

**TO:** Downtown Development Authority Board of Directors

**FROM:** Andrew Haan, Executive Director

**DATE:** July 11, 2018

**RE:** July 2018 Meeting

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The next regular meeting of the Kalamazoo Downtown Development Authority is scheduled to take place on Monday, July 16, 2018 at 3:00 p.m. in the Community Room, City Hall - 241 West South Street.

AH  
Attachments

pc: Michael O'Connor  
City Clerk

[Type text]

*The Downtown Development Authority exists to correct and prevent deterioration in the downtown district; to encourage historical preservation; to create and implement development plans in the district; and to promote the economic growth of the district.*

**DOWNTOWN DEVELOPMENT AUTHORITY  
BOARD OF DIRECTORS REGULAR MEETING AGENDA**

**DATE:** July 16, 2018

**TIME:** 3:00 p.m.

**PLACE:** Community Room, City Hall

**I. CALL TO ORDER**

**II. ROLL CALL**

**III. ADOPTION OF AGENDA**

- Changes or additions
- Recommended motion: Adopt

**IV. MINUTES – June 18, 2018**

- Edits or additions
- Recommended motion: Approve

**V. FINANCIAL REPORT –**

- 2 MILL and TIF June 2018
- TPM May 2018
- Discussion and questions
- Recommended motion: Accept

**VI. PRESENTATION**

- Downtown and organizational branding
  - o Ben Muldrow, Arnett Muldrow

**VII. DISCUSSION ITEMS**

- A. Downtown Report

**VIII. COMMITTEE REPORTS (Time Permitting)**

- A. Transportation, Parking, & Mobility
- B. Capital Improvements
- C. Project Review
- D. Citizens Council
- E. Safety

