



Agenda

City Commission Business Meeting

City of Kalamazoo

Tuesday, January 19, 2021

7:00 PM

Electronic Meeting

A. CALL TO ORDER/ROLL CALL

B. OPENING CEREMONY

1. Invocation
2. Introduction of Guests
 - a. Presentation of Social Justice Youth Awards
3. Proclamations
 - a. National Day of Racial Healing, January 19, 2021

C. ADOPTION OF FORMAL AGENDA

D. COMMUNICATIONS

E. PUBLIC HEARINGS

F. PUBLIC COMMENTS

G. CONSENT AGENDA

(Action: Motion to approve items “1-9”, postpone item “10” until February 1, 2021, and authorize the City Manager to sign all documents on behalf of the City)

1. Approval of a contract with J. Ranck Electric, Inc. for the Phosphate Upgrades, Electrical & Instrumentation Project, in the amount of \$3,401,561.

2. Approval of a contract extension and purchase order with RathCo Safety and Supply, Inc. in the amount of \$200,000 for the rental of temporary traffic control devices.
3. Adoption of a RESOLUTION approving an Act 381 Brownfield Plan for a redevelopment project at 508 Harrison Street and 660 Gull Road.
4. Adoption of a RESOLUTION approving a Payment in Lieu of Taxes for the 530 Rose St. Limited Dividend Housing Association Limited Partnership for Rose St. Senior located at 530 S. Rose Street (Parcel No. 06-22-119-026), pursuant to Section 35-4 of the Kalamazoo City Code.
5. Adoption of a RESOLUTION approving a Payment in Lieu of Taxes for a Limited Dividend Housing Association, Limited Partnership to be formed by the LIFT Foundation for ten properties located in the 200 and 300 blocks of Lake Street, pursuant to Section 35-4 of the Kalamazoo City Code.
6. Adoption of two (2) RESOLUTIONS granting a Payment in Lieu of Taxes to River Caddis Development, LLC (or, a LDHALP to be formed by River Caddis Development, LLC) for the properties located at 508 Harrison Street (PARCEL NO. 06-15-295-101), AND 660 Gull Road (PARCEL NO. 06-15-287-030), for the proposed 4% and 9% Low Income Housing Tax Credit projects.
7. Adoption of a RESOLUTION approving an application for a new Neighborhood Enterprise Zone (NEZ) certificate in the Park-Cedar-Burdick-Lovell NEZ.
8. Adoption of a RESOLUTION approving the partial retirement and reissuance of Hospital Revenue Refunding Bonds, Series 2016 for Bronson Healthcare Group, Inc.
9. Approval of a loan request for renovation and acquisition of the Knights Inn for \$200,000 of Housing for All funding and \$50,000 allocation of HOME (HUD) funding.
10. Approval of a purchase agreeent with, and acceptance of a warranty deed from, Robert E. Endias and Eileen F. Stryker, Trustees of the Endias-Stryker Living Trust, for 4,281-square feet of Parcel #06-35-227-001 at 2300 Angling Road for the amount of \$8,562. *(Postpone until February 1, 2021)*

H. REGULAR AGENDA

1. Adoption of a RESOLUTION approving and adopting the annual appropriation for the year 2021, setting forth the number of mills to be levied, approved an interim appropriation for the year 2021, and establishing policies for the administration of the budget. **(Action: Motion to adopt the annual appropriation resolution and approve the component unit budgets and fee schedules)**
 - a. Approval of the proposed FY 2021 Brownfield Redevelopment Authority (BRA) budget as submitted by the BRA Board.
 - b. Approval of the proposed FY 2021 Economic Development Corporation (EDC) budget as submitted by the EDC Board.
 - c. Approval of the FY 2021 Downtown Development Authority (DDA) Operating Budget, and the existing two-mill DDA Tax Levy
 - d. Approval of the FY 2021 Downtown Economic Growth Authority (DEGA) Operating Budget
 - e. Approval of the proposed 2021 fee schedule for the Kalamazoo Municipal Golf Association.
 - f. Adoption of a RESOLUTION approving the 2021 fees for various permits, hearings, etc. within the Community Planning & Economic Development department.
 - g. Adoption of a RESOLUTION to establish the Department of Parks and Recreation fees and charges for 2021.
 - h. Adoption of a RESOLUTION to establish the City of Kalamazoo Cemetery fees and charges for 2021.

I. REPORTS AND LEGISLATION

1. City Manager's Report
 - a. Odor Remediation Progress Quarterly Report
2. City Clerk's Report

J. UNFINISHED BUSINESS

1. Adoption of a RESOLUTION amending the City Commission Rules to govern Committee of the Whole meetings on a trial basis.

K. POLICY ITEMS

L. NEW BUSINESS

M. COMMISSIONER COMMENTS

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



City Commission Agenda Report

City of Kalamazoo

Date: **1/19/2021**

Item: **G.1.**

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

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

DATE: January 19, 2021

SUBJECT: Approval of a Contract with J. Ranck Electric, Inc. for the Phosphate Upgrades:
Electrical & Instrumentation Project (Bid Ref#91438-003.0)

RECOMMENDATION:

It is recommended that the City Commission approve a contract with J. Ranck Electric, Inc. for the Phosphate Upgrades: Electrical & Instrumentation Project, in the amount of \$3,401,561.

BACKGROUND:

Currently, the City of Kalamazoo uses sodium hexametaphosphate for iron sequestration and corrosion control in the drinking water system. In 2017, Tetra Tech, Inc. completed a Desktop Corrosion Control Chemical Analysis which recommends a blend of orthophosphate and polyphosphate for all 16 pump stations in the City of Kalamazoo's drinking water system. During the connection of the City of Parchment's water system to the City of Kalamazoo's water system, the Michigan Department of Environment, Great Lakes, & Energy (formerly Michigan Department of Environmental Quality) recommended that all three of the City of Kalamazoo pump stations that would feed City of Parchment water system switch to a blend of orthophosphate and polyphosphate as detailed in the Desktop Corrosion Control Chemical Analysis. Those three stations have successfully switched over to the blend of orthophosphate and polyphosphate, but further instrumentation and electrical controls upgrades are needed.

Tetra Tech designed a project for the additional needed instrumentation and electrical upgrades at the water pump stations and the project was put out to bid. Bids were opened on December 16, 2020. J. Ranck Electric, Inc. was the sole bidder on this project with a bid of \$3,401,561.00.

J. Ranck Electric, Inc. has performed similar work in the past and Public Services Recommends them for this contract.

STRATEGIC VISION ALIGNMENT:

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

Water Supply Controls and Operations - Operation of Water Supply Controls and Instrumentation, Automatically or Manually, to Maintain Reliable and Safe Water Supply

Strategic Goal Impact:

Safe Community

COMMUNITY ENGAGEMENT:

Appropriate Depth of Engagement

Inform

FISCAL IMPACT:

The funding for the project is available in the City's Water Capital Improvement Budget under project#wat0200077, Phosphate Upgrade. Remaining 2020 and proposed 2021 budgets are sufficient to cover the \$3,401,561 planned expenditures under this contract.



City Commission Agenda Report

City of Kalamazoo

Date: **1/19/2021**

Item: **G.2.**

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

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

DATE: January 19, 2021

SUBJECT: Contract Extension with Rathco Safety and Supply, Inc for 2021 Traffic Control Devices (Bid Ref# 550-96-007.3)

RECOMMENDATION:

It is recommended that the City Commission approve a contract extension and purchase order with RathCo Safety and Supply, Inc. in the amount of \$200,000 for the rental of temporary traffic control devices. This will be the final annual contract extension of this contract.

BACKGROUND:

The City of Kalamazoo contracts for temporary traffic control devices for the various construction, maintenance, repair, and special events activities that occur throughout the year. These devices include signs, barricades, temporary fencing, and flashing arrow boards that are used by the Public Services Department and special event sponsors.

RathCo Safety and Supply, Inc. can provide the services that meet the needs of the City of Kalamazoo. They are also located in proximity of Kalamazoo and can respond quickly to emergency situations and calls. The City of Kalamazoo currently contracts RathCo Safety and Supply, Inc. for temporary traffic control devices with satisfactory results.

STRATEGIC VISION ALIGNMENT:

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

Traffic Engineering Performs traffic studies, manages traffic counts, provides traffic engineering input, collaboration with other agencies regarding traffic situations, and responds to public with regard to traffic engineering requests

Strategic Goal Impact:

Safe Community

COMMUNITY ENGAGEMENT:

Appropriate Depth of Engagement
Inform

FISCAL IMPACT:

Funds are included in the various Department of Public Services budgets for traffic control device rental and services. Costs for special events are typically charged to the respective organizations.



City Commission Agenda Report

City of Kalamazoo

Date: **1/19/2021**

Item: **G.3.**

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

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

DATE: January 19, 2021

SUBJECT: Brownfield Plan for a Redevelopment Project at 508 Harrison Street and 660 Gull Road

RECOMMENDATION:

It is recommended that the City Commission adopt a resolution approving an Act 381 Brownfield Plan for a redevelopment project at 508 Harrison Street and 660 Gull Road.

BACKGROUND:

A copy of the brownfield plan can be viewed here:

<https://www.kalamazoocity.org/docman/economic-development/brownfield-redevelopment-initiative/7012-brownfield-plan-rivers-edge-kalamazoo-january-2021/file>.

The purpose of this brownfield plan is to facilitate redevelopment of two parcels in the Northside Neighborhood in Kalamazoo near the Gull Road traffic circle and Kalamazoo River Valley Trail. The project is located in a commercial node identified in the Master Plan. The parcel at 508 Harrison (ID 06-15-295-101) is owned by the Brownfield Redevelopment Authority (BRA) and the other is privately owned (ID 06-15-287-030). A portion of the project is located at the former Kalamazoo Tank & Silo site. Soil contamination is present at the site due to historical industrial uses. Both parcels have been identified as “facilities” as defined under Part 201 of the Natural Resources Protection Act, PA 451 of 1994, as amended. This designation qualifies the parcels as eligible property under the Brownfield Redevelopment Financing Act of 1996 (“Act 381”).

The developer has incurred and will incur "eligible activity" expenses in connection with the Property, as defined in Act 381, including lead and asbestos abatement, demolition, environmental assessments, due care activities, site preparation, infrastructure improvements, and simple interest. The purpose of this Plan is to provide for reimbursement of the eligible activity expenses incurred and to be incurred by the developers on the Property and improvements that will directly benefit the Property. The proposed mixed-use commercial multifamily residential development consists of 222-unit mixed income multifamily residential apartments in two buildings, a commercial amenity building consisting of leasing office and tenant amenity spaces, and an additional commercial mixed-use 4-unit live/work building. The developer is seeking both 4% and 9% Low Income Housing Tax Credits from the Michigan State Housing Development Authority.

The combined total capital investment on the project will be greater than \$40 million. The estimated increase in taxable value after completion is \$2,086,500. The estimated TIF reimbursement to the developer is \$2.44 million. According to the TIF capture and reimbursement schedules included in the plan, reimbursement for eligible activities is estimated to occur after 24 years with an additional 5 years of capture to the Local Brownfield Revolving Fund.

STRATEGIC VISION ALIGNMENT:

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

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

Strategic Goal Impact:



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

Discussion

This brownfield plan works towards economic vitality by providing tax increment financing to a historically blighted and contaminated property owned by the Authority and located in the Northside Neighborhood. The proposed mixed-use redevelopment includes residential and commercial space located along the Kalamazoo River. The project will remove and dispose of contaminated soil, protecting public health and the environment. Additionally, the project helps to fulfill affordable housing needs of the City by offering 142 new affordable apartment units.

COMMUNITY ENGAGEMENT:

Appropriate Depth of Engagement

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

Discussion: The brownfield plan TIF is conditional upon the developer being awarded Low Income Housing Tax Credits from the Michigan State Housing Development Authority. After LIHTC are awarded, the project will seek site plan review approval(s) and additional public engagement and notice will be required.

Engagement/Communication Tools

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

FISCAL IMPACT:

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

**CITY OF KALAMAZOO
BROWNFIELD REDEVELOPMENT AUTHORITY**

**A RESOLUTION APPROVING THE IMPLEMENTATION OF
AN ACT 381 BROWNFIELD PLAN FOR
508 HARRISON STREET AND 660 GULL
ROAD AND RECOMMENDING ADOPTION
BY THE CITY COMMISSION**

Minutes of a regular meeting of the City of Kalamazoo Brownfield Redevelopment Authority ("BRA") held on January 11, 2021 at 7:30 a.m., local time, virtually pursuant to the Open Meeting Act.

PRESENT: Kyle Gulau, Jason Novotny, Patti Owens, Lucas Middleton, Jamauri Bogan, Fritz Brown, Kevan Hess, James Escamilla

ABSENT: Nathan Bolton, Vice Mayor Patrese Griffin

The following resolution was offered by Member Fritz Brown and seconded by Member Kyle Gulau.

RECITALS:

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

B. Under Resolution No. 08-16, the City Commission delegated the public hearing process to the Authority regarding any future proposed Act 381 Brownfield Plan, including proposed Act 381 Brownfield Plan for 508 Harrison Street and 660 Gull Road.

C. A public hearing was held by the Authority on January 11, 2021, on the Brownfield Plan for 508 Harrison Street and 660 Gull Road, Kalamazoo; notice of the public hearing was given to all taxing authorities levying ad valorem or specific taxes against any parcels within the Brownfield Plan, and was also given by publication, as required by Act 381.

D. Following the public hearing on the 508 Harrison Street and 660 Gull Road Brownfield Plan, the Authority, in consideration of any comments heard at the public hearing or written communications received at or prior to the public hearing, determines that the Brownfield Plan constitutes a public purpose in that:

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

- b. The proposed method of financing the costs of eligible activities of the 508 Harrison Street and 660 Gull Road Brownfield Plan is feasible, and the Authority has the authority to arrange the necessary financing.
- c. The description of eligible activities and their estimated costs are reasonable and necessary to carry out the purposes of Act 381, and
- d. The amount of captured taxable value estimated to result from the 508 Harrison Street and 660 Gull Road Brownfield Plan is reasonable.

THEREFORE, IT IS RESOLVED THAT:

The City of Kalamazoo Brownfield Redevelopment Authority approves the implementation of the Act 381 Brownfield Plan for 508 Harrison Street and 660 Gull Road in Kalamazoo and recommends the City Commission adopt a resolution approving this Brownfield Plan.

AYES: Seven (7)

ABSTAIN: One (1)

NAYS: Zero (0)

RESOLUTION DECLARED.

CERTIFICATE

The foregoing is a true and complete copy of a resolution adopted by the Brownfield Redevelopment Authority at a special meeting held on January 11, 2021. Public notice was given, and the meeting was conducted in compliance with Emergency Order Under MCL 333.2253. Minutes of the meeting will be available as required by the Act.

Beth Cheeseman

Elizabeth Cheeseman
Recording Secretary

CITY OF KALAMAZOO, MICHIGAN

RESOLUTION NO. _____

**A RESOLUTION APPROVING AN ACT 381 BROWNFIELD
PLAN FOR THE REDEVELOPMENT PROJECT AT 508
HARRISON STREET AND 660 GULL ROAD, KALAMAZOO,
MICHIGAN**

Minutes of a regular meeting of the City Commission of the City held on January 19, 2021, at 7:00 p.m., local time, virtually pursuant to the Open Meetings Act.

PRESENT:

ABSENT:

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

RECITALS

- A. On May 5, 1997 the City of Kalamazoo ("City") created the City of Kalamazoo Brownfield Redevelopment Authority ("Authority"), under the provisions of Act 381, Public Acts of Michigan, 1996, as amended ("Act 381").
- B. Following the establishment of the Authority, the City has implemented Brownfield Plans, as required under Act 381, for the purposes of identifying real estate parcels for revitalization, redevelopment and reuse.
- C. The Authority has implemented the Act 381 Brownfield Plan for 508 Harrison Street and 660 Gull Road under Act 381.
- D. Under Resolution No. 08-16, the City Commission delegated to the Authority the public hearing process regarding any future proposed Act 381 Brownfield Plan, including proposed Amended Act 381 Brownfield Plan for 508 Harrison Street and 660 Gull Road.
- E. On January 11, 2021 the Authority held a public hearing as required under Act 381 and approved the implementation of the Brownfield Plan for 508 Harrison Street and 660 Gull Road.
- F. Following the public hearing, the Authority adopted a resolution recommending that the City Commission approve the Brownfield Plan for 508 Harrison Street and 660 Gull Road.
- G. The City Commission has reviewed Authority's resolution and Brownfield Plan, and finds that this Plan constitutes a public purpose in that:
 - a. Notice of the public hearing was given to all taxing authorities levying ad valorem or specific taxes against any property affected by the Brownfield Plan for 508

Harrison Street and 660 Gull Road, and was also given by publication, as required by Act 381.

- b. It meets all requirements of Section 13 of Act 381.
- c. The proposed method of financing the costs of eligible activities of the Brownfield Plan is feasible, and the Authority has the authority to arrange the necessary financing.
- d. The costs of the eligible activities proposed by the Brownfield Plan are reasonable and necessary to carry out the purposes of Act 381, and
- e. The amount of captured taxable value estimated to result from the Brownfield Plan is reasonable.

THEREFORE, IT IS RESOLVED:

The Act 381 Brownfield Plan for 508 Harrison Street and 660 Gull Road, as implemented by the City of Kalamazoo Brownfield Redevelopment Authority, is adopted and approved.

AYES:

NAYS:

RESOLUTION DECLARED ADOPTED.

CERTIFICATE

The foregoing is a true and complete copy of a resolution adopted by at a regular meeting held on January 19, 2021. 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.

Scott A. Borling
City Clerk



City Commission Agenda Report

City of Kalamazoo

Date: **1/19/2021**

Item: **G.4.**

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

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

DATE: January 19, 2021

SUBJECT: Approval of PILOT Resolution for 530 S. Rose

RECOMMENDATION:

It is recommended that the City Commission approve a Payment in Lieu of Taxes (PILOT) resolution for the 530 Rose St. Limited Dividend Housing Association Limited Partnership for Rose St. Senior located at 530 S. Rose Street (Parcel No. 06-22-119-026), pursuant to Section 35-4 of the Kalamazoo City Code.

BACKGROUND:

530 Rose St. Limited Dividend Housing Association Limited Partnership has requested a 2% PILOT resolution for up to 50 years for the 51 eligible units of a proposed Low Income Housing Tax Credit (LIHTC) project located at 530 S. Rose Street, called Rose St. Senior.

The City Commission first adopted a PILOT resolution for the proposed project on March 16, 2020, but the project did not receive LIHTC credits during that funding round and is applying for Michigan State Housing Development Authority's (MSHDA) which has a February 1, 2021 deadline. The original PILOT resolution authorized a 4% service fee for all 64 units in lieu of ad valorem taxes. Since that resolution was adopted, the Michigan Court of Appeals has ruled that cities cannot extend a service fee lower than ad valorem taxes to any units that aren't targeting lower incomes, regardless of the mix between low income and market rate units. To offer a similar level of support to the project as was offered in 2020, the new proposed PILOT resolution is for a 2% service fee on eligible low-income units. This does not fully equal the effect of 4% service fee on all units, but does still significantly reduce the taxes for the project.

Rose St. Senior is a proposed 64-unit affordable senior housing community. Located in downtown Kalamazoo, this project offers easy access to all the amenities of downtown living.

Within a few blocks of their home, residents will have access to basic necessities such as banking, grocery, pharmacy, medical, restaurants and other retail establishments. Additionally, 530 S. Rose Street is immediately adjacent to an established bus stop on the K-Metro public bus system. Each apartment will have an open floor plan concept with central air conditioning, cable television hookups, washer and dryer, dishwasher, garbage disposal, frost-free refrigerator, self-cleaning oven with a microwave/hood combination, high-speed internet connections, luxury vinyl tile flooring, and emergency pull cords. The property will offer common area gathering spaces, including an outdoor courtyard, elevator, secure access to the building, and anticipated covered parking.

The proposed housing project will consist of a five-story building for a total of 64 apartments. This project will be brand new construction and has no prior LIHTC status. The proposed development will have 51 one- and two-bedroom senior housing units (age restricted to 55 years of age or older) targeting an income mix that will average 53% of Area Median Income (AMI), with 13 market rate units. Targeted incomes and unit sizes are listed below:

	30%	40%	60%	80%	Market
1 Bedroom	7	9	3	2	3
2 Bedrooms	4	4	12	10	10

Estimated monthly rents are:

	30%	40%	60%	80%	Market
1 Bedroom	370	518	814	950	1,050
2 Bedrooms	443	621	976	1,125	1,250

Rose St. Senior is submitting an application for 9% competitive LIHTC. A 2015 target market analysis showed a need for more than 2,000 new rental units to serve the needs of the Kalamazoo County population. Since that time, less than 500 have been built. This same ownership team has a 9% project that was recently awarded LIHTC as well and that project, Harrison Circle, is located within a mile of this proposed site. The October 2018 market study for that project noted a demand for 1,133 units of LIHTC. This market study also cited senior population trend statistics which clearly indicate an increasing senior aged population, furthering the need for a project such as this.

The development team for this project pairs a Kalamazoo-based developer – Jon Durham - with an experienced LIHTC Developer Phil Seybert (PS Equities). This development team was awarded 9% LIHTC for the Harrison Circle project in 2019.

STRATEGIC VISION ALIGNMENT:

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

Affordable Housing - Improve the amount of decent and affordable housing in the City of Kalamazoo by supporting the maintenance, rehabilitation and development of accessible owner and renter occupied housing.

-

Strategic Goal Impact:



Shared Prosperity- Abundant opportunities for all people to prosper



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

Discussion

The addition of 64 senior housing units that target a mix of incomes, including 51 units with income targets averaging 60% AMI, will support the City's Shared Prosperity and Complete Neighborhoods goals and is consistent with the Master Plan.

COMMUNITY ENGAGEMENT:

Appropriate Depth of Engagement

Inform (one-way conversation) – the community will be made aware of the project.

Discussion: No zoning variances are required for this project and the property is privately owned, so community outreach has not been conducted for this specific project. The project is aligned with the desire for new construction of safe, affordable housing expressed in both the Consolidated Plan and Imagine Kalamazoo 2025.

FISCAL IMPACT:

For the proposed 64 units

51 units are used to calculate the estimated taxes if not a PILOT.

13 units are proposed at market rate and are valued as such (no reduction).

2020 Estimate of Annual Tax Revenue without the PILOT for the 64 units at the proposed development at 522 & 530 S Rose Street:

Total Estimate of Taxes if not a PILOT based on 2020 tax rates: \$136,774

Estimated City's Share of Taxes in 2020 (approximately 21.052%): \$28,794

Estimated Total for 50 Year Period: \$28,794 x 50 years = **\$1,439,700** (without considering inflation or increased taxable values)

Estimated PILOT revenue to the City of Kalamazoo, based on estimated shelter rents for

the affordable units (51) only

Estimated Annual Shelter Rent = \$465,744

Estimated Vacancy Loss (8%) = \$37,260

Estimated Shelter Rents (Rent Minus Vacancy) = \$428,484

(note: the utilities portion of the shelter rents was not calculated at this time)

Estimated Yearly PILOT Payment for the parcel (\$428,484 X 2%) = \$8,570

City's Share of Taxes (at 21.052%): \$1,804

Estimated Total for 50 Year Period: \$1,804 X 50 Years = **\$90,200** (without considering inflation)

Estimated revenue to the City of Kalamazoo, based on estimated rents for the market units (13) only

Estimated Yearly Taxes for the market units = \$25,836

City's Share of Taxes (at 21.052%): \$5,439

Estimated Total for 50 Year Period: \$5,439 X 50 Years = **\$271,950** (without considering inflation or increased taxable values)

Difference (City revenue abated from the PILOT portion):

\$1,439,700 (taxes) - \$90,200 (PILOT) - \$271,950 (Market units) = \$1,077,550 over a 50-year period or approximately \$21,551 per year.

Estimated Yearly Taxes for the Project:

PILOT portion (51 units) - \$8,570

Market portion (13 units) - \$25,836

Total estimated taxes: \$34,406 (without considering inflation or increased taxable values)

Estimated savings the PILOT is affording the developer. This is for all taxes not just city revenue.

- At the 2% pilot and taxable units, the developer's tax burden (for all taxes) is reduced by \$102,728 a year.



PILOT Proposal
530 ROSE LIMITED DIVIDEND HOUSING ASSOCIATION LIMITED PARTNERSHIP

General Information:

530 St. Senior is a proposed 64-unit affordable senior housing community located in Kalamazoo.

Located in downtown Kalamazoo, this project has a prime location, with easy access to all the amenities of downtown living. Within a few blocks of their home, residents will have access to basic necessities such as banking, grocery, pharmacy, medical, restaurants and other retail establishments. Additionally, 530 S Rose Street is immediately adjacent to an established bus stop on the K-Metro public bus system.

The development team for this project is well established, as it pairs a local Kalamazoo based developer – Jon Durham - with an experienced LIHTC Developer (PS Equities). Jon is also part of the NOMI development team which has successfully completed four projects in the Rivers Edge District of Kalamazoo, about 1.1 miles away from this proposed site. His experience includes ownership of three other apartment/condo buildings – Wallbridge Commons, 47 market rate apartments, the Norbridge building, 5 apartments and 1 9,000 square foot commercial space, and the Ignertia building, 4 apartments, 2 condominiums, a glass art studio, community gallery space and 4,500 square feet of commercial space. For additional information on these projects and Jon, please visit the NOMI website at <http://riversedgedistrict.com/>. The other half of the development team is PS Equities, owned by Phil Seybert, who is a 35+ year veteran of successful LIHTC housing development in Michigan. PS Equities has developed more than 30 housing projects, nearly all with LIHTC and the majority through the MSHDA direct lending programs. Additional information on PS Equities may be found at <http://www.psequities.com/>. This team was previously awarded a 9% allocation in the April 1, 2019 round for the Harrison Circle family project in Kalamazoo,

which is expected to complete construction August 31st 2021 bringing 80 new affordable housing units to the City of Kalamazoo.

Legal Entity: 530 ROSE LIMITED DIVIDEND HOUSING ASSOCIATION LIMITED PARTNERSHIP

City of Kalamazoo Master Plan:

Rose St. Senior falls right in line with the City's Master plan by providing additional affordable housing units within the city. Adding 64 new affordable housing units not only increases the overall housing stock in the city but given the fact that these units are dedicated to senior's 55+ will likely result in additional housing opportunities within the city. Historically, our tenants already live in the community and are folks that don't want or can't maintain a single family home anymore but want to remain in their community. Rose St. Senior gives these folks the opportunity to sell their single family home, remain in their community and opens up new opportunities to young families ready to buy their first home.

Market Support:

A 2015 target market analysis showed a need for more than 2,000 new rental units to serve the needs of the Kalamazoo County population. Since that time, less than 500 have been built.

The market study for Harrison Circle (noted above) was completed October 2018 and showed there is a demand for 1,133 LIHTC units in the City. This market study also cited senior population trend statistics which clearly indicate an increasing senior aged population, furthering the need for a project such as this.

The Market study for Rose St. Senior indicated sufficient demand exists for additional senior housing in Kalamazoo. Furthermore the study stated that the aging of the baby boom generation has and will continue to shift the national age distribution toward the 65 and over populations segments in coming years. This national trend is evident with in all areas here, with growth throughout 2024 forecasted to be concentrated in the 65 and over age segment.

Type of Project:

The proposed housing project will consist of a five-story building for a total of 64 apartments. This project will be brand new construction and has no prior LIHTC status.

Location:

530 S Rose Street, Kalamazoo, Michigan

This project is located in census tract 0002.01 in Kalamazoo County. This is a Qualified Census Tract for 2020.

The project is within the boundaries of the City of Kalamazoo, which had a population of more than 79,000 per the 2010 census.

Type of Financing:

It is anticipated this project will utilize construction financing through a conventional bank, with a regulated permanent debt financing likely through Fannie or Freddie.

Estimated Conventional Mortgage amount:	\$ 6,326,316.00
Equity from sale of tax credits:	\$ 9,124,687.00
Deferred Developer Fee:	\$ 144,570.00.00
Total Development Cost:	\$ 15,595,573.00

Estimated Timeline:

LIHC Submission:	February 1st 2021
Award Announcement:	May 2021
Construction Commencement:	March 2022
Initial Lease up:	March 2023
Sustained Operation & Final Close:	4th quarter 2023

Tenants Served:

The project will be age restricted to 55+ years of age elderly. Utilizing the income averaging set aside, there will be rental rates available at AMI set asides of 30, 40, 60, and 80%. 20% of the units will be market rate to maximize the "mixed income development" points in the MSHDA QAP

Estimated Rental Rates at each AMI level:

30%	
7 - 1br	\$370
4 - 2br	\$443
40%	
9- -1br	\$518
4 - 2br	\$621
60%	
3 - 1br	\$814
12 - 2br	\$976
80%	
2 - 1br	\$950
10 - 2br	\$1,125
Market rate	
3 - 1br	\$1,050
10 - 2br	\$1,250

Annual Shelter Rent Calculation:

Gross rental income	\$653,544
Estimated common area utilities	-\$45,748
Vacancy loss	-\$45,760
Estimate of annual shelter rent	\$562,036

Bedroom Mix:

The project will have 24 one-bedroom units and 40 two-bedroom units.

Apartment Amenities:

Each apartment will have an open floor plan concept with:

- central air conditioning
- cable television hookups
- washer and dryer
- dishwasher

- garbage disposal
- frost-free refrigerator
- self-cleaning oven
- high-speed internet connections
- LVT flooring
- Emergency pull cords

Property Amenities:

- Common area gathering spaces are anticipated including an outdoor courtyard and a common area balcony on each floor.
- Elevator
- Secured access building
- Parking is anticipated to be covered, with it being at ground level under a pedestal style building

CITY OF KALAMAZOO, MICHIGAN

RESOLUTION NO. _____

**A RESOLUTION GRANTING ELIGIBILITY FOR A PAYMENT IN LIEU OF TAXES TO
530 ROSE ST. LIMITED DIVIDEND HOUSING ASSOCIATION LIMITED
PARTNERSHIP FOR ROSE ST. SENIOR LOCATED AT 530 S. ROSE STREET
(PARCEL NO. 06-22-119-026)**

Minutes of a regular meeting of the City Commission of the City held on the ____ day of _____, 2020, at 7:00 o'clock p.m., local time, at the City Hall.

PRESENT, Commissioners:

ABSENT, Commissioners:

Recitals:

- A.** PGJ Development, LLC and PS Equities and/or their respective principals or affiliates (collectively, the "Sponsors") have formed 530 Rose LDHA LP (the "LDHALP") for the purpose of securing Low Income Housing Tax Credits (LIHTC) and/or a Mortgage Loan for Rose St. Senior, a development project located at 530 S. Rose Street; and
- B.** In connection with the allocation of low-income housing tax credits and/or the Mortgage Loan for the project, the Sponsors are seeking a tax exemption pursuant to MCL 125.1415a (the "Act"); and
- C.** Section 35-4 of the Kalamazoo City Code ("Ordinance") and State Law MCL 125.1415a provide that the City may allow owners of property developed and reserved for low income persons or families to make an annual service charge payment in lieu of ad valorem taxes ("PILOT") to the City in the amount not to exceed the amount of tax which would be imposed on the property but for its exemption from taxation granted. Terms not otherwise defined herein have the meaning set forth in the Ordinance.

THEREFORE, IT IS RESOLVED that the Sponsors are deemed eligible for the tax exemption under the Act and PILOT payments for the 64 eligible housing rental units and the appurtenant common areas, parking facilities and amenities at 530 S. Rose Street (Parcel No. 06-22-119-026), subject to the following terms and conditions:

1. The tax exemption under the Act and PILOT eligibility shall commence on January 1st of the calendar year following receipt by the City of Kalamazoo Assessor of a Notice to Assessor, signed by the Sponsors and certified by the Michigan State Housing Development Authority ("MSHDA"), confirming that the project is eligible for the tax exemption and that the exemption would permit the LDHALP to make a PILOT, and shall continue for as long as the Project is supported by a Mortgage Loan, or for 50 years, whichever comes first, so long as the LDHALP maintains the units as certified and registered rentals serving as affordable housing; and
2. The Sponsors have formed the LDHALP and shall establish the LDHALP as the owner of the project prior to the PILOT taking effect; and
3. The PILOT for the housing units and the appurtenant common areas, parking facilities and amenities shall be calculated at a rate of four percent (4%) of annual shelter rents for 64 units during this time period, pursuant to the Ordinance; and
4. Upon closing of the Mortgage Loan, the project shall be owned by the LDHALP; and

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

AYES, Commissioners:

NAYS, Commissioners:

ABSTAIN, Commissioners:

RESOLUTION DECLARED ADOPTED.

CERTIFICATE

The foregoing is a true and complete copy of a resolution adopted by the City Commission of the City of Kalamazoo at a regular meeting held on _____, 2020. 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 Commission Agenda Report

City of Kalamazoo

Date: **1/19/2021**

Item: **G.5.**

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

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

DATE: January 19, 2021

SUBJECT: PILOT Resolution for the LIFT Foundation for 10 Properties on Lake Street

RECOMMENDATION:

It is recommended that the City Commission approve a Payment in Lieu of Taxes (PILOT) resolution to a Limited Dividend Housing Association Limited Partnership (LDHALP) to be formed by LIFT Foundation for the properties located at 210 Lake St. (Parcel No. 06-22-344-263), 216 Lake St. (Parcel No. 06-22-344-262), 220 Lake St. (Parcel No. 06-22-344-261), 302 Lake St. (Parcel No. 06-22-415-001), 302 Lake St. Rear (Parcel No. 06-22-415-260), 308 Lake St. (Parcel No. 06-22-415-002), 308 Lake St. Rear (Parcel No. 06-22-415-259), 316 Lake St. (Parcel No. 06-22-410-002), 205 E. Stockbridge Ave. (Parcel No. 06-2-349-001), and 209 E. Stockbridge Ave. (parcel No. 06-22-349-003), pursuant to Section 35-4 of the Kalamazoo City Code.

BACKGROUND:

The LIFT foundation is a nonprofit housing provider operating since 1966, whose most recent projects include New Village Park and Heather Gardens, projects supported through the City with Payment in Lieu of Taxes (PILOT) resolutions. These development activities preserved the affordable housing at the community formerly known as New Horizon Village through Low Income Housing Tax Credit (LIHTC) awards.

LIFT Foundation has requested a 4% PILOT resolution for 50 years for a proposed project located on multiple parcels on Lake Street and Stockbridge Street. The proposed Project is a 60 unit new construction apartment community that will be located in near downtown Kalamazoo in the Edison Neighborhood. The proposed site is located adjacent to the Bronson Healthy Living Campus and incorporates healthy living into many of the Project features. The City Commission approved a PILOT resolution for the project in September 2019, but the project did not receive LIHTC credits. LIFT Foundation is submitting a new application for credits in MSHDA's February 2021 funding round. This new project proposes a new mix of incomes, including replacing units targeting 80% Area Median Income with 60% Permanent Supportive Housing units, which will all receive subsidized rent through a Project-based Voucher that will allow them to pay 30% of their

income towards rent. Households with no income will be able to rent these units as well.

The following table illustrates the proposed rent schedule and details the proposed bedroom types, targeted incomes and anticipated rents:

# of Bedrooms	# of Units	% of AMI	Rent
Studio	1	30%	330
Studio	1	40%	466
Studio	1	60%	675
Studio	6	PSH 60%	675
1 Bedroom	4	30%	352
1 Bedroom	2	40%	495
1 Bedroom	3	60%	767
1 Bedroom	10	PSH 60%	767
2 Bedroom	7	30%	420
2 Bedroom	4	40%	593
2 Bedroom	13	60%	847
2 Bedroom	1	PSH 60%	847
3 Bedroom	1	30%	481
3 Bedroom	1	40%	680
3 Bedroom	1	60%	990
3 Bedroom	4	PSH 60%	990

*PSH 60% - These apartments that will serve individuals that meet Permanent Supportive Housing requirements

The proposed project will be funded by LIHTC, deferred developer fee and a mortgage. Due to the LIHTC, this will result in the creation of a new entity that will be a Limited Dividend Housing Association Limited Partnership (“LDHALP”) and will own the project.

The PILOT would be contingent upon:

- Receiving the requested LIHTC award from MSHDA;
- LIFT Foundation forming a Limited Dividend Housing Association Limited Partnership and establishing this LDHALP as the owner of the project;
- Notifying MSHDA of its eligibility for tax exemption starting the following year; and
- Maintaining the units as certified and registered rentals serving as affordable housing

The PILOT would remain in effect for 50 years (as long as the project is supported by a qualified mortgage loan) or for 50 years, whichever comes first, so long as the owner maintains the units as certified and registered rentals serving as affordable housing.

STRATEGIC VISION ALIGNMENT:

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

Affordable Housing - Improve the amount of decent and affordable housing in the City of Kalamazoo by supporting the maintenance, rehabilitation and development of accessible owner and renter occupied housing.

Strategic Goal Impact:



Shared Prosperity- Abundant opportunities for all people to prosper



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

Discussion

Due to its proximity to the Healthy Living Campus, the development will promote a healthy living ideal with a smoke free campus, greenhouse, community garden, walking path, playground and fitness center. The project will be walkable and proximate to public transportation to allow for choices in transportation to residents. Both walkability and choice in transportation are identified as *Best Practice: Smart Growth Principles* on page 13 of the IK Plan (items 4. And 8.) LIFT is responding to the need identified in the IK Plan for safe, affordable housing adjacent to the downtown area.

The IK Plan identifies this site for future zoning as “Neighborhood Edge,” a zoning district “that enable existing and new development flexibility for a variety of building types that support residential density and commercial scale in appropriate locations” (IK Plan, page 25, column 1, partial paragraph top of page). The proposed project meets this desire by including commercial as well as multifamily residential development and was approved by the Downtown Design Review Committee on April 16, 2019. The project has submitted the required documentation to apply for Site Plan Review and is scheduled for its first Site Plan Review meeting on September 25, 2019.

Finally, in the IK Plan, the City commits to, “Working with area nonprofits to develop affordable housing” (the Plan, page 89, column 1, bullet point 3). LIFT has been an area nonprofit in the business of developing affordable housing for 50 years. It has worked to develop a range of affordable housing choices for persons with a low income and seeks to continue that work with this project.

COMMUNITY ENGAGEMENT:

Appropriate Depth of Engagement

Inform (one-way conversation) – the community will be made aware of the project.

Discussion: community outreach has not been conducted for this specific project. The project is aligned with the desire for new construction of safe, affordable housing expressed in both the Consolidated Plan and Imagine Kalamazoo 2025.

FISCAL IMPACT:

For the proposed 60 units

60 units are used to calculate the estimated taxes if not a PILOT.

2020 Estimate of Annual Tax Revenue without the PILOT for the 60 units at the proposed development between Lake Street and East Stockbridge Avenue:

Total Estimate of Taxes if not a PILOT based on 2020 tax rates: \$128,767

Estimated City's Share of Taxes in 2020 (approximately 21.05%): \$27,109

Estimated Total for 50 Year Period: \$27,109 x 50 years = **\$1,355,426** (without considering inflation or increased taxable values)

Estimated PILOT revenue to the City of Kalamazoo, based on estimated shelter rents

Estimated Annual Shelter Rent = \$492,540

Estimated Vacancy Loss (8%) = \$39,403

Estimated Shelter Rents (Rent Minus Vacancy) = \$453,137

Estimated Yearly PILOT Payment for the parcel (\$453,137 X 4%) = \$18,125

City's Share of Taxes (at 21.05%): \$3,816

Estimated Total for 50 Year Period: \$3,816 X 50 Years = **\$190,792** (without considering inflation)

Difference (City revenue abated):

\$1,355,426 (taxes) - \$190,792 (PILOT) = \$1,164,634 over a 50-year period or approximately \$23,293 per year.

CITY OF KALAMAZOO, MICHIGAN

RESOLUTION NO. _____

A RESOLUTION GRANTING ELIGIBILITY FOR A PAYMENT IN LIEU OF TAXES TO A LDHALP TO BE FORMED BY LIFT FOUNDATION FOR THE PROPERTIES LOCATED AT 210 LAKE ST. (PARCEL NO. 06-22-344-263), 216 LAKE ST. (PARCEL NO.06-22-344-262), 220 LAKE ST. (PARCEL NO. 06-22-344-261), 302 LAKE ST. (PARCEL NO. 06-22-415-001), 302 LAKE ST. REAR (PARCEL NO. 06-22-415-260), 308 LAKE ST. (PARCEL NO. 06-22-415-002), 308 LAKE ST. REAR (PARCEL NO. 06-22-415-259), 316 LAKE ST. (PARCEL NO. 06-22-410-002), 205 E.STOCKBRIDGE AVE. (PARCEL NO. 06-2-349-001), AND 209 E. STOCKBRIDGE AVE. (PARCEL NO.06-22-349-003)

Minutes of a regular meeting of the City Commission of the City held on the ____ day of _____, 2021, at 7:00 o'clock p.m., local time, at the City Hall.

PRESENT, Commissioners:

ABSENT, Commissioners:

Recitals:

- A.** LIFT Foundation (collectively, the “Sponsors”) will form a Limited Dividend Housing Association Limited Partnership for the purpose of securing Low Income Housing Tax Credits (LIHTC) and/or mortgage financing through the Michigan State Housing Development Authority for a development project located At 210 Lake St., 216 Lake St., 220 Lake St., 302 Lake St., 302 Lake St. Rear, 308 Lake St., 308 Lake St. Rear, 316 Lake St., 205 E. Stockbridge Ave., and 209 E. Stockbridge Ave; and
- B.** In connection with the allocation of low-income housing tax credits and/or the Mortgage Loan for the project, the Sponsors are seeking a tax exemption pursuant to MCL 125.1415a (the “Act”); and
- C.** Section 35-4 of the Kalamazoo City Code (“Ordinance”) and State Law MCL 125.1415a provide that the City may allow owners of property developed and reserved for low-income individuals to make a PILOT to the City in the amount not to exceed the amount of tax which would be imposed on the property but for its exemption from taxation granted. Terms not otherwise defined herein have the meaning set forth in the Ordinance.

THEREFORE, IT IS RESOLVED that the Sponsors are deemed eligible for PILOT payments for the 60 eligible housing rental units at 210 Lake St. (Parcel No. 06-22-344-263), 216 Lake St. (Parcel No.06-22-344-262), 220 Lake St. (Parcel No. 06-22-344-261), 302 Lake St. (Parcel No. 06-22-415-001), 302 Lake St. Rear (Parcel No. 06-22-415-260), 308 Lake St. (Parcel No. 06-22-415-002), 308 lake St. Rear (Parcel No. 06-22-415-259), 316 Lake St. (Parcel No. 06-22-410-002), 205 E.Stockbridge Ave. (Parcel No. 06-2-349-001), and 209 E. Stockbridge Ave. (parcel No.06-22-349-003), subject to the following terms and conditions:

1. PILOT eligibility shall commence upon the Mortgage Loan closing and shall continue for as long as the Project is supported by a Mortgage Loan, or for 50 years, whichever comes first, so long as the Sponsor maintains the units as certified and registered rentals serving as affordable housing; and
2. The Sponsors shall form a Limited Dividend Housing Association Limited Partnership and establish the LDHALP as the owner of the project prior to the PILOT taking effect; and
3. The PILOT shall be calculated at a rate of four percent (4 percent) of annual shelter rents for 60 units during this time period, pursuant to the Ordinance; and
4. The PILOT will not become effective until the Michigan State Housing Development Authority ("MSHDA") notifies the City of Kalamazoo Assessor that it has certified that the project is eligible for the tax exemption and that the exemption would permit the Sponsor to make a PILOT; and
5. Upon closing of the Mortgage Loan, the project ownership shall be owned by the to-be-formed Limited Dividend Housing Association Limited Partnership.

