



Agenda

City Commission Business Meeting

City of Kalamazoo

Monday, August 17, 2020

7:00 PM

Electronic Meeting

A. CALL TO ORDER/ROLL CALL

B. OPENING CEREMONY

1. Invocation: Reverend David W. Zomer, Bethany Reformed Church
2. Introduction of Guests
3. Proclamations

C. ADOPTION OF FORMAL AGENDA

D. COMMUNICATIONS

E. PUBLIC HEARINGS

1. Public hearing to receive comments on a RESOLUTION approving a request from Graphic Packaging International, LLC. for a PA 198 Industrial Facilities Tax Exemption Certificate (IFEC) for 12 years for real property valued at \$191,000,000. **(Action: Motion to adopt the resolution)**

F. PUBLIC COMMENTS

G. CONSENT AGENDA

(Action: Motion to approve items “1-12” and authorize the City Manager to sign all documents on behalf of the City)

1. Approve a Professional Service Agreement with Jones and Henry for construction engineering services for the Super High Pressure District Elevated Water Storage Tank in the amount of \$235,000.

2. Approval of a contract supplemental and month-to-month contract extension with Omni Materials for powdered activated carbon in the amount of \$511,500.
3. Approval of a contract supplemental and change order to the current contract with Peters Construction for the City Streets Sidewalk Project in the amount of \$195,072.13.
4. Approval of a one-year contract extension with Olameter for water meter reading services in the amount of \$383,666.12.
5. Approval of a contract supplemental and purchase order with Peters Construction for the Crosstown Parkway Water Main Emergency, in the amount of \$725,428.
6. First reading of an ordinance to rezone 118 Fellows Avenue and 110, 114, 120 and 124 Burr Oak Street from Zone CN-1 (Commercial – Neighborhood District) and Zone CC (Commercial – Community District) to Zone RM-36 (Residential – Multi Dwelling District); and schedule a public hearing on September 8, 2020.
7. First reading of an ordinance amending the Kalamazoo City Code, Chapter 2-Article X Employee Retirement System, § 2-224, §2-232 and §2-237.
8. Adoption of a Resolution adopting and approving an Act 381 Brownfield Plan for scattered site infill housing located at 110,114, and 124 Burr Oak Street, 1100 S. Rose Street, and 2349 Shelter Pointe Drive
9. Approval of a Memorandum of Understanding for the Youth Mobility Fund between the City of Kalamazoo, Kalamazoo Public Schools, the Central County Transportation Authority, and Kalamazoo Youth Development Network.
10. It is recommended that the City Commission approve a grant in the amount of \$230,000 from City of Kalamazoo for construction of a duplex with the City of Kalamazoo, Kalamazoo Neighborhood Housing Services, and Open Doors partnership known as Pathways home.
11. Adoption of a RESOLUTION approving the acquisition of eight tax-foreclosed properties from the Kalamazoo County Treasurer under first right of refusal, in an amount not to exceed \$199,730.89.

12. Approval of the following reappointments to the Retirement Investment Committee and waiver City Commission Rule 12e regarding term limits:
 - the reappointment of **Dan DeMent** for a term expiring on March 31, 2023.
 - the reappointment of **Randy Eberts** for a term expiring on March 31, 2023.
 - the reappointment of **Robert Salisbury** for a term expiring on March 31, 2023.

H. REGULAR AGENDA

1. Adoption of a RESOLUTION affirming the adoption of the Parkview Hills Neighborhood Plan 2020 as a sub-plan to the City of Kalamazoo's Comprehensive Plan. **(Action: Motion to adopt the resolution)**
2. First reading of an ordinance amending Chapter 18, *Non-Discrimination*, and Chapter 18A, *Fair Housing*. **(Action: Motion to offer the ordinance for first reading)**

I. REPORTS AND LEGISLATION

1. City Manager's Report

J. UNFINISHED BUSINESS

K. POLICY ITEMS

L. NEW BUSINESS

M. COMMISSIONER COMMENTS

N. CLOSED SESSION

O. ADJOURNMENT

ADDITIONAL INFORMATION

Get news, information, and alerts from the City of Kalamazoo. Sign up at www.kalamazoocity.org/connect, follow @KalamazooCity on Twitter, and search for The City of Kalamazoo on Facebook.

Questions regarding agenda items may be answered prior to the meeting by contacting the City Manager's Office at 269.337.8047.

Persons with disabilities who need accommodations to effectively participate in City Commission meetings should contact the City Clerk's Office at 337-8792 a week in advance to request mobility, visual, hearing or other assistance.

Agendas for the regular meetings of the Kalamazoo City Commission are available on the Internet at: www.kalamazoocity.org

The Kalamazoo City Commission business meetings are held on the first and third Mondays at 7:00 p.m. and are shown live on the Public Media Network (channel 190 for Charter customers, channel 99 for U-Verse customers). Business meetings are also web streamed live on the City's YouTube channel at <https://goo.gl/Q6DW37>. Public Media Network rebroadcasts these meetings on Tuesdays at 8:00 a.m., Wednesdays, at 1:00 a.m., and Thursdays at 3:00 p.m. Recorded meetings are also available on-demand on the YouTube channel.



City Commission Agenda Report

City of Kalamazoo

Date: **8/17/2020**

Item: **E.1.**

TO: Mayor Anderson, Vice Mayor Griffin, and City Commissioners

FROM: James K. Ritsema, City Manager
Reviewed by: Rebekah Kik, Director, Community Planning & Economic Development Department
Prepared by: Antonio Mitchell, Community Investment Manager, Community Planning & Economic Development Department

DATE: August 17, 2020

SUBJECT: Resolution Approving an Industrial Facilities Exemption Certificate (IFEC) for Graphic Packaging International, LLC

RECOMMENDATION:

It is recommended that the City Commission adopt a RESOLUTION approving a request from Graphic Packaging International, LLC. for a PA 198 Industrial Facilities Tax Exemption Certificate (IFEC) for 12 years for real property valued at \$191,000,000.

BACKGROUND:

Graphic Packaging International, LLC (GPI) has been in business in the City of Kalamazoo since 1867 and will continue with this growth and expansion for many years in this region of Michigan. GPI employs around 18,000 people worldwide and currently has 625 employees based at the Kalamazoo plant. The construction expansion is expected to take two years and bring 1,000 jobs to Kalamazoo during the construction time period. The project includes expansion and redevelopment of the property through selective building and site demolition and abatement.

The Kalamazoo County Brownfield Redevelopment Authority has approved a work plan including local and school tax capture for more than \$21 million for Graphic Packaging expansion.

Graphic Packaging International, LLC plans to invest around \$600 million to current paperboard machine operations in the City of Kalamazoo. The organization expansion will allow Graphic Packaging to manufacture approximately 500,000 tons of coated recycled paperboard annually in Kalamazoo, representing 44 percent of North American production of the product. This

would make the Kalamazoo facility the largest producer of recycled paperboard in North America.

STRATEGIC VISION ALIGNMENT:



Economic Vitality - A supportive infrastructure for growing businesses and stabilizing the local economy for the benefit of all.



Shared Prosperity - Abundant opportunities for all people to prosper

COMMUNITY ENGAGEMENT:

Inform (one-way conversation) – no feasible alternatives available due to legal/regulatory restrictions, standards and best practices, or resource limitations; the community will be made aware of the project.

FISCAL IMPACT:

The City Assessor's staff has completed a fiscal impact analysis based upon the company's tax exemption certificate application. With the Industrial Facilities Tax Exemption and Kalamazoo County Brownfield Redevelopment Authority (BRA) designation there will be no tax revenue to the City of Kalamazoo and most taxing authorities.

Application for Industrial Facilities Tax Exemption Certificate

Attachment A

Graphic Packaging International ("GPI") is expecting to invest approximately \$615,000,000 for a new paper machine, building for that new machine and warehouse. The investment will be located on site at the Company's Kalamazoo Mill facility. The investment will address brownfield considerations related to several properties that were purchased with clean up and construction of a manufacturing building and warehouse. The investment will position GPI with a low cost high quality recycled paperboard operation providing a level of long term viability for the facility. The facility will manufacture over 40% of the North America Coated Recycled Paperboard. This will support the community with high paying jobs, retention of these jobs and an increase demand for recycled paper that can be supplied in the region which will divert that recycled paper from landfills.

Capital Investment Detail

Updated: 06/29/2020

Projected project costs - \$615M

Real Property - \$191M

	Year 1	Year 2	Year 3	Year 4	
	2019	2020	2021	2022	Total
Capital Investment					
Land Costs	\$2	\$3			\$5
Building - New Construction	\$5	\$50	\$25		\$80
Building - Purchase of Existing		\$5			\$5
Building - Renovations	\$10	\$20	\$20		\$50
Allocated Labor and Engineering	\$2	\$33	\$17		\$51
Building - Annual Lease Cost					\$0
Building - Leasehold Improvements					\$0
Total land and building costs	\$19	\$111	\$62	\$0	\$191

TO: Kalamazoo City Commission
FROM: Aaron Powers, Assessor
DATE: July 27, 2020
SUBJECT: Graphic Packaging International, LLC
SCHOOL: Kalamazoo Public Schools

TAX ABATEMENT IMPACT STATEMENT

			NOTE: Property is located in a County Brownfield Plan City of Kalamazoo and most other taxing authorities will not see any revenue until the capture is complete.									
			OPERATING REVENUE - CITY			REVENUE - ALL OTHER			TOTAL REVENUE			
OWNER	PROP TYPE	CERT TYPE	NEW IFT REVENUE with Brownfield	ABATED REVENUE with Brownfield	REVENUE IF NO IFT with Brownfield	NEW IFT REVENUE with Brownfield	ABATED REVENUE with Brownfield	REVENUE IF NO IFT with Brownfield	NEW IFT REVENUE with Brownfield	TOTAL ABATED REVENUE with Brownfield	TOTAL TAXABLE VALUE	TOTAL EFFECTIVE VALUE
Amounts during Brownfield												
Graphic Packaging International	R	N	\$0	\$480,000	\$0	\$173,200	\$2,045,916	\$2,219,116	\$173,200	\$2,525,916	40,000,000	20,000,000

TOTAL TAXABLE			IFT ROLL			% OF TOTAL						
BEGINNING 2020 ROLL			\$1,686,097,223			\$13,475,178		0.8%				
IFT'S IN PROCESS			\$40,000,000			\$40,000,000		100.0%	Anticipated gain to city budget from initial request			
TOTAL			\$1,726,097,223			\$53,475,178		3.1%				
									estimated company savings over initial period			
									\$ 14,754,864			
									estimated city revenue gained over initial period			
									\$ -			
									estimated city revenue lost over initial period			
									\$ 2,880,000			

CITY OF KALAMAZOO, MICHIGAN

RESOLUTION NO. _____

A RESOLUTION APPROVING THE APPLICATION OF GRAPHIC PACKAGING INTERNATIONAL, INC. FOR AN INDUSTRIAL FACILITIES TAX EXEMPTION CERTIFICATE FOR ITS FACILITY IN KALAMAZOO INDUSTRIAL DEVELOPMENT DISTRICT NO. 10 AND APPROVING LOCAL AGREEMENT PURSUANT TO PUBLIC ACT 334 OF 1993

Minutes of a regular meeting of the City Commission of the City of Kalamazoo held on August 17, 2020, at or after 7:00 o'clock p.m., local time, at City Hall.

PRESENT, Commissioners:

ABSENT, Commissioners:

WHEREAS, pursuant to 1974 PA 198, Sec. 207.55I, et seq., after a duly noticed public hearing held on December 13, 1976, this City Commission by resolution established Kalamazoo Industrial Development District No. 10;

WHEREAS, on July 21, 2008, the City Commission approved a resolution amending Industrial Development No. 10;

WHEREAS, on December 16, 2019 this City Commission by resolution amended and enlarged Kalamazoo Industrial Development District No. 10;

WHEREAS, by resolution adopted on August 3, 2020, this City Commission accepted the application of GRAPHIC PACKAGING INTERNATIONAL, INC. for an Industrial Facilities Exemption Certificate for its facility in Kalamazoo Industrial Development District No. 10 and directed the City Clerk to notify the City Assessor and the legislative body of each taxing unit which levies ad valorem taxes on the property located within these two districts that the application for an Industrial Facilities Tax Exemption Certificate would be considered at a meeting of the City Commission on August 17, 2020, and that an opportunity to be heard would be provided to the Assessor and to a representative of each of the bodies so notified; and

WHEREAS, during a regular meeting of the City Commission held on August 17, 2020, the Applicant, the Assessor, and a representative of the affected taxing units were afforded an opportunity to be heard and
_____ appeared;

NOW, THEREFORE, BE IT RESOLVED, as follows:

1. That this City Commission finds:

- (a) That the installation of new machinery and equipment did not occur before the establishment of the district.
- (b) That the installation of new machinery and equipment had not begun earlier than six (6) months before August 3, 2020, the date of acceptance of the application for an Industrial Facilities Tax Exemption Certificate.
- (c) That the application relates to construction of a new facility, which, when completed, will constitute a new facility within the meaning of the Act and will be situated in Kalamazoo Industrial Development District No. 10 established in Kalamazoo on December 13, 1976, and amended on July 21, 2008, and amended and enlarged on December 16, 2019 by resolution of this City Commission.
- (d) That the completion of the facility is calculated to and will at the time of issuance of the certificate have the reasonable likelihood to retain, create or prevent the loss of employment in the City of Kalamazoo.
- (f) That completion of the facility will not have the primary effect of transferring employment from elsewhere in Michigan to the City of Kalamazoo.
- (g)
 - (i) That the aggregate SEV of real and personal property exempt from ad valorem taxes within the City of Kalamazoo, after granting the certificates, will not exceed 5% of an amount equal to the sum of the SEV of the City, plus the SEV of personal and real property thus exempted; and
 - (ii) That the granting of the Industrial Facilities Exemption Certificate, considered together with the aggregate amount of any Industrial Facilities Exemption Certificates previously granted and currently in force, shall not have the effect of substantially impeding the operation of the City of Kalamazoo or impairing the financial soundness of a taxing unit which levies ad valorem property taxes on real estate and property to be located in Kalamazoo Industrial Development District No. 10, because the equivalent effect of exemptions issued under I98 PA 1974 and 255 PA 1978 is to understate the SEV of the City by \$53,475,178 or approximately 3.9%.

2. That the application of GRAPHIC PACKAGING INTERNATIONAL, INC. for an Industrial Facilities Tax Exemption Certificate with regard to construction of a new facility for the installation of new machinery and equipment in Kalamazoo Industrial Development District No. 10 is hereby approved with the following conditions:

(a) That the holder of the Industrial Facilities Tax Exemption Certificate shall, no later than June 30 of each year, report to the City Clerk the status of the tax exemption certificate, including the current value of the property to which the exemption applies, the value on which the industrial facilities tax is based, the number of jobs retained or created by the exemption, and a description of the current use of the facility.

(b) Failure to provide the requested information by June 30, failure to complete the project within two (2) years, failure to proceed in good faith with the project consistent with the purpose of 1974 PA 198, failure to create or retain the jobs as represented in the application, or failure to use the project in the manner as described in the application shall be grounds for the revocation of the certificate.

3. The Industrial Facilities Tax Exemption Certificate (IFEC) for construction of a new facility, unless earlier revoked, shall be in effect for a period of twelve (12) years, commencing on December 31, 2020, and expiring on December 30, 2032.

4. Pursuant to the provisions of Public Act 334 of 1993, the attached local agreement is hereby approved.

The above resolution was offered by _____ and supported by _____.

AYES, Commissioners:

NAYS, Commissioners:

ABSTAIN, Commissioners:

RESOLUTION DECLARED ADOPTED.

CERTIFICATE

The foregoing is a true and complete copy of a resolution adopted by the City Commission of the City of Kalamazoo at a regular meeting held on August 17, 2020. Public notice was given, and the meeting was conducted in compliance with Executive Order 2020-154 issued by Governor Whitmer on July 17, 2020 suspending portions of the Michigan Open Meetings Act (PA 267, 1976). Minutes of the meeting will be available as required by said Act.

Scott A. Borling
City Clerk

INDUSTRIAL FACILITIES

EXEMPTION CERTIFICATE [IFEC] AGREEMENT (P.A. 198)

AGREEMENT made June 29, 2020, between the CITY OF KALAMAZOO, Kalamazoo County, Michigan (“City”); and Graphic Packaging International, LLC located at 1500 North Pitcher St, Kalamazoo, MI 49007-2539, City of Kalamazoo, Kalamazoo County, Michigan (“Applicant”).

Recitals:

A. The City has received a written application from Applicant under Public Act 198 of 1974, MCL 207.551 et. seq. (the “Act”), for the issuance of an Act 198 Industrial Facilities (Tax) Exemption Certificate (“Certificate”) for Project Bronco – New Papermachine and building investment (the “Project”) that was established as:

X Industrial Development District and/or Plant Rehabilitation District Number 10
(the “District”) by the City of Kalamazoo on 12/16/2019, which site is located at 1500 North Pitcher St, Kalamazoo, MI 49007-2539, Kalamazoo, Michigan.

B. The Applicant has represented to the City that granting of the Certificate will enable it to complete the facility, which will create employment, retain employment, or prevent a loss of employment within the City.

C. The City has established a tax incentive policy that provides opportunities for business development, redevelopment and expansion, and more effectively uses those incentives to benefit the local economy through stimulating economic growth, creation/retention of jobs, increasing tax revenue, and providing a more favorable living and business climate.

D. The City has determined that Applicant meets the requirements within its tax incentive policy.

E. Public Act 334 of 1993, MCL 207.572, requires a written agreement between the City and the Applicant before the Michigan Department of Treasury may approve a Certificate (“Agreement”).

F. Before entering into this Agreement, Applicant has had the opportunity to review the City’s tax incentive policy as it relates to Act 198 Tax Abatements, and to seek legal counsel regarding this policy, the relevant provisions of the Act and its rights and obligations as set forth below.

NOW, THEREFORE, in consideration of the approval of the Industrial Facilities Exemption Certificate, the parties agree as follows:

1. The above recitals are acknowledged as true and correct and are incorporated by reference into this section.
2. The Applicant, as a result of the construction, restoration, replacement, or other capital investments (collectively "Improvements") to an existing or new facility or in new technology, as more fully stated in its application, shall create not less than 25 new full time equivalent jobs (15 created in first year) and relocate and retain not less than 324 full time equivalent existing jobs, as detailed below, from its existing location as a consequence of, and for the duration of, its Project. The Applicant agrees to pay the City's wage standard for such new jobs within the District, defined as an hourly rate which, on an annual basis, is equal to or exceeds:

- a. 125% of the federal poverty income guidelines from the U.S. Department of Health and Human Services for a family of three, plus health care insurance coverage; or
- b. 150% of the federal poverty income guidelines from the U.S. Department of Health and Human Services for a family of three if health benefits are not provided to the employees.

The specific categories of employment to be used by the applicant in reporting are shown below. In addition, the average wage information, per category of job is also identified below and shown as it will be reported during the annual abatement report.

JOBS INFORMATION		Initial Year of Abatement		
Jobs Category	Jobs Created		Jobs Retained	
	New Full-time Jobs	Average Weekly Wage	Full-time Jobs	Average Weekly Wage
Managerial	1	\$3,500	12	\$3,000
Professional	4	\$2,500	44	\$2,500
Technical	2	\$2,000	15	\$2,000
Sales				
Clerical			8	\$1,500
Craftsman (skilled)	8	\$1,500	41	\$1,500
Operators(semi-skilled)			193	\$2,000
Laborers (untrained)			11	\$1,200
Service				

3. Applicant expects that the costs of the proposed Improvements as the basis for which the Certificate is issued, shall be within 10 percent (10%) of the estimated amount stated in its application for the Certificate.
4. Throughout the term of this Agreement, and as long as the Certificate remains effective, Applicant shall, in addition to the requirements under section 2, perform or satisfy each of the following obligations:
 - a. The Applicant will not cease or relocate any portion of the business, facility or operations located within the District prior to the termination of the Certificate without the prior approval by the City of a transfer of the Certificate to a third party who continues adequate operations within the District or elsewhere in the City.
 - b. Applicant will pay all taxes owing under this Certificate when due, and will timely file its annual personal property tax statements with the City Assessor's Office.
 - c. The Applicant shall submit annual or other regular reports to the City and the City Assessor as required under City policy and procedure, setting forth the progress in attaining and maintaining the requirements of this Agreement and the provisions of the application for the Certificate. Applicant acknowledges its responsibility to report the Project completion within 30 days and final investment and job creation/retention

figures within 90 days of completion of the IFEC project to both the State Tax Commission and the City Assessor's Office.

d. The Applicant shall comply with all applicable City codes.

5. The parties agree that the City, in approving the tax abatement, has relied on the actions, representations, promises, and good faith of Applicant, including the estimates and expectations described in its application, to mean the state approved form for this purpose plus any supplemental information required by the City to process such application. These documents are attached and incorporated by reference as Exhibit A.

6. The term of the Certificate granted by the City shall be two consecutive six (6) periods totaling twelve (12) years for real property (building). This Agreement shall remain in force as to each Certificate granted for the term of such Certificate.

7. The parties agree that exclusive jurisdiction to commence proceedings for any disputes in this Agreement shall be in Kalamazoo County, Michigan. The City shall enforce any default of the provisions of this Agreement in law or equity, and without limitation include:

a. the right to request that the State Tax Commission either reduce the term of the abatement or revoke the Certificate prospectively.

b. the right to revoke the Certificate and terminate the District.

c. the right to require the Applicant to repay the City all abated taxes which previously benefited the Applicant for disbursement proportionately to all taxing units having taxing jurisdiction over the improvements, plus all accrued interest, penalties and administration fees

d. the right, at its option, to seek repayment of future taxes as allowed under section 21(2) of the Act, being MCL 207.571(2).

e. the right to collect any payments due under the above subsections c. and d. by either court proceedings or by adding to the next taxes due against the Applicant's property on the next tax roll of the City.

8. The City, however, shall not seek any remedy under section 7 until after all of the following have occurred:

a. The City shall have given written notice to the Applicant declaring a default and specifying the manner in which the Applicant is in default. Before a default is

declared, the City and the Applicant shall meet with appropriate representatives to discuss the claimed default and how it may be cured.

b. The Applicant has not cured that default within thirty (30) days after receiving the notice, except that if the Applicant is diligently pursuing a cure, this thirty (30) day period shall automatically be extended for an additional thirty (30) days.

9. It is understood that the City of Kalamazoo encourages the Applicant to review job applications of city residents, particularly those City of Kalamazoo residents who have completed or have participated in local employment training programs, prior to filling new jobs in its facilities. In fulfilling this requirement Applicant will make good faith efforts to consult with Michigan Works and/or other workforce development agencies identified in the list provided to the Applicant by the City as a part of this Application.

10. The Applicant shall follow the City's "Ex Offender Purchasing" policy regarding hiring new employees who will work on the Project, which is attached as Exhibit B.

11. The Applicant further agrees that if Applicant ceases its use of the Project, and another entity asks the City for a transfer of the abatement, the Applicant will cooperate with the City regarding the transfer by advising the transferee or new owner of the terms and conditions of this Agreement and by assisting the City to obtain the signature of the authorized agent of the transferee or new owner on this Agreement or one substantively the same.

12. Notices required under this Agreement are effective if done in writing and forwarded or delivered to the other party (i) in person, or (ii) through a nationally recognized overnight courier, or by first-class or certified mail-return receipt requested, with postage fully pre-paid, and addressed to the parties at the last known address in the City of Kalamazoo.

13. If the various sections and provisions of this Agreement are declared unconstitutional or invalid by any court of competent jurisdiction, the same shall not affect the validity of the Agreement as a whole or any other section or provision except the section or provision declared to be unconstitutional or invalid.

14. The benefits and obligations under this Agreement shall accrue to and shall bind the successors, assignees, and transferees of the Applicant.

15. This Agreement contains all of the terms of the Agreement between the parties with respect to its subject matter and may be amended only in writing signed by both parties.

IN WITNESS WHEREOF, the parties have executed this Agreement on the day and year first above written.

Signed in the presence of:

CITY OF KALAMAZOO

By _____

Its _____

Kelly Williams

Graphic Packaging International, LLC

By: Andrew H. Johnson

Its: VP Government Affairs & Sustainability

F:\John\ Tax Abatement Agreement - PA 198
Revised 8/01/07
Revision 9/2/09
Revision 3/15/12

Exhibit A

Application for Industrial Facilities Tax Exemption Certificate

Issued under authority of Public Act 198 of 1974, as amended. Filing is mandatory.

INSTRUCTIONS: File the original and two copies of this form and the required attachments (three complete sets) with the clerk of the local government unit. The State Tax Commission (STC) requires two complete sets (one original and one copy). One copy is retained by the clerk. If you have any questions regarding the completion of this form or would like to request an informational packet, call (517) 373-3272.

To be completed by Clerk of Local Government Unit	
Signature of Clerk	▶ Date received by Local Unit
STC Use Only	
▶ Application Number	▶ Date Received by STC

APPLICANT INFORMATION

All boxes must be completed.

▶ 1a. Company Name (Applicant must be the occupant/operator of the facility) Graphic Packaging International, LLC		▶ 1b. Standard Industrial Classification (SIC) Code - Sec. 2(10) (4 or 6 Digit Code) 2631	
▶ 1c. Facility Address (City, State, ZIP Code) (real and/or personal property location) 1500 North Pitcher Street, Kalamazoo, MI 49007-2539		▶ 1d. City/Township/Village (indicate which) City of Kalamazoo	▶ 1e. County Kalamazoo
▶ 2. Type of Approval Requested ☒ New (Sec. 2(4)) ☐ Transfer (1 copy only) ☐ Speculative Building (Sec. 3(8)) ☐ Rehabilitation (Sec. 3(1)) ☐ Research and Development (Sec. 2(9))		▶ 3a. School District where facility is located Kalamazoo Public Schools	▶ 3b. School Code 39010
4. Amount of years requested for exemption (1-12 Years) 2 Consecutive 6 year periods (6 years + 6 years = 12 years)			
5. Per section 5, the application shall contain or be accompanied by a general description of the facility and a general description of the proposed use of the facility, the general nature and extent of the restoration, replacement, or construction to be undertaken, a descriptive list of the equipment that will be part of the facility. Attach additional page(s) if more room is needed. Please see Attachment A			
6a. Cost of land and building improvements (excluding cost of land) * Attach list of improvements and associated costs. * Also attach a copy of building permit if project has already begun.		▶ \$191000000 Real Property Costs	
6b. Cost of machinery, equipment, furniture and fixtures * Attach itemized listing with month, day and year of beginning of installation, plus total		▶ \$0 Personal Property Costs	
6c. Total Project Costs * Round Costs to Nearest Dollar		▶ \$191000000 Total of Real & Personal Costs	
7. Indicate the time schedule for start and finish of construction and equipment installation. Projects must be completed within a two year period of the effective date of the certificate unless otherwise approved by the STC.			
Begin Date (M/D/Y) End Date (M/D/Y) Real Property Improvements ▶ 12/16/2019 12/31/2021 ▶ ☒ Owned ☐ Leased Personal Property Improvements ▶ ▶ ☐ Owned ☐ Leased			
▶ 8. Are State Education Taxes reduced or abated by the Michigan Economic Development Corporation (MEDC)? If yes, applicant must attach a signed MEDC Letter of Commitment to receive this exemption. ☒ Yes ☐ No			
▶ 9. No. of existing jobs at this facility that will be retained as a result of this project. 324		▶ 10. No. of new jobs at this facility expected to create within 2 years of completion. 25	
11. Rehabilitation applications only: Complete a, b and c of this section. You must attach the assessor's statement of SEV for the entire plant rehabilitation district and obsolescence statement for property. The Taxable Value (TV) data below must be as of December 31 of the year prior to the rehabilitation.			
a. TV of Real Property (excluding land)			
b. TV of Personal Property (excluding inventory)			
c. Total TV			
▶ 12a. Check the type of District the facility is located in: ☒ Industrial Development District ☐ Plant Rehabilitation District			
▶ 12b. Date district was established by local government unit (contact local unit) 12/16/2019		▶ 12c. Is this application for a speculative building (Sec. 3(8))? ☐ Yes ☒ No	

APPLICANT CERTIFICATION - complete all boxes.

The undersigned, authorized officer of the company making this application certifies that, to the best of his/her knowledge, no information contained herein or in the attachments hereto is false in any way and that all are truly descriptive of the industrial property for which this application is being submitted.

It is further certified that the undersigned is familiar with the provisions of P.A. 198 of 1974, as amended, being Sections 207.551 to 207.572, inclusive, of the Michigan Compiled Laws; and to the best of his/her knowledge and belief, (s)he has complied or will be able to comply with all of the requirements thereof which are prerequisite to the approval of the application by the local unit of government and the issuance of an Industrial Facilities Exemption Certificate by the State Tax Commission.

13a. Preparer Name Andy Johnson	13b. Telephone Number 770-240-7922	13c. Fax Number	13d. E-mail Address Andrew.johnson@graphicpkg.co
14a. Name of Contact Person same as above	14b. Telephone Number	14c. Fax Number	14d. E-mail Address
▶ 15a. Name of Company Officer (No Authorized Agents) same as above			
15b. Signature of Company Officer (No Authorized Agents)		15c. Fax Number	15d. Date
▶ 15e. Mailing Address (Street, City, State, ZIP Code) 1500 Riveredge Pkwy NW, Suite 100, Atlanta, GA 30328		15f. Telephone Number 770-240-7922	15g. E-mail Address Andrew.johnson@graphicpkg.co

LOCAL GOVERNMENT ACTION & CERTIFICATION - complete all boxes.

This section must be completed by the clerk of the local governing unit before submitting application to the State Tax Commission. Check items on file at the Local Unit and those included with the submittal.

▶ 16. Action taken by local government unit ☐ Abatement Approved for _____ Yrs Real (1-12), _____ Yrs Pers (1-12) After Completion ☐ Yes ☐ No ☐ Denied (Include Resolution Denying)	16b. The State Tax Commission Requires the following documents be filed for an administratively complete application: Check or Indicate N/A if Not Applicable ☐ 1. Original Application plus attachments, and one complete copy ☐ 2. Resolution establishing district ☐ 3. Resolution approving/denying application. ☐ 4. Letter of Agreement (Signed by local unit and applicant) ☐ 5. Affidavit of Fees (Signed by local unit and applicant) ☐ 6. Building Permit for real improvements if project has already begun ☐ 7. Equipment List with dates of beginning of installation ☐ 8. Form 3222 (if applicable) ☐ 9. Speculative building resolution and affidavits (if applicable)
16a. Documents Required to be on file with the Local Unit Check or Indicate N/A if Not Applicable ☐ 1. Notice to the public prior to hearing establishing a district. ☐ 2. Notice to taxing authorities of opportunity for a hearing. ☐ 3. List of taxing authorities notified for district and application action. ☐ 4. Lease Agreement showing applicants tax liability.	
16c. LUCI Code	16d. School Code
17. Name of Local Government Body	▶ 18. Date of Resolution Approving/Denying this Application

Attached hereto is an original and one copy of the application and all documents listed in 16b. I also certify that all documents listed in 16a are on file at the local unit for inspection at any time.

19a. Signature of Clerk	19b. Name of Clerk	19c. E-mail Address
19d. Clerk's Mailing Address (Street, City, State, ZIP Code)		
19e. Telephone Number	19f. Fax Number	

State Tax Commission Rule Number 57: Complete applications approved by the local unit and received by the State Tax Commission by October 31 each year will be acted upon by December 31. Applications received after October 31 may be acted upon in the following year.

Local Unit: Mail one original and one copy of the completed application and all required attachments to:

State Tax Commission
Michigan Department of Treasury
P.O. Box 30471
Lansing, MI 48909-7971

(For guaranteed receipt by the STC, it is recommended that applications are sent by certified mail.)

STC USE ONLY				
▶ LUCI Code	▶ Begin Date Real	▶ Begin Date Personal	▶ End Date Real	▶ End Date Personal

Instruction for Completing Form 1012, Industrial Facilities Tax Exemption (IFT) Application

The completed original application form 1012 and all required attachments, plus two additional copies, **MUST** be filed with the clerk of the local unit of government where the facility is or will be located. Complete applications must be received by the State Tax Commission by October 31 to ensure processing and certification for the following tax year. Applications received after the October 31 deadline will be processed as expeditiously as possible.

Please note that attachments listed on the application in number 16a are to be retained by the local unit of government, and attachments listed in number 16b are to be included with the application when forwarding to the State Tax Commission (STC).

(Before commencement of a project the local unit of government must establish a district, or the applicant must request in writing a district be established, in order to qualify for an IFT abatement. Applications and attachments must be received by the local unit of government within six months of commencement of project.)

The following information is required on separate documents attached to form 1012 by the applicant and provided to the local unit of government (city, township or village) in triplicate. (Providing an accurate school district where the facility is located is vital.)

1. Legal description of the real property on which the facility is or will be located. Also provide property identification number if available.
2. Personal Property Requirements: Complete list of new machinery, equipment, furniture and fixtures which will be used in the facility. The list should include description, beginning date of installation or expected installation by month/day/year, and costs or expected costs (see sample). Detail listing of machinery and equipment must match amount shown on question 6b of the application. Personal property applications must have attached a certified statement/affidavit as proof of the beginning date of installation (see sample).
3. Real Property Requirements: Proof of date the construction started (groundbreaking). Applicant must include one of the following if the project has already begun; building permit, footings inspection report, or certified statement/affidavit from contractor indicating exact date of commencement.
4. Complete copy of lease agreement as executed, if

applicable, verifying lessee (applicant) has direct ad valorem real and/or personal property tax liability. The applicant must have real and/or personal property tax liability to qualify for an IFT abatement on leased property. If applying for a real property tax exemption on leased property, the lease must run the full length of time the abatement is granted by the local unit of government.

The following information is required of the local unit of government: [Please note that only items 2, 4, 5, 6, & 7 below are forwarded to the State Tax Commission with the application, along with items 2 & 3 from above. The original and one complete copy are required by the STC. The remaining items are to be retained at the local unit of government for future reference. **(The local unit must verify that the school district listed on all IFT applications is correct.)**]

1. A copy of the notice to the general public and the certified notice to the property owners concerning the establishment of the district.
2. Certified copy of the resolution establishing the Industrial Development District (IDD) or Plant Rehabilitation District (PRD), which includes a legal description of the district (see sample). If the district was not established prior to the commencement of construction, the local unit shall include a certified copy or date stamped copy of the written request to establish the district.
3. Copy of the notice and the certified letters to the taxing authorities regarding the hearing to approve the application.
4. Certified copy of the resolution approving the application. The resolution must include the number of years the local unit is granting the abatement and the statement "the granting of the Industrial Facilities Exemption Certificate shall not have the effect of substantially impeding the operation of (governmental unit), or impairing the financial soundness of a taxing unit which levies ad valorem property taxes in (governmental unit – see sample).
5. Letter of Agreement (signed by the local unit of government and the applicant per P.A. 334 of 1993 (see sample).

6. Affidavit of Fees (signed by the local unit of government and the applicant), (Bulletin 3, January 16, 1998). This statement may be incorporated into the Letter of Agreement (see sample).
7. Treasury Form 3222 (if applicable) - Fiscal Statement for Tax Abatement Request.

The following information is required for rehabilitation applications in addition to the above requirements:

1. A listing of existing machinery, equipment, furniture and fixtures which will be replaced or renovated. This listing should include description, beginning date of installation or expected installation by month/day/year, and costs or expected costs.
2. A rehabilitation application must include a statement from the Assessor showing the taxable valuation of the plant rehabilitation district, separately stated for real property (EXCLUDING LAND) and personal property. Attach a statement from the assessor indicating the obsolescence of the property being rehabilitated.

The following information is required for speculative building applications in addition to the above requirements:

1. A certified copy of the resolution to establish a speculative building.
2. A statement of non-occupancy from the owner and the assessor.

Please refer to the following Web site for P.A. 198 of 1974:
<http://www.legislature.mi.gov/>.

For guaranteed receipt by the State Tax Commission, it is recommended that applications and attachments are sent by certified mail.

Application for Industrial Facilities Tax Exemption Certificate

Attachment A

Graphic Packaging International ("GPI") is expecting to invest approximately \$615,000,000 for a new paper machine, building for that new machine and warehouse. The investment will be located on site at the Company's Kalamazoo Mill facility. The investment will address brownfield considerations related to several properties that were purchased with clean up and construction of a manufacturing building and warehouse. The investment will position GPI with a low cost high quality recycled paperboard operation providing a level of long term viability for the facility. The facility will manufacture over 40% of the North America Coated Recycled Paperboard. This will support the community with high paying jobs, retention of these jobs and an increase demand for recycled paper that can be supplied in the region which will divert that recycled paper from landfills.

Capital Investment Detail

Updated: 06/29/2020

Projected project costs - \$615M

Real Property - \$191M

	Year 1	Year 2	Year 3	Year 4	
	2019	2020	2021	2022	Total
Capital Investment					
Land Costs	\$2	\$3			\$5
Building - New Construction	\$5	\$50	\$25		\$80
Building - Purchase of Existing		\$5			\$5
Building - Renovations	\$10	\$20	\$20		\$50
Allocated Labor and Engineering	\$2	\$33	\$17		\$51
Building - Annual Lease Cost					\$0
Building - Leasehold Improvements					\$0
Total land and building costs	\$19	\$111	\$62	\$0	\$191

Exhibit B

Ex-Offender Purchasing Policy

Subject: EX-OFFENDER PURCHASING POLICY**No. 70.7****Date: May 16, 2016****Page: 1 of: 2**

PURPOSE:

The City Commission has committed to taking a leadership role in fostering collective action to reduce unacceptable poverty in Kalamazoo. Part of that effort includes ensuring that the local firms with whom the City does business shares the commitment of the City that hiring practices do not unfairly deny people with arrest and conviction records gainful employment, thereby encouraging rehabilitation, reducing recidivism, and strengthening families.

SCOPE:

The following policy shall be in effect regarding the purchasing and contracting of materials, supplies, capital outlay or services, including professional services, for the construction, maintenance, repair, and operation of City facilities. As used in this Policy, the term "bidder" includes subcontractors used by the bidder to provide the contracted for goods and services to the City.

POLICY:

1. For the purposes of determining a responsible bidder, including any subcontractor of the bidder, in the award of a purchase or contract of over \$25,000, such bidder shall certify that it has eliminated any question or inquiry about prior arrests or convictions from initial job applications and that it does not preclude an individual with a criminal conviction from being considered for employment, except for reasons that are a) job—related and consistent with business necessity or b) to comply with federal or state law.
2. A bidder subject to this policy shall, at the time of response to an invitation for bids or a request for proposals, submit a copy of its current application for employment form and certify in writing that it satisfies one or more of the following conditions:
 - That pursuant to federal or state law bidder is precluded from hiring persons with certain criminal records from holding particular positions or engaging in certain occupations by providing a cite to the applicable statute or regulation;
 - That bidder conducts criminal history background checks only as necessary, and only after making a conditional offer of employment; that any withdrawal of an offer of employment to an individual because of a past criminal history is job-related and consistent with business necessity after the individual has been provided an individualized assessment opportunity to review and challenge or supplement the history of past criminal conduct being relied upon by the bidder;

Subject: EX-OFFENDER PURCHASING POLICY**No. 70.7****Date: May 16, 2016****Page: 2 of: 2**

- That the use by bidder of criminal history background checks complies with the U.S. Equal Employment Opportunity Commission's Enforcement Guidance on the Consideration of Arrest and Conviction Records in Employment Decisions and there has not been a finding of unlawful employment discrimination by a state or federal agency or court of competent jurisdiction regarding the use of arrest or conviction records by the bidder for the past 7 years.
3. The failure to submit the documentation required by this policy shall render the bid or proposal submitted as being deemed non-responsive.

EFFECTIVE DATE: June 1, 2016**SEE ALSO:**City Commission Policy 70.5 entitled *Purchasing Policy***HISTORY:**

On August 18, 2008 the City Commission adopted Resolution 08-68, which created an Ex- Offender Purchasing Policy.

On May 16, 2016 the City Commission adopted Resolution 16-XX which defined the term "bidder"; required documentary proof that a bidder had eliminated any question regarding criminal history on its application for employment; and required that bidder employed practices to prevent the use of criminal history to unlawfully discriminate.



City Commission Agenda Report

City of Kalamazoo

Date: **8/17/2020**

Item: **G.1.**

TO: Mayor Anderson, Vice Mayor Griffin, and City Commissioners

FROM: James K. Ritsema, ICMA-CM, City Manager
Reviewed by: James J. Baker, PE, Public Services Director and City Engineer
Prepared by: Eric T. Sajtar, PE, Senior Civil Engineer – Water Resources

DATE: August 17, 2020

SUBJECT: Agreement for Construction Engineering Services for the Super High Pressure District Elevated Water Storage Tank (Bid Ref# 92500-002.0.6)

RECOMMENDATION:

It is recommended that the City Commission approve a Professional Service Agreement with Jones and Henry for construction engineering services for the Super High Pressure District Elevated Water Storage Tank in the amount of \$235,000.

BACKGROUND:

The City of Kalamazoo identified the construction of the Super High Pressure District Elevated Water Storage Tank as a priority for 2020. Construction of the elevated water storage tank will resolve an approximate 1.5 million gallon deficit of elevated water storage in the Super High Pressure District and will assist in stabilizing system pressures south of I-94. Completion of this project is necessary to improve the reliability of the City's water distribution system.

Water Resources staff have worked with Jones and Henry during the construction of other water towers owned by the City and reached out to Jones and Henry for a proposal for construction engineering services. Jones and Henry is a prequalified consultant for water engineering. Jones and Henry provided a quote of \$235,000 for the requested services. Jones and Henry has performed well on similar projects for the City in the past and Water Resources recommends approval of the purchase order.

STRATEGIC VISION ALIGNMENT:

Relevant Priority Based Budgeting Program (program name and description):

Water Distribution System Operation and Maintenance

Strategic Goal Impact:



Safe Community- Creating a safe environment for living, working, and playing

COMMUNITY ENGAGEMENT:

Appropriate Depth of Engagement

Inform (one-way conversation) – no feasible alternatives available due to legal/regulatory restrictions, standards and best practices, or resource limitations; the community will be made aware of the project.

Discussion:

Water Resources has been working with Texas Township and EGLE on this project. Impacted residents will be notified prior to construction via media release regarding the project.

Engagement/Communication Tools

FISCAL IMPACT:

The budget for this project was included in the Water Fund 2020 Adopted Capital Improvement Plan, Project#wat0200080 for a total of \$6,000,000 in 2020 and 2021. In addition, carryforward dollars from prior year budget are available. There is adequate funding remaining in the 2020 portion of this project to fund the cost of this proposed contract.



City Commission Agenda Report

City of Kalamazoo

Date: **8/17/2020**

Item: **G.2.**

TO: Mayor Anderson, Vice Mayor Griffin, and City Commissioners

FROM: James K. Ritsema, ICMA-CM, City Manager
Reviewed by: James J. Baker, PE, Public Services Director and City Engineer
Prepared by: James Cornell, Wastewater Division Manager

DATE: August 17, 2020

SUBJECT: Powder Activated Carbon Contract Supplemental (Bid Ref#190-39-013.3)

RECOMMENDATION:

It is recommended that the City Commission approve a Contract Supplemental for a month to month contract extension to purchase Powdered Activated Carbon from Omni Materials, Incorporated of Maysville, Kentucky. The month to month contract supplemental will run from June 1, 2020 through November 31, 2020 for a total amount of \$511,500.

BACKGROUND:

The City of Kalamazoo has completed the prequalification process for approving vendors of powdered activated carbons (PAC) for use at the Kalamazoo Water Reclamation Plant. The City is currently in the process of competitively bidding the PAC carbons. In the interim the currently carbon supplier Omni Materials has extended their current price to the City on a month to month basis while the new contract is out for bid.

The Water Reclamation Plant uses powdered activated carbon as a weighting agent to improve settling and as an adsorption aid to remove trace organics and toxic materials from the waste stream. These and other materials are adsorbed onto the surface of the carbon and removed when a portion of the aeration tank solids are wasted each day.

Carbon is qualified through a three-step process with literature review of technical specifications, two bench scale absorptivity tests, and the successful feeding and performance in the Water Reclamation Plant. The contract extension proposed by Omni Materials Incorporated is the same price per pound that we currently pay.

STRATEGIC VISION ALIGNMENT:

Relevant Priority Based Budgeting Program (program name and description):
Chemical Usage and Treatment Efficiency Analysis – Analyze chemical usage and plant treatment efficiency.

Strategic Goal Impact:



Safe Community- Creating a safe environment for living, working, and playing

COMMUNITY ENGAGEMENT:

Appropriate Depth of Engagement

Inform (one-way conversation) – no feasible alternatives available due to legal/regulatory restrictions, standards and best practices, or resource limitations; the community will be made aware of the project.

FISCAL IMPACT:

The Contract will run from June 1, 2020 through November 31, 2020. The \$511,500 in funds for this contract are in the 2020 Wastewater Operation and Maintenance budget.



City Commission Agenda Report

City of Kalamazoo

Date: **8/17/2020**

Item: **G.3.**

TO: Mayor Anderson, Vice Mayor Griffin, and City Commissioners

FROM: James K. Ritsema, ICMA-CM, City Manager
Reviewed by: James J. Baker, PE, Public Services Director and City Engineer
Prepared by: Anthony Ladd, PE, Assistant City Engineer – Public Works

DATE: August 17, 2020

SUBJECT: Contract Supplemental and Change Order to 2019 City Streets Concrete Project with Peters Construction (Bid Reference #91350-002.0)

RECOMMENDATION:

It is recommended that the City Commission approve a contract supplemental and change order to the current contract with Peters Construction for the City Streets Sidewalk Project in the amount of \$195,072.13. This supplemental to the existing contract would be to perform additional sidewalk repairs to local City streets.

BACKGROUND:

On July 3, 2019, bids were opened for the 2019 City Streets Concrete Project. The 2019 streets to receive concrete curb and gutter and sidewalk work were listed in adopted budget.

These streets have since been repaired and now we are attempting to add several others due to the increased budget amount to this project and the urgency in which they need to be done.

STRATEGIC VISION ALIGNMENT:

Relevant Priority Based Budgeting Program:
Concrete Surfaces Repair & Replacement

Strategic Goal Impact:



Connected City - A City networked for walking, biking, riding, and driving

Discussion - Repair/Replace concrete roads or sub-base that has failed on major streets within the city.

COMMUNITY ENGAGEMENT:

Appropriate Depth of Engagement

Inform (one-way conversation) – no feasible alternatives available due to legal/regulatory restrictions, standards and best practices, or resource limitations; the community will be made aware of the project.

FISCAL IMPACT:

The 2020 Foundation for Excellence Aspirational Projects 2020 Adopted Budget included \$1,000,000 for Neighborhood Sidewalks, project #ffe0310005. In addition, carryforward funds are available for this project in 2020. There is adequate budget remaining in this project to fund the cost of the proposed contract.



City Commission Agenda Report

City of Kalamazoo

Date: **8/17/2020**

Item: **G.4.**

TO: Mayor Anderson, Vice Mayor Griffin, and City Commissioners

FROM: James K. Ritsema, ICMA-CM, City Manager
Reviewed by: Steve Vicenzi, Director Management Services / CFO
Prepared by: Stephanie Barr, City Treasurer

DATE: August 17, 2020

SUBJECT: Contract Extension for Water Meter Reading Services (Bid Ref#968-58-006.3)

RECOMMENDATION:

It is recommended that the City Commission approve a one-year contract extension with Olameter for water meter reading services in the amount of \$383,666.12.

BACKGROUND:

Olameter has provided this service since September 2015. Olameter is familiar with the meter system for the City of Kalamazoo's and the expected standards for providing services to the Management Services Department's Treasury Division.

The proposal for the extension of services through August 31, 2021 includes a 1% increase in price, and a slight decrease in the projected number of actual reads. However, it is expected the number of meter reads will begin to decrease substantially by the end of 2021 with the implementation of the smart meter program.

STRATEGIC VISION ALIGNMENT:

Strategic Goal Impact:



Good Governance- Ensuring the City organization has the capacity and resources to effectively implement the community's Strategic Vision in a way that is sustainable over the long term.

COMMUNITY ENGAGEMENT:

Appropriate Depth of Engagement

Inform (one-way conversation) – no feasible alternatives available due to legal/regulatory restrictions, standards and best practices, or resource limitations; the community will be made aware of the project.

FISCAL IMPACT:

Funds for this contract were included in the Management Services Department, Treasury Division operating budget within the 2020 General Fund Adopted Budget and will be budgeted in 2021 for that portion of the contract.



City Commission Agenda Report

City of Kalamazoo

Date: **8/17/2020**

Item: **G.5.**

TO: Mayor Anderson, Vice Mayor Griffin, and City Commissioners

FROM: James K. Ritsema, ICMA-CM, City Manager

REVIEWED BY: James J. Baker, PE, Public Services Director

PREPARED BY: Stephen A. Skalski, PE, Assistant City Engineer – Water Resources

DATE: August 17, 2020

SUBJECT: Contract Supplemental and Purchase Order with Peters Construction for the Crosstown Water Emergency (Bid Reference #91350-002.0)

RECOMMENDATION:

Public Services recommends that the City Commission approves Contract Supplemental and Purchase Order with Peters Construction for the Crosstown Parkway Water Main Emergency, in the amount of \$725,428.

