



Board of Directors Regular Meeting Agenda

April 15, 2019 3 p.m. | City Hall – Community Room

- I. CALL TO ORDER
- II. ROLL CALL
- III. ADOPTION OF AGENDA
- IV. APPROVAL OF MINUTES – March 18, 2019
- V. FINANCIAL REPORT
 - A. 2 MILL and TIF March 2019
 - B. TPM February 2019
- VI. ACTION ITEMS
 - A. Resolution 2019-05 Recommendation to City Commission to terminate DDA TIF and Development Plans
- VII. DISCUSSION ITEMS
 - A. Downtown Report
- VIII. COMMITTEE REPORTS
 - A. Transportation, Parking and Mobility
 - B. Citizen Coalitions
- IX. DIRECTOR COMMENTS
- X. PUBLIC COMMENTS
- XI. ADJOURNMENT



Board of Directors Regular Meeting Minutes

March 18, 2019 3 p.m. | City Hall – Community Room

PRESENT: Greg Taylor, Grant Fletcher, Susan Lindemann, Bjorn Green, Carl Brown, Bob Miller, Stephanie Hinman

ABSENT: Patti Owens, Jeff Breneman, Ryan Wieber, Mayor Bobby Hopewell

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

OTHER: Kevin Ferrara, Deb Killarney

I. CALL TO ORDER

DIRECTOR TAYLOR CALLED THE MEETING TO ORDER AT 3:02 P.M.

II. ROLL CALL

PRESENT: Greg Taylor, Grant Fletcher, Susan Lindemann, Bjorn Green, Carl Brown, Bob Miller, Stephanie Hinman

ABSENT: Patti Owens, Jeff Breneman, Ryan Wieber, Mayor Bobby Hopewell

DIRECTOR FLETCHER MOVED TO EXCUSE ABSENT BOARD MEMBERS. DIRECTOR LINDEMANN SECONDED. MOTION CARRIED.

III. ADOPTION OF AGENDA

DIRECTOR FLETCHER MOVED TO ADOPT THE AGENDA. DIRECTOR GREEN SECONDED. MOTION CARRIED.

IV. APPROVAL OF MINUTES – February 18, 2019

DIRECTOR LINDEMANN MOVED TO APPROVE THE FEBRUARY 18, 2019 MINUTES. DIRECTOR MILLER SECONDED. MOTION CARRIED.

V. FINANCIAL REPORT

Deb Houseman reviewed the February 28, 2019 DDA combined budget for 2 MILL, TIF, and TPM January 2019 report. Highlighted under DDA revenues month to date actual was \$179,173.55 that exceeds total expenditures of \$150,289.94 by \$28,883.61. This resulted in a positive month to date variance of \$62,022.78. She continued YTD expenditures are \$321,446.61 exceeding YTD revenues by \$141,898.97 resulting in negative budget earnings of \$96,684.37. Two factors influencing this statement are the 2MILL revenues and the transfer of \$150,000.00 from TIFF to DEGA.



Board of Directors Regular Meeting Minutes

March 18, 2019 3 p.m. | City Hall – Community Room

DIRECTOR FLETCHER MOVED TO APPROVE THE SUBMITTED FINANCIAL REPORT AS PRESENTED. DIRECTOR LINDEMANN SECONDED. MOTION CARRIED.

VI. ACTION ITEMS

Andrew Haan outlined the action items. He shared that through discussions with the City Clerk's office the terms of both boards were reviewed in the interest of aligning them. Today's motion will be to appoint Director Fletcher for a 1-yr. term. The purpose of the alignment was to put in place 4 yr. terms allowing members to fall-off at the right time and to ensure unreasonable term lengths. He continued that the Slate of Officers highlights Director Fletcher as the Chair and Susan Lindemann as Vice-Chair moving forward.

A. Board term alignment

DIRECTOR BROWN MOVED TO APPROVE THE PRESENTED PLAN TO ALIGN DDA AND DEGA BOARD TERMS. DIRECTOR FLETCHER SECONDED. ROLL CALL VOTE 7-0. MOTION CARRIED.

