



Agenda

City Commission Business Meeting

City of Kalamazoo

Monday, September 21, 2020

7:00 PM

Electronic Meeting

- A. CALL TO ORDER/ROLL CALL**
- B. OPENING CEREMONY**
 - 1. Invocation
 - 2. Introduction of Guests
 - 3. Proclamations
- C. ADOPTION OF FORMAL AGENDA**
- D. COMMUNICATIONS**
- E. PUBLIC HEARINGS**
- F. PUBLIC COMMENTS**
- G. CONSENT AGENDA**

(Action: Motion to approve items “1-7” and authorize the City Manager to sign all documents on behalf of the City)

- 1. Approval of a 63-month contract with Wells Fargo through the Association of Educational Purchasing Agencies Contract #AEPAlFB071B for the lease of new copiers and printers in the amount of \$180,564.30.
- 2. Approval of a 63-month copier and printer maintenance cooperative contract with D.L. Gallivan through the Association of Educational Purchasing Agencies Contract #AEPAlFB071B in the amount of \$101,764.47.

3. Approval of a one-year contract extension with JCI Jones Chemical, Inc. for Sodium Hypochlorite in the amount of \$308,850.
4. Approval of a change order to the current contract with DLZ Michigan Inc. for the Sun Valley Drive Culvert Replacement Project in the amount of \$19,000 for design changes and additional surveys to bring the total PO amount to \$126,600.
5. Approval of a two-year contract to purchase Powdered Activated Carbon from SNR Technologies in the amount of \$1,428,000.
6. Adoption of a RESOLUTION approving the Eighth Amendment to the City's Revised Brownfield Plan.
7. Approval and acceptance of a grant to pay retroactive hazard pay for eligible first responder employees in an amount not to exceed \$1,000 per employee.

H. REGULAR AGENDA

1. Approval of a \$125,000 grant to the Kalamazoo Youth Development Network from an existing allocation of Youth Development resources, which was not used due to COVID-19 service reductions, in order to support the Learning Hubs partnership for Kalamazoo Public School youth; and authorize the City Manager Ritsema to sign all related documents. **(Action: Motion to approve the grant and authorize the City Manager to sign all grant-related documents)**
2. Adoption of 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)**
3. Adoption of a RESOLUTION approving a plan to expand voting and registration access for the November 3, 2020 election. **(Action: Motion to adopt the resolution)**
4. Acceptance of a grant from the Center for Tech and Civic Life in the amount of \$218,869 to support the implementation of a Safe Voting Plan for the November 3, 2020 election; approval of a budget amendment to increase the FY2020 Budget for the City's Clerk's Office by the same amount; and authorization for the City Clerk to sign all grant-related documents. **(Action: Motion to accept the grant, approve the budget amendment and authorize the City Clerk to sign all grant documents)**

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

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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: **9/21/2020**

Item: **G.1.**

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

FROM: James K. Ritsema, ICMA-CM, City Manager
Reviewed by: Tim Dubois, Chief Information Officer
Prepared by: Joe Ulery, Deputy Chief Information Officer

DATE: September 21, 2020

SUBJECT: Cooperative contract with Wells Fargo for the Lease of New Copiers and Printers (Bid Ref# 98527-001.0.2)

RECOMMENDATION:

It is recommended the City Commission approve a 63-month cooperative contract with Wells Fargo through the Association of Educational Purchasing Agencies Contract #AEPAIFB071B for the lease of new copiers and printers in the amount of \$180,564.30.

BACKGROUND:

The City of Kalamazoo's current lease expires in October and new printers will need to be procured to replace them. The new lease will add additional functionality to current printers while adding additional printers at several locations throughout the City.

STRATEGIC VISION ALIGNMENT:

Relevant Priority Based Budgeting Program (program name and description):
9342 - Asset Management and Replacement

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 the lease are included in the Fiscal Year budgets for the departments.



City Commission Agenda Report

City of Kalamazoo

Date: **9/21/2020**

Item: **G.2.**

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

FROM: James K. Ritsema, ICMA-CM, City Manager
Reviewed by: Tim Dubois, Chief Information Officer
Prepared by: Joe Ulery, Deputy Chief Information Officer

DATE: September 21, 2020

SUBJECT: Cooperative contract with D.L. Gallivan for copier and printer maintenance (Bid Ref# 98527-001.0.1)

RECOMMENDATION:

It is recommended that the City Commission approve the 63-month maintenance cooperative agreement from D.L. Gallivan through AEPA (Association of Educational Purchasing Agencies) Contract #AEPAIFB071B in the amount of \$101,764.47.

BACKGROUND:

The City of Kalamazoo's current maintenance agreement expires in October and a new agreement will need to be signed to maintain the new printers. The new maintenance agreement includes toner, parts, and labor associated with maintaining the equipment throughout the contract.

STRATEGIC VISION ALIGNMENT:

Relevant Priority Based Budgeting Program (program name and description):
9342 - Asset Management & Replacement

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 the maintenance agreement are included in the fiscal year budgets for each department.



City Commission Agenda Report

City of Kalamazoo

Date: **9/21/2020**

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: Jim Cornell, Wastewater Division Manager

DATE: September 21, 2020

SUBJECT: Contract Extension for Sodium Hypochlorite (Bid Ref#190-43-022.1)

RECOMMENDATION:

It is recommended that the City Commission approve a one-year contract extension with JCI Jones Chemical, Inc. in the amount of \$308,850 for the purchase of 38% sodium hypochlorite.

BACKGROUND:

Sodium Hypochlorite is a strong version of liquid household bleach and is an alternative to chlorine gas. It is used for the disinfection of the Kalamazoo Water Reclamation Plant (KWRP) effluent prior to discharging to the Kalamazoo River. Sodium Hypochlorite is currently being used to successfully disinfect the plant's effluent which is required by the State of Michigan. Sodium Hypochlorite is also used to do chemical cleans of the tertiary sand filters and to pre-chlorinate the tertiary influent flow to inhibit algae growth in the sand filters.

Chlorine gas had been used exclusively at the KWRP since the mid 1950's. It has historically been a cheaper chemical for disinfection but possesses many inherent health and safety concerns. The advantages of hypochlorite are the ease of application and decreased risk to human health and safety through accidental release of gaseous chlorine to the atmosphere. If chlorine gas was used, there would be at least 6 one-ton cylinders in service, plus as many as 7 to 10 cylinders in reserve and on site at any given time. Sodium Hypochlorite is much easier and safer to transport and handle. Using hypochlorite liquid eliminates the hazards associated with gaseous chlorine. The KWRP has been using hypochlorite effectively in place of chlorine gas since June of 2006.

The KWRP could commission a study to investigate the feasibility of using ultraviolet (UV) light for disinfection to reduce the usage of sodium hypochlorite for disinfection. Installing an ultraviolet (UV) disinfection system would require a capital improvement project and would

result in an increased amount of electricity used in the tertiary process. Staff are currently designing a project that could assist in this becoming a future reality, given positive results. Purchasing the chemical is currently our only solution for this process however.

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 2020 portion from October 1st to December 31st is \$77,212.50 which is included in the 2020 Wastewater budget. Funds will be budgeted in the 2021 Wastewater budget in the amount of amount of \$231,637.50 for the 2021 portion of the contract.



City Commission Agenda Report

City of Kalamazoo

Date: **9/21/2020**

Item: **G.4.**

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, Acting Public Works Division Manager

DATE: September 21, 2020

SUBJECT: Change Order to the DLZ Michigan Contract for Sun Valley Drive Culvert Replacement (Bid Ref# 906-07-028.0.5)

RECOMMENDATION:

It is recommended that the City Commission approve a change order to the current contract with DLZ Michigan Inc. for the Sun Valley Drive Culvert Replacement Project in the amount of \$19,000.00 for design changes and additional surveys to bring the total PO amount to \$126,600.

BACKGROUND:

The scope and limits of the Sun Valley Drive Culvert project has changed over several years in the attempt to encompass all issues associated with the increased recent flooding events.

DLZ is a prequalified Engineering Firm that has been selected to perform professional services for the Sun Valley Drive Culvert project. The scope and requirements of this project have changed requiring additional design and surveys requiring City Commission approval.

STRATEGIC VISION ALIGNMENT:

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

Stormwater maintenance and repair - Maintenance, repair, and replacement of stormwater system infrastructure including curb and gutter, drains, ditches, manholes, inlets, leads, and mains. The stormwater system collects and controls rainfall runoff and other drainage to provide environmental protection and preserve the integrity of other infrastructure, such as roads, in

accordance with City Ordinance Chapter 29.

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:

Funding for this project is included in the 2020 Amended Local Streets Capital Improvement Budget in project #lst0100220 and the 2020 Adopted Water Capital Improvement Budget in project #wat0500357.



City Commission Agenda Report

City of Kalamazoo

Date: **9/21/2020**

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 and City Engineer
Prepared by: James Cornell, Wastewater Division Manager

DATE: September 21, 2020

SUBJECT: Contract with SNR Technologies for Powder Activated Carbon (Bid Ref #88508-001.0)

RECOMMENDATION:

It is recommended that the City Commission approve a two-year contract to purchase Powdered Activated Carbon from SNR Technologies. The contract will run from December 1, 2020 through November 30, 2022 for a total amount of \$1,428,000.

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. Carbon is qualified through a two-step process with literature review and independent laboratory analysis of technical specifications. The City has completed the process of competitively bidding the PAC carbons.

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.

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 December 1, 2020 through November 30, 2022. The 2020 portion of the contract is \$59,500 these funds have been allocated 2020 Wastewater Operation and Maintenance budget. The 2021 portion of the contract is \$714,000 and will be budgeted in the 2021 Wastewater Operations and Maintenance budget. The 2022 portion of the contract is \$654,500 and will be budgeted in the 2022 Wastewater Operations and Maintenance budget.



City Commission Agenda Report

City of Kalamazoo

Date: **9/21/2020**

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 & Economic Development
Prepared by: Jamie McCarthy, Sustainable Development Coordinator

DATE: September 21, 2020

SUBJECT: Adoption of a Resolution approving the Eighth Amendment to the City's Revised Brownfield Plan.

RECOMMENDATION:

It is recommended that the City Commission adopt a RESOLUTION approving the 8th amendment to the Revised Brownfield Plan to ensure the plan reflects accurate estimates for collective tax increment revenues based on 2020 taxable values and millage rates and provides an opportunity to reimburse eligible properties for eligible activities under Act 381 (Brownfield Redevelopment Financing Act of 1996).

BACKGROUND:

City staff and consultant, Southwest Michigan First (SMF) reviewed the citywide Revised Brownfield Redevelopment Plan (7th Amendment) to identify all updates needed to keep the plan current. Several projects in the plan have had new developments or modifications that require an amendment to the entire plan. The current (2019) taxable values and millage rates being captured were updated for all chapters. Staff reviewed the plan to determine which chapters, if any, had completed TIF capture and reimbursement to both the developer and Local Brownfield Revolving Fund (LBRF). These chapters should be removed from the plan with documentation in the City Administration & Financial Services Information Table. Staff also recommend that chapters be removed when they include parcels where improvements were never realized, and therefore TIF never generated.

Several chapters where projects are not finished have been amended to align with updated estimates of eligible activities, new TIF projections, or assuming TIF capture on behalf of the former Downtown Development Authority (DDA). Details on amendments for each chapter are below.

It is recommended that the following chapters be removed from the Revised Brownfield Redevelopment Plan because TIF capture is complete or never started because no property improvements occurred to date:

- Chapter 10 | FabriKal at 4141 Manchester (completed)
- Chapter 13 | United Building at 202 E Kalamazoo (completed)
- Chapter 15 | City Yards (Aggregate Industries) (completed)
- Chapter 18 | Gull & North (no project)
- Chapter 19 | Former Superior Cleaners (no project; parcel lines changed)
- Chapter 20 | Arcadia Creek West End District (no project; parcel lines changed)

Amendments to the following chapters are recommended to allow reimbursement to developers for eligible activities:

- Chapter 21 | Kilgore Point at 1919 E Kilgore Service Rd (extend capture term to account for low tax capture estimates)
- Chapter 28 | 155 W Michigan (assume DDA capture)
- Chapter 39 | Depot at 421 and 427 E Michigan (assume DDA capture)
- Chapter 47 | Foundry Phase II (revised expense estimate)
- Chapter 50 | 619 Porter & 316 E North (add additional parcels)

The complete plan can be viewed at

<https://www.kalamazoo-city.org/brownfieldplans/6749-city-of-kalamazoo-brownfield-plan-8th-amendment/file>

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.



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

Discussion: The 8th Amendment to the City's Revised Brownfield Plan works towards economic vitality by providing brownfield financing to over 45 projects located throughout the city. In many cases, these projects bring properties back to active use and on the tax roll, clean up blight, remediate environmental contamination, and bring obsolete buildings up to current building and safety codes.

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: During the BRA's public hearing the public was invited to provide comments. No one from the public spoke during the public hearing.

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.

**CITY OF KALAMAZOO
BROWNFIELD REDEVELOPMENT AUTHORITY**

**A RESOLUTION APPROVING THE IMPLEMENTATION OF
CITY OF KALAMAZOO'S EIGHTH AMENDMENT TO
REVISED BROWNFIELD PLAN AND
RECOMMENDING ADOPTION BY THE CITY COMMISSION**

Minutes of a regular meeting of the City of Kalamazoo Brownfield Redevelopment Authority held on August 20, 2020, at 7:30 a.m., local time, held virtually pursuant to the Governor's Executive Order No. 2020-129.

PRESENT: Nathan Bolton; James Escamilla; Kevan Hess; Kyle Gulau; Jason Novotny; Patti Owens; Lucas Middleton; Jamauri Bogan; Vice Mayor Patrese Griffin; Fritz Brown

ABSENT: Jasmine Vedula

The following resolution was offered by Member Fritz Brown and seconded by Member Patti Owens.

RECITALS:

A. 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 266 E Michigan Avenue.

C. A public hearing was held by the Authority on July 16, 2020, on the Brownfield Plan for 266 E Michigan Avenue, Kalamazoo; 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 Revised Plan Amendment 8, 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 Revised Plan Amendment 8 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 Revised Plan Amendment 8 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 Revised Plan Amendment 8 is reasonable.