BACKGROUND:

On July 27th, 2020, the 12 inch transmission water main on Crosstown Parkway broke just west of Park Street, and caused catastrophic damage to the roadway. This was the second break in the general vicinity in the past year, as the 8 inch distribution water main on the opposite side of the roadway broke in September of 2019 which also caused significant damage to the roadway. It was decided that in order to prevent further damage to the roadway, the entire length of 12 inch transmission main and 8 inch distribution water main between Park Street and Westnedge Avenue would be replaced with a single 24 inch water main. This was decision was validated when the 12 inch transmission water main broke again on August 8th, 2020.

Water Resources quickly designed and permitted the replacement water main, and reached out to contractors working nearby to have them expedite quotes to replace the water main and make repairs to the roadway. Quotes were turned in to purchasing on 8/14/2020. Three (3) quotes received, with Peters Construction being the lowest. Peters Construction has performed similar work in the past and Public Services recommends approval of this Supplemental and Purchase

Order.

STRATEGIC VISION ALIGNMENT:

Relevant Priority Based Budgeting Program (program name and description):

Water Distribution System Operation and Maintenance

Strategic Goal Impact:



Safe Community- Creating a safe environment for living, working, and playing

COMMUNITY ENGAGEMENT:

Appropriate Depth of Engagement

Inform (one-way conversation) – no feasible alternatives available due to legal/regulatory restrictions, standards and best practices, or resource limitations; the community will be made aware of the project.

Engagement/Communication Tools

Water Resources communicated quickly with EGLE permit engineers to design replacement water main for the project.

FISCAL IMPACT:

Due to the emergency nature, this project was not planned in the 2020 Water Fund Capital Plan Budget. However, there is excess funding from other capital projects that will be utilized to cover the emergency needs of this project.



City Commission Agenda Report

City of Kalamazoo

Date: **8/17/2020**

Item: **G.6.**

TO: Mayor Anderson, Vice Mayor Griffin, and City Commissioners

FROM: James K. Ritsema, ICMA-CM, City Manager
Reviewed by: Rebekah, Kik, Director of Community Planning & Econ. Dev.
Prepared by: Pete Eldridge, Assistant City Planner

DATE: August 17, 2020

SUBJECT: A first reading on the request to rezone 118 Fellows Avenue and 110, 114, 120 and 124 Burr Oak Street to Zone RM-36 (Residential – Multi Dwelling District) from Zone CN-1 (Commercial – Neighborhood District) and Zone CC (Commercial – Community District) and to schedule a public hearing on the request on September 8, 2020.

RECOMMENDATION:

It is recommended that the City Commission offer for first reading an ordinance to rezone 118 Fellows Avenue and 110, 114, 120 and 124 Burr Oak Street from Zone CN-1 (Commercial – Neighborhood District) and Zone CC (Commercial – Community District) to Zone RM-36 (Residential – Multi Dwelling District); and schedule a public hearing on September 8, 2020.

BACKGROUND:

Kalamazoo Neighborhood Housing Services (KNHS) acquired these properties in the Vine Neighborhood between 2016 and 2018. The properties either have or had residential structures on them. The KNHS Home Ownership program hopes to utilize these lots for infill housing providing five residential building sites.

The current zoning of CC (Community Commercial) and CN-1 (Commercial Neighborhood) limit the use of the properties for residential as both districts prohibit ground floor residential uses. This is in conflict with the size and scale of the lots and the adjacent streets. Fellows Avenue is a narrow, court-style street that historically has been residential in use. Burr Oak Street has a mix of uses but is not a commercial mixed-use street like adjacent Burdick Street.

STRATEGIC VISION ALIGNMENT:

Relevant Priority Based Budgeting Program (program name and description):

Shared Prosperity - The resulting infill housing will increase affordable owner - occupied housing near the downtown.

Strategic Goal Impact:



Good Governance- Ensuring the City organization has the capacity and resources to effectively implement the community's Strategic Vision in a way that is sustainable over the long term.

Discussion - This rezoning helps further align the Zoning Map with the vision of Future Land Use Map.



Economic Vitality - A supportive infrastructure for growing businesses and stabilizing the local economy for the benefit of all.

Discussion - The KNHS incentive-based program is creating a pathway toward home ownership

COMMUNITY ENGAGEMENT:

Appropriate Depth of Engagement

Consult - The community will have a chance to react to the project through two-way communication.

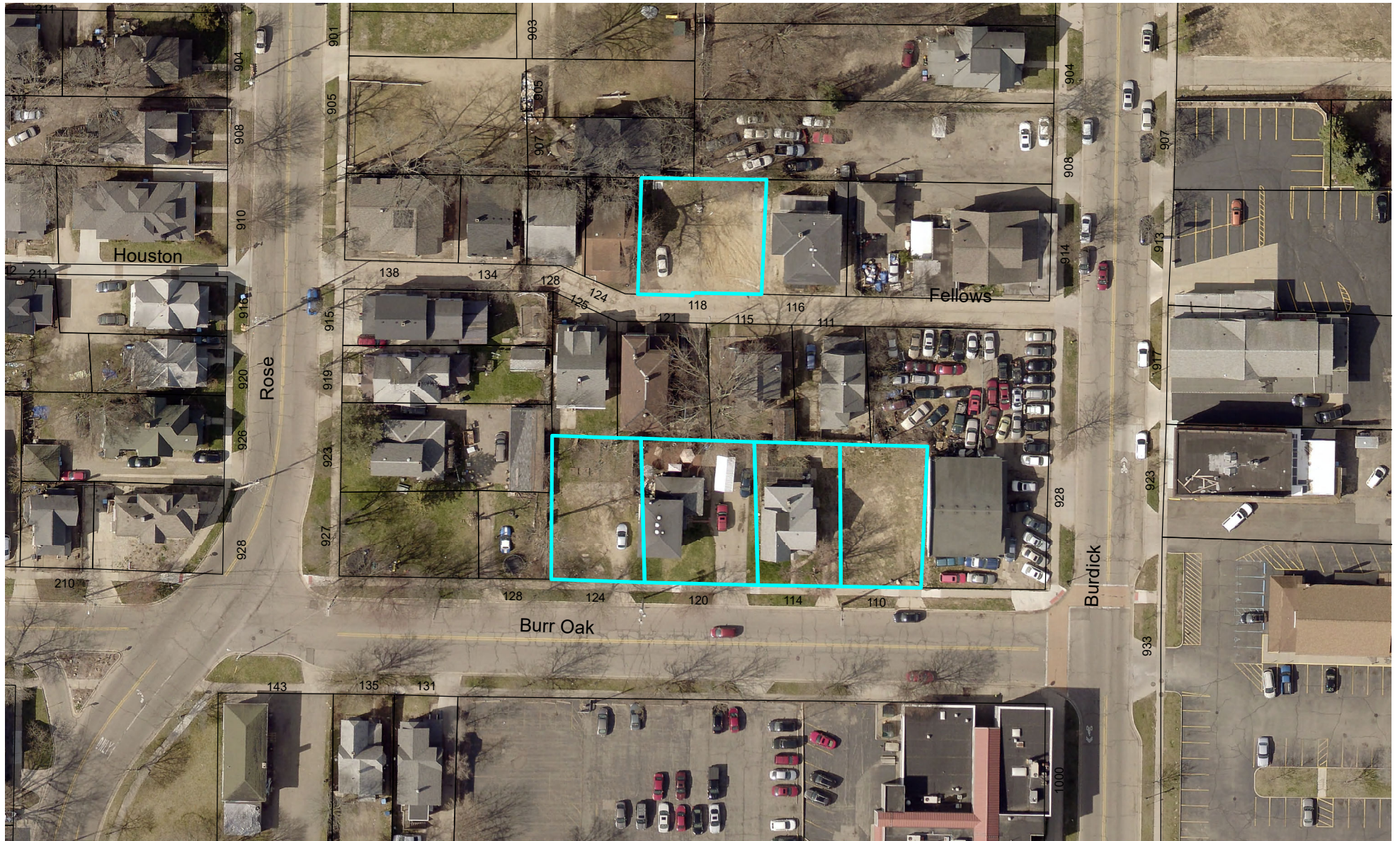
Discussion: A rezoning involves notification for the public hearing per the Michigan Planning and Zoning Enabling Act of all property owners within 300 feet by the City of Kalamazoo. In addition, staff also provides notice to the Neighborhood Association.

Engagement/Communication Tools: KNHS also conducted outreach efforts including a presentation to the Vine Neighborhood Association Board, sending letters to adjacent property owners to explain the project and mailing fliers to additional nearby property owners.

FISCAL IMPACT:

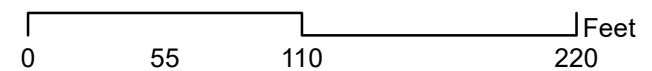
The properties are not being actively used for commercial purposes despite their commercial zoning designations. Rezoning them to a residential district will put these properties into active use.

**P.C. #2020.10 – 118 Fellows Ave. / 110, 114, 120 and 124 Burr Oak St.
Rezoning Request from CC and CN-1 to RM-36**



P.C. #2020.10 – 118 Fellows Ave. / 110, 114,
120 and 124 Burr Oak St.

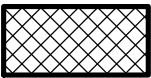
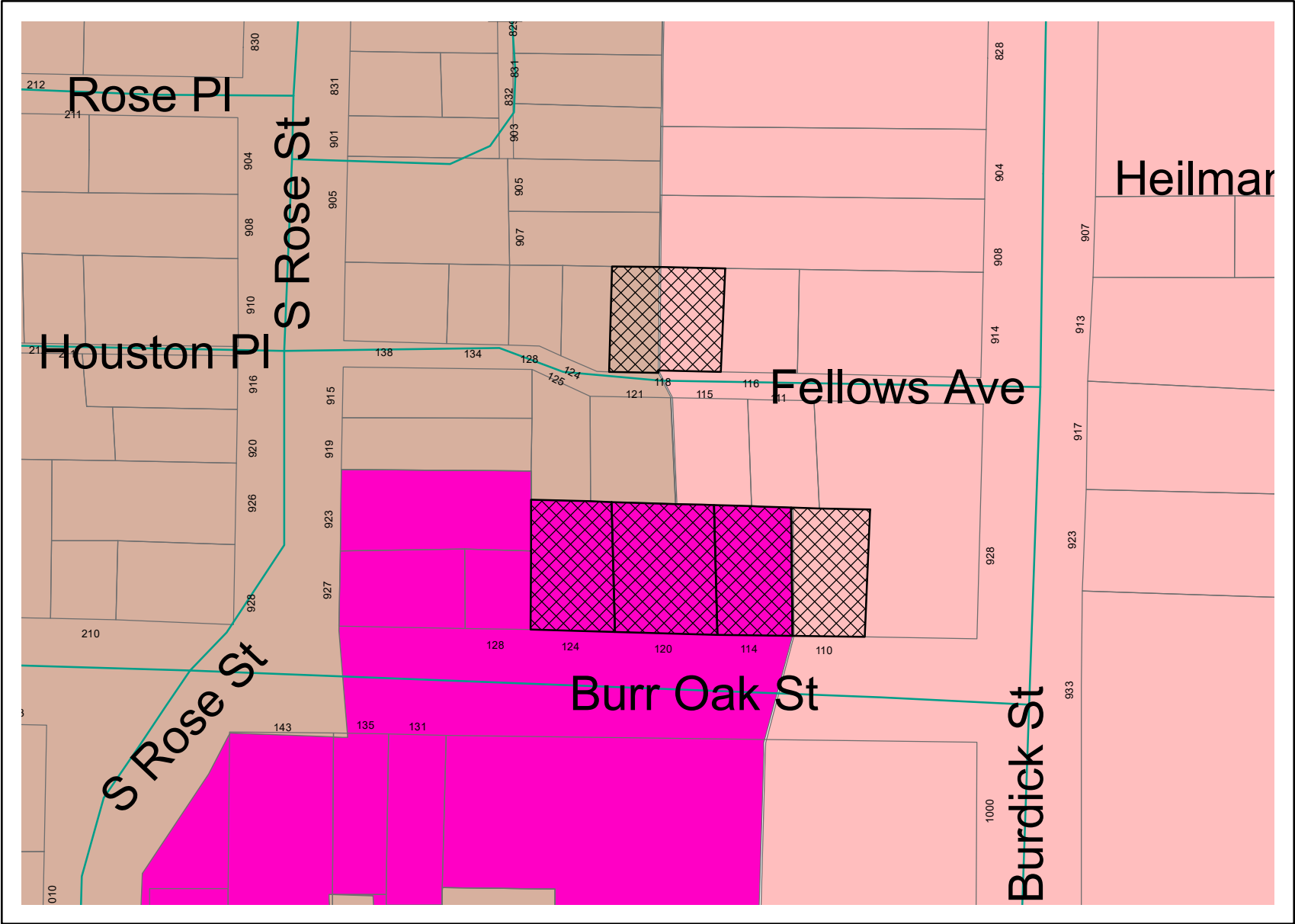
Rezoning Request from CC and CN-1 to RM-36



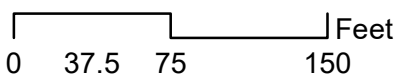
P.C. #2020.10 – 118 Fellows Ave. / 110, 114, 120 and 124 Burr Oak St.
Rezoning Request from CC and CN-1 to RM-36

**Current
Zoning**

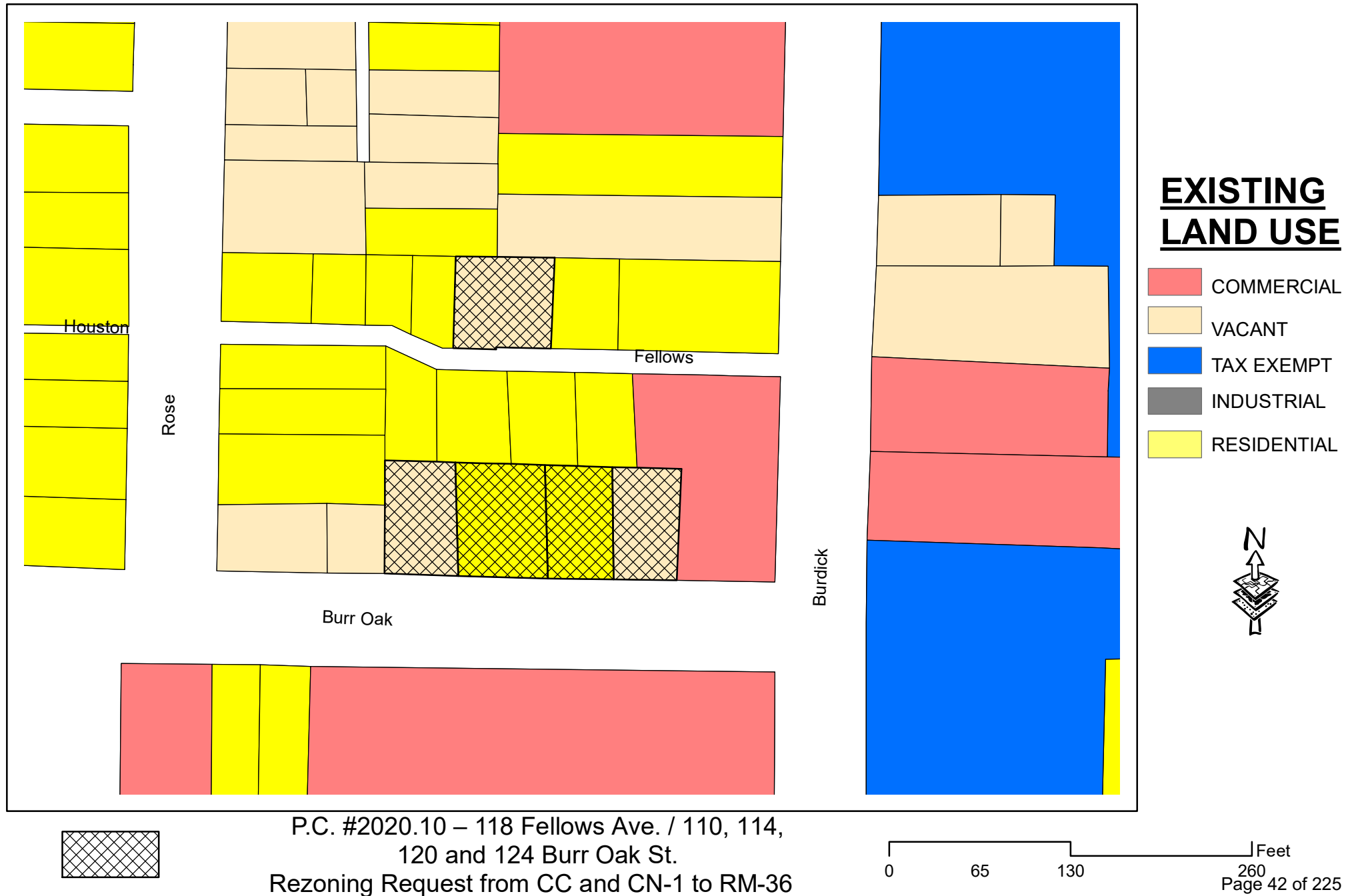
- CC
- CN-1
- RM-36



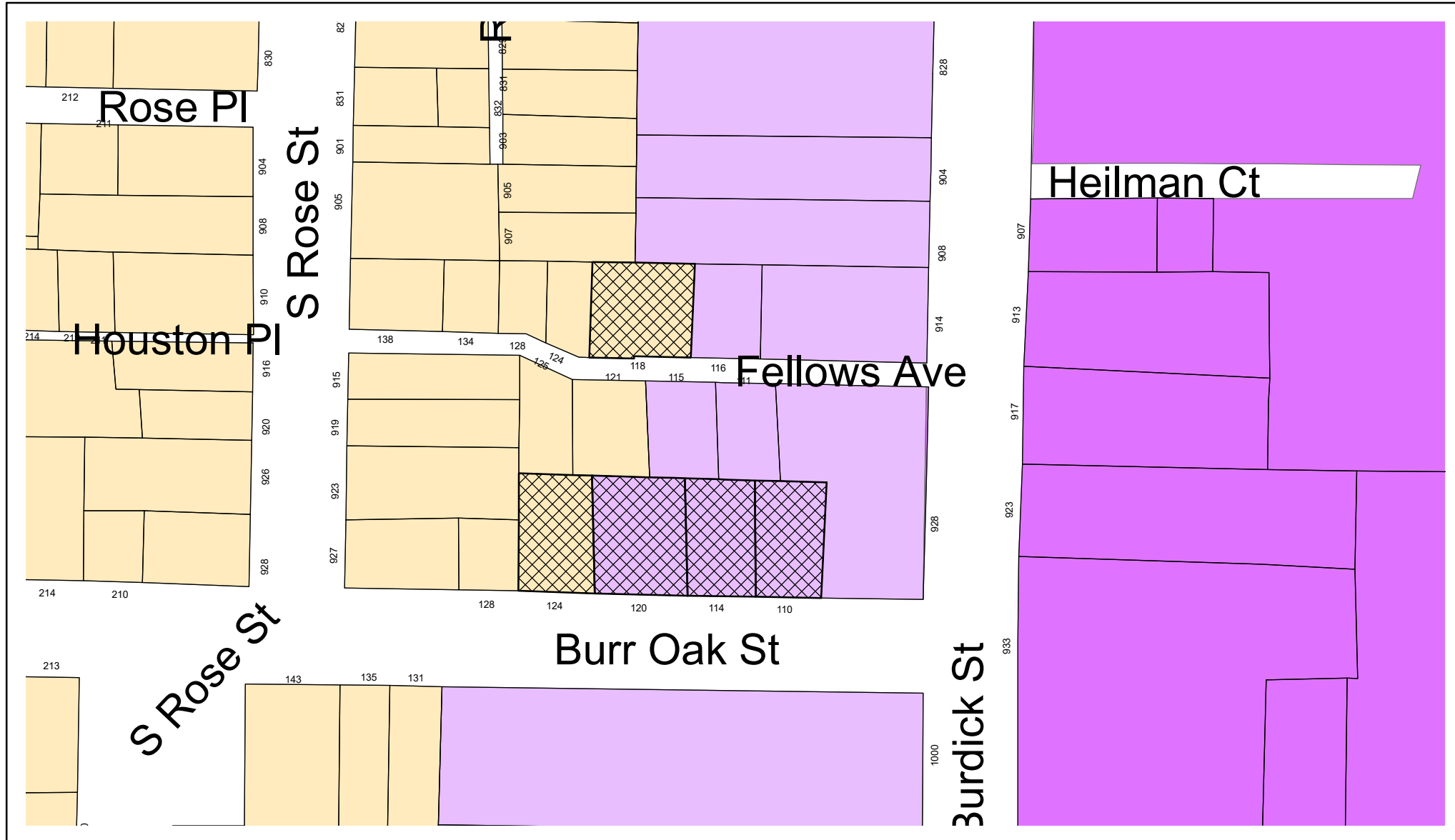
P.C. #2020.10 – 118 Fellows Ave. / 110, 114, 120 and 124 Burr Oak St.
Rezoning Request from CC and CN-1 to RM-36



**P.C. #2020.10 – 118 Fellows Ave. / 110, 114, 120 and 124 Burr Oak St.
Rezoning Request from CC and CN-1 to RM-36**



P.C. #2020.10 – 118 Fellows Ave. / 110, 114, 120 and 124 Burr Oak St. Rezoning Request from CC and CN-1 to RM-36



Future Land Use

- Campus
- Campus/Private
- Commercial
- Downtown
- Industrial
- Natural Feature Protection

- Neighborhood Edge
- Node
- Open Space/Parks
- R1-Residential
- R2-Residential
- R3-Residential
- Urban Edge

P.C. #2020.10 – 118 Fellows Ave. / 110, 114,
120 and 124 Burr Oak St.

Rezoning Request from CC and CN-1 to RM-36



0 45 90 180 Feet

City of Kalamazoo
PLANNING COMMISSION
Special Meeting Minutes
July 29, 2020
DRAFT

Electronic meeting
under the authority of Executive Order 2020-110
issued by Governor Gretchen Whitmer

Members Present: Gregory Milliken, Chair; Emily Greenman Wright, Vice Chair; Shardae Chambers; Derek Wissner; Coreen Ellis; Brian Pittelko; Alfonso Espinosa; Sakhi Vyas

Members Excused: James Pitts

City Staff: Pete Eldridge, Assistant City Planner; Clyde Robinson, City Attorney; Beth Cheeseman, Executive Administrative Assistant; Joseph Ulery, Deputy Chief Information Officer; Neal Conway, Communications Coordinator

A. CALL TO ORDER

Commissioner Milliken called the meeting to order at 7:01 p.m.

B. ROLL CALL

Planner Anderson proceeded with roll call and determined that the aforementioned members were present.

C. ADOPTION OF FORMAL AGENDA

Planner Anderson clarified that the Annual Report is for 2019 and not 2018 as shown on the Agenda.

Commissioner Espinosa, supported by Commissioner Greenman Wright, moved approval of the July 29, 2020 Planning Commission agenda as amended. With a voice vote, the motion carried unanimously.

D. APPROVAL OF MINUTES

Commissioner Ellis, supported by Commissioner Chambers, moved approval of the May 7, 2020 Planning Commission minutes. With a voice vote, the motion carried unanimously.

E. COMMUNICATIONS AND ANNOUNCEMENTS

None.

F. NEW BUSINESS

None.

G. PUBLIC HEARINGS

Commissioner Milliken reviewed the process for the public to comment on the public hearings.

1. **P.C. #2020.10:** A request to rezone the subject lots from Zone CN-1 (Commercial – Neighborhood District) and Zone CC (Commercial – Community District) to Zone RM-36 (Residential – Multi Dwelling District): 118 Fellows Ave./ 110, 114, 120 and 124 Burr Oak St.
[Recommendation: The Planning Division supports a recommendation to the City Commission to approve the rezoning.]

Commissioner Milliken explained that he needed to abstain from the discussion and vote on this item because he is a member of the KNHS board. Planner Anderson announced that Vice Chair Greenman Wright would be leading the discussion.

Planner Eldridge shared the maps and pictures of the properties. He stated there were five parcels in the proposed rezoning, all owned by KNHS. Some of the parcels were zoned CC and some were CN-1 with one parcel having split zoning. Planner Eldridge explained there is a mix of vacant, commercial and residential lots in the area with the predominant use being residential. KNHS is proposing infill housing for these sites. The lots are small and not easily developed for commercial use. Planner Eldridge spoke about the outreach efforts to the neighborhood. Planning staff sent out the usual mailings in the 300-foot radius of the properties. KNHS reached out to the Vine Neighborhood Association, and they provided a letter of support. Planner Eldridge forwarded that letter to the Planning Commissioners. KNHS sent letters to adjacent property owners and then sent fliers to three additional parcels in each direction of the area to be rezoned.

Planner Eldridge stated that the request is consistent with the 2025 Master Plan. The rezoning better aligns the zoning map with the future land use map. The commercial zoning designation hasn't brought significant changes to the interior of the block due to traffic flow and the small lot sizes. The infill housing will result in five new homes in the downtown. The zoning designation RM-36 extends up to all the properties, so this is a logical extension of that zoning district. Rezoning supports the Strategic Vision Goal of Complete Neighborhoods by creating a variety of housing types.

The applicant, Mr. Matt Lager, Executive Director of KNHS, shared that their mission is to foster homeownership and revitalize neighborhoods. They work with low- and moderate-income homeowners or prospective homeowners. Mr. Lager explained that their focus has been on the Vine, Northside, Edison and Eastside neighborhoods with a fair amount of time spent in the Oakwood and Stuart neighborhoods. He spoke about how a group of nonprofits (Building Blocks, the Vine Neighborhood Association, Community HomeWorks, KNHS, Kalamazoo Collective Housing, the Land Bank), and the City of Kalamazoo came together and pooled energies and resources in this area of the Vine neighborhood due to concerns of deteriorating conditions.

A few years ago, KNHS purchased 12 parcels in this area. They have rehabbed and sold four houses with two more slotted to be sold. They have partnered with Kalamazoo Collective Housing to rehab another one of those houses. KNHS just recently entered into an agreement where the Public Housing

Commission purchased another house. Mr. Lager explained that all these houses are for residential use, focused on low- and moderate-income residents - under 80% AMI. He shared that last year, in partnership with the Homebuilders Association, the City and LISC, they have been building infill houses. Mr. Lager explained that last year was a pilot year. They are looking to build four new houses on these lots now. FFE is providing some of the funding to make this possible. He said the housing they propose to build will be valued at about \$185,000 not including all the soft costs. The appraised values of homes that will sell in this area are in the \$140,000. Mr. Lager said that KNHS helps people with credit repair and home readiness. At any given time, they have a few dozen customers shopping for mortgages and houses. Each year they help 100 low to moderate income households become homeowners. He anticipates finding excited home buyers for these houses.

Mr. Matt Milcarek spoke about the project. Last year they used a two-story, three- or four-bedroom home model and built one home in the Eastside, Vine, Edison and Douglas neighborhoods. He said they will use the same model with some modifications based on feedback from last year's buyers. Mr. Milcarek said they will use appropriate design and setbacks to match the neighborhood. He was excited to share that they have arranged a pilot project to partner with Consumer's Energy this year. These homes will be very energy efficient, so homeowners should have very low energy costs. They will have solar rigs on the roofs. KNHS will be tracking energy uses and savings. Mr. Milcarek said these homes are high quality, and the buyers have been very satisfied.

Commissioner Espinosa asked Mr. Lager if the people going into the houses need credit repair and mortgage help, will they own the properties or rent them. Mr. Lager confirmed that all these properties will be for home ownership.

Commissioner Greenman Wright opened up the public comment portion of the hearing.

Ms. Tina McClinton, resident, asked Planning Commissioners to vote no on this item. She said that the Southtown neighbors were not notified about this rezoning. She said they should have been involved in this planning since it will affect their neighborhood.

Mr. Richard Stuart, resident, called to say that the parcels at 914 and 908 were shown in yellow as residential. He said that is not true. He recently sold those to the hospital, and they were zoned CC. Mr. Stuart said he fought to keep them CC because it raised the value of them. He asked Commissioners to vote no or postpone their vote until this can be presented to the Southtown neighborhood. He said it borders this property, but it was never brought to them for discussion. Mr. Stuart said they were excluded from the conversation. He believes that high-density residential like RM-36 can have a negative influence on surrounding properties. Mr. Stuart said he didn't think that good faith was done to include the neighbors. He also commented that they would like the Southtown Neighborhood Plan to be considered with all other neighborhoods. Mr. Stuart said they continue to be excluded and it is well known that they exist.

Commissioner Greenman Wright closed the public comment portion of the public hearing.

Commissioner Vyas, supported by Commissioner Espinosa, made the motion to approve P.C. #2010.10: the request to rezone the subject lots from Zone CN-1 (Commercial – Neighborhood District) and Zone CC (Commercial – Community District) to Zone RM-36 (Residential – Multi Dwelling District): 118 Fellows Ave./ 110, 114, 120 and 124 Burr Oak St.

Commissioner Vyas said it seemed like a great plan from KNHS. She appreciated the research that goes into rezoning and knowing the lots will be put to a use that aligns with Imagine Kalamazoo. She commented on the two callers not knowing about the zoning and asked City staff to talk about the protocol being used to inform neighbors about upcoming zoning changes.

Planner Anderson said the neighborhood map for the City shows these properties in the Vine neighborhood. The Vine neighborhood was consulted by the applicant and they provided a letter of support to him. That letter was given to the Commissioners as a result of that interaction. Planner Eldridge mentioned all of the activities done for outreach. Planner Anderson said that on occasion applicants present at neighborhood meetings. It is not currently required, and other methods are being used. Planner Anderson said that for the most part, the typical process was followed.

Planner Eldridge added that they did a 300-foot radius around the properties for the City mailings. He also sent an email to the Vine Neighborhood Director. Mr. Lager had already scheduled a Vine Neighborhood meeting at that time.

Commissioner Ellis asked about the process from start to finish to getting people inside a brand-new home. Mr. Matt Lager said they are a NeighborWorks organization, and they are a HUD certified counseling agency. They provide home buyer education and have home ownership coaches – financial capabilities and mortgage readiness. The education portion is an eight-hour course. They pull a full credit report and go through it with the customer to see how the loan officer will evaluate them. In that process, they create a customer action plan for each of them. Action plans can last from a few months to a number of years. Coaches meet with the customer on a monthly or quarterly basis. When a customer has achieved their goals on the plans, the coach does an assessment to see if the mortgage lender will say yes. If they believe it will be possible to get a mortgage, KNHS gives referrals to a number of lenders in the area. They will then assist the lender and the customer getting from that point to closing. In partnership with the City, there is down payment assistance available. Mr. Lager said they follow the national industry standards for coaching, and they meet HUD standards. He said they see 300 customers a year with 100 customers per year achieving home ownership.

Commissioner Chambers asked about the voice mails and the Vine Neighborhood. Planner Anderson responded that the addresses listed by the callers do not fall into the Vine neighborhood.

Planner Eldridge added that the parcels in yellow on the current land use map were residential along with an office on the property. It was zoned commercial, but it did have a residential unit on it. Planner Eldridge thought that was why the land use showed up as residential. The map hasn't been updated, but he said they will take care of that.

Roll call vote was taken, and the motion passed. Commissioner Milliken abstained.

1. P.C. #2020.11: Presentation of Parkview Hills Neighborhood Plan for incorporation into the 2025 Master Plan. This is a joint request of the Neighborhood Association of Parkview Hills (NAPH) and the City's Community Planning and Economic Development Department. The neighborhood plan draft document is available for review at <http://www.imaginekalamazoo.com/plans/#neighborhood-plans> [Recommendation: approve recommendation for neighborhood plan adoption by the City Commission]

Planner Anderson stated that Ms. Katie Reilly, Neighborhood Activator, was attending another meeting, so she would introduce the Parkview Hills plan. She said this is the seventh neighborhood plan to come before the Commission. Mr. Greg Nakken was present to speak to the plan. Planner Anderson explained that the Parkview Hills process started with the re-creation of their Neighborhood Association. They are continuing to meet and organize even after the planning pieces for this document were done. They used focus groups, community events, meetings and 1:1 discussion to engage their residents and stakeholders. Planner Anderson explained that the Parkview Hills neighborhood is unique because it was all created at once as a planned unit development. Their plan focuses on the strategic vision goals of connected city, inviting public places, environmental responsibility, safe community, youth development, complete neighborhood and good governance.

Mr. Greg Nakken from Parkview Hills spoke on behalf of the neighborhood. He said their neighborhood development began in the 70s as a result of the vision of H. Lewis Batts and the financial backing of Burton Upjohn. Mr. Nakken said that Parkview Hills reflects the philosophy of commitment to environmental sustainability within a relatively densely populated area. He said it is a beautiful property with hills, water features and walking trails. It is governed by an elected board of neighborhood residents, the Parkview Hills Community Association. They have 1900 residents, 776 housing units - comprised of nine different condominium associations, two apartment complexes and individual homes. The neighborhood plan was started in 2018. In 2019 a committee met with Katie Reilly, Neighborhood Activator, to understand the process of initiating a neighborhood association. He said they created a neighborhood association in conjunction with the Parkview Hills Community Association. Mr. Nakken said they continued to work on what was initiated in 2018. The plan was finished in March of this year and submitted for review and approval and to be incorporated into the 2025 Master Plan.

Mr. Nakken shared that they have already accomplished a couple of items. They have the goal to create a safe and accessible pedestrian network. Their neighborhood was developed without sidewalks and many people walk along the road and feel unsafe. Sidewalks would be difficult to install because of cost and limited space. They will have two speed monitors installed with the data to be sent to KPS. He said they hope this will slow the speed of traffic and show when traffic surveillance is best. Mr. Nakken said they have an environmental goal of reducing the impact of invasive species. They have a couple committees, Trails Committee and Natural Area Stewardship Committee, looking at the invasive species. They are also addressing erosion and catch basins throughout the neighborhood. He believes that neighborhood plans will allow them to partner with the City to complete goals and do projects.

Commissioner Chambers asked when the monitors tracking the speed would be installed. Mr. Greg Nakken said there is no date yet. Everything is in place. They are just waiting for the monitors. He suggested that the City's Traffic Engineer might be able to answer that question.

Commissioner Espinosa gave a quick observation. He said it is a great plan, but when he looked at the partners to be engaged, he was struggling to find the City of Kalamazoo. Planner Anderson said that the City is not listed with other action partners because they have their own column.

Commissioner Espinosa said it is awesome that some things are already complete. He believes it will be important for Parkview Hills and the Oakwood Neighborhood Association to collaborate on common goals because they are neighbors.

Commissioner Milliken didn't notice any reference to the commercial section of the neighborhood. He asked Mr. Nakken to speak to that.

Mr. Nakken said they do not share a commercial corridor with any neighborhood or along the main street. Within Parkview Hills they have a small privately owned retail area. He said they reached out to the owners, and they did not have any specific concerns. Mr. Nakken said they didn't have a lot of commercial goals simply because they don't share commercial property. He added that they are unique in the fact their neighborhood is completely developed. He didn't think there was space for additional commercial development.

Commissioner Espinosa asked if Greenleaf Boulevard was City owned or privately owned. Mr. Nakken said it is a City street. He said there are several other ancillary streets in the neighborhood that are City owned. The streets associated with the condominium associations are private.

Commissioner Milliken opened up the public comment portion of the hearing.

Planner Eldridge reported there were no public comments.

Commissioner Milliken closed the public comment portion of the hearing.

Commissioner Ellis asked what inspires them to keep going and how do they plan to continue to sustain themselves?

Mr. Nakken said, from a financial perspective, they pay city taxes. He explained there are additional assessments done and the money from that is used to sustain the Parkview Hills public property – trails, water ways, walkways.

Commissioner Greenman Wright, supported by Commissioner Ellis, made the motion to recommend the Parkview Hills neighborhood plan for adoption by the City Commission.

Commissioner Greenman Wright said it was a wonderful work and thanked Mr. Nakken for the thoughtful presentation.

Commissioner Milliken said he appreciated the history of the development. He said the Neighborhood Plan is consistent with the current Master Plan and the requirements of the ordinance.

Roll call vote was taken, and the motion passed unanimously.

H. OTHER BUSINESS

1. Annual meeting:
 - a. Review of annual report for 2019:

Planner Eldridge reviewed the Annual Report. Because of the late timeframe of the Annual Report (due to Covid-19), they have stretched the report to include some activities in the spring of 2020. Board members who moved on were Rachel Hughes-Nilsson, Charlie Coss, and Jack Baartman. Commissioners Coreen Ellis, Sharda Chambers, and Brian Pittelko came on the board. In 2019 there were nine regular meetings and one special meeting. Planner Eldridge mentioned they are linking Strategic Vision Goals with each item that has come before the board to make sure they're on track with the fulfillment of those goals. One rezoning was denied in 2019. It was an affordable housing project on Stockbridge Avenue with the Lyft Foundation. Planner Eldridge said the Lyft Foundation came back with a revised plan. They received a minor variance, and the project is moving forward in site plan review. He spoke about other notable items the Commissioners have reviewed: neighborhood plans, site plans in the WMU BTR park, demolition plans for the Sisters of St. Joseph church, and a site plan for the Bronson Hospital Cancer Center.

Planner Eldridge explained that the site plan review process is a responsibility of the Planning Commission that is delegated to staff. He said they did an update of the site plan process in 2018. Fully implemented the process in 2019. Site plan is a two-step process with pre-site plan meetings and full site plan meetings. Before Covid, they started reviewing and commenting on site plans digitally using Bluebeam software. Currently, they can review plans digitally and have Zoom meetings with applicants to talk about the plan. The site plans under review are posted on the website and are accessible to anyone who wants to look at them. There is a notification feature people can sign up for when new site plans are posted on the website. They can also specify to receive notice for certain neighborhoods. Properties within the NFP overlay go through an NFP site plan review in conjunction with the regular site plan review process to ensure that nothing is missed. They are preparing an online map to show where these site locations are for various projects. There were 70 pre-site plans submitted and 59 full site plans submitted.

He said they are doing public engagement in reference to an update of the NFP maps. They are making sure all the appropriate parcels are included. Planner Anderson is fully engaged in the downtown zoning process - D1, D2, and D3 districts – their boundaries and uses. Planner Eldridge reported that they should have a Transportation Planner in the Department before long.

Planner Eldridge said they continue to give the Commissioners the site plan spreadsheet to make sure they know of all the projects in the pipeline. In 2019, they had site plans for Graphics Packaging, Bronson Hospital Cancer Center, K-College Natatorium, a new hotel, and a number of medical marihuana provisioning centers. In 2020, they've had the Kalsee Credit Union project, an expansion at Vandersalm's Flower Shop & Garden Center, Graphics Packaging projects and the Kalamazoo Farmers Market expansion. They also had additional marihuana facilities approved.

- b. Site Plan Review Program administration discussion:

Planner Anderson asked Commissioners to renew the approval of the staff-run site plan process. She reported that the process is going well. The MEDC provided the City with Redevelopment Ready Certification. She said it was awarded, in part, because of a very smooth site plan process.

Commissioner Greenman Wright asked Planner Anderson to explain the criteria which bumps site plan to the Planning Commission.

Planner Anderson said the zoning code requires that any developments in WMU's BTR park go through the Planning Commission. Another reason site plans would come to the Planning Commission is if the Planning Commissioners requested to have a presentation on specific plans. Planner Anderson said they would continue to keep them up to date with a monthly list of site plans.

Commissioner Milliken said he thought the digital process that was adopted is great. He was glad that the site plan review process can continue even with the pandemic. Commissioner Milliken didn't think the board would be able to foster that type of growth and development. He was in favor of keeping the program as it is and letting the City handle that work as they are trained to do.

Commissioner Wissner, supported by Commissioner Vyas, moved to grant site plan administrative approval authority to staff for the next year. A voice vote was taken and passed unanimously.

b. Election of officers for the Planning Commission:

Chair

Commissioner Milliken expressed willingness to run for another term.

Commissioner Chambers, supported by Commissioner Wissner, nominated Greg Milliken for Chair of the Planning Commission.

No other nominations were offered.

A voice vote was taken, and the motion passed unanimously. Commissioner Milliken will continue as Chair of the Planning Commission.

Vice Chair

Commissioner Greenman Wright expressed willingness to run for another term.

Commissioner Vyas, supported by Commissioner Chambers, nominated Emily Greenman-Wright as Vice Chair of the Planning Commission.

No other nominations were offered.

A voice vote was taken the motion passed unanimously. Commissioner Greenman Wright will continue as Vice Chair of the Planning Commission.

Secretary

Commissioner Wissner expressed willingness to run for another term.

Commissioner Espinosa, supported by Commissioner Vyas, nominated Derek Wissner for Secretary of the Planning Commission.

No other nominations were offered.

A voice vote was taken, and the motion passed unanimously. Commissioner Wissner will continue as Secretary of the Planning Commission.

Commissioner Greenman Wright asked how many Commissioners would be rotating off the board the next term.

Planner Anderson said the terms expiring in March 2021 are Commissioners Greenman Wright, Pitts, and Ellis (she was serving a partial term).

I. CITIZENS' COMMENTS (Regarding non-agenda items)

None.

J. CITY COMMISSION LIAISON COMMENTS

None.

K. CITY PLANNER'S REPORT

Planner Anderson said two City led zoning items will come before them for review this fall. One item is the Natural Features Protection Phase II overlay update. They are doing some engagement online and at lunch time live.

The second item coming before them is the Downtown zoning. The downtown was divided from one large district into three different districts. She said they asked the community to take a look at a map, do walking tours and give feedback. The next activity will be a review of dimensional standards and uses in those three districts. They will also look at where adult use marihuana businesses would be located downtown. Engagement will include a survey online and attendance at lunchtime live.

Commissioner Milliken asked how that process relates to what they did several months ago.

Planner Anderson said that several months ago they created three districts, including uses and dimensional standards. She said they will be reviewing to confirm with the public now that it has been mapped. They will need to add adult use marihuana to the uses and anything else that may come up.

Planner Anderson reported that the NFP ordinance received the Planning Award of Excellence for Environmental Projects.

Attorney Robinson reported there was a tree protection ordinance adopted by Canton Township and that our ordinance is similar. The Canton ordinance was challenged in federal court and was struck down in part. He said he will keep his eye on that case and will keep the Commissioners informed.

Planner Anderson said the next night they would have their first in-person engagement activity since Covid. It is a Traffic Calming Information Meeting in LaCrone Park from 5:30-7:30pm. They will discuss traffic calming solutions that the City will pilot in the Northside. People will hear a presentation and see a demonstration. Those will run every half hour. She encouraged people to wear a mask and come out the next night.

Commissioner Milliken said that was good to see and thought they would learn a lot from that.

L. MISCELLANEOUS COMMENTS BY PLANNING COMMISSIONERS

Commissioner Chambers commented that they did an approval for Lakeside. Since the facility lost their license and are about to close, she wondered if the project just falls away. Attorney Robinson responded that the special use permit goes with land. He said it is possible that a new entity could come in and take advantage of that unless it expires first.

Commissioner Espinosa asked for a list of permitted uses for each zone district to be included in the staff reports. It would be a quick way to see all the possible uses when they review the packet. Planner Anderson said they can provide the use table as part of the packet or reference it online.

Commissioner Milliken asked if there was a Planning Commission meeting for August. Planner Anderson said there were no items for that meeting, so it was cancelled.

Commissioner Ellis reminded Commissioners to remember to vote.

Planner Anderson reminded Commissioners that the next Planning Commission meeting is before Labor Day. It will be a virtual meeting on Thursday, September 3rd.

M. ADJOURNMENT

Commissioner Milliken adjourned the meeting at 8:48 pm.



City Commission Agenda Report

City of Kalamazoo

Date: **8/17/2020**

Item: **G.7.**

TO: Mayor Anderson, Vice Mayor Griffin, and City Commissioners

FROM: Clyde J. Robinson, City Attorney
Prepared by: Richard O. Cherry, Deputy City Attorney

DATE: August 17, 2020

SUBJECT: Amendments to Chapter 2 Article X-Employee Retirement System

RECOMMENDATION:

It is recommended that the City Commission adopt the proposed amendments to Chapter 2-Article X Employee Retirement System § 2-224, §2-232 and §2-237.

BACKGROUND:

In the proposed amendments the City's administration recommends amendments to section 2-232 to add language to account for mandatory furloughs and employees' participation in the State of Michigan's work share program, where employee saw a reduction in salary and hourly pay because of the COVID-19 public health crisis. Without this amendment employee's Final Average Compensation calculation would be negatively impacted. This amendment makes an employee contemplating retirement in the near-term whole.

Further, the City Attorney recommends amending the definition of "Voluntary Retirement Age" to reflect the current language in bargaining units' contracts and clean up some language in the definition for clarity.

Additionally, the City Attorney recommends amending section 2-261 to address an issue regarding reciprocal service. In 2017 the City Commission amended section 2-237 B to allow general members to use reciprocal service to prevent them from seeing a reduction in their pension benefit for early retirement. This amendment was not extended to public safety members. In November 2019 the KPSA Union filed a grievance regarding this amendment claiming discrimination and unequal treatment under the ordinance. To avoid arbitration, the City Attorney agreed to submit an amendment to the pension ordinance to the City Commission that includes public safety members. This amendment only includes members who retired after December 31, 2019. Additionally, up to one year of concurrent service is being presented to account for individuals who have overlapping service from another governmental unit.

Lastly, the administration recommends the addition of a new employee classification to the pension ordinance, the General Member Administrator. The administration recommends this addition to aid in high level employee retention. The City has found that seasoned staff are difficult to retain because other municipalities or private sector employment can offer advancement, higher pay and better benefits. This addition to the pension ordinance also keeps the City of Kalamazoo competitive when filling these positions. Therefore, sections 2-224 defines General Member Administrator, and section 2-237 adds the following language:

A general member administrator who retires on or after June 1, 2020, shall be entitled to a 2.7% multiplier of their final average compensation and shall receive a post-retirement adjustment of 2% in January of each year, which is compounded annually; A general member administrator shall not be eligible for a the post-retirement adjustment of 2% if he or she takes a deferred retirement.

A financial impact study was conducted on this addition to the pension ordinance and the findings were that there would not be a significant impact to the pension fund.

STRATEGIC VISION ALIGNMENT:

Strategic Goal Impact:



Good Governance- Ensuring the City organization has the capacity and resources to effectively implement the community's Strategic Vision in a way that is sustainable over the long term.

COMMUNITY ENGAGEMENT:

Appropriate Depth of Engagement

Inform (one-way conversation) – no feasible alternatives available due to legal/regulatory restrictions, standards and best practices, or resource limitations; the community will be made aware of the project.

FISCAL IMPACT:

City of Kalamazoo

Postretirement Welfare Benefits Plan

Actuarial Valuation Report
as of January 1, 2020



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June 25, 2020

Mr. Steve Vicenzi
Director of Management Services/CFO
City of Kalamazoo
241 W. South Street
Kalamazoo, Michigan 49007-4796

**Re: City of Kalamazoo Postretirement Welfare Benefits Actuarial Valuation as of January 1, 2020
Actuarial Disclosures**

Dear Mr. Vicenzi:

The results of the January 1, 2020 Annual Actuarial Valuation of the City of Kalamazoo Postretirement Welfare Benefits are presented in this report.

This report was prepared at the request of the City of Kalamazoo and is intended for use by the City of Kalamazoo and those designated or approved by the City. This report may be provided to parties other than the City of Kalamazoo only in its entirety and only with the permission of the City. GRS is not responsible for unauthorized use of this report.

The purposes of the valuation are to measure the System's funding progress, and to determine the employer contribution rate for the fiscal year ending December 31, 2020. This report should not be relied on for any purpose other than the purposes described herein. Determinations of the liability associated with the benefits described in this report for purposes other than satisfying the City of Kalamazoo's financial reporting requirements may be significantly different than the values shown in this report. This report does not satisfy Governmental Accounting Standards Board (GASB) Statement Nos. 74 or No. 75. Please refer to a separate report which incorporates GASB Statement No. 74 and/or No. 75.

This valuation assumed the continuing ability of the plan sponsor to make the contributions necessary to fund this plan. A determination regarding whether or not the plan sponsor is actually able to do so is outside our scope of expertise and was not performed.

The findings in this report are based on data and other information through January 1, 2020. The valuation was based upon information furnished by the City, concerning retiree health benefits, financial transactions, plan provisions and individual members. We checked for internal reasonability and year-to-year consistency, but did not audit the data. We are not responsible for the accuracy or completeness of the information provided by the City. Note that the benefit summary provided for the January 1, 2020 valuations includes a correction to remove a \$1,000 life insurance benefit from this plan. The Plan Sponsor noted that this is not a plan change and this benefit is now reflected in the valuation of the City of Kalamazoo Employees Retirement System.

Mr. Steve Vicenzi
June 25, 2020
Page 2

This report was prepared using assumptions adopted by the City. All actuarial assumptions used in this report are reasonable for the purposes of this valuation. Additional information about the actuarial assumptions is included in the section of this report entitled "Actuarial Cost Method and Actuarial Assumptions."

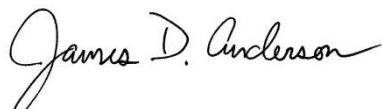
This report has been prepared by actuaries who have substantial experience valuing public employee retirement systems. To the best of our knowledge the information contained in this report is accurate and fairly presents the actuarial position of the City of Kalamazoo Postretirement Welfare Benefits as of the valuation date. All calculations have been made in conformity with generally accepted actuarial principles and practices, and with the Actuarial Standards of Practice issued by the Actuarial Standards Board.

James D. Anderson and Michael D. Kosciuk are members of the American Academy of Actuaries. These actuaries meet the Academy's Qualification Standards to render the actuarial opinions contained herein.

The signing actuaries are independent of the plan sponsor.

Gabriel, Roeder, Smith & Company will be pleased to review this valuation and report with the City and to answer any questions pertaining to the valuation.

