Agenda
Regular Meeting of the City Commission

City of Kalamazoo

Monday, June 6, 2016 7:00 PM

City Commission Chambers - 241 W. South Street

A. CALL TO ORDER/ROLL CALL

B. OPENING CEREMONY

1. Invocation: **Pastor Ken Smeader, Kalamazoo Missionary Church**
2. Pledge of Allegiance
3. Introduction of Guests
4. Proclamations
   a. Alzheimer's and Brain Awareness Month
   b. LGBT Pride Month
   c. Dump the Pump Day

C. ADOPTION OF FORMAL AGENDA

D. COMMUNICATIONS

1. Calendar of Upcoming Meetings

E. PUBLIC HEARINGS

F. CONSENT AGENDA

(Action: Motion to approve Items "1-15" and authorize the City Manager to sign all documents on behalf of the City)

1. Approval of the purchase of a John Deere 310SL HL backhoe from AIS Construction Equipment Company in the amount of $118,303.63.

2. Approval of a one-year contract extension with GHD for environmental consulting services at the Cork Street Landfill in the amount of $140,025.

3. Approval of a one-year contract extension with F2 Industries, LLC for the purchase of Sodium Hexametaphosphate in the amount of $146,559.60.

4. Approval of a one-year contract extension with Elite Pipeline Services for routine sanitary sewer cleaning and inspection in the amount of $177,796.95.

5. Approval of a contract with the Michigan Department of Transportation for the resurfacing of East Michigan Avenue in the amount of $371,000.

6. Approval of a contract with Northern Construction Services Corporation for the

2016 Local Streets Paving Program in the amount of $471,594.50.

7. Approval of a three-year construction contract with J. Ranck Electric, Inc. for Phase 2 of the Supervisory Control and Data Acquisition Improvement Project (Antenna Installation), in the amount of $847,378.

8. Approval of a seven-year contract for bulk trash removal with Republic Services of Kalamazoo in the amount of $1,584,263.

9. Adoption of a RESOLUTION authorizing the issuance of General Obligation Limited Tax Bonds in an amount not to exceed $6.8 million, for the purpose of financing FY 2016 capital projects not to exceed $6.1 million and to refund $700,000 of the outstanding portion of 2007 Capital Improvement Bonds.

10. Adoption of a RESOLUTION authorizing the issuance of taxable refunding bonds in an amount not to exceed $1,800,000 to refund 2007 Michigan Transportation Fund Bonds.

11. Adoption of a RESOLUTION adopting and approving the Amended and Restated Brownfield Plan (Amendment No. 28) implemented by the City of Kalamazoo Brownfield Redevelopment Authority.

12. Adoption of a RESOLUTION approving a commitment to repay a Brownfield Redevelopment Loan to the City of Kalamazoo Brownfield Redevelopment Authority (BRA) if a loan is received from the Michigan Department of Environmental Quality.

13. Approval of an Air Rights Agreement with Exchange Building, LLC for the Exchange Place project at 155 West Michigan Avenue.

14. Approval of a Novation, which would remove the City as a party to Master Agreement No. 2012-0112 with the Michigan Department of Transportation and replace the City with the Central County Transportation Authority as of October 1, 2016.

15. Approval of a three-year parking lot lease agreement with Kalamazoo Valley Community College.

G. REGULAR AGENDA

1. Approval of a request from the Kalamazoo Growlers to publicly display fireworks at Homer Stryker Field on June 10, June 24, July 2, and July 26, 2016.

H. REPORTS AND LEGISLATION

I. UNFINISHED BUSINESS

J. POLICY ITEMS

K. NEW BUSINESS

L. CITIZEN COMMENTS

M. MISCELLANEOUS COMMENTS AND CONCERNS BY COMMISSIONERS

N. CLOSED SESSION

O. ADJOURNMENT

ADDITIONAL INFORMATION

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

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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 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). The meetings are rebroadcast on Tuesdays at 8:00 a.m., Wednesdays, at 1:00 a.m., and Thursdays at 3:00 p.m.

Commission Agenda Report

City of Kalamazoo

TO: Mayor Hopewell, Vice Mayor Cooney, and City Commissioners

FROM: Scott A. Borling, City Clerk

PREPARED BY: Shelby Moss, Deputy City Clerk

DATE: 5/29/2015

SUBJECT: Calendar of Upcoming Meetings

INFORMATIONAL ITEMS

Attached is the calendar of upcoming meetings of the City Commission's advisory boards, commissions, and committees.

ATTACHMENTS:

	Type	Description
🗋	Meeting Schedule	Calendar of Meetings

Calendar of Upcoming Meetings

City of Kalamazoo

City Commission (next 30 days)

Regular Business Meetings – 7:00 p.m. in the City Commission Chambers

June 20th and Tuesday, July 5th

Regular Neighborhood Meetings – 6:00 p.m. in the Community Room at City Hall

June 20th

Advisory Boards, Commissions and Committees (next two weeks)

The **Parks and Recreation Advisory Board** will meet on Tuesday, June 7, 2016 at 5:20 p.m., in the Parks and Recreation Community Room at Mayors' Riverfront Park, located at 251 Mills Street.

The **Friends of Recreation Board** will meet on Thursday, June 9, 2016 at 11:30 a.m., in the Parks and Recreation Community Room at Mayors' Riverfront Park, located at 251 Mills Street.

CANCELED ~~The **Traffic Board** will meet on Thursday, June 9, 2016 at 2:00 p.m., in the Public Services Conference Room, located at 415 Stockbridge Avenue.~~

CANCELED ~~The **Community Development Act Advisory Committee** will meet on Thursday, June 9, 2016 at 6:30 p.m., in the Community Room at City Hall.~~

The **Zoning Board of Appeals** will meet on Thursday, June 9, 2016 at 7:00 p.m., in the City Commission Chambers at City Hall.

The **Kalamazoo Historic Preservation Commission** will meet on Tuesday, June 14, 2016 at 7:00 p.m., in the Community Room at City Hall.

The **Environmental Concerns Committee** will meet on Wednesday, June 15, 2016 at 4:30 p.m., in the Community Room at City Hall.

The **Economic Development Corporation** will meet on Thursday, June 16, 2016 at 7:30 a.m., in the Community Room at City Hall. The **Brownfield Redevelopment Authority** will meet immediately following.

The **Building Board of Appeals** will meet on Thursday, June 16, 2016 at 2:00 p.m., in the Commission Chambers at City Hall.

The **Kalamazoo Municipal Golf Association** will meet on Thursday, June 16, 2016 at 5:30 p.m., in the clubhouse at Milham Park Golf Course, located at 4200 Lovers Lane.

The **Downtown Development Authority** will meet on Monday, June 20, 2016 at 3:00 p.m., in the Community Room at City Hall.

Commission Agenda Report

City of Kalamazoo

TO: Mayor Hopewell, Vice Mayor Cooney, and City Commissioners

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

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

PREPARED BY: Craig Norrod, City Fleet Director

DATE: 5/20/2016

SUBJECT: Purchase of Backhoe

RECOMMENDATION

It is recommended that the City Commission approve the purchase of one (1) John Deere 310SL HL backhoe from AIS Construction Equipment Company for a total expenditure of $118,303.63.

BACKGROUND

The City of Kalamazoo Fleet Services Division reviewed equipment needs and specifications for the purchase of (1) Backhoe to be used for preventive maintenance and installation of water main. This proposed Backhoe will replace a current backhoe that is 15 years old and in poor condition.

Experience has indicated that the best price for this type of purchase could be obtained by participation in a joint purchasing agreement using the State of Michigan MIDeal program. This agreement is available to all municipalities and is offered in conjunction with our local John Deere dealer, AIS Construction Company. This process meets purchasing requirements and equipment specifications while allowing the City to save additional time and cost of a formal bid process.

COMMUNITY RESOURCES CONSULTED

This recommendation did not require advisory board consultation or additional public input.

FISCAL IMPACT

Funds were identified within the 2016 water reclamation CIP and made available for this purchase.

ALTERNATIVES

We could choose to not purchase this equipment and fulfil equipment needs with rentals. Based on our current needs and the flexibility of owning this type of equipment provides us to be able to serve our customers best, neither option would be staff's recommendation at this time.

Commission Agenda Report

City of Kalamazoo

TO: Mayor Hopewell, Vice Mayor Cooney, and City Commissioners

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

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

PREPARED BY: John P. Paquin, Water Resources Division Manager

DATE: 5/20/2016

SUBJECT: 2016 Consulting Services Contract Extension – Cork St. Landfill

RECOMMENDATION

It is recommended that the City Commission approve a one-year contract extension with GHD for environmental consulting services at the Cork St. Landfill in the amount of $140,025. The term of this contract begins on or about May 1, 2016 and expires on April 30, 2017.

BACKGROUND

Consulting services required for Cork Street Landfill includes landfill site maintenance, environmental monitoring, progress report preparation and submittal, project management. The services also include additional work such as development of an Institutional Controls work plan; activities associated with the EPA Five Year Review (FYR); update of the groundwater data trend analysis; and finalization of the Groundwater/Surface Water Interface monitoring plan. In 2015, Connestoga-Rovers & Associates (CRA) was selected as one of eight pre-qualified firms following a qualifications/bidding process with a number of other consulting firms. This Purchase Order would allow for GHD to continue the monitoring and maintenance services.

GHD (formally CRA) has worked for the City at the Cork Street Landfill Superfund Site since 1999 (engineering oversight for various landfill remedial activities) and since 2002 they have been responsible for all groundwater monitoring/reporting responsibilities.

COMMUNITY RESOURCES CONSULTED

This recommendation did not require advisory board consultation or additional public input.

FISCAL IMPACT

Funds for the City's share of the work at the Cork Street Landfill and for appropriate staff project management are in the Cork Street Facility Cash Trust at PNC Bank.

ALTERNATIVES

The alternative to extending GHD's contract one year is to rebid the monitoring and maintenance contract to one

of the City's other prequalified environmental consultants. Purchasing currently allows two one-year extensions to a 3-year term contract prior to rebidding. On behalf of the City, GHD has developed and submitted to USEPA an amendment to the Ground Water/Surface Water Interface Monitoring Plan (GSI) submitted to reduce the ground water monitoring requirements. In addition, GHD is assisting the City in providing EPA with additional follow-up information from the previous FYR including an Institutional Controls study. Since the city is currently in the process of seeking EPA's approval of the revised GSI, Institutional Control Study and work plan, potentially replacing the environmental consultant at this point in time would not be in the City's best interest.

Commission Agenda Report

City of Kalamazoo

TO: Mayor Hopewell, Vice Mayor Cooney, and City Commissioners

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

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

PREPARED BY: Thomas Spitzner, Water Operations Supervisor

DATE: 5/19/2016

SUBJECT: Sodium Hexametaphosphate One-Year Contract Extension

RECOMMENDATION

It is recommended that the City Commission approve a one-year contract extension beginning August 1, 2016 and ending July 31, 2017 in the total amount of $146,559.60 with F2 Industries, LLC of Smyrna, Tennessee. The 2016 portion of this one-year contract extension, August 1, 2016 through December 31, 2016 will be in the amount of $61,066.50. The January 1, 2017 through July 31, 2017 portion will be $85,493.10.

BACKGROUND

Sodium Hexametaphosphate has been added to the City water supply since 1956 primarily as a means of keeping iron and other minerals that naturally occur in groundwater dissolved in the water. The addition of phosphate results in a higher quality, more aesthetically pleasing water supply with a reduction in both sediment buildup in water mains and private plumbing systems.

Secondarily, Sodium Hexametaphosphate helps maintain the regulatory requirement to reduce copper and lead releases into the City's water distribution system. The phosphate helps to coat the inside of water mains to prevent corrosion of metals. It is the main ingredient in the City's regulated corrosion control program agreed upon with the USEPA and MDEQ.

This contract is for the purchase of Sodium Hexametaphosphate used in the treatment of City water. Bids were taken in August 2011 for the City's requirements of Sodium Hexametaphosphate and of the four bids received F2 Industries was the low responsive bidder.

COMMUNITY RESOURCES CONSULTED

This recommendation did not require advisory board consultation or additional public input.

FISCAL IMPACT

Funds for this purchase are included in the 2016 Public Services Water Operations Budget.

ALTERNATIVES

An alternative would be to cease using phosphate in the water supply; however, sodium hexametaphosphate has proven to be the safest and most effective in providing iron sequestering and also aids in corrosion control of the City's water distribution system.

Commission Agenda Report

City of Kalamazoo

TO: Mayor Hopewell, Vice Mayor Cooney, and City Commissioners

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

REVIEWED BY: Teresa T. Johnson, CPPB, Interim Deputy Public Services Director

PREPARED BY: Ryan Stoughton, EIT, Senior Civil Engineer

DATE: 5/26/2016

SUBJECT: 2016 Township Sanitary Sewer O&M Cleaning & Inspection

RECOMMENDATION

It is recommended that the City Commission approve a one year contract extension with Elite Pipeline Services of Allendale, MI for routine sanitary sewer cleaning and inspection in the amount of $177,796.95.

BACKGROUND

Per the current Wastewater Service Agreements between the City of Kalamazoo and the Townships of Oshtemo, Pavilion, Comstock, Kalamazoo, and Texas the City is responsible for routine maintenance of the sanitary collection system. Part of the maintenance consists of routine sewer cleaning and inspection.

On January 13, 2015 the City solicited bids for the Sanitary Sewer Cleaning of Townships with Elite Pipeline Services being the lowest responsive bidder. The contract allows for the City to opt to renew the contract for up to four (4) one-year periods. On March 14, 2016 the City solicited the intent to renew contract for Sanitary Sewer Cleaning of Townships with Elite Pipeline Services.

COMMUNITY RESOURCES CONSULTED

This recommendation did not require advisory board consultation or additional public input.

FISCAL IMPACT

The funding for this project is available in the City's 2016 Wastewater Operation and Maintenance Budget. Project funding and estimated costs are as follows:

Funding:	2016 Wastewater O&M Budget (590-541-02-)	
	(611-845.001) Sewer Preventative Maint. & Cleaning	$58,400.00
	(610-845.001) T.V. Inspection	$119,396.95
		$177,796.95

Costs:

Contract Costs	$177,796.95
	$177,796.95

ALTERNATIVES

The City of Kalamazoo determined it to be cost effective to hire an outside firm to clean and inspect the Townships system and have City crews focus on the City system.

The alternative of not approving the purchase order is not recommended as the City would be unable to meet the contract requirements without hiring additional staff and purchasing additional equipment.

Commission Agenda Report

City of Kalamazoo

TO: Mayor Hopewell, Vice Mayor Cooney, and City Commissioners

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

REVIEWED BY: Teresa T. Johnson, CPPB, Interim Deputy Public Services Director

PREPARED BY: Matt G. Johnson, PE City Engineer

DATE: 5/27/2016

SUBJECT: Approve Contract No 16-5281 with the Michigan Department of Transportation for the resurfacing of E. Michigan Avenue

RECOMMENDATION

It is recommended that the City Commission approve a contract with the Michigan Department of Transportation (MDOT) for the resurfacing of E. Michigan Avenue and authorize the City Manager to sign all documents in the amount of $371,000.

BACKGROUND

Public Act 51 of 1951 created a fund into which specific transportation taxes are deposited, and prescribed how these revenues are to be distributed and the purpose for which they can be spent. Act 51 also established jurisdictional road networks and set priorities for the use of transportation revenues. As an incorporated city, the City of Kalamazoo is eligible to receive federal and state funding for road construction and maintenance through Public Act 51.

In 2010 Engineering determined East Michigan Ave from Gull Road to Wallace Ave needed to be resurfaced. Engineering applied for and received $600,000 in Federal Surface Transportation (STU) funding through our local Metropolitan Planning Organization, Kalamazoo Area Transportation Study (KATS). Engineering designed the project with our existing staff and submitted the project for bidding through the MDOT Local Agency Programs (LAP). Through the LAP, MDOT will handle the bidding, awarding, and contract administration. The City of Kalamazoo will be responsible for the on-site inspection and verifying the contractor quantities. MDOT will pay the contractor for their work and bill the City of Kalamazoo for our portion per the contract.

Cost participation for E. Michigan Avenue is to be divided between the City of Kalamazoo and the Federal Highway Administration (FHWA).

COMMUNITY RESOURCES CONSULTED

As with all federally funded projects, this was included in the Kalamazoo Area Transportation Study (KATS) Transportation Improvement Program, which is advertised and open to public comment.

Engineering held a public meeting on March 10, 2016 at the East Side Neighborhood Association.

FISCAL IMPACT

Funds are available in the 2016 Major Streets CIP budget for this project.

Estimated Project Costs and Funding Sources:

Costs

Engineering and Contingency	$ 182,000
Construction (City Share)	$ 371,000
Construction (FHWA)	$ 600,000
Total Estimated Cost	$1,153,000

Funding Sources

FY 2016 Major Street Budget	$ 553,000
Federal Highway Administration Trust Fund	$ 600,000
Total Funding	$ 1,153,000

ALTERNATIVES

The alternative of not approving the contract with MDOT is not recommended as E. Michigan Ave requires resurfacing and a major portion of the cost is to be funded through federal and state funds.

Commission Agenda Report

City of Kalamazoo

TO: Mayor Hopewell, Vice Mayor Cooney, and City Commissioners

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

REVIEWED BY: Teresa T. Johnson, CPPB, Interim Deputy Public Services Director

PREPARED BY: Matt G. Johnson, PE, City Engineer

DATE: 5/12/2016

SUBJECT: Contract with Northern Construction for the 2016 Local Street Paving Program

RECOMMENDATION

It is recommended that the City Commission approve a contract with Northern Construction Services, Corporation of Niles, Michigan for the 2016 Local Streets Paving Program in the amount of $471,594.50.

BACKGROUND

On April 26, 2016, bids were opened for the 2016 Local Streets Paving Program. The 2016 local streets to be paved are:

Dutton Street – Jasper to Portage
Fair Oaks Drive – Sycamore to Pine Grove
Tremont Street – Inkster to Parkwood
Jack Pine Drive – West Michigan to North End

Additional work for other departments was included in the 2016 Local Streets bid:

Lovell Street ADA sidewalk upgrades – East of St Johns Place
Walnut Street ADA sidewalk upgrades – at John and Healthcare Parkway

Four bids were received, with Northern Construction Services being the low responsive bidder at $471,594.50. Northern Construction has contracted with the City on many projects and Public Services Engineering Division has been consistently pleased with their work.

COMMUNITY RESOURCES CONSULTED

Public Services staff utilizes a computerized Pavement Management System to compile a list of streets that are in need of improvement. Staff then combines the computerized output with a list of citizen concerns received throughout the year to determine which streets to include in the paving program.