THEREFORE IT IS RESOLVED THAT:

The City of Kalamazoo Brownfield Redevelopment Authority approves the implementation of the Eighth Amendment to Revised Brownfield Plan and recommends the City Commission adopt a resolution approving this amendment to the Plan.

AYES: Nathan Bolton; James Escamilla; Kevan Hess; Kyle Gulau; Jason Novotny; Patti Owens; Lucas Middleton; Jamauri Bogan; Vice Mayor Patrese Griffin; Fritz Brown

NAYS: None

ABSTAIN: 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 August 20, 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
Recording Secretary

CITY OF KALAMAZOO, MICHIGAN

RESOLUTION NO. _____

**A RESOLUTION ADOPTING AND APPROVING THE CITY OF KALAMAZOO'S
EIGHTH AMENDMENT TO THE REVISED BROWNFIELD PLAN**

Minutes of a regular meeting of the City Commission of the City held on September 8, 2020 at 7:00 p.m., local time, at the City Hall, 241 West South Street, Kalamazoo, Michigan.

PRESENT:

ABSENT:

The following resolution was offered by Commissioner _____ and seconded by Commissioner _____.

RECITALS

- A. On May 5, 1997 the City of Kalamazoo ("City") created the City of Kalamazoo Brownfield Redevelopment Authority ("Authority"), under the provisions of Act 381, Public Acts of Michigan, 1996, as amended ("Act 381").
- B. Following the establishment of the Authority, the City has implemented Brownfield Plans, as required under Act 381, for the purposes of identifying real estate parcels for revitalization, redevelopment and reuse.
- C. The Authority has implemented the 8th Amendment of the Revised Brownfield Plan under Act 381.
- D. Under Resolution No. 08-16, the City Commission delegated to the Authority the public hearing process regarding any future proposed Act 381 Brownfield Plan, including the proposed 8th Amendment of the Revised Brownfield Plan.
- E. On August 20, 2020 the Authority held a public hearing as required under Act 381 and approved the implementation of the 8th Amendment of the Revised Brownfield Plan.
- F. Following the public hearing, the Authority adopted a resolution recommending that the City Commission approve the 8th Amendment of the Revised Brownfield Plan.
- G. The City Commission has reviewed Authority's resolution and the 8th Amendment of the Revised Brownfield Plan, and finds that this Plan constitutes a public purpose in that:

- a. Notice of the public hearing was given to all taxing authorities levying ad valorem or specific taxes against any property affected by the 8th Amendment of the Revised Brownfield Plan, and was also given by publication, as required by Act 381.
- b. It meets all requirements of Section 13 of Act 381.
- c. The proposed method of financing the costs of eligible activities of the 8th Amendment of the Revised Brownfield Plan is feasible, and the Authority has the authority to arrange the necessary financing.
- d. The costs of the eligible activities proposed by the 8th Amendment of the Revised Brownfield Plan are reasonable and necessary to carry out the purposes of Act 381. and
- e. The amount of captured taxable value estimated to result from the 8th Amendment of the Revised Brownfield Plan is reasonable.

THEREFORE, IT IS RESOLVED:

The 8th Amendment of the Revised Brownfield Plan, as implemented by the City of Kalamazoo Brownfield Redevelopment Authority, is adopted and approved.

AYES:

NAYS:

ABSTAIN:

RESOLUTION DECLARED ADOPTED.

CERTIFICATE

The foregoing is a true and complete copy of a resolution adopted by at a regular meeting held on September 8, 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.

Scott A. Borling
City Clerk



City Commission Agenda Report

City of Kalamazoo

Date: **9/21/2020**

Item: **G.7.**

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

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

DATE: September 21, 2020

SUBJECT: Approval of One-Time Hazard Pay Premium Under Senate Bill 690

RECOMMENDATION:

It is recommended the City Commission approve and accept a grant to pay retroactive hazard pay in an amount not to exceed \$1,000 each for eligible first responder employees.

BACKGROUND:

Senate Bill 690 was approved by the Michigan House and Senate and signed into law by Governor Whitmer on July 1, 2020. This bill provides funding for hazard pay to first responders who worked during the COVID-19 pandemic. Grant approvals were made on a first come first serve basis until funding was depleted. Initial applications were due July 17.

In March of 2020, a national emergency was declared for COVID-19. The State of Michigan followed with a state of emergency declaration. The City of Kalamazoo closed public facilities during this time frame. Kalamazoo Public Safety employees continued to work while facilities were closed to the public, responding to calls and interacting with the public daily. The activities of Kalamazoo Public Safety are essential to the overall safety of the community. We requested funding for 237 Public Safety employees for the hazard pay premium. Our recommendation is to approve the lump sum \$1,000.00 payment for employee's who worked in eligible positions in April and May 2020. This payment is required to be made by 09/30/2020.

STRATEGIC VISION ALIGNMENT:

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

Calls for Service
Fire Suppression
Emergency Medical Services

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: Due to the nature of the grant being first come first serve, time was limited, making community engagement difficult to achieve.

FISCAL IMPACT:

The bill exempts this payment from retirement and unemployment insurance calculations. Grant funds will cover the cost of the hazard pay to employees. The fiscal impact to City funds will be \$18,130.50 for the amount of employer Social Security and Medicare Taxes.



City Commission Agenda Report

City of Kalamazoo

Date: **9/21/2020**

Item: **H.1.**

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

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

DATE: September 21, 2020

SUBJECT: Grant to Kalamazoo Youth Development Network for Learning Hubs (Bid Ref# 00000-020.108)

RECOMMENDATION:

It is recommended that the City Commission approve a \$125,000 grant to the Kalamazoo Youth Development Network (KYD Network) from an existing allocation of Youth Development resources, which was not used due to COVID-19 service reductions, in order to support the Learning Hubs partnership for Kalamazoo Public School youth and authorize City Manager Ritsema to sign all related documents.

BACKGROUND:

On June 15, 2020, City Commission approved the five-party Digital Access for All (DAFA) partnership in response to learning equity challenges made worse by the distance learning needs cause by COVID-19. The response involves providing up to 1,000 Wi-Fi routers cost free with unlimited internet service for one year to Kalamazoo Public School students that do not have internet access.

In the interim, other new strategies have emerged in the community to help vulnerable learners impacted most by COVID-19. The Kalamazoo Youth Development Network (KYD Network) has worked with its out of school time cohort members and KPS to establish Learning Hubs to support vulnerable families as the school year begins. These Learning Hubs are modeled from successful programs in Cleveland and San Francisco that seek to help ensure a positive and supportive learning environment for students during this period of distance learning caused by COVID-19.

The program is anticipated to serve 160 students per trimester at four or five locations, mostly KPS facilities, and operate in accordance with COVID-19 safety guidelines. Participants will be

identified by KYD Network and KPS as a subset of students from within the Equity Corhorts.

The City was forced to reduce the SuperRec and All Things Possible programs to approximately 50 percent in response to COVID-19 and has resources available that should be used to respond to other urgent COVID-19 youth development needs in our community. This grant is an enhancement to the City's Digital Access for All partnership in order to maximize learning supports that support DAFA's equity and access goals in the area of youth development.

More information is available in the Grant Narrative attached. Note that in the interest of time, multiple local funders are accepting this narrative format, including the City.

STRATEGIC VISION ALIGNMENT:

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



Youth Development - A place with supports where young people thrive

Discussion: This enhancement to DAFA significantly improves the educational setting for many or most of the public school systems most vulnerable learners in terms of impact from COVID-19.

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 City's role is to respond to the needs established through collaboration between KYD Network and KPS in accordance with their Equity Cohort model and work with learner's and their families.

FISCAL IMPACT:

Foundation for Excellence Youth Development resources that were allocated to Parks and Recreation in the 2020 fiscal year and remain unencumbered due to COVID-19 service restrictions make a \$125,000 possible, including funds from the following areas: MyCity,

\$25,000; SuperRec, \$50,000; All Things Possible (ATP), \$50,000.

The proposed 2021 fiscal year grant recommendation contains a full recommended funding for Youth Development programming and will not be impacted by the release of these 2020 funds.

MEMORANDUM OF UNDERSTANDING

Learning Labs - COVID-19 Educational Supports

This Memorandum of Understanding (“MOU”), dated September 21, 2020 (“Execution Date”), is entered into between the Kalamazoo Youth Development Network (“KYD Network”) and the City of Kalamazoo (“City”), together referred to as the Partners.

Introduction

Whereas, due to the COVID-19 pandemic, Governor Gretchen Whitmer issued certain Executive Orders on March 13, 2020 that mandated all people should stay home including children, resulting in pre-kindergarten through 12th grade students having to learn at home. Instructional and support services are being provided by teachers and staff through online communication to students to the greatest extent possible, but not all students have Internet access. Once the COVID-19 crisis has passed, the need for all students to have access to the Internet will remain.

Whereas, the goal of this Partnership is to create a more level playing field for access to education services so all students can learn.

Whereas, the Project will start in September 2020 with the City of Kalamazoo (through the Foundation for Excellence) upon the City Commission’s approval on September 21, 2020, and subject to any other necessary Partner approvals, and will conclude on August 31, 2021 (“Grant Term”).

Purpose

1. Creating enhanced and more equitable access to education for KPS students as outlined in APPENDIX A.
2. Complement the Digital Access for All partnership providing Internet access via 1,000 Wi Fi hotspots.

Eligible Participants and Prioritization

1. KPS students identified for participating in a KPS Equity Cohort.
2. More details are provided in APPENDIX A.

KYD Network Obligations

1. Provide services outlined in APPENDIX A.
2. Provides timely reporting on program assessment.

City Obligations

1. The City, using funds from the Foundation for Excellence, will provide a grant of \$125,000 for the Grant Term.
2. The City will collaborate on a communication strategy to inform the public about the program.

Confidentiality and Privacy

The Partners agree to require all staff who obtain or learn confidential information while providing services under this MOU not to disclose such information to third parties (other than

someone at KPS or City, who has a legitimate need to know) unless parent/guardian written consent has been obtained. The Partners agree to comply with the requirements of the Family Educational Rights and Privacy Act (“FERPA”) and the Michigan Revised School Code, including MCL 380.1136. These obligations of confidentiality shall survive termination of this MOU. Any obligation by law or court/administrative order to disclose a library record or personal identifiable information requires notification to the library patron or to the parent or guardian of patron under the age of 18 years old prior to such disclosure

Termination

The term of this MOU will be for one year from the execution date (“Year One”) and will renew for one more year unless a Partner provides sixty (60) days written notice prior to the termination date of its desire to terminate this MOU. This MOU can be terminated at any time by mutual written consent by all the Partners. This MOU can also be terminated by any Partner with or without cause with ninety (90) days prior written notice. In the case of termination without cause, any monetary funds allocated for the one-year MOU will be returned to the Partner who provided the funds on a pro-rata basis calculated based on the days remaining in the one-year contractual period. This MOU may be terminated for cause by any Partner by providing thirty (30) days’ notice of a breach to the breaching Partner, if the breaching Partner fails to cure the breach prior to the conclusion of the thirty (30) day notice period.

Notices

All notices and other communications permitted or required under this MOU shall be in writing and shall be deemed effective when given and delivered by personal delivery, or twenty-four hours after delivery to a courier service which guarantees overnight delivery, or five (5) days after deposit with the U.S. Post Office, by registered or certified mail, postage prepaid. The following individuals are identified as the contact representative of each Partner:

KYD Network

Meg Blinkiewicz, Executive Director
912 N Burdick St.
Kalamazoo, MI 49007

City of Kalamazoo

James K. Ritsema, ICMA-CM, City Manager
241 West South St.
Kalamazoo, MI 49007

Severability

If any part of this MOU is held to be invalid or unenforceable, the remaining provisions shall be enforceable to the maximum extent permitted by law; provided, however, that such remaining provisions effectuate fully the intent of the parties as manifested herein.

Governing Law

This MOU shall be governed by the laws of the State of Michigan. All Partners agree to submit to the venues and jurisdiction of the State Courts in Kalamazoo County, State of Michigan.

Assignment

No Partner has the authority to assign any of its obligations or benefits, if any, to any other Partner or third Partner.

Entire Document(s)

This MOU and Appendices supersede all prior MOUs and understandings among the Partners with respect to the subject matter hereof and may not be changed or terminated orally, and no attempted change, amendment, or waiver of any of the provisions hereof shall be binding unless in writing and signed by all partners.

Counterparts

This MOU may be executed in several counterparts, each of which will be deemed to be an original but all of which together will constitute one and the same instrument. This MOU may be executed and exchanged by facsimile transmission or electronic mail, with the same legal effect as if the signatures had appeared in original handwriting on the same physical document. At the request of any Partner hereto or to any such MOU or instrument, each other Partner hereto or thereto shall re-execute original forms thereof and deliver them to all other parties. No Partner hereto or to any such MOU or instrument shall raise the use of a facsimile machine or electronic mail to deliver a signature or the fact that any signature or MOU or instrument was transmitted or communicated through the use of a facsimile machine or electronic mail as a defense to the formation of a contract and each such Partner forever waives any such defense.

Authority

The undersigned represents and warrants that each has all requisite power and authority to enter into this MOU and the responsibilities contemplated hereby. KYD Network and the City represent and warrant that this MOU has been duly and validly authorized by all necessary action on the part of KYD Network and the City, respectively, and constitutes a legal, valid and binding MOU among the parties, enforceable in accordance with its terms.

The City) is engaged in a governmental function and retains all defenses to any claim of injury based in tort made a third-party or a recipient of the services provided by this MOU. This MOU is not intended as and shall not be construed as a third-party beneficiary agreement.

In Witness Whereof, the Partners hereto have executed this Memorandum of Understanding as of the day and year first above written.

Kalamazoo Youth Development Network	City of Kalamazoo
By: <u>James K. Ritsema - ICMA CM</u>	By: <u>Meg Blinkiewicz</u>
Title: <u>City Manager</u>	Title: <u>Executive Director</u>
Signature: _____	Signature: _____

A. *Mission Statement*

The mission of the Kalamazoo Youth Development Network (KYD Network) is to ensure that all youth in Kalamazoo County have access to high quality, youth-driven, inclusive and equitable out-of-school time programming that is well coordinated. This mission creates a community where all youth are college, career, and community ready by 21.