Respectfully submitted,



James D. Anderson, FSA, EA, FCA, MAAA



Michael D. Kosciuk, ASA, EA, FCA, MAAA

JDA/MDK:sc

EXECUTIVE SUMMARY

Executive Summary

Actuarially Determined Contribution

For fiscal years beginning after June 15, 2016, GASB Statement No. 74 replaced GASB Statement No. 43. Similarly, for fiscal years beginning after June 15, 2017, GASB Statement No. 75 replaced GASB Statement No. 45. Each year a separate GASB report will be issued to comply with the actuarial requirement of GASB Statement Nos. 74 and 75. As such, there will no longer be an “Annual Required Contribution” calculated in the valuation report. The report determines the “Actuarially Determined Contribution.”

We have calculated the Actuarially Determined Contribution for the calendar year beginning January 1, 2020. Below is a summary of the results. The Actuarially Determined Contributions and estimated retiree claims shown below are net of any premium payments expected to be made by retirees (retiree cost sharing).

	Actuarially Determined Contribution	Estimated Claims Paid for Retirees
2020 Calendar Year	\$ 9,838,111	\$ 10,695,336

For additional details please see the Section titled “Valuation Results.”

Liabilities and Assets

1. Present Value of Future Benefit Payments	\$200,453,978
2. Actuarial Accrued Liability	192,370,469
3. Smoothed Plan Assets	98,777,892
4. Unfunded Actuarial Accrued Liability (2) – (3)	93,592,577
5. Funded Ratio (3)/(2)*	51.3%

* The funded ratio on a market value basis is 53.1%.

The Present Value of Future Benefit Payments (PVFB) is the present value of all benefits projected to be paid from the plan for past and future service. The Actuarial Accrued Liability is the portion of the PVFB allocated to past service by the Plan’s funding method (see the Section titled “Actuarial Cost Method and Actuarial Assumptions”).

SECTION A

VALUATION RESULTS

Valuation Results – Total Plan

Development of the Actuarially Determined Contribution

Contributions for	2020 Calendar Year
Employer Normal Cost	\$1,399,378
Administrative Expense Allowance	100,000
Amortization of Unfunded Actuarial Accrued Liability	<u>8,338,733</u>
Actuarially Determined Contribution	\$9,838,111

The unfunded actuarial accrued liabilities were amortized as a level dollar amount over a period of 22 years for the 2020 calendar year.

Determination of Unfunded Actuarial Accrued Liabilities as of January 1, 2020

A. Present Value of Future Benefits	
i) Retirees and Beneficiaries*	\$146,718,287
ii) DROP Members	367,991
iii) Vested Terminated Members	0
iv) Active Members	<u>53,367,700</u>
Total Present Value of Future Benefits	\$200,453,978
B. Present Value of Future Normal Costs	8,083,509
C. Actuarial Accrued Liability (A.-B.)	192,370,469
D. Actuarial Value of Assets	98,777,892
E. Unfunded Actuarial Accrued Liability (C.-D.)	93,592,577
F. Funded Ratio (D./C.)	51.3%

** Includes additional liability due to Early Retirement Incentive (ERI) Retirees currently waiving retiree health care through the City, but assumed to return to coverage at a later date.*

The long-term rate of investment return used in this valuation was 7.25%.

Experience Gain/(Loss)

Gains/(Losses) During the Year Ended December 31, 2019 Resulting from Differences Between Assumed and Actual Experience

A. Derivation of Actuarial Gain/(Loss):

1. Unfunded Actuarial Accrued Liability (UAAL) - Previous Valuation	\$75,377,847
2. Total Normal Cost (employer) for Year Ending 12/31/2019	1,286,891
3. Total Contributions (employer) for Year Ending 12/31/2019	3,500,000
4. Interest on:	
a. UAAL: Discount Rate * x (1)	5,653,339
b. Normal Cost and Contributions: Discount Rate/2 x [(2) - (3)]	(82,992)
c. Net Total: (a) + (b)	5,570,347
5. Change in UAAL due to Benefit Changes	-
6. Change in UAAL due to Assumptions	10,998,594
7. Expected UAAL Current Year:	
(1) + (2) - (3) + (4c) + (5) + (6)	89,733,679
8. Actual UAAL Current Year	93,592,577
9. Experience Gain/(Loss): (7) - (8)	(3,858,898)

B. Approximate Portion of Gain/(Loss) due to Investments 436,063

C. Approximate Portion of Gain/(Loss) due to Liabilities: (A.9) - (B) (4,294,961)

** Based on a discount rate of 7.50%.*

Type of Activity

	<u>Gain/(Loss)</u>
Premiums and Trends. Gains and losses resulting from actual premiums and trends in valuation year versus that assumed from prior valuation.	\$ (4,452,243)
Investment Income. If there is greater investment income than assumed, there is a gain. If less income, a loss.	436,063
Demographic and Other. Gains and losses resulting from demographic experience, data adjustments, timing of financial transactions, etc.	<u>157,282</u>
Composite Gain/(Loss) During Year.	<u><u>\$ (3,858,898)</u></u>



Development of Valuation Assets

Year Ended December 31:	2018	2019	2020	2021	2022	2023
A. Valuation Assets Beginning of Year	\$ 97,683,404	\$ 97,263,276				
B. Market Value End of Year	90,936,245	102,105,385				
C. Market Value Beginning of Year	104,231,266	90,936,245				
D. Non-Investment Net Cash Flow	(5,941,521)	(5,991,511)				
E. Investment Income						
E1. Market Total: B - C - D	(7,353,500)	17,160,651				
E2. Assumed Rate of Investment Return*	7.50%	7.50%				
E3. Amount for Immediate Recognition	7,103,448	7,070,064				
E4. Amount for Phased-In Recognition: E1-E3	(14,456,948)	10,090,587				
F. Phased-In Recognition of Investment Income						
F1. Current Year: 0.2 x E4	(2,891,390)	2,018,117				
F2. First Prior Year	1,556,719	(2,891,390)	\$ 2,018,117			
F3. Second Prior Year	815,756	1,556,719	(2,891,390)	\$ 2,018,117		
F4. Third Prior Year	(1,063,140)	815,756	1,556,719	(2,891,390)	\$ 2,018,117	
F5. Fourth Prior Year	0	(1,063,139)	815,755	1,556,717	(2,891,388)	\$ 2,018,119
F6. Total Phased-In Recognition	(1,582,055)	436,063	1,499,201	683,444	(873,271)	2,018,119
G. Valuation Assets End of Year: A + D + E2 + F6	97,263,276	98,777,892				
H. Difference between Market & Valuation Assets: B - G	(6,327,031)	3,327,493	1,828,292	1,144,848	2,018,119	0
I. Valuation Asset Recognized Rate of Return	5.83%	7.96%				
J. Market Value Recognized Rate of Return	(7.26)%	19.51%				

* The investment return assumption of 7.25% will be reflected in 2020 and subsequent years.

In the year of implementation (2015), the Valuation Assets Beginning of Year was set equal to the Market Value at the Beginning of Year.

The Valuation Assets recognizes assumed investment income (line E2) fully each year. Differences between actual and assumed investment income (line E3) are phased-in over a closed five-year period. During periods when investment performance exceeds the assumed rate, Valuation Assets will tend to be less than Market Value. During periods when investment performance is less than the assumed rate, Valuation Assets will tend to be greater than Market Value. The Valuation Assets are unbiased with respect to Market Value. At any time, it may be either greater or less than Market Value. If assumed rates are exactly realized for four consecutive years, it will become equal to Market Value.



Comments

COMMENT A: The Actuarially Determined Contribution and liabilities calculated have increased since the prior valuation results, per report dated July 1, 2019.

Factors contributing to this increase include, but are not limited to:

- Less favorable health plan experience than projected;
- Assumptions changes implemented per the experience study (see Comment C); and
- Lower employer contribution levels (\$3,500,000 – fixed contribution amount) than the calculated \$8,012,819.

Factors offsetting this increase include, but are not limited to:

- More favorable investment experience than expected; and
- Removal of the valuation of the \$1,000 life insurance benefit for retirees.

The ratio of the Funding Value to Market Value of Assets was 97% at the end of 2019. In three of the next four years, if experience matches expectations, the funded status will increase and the Actuarially Determined Contribution will decrease as net investment gains are recognized.

COMMENT B: One of the key assumptions used in any valuation of the cost of postemployment benefits is the rate of return on the assets that will be used to pay Plan benefits. Higher assumed investment returns will result in a lower Actuarially Determined Contribution. Lower returns will tend to increase the Actuarially Determined Contribution. We have calculated the liability and the resulting Actuarially Determined Contribution using an assumed long-term rate of investment return of 7.25%.

COMMENT C: The following changes in Cost Methods and Actuarial Assumptions were reflected for the first time in this valuation:

- Rates of mortality were updated to use the Pub-2010 Amount-Weighted General tables (Safety tables for Public Safety groups) with future mortality improvements projected to 2025 with scale MP-2019;
- The investment return assumption was lowered from 7.50% to 7.25%;
- An administrative expense load assumption of \$100,000 was adopted;
- The price inflation assumption was decreased from 2.50% to 2.25%;
- Rates of retirement were updated to reflect recent patterns; and
- Rates of turnover were increased to reflect recent patterns.

These assumptions were updated in accordance with the experience study for the City of Kalamazoo Employees Retirement System and Postretirement Welfare Benefits Plan for the period January 1, 2014 through December 31, 2018 dated January 7, 2020.

COMMENT D: The health plan closed to new hires for most groups at various dates between 2009 and 2011 (see section titled “Summary of Benefits” for more details). The Unfunded Actuarial Accrued Liabilities (UAAL) are financed over a closed 22-year period using a level dollar amortization method. A shorter amortization period would increase the Actuarially Determined Contribution.



Comments (Continued)

COMMENT E: The City of Kalamazoo's existing transit operations became part of the Central County Transportation Authority (CCTA) effective October 1, 2016. The details of the spinoff are covered under the Comprehensive Transition Agreement, effective October 19, 2015. For purposes of this valuation Retiree Health Care Coverage, for the CCTA group (formerly Metro Transit) under the City Plan, was assumed to continue past the 36-month term described in the Transition Agreement.

COMMENT F: On December 20, 2019, the "Further Consolidated Appropriations Act of 2020," H.R. 1865, was signed into law. The Act repeals the "Cadillac tax" which was a tax provision from the Affordable Care Act (ACA). As a result, any liability/provision analysis included as part of the prior funding valuation is no longer required. In addition, no further adjustments associated with the "Cadillac tax" are required. For purposes of the City of Kalamazoo Postretirement Welfare Benefits Plan funding valuation, the repeal of the "Cadillac tax" does not have an impact on plan liabilities because no load was applied as part of the December 31, 2018 funding valuation.

COMMENT G: The GASB issued Statements Nos. 74 and 75 for OPEB valuations. GASB Statement No. 74 for the plan OPEB disclosures is effective for fiscal years beginning after June 15, 2016 and GASB Statement No. 75 for employer OPEB disclosures is effective for employer fiscal years beginning after June 15, 2017. The GASB implementation guides for Statements No. 74 and No. 75 provide additional clarification related to the implementation of these Statements. It is our understanding that the City will need to comply with GASB Statement Nos. 74 and 75 for each fiscal year ending December 31. The basis for the December 31, 2020 GASB information is expected to be this valuation (as of December 31, 2019), where roll-forward techniques will be applied. GASB information for the fiscal year ending December 31, 2019 was provided to the City in reports dated April 17, 2020.

COMMENT H: Unless otherwise indicated, a funded status measurement presented in this report is based upon the actuarial accrued liability and the actuarial value of assets. Unless otherwise indicated, with regard to any funded status measurements presented in this report:

- The measurement is inappropriate for assessing the sufficiency of plan assets to cover the estimated cost of settling the plan's benefit obligations, and
- The measurement is inappropriate for assessing the need for or the amount of future employer contributions.

COMMENT I: The Michigan State Treasurer has established uniform actuarial assumptions as required by Public Act 202 (PA 202) of 2017 for use with the annual Form 5572 (Retirement System Annual Report). The use of the uniform assumptions for reporting purposes is required for the fiscal year ending December 31, 2019. GRS provided the necessary PA 202 uniform assumption information as part of the December 31, 2019 GASB Statement Nos. 74 and 75 reports dated April 17, 2020.



SECTION B

RETIREE PREMIUM RATE DEVELOPMENT

Retiree Premium Rate Development

Rate Development

Currently, eligible City retirees (and eligible spouses) receive benefits from a number of health care plans, including the self-insured Blue Cross Blue Shield (BCBS) Traditional plans and the self-insured Community Blue PPO plans. For these self-insured medical plans, initial per capita costs were developed separately for pre-65 and post-65 retirees using medical and prescription drug claims experience from October 2016 to September 2019 from BCBS in conjunction with exposure data for the active and retired members of the health care program. These medical and prescription drug claims were projected on an incurred claim basis, adjusted for plan design changes (including changes to Medicare Part B coverage for current and future retirees), large claims and loaded for administrative and stop-loss expenses. The initial medical and drug premium rates used in the valuation are a weighted average cost of the three-year experience period (10/2016 – 9/2019) to smooth out any large year-to-year fluctuations.

Most retiree plans are closed to future retirees. The plans that remain open include suffixes 0022, 0023, 0025, 0026, 0030, 0031, 0036, 0037, 0049, 0050, 0053, 0054, 0055, and 0056. Depending on age (pre-65 or post-65) and active group membership, future retirees will be placed into one of these suffixes. Separate premium rates are developed for these future retirees in order to reflect the benefit differences.

Age graded and sex distinct premiums are utilized by this valuation. The initial costs developed by the preceding process are appropriate for the unique age and sex distribution currently existing. Over the future years covered by this valuation, the age and sex distribution will most likely change. Therefore, our process “distributes” the average premium over all age/sex combinations and assigns a unique premium for each combination. The age/sex specific premiums more accurately reflect the health care costs in the retired population over the projection period.

The tables below show the resulting combined medical and prescription drug one-person monthly premiums at select ages. The premium (or per capita costs) rates shown below were used in this valuation of the Plan and reflect the use of age grading.

For Those Not Eligible for Medicare (Pre-65)				
Age	Future Retirees		Current Retirees	
	Male	Female	Male	Female
40	\$ 373.01	\$ 606.11	\$ 390.98	\$ 635.32
50	604.64	744.86	633.78	780.76
60	1,027.61	1,011.85	1,077.14	1,060.61
64	1,249.61	1,179.29	1,309.83	1,236.12

For Those Eligible for Medicare (Post-65)				
Age	Future Retirees		Current Retirees	
	Male	Female	Male	Female
65	\$ 587.83	\$ 554.44	\$ 645.72	\$ 609.05
75	687.76	671.10	755.49	737.20
85	727.26	735.83	798.89	808.30



Retiree Premium Rate Development (Concluded)

Health Care Trend Assumption

The health care cost trend rate is the rate of change in per capita health care claims over time as a result of factors such as medical inflation, utilization of health care services, plan design, and technological improvements. It is a crucial economic assumption that is required for measuring retiree health care benefit obligations.

Retiree health care valuations use a health care cost trend assumption (trend vector) that changes over the years. The trend vector used in this valuation begins with a near-term trend assumption and declines over time to an ultimate trend rate. The near-term rates reflect the increases in the current cost of health care goods and services. The process of trending down to a lower ultimate trend relies on the theory that premium levels will moderate over the long-term, otherwise the healthcare sector would eventually consume the entire GDP. It is on this basis that projected premium rate increases continue to exceed wage inflation for the next ten years, but by less each year until leveling off at an ultimate rate, assumed to be 3.50% in this valuation, see page E-7 for further details regarding the trend vector used in this valuation.

While experience is often the best starting point for future costs, GRS does not rely on a group's experience in setting the near-term trend assumptions since trends vary significantly from year to year and are not credible for most groups. Therefore, professional judgment, trends from GRS' book of business and industry benchmarks (e.g., trend reports from various Pharmacy Benefit Management (PBM) organizations and national healthcare benefit consulting firms) are used in conjunction with a group's historical experience to establish the trend assumptions.

James E. Pranschke is a Member of the American Academy of Actuaries (MAAA) and meets the Qualification Standards of the American Academy of Actuaries to certify the per capita retiree health care rates shown above.



James E. Pranschke, FSA, FCA, MAAA

SECTION C

SUMMARY OF BENEFITS

Summary of Benefit Provisions for the Postretirement Welfare Benefits Plan

Group Name AFSCME employees - City of Kalamazoo									(J)	(K)	(L)
(A)	(B)	(C)	(D)	(E)		(F)	(G)	(H)	(I)	Retiree Share of Cost for	
Leaving Employment as a Result of	Eligibility for Pension Benefit	Eligibility for Retiree Health Benefit (if different from pension benefit)	When do Retiree Health Benefits Commence?	Coverage Provided by Employer		Retiree Health Care Provider(s)	Type of Insurance	Third Party Administrator	Retiree	Spouse (while Retiree is alive)	Spouse (after Retiree's death)
				Retiree	Spouse						
Normal Retirement (Unreduced pension benefits)	Age 57 with 25 years of service,	Retiree & spouse if hired < 1/1/09	Upon retirement	Medical, Drug, Life	Medical & Drug	Community Blue-BCBS	PPO	BCBS	\$106.92/mo See Comment A	\$149.69/mo See Comment A	100% after one year
	age 60 with 20 years of service, or age 62 with 9 years. (10 years if hired after 10/2/16)	Retiree only if hired 1/1/09-9/12/11 Healthcare savings program if hired after 9/12/11 (% of employer contributions based on vesting)	Upon retirement	Medical, Drug, Life	n/a	Community Blue-BCBS	PPO	BCBS	\$106.92/mo See Comment A	n/a	n/a
Early Retirement (Reduced pension benefits)	Age 55 with at least 15 years of service, then for each year increase in age, years of service can reduce by one year, to age 61 with 9 years of service. (10 years if hired after 10/2/16)	None. If hired < 9/12/11, must receive FULL pension benefit for retiree health	n/a	Life							
		Healthcare savings program if hired after 9/12/11 & eligible to draw a pension (% of employer contributions based on vesting)	Upon retirement	Life							
Deferred Vested Termination	At age 62 with at least 9 years (10 years if hired after 10/2/16)	None. If hired < 9/12/11, must receive FULL pension benefit for retiree health	n/a								
		Healthcare savings program if hired after 9/12/11 & eligible to draw a pension (% of employer contributions based on vesting)	Upon retirement								
Non-Duty Disability	After 9 years of service (10 years if hired after 10/2/16)	Must meet normal age & service requirements:	Upon Pension Board Approval if eligible								
		Retiree & spouse if hired < 1/1/09	Pension Board Approval	Medical, Drug, Life	Medical & Drug	Community Blue-BCBS	PPO	BCBS	\$106.92/mo See Comment A	\$149.69/mo See Comment A	100% after one year
		Retiree only if hired 1/1/09-9/12/11 Healthcare savings program if hired after 9/12/11 & eligible to draw a pension (% of employer contributions based on vesting)	Pension Board Approval Pension Board Approval	Medical, Drug, Life	n/a	Community Blue-BCBS	PPO	BCBS	\$106.92/mo See Comment A	n/a	n/a
Duty Disability	Given credit to voluntary age & service requirements	Retiree & spouse if hired < 1/1/09	Pension Board Approval	Medical, Drug, Life	Medical & Drug	Community Blue-BCBS	PPO	BCBS	\$106.92/mo See Comment A	\$149.69/mo See Comment A	100% after one year
		Retiree only if hired 1/1/09-9/12/11 Healthcare savings program if hired after 9/12/11 & eligible to draw a pension (100% vesting in full account value)	Pension Board Approval Pension Board Approval	Medical, Drug, Life	n/a	Community Blue-BCBS	PPO	BCBS	\$106.92/mo See Comment A	n/a	n/a
Non-Duty Death-in-Service	If vested	If age or service eligible	Day prior to death		Medical & Drug	Community Blue-BCBS	PPO	BCBS			100% after one year
Duty Death-in-Service	Same as Duty Disability										

Comment A: Employees retiring effective 10/1/16 and later at 57 years of age and 25 years of service will pay the same as active employees to a maximum of 50% above the contribution the retiree paid during the last month of the retiree's employment. Persons retiring with less than 25 years of service will pay the same increases as active employees to a maximum of 50% above the contribution paid at the time of retirement.

Comment B: Retirees are not reimbursed by the City for Medicare Part A or Part B Premiums. Post-Medicare retiree cost-sharing remains the same as pre-65.

Comment C: There are retirees currently opting out of the retiree health care plan, they may re-enroll at open enrollment or with a qualifying insurance event, there is no stipend for waiving coverage.

Comment D: There are retirees whose benefit is not described above, data was provided individually by the City for the valuation.

Comment E: This is a brief summary of the City of Kalamazoo's Postretirement Welfare Plan Benefit provisions. In the event that any description contained herein differs from the actual eligibility or benefit, the appropriate employee contract or governing document will prevail.



Summary of Benefit Provisions for the Postretirement Welfare Benefits Plan

Group Name				CSO Union (KPSOA non-sworn) employees - City of Kalamazoo					(J)		(K)	(L)
(A)	(B)	(C)	(D)	(E)		(G)	(H)	(I)	Retiree Share of Cost for			
Leaving Employment as a Result of	Eligibility for Pension Benefit	Eligibility for Retiree Health Benefit (if different from pension benefit)	When do Retiree Health Benefits Commence?	Coverage Provided by Employer		Retiree Health Care Provider(s)	Type of Insurance	Third Party Administrator	Retiree	Spouse (while Retiree is alive)	Spouse (after Retiree's death)	
				Retiree	Spouse							
Normal Retirement (Unreduced pension benefits)	Age 57 with 25 years of service, or age 62 with 10 years.	Retiree & spouse if hired < 9/7/11 Healthcare savings program if hired after 9/6/11 & eligible to draw a pension (% of employer contributions based on vesting)	Upon retirement Upon retirement	Medical, Drug, Life Life	Medical & Drug	Community Blue-BCBS	PPO	BCBS	\$106.92/mo See Comment A	\$149.69/mo See Comment A	100% after one year	
Early Retirement (Reduced pension benefits)	Age 55 with at least 15 years of service	Retiree & spouse if hired < 9/7/11 Healthcare savings program if hired after 9/6/11 & eligible to draw a pension (% of employer contributions based on vesting)	When they would have completed 25 years of service Upon retirement	Medical, Drug, Life Life	Medical & Drug	Community Blue-BCBS	PPO	BCBS	\$106.92/mo See Comment A	\$149.69/mo See Comment A	100% after one year	
Deferred Vested Termination	At age 62 with at least 10 years	None for retiree & spouse if hired < 9/7/11 Healthcare savings program if hired after 9/6/11 & eligible to draw a pension (% of employer contributions based on vesting)	n/a Upon retirement									
Non-Duty Disability	After 10 years of service	Must meet normal age & service requirements: Retiree & spouse if hired < 9/7/11 Healthcare savings program if hired after 9/6/11 & eligible to draw a pension (% of employer contributions based on vesting)	Upon Pension Board Approval if eligible Pension Board Approval Pension Board Approval	Medical, Drug, Life Life	Medical & Drug	Community Blue-BCBS	PPO	BCBS	\$106.92/mo See Comment A	\$149.69/mo See Comment A	100% after one year	
Duty Disability	Given credit to voluntary age & service requirements	Retiree & spouse if hired < 9/7/11 Healthcare savings program if hired after 9/6/11 (based on 25 years vesting = 100% of account value)	Pension Board Approval Pension Board Approval	Medical, Drug, Life Life	Medical & Drug	Community Blue-BCBS	PPO	BCBS	\$106.92/mo See Comment A	\$149.69/mo See Comment A	100% after one year	
Non-Duty Death-in-Service	If vested	If age or service eligible	Day prior to death		Medical & Drug	Community Blue-BCBS	PPO	BCBS			100% after one year	
Duty Death-in-Service	Same as Duty Disability											

Comment A: The retiree pays the active contribution rates in the year they retire. For retirements on or after 1/1/2007, the retiree will receive the same coverage as active employees and continue to pay the increasing active contribution rate to a maximum of 50% above the contribution rate at the time of retirement. For retirements 12/1/2017 - 11/30/2018, the retiree will receive the same coverage as active employees and continue to pay the increasing active contribution rate to a maximum of 75% above the contribution rate at the time of retirement. For retirements 12/1/2018 - 11/30/2019, the retiree will receive the same coverage as active employees and continue to pay the increasing active contribution rate to a maximum of 80% above the contribution rate at the time of retirement. For retirements 12/1/2019 - 11/30/2020, the retiree will receive the same coverage as active employees and continue to pay the increasing active contribution rate to a maximum of 85% above the contribution rate at the time of retirement. For retirements 12/1/2020 - 11/30/2021, the retiree will receive the same coverage as active employees and continue to pay the increasing active contribution rate to a maximum of 90% above the contribution rate at the time of retirement. For retirements on or after 12/1/2021, the retiree will receive the same coverage as active employees and continue to pay the increasing active contribution rate to a maximum of 95% above the contribution rate at the time of retirement.

Comment B: Retirees are not reimbursed by the City for Medicare Part A or Part B Premiums. Post-Medicare retiree cost-sharing remains the same as pre-65.

Comment C: There are retirees currently opting out of the retiree health care plan, they may re-enroll at open enrollment or with a qualifying insurance event, there is no stipend for waiving coverage.

Comment D: There are retirees whose benefit is not described above, data was provided individually by the City for the valuation.

Comment E: This is a brief summary of the City of Kalamazoo's Postretirement Welfare Plan Benefit provisions. In the event that any description contained herein differs from the actual eligibility or benefit, the appropriate employee contract or governing document will prevail.



Summary of Benefit Provisions for the Postretirement Welfare Benefits Plan

Group Name Non-Union Employees - City of Kalamazoo (Including CCTA Transit Exempt Employees)										(J)	(K)	(L)
(A)	(B)	(C)	(D)	(E)		(F)	(G)	(H)	(I)	Retiree Share of Cost for		
Leaving Employment as a Result of	Eligibility for Pension Benefit	Eligibility for Retiree Health Benefit (if different from pension benefit)	When do Retiree Health Benefits Commence?	Coverage Provided by Employer		Retiree Health Care Provider(s)	Type of Insurance	Third Party Administrator	Retiree	Spouse (while Retiree is alive)	Spouse (after Retiree's death)	
				Retiree	Spouse							
Normal Retirement (Unreduced pension benefits)	Age 57 with 25 years of service, or age 62 with 5 years (10 years for CCTA)	Retiree & spouse if hired < 6/1/09 Healthcare savings program if hired after 6/1/09 (% of employer contributions based on vesting)	Upon retirement Upon retirement	Medical, Drug, Life	Medical & Drug	Community Blue-BCBS	PPO	BCBS	\$106.92/mo See Comment A	\$149.69/mo See Comment A	100% after one year	
				Life								
Early Retirement (Reduced pension benefits)	Age 55 with at least 15 years of service then for each year increase in age, years of service can reduce by one year to age 62 with 5 years of service (if hired before 9/1/10) and to age 60 with 5 years (if hired on or after 9/1/10)	Retiree & spouse if hired < 6/1/09 Healthcare savings program if hired after 6/1/09 (% of employer contributions based on vesting)	Upon retirement Upon retirement	Medical, Drug, Life	Medical & Drug	Community Blue-BCBS	PPO	BCBS	\$106.92/mo See Comment A	\$149.69/mo See Comment A	100% after one year	
				Life								
Deferred Vested Termination	At age 62 with at least 5 years (10 years for CCTA)	None for retiree & spouse if hired < 6/1/09	n/a									
		Healthcare savings program if hired after 6/1/09 (% of employer contributions based on vesting)	Upon retirement									
Non-Duty Disability	After 5 years of service (10 years for CCTA)	Must meet normal age & service requirements:	Upon Pension Board Approval if eligible									
		Retiree & spouse if hired < 6/1/09 Healthcare savings program if hired after 6/1/09 (% of employer contributions based on vesting)	Pension Board Approval Pension Board Approval	Medical, Drug, Life Life	Medical & Drug	Community Blue-BCBS	PPO	BCBS	\$106.92/mo See Comment A	\$149.69/mo See Comment A	100% after one year	
Duty Disability	Given credit to voluntary age & service requirements	Retiree & spouse if hired < 6/1/09 Healthcare savings program if hired after 6/1/09 (% of employer contributions based on vesting)	Pension Board Approval Pension Board Approval	Medical, Drug, Life Life	Medical & Drug	Community Blue-BCBS	PPO	BCBS	\$106.92/mo See Comment A	\$149.69/mo See Comment A	100% after one year	
Non-Duty Death-in-Service	If vested	If age or service eligible	Day prior to death		Medical & Drug	Community Blue-BCBS	PPO	BCBS			100% after one year	
Duty Death-in-Service	Same as Duty Disability											

Comment A: The retiree will receive the same coverage as active employees and continue to pay the increasing active contribution rate to a maximum of 50% above the contribution rate paid in the last month of employment.

Comment B: Retirees are not reimbursed by the City for Medicare Part A or Part B Premiums. Post-Medicare retiree cost-sharing remains the same as pre-65.

Comment C: There are retirees currently opting out of the retiree health care plan, they may re-enroll at open enrollment or with a qualifying insurance event, there is no stipend for waiving coverage.

Comment D: There are retirees whose benefit is not described above, data was provided individually by the City for the valuation.

Comment E: This is a brief summary of the City of Kalamazoo's Postretirement Welfare Plan Benefit provisions. In the event that any description contained herein differs from the actual eligibility or benefit, the appropriate employee contract or governing document will prevail.



Summary of Benefit Provisions for the Postretirement Welfare Benefits Plan

Group Name Public Safety (sworn employees) - KPSA & KPSOA - City of Kalamazoo										
(A)	(B)	(C)	(D)	(E) Coverage Provided by Employer		(F)	(G)	(H)	(I)	(J) Retiree Share of Cost for
Leaving Employment as a Result of	Eligibility for Pension Benefit	Eligibility for Retiree Health Benefit (if different from pension benefit)	When do Retiree Health Benefits Commence?	Retiree	Spouse	Retiree Health Care Provider(s)	Type of Insurance	Third Party Administrator	Retiree	Spouse (while Retiree is alive)
										Spouse (after Retiree's death)
Normal Retirement (Unreduced pension benefits)	25 years of service or age 50 with 10 years.	Retiree & spouse if hired < 9/7/11 Healthcare savings program if hired after 9/6/11 & eligible to draw a pension (% of employer contributions based on vesting)	Upon retirement Upon retirement	Medical, Drug, Life Life	Medical & Drug	Community Blue-BCBS	PPO	BCBS	\$106.92/mo See Comment A	\$149.69/mo See Comment A
										100% after one year
Early Retirement (Reduced pension benefits)	20 years of service	Retiree & spouse if hired < 9/7/11 Healthcare savings program if hired after 9/6/11 & eligible to draw a pension (% of employer contributions based on vesting)	When they would have completed 25 years of service Upon retirement	Medical, Drug, Life Life	Medical & Drug	Community Blue-BCBS	PPO	BCBS	\$106.92/mo See Comment A	\$149.69/mo See Comment A
										100% after one year
Deferred Vested Termination	At age 50 with at least 10 years	None for retiree & spouse if hired < 9/7/11 Healthcare savings program if hired after 9/6/11 & eligible to draw a pension (% of employer contributions based on vesting)	n/a Upon retirement							
Non-Duty Disability	After 10 years of service	Must meet normal age & service requirements: Retiree & spouse if hired < 9/7/11 Healthcare savings program if hired after 9/6/11 & eligible to draw a pension (% of employer contributions based on vesting)	Upon Pension Board Approval if eligible Pension Board Approval Pension Board Approval	Medical, Drug, Life Life	Medical & Drug	Community Blue-BCBS	PPO	BCBS	\$106.92/mo See Comment A	\$149.69/mo See Comment A
										100% after one year
Duty Disability	Given credit needed to reach 25 years of service	Retiree & spouse if hired < 9/7/11 Healthcare savings program if hired after 9/6/11 (based on 25 years vesting = 100% of account value)	Pension Board Approval Pension Board Approval	Medical, Drug, Life Life	Medical & Drug	Community Blue-BCBS	PPO	BCBS	\$106.92/mo See Comment A	\$149.69/mo See Comment A
										100% after one year
Non-Duty Death-in-Service	If vested	If age or service eligible	Day prior to death		Medical & Drug	Community Blue-BCBS	PPO	BCBS		100% after one year
Duty Death-in-Service	Same as Duty Disability									

Comment A: The retiree pays the active contribution rates in the year they retire. For retirements on or after 1/1/2007, the retiree will receive the same coverage as active employees and continue to pay the increasing active contribution rate to a maximum of 50% above the contribution rate at the time of retirement. For KPSA retirements 12/1/2017 - 12/31/2020, the retiree will receive the same coverage as active employees and continue to pay the increasing active contribution rate to a maximum of 75% above the contribution rate at the time of retirement.

For KPSA retirements on or after 1/1/2021, the retiree will receive the same coverage as active employees and continue to pay the increasing active contribution rate to a maximum of 95% above the contribution rate at the time of retirement.

For KPSOA (sworn) retirements 12/1/2017 - 11/30/2018, the retiree will receive the same coverage as active employees and continue to pay the increasing active contribution rate to a maximum of 75% above the contribution rate at the time of retirement.

For KPSOA (sworn) retirements 12/1/2018 - 11/30/2019, the retiree will receive the same coverage as active employees and continue to pay the increasing active contribution rate to a maximum of 80% above the contribution rate at the time of retirement.

For KPSOA (sworn) retirements 12/1/2019 - 11/30/2020, the retiree will receive the same coverage as active employees and continue to pay the increasing active contribution rate to a maximum of 85% above the contribution rate at the time of retirement.

For KPSOA (sworn) retirements 12/1/2020 - 11/30/2021, the retiree will receive the same coverage as active employees and continue to pay the increasing active contribution rate to a maximum of 90% above the contribution rate at the time of retirement.

For KPSOA (sworn) retirements on or after 12/1/2021, the retiree will receive the same coverage as active employees and continue to pay the increasing active contribution rate to a maximum of 95% above the contribution rate at the time of retirement.

Comment B: Retirees after 1/1/2010 and certain existing retirees are reimbursed for Medicare Part B premiums. Certain retirees electing the incentive are also eligible for reimbursement of late enrollment penalties. Post-Medicare retiree cost-sharing remains the same as pre-65.

Comment C: There are retirees currently opting out of the retiree health care plan, they may re-enroll at open enrollment or with a qualifying insurance event, there is no stipend for waiving coverage.

Comment D: There are retirees whose benefit is not described above, data was provided individually by the City for the valuation.

Comment E: This is a brief summary of the City of Kalamazoo's Postretirement Welfare Plan Benefit provisions. In the event that any description contained herein differs from the actual eligibility or benefit, the appropriate employee contract or governing document will prevail.



Summary of Benefit Provisions for the Postretirement Welfare Benefits Plan

Group Name ATU Union Employees - CCTA

Group Name ATU Union Employees - CCTA										(J)	(K)	(L)	
(A)	(B)	(C)	(D)	(E)		(F)	(G)		(H)	(I)	Retiree Share of Cost for		
Leaving Employment as a Result of	Eligibility for Pension Benefit	Eligibility for Retiree Health Benefit (if different from pension benefit)	When do Retiree Health Benefits Commence?	Coverage Provided by Employer		Retiree	Spouse	Retiree Health Care Provider(s)	Type of Insurance	Third Party Administrator	Retiree	Spouse (while Retiree is alive)	Spouse (after Retiree's death)
				Retiree	Spouse								
Normal Retirement (Unreduced pension benefits)	Age 57 with 25 years of service, or age 62 with 10 years.	Retiree & spouse if hired < 9/7/11	Upon retirement	Medical, Drug, Life	Medical & Drug	Community Blue-BCBS	PPO	BCBS			\$106.92/mo See Comment A	\$149.69/mo See Comment A	100% after one year
		Healthcare savings program if hired after 9/6/11 & eligible to draw a pension (% of employer contributions based on vesting)	Upon retirement	Life									
Early Retirement (Reduced pension benefits)	Age 55 with at least 15 years of service, then for each year increase in age, years of service can reduce by one year, to age 60 with 10 years of service.	None if hired < 9/7/11. Must receive full pension benefit for retiree health, unless -	n/a	Life									
		retired before age 62 without retiree health eligibility, may enroll in retiree health supplemental coverage for retiree only at age 65	Age 65, if elected	Medical, Drug, Life	Medical & Drug	Community Blue-BCBS	PPO	BCBS			\$106.92/mo See Comment A	n/a	n/a
		Healthcare savings program if hired after 9/6/11 & eligible to draw a pension (% of employer contributions based on vesting)	Upon retirement										
Deferred Vested Termination	Age 62 with at least 10 years	None if hired before < 9/7/11. Must receive full pension benefit for retiree health, unless -	n/a	Life									
		retired before age 62 without retiree health eligibility, may enroll in retiree health supplemental coverage for retiree only at age 65	Age 65, if elected	Medical, Drug, Life	Medical & Drug	Community Blue-BCBS	PPO	BCBS			\$106.92/mo See Comment A	n/a	n/a
		Healthcare savings program if hired after 9/6/11 & eligible to draw a pension (% of employer contributions based on vesting)	Upon retirement										
Non-Duty Disability	After 10 years of service	Must meet normal age & service requirements:	Upon Pension Board Approval if eligible										
		Retiree & spouse if hired < 9/7/11	Pension Board Approval	Medical, Drug, Life	Medical & Drug	Community Blue-BCBS	PPO	BCBS			\$106.92/mo See Comment A	\$149.69/mo See Comment A	100% after one year
		Healthcare savings program if hired after 9/6/11 & eligible to draw a pension (% of employer contributions based on vesting)	Pension Board Approval	Life									
Duty Disability	Given credit to voluntary age & service requirements	Retiree & spouse if hired < 9/7/11	Pension Board Approval	Medical, Drug, Life	Medical & Drug	Community Blue-BCBS	PPO	BCBS			\$106.92/mo See Comment A	\$149.69/mo See Comment A	100% after one year
		Healthcare savings program if hired after 9/6/11 & eligible to draw a pension (100% vesting in full account value)	Pension Board Approval	Life									
Non-Duty Death-in-Service	If vested	If age or service eligible	Day prior to death		Medical & Drug	Community Blue-BCBS	PPO	BCBS					100% after one year
Duty Death-in-Service	Same as Duty Disability												

Comment A: The retiree pays the active contribution rates in the year they retire. For retirements on or after 2/14/2007, the retiree will receive the same coverage as active employees and continue to pay the increasing active contribution rate to a maximum of 50% above the contribution rate at the time of retirement. For retirements on or after 12/1/2017, the retiree will receive the same coverage as active employees and continue to pay the increasing active contribution rate to a maximum of 75% above the contribution rate at the time of retirement.

Comment B: Retirees are not reimbursed by the City for Medicare Part A or Part B Premiums. Post-Medicare retiree cost-sharing remains the same as pre-65.

Comment C: There are retirees currently opting out of the retiree health care plan, they may re-enroll at open enrollment or with a qualifying insurance event, there is no stipend for waiving coverage. For retirements on or after 2/10/2020, if the retiree waives coverage, they can't opt back in at a later date.

Comment D: There are retirees whose benefit is not described above, data was provided individually by the City for the valuation.

Comment E: This is a brief summary of the City of Kalamazoo's Postretirement Welfare Plan Benefit provisions. In the event that any description contained herein differs from the actual eligibility or benefit, the appropriate employee contract or governing document will prevail.



Summary of Benefit Provisions for the Postretirement Welfare Benefits Plan

Group Name KMEA Union Employees - City of Kalamazoo									(J)	(K)	(L)
(A)	(B)	(C)	(D)	(E)		(G)	(H)	(I)	Retiree Share of Cost for		
Leaving Employment as a Result of	Eligibility for Pension Benefit	Eligibility for Retiree Health Benefit (if different from pension benefit)	When do Retiree Health Benefits Commence?	Coverage Provided by Employer		Retiree Health Care Provider(s)	Type of Insurance	Third Party Administrator	Retiree	Spouse (while Retiree is alive)	Spouse (after Retiree's death)
				Retiree	Spouse						
Normal Retirement (Unreduced pension benefits)	Age 57 with 25 years of service, or age 62 with 10 years.	Retiree & spouse if hired < 6/1/09	Upon retirement	Medical, Drug, Life	Medical & Drug	Community Blue-BCBS	PPO	BCBS	\$106.92/mo See Comment A	\$149.69/mo See Comment A	100% after one year
		Healthcare savings program if hired after 6/1/09 & eligible to draw a pension (% of employer contributions based on vesting)	Upon retirement	Life							
Early Retirement (Reduced pension benefits)	Age 55 with at least 15 years of service then for each year increase in age, years of service can reduce by one year to age of service can reduce by one year to age 62 with 8 years of service (if hired before 1/1/09) and to age 60 with 10 years (if hired on or after 1/1/09)	None if hired < 6/1/09. Must receive full pension benefit for retiree health unless -	n/a	Life							
		Retiree & spouse if retired between ages 57 and 65; or -	Upon retirement	Medical, Drug, Life	Medical & Drug	Community Blue-BCBS	PPO	BCBS	\$106.92/mo See Comment A	\$149.69/mo See Comment A	100% after one year
		Retiree only if retired before age 57	Age 65, if elected	Medical, Drug, Life	Medical & Drug	Community Blue-BCBS	PPO	BCBS	\$106.92/mo See Comment A	n/a	n/a
		Healthcare savings program if hired after 6/1/09 & eligible to draw a pension (% of employer contributions based on vesting)									
Deferred Vested Termination	At age 62 with at least 10 years (8 years if hired before 1/1/09)	None for retiree & spouse if hired before 6/1/09	n/a								
		Healthcare savings program if hired after 6/1/09 & eligible to draw a pension (% of employer contributions based on vesting)	Upon retirement								
Non-Duty Disability	After 10 years of service (8 years if hired before 1/1/09)	Must meet normal age & service requirements:	Upon Pension Board Approval if eligible								
		Retiree & spouse if hired < 6/1/09	Pension Board Approval	Medical, Drug, Life	Medical & Drug	Community Blue-BCBS	PPO	BCBS	\$106.92/mo See Comment A	\$149.69/mo See Comment A	100% after one year
		Healthcare savings program if hired after 6/1/09 & eligible to draw a pension (% of employer contributions based on vesting)	Pension Board Approval	Life							
Duty Disability	Given credit to voluntary age & service requirements	Retiree & spouse if hired < 6/1/09	Pension Board Approval	Medical, Drug, Life	Medical & Drug	Community Blue-BCBS	PPO	BCBS	\$106.92/mo See Comment A	\$149.69/mo See Comment A	100% after one year
		Healthcare savings program if hired after 6/1/09 & eligible to draw a pension (100% vesting in full account value)	Pension Board Approval	Life							
Non-Duty Death-in-Service	If vested	If age or service eligible	Day prior to death		Medical & Drug	Community Blue-BCBS	PPO	BCBS			100% after one year
Duty Death-in-Service	Same as Duty Disability										

Comment A: The retiree pays the active contribution rates in the year they retire. For retirements on or after 1/1/2002, the retiree will receive the same coverage as active employees and continue to pay the increasing active contribution rate to a maximum of 50% above the contribution rate at the time of retirement. For retirements 12/1/2017 - 6/30/2020, the retiree will receive the same coverage as active employees and continue to pay the increasing active contribution rate to a maximum of 75% above the contribution rate at the time of retirement. For retirements on or after 7/1/2020, the retiree will receive the same coverage as active employees and continue to pay the increasing active contribution rate to a maximum of 80% above the contribution rate at the time of retirement.

Comment B: Retirees are not reimbursed by the City for Medicare Part A or Part B Premiums. Post-Medicare retiree cost-sharing remains the same as pre-65.

Comment C: There are retirees currently opting out of the retiree health care plan, they may re-enroll at open enrollment or with a qualifying insurance event, there is no stipend for waiving coverage. For retirements on or after 1/1/2018, if the retiree waives coverage, they can't opt back in at a later date.

Comment D: There are retirees whose benefit is not described above, data was provided individually by the City for the valuation.

Comment E: This is a brief summary of the City of Kalamazoo's Postretirement Welfare Plan Benefit provisions. In the event that any description contained herein differs from the actual eligibility or benefit, the appropriate employee contract or governing document will prevail.



SECTION D

SUMMARY OF THE INFORMATION SUBMITTED FOR THE VALUATION

Reported Financial Information for the Year Ended December 31, 2019 (Market Value)

Revenues and Expenditures During the Year

Revenues:

a. Retiree contributions	\$ 978,010	
b. Employer contributions	3,500,000	
c. Interest and dividends	2,383,278	
d. Net Appreciation in Fair Value of Investments	<u>15,120,819</u>	
e. Total		\$21,982,107

Expenditures:

a. Benefits paid	10,343,706	
b. Administrative expenses	125,815	
c. Investment expenses	<u>343,446</u>	
d. Total		<u>10,812,967</u>

Reserve Increase:

Total revenues minus total expenditures	<u><u>\$11,169,140</u></u>
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Assets and Reserves

Assets:

a. Cash or equivalents	\$ 111,883
b. Receivables net of payables	(1,092,426)
c. Stocks	72,597,598
d. Fixed income	25,440,713
e. Real Estate Investment Fund	5,047,617
f. Funding Value Adjustment	<u>0</u>
Total	<u><u>\$102,105,385</u></u>

Reserves for Employer Contributions:

a. General Fund	\$ 102,105,385
b. Metro Fund	0
c. Water Fund	0
d. Wastewater Fund	0
Total	<u><u>\$102,105,385</u></u>



Active Members as of January 1, 2020 by Age and Years of Service *

Age	Years of Service to Valuation Date							Totals
	0-4	5-9	10-14	15-19	20-24	25-29	30 Plus	No.
20-24								
25-29		2						2
30-34		5	6					11
35-39		1	25	7				33
40-44			10	20	10			40
45-49		2	6	16	43	10		77
50-54		1	2	9	23	8	3	46
55-59		1	3	9	14	10	6	43
60-64		1	3	7	6	5	2	24
65 & Over			1	2		1	1	5
Totals		13	56	70	96	34	12	281

* Excludes 423 individuals who are not eligible for retiree health insurance at retirement. A Health Savings Account is available instead.

While not used in the financial computations, the following group averages are computed and shown because of their general interest.

Age: 48.5 years
Service: 19.8 years

Inactive Members as of January 1, 2020 by Age and Coverage Type

Number of Retiree Health Contracts*

	Opt-Out/ Ineligible	One-Person Coverage	Two-Person Coverage	Total
Male	110	160	356	626
Female	165	123	53	341
Total	275	283	409	967

* Members receiving more than one pension were only counted once for purposes of OPEB benefits.

Notes:

- Opt-Out/Ineligible:** Includes 37 retirees who waived coverage and 1 DROP member. These members are assumed to begin drawing benefits in the future.
- One-Person Coverage:** Includes surviving spouses who receive City paid coverage for one year following the member's death.
- Two-Person Coverage:** Includes family coverage.

Age	Number of Those Covered
	Retiree Health
0-44	0
45-49	7
50-54	37
55-59	76
60-64	131
65-69	132
70-74	131
75-79	86
80-84	42
85-89	36
90-94	12
95 +	2
Totals	692

Number of Terminated Vested Contracts

Terminated vested members are not eligible for Plan benefits.

SECTION E

ACTUARIAL COST METHOD AND ACTUARIAL ASSUMPTIONS

Actuarial Methods

The actuarial assumptions used for this report were based upon the results of an Experience Study for the City of Kalamazoo Employees Retirement System covering the period January 1, 2014 through December 31, 2018. A report dated January 7, 2020 presented the results of this Experience Study.

Actuarial Cost Method. Normal cost and the allocation of benefit values between service rendered before and after the valuation date was determined using an **Individual Entry-Age Actuarial Cost Method** having the following characteristics:

- (i) the annual normal cost for each individual active member, payable from the date of employment to the date of retirement, is sufficient to accumulate the value of the member's benefit at the time of retirement; and
- (ii) each annual normal cost is a constant percentage of the member's year by year projected covered pay.

Actuarial gains (losses), as they occur, reduce (increase) the Unfunded Actuarial Accrued Liability.

Financing of Unfunded Actuarial Accrued Liabilities. Unfunded Actuarial Accrued Liability (UAAL) (full funding credit if assets exceed liabilities) were amortized as a level dollar over a 22-year period.

Amortization of Unfunded Actuarial Accrued Liability. The following amortization factor was used in developing the Actuarially Determined Contribution for the year shown:

	2020 Calendar Year
City of Kalamazoo (Level Dollar)	11.2238

Asset Valuation Method. Last year's valuation assets are increased by contributions and expected investment income on last year's valuation assets and non-investment net cash flow and reduced by refunds, benefit payments and expenses. To this amount is added the phased-in recognition of investment income. The phased-in recognition is the sum over the five years ending on the valuation date of 20% of the difference between each year's expected return and actual market return.

Actuarial Assumptions

Investment Return. The rate of investment return is compounded annually net of investment expenses.

Investment Return	7.25%
Wage Inflation	3.50%
Price Inflation	2.25%
Spread Between Investment Return and Wage Inflation	3.75%
Spread Between Investment Return and Price Inflation	4.75%

The rates of salary increase used for individual members are in accordance with the following table.

