



Agenda

City Commission Business Meeting

City of Kalamazoo

Monday, October 5, 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

1. Foundation for Excellence Budget Presentation

E. PUBLIC HEARINGS

F. PUBLIC COMMENTS

G. CONSENT AGENDA

(Action: Motion to approve items “1-4” and authorize the City Manager to sign all documents on behalf of the City)

1. Approval of a one-year contract for analytical services from Trace Analytical Laboratories, Incorporated for a total amount not to exceed \$168,117.73.
2. Approval of the purchase of emergency equipment to be installed in ten (10) Public Safety fleet vehicles by Canfield Equipment Service, Inc. through cooperative pricing with the City of Dearborn in the amount of \$156,225.79.

3. Approval of a professional service agreement with Jones & Henry Engineers, LTD for the design and creation of permit, bidding, and construction documents for the Kalamazoo Water Reclamation Plant Interceptor Biofiltration Odor Control & Mitigation Project in the amount of \$215,000.
4. Approval and acceptance of an easement amendment with American Village Development II, LLC for water main that was installed as part of the American Village Development II, LLC Walden Woods Phases 4 & 5 construction projects.

H. REGULAR AGENDA

1. Adoption of a RESOLUTION setting a public hearing on October 19, 2020, to consider a request from Zoetis LLC, for a PA 198 Industrial Facilities Tax Exemption Certificate (IFEC) for 12 years for real property valued at \$47,859,166. **(Action: Motion to adopt the resolution)**
2. Approval of a memorandum of understanding with the United Way of Greater Kalamazoo & Battle Creek Region to support Continuum of Care operations and related programs in the amount of \$450,000. **(Action: Motion to approve)**
3. Adoption of an ORDINANCE amending Chapter 2 - Article X Employee Retirement System, § 2-243 and § 2-245. **(Action: Motion to adopt the ordinance)**

I. REPORTS AND LEGISLATION

1. City Manager's Report

J. UNFINISHED BUSINESS

K. POLICY ITEMS

L. NEW BUSINESS

M. COMMISSIONER COMMENTS

N. CLOSED SESSION

1. Closed session to discuss labor negotiations. **(Action: Motion to go into 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: **10/5/2020**

Item: **G.1.**

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

FROM: James K. Ritsema, ICMA-CM, City Manager
Reviewed by: James J. Baker, PE, Public Services Director and City Engineer
Prepared by: Shannan Deater, Public Services Programs Manager

DATE: October 5, 2020

SUBJECT: One-Year Contract Extension with Trace Analytical Laboratories, Incorporated for Analytical Testing Services (Bid Ref# 96148-001.1)

RECOMMENDATION:

It is recommended that the City Commission approve a one-year contract for analytical services from Trace Analytical Laboratories, Incorporated of Muskegon, Michigan for a total amount not to exceed \$168,117.73.

BACKGROUND:

The Public Services Environmental Services Laboratory is often required to provide analyses that are beyond its present capacity in terms of available instrumentation or skilled labor. In this situation, it is necessary for the Public Services Laboratory to contract with a commercial laboratory to perform the needed analytical testing. The services to be provided would include the analysis of drinking water, municipal and industrial wastewater, and residual solids for a variety of organic and inorganic parameters.

Competitive bids were solicited from several area private laboratories in 2019. Following a rigorous selection process that has been successfully used historically, Trace Laboratories, Incorporated was determined to be the lowest responsive bidder to provide these analytical support services.

STRATEGIC VISION ALIGNMENT:

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

Testing and Performing Chemical Adjustments According to State and Federal Regulations and Evaluating Water Quality Concerns and Making Necessary Changes

Regulatory Review and Oversight

National Pollution Discharge Elimination System (NPDES) Compliance

Wastewater Treatment analysis and Quality Assurance, Supply flow and water quality data (Compliance)

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:

Funds are budgeted in the 2020 Public Services Department Environmental Services Budget for this contract. The term of this contract will be from September 1, 2020 through August 31, 2021. The original contract has the option to renew for two additional two-year extensions. The September 1, 2020 to December 31, 2020 portion of the contract will be in the amount of \$55,983.21. The 2021 portion of the contract will be \$112,134.52.



City Commission Agenda Report

City of Kalamazoo

Date: **10/5/2020**

Item: **G.2.**

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

FROM: James K. Ritsema, ICMA-CM, City Manager
Reviewed by: Karianne Thomas, Public Safety Chief
Prepared by: Christopher Franks, Public Safety Captain

DATE: October 5, 2020

SUBJECT: Cooperative Purchase of Emergency Equipment to be Installed in Ten (10)
Public Safety Fleet Vehicles (Bid Ref# 00000-020.95)

RECOMMENDATION:

It is recommended that the City Commission approve the purchase of emergency equipment to be installed in ten (10) Public Safety fleet vehicles through cooperative pricing of the City of Dearborn Contract Council resolution number 9-530-16 with Canfield Equipment Service, Inc., 21533 Mound Road, Warren, MI 48091 in the amount of \$156,225.79.

BACKGROUND:

Fully marked Public Safety vehicles are critical for safe and effective response to police, fire and medical emergencies. Kalamazoo Public Safety maintains a fleet of Public Safety vehicles outfitted with emergency equipment to accomplish this mission. To yield the most efficient travel through roadway traffic to critical incidents and maximize the safety of the Kalamazoo Community, each vehicle is required to be outfitted with emergency equipment to include audible and visual signals.

The City of Kalamazoo approved the purchase of Ford Interceptor Utility vehicles in early 2020. In order to be in compliance with the Michigan Vehicle Code Act 300, each vehicle must be outfitted with emergency equipment to include audible and visual signals (360 degree view). The outfitting package includes a push bumper, siren speaker, LED flasher lights, light bar, rear shelf system, cargo partition, transport seat, dual gun rack, console package and dome light.

The proposed emergency equipment will be installed in ten (10) new front-line Public Safety vehicles, which will then be rotated into the department's fleet. Several officers operate a front-line Public Safety vehicle, specifically emergency equipment, several times a day, seven days a week. The use of this equipment is not limited to, but includes lighting police/fire/medical

scenes, being visible to prevent traffic accidents, and quickly move to critical incidents.

STRATEGIC VISION ALIGNMENT:

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

Police Proactive Calls for Service
Police Reactive Calls for Service
Fire Suppression
EMS Calls for Service

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 proposed emergency equipment installation in the amount of \$156,225.79 is accounted for in the 2020 General Fund Public Safety Department budget. Cooperative pricing is based off the City of Dearborn Contract Council resolution number 9-530-16.



City Commission Agenda Report

City of Kalamazoo

Date: **10/5/2020**

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: Ryan S. Stoughton, PE, Public Services Asst. City Engineer

DATE: October 5, 2020

SUBJECT: Professional Service Agreement with Jones & Henry Engineers for KWRP Interceptor Biofiltration Odor Control & Mitigation Design (Bid Ref# 92500-002.0.6)

RECOMMENDATION:

It is recommended that City Commission approve a Professional Service Agreement with Jones & Henry Engineers LTD in the total amount of \$215,000.00 for the design and creation of permit, bidding, and construction documents for the above referenced Capital Improvement Program Project.

BACKGROUND:

Collaboration between the Kalamazoo Water Reclamation Plant (KWRP) and Graphics Packaging Inc. (GPI) for continuous improvement for odor control and mitigation is a primary goal of the Odor Task Force. A study conducted by Jones and Henry Engineers LTD, at the request of the KWRP, to determine primary source(s) of and measurable quantity of odors, including available mitigation efforts, was completed in 2020. The results of the study concluded modifications to GPI's industrial wastewater discharge connection and the filtration of air within the KWRP's local interceptor network via means of biofiltration would have the greatest impact on the control and mitigation of odors. The KWRP intends to move forward with the recommendations presented in the study.

STRATEGIC VISION ALIGNMENT:



Environmental Responsibility - A green and health City.

Discussion: Water Management, Sustainability & Conservation



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

Discussion: Water Management & Delivery



Shared Prosperity - Abundant opportunities for all people to prosper

Discussion: Community Partnerships



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

Discussion: Healthy Environment

And Economic Vitality – Asset Management

COMMUNITY ENGAGEMENT:

Appropriate Depth of Engagement

Insert "Consult" here

Discussion:

The community, through the Odor Task Force's representatives and City Commission odor presentations, has had the opportunity to react to the project.

FISCAL IMPACT:

The Project #wwr0100239 KWRP Interceptor Biofiltration Odor Control is funded in the Wastewater Fund 2020 Capital Improvement Program, through transfers of excess capital project funds for the 2020 expenditures and will be included in the 2021 Capital Improvement Fund program. The contract will be assigned to the 2020 and 2021 budgets as follows:

FY 2020 \$150,000.00

FY 2021 \$65,000.00



City Commission Agenda Report

City of Kalamazoo

Date: **10/5/2020**

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: Anna C. Crandall, EIT, Senior Civil Engineer – Water Resources

DATE: October 5, 2020

SUBJECT: Walden Woods Utility Easement Amendment

RECOMMENDATION:

It is recommended that the City Commission approve and accept the easement amendment with American Village Development II, LLC for water main that was installed as part of the American Village Development II, LLC Walden Woods Phases 4 & 5 Construction Projects; and, authorize the City Manager to sign all related and necessary documents regarding the easement amendment.

BACKGROUND:

Construction of new water main for the American Village Development II, LLC Walden Woods Phases 4 & 5 Construction Projects has recently been completed. As all public water main and sanitary sewer are required to be in a dedicated easement or public right of way, American Village Development II, LLC in collaboration with the City of Kalamazoo Attorney, has drafted this amendment for approval.