**IX. DIRECTOR COMMENTS**

**X. PUBLIC COMMENTS**

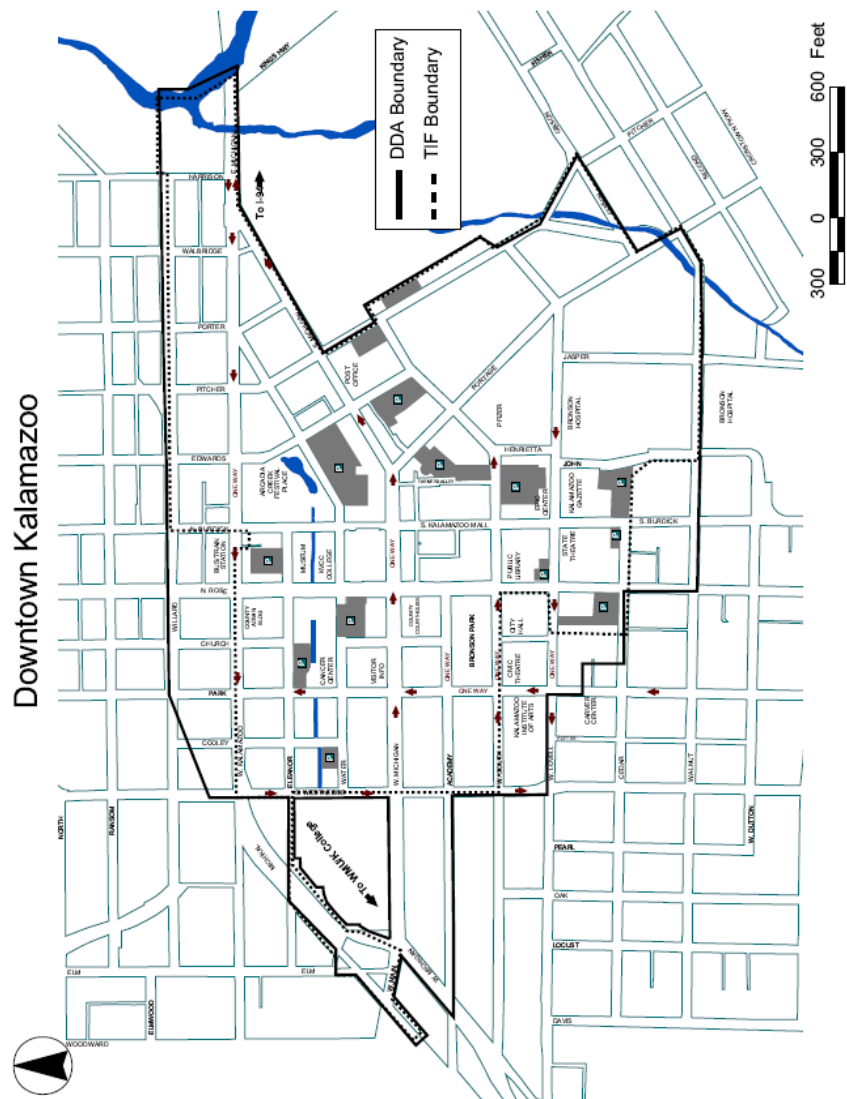
**XI. ADJOURNMENT**

**The Downtown Development Authority** *exists to correct and prevent deterioration in the downtown district; to encourage historical preservation; to create and implement development plans in the district; and to promote the economic growth of the district.*

DOWNTOWN DEVELOPMENT AUTHORITY  
MEETING PROCEDURES

1. A person may speak on “Action or Discussion” items on the Downtown Development Authority’s agenda. The Chairperson will ask for people’s comments as each of these agenda items are discussed.
2. To address the Downtown Development Authority, please clearly state your name and business or home address for the record so that a response to your inquiry can be completed if necessary. Please limit your comments to four minutes.
3. Comments on non-agenda items are reserved for “Public Comments” agenda item prior to adjournment of the meeting.
4. Out of respect for business being conducted during the meeting, please turn off all cell phones and pagers prior to the start of the meeting.

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**DOWNTOWN DEVELOPMENT AUTHORITY  
BOARD OF DIRECTORS REGULAR MEETING MINUTES**

**JUNE 18, 2018**

**PRESENT:** Jeff Breneman, Stephanie Hinman, Patti Owens, Greg Taylor, Grant Fletcher, Susan Lindemann, Ryan Wieber, Bjorn Green, Bob Miller

**ABSENT:** Mayor Bobby Hopewell, Carl Brown

**OTHER:** Michael O'Connor, Doug Havera

**I. CALL TO ORDER**

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

**II. ROLL CALL**

**DIRECTOR OWENS MOTIONED TO EXCUSE TWO ABSENT BOARD DIRECTORS. DIRECTOR FLETCHER SECONDED. MOTION CARRIED.**

**III. ADOPTION OF AGENDA**

**DIRECTOR MILLER MOTIONED TO ADOPT THE AGENDA. DIRECTOR GREEN SECONDED. MOTION CARRIED.**

**IV. MINUTES – May 21, 2018**

**DIRECTOR OWENS MOTIONED TO APPROVE THE MAY 21, 2018 MINUTES. DIRECTOR LINDEMANN SECONDED. MOTION CARRIED.**

**V. FINANCIAL REPORT**

Deb Houseman reviewed the 2 MILL and TIF May 2018 financial report, and the TPM April report. No discussion or questions on financial reports.

**DIRECTOR BRENEMAN MOTIONED TO APPROVE THE MAY 2018 FINANCIAL REPORT. DIRECTOR OWENS SECONDED. MOTION CARRIED.**

**VI. ACTION ITEMS**

**A. Presentation of DDA Audit**

Doug Havera from BDO presented the 2017 DDA Audit Wrap-Up and Financial Statements.

Andrew Haan extended thanks to Deb Houseman for managing three sets of financials. He thanked the City and the Community Foundation for the steps they have taken to help this year.

**DIRECTOR WIEBER MOTIONED TO APPROVE THE 2017 DDA AUDIT. DIRECTOR LINDEMANN SECONDED. MOTION CARRIED.**

- B. Resolution to authorize Executive Director Haan to sign documents associated with sale of Lot #2.

