

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

**FROM:** Steven R. Deisler, Executive Director

**DATE:** June 14, 2016

**RE:** June Meeting

---

The next regular meeting of the Kalamazoo Downtown Development Authority is scheduled to take place on Monday, June 20, 2016 at 3:00 p.m. in the Community Room, City Hall - 241 West South Street.

SD

Attachments

pc: Michael O'Connor  
City Clerk

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

**DATE:** Monday, June 20, 2016

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

**PLACE:** Community Room, City Hall

- I. CALL TO ORDER
- II. ADOPTION OF AGENDA
- III. SWEAR IN NEW BOARD MEMBERS
- IV. ACTION ITEMS
  - A. 2015 DDA Audit
- V. SPECIAL PRESENTATIONS
  - A. Bronson Park 21<sup>st</sup> Century Campaign- Presentation by Sean Fletcher
  - B. Complete Streets- Presentation by Jim Ferner
- VI. MINUTES – May 16, 2016
- VII. FINANCIAL REPORT- TIF & 2 MILL- May 2016  
TPM- April 2016
- VIII. DISCUSSION ITEMS
  - A. ACW Update
  - B. TPM Update
- IX. COMMITTEE REPORTS (Time Permitting)
  - A. Transportation, Parking, & Mobility
  - B. Capital Improvements
  - C. Project Review
  - D. Citizens Council
  - E. Safety
- X. DIRECTOR COMMENTS
- XI. PUBLIC COMMENTS
- XII. 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.

**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 MINUTES**

**May 16, 2016**

**DIRECTORS PRESENT:** Carl Brown, Stephanie Hinman, Jim Escamilla, Grant Fletcher, Bob Miller, Susan Lindemann, Greg Taylor, Derek Wissner

**DIRECTORS ABSENT:** Bjorn Green, Bobby Hopewell, Patti Owens

**STAFF PRESENT:** Steve Deisler, Sue Huggett, Patrick Halpin, Deb Houseman

**OTHER:** Rebekah Kik, Chris Shook, Andy Wenzel, Jack Urban

**I. CALL TO ORDER**

Director Escamilla called the meeting to order at 3:02.

**II. CONFLICT OF INTEREST POLICY**

Director Escamilla asked all Directors to sign and return to D. Houseman.

**III. SWEAR IN NEW BOARD MEMBERS**

Swore in new board members Stephanie Hinman and Susan Lindeman.

**IV. ADOPTION OF AGENDA**

**DIRECTOR MILLER MOVED TO ADOPT THE AGENDA AS PRESENTED. SUPPORTED BY DIRECTOR BROWN. MOTION CARRIED.**

**IV. MINUTES – ANNUAL MEETING MARCH 21, 2016, AND REGULAR MEETINGS March 21, 2016 AND April 18, 2016**

**DIRECTOR TAYLOR MOVED TO APPROVE THE ANNUAL MINUTES OF 3/21/16 AS PRESENTED. SUPPORTED BY DIRECTOR FLETCHER. MOTION CARRIED.**

**DIRECTOR TAYLOR MOVED APPROVAL OF REGULAR MEETING MINUTES OF 3/21/16. DIRECTOR LINDEMANN SUPPORTED. MOTION CARRIED.**

**DIRECTOR HINMAN MOVED APPROVAL OF REGULAR MEETING MINUTES OF 4/18/16. DIRECTOR LINDEMANN SUPPORTED. MOTION CARRIED.**

**VI. FINANCIAL REPORTS – TIF and 2MILL MARCH AND APRIL 2016, AND TPM PRELIMINARY DECEMBER AND JANUARY THROUGH MARCH 2016**

D. Houseman reviewed the TIF and 2 MILL reports of March and April 2016, the December 2015 preliminary and the January through March 2016 TPM statements. D Houseman opened for questions.

Director Brown asked if we already adjusted our enforcement hours by adding additional enforcement hours on the weekends. S. Deisler said those were approved by the City Commission and DDA and will take place on July 1<sup>st</sup>, 2017.