The annual rate of pay increases consists of two parts:

- (i) a long-term rate of pay inflation equal to 3.50%; and
- (ii) merit and longevity increases which vary according to age or length of service. These rates are illustrated below:

Years of Service	KMEA	AFSCME	General Exempt	Non-Sworn Public Safety	CCTA Union	CCTA Exempt	Public Safety
1	6.0%	8.0%	6.0%	8.0%	7.0%	6.0%	12.0%
2	5.0	3.0	6.0	7.0	7.0	6.0	12.0
3	4.0	3.0	1.0	6.0	6.0	0.5	5.5
4	2.0	2.0	1.0	4.0	5.0	0.5	4.5
5	1.0	2.0	1.0	3.0	4.0	0.5	4.5
6	1.0	1.0	1.0	1.5	0.0	0.3	4.0
7	1.0	0.0	0.5	1.5	0.0	0.3	4.0
8	1.0	0.0	0.5	1.5	0.0	0.3	4.0
9	0.0	0.0	0.5	1.5	0.0	0.3	1.5
10	0.0	0.0	0.5	1.5	0.0	0.3	1.3
11	0.0	0.0	0.3	0.5	0.0	0.3	1.0
12	0.0	0.0	0.3	0.3	0.0	0.3	1.0
13	0.0	0.0	0.3	0.3	0.0	0.3	0.5
14	0.0	0.0	0.3	0.3	0.0	0.3	0.5
thereafter	0.0	0.0	0.3	0.3	0.0	0.3	0.5



Actuarial Assumptions (Continued)

The mortality tables (a risk assumption) used in the valuation are described below:

Non-Public Safety

- **Healthy Pre-Retirement:** The Pub-2010 Amount-Weighted, General, Employee, Male and Female tables, with future mortality improvements projected to 2025 using scale MP-2019.
- **Healthy Post-Retirement:** The Pub-2010 Amount-Weighted, General, Healthy Retiree, Male and Female tables, with future mortality improvements projected to 2025 using scale MP-2019.
- **Disability Retirement:** The Pub-2010 Amount-Weighted, General, Disabled Retiree, Male and Female, with future mortality improvements projected to 2025 using scale MP-2019.

Sample Attained Ages	Healthy Pre-Retirement		Healthy Post-Retirement		Disabled Retirement	
	Future Life		Future Life		Future Life	
	Expectancy (Years)		Expectancy (Years)		Expectancy (Years)	
	Men	Women	Men	Women	Men	Women
55	32.90	34.92	29.19	31.95	21.41	23.96
60	28.28	30.17	24.84	27.44	18.65	21.11
65	23.77	25.48	20.67	23.03	16.03	18.18
70	19.34	20.87	16.67	18.76	13.44	15.08
75	14.99	16.36	12.94	14.75	10.86	12.04
80	10.73	11.98	9.63	11.12	8.43	9.29

Public Safety

- **Healthy Pre-Retirement:** The Pub-2010 Amount-Weighted, Safety, Employee, Male and Female tables, with future mortality improvements projected to 2025 using scale MP-2019.
- **Healthy Post-Retirement:** The Pub-2010 Amount-Weighted, Safety, Healthy Retiree, Male and Female tables, with future mortality improvements projected to 2025 using scale MP-2019.
- **Disability Retirement:** The Pub-2010 Amount-Weighted, Safety, Disabled Retiree, Male and Female, with future mortality improvements projected to 2025 using scale MP-2019.

Sample Attained Ages	Healthy Pre-Retirement		Healthy Post-Retirement		Disabled Retirement	
	Future Life		Future Life		Future Life	
	Expectancy (Years)		Expectancy (Years)		Expectancy (Years)	
	Men	Women	Men	Women	Men	Women
55	32.15	34.54	29.07	30.90	27.84	29.83
60	27.45	29.78	24.56	26.38	23.55	25.62
65	22.85	25.04	20.27	22.06	19.52	21.61
70	18.37	20.36	16.25	17.95	15.74	17.75
75	14.09	15.83	12.54	14.12	12.23	14.09
80	10.08	11.56	9.28	10.71	9.16	10.71

100% of deaths are assumed to be non-duty for all members.

Actuarial Assumptions (Continued)

The rates of retirement used to measure the probability of eligible members retiring during the next year were as follows:

Retirement Ages	KMEA	AFSCME	General Exempt	Non-Sworn Public Safety	CCTA Union	CCTA Exempt
55	2%	5%	7%	7%	10%	10%
56	2	5	7	7	10	10
57	5	8	20	20	25	25
58	5	5	20	20	25	25
59	10	5	15	15	20	20
60	20	25	20	20	25	25
61	20	20	20	20	30	30
62	50	55	25	25	30	30
63	15	25	15	15	15	15
64	10	25	15	15	15	15
65	100	100	100	100	100	100

Years of Service	Public Safety
20	2%
21	2
22	2
23	2
24	2
25	80
26	30
27	45
28	25
29	25
30	100

Retirement probabilities were applied for General and CCTA members after both attaining age 55 and completing 15 years of service, or age 62 with 10 years of service (5 years for General Exempt, 5 years for Transit Exempt hired before 9/1/2010, 9 years for AFSCME and 8 years for KMEA hired before 1/1/2009). AFSCME members are also considered eligible for retirement at age 60 with 20 or more years of service. Retirement probabilities were applied for Public Safety members upon completion of 20 years of service with 100% retirement probability assumed at age 60 with 10 years of service.



Actuarial Assumptions (Continued)

Rates of separation from active membership were as shown below (rates do not apply to members eligible to retire and do not include separation on account of death or disability). This assumption measures the probabilities of members remaining in employment.

Sample Ages	Years of Service	% of Active Members Separating within Next Year						
		KMEA	AFSCME	General Exempt	Non-Sworn Public Safety	CCTA Union	CCTA Exempt	Public Safety
	0	16.0%	16.0%	16.0%	16.0%	15.0%	15.0%	7.5%
	1	15.0	15.0	15.0	15.0	14.0	14.0	5.0
	2	12.0	12.0	12.0	12.0	9.0	9.0	3.8
	3	10.0	10.0	10.0	10.0	8.0	8.0	3.0
	4	8.0	8.0	8.0	8.0	7.0	7.0	3.0
25	5 or Over	8.0	8.0	8.0	8.0	7.4	7.4	2.5
30		7.0	7.0	7.0	7.0	5.8	5.8	2.2
35		6.0	6.0	6.0	6.0	5.0	5.0	1.4
40		5.0	5.0	5.0	5.0	4.0	4.0	1.1
45		4.0	4.0	4.0	4.0	3.3	3.3	0.8
50		3.0	3.0	3.0	3.0	2.5	2.5	0.6
55		2.4	2.4	2.4	2.4	2.0	2.0	0.4
60		2.4	2.4	2.4	2.4	2.0	2.0	0.4

Actuarial Assumptions (Continued)

Disability Rates

Disability rates are used in the valuation to estimate the incidence of member disability in future years.

The assumed rates of disablement at various ages are shown below:

Sample Ages	% of Active Members Becoming Disabled within Next Year	
	Public Safety	KMEA
	CCTA Union AFSCME	All Exempt CSO
20	0.23%	0.04%
25	0.27	0.04
30	0.32	0.04
35	0.40	0.04
40	0.55	0.10
45	0.76	0.13
50	1.45	0.25
55	2.84	0.45
60	0.00	0.71

Actuarial Assumptions (Concluded)

Health care cost trend rates are displayed in the following table:

Year after Valuation	Health Care Trend Inflation Rates
	Medical and Drug
1	8.25%
2	7.50
3	7.00
4	6.50
5	6.00
6	5.50
7	5.00
8	4.50
9	4.00
10 +	3.50

Health Care Coverage at Retirement as described in the table below, shows the assumed portion of future retirees currently waiving coverage, electing one-person or two-person/family coverage, or opting-out of coverage entirely. It was also assumed active employees currently opting-out of health care would elect health care based on the following table:

	One-Person	Two-Person/Family		Opt-Out
		Electing	Continuing*	
All Groups	25%	70%	100%	5%

* Continuation period for surviving spouses is one year.

Current Waivers:

Non-ERI retirees who are opting-out of health care were assumed to continue opting-out of health care indefinitely. If current non-ERI retirees choose to opt-back-in for coverage, if allowed, there would be a loss in future valuations.

ERI retirees currently waiving coverage are assumed to return to coverage at age 62.

DROP members are assumed to remain in the DROP for two years after the valuation date.



Miscellaneous and Technical Assumptions

Administrative Expenses	\$100,000 per year.
Decrement Operation	Death-in-service decrement does not operate until member becomes vested. Withdrawal does not operate during retirement eligibility.
Decrement Timing	Decrements are assumed to occur at the middle of the fiscal year.
Decrement Relativity	Decrement Rates are used directly from the experience study of the pension retirement system, without adjustment for multiple decrement effects.
Eligibility Testing	Eligibility for benefits is determined based upon the age nearest birthday and service nearest whole year on the date the decrement is assumed to occur.
Incidence of Contributions	Contributions are assumed to be received continuously throughout the year based upon the computed dollar amount shown in this report.
Marriage Assumption	100% of males and 100% of females are assumed to be married at time of in-service death. Male spouses are assumed to be three years older than female spouses for active valuation purposes.
Excise Tax Liability	No Loads.
Surviving Spouse Benefit	Surviving spouses of active and retired members of the plan are given one year of benefit at the cost the retiree has to pay, after one year the spouse must pay 100% of premium. Liabilities have been loaded 1.00% to account for this benefit.
Medicare Coverage	Assumed to be available for all covered employees on attainment of age 65. Disabled retirees were assumed to be eligible for Medicare coverage at age 65.

APPENDIX A

GLOSSARY

Glossary

Accrued Service. The service credited under the plan which was rendered before the date of the actuarial valuation.

Actuarial Accrued Liability. The difference between (i) the actuarial present value of future plan benefits, and (ii) the actuarial present value of future normal cost. Sometimes referred to as “accrued liability” or “past service liability.”

Actuarial Assumptions. Estimates of future plan experience with respect to rates of mortality, disability, turnover, retirement, rate or rates of investment income and salary increases. Decrement assumptions (rates of mortality, disability, turnover and retirement) are generally based on past experience, often modified for projected changes in conditions. Economic assumptions (salary increases and investment income) consist of an underlying rate in an inflation-free environment plus a provision for a long-term average rate of inflation.

Actuarial Cost Method. A mathematical budgeting procedure for allocating the dollar amount of the “actuarial present value of future plan benefits” between the actuarial present value of future normal cost and the actuarial accrued liability. Sometimes referred to as the “actuarial funding method.”

Actuarial Equivalent. A single amount or series of amounts of equal value to another single amount or series of amounts, computed on the basis of the rate(s) of interest and mortality tables used by the plan.

Actuarial Present Value. The amount of funds presently required to provide a payment or series of payments in the future. It is determined by discounting the future payments at a predetermined rate of interest, taking into account the probability of payment.

Actuarially Determined Contribution. The Actuarially Determined Contribution is the normal cost plus the portion of the unfunded actuarial accrued liability to be amortized in the current period. The Actuarially Determined Contribution is an amount that is actuarially determined in accordance with the requirements so that, if paid on an ongoing basis, it would be expected to provide sufficient resources to fund both the normal cost for each year and the amortized unfunded actuarial accrued liability.

Amortization. Paying off an interest-bearing liability by means of periodic payments of interest and principal, as opposed to paying it off with a lump sum payment.

Governmental Accounting Standards Board (GASB). GASB is the private, nonpartisan, nonprofit organization that works to create and improve the rules U.S. state and local governments follow when accounting for their finances and reporting them to the public.

Implicit Rate Subsidy. It is common practice for employers to allow retirees to continue in the employer’s group health insurance plan (which also covers active employees), often charging the retiree some portion of the premium charged for active employees. Under the theory that retirees have higher utilization of services, the difference between the true cost of providing retiree coverage and what the retiree is being charged is known as the implicit rate subsidy.



Glossary (Concluded)

Medical Trend Rate (Health Care Inflation). The increase in the cost of providing health care benefits over time. Trend includes such elements as pure price inflation, changes in utilization, advances in medical technology, and cost shifting.

Normal Cost. The annual cost assigned, under the actuarial funding method, to current and subsequent plan years. Sometimes referred to as “current service cost.” Any payment toward the unfunded actuarial accrued liability is not part of the normal cost.

Other Postemployment Benefits (OPEB). OPEB are postemployment benefits other than pensions. OPEB generally takes the form of health insurance, dental, vision, prescription drugs, life insurance or other health care benefits.

Reserve Account. An account used to indicate that funds have been set aside for a specific purpose and are not generally available for other uses.

Unfunded Actuarial Accrued Liability. The difference between the actuarial accrued liability and valuation assets. Sometimes referred to as “unfunded actuarial accrued liability.”

Valuation Assets. The value of current plan assets recognized for valuation purposes.

APPENDIX B

VALUATION RESULTS BY FUND

Valuation Results by Fund

The purpose of this appendix is to segregate the results of the January 1, 2020 valuation of Postretirement Welfare Benefits for the City of Kalamazoo by OPEB fund.

The Actuarially Determined Contribution (ADC) is developed on a Plan-wide basis, and could be significantly different than the results as determined for each individual fund.

The following **additional data** was provided by the City for use in this study:

- Allocation percentages for Funding Sources within General-PublicWorks
 - 13%: General-PublicWorks
 - 44%: Major Streets
 - 31%: Local Streets
 - 12%: Solid Waste
- Asset Allocation Method: Use of equal funded ratio for each fund.
- General-Public Works results are grouped under the “General” heading.

Restatement of January 1, 2020 Valuation Results by Fund

	Fund:	Total	Total Governmental							
	Governmental Sub-Fund:			General ^{&}	Major Streets	Local Streets	Solid Waste	Wastewater	Water	CCTA
Development of the Actuarially Determined Contribution										
<u>Contributions for Calendar Year 2020</u>										
1. Employer Normal Cost		\$ 1,399,378	\$ 1,206,795	\$ 1,172,174	\$ 17,509	\$ 12,336	\$ 4,776	\$ 57,046	\$ 26,684	\$ 108,853
2. Administrative Expense Allowance		100,000	72,965	68,995	2,008	1,415	547	11,695	8,335	7,005
3. Amortization of Unfunded Actuarial Accrued Liability [^]		<u>8,338,733</u>	<u>6,084,303</u>	<u>5,753,288</u>	<u>167,410</u>	<u>117,948</u>	<u>45,657</u>	<u>975,210</u>	<u>695,044</u>	<u>584,176</u>
4. Actuarially Determined Contribution (ADC)		\$ 9,838,111	\$ 7,364,063	\$ 6,994,457	\$ 186,927	\$ 131,699	\$ 50,980	\$ 1,043,951	\$ 730,063	\$ 700,034
Determination of the Unfunded Actuarial Accrued Liability as of January 1, 2020										
5. Present Value of Future Benefits										
i. Retirees and Beneficiaries*		\$146,718,287	\$104,154,306	\$ 99,120,160	\$2,546,004	\$1,793,776	\$ 694,366	\$18,631,303	\$14,352,424	\$ 9,580,254
ii. DROP Members		367,991	367,991	367,991	0	0	0	0	0	0
iii. Vested Terminated Members		0	0	0	0	0	0	0	0	0
iv. Active Members		<u>53,367,700</u>	<u>42,986,907</u>	<u>40,206,626</u>	<u>1,406,119</u>	<u>990,675</u>	<u>383,487</u>	<u>4,122,348</u>	<u>1,849,072</u>	<u>4,409,373</u>
v. Total Present Value of Future Benefits (4.i. + 4.ii. + 4.iii.)		\$200,453,978	\$147,509,204	\$139,694,777	\$3,952,123	\$2,784,451	\$1,077,853	\$22,753,651	\$16,201,496	\$13,989,627
6. Present Value of Future Normal Costs		<u>\$ 8,083,509</u>	<u>\$ 7,147,315</u>	<u>\$ 6,969,255</u>	<u>\$ 90,053</u>	<u>\$ 63,447</u>	<u>\$ 24,560</u>	<u>\$ 256,036</u>	<u>\$ 167,176</u>	<u>\$ 512,982</u>
7. Actuarial Accrued Liability (4.iv. - 5.)		\$192,370,469	\$140,361,889	\$132,725,522	\$3,862,070	\$2,721,004	\$1,053,293	\$22,497,615	\$16,034,320	\$13,476,645
8. Actuarial Value of Assets		<u>\$ 98,777,892</u>	<u>\$ 72,072,661</u>	<u>\$ 68,151,559</u>	<u>\$1,983,086</u>	<u>\$1,397,174</u>	<u>\$ 540,842</u>	<u>\$11,552,017</u>	<u>\$ 8,233,261</u>	<u>\$ 6,919,953</u>
9. Unfunded Actuarial Accrued Liability (6. - 7.)		\$ 93,592,577	\$ 68,289,228	\$ 64,573,963	\$1,878,984	\$1,323,830	\$ 512,451	\$10,945,598	\$ 7,801,059	\$ 6,556,692
10. Funded Ratio (7. / 6.)		51.3%	51.3%	51.3%	51.3%	51.3%	51.3%	51.3%	51.3%	51.3%

[^] A 22-year amortization period is utilized for the 2020 calendar year.

* Includes additional liability due to Early Retirement Incentive (ERI) retirees currently waiving retiree health care through the City, but assumed to return to coverage at a later date.

[&] Includes "General-PublicWorks."

Notes:

- CCTA has a side fund containing additional market value assets of \$315,405 as of the valuation date. While neither used in the calculations above nor elsewhere in this report, reflecting the side fund in CCTA assets on a market value basis would reduce the Actuarially Determined Contribution for CCTA to \$671,932.
- The results displayed above were developed using the census/claims data, benefits, and actuarial methods/assumptions used in the January 1, 2020 valuation, including an interest rate of 7.25%.



CITY OF KALAMAZOO

Ordinance No. _____

AN ORDINANCE TO AMEND SECTIONS 2-224, 2-232, AND 2-237 OF THE KALAMAZOO CODE OF ORDINANCES

THE CITY OF KALAMAZOO ORDAINS:

Section 1. Section 2-224, the definition section, the definition of General Member Administrator shall be added to the Kalamazoo City Code and read as follows:

GENERAL MEMBER ADMINISTRATOR

Any general member who is a City Commission Appointee (City Manager, City Attorney, City Clerk and City Internal Auditor) or a Deputy City Manager who is an exempt employee. For purposes of this article, said Administrator will be treated as if a General Member except as otherwise noted.

Section 2. Within Section 2-224 of the Kalamazoo City Code the definition of “Voluntary Retirement Age” shall be amended to read as follows:

VOLUNTARY RETIREMENT AGE

- A. For a general member, shall be age 55 years, provided he or she has 15 or more years of credited service. For each year past age 55, the required number of years of credited service shall be reduced by one year. This shall be considered a reduced benefit as outlined in section 2-237 (B) until:
- (1) For NBU members, the employee reaches the age of 62, and has five years of credited service;
 - (2) For KMEA members hired prior to January 1, 2009, the employee reaches the age of 62, and has eight years of credited service;
 - (3) For KMEA members hired on or after January 1, 2009, the employee reaches the age of 62 and has 10 years of credited service;
 - (4) For AFSCME members, hired prior to October 3, 2016, the employee reaches the age of 62 and has nine years of credited service;
 - (5) For AFSCME members, hired after October 2, 2016, the employee reaches the age of 62 and has 10 years of credited service;

- (6) For AFSCME members who retires on or after October 1, 1990, the employee reaches the age of 60 and has 20 years of credited service;

Subparagraphs 1-6 are considered full benefits not subject to reduction under section 2-237 (B).

Section 3. Section 2-232 of the Kalamazoo City Code shall be amended to read as follows:

§ 2-232 Buyback of unpaid leave.

- A. A Public Safety member who, on or after January 1, 1999, is absent from work for an entire pay period during which no pay from the City is paid from which pension contributions are deducted, may buy back all or a portion of said time so that it becomes credited service. In the absence of said buyback, said time shall not become credited service. If the member elects to buy back such time, the amount to be paid by the member shall be equal to that which the member would have had deducted from his or her pay had he or she been receiving pay. Said payment shall commence within one year of the member's return and shall be completed within five years of said return. If repayment for the amount of time sought to be credited is not fully paid within said five years, the amount paid shall be refunded and no credited service shall be given.
- B. Members with a reduction of hours in 2020 due to the City's participation in the State of Michigan work share program have the option of making up their contribution based on regular wages of 80 hours per pay period if the period of the City's participation in the State of Michigan work share program occurred within the last 3 years of the member's employment with the City. This contribution will be calculated based on the members normal contribution percentage multiplied by 80 then reduced by contributions made for the period. Final Average Compensation for members electing this option will include this time period to be calculated using full normal wages based on 80 hours per pay period. This election and related payment must be made prior to retirement effective date.

Section 4. Section 2-237 of the Kalamazoo City Code shall be amended to read as follows:

§ 2-237 Retirement allowance for general members and general member administrators; multipliers; early retirement reduction.

- A. Upon his or her retirement as provided in this article, a general member shall receive a straight life retirement allowance, and he or she shall have the right to elect to receive his or her retirement allowance under an option provided in § 2-240 in lieu of a straight life retirement allowance. His or her straight life retirement allowance shall consist of the following benefits:
- (1) An annuity which shall be the actuarial equivalent of his or her accumulated contributions standing to his or her credit in the annuity savings fund at the time of

his or her retirement; and

- (2) A pension that, when added to his or her annuity, will provide a straight life retirement allowance equal to the number of years and fraction of a year of his or her credited service multiplied by the percents set forth below of his or her final average compensation:
 - (a) For a general member represented by the Kalamazoo Municipal Employees Association who retires in 2006, the multiplier shall be 1.9% of his or her final average compensation, but on or after January 1, 2007, the multiplier shall be 2% of his or her final average compensation; on or after January 1, 2008, the multiplier shall be 2.1% of his or her final average compensation; further, a post-retirement adjustment of 1.5%, compounded annually, shall be provided to those KMEA members who retire on or after March 13, 2000, so long as said retirant has been retired for one year (if he or she retires at or after age 63) or upon the retirant's 64th birthday (if he or she retires prior to age 63); said post-retirement adjustment shall not apply to deferred retirements. Effective January 1, 2002 the PRA described above shall increase from 1.5% to 2.0% when the retiree reaches the age of 75.
 - (b) For an exempt employee who retires on or after January 1, 1999, the multiplier shall be 2.3% of his or her final average compensation. A general member administrator who retires on or after October 1, 2020, shall be entitled to a 2.7% multiplier of their final average compensation and shall receive a post-retirement adjustment of 2% in January of each year, which is compounded annually; A general member administrator shall not be eligible for a post-retirement adjustment of 2% if he or she takes a deferred retirement.
 - (c) For a member represented by AFSCME who retires on or after October 2, 2005, the multiplier shall be 1.9% of his or her final average compensation, but if on or after October 2, 2006, the multiplier shall be 2% of his or her final average compensation, but if on or after October 2, 2007, the multiplier shall be 2.1% of his or her final average compensation; further, a post-retirement allowance of one percent, commencing one year after the member's date of retirement and compounded annually thereafter, shall be provided to those AFSCME members who retire on or after March 1, 2000; after the retirant reaches age 75, said annual adjustment shall be two percent, compounded annually. The retirement adjustment shall not, however, apply to those who retire pursuant to a deferred and / or a reduced retirement;
 - (d) For a member represented by the ATU, the multiplier shall be 2.1% of his or her final average compensation; further, a post-retirement allowance of 1%, commencing one year after the member's date of retirement and compounded annually thereafter, shall be provided to those ATU members who retire on or after March 1, 2000; after the retirant reaches age 75, said annual adjustment shall be 2%, compounded annually. The retirement adjustment shall not, however, apply to those who retire pursuant to a deferred retirement; and

- (e) For a member employed in a civilian, nonsworn capacity at the Kalamazoo Department of Public Safety, and who is in a bargaining unit represented by the Kalamazoo Police Officers Association, who retires in 2006 the multiplier shall be 1.7%, but on and after January 1, 2007, the multiplier shall be 2.1%.
- B. Except as provided in Subsection **C** below, in the event a general member who has fewer than 25 years of credited service retires before his or her attainment of the age of 62, the pension portion of his or her retirement allowance provided in Subsection **A** of this section shall be reduced 0.4% multiplied by the number of months and fraction of a month contained in the period from the date of his or her retirement to the date he or she would attain the age of 62. In the event a general member who has 25 or more years of credited service retires on or after January 1, 1974, and before his or her attainment of the age of 57, the pension portion of his or her retirement allowance provided in Subsection **A** of this section shall be reduced 0.4% multiplied by the number of months and fraction of a month contained in the period from the date of his or her retirement to the date he or she would have attained the age of 57. ~~A general member who retires on or after July 26, 2017, with credited service with a state unit or municipal unit that has elected to adopt the provisions of the Reciprocal Retirement Act, being Public Act 88 of 1961, as amended, is permitted to apply previous credited service with a reciprocal unit so as to permit the member to achieve 25 years of credited service to avoid the reduction in retirement allowance as otherwise required by this section.~~

Subparagraphs C-E remain unchanged.

Section 5. Section 2-261 of the Kalamazoo City Code shall be amended to read as follows:

§ 2-261 Reciprocal Retirement Act.

- A. This City, being a "municipal unit" which covers its employees under a retirement system, does hereby, by a majority vote of its governing body, elect to adopt the provisions of the Reciprocal Retirement Act, No. 88 of 1961 (MSA § 4.1601; MCLA § 38.1101) for its employees covered under such retirement system. The City Clerk shall file written certification of this action with the Secretary of State for the State of Michigan.
- B. An employee who has 30 months or more of credited service acquired as a member of the City's retirement system and who has attained the age but has not met the service requirements for age and service retirement pursuant to MCL § 38.1105 shall be entitled to use his or her credited service in force previously acquired as a

member of another Michigan governmental or municipal unit retirement systems, as defined by MCL § 38.1102 including any public university and tax supported community or junior college in the state of Michigan, in meeting the service requirements of the City's retirement system.

- C. As of December 31, 2019, a member can use his or her reciprocal service to meet eligibility service requirements to qualify for increased multipliers found in § 2-236, § 2-237 and post retirement adjustment in his or her respective employee group. Members who retired before December 31, 2019, can use reciprocal service for vesting purposes only.
- D. A general member that retired between July 26, 2017 and December 30, 2019, with credited service with a Michigan governmental or municipal unit that has elected to adopt the provisions of the Reciprocal Retirement Act, being Public Act 88 of 1961, as amended, is permitted to apply previous credited service with a reciprocal unit so as to permit the member to achieve 25 years of credited service to avoid the reduction in retirement allowance as otherwise required by § 2-237 B.
- E. Members who retire between August 1, 2020, to December 31, 2020 may use up to 1 year of concurrent service from another Michigan governmental or municipal unit if that member was also a member of that Michigan governmental or municipal unit's retirement system, as defined by MCL § 38.1102, in meeting the service requirements of the City's retirement system. Concurrent service shall mean for this subsection simultaneous service with the City of Kalamazoo and another Michigan municipal or governmental unit.

Section 6. REPEALER

All former ordinances or parts of ordinances conflicting or inconsistent with the provisions of this ordinance are hereby repealed.

Section 7. SEVERABILITY

If any section, subsection, sentence, clause, phrase or portion of this ordinance is for any reason held invalid or unconstitutional by any Court of competent jurisdiction, said portion shall be deemed a separate, distinct and independent provision and such holding shall not affect the validity of the remaining portions of this ordinance.

Section 8. EFFECTIVE DATE

Pursuant to Section 13(a) of the City Charter, this ordinance shall take effect from and after 10 days from the date of its passage.

CERTIFICATE

The foregoing is a true and complete copy of an ordinance adopted by the City Commission of the City of Kalamazoo at a regular meeting held on _____, 2020. Public notice was given, and the meeting was conducted in compliance with Executive Order 2020-154 issued by Governor Whitmer on July 17, 2020 suspending portions of the Michigan Open Meetings Act (PA 267, 1976). Minutes of the meeting will be available as required by the Act, and the ordinance was duly recorded, posted and authenticated by the Mayor and City Clerk as required by the Charter of said City.

David Anderson, Mayor

Scott A. Borling, City Clerk



City Commission Agenda Report

City of Kalamazoo

Date: **8/17/2020**

Item: **G.8.**

TO: Mayor Anderson, Vice Mayor Griffin, and City Commissioners

FROM: James K. Ritsema, ICMA-CM, City Manager
Reviewed by: Rebekah Kik, Community Planning Economic Development Director
Prepared by: Jamie McCarthy, Sustainable Development Coordinator

DATE: August 17, 2020

SUBJECT: Adoption of a Resolution adopting and approving an Act 381 Brownfield Plan for scattered site infill housing located at 110,114, and 124 Burr Oak Street, 1100 S. Rose Street, and 2349 Shelter Pointe Drive

RECOMMENDATION:

It is recommended that the City Commission adopt the resolution adopting and approving the Act 381 Brownfield Plan for scattered site infill housing.

BACKGROUND:

The purpose of this brownfield plan is to facilitate the construction of new single family and multifamily homes within the City. All parcels included in this plan contain site-specific redevelopment challenges where the cost of construction is expected to exceed the value of the home upon completion. Without the assistance of the public sector, it is anticipated that these parcels would continue to remain vacant for many years. This plan helps to offset the cost gap associated with infill housing on these sites through the reimbursement of eligible activities with the new tax increment generated by newly constructed homes. The resulting projects will increase the number of residents and increase the tax base of the city.

The developers have, and will, incur "eligible activity" expenses in connection with the Property, as defined in the Brownfield Redevelopment Financing Act of 1996 ("Act 381"), lead and asbestos abatement, demolition, site preparation and infrastructure improvements. The purpose of this Plan is to provide for reimbursement of the eligible activity expenses incurred and to be incurred by the developers on the Property and improvements that will directly benefit the Property. The proposed project includes the preparation of each lot for new residential construction which may include single family, duplex, triplex and multiplex homes (the "Project"). The projects work toward goals of the City's Master Plan by increasing affordable

housing stock and infill of vacant lots. Most of the residential homes will be affordable, and one market rate home will be constructed which offsets costs associated with brownfield plan development and ongoing administration.

All properties are in the City of Kalamazoo, a qualified local governmental unit pursuant to Act 381. Each property qualifies separately as "eligible property" under Act 381 based on being "blighted" and/or adjacent and contiguous to one of the foregoing. The properties at 110 and 124 Burr Oak Street have been found to be a public nuisance [MCL 125.2652(c)i], 114 Burr Oak Street is adjacent and contiguous to 110 Burr Oak Street, and 2349 Shelter Pointe Drive is blighted due to substantial buried subsurface demolition debris [MCL 125.2652(c)vii].

The combined total capital investment on the projects will be greater than \$1 million. The estimated expenses incurred for eligible activities is up to \$203,000. According to the TIF capture and reimbursement schedules included in the plan, reimbursement for eligible activities could take up to 10 years, with an additional 5 years of capture to the Local Brownfield Revolving Fund.

STRATEGIC VISION ALIGNMENT:

Relevant Priority Based Budgeting Program (program name and description):

Brownfield Redevelopment, Site Redevelopment - Work with developers to ensure private/public sites that qualify for the Brownfield plan are included, negotiate and manage redevelopment incentives (e.g., TIF), and maintained as needed

Strategic Goal Impact:



Complete Neighborhoods - residential areas that support the full range of people's daily needs

Discussion - The projects in this brownfield plan work toward goals of the City's Master Plan by increasing affordable housing stock and infill of vacant lots. Most of the residential homes will be affordable, and one market rate home will be constructed which offsets costs associated with brownfield plan development and ongoing administration.

COMMUNITY ENGAGEMENT:

Appropriate Depth of Engagement

Consult (two-way conversation) – the community will have a chance to react to the project through two-way conversation.

Discussion: Public comments were taken during the BRA's public hearing. Comments included desire to have multifamily residents built to increase housing unit supply and support for using

public dollars to support infill housing where costs can be otherwise prohibitive.

Engagement/Communication Tools

Public notice was published in the Kalamazoo Gazette and mailed to *ad valorem* taxing authorities.

FISCAL IMPACT:

No fiscal impact to the City is anticipated from this project. Tax increment financing (TIF) will be used to reimburse eligible activities and support staff administrative costs.

ACT 381 BROWNFIELD PLAN

Scattered Site Infill Housing

**2349 Shelter Pointe
110, 114 & 124 Burr Oak Street
1100 S. Rose Street**

**Kalamazoo County, City of Kalamazoo
City of Kalamazoo Brownfield Redevelopment Authority**

7/14/2020

Prepared by:

Joe Agostinelli
Southwest Michigan First
261 E. Kalamazoo Ave, Suite 200
Kalamazoo, MI 49007

Approved by the Brownfield Redevelopment Authority on July 16, 2020

Approved by the Kalamazoo City Commission on _____

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ACT 381 BROWNFIELD PLAN

1.0 INTRODUCTION

1.1 Proposed Redevelopment and Future Use for Each Eligible Property

The purpose of this brownfield plan is to facilitate the construction of new single family and multifamily homes within the City of Kalamazoo. All of the parcels included in this plan contain site specific redevelopment challenges where the cost of construction is expected to exceed the value of the home upon completion. But-for the assistance of the public sector, it is anticipated that these parcels would continue to remain vacant for many years. This plan helps to offset the cost gap associated with infill housing on these sites through the reimbursement of eligible activities with the new tax increment generated by newly constructed homes. The resulting projects will increase the number of residents and increase the tax base of the city.

The developers have incurred and will incur "eligible activity" expenses in connection with the Property, as defined in the Brownfield Redevelopment Financing Act of 1996 ("Act 381"), lead and asbestos abatement, demolition, site preparation and infrastructure improvements.

The purpose of this Plan is to provide for reimbursement of the eligible activity expenses incurred and to be incurred by the developers on the Property and improvements that will directly benefit the Property. The proposed project includes the preparation of each lot for new residential construction which may include single family, duplex, triplex and multiplex homes (the "Project").

The combined total capital investment on the projects will be greater than \$1 million.

1.2 Eligible Property Information

Basis of Eligibility

The Properties are located in the City of Kalamazoo (the "City"), a qualified local governmental unit pursuant to Act 381. Each property qualifies separately as "eligible property" under Act 381 on the basis of being a "facility," "blighted" or "functionally obsolete" and/or adjacent and contiguous to one of the foregoing. A table listing each parcel in the plan, and its qualifying status, is included as Attachment C.

2.0 Information Required by Section 13(2) of the Statute

2.1 Description of Costs to Be Paid for With Tax Increment Revenues

Only local tax increment revenues will be used to reimburse the developers and City of Kalamazoo Brownfield Redevelopment Authority (KBRA) for the cost of eligible activities as authorized by the Brownfield Redevelopment Financing Act (Act 381).

The total cost of eligible activities are anticipated to be \$202,920. Authority administrative costs are anticipated to be \$30,899. Capture of TIR for the Local Brownfield Revolving Fund (LBRF) is estimated to be \$98,256. The estimated cost of all eligible activities under this plan are summarized in Table 1.

Non-Environmental Activities

Because the City of Kalamazoo is a Qualified Local Governmental Unit ("QLGU"), additional non-environmental costs ("Michigan Strategic Fund ("MSF") Eligible Activities") can be reimbursed through a brownfield plan. This plan will provide for reimbursement of eligible demolition; lead, asbestos & mold abatement; site preparation; and infrastructure improvements.

Authority Expenses

Actual eligible costs incurred by the City of Kalamazoo Brownfield Redevelopment Authority ("KBRA") are included in this plan as an eligible expense. These expenses will be reimbursed with local tax increment revenues only.

2.2 Summary of Eligible Activities

2.2..1 Lead and Asbestos Abatement

Developers may incur costs associated with initial surveys of Eligible Property and proper abatement and disposal of lead and asbestos prior to demolition activities. The cost of these activities are estimated to be \$7,800.

2.2..2 Demolition

Site demolition is anticipated on each eligible property. This demolition will include the removal of subsurface demolition debris, former building foundations, sidewalks, curb & gutters and utility connections. Additionally, three of the parcels in the plan contain existing structures which will be demolished as part of the project. The cost of these activities will vary by site and are anticipated to be \$42,900 for all parcels in the plan.

2.2..3 Infrastructure Improvements

Infrastructure improvements that directly benefit eligible property will include utility, road, sidewalks & approaches and other eligible infrastructure improvements. The cost of these activities is estimated to be \$5,500 for all parcels in the plan.

2.2..4 Site Preparation

Site preparation activities are anticipated on all parcels and may include: surveying & staking, geotechnical surveying and engineering, temporary soil erosion control, clearing and grubbing, cut & fill, compaction and subbase preparation, grading, excavation for

unstable material, fill, and foundation work to address special soil concerns. The cost of these activities is estimated to be \$114,600 for all parcels in this plan.

2.2..5 Contingency

A 15% contingency on future costs is included to cover unexpected cost overruns encountered during construction on the future costs. The contingency is \$25,620

2.2..6 Brownfield Plan Preparation

The cost to prepare the Brownfield Plan is anticipated to be \$6,500.

2.2..7 Local Brownfield Revolving Fund

The Authority intends to capture school and non-school tax increments for deposit in the local brownfield revolving fund for a full five years. This capture is estimated to be \$98,256.

2.3 Estimate of Captured Taxable Value and Tax Increment Revenues

An estimate of the captured taxable value for this redevelopment by year is depicted in Table 2. This plan captures all available TIR, including real and personal property TIR.

2.4 Method of Financing and Description of Advances Made by the Municipality

The eligible activities contemplated under this plan will be financed by the developer and reimbursed as outlined in this plan and accompanying development agreement. No advances from the City are anticipated at this time.

2.5 Maximum Amount of Note or Bonded Indebtedness

No note or bonded indebtedness for this project is anticipated at this time. Therefore, this section is not applicable.

2.6 Duration of Brownfield Plan

The duration of this plan is estimated to be 15 years, however, capture may continue until all eligible activities are reimbursed, subject to any development agreements between the KBRA and the developer. In no event shall capture extend beyond 30 years as required by Act 381. It is estimated that the redevelopment of the eligible property will be completed in 2022 and that it could take up to 10 years to recapture eligible costs and eligible administrative costs of the authority through TIR. Capture of TIR is expected to begin in 2022, however could be delayed for up to 5 years after the approval of this plan as permitted by Act 381. An analysis showing the reimbursement schedule is attached as Table 3.

2.7 Estimated Impact of Tax Increment Financing on Revenues of Taxing Jurisdictions

An estimate of the impact of tax increment financing on the revenues of all taxing jurisdictions is illustrated in detail within Table 2.

2.8 Legal Description, Property Map, Statement of Qualifying Characteristics and Personal Property

A map showing eligible property dimensions, is attached as Figure 1. A legal description and statement of qualifying characteristics for each parcel is included as Attachment C.

Taxable personal property, if any, is included in this plan.

2.9 Estimates of Residents and Displacement of Individuals/Families

No persons reside on the eligible property. Therefore, this section is not applicable.

2.10 Plan for Relocation of Displaced Persons

No persons reside on the eligible property. Therefore, this section is not applicable.

2.11 Provisions for Relocation Costs

No persons reside on the eligible property. Therefore, this section is not applicable.

2.12 Strategy for Compliance with Michigan's Relocation Assistance Law

No persons reside on the eligible property. Therefore, this section is not applicable.

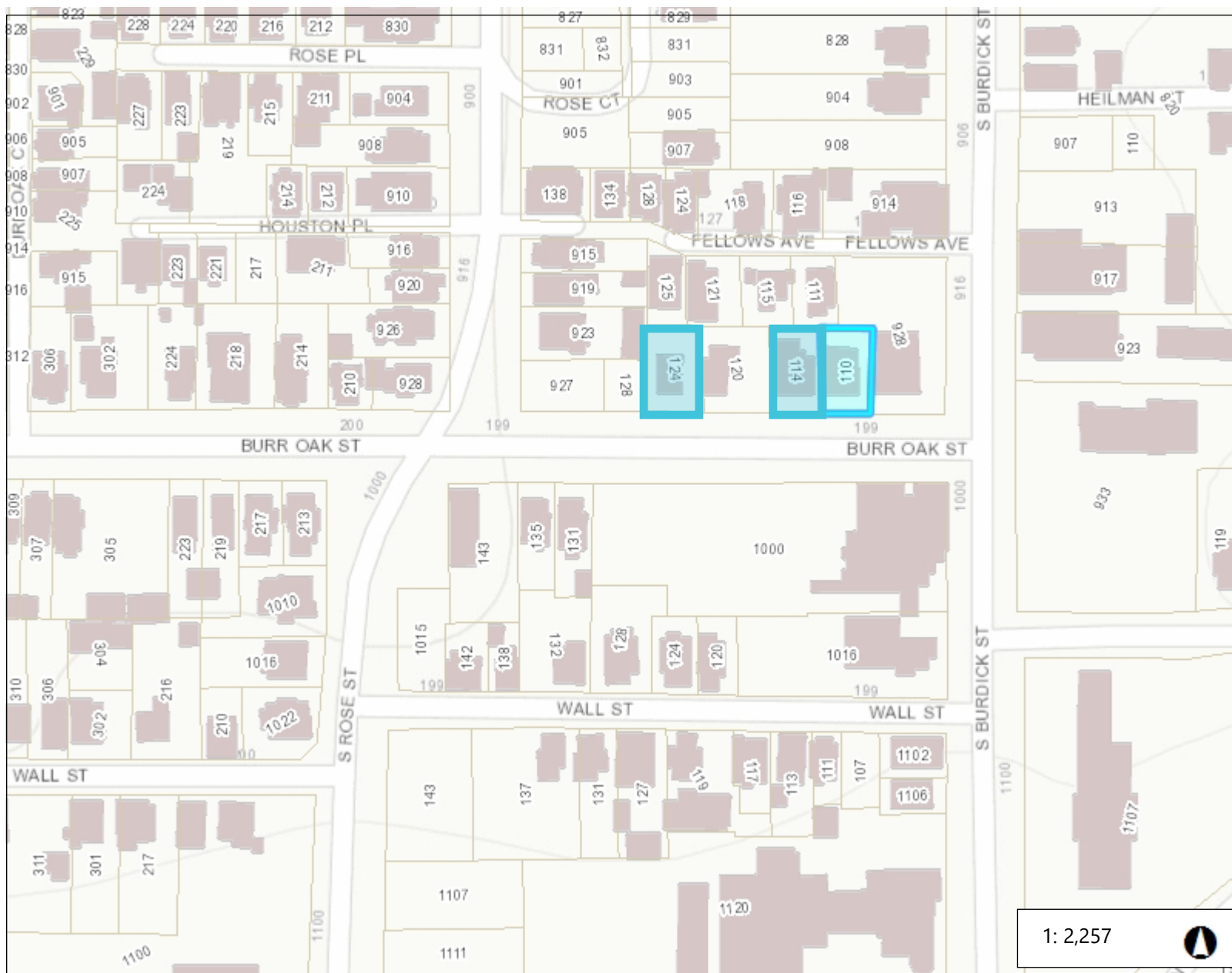
2.13 Other Material that the Authority or Governing Body Considers Pertinent

But for the assistance of the public sector, it is anticipated that these parcels would continue to remain vacant for many years. This plan helps to offset the cost gap associated with infill housing on these sites through the reimbursement of eligible activities with the new tax increment generated by newly constructed homes. The resulting projects will increase the number of residents and increase the tax base of the city.

Figure 1

Eligible Property Map

110, 114, 124 Burr Oak St, Kalamazoo, Michigan



Legend

 Parcels

1: 2,257



0.1 0 0.04 0.1 Miles

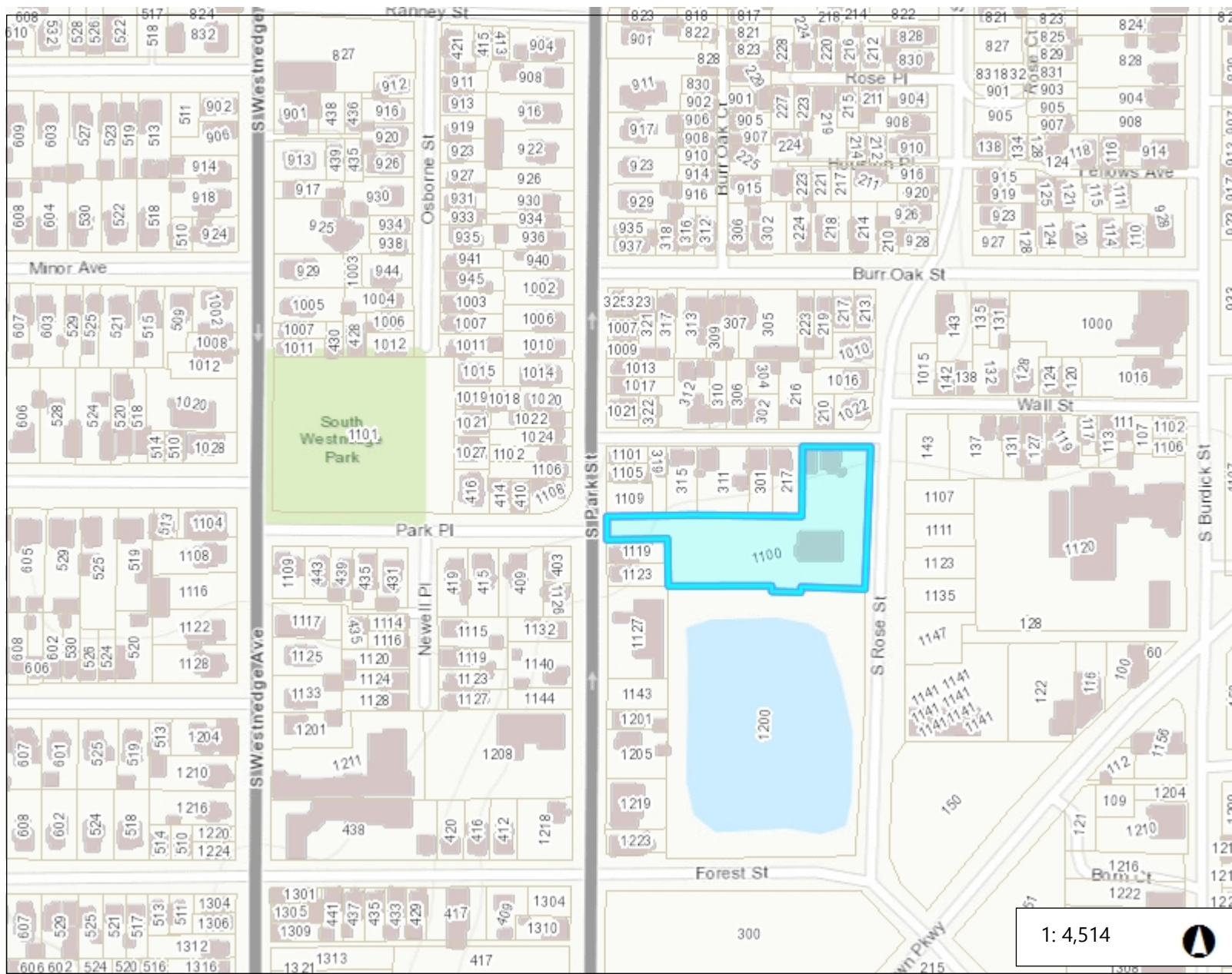
WGS_1984_Web_Mercator_Auxiliary_Sphere

This map is a user generated static output from an Internet mapping site and is for reference only. Data layers that appear on this map may or may not be accurate, current, or otherwise reliable.

THIS MAP IS NOT TO BE USED FOR NAVIGATION



1100 S Rose St, Kalamazoo, Michigan



1: 4,514

Legend

Parcels



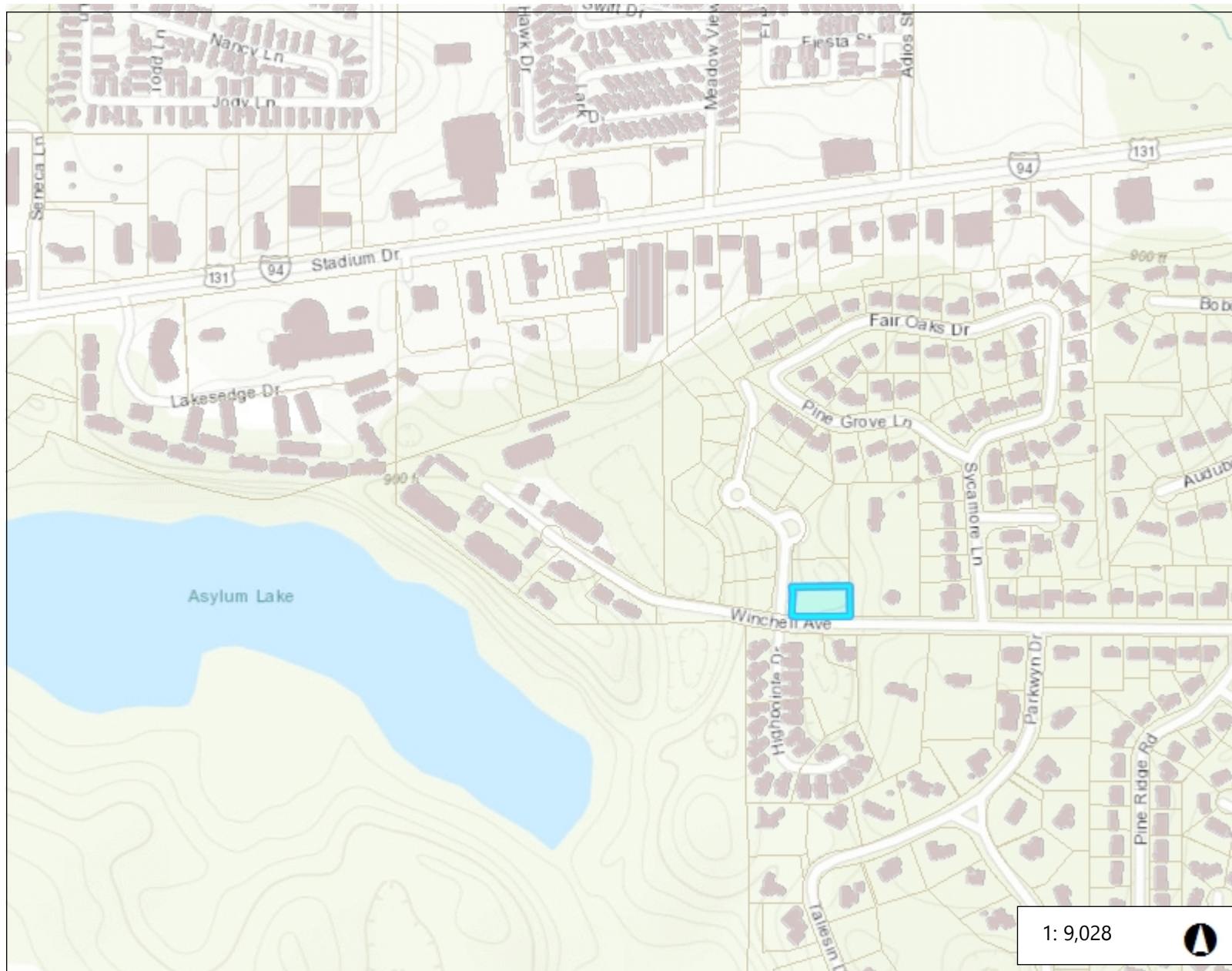
0.1 0 0.07 0.1 Miles

WGS_1984_Web_Mercator_Auxiliary_Sphere

This map is a user generated static output from an Internet mapping site and is for reference only. Data layers that appear on this map may or may not be accurate, current, or otherwise reliable.