Michael O'Connor provided an overview of the redevelopment and purchase agreement of Lot #2. He said that the document is a combination of a sales agreement, DDA TIF agreement and BRA TIF agreement. The parties involved are the developer, City, DDA and BRA. By signing the documents, the DDA is waiving right of first refusal to purchase. The document also includes an undertaking to provide TIF support for the project through TIF capture. The DDA obligation is conditioned on receipt of TIF capture – DDA pays what is captured off the project but only from what is received. The document also includes the BRA TIF capture – to fund activities that are permissible under the BRA Act. The TIF request is \$3.6 million.

Michael O'Connor suggested the following language for a resolution: Approve the transaction of the sale of Lot #2 and authorize Andrew Haan to sign documents associated with the sale at closing.

Director Owens said she appreciated the explanation given the unique nature of the document.

**DIRECTOR OWENS MOTIONED TO APPROVE A RESOLUTION TO AUTHORIZE THE SALE OF LOT #2 AND EXECUTIVE DIRECTOR HAAN TO SIGN DOCUMENTS ASSOCIATED WITH SALE AT CLOSING. DIRECTOR MILLER SECONDED. ROLL CALL VOTE – 8-0. DIRECTOR HINMAN ABSTAINED. MOTION CARRIED.**

- C. Resolution to authorize Executive Director Haan to sign documents associated with sale of Lot #9.

**DIRECTOR LINDEMANN MOTIONED TO AUTHORIZE EXECUTIVE DIRECTOR HAAN TO SIGN DOCUMENTS ASSOCIATED WITH THE SALE OF LOT #9. DIRECTOR FLETCHER SECONDED. ROLL CALL VOTE – 7-0. DIRECTOR OWENS AND DIRECTOR GREEN ABSTAINED. MOTION CARRIED.**

- D. Approval of Mangia Kitchen and Bar sign grant

**DIRECTOR GREEN MOTIONED TO APPROVE MANGIA KITCHEN AND BAR SIGN GRANT. DIRECTOR MILLER SECONDED. MOTION CARRIED.**

**VII. DISCUSSION ITEMS**

- A. Downtown Report – Executive Director Haan reviewed the June 2018 Downtown Report.
- B. Restructuring update

**VIII. COMMITTEE REPORTS**

- A. Transportation, Parking, & Mobility

Leslie Hoffmann provided a brief overview of the Lot #9 closure set for July 1. She noted the spring report, which takes a look at parking facilities and any structural needs, is completed. She said that after a year of only having one working elevator in the Epic Center Ramp, all the elevators are being modernized with a completion date of September 2018.

- B. Capital Improvements – No report
- C. Project Review – No report.
- D. Citizens Council – No report.
- E. Safety – No report.

**IX. DIRECTOR COMMENTS**

Executive Director Haan told the Board that he and Jennifer Jelenek visited Grand Rapids and Muskegon to learn about their BID structure in order to glean some insight for use in Kalamazoo’s future processes.

**X. PUBLIC COMMENTS**

No public comments.