ROLL CALL

YAY: Greg Taylor, Grant Fletcher, Susan Lindemann, Bjorn Green, Carl Brown, Bob Miller, Stephanie Hinman.

NAY: None

ABSENTION: None

B. Appointment of members

DIRECTOR MILLER MOVED TO APPROVE ACTION ITEM VI. B, DIRECTOR FLETCHER BE APPOINTED TO A ONE-YEAR TERM TO CONCLUDE 3/31/20. DIRECTOR LINDEMANN SECONDED. ROLL CALL VOTE 6-0. MOTION CARRIED. ABSTAINED: DIRECTOR FLETCHER

ROLL CALL

YAY: Greg Taylor, Susan Lindemann, Bjorn Green, Carl Brown, Bob Miller, Stephanie Hinman.

NAY: None

ABSENTION: Grant Fletcher

C. Election of officers

DIRECTOR FLETCHER MOVED TO APPROVE ACTION ITEM VI. C, ELECTION OF SLATE OF OFFICERS AS PRESENTED. DIRECTOR BROWN SECONDED. ROLL CALL



Board of Directors Regular Meeting Minutes

March 18, 2019 3 p.m. | City Hall – Community Room

VOTE 7-0. MOTIONED CARRIED.

ROLL CALL

YAY: Greg Taylor, **Grant Fletcher**, Susan Lindemann, Bjorn Green, Carl Brown, Bob Miller, Stephanie Hinman.

NAY: None

ABSENTION: None

D. DDA Parking Account

Andrew Haan shared that after the sale of the last 2-years of the major systems assets in effort to get the best interest rates of the two reserve accounts (Ramp 3 and the Systems reserve account), Deb Houseman researched landing with Fifth Third Bank that requires board approval of the attached bank resolution.

DIRECTOR FLETCHER MOVED TO APPROVE ACTION ITEM VI. D, TO AUTHORIZE STAFF TO SIGN ALL NECESSARY DOCUMENTS RELATED TO TRANSFER OF PARKING RESERVE FUNDS TO NEW MONEY ACCOUNT AT FIFTH THIRD BANK. DIRECTOR MILLER SECONDED. ROLL CALL VOTE 7-0. MOTION CARRIED.

ROLL CALL

YAY: Greg Taylor, Susan Lindemann, Bjorn Green, Carl Brown, Bob Miller, Stephanie Hinman.

NAY: None

ABSENTION: None

VII. DISCUSSION ITEMS

A. Downtown Report

Andrew Haan noted the format changes on the Downtown report that reflect grouping information by the newly created Coalitions - eventually moving to a power point presentation. He shared the Partnerships continued work with the BRA staff and counsel along with the City on the transfer of the DDA project obligations, noting the goal of having the City Commission approve the dissolution of the DDA TIFF plan by May 20. Resolutions likely will be presented next month to make it official so that DEGA can start collecting in June.

It was also noted that the DDA/DEGA Executive committees will be meeting in April/May to review proposed project support/incentives policy. He furthered shared the expansion of the Partnership board to 23 members that will include representatives from the Coalitions and the taxing authorities- meeting in May.

He continued that the ordering of the prefabricated restrooms is in progress that includes



Board of Directors Regular Meeting Minutes

March 18, 2019 3 p.m. | City Hall – Community Room

the cold weather kit, with an estimated delivery of late August, early September. The staff, and City and now the, Coalition for Place will continue working with consultants on identifying the best locations for them. Other highlights covered included the work the Partnership, and City are doing with the consultants revolving around building information to share and engage the public on the transfer of streets that will include public meetings in May/June to dig into the redesign of the streets/ intersections. Launched on March 4 was the Downtown Developments newsletter to be sent biweekly communicating what is happening Downtown.