STRATEGIC VISION ALIGNMENT:

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

Records Management Tracking, review, and oversight of department records.

Strategic Goal Impact:



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



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:

The City of Kalamazoo will incur the cost of recording the easement with the Clerk-Register for the grant of the easement as this project was solely contribution in aid.

**FIRST AMENDMENT TO PUBLIC
UTILITY EASEMENT AGREEMENT**

THIS FIRST AMENDMENT TO PUBLIC UTILITY EASEMENT AGREEMENT is made as of the 9th day of September, 2020 by and between AMERICAN VILLAGE DEVELOPMENT, II, LLC, a Michigan limited liability company, of 4200 West Centre Avenue, Portage, Michigan 49024 (“**AVD**”) THE ENCLAVE AT WALDEN WOODS CONDOMINIUM ASSOCIATION, a Michigan non-profit corporation, of 4200 West Centre Avenue, Portage, Michigan 49024 (the “**Association**”) and the CITY OF KALAMAZOO, a Michigan municipal corporation, of 241 West South Street, Kalamazoo, Michigan 49007 (“**City**”).

Background

A. AVD and the City are parties to that certain Public Utility Easement Agreement dated January 15, 2018 and recorded as Instrument Number 2018-00463 in Kalamazoo County records (the “**Easement**”). The Easement was established in connection with the development of the condominium project known as The Enclave at Walden Woods (the “**Condominium**”).

B. The Master Deed for The Enclave at Walden Woods was executed on June 1, 2018 and was recorded on August 9, 2018 as Instrument Number 2018-025432 of Kalamazoo County records (the “**Master Deed**”). Following recording of the Master Deed, the Association received certain rights to grant, amend and terminate easements that relate to the Condominium.

C. The Easement includes an easement for establishing a public water system that would service the Condominium which would be located in the “**Water Easement Area**”. The Water Easement Area is defined in the Easement and is legally described and shown in Exhibits A and C of the Easement.

D. In the course of establishing the public water system that serves the Condominium, the parties determined that portions of the Water Easement Area would be located outside of the Water Easement Area described in the Easement and would be located in different areas within the Condominium. As such, the parties desire to amend the Easement to amend, update and replace the Water Easement Area as defined and described in the Easement, in accordance with the terms and conditions set forth herein.

Amendment

NOW THEREFORE, for good and valuable consideration, the parties agree to amend the Easement as follows:

1. Water Easement Area. The parties agree that the Water Easement Area as defined and identified in Section 1, and in Exhibits “A” and “C” of the Easement is hereby amended and restated in its entirety. The amended and restated Water Easement Area, and the replacement Exhibits “A” and “C” are attached hereto and are incorporated herein. The amended and restated Water Easement Area shall replace, in its entirety, the Water Easement Area identified in the Easement. The portions of the original Water Easement Area that are not included in the amended and restated Water Easement Area are hereby released Water Easement Area for purposes of the Easement.

2. Authority. AVD is the owner of all of the Units that will be added to the Water Easement Area by this First Amendment to Easement and has authority to grant, amend and/or terminate utility service easements with respect to such Units as the owner of such Units and/or based on its rights as set forth in the Master Deed and the Michigan Condominium Act. The Association is responsible for the operation, maintenance and administration of the Condominium and the Common Elements of the Condominium and has the authority to grant, amend and/or terminate utility service easements with respect to the Condominium, the Common Elements and/or the Units based on its rights set forth in the Master Deed and the Michigan Condominium Act.

3. Binding Agreement. The Easement and this Amendment shall run with the land and shall be binding upon the parties hereto, their respective heirs, successors and assigns and all future owners of the Condominium.

4. Counterparts. This Amendment may be executed by one or more of the parties hereto in any number of separate counterparts, each of which shall be deemed an original and all of which, taken together, shall be deemed to constitute one and the same Amendment.

5. Miscellaneous. Except as expressly amended herein, all other terms and conditions of the Easement shall remain in full force and effect, and are hereby ratified and confirmed by the parties hereto. In the event of a conflict or inconsistency, the terms of this Amendment shall govern. This Amendment shall be binding upon the parties hereto and their respective successors and assigns. Capitalized terms that are not otherwise defined herein, shall have the meanings ascribed to them in the Easement. The Background set forth above is accurate and is hereby incorporated into this Amendment.

IN WITNESS WHEREOF, the undersigned have executed this First Amendment to Utility Easement Agreement as of the day first above written.

“AVD”

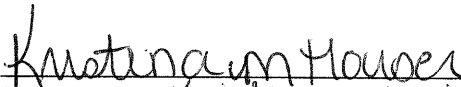
AMERICAN VILLAGE DEVELOPMENT, II, L.L.C., a Michigan limited liability company

By: 
Name: Jack S. Gesmundo
Its: Authorized Agent

STATE OF MICHIGAN)
)SS
COUNTY OF KALAMAZOO)

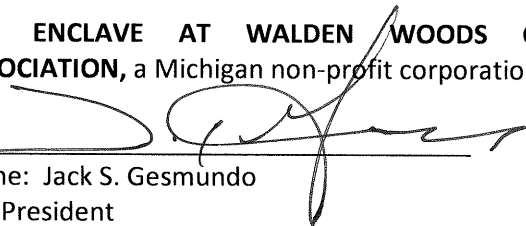
On this 9th day of September 2020, the foregoing Amendment was acknowledged before me by Jack S. Gesmundo the Authorized Agent of American Village Development II, L.L.C., a Michigan limited liability Company, on behalf of the company.

KRISTINA M HOUSER
NOTARY PUBLIC - STATE OF MICHIGAN
COUNTY OF KALAMAZOO
My Commission Expires May 5, 2022
Acting in the County of Kalamazoo


(print name) Kristina M Houser
Notary Public, Kalamazoo County, MI
My commission expires: 05/05/22
Acting in Kalamazoo County

“ASSOCIATION”

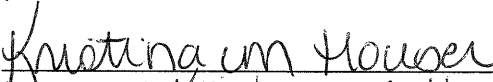
THE ENCLAVE AT WALDEN WOODS CONDOMINIUM ASSOCIATION, a Michigan non-profit corporation

By: 
Name: Jack S. Gesmundo
Its: President

STATE OF MICHIGAN)
)SS
COUNTY OF KALAMAZOO)

On this 9th day of September, 2020, the foregoing Amendment was acknowledged before me by Jack S. Gesmundo the President of The Enclave at Walden Woods Condominium Association, a Michigan non-profit corporation, on behalf of the company.

KRISTINA M HOUSER
NOTARY PUBLIC - STATE OF MICHIGAN
COUNTY OF KALAMAZOO
My Commission Expires May 5, 2022
Acting in the County of Kalamazoo


(print name) Kristina M Houser
Notary Public, Kalamazoo County, MI
My commission expires: 05/05/22
Acting in Kalamazoo County

"CITY"

THE CITY OF KALAMAZOO, a Michigan municipal corporation

By: _____

Name: _____

Its: _____

STATE OF MICHIGAN)

)SS

COUNTY OF KALAMAZOO)

On this _____ day of _____, 2020, the foregoing Amendment was acknowledged before me by _____ the _____ of the City of Kalamazoo, a Michigan municipal corporation, on behalf of the company.

(print name) _____

Notary Public, _____ County, _____

My commission expires: _____

Acting in _____ County

The Enclave first amendment to public utility easement agreement

Drafted by and
when recorded return to:
Jack Gesmundo
4200 West Centre Ave
Portage, MI 49024

LEGAL DESCRIPTION - EXHIBIT A

PART OF THE NORTH 1/2 OF SECTION 19, TOWN 2 SOUTH, RANGE 11 WEST, CITY OF KALAMAZOO, COUNTY OF KALAMAZOO, STATE OF MICHIGAN AND MORE PARTICULARLY DESCRIBED AS:

