



Kalamazoo
Foundation for
Excellence

CASE FOR SUPPORT



KALAMAZOO TODAY

Nestled between Detroit and Chicago lies a city that represents America at its best. Don't let the relatively small population of approximately 76,000 residents fool you: Kalamazoo, Michigan punches well above its weight in providing opportunities to work, play, and grow a family.

The City boasts a variety of industries, access to quality healthcare, a robust brewing and dining scene, world-class museums, and most importantly, a community-wide sense of purpose that has driven the region forward for over 175 years.

Unfortunately, Kalamazoo is at risk of being unable to ensure a future for itself. Budget challenges caused by the state and the Great Recession—and now, the rippling effects of a global pandemic—produced headwinds working against City leaders' abilities to provide basic services and plan for the future. This broken model initiated a vicious cycle that began with a shrinking tax base and led inevitably towards increased tax rates and cuts to services. Kalamazoo cannot build a sustainable future for its citizens without a solid financial foundation.

A municipality like Kalamazoo would traditionally navigate its financial challenges by increasing taxes or cutting services—but today, we have developed an innovative new solution that will propel the City forward and serve as a model for others.



A BOLD NEW APPROACH

Incorporated in 2017, the Kalamazoo Foundation for Excellence (FFE) is a nonprofit charitable organization created to financially support the City of Kalamazoo. This financial relationship is an innovation by the City and private donors to address structural budget challenges standing in the way of creating a vibrant, prosperous, and equitable city that is livable for all people. It is a private foundation, led by a board of prominent and diverse citizens, that raises philanthropic funds to pass on to the City through yearly grants.

The founding donors believe so strongly in the promise of FFE and Kalamazoo that they granted the initial seed funding with a goal of inspiring and engaging all stakeholders—Kalamazoo residents and families, businesses and foundations, and local and national philanthropists—in joining together to build a new future for Kalamazoo.

AMERICA DOES NOT ONLY LIVE IN MAJOR URBAN CENTERS:
IT EXISTS IN THE HOMEGROWN COMMUNITIES THAT LIE
BETWEEN THE COASTS, WHERE RESIDENTS ARE WILLING TO
WORK ALONGSIDE CIVIC LEADERS AND COMPANIES TO
GROW AN ECONOMY THAT BENEFITS ALL.



HOW FFE WORKS

From 2015 to 2017, city planners worked with residents in Kalamazoo to launch Imagine Kalamazoo 2025, a strategic plan for the City. The specific priorities that emerged from this process are the bedrock on which the future of Kalamazoo will be built. They include:

- Shared Prosperity - Abundant opportunities for all people to prosper.
- Connected City - A city that is networked for walking, biking, riding, and driving.
- Inviting Public Places - Parks, arts, culture, and vibrant streets.
- Environmental Responsibility - A green and healthy city.
- Safe Community - Creating a safe environment for living, working, and playing.
- Youth Development - A city with places and supports that help young people thrive.
- Complete Neighborhoods - Residential areas that support people's daily needs.
- Strength Through Diversity - An inclusive city where everyone feels at home.
- Economic Vitality - Growing businesses and stabilizing the local economy to the benefit of all.
- Good Governance - Ensuring the City organization has the capacity and resources to effectively implement the community's Strategic Vision in a sustainable way.

FFE's sole mission is to serve as a revenue-generation vehicle for the City. The board's yearly grants support any number of the above strategic plan priorities. FFE has provided millions of dollars annually to support projects identified by Kalamazoo citizens through the Imagine Kalamazoo 2025 strategic planning process. With oversight from elected officials and guidance from the City's strategic vision, Kalamazoo residents identify needs and FFE funds solutions.



RESIDENTS DRIVE THE VISION



AS OF OCTOBER 2022, IMAGINE KALAMAZOO HAS MADE TREMENDOUS PROGRESS TOWARD ITS 145 ACTIONS:



YET TO START



A BOLD NEW APPROACH

FEE supports three overarching priorities in alignment with Imagine Kalamazoo 2025, each with the goal of making Kalamazoo an ideal place to live, work, and do business.

STABILIZE THE BUDGET

A stable city budget ensures that local government can deliver basic services and plan for the implementation of highly impactful and equitable community investments.

REDUCE CITY PROPERTY TAXES

The 2017 decrease to 12 mills applied to all individuals and businesses that are subject to City property taxes, regardless of their income level, and are intended to be permanent.