Community Planning and Development worked with citizen advocacy groups to identify the ADA sidewalk ramps at the Walnut Street intersections of John and Healthcare Parkway as areas that needed to be addressed as part of the Healthy Living Campus development for which they have Community Development Block Grant monies

available.

FISCAL IMPACT

In addition to the $471,594.50 in construction costs it is anticipated that $71,000.00 will be needed for engineering and contingencies for a total of $542,594.50. Funds in the amount of $502,697.25 are available in the 2016 Local Street CIP budget. Funds in the amount of $33,486.75 are available in the Community Development Block Grants for the ADA work on Vine. Funds in the amount of $8,000.00 are available in the CIP budget for the Walnut Street ADA ramps.

Funding and estimated costs can be summarized as follows:

Funding

2015 Local Streets CIP	$502,697.25
Community Development Block Grant	$ 33,486.75
CIP	$ 6,410.50
Total Cost	$542,594.50

Costs

Construction	$471,594.50
Engineering	$ 47,300.00
Contingencies	$ 23,700.00
Total Cost	$542,594.50

ALTERNATIVES

The option to have City crews perform the work has been reviewed. City crews are scheduled to perform a portion of the City's Local Streets Paving Program work under Local Streets Scattered Sites Paving. This, along with regular maintenance operations will keep the City crews occupied and unable to do any major street paving.

Commission Agenda Report

City of Kalamazoo

TO: Mayor Hopewell, Vice Mayor Cooney, and City Commissioners

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

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

PREPARED BY: Stephen Skalski, PE, Senior Civil Engineer

DATE: 5/27/2016

SUBJECT: Approval of a contract with J. Ranck Electric, Inc. for the SCADA Improvement Project – Phase 2 Antenna Installations

RECOMMENDATION

It is recommended that the City Commission approve a three year construction contract with J. Ranck Electric, Inc. for Phase 2 of the the Supervisory Control And Data Acquisition (SCADA) Improvement Project (Antenna Installation), in the amount of $847,378.00.

BACKGROUND

The City of Kalamazoo identified the SCADA Improvement Project as a priority for the 2016 construction season. Currently, both the Water System and the Waste Water System use land line phones to communicate between the operations and the outlying water and waste water stations. This form of communication has proved to be very inefficient, frequently going several minutes between connections. Additionally, maintaining the land line phones has become increasingly costly, due to the provider phasing out the infrastructure needed to maintain the lines.

The City of Kalamazoo retained the engineering services of Tetra Tech, Inc. in an effort to identify a replacement for the land line phone system. Tetra Tech, Inc. recommended switching over to high speed radio communication, as it has proven to be a very reliable system for other water and waste water utilities. Tetra Tech, Inc. designed replacement of the land line phone communication with the high speed radio communication, with the first year of a three year phased project beginning in 2016. Plans and specifications for the project were submitted to Purchasing for bidding purposes.

Bids were opened May 11th, 2016 for the SCADA Improvement Project – Phase 2 Antenna Installation. One bid was received with J. Ranck Electric, Inc. being the low responsive bidder. While only one bid was received for the project, the bid was below the engineer's estimate of cost. J. Ranck Electric, Inc has performed well with other projects for the City of Kalamazoo, and the Engineering Department recommends approval of this contract.

COMMUNITY RESOURCES CONSULTED

This recommendation did not require advisory board consultation or additional public input.

FISCAL IMPACT

The funding for the first year of this three year project is available in the City's 2016 Water and Waste Water Capital Improvement Budgets. Project funding and estimated costs are as follows:

Funding:	
2016 Water Capital Improvement Budget	$243,746.00
2016 Waste Water Capital Improvement Budget	$210,000.00
	$453,746.00
2017 Water Capital Improvement Budget	$162,592.00
2017 Waste Water Capital Improvement Budget	$162,592.00
	$325,184.00
2018 Water Capital Improvement Budget	$34,224.00
2018 Waste Water Capital Improvement Budget	$34,224.00
	$68,448.00
Costs:	
2016 Construction Costs	$453,746.00
2017 Construction Costs	$325,184.00
2018 Construction Costs	$68,448.00
	$847,378.00

ALTERNATIVES

The City could choose not to complete the SCADA Improvements – Phase 2 Antenna Installation Project, however this is not recommended as the current land line phone communication has proven to be unreliable and costly.

ATTACHMENTS:

Type	Description
Bid Results Summary	SCADA Project Bid Summary

BID RESULTS SUMMARY

PROJECT: SCADA Improvement Project

DATE: May 27, 2016

BIDDERS SOLICITED: 92

BIDDERS RESPONDED: 1

MBE/WBE BIDS SOLICITED: 16

MBE/WBE BIDDERS RESPONDED: 0

BID REFERENCE NO: 910-82-023/TJ

MBE/WBE AWARDED: No

ISSUE DATE: April 8, 2016

BID OPENING: May 11, 2016

APPROVAL REQUIRED: City Commission

FUNDED BY: City

BIDDERS	AMOUNT BID	LOCATION
J. Ranck Electric, Inc.	[1]$ 847,378.00	Mt. Pleasant, MI

[1] Total 3 Year Contract for $847,378.00
Year 1 Total is $453,746.00
Year 2 Total is $325,184.00
Year 3 Total is $68,448.00

Purchasing procedures have been followed and City Attorney has reviewed as to form.

Melissa Fuller
Interim Purchasing Agent

Commission Agenda Report

City of Kalamazoo

TO: Mayor Hopewell, Vice Mayor Cooney, and City Commissioners

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

REVIEWED BY: Teresa T. Johnson, CPPB, Interim Deputy Public Services Director

PREPARED BY: Wendy M. Burlingham, Administrative Support Manager

DATE: 4/25/2016

SUBJECT: Bulk Trash Services

RECOMMENDATION

It is recommended that the City Commission approve a seven-year contract for bulk trash removal with Republic Services of Kalamazoo in the amount of $1,584,263.

BACKGROUND

In December 2015, Purchasing advertised an invitation for bids for solid waste services, i.e. recycling and bulk. In February, Public Services staff requested an addendum to the invitation for bids for additional pricing alternatives and an increase in the contract term from five to seven years to secure more favorable pricing.

During the budgeting process, that included millage and cost savings discussion, it was determined that converting the bulk trash frequency from monthly to quarterly would be the most viable route to reduce costs and continue to provide the service to our community.

Bids were opened on March 1, 2016, Republic Services provided the lowest contract pricing for bulk trash. In the 4th quarter of 2016, the City will convert from monthly to quarterly bulk trash removal.

COMMUNITY RESOURCES CONSULTED

This recommendation did not require advisory board consultation or additional public input.

FISCAL IMPACT

Funding for this contract is available in the City's Solid Waste Budget.

ALTERNATIVES

The City could choose to no longer provide solid waste services but the millage and services were voted in place by City residents.

ATTACHMENTS:

	Type	Description
🗋	Bid Results Summary	Bulk Trash Removal Bid Summary

BID RESULTS SUMMARY

PROJECT: Bulk Trash Pick-up Quarterly

DATE: June 3, 2016

BIDDERS SOLICITED: 22

BIDDERS RESPONDED: 2

MBE/WBE BIDS SOLICITED: 3

MBE/WBE BIDDERS RESPONDED: 0

BID REFERENCE NO: 910-27-012

MBE/WBE AWARDED: No

ISSUE DATE: November 25, 2015

BID OPENING: March 1, 2016

APPROVAL REQUIRED: City Commission

FUNDED BY: Solid Waste Millage

BIDDERS	AMOUNT BID	LOCATION
Republic Services of Western Michigan	$ 1,584,263.00	City
Best Way Disposal	$ 1,761,500.00	City

Purchasing procedures have been followed and City Attorney has reviewed as to form

Melissa Fuller

Melissa Fuller
Interim Purchasing Agent

Commission Agenda Report

City of Kalamazoo

TO: Mayor Hopewell, Vice Mayor Cooney, and City Commissioners

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

PREPARED BY: Thomas C. Skrobola, Director of Management Services/Chief Financial Officer

DATE: 5/31/2016

SUBJECT: Resolution Authorizing 2016 Capital Improvement and Refunding Bonds (Limited Tax General Obligation)

RECOMMENDATION

It is recommended that the City Commission approve a Resolution for the issuance of General Obligation Limited Tax Bonds in an amount not to exceed $6.8 million, for the purpose of financing FY 2016 capital projects not to exceed $6.1 million and to refund $700,000 of the outstanding portion of 2007 Capital Improvement Bonds.

BACKGROUND

The purpose of the attached resolution is to authorize the City to include the Refunding of the 2007 Capital Improvement Bonds as part of the issuance of the new 2016 Capital Improvement Bonds.

The City Commission on April 4th, 2016, adopted a Notice of Intent Resolution to issue Series 2016 Capital Improvement Bonds. This Resolution initiated the process of issuing debt to finance the City's FY 2016 Capital Improvement program, in accordance with the Adopted FY 2016 Budget.

Under the provisions of the Resolution and State law, the public was notified of the City's intent to issue this debt, and was provided with a 45-day period to circulate petitions for a referendum. That 45-day period has expired with no petition having been issued to the City; therefore the City is authorized to issue this debt at this time.

In addition to the new 2016 debt issue, the City Administration has recently received a recommendation from our Financial Advisors, R.W. Baird, to refinance $700,000 of outstanding 2007 Capital Improvement Bonds, as it would save the City $61,393 of interest costs through 2027, beginning with $9,046 of savings in FY 2016.

COMMUNITY RESOURCES CONSULTED

The FY 2016 Capital Budget was presented and approved as part of the 2016 annual budget process and reviewed and approved by the City Planning Commission.

FISCAL IMPACT

The City's debt limit is capped by statutory and constitutional debt provisions. The formula for determining the

City's debt limit is as follows:

a. City's 2016 Ad Valorem SEV	$1,573,848,720	
b. Plus Half of Act 198 Property	Plus $16,638,850	
c. Plus Revenue Sharing **(1)**	Plus $405,991,457	
d. Total 2015 SEV Value	a + b + c = $1,996,479,027	
e. Debt Limit (2)	d x 10% =	$199,647,902
f. Debt Outstanding **(3)**	$177,115,000	
g. Less: Exempt Debt (4)	Minus $30,575,000	
h. Total Outstanding Debt:	f + g =	$146,540,000
Legal Debt Margin:	**e minus h =**	**$ 53,107,902**

(1) Constitutional and statutory revenue sharing of $8,554,443 divided by the City's 2016 millage rate of 21.0705 mills.

(2) 10% of $1,996,479,027 which is the City's 2015 Ad Valorem SEV for the fiscal year ending December 31, 2016 of $1,573,848,720, plus half of the SEV abated under Act 198 of $16,638,850 and plus revenue sharing of $405,991,457 which is the constitutional and statutory revenue sharing of $8,554,443 divided by the City's 2016 millage rate of 21.0705 mills.

(3) Includes the Bonds described herein and the 2016 Michigan Transportation Fund Refunding Bonds. Preliminary, subject to change.

The annual debt service on this bond issue is included in the City's Adopted FY 2016 Budget.

ALTERNATIVES

Not approving the Resolution is not recommended, because the City would not achieve the aforementioned savings of $61,393 to the General Fund from the proposed refinancing of the 2007 Capital Improvement Bonds.

ATTACHMENTS:

Type Description

- Resolution CIP and Refunding Bond Authorizing Resolution

RESOLUTION AUTHORIZING
2016 CAPITAL IMPROVEMENT AND REFUNDING BONDS
(LIMITED TAX GENERAL OBLIGATION)

CITY OF KALAMAZOO
County of Kalamazoo, Michigan

Minutes of a regular meeting of the City Commission of the City of Kalamazoo, County of Kalamazoo, State of Michigan, held in the City Hall on the 6th day of June, 2016 at 7:00 p.m., prevailing Eastern Time.

PRESENT: Members _____

_____

ABSENT: Members _____

The following preamble and resolution were offered by Member _____ and supported by Member _____.

WHEREAS, the City of Kalamazoo, Michigan (the "City") has previously determined that it is necessary to pay all or part of the costs of certain public improvements in the City, including a) acquiring and constructing major street and local street and streetscape improvements, including intersection and traffic signal upgrades; b) acquiring public safety and public services department equipment; c) acquiring and constructing golf course facility improvements and equipment; d) acquiring and constructing parking system improvements and equipment; e) acquiring information technology equipment and voting equipment; and f) acquiring and constructing Farmer's Market improvements and improvements to City parks; including all related equipment, site improvements, appurtenances and attachments (collectively, the "Projects"); and

WHEREAS, the cost of the Projects are estimated to be approximately Six Million One Hundred Thousand Dollars ($6,100,000); and

WHEREAS, a notice of intent for bonds was published in accordance with Act 34, Public Acts of Michigan, 2001, as amended ("Act 34") which provides that the capital improvement bonds may be issued without a vote of the electors of the City unless a proper petition for an election on the question of the issuance of the bonds is filed with the City Clerk within a period of forty-five (45) days from the date of publication and as of this date no petition has been filed with the Clerk; and

WHEREAS, the City Commission deems it necessary to borrow the principal amount of not to exceed Six Million One Hundred Thousand Dollars ($6,100,000) and issue capital improvement bonds pursuant to Act 34 to pay the cost of the Projects; and

WHEREAS, the City has previously issued its 2007 Capital Improvement Bonds (Limited Tax General Obligation), dated as of July 12, 2007, in the original principal amount of $855,000 (the "Prior Bonds"); and

WHEREAS, Part VI of Act 34 permits the City to refund or advance refund all or part of its outstanding securities, including the Prior Bonds; and

WHEREAS, the City has been advised that it may achieve interest cost savings through the refunding of all or a portion of the Prior Bonds which mature on October 1 in the years 2018 through 2027 (hereinafter the "Refunded Bonds"); and

WHEREAS, the City determines that it is in the best interest of the City to issue refunding bonds in an aggregate principal amount of not to exceed Seven Hundred Thousand Dollars ($700,000) for the purpose of refunding all or a portion of the Refunded Bonds in order to achieve interest cost savings for the benefit of the City and its taxpayers; and

WHEREAS, because the security for the bonds will be the same and to reduce the cost of issuance and administration, the City determines that it makes practical and economic sense to combine the bond issues for the Projects and the refunding into a single series; and

WHEREAS, the City desires to negotiate the sale of the Bonds to Hutchinson, Shockey, Erley & Co. (the "Underwriter") within the parameters established by this Resolution.

NOW, THEREFORE, BE IT RESOLVED THAT:

1. Authorization of Bonds; Bond Terms. Bonds of the City designated 2016 CAPITAL IMPROVEMENT AND REFUNDING BONDS (LIMITED TAX GENERAL OBLIGATION) (the "Bonds") are hereby authorized to be issued in the principal amount of not to exceed Six Million Eight Hundred Thousand Dollars ($6,800,000), for the purpose of (a) refunding all or a portion of the Refunded Bonds, (b) paying the costs of the Projects, and (c) paying costs incidental to the issuance, sale and delivery of the Bonds. The issue shall consist of bonds registered as to principal and interest of the denomination of $5,000, or multiples thereof, not to exceed for each maturity the maximum principal amount of that maturity, or alternatively, may consist of a single-instrument, non-convertible bond, as determined at the time of sale. The Bonds shall be dated as of such date as shall be determined by the City Manager, Deputy City Manager or Director of Management Services and Chief Financial Officer (each, an "Authorized Officer") at the time of sale of the Bonds, and numbered as determined by the Transfer Agent (hereinafter defined). The Bonds shall mature on April 1 in the years 2017 to 2031, inclusive, in the principal amounts as determined by an Authorized Officer at the time of sale. The Bonds shall bear interest at a rate or rates to be determined upon negotiated sale thereof, payable semi-annually on April 1 and October 1, first payable on October 1, 2016 (or as otherwise determined by an Authorized Officer at the time of sale), *provided that* the interest rate per annum on the Bonds shall not exceed 6.00% and the purchase price of the Bonds shall not be less than 98% of the par amount of the Bonds.

Interest on the Bonds shall be paid by check drawn on the Transfer Agent mailed to the registered owner of the Bonds at the registered address, as shown on the registration books of the City maintained by the Transfer Agent. Interest shall be payable to the registered owner of record as of the fifteenth day of the month prior to the payment date for each interest payment. The date of determination of registered owner for purposes of payment of interest as provided in this paragraph may be changed by the City to conform to market practice in the future. The principal of the Bonds may be payable at a bank or trust company as a registrar and transfer

agent for the Bonds to be selected by an Authorized Officer (the "Transfer Agent"), provided that in the event that the Bonds are purchased by a single institutional investor the City may act as its own Transfer Agent.

2. Execution of Bonds. The Bonds shall be signed by the manual or facsimile signatures of the Mayor and City Clerk and shall have the facsimile seal of the City printed on the Bonds. No Bond signed by facsimile signature shall be valid until authenticated by an authorized signatory of the Transfer Agent. The Bonds shall be delivered to the Transfer Agent for authentication and be delivered by it to the purchaser in accordance with instructions from the Treasurer upon payment of the purchase price for the Bonds. Executed blank bonds for registration and issuance to transferees shall simultaneously, and from time to time thereafter as necessary, be delivered to the Transfer Agent for safekeeping.

3. Transfer of Bonds. The Transfer Agent shall keep the books of registration for this issue on behalf of the City. Any Bond may be transferred upon such registration books by the registered owner of record, in person or by the registered owner's duly authorized attorney, upon surrender of the Bond for cancellation, accompanied by delivery of a duly executed written instrument of transfer in a form approved by the Transfer Agent. Whenever any Bond or Bonds shall be surrendered for transfer, the City shall execute and the Transfer Agent shall authenticate and deliver a new Bond or Bonds, for like aggregate principal amount. The Transfer Agent shall require the payment by the bondholder requesting the transfer of any tax or other governmental charge required to be paid with respect to the transfer.

4. Security for Bonds; Limited Tax Pledge; Defeasance of Bonds. The City hereby pledges its limited tax full faith and credit for the prompt payment of the principal and interest on the Bonds. The City shall, each year budget the amount of the debt service coming due in the next fiscal year on the principal of and interest on the Bonds and shall advance as a first budget obligation from its general funds available therefor, or, if necessary levy taxes upon all taxable property in the City subject to applicable constitutional, statutory and charter tax rate limitations, such sums as may be necessary to pay such debt service in said fiscal year.

The City Treasurer is authorized and directed to open a separate fund with a bank or trust company designated by the City Treasurer as the 2016 CAPITAL IMPROVEMENT AND REFUNDING BONDS (LIMITED TAX GENERAL OBLIGATION) DEBT RETIREMENT FUND (the "Debt Retirement Fund"), the moneys to be deposited in the Debt Retirement Fund to be specifically earmarked and used solely for the purpose of paying principal of and interest on the Bonds as they mature.