B. *Brief Organizational History*

The Kalamazoo Youth Development Network, or KYD Network, began in 2000, through a collaborative effort among the city of Kalamazoo, the Irving S. Gilmore Foundation, and the Hispanic American Council to provide networking opportunities for youth-serving organizations. In 2018, KYD Network obtained its nonprofit status and moved from the United Way into Lincoln International Elementary School.

In order to achieve our vision and fully implement our mission, KYD Network, serving as the intermediary for the out-of-school time (OST) sector, is building a sustainable OST *system*. Over the past five years, KYD Network has learned what elements are necessary for our sustainable OST system including:

- A shared vision for our youth, that they are college, career, and community ready by age 21;
- A common definition of quality OST programming that uses the Youth Program Quality Intervention (YPQI), a research-based model created by the David Weikart Center for Youth Program Quality (YPQI);
- A common definition of social emotional learning (SEL), common measurement tools, and a common vision for youth;
- County-wide coordination of the OST sector through KYD Network;
- Engaged leadership from the OST sector and youth to build and sustain the sector through Affinity Groups, Youth Advisory Councils, and the Kalamazoo County Youth Cabinet;
- Shared accountability for performance targets;
- Common definitions of diversity, inclusion, cultural humility, and equity and vision for our youth to be able to counter exclusion and inequity;
- Sustainable resources from local, state, and national sources; and
- Coordinated advocacy for the OST sector that results in more and sustained funding and supportive policies.

While we have made significant progress building the OST system, the next few years will be about “adding precision to our practice” by going deeper with our quality interventions and our focus on inclusion and equity and family engagement. This added precision will allow youth to have a greater voice in their lives and more significant leadership roles; all of which will improve

youth social emotional learning skills, the skills local employers have identified are the most lacking and important.

C. Description of the project/program/purpose to include:

1. The perceived **need/opportunity** and **population** to be served;

In March of 2020, COVID-19 created a “new normal” for everyone in Kalamazoo, including school-age youth and the OST organizations that serve them. A few weeks into the pandemic, local schools and the OST sector shifted to providing virtual, on-line, learning opportunities to Kalamazoo’s youth. Data indicate that up to 30% of KPS students did not regularly attend the district’s virtual learning and information from our sector tells us that youth were not eager to participate in virtual learning with OST organizations either. Over the past several months, the OST sector has learned how to improve its virtual learning and the school districts have greatly enhanced their virtual learning platforms.

Moving into the 2020-21 school year, once KPS announced its back-to-school plan, the OST sector quickly convened to determine how we can best support participation in the district’s virtual learning, as well as our own in-person and virtual program options. The KPS plan includes a critical element, the creation of an “Equity Cohort” that uses five criteria to help the district and the community target its supports. Based upon a review of information by KPS, we know that 842 students meet all five criteria, 1,250 meet four criteria, and just over 3,000 students meet three criteria. These criteria include:

- ☐ Continuity of Learning and Engagement;
- ☐ Housing and Food Insecurity;
- ☐ Students with Disabilities;
- ☐ English Language Learners; and
- ☐ Students with limited/no consistent internet access.

Youth who will be recruited to participate in the virtual learning at each hub will be k-12 KPS students who meet five criteria for the equity cohort. We anticipate serving up to 200 youth from mid-October to early March during the day at OST organizations and possibly KPS buildings.

2. The **results** being sought.

The Community Learning Hubs will create access to a variety of supports including quality learning environments to support virtual learning, in-person/after-school programming, food, mental health services, and supports to families. The results that are sought include:

KYD Network Grant Narrative: Community Learning Hubs

- Serving, with KPS, youth who meet five of the criteria for the Equity Cohort (842 total students);
- Providing high quality learning environments for virtual and in-person learning; and
- Coordinating provision of a variety of supports for youth and families at each hub.

By providing these supports and supporting the Equity Cohort, the COVID-19 “slide” will be reduced and families who are unable to fully support their child’s virtual learning will have a high-quality option. We know that families with the means are hiring tutors and are creating their own version of these hubs so that their children’s learning needs are fully met. COVID-19 has created greater economic disparities and has negatively “essential” workers who must leave their children at home to navigate virtual learning on their own. This model allows for the community to come together and support our most vulnerable youth.

3. The planned **means** to achieve results, including strategies, resources, and personnel.

KYD Network identified the Community Learning Hub model as an evidence-based strategy that could be implemented in Kalamazoo during the 2020-21 year. Once this model was identified, we quickly convened the OST sector and our community partners.

We have met four times with over 60 participants and are building out the OST and community supports that we plan to have available in four Kalamazoo neighborhoods: southside; northside; eastside; and westside.

In each hub we seek to coordinate:

1. Support for KPS virtual learning through in-person programming during the hours of 9:00 to 3:00 at several locations within each hub;
2. Enrichment activities from 3:00 to 6:00 in-person or virtually at different hubs;
3. Our "regular" OST programming, either in-person or virtually, at different OST organizations;
4. Family support services including in-person and virtual meetings and workshops related to creating high quality learning environments at home and how to support their child's literacy;
5. Mental health supports available in-person different hubs at specific times;
6. Other supports for youth and families (positive phone calls home, in-person coaching sessions with adults);
7. Food distribution through Kalamazoo Loaves and Fishes and Sherman Lake at different hubs on specific days; and
8. In-person and virtual tutoring by community-based organizations and trained volunteers.

Our OST partners will serve the youth they have engaged with in the past as well as youth in the equity cohort. KPS has agreed to refer youth and families to OST organizations that can program during the day, to support virtual learning. Several OST organizations have already created program and staffing plans in anticipation of being able to support virtual learning. Many students have built relationships with Youth Development Professionals that work for our cohort members, increasing the probability that these youth will attend virtual learning at these organization's sites.

The personnel resources needed to support this request include KYD Network staff to coordinate the hubs and Youth Development Professionals employed at different cohort members to implement the virtual learning model.

The first trimester, which is all virtual, ends November 26 and will require that OST organizations program five days a week, from approximately 9:00 to 3:00. Given the safety protocols that must be in place, we anticipate that OST organizations can serve up to 200 youth during the day. These safety protocols increase the space needed and the number of staff needed, thus increasing costs.

The funding will offset the staffing costs incurred by OST organizations that support virtual learning, during the day. This level of programming was not anticipated by our sector and thus, our cohort members did not budget for these additional expenses.

The funding from local foundations and the city of Kalamazoo will be pooled to create a collective fund to be managed by KYD Network. We will create a Request for Proposals (RFP), using the same approach the city of Cleveland has successfully implemented. The RFP will be distributed to OST organizations and submissions will be reviewed by KYD Network to make funding decisions. The goal is to be able to fund OST organizations in three of the four neighborhoods, starting in October.

4. Timeline(s) [e.g. Jan.-Feb. 20XX, program timeline (Sept 20XX-June 20XX), event date (the specific dates)].

The schedule of activities is presented in Table 1. It is an aggressive timeline due to the urgency of starting the program as soon as possible. KYD Network and its partners will work diligently to meet this schedule.

Table 1
Schedule of Activities

Activity	Dates
Convene OST and community partners to identify supports organizations can provide related to eight elements of Community Learning Hub model	August 5 to September 30
Create programming plan at each Hub	September 15 to October 5
Create fund for OST sector to use to address additional staffing costs of supporting virtual learning - Design RFP process	September 15 to 30
Distribute RFPs	September 22
Select organizations	October 1
Programming begins and continues	October 10 to March 1, 2021
On-going coordination of programming at hubs	October 10 to March 1, 2021
Observations at hubs	November and January, 2021
Survey of youth and families participating at hubs	November and February
Evaluation report	April 2021

5. The **Evaluation Plan** (qualitative and/or quantitative means are acceptable); The evaluation plan should specifically address how the funded activity affects the organization's operations and programming, and how it tangibly and concretely benefits Kalamazoo residents.

KYD Network will work with funded OST organizations to document the number of youth served, grade levels, and demographics of youth. Attendance will be tracked by OST organizations and reported by KYD Network. We also will conduct the Youth Program Quality Assessment (YPQA) during program hours to ensure that the learning spaces are high quality. We also will survey youth, families, and staff to gain their perspective on the quality of support for virtual learning.

Table 2
Evaluation Plan

Element	Measures	Data Collection, Analysis
Program Quality	YPQA Staff, student, and parent surveys	Pre/post external observations using YPQA. Program staff interpret data and create improvement plans, KYD Network trains, and observations are conducted to determine if progress is being made on selected items in improvement plans. Surveys conducted annually. Data are shared with each program and the network to identify strengths and tailor training and technical support.
Family Engagement	BOSTNet self-assessment	The BOST Net is administered twice a year and twice during the summer, if applicable. Program and KYD Network staff interpret data. Strategies selected and implemented to improve family engagement strategies.
Access	# of youth served	Total and by hub

6. Financial sustainability strategy.

KYD Network does not anticipate needing funding beyond the 2020-21 school year. This funding need exists to address needs created by COVID-19 and we fully anticipate that the pandemic will not exist in the fall of 2021.

**CITY OF KALAMAZOO
SOLE SOURCE PURCHASE DOCUMENTATION**

Sole Source Purchase:	A purchase may be awarded without competition when the User Department advises in writing, after conducting a good faith review of the marketplace, that there is only one available vendor for the required good or service.
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DATE: 9.8.2020

DEPARTMENT / DIVISION: City Manager's Office / Foundation for Excellence

REQUESTOR: Steve Brown, FFE Manager

VENDOR: Kalamazoo Youth Development Network (KYD Network)

BRIEF DESCRIPTION OF COMMODITY OR SERVICE REQUESTED:
A grant to support implementation of the Learning Hubs model.

WHAT IS THE COMMODITY OR SERVICE BEING USED FOR: Support KPS learners most in need
due to COVID-19 distance learning requirements

TOTAL COST: (Including delivery/installation) \$125,000

OTHER VENDORS / SOURCES CONTACTED:

1. _____
2. _____
3. _____

HOW DOES THE REQUESTED PURCHASE MEET ONE OF THE SOLE SOURCE REQUIREMENTS BELOW: #2 and #3

PLEASE ATTACH A WRITTEN QUOTATION FROM VENDOR. A PURCHASE MUST MEET ONE OF THE FOLLOWING CIRCUMSTANCES TO BE DETERMINED BEING A SOLE SOURCE AND NOT REQUIRING COMPETITION:

1. There is a lack of responsible competition for a commodity or service which is vital to the operation and the best interest of the City;
2. A vendor possesses exclusive and/or predominant capabilities;
3. A product or service is unique and easily established as one-of-a-kind;
4. There is a patented feature providing a superior utility not obtainable from similar products;
5. A proprietary right exists and the product is available from only one prime source and not merchandised through wholesalers, jobbers or retailers.



City Commission Agenda Report

City of Kalamazoo

Date: **9/21/2020**

Item: **H.2.**

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: September 21, 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.

City of Kalamazoo

ODOR MITIGATION AND RESPONSE

September 21, 2020



Odor Mitigation Strategies to Date

RIVERVIEW PUMPS & FORCE MAIN

- 2012: Riverview pump electrical
- 2013: Abandoned Riverview force main

SOLIDS HANDLING UPGRADES

- 2015: pilot testing equipment
- 2016: equipment selection study
- 2017-2018: design
- 2018-2020: construction

ODOR MASKING CHEMICALS

- 2015-2019: chemical trials
- 2018-2020: implementation

ODOR CONTROL UPGRADES

- 2020-2021: carbon scrubber

ENVIROSUITE ODOR MONITORING

- 2019: City of Kalamazoo
- 2020: Graphics Packaging

INDUSTRIAL CHAMBER ODOR STUDY

- 2015-2019: chemical trials
- 2018-2020: implementation

Planned Odor Mitigation Strategies

Carbon Scrubber Unit at KWRP



UNIT PROCESS AREA CARBON SCRUBBER UNITS

- \$4.29 million (part of \$15M project awarded in 2018)
- Four units
- Structurally installed at KWRP
 - Additional work needed before startup and commissioning
- Operational in Q4 2020/Q1 2021

Planned Odor Mitigation Strategies

FURTHER IMPROVEMENTS PLANNED

- Reroute industrial user connection to municipal interceptor
- Odorous gas vacuum system in interceptors
- Biofilter treatment system for gas remediation
 - Design/permitting Q4 2020
 - Operational Q2 2022



Continued Odor Identification and Tracking

MONITOR ENVIROSUITE DATA

- Evaluate impact of odor mitigation projects
- Baseline levels from 2019-2020

INCREASE DEPLOYED SENSORS

- Install sensors in Northside Neighborhood
- Add sensors to Eastside Neighborhood

CITIZEN PORTAL

- Residents can submit issues
- Track and resolve complaints



Citizen Portal

RESIDENTS CAN REPORT ODOR ISSUES

- Odor reports investigated
- Add to data from sensors for analysis

IDENTIFY LIKELY SOURCE OF ODOR

- Odor trajectory modeling

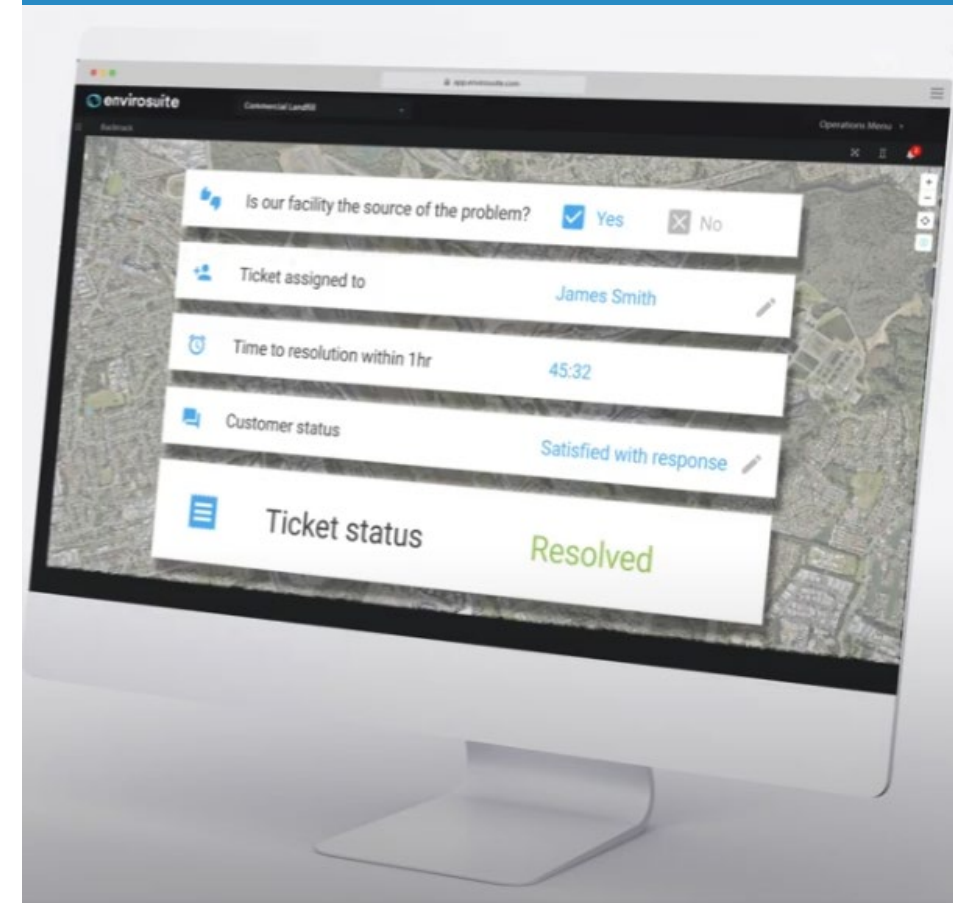
INVESTIGATE ISSUE

- Identify source of odor and take action if required

COMMUNICATE OUTCOME

- Respond to residents with results of ticket

Citizen Portal Issue Resolution



City, Industry, Community Task Force

Work collaboratively on community odor issues that arise from wastewater treatment and industrial activity