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

AYES, Commissioners:

NAYS, Commissioners:

ABSTAIN, Commissioners:

RESOLUTION DECLARED ADOPTED.

CERTIFICATE

The foregoing is a true and complete copy of a resolution adopted by the City Commission of the City of Kalamazoo at a regular meeting held on _____, 2019. 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



THE LIFT FOUNDATION • 2725 AIRVIEW BOULEVARD, SUITE 202 • KALAMAZOO, MICHIGAN 49002

TO: Community Planning & Economic Development Department
City of Kalamazoo

FROM: LIFT Foundation, A Nonprofit Housing Corporation
Prepared by: Lisa Willcutt, Authorized Agent

DATE: December 4, 2020

VIA: Email at planning@kalamazoocity.org

RE: Payment In Lieu of Taxes for a Limited Dividend Housing Association
Limited Partnership (LDHALP) to be formed by LIFT Foundation, A
Nonprofit Housing Corporation

REQUEST

LIFT Foundation respectfully requests that the City grant eligibility for a Payment in Lieu of Taxes (PILOT) to a LDHALP to be formed by LIFT Foundation for the properties located at 210 Lake St. (Parcel No. 06-22-344-263), 216 Lake St. (Parcel No. 06-22-344-262), 220 Lake St. (Parcel No. 06-22-344-261), 302 Lake St. (Parcel No. 06-22-415-001), 302 Lake St. Rear (Parcel No. 06-22-415-260), 308 Lake St. (Parcel No. 06-22-415-002), 308 Lake St. Rear (Parcel No. 06-22-415-259), 316 Lake St. (Parcel No. 06-22-410-002), 205 E. Stockbridge Ave. (Parcel No. 06-2-349-001), and 209 E. Stockbridge Ave. (parcel No. 06-22-349-003), pursuant to Section 35-4 of the Kalamazoo City Code. It is also requested that the term of the PILOT be granted for 50 years.

OVERVIEW OF APPLICANT ORGANIZATION

LIFT Foundation is a community resource for building, preserving, operating and maintaining homes for persons with a low income. As a nonprofit housing provider operating since 1966, LIFT obtains federal funding for local housing needs. LIFT serves as a framework for accessing funding for low-income housing to meet community needs, provides efficient management of properties and resources, provides steady governance that connects with the community and allows for greater stability for individuals and families. Given this mission, LIFT is governed by a Board of Directors that includes local business owners, administrators of nonprofit and public agencies and community representatives.

LIFT Foundation, A Nonprofit Housing Corporation does not discriminate on the basis of disability status in the admission or access to, or treatment or employment in, its federally assisted programs and activities. The person named below has been designated to coordinate compliance with the nondiscrimination requirements contained in the Department of Housing and Urban Development's regulations implementing Section 504 (24 CFR, part 8, dated June 2, 1988).

Name: Lisa Willcutt

Telephone-Voice: 269-350-2019

Address: 2725 Airview Blvd., Suite 202, Kalamazoo, MI 49002

Telephone-TTY Relay: 711

LIFT's most recent projects include New Village Park and Heather Gardens. These development activities preserved the affordable housing at the community formerly known as New Horizon Village through Low Income Housing Tax Credit (LIHTC) awards. Due to the LIHTC, Hawthorne Park Limited Dividend Housing Association Limited Partnership has been formed to own the project.

PROJECT SCOPE

The proposed Project is a 60 unit new construction apartment community that will be located in near downtown Kalamazoo in the Edison Neighborhood. The proposed site is located adjacent to the Bronson Healthy Living Campus and incorporates healthy living features into many of the Project amenities.

The following table illustrates the proposed rent schedule and details the proposed bedroom types, targeted incomes and anticipated rents:

# of Bedrooms	# of Units	% of AMI	Rent
Studio	1	30%	330
Studio	1	40%	466
Studio	1	60%	675
Studio	6	PSH 60%*	675
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1 Bedroom	2	40%	495
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2 Bedroom	4	40%	593
2 Bedroom	13	60%	847
2 Bedroom	1	PSH 60%*	847
3 Bedroom	1	30%	481
3 Bedroom	1	40%	680
3 Bedroom	1	60%	990
3 Bedroom	4	PSH 60%*	990

*PSH 60% - These apartments that will serve individuals that meet Permanent Supportive Housing requirements, and all will receive subsidized rent through a Project-based

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Voucher that will allow them to pay 30% of their income towards rent. Households with no income will be able to rent these units as well.

The budget, including sources and uses is as follows:

Sources – Permanent	
Primary Loan	\$2,100,000
Housing for All Initiative	500,000
LIFT Foundation	1,000,000
LIHTC Equity	13,498,650
Deferred Developer Fee	15,525
Foundation Grant (committed)	1,000,000
LISC	28,775
General Partner Equity	100
TOTAL Sources	\$18,143,050
Uses	
Acquisition Costs	\$521,050
Site Improvements	1,539,300
Hard Costs	11,449,950
Other Construction Costs	912,146
Soft Costs (design, engineering, etc.)	893,626
Financing Costs	1,006,000
Reserves, Escrows and Developer Fee	1,820,978
TOTAL Uses	\$18,143,050

The project timeline is anticipated as follows:

Date	Milestone
February 1, 2021	Submit LIHTC Application to MSHDA
May 15, 2021	Receive Notification of LIHTC Award
August 1, 2021	Close on Construction Loan & LIHTC
September 1, 2021	Construction Commences
January 1, 2022	Lease-up Begins
February 1, 2022	Request MSHDA Regulatory Agreement
June 1, 2022	Submit "Notice to Assessor" to State
November 1, 2023	Construction Complete
December 1, 2023	Lease-up Complete
June 1, 2024	Close on Permanent Financing

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BENEFITS TO LOW AND MODERATE INCOME HOUSEHOLDS

The proposed Project will incorporate healthy living features in the amenities provided to residents. For example, residents will have access to not only a community garden, but a greenhouse to allow for cultivation during the off season. A community composting area will be installed near the garden area as well. A playground, picnic area and walking path are planned to encourage outdoor activity for residents and the surrounding community as the walking path allows access to the expanding Kalamazoo River Valley Trail. Neighbors of the project will be offered the opportunity to participate in gardening activities in order to provide this benefit to residents of the project and neighborhood alike. In addition, an exercise room will be available in the community room for residents. The neighborhood will also benefit from an on-site daycare and residents will benefit from the Project's proximity to the Kalamazoo Farmers' Market.

During recent years, the downtown Kalamazoo area has experienced a great deal of redevelopment and new construction. These activities have resulted in an expansion of the housing stock, however, those new additions to the housing inventory have not benefited persons with a low or moderate income. The project will not only benefit extremely low, low and moderate-income families, but it will also create housing for our most vulnerable community members. Specifically, Hawthorne Park will set aside 21 units for households meeting the HUD Chronically Homeless definition, referrals from the Data Match list (either State or local) and/or the top 10% of the CoC's prioritized list that scores households based on their SPDAT or similar tool. Hawthorne Park will increase affordable housing with a 100% affordable apartment community.

EVIDENCE OF POTENTIAL FINANCIAL SUPPORT FROM MSHDA

LIFT expects to apply to MSHDA for LIHTC on February 1, 2021. This is a competitive application process based on a point system. At this time there is no way to know if MSHDA will make an award, however, LIFT is in good standing with MSHDA and has received two prior awards.

MSHDA's market analyst, David Allen, Ph.D., stated in the Market Review Update from March 2020 that he recommended the project proceed. The market study will be updated for the February 1, 2021 application, but LIFT does not anticipate a change in the recommendation.

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ESTIMATE OF ANNUAL SHELTER RENTS

Annual Shelter Rents for 60 units: \$428,006 (Year 1)

Estimated Total Shelter Rents over the 50 year term (including inflation factors): \$34,339,261.

CONSISTENCY WITH PLANNING DOCUMENTS

This project is consistent with the City of Kalamazoo's 2019-2023 Five Year Consolidated Plan, which has several priorities, one of which is the Production of New Units which states the following:

Priority Need Name: **Production of New Units**

Hawthorne Park will directly address this Priority by building 60 new affordable apartment homes.

Priority Level: **High**

Population: **Extremely Low, Low, and Moderate income Large Families with Children and the Elderly**

Hawthorne Park will have units available for Extremely Low, Low and Moderate income renters. Its units will be able to accommodate large families as there will be 3 bedroom apartments constructed. While not restricted by age, over half of the apartment homes (28 units) at Hawthorne Park will be constructed as studio or one bedroom units which make ideal apartment sizes for seniors in search of affordable housing.

Geographic Areas Affected: **CDBG-Eligible Census Tracts**

Hawthorne Park is located in the portion of Census Tract 11 that is CDBG-Eligible.

Associated Goals: **Affordable Housing**

Hawthorne Park will be 100% affordable.

Description: **Improve the amount of decent and affordable housing in the City of Kalamazoo by supporting the maintenance, rehabilitation and development of accessible owner and renter occupied housing.**

Hawthorne Park will develop accessible renter occupied housing.

Basis for Relative Priority: **There are over 16,000 households which make 80 percent or less of the area median income but only around 12,000 affordable units. This discrepancy can be addressed with the addition of new units.**

Hawthorne Park will address the basis for this Priority by adding new units to the affordable housing stock in Kalamazoo.

LIFT Foundation, A Nonprofit Housing Corporation does not discriminate on the basis of disability status in the admission or access to, or treatment or employment in, its federally assisted programs and activities. The person named below has been designated to coordinate compliance with the nondiscrimination requirements contained in the Department of Housing and Urban Development's regulations implementing Section 504 (24 CFR, part 8, dated June 2, 1988).

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The project is also consistent with the City of Kalamazoo's Master Plan: Imagine Kalamazoo 2025 ("IK Plan"). This proposed apartment community is being developed in response to the need for safe, decent affordable housing in the downtown area as identified in the IK Plan. This will be a distinctive, place-based community that will be a benefit for low income community members and the neighborhood who will have access to some of its amenities.

As it is proximate to the Healthy Living Campus, the development will promote a healthy living ideal with a smoke free campus, greenhouse, community garden, walking path, playground and fitness center. The project will be walkable and proximate to public transportation to allow for choices in transportation to residents. Both walkability and choice in transportation are identified as *Best Practice: Smart Growth Principles* on page 13 of the IK Plan (items 4. And 8.). LIFT is responding to the need identified in the IK Plan for safe, affordable housing adjacent to the downtown area.

The IK Plan identifies this site for future zoning as "Neighborhood Edge;" a zoning district "that enable[s] existing and new development flexibility for a variety of building types that support residential density and commercial scale in appropriate locations" (IK Plan, page 25, column 1, partial paragraph top of page). The proposed project meets this desire by including commercial as well as multifamily residential development and was approved by the Downtown Design Review Committee on April 16, 2019.

Finally, in the IK Plan the City commits to, "Working with area nonprofits to develop affordable housing" (the Plan, page 89, column 1, bullet point 3). LIFT has been an area nonprofit in the business of developing affordable housing for 50 years. It has worked to develop a range of affordable housing choices for persons with a low income and seeks to continue that work with this project.

LIFT Foundation, A Nonprofit Housing Corporation does not discriminate on the basis of disability status in the admission or access to, or treatment or employment in, its federally assisted programs and activities. The person named below has been designated to coordinate compliance with the nondiscrimination requirements contained in the Department of Housing and Urban Development's regulations implementing Section 504 (24 CFR, part 8, dated June 2, 1988).

Name: Lisa Willcutt

Telephone-Voice: 269-350-2019

Address: 2725 Airview Blvd., Suite 202, Kalamazoo, MI 49002

Telephone-TTY Relay: 711



City Commission Agenda Report

City of Kalamazoo

Date: **1/19/2021**

Item: **G.6.**

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

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

DATE: January 19, 2021

SUBJECT: Approval of PILOT Resolutions for 508 Harrison (4% and 9% LIHTC projects)

RECOMMENDATION:

It is recommended that the City Commission approve two (2) Payment in Lieu of Taxes (PILOT) resolutions to River Caddis Development, LLC (or, a LDHALP to be formed by River Caddis Development, LLC) for the properties located at 508 Harrison Street (PARCEL NO. 06-15-295-101), AND 660 Gull Road (PARCEL NO. 06-15-287-030), for the proposed 4% and 9% Low Income Housing Tax Credit (LIHTC) projects

BACKGROUND:

The Project is a proposed two (2) phase, mixed-income multifamily residential project to be located in the City of Kalamazoo, Michigan. The subject site is located in an urban infill location just over one-mile northeast of downtown Kalamazoo, a portion of which is currently owned by the City of Kalamazoo Brownfield Redevelopment Authority and under contract for sale to the Applicant under the Authority's Affordable Housing Incentive Policy.

The two phases will each form two parcels, with eligible, affordable units will be subject to a PILOT resolution and the market rate units and commercial portions will be separate parcels under a proposed Brownfield Plan. The two phases of the project are detailed below:

The 4% Phase

The Applicant intends to finance the first phase of the Project with tax-exempt bond financing from the Michigan State Housing Development Authority ("MSHDA") and funds raised through the syndication of 4% low-income housing tax credits (the "4% Phase"). The 4% Phase will include an approximately 100,000 square foot, 111-unit, four-story apartment building, which will be subjected to a condominium regime to create an "affordable unit" containing 46 affordable units (the "4% Phase Affordable Unit") and a "market rate unit" containing 65 market rate units (the "4% Phase Market Rate Unit").

The Applicant is requesting a PILOT Resolution only as to the 4% Phase Affordable Unit, which is broken down by unit type and affordability as follows:

Breakdown of Units by Unit Type and Affordability:

The breakdown of units for the 4% Phase Affordable Unit is as follows:

- Studio apartments (approx. 509 square feet)

- 1 at 60% AMI
 - 1-Bedroom apartments (approx. 648 square feet)
- 38 at 60% AMI
 - 2-Bedroom apartments (approx. 995 square feet)
- 7 at 60% AMI

The 9% Phase

The Applicant intends to finance the second phase of the Project with conventional financing and funds raised through the syndication of 9% low-income housing tax credits (the “9% Phase”). The 9% Phase will include an approximately 100,000 square foot, 111-unit, four story apartment building and a 3,000-3,500 square foot common amenities building. The 9% Phase will also include a 0.90 acre commercial parcel.

The Applicant is requesting a PILOT Resolution for the 88 affordable units in this phase. The 23 market rate units and the commercial portions will be part of a new parcel that is not subject to the PILOT and which is part of the Brownfield Plan which is also on the January 19, 2021, agenda for City Commission consideration.

Breakdown of Units by Unit Type and Affordability:

The breakdown of units for the 9% Phase is as follows:

- Studio apartments (approx. 509 square feet)
 - 3 at 30% AMI
 - 10 at 60% AMI
 - 2 at Market
- 11 at 30% AMI
 - 1-Bedroom apartments (approx. 648 square feet)
 - 46 at 60% AMI
 - 8 at 120% AMI
 - 7 at Market
 - 2-Bedroom apartments (approx. 995 square feet)
- 2 at 30% AMI
 - 16 at 60% AMI
 - 6 at Market

STRATEGIC VISION ALIGNMENT:

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

Affordable Housing - Improve the amount of decent and affordable housing in the City of Kalamazoo by supporting the maintenance, rehabilitation and development of accessible owner and renter occupied housing.

Strategic Goal Impact:



Shared Prosperity- Abundant opportunities for all people to prosper



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

Discussion

The two phases of the project will contribute 222 housing units to the city, 134 of which will be targeted at renters at 60% or below Area Median Income.

The Project's parcel fronts the east side of Harrison Street and the southeast side of Gull Road, both moderately trafficked roadways. The site is bordered by the Kalamazoo River to the west and south. The Project involves an assemblage of adjacent parcels, including the site commonly referred to as the former KTS site (508 Harrison St.) and approximately 1.6 acres of adjacent property formerly operated as a heat treatment plant. As part of the development, the Applicant will be making significant investments in public utilities, drainage facilities and other infrastructure so as to render these parcels developable for the Project. The site plan also allows for two, two-story, mixed-use properties (complete with additional parking) to be developed in the future at the southern-most portion of the site. Local attractions such as the Kalamazoo River Valley Trail, McKenzie's Bakery, People's Food Co-Op, Bell's Eccentric Café and Arcadia Brewery are all within walking distance of the site.

COMMUNITY ENGAGEMENT:

Appropriate Depth of Engagement

Inform (one-way conversation) – the community will be made aware of the project.

Discussion: The project was initially a response to an RFP in 2018. It has been discussed at a public meeting of the Brownfield Redevelopment Authority on January 11, 2021, as well as at public meetings during the zoning process.

FISCAL IMPACT:

Below are the estimated annual taxes for the PILOT portions of the buildings based on information provided.

Please note: Amounts are per year

9% Building, 111 total units

PILOT, 88 units

\$61,840

City share of this amount - \$17,367

Abated City revenue due to PILOT - \$23,543

Market portion, 23 units (taxed on ad valorem roll with a summer and winter taxes)
\$51,080

4% Building, 111 total units

PILOT, 46 units condominium
\$14,990
city share of this amount \$4,210
Abated City revenue due to PILOT - \$17,387

Market portion, 65 units condominium (taxed on ad valorem roll with a summer and winter taxes), Brownfield capture on Market portion
\$143,020

Commercial building, 4 total units

Market (taxed on ad valorem roll with summer and winter taxes), Brownfield capture on Market portion
\$10,216

CITY OF KALAMAZOO, MICHIGAN

RESOLUTION NO. _____

A RESOLUTION GRANTING ELIGIBILITY FOR A PAYMENT IN LIEU OF TAXES TO RIVER CADDIS DEVELOPMENT, LLC (or, A LDHALP TO BE FORMED BY RIVER CADDIS DEVELOPMENT, LLC) FOR THE PROPERTIES LOCATED AT 508 Harrison Street (PARCEL NO. 06-15-295-101), AND 660 Gull Road (PARCEL NO. 06-15-287-030)

Minutes of a regular meeting of the City Commission of the City held on the ____ day of _____, 2021, at 7:00 o'clock p.m., local time, at the City Hall.

PRESENT, Commissioners:

ABSENT, Commissioners:

Recitals:

- A.** River Caddis Development, LLC (the “Sponsor”) will form a Limited Dividend Housing Association Limited Partnership for the purpose of securing 4% Low Income Housing Tax Credits (LIHTC) and/or mortgage financing through the Michigan State Housing Development Authority for a development project located at 508 Harrison Street (PARCEL NO. 06-15-295-101), AND 660 Gull Road (PARCEL NO. 06-15-287-030)_(the “Project”); and
- B.** In connection with the allocation of low-income housing tax credits and/or the Mortgage Loan for the Project, the Sponsors are seeking a tax exemption pursuant to MCL 125.1415a (the “Act”); and
- C.** Section 35-4 of the Kalamazoo City Code (“Ordinance”) and State Law MCL 125.1415a provide that the City may allow owners of property developed and reserved for low-income individuals to make a PILOT to the City in the amount not to exceed the amount of tax which would be imposed on the property but for its exemption from taxation granted. Terms not otherwise defined herein have the meaning set forth in the Ordinance.

THEREFORE, IT IS RESOLVED that the Sponsors are deemed eligible for PILOT payments for the 46 eligible housing rental units at 60% of Area Median Income (the “Affordable Units”), subject to the following terms and conditions:

1. The Project's exemption from ad valorem real property taxes under the Act and Sponsor's obligation to pay PILOT pursuant to this Resolution shall commence on the date of the Mortgage Loan closing and shall continue for as long as the Project is supported by a Mortgage Loan, or for 50 years, whichever comes first, so long as the Sponsor maintains the Affordable Units as certified and registered rentals serving low income persons or families; and
2. The Sponsor will create a condominium for that portion of the properties, subject to the requirements of this PILOT resolution, consisting of the 46 residential units deemed eligible for PILOT payments; and
3. The existing parcel numbers will be retired upon the creation of the condominium and the portion of the condominium subject to the PILOT will be assigned a unique parcel number at that time; and
4. The Sponsor shall form a Limited Dividend Housing Association Limited Partnership and establish the LDHALP as the owner of the Project prior to the PILOT taking effect; and
5. The PILOT shall be calculated at a rate of four percent (4 percent) of annual shelter rents for the Affordable Units during this time period, pursuant to the Ordinance; and
6. Upon closing of the Mortgage Loan, the Project ownership shall be owned by the to-be-formed Limited Dividend Housing Association Limited Partnership.

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

AYES, Commissioners:

NAYS, Commissioners:

ABSTAIN, Commissioners:

RESOLUTION DECLARED ADOPTED.

CERTIFICATE

The foregoing is a true and complete copy of a resolution adopted by the City Commission of the City of Kalamazoo at a regular meeting held on _____, 2021. 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, MICHIGAN

RESOLUTION NO. _____

A RESOLUTION GRANTING ELIGIBILITY FOR A PAYMENT IN LIEU OF TAXES TO RIVER CADDIS DEVELOPMENT, LLC (or, A LDHALP TO BE FORMED BY RIVER CADDIS DEVELOPMENT, LLC) FOR THE PROPERTIES LOCATED AT 508 Harrison Street (PARCEL NO. 06-15-295-101), AND 660 Gull Road (PARCEL NO. 06-15-287-030)

Minutes of a regular meeting of the City Commission of the City held on the ____ day of _____, 2021, at 7:00 o'clock p.m., local time, at the City Hall.

PRESENT, Commissioners:

ABSENT, Commissioners:

Recitals:

- A.** River Caddis Development, LLC (the “Sponsor”) will form a Limited Dividend Housing Association Limited Partnership for the purpose of securing 9% Low Income Housing Tax Credits (LIHTC) and/or mortgage financing through the Michigan State Housing Development Authority for a development project located at 508 Harrison Street (PARCEL NO. 06-15-295-101), AND 660 Gull Road (PARCEL NO. 06-15-287-030)_(the “Project”); and
- B.** In connection with the allocation of low-income housing tax credits and/or the Mortgage Loan for the Project, the Sponsors are seeking a tax exemption pursuant to MCL 125.1415a (the “Act”); and
- C.** Section 35-4 of the Kalamazoo City Code (“Ordinance”) and State Law MCL 125.1415a provide that the City may allow owners of property developed and reserved for low-income individuals to make a PILOT to the City in the amount not to exceed the amount of tax which would be imposed on the property but for its exemption from taxation granted. Terms not otherwise defined herein have the meaning set forth in the Ordinance.

THEREFORE, IT IS RESOLVED that the Sponsors are deemed eligible for PILOT payments for the 16 eligible housing rental units at 30% of Area Median Income and 72 eligible housing rental units at 60% of Area Median Income (the “Affordable Units”), subject to the following terms and conditions:

1. The Project's exemption from ad valorem real property taxes under the Act and Sponsor's obligation to pay PILOT pursuant to this Resolution shall commence on the date of the Mortgage Loan closing and shall continue for as long as the Project is supported by a Mortgage Loan, or for 50 years, whichever comes first, so long as the Sponsor maintains the Affordable Units as certified and registered rentals serving low income persons or families; and
2. The Sponsor will create a condominium for that portion of the properties, subject to the requirements of this PILOT resolution, consisting of the 88 residential units deemed eligible for PILOT payments
3. The existing parcel numbers will be retired upon the creation of the condominium and the portion of the condominium subject to the PILOT will be assigned a unique parcel number at that time; and
4. The Sponsor shall form a Limited Dividend Housing Association Limited Partnership and establish the LDHALP as the owner of the Project prior to the PILOT taking effect; and
5. The PILOT shall be calculated at a rate of four percent (4 percent) of annual shelter rents for the 88 Affordable Units during this time period, pursuant to the Ordinance; and
6. Upon closing of the Mortgage Loan, the Project ownership shall be owned by the to-be-formed Limited Dividend Housing Association Limited Partnership.

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

AYES, Commissioners:

NAYS, Commissioners:

ABSTAIN, Commissioners:

RESOLUTION DECLARED ADOPTED.

CERTIFICATE

The foregoing is a true and complete copy of a resolution adopted by the City Commission of the City of Kalamazoo at a regular meeting held on _____, 2021. 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

Via E-Mail

December 16, 2020

Marcy Dix
Program Finance Supervisor
City of Kalamazoo
241 W. South Street
Kalamazoo, MI 49007

Re: PILOT Resolution Request - River's Edge

Dear Marcy:

Please consider this letter as an amended request by River Caddis Development, LLC ("Applicant") for two PILOT Resolutions pursuant to Chapter 35, Section 35-4 of the City of Kalamazoo Code (each, a "PILOT Resolution"), one for each of the two (2) phases of the proposed River's Edge project located in the City of Kalamazoo (the "Project"). This letter will amend our PILOT resolution request for the Project as submitted on December 6, 2020.

Description of the Project:

The Project is a proposed two (2) phase, mixed-income multifamily residential project to be located in the City of Kalamazoo, Michigan. The subject site is located in an urban infill location just over one-mile northeast of downtown Kalamazoo, a portion of which is currently owned by the City of Kalamazoo Brownfield Redevelopment Authority and under contract for sale to the Applicant under the Authority's Affordable Housing Incentive Policy. The Project's parcel fronts the east side of Harrison Street and the southeast side of Gull Road, both moderately trafficked roadways. The site is bordered by the Kalamazoo River to the west and south. The Project involves an assemblage of adjacent parcels, including the site commonly referred to as the former KTS site (508 Harrison St.) and approximately 1.6 acres of adjacent property formerly operated as a heat treatment plant. As part of the development, the Applicant will be making significant investments in public utilities, drainage facilities and other infrastructure so as to render these parcels developable for the Project. The site plan also allows for two, two-story, mixed-use properties (complete with additional parking) to be developed in the future at the southern-most portion of the site. Local attractions such as the Kalamazoo River Valley Trail, McKenzie's Bakery, People's Food Co-Op, Bell's Eccentric Café and Arcadia Brewery are all within walking distance of the site.

Marcy Dix
December 16, 2020
Page 2

The 4% Phase

The Applicant intends to finance the first phase of the Project with tax-exempt bond financing from the Michigan State Housing Development Authority (“MSHDA”) and funds raised through the syndication of 4% low-income housing tax credits (the “4% Phase”). The 4% Phase will include an approximately 100,000 square foot, 111-unit, four-story apartment building, which will be subjected to a condominium regime to create an “affordable unit” containing 46 affordable units (the “4% Phase Affordable Unit”) and a “market rate unit” containing 65 market rate units (the “4% Phase Market Rate Unit”).

The Applicant is requesting a PILOT Resolution only as to the 4% Phase Affordable Unit, which is broken down by unit type and affordability as follows:

Breakdown of Units by Unit Type and Affordability:

The breakdown of units for the 4% Phase Affordable Unit is as follows:

- Studio apartments (approx. 509 square feet)
 - 1 at 60% AMI
- 1-Bedroom apartments (approx. 648 square feet)
 - 38 at 60% AMI
- 2-Bedroom apartments (approx. 995 square feet)
 - 7 at 60% AMI

The 9% Phase

The Applicant intends to finance the second phase of the Project with conventional financing and funds raised through the syndication of 9% low-income housing tax credits (the “9% Phase”). The 9% Phase will include an approximately 100,000 square foot, 111-unit, four-story apartment building and a 3,000-3,500 square foot common amenities building. The 9% Phase will also include a 0.90 acre commercial parcel.

The Applicant is requesting a PILOT Resolution as to the entire 9% Phase, which is broken down by unit type and affordability as follows:

Breakdown of Units by Unit Type and Affordability:

The breakdown of units for the 9% Phase is as follows:

- Studio apartments (approx. 509 square feet)
 - 3 at 30% AMI
 - 10 at 60% AMI
 - 2 at Market

Marcy Dix
December 16, 2020
Page 3

- 1-Bedroom apartments (approx. 648 square feet)
 - o 11 at 30% AMI
 - o 46 at 60% AMI
 - o 8 at 120% AMI
 - o 7 at Market
- 2-Bedroom apartments (approx. 995 square feet)
 - o 2 at 30% AMI
 - o 16 at 60% AMI
 - o 6 at Market

Attached hereto as Exhibit A is a drawing showing the site plan for the Project and the delineation of the 4% Phase, the 9% Phase and the commercial parcel. Legal descriptions of the 4% Phase and the 9% Phase will be provided upon completion of title and survey work and approvals of boundary line adjustments from the City of Kalamazoo. Both Phases of the Project will also offer tenant amenities such as a fitness/activity room, community room, rooftop terrace and fire pits/lounge areas.

Ownership:

Applicant will form a limited dividend housing association limited partnership, or a limited dividend housing association limited liability company (each, a “LDHA”), to take title each Phase of the Project. Each LDHA will acquire a state or federally aided mortgage for the development and construction of the Project. Therefore, the Applicant is requesting two PILOT resolutions – one for each of the Phases.

Zoning Approvals:

Zoning approvals are in process and are anticipated to be in place by December 21, 2020.

Draft PILOT Resolution:

Attached hereto as Exhibit B are proposed drafts of the PILOT Resolutions for the City’s consideration.

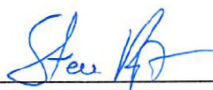
We look forward to working with the City on approval of the Project and the PILOT Resolution at the City Commission’s meeting scheduled for January 18, 2021.

Please contact me should you have any questions concerning the information included in this letter.

Marcy Dix
December 16, 2020
Page 4

Very truly yours,

HONIGMAN LLP

By: _____
Steven J. Rypma

Exhibits: Exhibit A - Site Plan of the Project
 Exhibit B - Draft PILOT Resolution

EXHIBIT A



PARCEL MAP LEGEND

- 9% DEVELOPMENT PARCEL
- 4% DEVELOPMENT PARCEL
- COMMERCIAL DEVELOPMENT PARCEL



City Commission Agenda Report

City of Kalamazoo

Date: **1/19/2021**

Item: **G.7.**

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

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

DATE: January 19, 2021

SUBJECT: Neighborhood Enterprise Zone Certificate Application

RECOMMENDATION:

It is recommended that the City Commission adopt a resolution approving one application for a new Park-Cedar-Burdick-Lovell Neighborhood Enterprise Zone certificate.

BACKGROUND:

The State of Michigan Neighborhood Enterprise Zone Act, PA 147 of 1992, as amended, provides for the development and rehabilitation of residential housing located within eligible distressed communities. New and rehabilitated facilities applications are filed, reviewed and approved by the local unit of government, but are also subject to the review at the State level by the Property Services Division. The Michigan State Tax Commission (STC) is responsible for final approval and issuance of new and rehabilitated facility certificates.

On June 4, 2018, the Kalamazoo City Commission created the Park-Cedar-Burdick-Lovell Neighborhood Enterprise Zone (NEZ) in the Vine Neighborhood. Through the zone is created, property owners are required to apply for a certificate which will allow them to realize the tax benefits of the NEZ. All the applications that the City receives for this zone must go before the public and the City Commission for approval. Upon approval, the certificate packet, including the resolution, is sent to the State of Michigan Tax Commission. The State Tax Commission can approve, deny, or hold the certification in abeyance.

The City Clerk has received one application for a new NEZ certificate in the Park-Cedar-Burdick-Lovell area at 234 West Cedar Street, for 234 West Cedar and LLC; Park@Cedar, LLC. For this NEZ abatement, the land and commercial portion of the structure will be taxed at the normal tax rate. The residential portion of the development will be taxed at the NEZ rate.

Per the Public Act 147, for the last three years of the certification, the mileage rates incrementally revert to the normal tax rate.

For this application, the State of Michigan Tax Commission would hold the certificate in abeyance until the project receives a certificate of occupancy. Once the certificate of occupancy is received by the State Tax Commission, the NEZ certificate would be released and would be in effect the following year.

STRATEGIC VISION ALIGNMENT:

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

Strategic Goal Impact:



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

Discussion



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

Discussion

COMMUNITY ENGAGEMENT:

Appropriate Depth of Engagement

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

Discussion:

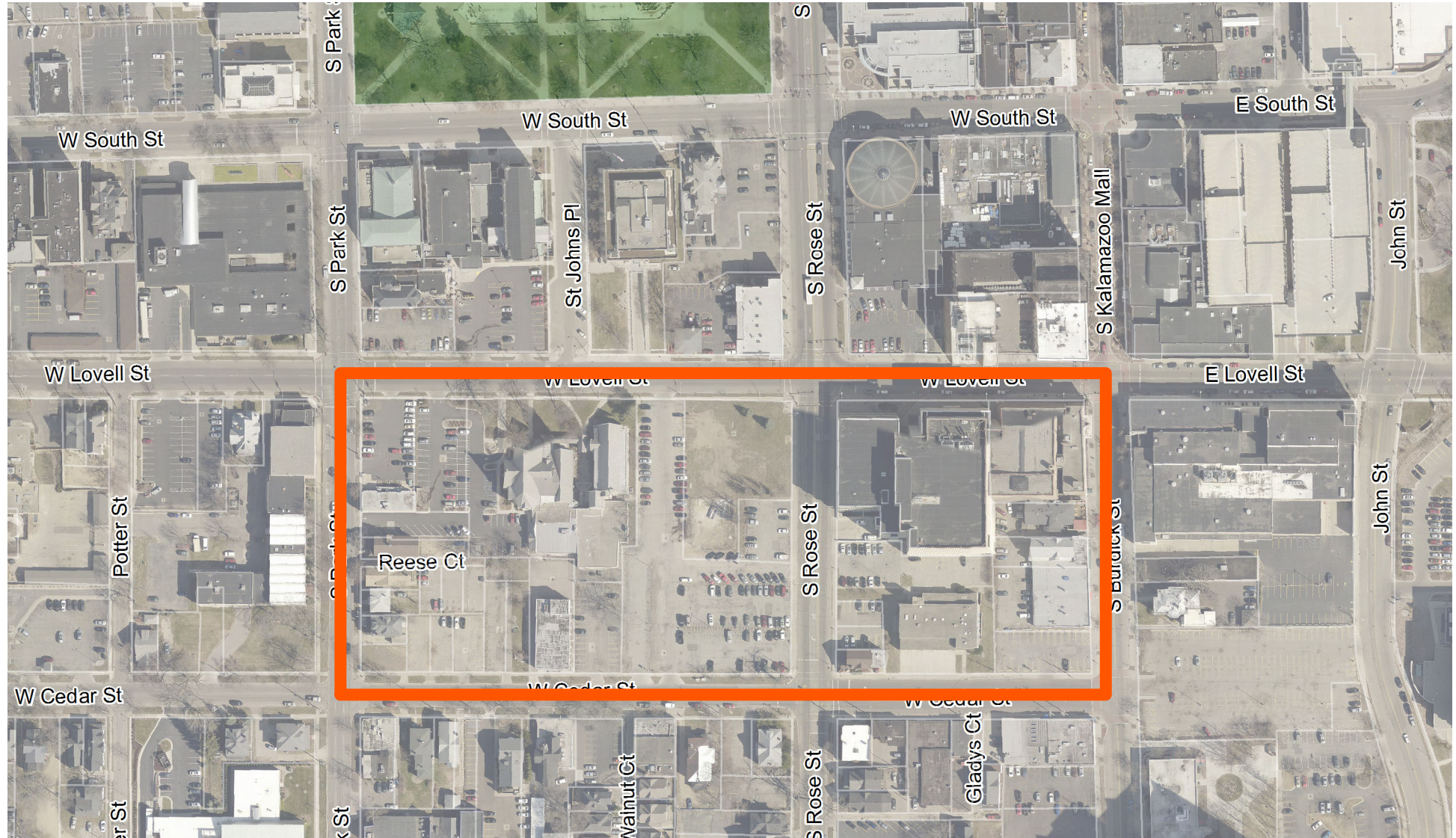
A public hearing was held when the Park-Cedar-Burdick-Lovell Neighborhood Enterprise Zone (NEZ) was created in 2018. No specific community outreach was conducted for this project's application.

FISCAL IMPACT:

The NEZ city Operating and solid waste tax abatement for the duration of the certificate is \$362,375. The NEZ tax abatement for all taxing jurisdictions for the duration of the certificate is \$1,574,290.

This project is subject to Brownfield Redevelopment Authority (BRA) capture. The BRA redevelopment agreement for tax increment capture and reimbursement can be a max of 30 years. The estimate City portion of taxes with or without NEZ during BRA capture averages to approximately \$173,617 annually for 30 years. **Note:** The City of Kalamazoo Brownfield Redevelopment Authority (BRA) has not received a BRA application request from 234 West Cedar, LLC and Park@Cedar, LLC at this time.

Proposed Park-Cedar-Burdick-Lovell Neighborhood Enterprise Zone



 NEZ Boundary

0 0.05 0.1
Miles



**CITY OF KALAMAZOO, MICHIGAN
RESOLUTION NO. ____**

**A RESOLUTION APPROVING A NEIGHBORHOOD ENTERPRISE
ZONE APPLICATION FILED BY 234 WEST CEDAR , LLC AND PARK
@ CEDAR, LLC FOR THE CONSTRUCTION OF A NEW MIXED-USE
DEVELOPMENT PHASE II TO BE LOCATED AT 400 ROSE STREET
IN THE DESIGNATED PARK-CEDAR- BURDICK- LOVELL
NEIGHBORHOOD ENTERPRISE ZONE AND AUTHORIZING THE
SUBMISSION OF THE NEZ APPLICATION BY THE CITY CLERK
TO THE MICHIGAN STATE TAX COMMISSION**

Minutes of a regular meeting of the City Commission of the City of Kalamazoo held on _____, 2021, at 7:00 p.m. local time at the City Hall.

PRESENT, Commissioners:

ABSENT, Commissioners:

WHEREAS, the Kalamazoo City Commission adopted the Park- Cedar -Burdick - Lovell Neighborhood Enterprise Zone (NEZ) on June 4, 2018, to spur development in an underdeveloped area, with it predominate use being surface parking lots, and

WHEREAS, the City of Kalamazoo is in receipt of a new application for a New Construction Neighborhood Enterprise Zone Certificate for the construction of the second phase of a mixed used development to be located adjacent to the applicants' mixed-use development located at 400 Rose Street, in the designated Park- Cedar – Burdick – Lovel area;

NOW, THEREFORE BE IT RESOLVED THAT the City Commission acknowledges the receipt of the NEZ Certificate application 234 West Cedar, LLC and Park@Cedar, LLC for the construction of Phase II of the applicants' mixed-use development at 400 Rose Street in the designated Park - Cedar - Burdick - Lovell Neighborhood Enterprise Zone; find that it complies with Neighborhood Enterprise Zone Act, Act 147 of the Public Acts of Michigan of 1992, as amended, and hereby approves the submission of the Neighborhood Enterprise Zone Certificate application for the above described property to the State Tax Commission, beginning the effecting date of the NEZ Certificate; and that Commission recommends the above described property, if approved by the State Tax Commission, shall receive the 12-year maximum allowable term of NEZ benefits, beginning from the effective date of the NEZ certificate.

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

AYES:

NAYS:

ABSTAIN:

RESOLUTION DECLARED ADOPTED.

CERTIFICATE

The foregoing is a true and complete copy of a resolution adopted by the City Commission of the City of Kalamazoo at a regular meeting held on _____, 2021. 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 Commission Agenda Report

City of Kalamazoo

Date: **1/19/2021**

Item: **G.8.**

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

FROM: Clyde J. Robinson, City Attorney

DATE: January 19, 2021

SUBJECT: Resolution Approving the Partial Retirement and Reissuance of Hospital Revenue Refunding Bonds

RECOMMENDATION:

It is recommended that the City Commission adopt a RESOLUTION approving the partial retirement and reissuance of the Hospital Revenue Refunding Bonds, Series 2016.

BACKGROUND:

Bronson Healthcare Group (Bronson) desires to sell or convey certain undeveloped land that it owns in the City of Battle Creek. The acquisition cost of this land was originally financed in part with the proceeds of the Hospital Finance Authority's (HFA) Series 2011A Bond issue in connection with Bronson's affiliation with the former Battle Creek Health System (now Bronson Battle Creek). The Series 2011A Bonds were subsequently refunded (refinanced) with the proceeds of the HFA's Series 2016 Bonds. Because it is expected that the land will be sold or conveyed to entities that are not exempt 501(c)(3) organizations, Bronson will need to take certain "remedial actions" under the Internal Revenue Code to preserve the tax-exempt status of the Series 2016 Bonds. These remedial actions consist of a combination of (i) retirement of a portion of the Series 2016 Bonds and (ii) the expenditure of a portion of the proceeds from the land sale on other qualifying capital expenditures.

Before Bronson can spend proceeds from the land sale on other qualifying capital, it must obtain a new Tax Equity and Fiscal Responsibility Act (TEFRA) approval from the City Commission. TEFRA approval consists of (i) the publication of a notice of public hearing describing the intent to issue bonds and the purpose for which the bonds are to be issued, (ii) the holding of a public hearing by the HFA, and (iii) the adoption of a resolution by the City Commission granting its "public approval" to the proposed bond issue. In this case, because the Series 2016 Bonds have already been issued, the process would be the same except that the TEFRA approval would encompass the use of the proceeds of the land sale for additional qualifying capital expenditures rather than the approval of a new bond issue.

STRATEGIC VISION ALIGNMENT:

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



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

COMMUNITY ENGAGEMENT:

Appropriate Depth of Engagement

The required public hearing before the Hospital Finance Authority took place on January 19, 2021.

FISCAL IMPACT:

There is no fiscal impact for City of Kalamazoo.

CITY OF KALAMAZOO
COUNTY OF KALAMAZOO, STATE OF MICHIGAN

RESOLUTION NO. _____

Minutes of a regular meeting of the City Commission of the City of Kalamazoo, County of Kalamazoo, Michigan, held on January 19, 2021, at 7:00 p.m. prevailing Eastern Time.

PRESENT: _____

ABSENT: _____

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

The City Commission of the City of Kalamazoo, Michigan has previously established the City of Kalamazoo Hospital Finance Authority (the “Authority”) pursuant to the provisions of Act 38, Public Acts of Michigan, 1969, as amended, with the power to issue bonds for the purpose of making loans to hospitals for the acquisition, construction, improvement or alteration of hospital facilities within or without the corporate boundaries of the City of Kalamazoo and to refinance outstanding indebtedness of a hospital.

The Authority has previously issued and delivered its \$115,010,000 Hospital Revenue Refunding Bonds (Bronson Healthcare Group, Inc.), Series 2016 (the “2016 Bonds”) for the purpose of providing funds to make a loan to Bronson Healthcare Group, Inc. and certain of its affiliates (collectively, “Bronson Healthcare”). The proceeds of the loan were used, in part, to refinance a portion of the Authority’s outstanding Hospital Revenue Bonds (Bronson Healthcare Group, Inc.), Series 2011A (Tax-Exempt) (the “2011A Bonds”). The proceeds of the 2011A Bonds were used, in part, to make a loan to Bronson Healthcare to finance the acquisition of land located in Battle Creek, Michigan (the “Bond-Financed Land”).