**XI. ADJOURNMENT**

**DIRECTOR TAYLOR ADJOURNED THE MEETING AT 3:39 P.M.**

2018 DDA COMBINED BUDGET FOR 2 MILL, TIF, AND TPM				
2 MILL AND TIF - JUNE 30, 2018				
TPM - MAY 31, 2018				
TOTAL DDA				
	MONTH TO	YEAR TO DATE		DKI
	DATE	DATE	2018 BUDGET	
<b>REVENUES:</b>				
	2 MILL LEVY CURRENT YEAR	\$0.00	\$0.00	\$265,237.00
	2 MILL LEVY PRIOR YEAR(S)	\$61.64	\$1,953.49	\$5,000.00
#1	INTEREST	\$67.86	\$474.09	\$1,120.00
#2	MISC	\$0.00	\$1,617.64	\$1,530.00
	STATE OF MICH. PERSONAL PROPERTY TAX REIMB.	\$0.00	\$0.00	\$245,479.00
#3	CITY OF KALAMAZOO MALL MAINTENANCE	\$0.00	\$59,210.00	\$59,210.00
	CITY ADMINISTRATION LOAN	\$0.00	\$0.00	\$548,627.00
				\$0.00
#4	STREET METERS	\$34,857.97	\$152,063.04	\$381,394.00
#5	UNATTENDED	\$30,375.85	\$169,914.81	\$390,122.00
#6	ATTENDED	\$106,529.00	\$559,571.95	\$1,265,399.00
#7	ENFORCEMENT	\$36,435.22	\$117,152.22	\$303,980.00
	METRO TRANSIT FEE	\$173.50	\$885.55	\$2,447.00
	ARCADIA LAND CONTRACT	\$276.67	\$1,383.35	\$3,320.00
	RAMP #4 SALES PROCEEDS	\$25,000.00	\$125,000.00	\$300,000.00
	TIF CONTRACTED DOWNTOWN MAINTENANCE	\$0.00	\$0.00	\$40,000.00
	CONTINGENCY			-\$7,725.00
	REVENUE BOND	\$0.00	\$0.00	\$170,578.00
	<b>TOTAL DDA REVENUES</b>	<b>\$233,777.71</b>	<b>\$1,189,226.14</b>	<b>\$3,975,718.00</b>
	BRAND AND ENGAGEMENT REVENUES FROM TIF			\$100,000.00 B.
	BUS RECRUITMENT & RETENTION REV FROM TIF			\$165,973.00 C.
	<b>TOTAL DKI REVENUES</b>			<b>\$265,973.00</b>
<b>EXPENDITURES:</b>				
<b>OPERATING EXPENDITURES:</b>				
	D&O INSURANCE	\$0.00	\$3,300.00	\$3,500.00
#8	LEGAL SERVICES	\$2,146.40	\$23,812.59	\$65,000.00
	LEGAL NOTICES	\$0.00	\$0.00	\$800.00
	AUDIT	\$5,750.00	\$9,950.00	\$26,075.00
#9	DOWNTOWN ADMINISTRATION	\$26,004.17	\$149,358.35	\$312,050.00
	MISC	\$0.00	\$70.67	\$500.00
	LIABILITY INSURANCE	\$0.00	\$3,032.03	\$6,630.00
#10	SALARIES & WAGES	\$58,098.24	\$284,112.31	\$712,497.00
#10	PAYROLL TAXES	\$10,387.92	\$50,818.50	\$127,395.00
#10	WORKERS COMPENSATION	\$2,649.39	\$12,960.74	\$35,567.00
#10	HOSPITALIZATION & BENEFITS	\$13,764.76	\$51,448.65	\$120,884.00
	EMPLOYEE RELATIONS/TRAINING	\$49.54	\$113.98	\$1,500.00
	PERSONNEL SELECTION	\$5.70	\$494.60	\$3,500.00
	EQUIPMENT PURCHASE/LEASE	\$371.82	\$2,479.76	\$9,760.00
	LIABILITY CLAIMS	\$319.15	\$1,595.75	\$3,600.00
	AUTO & TRUCK EXPENSE	\$1,352.52	\$7,346.79	\$11,325.00
	REPAIRS & MAINTENANCE	\$3,312.99	\$13,140.35	\$70,970.00
	UTILITIES	\$11,233.61	\$68,725.56	\$132,033.00
	TELEPHONE	\$2,530.54	\$6,958.79	\$16,770.00
	WEBSITE	\$205.60	\$271.45	\$2,050.00
	SIGNAGE	\$3,094.64	\$3,094.64	\$5,000.00
	MATERIALS & OFFICE SUPPLIES	\$1,349.32	\$6,585.42	\$20,167.00
	CUSTOMER SERVICE PROGRAM	\$0.00	\$56.17	\$1,700.00
	POSTAGE	\$675.00	\$3,436.55	\$8,350.00
	FORMS & PRINTING	\$3,327.84	\$7,273.13	\$18,000.00
	OUTSIDE CONTRACT SERVICES	\$14,147.68	\$149,712.82	\$282,819.00