A STRIP OF LAND FOR EASEMENT PURPOSES 15 FEET WIDE, LYING 7.50 FEET ON EACH SIDE OF THE FOLLOWING DESCRIBED CENTERLINE; COMMENCING AT THE NORTH 1/4 CORNER OF SECTION 19, TOWN 2 SOUTH, RANGE 11 WEST, CITY OF KALAMAZOO, COUNTY OF KALAMAZOO, STATE OF MICHIGAN; THENCE ALONG THE NORTH-SOUTH 1/4 LINE OF SAID SECTION 19 S01°02'19"W 660.12 FEET; THENCE N87°52'42"W 95.75 FEET TO THE POINT OF BEGINNING AND POINT A; THENCE N18°49'18"E 7.86 FEET; THENCE N41°19'18"E 175.50 FEET; THENCE N18°49'18"E 12.87 FEET; THENCE NORTHERLY 45.48 FEET ALONG A CURVE TO THE LEFT, SAID CURVE HAVING A RADIUS OF 230.00 FEET, THE CHORD OF WHICH BEARS N13°09'23"E 45.41 FEET; THENCE N07°29'29"E 6.63 FEET TO POINT B; THENCE N82°30'31"W 127.67 FEET; THENCE WESTERLY 55.98 FEET ALONG A CURVE TO THE RIGHT, SAID CURVE HAVING A RADIUS OF 421.00 FEET, THE CHORD OF WHICH BEARS N78°41'58"W 55.94 FEET; THENCE WESTERLY 99.95 FEET ALONG A CURVE TO THE LEFT, SAID CURVE HAVING A RADIUS OF 379.00 FEET, THE CHORD OF WHICH BEARS N82°26'42"W 99.66 FEET; THENCE N90°00'00"W 37.73 FEET; THENCE S45°00'00"W 65.88 FEET; THENCE N90°00'00"W 15.54 FEET; THENCE N45°00'00"W 19.77 FEET TO POINT C; THENCE CONTINUING N45°00'00"W 68.97 FEET; THENCE N01°09'14"W 52.62 FEET; THENCE N53°56'55"W 195.95 FEET; THENCE N03°05'33"W 82.95 FEET TO POINT D; THENCE N05°00'00"W 26.41 FEET; THENCE N85°00'00"E 117.88 FEET; THENCE EASTERLY 56.72 FEET ALONG A CURVE TO THE LEFT, SAID CURVE HAVING A RADIUS OF 621.00 FEET, THE CHORD OF WHICH BEARS N82°23'01"E 56.70 FEET; THENCE EASTERLY 322.73 FEET ALONG A CURVE TO THE RIGHT, SAID CURVE HAVING A RADIUS OF 679.00 FEET, THE CHORD OF WHICH BEARS S86°36'59"E 319.70 FEET; THENCE SOUTHEASTERLY 187.45 FEET ALONG A CURVE TO THE RIGHT, SAID CURVE HAVING A RADIUS OF 229.00 FEET, THE CHORD OF WHICH BEARS S49°32'58"E 182.26 FEET; THENCE S26°05'58"E 20.01 FEET TO POINT E; THENCE CONTINUING S26°05'58"E 101.44 FEET TO POINT F; THENCE N63°54'02"E 155.04 FEET; THENCE NORTHEASTERLY 87.90 FEET ALONG A CURVE TO THE RIGHT, SAID CURVE HAVING A RADIUS OF 824.00 FEET, THE CHORD OF WHICH BEARS N66°57'24"E 87.86 FEET TO POINT G; THENCE CONTINUING EASTERLY 220.02 FEET ALONG A CURVE TO THE RIGHT, SAID CURVE HAVING A RADIUS OF 824.00 FEET, THE CHORD OF WHICH BEARS N77°39'43"E 219.37 FEET TO POINT H; THENCE CONTINUING EASTERLY 285.46 FEET ALONG A CURVE TO THE RIGHT, SAID CURVE HAVING A RADIUS OF 824.00 FEET, THE CHORD OF WHICH BEARS S84°45'50"E 284.03 FEET; THENCE EASTERLY 238.76 FEET ALONG A CURVE TO THE LEFT, SAID CURVE HAVING A RADIUS OF 826.00 FEET, THE CHORD OF WHICH BEARS S83°07'13"E 237.93 FEET TO POINT I; THENCE CONTINUING EASTERLY 333.26 FEET ALONG A CURVE TO THE LEFT, SAID CURVE HAVING A RADIUS OF 826.00 FEET, THE CHORD OF WHICH BEARS N77°02'26"E 331.00 FEET; THENCE EASTERLY 125.09 FEET ALONG A CURVE TO THE RIGHT, SAID CURVE HAVING A RADIUS OF 324.00 FEET, THE CHORD OF WHICH BEARS N76°32'33"E 124.31 FEET; THENCE N87°36'09"E 24.97 FEET; THENCE SOUTHERLY 84.13 FEET ALONG A NON-TANGENTIAL CURVE TO THE LEFT, SAID CURVE HAVING A RADIUS OF 230.00 FEET, THE CHORD OF WHICH BEARS S12°52'34"E 83.66 FEET; THENCE SOUTHWESTERLY 292.80 FEET ALONG A NON-TANGENTIAL CURVE TO THE RIGHT, SAID CURVE HAVING A RADIUS OF 1221.00 FEET, THE CHORD OF WHICH BEARS S73°30'57"W 292.10 FEET; THENCE SOUTHWESTERLY 192.50 FEET ALONG A CURVE TO THE LEFT, SAID CURVE HAVING A RADIUS OF 729.00 FEET, THE CHORD OF WHICH BEARS S72°49'15"W 191.95 FEET TO POINT J; THENCE CONTINUING SOUTHWESTERLY 72.86 FEET ALONG A CURVE TO THE LEFT, SAID CURVE HAVING A RADIUS OF 729.00 FEET, THE CHORD OF WHICH BEARS S62°23'33"W 72.83 FEET; THENCE SOUTHWESTERLY 316.56 FEET ALONG A CURVE TO THE RIGHT, SAID CURVE HAVING A RADIUS OF 921.00 FEET, THE CHORD OF WHICH BEARS S69°22'34"W 315.01 FEET; THENCE SOUTHWESTERLY 70.82 FEET ALONG A CURVE TO THE LEFT, SAID CURVE HAVING A RADIUS OF 679.00 FEET, THE CHORD OF WHICH BEARS S76°14'06"W 70.78 FEET TO POINT K; THENCE CONTINUING SOUTHWESTERLY 311.14 FEET ALONG A CURVE TO THE LEFT, SAID CURVE HAVING A RADIUS OF 679.00 FEET, THE CHORD OF WHICH BEARS S60°07'11"W 308.43 FEET TO POINT L; THENCE NORTHWESTERLY 146.36 FEET ALONG A NON-TANGENTIAL CURVE TO THE LEFT, SAID CURVE HAVING A RADIUS OF 1479.00 FEET, THE CHORD OF WHICH BEARS N45°45'52"W 146.30 FEET; THENCE N48°35'58"W 144.41 FEET; THENCE N26°05'58"W 33.44 FEET TO POINT M; THENCE CONTINUING N26°05'58"W 32.06 FEET TO POINT N; THENCE S63°54'02"W 71.71 FEET; THENCE N82°30'31"W 51.39 FEET TO POINT B AND THE POINT OF ENDING; THENCE RECOMMENCING AT POINT A, S18°49'18"W 44.77 FEET TO THE NORTH RIGHT OF WAY LINE OF ARBORETUM PARKWAY AND THE POINT OF ENDING; THENCE RECOMMENCING AT POINT C, S45°00'00"W 28.97 FEET TO THE POINT OF ENDING; THENCE RECOMMENCING AT POINT D, S85°00'00"W 54.98 FEET TO THE POINT OF ENDING; THENCE RECOMMENCING AT POINT E, S63°54'02"W 74.21 FEET TO THE POINT OF ENDING; THENCE RECOMMENCING AT POINT G, S19°59'15"E 65.00 FEET TO THE POINT OF ENDING; THENCE RECOMMENCING AT POINT H, S02°34'07"E 65.08 FEET TO THE POINT OF ENDING; THENCE RECOMMENCING AT POINT J, N24°44'39"W 52.29 FEET; THENCE N01°24'03"W 69.46 FEET TO POINT I AND THE POINT OF ENDING; THENCE RECOMMENCING AT POINT J, S24°44'39"E 85.81 FEET; THENCE SOUTHEASTERLY 60.48 FEET ALONG A CURVE TO THE RIGHT, SAID CURVE HAVING A RADIUS OF 500.00 FEET, THE CHORD OF WHICH BEARS S21°16'43"E 60.45 FEET; THENCE S17°48'48"E 165.10 FEET; THENCE S27°11'12"W 95.38 FEET TO EXISTING 8" WATERMAIN AND THE POINT OF ENDING; THENCE RECOMMENCING AT POINT K, S16°45'10"E 69.15 FEET TO THE POINT OF ENDING; THENCE RECOMMENCING AT POINT L, S42°52'05"E 87.14 FEET; THENCE S30°22'05"E 88.46 FEET; THENCE S30°22'05"E 28.82 FEET; THENCE S14°37'55"W 21.02 FEET; THENCE S57°29'48"W 7.82 FEET; THENCE N77°30'12"W 27.45 FEET TO THE POINT OF ENDING; THENCE RECOMMENCING AT POINT M, S63°54'02"W 37.63 FEET TO THE POINT OF ENDING; THENCE RECOMMENCING AT POINT N, N26°05'58"W 89.86 FEET TO POINT F AND THE POINT OF ENDING. THE SIDELINES OF SAID STRIP ARE TO BE PROLONGED OR SHORTENED SO AS TO ELIMINATE GAPS OR OVERLAPS. EASEMENT CONTAINS 2.20 +/- ACRES (96,060 +/- SQUARE FEET).



hurley & stewart, llc
2800 south 11th street
kalamazoo, michigan 49009
269.552.4980 fax 269.552.4981
www.hurleystewart.com

Job No.: 15-060
Date: 07/22/20
Scale: AS NOTED
P.M.:
Dft: QA/QC: 07/22/20

TAX
BDE

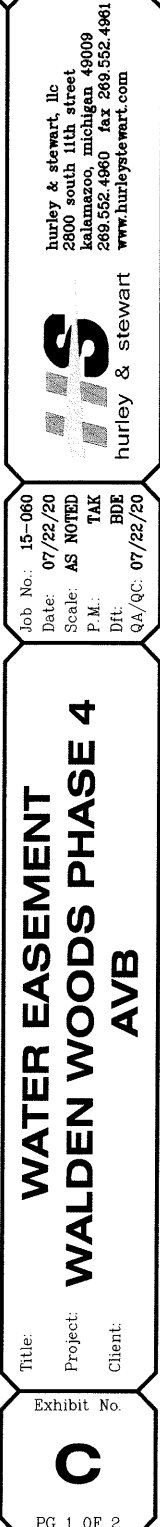
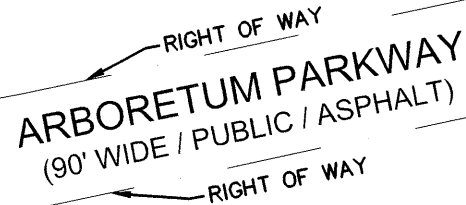
WATER EASEMENT
WALDEN WOODS PHASE 4
AVB