Bronson Healthcare, the current owner of the Bond-Financed Land, is proposing to sell and/or contribute all or a portion of such property, in one or more transactions, to parties that are not classified as a state or local government or an organization qualified under Section 501(c)(3) of the Internal Revenue Code of 1986, as amended (the “Code”). Upon the sale and/or contribution of the Bond-Financed Land, Bronson Healthcare and the Authority desire to remediate the portions of the 2016 Bonds allocable to such land to ensure that the interest on the 2016 Bonds will remain excludable from the gross income tax of the holders of the outstanding 2016 Bonds for federal tax purposes. As a result, a portion of the 2016 Bonds will be treated as reissued for federal tax purposes (such portion is referred to herein as the “Reissued Bonds”), such that the public notice, hearing and approval requirements provided in Code Section 147(f) must be met.

On January 19, 2021, the Authority held a public hearing on the reissuance of the Reissued Bonds after publication of notice thereof as provided in, and in satisfaction of, the applicable public hearing requirements of Code Section 147(f).

In order to satisfy the public approval requirements of the Code, the Authority has requested that this City Commission approve the reissuance of the Reissued Bonds for the purposes set forth in the published notice with respect to the Reissued Bonds.

THE CITY COMMISSION OF THE CITY OF KALAMAZOO HEREBY RESOLVES AS FOLLOWS:

1. Solely for the purpose of fulfilling the public approval requirements of the Code, the City Commission of the City of Kalamazoo, Michigan hereby approves of the reissuance of the Reissued Bonds in the aggregate principal amount of not to exceed Two Million Dollars (\$2,000,000).

2. The 2016 Bonds will continue to be limited obligations of the Authority and do not and will not constitute debt of the Authority or the City of Kalamazoo, Michigan within the meaning of any constitutional, statutory or charter provision or limitation.

3. The City Clerk is hereby directed to provide a certified copy of this resolution to the Secretary of the Authority.

4. All resolutions and parts of resolutions to the extent that they conflict with the provisions of this resolution are hereby rescinded.

AYES _____

NAYS _____

ABSTAIN _____

RESOLUTION DECLARED ADOPTED.

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 January 19, 2021, 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, as amended, and that the minutes of said meeting were kept and will be or have been made available as required by said Act.

Scott Borling
City Clerk

37042664.1/046065.00022



City Commission Agenda Report

City of Kalamazoo

Date: **1/19/2021**

Item: **G.9.**

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

FROM: James K. Ritsema, ICMA-CM, City Manager
Reviewed by: Laura Lam, Deputy City Manager
Prepared by: Rebekah Kik, Director Community Planning & Economic Development

DATE: January 19, 2021

SUBJECT: Housing for All Loan Allocation to LIFT Foundation for acquisition and renovation of the Knight's Inn in the amount of \$250,000.00.

RECOMMENDATION:

It is recommended the City Commission approve a loan request for renovation and acquisition of the Knights Inn for \$200,000 of Housing for All funding and \$50,000 allocation of HOME (HUD) funding and authorize the City Manager or designee to sign all necessary documents.

BACKGROUND:

The Housing for All initiative is an effort to provide resources to construct and preserve quality, affordable, housing that responds to our community's vision described through Imagine Kalamazoo. This fund is intended to provide loan gap funding for affordable housing projects in the City of Kalamazoo. The 2020 budget ear-marked \$1.4 million as financial gap funding for multi-family housing projects, or mixed-use projects involving four or more units to be occupied by individuals or families making less than 60% of Area Median Income. Those funds remain available and will be used in this project as described below. Housing for All is made possible by the Foundation for Excellence and Housing and Urban Development funds.

An application for funding was received at CPED during the rolling application period in November of 2020. After review of the application request and other project commitments, a decision to offer a gap loan in the amount of \$200,000 from FFE and \$50,000 from HOME funding was recommended by staff.

In Kalamazoo County, as across the country, there is a critical lack of affordable housing for individuals and families who make less than \$15.00/hour. This shortfall is particularly evident for those who may be grappling with a physical or mental health disability or substance use

disorder, and who may be receiving a standard disability payment of \$780/month or have no income.

In 2019, 1,344 single adults accessed the Kalamazoo County shelter system. Of those, 37% have one or more disabling conditions (Homeless Management Information System data, 2019). There is a significant shortage of quickly available, affordable, single occupancy units that could provide permanent housing for these community members.

Lodge House directly addresses the lack of housing for this population through the creation of 60 permanent, affordable studio apartments at the Knights Inn motel to residents in the 0 - 30% Area Median Income qualification. LIFT seeks to convert each of these motel rooms to studio apartments with renovation being completed within one year. However, the need to purchase the motel is immediate, ideally in January 2021. A time sensitive purchase allows for LIFT to continue motel operations beginning immediately with individuals solicited from encampments in Kalamazoo County. From January through April 2021, individuals that are currently living outside can have a warm, safe place to live while the development team finalizes plans for the renovation, obtains City approval and procures bids for the work. Then, beginning in May 2021, the conversion from motel to studio apartments will commence.

The \$50,000 loan from federal HOME funds will make the project eligible for a Payment in Lieu of Taxes (PILOT) when the building is converted to apartments. During the renovation, a separate request for a PILOT resolution will be presented to City Commission.

STRATEGIC VISION ALIGNMENT:

Strategic Goal Impact:



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



Shared Prosperity - Abundant opportunities for all people to prosper

COMMUNITY ENGAGEMENT:

Imagine Kalamazoo Master Plan 2025

IK2025 heard many comments on housing issues, including:

- A desire for an increase in the quantity of attainable housing units throughout our neighborhoods
- A desire of multiple housing types throughout our neighborhoods
- A desire for resources (skills and funds) to rehabilitate homes, including for weatherization

Additionally, the LIFT foundation has consulted with the Continuum of Care/United Way and

gathered data that continues to validate the need for homeless prevention to provide direct housing.

FISCAL IMPACT:

The original budget allocated to Housing for All in 2020 was \$1.4 Million. The allocation of these funds would reduce the original budget by \$250,000.

\$200,000 Foundation for Excellence (FFE)
\$50,000 HOME (HUD)

Balances remaining in each funding source after this allocation.
\$800,000 FFE
\$350,000 HOME (HUD)

The \$800,000 balance in FFE is conditionally approved for other housing projects that will be presented individually as projects become ready for final review and City Commission approval

When the Lodge House project reaches the renovation phase, a request for a Payment in Lieu of Taxes (PILOT) resolution will be presented to the City Commission. The fiscal impact of the PILOT will be detailed at the time of that request.

The \$200,000 FFE-funded loan will be forgivable, with the repayment amount decreasing with every year that apartments are reserved for 0-30% AMI supportive housing.

To meet requirements for PILOT eligibility, the HOME-funded \$50,000 will be a mortgage loan that is fully repaid.



City Commission Agenda Report

City of Kalamazoo

Date: **1/19/2021**

Item: **G.10.**

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

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

DATE: January 19, 2021

SUBJECT: Purchase Agreement for Part of Parcel #06-32-421-002 at 2300 Angling Road

RECOMMENDATION:

It is recommended that the City Commission approve a purchase agreement with, and accept a warranty deed from, Robert E. Endias and Eileen F. Stryker, Trustees of the Endias-Stryker Living Trust, for 4,281-square feet of Parcel #06-35-227-001 at 2300 Angling Road for the amount of \$8,562.

BACKGROUND:

As part of the Sun Valley Construction project, the City will use the property for the purpose of constructing, operating, maintaining, repairing, improving or replacing pipelines, connections, and all other components of the City's storm water system and other public utilities systems placed within the described area.

STRATEGIC VISION ALIGNMENT:

Relevant Priority Based Budgeting Program (program name and description):
Records Management Tracking, review, and oversight of department records.

Strategic Goal Impact:



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

COMMUNITY ENGAGEMENT:

Appropriate Depth of Engagement
Inform

FISCAL IMPACT:

The City of Kalamazoo will incur the cost of recording the agreement with the Clerk-Register for the purchase and the payment of \$8,562.00 to Robert Endias and Eileen Stryker. Funding for the property is available from the Local Streets Capital Project #lst0100220, Sun Valley and Water Capital Project #wat0500357, Sun Valley- Angling Rd to North Cul-De-Sac.

Purchase Agreement

Parcel: Part of Parcel 06-32-421-002
Subject Address: 2300 Angling Road, Kalamazoo, MI 49008
Owners/Sellers: Robert E. Endias and Eileen F. Stryker, Trustees of the
Endias-Stryker Living Trust dated November 2, 2009
2300 Angling Road, Kalamazoo, MI 49008
Buyers: City of Kalamazoo, a Michigan municipal corporation
241 West South Street, Kalamazoo, MI 49007

We the undersigned, hereby agree to sell 4,281-square feet via a Warranty Deed to the City of Kalamazoo, for the Sun Valley Drive Improvement Project for the total payment of \$8,562.00.

We, the Owners, also agree to the following conditions to this sales agreement:

1. To accept \$8,562.00 as payment in full for the land described as shown in the attached Exhibit "A".
2. The City of Kalamazoo will pay the Sellers for the pro-rated property taxes as of the date of the closing.
3. The City of Kalamazoo will pay all closing costs except for delinquent property taxes, utility bills or any outstanding liens, warrants or filings attached to the entire property.
4. The City of Kalamazoo will have immediate possession of the property as of the date of closing.
5. The Sellers agree to sign all supporting documents as necessary at the date of closing.
6. The date of closing shall be as soon as possible per the City's process.
7. The City of Kalamazoo agrees to accept the property in "as-is" condition.

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VALUATION STATEMENT

Updated 09-16-10

#1

Property Owner(s): Robert E. Endias and Eileen F. Stryker Living Trust
Dated November 2, 2009

Robert E. Endias, Trustee
Eileen F. Stryker, Trustee

Mailing Address: 2300 Angling Road
Kalamazoo, MI 49008

Subject Property: 2300 Angling Road
Kalamazoo, MI 49008

Area to be acquired: 4,281-Square Feet

Price per square foot x \$2.00 (\$87,120.00 per Acre)

Purchase \$8,562.00 Warrant Deed

Total Just Compensation per Analysis \$8,562.00

,Total Compensation Paid to Landowners \$8,562.00

ADDITIONAL INFORMATION:

Values above are based upon an analysis of the City's Assessor's figures, dated October 13, 2020, and rounded-up to the whole dollar. Assessor's 2020 Taxable Value is \$176,721 for the subject property's 2.502-acres (\$70,631.89-per acre = \$1.62-sft). The compensation was adjusted to reflect current market values.

Owner: _____ Date: _____
By: Robert E. Endias, Trustee

Owner: _____ Date: _____
By: Eileen F. Stryker, Trustee



City Commission Agenda Report

City of Kalamazoo

Date: **1/19/2021**

Item: **H.1.**

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

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

DATE: January 19, 2021

SUBJECT: FY 2021 Budget Resolution

RECOMMENDATION:

It is recommended that the City Commission adopt the annual appropriation for the year 2021, set forth the number of mills to be levied, approve an interim appropriation for the year 2021 and establish policies for the administration of the budget.

BACKGROUND:

The City's Charter requires that the City Commission annually adopt an Appropriation Resolution on or before February 1 of each year. The City Commission has met with the Administration to review the proposed budget for FY 2021, has made final recommendations, and held the necessary public hearing.

The Citywide Proposed FY 2021 Budget, issued by the Administration to the City Commission on December 1, 2020, totaling \$213,892,050 with total General Fund expenditures of \$67,850,850.

There are 655 full time and 8 part time positions proposed for allocation.

The proposed General Operating Tax levy is 12 mills and a Solid Waste Levy of 1.8 mills.

The full budget document can be found at www.kalamazoocity.org/budgets

STRATEGIC VISION ALIGNMENT:

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



Good Governance- Ensuring the City organization has the capacity and resources to effectively implement the community's Strategic Vision in a way that is sustainable over the long term. This budget proposal demonstrates that resources are sufficient to fund FY 2021 operations, programs and capital.

COMMUNITY ENGAGEMENT:

Appropriate Depth of Engagement

Collaborate (two-way conversation) - The community has been given a chance to shape the project by providing feedback.

Discussion: The community has been engaged by departments throughout the year. It has also had opportunity for input at the Commission Budget Work Session on December 14th, 2020 and at the public hearing on January 4, 2021.

FISCAL IMPACT:

The amount of the proposed appropriation for each fund is detailed in the attachment and the full budget detail can be found at www.kalamazoocity.org/budgets.

Summary of Expenditures - All Funds

Collapse All	2019 Actual	2020 Adopted Budget	2020 Amended Budget	2021 Budget
▼ Governmental	\$ 106,073,074	\$ 114,686,514	\$ 142,732,870	\$ 116,119,168
General	64,292,687	67,603,465	68,113,174	68,301,378
▼ Special Revenue	19,499,862	23,006,592	30,247,342	24,154,315
Major Streets	9,156,277	13,475,098	19,550,095	14,105,440
Local Streets	4,508,673	4,475,004	5,261,316	4,708,973
Solid Waste	2,565,854	2,766,372	3,145,814	3,069,720
► Other Special Revenue	3,269,058	2,290,117	2,290,117	2,270,183
▼ Grants & Donations	13,986,655	11,864,636	29,135,475	12,585,129
► FFE Aspirational Projects	7,486,656	8,268,530	16,885,572	8,539,090
► General Grants and Donations	3,730,361	2,588,466	6,878,918	1,308,532
► Neighborhood and Community Development	1,976,076	757,640	4,227,326	442,507
► Economic Development Programs	793,562	250,000	1,143,658	2,295,000
► Capital Improvement	8,293,870	12,211,820	15,236,878	11,078,346
▼ Enterprise	60,926,710	88,451,817	121,821,651	97,772,883
▼ Enterprise	60,926,710	88,451,817	121,821,651	97,772,883
Water	30,102,393	50,481,668	74,708,686	59,628,536
Wastewater	30,824,316	37,970,149	47,112,965	38,144,347
Total	\$ 166,999,784	\$ 203,138,331	\$ 264,554,520	\$ 213,892,050

CITY OF KALAMAZOO, MICHIGAN

RESOLUTION NO. _____

A RESOLUTION TO MAKE THE ANNUAL APPROPRIATION FOR THE YEAR 2020, TO ADOPT THE BUDGET, TO SET FORTH THE NUMBER OF MILLS TO BE LEVIED UNDER THE GENERAL PROPERTY TAX ACT, TO APPROVE AN INTERIM APPROPRIATION FOR THE YEAR 2021, AND TO ESTABLISH POLICIES FOR THE ADMINISTRATION OF THE BUDGET FOR THE YEAR 2021

WHEREAS, it is provided in Section 67 and 68 of the City Charter that the City Manager shall submit to the City Commission an estimate of the contemplated expenditures for the ensuing year, together with estimated revenues for that year, and that on or before February 1, 2021, the City Commission shall take up, consider, and pass an annual appropriation resolution to cover the expenditures as determined by the City Commission, and it is further provided in Section 85 that the City Commission may review the annual appropriation resolution following receipt of the assessment roll.

WHEREAS, Public Act #41 of 1995, provides that the general appropriations act of the City must set forth the total number of mills to be levied under the General Property Tax Act and the purpose for which that millage is levied if a truth in taxation hearing is not held;

WHEREAS, the next fiscal year's budget is not ready for adoption prior to December 31, of the current fiscal year, and the administration of the City of Kalamazoo should be authorized to continue normal operations, including payroll and expense disbursements;

WHEREAS, the City Commission of the City of Kalamazoo desires to establish certain policies covering City Administration of the budget for 2021;

NOW, THEREFORE, BE IT HEREBY RESOLVED, that subject to the rights of the City Commission provided in Section 85 of the City Charter, the budget attached hereto and made a part hereof by reference is hereby taken up, considered, passed, and adopted as the annual appropriation of the City of Kalamazoo to cover the expenditures and operations thereof for the year 2021; and

BE IT FURTHER RESOLVED, that upon the confirmation of the assessment rolls and subject to such revision as the City Commission may have made on this budget upon said review, and subject to the procedures of Act #5 of the Public Acts of 1982 being fulfilled, if required, the City Clerk is thereupon authorized and directed to deliver a copy of this annual appropriation resolution, together with such revisions as may have been made therein, and a warrant from the City Commission to the City Treasurer authorizing and directing the City Treasurer to collect from persons named in said assessment roll the taxes applicable thereto as provided in the City Charter and statutes in such cases made and provided.

BE IT FURTHER RESOLVED, the total number of mills to be levied under the General Property Tax Act and the purpose for which that millage is levied for purposes of said budget and annual appropriation, are as follows:

City Operating:	12.0000
Solid Waste:	1.8000

BE IT FURTHER RESOLVED, that the following policies are hereby established to govern the City Administration of the budget for 2021:

STATE LAW AND CITY CHARTER REQUIREMENTS

The City of Kalamazoo budget policies are governed by the City Charter, the Uniform Budgeting and Accounting Act for Local Units of Government in Michigan, and generally accepted accounting principles. These laws provide for budget control, establish tax levy and assessment valuation limits, and provide for bonded debt limits. The City's resources and appropriations policies are extensions of these laws, and follow generally accepted accounting and budgeting principles.

The City of Kalamazoo Charter (Section 67) states that by December 1 of each year, the City Manager shall submit to the City Commission an estimate of the expenditures and revenues for the upcoming fiscal year. Section 68 of the Charter requires that on or before February 1 of each year, the City Commission pass an annual appropriation resolution to cover expenditures. At the same time, the City Commission establishes certain policies covering the administration of the budget. A public hearing must be held prior to final adoption. Public notice must be posted at least six days prior to the hearing.

If the upcoming budget appropriation resolution is not ready for adoption prior to December 31, the Chief Finance Officer is authorized and directed to continue processing and issuing checks for normal payroll and expense operations of the City in accordance with prevailing practices. The Chief Finance Officer is authorized to revise any payroll, fringe benefits and other expenses paid by the City to conform to the terms of any labor contracts or commitments which have been approved by this City Commission, as needed for the above purpose.

By May 31st of each year the Board of Review will have completed its review and correction of the assessment roll. The assessment roll is presented to the City Commission along with the proposed amended annual appropriation resolution. They may revise the appropriation provided that the property tax revenue required shall not increase more than 5% over the amount in said resolution.

Act 5 of the Public Acts of 1982, as amended, requires a public hearing be held prior to the levying of an additional millage rate (The Truth-In-Taxation Act). The Charter, under Section 85, requires the City Commission will fully and finally confirm the annual assessment roll upon completion of the review, and correction of the roll by the Board of Review. This must be at least seven days after the public hearing and is confirmed by resolution along with confirming the general appropriation resolution, as amended.

The City is also required by the State of Michigan to present a balanced budget. An appropriation resolution cannot be adopted that would cause total expenditures, including an accrued deficit, to exceed total revenues, including an available surplus, according to Section 16 of Public Act 621 of 1978.

The City shall comply with Act 279 that generally provides the debt limit for a "home rule" city is 10% of its State Equalized Value (SEV). City Charter provides that the fiscal year of the City shall begin January 1.

The City Charter prescribes that the City Manager will submit to the City Commission a brief executive summary of the City's financial activity on a monthly basis.

DEBT

Subject to the applicable provisions of statutory and constitutional debt provisions and the City Charter, the City Commission, by proper ordinance or resolution, may authorize the borrowing of money for any purpose within the scope of the powers vested in the City. The City Commission may pledge the full faith credit and resources of the City for the payment of debt obligations. Section 21 of Article VII of the Michigan Constitution establishes the authority, subject to statutory and constitutional limitations, for municipalities to incur debt for public purposes. State law limits the rate of ad valorem property taxation for municipal purposes, and restricts the powers of cities and villages to borrow money and contract debts. Each city and village is granted power to levy other taxes for public purposes, subject to limitations and prohibitions provided by this constitution or by law.

In accordance with the foregoing authority granted to the State Legislature, the Home Rule Cities Act limits the amount of debt a city may have outstanding at any time. The Act provides that the net indebtedness incurred for all public purpose shall not exceed ten percent of the assessed value of all real and personal property in the city plus the combined constitutional and statutory state revenue sharing amount divided by the City's millage rate.

Exceptions to the debt limitation have been permitted by the Home rule Cities Act for certain types of indebtedness. All special assessment bonds, Michigan Transportation Fund bonds, revenue bonds payable from revenues only, whether secured by a mortgage or not, and bonds issued or contract obligations assessments incurred to comply with an order of the Water Resources Commission of the State of Michigan or a court of competent jurisdiction. Any obligations incurred for water supply, sewage, drainage or refuse disposal or resource recovery projects necessary to protect the public health by abating pollution, and bonds issued or assessments or contract obligations incurred for the construction, improvement or replacement of a combined sewer overflow abatement facility.

Although the City has sufficient legal debt margin, all decisions to enter in debt obligations are contingent upon the City's ability to make debt service payments and maintain adequate reserves.

Pursuant to the statutory and constitutional debt provisions, the following table reflects the amount of additional debt the City may legally incur as of September 2, 2020.

City's 2020 Ad Valorem SEV	\$2,070,749,729	
Plus Half of Act 198 Property	\$11,358,450	
Plus for Revenue Sharing (1)	747,908,333	
Plus for LCSA/PPT (2)	<u>125,909,443</u>	
Total 2020 SEV Value	\$2,955,925,955	
Debt Limit (3)		\$295,592,595
Debt Outstanding (4)	\$ 264,570,000	
Less: Exempt Debt (5)	<u>\$115,465,000</u>	<u>\$149,105,000</u>
Legal Debt Margin		<u>\$ 146,487,595</u>

(1) The constitutional and CVTRS State Revenue Sharing payments for the twelve months ending December 31, 2020 of \$8,974,900 divided by the City's 2020 millage rate of 12.00 mills.

(2) The Local Community Stabilization Authority ("LCSA") was established to administer distribution of the replacement of personal property tax revenues lost by local government. Eligible reimbursements for LCSA equals 2019 Total Reimbursement less Total 2019 Qualified Loss Distribution divided by the City's operating millage. 2019 information was finalized in May 2020.

(3) 10% of City's Total 2020 SEV for the fiscal year ending December 31, 2020.

(4) Includes the Bonds described herein. Preliminary, subject to change

(5) See "Statutory and Constitutional Debt Provisions" herein.

Debt will be used to finance long term capital and operating assets within the constraints of maintaining or improving bond ratings and debt service capacity. Debt management will provide for the protection of bond ratings, the maintenance of adequate debt service reserves, compliance with debt instrument provisions and appropriate disclosures to investors, underwriters, and rating agencies.

INVESTMENTS

Investment management will strive to maximize investment return on the City's funds through pooling of funds where permitted, frequent market analysis, cash forecasting procedures, and competitive bidding. Interest income is applied on a percentage basis to each fund based on the fund's balance compared to total fund balances.

ADVISORY COMMITTEES

The Community Development Act Advisory Committee (CDAAC) CDAAC is an advisory committee appointed by and to serve in an advisory capacity to the City Commission. The membership shall be comprised of thirteen (13) members who shall be City residents. There shall be one representative from each of the CDBG eligible neighborhoods, as determined by HUD, which have an active association with a 501C(3) status. The remaining members shall be at-large seats.

CDAAC manages the annual competitive process established by the City to allocate federal Community Development Block Grant and HOME Investment Partnership funds. CDAAC reviews and scores applications, and recommends grant funding levels to the City Commission. After City Commission approval, organizations are notified of funding decisions.

USE OF PUBLIC FUNDS

Acceptable uses of City funds for food, awards, and appropriations to outside organizations are as follows:

- The City may host events in appreciation of the City's workforce and provide tokens of appreciation to employees to recognize new hires, years of service and retirements.
- The City may provide beverages to employees, volunteer workers, elected officials and business guests during regular working hours and events that require public participation.
- The City may provide meals to employees, volunteer workers and elected officials for work conducted during normal meal times.
- Awards or prizes may be given to employees or outside parties in association with fundraising efforts or events to raise awareness.
- The City may host Wellness Luncheons to provide education to employees in an effort to reduce the City's health care costs.
- The City may make financial payments to outside organizations where a written agreement between the City and such organization has been executed.

ACCOUNTING

Basis of Accounting

All governmental and agency funds utilize the modified accrual basis of accounting. Under this method, revenues are recognized when received, or accrued as a receivable when they become measurable and available to finance current operations. Significant revenues accrued by the City include property taxes, expenditure reimbursement type grants, certain inter-governmental revenues and special assessments.

Expenditures are recognized under the modified accrual basis of accounting when the related fund liability is incurred, except for interest on long-term debt and compensated absences, which are recorded when paid. The financial statements of proprietary, pension trust, OPEB trust, and non-expendable trust funds are reflected on the accrual basis of accounting, the revenues are recorded when earned and expenses are recorded as incurred.

Budgetary Basis vs. “Generally Accepted Accounting Policies” (GAAP)

The budget is adopted on a basis consistent with generally accepted accounting principles (GAAP) except for certain items that are adjusted on the City's accounting system at fiscal year-end. During the year, the City's accounting system is maintained on the same basis as the adopted budget. This enables budget units to monitor their budgets on a monthly basis through reports generated by the accounting system.

The differences between the budgetary basis and GAAP include the following:

- Compensated absences in the Enterprise funds are not expensed for budgetary purposes. GAAP requires compensated absences to be accrued when earned by the employees.
- Principal payments on outstanding debt in the Enterprise funds are expensed for budgetary purposes instead of being recorded as an adjustment to the balance sheet long-term liability.
- Capital outlay in Enterprise Funds is expensed for budgetary purposes instead of being recorded as an adjustment to the balance sheet capital asset.
- Pension and Other Post-Employment Benefits (OPEB) in Enterprise Funds are expensed for budgetary purposes when paid. GAAP requires pension and OPEB to be accrued when earned by the employees.

BUDGET PROCESS

Budget preparation begins with a priority setting session with the City Commission. Budget instructions are distributed to department directors and accounting support staff that outline budgeting parameters for the operating and capital budgets.

The department directors review and submit their budget requests using the parameters outlined by Management Services and City Manager. A technical review is completed by Management Services. The City Manager prepares and submits to the City Commission the recommended budget by December 1, for the next fiscal year beginning January 1.

The City Commission reviews the City Manager's proposed budget. All review sessions are open to the general public. A copy of the proposed budget, as presented by the City Manager to the City Commission is available for viewing at the office of the City Clerk, and on the City web-site. Outlines for each budget review session are available at the time of the session.

A Public Hearing is held prior to the budget adoption to allow for citizen input. The notice of

public hearing must be posted six days prior to the hearing. After the public hearing is closed, the budget is formally adopted by February 1. If an annual appropriation resolution is not ready for adoption prior to the beginning of the new fiscal year, an interim resolution shall be adopted to authorize expenditures until February 1, or adoption of the annual appropriation resolution.

Confirmation of the Tax Roll

The Board of Review completes its review of the assessment roll. A public hearing is held prior to the confirmation of the assessment roll to allow for citizen input. Once the required public hearing has been held, the City Commission confirms the roll and approves the tax levy resolution. If an amended appropriation resolution is necessary it will also be approved at this time.

APPROPRIATIONS

Interim Appropriation

Interim funding is appropriated if the next fiscal year's budget is not ready for adoption prior to December 31, of the current fiscal year. The Chief Financial Officer is authorized and directed to continue processing and issuing checks for normal payroll and expense operations of the City in accordance with the practices prevailing at the end of the current fiscal year.

Budget Amendments

Only the City Commission shall make new or additional appropriations. Budgets may be amended after adoption with approval of the City Commission if changes result in an increase in appropriation. Budget amendment requests must be made in writing and approval is required from the appropriate department director, the Management Services Director/CFO, and the City Manager. The City Manager ultimately requests approval from the City Commission.

Salaries, Wages, and New Positions

Any increase in salaries or wages, or the creating of positions, shall be made only by resolution or motion of the City Commission. The Chief Financial Officer is authorized to revise any payroll, fringe benefits, and other expenses paid by the City to conform to the terms of any labor contracts or other commitments, which have been approved by the City Commission.

Grants and Donations

The City Manager is authorized to accept grants and donations under \$25,000. The acceptance of grants shall be considered as authority to expend funds for those purposes. A summary of grants and donations accepted by the City Manager will be presented to the City Commission twice a year as an informational item.

Limitations of Expenditures

It shall be the duty of the City Manager to oversee that each department director, excluding the City Attorney, City Clerk, and Internal Auditor, does not exceed the amount appropriated for their department except by prior authority of the City Commission. Only the City Commission shall make new or additional appropriations. It shall be the duty of the City Attorney, City Clerk, and Internal Auditor to see that they do not exceed the amount appropriated for their department except by prior specific authority of the City Commission.

Legislative action by the City Commission to issue bonds, accept grants and donations, and authorize special assessment projects shall be considered as authority to expend funds for those purposes, and no further appropriation authority will be necessary.

TRANSFERS

City Commission Approval

Transfers shall require City Commission approval if the transfer will result in an increase or decrease in one or more items in the annual appropriation resolution.

City Manager Approval

The City Manager may approve the transfer of operating funds to capital projects for changes up to the greater of \$10,000 or to 10% of the project cost per project. The City Manager or designee may also approve the reallocation of funds within the capital accounts on the same basis, or in any amount as long as the funds are still used for the purpose for which they were originally appropriated. All other transfers affecting capital projects shall require City Commission approval.

After receiving a request for transfer from the City Manager and hearing any objections to the request, transfers may be approved or disapproved by the City Commission. When approved by the City Commission or City Manager the transfer shall be considered an amendment to the budget and shall become effective immediately.

CARRY FORWARDS

Unexpended balances, both encumbered and unencumbered, of previously authorized construction or capital improvements not completed as of December 31 are hereby re-appropriated. Any such carry forwards shall be presented to the City Commission as an informational item at a regular City Commission meeting. Carry forward requests for non-capital items, shall be submitted to the City Commission for approval.

ALLOCATION OF ADMINISTRATIVE COSTS

A cost allocation plan will be developed each year to determine an appropriate amount to be allocated for central service costs to the various operations of the City. The allocation plan will be prepared in accordance with federal laws and guidelines for allocation of costs to federal grants. Allocation of costs to operations and cost centers other than federal grants may include allocation of costs that are disallowed for federal grants. A qualified, independent firm will prepare the allocation plan.

Utility operations will be allocated the full costs as provided in the plan. No allocation will be charged to general fund operations since this would only inflate general fund revenues and expenses equally without impacting the financial position of the fund.

All other funds will be charged an amount not to exceed the allocation determined by the plan. In order to make the allocations determined by the plan, some funds may be provided with a

General Fund subsidy if for some reason the fund cannot be reasonably expected to pay the full allocation.

REVENUES

Tax Levy

The amount annually to be raised shall not exceed 2% (\$20 per \$1,000) of the assessed valuation as equalized of all real and personal property in the City, per Section 77 of the Charter.

Special Assessments

Section 108 of the Charter states the City Commission shall have power to determine, with or without a petition, that all or part of the expense of any public improvement or repair may be defrayed by special assessments upon the parcels or property especially benefited, and declare by resolution.

User Fees

The City Commission has jurisdiction over establishing schedules of charges, including recreational activities, cemetery fees, and neighborhood and community development fees and charges.

Enterprise Functions

The enterprise funds include the City Market, Water Division, Wastewater Division, and the Kalamazoo Municipal Golf Association which are fully self-supporting from user fees and charges, or subsidies from other intergovernmental sources.

Payment In-Lieu of Taxes (PILOT)

A payment-in-lieu of taxes is an agreement to pay an amount or specific tax in lieu of ad valorem tax on the property. The amount is defined by an agreement approved by the appropriate jurisdictions and the General Property Tax Act in the Michigan Compiled Laws. The City also charges a PILOT to the Water and Wastewater Divisions.

Interest Earnings

Interest earnings from the investment of temporarily idle funds are credited to the fund generating the earnings.

RESERVES

General Fund Undesignated Reserve

A balance equal to a minimum of 15% of current projected operating revenues shall be budgeted and maintained.

Contingency Reserve

Funds will be designated in a contingency reserve account within the General Fund with a target balance of \$500,000. The funds will be available for priority initiatives. The use of reserve funds will be approved based on the established levels in the city purchasing policy. The City Manager is able to appropriate funds from this reserve for emergencies. Any use of reserves that causes the balance to fall below the recommended level will be replenished within one year.

Reserve for Self Insurance

A reserve will be established to provide funding of a risk management program whereby the City is self-insured for workers' compensation, auto comprehensive and collision coverage, and is a member of the Michigan Municipal Risk Management Authority and Michigan Transit Pool with various deductibles and coverage limitations. This reserve is to be held in the Insurance Fund.

BUDGET FORMAT

Budgeted Funds

The annual appropriation resolution shall apply to all funds except internal service funds, debt service funds, permanent funds and trust and agency funds. The City Commission is also required to approve the administrative budget for the pension trust fund.

Operating Budget

The operating budget will be based on the principle of financing current expenditures with current revenues or accumulated reserves. Expenditures shall include adequate funding of the retirement system and adequate maintenance and replacement of capital and operating assets.

Budgeted expenditures will reflect the City's perceived needs and desires of the community based on the results of Priority Based Budgeting and the priorities established by the City Commission. The budget will be based on generally accepted accounting principles.

Five-year projections are included for the General Fund, the Major and Local Street Funds, and the Capital Projects Fund. The five-year projections for the Capital Improvement Program for the Water and Wastewater funds are also included.

The Operating Budget provides for general services including personnel costs, supplies, services, and capital equipment and improvements. These capital purchases are on-going and include vehicles such as cars and trucks, miscellaneous machinery and equipment, and building improvements under \$20,000. Revenues for the Operating Budget include property taxes, user fees and intergovernmental sources and local contributions.

FUND DESCRIPTIONS

The budget is adopted on a basis generally consistent with City Charter, State of Michigan rules and guidelines, and generally accepted accounting principles (GAAP). The budget is prepared by line item listing dollar amounts budgeted for each expenditure category separately. The expenditure categories are Personnel, Operating, Services, Debt Service, and Transfers.

Revenues are presented within the resource sections by fund type (General Fund, Special Revenue, Capital Project, and Enterprise) by revenue category. Summary schedules of estimated revenues are presented in the Budget Summary section of the Annual Budget.

The financial activities of the City are recorded in separate funds and account groups,

categorized and described as follows:

Governmental Funds

General Fund

This fund is used to account for all general operating revenues and expenditures of the City not accounted for in another fund. Revenues are derived primarily from property taxes, state distributions, charges for inter-departmental services and transfers from other funds. These revenues are used to finance basic City services such as Public Safety, Parks & Recreation, General Government activities, and Public Services.

Special Revenue Funds

These funds are used to account for specific governmental revenues (other than specific revenues for major capital projects) requiring separate accounting because of legal or regulatory provisions or administrative action. Special revenue funds include the Major Street Fund, Local Street Fund, Cemeteries Fund, Solid Waste Collection Fund, the Kalamazoo Municipal Golf Association, grant and donations funds, and various other funds supporting economic development, community planning and development, and public safety.

Capital Improvements Funds

This fund is used to account for acquisitions and construction of major capital facilities other than those financed by proprietary fund operations and special assessments. Capital Improvements funds include the General Capital Improvement Projects Fund and the Streets Jurisdictional Transfer Fund.

Proprietary Funds

Enterprise Funds

These funds are used to account for operations that provide services financed primarily by user charges or activities where periodic measurement of net income is appropriate for capital maintenance, public policy, management control or other purposes. Enterprise funds include the Wastewater Fund and Water Fund.

Internal Service Funds

These funds are used to account for the financing of goods or services provided by the City to other departments and funds on a cost reimbursement basis. The Insurance Fund is the only fund in this category and is included in the budget for informational purposes only.

Fiduciary Funds

These funds are used to account for assets held in trust or as an agent for others. Fiduciary funds include the Pension Trust Fund, OPEB Trust Fund, Cemeteries Perpetual Care Fund, General Trust and Agency Fund, and Tax Collector's Fund. The Pension Trust Fund is included in the budget for informational purposes only.

OPERATING STRUCTURE

The City of Kalamazoo is organized on a departmental basis. The City's operations are accounted for under various cost centers known as activities or organizations within the departments. These activities or organizational units are consistent with the State of Michigan Chart of Accounts. The departmental unit is responsible for compliance with the approved

budget. Each budgeting unit is within a particular fund of the City. Each revenue and expense item is assigned to a line item account number, and expenditures are presented at a line item detail within the following categories:

Personnel

Includes all salary and fringe benefit related costs, including base pay, overtime pay, vacation pay, holiday pay, sick leave pay, and special pays such as food allowance, tool reimbursement, pension contribution, health insurance, dental insurance, life insurance, workers' compensation, and employer social security expense.

Operating

The operating expense of the City which includes but is not limited to the purchase of supplies and services, travel and training, professional services, fees paid to outside sources for contractual services, utilities, liability insurance, lease payments, advertising, memberships and dues, and vehicle maintenance.

Capital Outlay

This includes expenditures for items added to the City's general fixed assets. These expenditures include the purchase of land, land improvements, building additions and improvements, machinery and equipment, office equipment and furniture, and vehicular equipment.

Debt Service

This includes the cost for interest and principal payments on the City's long-term and short-term debt.

Transfers

Includes expenditures in the form of transfers to other funds, required grant match, and payment to another fund for the purpose of having an expense or cost recorded in the legally correct fund.

CAPITAL IMPROVEMENTS PROGRAM

In addition to budgets for City Operations, the City of Kalamazoo Budget includes the Capital Improvement Program. The Capital Improvements Program (CIP) is a six-year forecast of capital expenses together with available funding resources. The first year of the forecast is adopted as the current year CIP budget.

The Capital Improvements Program (CIP) will reflect a consensus of the perceived needs and desires of the community based on current surveys and long range planning. Projects included in the Capital Improvements Program shall be consistent with the City of Kalamazoo Strategic Vision. The CIP provides funding for those operations exclusive of enterprise funds. Eligible uses include capital projects, major equipment, debt service, and non-utility environmental expenses. The City will develop and maintain a CIP to plan and fund capital projects over a minimum five year period coordinated with the Operating Budget. The Capital Improvements Program will, to the extent possible, be designed to protect the City's investments in capital and operating assets through timely and adequate maintenance and replacement of those assets.

Capital outlay for the purpose of the Capital Improvements Program is defined as expenditures

that result in the acquisition or addition to fixed assets that have an estimated life of at least five years and monetary value of at least \$20,000. Examples include construction of buildings or other structures, roads, sewers, parks, and the purchase of heavy equipment, fire trucks and buses. Funding for CIP include bond proceeds, donations, grants, and intergovernmental sources.

The debt service for bonds associated with the CIP for the Enterprise funds are recorded directly in the Enterprise Funds. In Governmental funds, the debt service is paid from a separate Debt Service fund, not included in the City Budget. In this case, the transfer to the debt service fund is made from the CIP fund.

The capital program receives contributions in aid to fund infrastructure in the Enterprise funds. Contributions in excess of the anticipated budget shall increase the appropriation by an amount equal to the contribution. Such increases will be brought forward to the City Commission twice a year as an informational item.

BE IT FURTHER RESOLVED, that all books, warrants, orders, and vouchers or other official references to any appropriations shall indicate the appropriated fund involved or be drawn upon the appropriate schedules as set forth in the budget.

BE IT FURTHER RESOLVED, that the City Manager is hereby directed to have prepared and printed for distribution to interested citizens a detailed summary of the 2021 Budget; and

BE IT FURTHER RESOLVED, that unexpended balances, both encumbered and unencumbered, of previously authorized construction or capital improvement work not completed as of December 31, are hereby re-appropriated. Any such carry forwards shall be presented to the City Commission as an informational item at a regular City Commission meeting. Carry forward requests for non-capital items, shall be submitted to the City Commission for approval.

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

AYES, Commissioners:

NAYS, Commissioners:

ABSTAIN, Commissioners:

RESOLUTION DECLARED ADOPTED.

CERTIFICATE

The forgoing is a true and complete copy of a resolution adopted by the City Commission of the City of Kalamazoo at a regular meeting held January 19, 201. 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 Commission Agenda Report

City of Kalamazoo

Date: **1/19/2021**

Item: **H.1.a.**

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

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

DATE: January 19, 2021

SUBJECT: Approval of the proposed FY 2021 Brownfield Redevelopment Authority (BRA) budget

RECOMMENDATION:

It is recommended that the City Commission approve the proposed FY 2021 Brownfield Redevelopment Authority (BRA) budget as submitted by the BRA Board.

BACKGROUND:

The BRA Board annually prepares and approves a budget for the operation of the Authority and the Local Site Remediation Fund (LSRRF) for the upcoming fiscal year. The City Commission is not required by law to adopt the annual appropriation for the BRA; however the City Administration has chosen to request City Commission approval.

STRATEGIC VISION ALIGNMENT:

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



Good Governance- Ensuring the City organization has the capacity and resources to effectively implement the community's Strategic Vision in a way that is sustainable over the long term. This proposal demonstrates the BRA's ability to provide programming proposed for FY 2021.

COMMUNITY ENGAGEMENT:

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

The Brownfield Redevelopment Authority approved the FY 2021 Proposed Budget.

FISCAL IMPACT:

This budget will allow the BRA to implement related activities during FY 2021. Projects and initiatives supported by the BRA would otherwise be an expense of the City's General Fund.

Brownfield Redevelopment Authority (BRA - 709)**Proposed 2021 Budget**

2021 Proposed

Revenues

TIF Capture - Developer	650,000
TIF Capture - Building Authority	130,665
TIF Capture - BRA	55,133
Interest on Investments	20,000
Interest on Loans	600
Miscellaneous-Parking Lot rental, application fees, etc.	30,000
Land Sales Proceeds (Sale Fixed Assets)	400,000
Reallocation of Fund Balance/Working Capital	170,000
State Funding - EGLE- 615 West Kalamazoo	300,000
State Funding - EGLE- Harrison Circle	270,000
Total Resources	<u>2,026,397</u>

Expenditures

Base Pay -Full Time - Exempt	95,878
Health Benefit Allocation	19,106
Defined Retiree Health Contribution	3,978
Workers Compensation	595
Dental Insurance	1,367
Employer Social Security	7,335
Fringe Benefit Allocation	1,966
Group Life Insurance	326
Deferred Compensation	1,438
Office Supplies And Forms	1,000
Operating Supplies	2,500
Outside Contractual Services	125,000
Advertising	10,000
Grounds Maintenance	14,142
Administrative Fees	35,000
Environmental Studies	60,000
Environmental Remediation	50,000
TIF Reimbursements - Developers	650,000
Infrastructure	75,000
Transfer To Building Authority	130,665

Projects:

East Bank/Riverfront	50,000
508 Harrison - ELECTRICITY	1,000
667 East Michigan - ELECTRICITY	2,000
Davis Creek Business Park (Lakeside Refinery)	30,000
Performance Paper	10,000
Paneltye property	30,000
Other Projects approved through year	48,102
State Funding - MDEQ- 615 West Kalamazoo	300,000
State Funding - EGLE- Harrison Circle	270,000
Total Expenditures	<u>2,026,397</u>

Revenue over (under) expenditures

0



City Commission Agenda Report

City of Kalamazoo

Date: **1/19/2021**

Item: **H.1.b.**

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

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

DATE: January 19, 2021

SUBJECT: Approval of the proposed FY 2021 Economic Development Corporation (EDC) budget

RECOMMENDATION:

It is recommended that the City Commission approve the proposed FY 2021 Economic Development Corporation (EDC) budget as submitted by the EDC Board.