In the event cash or direct obligations of the United States or obligations the principal of and interest on which are guaranteed by the United States, or a combination thereof, the principal of and interest on which, without reinvestment, come due at times and in amounts sufficient to pay the principal of and interest on the Bonds when due, shall be deposited in trust and irrevocably held for the payment and discharge of the Bonds, this Resolution shall be defeased and the owners of the Bonds shall have no further rights under this Resolution except to receive payment of the principal of and interest on the Bonds from the cash or securities deposited in trust and the interest and gains thereon and to transfer and exchange Bonds as provided herein.

5. Construction Fund; Bond Issuance Fund; Escrow Account. The City Treasurer is authorized and directed to open a separate depositary account with a bank or trust company or to create a separate account on the books of the City, to be designated 2016 CAPITAL IMPROVEMENT BONDS CONSTRUCTION FUND (the "Construction Fund"), and to deposit into said Construction Fund that portion of the proceeds of the Bonds issued for the purpose of paying the costs of the Projects less the accrued interest, if any, which shall be deposited in the Debt Retirement Fund for the Bonds. Any net original issue premium received on sale and delivery of the Bonds shall be deposited in the appropriate account consistent with State and federal law, and if required by State or federal law, may be used to reduce the principal amount of Bonds issued, as determined in the Authorized Officers. Moneys in the Construction Fund shall be used solely to pay the costs of the Projects and issuance costs for the Bonds.

From the proceeds of the Bonds there shall next be set aside a sum sufficient to pay the costs of issuance of the Bonds in a fund designated 2016 CAPITAL IMPROVEMENT AND REFUNDING BONDS ISSUANCE FUND (the "Bond Issuance Fund"), which may be established by the City or by the Escrow Agent (hereinafter defined). Moneys in the Bond Issuance Fund shall be used solely to pay expenses of issuance of the Bonds. Any amounts remaining in the Bond Issuance Fund after payment of issuance expenses shall be transferred to the Construction Fund for the Bonds.

The balance of the proceeds of the Bonds, together with other available funds provided by the City, if any, shall be deposited in an escrow fund (the "Escrow Fund") consisting of cash and investments in direct obligations of or obligations the principal of and interest on which are unconditionally guaranteed by the United States of America or other obligations the principal of and interest on which are fully secured by the foregoing (the "Escrow Securities") and used to pay the principal of and interest on all or a portion of the Refunded Bonds as determined by either of the Authorized Officers at the time of sale. The Escrow Fund shall be held in trust by a bank or trust company eligible to act as escrow agent (the "Escrow Agent"), pursuant to an escrow agreement (the "Escrow Agreement") which shall irrevocably direct the transfer agent for the Refunded Bonds to take all necessary steps to pay the principal of, interest and redemption premium on the Refunded Bonds being refunded when due, and to call the Refunded Bonds being refunded for redemption as specified by the City. The Authorized Officers are each hereby authorized and directed to appoint an Escrow Agent and execute the Escrow Agreement on behalf of the City. The investments held in the Escrow Fund shall be such that the principal and interest payments received thereon will be sufficient, without reinvestment, to pay the principal of, interest and redemption premium, if any, on the Prior Bonds as they become due pursuant to maturity or the call for redemption required by this paragraph. Following establishment of the Escrow Fund, any amounts remaining in the debt retirement funds for the Prior Bonds shall be transferred to the Debt Retirement Fund for the Bonds. The Authorized Officers are each authorized and directed to purchase or cause to be purchased, Escrow Securities, including United States Treasury Obligations – State and Local Government Series (SLGS), in an amount sufficient to fund the Escrow Fund.

6. Bond Form. The Bonds shall be in substantially the following form with such changes as may be required to conform the Bond to the final terms of the Bonds established by the Sale Order:

UNITED STATES OF AMERICA

STATE OF MICHIGAN
COUNTY OF KALAMAZOO

CITY OF KALAMAZOO

2016 CAPITAL IMPROVEMENT AND REFUNDING BOND (LIMITED TAX GENERAL OBLIGATION)

Interest Rate	Maturity Date	Date of Original Issue	CUSIP
	October 1, ____	_____, 2015	

Registered Owner:

Principal Amount: Dollars

The City of Kalamazoo, County of Kalamazoo, State of Michigan (the "City"), acknowledges itself to owe and for value received hereby promises to pay to the Registered Owner specified above, or registered assigns, the Principal Amount specified above, in lawful money of the United States of America, on the Maturity Date specified above, unless prepaid prior thereto as hereinafter provided, with interest thereon (computed on the basis of a 360 day year consisting of twelve 30-day months) from the Date of Original Issue specified above or such later date to which interest has been paid, at the Interest Rate per annum specified above, payable on October 1, 2016 and semiannually thereafter. Principal of this bond is payable upon presentation and surrender of this bond at the corporate trust office of _____, _____, Michigan, as registrar and transfer agent for the Bonds or such other transfer agent as the City may hereafter designate (the "Transfer Agent") by notice mailed to the registered owner not less than sixty (60) days prior to an interest payment date. Interest on this bond is payable to the person or entity which is the registered owner of record as of the 15th day of the month preceding the interest payment date as shown on the registration books of the City kept by the Transfer Agent, by check or draft mailed by the Transfer Agent to the registered owner of record at the registered address.

This bond is one of a series of bonds of even date of original issue aggregating the principal sum of $_____, issued pursuant to Act 34, Public Acts of Michigan, 2001, as amended, and a resolution duly adopted by the City Commission of the City on June 6, 2016 for the purpose of (a) paying all or part of the cost of certain capital improvements for the City, (b) paying all or part of the cost of refunding a certain outstanding prior bond issue of the City; and (c) paying the costs of issuance of the bonds of this issue.

This bond, including the interest thereon, is payable as a first budget obligation from the general funds of the City, and the City is required, if necessary, to levy ad valorem taxes on all taxable property in the City for the payment thereof, subject to applicable constitutional, statutory and charter tax rate limitations. For prompt payment of this bond, both principal and interest, the full faith, credit and resources of the City are hereby irrevocably pledged.

Bonds maturing in the years 2017 through 2026 shall not be subject to redemption prior to maturity. Bonds or portions of bonds in multiples of $5,000 maturing in the year 2027 and thereafter shall be subject to redemption prior to maturity, at the option of the City, in any order of maturity and by lot within any maturity, on any date on or after April 1, 2026, at par and accrued interest to the date fixed for redemption.

[Insert Term Bond redemption provisions, if necessary.]

In case less than the full amount of an outstanding bond is called for redemption, the Transfer Agent, upon presentation of the bond called for redemption, shall register, authenticate and deliver to the registered owner of record a new bond in the principal amount of the portion of the original bond not called for redemption.

Notice of redemption of any bond shall be given by the Transfer Agent at least thirty (30) days prior to the date fixed for redemption by mail to the registered owner at the registered address shown on the registration books kept by the Transfer Agent. A bond or portion thereof so called for redemption shall not bear interest after the date fixed for redemption, whether presented for redemption or not, provided funds are on hand with the Transfer Agent to redeem said bond or portion thereof.

This bond is transferable only upon the registration books of the City kept by the Transfer Agent by the This bond is transferable only upon the registration books of the City kept by the Transfer Agent by the registered owner of record in person, or by the registered owner's attorney duly authorized in writing. Upon the surrender of this bond together with a written instrument of transfer satisfactory to the Transfer Agent duly executed by the registered owner or the registered owner's attorney duly authorized in writing and upon the payment of the charges, if any, prescribed in the resolution authorizing this bond, a new registered bond or bonds in the same aggregate principal amount and of the same maturity shall be issued to the transferee in exchange therefor as provided in the resolution authorizing this bond. Neither the City nor the Transfer Agent shall be required to transfer or exchange this bond or portion of this bond either during the period of fifteen (15) days immediately preceding the date of the mailing of any notice of redemption or (except as to the unredeemed portion, if any, of this bond) after this bond or any portion of this bond has been selected for redemption.

It is hereby certified and recited that all acts, conditions and things required to be done, exist and happen, precedent to and in the issuance of this bond in order to make it a valid and binding obligation of said City have been done, exist and have happened in regular and due form and time as provided by law, and that the total indebtedness of said City, including this bond, does not exceed any constitutional, statutory or charter limitation.

IN WITNESS WHEREOF, the City, by its City Commission, has caused this bond to be signed in its name with the manual signatures of its Mayor and Clerk and its corporate seal to be impressed hereon, all as of the Date of Original Issue.

CITY OF KALAMAZOO
County of Kalamazoo
State of Michigan

By:_____[Facsimile]_____
Its Mayor

(SEAL)

By:_____[Facsimile]_____
Its Clerk

7. Useful Life of Projects. The estimated period of usefulness of the Projects is hereby declared to be not less than fifteen (15) years.

8. Negotiated Sale. The City Commission has considered the option of selling the Bonds through a competitive sale and a negotiated sale, and pursuant to the requirements of Act 34, based on the advice of its financial advisor, determines that a negotiated sale of the Bonds will allow more flexibility in accessing the municipal bond market, and to price and sell the Bonds at the time that is expected to best achieve the most advantageous interest rates and costs to the City, and will provide the City with greater flexibility in structuring bond maturities and adjusting terms for the Bonds.

9. Bond Purchase Agreement; Delegation to Authorized Officers; Sale Order. Each Authorized Officer is hereby authorized to negotiate the sale of the Bonds to the Underwriter, subject to the parameters set forth in this Resolution. Each Authorized Officer is authorized to award the sale of the Bonds to the Underwriter pursuant to a bond purchase agreement and a sale order, subject to the parameters set forth in this Resolution.

10. Adjustment of Bond Terms. Each Authorized Officer is hereby authorized to adjust the final Bond details to the extent necessary or convenient to complete the transaction authorized in this Resolution, and in pursuance of the foregoing are each authorized to exercise the authority and make the determinations authorized pursuant to Section 315(1)(d) of Act 34, including but not limited to, determinations regarding interest rates, prices, discounts, maturities, principal amounts, denominations, dates of issuance, interest payment dates, redemption rights, the place of delivery and payment, designation of series, the portion or portions of the Prior Bonds to be refunded and other matters, all subject to the parameters established in this Resolution; *provided* that the refunding of the Prior Bonds shall result in a net present value savings to the City.

11. Tax Covenant. The City hereby covenants that, to the extent permitted by law, it shall take all actions within its control necessary to maintain the exclusion of interest on the Bonds from adjusted gross income for federal income purposes under the Internal Revenue Code of 1986, as amended (the "Code") including, but not limited to, actions relating to the rebate of arbitrage earnings, if applicable, and the expenditure and investment of Bond proceeds and moneys deemed to be Bond proceeds.

12. Not Qualified Tax Exempt Obligations. The Bonds shall not be designated as "qualified tax exempt obligations" as defined in Section 265(b)(3)(B) of the Code for purposes of deduction of interest expense by financial institutions pursuant to the Code.

13. Continuing Disclosure Undertaking. The City agrees to enter into a continuing disclosure undertaking for the benefit of the holders and beneficial owners of the Bonds in accordance with the requirements of Rule 15c2-12 promulgated by the Securities and Exchange Commission (the "SEC"), and the Authorized Officers are each hereby authorized to execute such undertaking prior to delivery of the Bonds.

14. Authorization of Other Actions. The Authorized Officers are each authorized and directed to (a) approve the circulation of a preliminary official statement describing the Bonds and to deem the preliminary official statement "final" for purposes of Rule 15c2-12 of the SEC;

(b) approve the circulation of a final official statement describing the Bonds and to execute the same on behalf of the City; and (c) solicit bids for and approve the purchase of a municipal bond insurance policy for the Bonds, if deemed advantageous upon the advice of the City's financial advisor. The officers, administrators, agents and attorneys of the City are authorized and directed to execute and deliver all other agreements, documents and certificates and to take all other actions necessary to complete the issuance, sale and delivery of the Bonds in accordance with this Resolution, and to make such other filings with any parties, including the Michigan Department of Treasury.

15. Bond Counsel. Miller, Canfield, Paddock and Stone, P.L.C. is hereby appointed to serve as bond counsel for the Bonds.

16. Financial Advisor. Robert W. Baird & Co. Incorporated, is hereby appointed as financial advisor for the Bonds.

17. Rescission. All resolutions and parts of resolutions insofar as they conflict with the provisions of this Resolution be and the same hereby are rescinded.

AYES: Members _____

_____

NAYS: Members _____

RESOLUTION DECLARED ADOPTED.

_____
Scott A. Borling
City Clerk

I hereby certify that the foregoing constitutes a true and complete copy of a resolution adopted by the City Commission of the City of Kalamazoo, County of Kalamazoo, State of Michigan, at a regular meeting held on June 6, 2016, and that said meeting was conducted and public notice of said meeting was given pursuant to and in full compliance with the Open Meetings Act, being Act 267, Public Acts of 1976, and that the minutes of said meeting were kept and will be or have been made available as required by said Act.

_____
Scott A. Borling
City Clerk

Commission Agenda Report

City of Kalamazoo

TO: Mayor Hopewell, Vice Mayor Cooney, and City Commissioners

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

PREPARED BY: Thomas C. Skrobola, Director of Management Services/Chief Financial Officer

DATE: 5/31/2016

SUBJECT: Resolution Authorizing Issuance of 2016 Michigan Transportation Fund Refunding Bonds (Limited Tax General Obligation)

RECOMMENDATION

It is recommended that the City Commission adopt a resolution to approve the issuance of taxable refunding bonds in an amount not to exceed $1,800,000 to refund 2007 Michigan Transportation Fund Bonds.

BACKGROUND

The taxable refunding bonds will be used to refund the outstanding 2007 Michigan Transportation Fund Bonds.

The City's Financial Advisors, Robert W. Baird and Co., periodically evaluate City debt to identify refinancing opportunities to achieve cash flow savings to the City. Recently, Baird advised the City's Chief Financial Officer that the City would save $85,962 in cash flow over the next 7 years by issuing refunding bonds to refinance 2007 Michigan Transportation Bonds.

The Resolutions authorize the issuance of Refunding Bonds and authorize City officials to take the necessary actions in connection with the refunding of the outstanding Series 2007 Michigan Transportation Bonds, to achieve the aforementioned debt service savings for the City.

COMMUNITY RESOURCES CONSULTED

None

FISCAL IMPACT

The Michigan Transportation Fund Refunding bond issue is being recommended to take advantage of low interest rates in today's bond market and achieve interest cost savings for the benefit of the City. The estimated savings to the Major Streets Fund from FY 2016-2022 is $85,962.

ALTERNATIVES

The City Commission may choose not to adopt the resolution and forgo the savings associated with the recommendation action. This is not recommended as the savings would provide significant fiscal benefit.

ATTACHMENTS:

Type	Description
Resolution	2016 Michigan Transportation Fund Refunding Bonds Authorizing Resolution

RESOLUTION AUTHORIZING ISSUANCE OF
2016 MICHIGAN TRANSPORTATION FUND REFUNDING BONDS
(LIMITED TAX GENERAL OBLIGATION)

CITY OF KALAMAZOO
County of Kalamazoo, State of Michigan

Minutes of a regular meeting of the City Commission of the City of Kalamazoo, County of Kalamazoo, State of Michigan (the "City"), held on June 6, 2016, at 7:00 o'clock p.m., Eastern Daylight Time.

PRESENT: Members _____

_____

ABSENT: Members _____

The following preamble and resolution were offered by Member _____ and supported by Member _____:

WHEREAS, the City has previously issued pursuant to Act 175, Public Acts of Michigan, 1952, as amended ("Act 175"), its 2007 Michigan Transportation Fund Bonds, dated as of July 12, 2007 in the original principal amount of $3,860,000 to pay the cost of street improvements in the City, of which $1,840,000 currently remains outstanding (the "Prior Bonds"); and

WHEREAS, the Revised Municipal Finance Act, Act 34, Public Acts of Michigan, 2001, as amended ("Act 34") permits the City to refund all or part of the outstanding securities of the City; and

WHEREAS, the Prior Bonds and are "outstanding securities" of the City within the meaning of Act 34; and

WHEREAS, the City has been advised that it may achieve interest costs savings through the current refunding of the Prior Bonds; and

WHEREAS, it is the determination of the City Commission that the City should issue refunding bonds in the principal amount of not to exceed One Million Eight Hundred Thousand Dollars ($1,800,000) (the "Bonds") to refund all or a portion of the Prior Bonds to achieve interest cost savings for the benefit of the taxpayers of the City (the portion of the Prior Bonds to be refunded hereinafter referred to as the "Prior Bonds to Be Refunded").

NOW, THEREFORE, BE IT RESOLVED THAT:

1. Authorization of Refunding Bonds; Bond Terms, Bonds of the City designated **2016 Michigan Transportation Fund Refunding Bonds (Limited Tax General Obligation)** are authorized to be issued in the aggregate principal sum of not to exceed One Million Eight Hundred Thousand Dollars ($1,800,000) for the purpose of paying the costs of refunding the Prior Bonds to

Be Refunded, including the costs incidental to the issuance, sale and delivery of the Bonds. The issue shall consist of bonds in fully-registered form of the denomination of $5,000, or multiples thereof not exceeding for each maturity the maximum principal amount of that maturity, numbered consecutively in order of registration. The Bonds will be dated as of the date of delivery (or such other date as determined at the time of sale thereof), be payable on April 1 in the years 2017 to 2022, inclusive (or such other dates as determined at the time of sale thereof), in the annual amounts determined at the time of sale. The Bonds shall not be subject to optional redemption prior to maturity. The Bonds shall be sold at a price not less than 100% of their par value.

The Bonds shall bear interest at a rate or rates to be determined at the time of sale thereof, but in any event not to exceed five percent (5%) per annum, payable on October 1, 2016 (or such other date as determined at the time of sale thereof), and semiannually thereafter, by check or draft mailed by the Transfer Agent (as hereinafter defined) to the registered owner of record as of the 15th day of the month prior to the payment date for each interest payment. The record date of determination of registered owner for purposes of payment of interest as provided in this paragraph may be changed by the City to conform to market practice in the future.

2. Execution of Bonds; Book-Entry-Only Form. The Bonds of this issue shall be executed in the name of the City with the manual or facsimile signatures of the Mayor and Clerk of the City and shall have the seal of the City, or a facsimile thereof, printed or impressed on the Bonds. No Bond shall be valid until authenticated by an authorized officer or representative of the Transfer Agent (as hereinafter defined). The principal of the Bonds shall be payable at the designated corporate trust office of a bank or trust company to be selected by the City Treasurer as registrar and transfer agent for the Bonds (the "Transfer Agent"); provided, that if acceptable to the Purchaser (as hereinafter defined), the City Treasurer may serve as Transfer Agent.