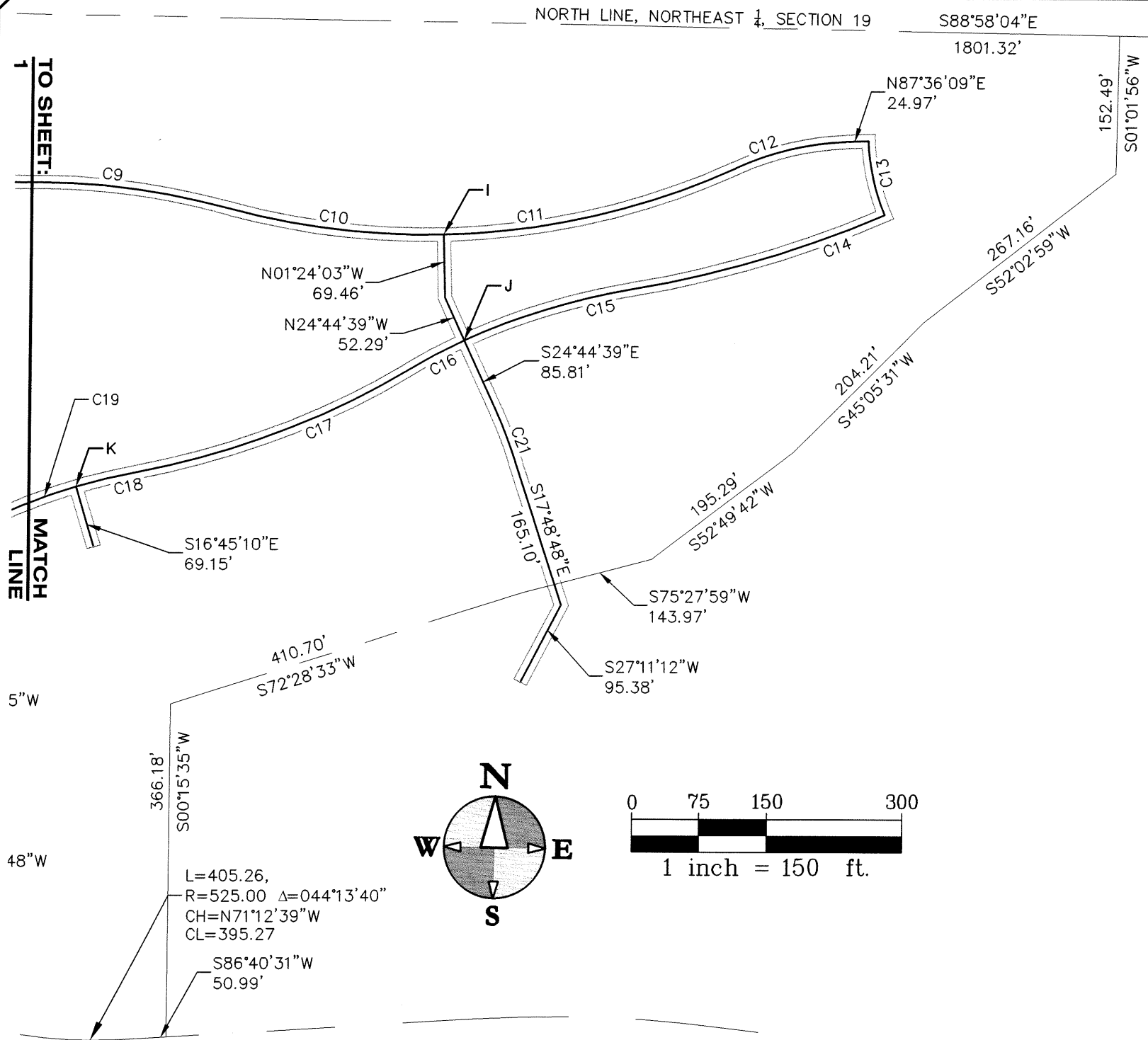
Title:
Project:
Client:

Exhibit No.

A

PG 1 OF 1





NORTHEAST CORNER OF
SECTION 19,
TOWN 2 SOUTH,
RANGE 11 WEST

Curve Table				
Curve #	Length	Radius	Chord Dir.	Chord Length
C1	45.48	230.00	N13°09'23"E	45.41
C2	55.98	421.00	N78°41'58"W	55.94
C3	99.95	379.00	N82°26'42"W	99.66
C4	56.72	621.00	N82°23'01"E	56.70
C5	322.73	679.00	S86°36'59"E	319.70
C6	187.45	229.00	S49°32'58"E	182.26
C7	87.90	824.00	N66°57'24"E	87.86
C8	220.02	824.00	N77°39'43"E	219.37
C9	285.46	824.00	S84°45'50"E	284.03
C10	238.76	826.00	S83°07'13"E	237.93
C11	333.26	826.00	N77°02'26"E	331.00
C12	125.09	324.00	N76°32'33"E	124.31
C13	84.13	230.00	S12°52'34"E	83.66
C14	292.80	1221.00	S73°30'57"W	292.10
C15	192.50	729.00	S72°49'15"W	191.95
C16	72.86	729.00	S62°23'33"W	72.83
C17	316.56	921.00	S69°22'34"W	315.01
C18	70.82	679.00	S76°14'06"W	70.78
C19	311.14	679.00	S60°07'11"W	308.43
C20	146.36	1479.00	N45°45'52"W	146.30
C21	60.48	500.00	S21°16'43"E	60.45

hurley & stewart, llc
2800 south 11th street
kalamazoo, michigan 49009
269.552.4960 fax 269.552.4961
www.hurleystewart.com



Muney & Stewart

Job No.: 15-080
Date: 07/22/20
Scale: AS NOTED
P.M.: TAK
Dft: BDE
QA/QC: 07/22/20

**WATER EASEMENT
WALDEN WOODS PHASE 4
AVB**

Title: _____
 Project: _____
 Client: _____

Exhibit No.





City Commission Agenda Report

City of Kalamazoo

Date: **10/5/2020**

Item: **H.1.**

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

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

DATE: October 5, 2020

SUBJECT: Resolution to Schedule a Public Hearing for Zoetis, LLC Industrial Facilities Exemption Certificate (IFEC) Application.

RECOMMENDATION:

It is recommended that the City Commission adopt a resolution to set a public hearing on October 19, 2020, to consider a request from Zoetis LLC, for a PA 198 Industrial Facilities Tax Exemption Certificate (IFEC) for 12 years for real property valued at \$47,859,166.

BACKGROUND:

Zoetis, LLC has a long history in Kalamazoo though the Pfizer Corporation animal health division before becoming its own separate organization. Zoetis is the world's largest producer of medicine and vaccinations for pets and livestock. The company directly markets their products in approximately 45 different countries around the world.

Zoetis LLC plans to invest around \$94,366,000 million to the current operation in the City of Kalamazoo near Kalamazoo Battle Creek International Airport. The organization expansion will allow Zoetis to bring in three new products to the Kalamazoo manufacturing location. The production growth is estimated to create around 22 new full-time jobs with the planned expansion.

STRATEGIC VISION ALIGNMENT:

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



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

Discussion

Strategic Goal Impact:



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

Discussion

COMMUNITY ENGAGEMENT:

Appropriate Depth of Engagement

This recommendation did not require advisory board consultation. A public hearing would be scheduled for October 19, 2020, on the request to consider Zoetis LLC application for a PA 198 Industrial Facilities Tax Exemption Certificate.

Discussion:

Engagement/Communication Tools
City of Kalamazoo City Commission Public Hearing

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, the total revenue collected will be \$143, 577 while \$143,578 is abated. The Tax Abatement Impact Statement is attached to offer more detail on the fiscal impact of the Industrial Facilities Tax Exemption.

TO: Kalamazoo City Commission
FROM: Aaron Powers, Assessor
DATE: September 23, 2020
SUBJECT: Zoetis, LLC
SCHOOL: Comstock Public Schools

Development District(s): IDD #39 Established 12/15/1980
PRD #32 Established 8/18/1985

TAX ABATEMENT IMPACT STATEMENT

			OPERATING REVENUE - CITY			REVENUE - ALL OTHER			TOTAL REVENUE			TOTAL EFFECTIVE VALUE
OWNER	PROP TYPE	CERT TYPE	NEW IFT REVENUE	ABATED REVENUE	REVENUE IF NO IFT	NEW IFT REVENUE	ABATED REVENUE	REVENUE IF NO IFT	NEW IFT REVENUE	TOTAL ABATED REVENUE	TOTAL TAXABLE VALUE	
Zoetis, LLC	R	N	\$143,577	\$143,578	\$287,155	\$701,156	\$557,593	\$1,258,749	\$844,733	\$701,171	23,929,583	11,964,792

	TOTAL TAXABLE	IFT ROLL	% OF TOTAL		
BEGINNING 2020 ROLL	\$1,686,097,223	\$13,475,178	0.8%		
IFT'S IN PROCESS	\$63,929,583	\$63,929,583	100.0%	Anticipated gain to city budget from initial request	\$ 143,577
TOTAL	\$1,750,026,806	\$77,404,761	4.4%		
				estimated company savings over initial period	\$ 8,414,052
				estimated city revenue gained over initial period	\$ 1,722,924
				estimated city revenue losted over initial period	\$ 1,722,936

CITY OF KALAMAZOO, MICHIGAN

RESOLUTION NO. _____

**A RESOLUTION SETTING A TIME TO CONSIDER AN APPLICATION FOR
AN INDUSTRIAL FACILITIES TAX EXEMPTION CERTIFICATE**

Minutes of a regular meeting of the City Commission of the City held on October 5, 2020, at or after 7:00 p.m., local time, in compliance with Executive Order 2020-154 (COVID-19) issued by Governor Whitmer on July 17, 2020.