Staff project work includes:

- Revising the Arcadia Festival Place manual in effort to simplify the process for hosting events.
- A press-release listing 30+ new events happening this Summer in the downtown, along with other 2019 Partnership specific events strategically being planned.
- Streamlining the Redevelopment Liquor License process.
- Revamping the sign grant program.
- Planning the business development workshop series.
- Examining ways to energize the Downtown Dollar program.

B. DEGA Establishment Update

VIII. COMMITTEE REPORTS

A. Transportation, Parking and Mobility

Andrew Haan informed the board that the parking study is nearing the final draft. There will be presentations given to the Executive committee and board members, then likely bringing it back to the meeting in May. The long process has included input from focus groups, a deep analysis of operations, finances, and facilities, along with counts done with the help of the City and WMU students. Together there are some progressive recommendations on how to improve the experience for the visitors, residents, downtown businesses- all with an eye first on the experience in a way to ensure the system will remain financially solvent. There is also a group that has been engaged to help with some of the messaging to effectively communicate to the public and Downtown stakeholders why we're making these recommendations.

B. Coalition Report

Jennifer Jelenek gave a brief overview of the February introductory Coalition meetings. During each coalition, introductory information was shared about the history of the Partnership including the structure, changes specific to last year, board values and changes, the reasoning behind the office move and name change. Included in the presentation was an explanation about the creation and the need for DEGA. Coalition 2019 initiatives were outlined, as well as where their input will be important in shaping



Board of Directors Regular Meeting Minutes

March 18, 2019 3 p.m. | City Hall – Community Room

things moving forward. The focus of work in the first year, and an explanation on how terms that will be staggered was also shared. Introductions of the inaugural Chairs of each coalition were made and the process of selection moving forward. A broad overview about each of the coalitions was outlined for each, with the intent being to understand potential crossover work being done.

Jennifer Jelenek added that the meetings went well and adding that the Coalition for Place and Growth already has a couple of working sub-committee's- not standing ones that will dive deeper into specific project/event work important to developing the Downtown and Partnership.

Director Miller asked specific to a comment about the Arcadia Festival Place if the group looking at that from the coalitions included the task force that had been established at one point. Andrew Haan answered that the task force will be included in the work along with members specifically from the Coalition for Place that is heavily stacked with architects and designers who will give input specific to design.

IX. DIRECTOR COMMENTS

Andrew Haan recognized Director Green and Director Taylor as Chair of the DDA as their terms close. He shared that their dedicated service has been much appreciated during the difficult times as they have been key to building a platform for success moving forward.

Director Fletcher echoed the shared sentiments, adding his appreciation for what he has learned from both and what they have done for the City.

Director Lindemann also thanked them.

Director Green addressed the board thanking everyone for their hard work, adding that it's been fun and interesting. He wished everyone the best as the board transitions and good luck on the future.

Director Brown thanked the directors adding that he too had learned a lot from them.

Director Miller added his appreciation as did Director Hinman.

Director Taylor shared that it has been a privilege to serve on the board and a pleasure to work with everyone. The future of the Downtown and the City of Kalamazoo are on the cusp of seeing bright days moving forward into the future. He closed his statements by wanting to recognize the tragedy on Kalamazoo Avenue that had occurred stating that thankfully not more were injured. It is a reminder that there is more work to do- adding to take care of yourselves and families.



CITY OF KALAMAZOO
**DOWNTOWN
DEVELOPMENT
AUTHORITY**

Board of Directors Regular Meeting Minutes

March 18, 2019 3 p.m. | City Hall – Community Room

X. PUBLIC COMMENTS

None.

XI. AJOURNMENT

DIRECTOR TAYLOR ADJOURNED THE MEETING AT 3:37 PM.