BACKGROUND:

The EDC board annually prepares and adopts a fiscal year budget. The City Commission is not required by law to adopt the annual appropriation for the EDC; however the City Administration has chosen to request City Commission approval.

STRATEGIC VISION ALIGNMENT:

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



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

This budget proposal demonstrates that the EDC is able to provide programming as identified.

COMMUNITY ENGAGEMENT:

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

The Executive Committee of the EDC reviewed the FY 2021 Proposed Budget.

FISCAL IMPACT:

This will allow the EDC to implement the budget and related activities during FY 2021. Personnel and operating costs supported by the EDC would otherwise be an expense of the City's General Fund.

Economic Development Corporation (EDC - 702)
2021 Proposed Budget

2021 Proposed Budget

Revenues

Interest On Investments	1,500
Miscellaneous Revenues	40,000
Reallocation of Fund Balance/Working Capital	30,255
Transfer From Economic Initiative Fund	500,000
Total Resources	571,755

Expenditures

Personel	27,000
Office Supplies And Forms	500
Postage	255
Education And Training	6,000
Loan Expense-if EIF loans are approved	500,000
Contractual Services	20,000
Administrative Fees	15,000
Memberships And Dues	1,000
Subscriptions	2,000
Total Expenditures	571,755

Revenue over (under) expenditures	-
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City Commission Agenda Report

City of Kalamazoo

Date: **1/19/2021**

Item: **H.1.c.**

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

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

DATE: January 19, 2021

SUBJECT: Approval of the FY 2021 Downtown Development Authority (DDA) Operating Budget, and the existing two-mill DDA Tax Levy

RECOMMENDATION:

It is recommended that the City Commission approve the proposed FY 2021 Downtown Development Authority (DDA) Operating Budget, and the existing two-mill DDA Tax Levy.

BACKGROUND:

The City ordinance, which established the Downtown Development Authority, requires that the DDA annually submit its recommended budget to the City Commission for adoption. The DD. recommended budget as proposed for adoption is \$269,020.

The Downtown Development Authority Operating Budget is mostly funded by the proposed DD. millage of 1.9638 (which is the original authorized 2 Mills and reduced by the Headle Amendment) and other revenue totaling \$267,000.

STRATEGIC VISION ALIGNMENT:

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



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

This proposed budget demonstrates the ability of the DDA to provide program and services planned for FY 2021.

COMMUNITY ENGAGEMENT:

Consult (two-way conversation) – Inform (one-way conversation) –

The Downtown Development Authority Board has reviewed the budget request and is recommending City Commission approval of the FY 2021 Proposed Budget as well as requesting approval of the two-mill tax levy.

FISCAL IMPACT:

The approval of the two-mill tax levy and the proposed budget will provide the DDA with the authority to adopt and implement the budget and related activities of the DDA during FY 2021.

DOWNTOWN DEVELOPMENT AUTHORITY 2 MILL 2021 PROPOSED BUDGET**REVENUES**

DOWNTOWN DEVELOPMENT AUTHORITY (DDA) 2 MILL	\$267,000.00
PILOT INCOME	\$1,720.00
INTEREST INCOME	\$300.00
TOTAL REVENUES	\$269,020.00

EXPENDITURES**ADMINISTRATION**

PARTNERSHIP SERVICE CONTRACT	\$250,020.00
D&O POLICY	\$4,000.00
REBATES	\$5,000.00
AUDIT	\$5,000.00
LEGAL	\$5,000.00

TOTAL EXPENSES	\$269,020.00
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REVENUE/OVER(UNDER) EXPENDITURES	\$0.00
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City Commission Agenda Report

City of Kalamazoo

Date: **1/19/2021**

Item: **H.1.d.**

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

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

DATE: January 19, 2021

SUBJECT: Approval of the FY 2021 Downtown Economic Growth Authority (DEGA)
Operating Budget

RECOMMENDATION:

It is recommended that the City Commission approve the proposed FY 2021 Downtown Development Authority (DEGA) Operating Budget.

BACKGROUND:

The City resolution, which established the Downtown Economic Growth Authority (DEGA) requires that the DEGA annually submit its recommended budget to the City Commission for adoption. The DEGA recommended budget as proposed for adoption is \$837,910.

2021 Revenues: The DEGA budget is funded by a TIF Capture, Mall Maintenance special assessment, an administrative loan from the City of Kalamazoo, and other revenue totaling \$837,910.

2021 Expenses: Expenses include operating expenses and Debt Service/Other Obligations totaling \$837,910.

STRATEGIC VISION ALIGNMENT:

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



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

COMMUNITY ENGAGEMENT:

The Downtown Economic Growth Authority has reviewed the budget request and is recommending City Commission approval of the FY 2021.

FISCAL IMPACT:

The approval of the proposed budget will provide the DEGA with the authority to adopt and implement the budget and related activities of the DEGA during FY 2021.

DOWNTOWN ECONOMIC GROWTH AUTHORITY 2021 PROPOSED BUDGET**REVENUES**

DOWNTOWN ECONOMIC GROWTH AUTHORITY TIF	\$	468,000.00
KALAMAZOO MALL MAINTENANCE (CITY OF KALAMAZOO)	\$	59,210.00
CITY OF KALAMAZOO OPERATIONS ADVANCE	\$	250,000.00
INTEREST	\$	700.00
FFE FUNDING	\$	60,000.00
TOTAL REVENUES	\$	837,910.00

EXPENDITURES**PEOPLE** \$90,777.00

CLEAN, SAFE & WELCOMING INITIATIVES
Ambassador Program

ENGAGEMENT, SURVEYS & FEEDBACK
Community Engagement
Annual Report
Community Perception Survey

PLACE \$184,987.00

PUBLIC SPACE INVESTMENT & MAINTENANCE
Furniture/Planters
Holiday Lighting & Decorations

MAINTENANCE & BEAUTIFICATION
Spring Spruce Up Downtown
Arcadia Creek Festival Site Maintenance
Public Restroom Maintenance
General Maintenance & Utilities
Kalamazoo Mall Maintenance

EXPERIENCE \$237,127.00

COMMUNICATIONS, MARKETING & PROMOTION
Digital Marketing & Social Media
Event Marketing & Promotion
Annual Campaigns & Promotions
Photography

EVENTS
General Event Supplies
Chili Cook-off
Autos & Eats (Spring & Fall)
Workout Wednesdays
Beats On Bates
Salsa Cook-off
Skeletor

HOLIDAY EVENTS
Holiday Parade
Holly Jolly Trolley
Santa's Workshop
Tree Lighting

PUBLIC ART

DOWNTOWN ECONOMIC GROWTH AUTHORITY 2021 PROPOSED BUDGET

GROWTH	\$235,777.00
BUSINESS RETENTION & RECRUITMENT INITIATIVES	
Parklet/Outdoor Dining Program	
Pop-up Program	
Real Estate & Market Data Development	
Downtown Dollars & Program Administration	
BUSINESS DEVELOPMENT EVENTS	
Downtown Market/Retail Initiative	
Small Business Saturday	
Business Development Workshops	
ADMINISTRATION	
PERSONNEL & OPERATIONS	\$89,242.00
TOTAL EXPENSES	\$837,910.00
REVENUE/OVER (UNDER) EXPENDITURES	\$0.00



City Commission Agenda Report

City of Kalamazoo

Date: **1/19/2021**

Item: **H.1.e.**

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

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

DATE: January 19, 2021

SUBJECT: Approval of the proposed 2021 fee schedule for the Kalamazoo Municipal Golf Association.

RECOMMENDATION:

It is recommended that the City Commission approve the proposed 2021 fee schedule for the Kalamazoo Municipal Golf Association (KMGA).

BACKGROUND:

The KMGA bylaws require that the KMGA fee structure be submitted to the City Commission for approval. The proposed 2021 fee schedule is attached.

STRATEGIC VISION ALIGNMENT:

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



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

COMMUNITY ENGAGEMENT:

The KMGA Board has approved the attached fee schedule and recommends City Commission approval.

FISCAL IMPACT:

The KMGGA generates approximately \$1.2 annually in fees collected. Adoption of this fee schedule by the City Commission will provide the KMGGA with authority to implement the fees for related activities during the fiscal year.

2021 KMGa Regular Daily Rates

9 Holes	Milham Park	Eastern Hills	Red Arrow
Adult (Weekends/Holidays)	\$17.00	\$15.00	\$5.00
Adult (Weekdays)	\$16.00	\$14.00	\$5.00
Senior (60+)	\$13.00*	\$12.00*	\$4.50
Student / Military (w/ID)	\$13.00*	\$12.00*	\$4.50
Junior (17-)	\$10.00	\$10.00	\$4.00
1/2 Golf Car	\$9.00	\$9.00	NA
1/2 Golf Car (member)	\$8.00	\$8.00	NA
Full Golf Car**	\$18.00	\$18.00	NA

18 Holes	Milham Park	Eastern Hills	Red Arrow
Adult (Weekends/Holidays)	\$29.00	\$26.00	\$9.00
Adult (Weekdays)	\$27.00	\$24.00	\$9.00
Senior (60+)	\$22.00*	\$20.00*	\$8.00
Student / Military (w/ID)	\$22.00*	\$20.00*	\$8.00
Junior (17-)	\$15.00	\$15.00	\$7.00
1/2 Golf Car	\$18.00	\$18.00	NA
1/2 Golf Car (member)	\$16.00	\$16.00	NA
Full Golf Car**	\$36.00	\$36.00	NA

* Senior, Student, Military rates valid Mon-Fri before 3:00, weekends/holidays after 1:00

** Full golf car pricing applies to any group with more than 1 empty seat

Other	Milham Park	Eastern Hills	Red Arrow
Range Token (~30 balls)	\$5.00	\$5.00	NA
Range Token (member)	\$4.00	\$4.00	NA
Short Game Practice Area Daily	\$5.00	\$5.00	NA
Push Cart 9/18	\$3.00/\$5.00	\$3.00/\$5.00	\$1.00/\$1.50
Club Rental 9/18	\$10.00/\$15.00	\$10.00/\$15.00	\$3.00/\$4.00

2021 KMGa Daily Golf Specials

		Milham Park	Eastern Hills
Senior/Student/Military	9 Riding	\$20.00	\$19.00
	18 Riding	\$33.00	\$29.00
Weekdays before 11:00			
Senior/Student/Military	9 Riding	\$19.00	\$18.00
	18 Riding	\$30.00	\$27.00
Weekdays 11:00-3:00			
Adult Weekdays before 3:00	9 Riding	\$25.00	\$23.00
	18 Riding	\$39.00	\$35.00
Weekends at Eastern before 1:00			
Weekend Special after 1:00	9 Riding	\$25.00	\$23.00
	18 Riding	\$39.00	\$35.00
Juniors age 10 & under with paid adult			
		FREE	FREE

2021 Regular Membership Rates

	3-Course Full	3-Course Weekday*	Milham Only Full	Milham Only Weekday*	Eastern Only Full	Eastern Only Weekday*	Red Arrow
Adult	\$1,045.00	\$895.00	\$945.00	\$845.00	\$895.00	\$795.00	\$125.00
Senior (60+)	\$945.00	\$795.00	\$845.00	\$745.00	\$795.00	\$695.00	\$100.00
Military	\$945.00	\$795.00	\$845.00	\$745.00	\$795.00	\$695.00	\$100.00
Junior (17-)	\$325.00	\$275.00	\$295.00	\$250.00	\$275.00	\$225.00	\$75.00
Couple	\$1,445.00	\$1,245.00	\$1,245.00	\$1,145.00	\$1,195.00	\$1,095.00	\$200.00
Senior Couple	\$1,345.00	\$1,145.00	\$1,145.00	\$1,045.00	\$1,095.00	\$995.00	\$150.00
Family	\$1,545.00	\$1,345.00	\$1,345.00	\$1,245.00	\$1,295.00	\$1,195.00	\$225.00
Add Golf Cart (Single)	\$600.00	\$550.00	\$600.00	\$550.00	\$600.00	\$550.00	NA
Add Golf Cart (Couple/Family)	\$900.00	\$800.00	\$900.00	\$800.00	\$900.00	\$800.00	NA
Unlimited One Day Walking (specific day)	\$550.00	NA	\$500.00	NA	\$400.00	NA	NA
Unlimited One Day Riding (specific day)	\$750.00	NA	\$700.00	NA	\$550.00	NA	NA
Add a related Junior to any membership:							
Ages 11-17	\$100.00	\$100.00	\$100.00	\$100.00	\$100.00	\$100.00	\$25.00
Ages 10 & under	FREE	FREE	FREE	FREE	FREE	FREE	FREE

*Weekday memberships valid Mon-Fri, excluding holidays

Milham Only or Eastern Only members may play other course for:

\$10/\$18 walking 9/18, or

\$17/\$25 riding 9/18 during applicable membership times.

Weekday members pay full price on weekends.

2021 Driving Range Memberships

	3-Course Full	3-Course Weekday*	Milham Full	Milham Weekday*	Eastern Full	Eastern Weekday*	Red Arrow
Non-Member	\$395.00	\$395.00	\$395.00	\$395.00	\$395.00	\$395.00	NA
Member	\$325.00	\$325.00	\$325.00	\$325.00	\$325.00	\$325.00	NA
Limited token-a-day	\$195.00	\$195.00	\$195.00	\$195.00	\$195.00	\$195.00	NA
Each Additional Family Member	\$100.00	\$100.00	\$100.00	\$100.00	\$100.00	\$100.00	NA
Short Game Practice Area (Non-Mem)	\$50.00	\$50.00	\$50.00	\$50.00	\$50.00	\$50.00	NA

CURRENT MEMBER PROMOTIONS:

EARLY PURCHASE DISCOUNT:

A current member who purchases before 12/31/20 may take
\$50 off single or \$100 off couple Regular rate
\$150 off single or \$300 off couple Regular with cart rate
(excludes One Day, Red Arrow, Golf Cart, Junior, Short Game, and Driving Range)
(valid only to current members as of 7/1/20)

REFER A MEMBER:

A current member who refers a new member will
receive a \$50 gift certificate!
(Excludes Red Arrow and Short Game memberships.
New member must not have been a
member in 2018, 2019, or 2020. See staff for further details)

ADDITIONAL BONUS 1:

A current member who pays with cash or check before
12/31/20 will receive a gift certificate in the amount
of 3% of your membership payment!
(Not valid on credit/debit/gift card payments or other purchases.)
(Gift Certificate valid for merchandise only.)

ADDITIONAL BONUS 2:

A current member who renews before 12/31/20 will
receive a punch card valued at \$124!
(Punch card includes 4 - 9 hole rounds, 4 - 9 hole cart rentals, and 4 - range tokens. No
substitutions or discounts. Not transferable)

NEW MEMBER PROMOTION:

Purchase your 2021 KMGA Membership and use it to play the rest of 2020 for no additional fees!



City Commission Agenda Report

City of Kalamazoo

Date: **1/19/2021**

Item: **H.1.f.**

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

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

DATE: January 19, 2021

SUBJECT: Resolution Establishing the Community Planning & Economic Development Department 2021 Fees Schedule

RECOMMENDATION:

It is recommended that the City Commission adopt a RESOLUTION approving the 2021 fees within the Community Planning & Economic Development Department.

BACKGROUND:

The proposed 2021 fee schedule for the Community Planning and Economic Development (CPED) Department is attached.

When reviewing fees during the 2021 budget process, CPED calculated revised fee schedules for the Zoning Board of Appeals, Zoning Inspections & Enforcement, and Site Plan Review. Nearly all fees on the proposed fee schedule for FY 2021 are the same as the adopted 2020 FY fee schedule. The only noted change is a \$10 increase to residential construction permits from \$1,000 to \$10,000 projects.

STRATEGIC VISION ALIGNMENT:

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



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

This proposal demonstrates that fees and charges are reviewed and updated appropriately to defray cost of providing services where applicable.

COMMUNITY ENGAGEMENT:

Appropriate Depth of Engagement

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

FISCAL IMPACT:

The 2021 fee revenue is budgeted to remain at approximately the same level as fees collected in 2020.

PROPOSED CPED FEE SCHEDULE 2021

Fees Applicable to all Types of Projects	
Work commenced prior to approval/permit issuance	2x original fee
Copying costs (1 st page + additional pages)	\$1.10 + .20
Enforcement Letter (may be issued every 7 days)	\$75
Code Enforcement Attorney Warning Letter	\$150
City Attorney case review referral	\$165
Inspection outside of regular work hours	Permit fee + \$80/hr
Electrical Permits	
Application Fee (Non-refundable)	\$70
Service through 200 Amp.	\$10
Service over 200 Amp. through 600 Amp.	\$15
Service over 600 Amp. through 800 Amp.	\$20
Service over 800 Amp. through 1200 Amp.	\$25
Service over 1200 Amp. (GFI only)	\$50
Each Circuit	\$5
Fixtures/Smoke Detectors – per 25	\$6
Dishwasher	\$5
Furnace/Unit Heater	\$5
Electrical Heating Units (baseboard)	\$4
Power Outlets (ranges, dryers, etc.)	\$7
Signs: Unit	\$10
Signs: Letter	\$15
Signs: Neon – each 25'	\$20
Feeders-Bus Ducts, etc. – per 50'	\$6
Mobile Home Park Site	\$6
Recreational Vehicle Park Site	\$4
KVA or HP: Units up to 20	\$6
KVA or HP: Units 21-50	\$10
KVA or HP: Units 51 and over	\$12
Fire Alarm Systems: up to 10 devices	\$50
Fire Alarms: 11-20 devices	\$100
Fire Alarms: over 20 devices (each)	\$5
Data/Telecommunications Outlets: over 300 devices	\$300
Data/Telecommunications Outlets: 20-300 devices	\$100
Data/Telecommunications Outlets: 1-19 devices	\$5
Energy Retrofit – Temp. Control	\$45
Conduit only or grounding only	\$45

PROPOSED CPED FEE SCHEDULE 2021

Special/Safety Inspections (includes certification fee)	\$70
Additional Inspection EACH	\$70
Final Inspection REQUIRED	\$70
Certification Fee	\$30
Technical Code Inspection	\$75
Mechanical Permits	
Replacement Water Heater (flat fee)	\$115
Replacement Furnace (flat fee)	\$140
Replacement Air Conditioning (flat fee)	\$140
Replacement Furnace & Air Conditioning (flat fee)	\$170
Application Fee (Non-Refundable)	\$70
New Heating System (includes duct & pipe)	\$50
Gas/Oil Burning Equipment (Furnace) – new and/or conversion units	\$30
Residential Boiler	\$30
Water Heater	\$5
Flue/Liner	\$5
Solid Fuel Equipment (includes chimney)	\$30
Chimney, factory built (installed separately)	\$25
Solar; set of 3 panels (including piping)	\$20
Gas Piping; each opening – new installation (residential)	\$6
Air Conditioning	\$33
Heat Pumps (complete residential)	\$33
Bath & Kitchen Exhaust	\$5
Tanks – Aboveground	\$20
Tanks – Aboveground Connection	\$20
Tanks - Underground	\$20
Tanks - Underground	\$25
Humidifiers	\$10
Piping Systems: Piping (per foot, minimum \$25)	\$0.05
Piping Systems: Process Piping (per foot, minimum \$25)	\$0.05
Duct (per foot, minimum \$25)	\$0.10
Heat Pumps (commercial, pipe not included)	\$20
Air Handlers/Heat Wheels Up To 10,000 CFM (RTU)	\$20
Air Handlers/Heat Wheels Over 10,000 CFM (RTU)	\$60
Commercial Hoods (includes puff test) Type I	\$60
Commercial Hoods (includes puff test) Type II	\$60
Heat Recover Units	\$10
VAV Boxes	\$10

PROPOSED CPED FEE SCHEDULE 2021

Unit Ventilators	\$10
Unit Heaters	\$15
Fire Suppression/Protection	\$70 + \$.75/head + engineering (if applicable)
Evaporator Coils	\$30
Refrigeration (Split System)	\$30
Chiller/Compressor	\$30
Cooling Towers	\$30
Air Compressor	\$30
Special/Safety Inspection	\$70
Additional Inspection	\$70
Final Inspection REQUIRED	\$70
Certification Fee	\$30
Gas Burning Fireplace	\$30
Technical Code Inspection	\$75
Plumbing Permits	
Replacement Water Heater (flat fee)	\$115
Application Fee	\$70
Mobile home park site (each)	\$5
Fixtures, floor drains, special drains, water connected -Appliances (each)	\$5
Stacks – soil, waste, vent and conductor (each)	\$3
Sewage ejectors, pumps (each)	\$5
Sub-soil drains (each)	\$5
Water service less than 2"	\$5
Water service 2" – 6"	\$25
Water service over 6"	\$50
Connection (building drain, building sewer)	\$5
Sewers less than 6"	\$5
Sewers 6" and over	\$25
Manholes, catch basins (each)	\$5
¾" water distribution pipe	\$5
1" water distribution pipe	\$10
1 ¼" water distribution pipe	\$15
1 ½" water distribution pipe	\$20
2" water distribution	\$25
Over 2" water distribution pipe	\$30
Reduced pressure zone back-flow preventer (each)	\$5
Special/safety inspection (includes certification)	\$70
Additional inspection	\$70
Final inspection REQUIRED	\$70

PROPOSED CPED FEE SCHEDULE 2021

Certification fee	\$30
Domestic water treatment and filtering equipment	\$5
Medical gas system	\$45
Technical Code Inspection	\$75
Annual Licenses & Permits	
Building wrecker license	\$60
Builder mover license	\$40
Sign erector license	\$45
Annual fee for signs projecting over public property	\$45
Annual electrical permit	\$85
Construction Plan Review	
Plan Review - Construction Drawings - Residential - projects over 3500 sq ft (fee is non-refundable if review has occurred)	\$55 + 6% of permit fee
Plan Review - Construction Drawings - Commercial (fee is non-refundable if review has taken place)	\$55 + 10% of permit fee
Residential Construction Permit	
Application Fee: The application fee of any construction application fee is non-refundable. Pre-manufactured unit fees are based upon 50% of the normal cost to \$1,000.	\$90
\$1,000 to \$10,000	\$85 + \$10 per \$1,000 over \$1,000
\$10,001 to \$100,000	\$165 + \$3 per \$1,000 over \$10,000
\$100,000 to \$500,000	\$435 + \$2 per \$1,000 over \$100,000
\$500,000 +	\$1,235 + \$3 per \$1,000 over \$500,002
All work not involving a square foot computation: Plan review and administration fee	\$90 + \$70 for each inspection
Additional inspections per hour or fraction thereof	\$70
Special inspection (pertaining to sale of building)	\$100

PROPOSED CPED FEE SCHEDULE 2021

Commercial Construction	
\$1 to \$2,000	
(\$23 for the first \$500 + \$3.05 for each additional \$100 or fraction thereof up to and including \$2,000)	\$45
\$2,001 to \$25,000	
For the first \$2,000	\$69.25
For each additional \$1,000 or fraction thereof up to and including \$25,000	\$14.00
\$25,001 to \$50,000	
For the first \$25,000	\$391.75
For each additional \$1,000 or fraction thereof to and including \$50,000	\$10.10
\$50,000 to \$100,000	
For the first \$50,000	\$643.75
For each additional \$1,000 or fraction thereof up to and including \$100,000	\$7.00
\$100,001 to \$500,000	
For the first \$100,000	\$993.75
For each additional \$1,000 or fraction thereof up to and including \$500,000	\$5.40
\$500,001 to \$1,000,000	
For the first \$500,000	\$3,233.75
For each additional \$1,000 or fraction thereof up to and including \$1,000,000	\$4.75
Over \$1,000,000	
For the first \$1,000,000	\$5,608.75
For each additional \$1,000 or fraction thereof	\$3.65
Miscellaneous Structures & Work	
Foundation permit	\$100
Swimming pool (including fencing)	\$40
Fences over 7' high	\$40
Re-roofing	\$50
Re-siding	\$50
Demo Permit	\$85 + \$.07/sq. ft.

PROPOSED CPED FEE SCHEDULE 2021

Soil Erosion, Sedimentation, & Earth Change	
Single Family	\$125
Land development project: first acre	\$250
Land development project: each additional acre	\$35
Trenched utility installation: first mile	\$250
Trenched utility installation mile	\$35
Excavating utility installation: first acre	\$250
Excavated utility installation: each additional acre	\$35
Sea wall	\$125
Pond	\$125
Inspection/reinspection	\$70
Permit waiver	\$25
Technical Code Inspection, residential	\$80
Other charges/review by outside entities	Actual expenses
Tent Permit	
First three tents	\$125
Each additional tent	\$25
Additional inspection	\$90
Paving Permits	
Driveway and/or Parking Area with 3 or Fewer Spaces	\$55
Driveway and/or Parking Area with 4 or More Spaces	\$75
Housing	
Housing Code - On Line	Free
Rental Registration Violation	\$77
Unregistered Rental Violation	\$220
Housing Board of Appeals	\$83
Cancellation of scheduled rental inspection with less than 3 days' notice	\$35
No show for Rental Inspection Appointment	\$55
Rental inspection prior to cert expiration (per unit, per inspection and reinspection)	\$55
Rental inspection after cert expiration (per unit, per inspection and reinspection)	\$77
Hotel/Motel, Bed/Breakfast, Fraternity/Sorority, Rooming House inspection (per building inspected + per room inspected)	\$110 + \$11
Conditional Certificate Clearance	\$25

PROPOSED CPED FEE SCHEDULE 2021

Residential pre-sale inspection (per dwelling unit)	\$77
Housing complaint inspection resulting in a violation notice (per dwelling unit)	\$77
Annual Rental Registration fee (per property + per unit)	\$110 + \$1/unit
Historic Preservation	
Review of Building Permit in Historic District	\$35+Building Permit fee
Historic District Commission Review	\$85
Nuisance Violations	
Owner occupied housing code notice (per occurrence)	
Initial Notice	\$0
No response 2nd notice	\$77
Weed notice (1st notice each season)	\$127
Weed notice (2nd notice each season)	\$177
Weed notice (3rd notice each season)	\$227
Weed notice (4th and further notices each season)	\$277
Weed Mowing or Brush Hogging (per occurrence)	\$77 + contractor charges
Curb lawn	\$55 + contractor charges
Private Property Notice (trash, brush, porch, junk auto, graffiti) (per occurrence)	\$77
Private property clean-ups (trash, brush, porch)	\$77 + contractor charges
Graffiti: Initial Notice	\$0
Graffiti: No Response 2nd Notice	\$77
Graffiti: Abatement	\$77 + contractor charges
Condemnation	\$138
Condemnation reposting	\$28
Notice to vacate	\$77
Repair or vacate notice	\$77
Open to casual entry	\$77
Commercial/Industrial Complaint Inspection Resulting in a Violation Notice	\$77
Abandoned Residential Structures, Inspection Fees (per inspection)	\$77

PROPOSED CPED FEE SCHEDULE 2021

Abandoned Residential Structures Registration Fees	
VBS Tier 1 Property	
0-30 days	\$0
over 30 days	\$55
VBS Tier 2 Property	
Every 6 Months	\$55
Dangerous Buildings Board	
Dangerous Buildings Board referral	\$165
Initial Hearing	\$165
Re-hearing	\$110
Title Search and Review	\$275
Title Search Update	\$110
Planning	
Documents	
Any Planning Document-Printed	\$25
Plot of Any Map-Printed	\$15
Zoning Ordinance or other documents-On Line	Free
Rezoning	
Rezoning	\$550
Zoning Ordinance Text Amendment	\$550
Special Use Permits	
Special Use Permits	\$375
Planned Unit Development	
Preliminary Plan	\$300
Final Plan	\$550
Subdivision	
Tentative Preliminary Plat Approval	\$550
Final Preliminary Plat Approval	\$550
Final Plat Approval	\$550
Planning: Other	
Master Plan Amendment	\$750
Right-of-Way Vacation	\$450 + fair market value of land
Downtown Design Review Committee	
Tier 1 (Administrative Review)	\$25
Tier 2 (DDRC Meeting)	\$70
Sign Requiring DDRC Review	\$15 + Sign Permit Fee
Natural Features Protection	
NFP Board Project Review	\$110
Sign Permits	

PROPOSED CPED FEE SCHEDULE 2021

New Sign	\$75
Special Event/Grand Opening Sign	\$50
Repair/Alteration of Existing Sign	\$50
Zoning Board of Appeals	
Use Variance	\$375
Dimensional Variance	\$300
Ordinance Interpretation	\$275
Appeal of Administrative Decision	\$300
Temporary Use	\$150
Zoning Inspections & Enforcement	
Zoning Compliance Letter – up to 4 Dwelling Units	\$55
Zoning Compliance Letter – all other development	\$150
Zoning Inspection Resulting in Violation Notice	\$77
Site Plan Review	
Site Plan for Change of Use only (with no building)	\$250
Site Plans	\$500
Amendment that Requires Site Plan Committee Review action	\$350
Telecommunication Antennas Co-location	\$250
Business Development Fund	
Façade Improvement Program Application Fee	1% of grant/loan request
Small Business Program Application Fee	1% of grant/loan request
Brownfield Redevelopment Authority	
Brownfield Plan Application Fee	0.2% of the total anticipated investment, not to exceed \$10,000

CITY OF KALAMAZOO, MICHIGAN

RESOLUTION NO. _____

**A RESOLUTION TO ESTABLISH FEES FOR VARIOUS ACTIVITIES WITHIN THE
COMMUNITY PLANNING & ECONOMIC DEVELOPMENT DEPARTMENT
INCLUDING: CODE ADMINISTRATION, RENTAL HOUSING INSPECTIONS,
ABANDONED RESIDENTIAL STRUCTURES, BUILDING & TRADES, SOIL
EROSION, SEDIMENTATION & EARTH CHANGE CONTROL; PLANNING,
ZONING, BUSINESS DEVELOPMENT,**

WHEREAS, the Code of Ordinances for the City of Kalamazoo allows the Kalamazoo City Commission to set fees by resolution for various activities, requests, hearings and permits, and such fees may be amended from time to time; and

WHEREAS, the fees are a reasonable reflection of City of Kalamazoo costs incurred for these activities.

NOW, THEREFORE, BE IT RESOLVED that the attached list of fees and charges shall be levied, commencing on February 1, 2021.

The above resolution was offered by _____

and supported by _____.

AYES, Commissioners:

NAYS, Commissioners:

ABSTAIN, Commissioners:

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 January 19, 2021. Public notice was given and the meeting was conducted in full compliance with the Michigan Open Meetings Act (PA 267, 1976). Minutes of the meeting will be available as required by said Act.

Scott Borling, City Clerk



City Commission Agenda Report

City of Kalamazoo

Date: **1/19/2021**

Item: **H.1.g.**

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

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

DATE: January 19, 2021

SUBJECT: Resolution Establishing the Department of Parks and Recreation Fees and Charges for 2021

RECOMMENDATION:

It is recommended that the City Commission adopt a RESOLUTION to establish the Department of Parks and Recreation fees and charges for 2021.

BACKGROUND:

The Department of Parks and Recreation provides a variety of programs and activities for which fees are charged. Fees are charged for some youth and adult recreation programs to cover the direct expenses associated with the programs. Examples include adult softball and volleyball. Inclusive recreation programs, after school programs and youth development programs include a nominal fee to offset some program expenses. Although fees are recommended, consideration is given to a family's ability to pay, so as to ensure access to youth programs for all City residents.

In addition, fees are charged for the reservation of park facilities, such as Milham Park picnic shelter, the use of Crane Park for weddings, and the use of some recreational sports fields in most parks. Fees for festivals, special events, picnic shelters, and field rentals are justified as there is a greater amount of work involved for staff prior to and following these events due to the wear and tear on the park turf, sidewalks, and equipment. Fees have not increased from 2020 to 2021.

The proposed basic facility fees and additional amenity fees are in line with industry standards in the State of Michigan and across the United States.

STRATEGIC VISION ALIGNMENT:

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

This proposal demonstrates that fees and charges are reviewed and adjusted appropriately.



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

COMMUNITY ENGAGEMENT:

Appropriate Depth of Engagement

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

FISCAL IMPACT:

The proposed fees are currently built into the 2021 City budget.

CITY OF KALAMAZOO, MICHIGAN

RESOLUTION NO. __

A RESOLUTION GOVERNING PARKS AND RECREATION FEES

WHEREAS, charges need to be levied to pay for certain Parks and Recreation costs; and

WHEREAS, those costs have not changed since they were previously established in 2020; and

WHEREAS, those costs associated with youth programs may be subsidized for those families with the inability to pay full cost for service.

NOW, THEREFORE, BE IT RESOLVED that the attached list of fees and charges shall be levied, commencing on February 1, 2021.

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

AYES, Commissioners:

NAYS, Commissioners:

ABSTAIN, Commissioners:

RESOLUTION DECLARED ADOPTED.

CERTIFICATE

The foregoing is a true and complete copy of a resolution adopted by the City Commission of the City of Kalamazoo at a regular meeting held on January 19, 2021. Public notice was given and the meeting was conducted in full compliance with the Michigan Open Meetings Act (PA 267, 1976). Minutes of the meeting will be available as required by said Act.

Scott A. Borling, City Clerk

City of Kalamazoo Department of Parks and Recreation -- Adopted Fees and Charges for 2021

	2020 Resident	2020 Non-Resident	2020 Both	2021 Resident	2021 Non-Resident	2021 Both
YOUTH RECREATION & LEISURE PROGRAMS						
Financial Assistance is available for all youth programs for City residents who meet specified financial guidelines.						
Classes, Youth Development, & Special Activities			\$15 - \$430.00			\$15 - \$430.00
Trips Programs (cost of each program calculated at slightly higher than expenses)						
Family Aquatic Center -- Nicholas Kik Pool						
18 years & older			\$ 7.00			\$ 7.00
17 years & under			\$ 4.00			\$ 4.00
Family Pass	\$90.00	\$130.00		\$90.00	\$130.00	
Individual Pass	\$75.00	\$115.00		\$75.00	\$115.00	
Swim Lessons	\$32 - \$67	\$49 - \$100.00		\$32 - \$67	\$49 - \$100.00	
Playgrounds/Mini-Camps						
Mini-Camps	\$95-\$147/week	\$130-\$210/week		\$95-\$147/week	\$130-\$210/week	
Refund Processing Fee (per Program)			\$10.00			\$10.00
ADULT RECREATION/LEISURE PROGRAMS						
Adult Programming	n/a	n/a	\$47 - \$780	n/a	n/a	\$47 - \$780
Team/League Fees						
*Summer Slow-Pitch Softball						
*Summer Doubleheader Slow-Pitch Softball						
Volleyball						
*Softball team entry includes \$20 registration for NSA insurance; required by City Risk Manager.						
**Team entry based on all resident players - see additional per player fee for non-resident players below						
***Team /League Fees are now listed in Adult Programming						
Late Fee if paid after the deadline			\$50.00			\$50.00
Refund Processing Fee			\$25.00			\$25.00
FACILITY RENTALS/PUBLIC EVENTS/SPECIAL EVENTS						
Rental fees include entire park & amenities. City of Kalamazoo Parks are open May 1-October 1st ;						
Bronson Park (only available for public events)						
Homer Stryker Field & Soisson/Rapacz/Clason Football/Soccer Field						
			\$710.00			\$710.00
Spring Valley Park, Milham Park , & Upjohn Park			\$565.00			\$565.00
Farrell Park & LaCrone Park (LaCrone is a new rental option beginning in 2014)			\$565.00			\$565.00
All other City Parks & Farmers' Market (includes entire park & athletic amenities if applicable)			\$335.00			\$335.00
Block Party -includes application fee & road closer			\$100.00			\$100.00
Public services will order proper barricades						
Extra Fees						
Large Event Fee/per day (over 2,000 people)			\$200.00			\$200.00
Special Event Modification Fees			\$100.00			\$100.00
Refund Processing Fee			\$25.00			\$25.00
FACILITY RENTALS/PRIVATE EVENTS						
City of Kalamazoo Parks are open May 1-October 1st; restrooms in parks are open Memorial Day Weekend through Labor Day Weekend.						
Facilities are rented in 4 hour blocks (10 am- 2 pm or 3 pm -7 pm)						
Weddings -- Crane Park			\$160/4 hours			\$160/4 hours
Approximately 50 person capacity						
Picnic Shelters						
Milham Park Shelter			\$145/4 hours			\$145/4 hours
capacity 144 & 10 ADA; with electric						
Milham Park Shelter			\$80/4 hours			\$80/4 hours
capacity 30-40; without electric; located on north side of park						
Mayors' Riverfront Park			\$80/ hours			\$80/ hours
capacity 30/40; no electric						
Farrell Park			\$80/4 hours			\$80/4 hours
capacity 60; no electric						
Spring Valley Park			\$145/4 hours			\$145/4 hours
capacity 20-30; with electric						
Upjohn Park			\$80/4 hours			\$80/4 hours
capacity 30-40; without electric						
LaCrone Park			\$145/4 hours			\$145/4 hours
capacity 30-40; with electric						
Woods Lake Shelter			\$145/4 hours			\$145/4 hours
capacity 30-40; with electric						
Refund Processing Fee			\$25.00			\$25.00
Short Notice Fee (request made less than 10 days prior to event) Rental must be preapproved by Parks Supervisor			\$15.00			\$15.00

City of Kalamazoo Department of Parks and Recreation -- Adopted Fees and Charges for 2021

	2020 Resident	2020 Non-Resident	2020 Both	2021 Resident	2021 Non-Resident	2021 Both
SPORTS FACILITY RENTALS						
City of Kalamazoo Parks are open May 1-October 1st; restrooms in parks are open Memorial Day Weekend through Labor Day Weekend.						
VerSluis/Dickinson Park (cost per field & per day)						
Softball field reservations/tournaments (per field)						
Monday-Saturday			\$155.00			\$155.00
(includes initial lining & dragging, supplies and a staff						
Sunday(must be off the field by 2pm)			\$77.50			\$77.50
Dickinson 1,2,3 Monday - Saturday			\$175.00			\$175.00
Sunday Dickinson 1,2,3 (must be off the field by 2pm)			\$87.50			\$87.50
Multi-Use Field (lacrosse, soccer, rugby, ultimate frisbee, etc.)			\$110.00			\$110.00
Extra Fees (Pre-arranged 2 weeks prior to event)						
Lining and dragging (cost per field/per occurrence)			\$65.00			\$65.00
Field modification (move pitch, rubbers, bases) (cost per field per occurrence)			\$90.00			\$90.00
Mayors' Riverfront Park (cost of field maintenance for soccer/football is higher than for baseball)						
Homer Stryker Baseball Field (fees are per game unless otherwise noted)						
Daily Rental			\$535.00			\$535.00
(includes initial lining & dragging, supplies and a staff present at event)						
Extra Fees (Pre-arranged)						
Lights (night games)			\$90/per game			\$90/per game
Press box and sound system			\$85.00			\$85.00
Soisson/Rapacz/Clason Football/Soccer Field (fees are per game unless otherwise noted)						
Soccer/Football (5 hours or less)			\$350.00			\$350.00
(Cost will be the same regardless of level of play - Fees include initial field prep, supplies and a staff present at event)			\$180 each add'l hr			\$180 each add'l hr
Extra Fees						
Lights (night games, cost per game)			\$70.00			\$70.00
Press box and sound system (cost per game)			\$60.00			\$60.00
Music Licensing Fee (cost per contract)			\$12.00			\$12.00
Scoreboard Controller Deposit			\$500.00			\$500.00
(The City reserves the right to invoice all costs if the unit is damaged, up to replacement of the controller)						
Basketball (cost per day)						
LaCrone Park			\$275.00			\$275.00
(2 courts)						
Upjohn Park & Mayors Riverfront Park			\$140.00			\$140.00
(1 court)						
Other Sports						
Soccer, rugby, football, softball, tennis, disc golf, skate park, etc.			\$110.00			\$110.00
Extra Fees						
Music Licensing Fee (cost per contract)			\$10.50			\$10.50
Modification Fee (change to approved permit) (per occurrence)			\$30.00			\$30.00
Refund Processing Fee			\$30.00			\$30.00
OTHER RENTALS						
Kik Pool (cost per hour)						
Private Rental			\$165.00			\$165.00
(includes 2 lifeguards for up to 50 people)						
Swim Teams (minimum 3 lanes, cost per lane/per hour)			\$16.00			\$16.00
Additional Lifeguards (cost per hour as needed for each additional 25 people)			\$18.00			\$18.00
			(per lifeguard)			(per lifeguard)
Mayors' Riverfront Park Community Room (cost per hour)						
Monday-Friday 8 am - 5 pm			\$60.00			\$60.00
Multiple bookings			\$60/hour plus direct costs			\$60/hour plus direct costs
Fire Station (multipurpose room or classroom)						
Monday-Friday 8 am - 5 pm			\$60/ per hour			\$60/ per hour
Youth Development Center (multipurpose room or classroom)						
Monday-Friday 8 am - 5 pm			\$60/ per hour			\$60/ per hour

Final cost for all rentals is based on necessary amenities and facility maintenance connected to each activity request. Any events requiring staff overtime will be billed for direct staff overtime costs after the event. All public event will also require a certificate of insurance naming the City as additional insured. Additional charges will be assessed if damage occurs. 1.0% monthly interest charge will be added to fees not paid by due date.

All public event rentals and festivals are reserved through the Parks & Recreation Department and require formal approval. All private field, shelter, and wedding rentals are reserved through the Department of Parks and Recreation.



City Commission Agenda Report

City of Kalamazoo

Date: **1/19/2021**

Item: **H.1.h.**

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

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

DATE: January 19, 2021

SUBJECT: Resolution Establishing Cemetery Fees and Charges for 2021

RECOMMENDATION:

It is recommended that the City Commission adopt a RESOLUTION to establish the Cemeteries fees and charges for 2021.

BACKGROUND:

This is the first time that rates have been adjusted since 2006. Cemetery fees provide funding for operations and ongoing perpetual care of City owned cemeteries. The new rates include a 25% across the board increase. Even with the increase, rates and charges are lower or comparable to other Michigan municipalities.

STRATEGIC VISION ALIGNMENT:

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



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

COMMUNITY ENGAGEMENT:

Appropriate Depth of Engagement

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

FISCAL IMPACT:

The proposed fee increase will support cemetery and perpetual care operations.

CITY OF KALAMAZOO, MICHIGAN

RESOLUTION NO. __

A RESOLUTION GOVERNING CEMETERY FEES

WHEREAS, charges need to be levied to pay for certain cemetery costs; and

WHEREAS, those costs have not changed since they were previously established in 2006; and

WHEREAS, those costs may be subsidized for those with the inability to pay full cost for service.

NOW, THEREFORE, BE IT RESOLVED that the attached list of fees and charges shall be levied, commencing on February 1, 2021.

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

AYES, Commissioners:

NAYS, Commissioners:

ABSTAIN, Commissioners:

RESOLUTION DECLARED ADOPTED.

CERTIFICATE

The foregoing is a true and complete copy of a resolution adopted by the City Commission of the City of Kalamazoo at a regular meeting held on January 19, 2021. Public notice was given and the meeting was conducted in full compliance with the Michigan Open Meetings Act (PA 267, 1976). Minutes of the meeting will be available as required by said Act.