2018 DDA COMBINED BUDGET FOR 2 MILL, TIF, AND TPM					
2 MILL AND TIF - JUNE 30, 2018					
TPM - MAY 31, 2018					
TOTAL DDA					
		MONTH TO	YEAR TO DATE	DKI	
		DATE	DATE	2018 BUDGET	
	OFFICE LEASE	\$2,361.06	\$11,613.74	\$28,313.00	
	RAMP 3 RESERVE	\$0.00	\$0.00	\$0.00	
	ABM MGMT FEE	\$15,237.29	\$76,186.45	\$183,547.00	
	OPERATING CONTINGENCY	\$0.00	\$0.00	\$75.00	
	#11				
	<b>INITIATIVES/PROGRAMS:</b>				
#11	BRAND & ENGAGEMENT	\$8,333.34	\$50,000.04	\$100,000.00	\$100,000.00 B.
#12	BUSINESS RECRUITMENT & RETENTION	\$5,656.13	\$27,158.58	\$165,973.00	\$165,973.00 C.
	LIQUOR LICENSE	\$0.00	\$0.00	\$0.00	
	BUILDING REVITALIZATION	\$0.00	\$0.00	\$0.00	
	DOWNTOWN MAINTENANCE	\$5,684.68	\$14,578.50	\$94,210.00	
	ACFP TASK FORCE	\$0.00	\$0.00	\$30,000.00	
	CAPITAL IMPROVEMENTS PLANNING & DESIGN	\$0.00	\$0.00	\$100,000.00	
	SPECIAL PROJECTS	\$0.00	\$0.00	\$0.00	
	<b>DEBT SERVICE/OTHER OBLIGATIONS:</b>				
	ARCADIA CREEK BONDS	\$0.00	\$0.00	\$459,600.00	
	FESTIVAL PLACE	\$0.00	\$0.00	\$0.00	
	METROPOLITAN CENTER	\$0.00	\$0.00	\$0.00	
	ZOETIS TAX APPEAL	\$0.00	\$46,300.05	\$46,300.00	
	REBATED TAXES	\$0.00	\$0.00	\$35,000.00	
	CITY OF KALAMAZOO LOAN	\$0.00	\$0.00	\$0.00	
	RAMP #3 DEBT SERVICE	\$0.00	\$99,913.96	\$678,040.00	
	5 YEAR TPM DEBT SERVICE	\$0.00	\$66,625.00	\$182,750.00	
	<b>5 YEAR PLAN EXPENDITURES:</b>				
	CAPITAL EXPENDITURES	\$0.00	\$0.00	\$111,576.00	
	LOT EXPENDITURES	\$0.00	\$0.00	\$49,000.00	
	5 YEAR TPM PLAN CONSULTANT SERVICES	\$0.00	\$0.00	\$0.00	
	TECHNOLOGY	\$0.00	\$0.00	\$0.00	
	MARKETING	\$0.00	\$0.00	\$10,000.00	
	TRANSPORTATION & MOBILITY	\$0.00	\$0.00	\$0.00	
	5 YEAR TPM PLAN CONTINGENCY	\$0.00	\$0.00	\$0.00	
	<b>TOTAL EXPENDITURES</b>	<b>\$198,049.33</b>	<b>\$1,252,525.92</b>	<b>\$4,272,827.00</b>	<b>\$265,973.00</b>
	<b>**</b>	<b>\$35,728.38</b>	<b>-\$63,299.78</b>	<b>-\$297,109.00</b>	<b>\$0.00</b>
				\$200,000.00	#13
	** POSITIVE # = REVENUES EXCEED EXPENDITURES			-\$97,109.00	
	** NEGATIVE # = EXPENDITURES EXCEED REVENUES				
	BUDGET NOTES:				
	THE TIF BUDGET REFLECTS \$100,000 IN EXPENSE FOR FUNDS BEING TRANSFERRED TO DKI TO HELP FUND BRAND AND ENGAGEMENT.				
	THE TOTAL BRAND AND ENGAGEMENT BUDGET IN DKI REFLECTS THE \$100,000 IN REVENUE RECEIVED FROM TIF AND THE \$100,000 IN EXPENSES BUDGETED.				
	THE BUSINESS RECRUITMENT AND RETENTION IS BOTH A \$165,973 REVENUE AND EXPENSE IN DKI. THE \$165,973 IN TIF IS A CONTRIBUTION FROM TIF TO DKI TO FUND THIS ACTIVITY. THIS LINE ITEM INCLUDES \$65,973 IN CARRYOVER FUNDS FROM 2017.				