Identify odor sources and develop engineered solutions to mitigate issues

MEMBERSHIP INCLUDES:

- City of Kalamazoo Public Services
- Graphics Packaging International
- Environmental Concerns Committee
- Kalamazoo County Health Advisory Committee
- Citizen representative



Andrew H. Johnson
VP, Government Affairs & Sustainability
GPI PAC Treasurer
Phone: 770-240-7922
Email: johnsona@graphicpkg.com

Date: September 17, 2020

Subject: Remarks for Kalamazoo City Commission – 9/21/20

After our August public hearing, we thought we needed to take a step back and listen. We participated in several listening sessions with community representatives to better understand the community's perspective. From those sessions, we heard that Graphic Packaging is valued for the good jobs we provide and there is excitement in regard to the expansion.

However, we are not viewed as the community partner that we aspire to be. We heard feedback about Graphic Packaging which is leading some people to question our commitment to the community with respect to odor concerns. We also identified that there are some misperceptions and we request your consideration to understand the steps we have and are taking.

It is important to Graphic Packaging that we are open and transparent with all of you about the actions we are taking and will continue to take to address the odor concerns as well as the actions we will take by continuing to listen so we are the community partner you expect us to be.

I would like to highlight a few steps that we have been taking and will to take:

- We will continue to participate on the Odor Taskforce. We will provide quarterly reports or report out as frequently as is necessary to inform of Graphic Packaging's actions and progress.
- We will work with the city and Kalamazoo Water Treatment Plant on additional steps that can be taken to enhance the "quality of life" in the community.
- We will continue working on the Odor Investigation Plan (attached) that was approved by EGLE and will take appropriate actions that the results present. A report is due to EGLE on November 8 and we will provide that report to the Odor Task Force and City at that time. The resulting action plan will be reviewed with the Odor Task Force and with the City Commission on or before November 30.
- We will provide the Envirosuite data to EGLE so that odors can be assessed and addressed more appropriately and will install additional sensors. The data from the sensors placed September 10 will be used by Graphic Packaging to address potential odors in real time.
- We currently spend more than \$1.2 million annually on chemical treatments of waste product at our clarifier before it is sent to the city's wastewater plant. This program will

be assessed in light of the conclusions of the Odor Investigation Plan and expansion activities.

- We agree with the J&H study that found that the city's legacy oversized infrastructure needs to be addressed.
- We will include state-of-the-art odor control technology in our expansion project. This includes an investment of more than \$4 million to minimize total effluent and reduce surges to the city – which will help mitigate potential odor issues. We expect to realize the full benefits from this program once the machine is fully commercial. That timing is estimated to be the first quarter of 2022.
- We will continue to participate with the schools to educate our children on the paperboard life cycle, value of recycling and the role that the community of Kalamazoo plays. And we will continue to donate trees to the students to plant, just like the 3,000 trees we donated last year. Further we are open to discussing programs that support the community goals to improve their forest landscape.
- We would welcome collaborating with the City to improve our communication with the community.

Several questions were asked on what the Kalamazoo Mill and complex does. We use this diagram to help explain the process.



The Kalamazoo mill turns recycled paper and boxes into packaging food, tissue, and N95 masks, products that are essential for daily life. When the expansion is complete 40% of the North American paperboard packaging will come from the Kalamazoo community from the paper and boxes that are recycled in and around the Kalamazoo area. The 700,000 tons of paperboard made at the Kalamazoo Mill each year will avoid 2.2 million tons of greenhouse gases annually. That amount represents a forest of 32 million trees.

Odor Investigation Plan for Graphic Packaging International, LLC's Recycled Paperboard Mill in Kalamazoo, MI

July 6, 2020

Prepared for:

Graphic Packaging International, LLC

Prepared by:

RK & ASSOCIATES, INC



**2 South 631 Route 59
Suite B
Warrenville, Illinois 60555
Phone: 630-393-9000
Fax: 630-393-9111**

Odor Investigation Plan

Graphic Packaging Int'l – Kalamazoo, Michigan

INTRODUCTION

RK & Associates, Inc. (RKA) has been retained to evaluate the operations at the Graphic Packaging International, LLC (GPI) recycled paperboard mill, located at 1500 North Pitcher Street in Kalamazoo, Michigan, to investigate community odor levels. This investigation plan will also identify potential odor sources within GPI facility and any nearby other odor sources. In addition, this investigation will assist in the assessment of community odor levels compared to Michigan Rule 901 odor criteria.

Additionally, as part of the investigation, RKA will review historical odor complaint records in the area and evaluate those complaints against sources identified at the GPI mill and any other relevant neighboring operations.

1. ODOR STANDARDS

A. Michigan Administrative Code, Environment, Great Lakes, and Energy, Air Quality Division, Air Pollution Control

R 336.1901 Air contaminant or water vapor; prohibition.

Rule 901. Notwithstanding the provisions of any other rule, a person shall not cause or permit the emission of an air contaminant or water vapor in quantities that cause, alone or in reaction with other air contaminants, either of the following:

- (a) Injurious effects to human health or safety, animal life, plant life of significant economic value, or property.
- (b) Unreasonable interference with the comfortable enjoyment of life and property.

The Michigan Department of Environment, Great Lakes, and Energy (MEGLE), formerly Michigan Department of Environmental Quality (MDEQ), uses the following scale to identify objectionable odors:

Odor Intensity Odor Scale

- 0 – Non-Detect
- 1 – Just barely detectable
- 2 – Distinct and definite odor
- 3 – Distinct and definite objectionable odor
- 4 – Odor strong enough to cause a person to attempt to avoid it completely
- 5 – Odor so strong as to be overpowering and intolerable for any length of time

It is RKA's understanding that MEGLE considers anything at level 3 or above as a potential unreasonable interference with the comfortable enjoyment of life and property, depending on

Odor Investigation Plan

Graphic Packaging Int'l – Kalamazoo, Michigan

the intensity and duration of the odor.

B. Objectionable odor using objective measurements at other states and localities.

RKA understands that the State of Michigan does not currently have an odor nuisance standard that requires a Scentometer or other analytical device to measure the level of odors.

Nevertheless, looking to the regulatory programs of other states and localities that do rely upon the Scentometer or similar devices to measure odors helps put the GPI operations and other odor sources nearby in context:

State or Locality	Source of Standard	Determination Criteria
Colorado	5 CCR 1001-4: Odor Emission	7:1 Dilution to Threshold (D/T); (2 samples over 1-hour period)
Connecticut	Sec. 22a-174-23: Control of Odors	(a) Nuisance standard. (b) 7:1 D/T (3 samples over 1-hour period); and (c) Ambient air limits for certain substances in Table 23-1 (e.g. Hydrogen sulfide: 0.0045 ppm (15-minute average))
Illinois	Section 9(a) of the Act and 35 IAC 245.121: Objectionable Odor Nuisance Determination	Nuisance standard. 8:1 D/T (Scentometer)
Kentucky	401 KAR 53:010: Ambient Air Quality Standards	7:1 D/T (Nasal Ranger/Scentometer)
Missouri	10 CSR 10-6.165: Restriction of Emission of Odors	7:1 D/T (Nasal Ranger) (2 samples over 1-hour)
North Dakota	Section 33-15-16: Restriction of Odorous Air Contaminants	Objectionable odors prohibited. 7:1 D/T (Scentometer)
San Francisco Bay Area Air Quality District		5 D/T applied after at least 10 complaints within 90 days. ¹
State of Massachusetts	Draft policy and guidance for composting facilities	5 D/T
City of San Diego WWTP		5 D/T average over 5 minutes
City of Seattle, WWTP		5 D/T average over 5 minutes

¹ Thomas Mahin, *Measurement and Regulation of Odors in the USA*, 64

Odor Investigation Plan

Graphic Packaging Int'l – Kalamazoo, Michigan

Thomas Mahin, in his paper Measurement and Regulation of Odors in the USA, references a study conducted for the California Air Resources Board that itself reviewed six published studies related to the recognizability, unpleasantness and annoyance associated with a variety of odors. The study found that for unpleasant odors, the threshold of annoyance is about five times the threshold of detection. He also reports that the California's South Coast Air Quality Management District found that at 5 D/T, people become aware of an odor and that at 5 to 10 D/T, odors may be strong enough to trigger complaints.

2. INITIAL ODOR EVALUATION

RKA visited the GPI facility in Kalamazoo to evaluate its current odor status and conducted the following activities:

- Toured the facility to get familiar with the process and current operation, and to identify potential odor sources
- Interviewed management personnel about daily operations, identified and inspected suspected odor sources, regulatory issues, and odor complaints
- Reviewed available history of odor complaints, frequency of odor complaints, location of complaints, and odor characteristics of the complaints, including publicly available information on complaints compiled by Michigan EGLE.
- Reviewed predominant wind conditions and assessed correlation against historical odor complaints
- Toured the facility perimeter and neighborhood areas to identify potential odor monitoring locations. Odor monitoring locations are selected along facility property line or appropriate perimeter locations. Odor monitoring locations are also located in the nearby residential areas.
- Additional monitoring locations are also located near other potential odor sources such as the City of Kalamazoo Water Reclamation facility, and Wright Coating Technologies.

3. ODOR MONITORING

RKA will either conduct, or arrange and oversee, odor monitoring activities which are planned to occur three (3) times per week for a period of sixty days (2 months). A Scentometer device, will be used to measure odor thresholds of various potential sources. The day and time of the odor monitoring will be selected randomly throughout the week, during facility operating hours. In addition to Scentometer readings, H₂S ambient air concentrations will be measured using a portable H₂S analyzer.

Scentometer and H₂S Readings at Selected Perimeter (fence line) Locations

Perimeter Scentometer readings will be taken at the selected perimeter locations along facility

Odor Investigation Plan

Graphic Packaging Int'l – Kalamazoo, Michigan

fence lines. Five (5) perimeter locations, P-1 through P-5, were selected. A map of perimeter monitoring locations is shown in Figure 1A and 1B (Figure 1B is a zoom version which shows further details of locations).

Scentometer and H₂S Readings at Selected Community Locations

Community Scentometer readings will be taken at the selected community locations. Nineteen (19) community locations, C-1 through C-19 were identified. A map of community monitoring locations is shown on Figure 1A and Figure 1B.

Documenting Field Sampling Data

Odor readings taken with the Scentometer or other appropriate devices will be documented on the Perimeter and Community Log sheet included in Figure 2. If odor is present, the field operator will identify: 1, odor intensity as measured by Scentometer; and 2, odor character or the nature (such as chemical, rotten egg, or ethanol, etc.) of smell. Based on these measurements of odor intensity, odor character and wind direction, RKA trained field personnel will identify the source of the odor at a given location.

On-Site Meteorological Data

GPI will provide onsite meteorological data that includes time, wind speed, wind direction, temperature, humidity, barometric pressure, and rainfall related information. These data are used in the evaluation of potential off-site impacts from the facility and for investigating odor complaints.

Olfactometry Analysis of Potential Odor Sources from GPI Facility

RKA will collect up to 12 odor samples from potential odor sources from the GPI Facility in 10-liters Tedlar sample bags. The selected potential odor sources may include a clarifier, exhaust stacks and other selected odor sources located within the GPI Facility. A portable H₂S analyzer will be used to measure H₂S at the GPI sources selected to be sampled for odors. H₂S readings will be taken simultaneously with sample collection.

It is estimated that after about a month of field odor measurements, RKA will determine odor source locations within the GPI facility for collecting odor samples. In a month's time, RKS staff will have necessary community odor measurement levels to make an educated determination of potential odor sources within the facility.

The sample bags will then be taken to an onsite RKA Olfactometry lab for odor analysis to determine the odor threshold value and odor characterization using ASTM 679-11 and ASTM DATA Series DS 61.

a) Odor Threshold Value

Odor threshold value will be determined by performing triangular forced-choice odor analysis in accordance with ASTM 679-04, Standard Practice for Determination of Odor and Taste Thresholds by a Forced-Choice Ascending Concentration Series Method of Limits. Result will be reported in Odor Units.

Odor Investigation Plan

Graphic Packaging Int'l – Kalamazoo, Michigan

b) Odor Characterization

Odor samples will also be analyzed for odor characterization using eight recognized odor descriptor categories for odor “smells like” and eight sensation descriptors for odor “feels like”. Results will be plotted on a spider graph.

4. DATA ANALYSIS AND REPORTS

RKA will compile the data from the odor monitoring events that will include community and perimeter locations, Scentometer readings, odor character determination, daily meteorological data, and odor complaint data. This report will be updated after each monitoring event. Report template is shown on Figure 3.

RKA will evaluate the impact from the various odor sources at the GPI and neighboring operations against the odors measured at each monitoring location to determine the potential contribution against the Rule 901 criteria.