INVEST IN THE COMMUNITY

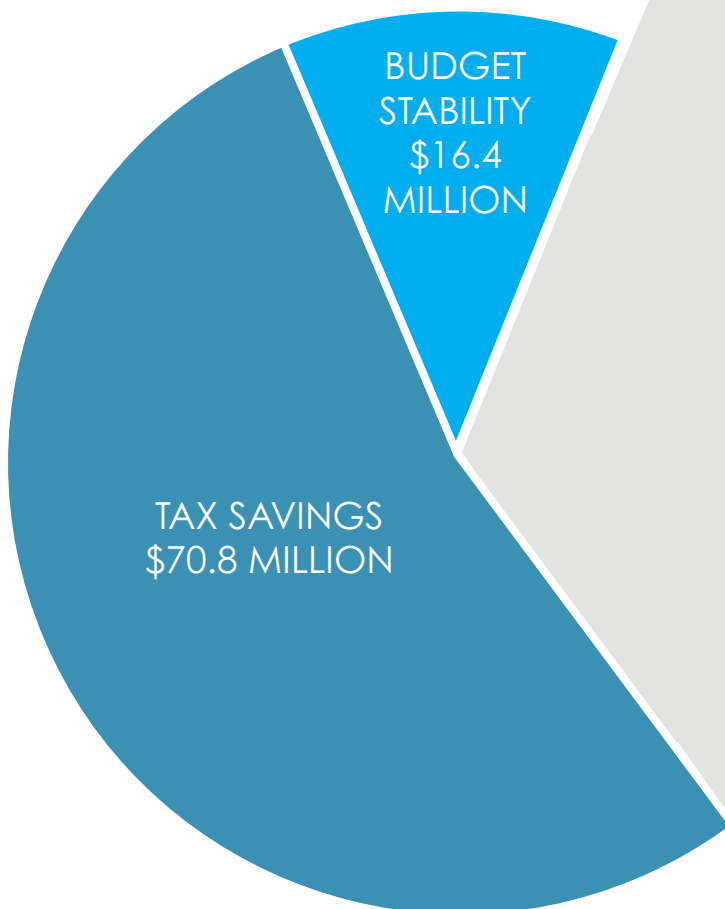
These transformational investments include youth employment programs, neighborhood revitalization efforts, and small-business incubation, to name a few.



\$150 MILLION INVESTED

In just four years, FFE has invested nearly \$150 million towards the success of Kalamazoo's people and neighborhoods.

This investment allowed the City to lower taxes while still advancing aspirational community projects that touch each and every neighborhood within the City. FFE funding has also stabilized the City of Kalamazoo budget so the City can continue its focus on the community's greatest needs.



COMMUNITY INVESTMENTS \$44.5 MILLION

Each year, FFE funding moves Kalamazoo closer to realizing its community vision. Aspirational community investments break down as follows:

- Infrastructure: \$12.5 M
- Economic Development: \$10 M
- Affordable Housing: \$9.2 M
- Youth Development: \$6.4 M
- Park Improvements: \$2.7 M
- Shared Prosperity: \$1.8 M
- Neighborhoods & Other: \$1.9 M

STABILIZE THE BUDGET

A stable City budget is a necessity for thriving businesses and healthy families and residents. With a stable budget, the City can deliver outstanding services and invest in the community through neighborhood-focused projects. City officials can plan for the future and residents can remain confident that they will be taken care of.

A stable budget is a prerequisite for overall financial prosperity and for encouraging families and businesses to choose Kalamazoo as the place to put down generational roots.

\$4.5 million will be deployed in 2023 to fill a gap in the municipal budget. This represents 1.5% of the overall budget and will free up resources to improve the lives of Kalamazoo residents.

“ People and businesses are excited to move into the city and we are seeing that reflected in our local real estate market, as well as the number of economic development projects currently underway.