**DIRECTOR FLETCHER MOVED TO APPROVE THE MARCH AND APRIL TIF AND 2 MILL FINANCIAL STATEMENTS AS PRESENTED. SUPPORTED BY DIRECTOR MILLER. MOTION CARRIED.**

**DIRECTOR FLETCHER MOVED TO APPROVE THE TPM DECEMBER 2015 PRELIMINARY AND JANUARY THROUGH MARCH 2016 FINANCIAL STATEMENTS AS PRESENTED. SUPPORTED BY DIRECTOR WISSNER. MOTION CARRIED.**

**VII. ACTION ITEMS**

**A. TPM Budget Amendment**

D. Houseman reviewed the TPM Budget Amendment and opened for questions.

**DIRECTOR TAYLOR MOVED TO APPROVE THE TPM BUDGET AMENDMENT AS PRESENTED. SUPPORTED BY DIRECTOR MILLER. MOTION CARRIED.**

**B. Exchange Building- Revised TIF Agreement**

S. Deisler reviewed the three primary changes in the agreement. One, the project has increased in size and cost from 9 stories, 50 apartments and \$28,000,000 to 12 stories, 140 apartments and \$35,000,000. Two, DDA TIF Capture commitment for site improvements have increased from \$1,000,000 to \$1,300,000. Three, the DDA's annual TIF obligation to reimburse the developer has increased and shall be the total DDA TIF capture for each year, not to exceed a sum of \$103,381.00

Director Taylor shared that rather than going into the ground for lower-level parking, there will now be 3 stories of above ground parking, starting on the second floor. The first floor will be retail space. All of the housing (7 floors, starting on the sixth floor) will be one and two bedroom

apartments only due to costs. The top floor will be an indoor/outdoor terrace to be used for events. Steps left to be done include seeking additional funds, and finalizing the design and construction process. The construction start date is approximately October 1<sup>st</sup> of this year, and the target resident move-in date will be mid-2018. He shared that this building will be extending snow melt from the mall all the way to the Greenleaf building. Director Taylor reassured safety during the construction period.

Director Escamilla asked about whether or not the sidewalk will be open during construction. Director Taylor said that some of the sidewalk will be open but do not know at this point when and where closings will be.

S. Deisler asked if minor changes to the approved plan in 2014 will be going back to the DDRC. Director Taylor shared that the DDRC gave full site plan approval on the original project.

P. Halpin asked what the expected occupancy rate will be in the building. Director Taylor shared that the sizing has expanded, and the unit count is a little deceiving because there are more one bedroom apartments than two bedroom apartments. Several market studies have been done on this project and are confident that this project will stretch the rental market and can compete with places downtown.

Director Wissner asked about what the public elevator would be accessing. Director Taylor shared that the elevator would be one of two elevators in the building from top to bottom. The public won't have 24/7 access to every floor, but the public element does include resident's guests. He expressed concern for the public being able to go to residential units if there is no public space above parking. Director Taylor shared that there is public access to the venue space on the top floor.

Director Brown asked for a description of the top floor, and if the venue space is indoor/outdoor. Director Taylor shared that the design is indoor and outdoor, with the outdoor space looking down into Bronson park. Director Brown asked if the top floor is a commercial component of the public space or treat it like park space. Director Taylor said it would be the former because of the control associated with it. It has not yet been decided what/if they will be charging for special events there, and they do not know what the capacity of the venue will be yet.

Director Hinman asked if there were any green building ratings involved. Director Taylor shared there will be several certification elements in the building, but won't be seeking full certification because there is no economic advantage to do so. By design there will be a lot of sustainable and green elements in the building.

**DIRECTOR WISSNER MOVED TO APPROVE THE TIF AGREEMENT AMENDMENT AS PRESENTED. SUPPORTED BY DIRECTOR MILLER. DIRECTOR TAYLOR OBSTAINED.**

Director Brown expressed concern about creating a new building the majority of the public cannot use, and using public money to build an elevator that the majority of the public will not use. He said that there should be a continued discussion about what kind of public benefit this is producing.

**MOTION CARRIED.**

**VIII. DISCUSSION ITEMS**

**Imagine Kalamazoo Presentation**

Rebekah Kik shared that this year they need to update the master plan by prioritizing the city's growth. The first step was aligning and integrating multiple plans to help with the prioritization process. Their 10-year vision now includes the strategic vision and master plan. Their 5-year plan includes land use and zoning and a non-motorized plan. Rebekah shared that past master plans have been about what they do and new master plans need to evolve into why they do what they do. Rebekah shared that over 1,200 people participated in the master plan, so the planning stage has been pushed back about a month to read all the feedback. Three emerging themes from feedback were: equitable, connected and sustainable.

S. Deisler asked how DKI can incorporate the TPM and ACW plans into DKI's master plan. Rebekah said to incorporate the principles that are important to the community and vetting them with the committees. She said the next phase of the planning stage is to ask specific questions regarding each theme and prioritize them.