THIS MAP IS NOT TO BE USED FOR NAVIGATION

2349 Shelter Pointe Dr, Kalamazoo, Michigan



Legend

□ Parcels

0.3 0 0.14 0.3 Miles

WGS_1984_Web_Mercator_Auxiliary_Sphere

This map is a user generated static output from an Internet mapping site and is for reference only. Data layers that appear on this map may or may not be accurate, current, or otherwise reliable.

THIS MAP IS NOT TO BE USED FOR NAVIGATION

1: 9,028



Table 1

Eligible Activity Costs

TABLE 1

Local Only Eligible Activities Costs and Schedule	
Local Only Eligible Activities	Cost
<u>Demolition</u>	
<i>2349 Shelter Pointe - Subsurface demolition debris removal</i>	\$ 2,500
<i>114 Burr Oak - Building & site demolition</i>	\$ 11,500
<i>124 Burr Oak - Subsurface demolition debris removal</i>	\$ 8,900
<i>1100 S. Rose - Building & site demolition</i>	\$ 20,000
Subtotal - Demolition	\$ 42,900
<u>Lead and Asbestos Abatement</u>	
<i>114 Burr Oak - Lead and Asbestos Survey</i>	\$ 3,900
<i>1100 S. Rose - Lead and Asbestos Survey</i>	\$ 3,900
Subtotal - Lead and Asbestos Abatement	\$ 7,800
<u>Infrastructure Improvements</u>	
<i>110 Burr Oak - Sidewalks and approaches in Right of Way</i>	\$ 1,000
<i>114 Burr Oak - Sidewalks and approaches in Right of Way</i>	\$ 1,000
<i>124 Burr Oak - Sidewalks and approaches in Right of Way</i>	\$ 1,000
<i>1100 S. Rose - Sidewalks and approaches in Right of Way</i>	\$ 2,500
Subtotal – Infrastructure	\$ 5,500
<u>Site Preparation</u>	
<i>2349 Shelter Pointe - geotechnical investigation, excavation to address special soil concerns, geopiers</i>	\$ 82,500
<i>110 Burr Oak - Survey & staking, soil excavation</i>	\$ 5,500
<i>114 Burr Oak - Survey & staking, soil excavation</i>	\$ 5,500
<i>124 Burr Oak - Survey & staking, soil excavation</i>	\$ 2,500
<i>1100 S. Rose - Survey & staking, soil excavation</i>	\$ 18,600
Sub-Total – Site Prep	\$ 114,600
Local Only Eligible Activities Sub-Total	\$ 170,800
Contingency (15%)	\$ 25,620
Brownfield Plan Preparation	\$ 6,500
Local Only Eligible Activities Total Costs	\$ 202,920

Table 2

Tax Capture Schedule

CAPTURE

Estimated Total
Years of Plan:

Estimated Capture	\$ 305,971
Administrative Fees	\$ 30,899
State Brownfield Redevelopment Fund	\$ -
Local Brownfield Revolving Fund	\$ 98,256

Estimated Taxable Value (TV) Increase Rate: 1%

Plan Year		1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	TOTAL
Calendar Year		2021	2022	2023	2024	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034	2035	
*Base Taxable Value	\$	66,006	\$ 66,006	\$ 66,006	\$ 66,006	\$ 66,006	\$ 66,006	\$ 66,006	\$ 66,006	\$ 66,006	\$ 66,006	\$ 66,006	\$ 66,006	\$ 66,006	\$ 66,006	\$ 66,006	\$ -
Estimated New TV	\$	610,000	\$ 616,100	\$ 622,261	\$ 628,484	\$ 634,768	\$ 641,116	\$ 647,527	\$ 654,003	\$ 660,543	\$ 667,148	\$ 673,819	\$ 680,558	\$ 687,363	\$ 694,237	\$ 701,179	\$ -
Incremental Difference (New TV - Base TV)	\$	543,994	\$ 550,094	\$ 556,255	\$ 562,478	\$ 568,762	\$ 575,110	\$ 581,521	\$ 587,997	\$ 594,537	\$ 601,142	\$ 607,813	\$ 614,552	\$ 621,357	\$ 628,231	\$ 635,173	\$ -
Tax Reverted Property Specific Tax		Millage Rate															
Tax Reverted Property Specific Tax		24.9444															
		\$ 993	\$ 1,006	\$ 1,018	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 3,017
Local Capture		Millage Rate															
CITY OPERATING	12.0000	\$ 6,050	\$ 6,117	\$ 6,185	\$ 6,750	\$ 6,825	\$ 6,901	\$ 6,978	\$ 7,056	\$ 7,134	\$ 7,214	\$ 7,294	\$ 7,375	\$ 7,456	\$ 7,539	\$ 7,622	\$ 104,497
CCTA	0.7470	\$ 377	\$ 381	\$ 385	\$ 420	\$ 425	\$ 430	\$ 434	\$ 439	\$ 444	\$ 449	\$ 454	\$ 459	\$ 464	\$ 469	\$ 474	\$ 6,505
SOLID WASTE	1.8000	\$ 908	\$ 918	\$ 928	\$ 1,012	\$ 1,024	\$ 1,035	\$ 1,047	\$ 1,058	\$ 1,070	\$ 1,082	\$ 1,094	\$ 1,106	\$ 1,118	\$ 1,131	\$ 1,143	\$ 15,675
KCTA	0.3131	\$ 158	\$ 160	\$ 161	\$ 176	\$ 178	\$ 180	\$ 182	\$ 184	\$ 186	\$ 188	\$ 190	\$ 192	\$ 195	\$ 197	\$ 199	\$ 2,727
KVCC	2.7971	\$ 1,410	\$ 1,426	\$ 1,442	\$ 1,573	\$ 1,591	\$ 1,609	\$ 1,627	\$ 1,645	\$ 1,663	\$ 1,681	\$ 1,700	\$ 1,719	\$ 1,738	\$ 1,757	\$ 1,777	\$ 24,357
COUNTY OPERATING - Summer	4.6608	\$ 2,350	\$ 2,376	\$ 2,402	\$ 2,622	\$ 2,651	\$ 2,680	\$ 2,710	\$ 2,741	\$ 2,771	\$ 2,802	\$ 2,833	\$ 2,864	\$ 2,896	\$ 2,928	\$ 2,960	\$ 40,587
COUNTY OPERATING - Winter - Public Sal	1.4409	\$ 726	\$ 735	\$ 743	\$ 810	\$ 820	\$ 829	\$ 838	\$ 847	\$ 857	\$ 866	\$ 876	\$ 886	\$ 895	\$ 905	\$ 915	\$ 12,547
COUNTY HOUSING	0.0993	\$ 50	\$ 51	\$ 51	\$ 56	\$ 56	\$ 57	\$ 58	\$ 58	\$ 59	\$ 60	\$ 60	\$ 61	\$ 62	\$ 62	\$ 63	\$ 865
COUNTY SENIOR	0.3484	\$ 176	\$ 178	\$ 180	\$ 196	\$ 198	\$ 200	\$ 203	\$ 205	\$ 207	\$ 209	\$ 212	\$ 214	\$ 216	\$ 219	\$ 221	\$ 3,034
KRESA OPERATING	2.8824	\$ 1,453	\$ 1,469	\$ 1,486	\$ 1,621	\$ 1,639	\$ 1,658	\$ 1,676	\$ 1,695	\$ 1,714	\$ 1,733	\$ 1,752	\$ 1,771	\$ 1,791	\$ 1,811	\$ 1,831	\$ 25,100
KRESA ALLOCATED	0.1437	\$ 72	\$ 73	\$ 74	\$ 81	\$ 82	\$ 83	\$ 84	\$ 84	\$ 85	\$ 86	\$ 87	\$ 88	\$ 89	\$ 90	\$ 91	\$ 1,251
KRESA SPECIAL ED	1.4925	\$ 752	\$ 761	\$ 769	\$ 839	\$ 849	\$ 858	\$ 868	\$ 878	\$ 887	\$ 897	\$ 907	\$ 917	\$ 927	\$ 938	\$ 948	\$ 12,997
KRESA ENHANCEMENT	1.4940	\$ 753	\$ 762	\$ 770	\$ 840	\$ 850	\$ 859	\$ 869	\$ 878	\$ 888	\$ 898	\$ 908	\$ 918	\$ 928	\$ 939	\$ 949	\$ 13,010
KRESA CTE	0.9958	\$ 502	\$ 508	\$ 513	\$ 560	\$ 566	\$ 573	\$ 579	\$ 586	\$ 592	\$ 599	\$ 605	\$ 612	\$ 619	\$ 626	\$ 633	\$ 8,672
KALAMAZOO LIBRARY	3.9214	\$ 1,977	\$ 1,999	\$ 2,021	\$ 2,206	\$ 2,230	\$ 2,255	\$ 2,280	\$ 2,306	\$ 2,331	\$ 2,357	\$ 2,383	\$ 2,410	\$ 2,437	\$ 2,464	\$ 2,491	\$ 34,148
Local Total	35.1364	\$ 17,715	\$ 17,912	\$ 18,111	\$ 19,763	\$ 19,984	\$ 20,207	\$ 20,433	\$ 20,660	\$ 20,890	\$ 21,122	\$ 21,356	\$ 21,593	\$ 21,832	\$ 22,074	\$ 22,318	\$ 305,971
Non-Capturable Millages		Millage Rate															
COUNTY JUV. HOME DEBT	0.1873	\$ 94	\$ 95	\$ 97	\$ 105	\$ 107	\$ 108	\$ 109	\$ 110	\$ 111	\$ 113	\$ 114	\$ 115	\$ 116	\$ 118	\$ 119	\$ 1,631
SCHOOL DEBT	8.2000	\$ 4,134	\$ 4,180	\$ 4,227	\$ 4,612	\$ 4,664	\$ 4,716	\$ 4,768	\$ 4,822	\$ 4,875	\$ 4,929	\$ 4,984	\$ 5,039	\$ 5,095	\$ 5,151	\$ 5,208	\$ 71,406
KRESA DEBT	0.3650	\$ 184	\$ 186	\$ 188	\$ 205	\$ 208	\$ 210	\$ 212	\$ 215	\$ 217	\$ 219	\$ 222	\$ 224	\$ 227	\$ 229	\$ 232	\$ 3,178
Total Non-Capturable Taxes	8.7523	\$ 4,413	\$ 4,462	\$ 4,511	\$ 4,923	\$ 4,978	\$ 5,034	\$ 5,090	\$ 5,146	\$ 5,204	\$ 5,261	\$ 5,320	\$ 5,379	\$ 5,438	\$ 5,498	\$ 5,559	\$ 76,216
Total Tax Increment Revenue (TIR) Available for Capture	\$	17,715	\$ 17,912	\$ 18,111	\$ 19,763	\$ 19,984	\$ 20,207	\$ 20,433	\$ 20,660	\$ 20,890	\$ 21,122	\$ 21,356	\$ 21,593	\$ 21,832	\$ 22,074	\$ 22,318	\$ 305,971

Table 3

Reimbursement Schedule

REIMBURSEMENT

		Plan Year		1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	TOTAL																		
		Calendar Year		2021	2022	2023	2024	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034	2035																			
Total Local Incremental Revenue		\$	18,708	\$	18,917	\$	19,129	\$	19,763	\$	19,984	\$	20,207	\$	20,433	\$	20,660	\$	20,890	\$	21,122	\$	21,356	\$	21,593	\$	21,832	\$	22,074	\$	22,318	\$	308,987				
BRA Administrative Fee		10%	\$	1,871	\$	1,892	\$	1,913	\$	1,976	\$	1,998	\$	2,021	\$	2,043	\$	2,066	\$	2,089	\$	2,112	\$	2,136	\$	2,159	\$	2,183	\$	2,207	\$	2,232	\$	30,899			
Local TIR Available for Reimbursement			\$	16,837	\$	17,026	\$	17,216	\$	17,787	\$	17,986	\$	18,187	\$	18,389	\$	18,594	\$	18,801	\$	19,010	\$	19,221	\$	19,434	\$	19,649	\$	19,866	\$	20,086	\$	278,089			
Total State & Local TIR Available			\$	16,837	\$	17,026	\$	17,216	\$	17,787	\$	17,986	\$	18,187	\$	18,389	\$	18,594	\$	18,801	\$	19,010	\$	19,221	\$	19,434	\$	19,649	\$	19,866	\$	20,086	\$	278,089			
DEVELOPER		Beginning Balance																																			
Local Only Costs		\$	202,920		\$	-	\$	-	\$	-	\$	-	\$	-	\$	-	\$	-	\$	-	\$	-	\$	-	\$	-	\$	-	\$	-	\$	-	\$	-	\$	-	
KNHS Reimbursement		\$	111,420		\$	8,793	\$	8,895	\$	8,999	\$	9,483	\$	9,593	\$	9,705	\$	10,522	\$	10,643	\$	10,765	\$	10,889						\$	98,288						
Shelter Point Reimbursement		\$	85,000		\$	6,642	\$	6,714	\$	6,785	\$	6,858	\$	6,931	\$	7,005	\$	7,080	\$	7,156	\$	7,232	\$	8,121	\$	-	\$	-	\$	-	\$	-	\$	-	\$	70,525	
BRA BF Plan Cost Reimbursement		\$	6,500		\$	738	\$	746	\$	754	\$	762	\$	770	\$	778	\$	787	\$	795	\$	370						\$	6,500								
Total Local Only Reimbursement Balance					\$	186,747	\$	170,392	\$	153,853	\$	136,750	\$	119,455	\$	101,967	\$	83,578	\$	64,983	\$	46,616	\$	27,607	\$	-	\$	-	\$	-	\$	-	\$	-	\$	-	
Total Annual Developer & BRA Reimbursement				\$	9,531	\$	9,641	\$	9,753	\$	10,245	\$	10,363	\$	10,483	\$	11,309	\$	11,438	\$	11,135	\$	10,889	\$	-	\$	-	\$	-	\$	-	\$	-	\$	-	\$	-
LOCAL BROWNFIELD REVOLVIN																																					
LBRF Deposits *				\$	-	\$	-	\$	-	\$	-	\$	-	\$	-	\$	-	\$	-	\$	-	\$	-	\$	-	\$	-	\$	-	\$	-	\$	-	\$	-		
Local Tax Capture		\$	-		\$	-	\$	-	\$	-	\$	-	\$	-	\$	-	\$	-	\$	-	\$	-	\$	19,221	\$	19,434	\$	19,649	\$	19,866	\$	20,086	\$	98,256			
Total LBRF Capture																																					

Attachment A

Brownfield Plan Resolution(s)

**CITY OF KALAMAZOO
BROWNFIELD REDEVELOPMENT AUTHORITY**

**A RESOLUTION APPROVING THE IMPLEMENTATION OF
AN ACT 381 BROWNFIELD PLAN FOR
110, 114, and 124 BURR
OAK STREET; 1100
SOUTH ROSE STREET;
AND 2349 SHELTER
POINTE DRIVE
AND
RECOMMENDING ADOPTION BY THE CITY COMMISSION**

Minutes of a regular meeting of the City of Kalamazoo Brownfield Redevelopment Authority ("BRA") held on July 16, 2020 at 7:30 a.m., local time, virtually pursuant to the Governor's Executive Order No. 2020-129.

PRESENT: Nathan Bolton, Fritz Brown, Kevan Hess, Jason Novotny, Patricia Owens, Lucas Middleton, Jamauri Bogan

ABSENT: James Escamilla, Kyle Gulau, Jasmine Vedula, Vice Mayor Griffin

The following resolution was offered by Director Owens and seconded by Director Hess.

RECITALS:

A. The City has created the City of Kalamazoo Brownfield Redevelopment Authority (the "Authority"), under the provisions of Act 381, Public Acts of Michigan, 1996, as amended ("Act 381").

B. Under Resolution No. 08-16, the City Commission delegated the public hearing process to the Authority regarding any future proposed Act 381 Brownfield Plan, including proposed Act 381 Brownfield Plan for 110, 114, and 124 Burr Oak Street; 1100 South Rose Street; and 2349 Shelter Pointe Drive ("Scattered Site Brownfield Plan").

C. A public hearing was held by the Authority on July 16, 2020, on the Scattered Site Brownfield Plan, notice of the public hearing was given to all taxing authorities levying ad valorem or specific taxes against any parcels within the Brownfield Plan, and was also given by publication, as required by Act 381.

D. Following the public hearing on the Scattered Site Brownfield Plan, the Authority, in consideration of any comments heard at the public hearing or written communications received at or prior to the public hearing, determines that the Scattered Site Brownfield Plan constitutes a public purpose in that:

- a. It meets all requirements of Section 13 of Act 381.

- b. The proposed method of financing the costs of eligible activities of the Scattered Site Brownfield Plan is feasible, and the Authority has the authority to arrange the necessary financing.
- c. The description of eligible activities and their estimated costs are reasonable and necessary to carry out the purposes of Act 381, and
- d. The amount of captured taxable value estimated to result from the Brownfield Plan is reasonable.

THEREFORE, IT IS RESOLVED THAT:

The City of Kalamazoo Brownfield Redevelopment Authority approves the implementation of the Act 381 Scattered Site Brownfield Plan in Kalamazoo and recommends the City Commission adopt a resolution approving this Brownfield Plan.

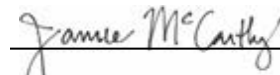
AYES: Nathan Bolton, Fritz Brown, Kevan Hess, Jason Novotny, Patricia Owens, Lucas Middleton, Jamauri Bogan

NAYS: None

RESOLUTION DECLARED.

CERTIFICATE

The foregoing is a true and complete copy of a resolution adopted by the Brownfield Redevelopment Authority at a special meeting held on July 16, 2020. Public notice was given and the meeting was conducted in compliance with Executive Order 2020-129 issued by Governor Whitmer on June 18, 2020 suspending portions of the Michigan Open Meetings Act (PA 267, 1976). Minutes of the meeting will be available as required by the Act.



Jamie McCarthy

Attachment B

Development and/or Reimbursement Agreement

Attachment C

Parcel Listing and Eligible Property Qualification Status

<u>Site Number</u>	<u>Address</u>	<u>Eligible Property Qualification</u>	<u>Parcel ID</u>	<u>Parcel Size (acres)</u>	<u>Legal Description</u>
1	2349 Shelter Pointe	"Blighted". The property has substantial buried subsurface demolition debris present so that the property is unfit for its intended use. [MCL 125.2652(c)vii]	06-30-295-001	0.563	Kalamazoo County Condominium Subdivision Plan No. 197 Shelter Pointe Condominiums according to the master deed recorded 2006-016782, First Amendment recorded 2009-007420 Unit 1
2	110 Burr Oak	"Blighted." The property was declared a public nuisance by the City. {MCL 125.2652(c)i	06-22-196-002	0.091	14484 BLEYKERS ADDITION W 48.42 FT OF E 118.92 FT OF LOT 124 EXC N 1 R
3	114 Burr Oak	Adjacent and Contiguous to 110 Burr Oak	06-22-196-001	0.086	14486 BLEYKERS ADDITION W 48.42 FT OF LOT 124 EXC N 1 R
4	124 Burr Oak	"Blighted." The property was declared a public nuisance by the City. {MCL 125.2652(c)i	06-22-195-003	0.094	14502 BLEYKERS ADDITION E 3R OF S 5R OF LOT 127.
5	1100 S. Rose	"Blighted." The property was declared a public nuisance by the City. {MCL 125.2652(c)i	06-22-308-003	1.693	NEWELLS ADDITION The North 16 Rods of Lot 12, excluding the North 132ft. The East 1 Rods of the South 8 Rods of the North 16 Rods of Lot 13. The North 16 Rods of Lot 9, excluding the North 132ft. The North 16 Rods of the East 1/2 of Lot 10, excluding the North 132ft. The West 1/2 of the North 16.5 Rods of Lot 10, excluding the North 132ft. The North 16 Rods of Lot 11, excluding the North 132ft. Excluding that part of foregoing described land which lies Easterly of the following described line: Commencing at the northeast corner thereof; thence West parallel to the south line of Wall Street 14ft more-or-less for the point of beginning of this excluding; thence Southerly parallel to the relocated center line of South Rose Street to a point 19ft more-or-less West of the southeast corner of the foregoing described land for the place of ending. Also NEWELLS ADDITION The South 44ft of the North 176ft of the West 7 Rods of the East 8 Rods of Lot 13. Also NEWELLS ADDITION The North 8 Rods of Lot 9, excluding that portion lying easterly of the West right-of-way line of South Rose Street as relocated. The East 1/2 of the North 8 Rods of Lot 10.

Attachment D

Eligible Property Verification

**CITY OF KALAMAZOO
BROWNFIELD REDEVELOPMENT AUTHORITY**

**A RESOLUTION APPROVING THE IMPLEMENTATION OF
AN ACT 381 BROWNFIELD PLAN FOR
110, 114, and 124 BURR
OAK STREET; 1100
SOUTH ROSE STREET;
AND 2349 SHELTER
POINTE DRIVE
AND
RECOMMENDING ADOPTION BY THE CITY COMMISSION**

Minutes of a regular meeting of the City of Kalamazoo Brownfield Redevelopment Authority ("BRA") held on July 16, 2020 at 7:30 a.m., local time, virtually pursuant to the Governor's Executive Order No. 2020-129.

PRESENT: Nathan Bolton, Fritz Brown, Kevan Hess, Jason Novotny, Patricia Owens, Lucas Middleton, Jamauri Bogan

ABSENT: James Escamilla, Kyle Gulau, Jasmine Vedula, Vice Mayor Griffin

The following resolution was offered by Director Owens and seconded by Director Hess.

RECITALS:

A. The City has created the City of Kalamazoo Brownfield Redevelopment Authority (the "Authority"), under the provisions of Act 381, Public Acts of Michigan, 1996, as amended ("Act 381").

B. Under Resolution No. 08-16, the City Commission delegated the public hearing process to the Authority regarding any future proposed Act 381 Brownfield Plan, including proposed Act 381 Brownfield Plan for 110, 114, and 124 Burr Oak Street; 1100 South Rose Street; and 2349 Shelter Pointe Drive ("Scattered Site Brownfield Plan").

C. A public hearing was held by the Authority on July 16, 2020, on the Scattered Site Brownfield Plan, notice of the public hearing was given to all taxing authorities levying ad valorem or specific taxes against any parcels within the Brownfield Plan, and was also given by publication, as required by Act 381.

D. Following the public hearing on the Scattered Site Brownfield Plan, the Authority, in consideration of any comments heard at the public hearing or written communications received at or prior to the public hearing, determines that the Scattered Site Brownfield Plan constitutes a public purpose in that:

- a. It meets all requirements of Section 13 of Act 381.

- b. The proposed method of financing the costs of eligible activities of the Scattered Site Brownfield Plan is feasible, and the Authority has the authority to arrange the necessary financing.
- c. The description of eligible activities and their estimated costs are reasonable and necessary to carry out the purposes of Act 381, and
- d. The amount of captured taxable value estimated to result from the Brownfield Plan is reasonable.

THEREFORE, IT IS RESOLVED THAT:

The City of Kalamazoo Brownfield Redevelopment Authority approves the implementation of the Act 381 Scattered Site Brownfield Plan in Kalamazoo and recommends the City Commission adopt a resolution approving this Brownfield Plan.

AYES: Nathan Bolton, Fritz Brown, Kevan Hess, Jason Novotny, Patricia Owens, Lucas Middleton, Jamauri Bogan

NAYS: None

RESOLUTION DECLARED.

CERTIFICATE

The foregoing is a true and complete copy of a resolution adopted by the Brownfield Redevelopment Authority at a special meeting held on July 16, 2020. Public notice was given and the meeting was conducted in compliance with Executive Order 2020-129 issued by Governor Whitmer on June 18, 2020 suspending portions of the Michigan Open Meetings Act (PA 267, 1976). Minutes of the meeting will be available as required by the Act.



Jamie McCarthy

**CITY OF KALAMAZOO
BROWNFIELD REDEVELOPMENT AUTHORITY BOARD MEETING
Thursday, July 16, 2020
Electronic meeting under the authority of Executive Order 2020-110
issued by Governor Gretchen Whitmer**

MEMBERS PRESENT: Nathan Bolton; Kevan Hess; Jason Novotny; Patti Owens; Fritz Brown; Lucas Middleton; Jamauri Bogan

MEMBERS ABSENT: James Escamilla; Kyle Gulau; Vice Mayor Patrese Griffin; Jasmine Vedula

CITY COMMISSIONERS/CITY STAFF PRESENT: Joe Agostinelli (Consultant to the BRA); Richard Cherry (Deputy City Attorney); Rebekah Kik (Planning and Economic Development Director); Jamie McCarthy (Development Coordinator); Antonio Mitchell (Community Investment Manager); Beth Cheeseman (Executive Administrative Assistant)

PUBLIC PRESENT: Rachel Olmstead; Tom Colis; Jared Belka; Dean Ingraham; Howard Barkley; Donald Neeppkin, Matt O'Connor; Brian Pennings

Meeting was called to order at 8:09 AM by Chair Nathan Bolton.

MOTION TO EXCUSE ABSENT MEMBERS: Director Owens moved to excuse absent members; supported by Director Brown. Motion approved by voice vote unanimously.

APPROVAL OF AGENDA:

Ms. McCarthy informed the board of an addition to the agenda. The addition is a discussion of an alleyway project under Staff Reports.

Director Owens moved the approval of the agenda as amended; supported by Director Novotny. Motion approved by voice vote unanimously.

APPROVAL OF THE MINUTES OF JUNE 18, 2020: Director Brown moved the approval of the minutes; supported by Director Hess. Motion approved by voice vote unanimously.

NEW BUSINESS

1. Public hearing for an Act 381 Brownfield Plan for 266 E. Michigan Avenue, Kalamazoo, Michigan.
 - a. Presentation by staff and developer

Ms. McCarthy gave the staff presentation. She explained that the major portion of the project is redeveloping the upper floors to create apartments. The project is \$3.7 million in total investment, and the eligible activities are around \$100,000. According to capture and current TIF schedules, it will take up to six years to reimburse those

activities.

Developer, Mr. Matt O'Connor, spoke about the project. They acquired the building in March of this year and signed a lease with Coney Island. Their plan is to develop apartments on the upper floors of the building. Mr. O'Connor said they would like to start construction in September and offer apartments next year. They do have a LOI from the MEDC. Mr. O'Connor reported that it has been wonderful to work with everyone. He thanked the board for meeting with them.

Mr. Jared Belka said that he appreciates everyone's efforts for this project. He commented that the project is in DEGA (Downtown Economic Growth Authority), and he feels City staff moved expeditiously. Mr. Belka stated they did receive the letter from MEDC, and they are supporting it with CRP. Their support is allowing them to move this project forward.

Director Brown asked if CRP was a loan or grant. Mr. Belka stated that it is a \$420,000 grant.

Director Owens asked if they considered adding affordable units. Mr. O'Connor replied that with the cost of construction that wasn't feasible. Mr. Belka added that they did look into that. From an AMI standpoint, a couple of studio apartments are considered affordable.

Ms. McCarthy said this falls within 10 years (following board incentives policy) and was not sold by the Brownfield Authority, so the developer was not given a reduction in cost.

Mr. Agostinelli went through the Brownfield plan. He shared that there are a number of statutory provisions that must be followed when structuring a Brownfield plan. Some sections of the Brownfield plan include overall redevelopment, qualifying criteria as a Brownfield property (contaminated, blighted, functionally obsolete, or an historic resource), location, legal description, types of eligible activities, details of eligible activities, cost of preparing the Brownfield plan, tables and attachments. Mr. Agostinelli explained there are generally five years of capture to the Local Brownfield Revolving Fund. This project is unique -- because it is in the DEGA TIF capture won't go to the Revolving Fund. Capture will go first to BRA and then to DEGA. The Brownfield plan is estimated to be about six years. Mr. Agostinelli said that as Board members, they will want to focus on tables and attachments. He reviewed the eligible activities table.

Director Owens thanked City staff and Mr. Agostinelli for their work.

Director Bolton asked about their plan for parking for tenants. Mr. Belka shared that they've had discussions with Mr. Andrew Haan regarding parking. He said they are happy to work with the team to accommodate parking. Mr. O'Connor said there is adequate parking, but their goal is to have people who live there walk. Ideally half of the tenants wouldn't have vehicles.

Director Owens asked if there is a zoning ordinance that requires the addition of residential parking. Director Kik said that most places have a parking requirement, but downtown is an exempt zone. Director Owens encouraged Mr. O'Connor to work on getting the parking situation resolved before filling the units with people. Mr. O'Connor said they are working on that and think they have some options.

b. Public comment period

Chair Bolton opened the public comment portion of the hearing.

No one offered comment.

Chair Bolton closed the public comment portion of the hearing.

c. Board discussion

Director Brown offered that this is a great project. He is happy to see this classic building turned into apartments.

Director Owens said it is heartening to see people willing to make an investment in our community – especially right now. She is proud of the developer and his team. It is a gorgeous building and deserves this type of investment. She is happy to support this.

Director Hess said it was good to see the cooperation with DEGA. He was glad that went smoothly.

2. Consideration of a recommendation the BRA adopts a resolution approving the implementation of an Act 381 Brownfield Plan for 266 E. Michigan Avenue and recommending adoption by the City Commission (ACTION: Motion to approve the resolution approving the implementation of an Act 381 Brownfield Plan for 266 E. Michigan Avenue and recommending adoption by the City Commission).

Director Owens moved the approval of the resolution approving the implementation of an Act 381 Brownfield Plan for 266 E. Michigan Avenue and recommending adoption by the City Commission; supported by Director Bolton. Motion approved by voice vote unanimously.

Director Owens asked if Mr. O'Connor would send them pictures of the development. Mr. O'Connor said he will forward those on.

3. Public hearing for an Act 381 Brownfield Plan for scattered sites in Kalamazoo, Michigan.

a. Presentation by staff and developers

Ms. McCarthy explained that this is a Brownfield plan involving scattered sites. The properties are all residential sites. The five properties are 110, 114, 120 Burr Oak, 2345 Shelter Pointe Drive, and 1100 South Rose in the Vine and Oakland Drive Winchell Neighborhoods. Eligible activities are \$203,000. There are two developers. The four in Vine will be affordable single family and duplex units for KNHS (Kalamazoo Neighborhood Housing Services). Dean Ingraham owns 2345 Shelter Pointe Drive. All of the properties qualify for Brownfield due to some level of blight. Many of them have subsurface demolition debris. This would be costly and very difficult to develop in the short-term.

Mr. Matt Milcarek said that KNHS is putting in single family infill housing. He said they are excited to have these lots in Vine, but they have learned that sublevel demolition debris is expensive. Mr. Milcarek said they've been holding onto the properties to address the underground issues and the few structures that need demolition. The new homes will go to owner-occupants. They plan to build duplexes in the second phase of construction. He is excited to continue a partnership with the City and move this forward.

Mr. Dean Ingraham is the owner of the Shelter Pointe property. He said he purchased the land in November of 2018 and started digging the basement in 2019. They found slabs of concrete and asphalt and insufficient soil to hold a foundation. Mr. Ingraham explained the options they were given to continue development of the site. They could dig out the site and bring in dirt, compact the dirt, then put a foundation in when they got the level back up to seven feet. This option was very costly. Mr. Ingraham said they also looked into Geopier. They received a proposal for Geotech screws put in the ground to a depth of 25'. He said at 25' they found good enough torque to hold a

foundation. Once those screws are in, then they could continue with the foundation. The remediation would have to take place before they start putting the house up.

Ms. McCarthy explained that Mr. Ingraham's site was brought to their attention from the City's Building Official. The debris buried at this site is more substantial than any other residential site. No one would have envisioned this would be underground. Ms. McCarthy commented that the development of the KNHS sites is supported by the Master Plan.

Mr. Agostinelli shared that the definition of blighted includes property been deemed by the City as a dangerous building or otherwise in violation of city ordinance. The KNHS sites qualify that way. The blighted definition also includes substantial subsurface debris. Mr. Agostinelli went over the eligible activities, capture and reimbursement tables. He said the tables look a little different because they are looking at an aggregate of all the sites combined. One of the parcels was previously owned by Land Bank. Mr. Agostinelli explained that for five years after any property is owned by the Land Bank, some of the tax goes to Land Bank. He said they are not pursuing school tax capture. They anticipate that these properties would be owner occupied and eligible for homestead exemption. He proposed a 10-year limitation of reimbursement back to developers. Current projections show \$70,000 being reimbursed for Shelter Pointe over 10 years.

Director Middleton asked if the Rose Street property was in the flood zone. He wondered if there are any special provisions in the plan or any challenges to the capture. Mr. Milcarek stated it was just uphill from flood zone. It is not going to be an issue with this property. Ms. McCarthy pulled up the flood maps and shared those with the Directors.

Director Owens stated that this is a great project and she expressed appreciation for the KNHS leadership and staff.

Director Bolton and Director Brown thought it was encouraging to see the partnership of this and seeing affordable housing taking place. They were happy that the Brownfield was involved with that.

Mr. Agostinelli stated that there was no way a Brownfield plan would be feasible on one affordable housing project. He said that pooling the parcels together is what makes this feasible. Mr. Agostinelli said it was exciting to see this.

Director Owens applauded the innovation of this Brownfield plan. She believed this will be a wonderful tool in the toolbox.

Director Hess was happy for anything they can do to incentivize infill – single family and multiple family.

Mr. Mitchell said it is good to hear the Brownfield Board's support. The City is looking to do more projects like this. He said they need all the tools possible.

b. Public comment period.

Director Bolton opened the public comments portion of the public hearing.

Ms. Mary Balkema, Kalamazoo County Treasurer, spoke up. She said the county's number one goal is affordable housing units. She said they would like to see density in the areas indicated – multifamily housing. Ms. Balkema said they were not in favor of single-family homes in this area. She said urban cities need density to make payroll.

Mr. Milcarek gave an historic context on the project. He said the KNHS lots have historically all been single-family homes. They have attempted to bring different developers in this area for approximately five years. KNHS has been holding the properties and hoping for its best use.

Mr. Pennings, the builder, said he wants to see the City of Kalamazoo thrive. He said it is risky business to develop infill. The cost of constructing new homes will be higher, and then there are limitations to the selling price. He feels the City will benefit from this project in the long run. Mr. Pennings said he would hate to see them exclude single-family homes. He encouraged them to use this as a tool.

Director Bolton closed the public comment portion of the hearing.

c. Board discussion

Director Bogan was in favor of the plan. He looks forward to seeing what will happen in the future.

Director Owens stated appreciation of Mary Balkema's comments. She believes that as far as creating investment in this community, single-family owner-occupied homes will get them further down the road. Director Owens said it is a special area, and it deserves to have home ownership and investment in the community. Although she agreed with Ms. Balkema that there should be a mix of housing options, she said this was a good investment and she would support it.

Director Bolton asked about the difference in tax capture between single-family and multi-family housing. Mr. Agostinelli stated that two units are more valuable than one. Functionally, the more density, the higher the tax values. Director Owens thought that if the taxable value was higher, the owners of the units will pass those increased taxes on to the tenants. It would make the units less affordable.

Director Brown said he was torn. Ms. Balkema makes a good point, but he also wanted the free market to dictate what is going on. If people are ready to do single-family and put money down, that makes sense. In this particular case, he thought they were better off going with what we have here.

Director Bolton said that home ownership has a lot of value.

Director Hess thought it was a fine line to walk. He said a greater percentage of homeowners will bring up neighborhood. He suggested they consider this neighborhood by neighborhood. Director Hess added that owner-occupied neighborhoods grow at a faster rate.

Director Bolton said there is a huge need for affordable housing, and they can't ignore density.

4. Consideration of a recommendation the BRA adopts a resolution approving the implementation of an Act 381 Brownfield Plan for scattered sites in Kalamazoo, Michigan and recommending adoption by the City Commission (ACTION: Motion to approve the resolution approving the implementation of an Act 381 Brownfield Plan for scattered sites and recommending adoption by the City Commission).

Director Owens moved the approval of the resolution approving the implementation of an Act 381 Brownfield Plan for scattered sites and recommending adoption by the City Commission; supported by Director Hess. Motion approved by roll call vote unanimously.

5. Consideration of a recommendation the BRA approves the development agreement with Mr. Dean Ingraham, property owner of 2349 Shelter Pointe Drive and authorize the board chair to sign (Motion to approve the development agreement with Mr. Ingraham and authorize the board chair to sign).

Director Owens moved the approval of the development agreement with Mr. Ingraham and authorize the board chair to sign; supported by Director Hess. Motion approved by roll call vote unanimously.

OLD BUSINESS

None.

COMMUNICATIONS AND ANNOUNCEMENTS

None.

STAFF UPDATES

- 2020 TIF reimbursement payments

Ms. McCarthy updated the Board that TIF payments were being processed and sent by July 30.

- Whiskey Alley & brownfield support

Ms. McCarthy spoke about a project in Whiskey Alley. She said Mr. Derek Weissner contacted City staff about some expenses and costs to improve the alleyway near his business. She said there is a small triangle of it that is City-owned. His request for assistance is for just over \$12,000. Ms. McCarthy wanted to ask the Board their thoughts on supporting this request. She said that public improvements had been supported by the Board previously.

Mr. Weissner said they recently acquired the adjacent property. His request has to do with the alley that separates Memories Bridal from the Haymarket building. Treystar enhanced the look of the alley until about 20' or so behind his store. Mr. Weissner thought it made sense to continue the enhancements to a logical end point. They approached the City and Director Owens to see what they could do. He said there are three different ownerships of this piece of the alley: the bank building, Memories Bridal, and the City. Mr. Weissner is picking up the cost for the two private pieces and coordinating the efforts. He is asking for a prorated cost for the piece owned by the City.

Ms. McCarthy shared the map with the Directors and opened it up for comments.

Director Brown said he hadn't heard of the project before. He has been working with Director Owens to do the alleyway.

Mr. Weissner shared his spreadsheet with the Directors. He said their intent is to continue the exact look and feel of the ongoing project - literally just extending it. The project total is \$50,000.

Director Brown said he wished they would have known before this. They have been diligently working with a lot of moving pieces. He suggested they hit pause and discuss it.

Director Owens wondered if there is an opportunity to have a continuous snowmelt design. She would like to see them work together and ask the City if there is any way to do that using City snowmelt boilers.

Ms. McCarthy suggested that the parties involved have a separate meeting and this agenda item will be moved to the August BRA meeting. It was agreed the adjacent property owners, design consultant, Mr. Mitchell, and Mr. Andrew Haan would be contacted for a meeting for further discussion.

Director Brown suggested Attorney Cherry should be in the loop for some sort of sharing agreement on that alleyway. Director Owens suggested Mr. James Baker, Public Services, needs to be a part of the conversation.

CITIZEN COMMENTS

None.

DIRECTOR'S COMMENTS

None.

ADJOURNMENT: 10:12 am

Beth Cheeseman,
Recording Secretary

Signature

Printed Name/Title



City Commission Agenda Report

City of Kalamazoo

Date: **8/17/2020**

Item: **G.9.**

TO: Mayor Anderson, Vice Mayor Griffin, and City Commissioners

FROM: James K. Ritsema, ICMA-CM, City Manager
Prepared by: Steve Brown, Foundation for Excellence Manager

DATE: August 17, 2020

SUBJECT: Memorandum of Understanding for the Youth Mobility Fund between the City of Kalamazoo, Kalamazoo Public Schools, Central County Transportation Authority, and Kalamazoo Youth Development Network

RECOMMENDATION:

It is recommended that the City Commission approve the memorandum of understanding for the Youth Mobility Fund (YMF) between the City of Kalamazoo, Kalamazoo Public Schools, Central County Transportation Authority, and Kalamazoo Youth Development Network for the 2020/2021 school year, and authorize the City Manager to sign all related documents.

BACKGROUND:

The parties to this Agreement have a shared goal of removing financial barriers for mobility to high-school aged youth in the city of Kalamazoo, thereby increasing their access to educational, employment, social and cultural opportunities. The 2019-2020 school year during which YMF was piloted resulted in over 150,000 uses of the program and yielded numerous lessons that have been used to inform the current expansion of the partnership to include the Kalamazoo Youth Development Network.

The Coronavirus (COVID-19) pandemic has, and will continue to, alter operations of all partners in ways that remain dynamic and make the future hard to predict but are known to include closure of public schools and dramatic restrictions of allowed ridership on both public and school buses.

In response to all considerations, the Partners have agreed to limit passes to a maximum of 400 during the first trimester (12 weeks) of the school year to prevent health or capacity crises while still ensuring that the program continues and serves a large number of youth with jobs or family responsibilities.

The Partners will continue to assess the Youth Mobility Fund impacts to youth for optimal service throughout the year.

STRATEGIC VISION ALIGNMENT:

Relevant Priority Based Budgeting Program (program name and description):
Youth Mobility Fund

Strategic Goal Impact:



Youth Development - A place with supports where young people thrive



Shared Prosperity - Abundant opportunities for all people to prosper

COMMUNITY ENGAGEMENT:

Appropriate Depth of Engagement

Inform (one-way conversation) – no feasible alternatives available due to legal/regulatory restrictions, standards and best practices, or resource limitations; the community will be made aware of the project.

Discussion: The partners will conduct targeted outreach to eligible and impacted students and their families, and built intentional awareness among community partners to facilitate positive outcomes.

FISCAL IMPACT:

The Youth Mobility Fund has \$360,478 of unencumbered funding as of July 31, 2020, which are adequate resources to maintain all planned activities in the coming school year and agreement period.

Youth Mobility Fund Project Services Agreement

This Agreement dated this _____ day of _____, 2020 between the City of Kalamazoo (City), a municipal corporation, Kalamazoo Public Schools (KPS), Central County Transportation Authority (Metro), and Kalamazoo Youth Development Network (KYD Network) collectively, "the Partners", is as follows:

WHEREAS, the parties to this Agreement have a shared goal of removing financial barriers for mobility to high-school aged youth in the City of Kalamazoo, thereby increasing their access to educational, employment, social and cultural opportunities;

WHEREAS, the Coronavirus (COVID-19) pandemic has and will continue to alter operations of all partners in ways that remain dynamic and make the future hard to predict and that the Partners will continue to have open conversation regarding the Youth Mobility Fund and impacts to the youth as part of the project.

NOW THEREFORE IT IS AGREED:

The City agrees to provide financial support to Metro for the ridership costs associated with the use of Metro buses for all KPS high school students enrolled in grades nine to twelve. The City agrees to pay invoices within thirty (30) days of receipt from Metro. The City agrees to maintain current information regarding the project on its website.

IN CONSIDERATION OF the City's financial support of the Project, Metro agrees to:

- provide the City with a cost per rider rate of \$1.09, to be reviewed in the second quarter of each year for adjustment, (The cost per ride rate is calculated using the base fare rate of \$1.50 less the Metro Fiscal Year 2019 transfer rate of 27%. The cost per ride rate will be reviewed and adjusted annually on March 1.) Metro Connect ADA rides will be charged at \$3.00 per ride rate and non-ADA rides will be charged at \$4.00 per ride rate;
- keep and share data with the Partners on ridership volume, ridership times and route usage information;
- provide 400 radio-frequency identification (RFID) cards to KPS for the first trimester of the 2020/2021 school year;
- work with partners to determine eligibility for opting-in to receive a bus pass;
- accept and honor valid KPS student ID cards with an active Metro RFID pass for ridership access on all buses and for Metro Connect ADA and non-ADA trips,
- enforce all existing ridership rules and standard operating procedures for incidents occurring on the buses;

- manage the sub-contract with KYD Network to deliver the Scope of Work identified in Appendix A;
- document and share ridership behavior and safety concerns with the Partners;
- maintain current information regarding the project on its website; and
- provide an invoice to City by the 15th of each month for the previous month for the ridership services provided pursuant to this Agreement in the previous month.

IN CONSIDERATION OF the City's financial support of the Project, KPS agrees to:

- determine the number of eligible students and provide that information to the Partners on an annual basis;
- purchase RFID cards in conjunction with Metro for ridership use;
- distribute RFID cards to participating high school students, replace lost ID cards, provide data to the Partners on the number of cards issued and replaced;
- provide information on the Project to all participating students;
- share information regarding the Project through various communication outlets; and
- maintain current information regarding the Project on its website.

IN CONSIDERATION OF the partnership with KYD Network and Metro, KYD Network agrees to:

- Submit written monthly reports to Metro, detailing progress made in each of the goal areas as highlighted in Appendix A;
- Provide an invoice to Metro by the 15th of each month for the previous month for services rendered; and
- Provide updates on Youth Mobility Fund Scope of Work at each Partner meeting.

IN CONSIDERATION OF the partnership with KYD Network and Metro, Metro agrees to:

- Provide information to KYD Network relating to Metro services available to students;
- Assist KYD Network with resources needed, such as bus schedules and training; and

- Pay KYD Network invoices within 30 days of receipt for activities outlined in the Scope of Work (Appendix A).

To the extent permitted by law, each of the Partners (the "responsible Partner") agrees to defend and pay any claim of damages brought against one or more of the other Partners, or any of the other Partner's agents, officials or employees, for any and all actions, judgments, claims and suits arising from the responsible Partner's negligent acts or omissions arising from the responsible Partner's performance contemplated by this Agreement. But nothing in this agreement may be interpreted as a waiver of a Partner's governmental immunity or any other defense available under Michigan law.

The Partners acknowledge that Kalamazoo Public Library recognizes the student ID cards as a valid library card under the "OneCard" Project, already established through a March 2018 Agreement between Kalamazoo Public Library and Kalamazoo Public Schools.

In consideration of the unprecedented changes to KPS and Metro activity brought about by the Coronavirus (COVID-19), this Agreement replaces the preceding five-year agreement dated March 15, 2019 between the Partners and shall be for a period of one year from the date the Agreement is signed, unless terminated earlier, which any Partner may do by giving a written notice to all parties at least 30 days prior to the date of termination. The parties may mutually agree to extend or otherwise amend the agreement upon written consent of all parties.

This agreement contains all the terms among the parties with respect to its subject. Except for changes in the cost-per-rider rate, which may be made by agreement of just the City and Metro, which may be changed only with the written agreement of both parties.

_____ Date	_____ James K. Ritsema, City Manager City of Kalamazoo
_____ Date	_____ Dr. Rita Raichoudhuri, Superintendent Kalamazoo Public Schools
_____ Date	_____ Sean P. McBride, Executive Director Central County Transportation Authority
_____ Date	_____ Meg Blinkiewicz, Director Kalamazoo Youth Development Network



City Commission Agenda Report

City of Kalamazoo

Date: **8/17/2020**

Item: **G.10.**

TO: Mayor Anderson, Vice Mayor Griffin, and City Commissioners

FROM: James K. Ritsema, ICMA-CM, City Manager
Reviewed by: Rebekah Kik, Community Planning Economic Development
Department Director
Prepared by: Marcy Dix, Program Finance Supervisor

DATE: August 17, 2020

SUBJECT: Pathways Home Partnership Duplex Construction Grant Agreement

RECOMMENDATION:

It is recommended that the City Commission approve a grant in the amount of \$230,000 from City of Kalamazoo for construction of a duplex with the City of Kalamazoo, Kalamazoo Neighborhood Housing Services (KNHS) to further home ownership goals with the Open Doors partnership known as Pathways Home.

BACKGROUND:

In 2018, Local Initiatives Support Corporation (LISC) and the City of Kalamazoo signed a Memorandum of Understanding to impact the affordable housing and economic development. Through the partnership, Kalamazoo Neighborhood Housing Services (KNHS) was involved in building infill housing throughout the City with the Home Builders Association (HBA). In 2019, six homes were built and sold to local residents. To build further on this partnership, KNHS and Open Doors begin talks to expand their model housing goals to include home ownership. The City was already talking with Open Doors about the duplex project and partnering with Open Doors. KNHS is the link to providing the oversight to construct the homes.