– FORMER MAYOR BOBBY J. HOPEWELL



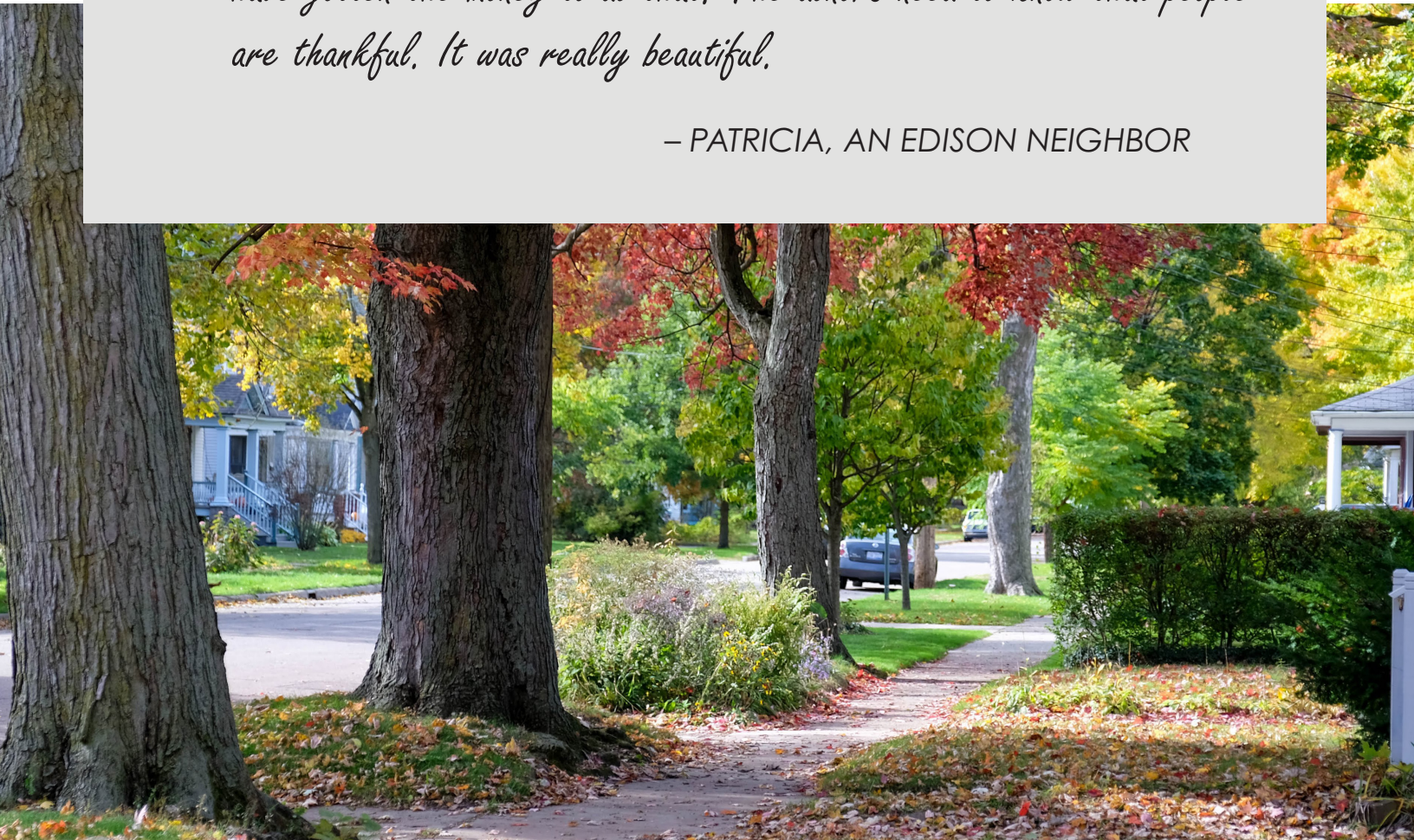
REDUCE PROPERTY TAXES

Millage rates, which are used to determine the amount of property tax that an entity owes, are an essential factor that businesses consider when determining the suitability of a community for capital investment and growth. From its inception, FFE has considered it a top priority to reduce these rates to keep the City competitive with its neighbors like Detroit, Chicago, and Grand Rapids, and to increase prosperity for all residents by improving housing prices and business retention. These benefits will ensure that the City and its surrounding region can cultivate a thriving local economy that will provide jobs and security for generations of families.

This priority has been backed up with an investment of \$70.8 million since 2017. This represents an 11% reduction in the property tax rate for the average resident. In 2017, the City Operating Millage was reduced from 19.2705 to 12 mills. These latest figures mark the continuation of a positive trend that has seen the property tax numbers steadily improving as the community recovers from the Great Recession.

“ For me it was an immediate impact. The lowering of city taxes helped me pay off back taxes and prevent foreclosure. There was no way I could have gotten the money to do that. The donors need to know that people are thankful. It was really beautiful.

