent with the exact mix of concrete and the exact same pour. They also don’t have trucks going down the new alleyway to risk cracking it.

Director Hess asked if there was a detailed invoice for documentation. Ms. McCarthy and Director Owens stated there are detailed invoices. Director Owens asked Ms. McCarthy to share that with the board.

Director Middleton agreed that it made sense to do it all at the same time. He asked what policy governs the expenditures from the revolving fund and how does this project align with those requirements.

Mr. Agostinelli responded that by statute the Revolving Fund money has to be spent on eligible activities on eligible properties. He explained that the statute allows for eligible activities to be incurred within the public right of way for public improvements that directly benefit eligible properties. This project benefits the 180 Water Street project.

Director Novotny moved to approve payment for improvements at Haymarket Plaza in the amount $12,190 from Fund 243 Local Brownfield Revolving Fund; supported by Director Owens. A voice vote was taken, and the motion passed unanimously.

COMMUNICATIONS AND ANNOUNCEMENTS

None.

STAFF UPDATES

- 2020 YTD budget report

Ms. Marcy Dix, Program Financial Supervisor, reviewed the Local BRA Revolving Fund and the Operating Fund. The BRA Board voiced no questions or concerns.
CITIZEN COMMENTS

None.

DIRECTOR'S COMMENTS

Director Owens suggested they have an educational session for any board members who would like to understand TIF capture better and how the BRA's money is being used. She suggested having Marcy Dix, Jamie McCarthy and Joe Agostinelli there to help explain these matters.

Director Novotny said he loved that idea and thought it would be helpful to have something visual like a flow chart color coded with roles and responsibilities. Director Hess said that when he was a new member, the retreat at the Radisson helped him. He added that they are all on the board for a different reason with different skill sets.

Ms. McCarthy said she will send out a Doodle poll.

Attorney Cherry suggested that it should be a workshop if several board members are involved.

Director Kilk thought it was a great idea. She would like the workshop to cover TIF, the Incentives Policy, and how they spend their money.

Director Bolton said he went to the Parade of Homes and KNHS had a home on Stockbridge. They said they received money from the City. He wondered where that money come from.

Director Kilk responded that it was a combination of LISC with FFE dollars. She said that partnership was happening again this year with the Micro-TIF the board and City Commission approved.

ADJOURNMENT: 8:49am

Beth Cheeseman, Recording Secretary

Signed

Nathan Bolton, Chair

Printed Name/Title