

TO: Kalamazoo Downtown Economic Growth Authority Board Members
FROM: Andrew Haan, President
DATE: December 10, 2018
RE: December Meeting

The regular meeting of the Kalamazoo Downtown Economic Growth Authority Board of Directors is scheduled to take place on Monday, December 17, 2018 at 3:00 p.m. in the City Hall Community Room.



Board of Directors Regular Meeting Agenda

Monday, December 17, 2018 3 p.m. | City Hall Community Room

- I. CALL TO ORDER
- II. ROLL CALL
- III. ADOPTION OF AGENDA
- IV. APPROVAL OF MINUTES – November 19 Meeting & November 28 Special Meeting
- V. FINANCIAL REPORT
- VI. ACTION ITEMS
 - A. Kalamazoo Downtown Partnership Service Agreement
- VII. DISCUSSION ITEMS
 - A. Michigan Strategic Fund
 - B. Project support policy
 - C. Downtown assessment and planning
 - D. Downtown report
- VIII. BOARD COMMENTS
- IX. PUBLIC COMMENTS
- X. ADJOURNMENT



Board of Directors Regular Meeting Minutes

November 19, 2018 3 p.m. | City Hall – Community Room

PRESENT: Jeff Breneman, Stephanie Hinman, Patti Owens, Carl Brown,
Grant Fletcher, Susan Lindemann, Ryan Wieber, Bob Miller

ABSENT: Mayor Bobby Hopewell

STAFF: Andrew Haan, Deb Houseman, Jennifer Jelenek, Patrick Halpin, Sue Huggett

OTHER: Andrew Vorbrich

I. CALL TO ORDER

DIRECTOR FLETCHER CALLED THE MEETING TO ORDER AT 4:20 P.M.

II. ROLL CALL

PRESENT: Jeff Breneman, Stephanie Hinman, Patti Owens, Carl Brown, Grant Fletcher,
Susan Lindemann, Ryan Wieber, Bob Miller

ABSENT: Mayor Bobby Hopewell

DIRECTOR OWENS MOVED TO EXCUSE ABSENT MEMBERS. DIRECTOR MILLER
SECONDED. MOTION CARRIED.

III. ADOPTION OF AGENDA

Action Item B - DEGA Development and TIF plan modifications was removed from the
agenda.

DIRECTOR OWENS MOVED TO ADOPT THE AGENDA WITH THE REMOVAL OF
ACTION ITEM B. DIRECTOR LINDEMANN SECONDED. MOTION CARRIED.

IV. APPROVAL OF MINUTES – OCTOBER 22, 2018

DIRECTOR WIEBER MOVED TO APPROVE THE OCTOBER 22 REGULAR MEETING
MINUTES. DIRECTOR OWENS SECONDED. MOTION CARRIED.

V. FINANCIAL REPORT – No financial report.

VI. PUBLIC HEARING/ACTION ITEMS

A. Open public hearing on the proposed 2019 budget



Board of Directors Regular Meeting Minutes

November 19, 2018 3 p.m. | City Hall – Community Room

DIRECTOR FLETCHER CALLED TO ORDER THE PUBLIC HEARING ON THE PROPOSED 2019 BUDGET AT 4:23 P.M.

1. Review and discussion of proposed 2019 DEGA budget
2. Public comments – No public comments
3. Board comments – No Board comments
4. Close public hearing
 - A. Resolution 2018-03 Approve submission of 2019 budget to City Commission

DIRECTOR BRENEMAN MOVED TO APPROVE RESOLUTION 18-03 – RESOLUTION TO APPROVE SUBMISSION OF 2019 BUDGET TO CITY COMMISSION. DIRECTOR WIEBER SECONDED. ROLL CALL VOTE

8-0. MOTION CARRIED.

ROLL CALL VOTE

YAY: Jeff Breneman, Stephanie Hinman, Patti Owens, Carl Brown, Grant Fletcher, Susan Lindemann, Ryan Wieber, Bob Miller

NAY: None

ABSTAIN: None

DIRECTOR FLETCHER CLOSED THE PUBLIC HEARING ON THE PROPOSED 2019 BUDGET AT 4:24 P.M.

