

NORTHSIDE CULTURAL BUSINESS DISTRICT AUTHORITY BOARD – OCTOBER 17, 2019

A meeting of the Northside Cultural Business District Authority (NCDBA) Board of Directors was held on Thursday, October 17, 2019 at 6:00 p.m. in the office of the Northside Association for Community Development, 612 N. Park Street.

DIRECTORS PRESENT: Mayor Bobby Hopewell, Jon Durham, Kiar Gamsho, Ricky Thrash, Damian Henderson, Ken Nacci, Mattie Jordan-Woods, Marilyn Pulley, Chad Dodd

DIRECTORS ABSENT: William Roland

Also present were Director of Community Planning and Economic Development, Rebekah Kik, City Planner Christina Anderson, Code Administration Clerk/Cashier, Beth Cheeseman.

APPROVAL OF THE AGENDA

Director Jon Durham supported by Mayor Hopewell moved to approve the agenda as presented.

By unanimous consent the board adopted its meeting agenda as presented.

APPROVAL OF MINUTES

Director Mattie Jordan Woods stated they will be voting on the minutes of June 20, July 18, and August 15, 2019.

Director Ken Nacci supported by Director Dodd moved to approve the minutes from the board meetings on June 20, July 18 and August 15, 2019. With a voice vote the motion passed.

PUBLIC HEARINGS

There were no public hearings during this meeting.

ACTION/DISCUSSION ITEMS

There were no action/discussion items for this meeting.

COMMITTEE REPORTS

TIF Committee

Director Nacci and Director Jordan Woods provided an update on the district property boundaries. Director Nacci expressed that they had discovered a couple of small areas that may have some problems with mapping and addresses. Director Jordan Woods stated that she and Director Pulley did a walking audit and found that an address was not included. She requested for a board member or designated person to be able to make corrections right away if they see address that is wrongfully included or omitted.

Planner Anderson stated that addresses can be included at any time within the boundary. However, if the address would expand the TIF boundary, a process would have to be followed. Director Jordan Woods agreed to share the address they found with Planner Anderson. Director Jordan Woods shared that they will need to address/change some language regarding boundaries later. Director Pulley requested a larger map.

STAFF REPORTS AND UPDATES

TIF District Millage Information

Planner Anderson provided millage rates and capture information obtained from Assistant City Assessor, Andrew Falkenberg. Mr. Falkenberg can attend a future meeting of the TIF Committee if there are any additional questions. Director Jordan Woods asked about the Commission allowing them to capture money from the Payment In Lieu Of Taxes project (PILOT). Director Nacci stated there are new state laws regarding the capture or prohibition of capturing other taxes like PILOT. He said they need an explanation as to whether they can or cannot.

PILOT/Brownfield Impact on TIF Tax Capture

Director of Community Planning and Economic Development, Rebekah Kik spoke about the ordinance for those projects requesting PILOT. She said they take 4% of shelter rents from a project and use those taxes for fire and police services. If they did amend this ordinance, they would be negotiating fire and police services. Director Kik stated that each project has been negotiated based on the project. She said the City wouldn't be able to capture in the Corridor Authority as it is, but they can have a conversation about that. Director Nacci asked if this was regulated by City policy, ordinance, or if it was state law driven. He also inquired as to if this was just related to City taxes. Director Kik stated that it is ordinance driven and it is related only to City taxes.

Director Kik directed board members to a handout which outlined the Northside Cultural Business District (NCBD), Downtown Design Review Authority (DDRA) and the Brownfield Authority (BRA) powers and eligible activities. She stated that when they start planning a project, the Corridor Authority is always in first position and has the first right of refusal. Director Kik stated the eligible activities vary by TIF district. She encouraged the board to think through the types of activities and how many years it would take for projects when they create their TIF plan. She said there can only be one TIF district capture at a time, but successions of capture are possible. For example, a project could go through the Brownfield Authority and then go through the Corridor Authority.