Approved: _____

Bob Miller, Secretary

2019 DDA COMBINED BUDGET FOR 2 MILL, TIF, AND TPM								
2 MILL AND TIF - MARCH 31, 2019								
TPM - FEBRUARY 28, 2019								
TOTAL DDA								
	MONTH TO	MONTHLY	MONTHLY		YTD	YEAR TO	YTD	
	DATE ACTUAL	BUDGET	VARIANCE		ACTUAL	DATE BUDGET	VARIANCE	2019 BUDGET
REVENUES:			A				A	
2 MILL LEVY CURRENT YEAR	\$0.00	\$22,083.33	22,083.33		\$0.00	\$66,250.00	66,250.00	\$265,000.00
2 MILL LEVY PRIOR YEAR(S)	\$0.00	\$166.67	166.67		\$0.00	\$500.00	500.00	\$2,000.00
INTEREST	\$2,040.56	\$262.08	(1,778.48)		\$3,517.72	\$780.42	(2,737.25)	\$3,145.00
MISC	\$0.00	\$135.00	135.00		\$0.00	\$405.00	405.00	\$1,620.00
STREET METERS	\$40,969.30	\$32,606.33	(8,362.97)		\$71,870.20	\$65,212.67	(6,657.53)	\$391,276.00
UNATTENDED	\$15,184.26	\$13,158.50	(2,025.76)		\$28,868.86	\$26,317.00	(2,551.86)	\$157,902.00
ATTENDED	\$98,799.62	\$102,846.58	4,046.96		\$189,415.09	\$205,693.17	16,278.08	\$1,234,159.00
ENFORCEMENT	\$20,514.42	\$25,331.67	4,817.25		\$38,270.83	\$50,663.33	12,392.50	\$303,980.00
METRO TRANSIT FEE	\$178.00	\$203.92	25.92		\$291.10	\$407.83	116.73	\$2,447.00
RAMP #4 SALES PROCEEDS	\$25,000.00	\$25,000.00	0.00		\$50,000.00	\$50,000.00	0.00	\$300,000.00
TIF CONTRACTED DOWNTOWN MAINTENANCE	\$0.00	\$3,333.33	3,333.33		\$0.00	\$6,666.67	6,666.67	\$40,000.00
TOTAL DDA REVENUES	\$202,686.16	\$225,127.42	22,441.26		\$382,233.80	\$472,896.09	90,662.34	\$2,701,529.00
			A				A	
EXPENDITURES:			A				A	
OPERATING EXPENDITURES:								
D&O INSURANCE	\$0.00	\$275.00	275.00		\$0.00	\$825.00	825.00	\$3,300.00
LEGAL SERVICES	\$0.00	\$2,083.33	2,083.33		\$0.00	\$4,583.33	4,583.33	\$25,000.00
LEGAL NOTICES	\$0.00	\$66.67	66.67		\$0.00	\$200.00	200.00	\$800.00
AUDIT	\$0.00	\$1,489.58	1,489.58		\$3,240.00	\$3,395.83	155.83	\$17,875.00
DOWNTOWN ADMINISTRATION	\$29,333.34	\$29,333.33	(0.01)		\$78,833.35	\$78,833.33	(0.02)	\$352,000.00
MISC	\$0.00	\$41.67	41.67		\$5.22	\$125.00	119.78	\$500.00
LIABILITY INSURANCE	\$0.00	\$469.17	469.17		\$3,781.05	\$938.33	(2,842.72)	\$5,630.00
SALARIES & WAGES	\$42,851.50	\$53,475.17	10,623.67		\$90,449.01	\$106,950.33	16,501.32	\$641,702.00
PAYROLL TAXES	\$7,701.93	\$9,561.33	1,859.40		\$16,251.20	\$19,122.67	2,871.47	\$114,736.00
OPERATED EXPENDITURES CONTINUED:			A				A	
WORKERS COMPENSATION	\$1,964.29	\$2,669.42	705.13		\$4,144.67	\$5,338.83	1,194.16	\$32,033.00
HOSPITALIZATION & BENEFITS	\$9,989.13	\$10,314.83	325.70		\$19,994.91	\$20,629.67	634.76	\$123,778.00
EMPLOYEE RELATIONS/TRAINING	\$0.00	\$125.00	125.00		\$0.00	\$250.00	250.00	\$1,500.00
PERSONNEL SELECTION	\$75.35	\$208.33	132.98		\$75.35	\$416.67	341.32	\$2,500.00
EQUIPMENT PURCHASE/LEASE	\$372.28	\$730.00	357.72		\$999.93	\$1,460.00	460.07	\$8,760.00
LIABILITY CLAIMS	\$222.06	\$222.08	0.02		\$444.12	\$444.17	0.05	\$2,665.00
AUTO & TRUCK EXPENSE	\$2,431.49	\$943.75	(1,487.74)		\$3,106.20	\$1,887.50	(1,218.70)	\$11,325.00
REPAIRS & MAINTENANCE	\$6,182.52	\$4,715.83	(1,466.69)		\$8,114.28	\$9,431.67	1,317.39	\$56,590.00
UTILITIES	\$23,427.37	\$10,622.42	(12,804.95)		\$23,767.88	\$21,244.83	(2,523.05)	\$127,469.00