As all of the partnerships fell into place, the City allocated the Foundation for Excellence Housing funds to begin designing and looking for a location to build the first duplex housing unit. While working through the final infill housing projects with KNHS, we determined that the duplex could be added to the housing constructed over the next two years (2020-2021) creating a new model of housing to reach Open Door's goals as well.

STRATEGIC VISION ALIGNMENT:

Relevant Priority Based Budgeting Program (program name and description):
Incremental Development Infill Housing budget; Foundation for Excellence

Strategic Goal Impact:



Complete Neighborhoods - residential areas that support the full range of people's daily needs

Discussion - Establishing Complete Neighborhoods as a goal expresses the necessity that healthy, safe, and convenient access to daily needs is a necessity. This means investments in compact development within neighborhood centers will support the economy and create access to quality outdoor activities, socialization, and open space for all residents. The implementation of Complete Neighborhoods through thoughtful built-environment strategies will address inequities through promoting better housing choice.



Shared Prosperity - Abundant opportunities for all people to prosper

Discussion - Youth. Family. Jobs. Shared Prosperity ensures that youth (ages 0-25) and their families of all cultures, ethnicity, abilities, and economic backgrounds have the support and opportunities to thrive. Achieving this goal requires focus and collaboration among a spectrum of partners including educational institutions, businesses, public agencies, and community non-profits to reduce income inequities and identify and address policies that create inequity. Shared Prosperity involves a strong focus on family support, wealth building, and coordinating wraparound services.

COMMUNITY ENGAGEMENT:

Appropriate Depth of Engagement

These goals were established through the Master Plan adopted in 2017. This work is the result of achieving the following goals as a part of Community Planning and Economic Development work plans and partnerships.

Discussion: Refer to Imagine Kalamazoo 2025 Plan for engagement.

FISCAL IMPACT:

The Foundation for Excellence approved funding for Community Planning and Economic Development to build one duplex housing unit to further the goals of affordable housing impact in Imagine Kalamazoo 2025.

September __, 2020

Matt Lager, Executive Director
Kalamazoo Neighborhood Housing
Services Inc. 1219 South Park Street
Kalamazoo, MI 49001 - 5607
matt@knhs.org

Dear Mr. Lager,

Congratulations. The City of Kalamazoo ("City") has approved a grant in the amount set forth in the table below to Kalamazoo Neighborhood Housing Services Inc. (the "Grantee" or "KNHS") and the terms and conditions of this Grant are set forth in this grant agreement ("Grant Agreement") as follows:

Grant Funding and Budget

Use of Funds	Amount
Costs associated with the acquisition of land, predevelopment costs, and payments to a selected contractor for the construction and completion of a duplex to be constructed in cooperation with the Incremental Development Alliance.	\$230,000
TOTAL:	\$230,000

Term of the Grant

The Grant term begins upon completion of completed and approved designs and specifications for the construction of the Incremental Development Alliance Duplex and ends 9 months after that date (the "Expiration Date").

Purpose of the Grant

The Grant is being provided to the Grantee to facilitate the construction and completion of one duplex on Wall Street in the City of Kalamazoo.

In accordance with the Grant Budget, the Grantee hereby agrees to use the Grant in furtherance of its charitable purposes, specifically to promote neighborhood revitalization by piloting the development of a duplex, which will have designs and specifications and permit and utility schedules to be used by future developers. It is the intention of the parties to (1) create two new residential units and (2) catalyze investment by making pre-approved designs available to nonprofit and for-profit developers.

As this is a pilot project, KNHS agrees to work with Incremental Development Alliance on a schedule mutually agreed upon between KNHS, the City, and the Incremental Developmental Alliance to share lessons learned during the financing, development, and completion of the Duplex.

Disbursement Conditions

First disbursement of \$130,000 will be made upon the following conditions being met and listed documents being received by Community Planning and Economic Development (CPED):

1. A completed Grant Agreement signed by the Grantee and the Director of CPED.;
2. A completed budget, detailing anticipated sources and uses of funds (Attachment B)
3. Receipt and approval by CPED Director of initial pre-expense disbursement request;

Second disbursement of \$100,000 will be made upon the following conditions being met:

1. CPED's receipt and approval of supporting documentation of first disbursement expenditures including receipts of sale, executed contracts with a licensed builder, payments to contractor, other receipts or proof of payment for expenses incurred.
2. Proof of financing or funding to complete the duplex.
3. City's receipt and approval of a disbursement request and a completed and executed Grant Financial Report (See Attachment);

Reporting Conditions

Grantee will be required to submit documentation of expenditures related to completion of the project at the second disbursement of grant funds and upon project completion. Attachment B provides the financial report format.

Project Completion Default Conditions

Grantee will complete the duplex, including the receipt of the Final Occupancy Certificate, by the grant's Expiration Date. If Grantee fails to meet this deadline, it shall be in default under this agreement. The City may terminate the agreement and require full reimbursement of the grant award from KNHS. In the event of project default, the City will provide written notice to KNHS and KNHS will have 30 days to provide a written response with measures that will be taken to complete the project. If, upon receipt of the written response, the CPED Director believes the steps will lead to project completion in a reasonable time, the expiration date can be extended.

Other Grant Conditions and Requirements

The following Grant Terms and Conditions shall be incorporated into, and made a part of, the Grant Agreement between City and the Grantee:

1. Funds Not Disbursed by the Expiration Date: All funds are scheduled to be disbursed prior to the expiration date, pursuant to the Grant Agreement (in furtherance of the Purpose(s) of the Grant). Final documentation of expenses must be received by City no later than 60 days after the Expiration Date. Any Grant funds received by the Grantee, but not expended by the Grantee by the Expiration Date shall be returned to the City.

2. Funds Not Disbursed in a Timely Way: Any funds not requested prior to the Expiration Date may be reallocated from the Grantee to other activities/organizations by City in its sole discretion after notice to the Grantee. Such reallocation shall be effective as to any Grant proceeds not expended by the Grantee prior to the date of receipt of such notice.

3. No Disbursement if Non-Compliance. City shall not make any disbursement of the Grant unless on the proposed date of disbursement the Grantee is in full compliance with all these Grant Terms and Conditions set forth in the Grant Agreement. In addition, City shall not make any disbursement of the Grant if it will (i) violate any provision of law, regulation or administrative ruling to which CITY is subject, (ii) subject City to any tax, penalty, or fine, or (iii) not further the governmental purposes of the City.

4. No Disbursement if Default Exists, or Material Adverse Change Has Occurred: CITY shall not make any disbursement of the Grant if, at the time of the proposed disbursement, the Grantee, or any subsidiary of the Grantee, or any partnership affiliated with the Grantee, is in default under the terms of any CITY financing, whether for the Project or provided by CITY for any other project or purpose. In addition, CITY shall not make any disbursement of the Grant if there has been a material adverse change in the financial or other condition of the Grantee or the Project, including, but not limited to, any adverse change in the Grantee's key personnel working on the Project (with CITY determining, in its reasonable discretion, what constitutes a material adverse change in key personnel).

5. Restrictions on Use of the Grant: Under Sections 501 and 4945 of the Internal Revenue Code (the "Code"), the Grant may not be used to carry on propaganda, to attempt to influence legislation, or to participate in, intervene in, or attempt to influence the outcome of, political campaigns or elections. By countersigning this Agreement and returning it to CITY, the Grantee agrees to (i) not use the Grant for purposes prohibited by the preceding sentence, (ii) use the Grant in furtherance of the Grantee's charitable purposes (as set forth in its Articles of incorporation and Application For Recognition of Exemption to the IRS), and (iii) promptly reimburse CITY any Grant amounts not used to further charitable purposes.

6. Compliance with Laws: In its use of Grant funds provided by CITY, and in its development, marketing, and operation of the Project, the Grantee shall fully comply with all applicable federal, state, local (and any other governmental) laws, executive orders, rules, and regulations, including without limitation anti-discrimination laws, executive orders, rules, and regulations.

7. Tax-Exempt Status: The Grantee represents and warrants that its determination letter from the Internal Revenue Service ("IRS") which states that Grantee's tax-exempt status under Section 501(c)(3) of the IRS code is still in effect as of the date of execution and delivery of the executed Grant Agreement, has not been revoked or modified, and that Grantee has delivered a copy of said letter to CITY. If such determination is revoked or modified, Grantee shall so notify CITY as soon thereafter as possible.

8. Review of Operations: CITY may monitor and conduct an evaluation of activities funded by the Grant. Such evaluation may include a visit from CITY personnel to observe the activities funded by the Grant, to discuss said activities with the Grantee's personnel, and/or to review financial and other records and materials relating to the activities financed or facilitated by the Grant. Additionally, upon CITY's providing of reasonable advance notice, the CITY Principal Contact shall be permitted to attend at least one Board meeting of the Grantee a year.

9. Publicity: The Grantee agrees that CITY may include information regarding the Grant and the Project in its periodic public reports. The Grantee shall also make best efforts to provide CITY with reasonable advance notice of any groundbreaking or ribbon-cutting events for the Project. CITY may refer to the Grant in press releases, and asks that until such a press release is issued, the Grantee not make any public announcement relating to the Grant without first consulting the CITY contact person. A copy of all issued press releases shall be promptly sent to such contact person. In addition, the Grantee agrees to acknowledge receipt of this grant from CITY in relevant and appropriate publications.

10. Assignment or Delegation and Subcontracting: The Grant Agreement and the rights and duties under the Grant Agreement must not be assigned, delegated or subcontracted by the Grantee without the prior written consent of CITY, and any purported assignment, delegation or subcontracting of the Grant Agreement without said consent of CITY shall be void. In addition, CITY reserves the right to approve any professionals or consultants hired with funds under this Grant.

11. Amendment of Term of Grant. CITY shall consider, but is not obligated to agree to, requests by the Grantee to extend the Expiration Date or make other modifications to the terms of the Grant. Amendments to the Grant shall be made only after (i) CITY's Principal Contact has received a written request from the Grantee stating the nature of the amendment requested, and (ii) an authorized officer of CITY shall have executed a written agreement describing the terms of the amendment. Note that any change in a line item of the budget in excess of 10% or totaling more than \$1,000 (whichever is greater), shall not be made without an amendment to the Grant Agreement by CITY. No change to the total grant award shall be made without prior city approval.

12. Certification. Grantee is not now, nor has it ever been, named on (i) the list of Specifically Designated Nationals and Blocked Persons established pursuant to Executive Order 13224 and maintained by the U.S. Department of the Treasury's Office of Foreign Assets Control or any successor agency or other entity, or (ii) any other list of terrorists or terrorist organizations maintained by any agency of the United States or any other governmental authority. The Grantee shall submit such information as CITY may reasonably request to enable CITY to confirm that the Grantee, is not named on any such list.

The Grantee certifies that any consultant or contractor hired under this Grant is not:

- (i) listed in any sanctions-related list of designated persons maintained by the Office of Foreign Assets Control ("OFAC") of the U.S. Department of Treasury, the U.S. Department of State or any other applicable authority ("Sanctions Authority"); and
- (ii) operating, organized or resident in a country, region or territory which is itself the subject or target of any Sanctions ("Sanctioned Country").

The Grantee agrees to maintain documentation on file of the results verifying that the consultant or contractor it retains under this Grant is not listed in any sanctions-related list of designated persons; or operating, organized, or resident in a country, region or territory that is a Sanctioned Country.

13. Signature Required. If this Grant Agreement correctly sets forth the Grantee's understanding of the agreement to the Terms and Conditions of the Grant, please indicate acceptance of and agreement to said Terms and Conditions by having an authorized officer of the Grantee should sign and date this Grant Agreement in the space provided on page 3.

Next Steps: Please follow ALL of the steps outlined below. City will not disburse funds unless and until this information is completed fully:

1. Please carefully review the terms and conditions (outlined in this Grant Agreement) detailing requirements for the use of this Grant.
2. An authorized officer of the Grantee must sign the Grant Agreement and email it to dixm@kalamazoo-city.org copying Rebekah Kik, Director of Community Planning and Development (Authorized Certifying Officer) at kikr@kalamazoo-city.org. Please consult this City staff member with questions about this Grant, to request disbursement of funds, and to report on progress. **This Grant Agreement must be signed and returned to the City within thirty (30) days after the date of this Grant Agreement. If such deadline passes, the City reserves the right to withdraw this Grant Agreement and reprogram the funds**
3. The City will then sign/fully execute the Grant and email it to the authorized contact person at your organization.

TERMS OF GRANT ACCEPTED AND AGREED TO:

Kalamazoo Neighborhood Housing Services Inc.

Signature:

Name:

Title:

Date:

Authorized contact email: _____

CITY AUTHORIZED CERTIFYING OFFICER COUNTER-SIGNATURE:

Signature:

Name: Rebekah Kik

Title: Community Planning and Economic Development Director

Date: _____

ATTACHMENT

PRIVATE GRANT FINANCIAL REPORT					
Monthly/Quarterly/Other Report		Grantee Name:			
Add ress:		Grant PA#:		Prepared By:	
New Address? Yes-No		Grant Term:		Title:	
Instructions: Send the completed and signed report to your CITY Program Office r. Enter the budget as it appears on the grant letter.		Period Reporting On:		Phone Number:	
BUDGET DESCRIPTION	TOTAL APPROVED BUDGET	PRIOR PERIOD'S CUMULATIVE EXPENSES	CURRENT PERIOD'S EXPENSES	CUMULATIVE TOTAL EXPENSES	BUDGET BALANCE
GRAND TOTAL	\$ -	\$ -	\$ -	\$0.00	\$0.00
By signing this report, I certify to the best of my knowledge and belief that the report is true, complete, and accurate, and the expenditures, disbursements, and cash receipts are for the purposes and objectives set forth in the terms and conditions of this grant award.					
Signature of Authorized Certifying Official:		Title:			Date :

Rev. July 2019

PRIVATE GRANT FINANCIAL REPORT

Monthly/Quarterly/Other Report		Grantee Name:			
Address:		Grant PA#:		Prepared By:	
New Address? Yes-No		Grant Term:		Title:	
		Period Reporting On:		Phone Number:	

Instructions: Send the completed and signed report to your CITY Program Officer. Enter the budget as it appears on the grant letter.

[illegible]

By signing this report, I certify to the best of my knowledge and belief that the report is true, complete, and accurate, and the expenditures, disbursements, and cash receipts are for the purposes and objectives set forth in the terms and conditions of this award

Signature of Authorized Certifying Official:

Title:

Date: _____

Rev. July 2019.



City Commission Agenda Report

City of Kalamazoo

Date: **8/17/2020**

Item: **G.11.**

TO: Mayor Anderson, Vice Mayor Griffin, and City Commissioners

FROM: James K. Ritsema, ICMA-CM, City Manager
Prepared by: Rebekah Kik, Community Planning and Economic Development Director

DATE: August 17, 2020

SUBJECT: Acquisition of Tax Foreclosed Parcels Under First Right of Refusal

RECOMMENDATION:

It is recommended that the City Commission proceed with the acquisition of eight tax foreclosed properties from the Kalamazoo County Treasurer under first right of refusal, in an amount not to exceed \$199,730.89. If acquired, the parcels would undergo a substantial transformation and would be returned to the tax rolls for affordable home ownership.

BACKGROUND:

The General Property Tax Act (PA123 of 1999) allows a City, under MCL 211.78(m)(1) to purchase tax foreclosed properties for the minimum bid which is defined in statute. Properties may be purchased from the County Treasurer by the approval of the governing board and by completing an application and submitting it with the required payment amount. The purchase price of \$199,730.89 equals the base tax for years 2011 – 2019 plus interest and fees. If approved, the City will become the title holder on the date the County Treasurer transfers the property to the City of Kalamazoo, and the 2020 summer tax bills in the amount of \$12,174.13 will be paid to the City Treasurer.

Staff has reviewed the 2020 list of tax-foreclosed properties. Considering the size and type (residential, commercial, etc.) of property and the proximity of the properties to targeted redevelopment areas, the properties of interest are:

Condemned Row Houses – Florence/Lawrence Street

06-16-278-011	532 Lawrence Street
06-16-278-800	528 Lawrence Street
06-16-279-008	518 Lawrence Street

06-16-279-010	516 Lawrence Street
06-16-279-011	514 Lawrence Street
06-16-279-014	508 Lawrence Street
06-16-279-015	506 Lawrence Street
06-16-279-016	504 Lawrence Street

STRATEGIC VISION ALIGNMENT:

Strategic Goal Impact:



Complete Neighborhoods - residential areas that support the full range of people's daily needs

Discussion - Affordable Housing development

COMMUNITY ENGAGEMENT:

Appropriate Depth of Engagement

CPED Staff will be reaching out to neighbors to discuss and inform the rehabilitation of the homes. Work with the neighborhood to identify residents ready for home ownership prior to the project completion.

Collaborate (two-way conversation) - the community will have a chance to shape the project by providing feedback.

Engagement/Communication Tools

Zoom meetings, videos, and City website postings

FISCAL IMPACT:

The purchase price of \$199,730.89 equals the base tax for years 2011 – 2019 plus interest and fees. If approved, the City will become the title holder effective 12/31/2019, and the 2020 summer tax bills in the amount of \$12,174.13 will be paid to the City Treasurer. The purchase price and tax bills will be paid from the \$775,000 set aside in the 2020 Foundation for For Excellence-funded Housing budget for Incremental Development projects.

CITY OF KALAMAZOO, MICHIGAN

RESOLUTION NO. _____

**A RESOLUTION AUTHORIZING PURCHASE OF TAX-FORECLOSED PROPERTY
FROM KALAMAZO COUNTY**

Minutes of a regular meeting of the City Commission of the city held on the August 3, 2020, at 7:00 p.m., local time, at the City Hall.

PRESENT:

ABSENT:

RECITALS:

- A.** The General Property Tax Act (as amended by Act 123 of Public Acts 1999) allows a City, under MCL 211.78m(1) to purchase a tax foreclosed property for the minimum bid which is defined in statute.
- B.** The City has identified the following parcels (the Properties) that are under the jurisdiction of the Kalamazoo County Treasurer and are available for acquisition under the provisions of MCL 211.78m(1).

Condemned Row Houses – Florence/Lawrence Street

06-16-278-011	532 Lawrence Street
06-16-278-800	528 Lawrence Street
06-16-279-008	518 Lawrence Street
06-16-279-010	516 Lawrence Street
06-16-279-011	514 Lawrence Street
06-16-279-014	508 Lawrence Street
06-16-279-015	506 Lawrence Street
06-16-279-016	504 Lawrence Street

- C.** The City of Kalamazoo desires to acquire the Properties for purposes of affordable homeownership development, neighborhood revitalization, and related public purposes.
- D.** The City of Kalamazoo plans to obtain resident and stakeholder feedback on the redevelopment of these Properties.

THEREFORE IT IS RESOLVED:

1. The City of Kalamazoo is authorized to make application to the Kalamazoo County Treasurer, for conveyance of _____ the Properties to the City of Kalamazoo for the minimum bid of the delinquent taxes in amount of \$199,730.89, plus any additional fees and interest, as required under MCL 211.78m(1).

The above resolution was offered by _____ and seconded by _____.

AYES:

NAYS:

ABSTAIN:

RESOLUTION DECLARED ADOPTED.

CERTIFICATE

The foregoing is a true and complete copy of a resolution adopted by the City Commission of the city of Kalamazoo at a regular meeting held on August 6, 2018. 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 said Act.

Scott A. Borling, City Clerk



City Commission Agenda Report

City of Kalamazoo

Date: **8/17/2020**

Item: **G.12.**

TO: Mayor Anderson, Vice Mayor Griffin, and City Commissioners

FROM: Scott A. Borling, City Clerk

DATE: August 17, 2020

SUBJECT: Reappointments to the Retirement Investment Committee

RECOMMENDATION:

It is recommended that the City Commission approve the following reappointments to the Retirement Investment Committee and waive City Commission Rule 12e regarding term limits:

- the reappointment of **Dan DeMent** for a term expiring on March 31, 2023.
- the reappointment of **Randy Eberts** for a term expiring on March 31, 2023.
- the reappointment of **Robert Salisbury** for a term expiring on March 31, 2023.

BACKGROUND:

The City Commission approves appointments and reappointments to the Retirement Investment Committee (RIC). At this time, Den DeMent, Randy Eberts, and Robert Salisbury are being recommended for reappointment to the RIC. The attached Nomination Report describes the nominees' qualifications.

STRATEGIC VISION ALIGNMENT:

Relevant Priority Based Budgeting Program:

Board and Commission Support - The City Clerk's Office maintains the official meeting minutes, organizational documents, and membership records of the citizen boards, committees and commissions established by the City Commission. the Clerk's Office coordinates the process for appointing members to these boards.

This program/project has a high degree of impact on the following Strategic Goal(s):



Good Governance- Ensuring the City organization has the capacity and resources to effectively implement the community's Strategic Vision in a way that is sustainable over the long term.

Discussion

Ensuring that City boards and commissions have qualified members who are duly appointed has a significant impact on the "Insights and Analysis" and "Organizational Principles" subgoals under the Good Governance strategic goal.

COMMUNITY ENGAGEMENT:

Appropriate Depth of Engagement

Consult (two-way conversation) – the community will have a chance to react to the project/recommendation through two-way conversation.

Discussion: applicants for appointment to City boards and commissions are nominated by the respective boards and commissions, with the approval of those nominations taking place at open meetings where the public has a chance to give input.

FISCAL IMPACT:

There is no fiscal impact associated with these reappointments.



Advisory Boards and Commissions Appointee Nomination Report

City of Kalamazoo

RECOMMENDATION

The City of Kalamazoo Employees' Retirement System Investment Committee recommends the City Commission approve the reappointment of the following members:

- the reappointment of Dan DeMent for a term expiring on March 31, 2023.
- the reappointment of Randy Eberts for a term expiring on March 31, 2023.
- the reappointment of Robert Salisbury for a term expiring on March 31, 2023.

SPECIAL REQUIREMENTS FOR THIS POSITION

As stated in the Pension Ordinance, the members of the Investment Committee must have a proven financial background, cannot be members of the Retirement System and, to avoid a conflict of interest, cannot be employed or associated with any organization that provides similar investment services to those retained or used by the Committee. Some of the other duties of the Committee members include formulating the investment policy and any amendments, establishing investment performance monitoring systems, ensuring the plan is properly audited and recommending investment managers, actuaries and other necessary services to the City Commission.

SELECTION PROCESS

It has been the long-standing practice to reappoint qualified members to the Investment Committee.

NOMINEE QUALIFICATIONS

Dual Board Memberships

Dual board membership between the Retirement Investment Committee and the Perpetual Care Investment Committee is by design. All three nominees are therefore sitting members of both committees. None of the nominees are members of boards/commissions/committees other than the investment committees.

Residency

Mr. DeMent resides in the Winchell neighborhood; Mr. Eberts resides in Oshtemo Township, and Mr. Salisbury is a resident of Sarasota, Florida, although he maintains a summer residence in Kalamazoo. Given that there are strict membership qualifications, the City Commission has appointed members who are not residents of the City. All three nominees are committed to the vitality and excellence of Kalamazoo.

Term Limits

It has been a long-standing practice to reappoint qualified members to the Investment Committee. Mr. DeMent has been serving on the Investment Committee since 2005 and would be serving his sixth term. Mr. Eberts has been serving on the Investment Committee since 1997 and would be serving his eighth term. Mr. Salisbury has been serving on the Investment Committee since 2005 and would be serving his sixth term.

Training, Experience, Education and Skills

Mr. DeMent is founder and principal in the law firm of DeMent and Marquardt, PLC, a Kalamazoo based estate planning practice specializing in estate law and wealth transfer matters. He is general counsel to the Kalamazoo Community Foundation, a board member of the Kalamazoo Valley Community College Foundation and has been involved in a variety of other community activities. Dan has undergraduate and law degrees from University of Michigan and is a member of the Michigan Bar Association. Dan has served on Investment Committee of the City of Kalamazoo Employees' Retirement System since 2005, on the Kalamazoo County Employees' Retirement System since 2005 and on the Financial Investment Committee of the Kalamazoo Community Foundation since 2005.

Mr. Eberts holds a Ph.D. in economics and is currently the Executive Director of the Upjohn Institute. He served in the first George Bush administration as a senior staff economist on the President's Council of Economic Advisers. Prior to joining the Institute, he was assistant vice president and economist of the Federal Reserve Bank of Cleveland and professor of Economics at the University of Oregon. Randy is the Chair of the Bronson hospital Board of Directors and a board member of the Harold and Grace Upjohn Foundation. He also serves as the Chair of the Endowment Committee for the Kalamazoo Symphony Orchestra. Randy has served on the investment committee of the City of Kalamazoo Employees' Retirement System since 1997, on the Kalamazoo County Employees' Retirement System since 1997, and on the Financial Investment Committee of the Kalamazoo Community Foundation since 2005.

Mr. Salisbury is retired CFO of Pharmacia & Upjohn, Inc. and previously was CFO of The Upjohn Company where he had global financial responsibilities, including investment strategies and management. He has been a member of the Investment Committee for the City of Kalamazoo Employees' Retirement System, the Kalamazoo County Employees' Retirement System, and the Financial Investment Committee of the Kalamazoo Community Foundation since 2005 and was appointed Chair of the committees in 2007. He also serves as Chair of the Endowment Committee for the Kalamazoo Institute of Arts, is an investor and advisor to two local venture capital funds and is on the board of directors of two small public life sciences companies.

Contribution to Diversity

All three nominees are of European-American descent.

NOMINATION RATIONALE

The Investment Committee chose to reappoint all three members because of their expertise and longevity with the Committee. Continuity for this Committee is needed for several reasons. There is multi-year monitoring of styles and strategies of the fund managers. The investment policy looks at 1-5 years for the short term and 3-4 market cycles for long-term investments. The Committee has fiduciary responsibilities regarding the investment of the pension assets that

requires a long-term commitment. This Committee also requires a significant time commitment because the Committee serves the County of Kalamazoo in the same capacity. Having the same membership for both Pension Plans has resulted in keeping administrative costs well below industry standards.

CITY CLERK'S CERTIFICATION

The nominee's qualifications regarding dual board memberships, residency, and term limits have been reviewed and verified by the City Clerk's Office.

Scott A. Borling, City Clerk



City Commission Agenda Report

City of Kalamazoo

Date: **8/17/2020**

Item: **H.1.**

TO: Mayor Anderson, Vice Mayor Griffin, and City Commissioners

FROM: James K. Ritsema, ICMA-CM, City Manager
Reviewed by: Christina Anderson
Prepared by: Katie Reilly

DATE: August 17, 2020

SUBJECT: Adoption of the *Parkview Hills Neighborhood Plan 2020*

RECOMMENDATION:

It is recommended that the City Commission confirm the approval of the Master Plan amendment known as the Parkview Hills Neighborhood Plan 2020.

BACKGROUND:

Parkview Hills is a unique neighborhood in Kalamazoo because it is a Planned Unit Development, meaning it was all designed together as one cohesive project. The neighborhood planning process began with the creation of a planning committee in 2018. Early on this group decided that a neighborhood association should be formed to take on planning and be stewards of the plan following its completion. The Neighborhood Association of Parkview Hills then created a new planning committee that led the 2019-20 process. The planning process included review of project plans of the neighborhood, focus groups, community meetings, one-on-ones, and events. From these efforts key priorities emerged including slowing traffic and creating safe pedestrian space on Greenleaf Boulevard and Circle, removing invasive species, celebrating neighborhood history and identity, and stewardship of the many natural assets in the neighborhood.

To address the goals set forth in the Parkview Hills Neighborhood Plan, the plan calls for strengthening existing relationships and pursuing new partnerships. This includes bringing together Condo Associations within the neighborhood and building stronger communication with other neighborhoods in the area. This approach helps to ensure that the goals set forth are achievable and that projects can be achieved more quickly. Some of the actions in the plan include creating crosswalks between trail heads to create a more complete network, exploring a historic designation for the neighborhood, and updating the neighborhood's landscape standards for climate resiliency.

Planning Commission approved the sub plan and recommended its confirmation at a public hearing on July 29th, 2020.

STRATEGIC VISION ALIGNMENT:

Relevant Priority Based Budgeting Program (program name and description):

Neighborhood Planning

Strategic Goal Impact:

The Parkview Hills Neighborhood Plan has goals and actions that align with the following Strategic Vision goals: Connected City, Inviting Public Places, Safe Community, Youth Development, Complete Neighborhoods, Environmental Responsibility, and Good Governance.

COMMUNITY ENGAGEMENT:

Appropriate Depth of Engagement

A diverse group of residents and neighborhood stakeholders first met in 2018 to create the original planning committee. This committee then hosted meetings that resulted in the creation of the Neighborhood Association of Parkview Hills (NAPH). NAPH continued the planning committee who hosted focus groups, community meetings, surveys, a living wall in at the Club House, one-on-one discussions with businesses and property management, and events.

Engagement/Communication Tools

Meetings were advertised through facebook, flyers, and announcements in the neighborhood newsletter The Warbler.

FISCAL IMPACT:

The Parkview Hills Neighborhood Plan will help guide strategic investment in the neighborhood to meet resident goals and needs.

City of Kalamazoo
PLANNING COMMISSION
Special Meeting Minutes
July 29, 2020
DRAFT

Electronic meeting
under the authority of Executive Order 2020-110
issued by Governor Gretchen Whitmer

Members Present: Gregory Milliken, Chair; Emily Greenman Wright, Vice Chair; Shardae Chambers; Derek Wissner; Coreen Ellis; Brian Pittelko; Alfonso Espinosa; Sakhi Vyas

Members Excused: James Pitts

City Staff: Pete Eldridge, Assistant City Planner; Clyde Robinson, City Attorney; Beth Cheeseman, Executive Administrative Assistant; Joseph Ulery, Deputy Chief Information Officer; Neal Conway, Communications Coordinator

A. CALL TO ORDER

Commissioner Milliken called the meeting to order at 7:01 p.m.

B. ROLL CALL

Planner Anderson proceeded with roll call and determined that the aforementioned members were present.

C. ADOPTION OF FORMAL AGENDA

Planner Anderson clarified that the Annual Report is for 2019 and not 2018 as shown on the Agenda.

Commissioner Espinosa, supported by Commissioner Greenman Wright, moved approval of the July 29, 2020 Planning Commission agenda as amended. With a voice vote, the motion carried unanimously.

D. APPROVAL OF MINUTES

Commissioner Ellis, supported by Commissioner Chambers, moved approval of the May 7, 2020 Planning Commission minutes. With a voice vote, the motion carried unanimously.

E. COMMUNICATIONS AND ANNOUNCEMENTS

None.

F. NEW BUSINESS

None.

G. PUBLIC HEARINGS

Commissioner Milliken reviewed the process for the public to comment on the public hearings.

1. **P.C. #2020.10:** A request to rezone the subject lots from Zone CN-1 (Commercial – Neighborhood District) and Zone CC (Commercial – Community District) to Zone RM-36 (Residential – Multi Dwelling District): 118 Fellows Ave./ 110, 114, 120 and 124 Burr Oak St.
[Recommendation: The Planning Division supports a recommendation to the City Commission to approve the rezoning.]

Commissioner Milliken explained that he needed to abstain from the discussion and vote on this item because he is a member of the KNHS board. Planner Anderson announced that Vice Chair Greenman Wright would be leading the discussion.

Planner Eldridge shared the maps and pictures of the properties. He stated there were five parcels in the proposed rezoning, all owned by KNHS. Some of the parcels were zoned CC and some were CN-1 with one parcel having split zoning. Planner Eldridge explained there is a mix of vacant, commercial and residential lots in the area with the predominant use being residential. KNHS is proposing infill housing for these sites. The lots are small and not easily developed for commercial use. Planner Eldridge spoke about the outreach efforts to the neighborhood. Planning staff sent out the usual mailings in the 300-foot radius of the properties. KNHS reached out to the Vine Neighborhood Association, and they provided a letter of support. Planner Eldridge forwarded that letter to the Planning Commissioners. KNHS sent letters to adjacent property owners and then sent fliers to three additional parcels in each direction of the area to be rezoned.

Planner Eldridge stated that the request is consistent with the 2025 Master Plan. The rezoning better aligns the zoning map with the future land use map. The commercial zoning designation hasn't brought significant changes to the interior of the block due to traffic flow and the small lot sizes. The infill housing will result in five new homes in the downtown. The zoning designation RM-36 extends up to all the properties, so this is a logical extension of that zoning district. Rezoning supports the Strategic Vision Goal of Complete Neighborhoods by creating a variety of housing types.

The applicant, Mr. Matt Lager, Executive Director of KNHS, shared that their mission is to foster homeownership and revitalize neighborhoods. They work with low- and moderate-income homeowners or prospective homeowners. Mr. Lager explained that their focus has been on the Vine, Northside, Edison and Eastside neighborhoods with a fair amount of time spent in the Oakwood and Stuart neighborhoods. He spoke about how a group of nonprofits (Building Blocks, the Vine Neighborhood Association, Community HomeWorks, KNHS, Kalamazoo Collective Housing, the Land Bank), and the City of Kalamazoo came together and pooled energies and resources in this area of the Vine neighborhood due to concerns of deteriorating conditions.

A few years ago, KNHS purchased 12 parcels in this area. They have rehabbed and sold four houses with two more slotted to be sold. They have partnered with Kalamazoo Collective Housing to rehab another one of those houses. KNHS just recently entered into an agreement where the Public Housing

Commission purchased another house. Mr. Lager explained that all these houses are for residential use, focused on low- and moderate-income residents - under 80% AMI. He shared that last year, in partnership with the Homebuilders Association, the City and LISC, they have been building infill houses. Mr. Lager explained that last year was a pilot year. They are looking to build four new houses on these lots now. FFE is providing some of the funding to make this possible. He said the housing they propose to build will be valued at about \$185,000 not including all the soft costs. The appraised values of homes that will sell in this area are in the \$140,000. Mr. Lager said that KNHS helps people with credit repair and home readiness. At any given time, they have a few dozen customers shopping for mortgages and houses. Each year they help 100 low to moderate income households become homeowners. He anticipates finding excited home buyers for these houses.

Mr. Matt Milcarek spoke about the project. Last year they used a two-story, three- or four-bedroom home model and built one home in the Eastside, Vine, Edison and Douglas neighborhoods. He said they will use the same model with some modifications based on feedback from last year's buyers. Mr. Milcarek said they will use appropriate design and setbacks to match the neighborhood. He was excited to share that they have arranged a pilot project to partner with Consumer's Energy this year. These homes will be very energy efficient, so homeowners should have very low energy costs. They will have solar rigs on the roofs. KNHS will be tracking energy uses and savings. Mr. Milcarek said these homes are high quality, and the buyers have been very satisfied.

Commissioner Espinosa asked Mr. Lager if the people going into the houses need credit repair and mortgage help, will they own the properties or rent them. Mr. Lager confirmed that all these properties will be for home ownership.

Commissioner Greenman Wright opened up the public comment portion of the hearing.

Ms. Tina McClinton, resident, asked Planning Commissioners to vote no on this item. She said that the Southtown neighbors were not notified about this rezoning. She said they should have been involved in this planning since it will affect their neighborhood.

Mr. Richard Stuart, resident, called to say that the parcels at 914 and 908 were shown in yellow as residential. He said that is not true. He recently sold those to the hospital, and they were zoned CC. Mr. Stuart said he fought to keep them CC because it raised the value of them. He asked Commissioners to vote no or postpone their vote until this can be presented to the Southtown neighborhood. He said it borders this property, but it was never brought to them for discussion. Mr. Stuart said they were excluded from the conversation. He believes that high-density residential like RM-36 can have a negative influence on surrounding properties. Mr. Stuart said he didn't think that good faith was done to include the neighbors. He also commented that they would like the Southtown Neighborhood Plan to be considered with all other neighborhoods. Mr. Stuart said they continue to be excluded and it is well known that they exist.

Commissioner Greenman Wright closed the public comment portion of the public hearing.

Commissioner Vyas, supported by Commissioner Espinosa, made the motion to approve P.C. #2010.10: the request to rezone the subject lots from Zone CN-1 (Commercial – Neighborhood District) and Zone CC (Commercial – Community District) to Zone RM-36 (Residential – Multi Dwelling District): 118 Fellows Ave./ 110, 114, 120 and 124 Burr Oak St.

Commissioner Vyas said it seemed like a great plan from KNHS. She appreciated the research that goes into rezoning and knowing the lots will be put to a use that aligns with Imagine Kalamazoo. She commented on the two callers not knowing about the zoning and asked City staff to talk about the protocol being used to inform neighbors about upcoming zoning changes.

Planner Anderson said the neighborhood map for the City shows these properties in the Vine neighborhood. The Vine neighborhood was consulted by the applicant and they provided a letter of support to him. That letter was given to the Commissioners as a result of that interaction. Planner Eldridge mentioned all of the activities done for outreach. Planner Anderson said that on occasion applicants present at neighborhood meetings. It is not currently required, and other methods are being used. Planner Anderson said that for the most part, the typical process was followed.

Planner Eldridge added that they did a 300-foot radius around the properties for the City mailings. He also sent an email to the Vine Neighborhood Director. Mr. Lager had already scheduled a Vine Neighborhood meeting at that time.

Commissioner Ellis asked about the process from start to finish to getting people inside a brand-new home. Mr. Matt Lager said they are a NeighborWorks organization, and they are a HUD certified counseling agency. They provide home buyer education and have home ownership coaches – financial capabilities and mortgage readiness. The education portion is an eight-hour course. They pull a full credit report and go through it with the customer to see how the loan officer will evaluate them. In that process, they create a customer action plan for each of them. Action plans can last from a few months to a number of years. Coaches meet with the customer on a monthly or quarterly basis. When a customer has achieved their goals on the plans, the coach does an assessment to see if the mortgage lender will say yes. If they believe it will be possible to get a mortgage, KNHS gives referrals to a number of lenders in the area. They will then assist the lender and the customer getting from that point to closing. In partnership with the City, there is down payment assistance available. Mr. Lager said they follow the national industry standards for coaching, and they meet HUD standards. He said they see 300 customers a year with 100 customers per year achieving home ownership.

Commissioner Chambers asked about the voice mails and the Vine Neighborhood. Planner Anderson responded that the addresses listed by the callers do not fall into the Vine neighborhood.

Planner Eldridge added that the parcels in yellow on the current land use map were residential along with an office on the property. It was zoned commercial, but it did have a residential unit on it. Planner Eldridge thought that was why the land use showed up as residential. The map hasn't been updated, but he said they will take care of that.

Roll call vote was taken, and the motion passed. Commissioner Milliken abstained.

1. P.C. #2020.11: Presentation of Parkview Hills Neighborhood Plan for incorporation into the 2025 Master Plan. This is a joint request of the Neighborhood Association of Parkview Hills (NAPH) and the City's Community Planning and Economic Development Department. The neighborhood plan draft document is available for review at <http://www.imaginekalamazoo.com/plans/#neighborhood-plans> [Recommendation: approve recommendation for neighborhood plan adoption by the City Commission]

Planner Anderson stated that Ms. Katie Reilly, Neighborhood Activator, was attending another meeting, so she would introduce the Parkview Hills plan. She said this is the seventh neighborhood plan to come before the Commission. Mr. Greg Nakken was present to speak to the plan. Planner Anderson explained that the Parkview Hills process started with the re-creation of their Neighborhood Association. They are continuing to meet and organize even after the planning pieces for this document were done. They used focus groups, community events, meetings and 1:1 discussion to engage their residents and stakeholders. Planner Anderson explained that the Parkview Hills neighborhood is unique because it was all created at once as a planned unit development. Their plan focuses on the strategic vision goals of connected city, inviting public places, environmental responsibility, safe community, youth development, complete neighborhood and good governance.

Mr. Greg Nakken from Parkview Hills spoke on behalf of the neighborhood. He said their neighborhood development began in the 70s as a result of the vision of H. Lewis Batts and the financial backing of Burton Upjohn. Mr. Nakken said that Parkview Hills reflects the philosophy of commitment to environmental sustainability within a relatively densely populated area. He said it is a beautiful property with hills, water features and walking trails. It is governed by an elected board of neighborhood residents, the Parkview Hills Community Association. They have 1900 residents, 776 housing units - comprised of nine different condominium associations, two apartment complexes and individual homes. The neighborhood plan was started in 2018. In 2019 a committee met with Katie Reilly, Neighborhood Activator, to understand the process of initiating a neighborhood association. He said they created a neighborhood association in conjunction with the Parkview Hills Community Association. Mr. Nakken said they continued to work on what was initiated in 2018. The plan was finished in March of this year and submitted for review and approval and to be incorporated into the 2025 Master Plan.

Mr. Nakken shared that they have already accomplished a couple of items. They have the goal to create a safe and accessible pedestrian network. Their neighborhood was developed without sidewalks and many people walk along the road and feel unsafe. Sidewalks would be difficult to install because of cost and limited space. They will have two speed monitors installed with the data to be sent to KPS. He said they hope this will slow the speed of traffic and show when traffic surveillance is best. Mr. Nakken said they have an environmental goal of reducing the impact of invasive species. They have a couple committees, Trails Committee and Natural Area Stewardship Committee, looking at the invasive species. They are also addressing erosion and catch basins throughout the neighborhood. He believes that neighborhood plans will allow them to partner with the City to complete goals and do projects.

Commissioner Chambers asked when the monitors tracking the speed would be installed. Mr. Greg Nakken said there is no date yet. Everything is in place. They are just waiting for the monitors. He suggested that the City's Traffic Engineer might be able to answer that question.

Commissioner Espinosa gave a quick observation. He said it is a great plan, but when he looked at the partners to be engaged, he was struggling to find the City of Kalamazoo. Planner Anderson said that the City is not listed with other action partners because they have their own column.

Commissioner Espinosa said it is awesome that some things are already complete. He believes it will be important for Parkview Hills and the Oakwood Neighborhood Association to collaborate on common goals because they are neighbors.

Commissioner Milliken didn't notice any reference to the commercial section of the neighborhood. He asked Mr. Nakken to speak to that.

Mr. Nakken said they do not share a commercial corridor with any neighborhood or along the main street. Within Parkview Hills they have a small privately owned retail area. He said they reached out to the owners, and they did not have any specific concerns. Mr. Nakken said they didn't have a lot of commercial goals simply because they don't share commercial property. He added that they are unique in the fact their neighborhood is completely developed. He didn't think there was space for additional commercial development.

Commissioner Espinosa asked if Greenleaf Boulevard was City owned or privately owned. Mr. Nakken said it is a City street. He said there are several other ancillary streets in the neighborhood that are City owned. The streets associated with the condominium associations are private.

Commissioner Milliken opened up the public comment portion of the hearing.

Planner Eldridge reported there were no public comments.

Commissioner Milliken closed the public comment portion of the hearing.

Commissioner Ellis asked what inspires them to keep going and how do they plan to continue to sustain themselves?

Mr. Nakken said, from a financial perspective, they pay city taxes. He explained there are additional assessments done and the money from that is used to sustain the Parkview Hills public property – trails, water ways, walkways.

Commissioner Greenman Wright, supported by Commissioner Ellis, made the motion to recommend the Parkview Hills neighborhood plan for adoption by the City Commission.

Commissioner Greenman Wright said it was a wonderful work and thanked Mr. Nakken for the thoughtful presentation.

Commissioner Milliken said he appreciated the history of the development. He said the Neighborhood Plan is consistent with the current Master Plan and the requirements of the ordinance.

Roll call vote was taken, and the motion passed unanimously.

H. OTHER BUSINESS

1. Annual meeting:
 - a. Review of annual report for 2019:

Planner Eldridge reviewed the Annual Report. Because of the late timeframe of the Annual Report (due to Covid-19), they have stretched the report to include some activities in the spring of 2020. Board members who moved on were Rachel Hughes-Nilsson, Charlie Coss, and Jack Baartman. Commissioners Coreen Ellis, Sharda Chambers, and Brian Pittelko came on the board. In 2019 there were nine regular meetings and one special meeting. Planner Eldridge mentioned they are linking Strategic Vision Goals with each item that has come before the board to make sure they're on track with the fulfillment of those goals. One rezoning was denied in 2019. It was an affordable housing project on Stockbridge Avenue with the Lyft Foundation. Planner Eldridge said the Lyft Foundation came back with a revised plan. They received a minor variance, and the project is moving forward in site plan review. He spoke about other notable items the Commissioners have reviewed: neighborhood plans, site plans in the WMU BTR park, demolition plans for the Sisters of St. Joseph church, and a site plan for the Bronson Hospital Cancer Center.

Planner Eldridge explained that the site plan review process is a responsibility of the Planning Commission that is delegated to staff. He said they did an update of the site plan process in 2018. Fully implemented the process in 2019. Site plan is a two-step process with pre-site plan meetings and full site plan meetings. Before Covid, they started reviewing and commenting on site plans digitally using Bluebeam software. Currently, they can review plans digitally and have Zoom meetings with applicants to talk about the plan. The site plans under review are posted on the website and are accessible to anyone who wants to look at them. There is a notification feature people can sign up for when new site plans are posted on the website. They can also specify to receive notice for certain neighborhoods. Properties within the NFP overlay go through an NFP site plan review in conjunction with the regular site plan review process to ensure that nothing is missed. They are preparing an online map to show where these site locations are for various projects. There were 70 pre-site plans submitted and 59 full site plans submitted.

He said they are doing public engagement in reference to an update of the NFP maps. They are making sure all the appropriate parcels are included. Planner Anderson is fully engaged in the downtown zoning process - D1, D2, and D3 districts – their boundaries and uses. Planner Eldridge reported that they should have a Transportation Planner in the Department before long.

Planner Eldridge said they continue to give the Commissioners the site plan spreadsheet to make sure they know of all the projects in the pipeline. In 2019, they had site plans for Graphics Packaging, Bronson Hospital Cancer Center, K-College Natatorium, a new hotel, and a number of medical marihuana provisioning centers. In 2020, they've had the Kalsee Credit Union project, an expansion at Vandersalm's Flower Shop & Garden Center, Graphics Packaging projects and the Kalamazoo Farmers Market expansion. They also had additional marihuana facilities approved.

- b. Site Plan Review Program administration discussion:

Planner Anderson asked Commissioners to renew the approval of the staff-run site plan process. She reported that the process is going well. The MEDC provided the City with Redevelopment Ready Certification. She said it was awarded, in part, because of a very smooth site plan process.

Commissioner Greenman Wright asked Planner Anderson to explain the criteria which bumps site plan to the Planning Commission.

Planner Anderson said the zoning code requires that any developments in WMU's BTR park go through the Planning Commission. Another reason site plans would come to the Planning Commission is if the Planning Commissioners requested to have a presentation on specific plans. Planner Anderson said they would continue to keep them up to date with a monthly list of site plans.

Commissioner Milliken said he thought the digital process that was adopted is great. He was glad that the site plan review process can continue even with the pandemic. Commissioner Milliken didn't think the board would be able to foster that type of growth and development. He was in favor of keeping the program as it is and letting the City handle that work as they are trained to do.

Commissioner Wissner, supported by Commissioner Vyas, moved to grant site plan administrative approval authority to staff for the next year. A voice vote was taken and passed unanimously.

b. Election of officers for the Planning Commission:

Chair

Commissioner Milliken expressed willingness to run for another term.

Commissioner Chambers, supported by Commissioner Wissner, nominated Greg Milliken for Chair of the Planning Commission.

No other nominations were offered.

A voice vote was taken, and the motion passed unanimously. Commissioner Milliken will continue as Chair of the Planning Commission.

Vice Chair

Commissioner Greenman Wright expressed willingness to run for another term.

Commissioner Vyas, supported by Commissioner Chambers, nominated Emily Greenman-Wright as Vice Chair of the Planning Commission.

No other nominations were offered.

A voice vote was taken the motion passed unanimously. Commissioner Greenman Wright will continue as Vice Chair of the Planning Commission.

Secretary

Commissioner Wissner expressed willingness to run for another term.

Commissioner Espinosa, supported by Commissioner Vyas, nominated Derek Wissner for Secretary of the Planning Commission.

No other nominations were offered.

A voice vote was taken, and the motion passed unanimously. Commissioner Wissner will continue as Secretary of the Planning Commission.

Commissioner Greenman Wright asked how many Commissioners would be rotating off the board the next term.

Planner Anderson said the terms expiring in March 2021 are Commissioners Greenman Wright, Pitts, and Ellis (she was serving a partial term).

I. CITIZENS' COMMENTS (Regarding non-agenda items)

None.

J. CITY COMMISSION LIAISON COMMENTS

None.

K. CITY PLANNER'S REPORT

Planner Anderson said two City led zoning items will come before them for review this fall. One item is the Natural Features Protection Phase II overlay update. They are doing some engagement online and at lunch time live.

The second item coming before them is the Downtown zoning. The downtown was divided from one large district into three different districts. She said they asked the community to take a look at a map, do walking tours and give feedback. The next activity will be a review of dimensional standards and uses in those three districts. They will also look at where adult use marihuana businesses would be located downtown. Engagement will include a survey online and attendance at lunchtime live.

Commissioner Milliken asked how that process relates to what they did several months ago.

Planner Anderson said that several months ago they created three districts, including uses and dimensional standards. She said they will be reviewing to confirm with the public now that it has been mapped. They will need to add adult use marihuana to the uses and anything else that may come up.

Planner Anderson reported that the NFP ordinance received the Planning Award of Excellence for Environmental Projects.

Attorney Robinson reported there was a tree protection ordinance adopted by Canton Township and that our ordinance is similar. The Canton ordinance was challenged in federal court and was struck down in part. He said he will keep his eye on that case and will keep the Commissioners informed.

Planner Anderson said the next night they would have their first in-person engagement activity since Covid. It is a Traffic Calming Information Meeting in LaCrone Park from 5:30-7:30pm. They will discuss traffic calming solutions that the City will pilot in the Northside. People will hear a presentation and see a demonstration. Those will run every half hour. She encouraged people to wear a mask and come out the next night.