PRESENT, Commissioners:

ABSENT, Commissioners:

WHEREAS, 1974 PA 198 provides for an industrial facilities tax exemption certificate for construction of a new facility or acquisition of new machinery and equipment; and

WHEREAS, pursuant to 1974 PA 198, MCLA Sec. 207.551, et seq., the City Commission has established Kalamazoo Industrial Development District No. 39; and

WHEREAS, pursuant to 1974 PA 198, MCLA Sec. 207.551, et seq., the City Commission has established Kalamazoo Plant Rehabilitation District No. 32; and

WHEREAS, ZOETIS P&U LLC. has applied for an Industrial Facilities Exemption Certificate under the provisions of 1974 PA 198, Sec. 5(1); and

WHEREAS, 1974 PA 198, Sec. 5(2) provides that before acting upon an application for an Industrial Facilities Exemption Certificate, the City Commission shall afford the Applicant, the Assessor, and a representative of the affected taxing units an opportunity for a hearing;

NOW, THEREFORE, BE IT RESOLVED, as follows:

(1) That the application of ZOETIS P&U, LLC. for an Industrial Facilities Tax Exemption Certificate shall remain on file in the Office of the City Clerk.

(2) That the City Commission shall meet at City Hall on October 19, 2020 at or after 7:00 p.m., local time, and shall provide to the City Assessor and a representative of each of the taxing units an opportunity to be heard on the question of the application for the Industrial Facilities Tax Exemption Certificate with regard to proposed expenditures within Kalamazoo Industrial Development District No. 39 and Plant Rehabilitation District No. 32.

(3) That the City Clerk immediately inform, in writing, the City Assessor, and the legislative body of each taxing unit which levies ad valorem property taxes in the City of Kalamazoo on the property located within Kalamazoo Industrial Development District No. 1:

- (a) That the City of Kalamazoo has established Kalamazoo Industrial Development District No. 39 and Plant Rehabilitation District No. 32 and has now received and will consider an application for an Industrial Facilities Exemption Certificate for the installation of new machinery and equipment within said districts.
- (b) That the City Commission shall meet on October 19, 2020, in City Hall at 7:00 p.m. local time, to afford the City Assessor and a representative of each of the taxing units an opportunity to be heard regarding the application.
- (c) That as to the building improvements to house machinery and equipment in Kalamazoo Industrial Development District No. 39 and Plant Rehabilitation District No. 32, the Industrial Facilities Tax Exemption Certificate has been requested in the amount of estimated expenditures, which amount is \$47,859,166.00.

SCOTT A. BORLING, CITY CLERK

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 October 5, 2020. Public notice was given, and the meeting was conducted in compliance with Executive Order 2020-154 (COVID-19) 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 July 13, 2020, between the CITY OF KALAMAZOO, Kalamazoo County, Michigan (“City”); and Zoetis , LLC , located at 20605 E Kilgore Rd , 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 _Kilgore Road capital Investment (the “Project”) that was established as:

☐ X Industrial Development District Number 39 and/or ☐ X Plant Rehabilitation District Number 32 (the “District”) by the City of Kalamazoo on 12/15/80 and 8/19/85, which site is located at 20605 E Kilgore Rd, 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 ____ new full time equivalent jobs and relocate and retain not less than ____ 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 Created		Jobs Retained	
	New Full-time Jobs	Average Weekly Wage	Full-time Jobs	Average Weekly Wage
Jobs Category				

Managerial				
Professional				
Technical				
Sales				
Clerical				
Craftsman (skilled)				
Operators(semi-skilled)				
Laborers (untrained)				
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. By accepting the benefits of the tax abatement Applicant waives appeal of personal or real property tax assessments concerning property which is the subject of the Certificate. Appeal of such personal or real property taxes is considered a default of this Agreement, for which the City may seek its remedies under section 7.

e. 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 three (3) years for personal property (machinery and equipment) and six (6) 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 further agrees that during the term of the Certificate, the Applicant shall not discriminate against any person on the basis of race, creed, color, sex, religious orientation, age, or other criteria as prohibited by City, state or federal ordinances and legislation.
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 _____

Zoetis LLC

By 

Its Senior Vice President - Global Tax



MICHELLE L. MCGOWAN

NOTARY PUBLIC

STATE OF NEW JERSEY

ID # 2409814

MY COMMISSION EXPIRES JUNE 22, 2021

F:\John\ Tax Abatement Agreement - PA 198

Revised 8/01/07

Revision 9/2/09

Revision 3/15/12

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 one copy of this form and the required attachments (two complete sets) with the clerk of the local government unit. The State Tax Commission (STC) requires one complete set (one original). One copy is retained by the clerk. If you have any questions regarding the completion of this form, call 517-335-7460.

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) Zoetis LLC		1b. Standard Industrial Classification (SIC) Code - Sec. 2(10) (4 or 6 Digit Code) 2834	
1c. Facility Address (City, State, ZIP Code) (real and/or personal property location) 2605 E Kilgore Road		1d. City/Township/Village (indicate which) Kalamazoo	1e. County Kalamazoo
2. Type of Approval Requested ☒ New (Sec. 2(5)) ☐ Transfer ☐ Speculative Building (Sec. 3(8)) ☐ Rehabilitation (Sec. 3(6)) ☐ Research and Development (Sec. 2(10)) ☐ Increase/Amendment		3a. School District where facility is located Comstock	3b. School Code 39030
		4. Amount of years requested for exemption (1-12 Years) 12	

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.

The total project costs are \$95,000,000 of which \$47,859,166 are real estate costs. The project is solely owned and occupied by the applicant and therefore there are no leasehold improvements.

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.	► \$47,859,166 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	► N/A Personal Property Costs
6c. Total Project Costs * Round Costs to Nearest Dollar	► \$94,366,000 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 ► 11/01/2019 01/01/2021 ► ☐ 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. **322** 10. No. of new jobs at this facility expected to create within 2 years of completion. **50**

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 _____

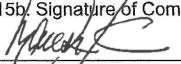
12a. Check the type of District the facility is located in:
☒ Industrial Development District ☒ Plant Rehabilitation District

12b. Date district was established by local government unit (contact local unit)
IDO #39 12/15/80 PRD #32 8/18/85 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 William DuBois	13b. Telephone Number (972) 770-1112	13c. Fax Number (972) 770-1102	13d. E-mail Address billdubois@mfpoer.com
14a. Name of Contact Person Latoya Edwards	14b. Telephone Number (973) 443-2958	14c. Fax Number (862) 703-3952	14d. E-mail Address latoya.edwards@zoetis.com
▶ 15a. Name of Company Officer (No Authorized Agents) Maushumi Nerurkar			
15b. Signature of Company Officer (No Authorized Agents) 		15c. Fax Number (970) 703-3952	15d. Date 12/16/2019
▶ 15e. Mailing Address (Street, City, State, ZIP Code) 10 Sylvan Way Parsippany, NJ 07054		15f. Telephone Number (973) 443-2714	15g. E-mail Address maushumi.nerurkar@zoetis.com

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. School Code			
17. Name of Local Government Body		▶ 18. Date of Resolution Approving/Denying this Application	

Attached hereto is an original 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, and that any leases show sufficient tax liability.

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 of the completed application and all required attachments to:

**Michigan Department of Treasury
State Tax Commission
PO Box 30471
Lansing, MI 48909**

(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

Michigan Economic Development Corporation
Project Investment and Staffing Information

Company Name Zoetis LLC

Project Name Project Z

Estimated Capital Investment in the Project

Note: Capital investment may begin in years prior to the start of operations.

(Thousands of Dollars)

	Year 1 2019	Year 2 2020	Year 3 2021	Year 4 2022	Year 5 yyyy	Total
Land Costs						0
Building - New Construction	8,368	34,557	4,091			47,016
Building - Purchase of Existing						0
Building Renovations	107	500				607
Building - Annual Lease Cost						0
Leasehold Improvements						0
Machinery & Equipment	16,257	20,979	6,896			44,132
Furniture & Fixtures	29	322				351
Computers		235				235
Pollution Control Equip		400				400
Special Tooling		1,625				1,625
Other Personal Property						0
Total Capital Investment	\$24,761	\$58,618	\$10,987	\$0	\$0	\$94,366

Cumulative Estimated Job Creation at the Project

(Job creation in excess of current statewide MI employment)

Employment Category	Current Full Time MI Employees	By the end of the First Year of Operation Year Ending: 12/31/2020		By the end of the Second Year of Operation Year Ending: 12/31/2021		By the end of the Third Year of Operation Year Ending: 12/31/2022		By the end of the Fourth Year of Operation Year Ending: mm/yy/dd		By the end of the Fifth Year of Operation Year Ending: mm/yy/dd	
		New Full Time Jobs Created	Avg Weekly Wage	New Full Time Jobs Created	Avg Weekly Wage	New Full Time Jobs Created	Avg Weekly Wage	New Full Time Jobs Created	Avg Weekly Wage	New Full Time Jobs Created	Avg Weekly Wage
Managerial		1	\$ 1,596								
Professional		2	\$ 1,596	4	\$ 1,596						
Technical		7	\$ 1,136	5	\$ 1,076						
Sales											
Clerical											
Craftsman (skilled)		2	\$ 1,208								
Operators (semi-skilled)		10	\$ 960	10	\$ 973	9	\$ 973				
Laborers (unskilled)											
Service											
Total		22	\$ 1,125	19	\$ 1,131	9	\$ 973		\$ -		\$ -

Cumulative Job Creation - at the project, in excess of current employment and full time employees only

Note:

Headcounts should include full time employees of the company only. Part time, temporary, or seasonal workers should not be reported.