		2018 DDA COMBINED BUDGET FOR 2 MILL, TIF, AND TPM					
		2 MILL AND TIF - JUNE 30, 2018					
		TPM - MAY 31, 2018					
		TOTAL DDA					
		MONTH TO	YEAR TO DATE			DKI	
		DATE	DATE	2018 BUDGET			
	FOOTNOTES:						
#1	BANK INTEREST						
#2	YTD INCLUDES THE RICKMAN HOUSE AND SKYRISE PAYMENTS IN LIEU OF TAXES.						
#3	CITY OF KALAMAZOO MALL MAINTENANCE - ANNUAL CONTRACT PAYMENT TO MAINTAIN THE MALL.						
#4	STREET METERS - \$7,142 MORE THAN YTD BUDGET.						
#5	UNATTENDED - \$441 MORE THAN YTD BUDGET.						
#6	ATTENDED - \$15,023 LESS THAN YTD BUDGET.						
#7	ENFORCEMENT - \$718 LESS THAN YTD BUDGET.						
#8	LEGAL - MTD INCLUDES SALE OF LOT #9 & RAMP #3 REPAIRS. YTD INCLUDES THE WMU MEDICAL SCHOOL PARKING, CIA, SALE OF 400 ROSE STREET, DDA BOARD MATTERS, KVRT MAINTENANCE, METROPOLITAN CENTER, & CREEK VACATION.						
#9	DOWNTOWN ADMINISTRATION - MONTHLY ALLOCATION						
#10	SALARY & WAGE/PAYROLL TAXES/WORKERS COMP/HOSPITALIZATION - PAYROLL COSTS VARY BASED ON TIME OF YEAR MAINLY DUE TO FESTIVALS.						
#11	BRAND & ENGAGEMENT - MONTHLY ALLOCATION FOR FUNDING EVENTS & ACTIVITIES						
#12	BUSINESS RECRUITMENT RETENTION - MTD INCLUDES THE BUSINESS DEVELOPMENT SERIES AND A DKIP GRANT PAYMENT TO TO FINAL GRAVITY. YTD ALSO INCLUDES GRANT PAYMENTS TO AARON SHAFER, ADRIANES'S BOUTIQUE, ROCKET FIZZ, AND THE STAMPED ROBIN.						
#13	THE TIF RESERVE CONTRIBUTION TO THE 2018 BUDGET.						

# Downtown Kalamazoo Monthly Report

## July 2018

### Planning and re-organization

**Downtown Economic Growth Authority** – Consistent with recommendations put forth in the Urban Growth Initiative, and approved by the boards of DKI and DDA, City Commission has approved a resolution of intent to create a new Downtown Economic Growth Authority (DEGA), and set a public hearing for August 6<sup>th</sup> on the matter. The proposed DEGA would replace, and function very similarly to how the DDA has since 1989, serving a largely consistent geography. The public approval process for the proposed authority stretches into December, with multiple opportunities for official public comment at City Commission. DKI is scheduling multiple public informational meetings on the proposed DEGA, along with open office hours for the public to have questions answered.

**Organizational structure** – DKI Board continuing to work with GVSU Johnson Center for Philanthropy on strategic planning.