Commissioner Milliken said that was good to see and thought they would learn a lot from that.

L. MISCELLANEOUS COMMENTS BY PLANNING COMMISSIONERS

Commissioner Chambers commented that they did an approval for Lakeside. Since the facility lost their license and are about to close, she wondered if the project just falls away. Attorney Robinson responded that the special use permit goes with land. He said it is possible that a new entity could come in and take advantage of that unless it expires first.

Commissioner Espinosa asked for a list of permitted uses for each zone district to be included in the staff reports. It would be a quick way to see all the possible uses when they review the packet. Planner Anderson said they can provide the use table as part of the packet or reference it online.

Commissioner Milliken asked if there was a Planning Commission meeting for August. Planner Anderson said there were no items for that meeting, so it was cancelled.

Commissioner Ellis reminded Commissioners to remember to vote.

Planner Anderson reminded Commissioners that the next Planning Commission meeting is before Labor Day. It will be a virtual meeting on Thursday, September 3rd.

M. ADJOURNMENT

Commissioner Milliken adjourned the meeting at 8:48 pm.



Parkview Hills

Neighborhood Plan 2020

NEIGHBORHOOD ASSOCIATION
OF PARKVIEW HILLS



THE CITY OF KALAMAZOO

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Introduction

Acknowledgments

Many people throughout Kalamazoo gave time and expertise to the creation of this plan.

Arthur Falk (1938-2018)

Arthur and Nancy Falk were one of the first families to move to Parkview Hills. They moved in as a young couple, raised their family here, and lived here in retirement.

When Imagine Kalamazoo 2025 was announced, Arthur attended the meetings and formed a committee of Parkview Hills residents, which he chaired, and the group set out to write the neighborhood plan. The neighborhood association was not active at the time.

When the Neighborhood Association of Parkview Hills (NAPH) was established in 2019, the work Arthur and his committee had done became the basis of the present Parkview Hills neighborhood plan.

Neighborhood Association of Parkview Hills

Belinda McDougal – President
Bonnie Alkema
Kathy Kienle
John Piper
Karen Schmidt
Dean Hauck
Greg Nakken
Carol Trittschuh
Marcy Ohs

Parkview 2019 Planning Committee

Bonnie Alkema
Greg Nakken
John Piper
Steve Kienle

Parkview Hills 2018 Planning Committee

Marianne Houston
Jake Boley
Brandi Fowler
Lauri Young
Caren Braymer
Carole Newburry
Kathryn Caskey

City of Kalamazoo

Kathleen Reilly - Neighborhood Activator
Amanda Cockroft - Marketing & Communications Specialist
Carolyn Real - Neighborhood Projects Coordinator
Anthony Ladd – Asst. City Engineer
Sgt. David Juday
Eric Arnsman – City Traffic Engineer
Luis Pena – Neighborhood Projects Coordinator

Parkview Hills Clubhouse Employees

Grace Mannion
Marcy Ohs
Scott Moyer
Jessie Voights
Lillie Forteau

Natural Area Stewardship Committee of Parkview Hills

Trails Committee of Parkview Hills

Parkview Hills Residents

Thank you to all of the residents who helped inform this plan.

Demographics

Source: ACS 2017 5 yr estimates for Census Tract 16.04



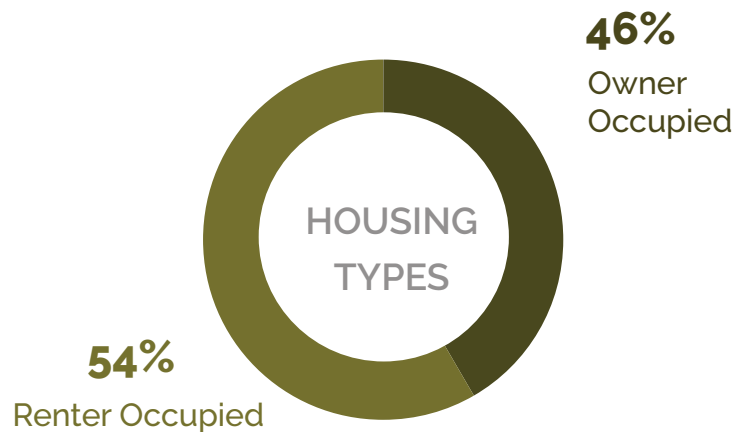
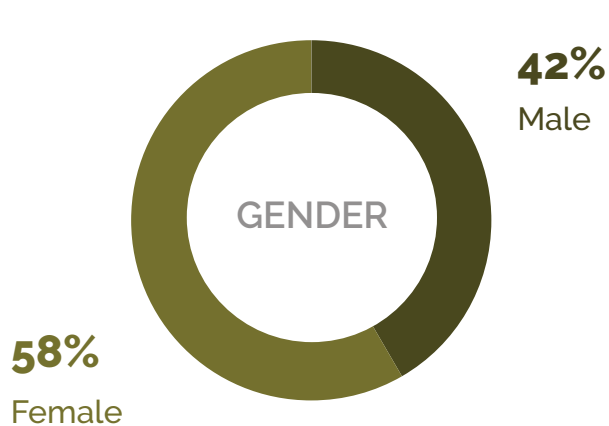
1,894

TOTAL POPULATION



776

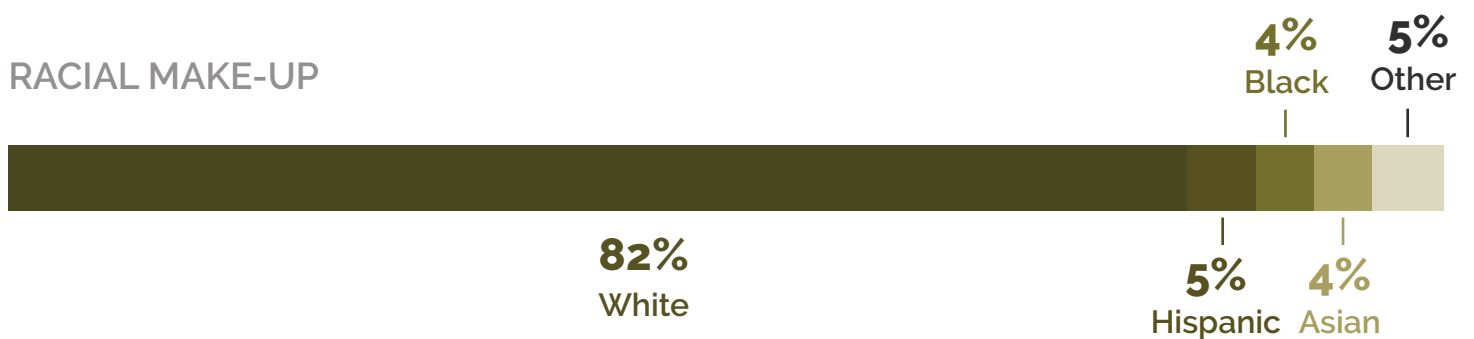
TOTAL HOUSING UNITS



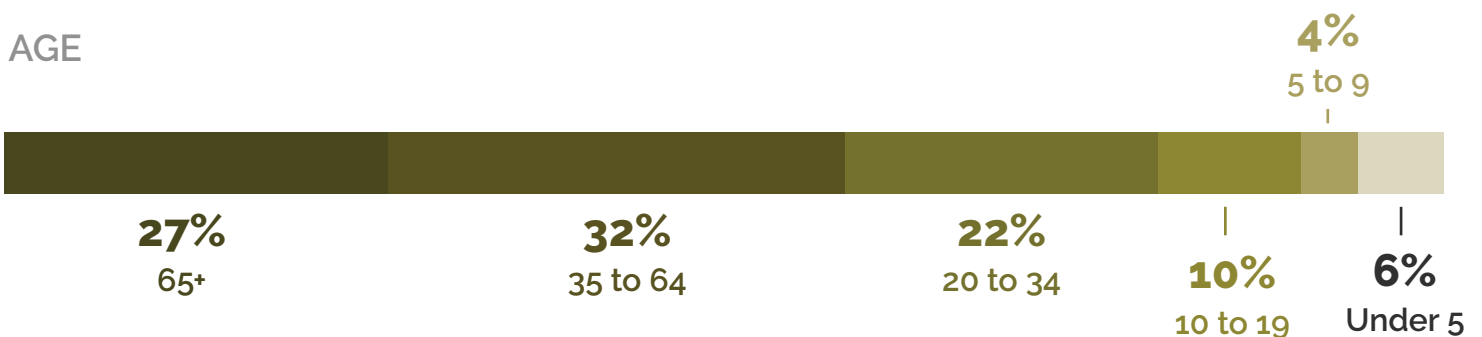
Source: Parkview Hills Community Association 2019 Budget

MEDIAN INCOME **\$55,202**

RACIAL MAKE-UP



AGE



Neighborhood History

Parkview Hills is the youngest neighborhood in the city of Kalamazoo, with development beginning in 1970. It's also one of the most unusual, given its strong conservation ethic and history.

Situated at the intersection of Parkview Avenue and Greenleaf Boulevard between Oakland Drive and Drake Road, the neighborhood offers diverse housing options —apartments, condominiums and single-family homes — set amidst rolling hills, woodlands, streams and lakes.

The natural features also mark the surrounding area, including Asylum Lake Preserve, which is within walking distance from the neighborhood. Water from the preserve flows under Parkview Avenue into Cherry Creek and other waterways in Parkview Hills, including the West Fork of Portage Creek, which ultimately flows into Lake Michigan.

Years ago, the area was open countryside, and streetcars brought folks from busy Kalamazoo to the amusement park at Woods Lake, near the intersection of Parkview Avenue (which got its name from the park) and Oakland Dr. However, with the invention of automobiles, people chose other places to travel.

Near the present entrance to Parkview Hills is a large, white Greek Revival farmhouse built in the 1850s by Stephen Love, a young man from New York and one of the early settlers in this area. He owned 220 acres and farmed 130.

The area had previously been occupied by the Potawatomi band of Native Americans, who lived in the area until 1840, when they were marched out of Kalamazoo for relocation in Kansas and Oklahoma. The march — part of a larger relocation of Potawatomi from the Midwest — is known as the "Trail of Death."

Love's farmhouse, now known as the Landmark House, had other owners through the years. In the late 1930s, the home and land were purchased by the Strongs. Several generations of Strongs and, later, the Donnells lived there before educator and environmentalist Dr. H. Lewis Batts Jr. bought the house and the 235 acres of rolling, glaciated

land in 1966. His plan was to develop a community in a natural setting, giving residents the benefit of living close to and enjoying nature within the city. He partnered with Burton H. Upjohn, a prominent Kalamazoo businessman, who was responsible for the financial planning and would later make his home in Parkview Hills and serve on the board of the community association.

The development was also unusual in that it was a Planned Unit Development (PUD), one of only a few in the country at that time. A PUD is a development where most residents' needs are met within the community, decreasing driving and travel.

The neighborhood is governed by the Parkview Hills Community Association which is a board elected by Parkview Hills residents. This board hires an independent management company to manage the area.

The neighborhood has miles of beautiful walking trails through the woods and a small beach area on Hill 'n' Brook Lake. Tennis courts and swimming pools are other options for exercise and enjoyment. A clubhouse with a workout room and a library offers a place to gather. A restaurant and shops are located within the community, as well.

Parkview Hills demonstrates how Dr. Batts — who also purchased and thus saved numerous other ecologically vital lands from development (including land that now forms the Kalamazoo Nature Center) — was ahead of his time. Fifty years after the Parkview groundbreaking, Batts' belief in the positive benefits of connecting people and nature has been supported by scientific research. He believed most developments destroyed the natural features by cutting trees, filling marshes, and paving over much of the area. His approach was to protect as much of those features as possible and place housing in unobtrusive ways within the natural areas.

Parkview Hills still reflects that philosophy, combining living space and nature in a way that both are appreciated and protected.

Source: Parkview Hills "We Belong to the Land" by Barbara Walters

Planning Process



1. Review

The planning process for Parkview Hills first started in 2018 when Arthur Falk pulled together a group of residents to create the first planning committee. This committee reviewed past plans for the neighborhood and met with the Neighborhood Activator to understand the planning process. Quickly, the committee realized that there was a need for a neighborhood association for this process to move forward. In early 2019 the Neighborhood Activator helped the residents of Parkview Hills create the Neighborhood Association of Parkview Hills (NAPH).

2. Engage

NAPH created a new planning committee to take over the planning process. Engagement started with three community meetings to understand the focus of the neighborhood plan.

3. Draft

Living walls were created and displayed in the clubhouse to refine feedback on themes that rose to the top. Themes included the clubhouse, environment, connectivity, community collaboration, accessibility, and neighborhood identity.

This information was used during a series of focus group and committee meetings to create SMART goals. The planning committee also reached out to the many committees and associations in Parkview Hills to check-in on the plan.

4. Confirm

At the Summer Bash residents were asked to identify their top three priorities from the draft plan goals. There was also targeted outreach to the business community and renter community in the neighborhood to gather feedback. The plan was posted online, shared through an email blast and on social media. The neighborhood held a February Sip & Social to review the plan with neighbors one last time.

5. Amend

The Parkview Hills Neighborhood Plan was presented to Planning Commission and City Commission in the Spring of 2020.

6. Act!

Imagine Kalamazoo Strategic Vision Alignment



Strategic Vision Goal	Shared Prosperity	Connected City	Inviting Public Places	Environmental Responsibility	Safe Community	Youth Development	Complete Neighborhoods	Strength Through Diversity	Economic Vitality	Good Governance
Parkview Hills Neighborhood Plan Goals										
Connected Neighborhood										
Create a safe and accessible pedestrian network		●	●	●	●		●			
Create safe network for cycling and other non-motorized transportation modes		●		●	●		●			
Make a clear and safe road network		●								
Promote the use of transit		●		●						
Vibrant Neighborhood										
Create and support shared Parkview Hills identity			●				●			●
Support Neighborhood Youth				●		●	●			
Build Relationships with Other Neighborhoods and Organizations				●						●
Sustainable Neighborhood										
Strengthen the natural assets of Parkview Hills				●		●				
Promote Sustainable Practices				●						
Maintain deer population at safe level for both the deer and residents				●	●					

Clubhouse

The Clubhouse is a hub of activity for the neighborhood offering meeting places, entertainment, and activities.

During planning we gathered input on everything and anything residents wanted to talk about. This included thoughts on improvements to the Clubhouse. This information has been passed along to management services. If there is anything that needs repair or immediate attention residents are encouraged to contact current management services by email at info@gardnermi.com or by phone at 269-323-7774.



Connected Neighborhood

1

Create a safe and accessible pedestrian network

When Parkview Hills was developed the focus was on the natural aspects of the site and connecting people with nature. This led to the creation of a series of trails that run through the community. Though the trails are a great amenity, residents have noted that they are difficult for older residents, strollers, and those with disabilities to use and enjoy, and do not connect residents safely to all amenities. One of the largest gaps in the trail system is a way for pedestrians to safely traverse Greenleaf Boulevard and Greenleaf Circle to

connect to Parkview Avenue, the Clubhouse, and the shops located at the northern edge of the neighborhood. At one point the neighborhood had a plan for installing a path along the roadway however the project was unable to move forward. Residents have noted the continued importance of being able to safely make this connection as a pedestrian .

In Street Facilities/Pedestrian Lane

Pedestrian lanes are areas of the road that are set aside for pedestrian-only use on roads with moderate and low use and speeds. These can be used instead of sidewalks and can help protect pedestrians from traffic. FHWA approves of and has guidelines for pedestrian lanes.

Sources:

ruraldesignguide.com/visually-separated/pedestrian-lane

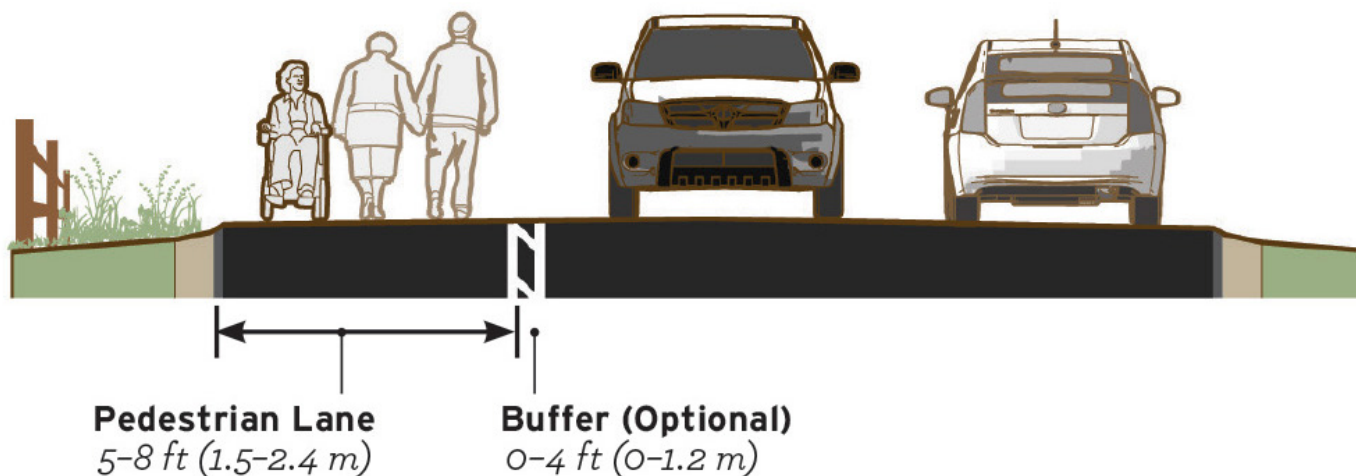
www.fhwa.dot.gov/environment/bicycle_pedestrian/publications/small_towns/fhwahep17024_lg.pdf

Raised Crosswalks

Pedestrians may feel safer when crossing the road on a raised crosswalk because it prompts motorists to slow down as it gets their attention. These crosswalks are also more accessible because they match the height of the sidewalk, so there is no ramp needed.



Raised Crosswalk, Source: pedbikesafety.org



Pedestrian Lane, Source: <http://ruraldesignguide.com/visually-separated/pedestrian-lane>

2

Create safe network for cycling and other non-motorized transportation modes

There are currently no bike lanes or other bike facilities in Parkview Hills neighborhood. Residents have expressed concerns for cyclists' safety especially on Greenleaf Boulevard and Greenleaf Circle. These streets are key connections for cyclists in and out of the neighborhood. There is a need for in street facilities that promote cyclist safety and create a space for cyclists in the right-of-way.

Bike Facilities/Advisory Bike Lanes

Advisory Bike Lanes (ABLs) create a road that has a center land for two-way vehicular traffic with a lane on each side dedicated to cyclists. If there is not enough room for cars to move around each other, they can shift into their right-hand bike lane, but must give cyclists the right-of-way and drive slowly behind cyclists until it is safe to return to the center lane. The FHWA has designs for ABLs but has also supported projects that did not follow their guidelines.

Sources:

trec.pdx.edu/events/professional-development/Seminar-10202017

www.advisorybikelanes.com/fhwa-experimentation.html

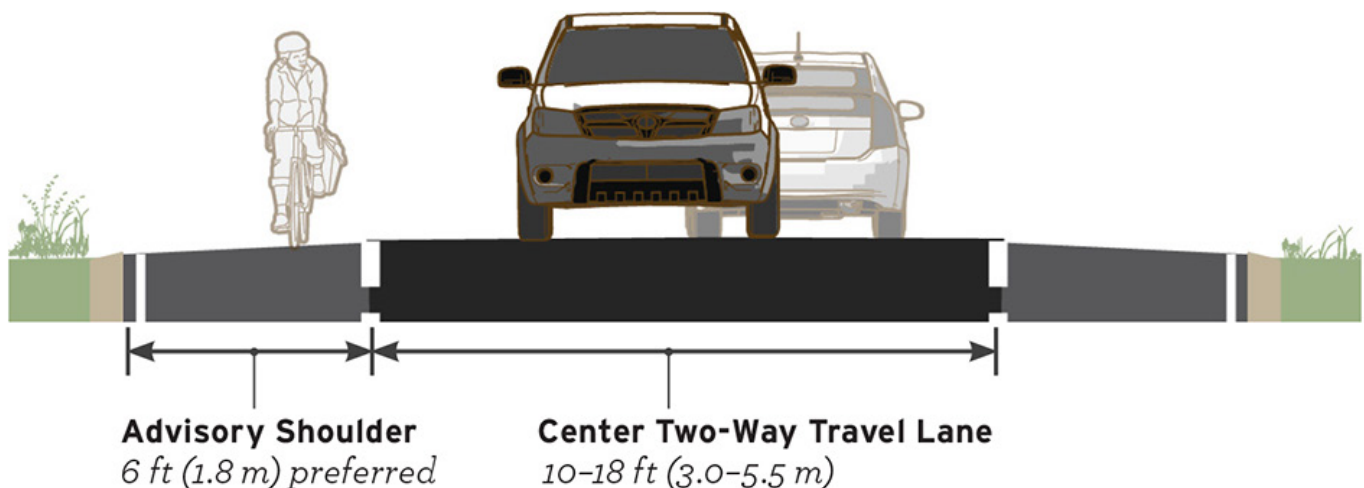
<http://ruralsdesignguide.com/visually-separated/bike-lane>

3

Make a clear and safe road network

Greenleaf Boulevard is a wide roadway divided by a planted median. Lanes are not striped and except for the stretch near the tennis courts there is very little on-street parking used. These conditions have contributed to issues of speeding and at times aggressive driving behavior. Residents report similar issues on Greenleaf Circle though the roadway is narrower. To make Parkview Hills safer for all modes of travel residents would like to see improvements made to the roadway that will increase the navigability of the road network and promote safe traveling speeds.

Parkview Hills establishment as a Planned Unit Development has led to confusion around which streets are public and which are private. In the winter this confusion becomes particularly problematic as some public streets do not receive winter maintenance. The map on page 12 shows which streets are public and which are private. Residents have expressed the need for all to be better acquainted with the public streets in the neighborhood so there can be uniformity among City services whether it is snow plowing, tree trimming, or traffic enforcement.



Advisory Shoulder, Source: <http://ruralsdesignguide.com/mixed-traffic/advisory-shoulder>

4

Promote the use of transit

Parkview Hills is served by Metro Route 4, Oakland. For many, taking transit can be an intimidating task between reading schedules, finding the bus stop, and anxiously waiting for the bus to arrive. The neighborhood would like to explore ways to encourage more transit use and improve the experience for residents. This not only increases mobility for some, it also promotes more sustainable behaviors which aligns with the overall mission of the neighborhood.

Metro Connect

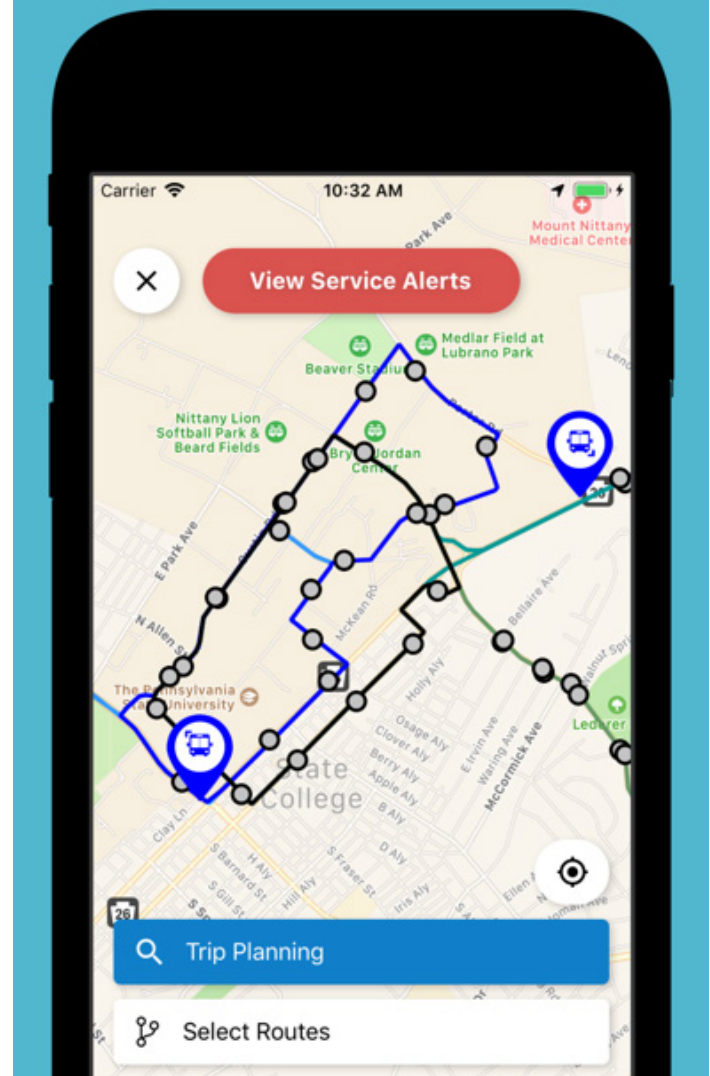
"Metro Connect is Metro's shared ride origin-to-destination transit service. Shared ride means that multiple passengers may ride together in the same vehicle. Metro Connect is open to all residents of Kalamazoo County. Discounted fares are available to individuals who are certified as having a disability, seniors 62 years or older and individuals with a disability who are certified as Americans with Disabilities Act (ADA) eligible."

Source: www.kmetro.com/metro-connect

MyStop (KMetro Bus App)

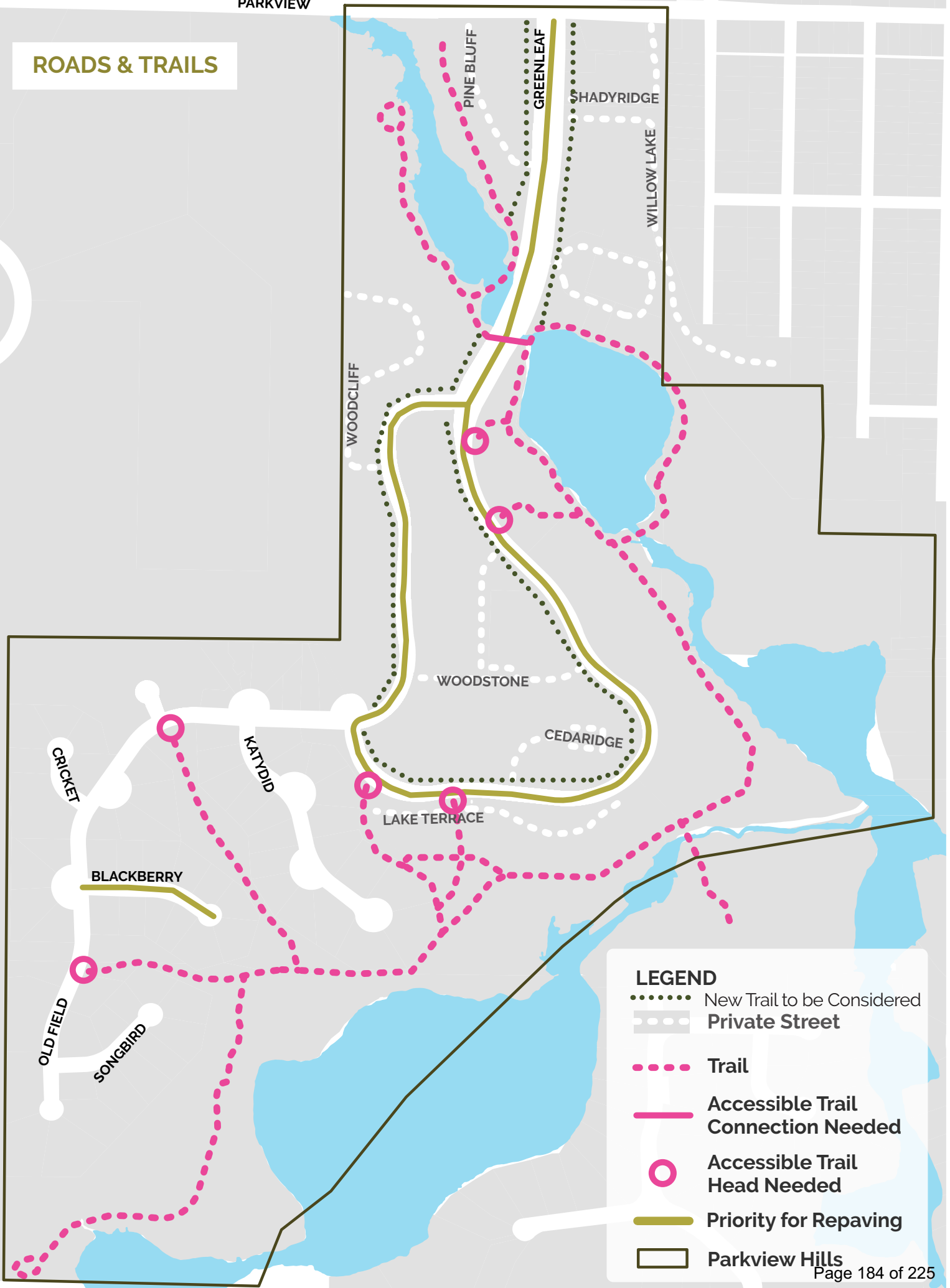
In addition to checking Kalamazoo Metro's website, users can download the free MyStop app to check bus location, learn about bus routes, plan their trip and receive service alerts.

Track buses on their route.



MyStop KMetro Bus App, Source: Apple App Store

ROADS & TRAILS



Traffic Calming



Speed Radar, Source: en.wikipedia.org/wiki/Radar_speed_sign

Radar Signs

Radar signs are speed limit signs that digitally display an oncoming driver's speed. Experiments show that oncoming cars "will slow down 80% of the time" between 10 – 20% of their speed.

Source: www.radarsign.com/



Curb Bump-Out, Source: nacto.org/publication/urban-street-design-guide/street-design-elements/curb-extensions/

Curb Bump-Outs

Adding onto roadside curbs narrows the road. Drivers are more likely to drive slowly because they are closer to other drivers, shoulders, parked vehicles, and streetscaping.



Speed Hump.

Speed Humps

These are raised sections of the road that encourage drivers to slow down in order to safely pass over them.



Chicane, Source: nacto.org/publication/urban-street-design-guide/street-design-elements/curb-extensions/chicane/

Chicane

Chicanes are like curb bump-outs in that they narrow the road, but they do not occur at intersections. The same effects on drivers occur.

Connected Neighborhood Goals & Actions

ACTION	NEIGHBORHOOD	PARTNERS TO BE ENGAGED	CITY	TIMELINE	COSTS
Create A Safe And Accessible Pedestrian Network					
Create Map Of Trails And Clearly Sign Trail Entrances	- Create map - Make map available in Clubhouse and online - Install clear signage	Disability Network SW MI to make sure signs are accessible	Support sign installation, provide best practice guidance	Project Complete	\$
Make Trails As Accessible For All As Possible	- Work with partners to evaluate accessibility of trails. - Work to make any needed changes	Disability Network, WMU	Provide contact information for potential partners	Long	\$\$-\$\$\$ depending on needed upgrades
Evaluate Trail Heads To Determine Opportunities For Marked And/Or Enhanced Crossings	Provide Trail Map	WMU, Disability Network	Evaluate trail heads to design accessible curb cuts and create marked crossings, consider elevated crossings on Greenleaf Blvd.	Short-Mid	\$\$-\$\$\$
Create A Safe Way For Pedestrians To Connect To Parkview (Additional Trails, Sidewalk, Shared Use Path, In Street Space, Etc.)	Assist with needed engagement to determine which option is most acceptable to property owners, engage past funders to explore ways to fund sidewalk, path, or trails	WMU	Evaluate Greenleaf Boulevard for potential of adding a shared use path on the roadway.	Mid	\$\$\$
Determine Feasibility Of Pedestrian Space On Or Along Greenleaf Circle	Assist with needed engagement, pursue funding		Evaluate Greenleaf Circle to determine if there is a way to safely add pedestrian or shared use space	Long	\$\$\$-\$\$\$\$
Create Safe Crossings From The South Side Of Parkview To The Northside	Support neighborhood engagement in Parkview Ave road project		Evaluate Parkview to site additional crossing locations Engage neighborhood in Parkview Ave road project	Short - try to include in 2021 project if possible	\$\$\$

ACTION	NEIGHBORHOOD	PARTNERS TO BE ENGAGED	CITY	TIMELINE	COSTS
Create A Safe And Accessible Pedestrian Network (Continued)					
Complete Sidewalk On The North And South Sides Of Parkview			Study gaps in sidewalk to determine feasibility on completing the network	Short - try to include in 2021 project if possible	\$\$\$\$
Promote Culture And Awareness Of Pedestrians In The Neighborhood	- Include information in newsletter and welcome packets. - Explore creating signage to promote safe driving/ sharing the road		Attend a neighborhood meeting to provide information on the rules of the road related to cars and pedestrians	short	time/\$
Create Safe Network For Cycling And Other Non-Motorized Transportation Modes					
Create Dedicated Space For Bikes On Greenleaf Blvd		WMU	Study Greenleaf for the potential to create a bike lane, shared use path, or other option to create a delineated space for cyclist	Short-Mid	\$\$-\$\$\$
Evaluate Greenleaf Circle To Ways To Denote Bicycle Space/Use Of The Roadway	Engage potential funders for a shared use off-street path		Study Greenleaf Circle to determine feasibility of bike lanes or sharrows.	Short-Mid	\$\$
Widen (Or Buffer Is Possible) Bike Lanes On Parkview Ave	Support neighborhood engagement in preparation for Parkview Ave road project		Study Parkview for ability to widen bike lanes Engage neighborhood in Parkview Ave road project	Short - include in 2021 project if possible	Part of project costs - \$\$\$\$
Promote Culture And Awareness Of Cyclist And Safe Cycling Practices	- Include information in the newsletter and/or welcome packets. - Consider creating an event around biking for residents	WMU, Open Roads, Disability Network	Provide information on safe bicycling and rules of the road. Work with neighborhood to provide a training on safe bicycle practices	Short	Time

ACTION	NEIGHBORHOOD	PARTNERS TO BE ENGAGED	CITY	TIMELINE	COSTS
Make A Clear And Safe Road Network					
Update Markings At The Intersection Of Parkview Ave And Greenleaf Blvd To Make Entrance Easy To Navigate			Add a clear demarcation that indicate left turns from Parkview on to Greenleaf Blvd must enter on the west side of the median	In 2019 the markings were incorporated in the City's painting contract	\$
Ensure Entrance Of Parkview Hills Is Well Lit	Engage Consumer Energy to discuss adding an additional light at entrance. Explore installing solar lighting in the median	Consumers Energy	Support neighborhood in improving lighting. Help neighborhood with any needed permissions to install solar lighting in the median.	21 - Large lights Short - solar lights	\$\$\$ - Large lights \$-Solar lights (consider using Quick Win funds)
Resurface Roads In The Neighborhood			Roads listed in Priority: 1. Greenleaf, 2. Blackberry	Incorporate list into local road projects to systematically address condition issues	\$\$
Ensure Winter Maintenance Of Public Roads	Provide statement to the City supporting salting of roadway (can be part of plan)		See map for all local roads in Parkview Hills. Ensure staff know that these roads are public and need winter maintenance	Ongoing	Time
Install Speed Limit Signs In Neighborhood To Ensure All Know To Go 25 Mi/Hr	Provide information on roads where speeding most frequently occurs		Locate signs in visible locations at entrance of neighborhood and on other key streets, on Greenleaf consider installing flashing "your speed is" signs	Short	\$
Trim Overgrown Trees/ Vegetation To Ensure All Signs Are Visible And That Vehicles, Pedestrians, And Cyclists Can Safely Navigate	Provide information on where signs or street lighting are blocked by trees		Work to trim trees to ensure signs are visible	Ongoing	\$-\$\$

ACTION	NEIGHBORHOOD	PARTNERS TO BE ENGAGED	CITY	TIMELINE	COSTS
Make A Clear And Safe Road Network (Continued)					
Explore Ways To Slow Traffic, Particularly On Greenleaf Blvd And Circle	Participate in any needed engagement		Evaluate street to determine implementations that will help slow traffic whether it is clearly marking traveling vs parking lanes, installing speed humps, or an alternative method such as chicanes	Mid-Long	\$\$\$
Create Culture Shift So Drivers Are Aware Of And Know What To Do When There Is A Pedestrian Or Cyclist Present	Provide information in newsletter or welcome packet. Explore outreach options such as an event or signs that promote safe driving and sharing the road		Provide information on laws regarding pedestrians, cyclist, and vehicles	Long	Time
Promote The Use Of Transit					
Provide Information About Metro Transit And How To Access It	- Invite Metro to attend a neighborhood meeting on a regular basis (yearly) to talk about the transit system, initiatives, and other updates. - Provide transit information in Welcome Packets	Metro	Provide contact information for Metro	Ongoing	Time
Explore Partnership To Create Shuttle Type Service To Grocery Shopping Or Downtown	Work with partners to create a program that provides a low cost (or free) shuttle to amenities	Metro - Trainings for drivers and small bus Oakwood - partner in creating and managing program and pursuing funding	Provide best practices information	Long	\$\$/\$\$\$
Evaluate Existing Bus Stops For Needed Improvements Such As A Cement Pad, Sidewalk Connection, Lighting, Or Bench	Continue to engage residents about which bus stops are used and their experience accessing them	Metro	Work with neighborhood and Metro to create safe, comfortable, and accessible bus stops	Mid-Long	\$\$/\$\$\$
Explore Ways To Encourage Using Transit	- Work with Metro to provide "how to use the bus" trainings, - Explore creating an excursion that uses the bus	Metro		Short	Time
Educate Residents About Available Bus Passes	Include information in Welcome Packet and create advertisement in Warbler or posted at the Clubhouse		Provide information on helpful resources for creating eye-catching advertising	Ongoing	Time

Vibrant Neighborhood

1

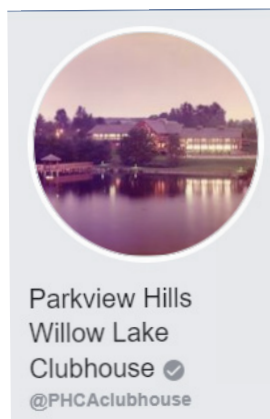
Create and support shared Parkview Hills identity

Parkview Hills is a neighborhood tucked away in the southwest part of the City. The neighborhood has a unique history as one of the first Planned Unit Developments in Michigan designed to preserve the natural features of the area. There are still residents in the neighborhood that moved in when Parkview Hills first opened. Those residents want to make sure they pass on their knowledge and mission of the neighborhood to new residents as they move in. There is also a desire to build a stronger sense of community and social capital in the neighborhood to help achieve the goals in this document.

2

Support Neighborhood Youth

Though much of the neighborhood is older adults, there have been more young families moving in. The neighborhood wants to work to make Parkview Hills welcoming to all and to have opportunities for neighborhood youth to learn and grow with one another. There is also a strong interest in teaching youth environmental responsibility and sustainable living practices they can utilize throughout their lives.



Parkview Hills
Facebook Page

 @PHCAclubhouse

Happy 50th Birthday, PVH!

Parkview Hills has been a unique neighborhood since its beginning. Local journalist, Barbara Walters, who used to work for the Kalamazoo Gazette, wrote a book on Parkview Hills and its people. Listing its buildings or sites in national, Michigan, or local registers would preserve the historical significance of this neighborhood.

National Register for Historic Places

This register is managed by the National Parks Service and includes houses, properties, landmarks, and more. Being on this list does not enforce regulations on the property owner, but it can protect the property if federal operations are a threat. Additionally, property owners can sometimes be eligible for funding or tax benefits.

State Registers

Being listed in a state's register protects the property from state-level threats and can also offer financial opportunity to property owners.

Local Registers

At the most local level, communities can protect their own historic properties. Kalamazoo is a Certified Local Government, allowing our City to work with both the state and national levels of historic preservation. While local requirements enforce regulations on property owners, being locally registered helps to preserve local identity, provides stability for property owners, and makes property owners a part of history.

Sources:

www.mlive.com/news/kalamazoo/2008/12/new_book_tells_the_story_of_pa.html

savingplaces.org/stories/preservation-tips-tools-historic-designations-mean#.Xd6Ng5NKiM8

3

Build Relationships with Other Neighborhoods and Organizations

If Parkview Hills is going to successfully tackle their goals in this plan they will need to build relationships with organizations and other neighborhoods. Having strong partnerships will allow the neighborhood to leverage existing programming and capacity to achieve shared

goals. To achieve this the Neighborhood Association of Parkview Hills identified key connections they would like to make.



**PARKVIEW HILLS
NEIGHBORHOODS**



Vibrant Neighborhood Goals & Actions

ACTION	NEIGHBORHOOD	PARTNERS TO BE ENGAGED	CITY	TIMELINE	COSTS
Create And Support Shared Parkview Hills Identity					
Establish A Neighborhood Association	Gather to create an association that helps connect residents to one another, to other neighborhoods, and to the City	One Place	Support creation of the association	Complete!	Time
Promote Naph Meetings And Events	-Work with Warbler to have NAPH meetings advertised, NAPH general featured in some way - Post meeting schedule in visible places such as the clubhouse entrance, gym, and apartment buildings)			Ongoing	Time
Create Welcome Packets And Committee To Greet New Residents	Create packets			Complete	Time
Create Events That Allow Residents To Work Cooperatively To Improve The Neighborhood	Create and promote events such as weeding the garden or trails, planting native species, etc. that promote collective action to address a neighborhood need	NASC, trails committee are organizing these types of events		Ongoing	Time/\$
Explore Historic Designation For The Neighborhood	Engage neighbors on impact of historic designation		Provide information on historic designation options, help neighborhood through historic designation process	2020/2021	Time
Highlight The History Of Parkview Hills	Consider adding special history facts to newsletter or a Parkview Day to celebrate the unique background of the neighborhood		As needed support neighborhood in data gathering	50 yr. anniversary in 2020	\$
Promote And Support Resident Driven Events To Meet And Mingle (Ex. Sip & Social)	- Allow time for residents to talk about their events at meetings. - Help residents advertise events/ meetings in the Warbler and on Facebook			Ongoing	Time/\$

ACTION	NEIGHBORHOOD	PARTNERS TO BE ENGAGED	CITY	TIMELINE	COSTS
Create And Support Shared Parkview Hills Identity (Continued)					
Organize A Meeting Between All Pvh Groups To Meet And Build Strong Relationships	Organize dinner with at least one representative from each group			2019 -First Unity Dinner ongoing	Time
Determine Feasibility Of A Dog Park In Parkview Hills	- Study different management options for a dog park. - Determine if there is available space		Provide information on City-run dog park; lessons learned, management structure, etc. Provide contact information for other dog park operators	Mid	Time
Explore Creating Casual Groups That Meet Around A Shared Interest And Allow Residents To Meet One Another And Build Strong Bonds	- Engage residents to understand interest in groups like knitting clubs, books clubs, cooking clubs, etc. - Support resident champion in establishing meeting (advertisement)			Ongoing	Time
Support Neighborhood Youth					
Create Educational Opportunities For Youth To Learn About Environmental Responsibility	Work with partners to create a series of educational opportunities. Topics may include composting, native plants, animals in PVH, the waters system etc.	KNC, WMU, KYD Net	Work with neighborhood to determine ways to engage youth in the implementation of Natural Feature Protection Phase 3 and the Sustainability Strategy	2020/2021	Time/\$
Create A Plot In Community Garden Specifically For Youth And Develop Education Around Healthy Living	- Dedicate a plot in the community garden to neighborhood youth. - With partners, create a series of garden days where neighborhood kids will learn how to garden, nutrition, and how to cook the food they grow.	KVCC, KNC		Short	Time/\$
Engage Young People And Parents In The Neighborhood To Determine The Types Of Activities That Would Be Most Successful And How To Structure Those Opportunities	- Host a meeting or focus groups with parents and youth to better understand interests and needs. - Keep youth engaged in the implementation of projects or programs	KYD Net		Short	Time

ACTION	NEIGHBORHOOD	PARTNERS TO BE ENGAGED	CITY	TIMELINE	COSTS
Support Neighborhood Youth (Continued)					
Create Fun Opportunities For Neighborhood Kids To Meet One Another	- Engage partners to create a neighborhood YouTube channel where youth can lead different series. -Create a club around a game such as PokémonGo that is both active and fun.	KYD Net, PMN, Willow Creek established a trunk or treat event in 2019. NAPH - tree trimming & cookie decorating		Ongoing	Time
Create Leadership Opportunities For Youth	- Work with KYD Net to understand different ways to give youth a voice in neighborhood activities, - Encourage youth to take larger role in a project or consider a youth seat(s) on the association board.	KYD Net		Short	Time
Build Relationships With Other Neighborhoods And Organizations					
Build Strong Working Relationship With Nearby Neighborhoods	Host dinner with nearby neighborhoods (ODWNA, ONA)	ODWNA, ONA		Ongoing	Time/\$
Meet And Engage Other Neighborhoods Around The City	Attend Quarterly All Neighborhood Meetings		Continue to host All Neighborhood Meeting	ongoing	
Meet With Other Organizations To Talk About Naph And The Work Naph Is Doing	Seek out organizations that work in areas important to NAPH	KNC, Watershed Council, ALPA, Audubon Society, Senior Services, KYDNet	As needed help connect neighborhood to groups	Short	Time
Pursue Partnerships With Environmental Organizations	Seek out organizations that work in the field of sustainability, and environmental stewardship	KNC, Watershed Council, ALPA, Audubon Society	Provide contact information when possible	Short	Time

Environmentally Responsible Neighborhood

1

Strengthen the natural assets of Parkview Hills

Parkview Hills is built around the natural features of the area. The neighborhood is home to a rare fen which contains five endangered species of plants and animals. Residents want to be good stewards and ensure that these natural amenities are around for generations to come. There is also a desire to pursue changes that would increase the natural feel of the space by mitigating noise and light pollution as much as possible.



Monarch Waystation at Crane Park in Kalamazoo.

2

Promote Sustainable Practices

Residents of Parkview Hills are invested in living sustainable lifestyles. To further neighborhood goals of living environmentally-conscientious lifestyles residents want to explore ways to generate alternative energy, work toward climate resiliency, and make changes that would mitigate stormwater runoff.

Pollinator Habitats

When planting species to attract pollinators, it's important to remember to prioritize native species, maintain the health of the garden, and plant a diversity of species that will ensure something will be blooming year-round.

Monarch Waystations

Waystations are protected monarch habitats outfitted with milkweed and nectar plants. Set aside an area alongside a road, in a garden, or at a school with plenty of native milkweed (swamp milkweed) and nectar plants like lilac and marigolds to make a monarch paradise.

Bee Friendly

Gardens planted intentionally with native species encourage local pollinators to come by and collect pollen. Plants like peonies, lavender, and pansies attract bees!

Hummingbird Heaven

Planting brightly-colored flowers will attract hummingbirds and keep them coming back for more. Plants like bee balms, columbines, and daylilies will be sure to win over these beautiful birds!

Sources

www.gardeners.com/how-to/pollinator-garden-design-for-bees/9144.html

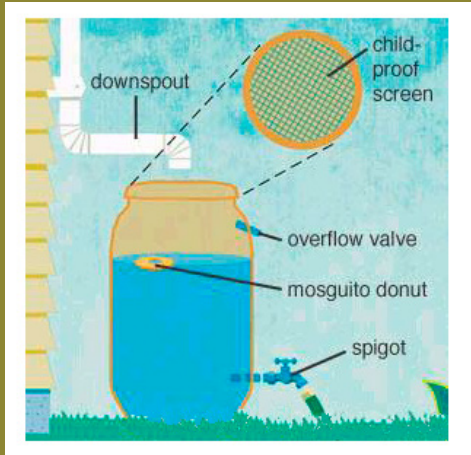
pollinators.msu.edu/resources/pollinator-planting/pollinator-gardens/

www.canr.msu.edu/resources/smart_gardening_to_support_monarchs

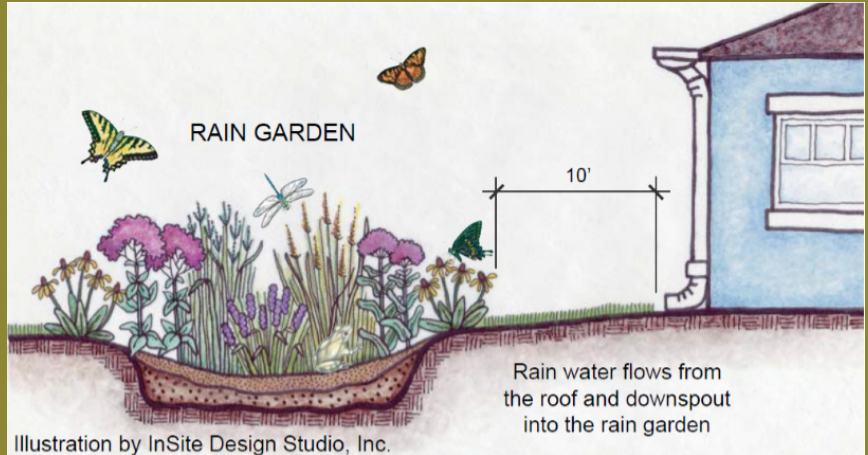
www.almanac.com/content/plants-attract-hummingbirds

Rain Barrels & Gardens

Rain Barrels & Gardens divert stormwater from entering the City's system and can be paired with downspouts. Water collected from a Rain Barrel can be used to water your garden. Rain Gardens often use native plant species and can provide habitat for wildlife and pollinators. Learn more at kalamazooriver.org



Source: kalamazooriver.org



3

Support a healthy deer population at safe level for both the deer and residents

The growing deer population is a contentious topic not only in Parkview Hills but Citywide. The natural characteristics of the neighborhood paired with outside forces of development and policy have contributed to a growing deer population. With the larger deer population there are concerns about the impacts on the quality of life for both residents and our ecosystem. To help address this issue the neighborhood has identified short term actions to educate residents about interacting with deer and long term actions that will require regional collective action.