Scott A. Borling, City Clerk

Burial Services- Opening & Closing	Rate
Adult Opening and Closing	\$ 1,035.00
Child Opening and Closing	\$ 555.00
Infant Opening and Closing	\$ 345.00
Internment of Cremated Remains	
Drop-off	\$ 285.00
Urn service	\$ 400.00
Lot Prices	
Type I - Flush Memorial Sections	\$ 930.00
Type II - Upright-Over-Two Memorial Sections	\$ 1,000.00
Type III - Baby Sections (Flush Memorials)	\$ 345.00
Type IV - Estate Secs	\$ 930.00 - \$1,000.00
Type V - Older Sections	\$ 1,000.00
Cremated Remains - (Flush Memorials)	\$ 410.00
Disinterment	
Adult	\$ 1,310.00
Child	\$ 750.00
Infant	\$ 310.00
Cremated Remains	\$ 260.00
Overtime	
Monday through Friday - Overtime will be charged on an actual cost basis for any work related to funeral services performed after 4:30pm, not to exceed	\$ 395.00
Saturday Overtime:	
Full body	\$ 630.00
Cremated Remains	\$ 155.00
Infant	\$ 250.00

Foundations	
Per square inch	\$ 0.70
Minimum charge	\$ 85.00
Slim Marker Mount Installation (plus .70 per square inch for the foundation)	\$ 40.00
Miscellaneous	\$ -
Ownership transfer	\$ 20.00
Foundation Inspection	\$ 35.00
Snow Removal	\$ 95.00
Staking Foundation	\$ 10.00



City Commission Agenda Report

City of Kalamazoo

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

FROM: James K. Ritsema, ICMA-CM, City Manager
Prepared by: Jeff Chamberlain, AICP, Deputy City Manager

DATE: January 15, 2021

SUBJECT: Odor Remediation Efforts – Quarterly Report – January 2021

On September 20, 2020 the City Commission approved an Industrial Facilities Tax Exemption Certificate for Graphics Packaging International (GPI). As part of this approval the City Commission required quarterly reports providing updates on the progress of odor remediation efforts by GPI and the City of Kalamazoo.

Attached is an Executive Summary and a compilation of reports from the City and from GPI. In addition, technical reports and appendices may be found at this [link](#).

The Odor Task Force continues to meet and will provide these quarterly reports to the City Commission.



Quarterly Report 2020-Q4

JANUARY 2021

Odor Task Force



Executive Summary

Per City of Kalamazoo Commission action taken September 2020, the Odor Task Force presents this Quarterly Report for fourth quarter, 2020. The members of the Odor Task Force continue to work collaboratively to develop solutions to community concerns with odors generated within the control of the members.

HISTORY

Formally originated in 2018, the Odor Task Force (OTF) is a technical workgroup of members from Graphic Packaging International, Inc., community committees, local and State agencies, elected officials, and the City of Kalamazoo. The primary goal of the OTF is to provide a collaborative forum to discuss the community's concerns with and potential mitigation efforts regarding industrial odors emitted from the City of Kalamazoo Water Reclamation Plant (KWRP) and Graphic Packaging International, Inc. (GPI) as both industrial facilities have the potential to emit odors of differing compounds and of differing concentrations. Odors emitted to or generated within a community falls under the regulatory jurisdiction of the Michigan Department of Environment, Great Lakes, and Environment (EGLE) Air Quality Division.

CITY OF KALAMAZOO PRIOR ACCOMPLISHMENTS

Investments have been made completing projects leading up to the origination of the OTF. Various investments in treatment processes operations of increased byproduct hauling offsite and point source chemical treatments have been piloted with some implemented as part of the current odor mitigation efforts. The City has continued its investment in capital improvement projects specifically targeted at odor emission mitigation. Currently under construction, is the construction of four carbon scrubbers to treat odors at the source of generation. In addition, the KWRP implemented the EnviroSuite odor management with e-Nose monitoring technology for the real-time monitoring, historic investigation and forecasting of the fugitive odor transmission of those generated at the KWRP. In the pursuit of continuous odor source identification and mitigation opportunities, the KWRP commissioned J&H to conduct an initial study to identify additional point sources of odors within City owned infrastructure. These

are only a few of the prior accomplishments and investment commissioned and completed by the City.

CITY OF KALAMAZOO CURRENT QUARTER ACCOMPLISHMENTS

The fourth quarter of 2020 has brought several milestone accomplishments in the mitigation of emitted odors from the KWRP. The KWRP performed startup and beneficial use of the one of the four carbon scrubbers currently under construction; with the remaining 3 scheduled for startup and beneficial use beginning second quarter of 2021, following when temperatures allow for construction to continue once again. Local and State regulatory approvals for the construction of a biofilter to treat odors generated from within and emitted from the interceptors connect to the KWRP have successfully progressed forward with infrastructure and process design underway. A detailed odor analytical report conducted by J&H as commissioned by the City has been completed. Along with these accomplishments, the KWRP will continue the pursuit of mitigating the emission of odors generated within the KWRP facility and owned infrastructure.

CITY OF KALAMAZOO UPCOMING ANTICIPATED ACCOMPLISHMENTS

The KWRP has several investments underway, proposed, and in the planning phases to aid in the identification and mitigation of odors emitted from the KWRP and City owned sanitary sewer collections system. The remaining three process point source carbon scrubbers are expected to undergo startup and begin beneficial use early to mid-2021. The biofilter and supporting infrastructure is anticipated to begin ground breaking in early 2021 with startup in late 2021 and beneficial use in late 2021 to early 2022. Continued management and monitoring of hauling offsite of process byproducts along with the monitoring and source investigation utilizing the EnviroSuite system. The KWRP is in the planning phase of determining if studies are necessary to determine if odors are being generated and emitted into the community from additional sanitary sewer interceptors owned by the City.

GRAPHIC PACKAGING INTERNATIONAL, INC UPDATE



Thomas J. Olstad
Kalamazoo Board Mill
Resident Mill Manager
Phone: 269-383-5215
Email: tom.olstad@graphicpkg.com

Date: December 11, 2020

RE: 2020 4th Quarter Odor Management Update

As required in Resolution No. 20-50, provision 3, Graphic Packaging International, LLCs ("Graphic Packaging") is providing our 4th quarter 2020 Odor Management Update to the Kalamazoo City Administration for submission to the City of Kalamazoo Commissioners.

Included in this update is the RK & Associates, Inc. odor investigation results and Graphic Packaging's response to an EGLE Violation Notice dated November 20, 2020. Although the Violation Notice is not relevant to the Odor management program, we are providing the response from Graphic Packaging to EGLE to provide context on why we do not believe there was a violation.

RK & Associates Odor Investigation Summary

Graphic Packaging International hired RK & Associates to conduct a thorough odor investigation requested by the Michigan Department of Environment, Great Lakes, and Energy (EGLE). EGLE approved the scope of the study in June, which included a plan to use two devices to detect and measure odor thresholds and hydrogen sulfide (H₂S) concentrations.

In a comprehensive report that was submitted to EGLE on November 3, RK & Associates concluded that GPI does not emit nuisance odors in the community. Even with these favorable findings, GPI will continue to take proactive steps to minimize odors connected to its operations and work with local and state regulators. To that end, GPI will submit a Nuisance Minimization Plan for Odors to EGLE no later than January 1, 2021, which will include measures designed to minimize the potential for odors to be generated from its facility.

A summary of the study, its key findings and our ongoing commitments to the community follows below:

H₂S measurements

During its field work, RK & Associates took 624 measurements of H₂S concentrations at the GPI property perimeter and community locations during a 60-day study period. A total of 580 of those measurements registered a result of either less than 0.002 parts per million (PPM) or registered zero PPM.

Those measurements were taken from five locations on the perimeter of GPI's mill and 19 locations throughout the community/neighborhood. The monitoring locations were approved by EGLE. The table below summarizes the number of odor readings which fall within various H₂S concentration ranges during the study period:

H ₂ S Concentration Range (ppm)	Number of Odor Readings
0	368
>0 and ≤0.002	212
>0.002 and ≤0.004	25
>0.004 and ≤0.006	12
>0.006 and ≤0.008	5
>0.008 and ≤0.010	2
>0.010	0
	624

Odor Threshold Measurements

In terms of general odor measurements, the results were separated between mill perimeter locations and community locations. According to RK & Associates, it is important to separate the two “because any well-run industrial facility will have some odors at its property perimeter.”

A total of 416 measurements were taken to measure general odor readings throughout the community. For approximately 90% of those readings, there was either no odor or the odor was characterized as “other” common community odors. There were 38 readings where an odor was detected that was characterized as “paper mill.” However, the study concluded that, “In RKA’s professional opinion, these potential paper mill odor levels do not constitute an odor ‘nuisance’ within the neighboring community.”

Summary of the key findings:

- Approximately 90% of the odor measurements in the community found that there was either no odor or odor associated with common community odors such as cut grass, asphalt/tar, mulch, etc.
- The hydrogen sulfide measured concentrations were extremely low, with the highest being 0.010 PPM
- Odor thresholds measured at the mill perimeter locations were consistent with expected odors near an industrial facility

This study is just one part of GPI’s efforts to better understand the odor issues in the surrounding community and to address those issues. We are using this study to further refine our approach to minimizing potential odors from our operations. As part of our agreement with EGLE, we will use this study to develop a Nuisance Minimization Plan for Odors that will be submitted to EGLE on or before January 1, 2021.

In addition, Graphic Packaging will:

- Provide quarterly reports to the City of Kalamazoo summarizing our odor mitigation efforts
- Continue to work with the community’s Odor Task Force
- Continue to remove sludge from the concrete pad along Patterson Street five to six days per week. Historically this was performed two or three days per week. This has reduced the potential for composting odors.
- Continue to add chemical treatments to the clarifier to reduce the potential for odor.

- Continue to use the Envirosuite monitoring network installed in September to monitor H₂S ambient air concentrations at various locations.
- Continue to work with RK & Associates and other consultants to finalize the operational practices to minimize odors from GPI's operations.

The Odor investigation was reviewed by EGLE and has met the department's requirements for issuance of the air permit.

Attachment A – RK & Associates Odor Investigation Report – dated November 3, 2020



2020-11-03 RKA
Odor Investigation f

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

November, 2020

Prepared for:

Graphic Packaging International, LLC

Prepared by:

RK & ASSOCIATES, INC



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

Odor Investigation Results

Graphic Packaging Int'l – Kalamazoo

1. INTRODUCTION

RK & Associates, Inc. (RKA) is retained to investigate and to evaluate potential odor impact in the nearby community of the Graphic Packaging International, LLC (GPI) recycled paperboard mill facility, located at 1500 North Pitcher Street in Kalamazoo, Michigan. An Odor Investigation Plan for determining this potential odor impact was submitted to, and subsequently approved by, the Michigan Department of Environment, Great Lakes and Energy (EGLE) on June 4, 2020 prior to initiating field investigation activities. Appendix A provides this approved Odor Investigation Plan.

The odor investigations included odor monitoring at 24 GPI property perimeter and nearby community locations (as approved by EGLE) which were conducted three times per week for a period of 60 days. These odor monitoring events included characterizing odors, measuring odor thresholds and taking hydrogen sulfide (H₂S) concentration measurements. In addition, RKA selected nine locations on site at the GPI facility to measure H₂S concentrations and collect air samples to be evaluated by an RKA odor panel and analyzed by RKA with an Olfactometer for odor threshold. RKA also reviewed meteorological data for evaluation of potential odor impact in the nearby community.

In the balance of this document, details of the investigation are presented including the procedures used, data results, and our findings.

2. INITIAL ODOR EVALUATION AND MONITORING LOCATION SELECTION

2.1 Initial Site Visit

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

- Toured the facility to get familiar with the process and current operation, and to identify potential odor sources and identify locations to measure H₂S concentrations and collect air samples for subsequent evaluation
- Interviewed management personnel about daily operations, identified and inspected suspected odor sources, regulatory issues, and odor complaints
- Reviewed available history of odor complaints, frequency of odor complaints, location of complaints, and odor characteristics of the complaints, including publicly available information on complaints compiled by EGLE
- Reviewed predominant wind conditions and assessed correlation against historical odor complaints
- Toured the facility perimeter and neighboring communities to identify potential odor monitoring locations, and other potential odor sources, such as the adjoining City of Kalamazoo Water Reclamation Plant
- Selected odor monitoring locations along mill property line or appropriate mill perimeter locations. Selected odor monitoring locations located in the community in nearby

Odor Investigation Results

Graphic Packaging Int'l – Kalamazoo

residential areas.

2.2 Monitoring Locations Selection

Five mill perimeter monitoring locations, P-1 through P-5, were selected along facility fence lines. Nineteen (19) community locations, C-1 through C-19, were identified in the nearby community. A map of monitoring locations is shown in Figure 1A and 1B (Figure 1B is a zoom version which shows further details of the selected locations).

Further review of initially selected locations showed that locations C-1 & C-2 were placed at the facility property line. Location C-6, which was initially placed at the intersection of E. Paterson St and Riverview Drive, was moved for safety reasons to the parking lot of Verburg Park, which is just across the GPI property line. These three locations were reclassified as perimeter locations for the analysis of the monitoring data.

3. ODOR MONITORING

RKA retained Fishbeck, Inc. (Fishbeck) to conduct the field odor monitoring activities. Fishbeck personnel were trained by RKA at the GPI mill on June 30, 2020.

Field odor monitoring was conducted by Fishbeck up to three times per week for a period of sixty days. Odor monitoring began July 9, 2020 and concluded on September 4, 2020 which resulted in odor monitoring being completed on a total of 26 days and yielding 624 total monitoring events. The day and time of the odor monitoring were randomly selected throughout the week, but during GPI's operating hours.

During each field odor monitoring day, Fishbeck completed the following activities at each of the 24 odor monitoring locations:

- Determine whether an odor characteristic (paper mill/process wastewater, municipal wastewater, mixed paper mill/process wastewater and municipal wastewater, or "other" can be detected by the individual (personal olfactory determination);
- Determine the number of air dilutions using a Scentometer field olfactometer until the odor characteristic could not be detected by the individual. The Scentometer allows for the odor threshold to be evaluated within six dilution to threshold (D/T) increments (Table 1);
- Measure the H₂S concentration using a Jerome 631-X analyzer;
- Record all measurements along with the date and time;
- Check Weather Underground KMIKALAM120 station data to verify and record wind direction and wind speed.

Recorded measurements of the odor characteristics, D/T intervals, H₂S concentrations, and wind directions and speeds are presented in Appendix B.

Odor Investigation Results

Graphic Packaging Int'l – Kalamazoo

Table 1. Scentometer Standard Dilution To Threshold Increments

Dilutions to Odor Threshold (D/T) Interval	Description
<170	Odor D/T value is greater than 31 but less than 170
<31	Odor D/T value is greater than 15 but less than 31
< 15	Odor D/T value is greater than 7 but less than 15
< 7	Odor D/T value is greater than 4 but less than 7
< 4	Odor D/T value is greater than 2 but less than 4
< 2	Odor D/T value is greater than 0 but less than 2

Note: For example, D/T of <2 means that there is detectable odor in the ambient air but after the sample is diluted 2 times, odor is no longer detected; D/T of <4 means that there is detectable odor when the sample is diluted 2 times, but odor is no longer detected when the odor is diluted 4 times. Since the device has standard dilution quantities, no other dilution measurements between those quantities listed above are available (e.g., 3 dilutions).

4. ODOR MONITORING RESULTS

4.1 D/T Measurements for All Monitoring Locations

Table 1 presents a summary of Scentometer measurements collected during the 624 odor monitoring events conducted over 26 days at the 24 monitoring locations during the course of this odor investigation. No odors were detected during 433 of these monitoring events along with odors characterized as solely “Other” being detected during 68 monitoring events. Stated another way, during 80 percent (501 out of 624) of the odor monitoring events, no odor was identified relating to GPI’s operations.

102 Scentometer monitoring events identified likely paper mill related odor and 12 monitoring events identified the municipal wastewater treatment plant related odor. The remaining nine monitoring events identified a mixed paper mill/municipal wastewater treatment plant related odor.

Odor Investigation Results

Graphic Packaging Int'l – Kalamazoo

Table 2. Summary of Measurable Odor Threshold Values and Corresponding Odor Characteristic at all Monitoring Locations

Odor Threshold (D/T)	Odor Characteristic Frequency			
	Paper Mill	Municipal WW	Mixed	Other
<15	3	0	0	0
<7	2	0	0	2
<4	10	1	2	4
<2	87	11	7	62

4.2 D/T Odor Threshold Measurements at Community Locations

Monitoring results were separated between mill perimeter locations and community locations to better evaluate the odor impact if any on the neighboring communities. It is important to recognize the difference between mill perimeter and community locations because any well-run industrial facility will have some odors at its property boundary. This point is important in determining normal odor levels versus what could be odor nuisance levels.

Odor measurements at community locations, which are C-3 through C-6 and C-7 through C-19, are presented in Table 3. A total of 416 odor monitoring events were performed at community locations during the odor investigation. During 319 of these monitoring events no odor was identified and during 53 of these events the odor was characterized as “Other”, or about 89.5% of the time there were no odors associated with GPI’s operation in the community.

Of the remaining 44 monitoring events at community locations where an odor characterized as something besides “other”, 38 monitoring events identified the “paper mill” odor characteristic, 3 events identified the “municipal wastewater” characteristic, and 3 events identified the “mixed” odor characteristic (includes both wastewater and paper mill).

Table 3. Summary of Measurable Odor Threshold Values and Odor Characteristics From 416 Events at Community Monitoring Locations

Odor Threshold (D/T)	Odor Characteristic Frequency			
	Paper Mill	Municipal WW	Mixed	Other
<15	0	0	0	0
<7	0	0	0	2
<4	4	0	0	4
<2	34	3	3	47

In terms of odor threshold levels measured during the investigation, in 319 out of 416 off-site measurements no odor was detected.; 87 out of 416 measurements determined a D/T less than

Odor Investigation Results

Graphic Packaging Int'l – Kalamazoo

two;; eight measurements determined a D/T greater than two but less than four;; and two measurements (both not identified as having a “paper mill” characteristic) determined a D/T greater than four but less than seven.

We understand that the state of Michigan, unlike several other states, does not currently have an objective odor nuisance standard or require the Scentometer to measure the level of odors. Nevertheless, looking to the regulatory programs of other states and localities that do rely upon the Scentometer (or similar device) to measure odors helps put the current odor study data in context. See Table 4 below.

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

During the odor investigation in the community there were four odor threshold measurements with D/T less than four and 34 measurements with D/T less than two associated with the likely paper mill odor characteristic. There were two measurements with D/T less than four and three measurements with D/T less than two identified as “mixed” (paper mill and municipal wastewater) odor characteristic. In RKA’s professional opinion, these potential paper mill odor levels do not constitute an odor “nuisance” within the neighboring community.

Table 4. Odor “nuisance” standards by other states.

State or Locality	Source of Standard	Determination Criteria
Colorado	5 CCR 1001-4: Odor Emission	7:1 D/T (2 samples over 1-hour period)
Connecticut	Sec. 22a-174-23: Control of Odors	(a) Nuisance standard; (b) 7:1 D/T (3 samples over 1-hour period); and (c) Ambient air limits for certain substances in Table 23-1 (e.g. Hydrogen sulfide: 0.0045 ppm (15-minute average))
Illinois	Section 9(a) of the Act and 35 IAC 245.121: Objectionable Odor Nuisance Determination	Nuisance standard. 8:1 D/T (Scentometer)
Kentucky	401 KAR 53:010: Ambient Air Quality Standards	7:1 D/T (Nasal Ranger/Scentometer)

Odor Investigation Results

Graphic Packaging Int'l – Kalamazoo

State or Locality	Source of Standard	Determination Criteria
Missouri	10 CSR 10-6.165: Restriction of Emission of Odors	7:1 D/T (Nasal Ranger) (2 samples over 1-hour)
North Dakota	Section 33-15-16: Restriction of Odorous Air Contaminants	Objectionable odors prohibited. 7:1 D/T (Scentometer)
San Francisco Bay Area Air Quality District		5 D/T applied after at least 10 complaints within 90 days. ¹
State of Massachusetts	Draft policy and guidance for composting facilities	5 D/T
City of San Diego WWTP		5 D/T average over 5 minutes
City of Seattle WWTP		5 D/T average over 5 minutes

4.3 D/T Odor Threshold Measurements at Mill Perimeter Locations

Odor measurements at locations P-1 through P-5, C-1, C-2, and C-6 are shown in Table 5. A total of 208 measurements were performed at mill perimeter locations during the course of the odor investigation. Out of the 208 measurements, 63 measurements were characterized as paper mill odor, nine were characterized as municipal wastewater, and six were of mixed characterization.

In terms of odor threshold measurements events, 114 times during the 208 measurements no odor was detected. 16 measurements were identified with the “Other” odor characteristic and nine measurements identified the municipal wastewater characteristic. Therefore, during 69.7% of the measurement events there were no odors potentially associated with GPI’s operations near the GPI property line.

There were three odor threshold measurements with D/T greater than 7 but less than 15 on-site, and all other detected odors thresholds were below a D/T of 7.

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

Odor Investigation Results

Graphic Packaging Int'l – Kalamazoo

Table 5. Odor Readings at Mill Perimeter Locations

Odor Threshold (D/T)	Odor Characteristic Frequency			
	Paper Mill	Municipal WW	Mixed	Other
<15	3	0	0	0
<7	2	0	0	0
<4	5	1	2	1
<2	53	8	4	15

4.4 H₂S Readings

Hydrogen sulfide concentrations were measured during the 624 odor monitoring events in the odor investigation period. A summary of the results is shown in Table 6. The highest measured H₂S concentration was 0.010 ppm on July 9, 2020 at location C-2, a mill perimeter location. As demonstrated in Table 6, there were mostly zero or extremely low H₂S concentrations.

Table 6. H₂S Reading Measured During Odor Surveys

H ₂ S Concentration Range (ppm)	Number of H ₂ S Readings
0	368
➤ 0 and ≤ 0.002	212
➤ 0.002 and ≤ 0.004	25
➤ 0.004- and ≤ 0.006	12
➤ 0.006 and ≤ 0.008	5
➤ 0.008 and ≤ 0.010	2
Total	624

5. OLFACTOMETRY ANALYSIS OF ODOR SAMPLES

RKA collected nine (9) ambient air samples on site at the GPI facility for olfactometry analysis. The samples were collected August 10 and 11, 2020 and were analyzed August 12, 2020 at the RKA Olfactometry lab. Samples were collected near potential facility odor sources as follows:

- K1 Operating Floor - Coating Kitchen
- K3 Dryer Mezzanine
- Stock Prep Building at News Pulper
- AES Building between Screens
- Clarifier (Downwind of Clarifier)

Odor Investigation Results

Graphic Packaging Int'l – Kalamazoo

- Sludge Pile (Downwind of Sludge Pile)
- Sludge Drum Filter Outlet
- Parking Lot B (near discharge to WWTP)
- North of Stock Prep Building

A Jerome 631-X portable H₂S analyzer was used to measure ambient H₂S levels during the sample collection. Samples were collected in 10-liter Tedlar bags, labeled, and transported with chain of custody to RKA's office in Warrenville, Illinois, for odor analysis.

Samples were analyzed using an Olfactometer to measure odor thresholds in accordance with ASTM Method E-679-11. Samples were also analyzed for odor characterization using relative intensity scale of 0 to 5 (faint to strong). For each sample, panelists were asked to characterize the odor in one of the "feels like" and "smells like" descriptors.

A detailed report describing sample collection, Olfactometry analysis and odor characterization is included in Appendix C. Table 7 includes a summary of the results. Results show that samples collected at the GPI process wastewater treatment plant, AES Building and Sludge Drum Filter Outlet, have the highest detection threshold levels, followed by samples collected in processing areas which include the K1 Coating Kitchen, K3 Dryer Mezzanine and Stock Prep Building near the news pulper. Samples collected near outdoor sources, Parking Lot B, North of Stock Prep Building, Sludge Pile, and Clarifier, have the lowest detection to threshold values.

Table 7. Summary of Olfactometry Analysis for odor samples collected from GPI facility.

Sample Description	Detection Threshold (ou/scf)	Recognition Threshold (ou/scf)	H ₂ S Reading (ppm)
Parking Lot B	4	3	0.004
N. of Stock Prep Bldg	3	3	0.003
Sludge Pile	4	3	0.002
Clarifier	41	15	0.033
K1 – Coating Kitchen	94	41	0.091
K3 Dryer Mezzanine	76	28	0.160
AES Building	210	99	0.560
Stock Prep Bldg Pulper	127	46	0.810
Sludge Drum Filter Outlet	294	177	0.510

Odor Investigation Results

Graphic Packaging Int'l – Kalamazoo

6. CONCLUSIONS

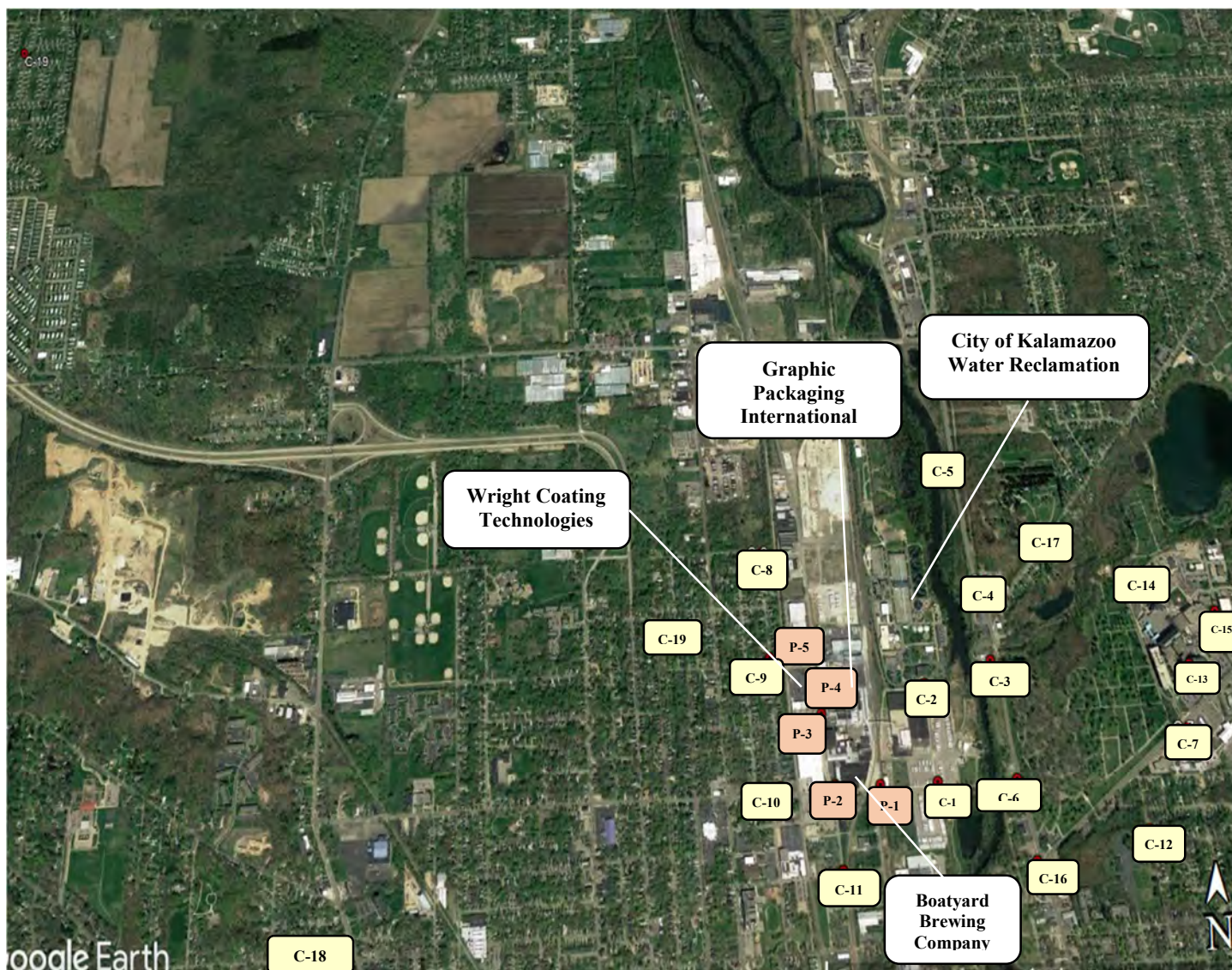
The Odor Investigation Study, as approved by Michigan EGLE, was conducted from July 9, 2020 through September 4, 2020. During the odor investigation, 624 odor and H₂S measurements were taken at all 24 mill perimeter and community locations. Based on the following factors derived from the course of the odor investigation study, in RKA's professional opinion, the odor levels associated with the mill's operations do not constitute an odor "nuisance" situation at the neighboring community:

1. Ninety percent (90%) of the odor measurements taken in the community locations either identified no odor or an odor associated with community types of odors (e.g., cut grass, asphalt/tar, wet mulch, flowers, burnt rubber, burnt plastic, mold/mildew, etc.);
2. The H₂S measured concentrations were extremely low, with the highest being 0.010 ppm;
3. Odor thresholds observed at mill perimeter locations were consistent with expected odors near an industrial facility; and;
4. Paper mill odor thresholds measured at community locations were mostly determined to have a D/T less than two and in only four instances had a D/T greater than or equal to two but less than four, with no measurements above four.

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

November, 2020

FIGURES



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

2S631 ROUTE 59, SUITE B
WARRENVILLE, IL 60555
630-393-9000
630-790-2966

COMMENTS:

**Perimeter and Community Odor
Monitoring Location**

**Graphic Packaging International
Kalamazoo, MI**

FIGURE

1A

DRAWN BY:

SS

APPROVED BY:

SR

PROJECT NUMBER:

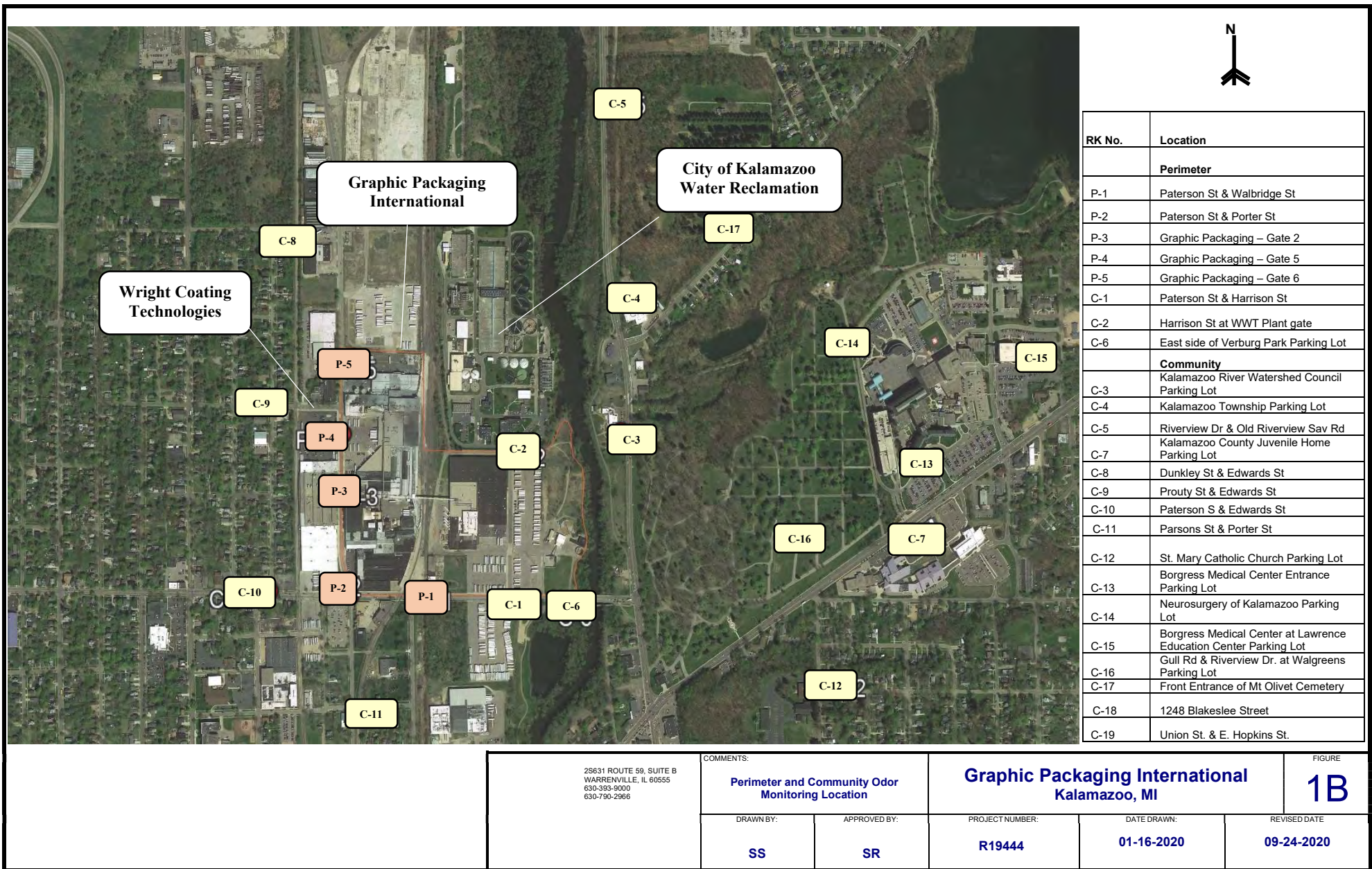
R19444

DATE DRAWN:

01-16-2020

REVISED DATE

07-02-2020



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

November, 2020

APPENDIX A

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

July 6, 2020

Prepared for:

Graphic Packaging International, LLC

Prepared by:

RK & ASSOCIATES, INC



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

Odor Investigation Plan

Graphic Packaging Int'l – Kalamazoo, Michigan

INTRODUCTION

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

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

1. ODOR STANDARDS

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

R 336.1901 Air contaminant or water vapor; prohibition.

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

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

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

Odor Intensity Odor Scale

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

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

Odor Investigation Plan

Graphic Packaging Int'l – Kalamazoo, Michigan

the intensity and duration of the odor.

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

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

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

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

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

Odor Investigation Plan

Graphic Packaging Int'l – Kalamazoo, Michigan

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

2. INITIAL ODOR EVALUATION

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

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

3. ODOR MONITORING

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

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

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

Odor Investigation Plan

Graphic Packaging Int'l – Kalamazoo, Michigan

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

Scentometer and H₂S Readings at Selected Community Locations

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

Documenting Field Sampling Data

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

On-Site Meteorological Data

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

Olfactometry Analysis of Potential Odor Sources from GPI Facility

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

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

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

a) Odor Threshold Value

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

Odor Investigation Plan Graphic Packaging Int'l – Kalamazoo, Michigan

b) Odor Characterization

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

4. DATA ANALYSIS AND REPORTS

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

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

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

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

July 6, 2020

FIGURES



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



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

COMMENTS:

**Perimeter and Community Odor
Monitoring Location**

**Graphic Packaging International
Kalamazoo, MI**

FIGURE

1A

DRAWN BY:

SS

APPROVED BY:

SR

PROJECT NUMBER:

R19444

DATE DRAWN:

01-16-2020

REVISED DATE

07-06-2020

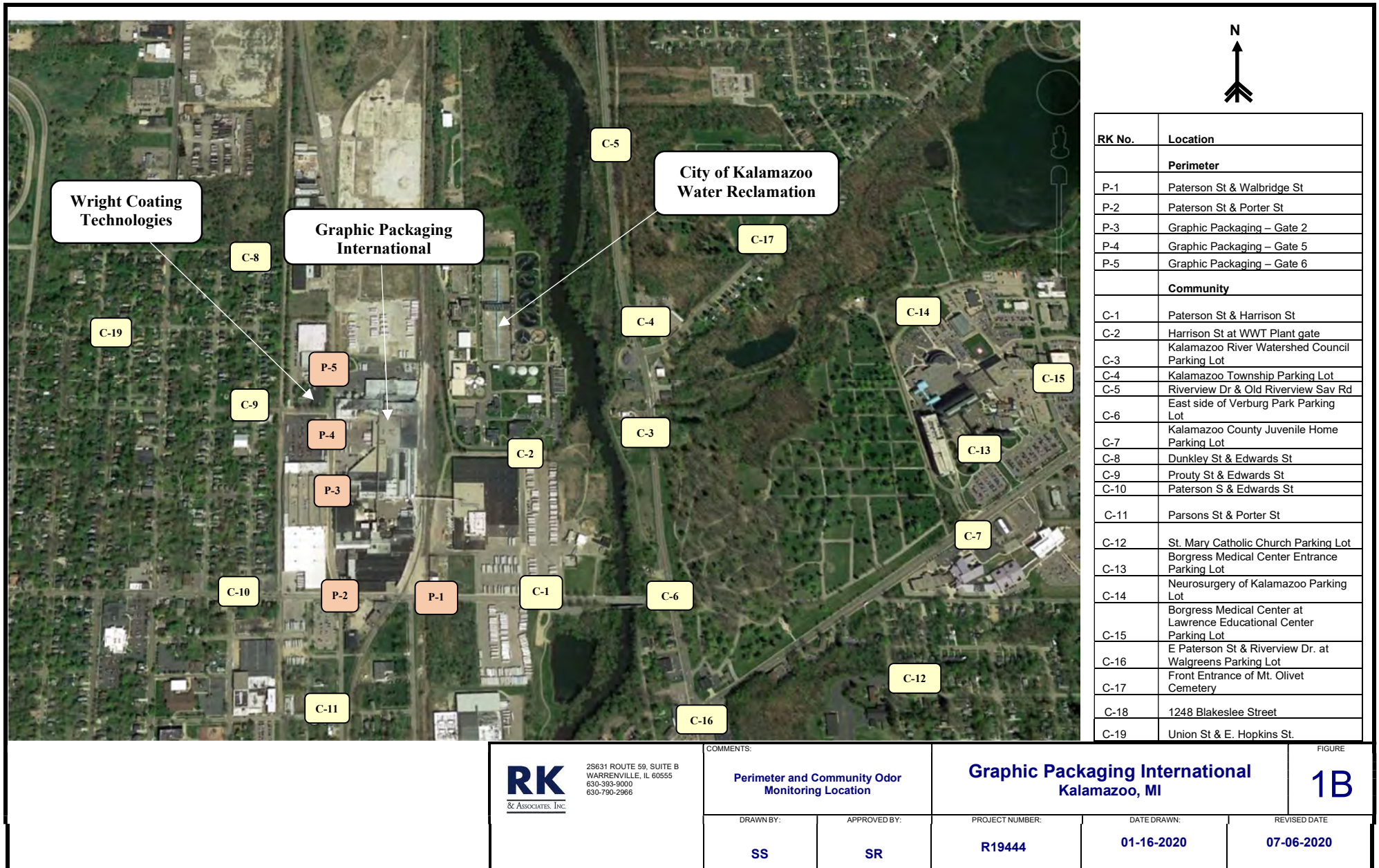


Figure 2



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

Date _____

Field Person _____

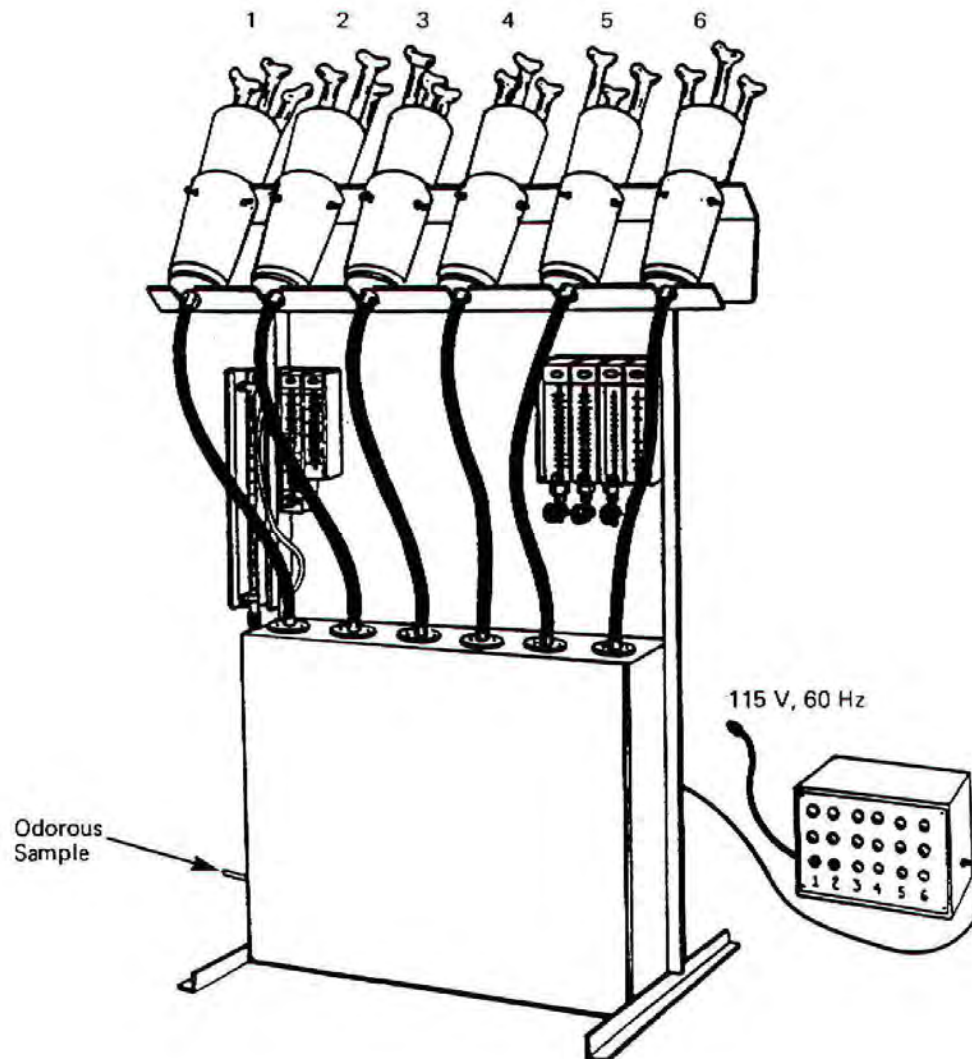
Locations		Wind Direction	Wind Speed	Scentometer Reading	H ₂ S Reading (ppm)	Time	Odor Description
Perimeter Locations	#						
Paterson St & Walbridge St	P-1						
Paterson St & Porter St	P-2						
Graphic Packaging – Gate 2	P-3						
Graphic Packaging – Gate 5	P-4						
Graphic Packaging – Gate 6	P-5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

Figure 3



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

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



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

COMMENTS:

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

DRAWN BY: _____

APPROVED BY: _____

PROJECT NUMBER _____

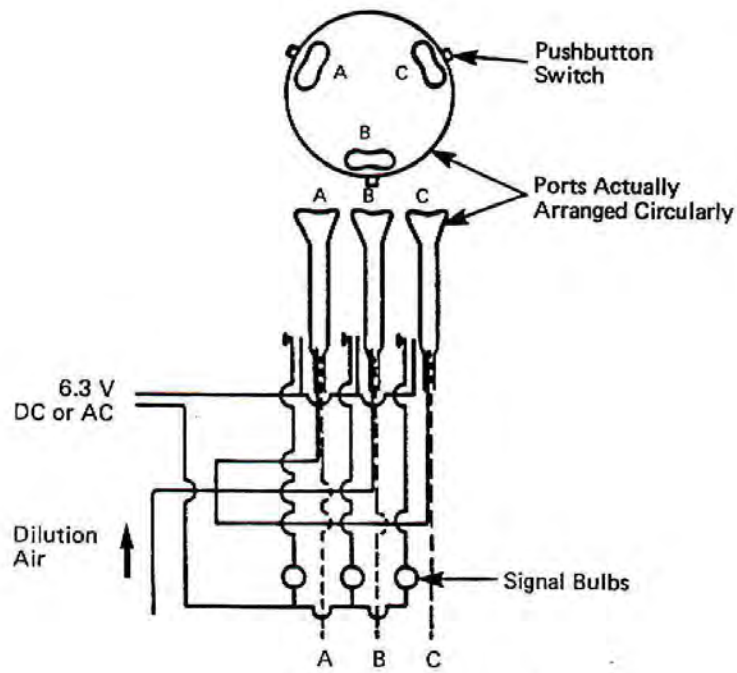
DATE DRAWN: _____

REVISED DATE _____

OLFACTOMETER

FIGURE

4



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

November, 2020

APPENDIX B



- Papermill/Process Wastewater
- Municipal Wastewater
- Mixed (Papermill Process WW and Municipal WW)
- Other (not papermill & wastewater related)

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

November, 2020

APPENDIX C

**Odor Sample Collection and Olfactometry Analysis for
Graphic Packaging International, LLC's
Recycled Paperboard Mill
in Kalamazoo, MI**

August 18, 2020

Prepared for:

Graphic Packaging International, LLC

Prepared by:

RK & ASSOCIATES, INC



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

1. INTRODUCTION

RK & Associates, Inc. (RKA) has been retained to investigate and evaluate odor levels at the Graphic Packaging International, LLC (GPI) recycled paperboard mill, located at 1500 North Pitcher Street in Kalamazoo, Michigan. An Odor Investigation Plan was developed for the GPI facility. The plan was approved by the Michigan Department of Environment, Great Lakes and Energy (MEGLE) on June 4, 2020.