The Bonds may be issued in book-entry-only form through the Depository Trust Company in New York, New York ("DTC") and any officer of the City is authorized to execute such custodial or other agreement with DTC as may be necessary to accomplish the issuance of the Bonds in book-entry-only form and to make such changes in the Bond form within the parameters of this resolution as may be required to accomplish the foregoing.

3. Transfer of Bonds. The Transfer Agent shall keep the books of registration for this issue on behalf of the City. Any Bond may be transferred upon such registration books by the registered owner of record, in person or by the registered owner's duly authorized attorney, upon surrender of the Bond for cancellation, accompanied by delivery of a duly executed written instrument of transfer in a form approved by the Transfer Agent. Whenever any Bond or Bonds shall be surrendered for transfer, the City shall execute and the Transfer Agent shall authenticate and deliver a new Bond or Bonds, for like aggregate principal amount. The Transfer Agent shall require the payment by the bondholder requesting the transfer of any tax or other governmental charge required to be paid with respect to the transfer.

4. Debt Retirement Fund; Security for the Bonds. The City Treasurer is hereby authorized to open a separate depositary account with a bank or trust company designated 2016 Michigan TRANSPORTATION FUND REFUNDING BONDS DEBT RETIREMENT FUND (the "Debt Retirement Fund"), the moneys to be deposited into the Debt Retirement Fund to be specifically earmarked and used solely for the purpose of paying principal of and interest on the

Bonds as they mature. To provide moneys to pay the principal of and interest on the Bonds and in accordance with the provisions of Act 175, there is hereby made an irrevocable appropriation of the amount necessary to pay the principal of and interest on the Bonds from the moneys to be derived from State-collected taxes returned to the City for highway purposes, pursuant to law. The Treasurer of the City is directed, each year that any of the principal of and interest on the Bonds remains unpaid, to set aside in the Debt Retirement Fund sufficient moneys from revenues received during such year from the Michigan Transportation Fund pursuant to law to pay the principal of and interest on the Bonds next maturing. The City hereby reserves the right to issue additional bonds of equal standing and priority of lien as to said State-collected taxes with the Bonds and previously issued bonds issued pursuant to Act 175 within the limitations prescribed by law.

5. Use of Proceeds. The proceeds of the Bonds shall be used to pay the costs of issuance of the Bonds and to secure payment of the Prior Bonds to Be Refunded as provided in this paragraph. Upon receipt of the proceeds of sale of the Bonds, the accrued interest, if any, shall be deposited in the Debt Retirement Fund for the Bonds. From the proceeds of the Bonds there shall next be set aside a sum sufficient to pay the costs of issuance of the Bonds in a fund designated 2016 MICHIGAN TRANSPORTATION FUND REFUNDING BONDS ISSUANCE FUND (the "Issuance Fund"). Moneys in the Issuance Fund shall be used solely to pay expenses of issuance of the Bonds. Any amounts remaining in the Issuance Fund after payment of issuance expenses shall be transferred to the Debt Retirement Fund for the Bonds.

The balance of the proceeds of the Bonds together with any moneys transferred by the City at the time of sale of the Bonds from the debt retirement fund for the Prior Bonds and any other available funds of the City, shall be held as cash or invested in direct obligations of or obligations the principal of and interest on which are unconditionally guaranteed by the United States of America or other obligations the principal of and interest on which are fully secured by the foregoing (the "Escrow Fund") and used to pay principal, interest and redemption premiums, if any, on the Prior Bonds to Be Refunded. The Escrow Fund shall be held by an escrow agent to be selected and designated by the City (the "Escrow Agent") pursuant to an escrow agreement (the "Escrow Agreement") which shall irrevocably direct the Escrow Agent to take all necessary steps to call for redemption any Prior Bonds to Be Refunded specified by the City upon sale of the Bonds, including publication and mailing of redemption notices, on any call date, as specified by the City. The investments held in the Escrow Fund shall be such that the principal and interest payments received thereon will be sufficient, without reinvestment, to pay the principal of and interest on the Prior Bonds to Be Refunded upon call for redemption. Following establishment of the Escrow Fund, any amounts remaining in the debt retirement fund for the Prior Bonds which are allocable to the Prior Bonds to Be Refunded shall be transferred to the Debt Retirement Fund for the Bonds.

6. Bond Form. The Bonds shall be in substantially the following form:

UNITED STATES OF AMERICA
STATE OF MICHIGAN
COUNTY OF KALAMAZOO

CITY OF KALAMAZOO
2016 MICHIGAN TRANSPORTATION FUND REFUNDING BOND
(LIMITED TAX GENERAL OBLIGATION)

Interest Rate	Maturity Date	Date of Original Issue	CUSIP
Registered Owner:	_____, 20___	_____ 1, 2016	

Principal Amount: Dollars

The City of Kalamazoo, County of Kalamazoo, State of Michigan (the "City"), acknowledges itself to owe and for value received hereby promises to pay to the Registered Owner specified above, or registered assigns, the Principal Amount specified above, in lawful money of the United States of America, unless redeemed prior to maturity, on the Maturity Date specified above with interest thereon (computed on the basis of a 360-day year consisting of twelve 30-day months) from the Date of Original Issue specified above or such later date to which interest has been paid, until paid, at the Interest Rate per annum specified above, first payable on October 1, 2016 and semiannually thereafter. Principal of this bond is payable at the designated corporate trust office of _____, or such other transfer agent as the City may hereafter designate by notice mailed to the registered owner not less than sixty (60) days prior to any interest payment date (the "Transfer Agent"). Interest on this bond is payable to the registered owner of record as of the 15th day of the month preceding the interest payment date as shown on the registration books of the City kept by the Transfer Agent by check or draft mailed by the Transfer Agent to the registered owner of record at the registered address. For prompt payment of this bond, both principal and interest, the full faith, credit and resources of the City are hereby irrevocably pledged.

This bond is one of a series of bonds aggregating the principal sum of $_____, issued for the purpose of refunding all or part of the City's outstanding 2007 Michigan Transportation Fund Bonds.

This bond and the interest thereon is payable from the proceeds of State-collected taxes returned to the City for highway purposes pursuant to law, or in case of insufficiency of said funds, out of the general funds of the City, including collections of ad valorem taxes on taxable property which the City may be authorized to levy, subject to applicable constitutional, statutory and charter tax rate limitations, and the resolution authorizing the bonds contains an irrevocable appropriation of the amount necessary to pay the principal of and interest on the bonds of this issue from moneys derived from such State-collected taxes so returned to the City for highway purposes which have not been theretofore specifically allocated and pledged for the payment of indebtedness. The bonds of this issue are of equal standing and priority of lien as to State-collected taxes with certain outstanding bonds of the City (the "Outstanding Bonds"), and the City has reserved the right to

issue additional bonds of equal standing and priority of lien as to said State-collected taxes with the bonds of this issue and the Outstanding Bonds within the limitations prescribed by law.

This bond is not a general obligation of the State of Michigan.

Bonds of this issue are not subject to optional redemption prior to maturity.

[Insert Term Bond Provisions, if applicable.]

This bond is transferable only upon the registration books of the City kept by the Transfer Agent by the registered owner of record in person, or by the registered owner's attorney duly authorized in writing, upon the surrender of this bond together with a written instrument of transfer satisfactory to the Transfer Agent duly executed by the registered owner or the registered owner's attorney duly authorized in writing, and thereupon a new registered bond or bonds in the same aggregate principal amount and of the same maturity shall be issued to the transferee in exchange therefor as provided in the resolution authorizing this bond and upon the payment of the charges, if any, therein prescribed.

It is hereby certified and recited that all acts, conditions and things required by law to be done, precedent to and in the issuance of this bond and the series of bonds of which this is one, exist and have been done and performed in regular and due form and time as required by law, and that the total indebtedness of the City, including this bond and the series of bonds of which this is one, does not exceed any constitutional, statutory or charter debt limitation.

This bond is not valid or obligatory for any purpose until the Transfer Agent's Certificate of Authentication on this bond has been executed by the Transfer Agent.

IN WITNESS WHEREOF, the City, by its City Commission, has caused this bond to be signed in the name of the City by the facsimile signatures of its Mayor and City Clerk and a facsimile of its corporate seal to be printed hereon, all as of the Date of Original Issue.

CITY OF KALAMAZOO
County of Kalamazoo
State of Michigan

By: [Facsimile]
Its: Mayor

(SEAL)

By: [Facsimile]
Its: City Clerk

(Form of Transfer Agent's Certificate of Authentication)

CERTIFICATE OF AUTHENTICATION

This bond is one of the bonds described in the within-mentioned resolution.

_____
[_____]
Transfer Agent

By: _____

Authorized: _____

DATE OF REGISTRATION:

[Bond printer to insert form of assignment]

7. Limited Tax Pledge of City. Pursuant to Act 175, and as additional security for the prompt payment of the principal of and interest on the Bonds, there is hereby irrevocably pledged the limited tax full faith and credit of the City, and in the event of insufficiency of funds primarily pledged to the payment thereof, the City covenants and agrees to provide for such insufficiency from such resources as are lawfully available to it.

8. Tax Covenant. The City shall, to the extent permitted by law, take all actions within its control necessary to maintain the exemption of the interest on the Bonds from general federal income taxation (as opposed to any alternative minimum or other indirect taxation) under the Internal Revenue Code of 1986, as amended (the "Code"), including, but not limited to, actions relating to any required rebate of arbitrage earnings and the expenditure and investment of Bond proceeds and moneys deemed to be Bond proceeds.

9. Continuing Disclosure Undertaking. The City agrees to enter into an undertaking for the benefit of the holders and beneficial owners of the Bonds pursuant to Rule 15c2-12 of the U.S. Securities and Exchange Commission and the City Manager and the Director of Management Services/Chief Financial Officer (each, an "Authorized Officer") are each hereby authorized to execute such undertaking prior to delivery of the Bonds.

10. Negotiated Sale. The City Commission has considered the option of selling the Bonds through a competitive sale and a negotiated sale and, pursuant to the requirements of Act 34, determines that a negotiated sale of the Bonds will allow more flexibility in accessing the municipal bond market, and to price and sell the Bonds at the time that is expected to best achieve the most advantageous interest rates and costs to the City, and will provide the City with greater flexibility in structuring bond maturities and adjust terms for the Bonds.

11. Award and Sale of Bonds. The Authorized Officers are each hereby authorized to approve the sale of the Bonds through a private placement with a qualified bank or other sophisticated institutional investor as purchaser thereof (the "Purchaser"). Each Authorized Officer is individually authorized to negotiate and execute a purchase agreement with the Purchaser and a placement agreement with the placement agent for the Bonds (the "Placement Agent") if necessary, and to award the sale of the Bonds to the Purchaser, subject to the parameters set forth in this Resolution. Alternatively, if deemed appropriate by an Authorized Officer, the City is authorized to sell the Bonds to an underwriter (the "Underwriter") pursuant to a bond purchase agreement.

12. Adjustment of Bond Details. The Authorized Officers are each authorized to adjust the final bond details set forth herein to the extent necessary or convenient to complete the transaction authorized herein, and in pursuance of the foregoing is authorized to exercise the authority and make the determinations authorized pursuant to Section 315(1)(d) of Act 34, including but not limited to determinations regarding interest rates, prices, discounts, maturities, principal amounts, denominations, dates of issuance, interest payment dates, redemption rights, the place of delivery and payment, designation of series, the portion or portions of the Prior Bonds to be refunded, and other matters, within the parameters established by this resolution.

13. Authorization of other Actions. The Authorized Officers are each hereby authorized and directed to cause the preparation and circulation of a preliminary and final official

statement with respect to the Bonds, if applicable; to procure a policy of municipal bond insurance with respect to the Bonds or cause the qualification of the Bonds therefor if, upon the advice of the financial advisor to the City, the acquisition of such insurance would be of economic benefit to the City; to obtain ratings on the Bonds; and to take all other actions necessary or advisable, and make such other filings with the Michigan Department of Treasury or with other parties, to enable the issuance, sale and delivery of the Bonds as contemplated herein.

12. Continuing Disclosure Undertaking. In the event the Bonds are sold to an Underwriter, the City agrees to enter into a continuing disclosure undertaking for the benefit of the holders and beneficial owners of the Bonds in accordance with the requirements of Rule 15c2-12 promulgated by the Securities and Exchange Commission, and the Authorized Officers are each hereby authorized to execute such undertaking prior to delivery of the Bonds.

13. Bond Counsel. Miller, Canfield, Paddock and Stone, P.L.C. is hereby approved as bond counsel for the Bonds, notwithstanding periodic representation in unrelated matters of parties or potential parties to the transaction contemplated by this resolution, including the Underwriter.

14. Placement Agent. Robert W. Baird & Co. is hereby appointed to act as placement agent in connection with the issuance of the Bonds.

15. Rescission. All resolutions and parts of resolutions insofar as they conflict with the provisions of this resolution be and the same hereby are rescinded.

AYES: Members _____

_____

NAYS: Members _____

RESOLUTION DECLARED ADOPTED.

_____
Scott A. Borling, City Clerk

I hereby certify that the foregoing is a true and complete copy of a resolution adopted by the City Commission of the City of Kalamazoo, County of Kalamazoo, State of Michigan, at a regular meeting held on June 6, 2016, and that said meeting was conducted and public notice of said meeting was given pursuant to and in full compliance with the Open Meetings Act, being Act 267, Public Acts of Michigan, 1976, and that the minutes of said meeting were kept and will be or have been made available as required by said Act.

_____
Scott A. Borling, City Clerk

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Commission Agenda Report

City of Kalamazoo

TO: Mayor Hopewell, Vice Mayor Cooney, and City Commissioners

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

PREPARED BY: Jerome R. Kisscorni, Assistant City Manager/ED Director

SUBJECT: Resolution Adopting and Approving the Amended and Restated Brownfield Plan (Amendment No. 28) Implemented by the City of Kalamazoo Brownfield Redevelopment Authority

RECOMMENDATION

It is recommended that the City Commission adopt a resolution approving an amendment to the City of Kalamazoo's Brownfield Plan [Amended and Restated Brownfield Plan (Amendment No. 28)] implemented and recommended for approval by the City of Kalamazoo Brownfield Redevelopment Authority following a public hearing before the Brownfield Redevelopment Authority.

BACKGROUND

Periodically, the Brownfield Redevelopment Authority (BRA) requests that the City Commission adopt an amendment to the then current Brownfield Plan. The current version of the plan is Amended and Restated Brownfield Plan (Amendment No. 27). The Brownfield Redevelopment Authority is recommending the adoption of Amended and Restated Brownfield Plan (Amendment No. 28).

The particulars of Plan Amendment 28 consist of the addition of three chapters, amendment of one chapter, and Amendment of the City Administrative and Financial Services Information Table and are summarized in the attached Summary of Significant Changes. The added chapters reflect privately-owned property, owned by 225 Parsons, LLC (225 Parsons, 1208 N Edwards, 909 Scudder, 215/219/221/223 E Bush), Parkview and Whites LLC (1910 Parkview and 1923 Whites) and Park Place LLC (1825 S Park), respectively. The amended chapter (155 West Michigan Ave) reflects changes associated with an increase in the project investment from $28.1 million to $35 million, an increase in the cost of estimated eligible activities from $3.5 million to $7.7 million and changes associated with an increased estimated tax increment revenue capture amount from $285,409 to $368,804. The revision of the City Administrative and Financial Services Information Table corrects various addresses, parcel numbers and Industrial Facilities Tax (IFT) accounts that routinely change over time.

In order to comply with the requirements of Act 381, additions and revisions to the chapters for these properties as allowed in Plan Amendment 28 are necessary.

As required under Act 381, the BRA held a public hearing on Plan Amendment 28 on November 19, 2015. The resolution adopted by the BRA is attached.

COMMUNITY RESOURCES CONSULTED

Other than the public hearing process, no additional community resources were consulted.

FISCAL IMPACT

Tax increment revenues will reimburse the city, BRA or the owner of the property for eligible activities each incurred. City staff and the BRA continue to monitor the Plan and legislative amendments to maximize tax increment revenues so that eligible activities and applicable administrative fees are reimbursed to the extent possible, and the BRA collects the additional five years of such revenues as allowed under Act 381. These additional revenues will allow the BRA to leverage such funds for future redevelopments.

ALTERNATIVES

The City Commission may decline to adopt the resolution approving Plan Amendment 28. This action is not recommended because the proposed amendment is in keeping with the overall administration of the Brownfield Redevelopment Initiative.

ATTACHMENTS:

	Type	Description
🗋	Resolution	City Commission Resolution
🗋	Resolution	BRA Resolution
🗋	Summary of Changes	Summary of Significant Changes

CITY OF KALAMAZOO, MICHIGAN

RESOLUTION NO. _____

A RESOLUTION ADOPTING AND APPROVING THE CITY OF KALAMAZOO'S AMENDED AND RESTATED BROWNFIELD PLAN (AMENDMENT NO. 28)

Minutes of a regular meeting of the City Commission of the City held on June 6, 2016 at 7:00 p.m., local time, at the City Hall.

PRESENT:

ABSENT:

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

RECITALS:

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

B. The Authority and the City have previously implemented, approved and amended the City of Kalamazoo Brownfield Plan (the "Plan") under Act 381; and

C. On May 19, 2016, the Authority held a public hearing as required under Act 381 and approved the implementation of the Amended and Restated Brownfield Plan (Amendment No. 28) ("Plan Amendment 28"), which adds three chapters, revises one chapter and revises the City Administrative and Financial Services Information Table; and

D. The City Commission finds that notice of the public hearing was given to all taxing authorities levying ad valorem or specific taxes against any property affected by Plan Amendment 28, and was also given by publication, in accordance with the requirements of Act 381; and

E. Following the public hearing, the Authority adopted a resolution recommending that the City Commission approve Plan Amendment 28; and

F. The City Commission has reviewed such resolution and Plan Amendment 28, and finds that such amendment constitutes a public purpose in that:

1. The three added chapters consist of privately-owned property owned by 225 Parsons, LLC, Parkview and Whites, LLC and Park Place of Kalamazoo, LLC, respectively. The amended chapter reflects changes associated with an increase in the project investment, an increase in the cost of estimated eligible activities and changes associated with an increased estimated tax increment revenue capture amount.

The revision of the City Administrative and Financial Services Information Table corrects various addresses, parcel numbers and Industrial Facilities Tax (IFT) accounts that routinely change over time.

2. In order to comply with the requirements of Act 381, the additions and revisions to the chapters for these properties as allowed in Plan Amendment 28 are necessary, and

3. Plan Amendment 28 otherwise meets all requirements of Section 13 of Act 381.

THEREFORE IT IS RESOLVED THAT:

The City of Kalamazoo's Amended and Restated Brownfield Plan (Amendment No. 28), as implemented by the City of Kalamazoo Brownfield Redevelopment Authority, is hereby adopted and approved.