**VIII. COMMITTEE REPORTS**

**A. Transportation, Parking & Mobility**

No report was given.

**B. Capital Improvements**

No report was given.

**C. Project Review**

No report was given.

**D. Citizens Council**

No report was given.

**B. Safety**

No report was given.

**IX. DIRECTOR COMMENTS**

Director Taylor thanked everyone for their support and their positive input on the project. Director Miller congratulated the project team and welcomed the new board members. Director



Brown thanked the project team. Director Fletcher congratulated the project team and welcomed the new members. Director Escamilla congratulated Director Taylor.

**X. PUBLIC COMMENTS**

C. Shook shared that Jim Gilmore had a dream to build a building in this location when he was alive, and that he's pleased Jim's dream is going to come true. S. Deisler thanked Mike, Deb and all the DKI staff.

A. Wenzel stated his team is grateful for the support and is excited about the project. He said projects like this wouldn't succeed without this kind of support. Plaza Corp has some other projects downtown, and they think this is the tipping point for several other projects to arise.

**XI. ADJOURNMENT**

The meeting was adjourned at 4:34pm.

**APPROVED:** \_\_\_\_\_

Sarah Mead

Recording Secretary

**DOWNTOWN DEVELOPMENT AUTHORITY - TIF**  
**MONTHLY REVENUE AND EXPENDITURE REPORT**  
**MAY 31, 2016**

	ACTUAL MONTH	YEAR TO DATE	ANNUAL BUDGET
<b>REVENUE</b>			
#1 Useable TIF Collections	256,317.77	365,833.00	689,501.00
Debt Service TIF Collections	0.00	0.00	692,388.00
Festival Place Maintenance Fees	0.00	0.00	32,500.00
#2 City of Kalamazoo - Mall Maintenance	0.00	59,168.00	59,168.00
Liquor License Application Fees	0.00	0.00	0.00
#3 Bond Refinance Savings	0.00	71,377.00	71,377.00
Interest Income	81.42	135.44	400.00
<b>TOTAL REVENUE</b>	<b>256,399.19</b>	<b>496,513.44</b>	<b>1,545,334.00</b>
<b>EXPENDITURES</b>			
#4 Administration/Svc Agreement	2,916.67	14,583.35	35,000.00
Liquor License	0.00	0.00	0.00
#5 Legal	3,894.77	5,044.77	20,000.00
Audit	3,360.00	4,480.00	7,200.00
Brand & Engagement	0.00	0.00	50,000.00
#6 Building Revitalization	0.00	(50.00)	10,000.00
Mall Assessment	0.00	0.00	15,000.00
Downtown Maintenance	12,353.15	22,985.73	360,000.00
Special Projects	0.00	0.00	10,000.00
<b>SUB-TOTAL</b>	<b>22,524.59</b>	<b>47,043.85</b>	<b>507,200.00</b>
<b>DEBT SERVICE/OTHER OBLIGATIONS</b>			
Arcadia Creek Bonds	0.00	0.00	463,950.00
Building Authority Bonds	0.00	0.00	228,438.00
TIF Capture Ramp 3	0.00	0.00	36,414.00
TIF Capture-Miller Canfield	0.00	0.00	47,326.00
Festival Place	0.00	128,472.46	128,473.00
Metropolitan Center	0.00	0.00	48,900.00
#7 Zoetis Tax Appeal	48,920.80	48,920.80	43,679.00
#8 Rebated Taxes	22,335.10	22,335.10	25,000.00
City of Kalamazoo Loan	0.00	0.00	76,460.00
<b>SUB-TOTAL</b>	<b>71,255.90</b>	<b>199,728.36</b>	<b>1,098,640.00</b>
<b>TOTAL EXPENDITURES</b>	<b>93,780.49</b>	<b>246,772.21</b>	<b>1,605,840.00</b>
<b>REVENUE/OVER(UNDER)EXPENDITURES</b>	<b>162,618.70</b>	<b>249,741.23</b>	<b>(60,506.00)</b>

#1 USEABLE TIF REVENUES - Accrue 2016 TIF Capture.

#2 CITY OF KALAMAZOO MALL MAINTENANCE - Annual contract with the City of Kalamazoo.

#3 BOND REFINANCE SAVINGS - Ramp #3 bond refinance savings transferred from TPM.

#4 ADMINISTRATION/SERVICE AGREEMENT - Monthly and Year to Date.