The Odor Investigation Plan includes odor monitoring at selected locations along GPI property line and in nearby community, conducted three times a week, odor intensity being measured by Scentometer. The odor monitoring began on July 9, 2020. After about a month of field odor monitoring, the plan includes collecting samples inside the GPI facility for laboratory Olfactometry analysis using ASTM Method 679-11 and ASTM Data Series DS 61.

Sample were collected at the GPI facility for olfactometry analysis on August 10 & 11, 2020. Samples were analyzed at the RKA Olfactometry lab on August 12, 2020.

2. SAMPLE COLLECTION

RKA walked through the GPI facility on August 3, 2020 to identify sampling locations. GPI proposed sampling locations that could help with odor characterization of fugitive odor sources within the GPI facility. Nine (9) ambient air samples were collected as follows:

- K1 Operating Floor - Coating Kitchen
- K3 Dryer Mezzanine
- Stock Prep Building at News Pulper
- AES Building between Screens
- Clarifier (Downwind of Clarifier)
- Sludge Pile (Downwind of Sludge Pile)
- Sludge Drum Filter Outlet
- Parking Lot B (near discharge to WWTP)
- North of Stock Prep Building

A map of sampling locations and picture of each sampling spot are presented in Appendix A.

A Jerome J605 portable H₂S analyzer was used to measure ambient H₂S levels during sample collection. Samples were collected in 10-liter Tedlar bags, labeled, and transported to RKA Office for odor analysis. All samples were delivered in good condition.

3. SAMPLE ANALYSIS

Samples were analyzed for odor parameters as described below.

Odor Threshold: Samples were analyzed using an Olfactometer to measure odor thresholds of odorous samples in accordance with ASTM Method E-679-11 *Standard Practice for Determination of Odor and Taste Thresholds by a Forced-Choice Ascending Concentration Series Methods of Limits*. This method is performed using a group of odor panelists to smell various concentrations of an odorous sample diluted in odor free air to determine the number of dilutions required before the odor is no longer detected and the number of dilutions at which odor is recognizable. The responses of panelists are recorded and statically evaluated to determine the effective dilutions (ED) at which 50% of the panelists can no longer detect the presence of an odor. Dilution at which panelists can recognize odor is also reported.

Odor Characterization – “smells like” & “feels like”: Samples were analyzed for odor characterization using relative intensity scale of 0 to 5 (faint to strong). For each sample panelists were asked to characterize the odor in one of the “feels like” and “smells like” descriptors.

Eight sensation descriptions of “feels like” were used: itching, tingling, warmth, burning, pungent, sharp, cool, and metallic.

Eight odor descriptor categories of “smells like” were used: vegetable, fruity, floral, medicinal, chemical, fishy, offensive, and earthy. Specific descriptors within each category are presented in Table 1.

Sample Sequence

The odor sample Chain of Custody was reviewed to rank the samples from the lowest to the highest odor level to determine the sequence of analysis to prevent a stronger odor from affecting a subsequent analysis of a weaker odor.

Table 1. Odor Descriptors

Vegetable	Fruity	Floral	Medicinal	Chemical	Fishy	Offensive	Earthy
Celery Cucumber Dill Garlic Green pepper Nutty Tomato Onion	Apple Cherry Citrus Cloves Grapes Lemon Maple Melon Minty Orange Strawberry Sweet	Almond Cinnamon Coconut Eucalyptus Fragrant Herbal Lavender Marigolds Perfumy Rose-like Spicy Vanilla	Alcohol Ammonia Anesthetic Camphor Chlorinous Disinfectant Methanol Soapy Vinegar	Burnt Plastic Car Exhaust Cleaning fluid Coal Creosote Diesel Gasoline Grease Foundry Kerosene Molasses Mothball Oil Paint Petroleum Plastic Resins Solvent Styrene Sulfur Tar/Asphalt Turpentine Varnish Vinegar Vinyl	Amine Dead Fish Perm Solution	Flood Burnt Burnt Rubber Decay Fecal Garbage LF Leachate Manure Mercaptan Putrid Rancid Raw Meat Rotten Eggs Septic Sewer Sour Spoiled Milk Urine Vomit	Ashes Burnt Wood Chalk Like Coffee Grain Silage Grassy Mold Mouse-like Mushroom Musky Musty Peat-like Pine Smokey Stale Swampy Woody Yeast

4. ODOR ANALYSIS RESULTS

The measured odor detection thresholds ED₅₀, odor recognition threshold, and measured H₂S values are presented in Appendix B. Odor characterization for “smells like” and “feels like” spider graphs and histograms are shown in Appendix C.

If you have any questions or required any additional information, please do not hesitate to contact me at your convenience at 630-393-9000.

Respectfully submitted,
RK & Associates, Inc.

Darina Demirev

Darina Demirev
Project Engineer

Attachments: Odor Panel Worksheets and Results



Appendix A

GPI Sampling Locations

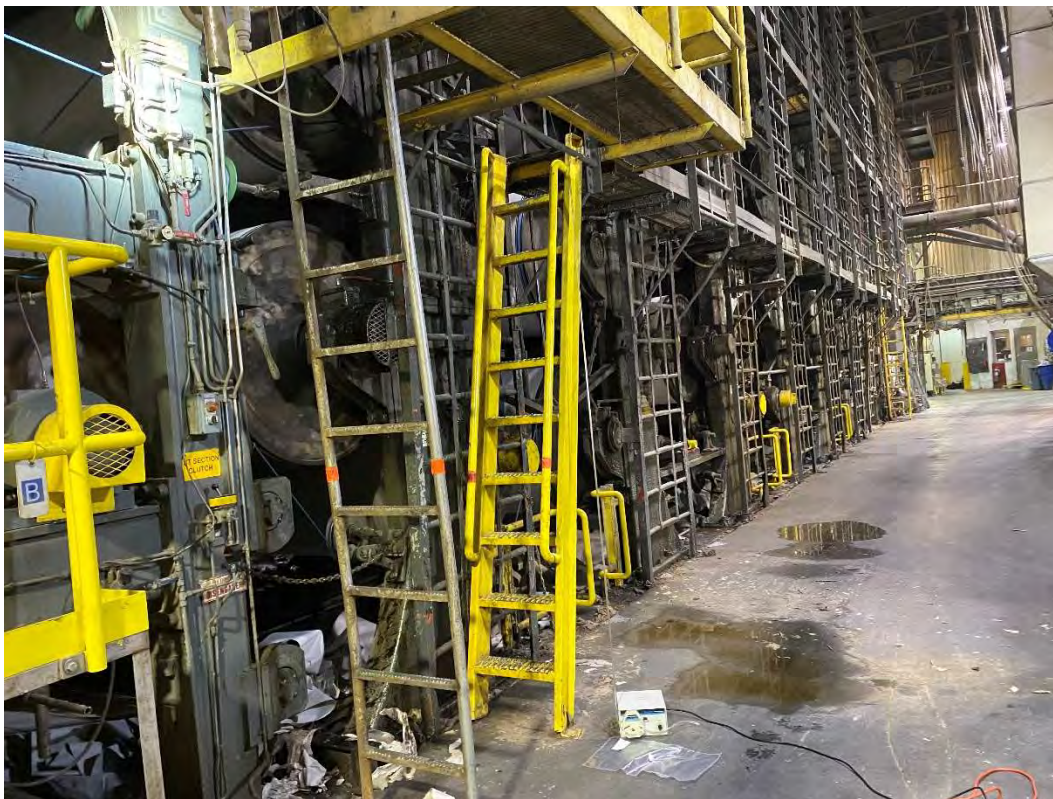
Samples Collected August 10 & 11, 2020



RK & Associates, Inc. 25631 ROUTE 59, SUITE B WARRENVILLE, IL 60555 630-393-9000 630-790-2966		COMMENTS:		Graphic Packaging International Kalamazoo, MI		FIGURE 1
		DRAWN BY: DD	APPROVED BY: SR	PROJECT NUMBER: R19444	DATE DRAWN: 08-28-2020	REVISED DATE: 01-18-2020



K1 Operating Floor – Coating Kitchen



K3 Dryer Mezzanine



Stock Prep Building at News Pulper



AES Building between Screens



Clarifier (Downwind of Clarifier)



Sludge Pile (Downwind of Sludge Pile)



Sludge Drum Filter Outlet



Parking Lot B (near discharge to WWTP)



North of Stock Prep Building



Appendix B

Odor Thresholds ED₅₀ & Recognition Threshold

**Odor Panel Results
Graphic Packaging International, LLC's**

Analyzed on August 12, 2020



SUMMARY OF ODOR PANEL RESULTS

Client: Graphic Packaging International

Date: 08/12/20

Source: Olfactometry Analysis

Total No. of Samples: 9

Sample No.	Sample Identification	Detection Threshold (ou/scf)	Recognition Threshold (ou/scf)	H ₂ S Reading (ppm)
1	Parking Lot B (near discharge to WWTP)	4	3	0.004
2	North of Stock Prep Building	3	3	0.003
3	Sludge Pile	4	3	0.002
4	Clarifier	41	15	0.033
5	K1 Operating Floor - Coating Kitchen	94	41	0.091
6	K3 Drayer Mezzanine	76	28	0.160
7	AES Building Between Screens	210	99	0.560
8	Stock Prep Building at News Pulper	127	46	0.810
9	Sludge Drum Filter Outlet	294	177	0.510
Detection Level		3	3	0.001

signature
Suresh M. Relwani
Principal Engineer

12-Aug-20

date



& Associates, Inc.

ODOR SAMPLE ED₅₀ EVALUATION FORM

Client: **Graphic Packaging International**

Date: **08/12/20**

Project: **Olfactometry Analysis**

Sample ID: **Parking Lot B (near discharge to WWTP)**

Sample Dilution: **NA**

Operator: **Jenny**

Sample: **1** of **9**

Correct Choice **B**

Attenuator Used	N
Sample Dil. Rate	

Panelist	Olfactometer Ports						
	1	2	3	4	5	6	>6
1121	T	T	C	C	B	T	B
1004	B	T	B	T	T	C	B
1002	B	T	C	B	B	T	B
1003	B	B	T	T	T	C	B
1074	T	T	B	B	C	C	B
1131	C	T	B	V	B	T	B
1132	C	T	B	B	T	B	
1130	T	T	C	C	C	B	

Log of ED₅₀: 0.61

ED₅₀: 4



& Associates, Inc.

ODOR SAMPLE ED₅₀ EVALUATION FORM

Client: **Graphic Packaging International**

Date: **08/12/20**

Project: **Olfactometry Analysis**

Sample ID: **North of Stock Prep Building**

Sample Dilution: **NA**

Operator: **Jenny**

Sample: **2** of **9**

Correct Choice **B**

Attenuator Used **N**
Sample Dil. Rate

Panelist	Olfactometer Ports						
	1	2	3	4	5	6	>6
1121	B	T	B	B	T	C	B
1004	T	C	C	B	T	T	B
1002	B	C	C	C	C	T	B
1003	C	C	T	B	T	C	B
1074	T	C	C	C	C	C	B
1131	C	B	C	B	T	T	B
1132	C	B	T	C	C	C	B
1130	B	C	C	C	C	T	B

Log of ED₅₀: **0.47**

ED₅₀: **3**



ODOR SAMPLE ED₅₀ EVALUATION FORM

Client: Graphic Packaging International

Date: 08/12/20

Project: Olfactometry Analysis

Sample ID: Sludge Pile

Sample Dilution: NA

Operator: Jenny

Sample: 3 of 9

Correct Choice		B		Attenuator Used		N	
				Sample Dil. Rate			
Panelist	Olfactometer Ports						
	1	2	3	4	5	6	>6
1121	B	T	T	C	T	B	
1004	T	B	T	T	B	T	B
1002	B	C	B	C	C	T	B
1003	B	B	T	B	B	T	B
1074	C	B	T	T	C	T	B
1131	C	C	C	B	T	C	B
1132	T	C	B	B	T	C	B
1130	B	C	C	C	T	B	

Log of ED₅₀: 0.61

ED₅₀: 4



ODOR SAMPLE ED₅₀ EVALUATION FORM

Client: Graphic Packaging International

Date: 08/12/20

Project: Olfactometry Analysis

Sample ID: Clarifier

Sample Dilution: NA

Operator: Jenny

Sample: 4 of 9

Correct Choice		B		Attenuator Used		N	
				Sample Dil. Rate			
Panelist	Olfactometer Ports						
	1	2	3	4	5	6	>6
1121	T	C	C	B	B	B	
1004	T	T	T	B	B	B	
1002	B	T	C	B	B	B	
1003	B	B	B	B	T	B	
1074	T	C	T	B	B	B	
1131	B	C	B	B	C	B	
1132	B	T	T	B	B	B	
1130	B	C	B	C	B	B	

Log of ED₅₀: 1.62

ED₅₀: 41



ODOR SAMPLE ED₅₀ EVALUATION FORM

Client: Graphic Packaging International

Date: 08/12/20

Project: Olfactometry Analysis

Sample ID: K1 Operating Floor - Coating Kitchen

Sample Dilution: NA

Operator: Jenny

Sample: 5 of 9

Correct Choice		B		Attenuator Used		N	
				Sample Dil. Rate			
Panelist	Olfactometer Ports						
	1	2	3	4	5	6	>6
1121	B	T	C	B	B	B	
1004	B	T	T	B	B	B	
1002	B	C	B	B	B	B	
1003	T	C	T	B	B	B	
1074	T	C	B	B	B	B	
1131	B	C	T	C	B	B	
1132	T	B	B	B	B	B	
1130	T	B	C	T	B	B	

Log of ED₅₀: 1.97

ED₅₀: 94



ODOR SAMPLE ED₅₀ EVALUATION FORM

Client: Graphic Packaging International

Date: 08/12/20

Project: Olfactometry Analysis

Sample ID: K3 Drayer Mezzanine

Sample Dilution: NA

Operator: Jenny

Sample: 6 of 9

Correct Choice B

Attenuator Used N
Sample Dil. Rate

Panelist	Olfactometer Ports						
	1	2	3	4	5	6	>6
1121	T	C	C	B	B	B	
1004	C	C	B	B	B	B	
1002	T	C	C	B	B	B	
1003	C	T	B	B	B	B	
1074	B	B	T	B	B	B	
1131	T	C	B	T	B	B	
1132	B	C	C	B	B	B	
1130	B	T	B	T	B	B	

Log of ED₅₀: 1.88

ED₅₀: 76



ODOR SAMPLE ED₅₀ EVALUATION FORM

Client: Graphic Packaging International

Date: 08/12/20

Project: Olfactometry Analysis

Sample ID: AES Building Between Screens

Sample Dilution: NA

Operator: Jenny

Sample: 7 of 9

Correct Choice B

Attenuator Used N
Sample Dil. Rate

Panelist	Olfactometer Ports						
	1	2	3	4	5	6	>6
1121	T	C	B	B	B	B	
1004	T	B	T	B	B	B	
1002	T	C	B	B	B	B	
1003	T	T	B	B	B	B	
1074	T	B	B	B	B	B	
1131	T	B	B	B	B	B	
1132	T	B	B	B	B	B	
1130	T	T	C	B	B	B	

Log of ED₅₀: 2.32

ED₅₀: 210



ODOR SAMPLE ED₅₀ EVALUATION FORM

Client: Graphic Packaging International

Date: 08/12/20

Project: Olfactometry Analysis

Sample ID: Stock Prep Building at News Pulper

Sample Dilution: NA

Operator: Jenny

Sample: 8 of 9

Correct Choice B

Attenuator Used N
Sample Dil. Rate

Panelist	Olfactometer Ports						
	1	2	3	4	5	6	>6
1121	C	C	B	B	B	B	
1004	T	C	B	B	B	B	
1002	B	C	T	B	B	B	
1003	C	B	C	B	B	B	
1074	T	C	B	B	B	B	
1131	B	C	C	B	B	B	
1132	T	C	B	B	B	B	
1130	T	C	C	B	B	B	

Log of ED₅₀: 2.10

ED₅₀: 127



ODOR SAMPLE ED₅₀ EVALUATION FORM

Client: Graphic Packaging InternationalDate: 08/12/20Project: Olfactometry AnalysisSample ID: Sludge Drum Filter OutletSample Dilution: NAOperator: JennySample: 9 of 9

Correct Choice	B
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Attenuator Used	N
Sample Dil. Rate	

Panelist	Olfactometer Ports						
	1	2	3	4	5	6	>6
1121	C	B	B	B	B	B	
1004	T	C	B	B	B	B	
1002	B	C	B	B	B	B	
1003	B	C	B	B	B	B	
1074	B	T	B	B	B	B	
1131	T	B	B	B	B	B	
1132	T	B	B	B	B	B	
1130	C	B	B	B	B	B	

Log of ED ₅₀ :	2.47
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ED ₅₀ :	294
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& Associates, Inc.

ODOR SAMPLE RECOGNITION THRESHOLD EVALUATION FORM

Client: **Graphic Packaging International**

Date: **08/12/20**

Project: **Olfactometry Analysis**

Sample ID: **Parking Lot B (near discharge to WWTP)**

Sample Dilution: **NA**

Operator: **Jenny**

Sample: **1** of **9**

Correct Choice **R**

Attenuator Used **N**
Sample Dil. Rate

Panelist	Olfactometer Ports						
	1	2	3	4	5	6	>6
1121	NR	NR	NR	NR	NR	NR	R
1004	NR	NR	NR	NR	NR	NR	R
1002	NR	NR	NR	NR	NR	NR	R
1003	NR	NR	NR	NR	NR	NR	R
1074	NR	NR	NR	NR	NR	NR	R
1131	NR	NR	NR	NR	NR	NR	R
1132	NR	NR	NR	NR	NR	NR	R
1130	NR	NR	NR	NR	NR	NR	R

Log of ED₅₀: 0.47

ED₅₀: 3



& Associates, Inc.

ODOR SAMPLE RECOGNITION THRESHOLD EVALUATION FORM

Client: **Graphic Packaging International**

Date: **08/12/20**

Project: **Olfactometry Analysis**

Sample ID: **North of Stock Prep Building**

Sample Dilution: **NA**

Operator: **Jenny**

Sample: **2** of **9**

Correct Choice **R**

Attenuator Used **N**

Sample Dil. Rate

Panelist	Olfactometer Ports						
	1	2	3	4	5	6	>6
1121	NR	NR	NR	NR	NR	NR	R
1004	NR	NR	NR	NR	NR	NR	R
1002	NR	NR	NR	NR	NR	NR	R
1003	NR	NR	NR	NR	NR	NR	R
1074	NR	NR	NR	NR	NR	NR	R
1131	NR	NR	NR	NR	NR	NR	R
1132	NR	NR	NR	NR	NR	NR	R
1130	NR	NR	NR	NR	NR	NR	R

Log of ED₅₀: 0.47

ED₅₀: 3



ODOR SAMPLE RECOGNITION THRESHOLD EVALUATION FORM

Client: Graphic Packaging International

Date: 08/12/20

Project: Olfactometry Analysis

Sample ID: Sludge Pile

Sample Dilution: NA

Operator: Jenny

Sample: 3 of 9

Correct Choice R

Attenuator Used N
Sample Dil. Rate

Panelist	Olfactometer Ports						
	1	2	3	4	5	6	>6
1121	NR	NR	NR	NR	NR	NR	R
1004	NR	NR	NR	NR	NR	NR	R
1002	NR	NR	NR	NR	NR	NR	R
1003	NR	NR	NR	NR	NR	NR	R
1074	NR	NR	NR	NR	NR	NR	R
1131	NR	NR	NR	NR	NR	NR	R
1132	NR	NR	NR	NR	NR	NR	R
1130	NR	NR	NR	NR	NR	NR	R

Log of ED₅₀: 0.47

ED₅₀: 3



ODOR SAMPLE RECOGNITION THRESHOLD EVALUATION FORM

Client: Graphic Packaging International

Date: 08/12/20

Project: Olfactometry Analysis

Sample ID: Clarifier

Sample Dilution: NA

Operator: Jenny

Sample: 4 of 9

Correct Choice	R	Attenuator Used						N
		Sample Dil. Rate						
Panelist	Olfactometer Ports							
	1	2	3	4	5	6	>6	
1121	NR	NR	NR	NR	R	R		
1004	NR	NR	NR	NR	R	R		
1002	NR	NR	NR	NR	R	R		
1003	NR	NR	NR	NR	NR	NR	R	
1074	NR	NR	NR	NR	R	R		
1131	NR	NR	NR	NR	NR	R		
1132	NR	NR	NR	R	R	NR		
1130	NR	NR	NR	NR	NR	R		

Log of ED₅₀: 1.18

ED₅₀: 15



ODOR SAMPLE ED₅₀ EVALUATION FORM

Client: Graphic Packaging International

Date: 08/12/20

Project: Olfactometry Analysis

Sample ID: K1 Operating Floor - Coating Kitchen

Sample Dilution: NA

Operator: Jenny

Sample: 5 of 9

Correct Choice R

Attenuator Used N
Sample Dil. Rate

Panelist	Olfactometer Ports						
	1	2	3	4	5	6	>6
1121	NR	NR	NR	R	R	R	
1004	NR	NR	NR	R	R	R	
1002	NR	NR	NR	R	R	R	
1003	NR	NR	NR	NR	R	R	
1074	NR	NR	NR	R	R	R	
1131	NR	NR	NR	NR	NR	R	
1132	NR	NR	NR	R	R	R	
1130	NR	NR	NR	NR	NR	R	

Log of ED₅₀: 1.62

ED₅₀: 41



ODOR SAMPLE ED₅₀ EVALUATION FORM

Client: Graphic Packaging InternationalDate: 08/12/20Project: Olfactometry AnalysisSample ID: K3 Drayer MezzanineSample Dilution: NAOperator: JennySample: 6 of 9

Correct Choice	R
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Attenuator Used	N
Sample Dil. Rate	

Panelist	Olfactometer Ports						
	1	2	3	4	5	6	>6
1121	NR	NR	NR	R	R	R	
1004	NR	NR	NR	NR	R	R	
1002	NR	NR	NR	NR	R	R	
1003	NR	NR	NR	NR	NR	R	
1074	NR	NR	NR	NR	R	R	
1131	NR	NR	NR	NR	NR	R	
1132	NR	NR	NR	R	R	R	
1130	NR	NR	NR	NR	R	R	

Log of ED ₅₀ :	1.44
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ED ₅₀ :	28
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ODOR SAMPLE ED₅₀ EVALUATION FORM

Client: Graphic Packaging International

Date: 08/12/20

Project: Olfactometry Analysis

Sample ID: AES Building Between Screens

Sample Dilution: NA

Operator: Jenny

Sample: 7 of 9

Correct Choice R

Attenuator Used N
Sample Dil. Rate

Panelist	Olfactometer Ports						
	1	2	3	4	5	6	>6
1121	NR	NR	NR	R	R	R	
1004	NR	NR	NR	R	R	R	
1002	NR	NR	NR	R	R	R	
1003	NR	NR	NR	R	R	R	
1074	NR	NR	R	R	R	R	
1131	NR	NR	R	R	R	R	
1132	NR	NR	NR	R	R	R	
1130	NR	NR	NR	R	R	R	

Log of ED₅₀: 1.99

ED₅₀: 99



ODOR SAMPLE ED₅₀ EVALUATION FORM

Client: Graphic Packaging International

Date: 08/12/20

Project: Olfactometry Analysis

Sample ID: Stock Prep Building at News Pulper

Sample Dilution: NA

Operator: Jenny

Sample: 8 of 9

Correct Choice R

Attenuator Used N
Sample Dil. Rate

Panelist	Olfactometer Ports						
	1	2	3	4	5	6	>6
1121	NR	NR	NR	R	R	R	
1004	NR	NR	NR	R	R	R	
1002	NR	NR	NR	NR	R	R	
1003	NR	NR	NR	NR	NR	R	
1074	NR	NR	NR	R	R	R	
1131	NR	NR	NR	NR	R	R	
1132	NR	NR	NR	R	R	R	
1130	NR	NR	NR	R	R	R	

Log of ED₅₀:

1.67

ED₅₀:

46



ODOR SAMPLE ED₅₀ EVALUATION FORM

Client: Graphic Packaging International Date: 08/12/20

Project: Olfactometry Analysis

Sample ID: Sludge Drum Filter Outlet

Sample Dilution: NA

Operator: Jenny Sample: 9 of 9

Correct Choice	R						
Attenuator Used							N
Sample Dil. Rate							
Panelist	Olfactometer Ports						
	1	2	3	4	5	6	>6
1121	NR	NR	R	R	R	R	
1004	NR	NR	NR	R	R	R	
1002	NR	NR	R	R	R	R	
1003	NR	NR	R	R	R	R	
1074	NR	NR	NR	R	R	R	
1131	NR	NR	R	R	R	R	
1132	NR	R	R	R	R	R	
1130	NR	NR	R	R	R	R	

Log of ED₅₀: 2.25

ED₅₀: 177



& Associates, Inc.

FLOW CALIBRATION FOR DYNAMIC TRIANGLE OLFACTOMETER
(all flows in cc/min)

Date: 08/12/20 Time: 11:00 AM Temp: 74.0 °F

Client: Graphic Packaging International Operator: Jenny

Project: Olfactometry Analysis

Enter Flow Measurements Below When Using Attenuator		
Flow Through Carbon	By-Pass Flow	Sample Attenuation Factor

Port No.	Dilution Level No.	Odor Sample Flow (at port)	Dilution Air Flow (at port)	Direct Sample Dilution Factor	No Attenuator		Attenuator Data		
					Log of Dilution Factor	Avg. Log Dilution Factor	Attenuator Dilution Factor	Log Dilution Factor	Avg. Log Dilution Factor
	7								
6	6	82.3	501.0	7.09	0.85	0.47			
5	5	31.9	491.0	16.39	1.21	1.03			
4	4	11.5	496.0	44.13	1.64	1.43			
3	3	3.7	498.0	134.51	2.13	1.89			
2	2	1.6	502.0	320.75	2.51	2.32			
1	1	0.9	505.0	538.23	2.73	2.62			
	< 1					2.97			



Appendix C

Odor Characterization

**Odor Panel Results
Graphic Packaging International, LLC's**

Analyzed on August 12, 2020



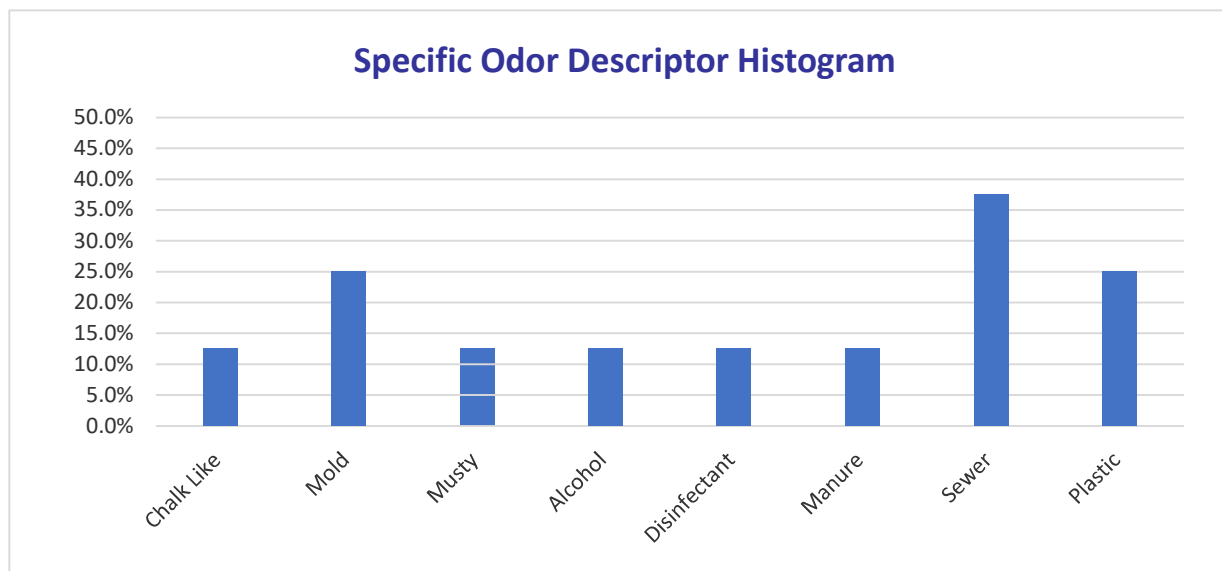
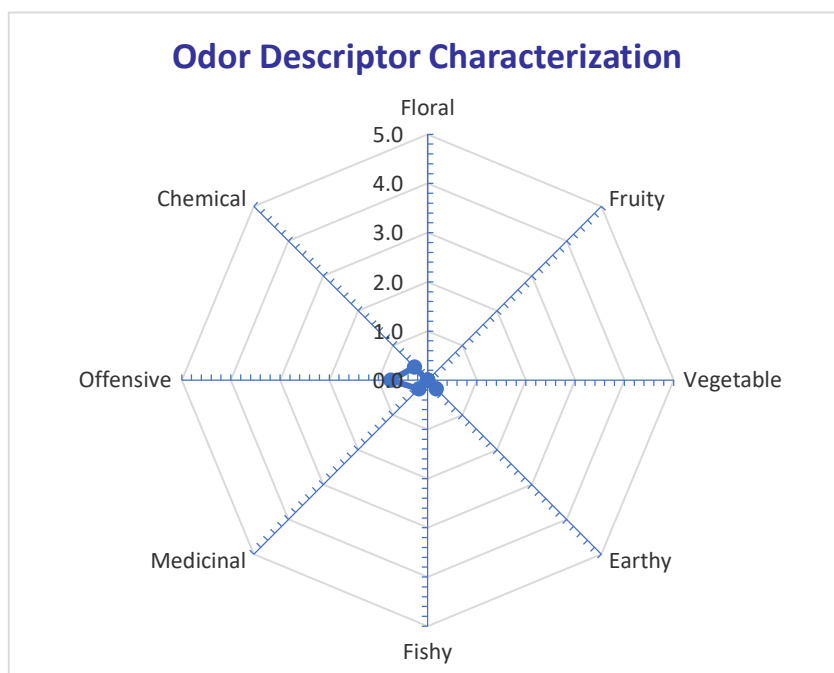
ODOR CHARACTERIZATION

Client: **Graphic Packaging International**

Date: **08/12/20**

Sample ID: **Parking Lot B (near discharge to WWTP)**

Odor Descriptor Category	Odor Descriptor Intensity
Floral	0.0
Fruity	0.0
Vegetable	0.0
Earthy	0.3
Fishy	0.0
Medicinal	0.3
Offensive	0.8
Chemical	0.4





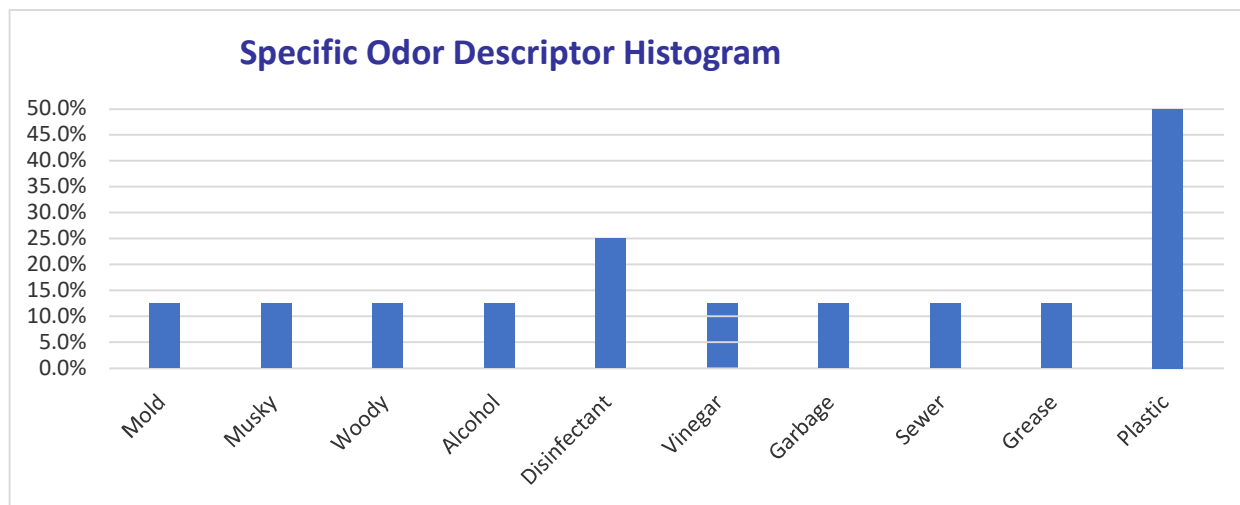
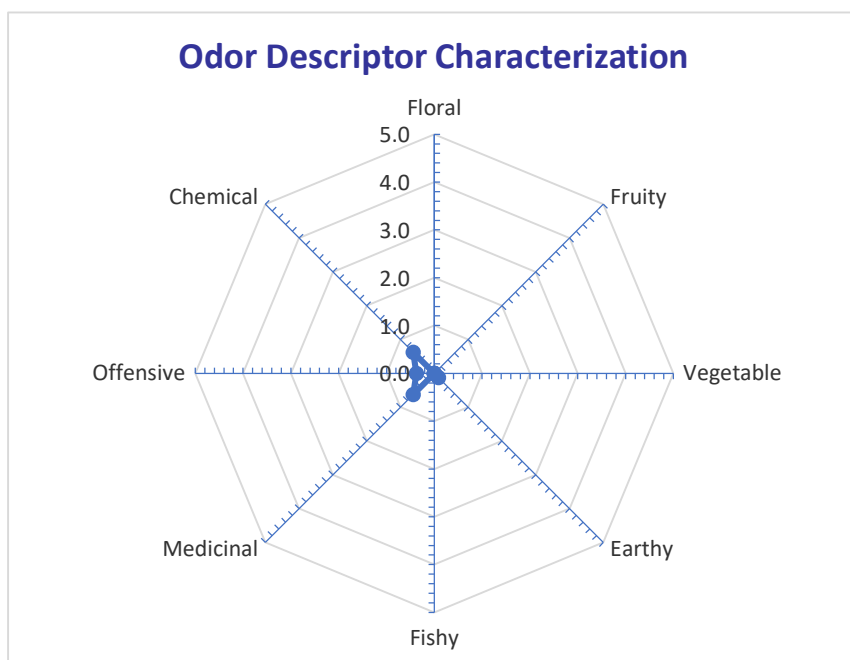
ODOR CHARACTERIZATION

Client: **Graphic Packaging International**

Date: **08/12/20**

Sample ID: **North of Stock Prep Building**

Odor Descriptor Category	Odor Descriptor Intensity
Floral	0.0
Fruity	0.0
Vegetable	0.0
Earthy	0.1
Fishy	0.0
Medicinal	0.6
Offensive	0.4
Chemical	0.6





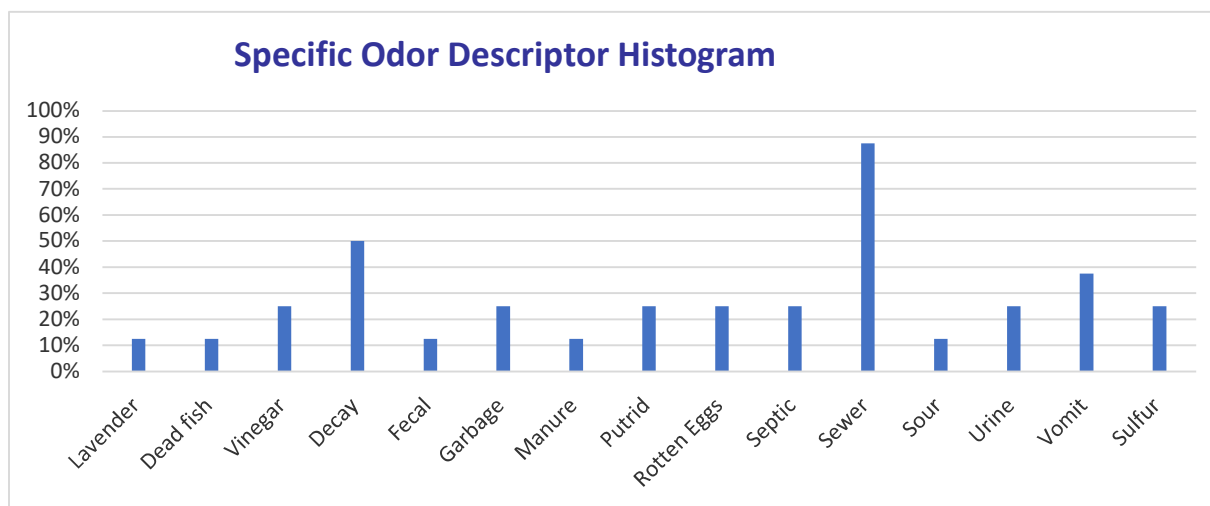
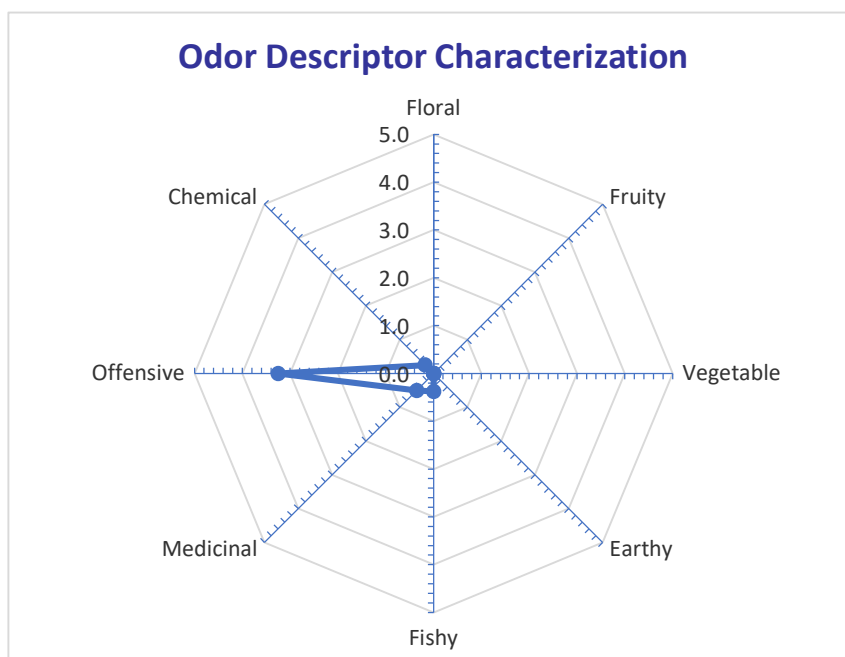
ODOR CHARACTERIZATION

Client: **Graphic Packaging International**

Date: **08/12/20**

Sample ID: **Sludge Pile**

Odor Descriptor Category	Odor Descriptor Intensity
Floral	0.0
Fruity	0.0
Vegetable	0.0
Earthy	0.0
Fishy	0.4
Medicinal	0.5
Offensive	3.3
Chemical	0.3