A final report will be issued in accordance with Michigan EGLE requirements within 60 days of last date of sampling.

**Odor Investigation Plan for Graphic Packaging
International, LLC's Recycled Paperboard Mill
in Kalamazoo, MI**

July 6, 2020

FIGURES



RK No.	Location
Perimeter	
P-1	Paterson St & Walbridge St
P-2	Paterson St & Porter St
P-3	Graphic Packaging – Gate 2
P-4	Graphic Packaging – Gate 5
P-5	Graphic Packaging – Gate 6
Community	
C-1	Paterson St & Harrison St
C-2	Harrison St at WWT Plant gate
C-3	Kalamazoo River Watershed Council Parking Lot
C-4	Kalamazoo Township Parking Lot
C-5	Riverview Dr & Old Riverview Sav Rd
C-6	East side of Verburg Park Parking Lot
C-7	Kalamazoo County Juvenile Home Parking Lot
C-8	Dunkley St & Edwards St
C-9	Prouty St & Edwards St
C-10	Paterson S & Edwards St
C-11	Parsons St & Porter St
C-12	St. Mary Catholic Church Parking Lot
C-13	Borgess Medical Center Entrance Parking Lot
C-14	Neurosurgery of Kalamazoo Parking Lot
C-15	Borgess Medical Center at Lawrence Educational Center Parking Lot
C-16	E Paterson St & Riverview Dr. at Walgreens Parking Lot
C-17	Front Entrance of Mt Olivet Cemetery
C-18	1248 Blakeslee Street
C-19	Union St & E. Hopkins St.



25631 ROUTE 59, SUITE B
WARRENVILLE, IL 60555
630-393-9000
630-790-2966

COMMENTS:

**Perimeter and Community Odor
Monitoring Location**

**Graphic Packaging International
Kalamazoo, MI**

FIGURE

1A

DRAWN BY:

SS

APPROVED BY:

SR

PROJECT NUMBER:

R19444

DATE DRAWN:

01-16-2020

REVISED DATE

07-06-2020

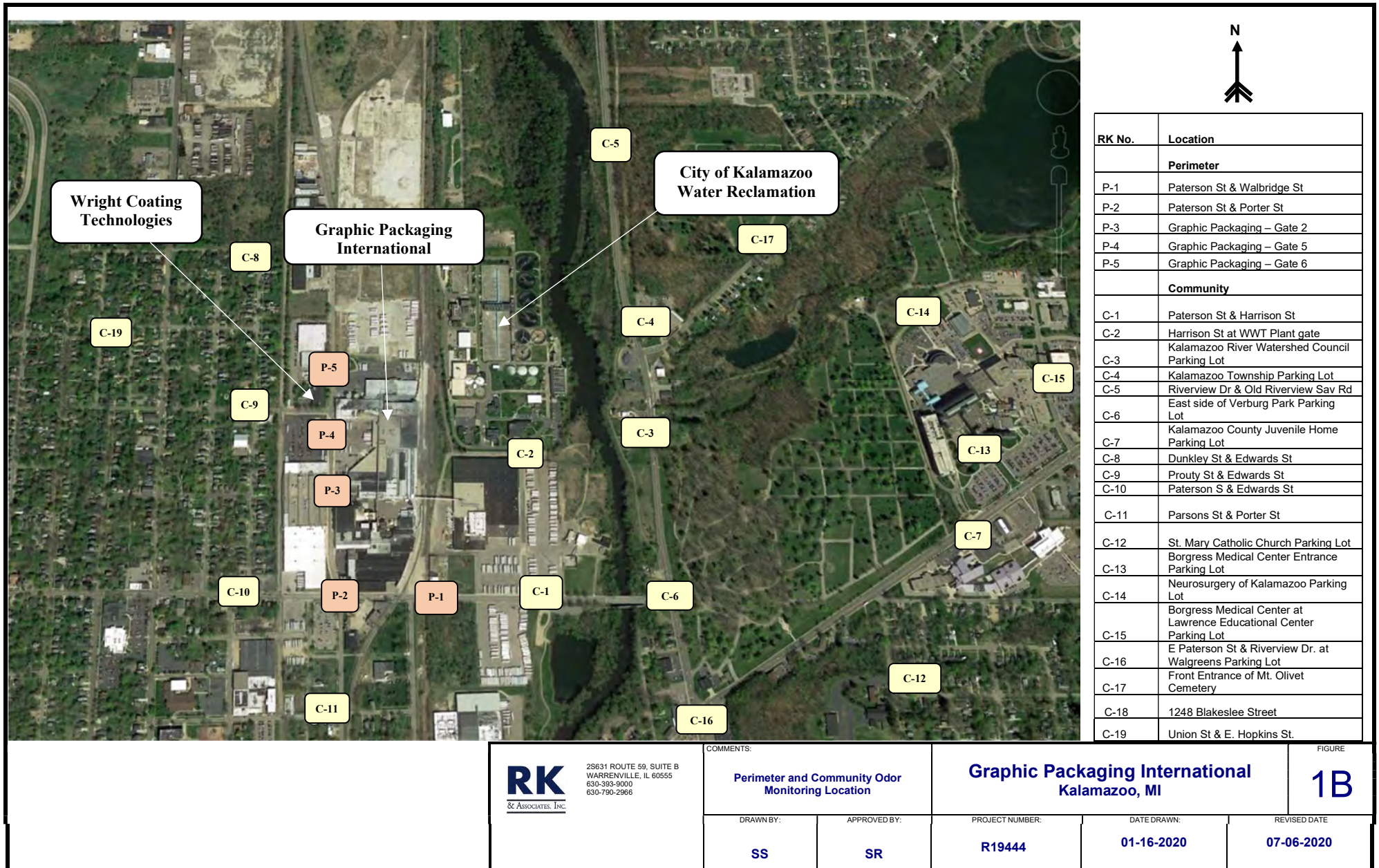


Figure 2



**Graphic Packaging International
Scentometer Readings
Perimeter & Community Locations**

Date _____

Field Person _____

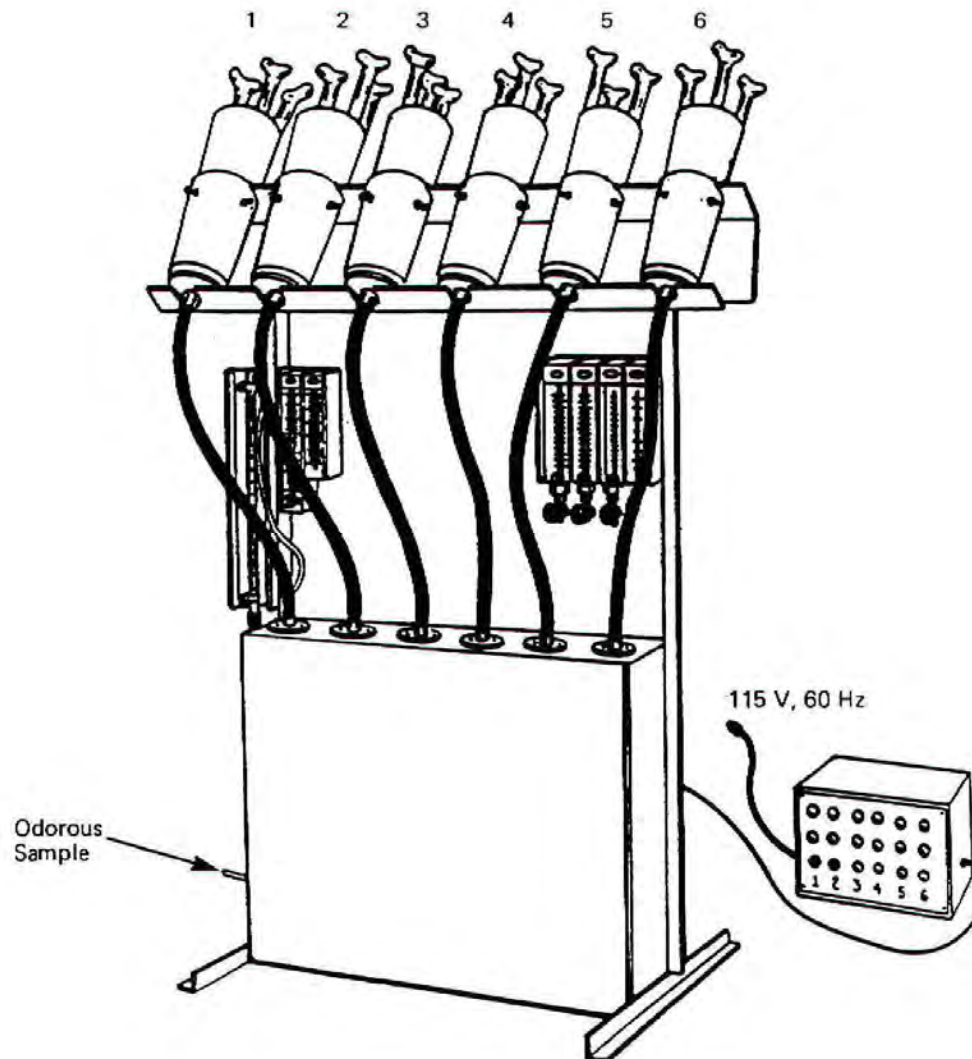
Locations		Wind Direction	Wind Speed	Scentometer Reading	H ₂ S Reading (ppm)	Time	Odor Description
Perimeter Locations	#						
Paterson St & Walbridge St	P-1						
Paterson St & Porter St	P-2						
Graphic Packaging – Gate 2	P-3						
Graphic Packaging – Gate 5	P-4						
Graphic Packaging – Gate 6	P-5						
Community Receptors	#						
Paterson St & Harrison St	C-1						
Harrison St at WWT Plant gate	C-2						
Kalamazoo River Watershed Council Parking Lot	C-3						
Kalamazoo Township Parking Lot	C-4						
Riverview Dr & Old Riverview Sav Rd	C-5						
East side of Verburg Park Parking Lot	C-6						
Kalamazoo County Juvenile Home Parking Lot	C-7						
Dunkley St & Edwards St	C-8						
Prouty St & Edwards St	C-9						
Paterson S & Edwards St	C-10						
Parsons St & Porter St	C-11						
St. Mary Catholic Church Parking Lot	C-12						
Borgess Medical Center Entrance Parking Lot	C-13						
Neurosurgery of Kalamazoo Parking Lot	C-14						
Borgess Medical at Lawrence Educational Ctr Parking Lot	C-15						
E Paterson St & Riverview Dr at Walgreens Parking Lot	C-16						
Front Entrance of Mt. Olivet Cemetery	C-17						
1248 Blakeslee Street	C-18						
Union St & E. Hopkins St.	C-19						

Figure 3



**Graphic Packaging International
Scentometer Readings
Perimeter & Community Locations**

Odor Monitoring Event							
Wind Direction							
Odor Complaints							
Monitoring Time							
Downwind Scentometer Readings							
Perimeter Locations							
Paterson St & Walbridge St	P-1						
Paterson St & Porter St	P-2						
Graphic Packaging – Gate 2	P-3						
Graphic Packaging – Gate 5	P-4						
Graphic Packaging – Gate 6	P-5						
Community Locations							
Paterson St & Harrison St	C-1						
Harrison St at WWT Plant gate	C-2						
Kalamazoo River Watershed Council Parking Lot	C-3						
Kalamazoo Township Parking Lot	C-4						
Riverview Dr & Old Riverview Sav Rd	C-5						
East side of Verburg Park Parking Lot	C-6						
Kalamazoo County Juvenile Home Parking Lot	C-7						
Dunkley St & Edwards St	C-8						
Prouty St & Edwards St	C-9						
Paterson S & Edwards St	C-10						
Parsons St & Porter St	C-11						
St. Mary Catholic Church Parking Lot	C-12						
Borgress Medical Center Entrance Parking Lot	C-13						
Neurosurgery of Kalamazoo Parking Lot	C-14						
Borgress Medical at Lawrence Educational Ctr Parking Lot	C-15						
E Paterson St & Riverview Dr at Walgreens Parking Lot	C-16						
Front Entrance of Mt. Olivet Cemetery	C-17						
1248 Blakeslee Street	C-18						
Union St & E. Hopkins St.	C-19						
Upwind Scentometer Readings							
Perimeter Locations							
Paterson St & Walbridge St	P-1						
Paterson St & Porter St	P-2						
Graphic Packaging – Gate 2	P-3						
Graphic Packaging – Gate 5	P-4						
Graphic Packaging – Gate 6	P-5						
Community Locations							
Paterson St & Harrison St	C-1						
Harrison St at WWT Plant gate	C-2						
Kalamazoo River Watershed Council Parking Lot	C-3						
Kalamazoo Township Parking Lot	C-4						
Riverview Dr & Old Riverview Sav Rd	C-5						
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Front Entrance of Mt. Olivet Cemetery	C-18						
1248 Blakeslee Street	C-19						
Union St & E. Hopkins St.							



RK
& ASSOCIATES, INC.

25631 ROUTE 59, SUITE B
 WARRENVILLE, IL 60555
 630-393-9000/630-790-2966

COMMENTS:

**Odor Management and Monitoring
 Plan – Graphic Packaging
 International**

DRAWN BY: _____

APPROVED BY: _____

PROJECT NUMBER _____

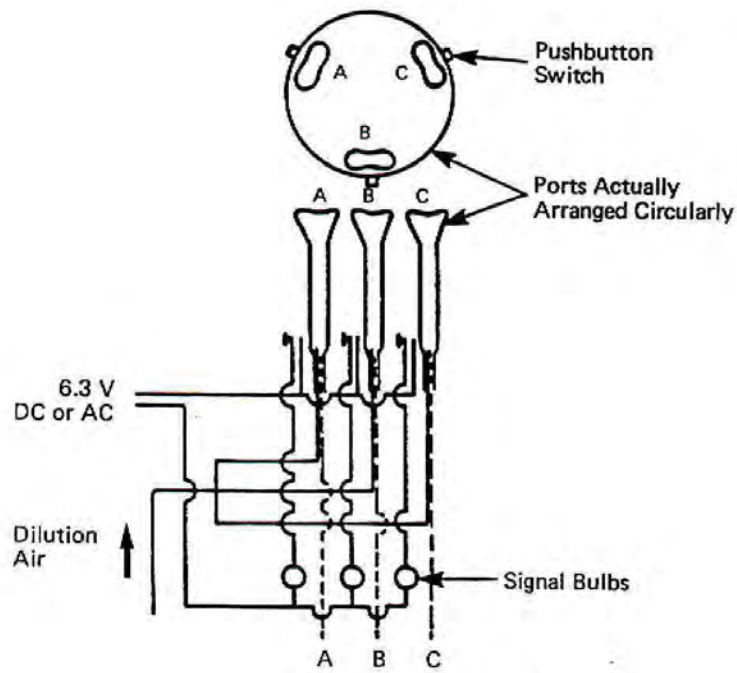
DATE DRAWN: _____

REVISED DATE _____

OLFACTOMETER

FIGURE

4



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



Environmental Concerns Committee

To: Mayor David Anderson, Vice Mayor Patrese Griffin and City Commissioners

From: Aaron Wright, Chair, Environmental Concerns Committee
Malissa Drzick, Public Services Laboratory Supervisor, Staff Liaison, ECC

Date: September 16, 2020

Subject: Graphic Packaging Expansion/Nuisance Odor Issue

Please find the attached recommendation recently developed by the Environmental Concerns Committee (ECC) regarding the Graphics Packaging expansion and the nuisance odor issues.