AYES:

NAYS:

ABSTAIN:

RESOLUTION DECLARED ADOPTED.

CERTIFICATE

The foregoing is a true and complete copy of a resolution adopted by the City Commission of the City of Kalamazoo at a regular meeting held on June 6, 2016. Public notice was given and the meeting was conducted in full compliance with the Michigan Open Meetings Act (PA 267, 1976). Minutes of the meeting will be available as required by the Act.

_____
Scott A. Borling
City Clerk

CITY OF KALAMAZOO
BROWNFIELD REDEVELOPMENT AUTHORITY

A RESOLUTION APPROVING THE IMPLEMENTATION OF CITY OF KALAMAZOO'S AMENDED AND RESTATED BROWNFIELD PLAN (AMENDMENT NO. 28) AND RECOMMENDING ADOPTION BY THE CITY COMMISSION

Minutes of a regular meeting of the City of Kalamazoo Brownfield Redevelopment Authority held on May 19, 2016, at 7:30 a.m., local time, at the Community Room of City Hall, 241 West South Street, Kalamazoo, Michigan.

PRESENT: Frederick Brown, Nathan Bolton, Jim Escamilla, Kevan Hess, Mayor Bobby J. Hopewell, John MacKenzie, Bob Miller, Doug Phillips, Tom Schlueter, Nancy Troff

ABSENT: Patti Owens

The following resolution was offered by Ms. Nancy Troff and seconded by Mr. Tom Schlueter.

RECITALS:

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

B. The Authority and the City have previously implemented, approved and amended the City of Kalamazoo Brownfield Plan (the "Plan"), pursuant to the provisions of Act 381.

C. The Authority has implemented the Amended and Restated Plan (Amendment No. 28) ("Plan Amendment 28"), which adds three chapters, revises one chapter and amends the City Administrative and Financial Services Information Table of the Plan, pursuant to the provisions of Act 381.

D. Under Resolution No. 08-16, the City Commission delegated to the Authority the public hearing process regarding any future proposed amendments to the Plan, including proposed Plan Amendment 28.

E. A public hearing was held by the Authority on May 19, 2016, on Plan Amendment 28; notice of the public hearing was given to all taxing authorities levying ad valorem or specific taxes against any property affected by Plan Amendment 28, and was also given by publication, in accordance with the requirements of Act 381.

F. Following the public hearing on Plan Amendment 28, the Authority, in consideration of any comments heard at the public hearing or written communications received at or prior to the public hearing, determines that Plan Amendment 28 constitutes a public purpose in that:

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

b. The proposed method of financing the costs of eligible activities of Plan Amendment 28 is feasible, and the Authority has the ability to arrange the necessary financing,

c. The costs of the eligible activities proposed by such amendment are reasonable and necessary to carry out the purposes of Act 381, and

d. The amount of captured taxable value estimated to result from Plan Amendment 28 is reasonable.

THEREFORE IT IS RESOLVED THAT:

The City of Kalamazoo Brownfield Redevelopment Authority approves the implementation of the Amended and Restated Plan (Amendment No. 28) and recommends the City Commission adopt a resolution approving such amendment to the Plan.

AYES: All

NAYS: None

ABSTAIN: Frederick Brown

RESOLUTION DECLARED.

CERTIFICATE

The foregoing is a true and complete copy of a resolution adopted by the City of Kalamazoo Brownfield Redevelopment Authority at a regular meeting held on May 19, 2016. Public notice was given and the meeting was conducted in full compliance with the Michigan Open Meetings Act (PA 267, 1976). Minutes of the meeting will be available as required by Act 381.

Martin N. Markos
Recording Secretary

Summary of Significant Changes
28th Amended and Restated Brownfield Plan
Spring 2016

1) Add Chapter 63) 225 Parsons Avenue

- Basis of Eligibility: Facility Status
- Parcel Addresses: 225 Parsons Ave; 1208 N Edwards St; 215 E Bush St; 219 E Bush St; 221 E Bush St; 223 E Bush St; 909 Scudder Ct
- Estimate of Eligible Activities: $1.9 Million
- Estimate of Potential Redevelopment Investment: $12 Million
- Jobs Created: Approximately 40 Full Time Equivalents
- Mixed-use Development including: Manufacturing, Retail, and Office Space

2) Add Chapter 64) 1910 Parkview Avenue

- Basis of Eligibility: Facility
- Parcel Addresses: 1910 Parkview Avenue; 1923 Whites Road
- Estimate of Eligible Activities: $243,000
- Estimate of Potential Redevelopment Investment: $1.6 Million
- Jobs Created/Retained: 5 Full Time Equivalents
- Bank Branch

3) Add Chapter 65) 1825 S. Park Street

- Basis of Eligibility: Blighted
- Parcel Addresses: 1825 S Park Street
- Estimate of Eligible Activities: $400,000
- Estimate of Potential Redevelopment Investment: $4.85 Million
- Jobs Created: Approximately 8-10 Full Time Equivalents
- Office Space

4) Amend Chapter 46) 155 West Michigan Avenue

- Basis of Eligibility: Facility
- Parcel Addresses: 155 West Michigan Avenue
- Estimate of Eligible Activities: Up to $7.7 Million
- Estimate of Potential Redevelopment Investment: $35 Million
- Jobs Created: 83
- Mixed Use Development including: Commercial and Residential

This amended chapter reflects changes to the project design including an increase in total floor space from 190,000 to 275,000 square feet and an increase in expected total investment from $28.1 million to $35 million. In addition, the capture of school tax increment for the reimbursement of eligible activities has been added and estimates of captured taxable value and tax increment revenue have been revised, based on the changed project design.

5) Amend the City Administrative and Financial Services Information Table

This amended table corrects various addresses, parcel numbers and Industrial Facilities Tax (IFT) accounts that routinely change over time.

Commission Agenda Report

City of Kalamazoo

TO: Mayor Hopewell, Vice Mayor Cooney, and City Commissioners

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

PREPARED BY: Prepared By: Jerome R. Kisscorni, Assistant City Manager/ED Director

DATE: 5/26/2016

SUBJECT: BRA Submittal of a Brownfield Redevelopment Grant and Loan Application with River's Edge Partners, LLC for a Project at 600 East Michigan Avenue

RECOMMENDATION

It is recommended that the City Commission adopt the resolution approving a commitment to repay a Brownfield Redevelopment Loan to the City of Kalamazoo Brownfield Redevelopment Authority (BRA) if a loan is received from the Michigan Department of Environmental Quality.

BACKGROUND

Under Paragraph 9.3 of the Brownfield Plan Development Agreement dated March 17, 2016 (Development Agreement), the BRA agreed to assist and support River's Edge Partners, LLC (Developer) in any application for state incentives for the project located at 600 East Michigan Avenue (Property). The Developer has requested that BRA submit an application under the MDEQ's Brownfield Redevelopment Grant and Loan Program (MDEQ Grant/Loan). The submitted application, if awarded, allows Developer to obtain funds totaling $385,685 ($191,750 grant and $193,935 loan). The Amendment becomes effective when MDEQ approves the application and awards BRA the requested grant and loan funds, memorialized under a Brownfield Redevelopment Grant Contract and Brownfield Redevelopment Revolving Loan Contract between MDEQ and BRA (MDEQ Agreements).

MDEQ requires the City of Kalamazoo (City) to repay the loan proceeds to MDEQ if there is a default under the MDEQ Agreements and BRA is unable to cure the default because of the acts or omissions of Developer regarding the use of the MDEQ Grant/Loan funds. If that occurs Developer will reimburse the City – through a payment to BRA – the amount the City is required to pay MDEQ under the loan, including any costs and reasonable attorney fees BRA, including the City, may have also incurred (collectively, Loan Loss) to enforce the First Amendment to the Development Agreement (First Amendment) dated May 19, 2016.

COMMUNITY RESOURCES CONSULTED

Other than the public hearing process, no additional community resources were consulted.

FISCAL IMPACT

Under the First Amendment Developer will directly reimburse the City for all the Loan Loss from the Tax Increment Revenue that BRA agreed to reimburse Developer for its Eligible Costs; and deduct that amount from the $820,000 in Eligible Costs BRA agreed to reimburse Developer under the Development Agreement. In addition, the first

Amendment allows the BRA to place a lien against the Property in the same manner as delinquent taxes, including accruing interest, penalties and administrative expenses until the lien is fully satisfied and allows any other legal or equitable remedies on behalf of the City.

The principal members of Developer are the owners of Treystar, Inc. a Michigan corporation with the same business address as Developer (Treystar). Treystar agreed by signing this First Amendment to pay the City for the Loan Loss.

ALTERNATIVES

The City Commission may decline to submit the grant/loan application. This action is not recommended because the grant/loan will ensure the solvency of this project. Further, Treystar is a long-standing business in the community and is unlikely to default on the loan.

ATTACHMENTS:

Type	Description
Resolution	City Commission Resolution
Resolution	BRA Resolution

CITY OF KALAMAZOO, MICHIGAN

RESOLUTION NO. ____

RESOLUTION APPROVING A BROWNFIELD REDEVELOPMENT GRANT AND LOAN FOR 600 EAST MICHIGAN PROJECT

Minutes of a regular meeting of the City Commission of the City held on June __, 2016, at 7:00 o'clock p.m., local time, at the City Hall..

PRESENT: Commissioners

ABSENT: Commissioners

RECITALS:

A. The City of Kalamazoo Brownfield Redevelopment Authority (BRA) is submitting an application to receive a Brownfield Redevelopment Grant and Loan (Grant/Loan) from the Michigan Department of Environmental Quality (MDEQ). The purpose of the Grant/Loan is to assist RIVER'S EDGE PARTNERS, LLC (Developer) in the redevelopment of the former Steel Supply and Engineering Company property, including building – now combined into one parcel identified as Parcel No. 06-15-435-010, with address of 600 East Michigan Avenue – and including the leasehold interest Developer has at 578 E. Michigan Avenue (rear), identified as Parcel No. 06-15-440-002 – (collectively, Property) under the Brownfield Plan Development Agreement signed by the Developer dated March 17, 2016 (Agreement).

B. The area targeted for redevelopment covers approximately 4 acres of land; and the Agreement centers on rehabbing approximately 52,000 square feet of the 78,000 square foot building located on the Property (Building) for offices and restaurant, along with other Building and site improvements (Project).

C. The Project, which is estimated to cost $10,000,000 and create approximately 18 FTE jobs, includes creating office space for at least 4 businesses, converting the adjoining brick portion of the Building for a restaurant, and landscaping and other site improvements along that portion of the Property adjacent to Portage Creek to stabilize the creek bank (collectively Site Improvements).

D. To complete the Project and Site Improvements require removal and disposal of contaminated soil, installation of dermal contact barriers, and installation of plantings along Portage Creek for bank stabilization (Due Care Activities).

E. Considering that the Property and Building contain contaminated soil, metals, PAHs, chlorinated solvents and petroleum hydrocarbons and therefore qualify as

"eligible property" under the provisions of the Brownfield Redevelopment Financing Act (Act 381), Developer requested the assistance of BRA by applying for the Grant/Loan in the total amount of $385,685 ($191,750 grant and $193,935 loan). These funds are intended to alleviate the costs of the Due Care Activities and other site due care preparation costs.

F. MDEQ has reviewed the Project and communicated its interest in supporting the Project by inviting BRA to formally submit an application for the Grant/Loan since it meets the purpose of the program to encourage the reuse of brownfield properties for projects that will create jobs and result in community investment.

G. BRA and Developer have amended the Agreement to require Developer to reimburse BRA, to include the City, the full amount of the Grant/Loan, plus any costs incurred, should Developer default on its obligations regarding the use of the Grant/Loan funds.

H. The Project is consistent with local development plans and zoning ordinances and furthers the redevelopment of the Rivers Edge area in the City.

THEREFORE, IT IS RESOLVED:

1. Acceptance of Loan and Grant Funds. The City Commission for the City of Kalamazoo accepts and is committed to repay the Brownfield Redevelopment Resolving Loan, if approved by MDEQ, up to $193,935, to be issued to and managed by BRA.

2. Severability. If any section, clause or phrase of this Resolution is declared as invalid by a court of law, that ruling shall not affect the intent and purpose of this Resolution and validity of the remaining provisions of the Resolution.

3. Repeals. All resolutions or parts of resolutions in conflict with any of the provisions of this Resolution are repealed.

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 June __, 2016. Public notice was given and the meeting was conducted in full compliance with the Michigan Open Meetings Act (PA 267, 1976). Minutes of the meeting will be available as required by the Act.

_____

Scott A. Borling, City Clerk

RESOLUTION
REQUESTING A BROWNFIELD REDEVELOPMENT GRANT FOR
600 EAST MICHIGAN PROJECT

Minutes of a regular meeting of the Board of Directors of the City of Kalamazoo Brownfield Redevelopment Authority, held on May 19, 2016, at 7:30 a.m., local time, at the Kalamazoo City Hall.

Present, Directors: Nathan Bolton, Frederick Brown, Jim Escamilla, Kevan Hess, Mayor Bobby J. Hopewell, John MacKenzie, Bob Miller; Tom Schlueter, Doug Phillips, Nancy Troff

Absent, Directors: Patti Owens

The following preamble and resolution were offered by Director Schlueter and supported by Director Troff.

RECITALS:

A. The City of Kalamazoo Brownfield Redevelopment Authority ("BRA") is submitting an application to receive a Brownfield Redevelopment Grant and Loan ("Grant/Loan") from the Michigan Department of Environmental Quality ("MDEQ") for the purpose of assisting RIVER'S EDGE PARTNERS, LLC (Developer) in the redevelopment of the former Steel Supply and Engineering Company property, including building, the original parcels of which are now combined into one parcel identified as Parcel No. 06-15-435-010, with address of 600 East Michigan Avenue – and including the leasehold interest Developer has at 578 E. Michigan Avenue (rear), identified as Parcel No. 06-15-440-002 – (collectively, "Property") under the Brownfield Plan Development Agreement signed by the Developer dated March 17, 2016 ("Agreement").

B. The area targeted for redevelopment covers approximately 4 acres of land; and the Agreement centers on rehabbing approximately 52,000 square feet of the 78,000 square foot building located on the Property ("Building") for commercial purposes for offices and restaurant, along with other Building and site improvements ("Project").

C. The Project, which is estimated to cost $10,000,000 and create approximately 18 FTE jobs, includes creation of office space for at least 4 businesses, converting the adjoining brick portion of the Building for a restaurant, and landscaping and other site improvements along that portion of the Property adjacent to Portage Creek to stabilize the creek bank (collectively "Site Improvements").

D. To complete the Project and Site Improvements require removal and disposal of contaminated soil, installation of dermal contact barriers, and installation of plantings along Portage Creek for bank stabilization ("Due Care Activities").

E. Considering that the Property and Building contain contaminated soil, metals, PAHs, chlorinated solvents and petroleum hydrocarbons and therefore qualify as "eligible property" under the provisions of the Brownfield Redevelopment Financing Act, MCL 125.2651, et seq. ("Act 381"), Developer requested the assistance of by applying for Grant/Loan in the amount of $385,685 ($191,750 grant and $193,935 loan). These funds are intended to alleviate the costs of the Due Care Activities and other site due care preparation costs.

F. In conjunction with its Grant/Loan application, BRA Board of Directors has reviewed the proposed Brownfield Redevelopment Grant Contract and the Brownfield Redevelopment Revolving Loan Contract with MDEQ ("MDEQ Agreements").

G. The Grant/Loan application is consistent with the goals and objectives of BRA, under the powers granted to it under Act 381, in redeveloping contaminated sites.

H. Based on the presentation given by Developer at its March 2016 meeting and by BRA staff at this meeting, and in consideration of Agreement and MDEQ Agreements, the Board of Directors adopt and submit this resolution as an integral part of its application for the requested MDEQ Grant/Loan.

THEREFORE, IT IS RESOLVED:

1. The BRA Board of Directors authorizes its Chairperson and BRA staff to sign and submit the MDEQ Grant and Loan application and its supporting documentation – including the attachments to this resolution, to accept the MDEQ Grant/Loan, if awarded in any amount, and to receive and use the MDEQ Grant/Loan for the Due Care Activities. This authorization includes, without limitation, the ability to negotiate and execute the MDEQ Agreements relating to the acceptance and use of the MDEQ Grant/Loan; and to negotiate and execute any contracts or other documents necessary to implement the provisions and intent of this resolution on behalf of the BRA.

2. If the MDEQ Grant/Loan is awarded and accepted by the BRA, BRA staff is directed to administer and oversee the work undertaken for the Due Care Activities - subject to the provisions of the Agreement and MDEQ Agreements and in compliance with MDEQ rules and regulations – to ensure such grant and loan funds are properly allocated for the purposes set forth in the MDEQ Grant/Loan application.

3. In carrying out the above responsibilities, in addition to Eric Kemmer (Development Manager for City of Kalamazoo and BRA), BRA staff may retain the services of a qualified consultant, through its authorized representative, to also act as an Authorized Project Representative of the BRA.

4. The uses of the MDEQ Grant/Loan funds are consistent with the obligations of the parties who have signed both the Agreement and the MDEQ Agreements.

And the Project is further consistent with current zoning designations and with the Master Plan for the City of Kalamazoo.

5. In adopting this resolution, the Board of Directors has confirmed, approved and ratified any action or transaction previously undertaken by any of its officers, or those city employees or agents acting on behalf of BRA, in furtherance of the Project and the MDEQ Grant/Loan application that is in all respects consistent with the actions and purposes of the resolution.

AYES, Directors: All

NAYS, Directors: None

ABSTAIN, Directors: Frederick Brown

RESOLUTION DECLARED ADOPTED.

Nathan Bolton
BRA Secretary

CERTIFICATION

I certify that (i) the above is a true and complete copy of a resolution adopted by the Board of Directors of the City of Kalamazoo Brownfield Redevelopment Authority at a regular meeting held on May 19, 2016; the meeting was conducted and public notice of it was given to and in full compliance with the Michigan Open Meetings Act (Act No. 267, Public Acts of Michigan, 1976); and minutes of the meeting were kept will be available as required by the Act.

Martin Markos
Recording Secretary

K:Attydocs\JOHN\BRA\ 600E.Mich.Ave-BRARes.(MDEQ)
05/16/16

Commission Agenda Report

City of Kalamazoo

TO: Mayor Hopewell, Vice Mayor Cooney, and City Commissioners

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

REVIEWED BY: Jerome R. Kisscorni, Assistant City Manager/Economic Development Director

PREPARED BY: John W. Kneas, Assistant City Attorney

DATE: 5/27/2016

SUBJECT: Air Rights Easement for the Exchange Place Project - 155 West Michigan Avenue

RECOMMENDATION

It is recommended that the City Commission approve the Air Rights Easement – Exchange Place and authorize the City Manager to sign it.