2019 DDA COMBINED BUDGET FOR 2 MILL, TIF, AND TPM								
2 MILL AND TIF - MARCH 31, 2019								
TPM - FEBRUARY 28, 2019								
TOTAL DDA								
	MONTH TO	MONTHLY	MONTHLY		YTD	YEAR TO	YTD	
	DATE ACTUAL	BUDGET	VARIANCE		ACTUAL	DATE BUDGET	VARIANCE	2019 BUDGET
TELEPHONE	\$2,224.57	\$1,397.50	(827.07)		\$2,958.68	\$2,795.00	(163.68)	\$16,770.00
WEBSITE	\$75.80	\$170.83	95.03		\$75.80	\$341.67	265.87	\$2,050.00
SIGNAGE	\$63.09	\$416.67	353.58		\$197.59	\$833.33	635.74	\$5,000.00
MATERIALS & OFFICE SUPPLIES	\$763.62	\$1,513.92	750.30		\$1,763.38	\$3,027.83	1,264.45	\$18,167.00
CUSTOMER SERVICE PROGRAM	\$0.00	\$58.33	58.33		\$0.00	\$116.67	116.67	\$700.00
POSTAGE	\$679.00	\$695.83	16.83		\$1,279.00	\$1,391.67	112.67	\$8,350.00
FORMS & PRINTING	\$2,897.44	\$1,500.00	(1,397.44)		\$4,402.33	\$3,000.00	(1,402.33)	\$18,000.00
OUTSIDE CONTRACT SERVICES	\$35,773.72	\$21,444.58	(14,329.14)		\$57,242.91	\$42,889.17	(14,353.74)	\$257,335.00
OFFICE LEASE	\$2,361.06	\$2,359.42	(1.64)		\$4,722.12	\$4,718.83	(3.29)	\$28,313.00
ABM MGMT FEE	\$14,987.29	\$14,987.25	(0.04)		\$29,974.58	\$29,974.50	(0.08)	\$179,847.00
INITIATIVES/PROGRAMS:								
FUND BALANCE TO DEGA	\$0.00	\$12,500.00	12,500.00		\$150,000.00	\$37,500.00	(112,500.00)	\$150,000.00
CAPITAL IMPROVEMENTS	\$80.00	\$0.00	(80.00)		\$80.00	\$0.00	(80.00)	\$0.00
DEBT SERVICE/OTHER OBLIGATIONS:								
ZOETIS TAX APPEAL	\$0.00	\$0.00	0.00		\$0.00	\$0.00	0.00	\$0.00
REBATED TAXES	\$0.00	\$833.33	833.33		\$0.00	\$2,500.00	2,500.00	\$10,000.00
DEBT SERVICE/OTHER OBLIGATIONS CONTINUED:								
CITY OF KALAMAZOO LOAN	\$0.00	\$0.00	0.00	A	\$0.00	\$0.00	0.00	\$0.00
RAMP #3 DEBT SERVICE	\$0.00	\$57,383.67	57,383.67		\$0.00	\$114,767.33	114,767.33	\$688,604.00
5 YEAR TPM DEBT SERVICE	\$0.00	\$15,658.33	15,658.33		\$0.00	\$31,316.67	31,316.67	\$187,900.00
TOTAL EXPENDITURES								
	\$184,456.85	\$258,266.58	73,809.73	A	\$505,903.56	\$551,249.82	45,346.26	\$3,099,199.00
TOTAL REVENUES OVER/UNDER TOTAL EXPENDITURES								
	18,229.31	(33,139.17)	51,368.48	B	(123,669.76)	(78,353.75)	(45,316.01)	(397,670.00)
	C	C	B		C	C	B	