The ECC respectfully requests that the City Commission consider the information provided in the attached recommendation.

Attachment: Recommendation

c: Scott Borling, City Clerk
Jim Ritsema, City Manager
James Baker, Public Services Director
Jamie McCarthy, Development Project Coordinator



Commission Agenda Report

City of Kalamazoo

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 and Jim Cornell, Public Services Water Reclamation Plant Division Manager

Prepared By: Malissa Drzick, Environmental Concerns Committee Liaison; Aaron Wright, Environmental Concerns Committee Chair & Members of the ECC

DATE: September 16, 2020

SUBJECT: Graphic Packaging Expansion/Nuisance Odor Issue

RECOMMENDATION

Significant investment in odor mitigation by both the Kalamazoo Water Reclamation Plant and Graphic Packaging International represent a major step forward in an issue that has been a drag on the quality of life for citizens residing on the Northside, Eastside and Downtown neighborhoods, as well as Kalamazoo Township and Parchment, for many years. The ECC recommends any action the City Commission takes related to the GPI expansion be contingent on the continued efforts to resolve this long-standing problem.

BACKGROUND

The ECC has had the ongoing nuisance odor issue as an agenda item for several years. City staff, including Jim Cornell, Division Manager Kalamazoo Water Reclamation Plant and James Baker, Public Services Director and City Engineer, have presented to the ECC on odor mitigation efforts at the KWRP. The ECC chair was also invited to participate in two Odor Task Force meetings so far, along with City Staff, EGLE staff, and management staff for Graphic Packaging. This issue is of significant concern to citizens, as evidenced by recent news articles on MLive and Public Media Network, as well as a class action lawsuit recently filed against Graphic Packaging related to this issue. Based on multiple EGLE Rule 901 (nuisance odor) violations over at least the last 10 years, Graphic Packaging has entered into an agreement with EGLE to conduct an odor monitoring study and take actions to mitigate any odors emitting from GP property. The most

recent Odor Task Force meeting featured presentations by both City Staff and Graphic Packaging staff on concrete steps being proposed and taken to address this issue, including:

- City staff proposed re-routing effluent outflow from a massive, open air clarifier on GP's property to a different pipe, in an effort to reduce the possible malodorous gas production.
- City staff proposed installing a bio-filtration system to address any malodorous gas production still present after the plumbing fix.
- City staff has been operating a state-of-the-art odor monitoring system (Envirosuite) for a year and plans to continue with the system for at least one more year.
- GP staff has ordered 2 separate environmental studies of the aforementioned clarifier, in addition to the odor study being conducted due to EGLE enforcement action.
- GP staff has also purchased and deployed the Envirosuite odor monitoring system and stated in the meeting that they plan to share data publicly, as well as collaborate with City staff to compare data.

The ECC looks forward to continued participation with the Odor Task Force, as well as a successful, collaborative resolution to this issue.



Frequently Asked Questions

Graphic Packaging International
Kalamazoo County, Michigan

The Michigan Department of Environment, Great Lakes and Energy (EGLE) Air Quality Division (AQD) provides the following answers to frequently asked questions related to Graphic Packaging International, LLC, (Graphic Packaging) located at 1500 North Pitcher Street in Kalamazoo, Michigan.

Contents

What does Graphic Packaging do?	2
What existing processes have air permits?	2
Is the facility proposing any process changes?	2
What is Graphic Packaging proposing to install?	2
What is a Permit to Install (PTI) and why is one needed?	2
Why does the AQD review potential emissions?	2
Will the emissions from the proposed project affect public health in the area?	3
How does the AQD evaluate comments received on a proposed permit?	3
What happens after the close of the comment period?	3
Will these changes, if approved, emit hydrogen sulfide?	3
How often is this facility inspected by EGLE's AQD?	3
What about the odors associated with this facility?	4
How are odor complaints addressed by EGLE?	4
Has Graphic Packaging ever been cited for odors?	4
What is the current air quality in the area?	4
What other resources can help me with my environmental questions?	5
Where can I find more information on Graphic Packaging?	5
Who should citizens contact with questions and/or complaints about Graphic Packaging?	5
What other ways can the community get involved with air quality?	5

What does Graphic Packaging do?

Graphic Packaging produces paper-based packaging for a variety of products including cups, cartons, boxes, and other food containers. The company produces paper material as well as folds and labels the products.

What existing processes have air permits?

Graphic Packaging has most of its current processes contained in an air permit called a Renewable Operating Permit or ROP, [No. MI-ROP-B1678-2015](#). These processes include paperboard machines, paperboard coating machines, fuel burning equipment and cleaning equipment. This type of permit is reviewed and goes through a renewal process, which includes a public comment period, every five years.

Additionally, Graphic Packaging was recently issued an air permit, [No. 133-19](#), for an additional paperboard line, which has not yet been incorporated into their ROP.

Is the facility proposing any process changes?

Yes. Graphic Packaging has applied to make some changes to permit [No. 133-19](#). This change request is application No. 133-19A which the AQD recently completed its review. The proposed permit will be open for public comment from September 10, 2020 through October 23, 2020. A virtual public hearing will be held on the proposed permit on October 15, 2020. Information related to the public comment period and the public hearing is posted on [AQD's public notice page](#).

What is Graphic Packaging proposing to install?

Graphic Packaging is proposing to modify the project previously permitted on March 5, 2020. The permit application proposes to change the original project as follows:

- Replace the single larger boiler (370 MMBtu/hr) with two smaller natural gas boilers (311 MMBtu/hr each)
- Lower the annual natural gas limit for Boiler #8
- Addition of two new natural gas-fired precoat calendar heaters
- Modification of the maximum heat input ratings for the natural gas-fired dryers
- Removal of the previously proposed diesel-fired emergency fire pump
- Removal of the previously proposed starch cooker
- Modification of the water flow rating of the utility cooling tower
- Modification of the stack designs for the new boilers, paper machine, and add utility cooling tower
- Modification of the emission limits for the paperboard machine
- Update the permit conditions for Boiler #9 which is only capable of burning natural gas

What is a Permit to Install (PTI) and why is one needed?

A PTI, commonly known as an air use permit, is required for projects that involve installing, constructing, reconstructing, relocating, or modifying most processes or process equipment that emit, or may emit, air contaminants, such as the new equipment that Graphic Packaging is proposing to install under PTI Application No. 133-19A.

Why does the AQD review potential emissions?

The AQD evaluates the potential emissions of a process during the review, not the actual emissions. This means the worst-case scenario with the highest possible emissions are evaluated. The potential emissions are typically much higher than what would be emitted during normal operations. The United States Environmental Protection Agency (USEPA) and EGLE set the standards the facility needs to meet. In the case of the proposed permit, No. 133-19A, air dispersion modeling was used to determine whether the potential emissions would meet the standards. Air dispersion modeling is a computer program which considers potential emissions, weather, terrain, and other factors to see where emissions may go. Air dispersion modeling indicated that the potential emissions would meet the standards.

The proposed permit, No. 133-19A, if approved, would require Graphics Packaging to test their emissions to verify actual emissions are below permitted limits.

Will the emissions from the proposed project affect public health in the area?

The USEPA has developed health-protective standards for specific air pollutants. These standards are called the National Ambient Air Quality Standards (NAAQS). NAAQS are developed from research studies and are set at levels to protect public health. This includes health protection for sensitive groups like those with heart and lung problems. For pollutants not subject to NAAQS, EGLE AQD also develops air toxics screening levels that provide public health protection. The potential emissions from the project were reviewed and determined to comply with these rules and regulations, designed to protect public health.

How does the AQD evaluate comments received on a proposed permit?

Every comment is reviewed to determine if further technical review is warranted. If a technical review is warranted, it will be described in the Response to Comment document developed in combination with the final action on the application. The final action can be approval as proposed, approval of the proposed conditions with changes, or denial of the application.

What happens after the close of the comment period?

The AQD will evaluate and consider all comments made by the end of the comment period and take a final action as previously discussed. If the final action is to approve the proposed permit, Graphic Packaging may start construction of the proposed equipment upon this final approval. If the final action is to deny the permit, Graphic Packaging may address the issues resulting in the denial and submit a new PTI application later. However, they are still allowed to continue to install and operate the original equipment permitted under [PTI No. 133-19](#).

Will these changes, if approved, emit hydrogen sulfide?

No. The requested changes are primarily related to the boilers for the new paperboard coating line. More information on these proposed changes is discussed above and posted on AQDs public notice page.

How often is this facility inspected by EGLE's AQD?

Graphic Packaging is inspected at least every other year for compliance with state and federal regulations, as well as their Renewable Operating Permit (ROP). Additionally, if complaints are received, some portions of the facility may be inspected more frequently as part of a complaint investigation.

What about the odors associated with this facility?

[PTI No. 133-19](#) requires the company to develop and implement an [Odor Investigation Plan](#). This odor investigation started on July 9, 2020 and is scheduled to continue until September 8, 2020. The odor investigation includes perimeter and community monitoring conducted three times a week. The company is also installing a monitoring platform which will collect data from 10 hydrogen sulfide monitors and one weather station which is expected to be in operation by the end of 2020. [PTI No. 133-19](#) also requires the submittal of a Nuisance Minimization Plan for Odors within 60 days of submitting the results of the odor investigation.

How are odor complaints address by EGLE?

When odor complaints are received, staff respond by conducting an odor evaluation. An odor evaluation uses a prescribed method to determine whether an odor would be considered objectionable. AQD staff follow a procedure considering intensity, duration, and frequency of the odors to determine whether the odors are objectionable to constitute a violation of Rule 901. Rule 901 prohibits the emission of an air contaminant in quantities that cause (a) injurious effects to human health or safety, animal life, plant life of a significant economic value, or property; or (b) unreasonable interference with the comfortable enjoyment of life and property.

The intensity of an odor is rated by the inspector on a 0-5 scale, with 5 being an odor so strong as to be overpowering and intolerable for any length of time and 0 being non-detect. This intensity scale combined with the length of time the odors are present, as well as the frequency of the odor will be considered when determining whether Rule 901 has been violated.

If odors are deemed objectionable by the above procedure, a Violation Notice will be sent to the facility asking them to respond to the AQD with a plan on how they will correct the odor issue going forward.

Has Graphic Packaging ever been cited for odors?

Yes. EGLE has issued eight violation notices to Graphic Packaging since 2012 for odor violations. EGLE also has received over 100 complaints against Graphic Packaging since 2010. Of these, 89 were for odors and 13 for fallout. These complaints were evaluated using the AQD method described above.

What is the current air quality in the area?

The USEPA has developed health-protective standards for specific air pollutants referred to as the NAAQS. There are NAAQS for sulfur dioxide (SO₂), nitrogen dioxide (NO₂), carbon monoxide (CO), particulate matter equal to or less than 10 microns in diameter (PM₁₀), particulate matter equal to or less than 2.5 microns in diameter (PM_{2.5}), ozone, and lead.

NAAQS are developed from research studies and are set at levels to protect public health. This includes health protection for sensitive groups like those with heart and lung problems.

The AQD has one air monitoring site in Kalamazoo County. Based on monitoring, the county is meeting all NAAQS. EGLE's [MIAir website](#) contains near real time air monitoring information.

What other resources can help me with my environmental questions?

Another tool which may be useful, is [EJ Screen](#), an Environmental Justice Screening and Mapping Tool created and maintained by the USEPA. This tool provides a nationally consistent dataset and approach for combining environmental and demographic indicators for those interested.

Where can I find more information on Graphic Packaging?

EGLE's web page, [Michigan.gov/EGLEGraphicPackaging](https://www.michigan.gov/EGLEGraphicPackaging), contains information about the facility, such as compliance information, the Odor Investigation Plan, and air emissions information. More information will be added to this page as it becomes available.

Who should citizens contact with questions and/or complaints about Graphic Packaging?

Citizen complaints should be directed to Monica Brothers of EGLE AQD in the Kalamazoo District Office, at 269-312-2535 or at BrothersM@Michigan.gov during normal business hours. After hours complaints should be submitted to the Pollution Emergency Alerting System Hotline at 800-292-4706. It is recommended you contact the AQD as soon as you observe a problem, which allows staff to investigate the situation while it is still on-going,

What other ways can the community get involved with air quality?

Anyone in the community can sign-up to get Air Quality updates by signing up for our e-mail listserv. Go to [Michigan.gov/Air](https://www.michigan.gov/Air), click on the red envelop in the bottom left hand corner. 

You can also subscribe to our [EGLE events calendar](#) or check out [Michigan.gov/EGLEEvents](https://www.michigan.gov/EGLEEvents) to see upcoming events and meetings.

Michigan's Environmental Justice Policy promotes the fair, non-discriminatory treatment and meaningful involvement of Michigan's residents regarding the development, implementation, and enforcement of environmental laws, regulations, and policies by this state. Fair, non-discriminatory treatment intends that no group of people, including racial, ethnic, or low-income populations, will bear a disproportionately greater burden resulting from environmental laws, regulations, policies, and decision-making.

Meaningful involvement of residents ensures an appropriate opportunity to participate in decisions about a proposed activity that will affect their environment and/or health.