VII. DISCUSSION ITEMS

- A. **Upcoming Kalamazoo Downtown Economic Growth Authority business**
Andrew Haan noted the public approval process through the end of the year.
- B. **AKT Peerless – Project Support Policy**
Andrew Haan briefly described the work with AKT Peerless on how development projects are handled and work with the Brownfield Redevelopment Authority. A joint DDA/DEGA/BRA meeting will take place in the next couple of months to discuss proposed changes.

Directors discussed when a special meeting to approve revisions to the Development Plan and Tax Increment Finance Plan will take place. Tentative date of Nov. 30.



Board of Directors Regular Meeting Minutes

November 19, 2018 3 p.m. | City Hall – Community Room

VIII. BOARD COMMENTS

No Board Comments

IX. PUBLIC COMMENTS

No Public Comments

X. ADJOURNMENT

DIRECTOR FLETCHER ADJOURNED THE MEETING AT 4:27 P.M.



Board of Directors Special Meeting Minutes

November 28, 2018 3 p.m. | Metro Transit Board Room – 530 N. Rose Street

PRESENT: Susan Lindemann, Jeff Breneman, Ryan Wieber, Bob Miller, Carl Brown

ABSENT: Stephanie Hinman, Patti Owens, Mayor Bobby Hopewell, Grant Fletcher

STAFF: Andrew Haan, Deb Houseman

OTHER: Michael O'Connor

I. CALL TO ORDER

DIRECTOR LINDEMANN CALLED THE MEETING TO ORDER AT 3 P.M.

II. ROLL CALL

PRESENT: Susan Lindemann, Jeff Breneman, Ryan Wieber, Bob Miller, Carl Brown

ABSENT: Stephanie Hinman, Patti Owens, Mayor Bobby Hopewell, Grant Fletcher

**DIRECTOR MILLER MOTIONED TO EXCUSE ABSENT BOARD MEMBERS.
DIRECTOR WIEBER SECONDED. MOTION CARRIED.**

III. ACTION ITEMS

- A. Resolution 2018-4 – A Resolution to Approve Revised Development Plan and Tax Increment Financing Plan and Authorize its Submittal to the City of Kalamazoo.**

Executive Director Andrew Haan reviewed the revised Development Plan and Tax Increment Financing Plan. Revisions were made to the plan based on requests from the Michigan Economic Development Corporation.

Director Breneman asked for clarification on the effect on local school taxes. Andrew Haan noted that KRESA will not be impacted, nor are they participating in the plan. Consistent with Brownfield Redevelopment Authority practices, the growth in Kalamazoo Public Schools and State Education Taxes are captured and immediately reimbursed by the State of Michigan, holding them harmless.

Director Brown asked if the plan should include some language in it about the Kalamazoo Downtown Economic Growth Authority being able to request additional capture from the State before the 15-year mark should the \$11-million contribution be reached. Andrew Haan noted that language will be adjusted to reflect that additional capture negotiations will be negotiable at the time the \$11-million contribution is reached.



Board of Directors Special Meeting Minutes

November 28, 2018 3 p.m. | Metro Transit Board Room – 530 N. Rose Street

Andrew Haan noted the following needs to be added to the plan:

- Exhibit outlining the debt obligations of the DDA
- Table for State projections
- Cross-referencing between Development Plan and TIF Plan

DIRECTOR MILLER MOVED TO ALLOW ANDREW HAAN TO MAKE MINOR ADJUSTMENTS TO THE PLAN PRIOR TO SUBMISSION TO CITY COMMISSION. DIRECTOR BROWN SUPPORTED. MOTION CARRIED.

DIRECTOR BROWN MOVED TO APPROVE RESOLUTION 2018-4 – A RESOLUTION TO APPROVE REVISED DEVELOPMENT PLAN AND TAX INCREMENT FINANCING PLAN AND AUTHORIZE ITS SUBMITTAL TO THE CITY OF KALAMAZOO. DIRECTOR MILLER SECONDED. ROLL CALL VOTE 5-0. MOTION CARRIED

ROLL CALL VOTE

YAY – Susan Lindemann, Jeff Breneman, Ryan Wieber, Bob Miller, Carl Brown

NAY – None

ABSTAIN – None

IV. BOARD COMMENTS

No board comments

V. PUBLIC COMMENTS

No public comments

VI. ADJOURNMENT

DIRECTOR LINDEMANN ADJOURNED THE MEETING AT 3:29 P.M.