– PATRICIA, AN EDISON NEIGHBOR



COMMUNITY INVESTMENTS

Kalamazoo's neighborhoods are the foundation of the City, and the projects and initiatives falling into this category benefit residents directly. They are intended to create a vibrant, forward-looking City that supports everyone. There are numerous examples of work already being done: alleviating intergenerational poverty, creating summer youth employment programs, revitalizing neighborhoods, jumpstarting small business growth, and investing in placemaking projects.

FFE believes that by investing in neighborhoods it can ensure that the City is a great place for families to live, learn, grow, and do business for generations.

“ The Youth Mobility Fund will ensure that transportation is available for youth to explore afterschool programs, education and employment opportunities, and ultimately utilize their Kalamazoo Promise Scholarship. The empowerment that comes with being able to travel throughout the community is invaluable towards a student's feeling of belonging and inclusion.

– VON WASHINGTON, JR., EXECUTIVE DIRECTOR OF COMMUNITY RELATIONS, KALAMAZOO PROMISE



PROJECT HIGHLIGHTS

ECONOMIC DEVELOPMENT | FFE has invested \$11 million to start or grow more than 500 businesses in the city. These investments support neighborhood businesses and entrepreneurs who often have difficulty securing capital through traditional sources.

PARKS & PUBLIC SPACES | Seven city parks have been fully renovated with FFE support, and more than 1,000 new trees now line city streets. 12 miles of sidewalk have been repaired or built, connecting 24 miles of sidewalk network. Speed humps and other traffic calming projects have reduced average vehicle speeds and made the city safer for everyone.

YOUTH DEVELOPMENT | FFE has removed barriers for youth by funding several free summer programs that explore career pathways and development in a fun way. More than 1,500 youth have earned a share of \$1.5 million in wages paid through an FFE-funded youth employment initiative, and transportation is accessible for these and other programs via the Youth Mobility Fund.

HOUSING | There are already nearly 400 new homes in Kalamazoo due to FFE, and hundreds more affordable homes have been rehabilitated or preserved. These homes often go to lower income first-time home buyers or help address the great need for affordable housing in Kalamazoo. FFE also founded a partnership that eliminated all tax foreclosures since 2019.



YOUR ROLE

The excitement around this initiative begs the question: What can I do to help?

The answer is simple: You can join, side-by-side, with your neighbors, relatives, colleagues, and friends to invest in this great City. Success will require a groundswell of support from every corner of Kalamazoo. Everyone has a role to play.

Kalamazoo needs and wants everyone to get involved. Whether it's signing up for the City newsletter, adding your voice to a neighborhood plan, joining a meeting, or making a donation, your participation is critical to FFE and the City of Kalamazoo. Your involvement will:

- Create a more vibrant, prosperous, and equitable city
- Strengthen the City's ability to continue its progress towards strategic goals, while maintaining a competitive stance towards rival metropolitan areas
- Help Kalamazoo and its residents grow and flourish in perpetuity

“ This city represents so much more than its 25-square-mile geographic footprint. It is where people lay roots and reach for their dreams. They imagine bright futures, grow families, build businesses, and work alongside their neighbors and local companies to build a community of values and economic prosperity that benefits all.

– WILLIAM JOHNSTON, COMMUNITY LEADER



WE INVITE YOU TO JOIN US

We invite everyone in Kalamazoo to do what they can to help move the city forward. Everyone can serve the greater good by voting, volunteering, looking out for your neighbors, and getting involved in FFE's cycle of impact.

Kalamazoo needs everyone's support because:

- The more people who are involved, the more success will be seen. By working together, everyone's impact will be multiplied.
- By joining together to support Kalamazoo today, future generations will have an outstanding example of leadership that demonstrates the importance of generosity, civic pride, and community involvement.
- Kalamazoo is a town for everybody. It welcomes and honors all its citizens and today asks those citizens to invest in its future.

We invite you to learn more about how you can participate in this first-of-its-kind effort to improve a great American city.

PARTICIPATE IN THE CYCLE OF IMPACT



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Von Washington, Jr.
Education

Bobby J. Hopewell
Founding Director Emeritus



“ There is no greater investment that one can make than an investment in one’s community. It is my great hope that everyone in Kalamazoo will join me in making such a rewarding investment in our collective future.

– WILLIAM PARFET,
COMMUNITY LEADER