EGLE does not discriminate on the basis of race, sex, religion, age, national origin, color, marital status, disability, political beliefs, height, weight, genetic information, or sexual orientation in the administration of any of its programs or activities, and prohibits intimidation and retaliation, as required by applicable laws and regulations.

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 September 21, 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. 207.551, 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. ("GPI") 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 I974 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)~~six (6) years, commencing on December 31, 2020, and expiring on December 30, ~~2032~~2026. On or before September 30, 2026, if sufficient evidence of compliance with the Local Agreement has been provided by GPI to the City of Kalamazoo, the City shall notify GPI of its intent to recommend an extension of the original IFEC for an additional six-year period to commence December 21, 2026 and expire 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: **9/21/2020**

Item: **H.3.**

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

FROM: Scott A. Borling, City Clerk

DATE: September 21, 2020

SUBJECT: Resolution Approving the Expansion of Voting and Registration Access for the November 3, 2020 Election

RECOMMENDATION:

It is recommended that the City Commission adopt a RESOLUTION approving a plan to expand voting and registration access for the November 3, 2020 election.

BACKGROUND:

In the fall of 2019 the advocacy group Voters Not Politicians, along with representatives from the Kalamazoo NAACP and the League of Women Voters, presented the City Clerk with a request to have additional open office hours and a satellite location at Western Michigan University (or another location in the City) to offer citizens more options for voter registration and absentee balloting. However, at that time neither the financial nor the human resources were available in the City Clerk's Office to support these activities. This situation changed shortly after the August 4th election. The Clerk's Office was able to acquire temporary staff who have significant election experience, and the City Clerk became aware of a grant through the Center for Tech and Civic Life that would fund the additional services requested. With these resources becoming available, staff in the Clerk's Office developed a plan to offer several voter service enhancements. The proposed resolution supports implementation of the following services:

- **Expanded Hours.** Beginning on Monday, October 5th through Friday, October 30th the Clerk's Office will be open on weekdays from 9:00 a.m. to 5:00 p.m. In addition to these normal business hours, the City Clerk's Office will offer 16 open-office hours on evenings and weekends in the month of October for the purpose of voter registration and absentee voting. On October 19th and 27th the Clerk's Office will be open until 9:00 p.m., and on Saturday, October 24th the Clerk's Office will be open from 10:00 a.m. - 6:00 p.m. The Clerk's Office will also be open for eight hours on the weekend prior to the election as required by the Michigan Constitution (Saturday, October 31st from 10:00 a.m. - 6:00 p.m.). October 19th was chosen as a date for evening hours because

that day is the close of registration, and we want to give citizens every opportunity to register to vote by that day. (Voters can register during the 14 days prior to and including Election Day, but it is much easier for them to register before the close.)

- **City Clerk Branch Office.** On Monday, October 5th the City Clerk will open a branch office at the Bernhard Center on the campus of Western Michigan University for the purpose of voter registration and issuing and receiving absentee ballots. This branch office will be open through November 3rd (Election Day), and the hours will follow the hours for the Clerk's Office at City Hall, including the evening and weekend hours described above. The branch office will be able to serve all City voters, not just WMU students or people registered to vote in that precinct.
- **Return Postage on Absentee Ballots.** First class stamps will be applied to absentee ballot return envelopes so that returning a ballot will be free for the voter. The Secretary of State is offering reimbursement for the cost of return postage.
- **Additional Ballot Drop Boxes.** The City Clerk's Office would like to install and put into service four ballot drop boxes in various locations around the City for future elections. The Clerk's Office is working to make this happen for the November 3rd election.

It should be noted the implementation of these service enhancements is for the November 3rd election only. Following the election the City Clerk will convene a public forum to get feedback on the November election and to find out what opportunities, services, and tools voters found most useful for accessing their ballots and the voting process - and which opportunities voters want that were not offered. The feedback from this session will inform a feasibility study the City Clerk will undertake in 2021. This study will consider all of the opportunities and tools voters have to register to vote and cast their ballots, and it will present options and costs for those various opportunities. The goal of the report will be to precipitate a public policy discussion on the way the City Clerk's Office provides services to voters and the choices that must be made regarding those services in an environment where resources are limited.

STRATEGIC VISION ALIGNMENT:

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

0031 Election Administration - Administering all federal, state, and local elections for residents of the City of Kalamazoo; includes hiring poll workers, testing voting equipment, processing absentee ballot requests; packing precinct supplies, managing precinct activities on Election Day, and delivering results.

Strategic Goal Impact:

Election Administration is a Community Program, but it does not directly impact any of the Community Strategic Goals.

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: heading into 2020 the City Clerk's Office had neither the financial nor the human resources to support these enhanced election services. This situation changed shortly after the August 4th election. The Clerk's Office was able to acquire temporary staff who have significant election experience, and the City Clerk became aware of a grant through the Center for Tech and Civic Life that would fund the additional services requested by voter advocacy groups. Robust community engagement regarding the proposed election service enhancements was not possible because there was little time to develop a plan, and staff needed to begin the work to implement the plan in order for the services to be available in time for the November election.

Throughout this year Commissioner Praedel has been instrumental in liaising various voter advocacy groups regarding the enhanced services, and he has worked with the City Clerk to develop the proposed resolution.

Looking forward, the City Clerk will convene a public forum to get feedback on the November election and to find out what opportunities, services, and tools voters found most useful for accessing their ballots and the voting process - and which opportunities voters want that were not offered. The feedback from this session will inform a feasibility study the City Clerk will undertake in 2021. This study will consider all of the opportunities and tools voters have to register to vote and cast their ballots, and it will present options and costs for those various opportunities. The goal of the report will be to precipitate a public policy discussion on the way the City Clerk's Office provides services to voters and the choices that must be made regarding those services in an environment where resources are limited.

Engagement/Communication Tools

After the resolution is adopted the Clerk's Office will communicate the new registration and voting opportunities through the City's website, social media accounts, and a direct mailing. Information about the evening and weekend hours, the branch office at WMU, and the additional drop box locations will be reported to the Secretary of State, and this information will be available through the Michigan Voter Information Center (www.mi.gov/vote). The Clerk's Office will work with voter advocacy groups to ensure they have the correct information to spread through their networks.

FISCAL IMPACT:

Below are the estimated costs for the initiatives described in the resolution:

Costs

Overtime Pay for 16 Additional Office Hours	\$ 3,801
City Clerk Branch Office at WMU	\$ 17,325
Four (4) Ballot Drop Boxes, Including Installation	\$ 24,000
Return Postage on Absentee Ballots	\$ 11,000
<u>Post-Election Community Forum</u>	<u>\$ 500</u>
Costs Total	\$ 56,626

Funding

The City has been awarded a grant from the Center for Tech and Civic Life (CTCL), which will cover the costs of the additional office hours, the branch office location at WMU, and the ballot drop boxes. The Secretary of State is offering a reimbursement program for return postage on absentee ballots, which will cover that cost. Any expenses for the post-election community forum will be paid for out of the FY2020 budget for the City Clerk's Office.

CTCL Grant	\$ 45,126
Secretary of State Reimbursement	\$ 11,000
<u>City Clerk's FY2020 Budget</u>	<u>\$ 500</u>
Funding Total	\$ 56,626

CITY OF KALAMAZOO, MICHIGAN

RESOLUTION NO. 20-

**RESOLUTION APPROVING A PLAN TO EXPAND VOTING AND REGISTRATION ACCESS
BEYOND THE MINIMUM REQUIRED BY THE MICHIGAN CONSTITUTION**

Minutes of a regular meeting of the City Commission of the City held on September 21, 2020, at or after 7:00 o'clock p.m., local time, local time, and conducted electronically in conformity with Governor Whitmer's Executive Order No. 2020-160 (COVID-19).

PRESENT, Commissioners:

ABSENT, Commissioners:

The following preamble and resolution was offered by _____ and supported by _____.

WHEREAS, the City of Kalamazoo is committed to ballot access for all its voters; and

WHEREAS, extended voting hours and locations for voter registration and use of absentee ballots can increase access, particularly people unable to accomplish these tasks during ordinary business hours; and

WHEREAS, voter education about expanded hours, office locations, and access lead to optimal voter participation; and

WHEREAS, Article II, Sections 4 (f) and (g) of the Michigan Constitution establish the following rights: 1) Absentee balloting for all voters who choose to vote in that manner; 2) Voter registration any time before and during election day; 3) Voting immediately upon registration; and 4) Availability of at least eight hours during the Saturday or Sunday prior to an election during which time citizens may register and/or vote; and

WHEREAS, MCL 168.761b(3) requires local governing body approval for additional locations and hours that the Clerk will be available to issue and receive absent voter ballots.

NOW, THEREFORE, BE IT RESOLVED: prior to the November 3, 2020 Election the City Clerk's Office at City Hall will be open for 16 hours in addition to normal business hours and the hours required by the Michigan Constitution. The additional hours will be offered on the following days and times:

Monday, October 19 5:00 – 9:00 p.m.
Tuesday, October 27 5:00 – 9:00 p.m.
Saturday, October 24 10:00 a.m. – 6:00 p.m.

BE IT FURTHER RESOLVED, the City Clerk’s Office will provide a branch location at the Bernhard Center on the campus of Western Michigan University on a trial basis for the November 3, 2020 election.

BE IT FURTHER RESOLVED, the City Clerk’s Office at City Hall and the branch location at Western Michigan University will be open for in-person voter registration and to issue and receive absentee ballots on the following days and times:

October 5 – October 9 (M-F) 9:00 a.m. – 5:00 p.m.

October 12 – October 16 (M-F) 9:00 a.m. – 5:00 p.m.

October 19 (M) 9:00 a.m. – 9:00 p.m.
October 20 – 23 (T-F) 9:00 a.m. – 5:00 p.m.
October 24 (Sat.) 10:00 a.m. – 6:00 p.m.

October 26 (M) 9:00 a.m. – 5:00 p.m.
October 27 (T) 9:00 a.m. – 9:00 p.m.
October 28 – 30 (W-F) 9:00 a.m. – 5:00 p.m.
October 31 (Sat.) 10:00 a.m. – 6:00 p.m.

November 2 (M) 9:00 a.m. – 4:00 p.m.
November 3 (T) 7:00 a.m. – 8:00 p.m.

BE IT FURTHER RESOLVED, that for the November 2020 General Election the City Clerk will provide first-class return postage for all absentee ballots issued to City voters who do not cast their ballots in the City Clerk’s Office or the branch location; and

BE IT FURTHER RESOLVED, that the City Clerk will develop a program to install up to four satellite ballot drop boxes within the City for use in future elections; and

BE IT FURTHER RESOLVED, at the conclusion of the November 2020 General Election, the City Clerk will host a public forum in collaboration with members of the City Commission to elicit public input on voter accessibility; and

BE IT FURTHER RESOLVED, the City Clerk will study the long-term feasibility of options for expanding voter registration and absentee balloting services for all City voters and shall submit a report with recommendations and cost estimates to the City Commission by June 1, 2021.

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 September 21, 2020. Public notice was given and the meeting was conducted in full compliance with the Open Meetings Act, being Act 267, Public Acts of Michigan, 1976, as temporarily modified by Governor Whitmer's Executive Order No. 2020-160 (COVID-19). 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: **9/21/2020**

Item: **H.4.**

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

FROM: Scott A. Borling, City Clerk

DATE: September 21, 2020

SUBJECT: Center for Tech and Civic Life Safe and Secure Election Administration Grant

RECOMMENDATION:

It is recommended that the City Commission accept a grant from the Center for Tech and Civic Life in the amount of \$218,869 to support the implementation of a Safe Voting Plan for the November 3, 2020 election; approve a budget amendment to increase the the FY2020 Budget for the City's Clerk's Office by the same amount; and authorize the City Clerk to sign all grant-related documents.

BACKGROUND:

The Center for Tech and Civic Life (CTCL) is a non-profit, non-partisan organization whose mission is to "connect Americans with the information they need to become and remain civically engaged, and ensure that our elections are more professional, inclusive, and secure." CTCL has been received \$250 million in funding and is offering grants to local election officials for the staffing, training, and equipment necessary to ensure voters can participate in the November election in a safe and timely way. The City Clerk learned about this grant program in mid-August and submitted a grant application with the assistance of partners working with CTCL. On September 14th CTCL informed the City its application for \$218,869 in grant funding was approved. This grant will provide supplemental funding to the City Clerk's Office budget for initiatives, equipment, and services designed to maintain access to voting (including absentee voting) and to keep voters and poll workers safe. Uses for this funding will include: poll worker pay to ensure all precincts can be open and fully staffed; personal protective equipment to keep workers and voters safe; technology to make sure voters are in the correct precinct before they get in line at polling locations with two-precincts; a second high speed tabulator to ensure the absent voter counting board can process ballots in a timely manner; staffing in the Clerk's Office for processing a record number of absentee ballots; a branch office at Western Michigan University to reduce the lines at student precincts and at City Hall on election day, expanded office hours to provide more access to registration and in-person absentee voting, and additional ballot drop boxes to help ensure voters can return their ballots

on-time.

STRATEGIC VISION ALIGNMENT:

Relevant Priority Based Budgeting Program:

0031 Election Administration - Administering all federal, state, and local elections for residents of the City of Kalamazoo; includes hiring poll workers, testing voting equipment, processing absentee ballot requests; packing precinct supplies, managing precinct activities on Election Day, and delivering results.

Strategic Goal Impact:

Election Administration is a Community Program, but it does not directly impact any of the Community Strategic Goals.

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:

Approval of this item will increase the FY2020 Budget for the City Clerk's Office by \$218,869. Here is a breakdown of the intended uses for these funds:

Category I: Encourage/Increase Absentee Voting **\$ 93,194.00**

Uses: mailing absentee ballot request forms; funding a branch/satellite office (wages, equipment, and supplies); evening and weekend hours (overtime pay); four (4) secure ballot drop boxes (includes installation); the City share for a DS450 high speed tabulator; and additional office staff to process absentee ballots

Category II: Ensure Safe Election Day Voting **\$ 50,700.00**

Uses: recruiting/retention incentive for election inspectors; personal protective equipment (PPE); computers for "line chasing" at multi-precinct polling locations; and cleaning/sanitization at City Hall on Election Day

Category III: Expand Strategic Voter Education and Outreach Efforts **\$ 12,415.00**

Uses: follow-up mailing to absentee voters.