Wage should be base wage only, without benefits, overtime, or bonus pay.

Benefits - Please provide a brief description of the benefits offered to employees in the area below.

Competitive salary, generous vacation and holiday pay, comprehensive medical, dental, and vision insurance options, 401k match and profit sharing, disability and life insurance coverage, tuition reimbursement, employee assistance program, and a variety of voluntary benefits such as legal services, pet insurance, and identity theft protection.

Additional Project Information

Project Description - Please include project address, product/service and a brief description of the project including timing.

Zoetis GMS Kalamazoo is starting the second phase of the Oral Solid Dose (OSD) manufacturing and packaging project at the 2605 E. Kilgore Road, Kalamazoo, MI facility. This phase of the project brings in 3 new products to Kalamazoo manufacturing. The design considerations for this project began in 2018, with final design completed in 2019. The project timeline: design and construction January 2019 - October 2020, Equipment installation July 2020 - January 2021, Process Validation & Commissioning April 2021 - October 2021. All operations will be fully functional in the 1st quarter of 2022.

Project Alternatives - Are other sites or project configurations under consideration?

One alternative considered for this project was to leave further OSD manufacturing with external suppliers.

Company Employment History - How has the full time employment level of the company and company affiliates in Michigan changed over the last year? Explain any major changes.

Zoetis Global Manufacturing and Supply operations within Michigan have added approximately 60 new full time jobs in 2018 & 2019.

Project Financing - Explain the sources and amounts of project financing, and whether it has been secured or is under development.

This project is funded through capital investments made by Zoetis LLC.

INDUSTRIAL FACILITIES EXEMPTION APPLICATION AFFIDAVIT OF PROJECT BEGIN DATES

I do swear and affirm by my signature below that the real property project beginning of construction date and/or personal property project installation begin date, associated with the application for Industrial Facilities Tax Exemption Certificate under P.A. 198 of 1974, as amended, in the amount of \$47,859,166, filed with the City of Kalamazoo, for a facility located at 20605 E Kilgore Rd. are as follows:

Real Property Project Begin Date:

11/1/2019

Applicant Name:

Zoetis, LLC

Signature:



Printed Name:

Maushumi Nerurkar

Title:

Senior Vice President- Global Tax

Date:

8/31/2020

Subscribed and sworn to before me this 31st day of August, 2020

Michelle L. McGowan
Signature of Notary

Printed Name:

MICHELLE L. MCGOWAN

NOTARY PUBLIC

STATE OF NEW JERSEY

ID # 2409814

County:

Commission expires: **MY COMMISSION EXPIRES JUNE 22, 2021**





City Commission Agenda Report

City of Kalamazoo

Date: **10/5/2020**

Item: **H.2.**

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

FROM: James K. Ritsema, ICMA-CM, City Manager
Prepared by: Laura Lam, Deputy City Manager

DATE: October 5, 2020

SUBJECT: Continuum of Care Memorandum of Understanding between City of Kalamazoo and United Way (Bid Ref# 00000-020.112)

RECOMMENDATION:

It is recommended that the City Commission approve the memorandum of understanding with the United Way of Greater Kalamazoo & Battle Creek Region to support Continuum of Care operations and two pilot programs in the amount of \$450,000 and authorize the City Manager to sign all related documents.

BACKGROUND:

The City and United Way of Greater Kalamazoo & Battle Creek Region (UWBCKR) have a shared aspiration of a vibrant community where all people realize their full potential. The collaboration between the City and UWBCKR will support the operation of a strong Continuum of Care (CoC) to promote a community-wide commitment to the goal of ending homelessness; provide funding for efforts by nonprofit providers and State and local governments to quickly re-house homeless individuals and families to minimize trauma and dislocation; promote access to, and effective utilization of, mainstream programs; and optimize self-sufficiency among individuals and families experiencing homelessness. Specifically, the MOU includes \$450,000 for the following:

Kalamazoo Continuum of Care Backbone Support (\$100,000): To support the development of a robust CoC, a dynamic planning and collaborative body that will eventually work across the spectrum that spans from homelessness to affordable housing; to ensure the CoC operates within U.S. Housing and Urban Development (HUD) and Michigan State Housing Development Authority (MSHDA) guidelines and is able to successfully maximize funding from these sources to support CoC goals in Kalamazoo. Funds will support CoC staffing, including a Director, Associate, and Data Systems Administrator.

Landlord/Tenant Partnership Pilot (\$240,000): The pilot program will cover security deposit costs for approximately 300 people with barriers to accessing housing (i.e. poor credit histories, criminal records, prior evictions, or low incomes); some will also receive an additional \$1,000 in insurance coverage that landlords could draw against in case of unpaid rent, property damage, etc. See Attachment A for additional information.

Low-barrier Shelter Conversion Support (\$110,000): The low barrier shelter pilot will align the eligibility criteria, policies and practices with a Housing First approach so that any adult experiencing homelessness can access shelter without prerequisites, have access to voluntary services, and

gain access to permanent housing. This pilot will leverage MSHDA Emergency Solutions Grant Coronavirus (ESG-CV) dollars which have made the master leasing of up to two houses possible to provide shelter for eight to ten individuals at a time. See Attachment B for additional information.

The Local Initiatives Support Corporation (LISC) led Kalamazoo County's Continuum of Care (CoC) for twenty years, serving as the local planning body that coordinates HUD housing and services funding for homeless families and individuals. In January 2020, the LISC Advisory Board approved the transition of the Kalamazoo CoC to UWBCKR. LISC, City staff and other key stakeholders believe that UWBCKR's connections across nonprofits, programs and services, ability to engage partners across various sectors, and plans to enhance the CoC's capacity through increased investment will amplify our CoC's effectiveness.

The CoC formally transitioned from LISC to UWBCKR in April 2020 with the addition of a Director, CoC Associate, and Data Systems Administrator. Over the past year, the CoC team has been instrumental in strengthening partnerships and improving our housing systems to assist Kalamazoo's most vulnerable population, particularly during the Covid pandemic. In addition to guiding our pandemic response for unhoused or precariously housed individuals, the CoC team and various partners have worked to develop the two pilot programs, included in the MOU, designed to remove barriers to housing.

STRATEGIC VISION ALIGNMENT:

Relevant Priority Based Budgeting Program (program name and description):
Shared Prosperity Kalamazoo Activities



Shared Prosperity - Abundant opportunities for all people to prosper

COMMUNITY ENGAGEMENT:

Discussion: City staff and various community partners have conducted extensive community engagement to assess housing needs and challenges. The pilot programs included in the MOU are intended to address some of the challenges shared by community members.

FISCAL IMPACT:

The budget for this \$450,000 program is included in the Foundation for Excellence Aspirational Projects Fund (251) Adopted 2020 Budget under the Affordable Housing allocation.

**CONTINUUM OF CARE MEMORANDUM OF UNDERSTANDING BETWEEN
UNITED WAY OF THE BATTLE CREEK AND KALAMAZOO REGION AND THE CITY OF KALAMAZOO**

This Continuum of Care Memorandum of Understanding (this “MOU” or “Agreement”), effective as of October 1, 2020, is between the United Way of the Battle Creek and Kalamazoo Region (“UWBCKR”) 709 S. Westnedge Avenue, Kalamazoo, MI 49007, and the City of Kalamazoo, with its offices at 241 W. South Street, Kalamazoo, MI 49007 (the “City”).

BACKGROUND

The City and UWBCKR have a shared aspiration of a vibrant community where all people realize their full potential. The collaboration between the City and UWBCKR will support the operation of a strong Continuum of Care (CoC) to promote community-wide commitment to the goal of ending homelessness; provide funding for efforts by nonprofit providers and State and local governments to quickly re-house homeless individuals and families to minimize trauma and dislocation; promote access to and effective utilization of mainstream programs; and optimize self-sufficiency among individuals and families experiencing homelessness.

1. Parties to this MOU; Additional Parties during the Term of this MOU.

1.1 UWBCKR

UWBCKR is a 501c3 organization that serves Kalamazoo County and Greater Battle Creek (part of Calhoun County). UWBCKR fights for the health, education, financial stability and basic needs of every person in our region. UWBCKR builds partnerships, recruits volunteers, invests in programs and advocate for people in need.

1.2 The City

The Office of the City Manager of the City of Kalamazoo will be the primary contact for the strategic partnership described in this MOU. It is understood, however, that other departments of the City and the senior leadership of the City will be involved as needed for the Continuum of Care Partnership to succeed.

1.3 Source of Funding

The City Commission approved Foundation for Excellence (FFE) funding to support affordable housing activity in 2020. The \$450,000 detailed in Section 3 of this MOU will come from this line item. FFE funding is designated for City of Kalamazoo residents, so these funds shall not be used to assist people living outside the City limits.