BACKGROUND

The proposed redevelopment of the property at the corner of West Michigan Avenue and South Rose Street began with the Brownfield Plan Development Agreement between W. Michigan & Rose Development, LLC (Developer 1) and the City of Kalamazoo Brownfield Redevelopment Authority (BRA) dated October 20, 2011. That agreement was replaced with the Restated and Amended Brownfield Plan Development Agreement dated October 16, 2014 (Restated Agreement), primarily as the result of amendments to the Brownfield Redevelopment Financing Act (Act 381) and changes in the proposed project.

On May 19, 2016 BRA approved Amendment No. 1 to Restated Agreement with Exchange Place, LLC (Developer 2 – a new entity formed by Developer 1 and PlazaCorp Reality Advisors, Inc.). The mixed-use project for residential and retail/commercial uses has increased from approximately 185,000 to 275,000 sq. ft., from an 8-story to a 12-story building, with 3 floors for 245 parking spaces, and from $28 to $35+ million in completing the project. For the success of the project Developer desires to construct a portion of the building over Exchange Place to primarily accommodate the parking levels at floors 2 thru 4. The attached renderings depict where the building will extend over Exchange Place. The air rights would start at a distance of at least 20 feet above the surface of Exchange Place; a distance determined by city staff as sufficient to allow emergency and other vehicles to travel along that stretch of Exchange Place over which the building will be constructed.

Considering this property is located in the center of the downtown area and recognizing that it has been under-utilized for several decades, this project is viewed as having a significant impact on the continued the vitalization of the downtown in furtherance of the City's strategic objectives. As such, in addition to BRA's commitment for $7.7 million, DDA has also approved an agreement with Developer 2 to apply $1.3 million in its tax increment remedies in support of the project (DDA Agreement).

Developer 2 has submitted an application with the state for funds under the Community Revitalization Program (CRP). Even though Developer 2 has the ability to use funds from the former Michigan Business Tax Credit

Program, the project is nonetheless contingent on Developer 2's receipt of CRP funds. Therefore, if this air rights easement is approved, it will only take effect if the state approves such application.

COMMUNITY RESOURCES CONSULTED

Throughout the 5 years since the project was proposed city staff has kept BRA and DDA updated and involved, culminating in the Amendment No. 1 and the DDA Agreement. City staff has also actively supported the project in meetings with state departments and legislators.

FISCAL IMPACT

The fiscal impact of this project cannot be understated. The projected annual taxes generated by the project are approximately $550,000 (the breakdown of which is Exhibit D to Amendment No. 1). Developer 1 presented information to BRA based on preliminary estimates from the Upjohn Institute that the indirect financial impact from the residents who occupy the 140 apartment units at between $2.6 -$3.3 million annually.

ALTERNATIVES

The Commission could decline to approve the air rights easement, but this action is not recommended by city staff as it will stop the project from proceeding ahead as proposed.

ATTACHMENTS:

	Type	Description
🗋	Easement	Air Rights Easement - Exchange Place
🗋	Agreement	Amendment No. 1 to Restated and Amended Redevelopment Agreement
🗋	Concept Plan	Exterior Renderings of Building

AIR RIGHTS EASEMENT – EXCHANGE PLACE

This Easement Agreement ("**Agreement**") dated _____, 2016 is between the City of Kalamazoo, a Michigan municipal corporation, 241 West South Street, Kalamazoo, Michigan 49007 ("**City**") and Exchange Building, LLC, a Michigan limited liability company, 2725 Airview Boulevard, Suite 205, Kalamazoo, Michigan 49002 ("**Developer**").

RECITALS:

A. Developer owns or intends to own a parcel of real property at the corner of West Michigan Avenue and South Rose Street, commonly known as 155 West Michigan Avenue, Kalamazoo, Michigan, and more fully described in **Exhibit A** ("**Property**").

B. Developer has signed Amendment No. 1 to Restated and Amended Development Agreement with the City of Kalamazoo Brownfield Redevelopment Authority ("**BRA**") dated May 19, 2016 ("**Development Agreement**").

C. Under the Development Agreement Developer has agreed to redevelop and improve the Property by constructing an twelve-story building ("**Building**") with approximately 275,000 gross square feet of floor space for a mixed use project for residential and retail/commercial uses, with available on-site parking ("**Project**").

D. The preliminary plans, dated _____, 2016 for the Project as described in the Development Agreement have been submitted to the City ("**Preliminary Plans**").

E. In order to construct the Project, Developer desires to construct a portion of the Building over West Exchange Place, a public alley ("**Exchange Place**") adjacent to the south boundary line of the Property as approximately depicted on the Site Plan attached as **Exhibit B**. Therefore, Developer has requested that the City grant to Developer a perpetual exclusive easement for air rights over Exchange Place to permit it to construct a portion of the Building in those air rights.

F. That portion of the Building extending over Exchange Place will be a distance of at least 20 feet above the surface of Exchange Place; a distance determined by the City as sufficient to allow emergency and other vehicles to travel along that stretch of Exchange Place over which the Building will be constructed.

G. With the Property located in the center of the downtown area and recognizing that this Property has been under-utilized for several decades, the granting of an easement for air rights over Exchange Place in support of the Project serves the

best interest of the community by increasing the tax base and continuing the vitalization of the downtown in furtherance of the City's strategic objectives.

THEREFORE, in consideration of the above and the mutual covenants, conditions and agreements set forth below, the parties agree as follows:

1. *Recitals.* The above recitals are acknowledged as true and correct, and are incorporated by reference into this paragraph.

2. *Grant of Easement - Air Rights.* The City grants to the Developer an exclusive and perpetual easement appurtenant to the Property over, within and through the Easement Area described below.

3. *Description of Easement.* The Easement Area is based on the location and size of the Building Improvements as shown on the Preliminary Plans. Therefore, Developer will, at its expense, obtain an engineered legal description of the total volume of air space the Building will occupy over Exchange Place ("**Survey**"). This Survey of the Easement Area to be attached as **Exhibit C**.

4. *Uses of Easement Area; Construction of Improvements*. Developer may use the Easement Area for the construction of portions of the Building ("**Building Improvements**") pursuant to construction plans materially consistent with the Preliminary Plans that are submitted by Developer to the City in connection with requested building permits (upon issuance of such permits, the construction plans are referred to as the "**Approved Plans**"). Developer may use the Easement Area to locate, construct, operate, maintain, repair and restore the Building Improvements.

5. *Adjustment to Easement Area.* Upon completion of the Building's construction, Developer will promptly provide the City with 'as built plans' for the Building Improvements; and if those plans alter any of the vertical or horizontal dimensions of the Easement Area, the parties agree to record an amendment to this Agreement with a revised **Exhibit C** to accurately reflect the Easement Area.

6. *Indemnification, Hold Harmless and Insurance.* Developer shall defend, indemnify and hold the City and all its elected and appointed officers, agents, contractors and employees harmless:

    a. From all claims by persons, firms or other entities for labor, services, materials or supplies provided for the construction, installation and maintenance of any improvement made in the Easement Area.

    b. From all claims for injuries to or death of any and all individuals or for loss of or damage to property from any environmental damage, degradation, response and clean-up costs and all reasonable attorney

fees and related costs (collectively "**Environmental Costs**") which the City may incur arising out of or which may arise out of any activity Developer or its successors, assigns, agents and invitees engaged in or for which any of them are responsible relating to any activity involving the use of the Easement Area.

c. Developer shall obtain and keep in full force until the completion of the Project, a single policy of builders' risk insurance, effective as of the date construction begins, naming the City as an additional insured, with the limits as required of the insurance upon completion. Upon completion of the Project, Developer and its successors and assigns, shall obtain and maintain during the entire term of this Agreement a policy or policies of general public liability insurance, including broad form endorsements, on an occurrence basis, naming the City as an additional insured with combined policy limits of not less than $1,000,000 for injuries, including accidental death, to any one person, and subject to the same limit for each person, not less than $2,000,000 for any one accident involving two or more persons; and property damage liability insurance shall not be less than $1,000,000, for any one accident and not less than $2,000,000 aggregate with respect to the Building Improvements located within the Easement Area. Developer shall provide the City with a certificate of such insurance issued by a company authorized to do business in Michigan with a Best rating of not less than A naming the City as an additional insured with a right to not less than 30 days written notice of cancellation or nonrenewal.

d. Developer's obligations to defend, indemnify, and hold the City harmless as stated above shall survive the expiration, nonrenewal, cancellation, or early termination of this Agreement for any reason.

7. *Construction Liens.* The City is not responsible to pay or satisfy any obligations or liabilities by contractors of Developer, their subcontractors or any other person not a party to this Agreement. Developer shall not engage in any activity or conduct which arises either directly or indirectly out of its obligations, responsibilities and duties under this Agreement, which may result in a claim being asserted or a judgment being entered against the City relating to the Easement Area. If Developer breaches any of the provisions of the preceding sentence, the City shall have the right to seek and obtain any necessary relief or remedy including, but not limited to, a judgment for money damages. However, the City shall not have the right, under any circumstances, to file a claim requesting the termination or rescission of this Agreement.

8. In connection with the use of the Easement Area, Developer shall:

a. Obtain all permits which are required to be obtained before using any portion of the Easement Area.

b. Construct and maintain all Building Improvements within Easement Area in compliance with the provisions of all applicable federal, state or City laws, ordinances and regulations over the construction and use of any improvements made within the Easement Area.

c. Maintain the Building Improvements within the Easement Area in good condition, both as to safety and appearance; and the maintenance of those improvements accomplished in a manner so as to not interfere with the use, maintenance or operation of the public right-of-way located below the horizontal bottom of the Easement Area. However, during construction of the Project and the Building Improvements ("**Construction Period Use**"), Developer may obstruct Exchange Place as reasonably necessary to perform construction, but shall, to the extent reasonably possible, preserve pedestrian access to business located on Exchange Place. Developer shall also work with the owner of the Comerica Building to minimize the impact on the access to the designated parking spaces for the disabled adjacent to Exchange Place during the Construction Period Use. If, in the reasonable judgment of the City, Developer's failure to discharge its maintenance obligations causes interference with or jeopardizes the use or operation of the public right-of-way for Exchange Place, then after written notice to Developer and failure of Developer to abate or eliminate such interference within thirty (30) days after such notice (provided that the thirty (30) day period shall be extended so long as Developer shall begin efforts to abate or eliminate such interference within thirty (30) days and shall diligently pursue the same), the City may, but is not obligated to, enter onto the Property and perform any work reasonably necessary in order to perform Developer's duties and obligations under this subparagraph. Developer shall, upon written request of the City, promptly reimburse the City for all reasonable expenses the City may incur in discharging any of Developer's duties and obligations under this subparagraph. The City shall provide Developer with reasonable documentation for all the reasonable expenses incurred.

d. Except for Construction Period Use and except for the Building Improvements shown on the Approved Plans, Developer and its successors, assigns, agents, and invitees shall not place any improvements or fixtures or conduct any activity within the Easement Area which will unreasonably interfere in any way with the use or enjoyment of the public right-of-way by the City, the abutting property owners or the public within that area below the horizontal bottom of the Easement Area.

However, Developer as the owner of the Property, for itself and successors and assigns shall have the perpetual right to utilize Exchange Place, as a public right-of-way, for pedestrian and vehicular ingress and egress to the Building including, without limitation, the right to construct vehicular and pedestrian entryways and doorways from the Building to Exchange Place.

e. Developer, its successors, assigns, agents and invitees shall not store, allow the storage of or discharge any radioactive, toxic, flammable, poisonous, explosive or other dangerous, hazardous materials or waste within the Easement Area. The fuel or batteries used to power the motor vehicles parked within the Easement Area is excluded.

9. The City represents and warrants to Developer that it has the authority to grant this easement and execute this Agreement.

10. This Agreement may only be amended by a written agreement executed by both parties.

11. The waiver of any breach of any provision of this Agreement by a party shall not operate as or construed as a waiver by the other party of any subsequent breach. Each and every right, remedy and power granted to a party under this Agreement or allowed by law shall be cumulative and not exclusive of any other.

12. If any of the provisions of this Agreement or its application to any party under any circumstances is determined to be invalid or unenforceable, such invalidity or unenforceability shall not affect any other provision of this Agreement or its application.

13. This Agreement shall be binding upon the parties and their heirs and successors and assigns.

14. This Agreement constitutes the entire agreement between the parties regarding the matters set forth in this Agreement. This Agreement supersedes and terminates any other previous or contemporaneous communications, representations, understandings, agreements, negotiations and discussions, whether oral or written, between the parties with respect to the Easement Area. There are no other written or oral agreements, understandings or representations directly or indirectly related to the Easement Area that are not expressly set forth in this Agreement.

15. All notices, demands and requests required or permitted to be given under the provisions of this Agreement shall be in writing and shall be deemed given (a)

when personally delivered to the party to be given such notice or other communication, (b) on the third business day following the date of deposit in the United States mail if such notice or other communication is sent by certified or registered mail with return receipt requested and postage thereon fully prepaid, or (c) on the business day following the day such notice or other communication is sent by reputable overnight courier, to the parties at the addresses set forth below:

If to Developer:	Exchange Building, LLC Attn: Gregory A. Taylor 2725 Airview Blvd., Suite 205 Kalamazoo, Michigan 49002
With copies to:	Jeffrey A. Nicholson PlazaCorp Realty Advisors, Inc. 200 W. Michigan Ave., Suite 201 Kalamazoo, MI 49007
	David L. Smith McShane & Bowie, P.L.C. 99 Monroe Ave., Ste. 1100 Grand Rapids, MI 49503
If to City:	City of Kalamazoo Attn: James K. Ritsema, City Manager 241 West South Street Kalamazoo, Michigan 49007
With copy to:	Office of City Attorney 241 West South Street Kalamazoo, Michigan 49007-4707

16. This Agreement is governed by the laws of the State of Michigan.

17. This Agreement may be executed in duplicate original counterparts and all copies of this Agreement so executed shall be deemed to be one agreement

18. Developer shall, at its expense, record this Agreement with the Kalamazoo County Register of Deeds. After this Agreement is recorded, Developer shall provide the City with a copy of the recorded Agreement.

SIGNATURES INTENTIONALLY ON NEXT PAGE

Dated: _____, 2016

CITY OF KALAMAZOO

By: _____
James K. Ritsema
Its: City Manager

Dated: _____, 2016

EXCHANGE BUILDING, LLC

BY: _____
Gregory A. Taylor
Its: Manager

CORPORATE ACKNOWLEDGMENTS

COUNTY OF KALAMAZOO)
)ss
STATE OF MICHIGAN)

Acknowledged before me on _____, 2016, by James K. Ritsema, City Manager for the City of Kalamazoo, on its behalf.

_____
Notary Public
Kalamazoo County, Michigan
My commission expires: _____

COUNTY OF KALAMAZOO)
)ss
STATE OF MICHIGAN)

Acknowledged before me on _____, 2016, by Gregory A. Taylor, Manager, on behalf of Exchange Building, LLC.

_____
Notary Public
Kalamazoo County, Michigan
My Commission expires: _____

Drafted by:
John W. Kneas (P26112)
Assistant City Attorney
241 W. South St.
Kalamazoo, MI 49007
(269) 337-8185

After Recorded Return to:
David L. Smith (P20637)
McShane & Bowie PLC
99 Monroe Ave. NW
Suite 1100
Grand Rapids, MI 49503
(616) 732-5000

INDEX OF EXHIBITS

Exhibit A	**Legal Description of Property**
Exhibit B	**Site Plan for Easement Area**
Exhibit C	**Legal Description of Easement Area**

EXHIBIT A

Land located in the City of Kalamazoo, County of Kalamazoo, State of Michigan as set forth in the Original Plat of the Town (now City) of Kalamazoo, as recorded in Liber 6 of Plats, at Page 8, Kalamazoo County records, described as part of Lots 81, 83, 85 and Lot 87, except the East 52 feet of Lot 87, and more particularly described as follows:

Commencing on the South side of West Main Street (now Michigan Avenue) in the City of Kalamazoo, at a point 52 feet West of the West line of Burdick Street; thence West on the South line of Main Street 76.5 feet; thence South parallel with the West line of Burdick Street 100 feet to the North line of Exchange Place; thence East along the North line of said Exchange Place 76.5 feet; thence North 100 feet to the place of beginning.

ALSO

Commencing on the South side of Main Street in the City of Kalamazoo, 128.5 feet West of the West line of Burdick Street; thence South parallel with the West line of Burdick Street to the North line of an alley; thence West on the North line of said alley 204 feet to the East line of South Rose Street; thence North 100 feet on the East line of South Rose Street to the South line of West Main Street (now Michigan Avenue); thence Easterly on the Southerly line of West Main Street 204 feet to the place of beginning.

Commonly known as: 155 West Michigan Avenue,
Kalamazoo, MI 49007 Tax Parcel No.: 3906-15-380-081

EXHIBIT C
LEGAL DESCRIPTION OF EASEMENT AREA

All air rights above that part of Exchange Place, a public alley, established by _____ recorded _____ beginning from the east right-of-way line of South Rose Street and continuing easterly along Exchange Place for a distance of _____ feet but excluding such air rights below an elevation of 20 feet above the current elevation of Exchange Place which is _____ feet above sea level.

434890_4

AMENDMENT NO. 1
TO RESTATED AND AMENDED BROWNFIELD PLAN DEVELOPMENT AGREEMENT
(EXCHANGE PROJECT)

This Amendment No. 1 to Restated and Amended Brownfield Plan Development Agreement (Exchange Project) ("**Amendment No. 1**") is made this _____ day of _____ , 2016, by and between EXCHANGE BUILDING, LLC, a Michigan limited liability company, having an address of 2725 Airview Boulevard, Suite 205, Kalamazoo, Michigan 49002, ("**Developer**") and the CITY OF KALAMAZOO BROWNFIELD REDEVELOPMENT AUTHORITY, a Michigan public body corporate, whose address is 241 West South Street, Kalamazoo, Michigan 49007 ("**BRA**").

RECITALS

A. Developer's predecessor in interest, W. Michigan & Rose Development, LLC, a Michigan limited liability company, ("**Developer's Predecessor**") entered into an Agreement of Sale, dated July 28, 2011, as amended from time to time thereafter ("**Sales Agreement**"), for the purchase of certain real property described in attached **Exhibit "A"** ("**Property**") with Gilmore Real Estate, LLC, a Michigan limited liability company, as Seller.