FINANCIAL STATEMENT FORMAT AND FOOTNOTES:

EXPLANATION OF NUMBER FORMATTING:

A MONTHLY AND YTD VARIANCE COLUMNS THAT INCLUDE VARIANCES FOR EACH LINE ITEM AS WELL AS VARIANCES FOR BOTH THE REVENUE AND EXPENDITURE TOTALS:

- *A POSITIVE LINE ITEM AMOUNT FOR EITHER A REVENUE OR EXPENDITURE MEANS THAT LINE ITEM IS UNDER THE BUDGETED AMOUNT.**
- *A NEGATIVE LINE ITEM AMOUNT NOTED BY () FOR EITHER A REVENUE OR EXPENDITURE MEANS THAT THE LINE ITEM IS OVER THE BUDGETED AMOUNT.**
- *A POSITIVE REVENUE OR EXPENSE TOTAL MEANS THAT THE REVENUE OR EXPENSE TOTAL IS UNDER THE BUDGET AMOUNT.**
- *A NEGATIVE REVENUE OR EXPENSE TOTAL NOTED BY () MEANS THAT THE REVENUE OR EXPENSE TOTAL IS OVER THE BUDGETED AMOUNT.**

B THE TOTAL REVENUE OVER/UNDER TOTAL EXPENDITURE LINE CONTAINING TOTALS FOR THE MONTHLY AND YEAR TO DATE VARIANCES THAT NET THE REVENUES WITH THE EXPENDITURES:

- *A POSITIVE COLUMN TOTAL MEANS THAT THE NET OF BOTH REVENUES & EXPENDITURES IS UNDER BUDGET.**
- *A NEGATIVE COLUMN TOTAL NOTED BY () MEANS THAT THE NET OF BOTH REVENUES & EXPENDITURES IS OVER BUDGET.**

C THE TOTAL REVENUE OVER/UNDER TOTAL EXPENDITURE LINE CONTAINING TOTALS FOR MONTH TO DATE ACTUAL, MONTHLY BUDGET, YEAR TO DATE ACTUAL AND YEAR TO DATE BUDGET:

- *A POSITIVE COLUMN TOTAL AMOUNT MEANS REVENUES EXCEED EXPENDITURES.**
- *A NEGATIVE COLUMN TOTAL AMOUNT NOTED BY () MEANS EXPENDITURES EXCEED REVENUES.**

EXPLANATION OF FINANCIAL STATEMENT BUDGET FIGURES:

THE FINANCIAL STATEMENT IS A COMPILATION OF 2 MILL, TIF, AND TPM. THE 2 MILL AND TIF FINANCIALS ARE ALWAYS (1) MONTH AHEAD OF TPM FINANCIALS DUE TO THE TIMING OF COMPLETION OF ACCOUNTING. THEREFORE, THE BUDGET FIGURES USED IN THE FINANCIAL STATEMENT WILL INCLUDE (1) ADDITIONAL MONTH FOR 2 MILL AND TIF OVER TPM. ALSO, MOST REVENUES AND EXPENDITURES DO NOT FLOW THROUGH 1/12 EACH MONTH, THEREFORE THERE WILL LIKELY ALWAYS BE VARIANCES IN MOST LINE ITEMS.