AGREEMENT

Executed at Kalamazoo, Michigan the ___17th___day of ___December 2018___
by and between:

City of Kalamazoo Downtown Economic Growth Authority, public body incorporated under
Act 280 of 2005, the Corridor Improvement Authority Act; and

Kalamazoo Downtown Partnership, a Michigan Non-Profit Corporation

WITNESSETH:

WHEREAS, the Downtown Economic Growth Authority was created by the City of Kalamazoo by ordinance pursuant to Act 280 of 2005, the Corridor Improvement Authority Act, to promote economic growth through the capture of tax increments; and

WHEREAS, the purpose of the Kalamazoo Downtown Partnership is to operate for the benefit of the citizens of Kalamazoo and to promote improvement of business conditions in Downtown Kalamazoo; and

WHEREAS, the Downtown Economic Growth Authority has no employed staff; and

WHEREAS, the parties believe that it will permit the Downtown Economic Growth Authority to accomplish its purposes most effectively if the staff of the Kalamazoo Downtown Partnership is utilized by the Downtown Economic Growth Authority to carry out the purposes of the Downtown Economic Growth Authority; and

WHEREAS, the parties desire to enter into an agreement for services; and

WHEREAS, it is essential to recognize and maintain the separate identities of the parties while at the same time provide centralized coordination of downtown development.

NOW, THEREFORE, for ONE DOLLAR and other good and valuable consideration, it is agreed between the parties as follows:

1. Services

The term of this agreement is for a period of one year commencing on January 1, 2019 and ending on December 31, 2019, unless earlier terminated pursuant to paragraph 5 below.

The Downtown Economic Growth Authority retains the services of the Kalamazoo Downtown Partnership and the Kalamazoo Downtown Partnership agrees to furnish services to the Downtown Economic Growth Authority as are necessary or incidental to the exercise of Downtown Economic Growth Authority's powers in the performance of its duties, such service being more specifically set forth herein.

The Kalamazoo Downtown Partnership shall manage and conduct the affairs of the Downtown Economic Growth Authority as directed by the Board of Directors of the Downtown Economic Growth Authority and shall furnish personnel for such purpose when and as needed. The Kalamazoo Downtown Partnership shall render services and advice to the Downtown Economic Growth Authority at meetings of the Board of Directors as requested and shall, in general, do such other things as may be agreed upon between the parties.

Illustrative of, but not a limitation of the services to be furnished by the Kalamazoo Downtown Partnership, it shall, as agent of the Downtown Economic Growth Authority and subject to the control of the Downtown Economic Growth Authority, negotiate and recommend contracts, leases, options and easements relating to land; negotiate and recommend contracts for constructing, reconstructing, rehabilitating, restoring and preserving, equipping, improving, maintaining, repairing and operating any building or public facility; develop long-range plans designed to halt the deterioration of property values in the downtown district and to promote the economic growth of the downtown district; develop plans for the construction, renovation, remediation, repair, remodeling, rehabilitation, restoration, preservation or reconstruction of land, public facilities, existing buildings or multi-family dwelling units which may be necessary or appropriate for the Downtown Economic Growth Authority's purposes; operate any building or public facility under the Downtown Economic Growth Authority's control; conduct studies and analyses of the impact of metropolitan growth upon the downtown district and prepare analyses of economic changes taking place in the downtown district.

2. Maintenance of Records

The Kalamazoo Downtown Partnership shall maintain all the records, including all books, papers, documents, correspondence and other records whether in tangible or electronic form, herein referred to as "records." All records of the Downtown Economic Growth Authority shall remain the sole and exclusive property of the Downtown Economic Growth Authority, shall be maintained separately from the Kalamazoo Downtown Partnership records, shall remain in secure storage at all times when not in actual use and shall be protected from unauthorized access. No records of the Kalamazoo Downtown Partnership shall be stored in the Downtown Economic Growth Authority's storage and no records of the two organizations shall be commingled.