B. Developer's Predecessor entered into a Brownfield Plan Development Agreement dated October 20, 2011 which was amended November 15, 2013 and Restated and Amended Development Agreement dated October 16, 2014 (collectively the "**BRA Development Agreement**") for the purpose of obtaining reimbursement for Eligible Costs as defined in the BRA Development Agreement.

C. Developer's Predecessor has assigned all of its right, title and interest in and to the Sales Agreement to the Developer.

D. Developer's Predecessor has also assigned all of its right, title and interest in and to the BRA Development Agreement.

E. The Developer and the BRA desire to amend the BRA Development Agreement as hereinafter set forth.

NOW, THEREFORE, in consideration of the mutual covenants and agreements contained herein, and other good and valuable consideration, Developer and the BRA hereby agree as follows:

1. The Recitals are amended as follows:

A. Recital G is amended by deleting the same in its entirety and substituting therefore the following:

"Developer intends to redevelop and improve the Property by constructing a twelve story building with approximately 275,000 square feet of floor space for a mixed use project with approximately 46,205 square feet of commercial and office space, approximately 140 apartments and with available on-site parking (the "**Project**"). The capital investment for the Project is in excess of $35 million and will result in the creation of approximately 225 part-time construction jobs and upon completion approximately 83 full time equivalent (FTE) jobs."

B. Recital J is amended by deleting the same in its entirety and substituting therefore the following:

"Developer is signing an Amendment to or Restatement of the TIF Agreement for East (sic. West) Michigan Avenue (Exchange Project) dated October 10, 2014 ("**2016 DDA Agreement**") with the City of Kalamazoo Downtown Development Authority ("**DDA**"). The DDA Agreement sets forth the streetscape and other improvements to the public sidewalk adjacent to the Property Developer will undertake as more fully detailed in that agreement."

2. Paragraph 3, Term of Agreement, is amended by deleting the same in its entirety and substituting therefore the following:

"Pursuant to the Plan the BRA shall capture that amount of TIR generated from all real and personal property taxes allowed by law on the Property (generally referred to as local and school taxes), beginning on December 31 in the year Developer has completed the Project and continuing until the full reimbursement of the Developer's Eligible Costs for those Eligible Activities set forth in Paragraph 7, which shall not exceed $7,700,000.

In addition to the above, Developer understands that the BRA is entitled by Act 381 to capture TIR generated by this Project (i) for certain administrative operating expenses incurred by the BRA, and (ii) for an additional term not to exceed 5 years for the Local Site Remediation Revolving Fund relating to this Project."

3. Paragraph 6, Reimbursement Process, is amended as follows:

A. Paragraph 6.3, Reimbursement, is amended by deleting the same in its entirety and substituting therefore the following:

"Before December 31 of the year after Developer completes the Project (and as property taxes are received each subsequent year) after both the summer and winter taxes are captured on the Property, the BRA shall pay approved Eligible Costs to the Developer from such available TIR

following the Plan and this Paragraph 6 (which in accordance with attached **Exhibit D** an estimated taxable value of $7,336,843 or more, providing an annual BRA Capture of $368,804 or more). If there is insufficient TIR available in any given year to reimburse all of the Developer's Eligible Costs, then the BRA shall reimburse the Developer only from TIR available to the BRA. The BRA shall make additional payments from TIR, on an annual basis as property taxes are received, toward the Developer's remaining unpaid Eligible Costs until all of such Eligible Costs have been reimbursed in full. Reimbursement of Eligible Costs is subject to Developer paying the Developer's taxes levied against the Property and the personal property owned by Developer and used in the business or operations conducted from the Property."

B. Notwithstanding the foregoing, after the Commencement Date, BRA agrees to advance to Developer up to the sum of $500,000 as follows:

- On or before (i) January 31, 2018 ("**First Disbursement**") and (ii) on or before January 31, 2019 ("**Second Disbursement**"), Borrower may make application for reimbursement of Eligible Costs in accordance with Section 6.1 hereof and BRA shall review the Completed Request in accordance with Section 6.2 hereof; and

- BRA shall reimburse Developer for its Eligible Costs incurred during the preceding calendar years (2017 for the First Disbursement and 2018 for the Second Disbursement); and

- The amount disbursed by BRA pursuant to this Paragraph (the "**Pre-completion Disbursements**") shall be deducted from the maximum of Developer's Eligible Costs of $7,700,000 (such that if the Pre-completion Disbursements equal $500,000 then the maximum of Eligible Costs thereafter reimbursable to Developer will be $7,200,000).

C. Paragraph 6.4, Method of Reimbursement, is amended by restating the same as follows:

The BRA will reimburse the Developer for Eligible Costs as follows:

Checks shall be payable to:	Exchange Building, LLC
Delivered to the following address:	ATTN: Gregory A. Taylor
(In person or by certified mail)	2725 Airview Blvd., Suite 205
	Kalamazoo, Michigan 49002

4. Paragraph 7.2, Reduction in Property Assessments, is amended by deleting the same in its entirely.

5. Paragraph 8, Developer's Commitments, is amended as follows:
A. Paragraph 8.1, Project, is amended by deleting the same in its entirety and substituting therefore the following:

"To redevelop the Property by investing in excess of $35 million in constructing the Project as defined above. More specifically, Developer shall complete the Project substantially following the proposal it presented to the BRA in return for the BRA agreeing to provide the incentives outlined above. Therefore, the conceptual breakdown of the proposed uses for the Project is as follows: (i) approximately 140 market rate one and two-bedroom residential apartments; (ii) approximately 46,205 square feet of office and/or retail space to include on the first floor (including a commercial bank branch office) as the anchor tenant occupying approximately 14,720 square feet and approximately 31,485 square feet of Class A office space on the 5th floor, and (iii) and public parking of approximately 11 spaces; and (iv) on site enclosed reserved parking totaling approximately 245 spaces.

Developer intends to commence construction not later than December 31, 2016 which date may be extended for reasons beyond the control of Developer such as adverse weather conditions or delays in obtaining permits or governmental approvals, but not later than June 1, 2017 (the "**Commencement Date**") and to complete the Project not later than December 31, 2019 as evidence by a Certificate of Occupancy ("**Completion Date**"). Completion Date is defined as the date when Purchaser receives a final occupancy permit from the City. The Project calls for the creation of approximately 225 part time construction jobs and 83 FTE jobs associated with the planned retail/commercial and residential uses on the Property."

B.Paragraph 8.3, Employment Opportunities, is amended by deleting the same in its entirely and substituting therefore the following:

"To make every reasonable effort to work with the City and community employment agencies to hire city residents for new employment opportunities created by the Project, and to encourage the local contracting of construction and site related work (it being acknowledged that Developer's general contractor is not from Kalamazoo County). Regardless of Developer's ability to hire city residents it, and any contractors hired to perform work on the Project, shall follow the City's 'Fair Chance for All' policy regarding hiring new employees who will work on the Project. A copy of this policy is attached as Exhibit E, and Developer will provide a copy of it to any of the contractors prior to performing any work on the Project.

C. Paragraph 8.8, Fixed Assessment Period, is added and provides:

"Considering the incentives BRA is providing to the Developer under this Agreement and the projected TIR to cover the Eligible Activities, Developer agrees that it will not petition the Michigan Tax Tribunal to lower the assessed values on the Property as long as there is a balance owed to Developer for its Eligible Activities ("**Fixed Assessment Period**"). However, if during the Fixed Assessment Period, this provision is found by a court as unenforceable and Developer, nonetheless, successfully petitions the Michigan Tax Tribunal (Tribunal) to lower the assessments levied by the City of Kalamazoo against the Property for tax purposes, the reimbursement to Developer by BRA under Paragraph 3 will end at 17 years (the current estimated period for Developer to recoup the estimated $7.7 million in Eligible Activities under Exhibit D) regardless of whether Developer has received all of the $7.7 million.

6. Paragraph 13, Notices, is amended by restating the addresses for notices to Developer as follows:

If to Developer:

Exchange Building, LLC
Attn: Gregory A. Taylor
2725 Airview Blvd., Suite 205
Kalamazoo, Michigan 49002

With copies to:

Jeffrey A. Nicholson
PlazaCorp
200 W. Michigan Ave., Suite 201
Kalamazoo, MI 49007

David L. Smith
McShane & Bowie, P.L.C.
99 Monroe Ave., Ste. 1100
Grand Rapids, MI 49503

7. Paragraph 24, Effective Date, is amended by deleting the same in its entirety and substituting therefore the following:

"This Agreement is contingent upon (i) the State's approval of the Act 381 Work Plan which is necessary for the funding and completion of the Project; and (ii) the City's approval of the Air Rights Easement in a form substantially similar to Exhibit F."

8. The following is added to Paragraph 25.

25. DDA Agreement.

"25.1 Coincident herewith the Downtown Development Authority of the

City of Kalamazoo (the "**DDA**") and Developer have entered into the 2016 DDA Agreement pursuant to the Downtown Development Authority Act197 of the Public Acts of Michigan of 1975, as amended ("**Act 197**").

25.2 In the event that there is any change in Act 197 or any other state law, local law or ordinance, statutes, codes or regulations (collectively "**Change of Laws**"), or if the DDA ceases to exist in the City of Kalamazoo or if any other circumstance arises such that the DDA is unable to make reimbursements to Developer of Eligible Expenses as otherwise is permitted under the Act ("**DDA TIF Reimbursements**"), then:

A. Developer and the BRA shall calculate the amount of DDA TIF Reimbursements that would have been payable to Developer under the DDA TIF Agreement were it not for such Change of Law or circumstances (such amounts are the "**Calculated DDA TIF Reimbursements**"). Such calculations shall be made within thirty (30) days following the date when DDA TIF Reimbursements would otherwise have been payable to Developer under the DDA TIF Agreement; and

B. Within fifteen (15) days after determination of the calculated DDA TIF Reimbursements, BRA shall make payment to Developer of an amount equal to such Reimbursements and upon such payment, the BRA shall be subrogated to the position of the DDA in and to the DDA TIF Agreement."

Except as modified hereby all other terms and provisions of the BRA Development Agreement shall remain in full force and effect.

Dated: _____, 2016

CITY OF KALAMAZOO BROWNFIELD REDEVELOPMENT AUTHORITY

By: _____
Douglas J. Phillips
Its: Chairperson

Dated: _____, 2016

EXCHANGE BUILDING, LLC

By: _____
Gregory A. Taylor
Its: Manager

EXHIBIT A

Land located in the City of Kalamazoo, County of Kalamazoo, State of Michigan as set forth in the Original Plat of the Town (now City) of Kalamazoo, as recorded in Liber 6 of Plats, at Page 8, Kalamazoo County records, described as part of Lots 81, 83, 85 and Lot 87, except the East 52 feet of Lot 87, and more particularly described as follows:

Commencing on the South side of West Main Street (now Michigan Avenue) in the City of Kalamazoo, at a point 52 feet West of the West line of Burdick Street; thence West on the South line of Main Street 76.5 feet; thence South parallel with the West line of Burdick Street 100 feet to the North line of Exchange Place; thence East along the North line of said Exchange Place 76.5 feet; thence North 100 feet to the place of beginning.

ALSO

Commencing on the South side of Main Street in the City of Kalamazoo, 128.5 feet West of the West line of Burdick Street; thence South parallel with the West line of Burdick Street to the North line of an alley; thence West on the North line of said alley 204 feet to the East line of South Rose Street; thence North 100 feet on the East line of South Rose Street to the South line of West Main Street (now Michigan Avenue); thence Easterly on the Southerly line of West Main Street 204 feet to the place of beginning.

Commonly known as: 155 West Michigan Avenue,
Kalamazoo, MI 49007 Tax Parcel No.: 3906-15-380-081

EXHIBIT D

THE EXCHANGE PROJECTIONS

	VALUE & TAX PROJECTIONS	ESTIMATED DDA TIF VALUE & CAPTURE	NON CAPTURABLE TAX ON TIF INITIAL VALUE	ESTIMATED BRA TIF VALUE & CAPTURE	TAX TO TAXING AUTHORITY
	REAL PROPERTY ONLY				
EST T.V. @ COMPLETION	$7,336,843	*$7,336,843*		*$7,336,843*	
Less TIF Initial Value		*$235,600*	*$153,554*	*$153,554*	
Maximum Captured Value by Plan		*$7,101,243*		*$7,183,289*	
% captured ND to total ND	25.00%	$1,775,311			
ESTIMATED TAX.:					
CITY OPERATING	$141,384.62	$33,843	$2,959	$104,582	$2,959
TRANSIT	$5,503	$1,317	$115	$4,070	$115
SOLID WASTE	$13,206	$3,161	$276	$9,769	$276
KCTA	$2,935	$702	$61	$2,171	$61
DDA	$14,408	$3,449	$302	$10,658	$302
KVCC	$20,642	$4,941	$432	$15,269	$432
STATE EDUCATION TAX	$44,021	$8,002	$921	$35,098	$921
COUNTY (Summer)	$34,389	$8,232	$720	$25,437	$720
COUNTY (Winter)	$10,632	$2,545	$223	$7,864	$223
COUNTY JUV HOME DEBT	$1,855	$0	$0	$0	$1,855
COUNTY HOUSING	$734	$176	$15	$543	$15
SCHOOL OPERATING	$132,063	$24,005	$2,764	$105,294	$2,764
SCHOOL DEBT	$50,991	$0	$0	$0	$50,991
KRESA OPERATING	$21,255	$3,863	$445	$16,947	$445
KRESA Allocated	$1,061	$193	$22	$846	$22
KRESA SPECIAL ED	$11,005	$2,000	$230	$8,775	$230
KRESA DEBT	$2,678	$0	$0	$0	$2,678
KRESA ENHANCEMENT	$11,005	$0	$0	$0	$11,005
KALAMAZOO LIBRARY	$29,041	$6,952	$608	$21,482	$608
TOTAL TAX ON PROJECT	**$548,808**				
TOTAL DDA TIF CAPTURE		**$103,381**			
TOTAL BRA TIF CAPTURE				**$368,804**	
TAX TO TAXING AUTHORITIES					**$76,623**

434181_2

THE EXCHANGE
THE EXCHANGE, LLC.

NORTHWEST PERSPECTIVE

JANUARY 20, 2016
15-248.00

TowerPinkster
ARCHITECTS | ENGINEERS

THE EXCHANGE
THE EXCHANGE, LLC.

NORTHEAST PERSPECTIVE

JANUARY 20, 2016
15-248.00

TowerPinkster
ARCHITECTS | ENGINEERS

THE EXCHANGE
THE EXCHANGE, LLC.

SOUTHWEST PERSPECTIVE

JANUARY 20, 2016
15-248.00

TowerPinkster
ARCHITECTS | ENGINEERS

THE EXCHANGE
THE EXCHANGE, LLC.

SOUTHEAST PERSPECTIVE

JANUARY 20, 2016
15-248.00

TowerPinkster
ARCHITECTS | ENGINEERS

THE EXCHANGE
THE EXCHANGE, LLC.

NORTH ELEVATION

JANUARY 20, 2016
15-248.00

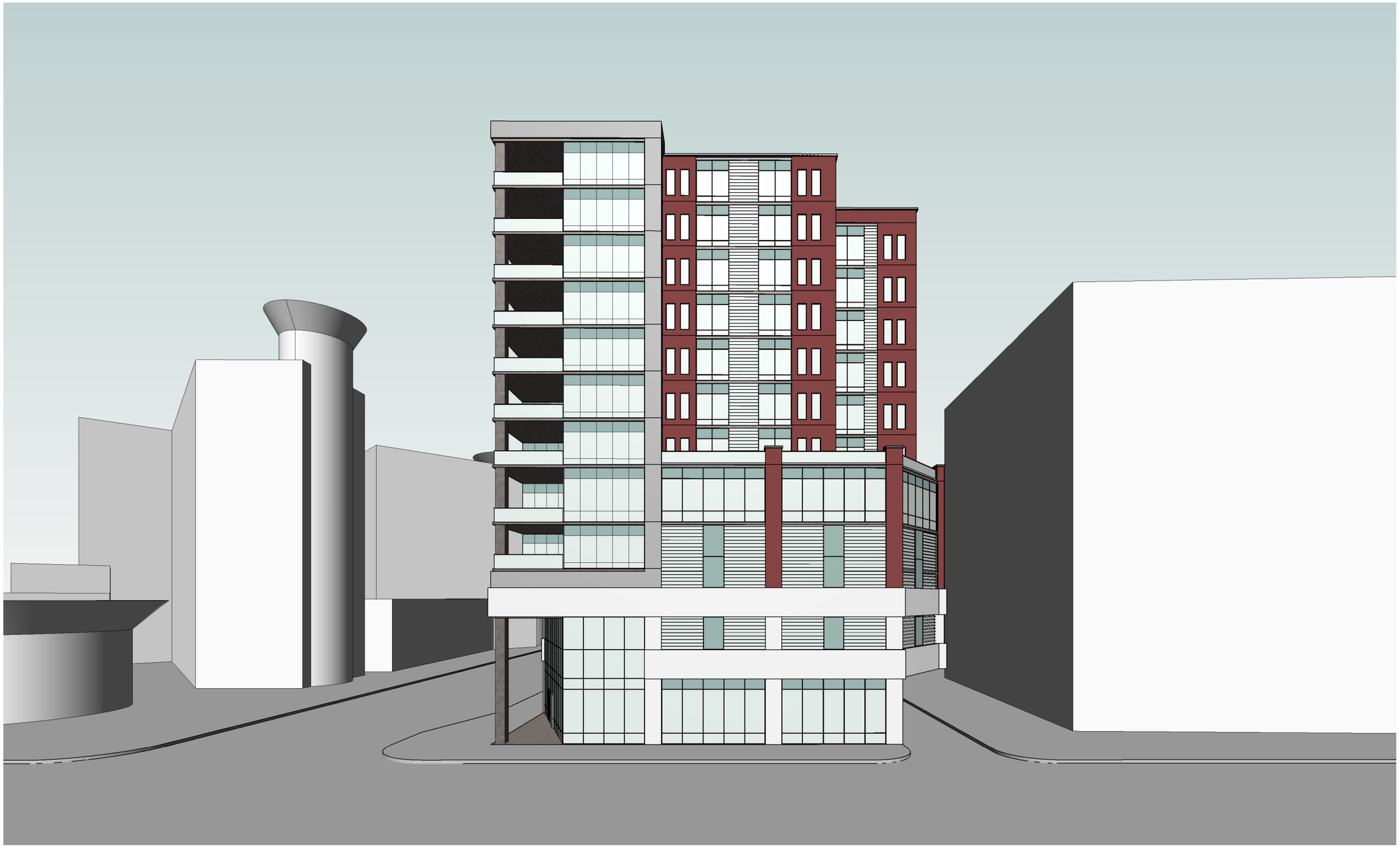
TowerPinkster
ARCHITECTS | ENGINEERS

SOUTH ELEVATION

JANUARY 20, 2016
15-248.00

TowerPinkster
ARCHITECTS | ENGINEERS

THE EXCHANGE
THE EXCHANGE, LLC.