INTER-OFFICEMEMO

To: City of Kalamazoo Downtown Development Authority

From: Andrew Haan, President Kalamazoo Downtown Partnership
Prepared by: John W. Kneas, Special Counsel to DDA

Date: April 9, 2019

Subject: Resolution to Terminate Amended Restated Development Plan and Tax Increment Financing Plan

BACKGROUND

On December 5, 1988 the City Commission for the City of Kalamazoo (City) adopted Ordinance No. 1450 approving the original Development Plan and Tax Increment Financing Plan (Plan). Since the Plan was adopted several amendments with the requisite corresponding ordinances were approved and adopted by the City. The most recent plan under which the DDA has operated was adopted on January 2, 2007 as the Amendment to the Restated Development and Tax Increment Financing Plan to extend the term of the Restated Plan until October 1, 2029.

Since the approval of the Amended Restated Plan several unforeseen events and circumstances occurred that significantly and negatively impacted the amount of tax increment revenues (from approximately \$3.5 million to approximately \$200,000) that DDA received to support downtown activities, programs, and projects. Because of the loss in assessed value and the constraints imposed by the Headlee Amendment a sustainable source of funding under the Amended Plan is no longer available to DDA.

To keep the resurgence in development progressing downtown and in the nearby neighborhoods the City approved the establishment of the Downtown Economic Development Authority (DEGA) under the Corridor Improvement Authority Act. The scope of activities and the board powers DEGA has will eventually provide much needed source of revenues to assist in further development in the downtown and allow for infrastructure improvements to better connect the neighborhoods and institutions to the west/southwest of downtown; revenue not available to DDA under the Amended Restated Plan.

Because the DEGA development and tax increment financing plan was adopted on December 3, 2018 the initial taxable value is based on the 2018 values for the district established as of December 31, 2017 (valuation date for the 2018 assessment rolls), and to avoid unnecessary conflict regarding tax revenue captures in 2019, the termination of the Amended Restated Plan is December 30, 2018. With the anticipated approval by the City at its May 20, 2019 meeting the effective date of the termination will alleviate that conflict and allow the City to confirm the 2019 assessment rolls for the City Treasurer to issue tax bills before the June 30, 2019 deadline. The DEGA development and tax increment financing plan would be eligible for tax capture in the district from the 2019 taxable values as established on December 31, 2018.

RECOMMENDATION

It is recommended that DDA adopt the attached resolution to Terminate the Amended Restated Development Plan and Tax Increment Financing Plan and recommend to the City Commission to officially terminate that plan and repeal Ordinance No. 1450 and all subsequently adopted ordinances in connection with the Plan, amendments to the Plan, the Restated Plan and the Amended Restated Plan under Ordinance 1817, except to the extent that the boundaries of the Downtown Development Area under Ordinance No. 1679 as described in the Restated Plan (attached as Exhibit A to Ordinance No. 1679) shall remain in full force and effect.

ATTACHMENTS

Resolution

**CITY OF KALAMAZOO
DOWNTOWN DEVELOPMENT AUTHORITY**

RESOLUTION NO. 2019-05

**A RESOLUTION TO TERMINATE THE AMENDMENT TO RESTATED
DEVELOPMENT PLAN AND TAX INCREMENT FINANCING PLAN
AND RECOMMEND THE CITY COMMISSION FOR
THE CITY OF KALAMAZOO APPROVE THE TERMINATION AND
REPEAL ALL ORDINANCES ADOPTED FOR THOSE PLANS**

Minutes of a regular meeting of the City of Kalamazoo Downtown Development Authority held on April 15, 2019, at 3:00 p.m., local time, at the City Hall, 241 West South Street, Kalamazoo, Michigan.

PRESENT, Directors:

ABSENT, Directors:

The following preamble and resolution were offered by Director _____, and supported by Director _____.