3. Delivery of Records

At any time, upon the Downtown Economic Growth Authority's request, the Kalamazoo Downtown Partnership shall forthwith and at the expense of the Kalamazoo Downtown Partnership, deliver any records belonging to the Downtown Economic Growth Authority to a location to be designated by the Downtown Economic Growth Authority. Upon such deliver, the Downtown Economic Growth Authority shall be solely responsible for the custody of such documents.

4. Payment for Services

The Kalamazoo Downtown Partnership agrees to render the agreed services to the Downtown Economic Growth Authority based upon the following:

Downtown Ambassador Program/Maintenance	\$59,210
Engagement, Surveys & Feedback	\$54,000
Planning	\$53,000
Public Space Investment & Maintenance	\$107,000
Street Interventions	\$75,578
Marketing/Communications	\$81,000
Events	\$104,344
Business Retention & Recruitment Initiatives	\$50,000
Business Development Events	\$65,000
Administration	\$50,500
<hr/> TOTAL	<hr/> \$699,632

The approved Downtown Economic Growth Authority budget is outlined in Exhibit A. Should tax increment financing (TIF) revenues exceed estimates (\$170,355) in the Downtown Economic Growth Authority budget, ten percent (10%) of funds in excess of \$170,355 will be allocated to a Downtown Economic Growth Authority reserve fund, and additional funds will be allocated to the Kalamazoo Downtown Partnership for Downtown programs and initiatives approved by the Downtown Economic Growth Authority Board.

The Kalamazoo Downtown Partnership shall maintain proper records of its services pursuant to the terms of this contract.

5. TERMINABLE CONTRACT

This contract shall be terminable at the will of either party upon 30 days written notice to the other mailed or delivered by its registered address.

6. Freedom of Information

The Downtown Economic Growth Authority and Kalamazoo Downtown Partnership confirm that the Downtown Economic Growth Authority is a "public body" as defined by the Freedom of Information Act ("FOIA"). As such, its records and documents are available to the public pursuant to the guidelines and criteria established by FOIA. The Kalamazoo Downtown Partnership, in any activity or service performed by it pursuant to this Agreement on behalf of the Downtown Economic Growth Authority, shall make available and provide to the public upon a request made under and pursuant to the provisions of the FOIA its records and documents concerning such activity and/or service applicable to such request.

IN WITNESS WHEREOF, the parties hereto have executed this Agreement the day and year first above written.

DOWNTOWN ECONOMIC GROWTH AUTHORITY

KALAMAZOO DOWNTOWN PARTNERSHIP

By: _____

By: _____

Its: _____

Its: _____

EXHIBIT A

DOWNTOWN ECONOMIC GROWTH AUTHORITY PROPOSED BUDGET		
REVENUES		2019
	DOWNTOWN ECONOMIC GROWTH AUTHORITY TIF	\$ 94,777.00
	KALAMAZOO MALL MAINTENANCE (CITY OF KALAMAZOO)	\$ 59,210.00
	CITY OF KALAMAZOO OPERATIONS LOAN	\$ 384,557.00
	STATE CONTRIBUTION FUNDS	\$ 75,578.00
	DDA TIF FUND BALANCE CONTRIBUTION	\$ 150,000.00
	TOTAL REVENUES	\$ 764,122.00
EXPENDITURES		
PEOPLE		
	DOWNTOWN AMBASSADOR PROGRAM/MAINTENANCE	\$ 59,210.00
	ENGAGEMENT, SURVEYS & FEEDBACK	\$ 54,000.00
PLACE		
	PLANNING	\$ 53,000.00
	PUBLIC SPACE INVESTMENT & MAINTENANCE	\$ 107,000.00
	STREET INTERVENTIONS	\$ 75,578.00
EXPERIENCE		
	MARKETING/COMMUNICATIONS	\$ 81,000.00
	EVENTS	\$ 104,344.00
GROWTH		
	BUSINESS RETENTION & RECRUITMENT INITIATIVES	\$ 50,000.00
	BUSINESS DEVELOPMENT EVENTS	\$ 65,000.00
DEBT OBLIGATIONS		\$ 44,990.00
ADMINISTRATION		
	PERSONNEL & OPERATIONS	\$ 50,500.00
	AUDIT	\$ 10,000.00
	FUND BALANCE/CONTINGENCY	\$ 9,500.00
	TOTAL EXPENSES	\$ 764,122.00