Solar Gardens

Community solar gardens are voluntary, community-owned sites with photovoltaic cells that catch and convert sunlight into usable energy, diverting energy-use from fossil fuels. Depending on the project details, community-owners of the garden could receive tax credits, funding, and/or access to the electricity generated from the solar gardens.

Negatives of Feeding Deer

While feeding wild deer can seem like a good idea, it can be fatal. Deer are not accustomed to eating foods like corn and grain. Because of their digestive systems, when the deer eat these foods, they often die of acidosis. To best support healthy and safe deer populations, do not feed them directly, and instead plant and nurture "broad-leaved herbaceous plants (forbs), woody plants, grasses, mast (acorns, fruits and berries) and mushrooms."

Source: www.deerfriendly.com/feeding-deer

What is a Prairie Fen?

Prairie fens are a type of wetland that are rare and unique. These ecosystems often support animal and plant species that are protected and environmentally important while relying on groundwater seepage to sustain itself. Prairie fens are vital to the biodiversity, waterway health, and recreational activities of their local areas.

Animal and Plant Species at PVH

This local prairie fen is home to five particularly important species (three plant; two animal). The cut-leaved water parsnip (*Berula erecta*) and wild rice (*Zizania aquatica*) populations are both state-threatened species. The wild rice population is especially important to Southwest Michigan's Anishinabe community. The third plant species, observed minimally in the PVH Fen, is prairie Indian-plantain (*Arnoglossum plantagineum*) which grows only in prairie fens. Two animal species, the Eastern box turtle (*Terrapene carolina carolina*) and the Eastern massasauga rattlesnake (*Sistrurus catenatus catenatus*), depend on the prairie fen for a safe spot to breed and/or hibernate. All five of these species are threatened by the invasive species encroaching on the prairie fen.

Sources

<https://pdfs.semanticscholar.org/99b0/7ff6345c0bf551be6b136e809785585bbf14.pdf>

<https://gunlaketribe-nsn.gov/departments/administration/environmental/environmental-projects/>



Eastern Box Turtle, Source: Steve Grund at <https://mnfi.anr.msu.edu/species/description/11493/Terrapene-carolina%20carolina>

Threats to the PVH Fen

Prairie fen ecosystems are heavily dependent on the local hydrological quality to ensure that the groundwater seepage is abundant and healthy. The PVH Fen is threatened by urban development, invasive species, and the lack of controlled fires and beaver damming. Water that makes its way from the nearby highways and into the PVH Fen are often contaminated, reducing the water and land quality. This damage changes the ecosystem in a way that allows for certain invasive species to thrive. The woody invasive species that the PVH battles today could normally be controlled by burns and/or beaver dam flooding.

How to Help the PVH Fen

In order to preserve this unique ecosystem, it is vital to recognize the value that the PVH Fen brings to its local area. Supporting the prairie fen could look like prescribed burns (similar to the ones performed in Asylum Lake), intentional removal of invasive species, the protection of the nearby oak-hickory forest (which is a buffer for the fen) and the continued education about this ecosystem.



Cut-Leaved Water Parsnip, Source: Ryan P. O'Connor at <https://mnfi.anr.msu.edu/species/description/13319/Berula%20erecta/>

Environmentally Responsible Neighborhood

ACTION	NEIGHBORHOOD	PARTNERS TO BE ENGAGED	CITY	TIMELINE	COSTS
Strengthen The Natural Assets Of Parkview Hills					
Remove Invasive Species	- Provide information to residents on invasive species and how to remove them. - Organize volunteers to remove invasives from shared spaces	KNC, NASC	NFP has information on invasive and native plants	NASC has begun removal. Ongoing	\$/\$\$
Enhance The Existing Prairie Garden To Be A Resource For Native Plant Species Education	- Grow volunteer base maintaining the garden - Evaluate existing signage and consider updated educational signage - Explore establishing a native plant swap to support climate resilient landscaping in the neighborhood	KNC	NFP has information on invasive and native plants	Short/Mid	Time/\$ Consider using Quick Win Funds
Reduce Noise Pollution	Work with partners to build noise barrier for traffic on 131	MDOT	Help neighborhood find the right contact at MDOT	Long	\$\$\$\$
Address Outfall Erosion And Catchment Basins Throughout The Neighborhood	Work with partners to complete needed maintenance on outfalls and catch basins	Kiser and Assoc., PHCA	Provide background or existing studies the City has on file	Board has initiated process. Long	\$\$\$\$
Work To Promote And Preserve Rare Fen In Parkview Hills	- Work with partners to have educational opportunities about fens - Remove invasive species from fen	KNC, NASC	Ensure rare natural feature is captured in Natural Feature Protection	Mid	Time
Pursue Dark Sky Lighting Standards	Educate residents about dark sky and the impact of light pollution on wildlife and humans	WMU, K	Work to have all City lights (street lights, and fixtures on buildings) focused down to limit light pollution	Mid	\$\$

ACTION	NEIGHBORHOOD	PARTNERS TO BE ENGAGED	CITY	TIMELINE	COSTS
Promote Sustainable Practices					
Explore Ways To Promote And Support The Installation Of Solar Panels Or Solar Garden	- Research different ways communities have used solar panels. - Engage partners to understand potential of a buy back program. - Engage partners to explore potential grant opportunities	Consumers - solar gardens, WMU, MSU	Explore ways to support neighborhood initiatives to decrease carbon dependence	Long	\$\$\$
Create Events To Promote Education On Sustainable Practices Including Mitigating Stormwater Runoff	- Work with partners to have speaker series and workshops. - Install an example rain garden	KNC, Kalamazoo Watershed Council, Wild Ones,	Help connect to partners	Mid	\$\$
Update Landscape Standards To Promote Climate Resiliency	-Work with partners to create updated standards. -Hold series of meetings or workshops to educate residents on changes and benefits of new landscaping standards -Update landscaping contracts to limit amount and types of pesticides and herbicides used	KNC, WMU, NASC, Condo Associations	Help connect to partners	Mid	Time/\$
Study Road Salt Alternatives And Determine Cost Effective Ways To Implement These Alternatives In The Neighborhood.	- Publicize the impacts of road salt. - Target areas in Neighborhood where a reduction in salt use would be most beneficial. - Work with Partners to: - Evaluate ways to reduce or eliminate salt use in winter. - Educate neighborhood on salt impacts and non-salt alternatives. - Participate in a pilot program trying non-salt alternatives. - Develop planted areas using salt tolerant trees and vegetation to reduce salt impact to neighborhood lakes, streams, and groundwater	Watershed Council, NAC, NASC	- Partner to study alternatives to traditional road salt and initiate a pilot program(s) using ideal alternative(s) that are cost effective and environmentally friendly. - Explore grant or other funding opportunities to pilot an alternative salt project.	Long	\$\$-\$\$\$\$

ACTION	NEIGHBORHOOD	PARTNERS TO BE ENGAGED	CITY	TIMELINE	COSTS
Maintain Deer Population At Safe Level For Both The Deer And Residents					
Pursue A Regional Approach To Maintaining The Deer Population	- Participate and help advocate for regional effort to address this issue on a regional level - Work with DNR to advocate for an urban deer population study - Develop plan for herd maintenance	- City Environ. Concerns Cmte. - Portage - Oshtemo - Parchment - Kalamazoo Nature Center - KVCC - ALPA - WMU - DNR - MSU Extension" - K College	- Work with MDNR to initiate study - Advocate for a regional effort to develop method for maintaining healthy deer population recognizing that a localized solution will not have lasting results - Use Sustainability Strategy as opportunity to start conversations with partners and surrounding communities	Sust. Strategy - '19-'20	\$\$\$\$
Educate Residents On The Negative Effects Of Feeding The Deer	Post information in the Warbler and online	KNC, ODWNA, ONA, K College	- Work with partners to create information about the dangers of the feeding the deer and existing regulations. - Post information in a View From The Curb	Short	\$
Determine Effective Barriers Or Repellents For Deer To Protect Gardens That Blend With The Neighborhood's Design Aesthetic	- Install and observe effects of various fencing methods, and specific deer repellent plantings around the perimeter of the community garden to discourage deer from accessing the area -Share what is learned with partners experiencing similar issues	Kalamazoo Nature Center ONA ODWNA	Work with partners to help share information discovered	Mid	\$ Consider using Quick Win Funds

CITY OF KALAMAZOO, MICHIGAN

RESOLUTION NO. XX-XX

**A RESOLUTION AFFIRMING THE ADOPTION OF A SUB-PLAN TO
THE CITY OF KALAMAZOO'S COMPREHENSIVE PLAN
(PARKVIEW HILLS NEIGHBORHOOD PLAN 2020)**

Minutes of a regular meeting of the City Commission of the City held on **Date, at time**, local time, at the City Hall.

PRESENT, Commissioners:

ABSENT, Commissioners:

WHEREAS, the Comprehensive Plan is a living document intended to be amended and updated with changing conditions; and

WHEREAS, the Parkview Hills Neighborhood Plan 2020 has been reviewed by neighboring townships and jurisdictions, as well as the Kalamazoo County Metropolitan Planning Commission, and was received favorably by those jurisdictions; and

WHEREAS, pursuant to Michigan Planning Enabling Act (PA 33 of 2008) the Kalamazoo City Planning Commission held a public hearing on June 1st, 2020, and recommended unanimously to the City Commission to confirm the approval of the sub plan

WHEREAS, the Parkview Hills Neighborhood Plan 2020 constitutes a public purpose, and:

- a. The sub plan is consistent with the Imagine Kalamazoo Strategic Vision and Imagine Kalamazoo 2025 Comprehensive Plan. Elements of the plan seek to promote economic vitality, create complete neighborhoods, and create inviting public places which are stated goals of the Comprehensive Plan; and
- b. This sub plan was created with a large amount of public input from those who live, work, and own property in the area; and
- c. The Parkview Hills Neighborhood of Kalamazoo is a geographic area less than the entire planning jurisdiction, and has unique physical characteristics that necessitate a more intensive planning process;

NOW, THEREFORE, BE IT RESOLVED:

The Parkview Hills Neighborhood Plan 2020 sub-plan to the City of Kalamazoo's 2025 Comprehensive Plan, as recommended by the Planning Commission and City Administration, is hereby approved.

The above resolution was offered by XXX and seconded by XXX.

AYES: Commissioners

NAYS: None

ABSTAIN: None

RESOLUTION DECLARED ADOPTED.

CERTIFICATE

The foregoing is a true and complete copy of a resolution adopted by the City Commission of the City of Kalamazoo at a regular meeting held on date. 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.

Scott A. Borling
Acting City Clerk



City Commission Agenda Report

City of Kalamazoo

Date: **8/17/2020**

Item: **H.2.**

TO: Mayor Anderson, Vice Mayor Griffin, and City Commissioners

FROM: James K. Ritsema, ICMA-CM, City Manager
Reviewed by: Clyde Robinson, City Attorney
Prepared by: Rebekah Kik, Director Community Planning and Economic Development

DATE: August 17, 2020

SUBJECT: Chapter 18 Non-Discrimination Ordinance and Chapter 18 A Fair Housing Ordinance

RECOMMENDATION:

It is recommended the City Commission offer for first reading an ordinance amending Chapter 18, *Non-Discrimination*, and Chapter 18A, *Fair Housing*.

BACKGROUND:

The two ordinances represent an existing Civil Rights Ordinance Chapter 18 and a newly created ordinance under Chapter 18A. Proposed updates to Chapter 18 would strengthen protections for Kalamazoo residents with the creation of a Civil Rights Board to hear local cases. The proposal would also create the new Chapter 18A, which would directly address Fair Housing.

The changes would expand housing protections to include educational affiliation, source of income, status as a victim of domestic violence, personal identification method, and prior arrests or conviction record. The proposal also protects renters against predatory application fees and strengthens enforcement for gender identity and sexual orientation. To enforce new and existing provisions in Chapter 18, the ordinance would create a Civil Rights Board to review allegations and violations of the ordinance.

The proposal was developed in collaboration with community partners including Interfaith Strategy for Advocacy and Action in the Community (ISAAC), and Truth, Racial Healing & Transformation (TRHT) Kalamazoo. If adopted, this would be the first significant change to address housing issues in Kalamazoo since gender identity and sexual orientation were added as local protections in 2009.

STRATEGIC VISION ALIGNMENT:

Relevant Priority Based Budgeting Program (program name and description):
Updating local Ordinances

Strategic Goal Impact:



Strength Through Diversity- an inclusive city where everyone feels at home

Discussion - The City of Kalamazoo recognizes that barriers exist and have existed for many years that have not equally represented the dignity and value of all people. The City is working to create an equitable environment for all people regardless of race, ancestry, place of origin, ethnic origin, citizenship, creed, sex, sexual orientation, gender identity, age, status, income, or socio-economic status.

COMMUNITY ENGAGEMENT:

Appropriate Depth of Engagement

Collaborate (two-way conversation) - the community will have a chance to shape the project by providing feedback.

Discussion: The proposal was developed in collaboration with community partners including Interfaith Strategy for Advocacy and Action in the Community (ISAAC), and Truth, Racial Healing & Transformation (TRHT) Kalamazoo. City staff, TRHT, and ISAAC worked to hold several meetings to inform community members and landlords about the ordinance.

Engagement/Communication Tools

In person and online methods of engagement were used throughout the process.

FISCAL IMPACT:

CITY OF KALAMAZOO, MICHIGAN

ORDINANCE NO. _____

AN ORDINANCE AMENDING CHAPTER 18 BY RENAMING IT “NON-DISCRIMINATION” AND PROVIDING FOR THE INVESTIGATION OF COMPLAINTS OF DISCRIMINATORY PRACTICES AND THE CREATION OF A CIVIL RIGHTS BOARD

THE CITY OF KALAMAZOO ORDAINS:

Section 1. Chapter 18 of the Kalamazoo City Code is renamed “Non-Discrimination” and amended to read as follows:

**“Article I
General Provisions**

§18-1 Policy.

- A. It is the intent of the City of Kalamazoo that no person be denied the equal protection of the laws; nor shall any person be denied the enjoyment of their civil rights.
- B. The prohibitions against discrimination provided for in this Chapter do not preempt Federal or State law, but are intended to supplement existing State and Federal civil rights law to prohibit discrimination in the areas of employment, public accommodations, and housing not addressed at State or Federal law, especially in regards to actions taken because of an individual’s source of income, status as a victim of domestic violence, prior arrests, or conviction record; provided, however, this Chapter shall be construed and applied in a manner consistent with First Amendment jurisprudence regarding the freedom of speech and exercise of religion.

§18-2 Definitions

As used in this Chapter, the following words and phrases have the following meanings:

AGE

Chronological age.

ARREST RECORD

Information indicating that a person has been apprehended, detained, taken into custody, held for investigation, or restrained by a law-enforcement department or military authority due to an accusation or suspicion that the person committed a crime. Arrest record includes pending criminal charges, where the accusation has not yet resulted in a final judgment, acquittal, conviction, plea, dismissal, or withdrawal of charges.

CITY MANAGER

The City Manager of the City of Kalamazoo or his or her designee.

CONTRACTOR

A person who by contract furnishes services, materials or supplies to the City. "Contractor" does not include persons who are merely creditors or debtors of the City, such as those holding the City's notes or bonds or persons whose notes, bonds or stock is held by the City.

CONVICTION RECORD

Information regarding the history of criminal convictions of an individual in any jurisdiction, including time served in prison, jail, juvenile detention, probation, parole, rehabilitation or diversion programs, and placement on a sex offender registry.

DISCRIMINATE

To make a decision, offer to make a decision, or refrain from making a decision based in whole or in part on an individual's actual or perceived race, color, religion, national origin, sex, age, height, weight, marital status, physical or mental disability, family status, sexual orientation or gender identity, educational affiliation, source of income, status as a victim of domestic violence, governmental identification method, arrest record and conviction record (collectively "protected classes").

A. Discrimination based on sex includes sexual harassment, which means unwelcome sexual advances, requests for sexual favors, and other verbal or physical conduct or communication of a sexual nature when:

(1) Submission to such conduct or communication is made a term or condition, either explicitly or implicitly, to obtain employment, public accommodations, or housing.

(2) Submission to or rejection of such conduct or communication by an individual is used as a factor in decisions affecting such individual's employment, public accommodations or housing.

(3) Such conduct or communication has the purpose or effect of substantially interfering with an individual's employment, public accommodations or housing, or creating an intimidating, hostile, or offensive employment, public accommodations, or housing environment.

B. Discrimination based on sex includes discrimination based on an actual or perceived sexual orientation or gender identity of an individual

C. Discrimination based on actual or perceived physical or mental limitation includes discrimination because of the use by an individual of adaptive devices or aids.

D. Discrimination also includes the use of facially neutral policies or practices that have a disparate impact on members of a protected class.

E. Discrimination also includes conduct directed at another based on their membership in

a protected class which creates an intimidating, hostile or offensive environment regarding employment, public accommodation or housing.

EDUCATIONAL AFFILIATION

The fact of being enrolled, or not enrolled, in any educational institution.

EMPLOYER

Any person employing one or more individuals engaged in a lawful business or enterprise but does not include the employment of an individual by his or her parent, sibling, spouse, or child.

EMPLOYMENT AGENCY

A person who undertakes to procure employees for an employer or procures opportunities for individuals to be employed by an employer.

FAMILY STATUS

A. An individual who is pregnant, or

B. One or more individuals under the age of 18 residing with a parent or other person having custody or in the process of securing legal custody of the individual or individuals or residing with the designee of the parent or other person having or securing custody, with the written permission of the parent or other person.

GENDER IDENTITY

A person's actual or perceived gender, including a person's self-image, appearance, expression, or behavior, whether or not that self-image, appearance, expression, or behavior is different from that traditionally associated with the person's sex as assigned at birth as being either female or male.

GOVERNMENTAL IDENTIFICATION METHOD

The legal form of identification that an individual may use, including any valid, government-issued identification, such as a State ID card, Federal immigration documentation, municipal or county ID card, or passport issued by a foreign country.

INDIVIDUAL

A human being, as distinguished from a person, as defined herein.

LABOR ORGANIZATION

An organization of any kind or structure in which employees participate or are members and which exists for the purposes, in whole or part, of dealing with employers concerning the terms and conditions of employment of its participants or members, whether or not such organization is subordinate to or affiliated with a national or international labor

organization.

MARITAL STATUS

The state of being married, single, widowed, divorced, or separated.

PERCEIVED

Refers to the perception of the person who acts, and not to the perception of the person for or against whom the action is taken.

PERSON

An individual, association, partnership, agency, organization, or corporation, public or private including the employees, members and officers thereof.

DISABILITY

A determinable physical or mental characteristic resulting from disease, injury, congenital condition of birth, or functional disorder and is unrelated to one's ability to safely perform the work involved in jobs or positions available to such person for hire or promotion; or unrelated to one's ability to acquire, rent and maintain property; or unrelated to one's ability to utilize and benefit from the goods, services, activities, privileges and accommodations of a place of public accommodation "Disability" does not include any condition caused by the current illegal use of a controlled substance, the use of alcohol liquor, or use of marijuana by an individual.

PLACE OF PUBLIC ACCOMMODATION

An educational, governmental, health, entertainment, cultural, recreational, refreshment, transportation, financial institution, business or facility of any kind, whose goods, services, facilities, privileges, advantages or accommodations are extended, offered, sold, or otherwise made available to the public.

RELIGIOUS ORGANIZATION

An organization, church, group, or body of communicants that is organized not for pecuniary profit that regularly gathers for worship and religious purposes and also includes a religious-based private school that is not organized for pecuniary profit.

RETALIATION

An adverse action taken against an individual who files or participates in a complaint investigation under this Chapter.

SEXUAL ORIENTATION

Male or female homosexuality, heterosexuality, bisexuality, or asexuality whether by orientation or practice. Sexual orientation does not include the physical or sexual attraction to a minor by an adult.

Article II
Conduct Prohibited

§ 18-3 Discriminatory public accommodation practices.

- A. Except as otherwise provided in this Chapter, no person shall discriminate in making available full and equal access to all goods, services, activities, privileges, and accommodations of any place of public accommodation.
- B. Public accommodations must be made accessible to individuals with disabilities in compliance with State and federal law and regulations.
- B. Nothing in this Chapter permits or requires access to any place of public accommodation for the purpose or intent of engaging in criminal conduct, offensive or disorderly conduct, or conduct which represents a threat to the public health, safety, or welfare.
- C. Nothing in this Chapter requires the construction or provision of unisex, single-user restrooms, changing rooms, locker rooms, or shower facilities.

§ 18-4 Discriminatory employment practices.

Except as otherwise provided in this Chapter:

- A. No employer shall discriminate in the employment, compensation, work classifications, conditions or terms, promotion or demotion, or termination of employment of any person.
- B. No labor organization shall discriminate in limiting membership, conditions of membership, or termination of membership of any person in any labor union or apprenticeship program.
- C. No employment agency shall discriminate in the procurement or recruitment of any person for possible employment with an employer.

§ 18-5 Nondiscrimination by City contractors.

- A. All contractors proposing to do business with the City of Kalamazoo shall satisfy the nondiscrimination administrative policy adopted by the City Manager in accordance with the guidelines of this section.
- B. A contractor shall, as a condition of being deemed a responsible bidder, at the time of its submission to the City in responding to an invitation for bids or request for proposals, certify in writing that it complies with the provisions of this Chapter.
- C. All City contracts shall provide that breach of the obligation not to discriminate is a material breach of the contract. The contractor shall be liable for any costs or expenses incurred by the City in obtaining from other sources the work and services to be rendered or performed or the goods or properties to be furnished or delivered to the City under the contract.

§ 18-6 Discriminatory effects.

No person shall adopt, enforce or employ any policy, practice, or requirement which has the effect of creating unequal opportunities according to actual or perceived race, color, religion, national origin, sex, age, height, weight, family status, marital status, physical or mental disability, educational association, source of income, status as a survivor of domestic violence, governmental identification method, arrest record, or conviction history

for a person to obtain employment, public accommodation, or housing, except for a bona fide business necessity. Such a bona fide business necessity does not arise due to a mere inconvenience or because of suspected or actual objection to such a person by neighbors, customers, or other persons but shall require a demonstration that the policy or requirement is reasonably necessary to the normal operation of the person's business.

§ 18-7 Other prohibited practices.

- A. No person shall adopt, enforce or employ any policy or requirement, or publish, post or broadcast any advertisement, sign or notice which discriminates or indicates discrimination in providing employment, public accommodations, or housing.
- B. No person shall discriminate in the publication or distribution of advertising material, information or solicitation regarding housing, employment or public accommodations.
- C. No agent, broker, labor organization, employment agency or any other intermediary shall discriminate in making referrals, listings or providing information with regard to employment, public accommodations, or housing. A report of the conviction of any such person for a violation of this Chapter shall be made to the applicable licensing or regulatory agency for such person or business.
- D. No person shall coerce, threaten or retaliate against a person for making a complaint or assisting in the investigation regarding a violation or alleged violation of this Chapter, nor require, request, conspire with, assist or coerce another person to retaliate against a person for making a complaint or assisting in an investigation.
- E. No person shall conspire with, assist, coerce or request another person to discriminate in any manner prohibited by this Chapter.
- F. No person shall use any arrest record history information other than convictions contained in a criminal record.

§ 18-8 Exceptions.

Notwithstanding anything contained in this Chapter, the following practices shall not be violations of this Chapter:

- A. To engage in a bona fide effort to establish an affirmative action program to improve opportunities in employment for minorities and women consistent with applicable State and Federal law.
- B. To discriminate based on a person's age when such discrimination is mandated by State, Federal, or local law.
- C. To refuse to enter into a contract with an unemancipated minor.
- D. To refuse to admit to a place of public accommodation serving alcoholic beverages a person under the legal age for purchasing alcoholic beverages.
- E. To refuse to admit persons under 18 years of age to a business providing entertainment or selling literature which the operator of said business deems unsuitable for minors.

- F. For an educational institution to limit the use of its facilities to those affiliated with such institution.
- G. For a religious organization to restrict employment opportunities for officers, religious instructors and clergy to individuals of that denomination. It is also permissible for a religious organization to restrict employment opportunities, educational facilities, and dormitories that are operated as a direct part of its religious activities to persons who are members of the denomination involved or who agree to conform to the moral tenets of that religious organization
- H. To provide discounts on products or service to students, or on the basis of age.
- I. For a governmental institution to restrict any of its facilities or to restrict employment opportunities based on duly adopted institutional policies that conform to Federal and state laws and regulations.
- J. To restrict participation in an instructional program, athletic event or on an athletic team on the basis of age, sex, height, or weight consistent with applicable state or federal laws and regulations.
- K. To restrict membership in a private club that is not open to the public except to the extent that private clubs which permit members to invite guests on the premises are not exempted as it concerns a member's guest.
- L. To the use of marital status or family status limitations in a health or pension plan if such limitations conform to Federal and State laws and regulations.
- M. To discriminate in the provision of housing when based on a person's conviction history when such discrimination is mandated by State or Federal law.

Article III

Enforcement

§ 18-9 **Complaint Process; Information and Investigation**

- A. Any person claiming to have been discriminated against in violation of this Chapter or Chapter 18A "Fair Housing" must file a signed, written complaint with the City Manager or the designee of the City Manager setting forth the details, including the names of the parties involved, contact information for the complainant, dates, witnesses, and other factual matters relevant to the claim, within 91 days of the incident forming the basis of the complaint. Complaints not filed with the specified timeframe will not be considered.
- B. The City Manager or the designee of the City Manager, with the assistance of the City Attorney or designee of the City Attorney, will review the complaint to determine its relevance to applicable city ordinances. Upon completion of the review, the complaint will be addressed through one of the following actions:
 - (1) Referral of the complaint to an appropriate state, federal or local authority for investigation. If referred to an external agency, the complainant will receive written notification of the referral by the City.

(2) Conduct an investigation of the complaint with the assistance of the City Attorney's Office and personnel from any other City departments.

(3) Dismiss the complaint, if after review with the City Attorney's Office, the allegations do not constitute a violation of city ordinances.

- C. In the course of the investigation, the City Manager or the designee of the City Manager may request a person to produce books, papers, records or other documents which may be relevant to the complaint being investigated. If said person does not comply with such request, the City Attorney may issue subpoenas for the production of materials, and if necessary, apply to the Kalamazoo County Circuit Court for an order requiring production of said materials.
- D. No person shall provide false information to any authorized City employee investigating a complaint initiated under this section. Violation of this section is a misdemeanor.
- E. Action on the complaint will be completed within 91 days of receipt of the complaint and the parties will be notified in writing if additional time is necessary.
- E. After the completion of an investigation, the City Manager shall give written notice of the results of the investigation to the Civil Rights Board, the person who filed the complaint, and the person accused of the violation. If the investigation establishes that a violation of City ordinances occurred, the City Manager or his/her designee may attempt to resolve the matter by a voluntary settlement agreement between the involved parties without legal action.

§18-10 Voluntary Settlement Agreements.

A. Cases may be resolved by a voluntary settlement, agreed to by both parties, or by an administrative closure, if the request for settlement is withdrawn or a complaint is filed in court or with another administrative agency based on the same incident of discrimination.

B. If the investigation establishes probable cause of discrimination, an offer to settle the matter will take place as soon as possible. The City may enter into enforceable agreements with a respondent to terminate the discriminatory conduct and reverse the effects of past discrimination.

C. The respondent will be asked to 1) cease and desist from the specific discriminatory act or practice involved in the complaint, and 2) implement whatever actions and policies are necessary to remedy the discrimination uncovered in the investigation.

D. Violations of voluntary settlement agreements are violations of this Chapter, subjecting the respondent to prosecution and equitable action to enforce the agreement.

§ 18-11 Injunctions

The City Attorney may commence a civil action to obtain injunctive relief to prevent

discrimination prohibited by this chapter, to reverse the effects of such discrimination or to enforce a voluntary settlement agreement.

§ 18-12 Prosecution.

- A. Prosecution for violation of this Chapter may be initiated by complaint of the affected person on the basis of a violation of a voluntary settlement agreement or at the direction of the Civil Rights Board on the basis of an investigation undertaken by the City Manager.
- B. Violation of this chapter shall be prosecuted by the City Attorney as a municipal civil infraction pursuant to the provisions of the Revised Judicature Act of 1961, MCLA 600.101 et seq.

§ 18-13 Penalties.

- A. A violation of any provision of this chapter is a municipal civil infraction punishable by a fine of not more than \$2000, plus all costs of the action. The court may issue and enforce any judgment, writ, or order necessary to enforce this chapter. This may include reinstatement, payment of lost wages, hiring and promotion, sale, exchange, lease or sublease of real property, admission to a place of public accommodation, and other relief deemed appropriate.
- B. Each day upon which a violation occurs shall constitute a separate and new violation.
- C. A violation proved to exist on a particular day shall be presumed to exist on each subsequent day unless it is proved that the violation no longer exists.
- D. Nothing contained in this chapter shall be construed to limit in any way the remedies, legal or equitable, which are available to the City or any person for the prevention or correction of discrimination.

Article IV

Civil Rights Board

§ 18-14 Civil Rights Board creation; composition.

- A. To implement the general policy and purposes set forth in this Chapter, the City Commission establishes a Civil Rights Board.
- B. The Civil Rights Board consists of seven voting members appointed by the Mayor and approved by the City Commission and two ex-officio members who shall have no vote, but who may otherwise fully participate in any meeting of the Board.
- C. Members appointed to the Board shall be residents of the City reflecting and representing the diversity of the Kalamazoo community and be able to demonstrate experience in civil rights, public accommodation, employment, disability or housing law. Members to the Board may be appointed who are not City residents, not to exceed two members, when there is a valid reason for such appointment, such as the member works in the City, or has special expertise to carry out the duties and responsibilities of the Board.

§ 18-15 Appointment and terms of Board members; filling of vacancies; termination of appointments.

- A. Except for the initial appointments, members of the Board are appointed for a term of three years. The initial appointments to the Board will consist of 3 members appointed for a 3-year term, 2 members appointed for a 2-year term and 2 members appointed for a 1-year term. Members of the Board may serve up to two consecutive terms. Vacancies may be filled by the same appointment procedure for the remainder of an unexpired term.
- B. The ex officio Board members shall be appointed by the Mayor and approved by the City Commission. One member shall be a City Commissioner and the other member shall be a City officer or employee, recommended by the City Manager, but who shall not be a City Commissioner or the City Manager.

§ 18-16 Election of Board officers.

The Board shall elect a Chairperson for a term of 1 year, with no limit on the number of terms a member may serve as Chairperson, to conduct its meetings and as it may desire, elect a Vice Chairperson to act in the absence of the Chairperson, from its members. Rules for the conduct of Board meetings shall be stated in the bylaws, as determined by the Board and approved by the City Commission.

§ 18-17 Secretary to Board; administrative support.

The City Manager shall designate someone other than himself/herself to serve as Secretary to the Board and shall provide such administrative support as may be required.

§ 18-18 Board subject to State law.

Meetings of the Board shall be conducted in compliance with the Michigan Open Meetings Act, MCLA § 15.261 et seq. and its records shall be available to the public under the Michigan Freedom of Information Act, MCLA § 15.231, et seq.

§ 18-19 Duties and responsibilities of Board.

The Board shall exercise its authority, functions, powers, and duties in accordance with all ordinances, rules, regulations, orders, and city charter of the City of Kalamazoo. The authority, duties, and responsibilities of the Board shall include the following:

- A. Foster mutual understanding and respect among the people in the City and discourage and prevent unlawful discriminatory practices toward the protected classes described in this Chapter.
- B. Review claims of discrimination brought by residents of the City of Kalamazoo following investigation of the claim by the City Manager or the designee of the City Manager.
- C. Review and analyze of conditions, practices, attitudes, policies, and other factors within Kalamazoo that contribute to discriminatory impact and further inequities, as well as evaluating the impact of anti-discrimination efforts.
- D. Make recommendations to the City Commission and City Manager on ways to improve City programs and ordinances to eliminate discrimination or remove effects of past discrimination.

- E. Engage in public awareness-building activities to ensure residents are informed of increased local protections and the role of the Board, including issuing an annual report of the activity of the Board.
- F. Engage with federal, state, and local agencies to assist in addressing issues of discrimination in the City.
- G. The Board shall provide an annual report to the City Commission regarding complaints received and actions taken.
- H. Establish bylaws and procedural rules for its meetings subject to approval by the City Commission.

Section 2. Other Ordinances

This ordinance shall be of no effect unless and until an ordinance adding Chapter 18A “Fair Housing” to the City Code of Ordinances is adopted by the City Commission on or before October 5, 2020.

Section 3. Severability.

If any section, subsection, sentence, clause, phrase or portion of this ordinance is for any reason held invalid or unconstitutional by any Court of competent jurisdiction, said portion shall be deemed a separate, distinct and independent provision and such holding shall not affect the validity of the remaining portions of this ordinance.

Section 4. Effective Date.

Pursuant to Section 13(a) of the City Charter, this ordinance shall take effect from and after 10 days from the date of its passage.

CERTIFICATE

The foregoing is a true and complete copy of an ordinance adopted by the City Commission of the City of Kalamazoo at a regular meeting held on _____, 2020. Public notice was given and the meeting was conducted in full compliance with the Open Meetings Act, (PA 267,1976). Minutes of the meeting will be available as required by the Act, and the ordinance was duly recorded, posted and authenticated by the Mayor and City Clerk as required by the Charter of said City.

David F. Anderson, Mayor

Scott A. Borling, City Clerk

CITY OF KALAMAZOO, MICHIGAN

ORDINANCE NO. _____

**AN ORDINANCE ADDING CHAPTER 18A “FAIR HOUSING” TO THE
CITY CODE OF ORDINANCES DEFINING PROHIBITED
DISCRIMINATORY HOUSING PRACTICES**

THE CITY OF KALAMAZOO ORDAINS:

Section 1. The Kalamazoo City Code of Ordinances is amended by the addition of Chapter 18A “Fair Housing” to read as follows:

**“Article I
General Provisions**

§18A-1 Policy

- A. It is the policy of the City of Kalamazoo in the exercise of its municipal authority for the protection of the public health, safety, and general welfare, that all residents be assured of an equal opportunity to live in adequate housing facilities and prohibit unlawful discriminatory practices in housing and real estate transactions.
- B. The prohibitions against discrimination provided for in this Chapter do not preempt Federal or State law, but are intended to supplement existing State and Federal civil rights law to prohibit discrimination and practices in the area of housing not addressed at State or Federal law, especially in regards to actions taken because of an individual’s source of income, status as a victim of domestic violence, prior arrests, or conviction record; provided, however, this Chapter shall be construed and applied in a manner consistent with First Amendment jurisprudence regarding the freedom of speech and exercise of religion.

§18A-2 Definitions

- A. Any term used in this Chapter shall have the definition as provided in Chapter 18, “Non-Discrimination”.
- B. As used in this chapter the following words and phrases have the following meanings:

ACTUAL EVICTION

The completed legal process of a landlord removing a tenant from a rental property.

ADVERSE ACTION

To evict an individual, fail or refuse to rent or lease real property to an individual, or fail or refuse to continue to rent or lease real property to an individual, or fail or refuse to add a household member to an existing lease, or reduce any tenant subsidy. The adverse action must relate to property located in the City of Kalamazoo.

AGENT

A person acting on behalf of a housing facility entity.

APPLICANT

An individual applying to rent or lease a housing facility and an individual applying to be added to an existing housing facility lease.

BLANKET POLICY

A policy or practice that generally treats an individual as a member of group based on a particular characteristic as opposed to singularly.

DIRECTLY-RELATED CONVICTION

The conduct for which the person was convicted or that is the subject of an unresolved arrest that has a direct and specific negative bearing on the health, safety, or right to peaceful enjoyment of the premises by persons and includes one or more of the following offenses:

- A. Any conviction where State or Federal law prohibits the applicant from being eligible for public housing; or
- B. Any conviction that leads to the applicant becoming a lifetime registered sex offender.

EVICTON FILING

A legal filing intended to start the process in which a landlord removes a tenant from a rental property.

EVIDENCE OF REHABILITATION

Includes but is not limited to, a person's satisfactory compliance with all terms and conditions of parole or probation (however, an inability to pay fines, fees and restitution due to indigence shall not be considered regarding compliance with terms and conditions of parole or probation or both); employer recommendations, especially concerning a person's post-conviction employment; educational attainment or vocational or professional training since a conviction, including training received while incarcerated; completion or active participation in rehabilitative treatment, such as alcohol or drug treatment; letters of recommendation from community organizations, counselors or case managers, teachers, community leaders, or probation or per parole officers who have observed the applicant since their conviction; and the length of time since conviction or release from incarceration. Successful completion of parole, probation, mandatory supervision, or post-release community supervision shall create a presumption of rehabilitation.

HOUSING FACILITY

Any dwelling unit or facility used or intended or designed to be used as the home, domicile or residence of one or more persons, including, but not limited to, a house, apartment,

rooming house, housing cooperative, homeless shelter, hotel, motel, tourist home, retirement home or nursing home.

LANDLORD

Any owner, lessor, sublessor, managing agent, or company, or any other person that rents, leases, approves the rental or lease of a housing facility, or makes tenancy decisions.

PUBLIC HOUSING

Rental housing facilities developed with federal, state, or local government (City or county) funding or which pays an annual service charge in lieu of taxes and is intended for eligible low-income individuals and families, the elderly, and persons with disabilities.

REAL ESTATE TRANSACTION

The sale, exchange, rental or lease of real property.

RENTAL APPLICATION FEE

Any fee paid by an applicant to a landlord to permit a background check of the applicant before or after a leasehold contract is created.

SOURCE OF INCOME

Lawful verifiable income derived from wages, salaries or other compensation for employment, money derived from a gift or bequest, contract (including insurance proceeds), loan, or the settlement or award for a claim for personal injury. It also includes but is not limited to social security benefits, supplemental security income, unemployment benefits, retirement income, alimony, child support, Federal Housing Choice Voucher, Local Housing Assistant Fund Millage, or any other housing subsidy.

SURVIVOR OF DOMESTIC VIOLENCE

An individual against whom any of the following acts were perpetrated by a person that was not an act of self-defense:

- A. Causing or attempting to cause physical or mental harm to a family or household member;
- B. Placing a family or household member in fear of physical or mental harm;
- C. Causing or attempting to cause a family or household member to engage in involuntary sexual activity by force, threat of force, or duress; or
- D. Engaging in activity toward a family or household member that would cause a reasonable person to feel terrorized, frightened, threatened, harassed, or molested.
- E. Conduct constituting sexual assault as described in MCL 750.520a to 750.520l

- F. Conduct constituting stalking as defined at MCL 750.411h and 750.411i.

Article II

Fair Housing Standards

§ 18A-3 Discriminatory housing practices.

Except as otherwise provided in this Chapter:

- A. No person shall discriminate in leasing, selling or otherwise making available any housing facilities.
- B. No person shall discriminate in the terms, conditions, maintenance or repair in providing any housing facility.
- C. No person shall refuse to lend money for the purchase or repair of any real property or insure any real property solely because of the location in the City of such real property.
- D. No person shall promote real estate transactions by representing that changes are occurring or will occur in an area with respect to any protected classification.
- E. No person shall place a sign or other display on any real property which indicates that the property is for sale or has been sold when it is not for sale or has not recently been sold.
- F. Landlords must carefully consider the reason for and length of time since an actual eviction of, or eviction filing against a rental applicant. No landlord shall have or enforce a blanket policy that prohibits renting to a person based on eviction filings or actual evictions, or outright bans prospective tenants with prior actual evictions or eviction filings.
- G. No person is permitted to establish a blanket policy banning any aspect of housing because of a conviction record except when mandated by Federal or State law.
- H. A landlord may not refuse or base an adverse action, in whole or in part on either an applicant or tenant with the status as a victim of domestic violence or having an early lease termination under MCL 554.601b.
- I. No person shall fail to account for any tenant or prospective tenant's entire source of income when using a financial income standard for entering into or renewing a tenancy or lease for a housing facility.
- J. A landlord may not require an individual who receives housing assistance of dedicated rent via voucher or any other housing subsidies to earn any more than what is needed to pay for utilities as a requirement for tenancy.

§18A-4 Rental housing-prohibition on criminal record inquiries

- A. No person shall use any criminal history information, other than convictions contained in a conviction record, to deny an individual any aspect of housing. An individual's conviction

record may only be used to deny the individual housing if the landlord considers an applicant's conviction record taking into account such factors as evidence of rehabilitation, the length of time since conviction, the severity of a criminal conviction, the relevance of the conviction to housing, and any circumstances surrounding the conviction relating to disability or domestic violence. This provision shall not bar a landlord from considering criminal conduct occurring on the premises of the landlord's property, regardless of whether that conduct resulted in conviction.

- B. It is the responsibility of a landlord to ensure that its employees and agents comply with this Section.
- C. Regarding applicants and their household members, a landlord may base an adverse action in whole or in part on directly-related convictions that have a direct and specific negative bearing on the safety of persons or real property, given the nature of the housing, and includes one or more of the following:
 - (1) Any conviction where State or Federal law prohibits the applicant from being eligible for public housing; or
 - (2) Any conviction that leads to the applicant becoming a lifetime registered sex offender.
- D. The landlord shall promptly notify the applicant of any final adverse action based upon their conviction history or contents of the criminal background check.
- E. It shall be unlawful for any landlord to engage in a communication, including the production or dissemination of advertisements, related to held housing that expresses, directly or indirectly, that any person with an arrest record or conviction record will not be considered for the rental or lease of real property or may not apply for the rental or lease of real property, except as required by local, State or Federal law. For purposes of this subsection, "engage in a communication" includes, but is not limited to, making a verbal statement or producing or disseminating any solicitation, advertisement or signage.
- F. A landlord shall state in all solicitations or advertisements for the rental or lease of eligible housing, or made on their behalf, that a landlord will consider qualified applicants consistent with this Chapter. This language shall include, at a minimum, the following statement:

"The rental or lease of this property must comply with the City of Kalamazoo ordinance regulating the use of criminal background checks as part of the tenant screening process to provide individuals with criminal backgrounds a fair opportunity. For additional information please contact the City of Kalamazoo Civil Rights Board."

§18A-5 Rental application fees

- A. A rental application fee may not exceed the actual cost of the background check process which may include national, state and local criminal histories, credit reports, rental history records, reference checks, eviction records and employment verification obtained by a landlord to screen an applicant. An application fee shall not include administrative fees, except for actual reasonable costs necessarily incurred to check the rental history and employment verification of an applicant. Landlords must provide applicants an itemized

explanation of an application fee. A landlord must provide an applicant with any reports or correspondence generated as a result of the screening process to the extent permitted or required by State and Federal law.

- B. Before receiving a rental application fee, a landlord must provide a written notice to the applicant setting forth the criteria on which the application will be judged and the amount of the application fee that will be charged. The amount received shall not exceed the amount disclosed.
- C. Landlords shall only advertise housing facilities, receive applications, screen applicants and accept rental application fees for properties that are readily available for rent and occupancy unless an applicant consents in writing to being added to a waiting list. A housing facility is no longer considered readily available if a different applicant has been offered the housing facility and accepted and has placed a deposit on the housing facility. For purposes of this section, a housing facility will be considered readily available if a tenant of the unit has declared they will not be renewing the lease. Landlords shall document the date and time that deposits are placed housing facilities.
- D. A landlord may collect and hold an application fee for an available housing facility for up to 30 calendar days so long as the landlord provides a written receipt to the applicant. If a housing facility becomes no longer available after applications and application fees are received but before some applications have undergone screening process, all application fees associated with unscreened applications must be returned to the respective applicants within 14 calendar days from the date the housing facility is no longer available for rent.
- E. In all cases where an applicant is not offered the housing facility applied for, the landlord shall provide the applicant with a written statement explaining the reason or reasons that the housing facility was not offered to the applicant. The explanation must provide the applicant with a clear statement of the reason or reasons that the housing facility was not offered along with any documentation substantiating the reason or reasons.
- F. If an applicant believes the application fee exceeds the actual cost of the screening process or believes that the reasons for denial deviate from the disclosed criteria for evaluating the application, or believes that the landlord has violated any other requirement of this section, the applicant or their representative may, within 30 days of receipt of the denial, file a written complaint with the City Manager or the City Manager's designee. For purposes of this section, a denial means any circumstances which the applicant is not offered the housing facility.
- G. If it is determined that a landlord has violated this section, in addition to any fines imposed as a result of a municipal civil infraction, the rental property owner must refund the entire application fee to the applicant including, but not limited to, situations in which the screening process has not occurred or has not been documented sufficiently prior to denial.

§18A-6 Exercise of rights protected; retaliation prohibited

- A. It shall be unlawful for a landlord or any other person to interfere with, restrain, or deny the exercise of, or the attempt to exercise, any right provided under this Chapter.
- B. It shall be unlawful for a landlord to interrupt, terminate, or fail to refuse to initiate or conduct a transaction involving the rental or lease of eligible housing, including falsely representing

that such property is not available for rental or lease, or otherwise take adverse action against a person in retaliation for exercising rights protected under this Chapter. Such rights include but are not limited to:

(1) the right to file a complaint or inform any person about a landlord's alleged violation of this Chapter;

(2) the right to inform the administering agency about a landlord's alleged violation of this Chapter;

(3) the right to cooperate with the administering or enforcing agencies or other persons in the investigation or prosecution of any alleged violation of this Chapter; or

(4) the right to inform any person of their rights under this Chapter.

C. Protections of this section shall apply to persons who mistakenly but in good faith allege violations of this Chapter

D. Taking adverse action against a person within 90 days of the exercise of one or more than rights described in this section shall create a rebuttable presumption in the administering agency's investigation of such adverse action was taken in retaliation for the exercise of those rights.

§18A-8 Exceptions

The following practices are not violations of this chapter:

A. For a religious organization to restrict the occupancy of any of its housing facilities or accommodations which are operated as a direct part of its religious activities to persons who are members of the denomination involved or who agree to conform to the moral tenets of that religious organization. This exception does not include housing facilities or homeless shelters that are generally made available to the public at large as part of the religious organization's mission, proselytizing, or religious activities.

B. For the owner of an owner-occupied, one-family or two-family dwelling, or a housing facility or public accommodation facility, respectively, devoted entirely to the housing and accommodation of individuals of one sex, to restrict occupancy and use based on sex.

C. To limit occupancy in a housing project or to provide public accommodations or employment privileges or assistance to persons of low income, persons over 50 years of age or disabled persons.

D. To discriminate in any arrangement for the shared ownership, lease or residency of a housing facility

E. In the rental of housing facilities in a building which contains dwelling units for not more than two families living independently of each other if the owner of the building or a member of the owner's family resides in one of the dwelling units, or to the rental of a room or rooms in a single-family dwelling by an individual if the lessor or a member of the lessor's family resides in the dwelling.

§18A-9 Landlord records

- A. Unless prohibited by Federal or State law, a landlord shall maintain and retain records of tenant application forms, and other pertinent data and records required in this Chapter, for a minimum of one year from the date of application, and shall allow the administering or enforcing agencies to access such records, with appropriate notice and at a mutually agreeable time, to monitor or verify compliance with the requirements of this Chapter.
- B. At no time shall the administering or enforcing agencies require a landlord to provide any information or documents the disclosure of which would violate local, State or Federal law.
- C. Anytime a landlord does not maintain or provide adequate records documenting compliance with this Chapter or does not allow reasonable access to such records, the Office of the Chief Financial Officer or other City department or agency shall have the authority to provide all nonfinancial information necessary to fulfill the administering or enforcing agencies responsibilities under this Chapter subject to applicable Federal and State confidentiality laws.

Article III

Enforcement

§18A-10 Notices

The City Manager or his or her designee shall publish on the City website and make available to landlords, in all languages spoken by more than 5% of the City population, a notice suitable for posting that informs housing applicants of their rights under this Chapter. This notice shall be updated on or before December 1 of any year in which there is a change in the language is spoken by more than 5% of the City population.

§18A-11 Remedies

The provisions of this Chapter are to be enforced through any of the mechanisms provided at Article III of Chapter 18, Sections 18-9 through 18-13.

§18A-11 Commencement of Enforcement

No complaints seeking the enforcement of the provisions of this Chapter may be filed with the City prior to November 30, 2020.”

Section 2. Other Ordinances.

This ordinance shall be of no effect unless and until an ordinance amending and renaming Chapter 18 “Non-Discrimination” to the City Code of Ordinances is adopted by the City Commission on or before October 5, 2020.

Section 3. Severability.

If any section, subsection, sentence, clause, phrase or portion of this ordinance

is for any reason held invalid or unconstitutional by any Court of competent jurisdiction, said portion shall be deemed a separate, distinct and independent provision and such holding shall not affect the validity of the remaining portions of this ordinance.

Section 4. Effective Date.

Pursuant to Section 13(a) of the City Charter, this ordinance shall take effect from and after 10 days from the date of its passage.

CERTIFICATE

The foregoing is a true and complete copy of an ordinance adopted by the City Commission of the City of Kalamazoo at a regular meeting held on _____, 2020. Public notice was given and the meeting was conducted in full compliance with the Open Meetings Act, (PA 267,1976). Minutes of the meeting will be available as required by the Act, and the ordinance was duly recorded, posted and authenticated by the Mayor and City Clerk as required by the Charter of said City.

David F. Anderson, Mayor

Scott A. Borling, City Clerk

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