RECITALS:

- A. On December 5, 1988 the City Commission for the City of Kalamazoo (City) adopted Ordinance No. 1450 approving the original Development Plan and Tax Increment Financing Plan (Plan).
- B. Since the Plan was adopted several amendments with the requisite corresponding ordinances were approved and adopted by the City. On August 16, 1999 under Ordinance No. 1679 the City approved a Restated Development Plan and Tax Increment Financing Plan (Restated Plan) to provide an update of new development activities for the Development Area.
- C. On January 2, 2007 under Ordinance No. 1817 the City approved Amendment to the Restated Development and Tax Increment Financing Plan to extend the term of the Restated Plan until October 1, 2029 to coincide with the term of financial incentives involved with what was known as the Ramp 3/Theatre Project (Amended Restated Plan).
- D. Since the approval of the Amended Restated Plan several unforeseen events and circumstances occurred that significantly and negatively impacted the amount of tax increment revenues that the Downtown Development Authority (DDA) received

toward fulfilling the objectives under the Amended Restated Plan from approximately \$3.5 million to approximately \$200,000. Among those events and circumstances that significantly reduced the assessed value of properties within the Development Area were:

1. The economic recession across the United States;
 2. The reductions in taxable values of several significant properties within the Downtown Development Area, especially those formally used for industrial purposes or from appeals to the Michigan Tax Tribunal;
 3. The demolitions and transfers to tax-exempt entities of significant properties in the Downtown Development Area.
- E. Because of the loss in assessed value and the constraints imposed by the Headlee Amendment to Michigan Constitution DDA is no longer a sustainable source of funding to support downtown activities, programs, and projects.
- F. On October 15, 2018 the City approved the establishment of the Kalamazoo Downtown Economic Growth Authority (DEGA) under the Corridor Improvement Act (Public Act 280 of 2005) and the district area under DEGA's jurisdiction. The boundaries of district within DEGA encompasses most of the current Downtown Development Area – exclusive of Zoetis' properties because of the reduced property values and different character of use than other properties – and extends down the Stadium Drive Corridor to Oliver Street.
- G. On December 3, 2018 the City approved the Development Plan and Tax Increment Financing Plan for DEGA (DEGA Plan). The scope of activities and the board powers DEGA has will eventually provide much needed sources of revenues to assist in further development in the downtown and allow for infrastructure improvements to better connect the neighborhoods and institutions to the west/southwest of downtown; revenue not available to DDA under the Amended Restated Plan.
- H. After reviewing the history from the Plan through the Restated Plan and the Amended Restated Plan, DDA has found that the purposes for which those development and tax increment financing plans were established and adopted has been accomplished. Therefore, the termination and abolishment of the Amended Restated Plan is appropriate.
- I. In recommending to the City the termination of the Amended Restated Plan, DDA confirms that there is no principal and interest due on, or for which funds need to be set aside, for any bonds issued under Section 216, Public Act 57 of 2018 (MCL125.4215) or former Section 16 of Public Act 197 of 1975 (MCL 125.1665).

NOW, THEREFORE, IT IS RESOLVED as follows:

1. Under the authority of Section 215 of Public Act 57 of 2018 (MCL 125.4215) the City of Kalamazoo Downtown Development Authority recommends to the City Commission for the City of Kalamazoo that it terminate the Amendment to the Restated Development Plan and Tax Increment Financing Plan and that it repeal Ordinance No. 1450 and all subsequently adopted ordinances in connection with the Plan, amendments to the Plan, the Restated Plan and the Amended Restated Plan under Ordinance 1817, except to the extent that the boundaries of the Downtown Development Area under Ordinance No. 1679 as described in the Restated Plan (attached as Exhibit A to Ordinance No. 1679) shall remain in full force and effect.

2. The effective date for the termination of the Amended Restated Plan is December 30, 2018 to coincide with any tax increment revenues DDA has been entitled to capture for tax year 2018 and final tax assessment role submitted by the City to the Department of Treasury.

AYES, Directors:

NAYS, Directors:

ABSTAIN, Directors:

RESOLUTION DECLARED ADOPTED.

CERTIFICATE

The foregoing is a true and complete copy of a resolution adopted by the City of Kalamazoo Downtown Development Authority at a regular meeting held on April 15, 2019. Public notice was given, and the meeting was conducted in full compliance with the Michigan Open Meetings Act (PA 267, 1976). Minutes of the meeting will be available as required by the Act.

Robert Miller, Secretary