DOWNTOWN REPORT

An overview of Downtown Kalamazoo

December 2018

Planning and Re-Organization

Downtown Economic Growth Authority – On December 3, 2018, Kalamazoo City Commission held a public hearing to receive comment on the proposed Downtown Economic Growth Development and TIF Plan. This plan outlines the way in which revenues will be generated to support the work of the authority, and outlines the priority investment areas for which the funds will be invested over the next 30 years. No public comments were offered. Commissioner Anderson commended the Downtown Kalamazoo Partnership and City Administration and staff for the work that has gone in to bringing this authority and plan forward. The plan was adopted unanimously.

Kalamazoo Downtown Partnership has worked with Michigan Economic Development Corporation staff to develop the plan for State participation in the Downtown Economic Growth Authority Development and TIF Plan. This portion of the plan calls for a state contribution of approximately \$11 million over the first 15 years, with an opportunity to request additional support.

Organizational structure – Kalamazoo Downtown Partnership staff, board continue to build out changes to organizational structure.

Community engagement model/Citizen Coalitions – The Citizen Coalition application deadline ended November 16. In total, over 130 applications were received. Kalamazoo Downtown Partnership staff is reviewing applications and will bring forward a recommended slate of members to the Board at the December 2018 meeting.

DTI Board – Meeting quarterly as reorganization progresses.

Downtown Parking Plan – The downtown parking and mobility planning process is ramping up. Parking counts took place on November 28-29, and parking focus groups took place December 6. Parking survey is online at <https://www.surveymonkey.com/r/KZOOparkingplus>

Organizational branding – DKI's new name and brand, Kalamazoo Downtown Partnership was launched October 1. A phased roll-out continues. Storefront signage was installed December 4.

Infrastructure Projects

Construction – Construction continues on multiple fronts downtown, with the crane at the Exchange Building being removed December 10-14. The Rose/Lovell project has built the subsurface parking, and will be moving vertical soon. The tower crane supporting the Water/Edwards project has been installed.

Kalamazoo Downtown Partnership is working with the City of Kalamazoo, MDOT, utilities, and other partners on communication and coordination of these efforts to minimize disruption.

Jurisdictional Transfer of downtown streets – Kalamazoo Downtown Partnership continuing to participate in discussions with City of Kalamazoo, MDOT on jurisdictional transfer of streets to City, with goal of completing transfer after moving through approvals at the State of Michigan.

Foundation for Excellence funds – Kalamazoo Downtown Partnership working with COK staff to prioritize investment of funds allocated for downtown improvements, using UGI, Imagine Kalamazoo, and previously identified priorities as guidance.

Alley Activation –\$40,000 in grants for the next phase of Alley Activation, to stretch from Bates to Rose Street along Exchange Place have been secured, with an additional \$60,000 anticipated. Call for proposals to be made public in coming months.

Events

Kalamazoo Holiday Parade 2018 – The 2018 Kalamazoo Holiday Parade took place on Saturday, November 10th, which was also the first snow storm of the season! The parade route was filled with cold spectators. The grand stand/announcers stage was relocated from Bronson Park to Michigan Ave and the Kalamazoo Mall and VIP bleacher seating was also added to the area; these changes allowed for a more concentrated focus to the downtown Business District and allowed broadcasting/filming more diverse views.

After Parade – The holiday fun continued after the parade with the Holiday Parade Post Party presented by WOODTV8. Two-hundred children visited with Santa, Mrs. Claus and their Reindeer at WOODTV8's Downtown Kalamazoo studio. Other Post Parade activities included a Touch-A-Truck event on the Kalamazoo Mall, a variety of deals at downtown businesses and shows/performances throughout downtown.

Santa's Workshop – Santa's Workshop at the Epic Center is open and busy. It is anticipated that attendance will meet, if not exceed the approximately 5,000 visitors in 2017. New this season, musical performances will be offered on the main floor each Friday in December, cookie decorating offered all day Saturday and crafts on Sundays.

Bronson Tree Lighting Ceremony – As part of the Tree Lighting Ceremony event, the Kalamazoo Downtown Partnership provides free visits with Santa at the Santa tent. This year, the Santa tent had approximately 1,000 visitors, including moms, dads, and grandparents.