2. Term of this Agreement

2.1 Three Year Term

The parties agree that this MOU shall have up to a three-year term, beginning on October 1, 2020 and ending once all funds are expended or on September 30, 2023 (the “MOU Expiration Date”), whichever occurs first. No funds will be dispersed by the City for activities that occurred prior to the City Commission approval of the MOU.

2.2 Annual Review

As the nature of the activities laid out in this MOU is dynamic and the exact way these funds will be deployed may change, an annual review meeting between the parties will take place within 30 days after the submission of the annual narrative and financial report, the first of which is due by November 1, 2021 and by November 1 of each following year that this Agreement is active.

2.3 Early Termination

If either party is substantially failing to meet its obligations under this Agreement, the fully performing party shall have the right to call a meeting of UWBCR and the City on thirty days’ notice (with such notice to be in writing, specifying in detail the concerns of the fully performing party) to discuss the feasibility of continuing the strategic partnership arrangement. In the event that the parties are not able to resolve the concerns expressed, either party may terminate this MOU on 30 days’ written notice, however both parties shall be required to honor their respective financial commitments of this MOU, if any, for a period of six (6) months following the effective date of the termination.

3. Overall Goals of the Strategic Partnership & Resource Commitment of the Parties

Activity	Goal	Resource Commitment
Kalamazoo Continuum of Care Backbone Support	To support the development of a robust CoC, a dynamic planning and collaborative body that will eventually work across the spectrum that spans from homelessness to affordable housing; to ensure the CoC operates within U.S. Housing and Urban Development and Michigan State Housing Development Authority (MSHDA) guidelines and is able to successfully maximize funding from these sources to support CoC goals in Kalamazoo.). Funds will support CoC staffing, including a Director, Associate, and Data Systems Administrator.	City: \$100,000* UWBCR: \$10,000 cash commitment, \$4,750 in kind
Landlord/Tenant Partnership Pilot	The pilot program will cover security deposit costs for approximately 300 people with barriers to accessing housing (i.e. poor credit histories, criminal records, prior evictions, or low incomes); some will also receive an additional \$1,000 in insurance coverage that landlords could draw against in case of unpaid rent, property damage, etc. See Attachment A.	\$240,000

Low-barrier Shelter Conversion Support	The low barrier shelter pilot will align the eligibility criteria, policies and practices with a Housing First approach so that any adult experiencing homelessness can access shelter without prerequisites, have access to voluntary services, and gain access to permanent housing. This pilot will leverage MSHDA Emergency Solutions Grant Coronavirus (ESG-CV) dollars which have made the master leasing of up to two houses possible to provide shelter for eight to ten individuals at a time. See Attachment B.	\$110,000
* City investment could be deployed across the three years of this term as demand dictates.		

4. Reporting

UWBCKR shall provide the City with an annual financial and narrative report on the activities and expenditures of City funds towards the above goals. These reports will be submitted beginning November 1, 2021 and by November 1 each following year that this Agreement is active.

At least every three months, and more frequently if requested, representatives of UWBCKR and the City shall meet to discuss the Continuum of Care partnership, challenges being encountered and/or changes to be considered.

5. Fundraising/Marketing

5.1 Fundraising

UWBCKR has the authority to discuss City support of the Continuum of Care with potential funding organizations/individuals without the City in attendance; however, UWBCKR shall disclose all CoC fundraising efforts with City in advance, with updates to be provided during quarterly meetings and as part of annual report.

5.2 General Marketing

UWBCKR will lead the general marketing activities of the Continuum of Care. UWBCKR will seek City approval in advance if the City is to be referenced in marketing materials.

6. General Provisions

6.1 Notices

Any notices under this Agreement shall be in writing, and shall be deemed to be delivered when delivered by hand, by overnight courier, by certified mail, postage prepaid, return receipt requested (or when delivery is refused), or by e-mail with confirmation of receipt, as follows:

If to the City:

Laura Lam, Deputy City Manager
241 W. South Street
Kalamazoo, MI 49007
Email: laml@kalamazoocity.org
Phone: 269-337-8534

If to UWBCKR:

Chris Sargent, President & CEO
709 S. Westnedge Avenue
Kalamazoo, MI 49007
Email: csargent@uwbckr.org
Phone: 269-962-9538

With a copy to:

Alyssa Stewart, VP of Impact & Engagement
709 S. Westnedge Avenue
Kalamazoo, MI 49007
Email: astewart@uwbckr.org
Phone: 269-250-9801

6.2 Amendments

Any amendments to this Agreement shall be in writing, signed by all parties hereto.

6.3 Disclaimer of Agency or Partnership.

The Parties are independent contractors and nothing in this Agreement or the performance of the Parties under this MOU shall constitute (or be deemed to constitute in law or in equity) a partnership, agency, fiduciary, distributorship, employment, or joint venture relationship between the Parties. Neither Party is, or will be deemed to be, the legal representative or agent of the other, nor shall either Party have the right or authority to assume, create, or incur any Third-Party liability or obligation of any kind, express or implied, against or in the name of or on behalf of the other except as expressly set forth in this MOU. In addition, neither Party shall be deemed to be a member of a partnership with the other Party for tax or any other purpose.

6.4 Disclaimer of Third-Party Beneficiary Rights.

Nothing in this MOU shall be construed to create any duty to, or standard of care with reference to, or any liability to, any person not a party to this Agreement. No provision of this MOU is intended to, nor shall it in any way, inure to the benefit of any customer or any other person not a party so as to constitute any such person as a third-party beneficiary under this Agreement.

[Authorized signatures by representatives of the Parties follow on the next page]

As evidence of their mutual understanding of an agreement with the terms set forth above, duly authorized representatives of UWBCKR and the City have signed this MOU on the dates listed below, understanding that it will be effective as of October 1, 2020.

UNITED WAY OF THE BATTLE CREEK AND KALAMAZOO REGION

By: _____

Date: _____

Name: Chris Sargent

Title: President & CEO

THE CITY OF KALAMAZOO

By: _____

Date: _____

Name: James K. Ritsema, ICMA-CM

Title: City Manager

Landlord & Tenant Support Pilot Project Background

Last year, Vice Mayor Griffin provided City staff with recommendations for a Landlord Resident Connection Pilot based on existing programs operating in other parts of the country. City staff shared this information with the United Way of the Battle Creek and Kalamazoo Region (UWBCKR) /Continuum of Care (CoC) and Upjohn Institute staff and asked for their assistance in developing a housing assistance pilot program. Upjohn Institute researchers consulted with the City and several housing partners to develop this proposal for a security deposit assistance / added insurance program that will help people overcome the twin barriers of difficult screening requirements and high moving costs.

This document is intended to provide a current overview of the pilot program; details are subject to change in the coming months as the program design is finalized. UWBCKR will enter into a contract with a third-party company that will administer the security deposit insurance, and the CoC staff team will work with the Upjohn Institute team and other community stakeholders to finalize eligibility criteria, specific deliverables, program procedures, and data collection parameters. If City funds are approved for the pilot, the City of Kalamazoo will be included in these future discussions and contract.

Barriers Targeted by the Program: Security Deposits and Restrictive Tenant Screening

- Most rental units require approximately one month's rent as a security deposit along with the first month rent prior to occupying a unit. Saving enough money to cover these costs—as well as other costs like a moving truck or application fees—is challenging for many households, especially those that fall within the 80-120% Area Median Income (AMI) range that this program seeks to support. Individuals and families in this income bracket have very few state, federal, or local resources currently available to them.
- Another common barrier to securing a rental unit is tenant screening. Landlords frequently perceive people with poor credit histories, criminal records, prior evictions, or low/fluctuating incomes as risky. Because landlords are concerned with losing money from unpaid rent or damaged apartments, they may avoid renting to this group based on risk perception. This makes it difficult for people in this group to secure stable housing.

The Intervention: Providing Security Deposit Assistance and Added Insurance Coverage

- To test the level of benefit needed to help landlords overcome their concerns about risk, the program will randomly assign participants to either Group 1 (who via the Third Party Company will receive security deposit assistance) or Group 2 (who via the Third Party Company will receive security deposit assistance + an additional \$1,000 in insurance coverage that their landlord could draw against in case of unpaid rent, property damage, etc.) Covering the security deposit will immediately help people who have found an apartment to lease but do not have the money to cover the deposit. Providing the landlord insurance through a third-party company, which would cover missed rent payments as well as property damages, could help tenants lease with landlords who may not otherwise accept someone with their risk profile.
- This intervention will be relatively low cost. Landlords will not be able to keep the entire deposit or insurance coverage. After the lease ends, they will only be able to keep the amount required, if any, to cover property damages and unpaid rent. This allows the City, in ballpark terms, to give

tenants a benefit valued up to \$1,000 while costing only \$250 (estimate based on estimated amount that is two-times an average security deposit).

- Administering this program will be simplified by working with a third-party company, such as HelloRented, a company that provides a security deposit/landlord insurance product on the private market. With the HelloRented model, a contract can be developed that provides the company a flat fee for each participant, and HelloRented could then provide the same product and services that it does for its private clients, including a streamlined system for managing claims against the deposits that will be appealing to landlords. This will also allow the CoC to cap exposure to risk from the program.