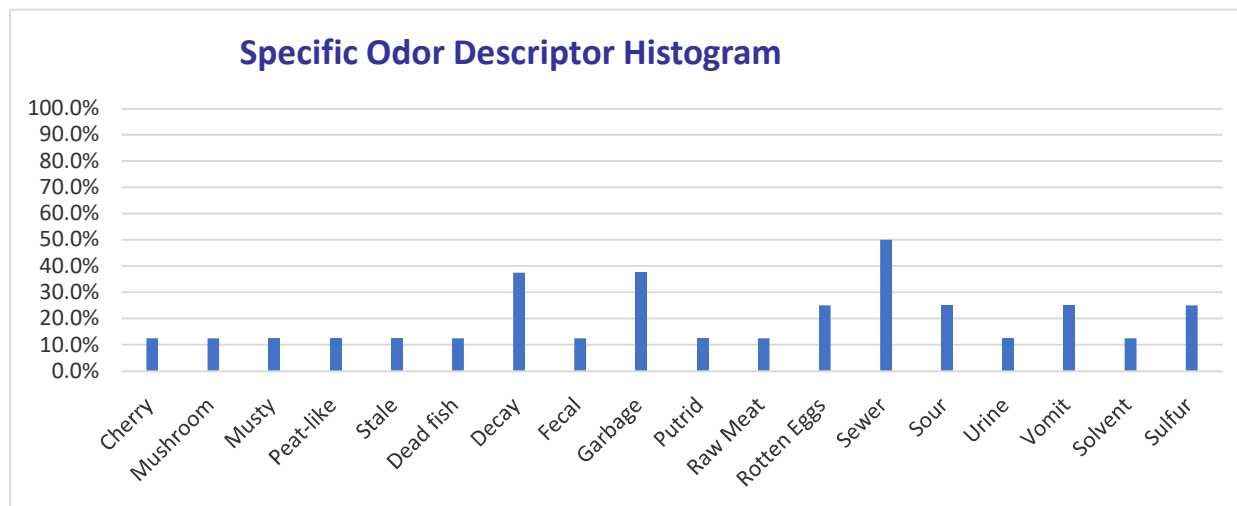
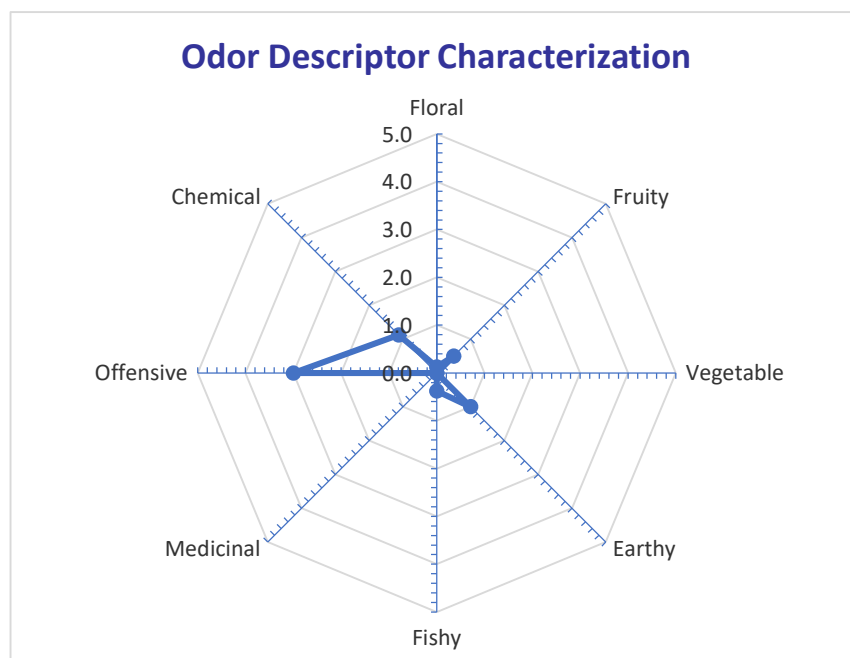
ODOR CHARACTERIZATION

Client: **Graphic Packaging International**

Date: **08/12/20**

Sample ID: **Clarifier**

Odor Descriptor Category	Odor Descriptor Intensity
Floral	0.1
Fruity	0.5
Vegetable	0.0
Earthy	1.0
Fishy	0.4
Medicinal	0.0
Offensive	3.0
Chemical	1.1





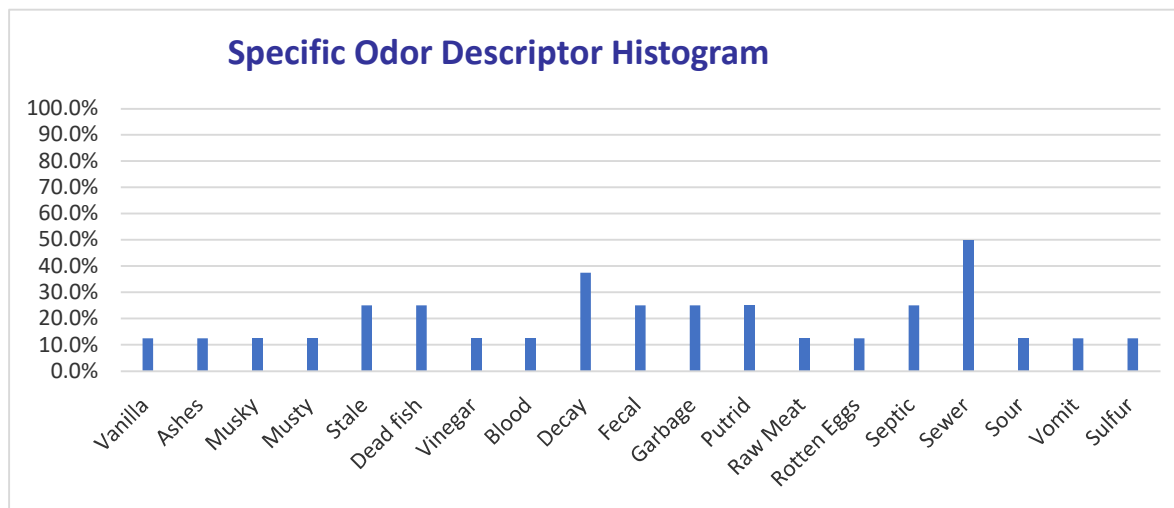
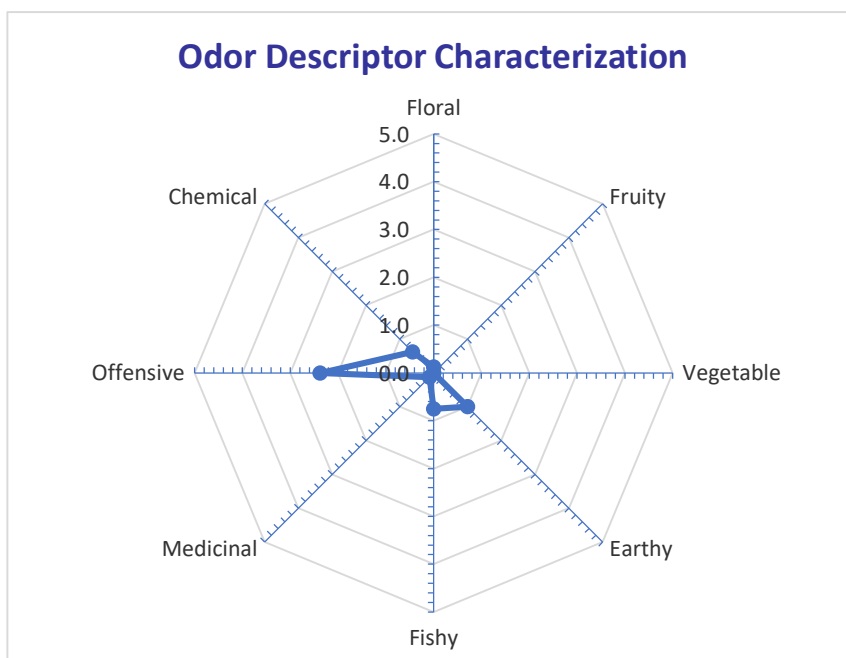
ODOR CHARACTERIZATION

Client: **Graphic Packaging International**

Date: **08/12/20**

Sample ID: **K1 Operating Floor - Coating Kitchen**

Odor Descriptor Category	Odor Descriptor Intensity
Floral	0.1
Fruity	0.0
Vegetable	0.0
Earthy	1.0
Fishy	0.8
Medicinal	0.1
Offensive	2.4
Chemical	0.6





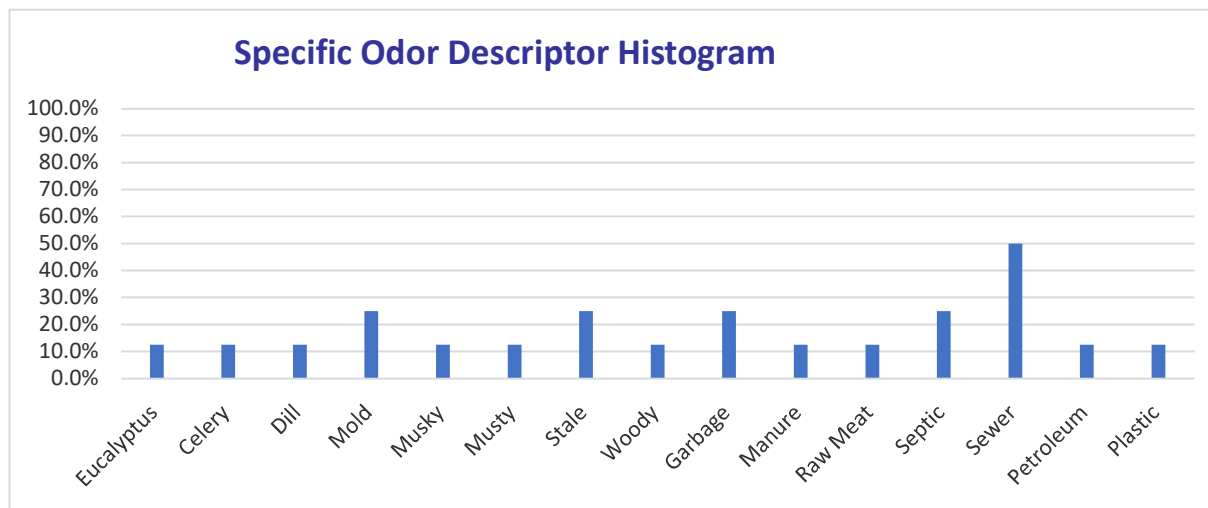
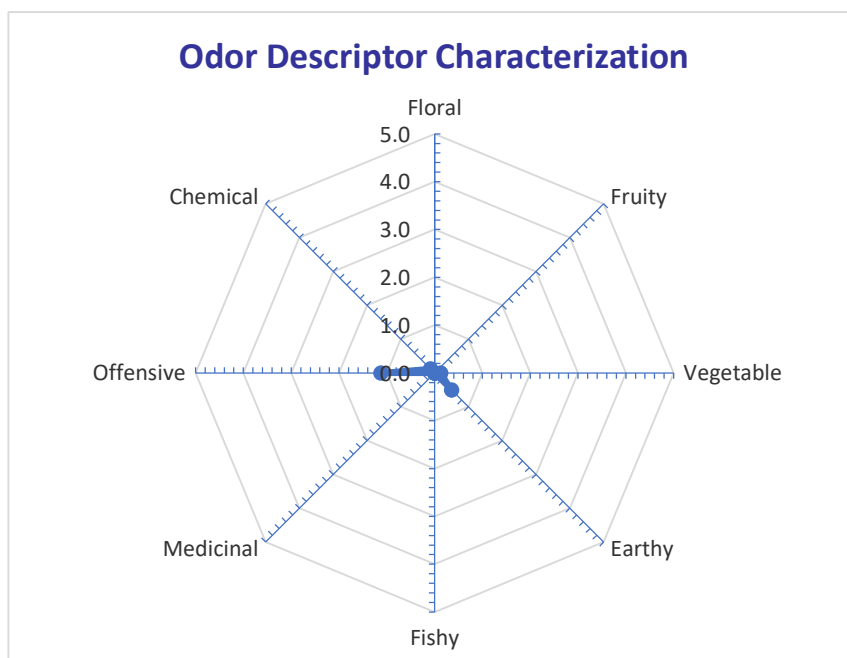
ODOR CHARACTERIZATION

Client: **Graphic Packaging International**

Date: **#REF!**

Sample ID: **K3 Drayer Mezzanine**

Odor Descriptor Category	Odor Descriptor Intensity
Floral	0.0
Fruity	0.0
Vegetable	0.1
Earthy	0.5
Fishy	0.0
Medicinal	0.0
Offensive	1.1
Chemical	0.1





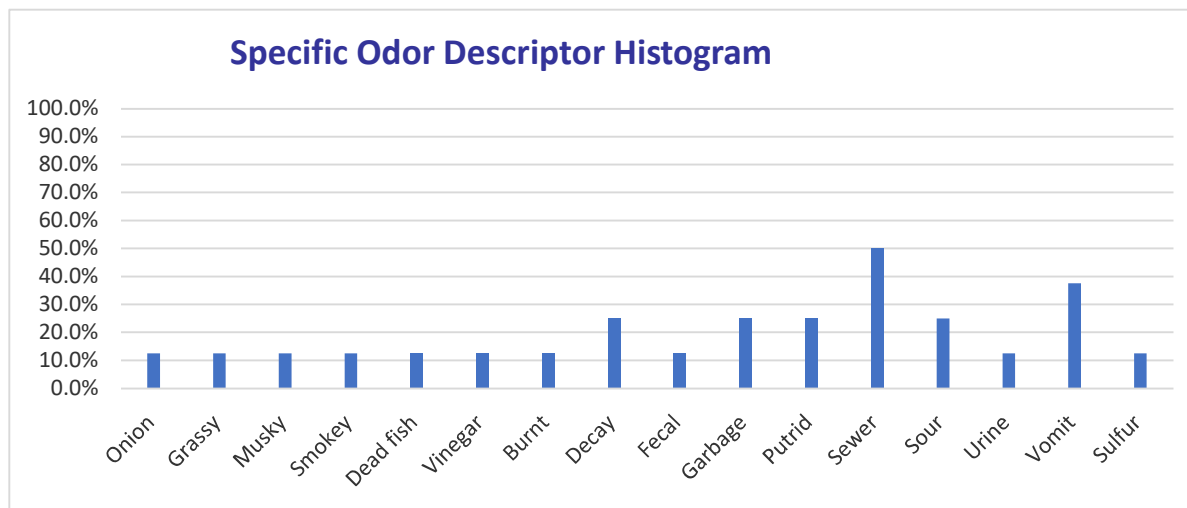
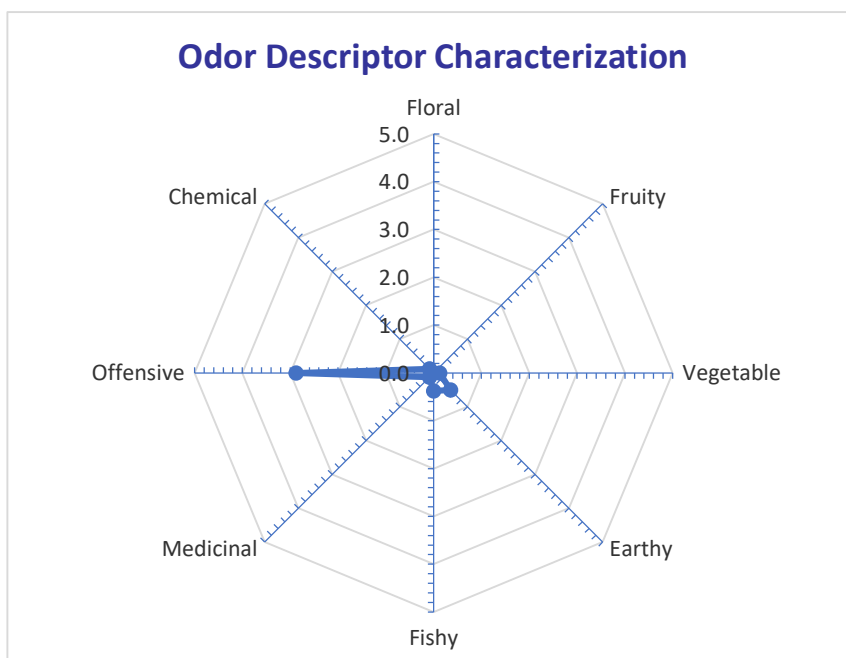
ODOR CHARACTERIZATION

Client: **Graphic Packaging International**

Date: **08/12/20**

Sample ID: **AES Building Between Screens**

Odor Descriptor Category	Odor Descriptor Intensity
Floral	0.0
Fruity	0.0
Vegetable	0.1
Earthy	0.5
Fishy	0.4
Medicinal	0.1
Offensive	2.9
Chemical	0.1





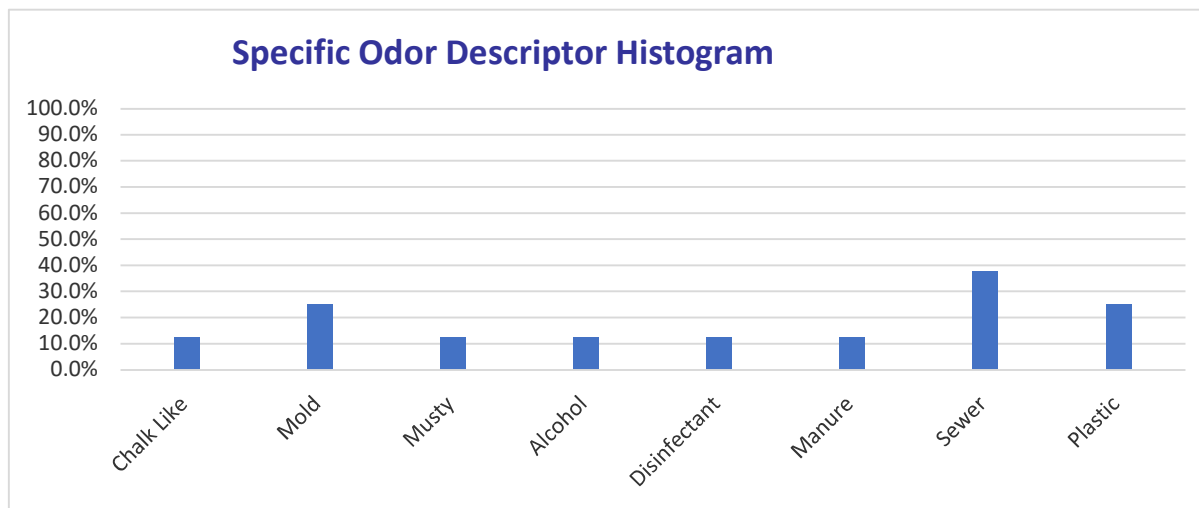
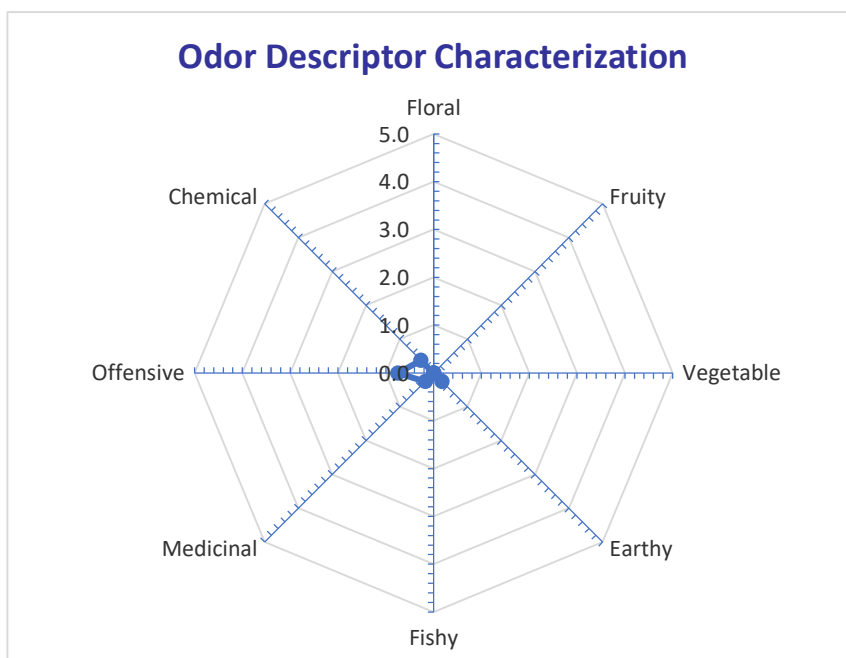
ODOR CHARACTERIZATION

Client: **Graphic Packaging International**

Date: **08/12/20**

Sample ID: **Stock Prep Building at News Puler**

Odor Descriptor Category	Odor Descriptor Intensity
Floral	0.0
Fruity	0.0
Vegetable	0.0
Earthy	0.3
Fishy	0.0
Medicinal	0.3
Offensive	0.8
Chemical	0.4





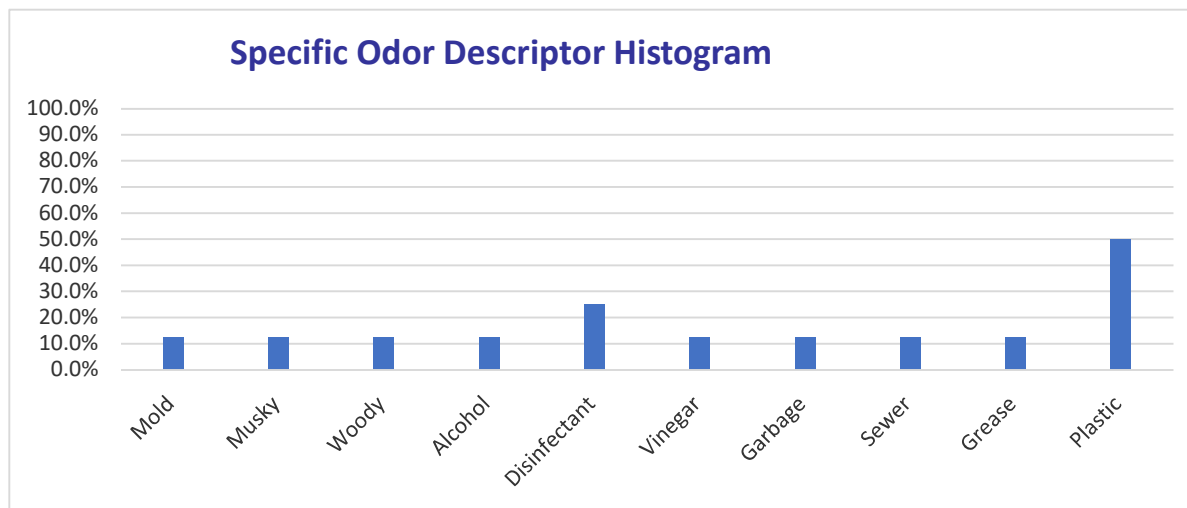
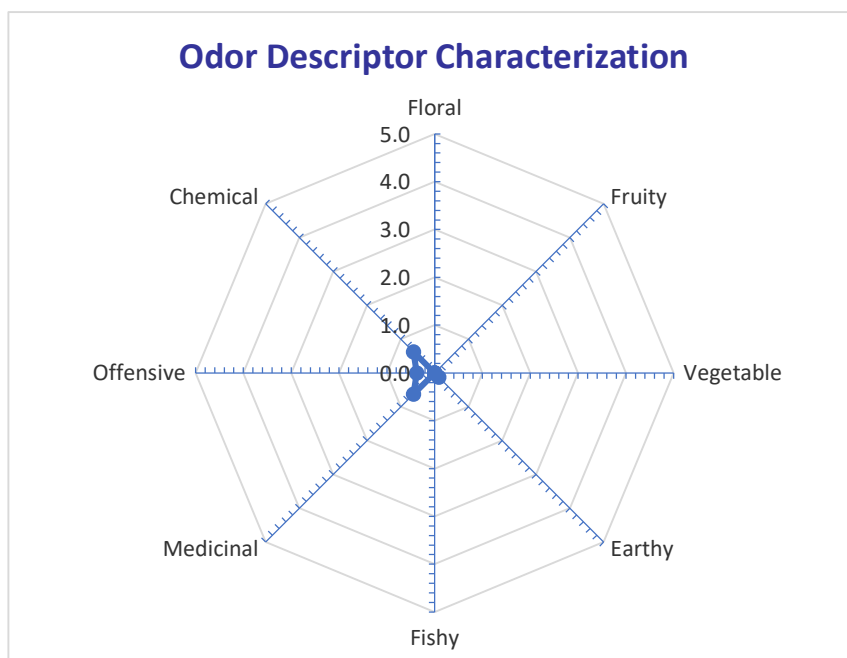
ODOR CHARACTERIZATION

Client: **Graphic Packaging International**

Date: **08/12/20**

Sample ID: **Sludge Drum Filter Outlet**

Odor Descriptor Category	Odor Descriptor Intensity
Floral	0.0
Fruity	0.0
Vegetable	0.0
Earthy	0.1
Fishy	0.0
Medicinal	0.6
Offensive	0.4
Chemical	0.6





ODOR CHARACTERIZATION

& Associates, Inc.

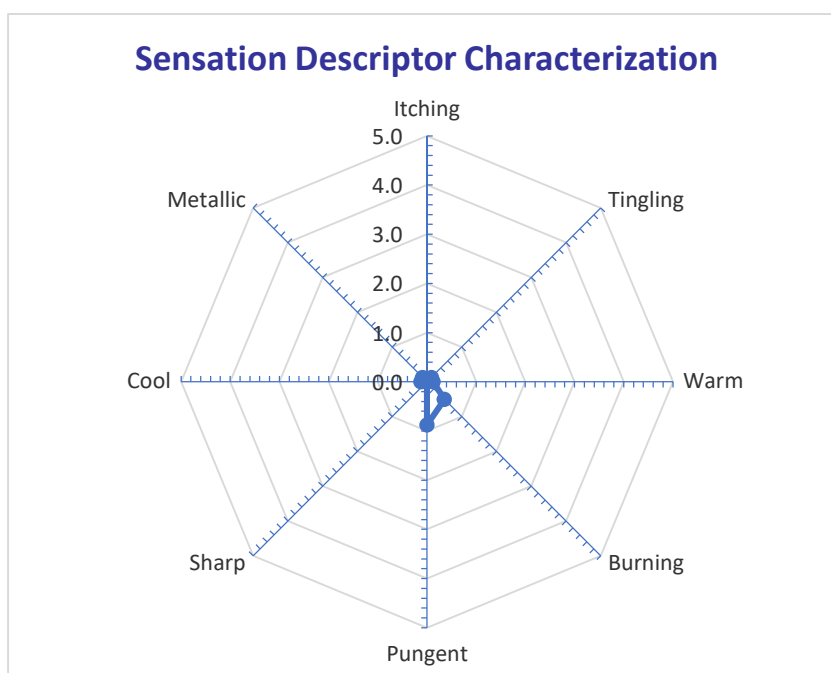
Client: **MWRD**

Date: **08/12/20**

Project: **Contract 19-101-11**

Sample ID: **Parking Lot B (near discharge to WWTP)**

Sensation Descriptor	Sensation Descriptor Intensity
Itching	0.0
Tingling	0.1
Warm	0.1
Burning	0.5
Pungent	0.9
Sharp	0.0
Cool	0.1
Metallic	0.1





ODOR CHARACTERIZATION

& Associates, Inc.

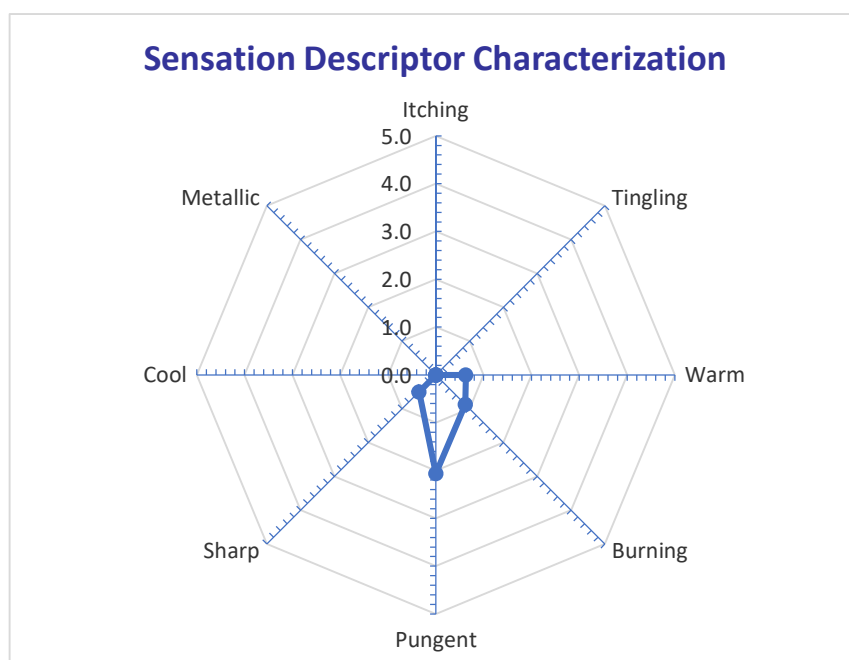
Client: **MWRD**

Date: **08/12/20**

Project: **Contract 19-101-11**

Sample ID: **North of Stock Prep Building**

Sensation Descriptor	Sensation Descriptor Intensity
Itching	0.0
Tingling	0.0
Warm	0.6
Burning	0.9
Pungent	2.1
Sharp	0.5
Cool	0.0
Metallic	0.0





ODOR CHARACTERIZATION

& Associates, Inc.

Client: **MWRD**

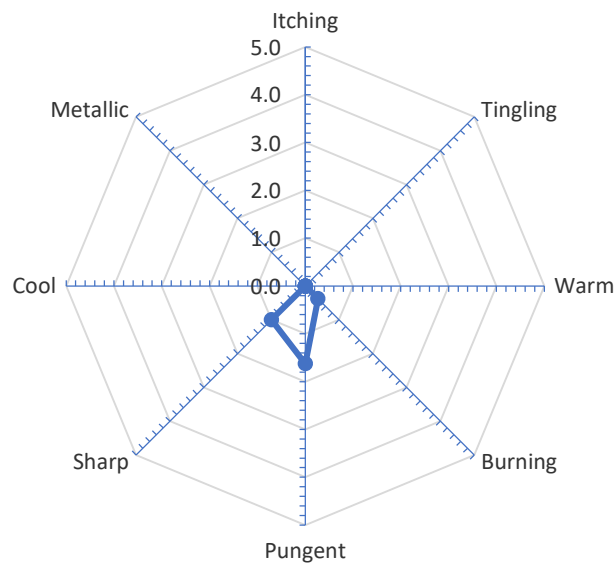
Date: **08/12/20**

Project: **Contract 19-101-11**

Sample ID: **Sludge Pile**

Sensation Descriptor	Sensation Descriptor Intensity
Itching	0.0
Tingling	0.0
Warm	0.0
Burning	0.4
Pungent	1.6
Sharp	1.0
Cool	0.0
Metallic	0.0

Sensation Descriptor Characterization





ODOR CHARACTERIZATION

& Associates, Inc.

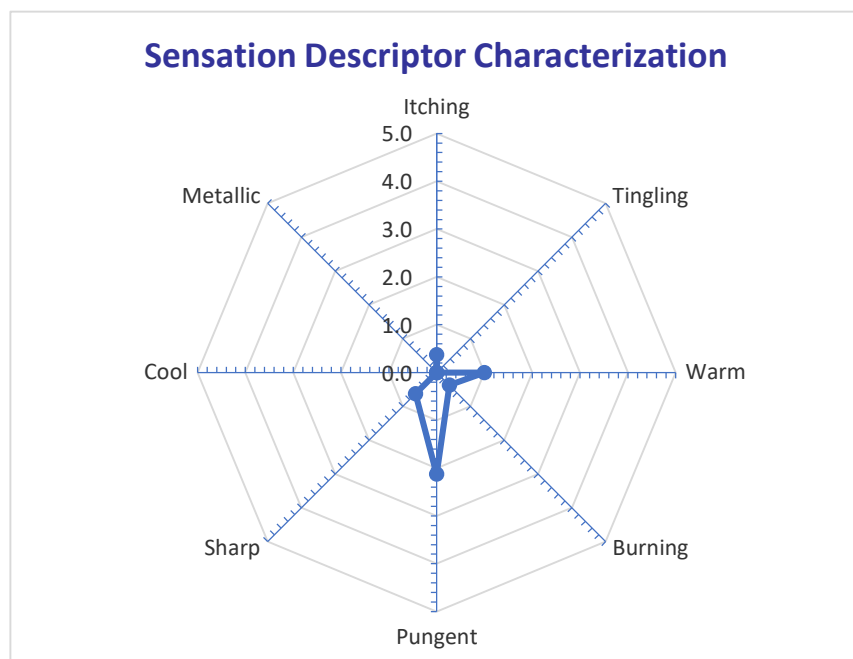
Client: **MWRD**

Date: **08/12/20**

Project: **Contract 19-101-11**

Sample ID: **Clarifier**

Sensation Descriptor	Sensation Descriptor Intensity
Itching	0.4
Tingling	0.0
Warm	1.0
Burning	0.4
Pungent	2.1
Sharp	0.6
Cool	0.0
Metallic	0.0





ODOR CHARACTERIZATION

& Associates, Inc.

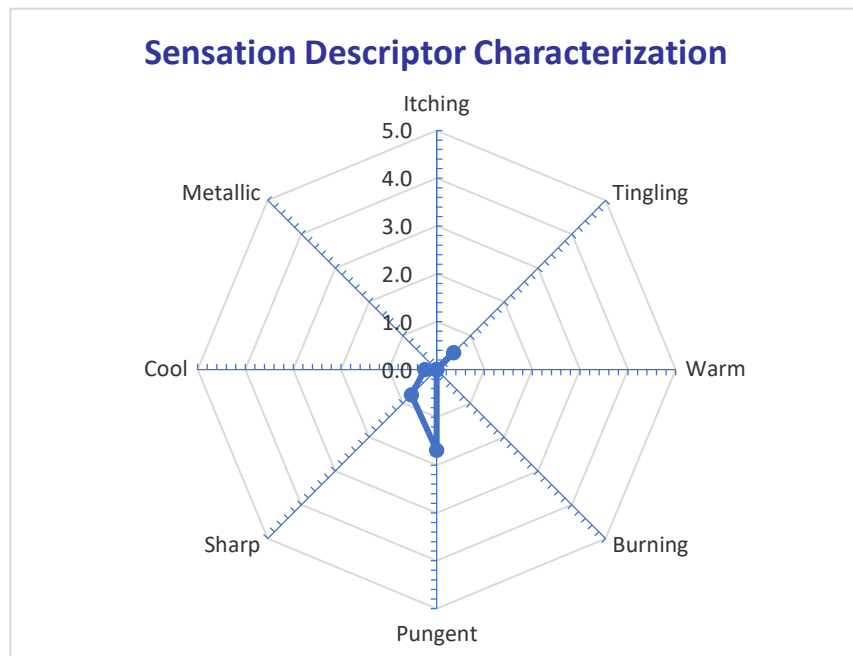
Client: **MWRD**

Date: **08/12/20**

Project: **Contract 19-101-11**

Sample ID: **K1 Operating Floor - Coating Kitchen**

Sensation Descriptor	Sensation Descriptor Intensity
Itching	0.0
Tingling	0.5
Warm	0.0
Burning	0.0
Pungent	1.7
Sharp	0.8
Cool	0.3
Metallic	0.0





ODOR CHARACTERIZATION

& Associates, Inc.

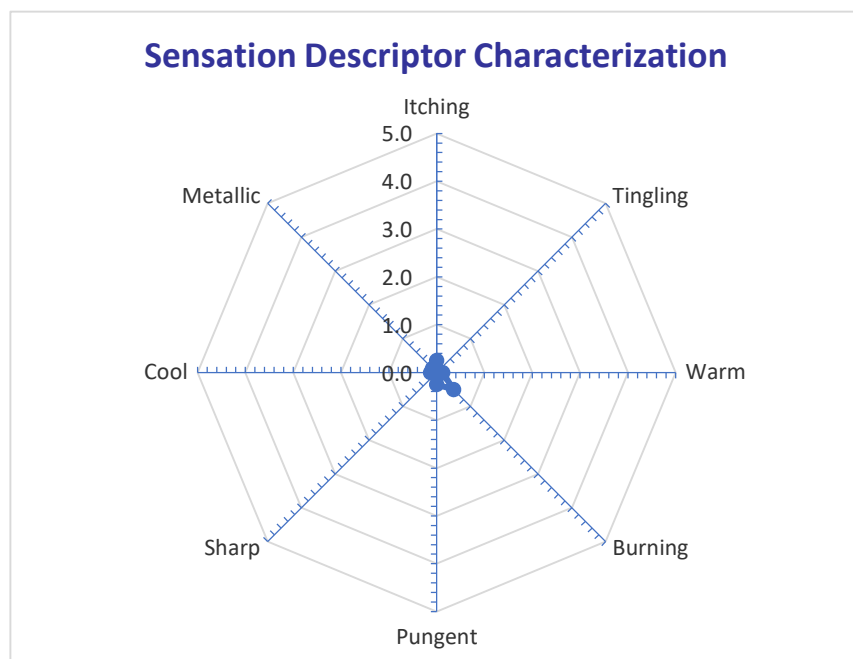
Client: **MWRD**

Date: **08/12/20**

Project: **Contract 19-101-11**

Sample ID: **K3 Drayer Mezzanine**

Sensation Descriptor	Sensation Descriptor Intensity
Itching	0.3
Tingling	0.0
Warm	0.1
Burning	0.5
Pungent	0.3
Sharp	0.0
Cool	0.1
Metallic	0.1





ODOR CHARACTERIZATION

& Associates, Inc.

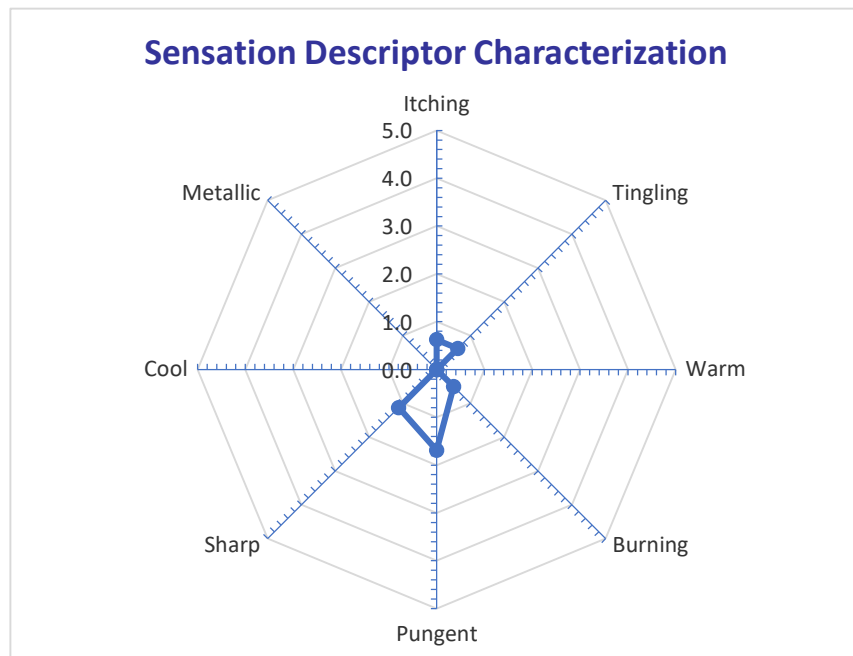
Client: **MWRD**

Date: **08/12/20**

Project: **Contract 19-101-11**

Sample ID: **AES Building Between Screens**

Sensation Descriptor	Sensation Descriptor Intensity
Itching	0.6
Tingling	0.6
Warm	0.0
Burning	0.5
Pungent	1.7
Sharp	1.1
Cool	0.0
Metallic	0.0





ODOR CHARACTERIZATION

& Associates, Inc.

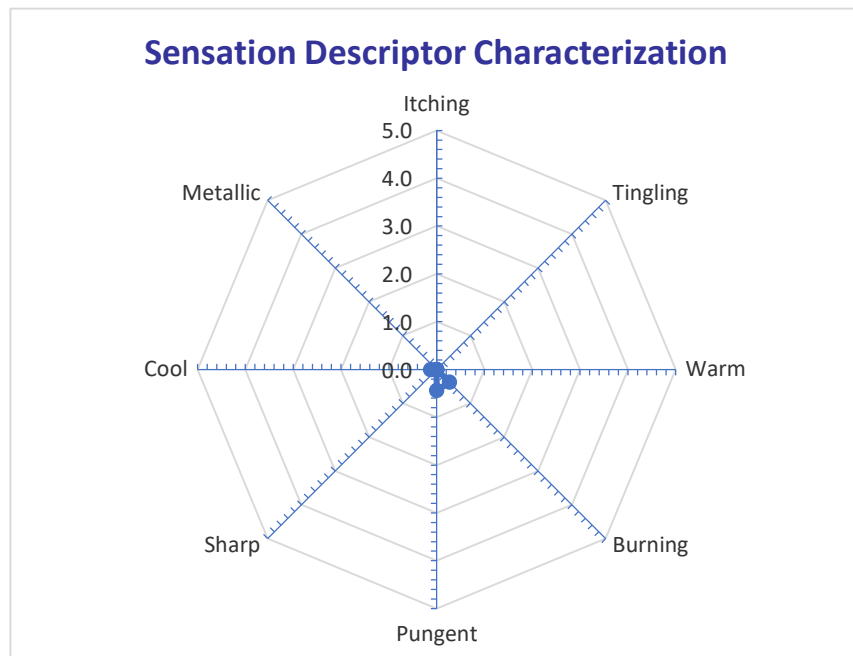
Client: **MWRD**

Date: **08/12/20**

Project: **Contract 19-101-11**

Sample ID: **Stock Prep Building at News Puler**

Sensation Descriptor	Sensation Descriptor Intensity
Itching	0.0
Tingling	0.0
Warm	0.0
Burning	0.4
Pungent	0.4
Sharp	0.0
Cool	0.1
Metallic	0.0





ODOR CHARACTERIZATION

& Associates, Inc.

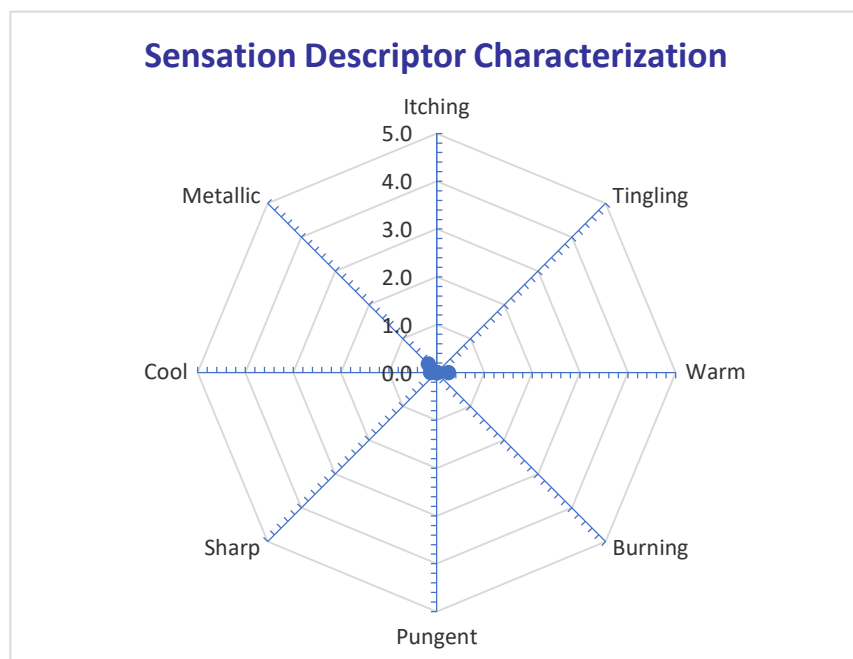
Client: **MWRD**

Date: **08/12/20**

Project: **Contract 19-101-11**

Sample ID: **Sludge Drum Filter Outlet**

Sensation Descriptor	Sensation Descriptor Intensity
Itching	0.0
Tingling	0.0
Warm	0.3
Burning	0.0
Pungent	0.0
Sharp	0.0
Cool	0.1
Metallic	0.3



Attachment B – December 11, 2020 Response to EGLE November 20, 2020 Notice of Violation



GPI Response Letter
12.11.20.pdf



Warner Norcross + Judd LLP

December 11, 2020

Via Email

Department of Environment, Great Lakes and Energy
Air Quality Division
Kalamazoo District Office
7953 Adobe Road
Kalamazoo, Michigan 49009

Re: Violation Notice to Graphic Packaging International LLC

On behalf of our client, Graphic Packaging International LLC (“GPI”) we acknowledge receipt of the Air Quality Division’s (“AQD”) Violation Notice (“VN”) dated November 20, 2020. At GPI’s request, we are responding to the VN on its behalf.

