

Real Estate Committee  
March 19th, 2024

A. Eastside Square Condo Project

Krol informed the committee on the proposed budget. Discussion ensued making adjustments on line items within the budget. Ellis is awaiting quotes for other avenues of insurance for Eastside Square. Foster suggested making the change for insurance sooner than later as this may assist with cutting cost on condo fees.

There was an inquiry into the line item admin and taxes fees. Administration fees and taxes will cover the annual tax filing and cushion for any other administrative expenses.

Discussion ensued regarding grounds and snow. There will be lawn maintenance. Derek provided insight on the snow removal for this year. Under the current contract, it was charged \$220 for the entire property for each plow. Committee agreed to cut the snow line item to \$2500 based on this season. Ground line items included general maintenance, trash, and lawn mowing. Mann and Wilson will obtain quotes for grounds care and trash.

The committee discussed management. The committee discussed a potential new hire for the staff for the management. The Land Bank is able to act as management and if the condo association wishes to fire the Land Bank as management, they would be responsible for finding new management.

The committee moved to discuss utilities. Water is metered together for the entire building. Ellis is awaiting a response from Glas Associates regarding getting water metered separately and information on sewer. If the condos are able to be metered separately for water then the line item may be removed from the budget. The committee made adjustments to the proposed budget to bring the overall cost down and will be waiting quotes for line items to make further adjustments.

Foster inquired on down payment assistance for buyers. Ellis will be connecting with local organizations, City of Kalamazoo, and Kalamazoo County for information on down payment assistance.

Peterson is working on a potential commercial space tenant and determining parking requirements. The parking requirement is retail based. Peterson will report to the committee with updates once he has them.

Discussion ensued regarding percentage of value and equal stake in the condo association. The condo association is broken down based on percentage of value for the unit size. Percentage of value was determined with the master deed and was chosen because of the commercial space. It was determined that it is too far in the process to go through the process to change from percentage of value.

Robinson and Locket-Jones presented a comparative analysis to assist the committee with pricing for the condos. It was recommended the sale price be \$140,000- \$150,000. Discussion on the Average Median Income in relation to the sale price of the condos.

Average Median Income Assignment:

- 606 & 618 will be 60% AMI
- 608 & 616 will be 80% AMI
- 612 & 614 will be 120% AMI

Master Deed average median income assignment is different from what was assigned. Foster overviewed the master deed amendment process.

Whitener made a motion to have legal counsel amend the master deed to tie the average median income percentage to square footage.

Roberts seconded the motion.

Motion carried unanimously.

Discussion ensued regarding the pricing for the condos. The committee determined the two units with the 60% AMI units will be priced at \$140,000, 80% AMI units will be priced at \$143,000, and 120% AMI units will be priced at \$145,000.

Whitener made a motion to set a sales price for the 60% AMI units at \$140,000, 80% AMI units at \$143,000, and 120% AMI units at \$145,000.

Roberts seconded the motion.

Motion carried unanimously.

Foster recommended Ellis to connect with Parson at the City of Kalamazoo to ensure that the correct average median income scale is being used.

**Real Estate Committee Meeting adjourned at 2:56 p.m.**

**Next meeting will be Tuesday, April 16th.**