**Community engagement model/Citizen Coalitions** – DKI moving forward with creation of new community engagement model, including four Citizen Coalitions focused on People, Place, Growth, and Experience that will help guide work of organization.

**DTI Board** – Meeting quarterly as reorganization progresses.

**Downtown Offices and Engagement Center** – DKI moved into new space at 162 E. Michigan July 9. Traffic and visibility has already increased. Finishing touches being placed on space currently. Community open house planned for coming months.

**Downtown Parking Plan** – New York-based firm [Nelson Nygaard](#) selected to lead planning process for future of downtown parking, to include transportation demand management, enforcement hours, technology, facilities, programming, rates etc. Process to begin in July and continue into early fall.

**Organizational branding** – [Arnett Muldrow](#) selected to lead effort to rebrand Downtown Kalamazoo Incorporated. Founder Ben Muldrow to spend week of July 16 in Kalamazoo working with stakeholders

### Infrastructure Projects

**Construction** – Construction continues on multiple fronts downtown, with Consumers Energy replacing gas lines throughout downtown, MDOT resurfacing streets, and City of Kalamazoo reconstructing Rose Street and the Pitcher/Water intersection. DKI continues to work with COK to communicate disruptions to public and downtown businesses in a timely manner.

**Jurisdictional Transfer of downtown streets** – DKI continuing to participate in discussions with City of Kalamazoo, MDOT on jurisdictional transfer of streets to City, with goal of completing transfer by November.

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

### Development Projects

**Lot 9 project** – Closing to occur prior to end of July 2018. Construction to begin concurrently. Completion within 24 months.

**Rose/Lovell Project** – Project moving forward with a planned groundbreaking by early fall.

### Events

**Blues Fest** – After a one-year hiatus, hosting at Wings Stadium, the Kalamazoo Valley Blues Association is bringing Blues Fest Back to Arcadia Creek Festival Place for its 25<sup>th</sup> year July 12-14.

**Sunday Brunch Food Truck Rally series** – As part of efforts to more intensively program Arcadia Creek Festival Place, a series of six food truck rallies are being hosted on Sundays from 11am-3pm. Approximately ten trucks are participating with associated complementary activities. Initial response has been positive.

### **Business updates**

**Professional Development Series** –DKI professional development series continued with workshop on search engine optimization with over 30 participants.

### **Media coverage**

Exec: Events center needed to revive downtown Kzoo

<https://www.woodtv.com/news/exec-events-center-needed-to-revive-downtown-kzoo-20180710221629/1294511269>

Kalamazoo Mall among '10 Streets That Changed America'

<https://www.woodtv.com/news/kalamazoo-and-battle-creek/kalamazoo-mall-among-10-streets-that-changed-america/1292566930>

Under new rules, Bronson Park concert is BYOB

<https://www.woodtv.com/news/kalamazoo-and-battle-creek/under-new-rules-bronson-park-concert-is-byob/1287615020>

Original artist repainting mural in downtown Kzoo

<http://www.woodtv.com/news/kalamazoo-and-battle-creek/original-artist-repainting-mural-in-downtown-kzoo/1241670518>

Backers of a new downtown events center say facility could be Kalamazoo's crown jewel

<http://wwmt.com/news/local/backers-of-a-new-downtown-events-center-say-facility-could-be-kalamazoos-crown-jewel>

Kalamazoo commission OKs 400 Rose development

<http://www.woodtv.com/news/kalamazoo-and-battle-creek/kalamazoo-400-rose-development-votes/1247186312>

11 things downtown Kalamazoo needs to be successful

<https://www.mlive.com/expo/news/erry-2018/06/4767ea37d02183/study-shows-11-things-downtown.html>

Kalamazoo considers replacing cash-strapped downtown development tool

[https://www.mlive.com/news/kalamazoo/index.ssf/2018/07/kalamazoo\\_considers\\_plan\\_to\\_sa.html](https://www.mlive.com/news/kalamazoo/index.ssf/2018/07/kalamazoo_considers_plan_to_sa.html)