Implementation

- The United Way of the Battle Creek and Kalamazoo Region has agreed to host a program coordinator for the pilot, as part of their Kalamazoo Continuum of Care staff team. The program coordinator will screen and provide intakes for people who meet the eligibility criteria. Planned referral sources include our community's Coordinated Entry process and weekly case matching meetings, 2-1-1, and marketing through 25+ Continuum of Care partners.
- Once a household has been screened into, the program coordinator will support the participants with enrolling in the program, educate them on their program benefits (depending on whether they are Group 1 or 2,) provide them with the materials they need to explain the program to them, and provide materials they can use to advertise the benefit to landlords. The employee will also be available to answer questions from landlords.
- Program participants will search for housing knowing that their deposit is funded. Once a tenant secures an apartment, the landlord will use the third-party company's website to gain access to the deposit and insurance coverage.
- The pilot will be overseen by the United Way's Continuum of Care Board.

Expected Benefits

- This program intends to directly help approximately 300 participants in several ways: free up money that would otherwise sit unused in their security deposit account; help participants find housing quicker, reduce their time doubling-up or in other unstable situations, and help participants access a broader array of housing by alleviating worries about tenant risk.
- Upjohn Institute researchers will evaluate the program to see if it achieves these expected benefits.

Planned Timeline

Intervention design:	March to December 2020
Hire program coordinator:	October to November 2020
Launch program:	January 2021 to January 2022

Tentative Budget*

Fees for security deposit assistance:	\$115,000 (\$380*300 people)
City's portion of deposit damages:	\$75,000 (maximum)
Program Coordinator staff costs:	\$50,000
Upjohn Institute Researcher time:	No cost
Total:	\$240,000

**funds are budgeted in 2020 FFE affordable housing budget*

Note: \$45,000 in additional funding for the pilot has been secured by the Upjohn Institute from the Abdul Latif Jameel Poverty Action Lab (J-PAL) at MIT. The current plan is that these resources be added to the pool of available dollars for deposit assistance for non-City residents.

Low Barrier Shelter Pilot

This document is intended to provide an overview of the pilot program. The United Way will enter into a contract with Integrated Services Kalamazoo (ISK) that will include a detailed scope of work, eligibility criteria, specific deliverables, and a project timeline. If City funds are approved for the pilot, the City of Kalamazoo will be included in this future contract.

The low barrier shelter pilot will align the eligibility criteria, policies and practices with a Housing First approach so that anyone experiencing homelessness can access shelter without prerequisites, have participation in services be voluntary and assist people to access permanent housing.

ISK will ensure immediate and easy access to the shelter by lowering barriers to entry and continued participation including sobriety, behavior and treatment participation requirements while maintaining 24/7 availability. The ISK low barrier shelter will focus on assisting people to access permanent housing options, substance abuse and/or mental health services, mainstream resources like food assistance and Medicaid and opportunities for income and earnings as quickly as possible. This pilot will leverage MSHDA Emergency Solutions Grant Coronavirus (ESG-CV) dollars which have made the master leasing of up to two houses possible.

ISK will measure data on percentage of exits to housing, average length of stay in shelter, returns to homelessness and connections to mainstream resources (cash/non-cash, medical/mental health) and income/earnings.

Preliminary Budget

• Master of Social Worker, 1.00 FTE	total pay \$45,430.53
• Direct Care Specialist, 1.00 FTE	total pay \$38,924.24
• Contingent Staff, 0.80 FTE	total pay \$24,648.23
• Employee Training	total expense \$997
	Total: \$110,000



City Commission Agenda Report

City of Kalamazoo

Date: **10/5/2020**

Item: **H.3.**

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

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

DATE: October 5, 2020

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

RECOMMENDATION:

It is recommended that the City Commission adopt an ordinance amending Chapter 2 - Article X Employee Retirement System, § 2-243 and § 2-245.

BACKGROUND:

In the proposed amendments, the City's administration recommends amendments to sections 2-243 and 2-245 to add language to clarify that a member's application and award of duty disability benefits is an election of benefits. Therefore, if a member is awarded a duty disability retirement it is a benefit in lieu of a worker's compensation paid or payable under the Michigan workers disability compensation act, 1969 PA 279; MCL 418.101 et seq, for identical periods of time. Additionally, pursuant to Michigan workers disability compensation act, a general member's worker's compensation benefit is offset by any pension retirement benefits. These two amendments prevent members from "double dipping" while still making them whole.

STRATEGIC VISION ALIGNMENT:



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.

Alternatives

The alternative would be to reject the proposed amendments, which would allow employees to receive a windfall when these benefits, both duty disability and worker's compensation, are pursued by the employee. These benefits are only meant to make employee's whole.

FISCAL IMPACT:

None.

CITY OF KALAMAZOO

Ordinance No. _____

AN ORDINANCE TO AMEND SECTIONS 2-243, AND 2-245 OF THE KALAMAZOO CODE OF ORDINANCES

THE CITY OF KALAMAZOO ORDAINS:

Section 1. Section 2-243 B of the Kalamazoo City Code shall be amended to read as follows:

B. If a member retires before his or her voluntary retirement age on account of his or her total and permanent disability, as provided in § [2-242](#), and the Board finds that his or her disability is the natural and proximate result of cause arising out of and in the course of his or her actual performance of duty in the employ of the City, he or she shall receive a disability retirement allowance computed according to § [2-236](#), if he or she is a Public Safety member or according to § [2-237](#), exclusive of Subsection B, if he or she is a general member. In computing his or her disability retirement allowance, the credited service to be used shall be the sum of his or her credited service in force at the time of his or her retirement and the number of years, and fraction of a year, in the period from the date of his or her retirement to the date he or she would attain his voluntary retirement age had he or she continued in City employment. ~~During his or her worker's compensation period, his or her disability retirement allowance shall not exceed the difference between his or her final compensation and his or her weekly worker's compensation award converted to an annual basis. For public safety members receipt of benefits from the retirement system is an election of like benefits in lieu of workers compensation wage loss benefits under the Michigan workers disability compensation act of 1969 as amended 1975 PA 279; MCL 418.101 et seq.~~ His or her disability retirement allowance shall be subject to § [2-246](#). Prior to the date of his or her retirement, he or she shall have the right to elect to receive his or her retirement allowance under an option provided in § [2-240](#) in lieu of a straight life retirement allowance.

Section 2. Section 2-245 of the Kalamazoo City Code shall be amended to read as follows:

§ 2-245 Pension_ offset by worker's ~~benefits~~ **worker's compensation for general members**; subrogation of rights against third party.

~~A general member beneficiary receiving pension or retirement benefits shall be presumed not to have a loss of earnings or earning capacity as the result of an injury or disease under the Michigan workers disability act. Net benefits paid to a general~~

member shall be reduced by 100% of the amount of workers compensation benefits paid or payable under the Michigan workers disability compensation act, 1969 PA 279; MCL 418.101 et seq, for identical periods of time except there will be no credit or reduction for specific loss benefits paid or received under the workers disability compensation .~~Inact. In~~ the event a person becomes entitled to a pension or other benefits, payable by the retirement system, as the result of an accident or injury caused by the act of a third party, the City shall be subrogated to the rights of such person against such third party to the extent of the benefits which the City pays or becomes liable to pay.

Section 3. REPEALER

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

Section 4. SEVERABILITY

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

Section 5. EFFECTIVE DATE

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

CERTIFICATE

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

David Anderson, Mayor

Scott A. Borling, City Clerk

CITY OF KALAMAZOO

Ordinance No. _____

AN ORDINANCE TO AMEND SECTIONS 2-243, AND 2-245 OF THE KALAMAZOO CODE OF ORDINANCES

THE CITY OF KALAMAZOO ORDAINS:

Section 1. Section 2-243 B of the Kalamazoo City Code shall be amended to read as follows:

B. If a member retires before his or her voluntary retirement age on account of his or her total and permanent disability, as provided in § 2-242, and the Board finds that his or her disability is the natural and proximate result of cause arising out of and in the course of his or her actual performance of duty in the employ of the City, he or she shall receive a disability retirement allowance computed according to § 2-236, if he or she is a Public Safety member or according to § 2-237, exclusive of Subsection B, if he or she is a general member. In computing his or her disability retirement allowance, the credited service to be used shall be the sum of his or her credited service in force at the time of his or her retirement and the number of years, and fraction of a year, in the period from the date of his or her retirement to the date he or she would attain his voluntary retirement age had he or she continued in City employment. For public safety members, receipt of benefits from the retirement system is an election of like benefits in lieu of workers compensation wage loss benefits under the Michigan workers disability compensation act of 1969 as amended 1975 PA 279; MCL 418.101 *et seq.* His or her disability retirement allowance shall be subject to § 2-246. Prior to the date of his or her retirement, he or she shall have the right to elect to receive his or her retirement allowance under an option provided in § 2-240 in lieu of a straight life retirement allowance.

Section 2. Section 2-245 of the Kalamazoo City Code shall be amended to read as follows:

§ 2-245 Pension offset by worker's compensation benefits for general members; subrogation of rights against third party.

A general member receiving pension or retirement benefits shall be presumed not to have a loss of earnings or earning capacity as the result of an injury or disease under the Michigan workers disability act. Net benefits paid to a general member shall be reduced by 100% of the amount of workers compensation benefits paid or payable under the Michigan workers disability compensation act, 1969 PA 279; MCL 418.101 *et seq.*, for identical periods of time except there will be no credit or reduction for specific

loss benefits paid or received under the workers disability compensation. In the event a person becomes entitled to a pension or other benefits, payable by the retirement system, as the result of an accident or injury caused by the act of a third party, the City shall be subrogated to the rights of such person against such third party to the extent of the benefits which the City pays or becomes liable to pay.

Section 3. REPEALER

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

Section 4. SEVERABILITY

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

Section 5. EFFECTIVE DATE

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

CERTIFICATE

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

David Anderson, Mayor

Scott A. Borling, City Clerk