Director Jordan Woods asked about the timeline if a project they want to support goes through the Brownfield Authority and then wants to have construction dollars. Director Kik stated that it runs with tax cycles. She said the Brownfield Authority only captures and works on one parcel at a time. The Corridor Authority captures and works on the whole district. Director Kik reminded the board that because they are capturing on the whole district, they always have funds coming in. They don't have to wait for one project to start or stop in order to receive dollars to do construction. Director Kik stated that during the Brownfield capture, they will not see money. They are paying that developer back and there is no money available during that time.

Director Nacci asked if they can capture inflationary increases. Director Kik responded it was not a practice in the past, however, they may pay interest depending on the project.

Director Kik shared that it is important to think about taking on Brownfield projects that can be repaid within 5-7 years. These projects would be able to be paid quickly and then be able to use construction dollars. She gave the example of a property damaged by fire that had to be taken down right away. They can come to Brownfield Authority and be reimbursed for demolition and cleanup. Director Kik confirmed for Director Gamsho that there is a database of Brownfield properties identified. She encouraged the board to determine criteria and policies to put in the TIF plan, so then developers will have a guideline when they approach the board. Director Nacci stated that they also need to consider some policies regarding borrowing money or pledging money.

Director Jordan Woods expressed a desire for the board to have a separate training or workshop with sample projects to walk the board through the process. She also encouraged board members to attend TIF committee meetings. Planner Anderson reminded them they need to do an 18-hour notice if the number of members is at or above quorum.

NCBDA Directors and Officers Board Insurance

Director Jordan Woods brought forward the issue of insurance for the protection of board members. Because the committee has no monies, she stated they would have to ask someone for money to pay for a policy. Planner Anderson shared that she had been in contact with the City Attorney's Office. They told her the City does not provide that insurance to the boards. The boards are welcome to seek that out on their own. Planner Anderson shared that the City Attorney suggested the board speak with an attorney to understand if it is legally required. After some discussion, Director Nacci estimated the cost of insurance to be \$1500 per year. Director Nacci then raised his concern of sitting on a Board that doesn't have any liability protection and would step down.

Director Jordan Woods stated that she would like to see if someone can issue a small grant for 5 years to finance this insurance. Mayor Hopewell asked for a conversation within the City to see how this was handled in the early days of public boards. Director Nacci stated he would be happy to get quotes for insurance. Director Jordan Woods reminded him that they want to be deliberate in helping minority companies and expanding the equity base. Director Kik stated that once the TIF plan is adopted and they start to receive funds then they will need insurance. Director Nacci stated that receiving grants or loans prior to the adoption of the TIF Plan should be considered reason for insurance.

There was discussion about having legal counsel for the board. Director Nacci stated that there is some misunderstanding of the amount of assistance the City staff would provide with the development of the TIF plan. Director Jordan Woods feels this committee will take more time than the City Attorney can give. She stated that she will explore obtaining legal counsel for the board.

Family Dollar Update

Director Nacci stated there has been an amazing change at Family Dollar in the past few weeks. He has monitored the outside daily. The grass has been mowed, seed planted, doors to the garbage

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bins have been closed and locked, and litter in the parking lot has been cleaned up. Director Nacci said they will continue to monitor, but the exterior is looking pretty good.

BOARD COMMENTS

Mayor Hopewell reported this is his last meeting. There will be a new mayor sitting on the board as of November. He told the board to keep up the good work and he appreciates them all.

Director Nacci wished the Mayor well on behalf of the board and thanked him for his years of service.

PUBLIC COMMENTS

Martha Gonzales, Kalamazoo Community Foundation, commented that it is wonderful to see this board coming together.

ADJOURNMENT

The meeting adjourned at 7:00 p.m.

Submitted By:



Beth Cheeseman, Code Administration Clerk/Cashier



Director Ken Nacci, Secretary/Treasurer

Approved on:

11/21/19