Business Updates

Business Development Series – Programming for 2019 series underway.

Media Coverage

Downtown Kalamazoo was in the news plenty throughout November and early December.

- Exclusive look 300 feet above Kalamazoo from inside the new Exchange building - <https://bit.ly/2EbsylP>
- New affordable housing complex coming to Kalamazoo - <https://bit.ly/2Pv6dlq>
- Christmas season in Kalamazoo begins Saturday with Parade - <https://bit.ly/2PpwEc9>
- Downtown Kalamazoo will stay snow-free with more heated sidewalks - <https://bit.ly/2QOzYIE>
- Your guide to the Kalamazoo Holiday Parade - <https://bit.ly/2qCzkcg>
- Kalamazoo getting into the holiday spirit at Saturday's parade - <https://bit.ly/2RQeSRi>
- Help support local businesses – buy local this year - <https://bit.ly/2QJhh2S>
- Snowy Kalamazoo Holiday Parade kicks off season of celebration - <https://bit.ly/2Er4KLM>
- Parade goes bundle up for Kalamazoo Holiday Parade - <https://bit.ly/2C1TEu4>
- Could Michigan Ave. become a two-way street? - <https://bit.ly/2Pnj3XD>
- Retro gaming bar opens Friday in downtown Kalamazoo - <https://bit.ly/2C10j8b>
- KalamaTopia returns downtown, offers holiday shopping, beer and wine - <https://bit.ly/2L6fBew>
- PlazaCorp plans \$42M Hilton Garden Inn redevelopment in Kalamazoo - <https://bit.ly/2C0GNZo>
- KalamaTopia brings holiday cheer, shopping, spirits and food - <https://bit.ly/2SBGtFK>
- Grand Opening held for unique retro gaming bar in Kalamazoo - <https://bit.ly/2EIQDaH>
- Construction on Kzoo's 'The Exchange' hits milestone - <https://bit.ly/2ScXOEL>
- Holly Jolly Trolley provides free rides in downtown Kalamazoo - <https://bit.ly/2SFYGCg>
- Thousands gather for Bronson Park Tree Lighting Ceremony - <https://bit.ly/2C1ULKg>
- Fun holiday activities bring shoppers to downtown Kalamazoo - <https://bit.ly/2RTFwsl>

- Small Business Saturday all about keeping it local - <https://bit.ly/2Eo2Sn6>
- Food Dance will reopen more than two months after fire - <https://bit.ly/2A0STAR>
- Downtown Kalamazoo holiday window displays will win you money - <https://bit.ly/2B7E4vy>
- State approves incentives for \$70M downtown Kalamazoo project - <https://bit.ly/2Pv5ikL>
- Theo and Stacy's Portage Road location closes after 34 years - <https://bit.ly/2B9piEo>
- Stores in downtown Kzoo going all out for 1st ever holiday window display contest - <https://bit.ly/2Ga33UI>
- Food Dance to hold grand reopening event Thursday - <https://bit.ly/2zQcHWW>
- Kalamazoo's Food Dance to reopen months after fire - <https://bit.ly/2RNqvPD>
- Food Dance owner calls community 'phenomenal' at reopening event after fire - <https://bit.ly/2zQpk4u>
- Dueling piano bar in Kalamazoo to close for rebranding - <https://bit.ly/2zQk4hb>
- Holiday pop-up shop opens for business - <https://bit.ly/2EalLci>
- Offices and market-rate apartments planned west of downtown Kalamazoo - <https://bit.ly/2SBw2IF>
- Downtown Kalamazoo plans to reinvest \$66M in tax revenue by 2048 - <https://bit.ly/2SyjXOa>
- Kalamazoo to boom; plan to reinvest \$66M for downtown in taxes - <https://bit.ly/2RPO1F8>
- Kalamazoo's Prevention Works announces plans to expand services - <https://bit.ly/2Ebv8Z3>
- Epic Center Christmas display has historic Kalamazoo ties - <https://bit.ly/2PudEsM>
- Kalamazoo greenlights Downtown Economic Growth Authority - <https://bit.ly/2zPSY9M>
- Don't like the parking in Kalamazoo? Here's how you can change that - <https://bit.ly/2EfGTOo>