THE EXCHANGE
THE EXCHANGE, LLC.

WEST ELEVATION

JANUARY 20, 2016
15-248.00

TowerPinkster
ARCHITECTS | ENGINEERS

Commission Agenda Report

City of Kalamazoo

TO: Mayor Hopewell, Vice Mayor Cooney, and City Commissioners

FROM: Clyde J. Robinson, City Attorney

DATE: 5/20/2016

SUBJECT: Novation Agreement with MDOT to Permit CCTA to Replace City as a Party in Master Agreement No. 2012-0112

RECOMMENDATION

It is recommended that the City Commission approve and authorized the City Manager to execute a Novation which would remove the City as a party to the Master Agreement No. 2012-0112 with the Michigan Department of Transportation and be replaced by the central County Transportation Authority (CCTA) as of October 1, 2016.

BACKGROUND

Pursuant to the Comprehensive Transition Agreement entered into by the City, operation of existing transportation services by the City will be transferred to the CCTA as of October 1, 2016. As part of the transition, is the necessity to transfer existing State and Federal grant funding agreements from the City to the CCTA.

The proposed novation will replace the CCTA for the City in the existing 5 year Master Agreement with the State of Michigan Department of Transportation governing most Federal transit grants, State matching grants and State funded grants for transit related capital and operating programs. Under contract law, a novation is substitution of one party for one of the original parties to an agreement with the consent of the remaining party. There are some programs, such as Rideshare projects and the Specialized Services Program which are not included under the terms of the Master Agreement.

COMMUNITY RESOURCES CONSULTED

The CCTA Board at its May 9, 2016 meeting acted to approve and accept the proposed novation.

FISCAL IMPACT

In FY 2015 the City received $549,764 in State of Michigan capital grant and federal pass through revenue. This money was restricted to transit capital and operations use. Since after October 1, 2016 the City will no longer be providing transit services, it will no longer be eligible to receive these funds.

ALTERNATIVES

None. This action is necessary so as to give effect to the Comprehensive Transition Agreement that transfers transit operations to the CCTA effect October 1, 2016.

ATTACHMENTS:

	Type	Description
🗋	Resolution	CCTA Resolution
🗋	Agreement	Proposed Novation Agreement between City, CCTA and MDOT

CENTRAL COUNTY TRANSPORTATION AUTHORITY, KALAMAZOO MICHIGAN

RESOLUTION NO. 16-003

A RESOLUTION BY THE CENTRAL COUNTY TRANSPORTATION AUTHORITY (CCTA) ACCEPTING MDOT MASTER AGREEMENT NUMBER 2012-0112 AND APPROVING THE EXECUTION OF PROJECT AUTHORIZATIONS ISSUED UNDER AGREEMENT 2012-0112

WHEREAS, the State of Michigan – Department of Transportation has provided the MDOT Master Agreement Number 2012-0112; and,

WHEREAS, the CCTA has the authority to contract with the Michigan Department of Transportation for State and/or federal funds for passenger transportation related services; and,

WHEREAS, the CCTA does hereby approve and accept MDOT Master Agreement Number 2012-0112; and

WHEREAS, the CCTA does hereby approve execution of Project Authorizations for any State program with a total project budget of up to $5,000,000, with the Michigan Department of Transportation which are issued under Master Agreement 2012-0112,

NOW, THEREFORE, BE IT RESOLVED that the designees specified below are authorized to enter into and execute, on behalf of the CCTA, all such Project Authorizations with the Michigan Department of Transportation for passenger related services for the agreement period:

Sean P. McBride, Executive Director, or his successor(s);

The aforementioned Resolution was offered by Britigan, and seconded by Urban.

AYES, BOARD MEMBERS: Bricker, Britigan, Brown Goodacre, Everett, Janssen, McCormick, Nieuwenhuis, Pearson, Urban, Rosine, Teeter

NAYS, BOARD MEMBERS: None

ABSTAINED, BOARD MEMBERS: None

RESOLUTION ADOPTED.

CERTIFICATE

I, Barbara A. Blissett, Clerk for the Central County Transportation Authority, Michigan, having custody of the records and proceedings, do hereby certify that I have compared this resolution adopted by the Central County Transportation Authority at the meeting of May 9, 2016, with the original minutes now on file and of record in the office and that this resolution is true and correct.

Barbara A. Blissett, Clerk

CONTRACT NO. 2012-0112/A1
AGENDA: DIR

MICHIGAN DEPARTMENT OF TRANSPORTATION

CENTRAL COUNTY TRANSPORTATION AUTHORITY

CITY OF KALAMAZOO

NOVATION

This Novation is made and entered into this date of _____ by and between the Michigan Department of Transportation (MDOT), the Central County Transportation Authority (CCTA), and the City of Kalamazoo (CITY) for the purpose of novating Master Agreement No. 2012-0112 (CONTRACT), effective October 1, 2011, and all project authorizations issued thereunder.

Recitals:

The CONTRACT sets forth the terms and conditions that will govern all project authorizations to be issued for program years 2012 through 2016; and

It is the intent of the parties to remove the CITY as a party to the CONTRACT and all project authorizations issued thereunder and to place in its stead CCTA, which will assume all title, rights, interest, equity, liability, and obligations in and under the CONTRACT and all project authorizations issued thereunder, effective October 1, 2016. CCTA agrees to assume all title, rights, interest, equity, liability, and obligations in and under the CONTRACT and all project authorizations thereunder, retroactive to October 1, 2011, effective October 1, 2016.

The parties agree that the CONTRACT and all project authorizations issued thereunder be and that the same are novated as follows:

1. MDOT and CCTA unconditionally release from October 1, 2011, forward the CITY from all of its title, rights, interest, equity, liability, and obligations in and under the CONTRACT and all project authorizations issued thereunder, effective October 1, 2016. CCTA agrees to assume all title, rights, interest, equity, liability, and obligations of the CITY in and under the CONTRACT and all project authorizations issued thereunder, retroactive to October 1, 2011, effective October 1, 2016.

2. The CITY agrees to turn over to CCTA any and all documents, including papers, records, billings, and accounting that relate to the CONTRACT and all project authorizations issued thereunder. CCTA agrees to accept and maintain said documents and to make said documents available to MDOT upon MDOT's request.

3. All references in the CONTRACT and all project authorizations issued thereunder to the CITY will be construed to mean CCTA, which unconditionally agrees to undertake and perform all obligations of the CONTRACT and all project authorizations issued thereunder and to stand in the stead of the CITY with regard to all liabilities created by the CONTRACT and all project authorizations issued thereunder, effective October 1, 2016. CCTA agrees to assume all title, rights, interest, equity, liability, and obligations of the CITY in and under the CONTRACT and all project authorizations issued thereunder, retroactive to October 1, 2011, effective October 1, 2016.

4. All other provisions of the CONTRACT and all project authorizations issued thereunder, except as herein amended, remain in full force and effect as originally set forth.

5. This Novation will become effective on October 1, 2016.

CITY OF KALAMAZOO

By: _____
Title:

CENTRAL COUNTY TRANSPORTATION AUTHORITY

By: _____
Title:

MICHIGAN DEPARTMENT OF TRANSPORTATION

By: _____
Title: Department Director

Commission Agenda Report

City of Kalamazoo

TO: Mayor Hopewell, Vice Mayor Cooney, and City Commissioners

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

REVIEWED BY: Jeffrey Hadley, Public Safety Chief

PREPARED BY: Ryan Tibbets, Assistant Chief – Fire Administration/Finance

DATE: 5/26/2016

SUBJECT: Public Safety Parking Lot Lease Agreement – 150 E. Crosstown

RECOMMENDATION

It is recommended that the City Commission approve a three-year parking lot lease agreement with Kalamazoo Valley Community College, 6767 West O Avenue, Kalamazoo, MI 49009 and authorize the City Manager to sign the agreement.

BACKGROUND

With the recent expansion of several Kalamazoo Valley Community College (KVCC) campuses in the downtown area, there is an increased need for parking. Public Safety negotiated an agreement with KVCC to allow KVCC to lease 50 parking spaces at Public Safety headquarters – 150 E. Crosstown. The proposed lease agreement will provide dedicated parking for KVCC at 150 E. Crosstown in an area of the parking lot that is infrequently used by Public Safety or the public.

COMMUNITY RESOURCES CONSULTED

None

FISCAL IMPACT

The proposed agreement will provide remuneration in the amount of $1,750 per month for 36 months ($63,000 over the agreement period).

ALTERNATIVES

No alternatives are recommended by staff.

ATTACHMENTS:

Type	Description
Aerial Photo	KVCC Parking Lot Lease Agreement

MKJ

PARKING LOT LEASE AGREEMENT
(July 2016)

1. The Parties.

This parking lot lease agreement ("Agreement") is between the **CITY OF KALAMAZOO** ("City"), a Michigan municipal corporation whose address is 241 W. South Street, Kalamazoo, Michigan 49007, and **Kalamazoo Valley Community College** ("KVCC"), whose address is 6767 West O Avenue, Kalamazoo, MI 49009.

2. The Premises.

This Agreement relates to an existing parking lot situated on the northwesterly corner of 150 E. Crosstown Parkway in the City of Kalamazoo for 50 parking spaces more fully depicted in Exhibit A attached to this Agreement.

3. The Agreement.

The parties agree that KVCC shall lease from the City 50 parking spaces for the purpose of parking motor vehicles. The City shall not allow any use of the identified spaces other than for KVCC's use as a parking lot. The City may, however, have full access to the premises for the purpose of surveying or contemplating future use of the property so long as such activities do not interfere with KVCC's use of the premises as a parking lot.

4. Term and Termination.

This Agreement shall commence July 1, 2016 and have a term of 36 months. The term shall then renew on a month to month basis until either party provides notice to the other of termination of this Agreement. Either party may terminate this agreement, without cause, upon providing the other 45 days written notice. Any rent paid for a period of time beyond the termination shall be refunded to KVCC on a pro rata basis. In the event the City believes that KVCC is using the premises outside the scope of this Agreement, it may so state in writing and demand that the KVCC's use come into compliance with this Agreement within seven days. If KVCC's use does not then become compliant with this Agreement, the City may terminate by providing ten days written notice.

5. Compensation.

On or before the later of July 31, 2016 or seven days after the execution by both parties of this Agreement, KVCC shall pay to the City the monthly sum of ONE THOUSAND SEVEN HUNDRED FIFTY and 00/100 ($1,750.00) DOLLARS. Thereafter KVCC shall pay the City the same sum by the last day of each month for the upcoming month for the term of this Agreement.

6. Taxes, Utilities, Indemnification, Absence of Bailment.

The City shall be responsible for the payment of all taxes and utilities that relate to the premises. To the extent permitted by law, KVCC shall indemnify the City for any and all claims that arise during the term of this lease and that arise out of KVCC's use of the property. The City shall not be liable for any damage to any vehicles using the parking spaces reserved for use by KVCC. Nothing in this Agreement shall be construed as creating a bailment relationship between the City and KVCC or those persons utilizing the leased parking spaces.

7. Maintenance.

The City shall be responsible for all repairs and maintenance, including the plowing of snow, necessary for its use of the premises during the term of this Agreement. While the City has no obligation to improve the premises for the benefit of KVCC, the City shall do nothing that degrades or worsens the condition of the premises as it relates to KVCC's intended use.

8. Binding Agreement.

This Agreement is binding upon the parties upon its execution by approved offices of both parties. This Agreement supercedes and replaces any prior agreement between the parties and does not bind or require either party to extend this Agreement beyond the term stated herein. This Agreement contains the entire agreement between the parties with respect to the subject matter and may not be modified except by a written document signed by the parties hereafter.

CITY OF KALAMAZOO

Date: _____, 2016

By: _____

Its: _____

STATE OF MICHIGAN }
} ss.
COUNTY OF KALAMAZOO }

Subscribed and sworn to before me this _____ day of _____, 2016 by _____ of the City of Kalamazoo.

_____
Notary Public
Kalamazoo County, Michigan
My commission expires: _____

FORM APPROVED
5-13-16
CSK
CITY ATTORNEY

KALAMAZOO VALLEY COMMUNITY COLLEGE

Date: May 2, 2016

By: _____
Michael R. Collins

NKA

Its: Executive Vice President for Instructional and Student Support Services

STATE OF MICHIGAN }
} ss.
COUNTY OF KALAMAZOO }

Subscribed and sworn to before me this 2ND day of MAY, 2016, by MICHAEL R. COLLINS of Kalamazoo Valley Community College.

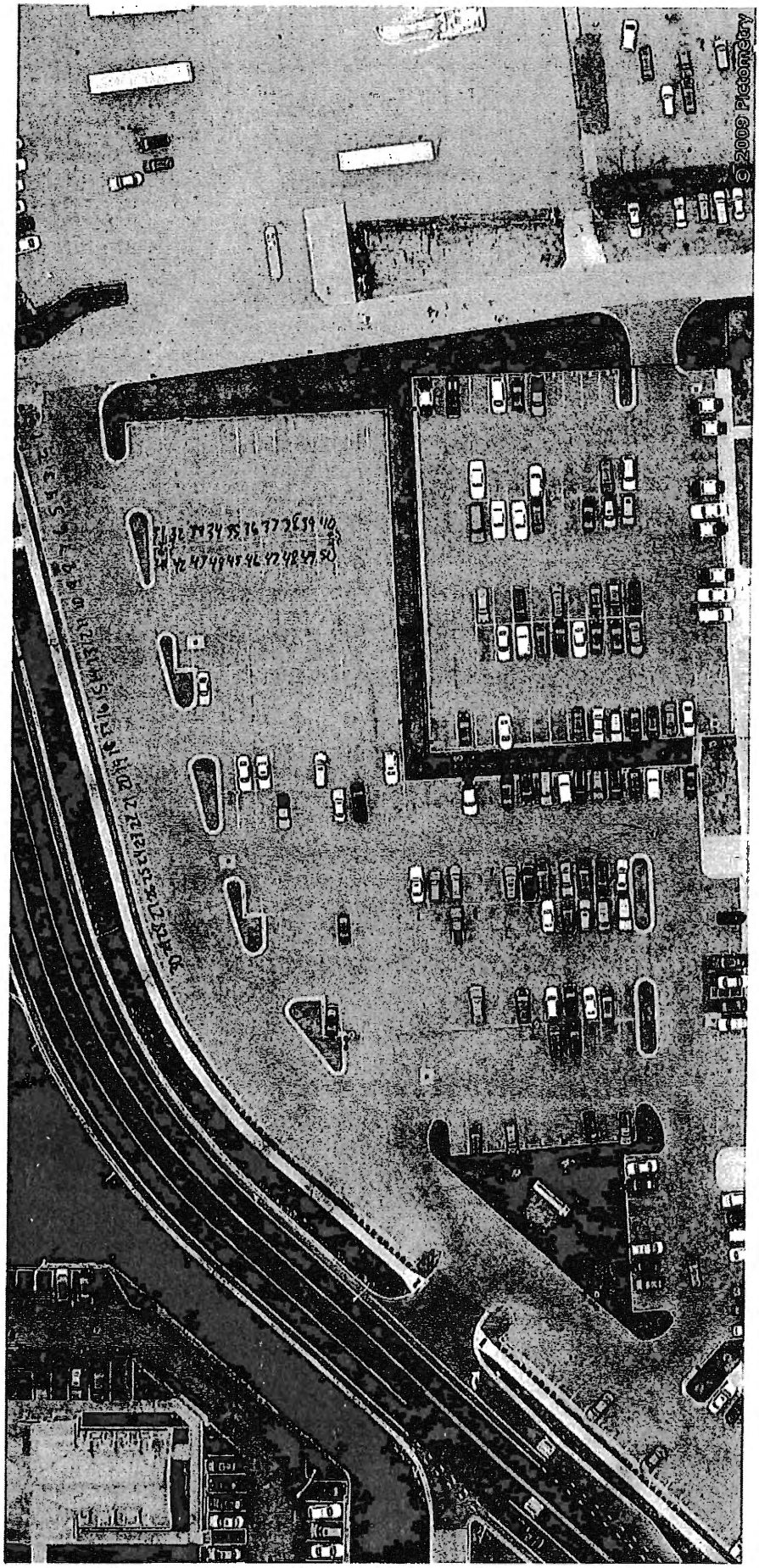
_____
Notary Public
Kalamazoo County, Michigan
My commission expires: OCTOBER 19, 2017

This document prepared by:
Clyde J. Robinson (P30389)
City Attorney
241 W. South St.
Kalamazoo, MI 49007
269-337-8185

K://AGREEMENT/ParkingLotLeaseKVCC

CANDACE F HORTON
NOTARY PUBLIC, STATE OF MI
COUNTY OF VAN BUREN
MY COMMISSION EXPIRES Oct 19, 2017
ACTING IN COUNTY OF KALAMAZOO

EXHIBIT A



Commission Agenda Report

City of Kalamazoo

TO: Mayor Hopewell, Vice Mayor Cooney, and City Commissioners

FROM: Scott A. Borling, City Clerk

DATE: 6/1/2016

SUBJECT: Kalamazoo Growlers Fireworks Request Resubmission

RECOMMENDATION

It is recommended that the City Commission approve a request from the Kalamazoo Growlers to publicly display fireworks at Homer Stryker Field on June 10, June 24, July 2, and July 26, 2016.

BACKGROUND

Pursuant to State law, the Kalamazoo Growlers, through its pyrotechnic operator has submitted an application for a permit to publicly display fireworks at Homer Stryker Field, located at 251 Mills Street. The Department of Public Safety has reviewed the request, and Fire Marshal Jim Williams has endorsed the application. Also, the required insurance certificate has been provided naming the City of Kalamazoo as additionally insured by the pyrotechnic operator.

On May 16th the City Commission approved the Growler's fireworks application for June 3rd and July 4th, with a request that a representative from the Growlers be present at the June 6th meeting to address the Commission regarding the other requested display dates.

Fire Marshal Jim Williams has indicated the Growler's shows this year will be mainly 1.4 consumer fire works - comets and mines which have a nice light show without the height and firepower of a true 1.3 commercial shell. In fact, these shows meet the requirements to be held as inside displays and should be safer and less noisy than the displays presented in previous years.

COMMUNITY RESOURCES CONSULTED

None.

FISCAL IMPACT

There is no budgetary impact.

ALTERNATIVES

The City Commission could deny the request or only approve some of the requested dates. However, staff review indicates the request meets all city approval requirements.