#5 LEGAL- Year to date includes working on agreements for the Metropolitan Center, Depot, and Exchange Place.

#6 BUILDING REVITALIZATION - Year to date is an application fee for M. Fabi grant.

#7 ZOETIS TAX APPEAL - Annual payment of principle and interest.

#8 REBATED TAXES - Plaza Corp North Rose Properties.

**DOWNTOWN DEVELOPMENT AUTHORITY - 2 MILL**  
**MONTHLY REVENUE AND EXPENDITURE REPORT**  
**MAY 31, 2016**

		ACTUAL		ANNUAL
		MONTH	YEAR TO DATE	BUDGET
<b>REVENUE</b>				
#1	2016 Two Mill Levy	3,426.04	3,426.04	250,338.00
	Prior Year(s) Taxes	0.00	262.57	18,843.00
	Interest Income	0.00	79.53	100.00
#2	Miscellaneous	1,367.12	1,501.28	1,500.00
	<b>TOTAL REVENUE</b>	<b>4,793.16</b>	<b>5,269.42</b>	<b>270,781.00</b>
<b>EXPENDITURES</b>				
	D&O Insurance	0.00	0.00	3,500.00
#3	Legal Services	285.00	285.00	5,000.00
	Legal Notices	0.00	0.00	600.00
	Audit	2,640.00	3,520.00	6,000.00
	Rebated Taxes	0.00	0.00	20,000.00
#4	DKI Service Agreement	18,416.67	92,083.35	221,000.00
	Website	0.00	0.00	5,000.00
	Miscellaneous	0.00	94.72	500.00
	<b>TOTAL EXPENDITURES</b>	<b>21,341.67</b>	<b>95,983.07</b>	<b>261,600.00</b>
	<b>REVENUE/OVER(UNDER) EXPENSES</b>	<b>(16,548.51)</b>	<b>(90,713.65)</b>	<b>9,181.00</b>

#1 2016 2 MILL LEVY - Generally receive the majority of these funds in August from the City of Kalamazoo.

#2 MISCELLANEOUS - \$1,367.12 Skyrise Pilot. Year to date includes \$134.16 for the Rickman Pilot.

#3 LEGAL SERVICES - Audit letter.

#4 DKI SERVICE AGREEMENT - Monthly and Year to Date.