Category IV: Launch Poll Worker Recruitment and Training	\$ 62,560.00
Uses: election inspector pay for fully staffed precincts; training pay for 75 new election inspectors	
Total	\$ 218,869.00



CENTER FOR
TECH AND
CIVIC LIFE

September 13, 2020

City of Kalamazoo
Kalamazoo City Clerk
241 West South St.
Kalamazoo, MI 49007

To whom it may concern:

I am pleased to inform you that the Center for Tech and Civic Life ("CTCL") has decided to award you a grant to support the work of the City of Kalamazoo.

The following is a description of the grant:

AMOUNT OF GRANT: Two Hundred Eighteen Thousand, Eight Hundred Sixty-Nine US dollars (USD \$218,869).

PURPOSE: The grant funds must be used exclusively for the public purpose of planning and operationalizing safe and secure election administration in the City of Kalamazoo in accordance with the attached City of Kalamazoo Safe Voting Plan 2020

Before we transmit these funds, we ask that you sign this agreement promising to use the grant funds in compliance with United States tax laws. Specifically, by signing this letter you agree to the following:

1. The City of Kalamazoo is a local government unit or political subdivision in the meaning of 26 USC 170(c)(1).

2. This grant shall be used *only* for the public purpose described above, and for no other purposes.
3. The City of Kalamazoo shall not use any part of this grant to give a grant to another organization unless CTCL agrees to the specific grant in writing.
4. The City of Kalamazoo has produced a plan for safe and secure election administration in 2020, including an assessment of election administration needs, budget estimates for such assessment, and an assessment of the impact of the plan on voters. This plan is attached to this agreement. The City shall expend the amount of this grant for purposes contained in this plan by December 31, 2020.
5. The City of Kalamazoo shall produce a report documenting how this grant has been expended in support of the activities described in paragraph 4. This report shall be written and sent to CTCL by January 31, 2021 or in any other format approved by CTCL.
6. The City of Kalamazoo shall not reduce the budget of the Kalamazoo City Clerk ("the Clerk") or fail to appropriate or provide previously budgeted funds to the Clerk for the term of this grant. Any amount reduced or not provided in contravention of this paragraph shall be repaid to CTCL up to the total amount of this grant.
7. CTCL may discontinue, modify, withhold part of, or ask for the return all or part of the grant funds if it determines, in its sole judgment, that (a) any of the above conditions have not been met or (b) it must do so to comply with applicable laws or regulations.
8. The grant project period of June 15, 2020 through December 31, 2020 represents the dates between which covered costs may be applied to the grant.

Your acceptance of these agreements should be indicated below. Please have an authorized representative of the City of Kalamazoo sign below, and return a scanned copy of this letter to us by email at grants@techandcivicliflife.org

On behalf of CTCL, I extend my best wishes in your work.

Sincerely,

Tiana Epps Johnson
Executive Director
Center for Tech and Civic Life



CENTER FOR TECH & CIVIC LIFE
HELLO@TECHANDCIVICLIFE.ORG

PAGE 2

CITY OF KALAMAZOO

By: _____

Title: _____

Date: _____

CITY ATTORNEY

FORM APPROVED

9-16-20

CJR

FORM APPROVED

CITY ATTORNEY



CENTER FOR TECH & CIVIC LIFE
HELLO@TECHANDCIVICLIFE.ORG

PAGE 3

City of Kalamazoo
Safe Voting Plan Application
To Center for Technology and Civic Life

Kalamazoo City Commissioners and City Clerk Scott Borling are working collaboratively on the November 2020 election to: reduce the risk of exposure to coronavirus for our residents as well as our election staff and poll workers; identify best practices for safe and healthy voting; innovate to efficiently and effectively educate our residents about how to exercise their right to vote during this time of COVID-19; be intentional and strategic in helping historically disenfranchised residents and communities safely vote during unprecedented times; and, above all, ensure the right to healthy voting in our dense and diverse communities.

2020 Election Administration Climate

Michigan municipalities are faced with conducting two expensive elections in November. First, Michigan election law requires every precinct to be open on election day for in-person voting regardless of the number of voters who cast ballots by mail. Staffing Kalamazoo's 27 precincts has historically been the largest election expense. Second, the expected skyrocketing volume of mail ballots driven by the COVID-19 pandemic will incur costs for staffing and equipment that will rival typical election day expenses.

Michigan election officials typically conduct presidential elections with 25 – 30% of the voters casting ballots by mail and 70 – 75% casting them in-person on election day. It now appears that mail balloting may account for 65 – 70% of the turnout. This trend is breaking municipal election budgets beginning with the higher-than-expected mail turnout in the August Primary that will continue through the November General Election.

Federal CARES ACT funding does not begin to meet the need of cash-strapped municipal election budgets. These funds disbursed by the Secretary of State have been used to issue August Primary mail ballot applications to all voters and to provide PPE and equipment to election officials. Both Kalamazoo and Michigan's budgets have been hard hit by the resulting economic downturn making additional funding of the city's election preparations unlikely.

There are many challenges to opening polling places in a pandemic and processing a historically high volume of mail ballots. The time that remains between now and the November Election provides an opportunity to plan for the highest possible voter turnouts in the safest possible ways.

Supplemental Election Administration Needs for 2020

Through careful analysis, we have concluded that crucial, supplemental programs will assist Kalamazoo voters in fully participating in the presidential election. We are requesting a **\$218,869** grant to meet Kalamazoo's election administration needs for the remainder of this year as specified in the four strategic recommendations.

Recommendation I: Encourage and Increase Absentee Voting (By Mail and Early, In-Person)

1. Provide assistance to help voters safely request absentee ballots.
2. Expand in-person early voting opportunities.

3. Utilize secure drop-boxes to facilitate return of absentee ballots.
4. Deploy additional technology to expedite and improve accuracy of mail ballot process

Recommendation II: Ensure Safe Election Day Voting

Recommendation III: Expand Strategic Voter Education & Outreach Efforts,

Recommendation IV: Launch Poll Worker Recruitment & Training.

Recommendation I: Encourage and Increase Absentee Voting (By Mail and Early, In-Person)

Overview of Mail Voting in Michigan

In 2018 Michigan voters amended the state constitution to provide a series of voting rights to Michigan citizens. Central to the amendment is no reason absentee voting, which is a significant change that eliminated the reasons that entitled a voter to vote absentee. Voters must still apply by application to receive an absentee ballot and they may request both a primary ballot and a general election ballot with a single request, which is commonly referred to as a 'dual' application. Further, the amendment entitles citizens who are not registered by the 15th day before the election to register in-person in a clerk's office during the 14 days prior to an election and on election day – Michigan now has Election Day Registration.

Under the amendment election officials have authority to add satellite offices to register voters and issue absentee ballots. The legislative body of the jurisdiction must approve any satellite office under Michigan election law. All satellite offices must be published at least 30 days before an election.

Historically, absentee voting has been costly as clerks must send applications to voters, receive and verify the completed applications, issue and mail absentee ballots, receive voted ballots and verify the voters' signatures, and finally tabulate ballots beginning on election day. Each of these processes must still be done under mail balloting, requiring a significant number of staff and, as the volume increases, more sophisticated equipment to efficiently process the large amount of paperwork.

The back and forth nature of Michigan's mail balloting processes places a heavy burden on voters to learn how to apply for a mail ballot, be aware of the election calendar and apply for a ballot early enough to receive, vote and return the ballot by election day and understand the delays built into the United State Postal Service delivery timelines.

In the 2016 November Presidential Election, Kalamazoo received 5,920 mail ballots (19% of total vote). Projections are that between 18,000 and 25,200 mail ballots will be received in November. In fact, Kalamazoo exceeded the 2016 General Election total of mail ballots in the August primary this year.

To avoid the city clerk's office being inundated with applications to the point of compromising the processing of applications and ballots, we require the grant resources to facilitate our proposals outlined below.

Kalamazoo will assist as many residents as possible with casting ballots before Election Day, serving as the great opportunity to mitigate the spread of COVID-19 in our community. We have identified four distinct strategies to help voters overcome barriers to successful mail voting.

1. Provide assistance to voters with mail ballot requests

Directly mail applications to voters on the list in Kalamazoo who did not request a dual application in the August primary. Placing an application in the hands of voters early in the process results in earlier filing of their applications for a mail ballot. Those voters who did submit a dual application with automatically receive a ballot for the General Election. Mailing to Kalamazoo voters: **\$650.**

Subtotal: \$650.

2. Expand in-person early mail voting opportunities

The city of Kalamazoo plans to open a satellite location for voter registration and applying for and returning voted mail ballots in the Bernhard Student Center on the campus of Western Michigan University. The satellite office will be open from October 5 through November 2, Monday through Friday, 9 a.m. to 4 p.m. The office will also be open weeknights of October 19 and 27 and on Saturday October 24 and 31.

The costs associated with the satellite office include: one manager \$4,486 and two temporary workers \$6,688; rent for six weeks \$375; six parking passes \$576; 3 laptops, one printer, voting booths, furniture and office supplies \$4,700; PPE \$500. Satellite costs: **\$17,325.**

Kalamazoo will offer 16 additional evening and weekend hours beyond normal business hours and the mandated eight hours on the weekend before the election. Both the clerk's offices at City Hall and at the Bernhard Student Center satellite will extend hours to 9 p.m. on Monday, October 19; Tuesday, October 27 and Saturday October 24. Overtime for employees at both offices is **\$3,801.**

Subtotal: \$21,126

3. Utilize secure drop-boxes to facilitate return of absentee ballots

Kalamazoo voters, like those across Michigan, will be encouraged to return their mail ballots in-person rather than using USPS, particularly in the last two weeks before the election. USPS is going to be stressed with increased election related mail, as evidenced by recent announcements that some service deterioration is going to occur. Drop boxes, especially drive through boxes, allow voters to easily drop off their voted ballots regardless of where they happen to be in the city. Drop boxes cost approximately \$5,000, which includes security cameras and an additional \$1,000 for installation. Four drop boxes: **\$24,000.**

Subtotal: \$24,000

4. Deploy additional technology to expedite and improve accuracy of mail ballot process

Kalamazoo currently uses one DS-450 high-speed tabulator – Election System & Software – in the absent voter counting board to tabulate mail ballots. By ordering a second DS-450 tabulating capacity will be doubled, which will provide earlier reporting of results, and uninterrupted tabulation will be ensured with a backup high-speed tabulator. This tabulator is a critical infrastructure advancement for the city's election administration. The tabulator cost \$36,826 and the Department of State is covering half the cost, leaving a cost of **\$18,618**.

The processing of additional mail ballot applications and ballots requires additional staff to complete the work within a short time period. Eight full-time temporary employees for 7.5 weeks: **\$28,800**.

Subtotal: \$47,418.

Recommendation II: Ensure Safe Election Day Voting

Election day workers who administer elections in the 27 precincts are often referred to as the frontline or face of democracy. These workers are asked to work a very long day for a small stipend. They are often referred to as volunteers. This year they face the hazard of COVID-19 as they serve hundreds of voters throughout the day. The average age of our poll workers is in the late 60s or early 70s, an age group considered at high risk to the virus. Kalamazoo is having similar experience as communities across the nation of large numbers of our older workers declining to work this election year. And yet the City of Kalamazoo is committed to opening the same number polling sites on election day that the city has opened in recent years. To meet that commitment, the city must enhance its recruitment and retention strategy, including by seeking workers who have not served as poll workers in the past by offering a financial incentive.

There are 358 election day precinct inspectors and absent voter counting board inspectors. A \$100 incentive payment is recommended: **\$35,800**.

Additional PPE is necessary to supplement the Department of State PPE provided to cities. The items requested are Clorox wipes, N-95 masks, surgical masks, gloves, face shields, bottles of hand sanitizer and disinfectant: **\$10,000**.

Same Day Registration is offered at City Hall on election day. Extra cleaning is necessary several times on election day to sanitize the public registration and voting area at City Hall: **\$900**.

It is important on election day to avoid congestion at polling places, especially in sites that house more than one precinct. Making sure voters are headed to the correct precinct within a polling place or are at the correct polling place will decrease congestion caused by voters trying to figure out where to vote. Inspectors use small laptops to 'walk the lines' assisting voters to their correct locations. Ten laptops are required **\$4,000**.

Subtotal: \$50,700

Recommendation III: Expand Strategic Voter Education & Outreach Efforts.

As noted above, the voters play a critical role to a successfully administered election in November. By applying early for mail ballots, voters will distribute the clerk's workload across September and October. Normally, voters wait until early to mid-October to apply for a mail ballot, which jams up the process as applications flood the clerk's office, resulting in longer turnaround times before ballots are issued. To avoid this, voters will be encouraged through a variety of outreach to apply early and vote early.

Voters also must be informed to avoid errors such as forgetting to sign applications and return ballot envelopes and to affix their signatures as they appear on their driver license or state ID. Many people today sign credit card receipts with an informal signature that does not match their formal signature used on official documents. These errors will invalidate ballots. The clerk's staff will attempt to contact voters making these errors; however, time is usually in short supply. Mailing postcards shortly after ballots are issued will inform voters of this essential information to avoid voiding the ballot. Well-designed postcards will carry these messages. Design, printing and mailing: **\$12,415.**

The public outreach will urge voters to use the clerk's office and the satellite office as means of voting early where election workers will review the applications and return ballot envelopes to make sure they are complete. Additionally, voters will be urged to return their ballots in-person to drop boxes or the clerk's office and the satellite office. Public education will be handled by the city's Communication Coordinator using social media, earned media and the city's Facebook page.

The clerk's office is working with community partners and the Kalamazoo County Sheriff's Department to facilitate registration and voting at the Kalamazoo County Jail.

Subtotal \$12,415.

Recommendation IV: Launch Poll Worker Recruitment & Training

The city clerk is seeking 75 poll workers for election day. Staffing the precincts, absent voter counting board, receiving boards total approximately 358 staff: 27 precinct chairs \$5,130; 27 vice-chairs \$4,860; 270 election inspectors \$45,900; AVCB chair \$200; AVCB assistant chair \$190; AVCB workers \$3,060; regional chairs \$820; receiving board members \$900: **\$61,060.**

Training for 75 new election inspectors: **\$1,500.**

Subtotal: \$62,560.

TOTAL REQUESTED RESOURCES: \$218,869.