**TRANSPORTATION, PARKING, & MOBILITY  
MONTHLY REVENUE AND EXPENDITURE  
APRIL 30, 2016**

	ACTUAL		BUDGET	
	MONTH	YEAR TO DATE	YEAR TO DATE	ANNUAL
#1 Street Meters	27,268.43	107,644.21	100,560.00	346,192.00
#2 Unattended	29,946.18	151,260.28	132,847.00	421,211.00
#3 Attended Lots	156,392.49	609,277.29	635,165.00	1,845,598.00
#4 Enforcement	16,390.00	76,875.00	80,586.00	332,930.00
Metro Transit Fee	194.00	764.75	776.00	2,330.00
Arcadia Condo Land Contract	276.67	1,106.68	1,106.68	3,320.00
TIF - Debt Service Assistance	0.00	0.00	0.00	228,438.00
TIF Ramp 3 Subsidy	0.00	0.00	0.00	36,414.00
TIF - Maintenance	0.00	0.00	0.00	40,000.00
Miscellaneous	0.00	0.00	0.00	0.00
Interest Income	5.91	22.12	18.33	55.00
<b>TOTAL REVENUE</b>	<b>230,473.68</b>	<b>946,950.33</b>	<b>951,059.01</b>	<b>3,256,488.00</b>
<b>EXPENDITURES</b>				
Legal Fees	0.00	550.00	550.00	10,000.00
Audit & Accounting Fees	0.00	2,000.00	2,000.00	12,875.00
DKI Staff Services	5,833.34	23,333.36	23,333.33	70,000.00
Liability Insurance	0.00	4,052.20	4,052.00	6,630.00
Salaries & Wages	67,999.02	262,054.63	283,077.00	849,231.00
Payroll Taxes	11,066.36	45,219.74	50,614.33	151,843.00
Worker's Compensation	2,822.17	11,532.55	14,131.00	42,393.00
#5 Hospitalization & Benefits	10,232.20	42,117.67	37,800.00	113,400.00
Employee Relations	0.00	171.31	500.00	1,500.00
Personnel Selection	0.00	534.18	833.33	2,500.00
#6 Equipment Purchase/Lease	422.00	2,503.30	6,133.33	18,400.00
Liability Claims	115.05	460.20	1,000.00	3,000.00
Auto & truck Expense	880.77	2,224.83	4,108.33	12,325.00
#7 Repairs & Maintenance	6,982.37	12,753.52	23,990.00	71,970.00
Utilities	16,657.22	68,068.56	68,069.00	164,000.00
Telephone	1,302.54	4,926.77	5,590.00	16,770.00
Website	49.90	311.40	683.33	2,050.00
Signage	0.00	15.90	16.00	4,000.00
Materials & Office Supplies	1,223.56	4,358.62	6,722.33	20,167.00
Customer Service Program	168.51	227.77	400.00	1,200.00
Postage	651.13	2,533.65	2,783.33	8,350.00
#8 Forms & Printing	0.00	11,319.84	9,600.00	28,800.00
Outside Contract Services	14,984.72	123,923.18	130,030.00	304,927.00
Office Lease	2,256.75	8,894.25	8,850.00	26,550.00
Ramp 3 Maintenance Reserve	0.00	0.00	0.00	37,500.00
Management Fee	15,223.70	60,894.80	61,965.33	185,896.00
<b>OPERATING EXPENDITURES</b>	<b>158,871.31</b>	<b>694,982.23</b>	<b>746,832.00</b>	<b>2,166,277.00</b>
<b>DEBT SERVICE EXPENDITURES</b>				
1998 Refunder	0.00	0.00	0.00	228,438.00
2005/2006 Ramp 3 Bond	0.00	0.00	0.00	634,166.00
<b>TOTAL DEBT SERVICE EXPENDITURES</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>862,604.00</b>
<b>CONTRIBUTION TO TIF</b>	<b>0.00</b>	<b>71,377.00</b>	<b>71,377.00</b>	<b>71,377.00</b>
<b>CAPITAL IMPROVEMENTS</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>100,000.00</b>
<b>FIVE YEAR TPM PLAN</b>	<b>128.63</b>	<b>128.63</b>	<b>130.00</b>	<b>15,000.00</b>
<b>ACCESS CONTROL DESIGN, ENG,&amp;BIDDING</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>85,000.00</b>
<b>TOTAL EXPENDITURES</b>	<b>158,999.94</b>	<b>766,487.86</b>	<b>818,339.00</b>	<b>3,300,258.00</b>
<b>REVENUE/OVER(UNDER) EXPENDITURES</b>	<b>71,473.74</b>	<b>180,462.47</b>	<b>132,720.01</b>	<b>(43,770.00)</b>
		<b>377,362.45</b>	<b>377,362.45</b>	<b>377,362.45</b>
		<b>557,824.92</b>	<b>510,082.46</b>	<b>333,592.45</b>
				<b>Accrual Basis</b>
				<b>PY Cash Balance</b>
				<b>Cash Basis</b>

<b>SYSTEM CASH RESERVE</b>	<b>\$132,674.32</b>
<b>RAMP 3 MAINTENANCE RESERVE</b>	<b>\$307,287.49</b>

## **TRANSPORTATION, PARKING, & MOBILITY NOTES: APRIL 2016**

The following will explain significant variances in the monthly financial reports as of the end of April:

### **REVENUES:**

- 1. Street Meters:** Over budget \$7,084 due mostly to a mild winter.
- 2. Unattended Facilities:** Over budget \$18,413. All of the unattended facilities with the exception of Lot #2 are showing improved revenues year to date. The biggest variance is in Lot #1 which is up 12% and Lot #30 up 48% due to the County employees. Lot #30 will begin to decrease due to the County cutting their occupancy in half to (45) parkers.
- 3. Attended Facilities:** Under budget \$25,888 due to transient validation stickers/stamps. This fluctuates based on when businesses purchase their stickers or pay for their stamps. Also the new student enrollment at the KVCC Healthy Living Campus at the beginning of the year was less than expected. KVCC has indicated the enrollment should increase in the fall.
- 4. Enforcement:** Under budget \$3,711 due most likely to the milder winter and the higher utilization of meters.

### **EXPENSES:**

- 5. Hospitalization & Benefits:** More employees opting for coverage.
- 6. Equipment Purchase/Lease:** Budgeted purchases have not occurred yet.
- 7. Repairs & Maintenance:** Budgeted repairs not made yet.
- 8. Forms & Printing:** Purchases are not made evenly throughout the year. Product purchased was included in the budget.