The VN essentially asserts that as the result of a site investigation conducted on November 17, 2020 AQD determined that GPI had constructed foundations to accommodate two boilers without permit authorization in contravention of MAC R 324.1201 (Rule 201) and MAC R 336.2802(3) (Rule 1802, subrule 3). The VN then requests a response that addresses the following:

“the dates the violation occurred; an explanation of the causes and duration of the violation; whether the violation is ongoing; a summary of the actions that have been taken and are proposed to be taken to correct the violation and the dates by which these actions will take place; and what steps are being taken to prevent a reoccurrence.”

As the AQD is aware, four calendar days after the date of the VN, the AQD issued PTI 133-19A which authorizes the installation of two boilers at the facility. GPI therefore believes that no violation is ongoing, no additional action is necessary to come into compliance, and no action is

John V. Byl | Partner

D 616.752.2149
E jbyl@wnj.com
1500 Warner Building, 150 Ottawa Avenue, N.W.
Grand Rapids, MI 49503

Steven C. Kohl | Partner

D 248.784.5141
C 248.568.1123
E skohl@wnj.com
2000 Town Center, Suite 2700
Southfield, MI 48075-1318

necessary to prevent a reoccurrence. With the issuance of PTI 133-19A, the VN is now moot.¹ While the VN is now moot, we also believe there was not a violation for a number of reasons.

The VN asserts a violation of Rule 201. Rule 201 provides:

Rule 201. (1) Except as allowed in R 336.1202, R 336.1277 to R 336.1291, or R 336.2823(15) a person shall not install, construct, reconstruct, relocate, or modify **any process or process equipment**, including control equipment pertaining thereto, which may emit any of the following, unless a permit to install that authorizes such action is issued by the department.

(a) Any air pollutant regulated by title I of the clean air act and its associated rules, including 40 C.F.R. §51.165 and §51.166, adopted by reference in R 336.1902.

(b) Any air contaminant.

A person who plans to install, construct, reconstruct, relocate, or modify any such process or process equipment shall apply to the department for a permit to install on an application form approved by the department and shall provide the information required in R 336.1203. [Emphasis supplied]

Rule 201's language mirrors the provisions of MCL 324.5505(1) and (2). The rule and the statute prohibit the installation, etc. of a process or process equipment without a permit to install. The terms "process" and "process equipment" are defined terms with AQD's Part 1 Rules and those definitions mirror the definitions within MCL 324.5501(u) and (v):

"Process" means an action, operation, or a series of actions or operations at a source that emits or has the potential to emit an air contaminant.

"Process equipment" means all equipment, devices, and auxiliary components, including air pollution control equipment, stacks, and other emission points, used in a process.

A boiler's operation is a "process" within the meaning of the AQD's rules as it emits or has the potential to emit an air contaminant. A boiler is "process equipment" as it is the equipment, etc. used in a process. However, static concrete or metal structures that can be used to ultimately support a boiler do not have any potential to emit air contaminants and cannot be considered "process" or "process equipment". Hence, GPI believes the terms within Part 55 and Rule 201 as defined by Part 1 rules or as commonly understood cannot be read to prohibit the construction of infrastructure that might ultimately be used to house or support a "process" or "process equipment".²

¹While not relevant, construction of the foundations to accommodate the boilers commenced on or about October 16, 2020 for the first boiler, and October 23, 2020 for the second boiler.

²While courts in some jurisdictions will afford deference to an agency's interpretation of the statutes or rules that it administers, Michigan courts historically have not. Even if AQD wishes to broadly construe the provisions of Rule 201 and Part 55, it is clear that AQD would not be allowed to go beyond the plain meaning of the language. See *In re Rovas*, 482 Mich 90 (2008); *Romulus v MDEQ*, 260 Mich App 54 (2003)

As AQD is aware, US EPA has published draft guidance modifying the scope of the prohibitions under the NSR program relative to beginning actual construction of an emission unit without pre-construction permit authorization.³ The draft guidance reflects that US EPA no longer believes that the construction prohibitions of the NSR program should extend to “include any installations necessary to accommodate (an emission unit).” US EPA explains that prior guidance that prohibited construction of foundations or other infrastructure necessary to accommodate an emission unit was not consistent with the regulatory text and not justified for policy reasons.

Effectively, Rule 201’s use of the terms “process” or “process equipment” equate fully with US EPA’s use of the term “emission unit”. Like the term “emission unit”, extending the terms “process” or “process equipment” to include installations necessary to accommodate a “process” or “process equipment” is not well-grounded in the regulatory text of the AQD’s rules or the statutory text of Part 55. Further, from a policy perspective, allowing the installation of a foundation needed to accommodate a process or process equipment in no way weakens or undermines the prohibition of installing or operating new processes or process equipment without permit authorization.

Accordingly, GPI does not believe it could have violated Rule 201 by installing foundations or any other infrastructure that might be ultimately necessary to accommodate boilers that were pending permit authorization. The regulatory and statutory texts do not support this interpretation and there is no legitimate policy reason for AQD to advance such an expansive reading.⁴

The VN also asserts that Rule 1802(3) was violated. Rule 1802(3) provides:

(3) No new major stationary source or major modification to which R. 336.2810 to R. 336.2818(2) apply shall begin actual construction without a permit to install

³*Interpretation of “Begin Actual Construction” Under the New Source Review Preconstruction Permitting Regulations*, Anne L. Idal, March 25, 2020. In pertinent part, the draft guidance states: “Under EPA’s revised interpretation, a source owner or operator may, prior to obtaining an NSR permit, undertake physical on-site activities – including activities that may be costly, that may significantly alter the site, and/or are permanent in nature – provided that those activities do not constitute physical construction on an emissions unit, as the term is defined in 40 CFR § 52.21(b)(7). Further, under this revised interpretation, an “installation necessary to accommodate” the emissions unit at issue is not considered part of that emissions unit, and those construction activities that may involve such “accommodating installations” may be undertaken in advance of the source owner or operator obtaining a major NSR permit.”

⁴It is also important to note that the construction of the building and foundations was conducted pursuant to PTI 133-19, which was issued on March 4, 2020. That permit authorized construction of this project, which under that permit included one additional boiler. As AQD is aware, it is common for permittees, such as GPI, to construct additional space, including foundations, for future expansions. That is allowed under the permit previously issued. This is an additional reason why GPI was not in violation of Rule 201 or 802.

issued under R. 336.1201(1)(a) that states that the major stationary source or major modification will meet those requirements.

As AQD is aware, the Part 18 Rules were adopted in 2006 to implement the Prevention of Significant Deterioration (“PSD”) requirements of the federal Clean Air Act. As a consequence, Rule 1802(3) includes terms defined within Part 18 that mirror definitions within federal PSD rules at 40 CFR Part 51 and Part 52. Such terms should be construed and applied consistent with federal guidance and federal court decisions addressing PSD.

Under both Part 18 and the federal PSD rules, “major stationary source” and “major modification” have the same meaning. Also, both Part 18 and the federal PSD rules operate to apply PSD requirements to a “project” (a physical change in or change in method of operation of an existing major source) that will result in a major modification. As the Sixth Circuit recognized in *United States v DTE Energy*, Case No. 14-2274/2275 (January 10, 2017), under PSD provisions it is the obligation of a source to make a pre-construction determination of whether the project, as defined by the source, will be a major modification. If it is not, PSD does not preclude initiating construction without a PSD permit. Subsequent EPA guidance makes clear that project emission accounting is a calculation that an owner/operator of a source conducts prior to beginning construction to determine the applicability of PSD requirements to the project that the owner/operator is proposing to undertake⁵.

Under GPI’s application for PTI 133-19 and its application for PTI 133-19A, GPI defined the project as a minor NSR project, not subject to PSD pre-construction permitting requirements. AQD also recognized that GPI was only proposing a minor NSR project in the public participation materials made available during the comment periods for both PTI 133-19 and 133-19A on December 17, 2019 and September 10, 2020. AQD has no basis to assert that GPI transgressed the prohibitions of Rule 1802(3) where GPI defined the project as minor and AQD also recognized the project as minor.

The State of Michigan and the greater Kalamazoo community will benefit greatly from the modifications that GPI has elected to make at its Kalamazoo facility. As EGLE is aware, the modifications are part of a project to expand the capacity of GPI’s operations, making it the largest paperboard facility in North America using recycled paperboard as feed stock. GPI could have made other states and communities the beneficiaries of a capital investment that will assure continued employment and other economic benefits within the host community.

From the outset of engagement with AQD on permitting this project in a June 2019 pre-application meeting, GPI was candid with the time sensitivity of the project. As should be obvious, projects of this magnitude have complex construction schedules and materials and equipment lead times that must be coordinated. GPI, and any other similarly situated companies, must make assumptions regarding how long the permitting process will take and predicate

⁵*Project Emissions Accounting Under the New Source Review Preconstruction Permitting Program*, E. Scott Pruitt, March 13, 2018.

construction schedules and equipment delivery dates on these assumptions. The alternative is to delay beginning any construction activity until a permit is in hand even where the installation or operation of identified emission units may be months to more than a year after construction initiated. Such delays can be fatal to a project⁶.

AQD should recognize that attempting to apply the prohibitions of Rule 201 or Rule 1802(3) now to the context of GPI's project in Kalamazoo sends a chilling message to companies that consider undertaking reinvestment in Michigan's manufacturing base. The message GPI believes is being communicated is that the State of Michigan will seek to expansively apply its minor NSR construction permitting requirements so as to assert violations for any construction activity without a permit that is arguably related to an eventual emission unit even where there is no reason to believe the source is attempting to circumvent the permitting process and there is no material concern that an actual emission unit will be installed and made operational without a valid permit in hand. This is simply bad policy that can negatively affect investment decision-making and unnecessarily delay beneficial capital projects.

Sincerely,



John V. Byl
Partner



Steven C. Kohl
Partner

SCK/sck
21002282

⁶AQD should recognize that the regulated community's desire to avoid PSD requirements is in part due to the delay required in initiating much of the project until a permit is issued authorizing construction of a major source or major modification.

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Appendix A

interoffice memo

Date: 10-9-2020

To: Jim Cornell, Wastewater Division Manager

From: Mike Buzzo, Treatment Control Supervisor

RE: Notes from the October 8, 2020 Odor Task Force Meeting at 3:30 PM.

Introductions. Attendees: **John Curan**, from Senator Sean McCann's Office; **Monica Brothers**, Michigan EGLE; Graphics Packaging: **Rich Townley, Donald Krug, and Gregg Lanternier**; Environmental Concerns Committee: **Aaron Wright**; City of Kalamazoo: **Jim Cornell, Ryan Stoughton, Ron Janssen, and Mike Buzzo**. (10 total attendees). My apologies if I missed anyone.

The WebEx meeting began promptly at 3:30 PM. Our last meeting was September 28, 2020, at 3:30 PM. Our next meeting will be at 3:30 PM on November 18, 2020. Another meeting is scheduled for 3:30 PM on December 16, 2020.

Graphics Packaging International- Mr. Rich Townley indicated that their environmental consultant, RK and Associates, is wrapping up a study it's doing in conjunction with EGLE. The data collection is finished and being sent to EGLE now. That final report should be submitted by November 3, 2020. After that, a Nuisance Minimization Plan will also be submitted to EGLE.

He also gave an update of recent activities at GPI relating to their new Envirosuite odor monitoring system. They have completed the installation of their first 10 sensors. Rich showed us a map/overhead photo of the Envirosuite sensor locations currently on their property as of 10/8/2020. GPI has also ordered 6 more sensors to add and expand to the system in the future. They are also still exploring the possibilities of tying other sensors of different manufacture into the system.

GPI is using hydrogen peroxide (H₂O₂) for odor control in their plant. They are currently actively experimenting with finding the most effective locations for the H₂O₂ feed points.

City of Kalamazoo- Biofilter- Mr. Ryan Stoughton discussed the Biofilter Project status. Approval was received from the Tree Committee to remove a few trees in the area of the parking lot where the biofilter will be located, in order to facilitate full access to the biofilter. New trees will be planted to replace those few trees removed. Application paperwork is underway regarding the Natural Features Protection Zone. That will be completed and submitted by October 31, 2020. The Site Plan Review process should be completed by early to mid-November. We will be working with the State on the Wetlands Delineation process, as well. Starting next week, there will be a survey crew on-site to do a property boundary survey. Also, soil boring will be done as a part of the Site Survey starting next Monday. Mr. Wright asked how many trees will be removed, how many planted, and where will they be planted. Mr. Stoughton said it won't be many, just a few to allow proper access to all sides of the

filter to allow proper maintenance and operation of the biofilter. The biofilter structure will be located in the East parking lot of the Kalamazoo Water Reclamation Plant. New trees will be planted at the ratio of 2 new trees for every 1 tree removed. So, for example, if 8 trees are removed, 16 new ones will be planted. Location of the planting will be up to the tree committee, but would be somewhere in the local area.

City of Kalamazoo- Air sampling study- A study is planned to do sampling at 6 sewer locations that will be supplying the air to the biofilter. This will be for roughly a 4-week period. Hydrogen sulfide sensors will be used to continuously log H₂S levels at each site. In addition, for a one-week period, VOC sensors will be used to take composite samples to analyze multiple volatile organic compounds 24 hours a day. Thirdly, there will be instantaneous grab samples taken on Monday, Wednesday, and Friday of the same one week period, also for VOCs, reduced sulfur compounds, and other odiferous compounds. This exact same sampling plan will also be performed at our 6 community sampling sites that are out in the neighborhoods near the site. This sampling plan is being developed by the engineering firm of Jones and Henry, in conjunction with the City of Kalamazoo. In addition, the sampling plan has been sent to the MDHHS (Michigan Department of Health and Human Services), and will be modified and adapted based on their recommendations. Jones and Henry Engineering is also designing the biofilter.

The meeting ended at approximately 4:15 PM.

Thank you,
Mike Buzzo.

Appendix B

interoffice memo

Date: 11-20-2020

To: Jim Cornell, Wastewater Division Manager

From: Mike Buzzo, Treatment Control Supervisor

RE: **Revised** notes from the November 18, 2020 Odor Task Force Meeting at 3:30 PM.

Introductions/Attendees: **Senator Sean McCann; Monica Brothers**, from Michigan EGLE; **Rich Townley, Donald Krug, Tom Olstad, and Gregg Lanternier**, from Graphics Packaging; **Aaron Wright**, of the Environmental Concerns Committee; **Jim Cornell, Ryan Stoughton, Ron Janssen, Steve Rochow, and Mike Buzzo**, from the City of Kalamazoo. (12 total attendees). My apologies if I missed anyone.

The WebEx meeting began promptly at 3:30 PM. Our last meeting was October 8, 2020, at 3:30 PM. Our next meeting is scheduled for 3:30 PM on December 16, 2020.

Graphics Packaging International- Mr. Rich Townley indicated that their environmental consultant, RK and Associates, has finished their odor study, and the results have been submitted to EGLE, and that a copy of that is available online at:
https://www.michigan.gov/documents/egle/egle-aqd-gpi-odor_investigation_plan_2020-07-06_701085_7.pdf

He also gave an update of continuing activities at GPI to evaluate plant process areas where odor mitigation activities can be, and are currently being done. Their new construction is progressing smoothly, and they should soon have the new buildings enclosed and heated for the continued construction over the winter.

They are on track to give the City Council a scheduled quarterly update before the end of December.

They continue to operate the EnviroSuite system, and are refining and fine tuning it. They have had a few more issues with a couple of sensors, and will probably be installing another weather station to help with accuracy and reliability.

City of Kalamazoo- Biofilter Progress Status- Mr. Ryan Stoughton discussed the Biofilter Project. The City has air sampled the 6 interceptor sewers involved, and is currently awaiting test results from a contract lab on those. The Pre-Site Plan has been completed. Progressing with a design to fulfill the Site Plan Requirements. The sampling data, when received from the contract lab, will be supplied to the vendor companies of biofilter systems for their use.

City of Kalamazoo- Community air sampling study- The field sampling is complete and have been submitted to a contract lab for analysis. However, we are still awaiting the final laboratory results. There was a delay in the original completion schedule, due to a change at the contract lab, but we expect a report draft in the next few weeks.

City of Kalamazoo- EnviroSuite System- Mr. Jim Cornell gave an update on the City's EnviroSuite odor monitoring system. A purchase order has been issued for another year of leasing the Envirosuite equipment. A pre-installation meeting was held. We are adding 3 new sensors out in the community to expand the system. Within the next couple of weeks, we will be receiving those new sensors, and all of the other sensors will be changed out for new models, as well.

City of Kalamazoo- Odor treatment chemical trial- The City will be conducting a pilot trial project with the KML company, using some of their products in order to, hopefully, break down grease, scum, and other tough to treat odiferous substances in certain areas of the treatment plant. May have to repeat this trial again in the spring, since the weather will be getting much colder very soon.

City of Kalamazoo- Carbon scrubber units update- The new carbon scrubber unit located at the Solids Handling Facility (SHF) Building was completed and put into service. The ductwork on the other units will have to wait until warmer weather in the spring to allow for the proper curing of the resin used to glue the fiberglass duct pipes together. The smaller scrubber unit that was replaced at the SHF location will be repurposed and used to control odors from the recycle wetwell area, again, probably not until the spring due to low temperatures.

The meeting ended at approximately 4:20 PM.

Our next meeting is scheduled for December 16, 2020, at 3:30 PM.

Thank you,
Mike Buzzo.

Appendix C

Interoffice Memo

Meeting Date: December 16th, 2020
To: Jim Cornell, Wastewater Division Manager
From: Brian Stygar, **Wastewater** Operator
RE: Meeting Minutes for the December 16th, 2020 Odor Task Force Meeting at 3:30 PM

Introductions/Attendees: **John Curran**, from Senator Sean McCann's Office; **Monica Brothers**, from Michigan EGLE; **Tom Olstad, Rich Townley, Donald Krug, and Gregg Lanternier**, from Graphic Packaging International, LLC; **Aaron Wright, and Scott Schmidt**, of the Environmental Concerns Committee; **Aaron Davenport, and Alexis Kontorosis**, from Jones and Henry, Ltd; **Jim Cornell, Ryan Stoughton, Ron Janssen, and Brian Stygar**, from the City of Kalamazoo. (13 total attendees). My apologies if I missed anyone.

The WebEx meeting began promptly at 3:30 PM. The last meeting was November 18th, 2020, at 3:30 PM. The next meeting is planned to be scheduled after the new year in January. Anticipate an email to find a time for the next meeting that will best accommodate everyone.

Graphic Packaging International

- Construction is on schedule for startup of the recycle plant late in the first quarter of 2021. The paper machine is also on track for completion by the end of 2021. Mr. Rich Townley informed that the building is enclosed and heated for where the paper machine is being built. The stock recycle building off Harrison Street is to be fully enclosed by end of January, 2021.
- The permit to install, application No. 133-19A was approved by EGLE on November 24th, 2020.
- Graphic Packaging International, LLC (GPI) is still working on optimizing their odor management process. The original oxidizer in use at their wastewater treatment plant has since been replaced with different oxidizer, peroxide is being used as the current oxidizer.
- GPI has moved on to using an industrial grade (34%) peroxide system inside the mill to help with odors. They have also done work on microbiological treatment to improve what is sent to the wastewater treatment plant. The peroxide system has been online since late September of this year. The peroxide system is being fed to the wet well prior to the clarifier at a modulating rate of one-half to one gallon per minute.

- Hope to know soon how the peroxide system will affect the hydrogen sulfide production and reduce the odors around the plant. The Envirosuite system will be used to monitor and detect any odors.
- GPI has ordered and expects delivery of an oxygen injection system within the next few weeks. This will be used in an effort to find the best oxidizing system for their wastewater treatment plant. The system is expected to be commissioned for use by the end of the first quarter of 2021.
- The hydrogen peroxide system will continue to be used and GPI will evaluate the oxygen injection system and determine which is the better choice.
- GPI will submit EGLE with the Nuisance Minimization Plan for Odors no later than January 1st, 2021.
- The Envirosuite system is being used to do cross correlations between analyzers and the system itself to monitor the accuracy of these sensors. In order to continue monitoring odors GPI has ordered six new Envirosuite sensors to add to the existing odor detection system. This will increase the total sensor count to 16. Sensors are expected to be delivered mid January 2021. GPI is continuing to gather raw Envirosuite data and will be prepared to share that information as the mill builds confidence in the reliability of the Envirosuite system.
- In order to monitor the impact the peroxide system is having as an oxidizer and on hydrogen sulfide production two parameters are being closely monitored by GPI. These two parameters are oxidation reduction potential and dissolved oxygen. These same parameters will be used to monitor the new oxygen injection system.
- GPI is looking into buying a more sensitive handheld unit to accurately measure hydrogen sulfide and use it to verify Envirosuite sensors that may require or warrant verification.
- Envirosuite sensors monitor several gasses in addition to hydrogen sulfide. The output value from the sensors is the combined total of these gasses.

City of Kalamazoo - Biofilter Progress Status

- Ryan Stoughton of the City of Kalamazoo is working with industry experts on the Biofilter Project. Work is continuing to be done with their expertise and background in this field. The project is on track with PO(s) anticipated shortly in the coming weeks and the finalized design in the coming quarter.
- Groundbreaking is expected to begin once construction season allows again.

City of Kalamazoo – Point Source Odor Treatment

- One (1) of the four (4) installed point source odor treatment carbon scrubbers has been commissioned. The commissioned unit is the upgraded replacement to a previously installed undersized unit.
- The remaining three (3) carbon scrubbers are to be commissioned once weather allows in the late Q1 / early Q2 2021.
- The remaining three (3) point source generators are currently using existing means and methods of odor treatment.

City of Kalamazoo - Air Sampling Report

- KWRP Biofiltration Odor Control and Mitigation report has just recently been completed with the help of Jones and Henry. This report is still in draft form and is to be completed for commission in January 2021.
- Odors were logged from six locations in the sewer system and six locations throughout the local community using odor loggers, vacuum canisters, and Envirosuite sensors.
- Data has yet to be compared from the Envirosuite sensors and odor loggers. This data has just been released and there is a lot to process and review.
- Three of the odor loggers within the local community were placed next to Envirosuite sensors. This will allow for a comparison of the two systems.
- Vacuum canisters were used as samplers to provide additional minimum detection values. The sensitivity of this equipment is ideal to test for reduced sulfur compounds.
- The canisters allowed for testing of multiple reduced sulfur compounds, volatile organic compounds and ammonia over a 24-hour sampling period.
- The data collected is specifically used by the manufacturers of the biofiltration systems and is requested in order to help design and size the equipment.

Odor Task Force - City of Kalamazoo / GPI Quarterly City Commission Report, Q4 2020

- Report is currently being drafted to include all information GPI has supplied, meeting minutes, Envirosuite data and a previous Jones and Henry report from the fall of 2019.
- GPI will wait one more quarter to provide Envirosuite sensor logs till sufficient data has been collected to share.

The meeting ended at 4:35 PM.

Happy holidays to everyone.

The next meeting is set to be planned after the new year sometime in late January or early February 2021. Expect an email to find a date and time that can best accommodate everyone.

Appendix Q

**City of Kalamazoo
TREE COMMITTEE
Minutes
October 6, 2020**

Zoom Webinar

Members

Present: Anthony Ladd, Public Works Division Manager, COK
Brian LaBelle, Forester, COK
Deborah Nichols, Forester, Consumers Energy
Steve Skalski, Asst City Engineer, Water Dept., COK
Brian Vogl, Forester, Consumers Energy

City Staff: Karen Rutherford, Recording Secretary

Guests: Aaron Davenport, Jones & Henry Engineers
Dave Engerer, Resident
Tom Koporetz, Process Control Engineer, COK
Alexis Kontorosis, Jones & Henry Engineers
Ryan Stoughton, Assistant City Engineer, COK

A. ALL TO ORDER

Committee Chair Ladd called the Zoom Webinar meeting to order at 2:00 p.m.

B. ROLL CALL

Committee Chair Ladd completed roll call and determined the aforementioned members were present.

C. INTRODUCTION OF GUESTS

Committee Chair Ladd introduced guest:

- Aaron Davenport, Jones & Henry Engineers
- Dave Engerer, Resident
- Tom Koporetz, Process Control Engineer, COK
- Alexis Kontorosis, Jones & Henry Engineers
- Ryan Stoughton, Assistant City Engineer, COK

D. APPROVAL OF AGENDA

By unanimous consent the Committee adopted its meeting agenda as presented.

E. APPROVAL OF MINUTES (September 8 , 2020)

Committee Member Skalski supported by Committee Member LaBelle moved approval of the September 8, 2020 Tree Committee Minutes. With a voice vote, the motion carried unanimously.

F. NEW BUSINESS

Blakeslee Tank – Tree Removals

Committee Chair Ladd opened discussion for the Blakeslee Tank tree removals.

Committee Member Skalski stated they need to remove two trees. Pictures of the trees that need removed were screen shared for the Committee to see. Both trees interfere with the radio communication for water pumping and storage facility. They use high speed radio to communicate from their site. The radio is mounted on a pole at the site.

Mr. Tom Koporetz explained the shed that sets between the two trees goes down two stories below grade. The grass area is the soil covering for a seven and a half million-gallon tank of water. The antenna on the shed is a temporary unit that talks to a tank about a quarter of a mile away. That tank will be de-commissions as far as communication goes. There's temporary pole to the right of the shed that needs to be raised about fifteen feet to be able to talk to another water tank that is near Drake Road and Rt. 131. The pole would be in the branches of the tree after being raised fifteen feet. The second tree to the west is in the direct communication path to the other tank as well. The trees need to be removed so they can effectively communicate to the SCADA system and water distribution.

Committee Member Skalski stated the trees are setting on top of the tanks that are about two feet below the surface. They have had cracks develop on top of the tanks which had to be repaired not far from this location. The trees are probably contributing to the cracks.

Mr. Koporetz explained the Blakeslee tank is a major part of the water infrastructure. They need to know what level of liquid is in the tank. The communication infrastructure is needed to be able to talk to the tank at Drake Road and Rt. 131. With Dartmouth tank being eliminated, they have to communicate to a different tank.

Committee Chair Ladd stated replanting at Blakeslee Tank is not feasible but there are other areas in which to plant replacement trees.

Committee Member Skalski supported by Committee Member LaBelle, made a motion to approve the removals of the trees with replanting of eight trees at a nearby water station site. With a voice vote, the motion carried unanimously.

1415 N. Harrison St. – KWRP Biofilter – Tree Removals

Committee Chair Ladd opened discussion for the tree removals at 1415 N. Harrison St. – KWRP Biofilter.

Mr. Ryan Stoughton stated 1415 N. Harrison St. is the City owned Wastewater Treatment Plant. They are constructing an odor and gas withdraw biofilter system. Any gases and odors that are generated within their sewer network that are connected to their plant can be treated before being exhausted. The location where they are building the infrastructure has

trees on it that need to be removed.

Committee Chair Ladd asked how many trees needed to be removed and their size and condition. There are six or seven 14"-18" diameter sycamore trees and three to four 14"-18" silver maples. The rest are 6" brush. There is a white pine that is dying that needs to be removed.

Mr. Stoughton stated the time frame for clearing and sitework needs done before snowfall comes. He noted given the nature of the underground sewer system, this is the best area to build the infrastructure on.

Committee Member LaBelle suggest replanting be two for one. Committee Member Skalski agreed with Committee Member LaBelle. A discussion followed.

Mr. Stoughton stated they are looking to remove 10 trees for the benefit of improving air quality.

Committee Member Skalski supported by Committee Member LaBelle, made a motion to remove the 10 trees and replace with 20 trees at a location to be determined at a later time, with the approval of Wastewater and Arborist. With a voice vote, the motion carried unanimously.

Winchell Citizen Planting Project

Committee Chair Ladd opened discussion for the Winchell Citizen Planting Project.

Committee Member LaBelle stated Rebeca Dale is going to pay for trees to be planted, with gater bags, in the Winchell Neighborhood. A document indicating location and species was screen shared for the Committee to see. Committee Member LaBelle stated he is working with Ben from Mulders Nursery. Mulders will be planting the trees. Brian walked the sites with Ms. Dale to help her pick the right tree for the right space.

Committee Member LaBelle stated they want to start planting right of way, before winter.

Committee Chair Ladd asked Committee Chair LaBelle if he was able to provide the necessary documents on procedures, references, City policies, MDOT specifications, etc. in our tree planting project for bid. Committee Member LaBelle responded yes. Committee Member LaBelle stated Mulders Nursery will be doing initial maintenance and Ms. Dale will be watering the trees.

Committee Member LaBelle supported by Committee Member Nichols, made a motion to allow the plantings. With a voice vote, the motion carried unanimously.

G. OLD BUSINESS

418 Stuart Ave. – Tree Removal

Committee Chair Ladd opened discussion for the tree removal at 418 Stuart Ave.

Committee Chair Ladd stated at last month's meeting there was presented a large tree in the curb lawn causing issues with Mr. Dave Engerer's home and his neighbor's home. A motion was made for an on-site visit to see if there was enough space for two new plantings in the curb lawn between his property and his neighbor's property. Committee Chair Ladd stated Committee Member LaBelle and himself made several visits to the site over the last few weeks. They came to an agreement for two large species planting locations in the curb lawn.

Committee Member LaBelle stated he is not in favor of removing the tree. The existing tree is probably over 130 years old and two new trees do not equal the value of the existing tree. He stated this is not an equal replacement.

Mr. Dave Engerer stated they have had many issues with the tree. He noted several branches have fallen that are both live and dead causing damage to the home. There is potential for a limb to fall on a person. Moss is growing on the roof and on his neighbor's roof. They have significant damage to the porch. The front of the home does not get sun causing a lot of rot. It's an historical home and the cost to maintain the home is significant. When it rains it stays wet for days and the gutters stay clogged.

Committee Chair Ladd screen shared photos of the tree given to the Committee last month noting the curb lawn space in front of the Mr. Engerer's home and his neighbor's home. He also noted some of the concern is how far the tree leans over the house. Committee Member LaBelle stated the City completed work orders for trimming and they did corrective pruning due to some illegal pruning done previously. A discussion followed.

Committee Member Nichols asked why an historic tree is valued less than an historic house. As trees age they drop branches. It's an historic tree and the size and amount of the coverage it provides for the City is critical. Two smaller trees do not equal the value of this tree to the City. Mrs. Engerer stated the tree is a liability to their home. The tree is a threat to their home and the neighbors.

Committee Member LaBelle stated they have removed branches to mitigate a hazard to the community, but any tree has a risk and hazard to it. As a tree grows and gets bigger, they pose a greater risk. He stated there is little risk with this tree, there is no dead wood in the crown, he saw now rot or ant/termite damage, and it does not have black tar fungus. The tree is doing well considering its age and species.

Committee Member Committee Nichols stated there are no power lines above the tree and it is nice that we have this area where we can have a large tree.

Committee Member Vogl stated he understands the homeowners concern but also realizes the value of protecting an historical tree.

Committee Member Nichols suggested they hire a third-party Arborist, who has gone through the evaluation training through ASM, to do an evaluation of the tree to determine

the value of the tree in its current condition. This is something the homeowner would need if he were to go to court. The evaluation would include age and size of the tree, location, health of the tree, species, and measuring the benefit of what the tree is to the City.

Committee Member Nichols supported by Committee Member LaBelle, made a motion for the home owner to hire a certified Arborist to get an evaluation of the tree to determine the value of the tree. The homeowner would pay for the cost of hiring an Arborist, pay to the City the determined value of the tree, and for the removal of the tree. With a voice vote, the motion carried unanimously.

Committee Chair Ladd stated once Mr. Engerer has obtained this information, he can contact Brian LaBelle or himself to bring it before the Committee again.

Bank Street Realignment Project – Tree Species

Committee Chair Ladd stated this is still in the design phase and he does not have an update at this time. They are still committed to picking the appropriate tree species and planting as many tree species for this site.

H. PUBLIC COMMENT

None.

I. COMMITTEE COMMENTS

Committee Chair Ladd stated he and Committee Member LaBelle are planning a meeting in November to discuss policy and procedures of the Tree Committee.

J. ADJOURNMENT

Committee Member LaBelle supported by Committee Member Ladd, made a motion to adjourn the Tree Committee meeting. With a voice vote, the motion carried unanimously. The meeting was adjourned at 3:22 p.m.

Submitted by: Karen Ruthford Date: 12-3-2020
Recording Secretary

Approved by: [Signature] Date: 12/3/2020
Staff Liaison

Appendix R



Minutes
Natural Features Protection Review Board
October 27, 2020
Regular Meeting

Held virtually via Zoom Video Conference

4:00 p.m.

A. Called to Order at 4:01 p.m.

B. Roll Call and Excuse Absent Members

Directors present: Ashley Cole-Wick, Erin Fuller, Mitch Lettow, Paul MacNellis, Kyle Martin, Alan Sylvester

Directors absent: Bobby Glasser

Director Fuller made a motion to excuse absent members, supported by Director MacNellis. Motion approved unanimously by voice vote.

C. Adoption of Agenda

Director Fuller made a motion to approve the agenda as presented, supported by Director MacNellis. Motion approved unanimously by voice vote.

D. Approval of Meeting Minutes from September 29, 2020

Director MacNellis made a motion to approve the meeting minutes from the September 29 meeting, supported by Director Sylvester. Motion approved unanimously by voice vote.

E. New Business

1. Public hearing for a variance request at 500 Golden Drive for relief from the NFP native plant standard.

Staff and applicant presentation:

Jamie McCarthy, staff liaison introduced the project and provided background, stating the project is part of the IL center at Heritage Community of Kalamazoo and is breaking ground this fall. According to Jay Prince, Executive Director, the gardens are considered essential to the project for healthy living of the residents. Mark Robinson, landscape architect for the project explained the project is looking for a variety of plants more than native-only plants can offer. He explained the rationale for selection of a limited number of non-native plants, including species most tolerant of salt around the drives. Several plants were selected for ground cover or shading, and other vegetation and ground cover was selected to ensure most robust plants.

Director MacNellis asked Mr. Robinson about the *Thuja* request, which was selected to provide screening to the neighborhood to the south. Director Lettow asked Mr. Robinson why cultivars



are selected and whether it was for practical purposes, aesthetics, or supply chain issues. Mr. Robinson said it was a practical matter and due to supply chain issues.

Director Fuller asked if the percentage of native versus non-native plants in the request is based on area coverage or species number. Mr. Robinson explained that it is the individual plant numbers.

Director Martin asked about pachysandra and mentioned it's listed by USDA as invasive. He stated that he has noticed this same tendency here locally. He asked if there's an alternative. Mr. Robinson noted this landscape bed has well defined borders of turf grass and should limit the risk of unwanted spread.

Director Lettow told the board he checked the MISIN website and none of the non-native plants were listed as invasive. He was pleased with the diversity of the planting. Director MacNellis said he's pleased with extend of plantings and wanted to know if they have professional landscaping services to be sure to it is well maintained over time. Mr. Prince stating the organization employs full-time grounds staff to maintain landscaping.

Public comments: None

Discussion: Director MacNellis stated that he was in support of the request for relief due to the consideration and planning that went into the landscape plan. He indicated his vote was not meant to set a precedence for granting variances, as he would consider each on a case-by-case basis in the future.

Director MacNellis made a motion to approve a recommendation to the Zoning Board of Appeals to grant a variance request at 500 Golden Drive for relief from the NFP native plant standard for a portion of a garden project planned in connection with the new construction of an independent living center. The motion was supported by Director Martin. The motion was approved unanimously by roll call vote.

2. Approval of the Natural Features Protection Site Plan for a bio-scrubber construction project located at 1415 Harrison Street.

Ms. McCarthy introduced the project and applicant, which is the City of Kalamazoo. The project involves building a bioscrubber and associated infrastructure to abate odor concerns at the Kalamazoo Water Reclamation Plant. Ryan Stoughton, manager and engineer on the project explained the purpose of the bio-scrubber, proposed location, and work to be performed.

Director Cole-Wick asked about whether work would be done at the Kalamazoo River bank or within the river channel. Mr. Stoughton said work would be setback from the river's edge by at least 25 feet or more. Director Cole-Wick noted the concern over rare species would likely only be aquatic species in the river, so she was not concerned about impacts.

Mr. Stoughton stated that the City has been working with EGLE to determine if wetlands are present in or along the Kalamazoo River in this location. EGLE indicated a wetland determination was not required as no wetlands were evident during a recent site visit. Ms. McCarthy recommended this documentation be shared with staff for the file.



Director Fuller asked about the tree removal that was noted on the NFP application. Mr. Stoughton stated he is working with the City Forestry Supervisor and will provide an exact species list with DBH for each. Director Fuller requested staff work with Mr. Stoughton to confirm the replacement plantings meet the NFP requirements. Mr. Stoughton has been working with the City's Tree Committee since the City's tree ordinance also applies to this site.

Director Fuller made a motion to approve the Natural Features Protection Site Plan for a bio-scrubber construction project located at 1415 Harrison Street, conditional on receipt of the MNFI letter and trees species replanting list. The motion was supported by Director Lettow. The motion was approved unanimously by roll call vote.

3. Approval of the Natural Features Protection Site Plan for an accessible trail construction project located at 3401 Nazareth Drive.

Ms. McCarthy introduced Mitch Lettow as representing the Southwest Michigan Land Conservancy (SWMLC) as project manager of the *Bow in the Clouds* project. Mr. Lettow states his conflict of interest and will abstain from voting on the approval. Mr. Lettow discussed the project in terms of the natural features present on the site. He explained that the project is construction pervious trails which are allowable within wetland setback areas per the code. Mr. Lettow described how the woodland standard was applied and that it is being met by removing only 17 trees, mostly Syberian Elm and Box Elder. In lieu of an MNFI rare species review, SMWLC has an agreement with USFWS to perform rare and endangered species review for their work. Mr. Lettow explained how the Project will manage for Massasauga Rattlesnake in their inactive season.

Director Fuller made a motion to approve the Natural Features Protection Site Plan for an accessible trail construction project located at 3401 Nazareth Drive (Bow in the Clouds Preserve). Motion was supported by Director MacNellis. Director Lettow abstained from voting and the motion was approved unanimously by roll call vote.

F. Old Business

Ms. McCarthy gave an update on the progress of NFP Phase 2. The City mailed notice letters to 6,200 addresses/taxpayers. The City has received many inquiries, mostly requesting more information. There are a few property owners who are objecting to the re-zoning on their properties. At this time staff would not recommend these parcels be removed since they have natural features located on the property or are located within setbacks. Director Fuller asked about a factsheet, and Ms. McCarthy noted that one exists on the website. Director Fuller and other members suggested adding a link from Phase 1 website to the Phase 2 website and make the FAQ sheet more visible. Map and text amendments will go to the PC on 11/5 and then two meetings of the CC; if approved board will have new map in effect early 2021.

G. Board Comments

Lettow asked about how a resident would be impacted by NFP standards. McCarthy explained that all property owners are beholden to following the rules, regardless if a permit or other special permission is necessary. She explained what type of projects



require site plan and board approval and which are done administratively. She suggested the board consider this list of project types again in early 2021 if the board is faced with many more applications with expansion of the map. The board might consider creating a project flowchart to help determine the appropriate level of review.

Mr. Lettow also asked the board about their comfort level with cultivar native species and whether it met the intent of NFP. McCarthy mentioned that in the proposed text amendments the use of natives by right was being removed and that the board would have the authority to approve such uses during regular NFP project review and approval.

H. Citizen Comments

Mr. Richard Stewart of the Southtown Neighborhood called in to confirm that parcels between Stockbridge and Lake Streets have been added to the proposed expansion of the NFP Overlay District. Ms. McCarthy said these parcels have been added. Director Sylvester mentioned he's familiar with the project at that location and the concerns the neighbors have about development. Ms. McCarthy will be sure to communicate what NFP can and cannot do for protection since the ordinance does not prohibit development. She also mentioned that a site plan was already approved for the project before being added to the NFP Overlay District.

L. Adjourned meeting at 5:51 p.m.

Signature, Board Chair

Signature, Recording Secretary

Appendix S

Mr. Tyler Kindle, P.E. – Project Engineer
Jones & Henry Engineers, Inc.
4791 Campus Drive
Kalamazoo, MI 49008
(269) 353-9650

October 20, 2020

**Re: Rare Species Review #2743 – City of Kalamazoo Water Reclamation Plant Project,
Kalamazoo County, MI (T02S R11W S10)**

Mr. Kindle:

The location for the proposed project was checked against known localities for rare species and unique natural features, which are recorded in the Michigan Natural Features Inventory (MNFI) natural heritage database. This continuously updated database is a comprehensive source of existing data on Michigan's endangered, threatened, or otherwise significant plant and animal species, natural plant communities, and other natural features. Records in the database indicate that a qualified observer has documented the presence of special natural features. The absence of records in the database for a particular site may mean that the site has not been surveyed. The only way to obtain a definitive statement on the status of natural features is to have a competent biologist perform a complete field survey.

Under Act 451 of 1994, the Natural Resources and Environmental Protection Act, Part 365, Endangered Species Protection, “a person shall not take, possess, transport, ...fish, plants, and wildlife indigenous to the state and determined to be endangered or threatened,” unless first receiving an Endangered Species Permit from the Michigan Department of Natural Resources (MDNR), Wildlife Division. Responsibility to protect endangered and threatened species is not limited to the lists below. Other species may be present that have not been recorded in the database.



MSU EXTENSION

**Michigan Natural
Features Inventory**

PO Box 13036
Lansing MI 48901

(517) 284-6200
Fax (517) 373-9566

mnfi.anr.msu.edu

Several at-risk species have been documented within 1.5-miles of the project location and **it is possible that negative impacts will occur**. Keep in mind that MNFI cannot fully evaluate this project without visiting the project site. MNFI offers several levels of [Rare Species Reviews](#), including field surveys which I would be happy to discuss with you.

Sincerely,

Michael A. Sanders

Michael A. Sanders
Environmental Review Specialist/Zoologist
Michigan Natural Features Inventory

SU is an affirmative-

Comments for Rare Species Review #2743: It is important to note that it is the applicant's responsibility to comply with both state and federal threatened and endangered species legislation. Therefore, if a state listed species occurs at a project site, and you think you need an endangered species permit please contact: Casey Reitz, Michigan DNR Wildlife Division, 517-284-6210, or ReitzC@michigan.gov. If a federally listed species is involved and, you think a permit is needed, please contact Carrie Tansy, Endangered Species Program, U.S. Fish and Wildlife Service, East Lansing office, 517-351-8375, or Carrie_Tansy@fws.gov.

NOTE: Michigan rivers and streams have been grouped according to existing information of mussel distribution and individual species conservation status. This section of the Kalamazoo River is a Group 1 mussel stream which means that state special concern species are expected to occur here and that certain surveys and possibly relocation procedures apply. I encourage you to read the ***Michigan Freshwater Mussel Survey Protocols and Relocation Procedures*** publication if in-stream work and/or land clearing activities occur that result in streambed disturbance and erosion and sedimentation into the river. A copy of the publication can be accessed at: <https://mnfi.anr.msu.edu/resources/michigan-mussels>

Table 1: Occurrences of threatened & endangered species within 1.5 miles of RSR #2743

ELCAT	SNAME	SCOMNAME	USESA	SPROT	G_RANK	S_RANK	FIRSTOBS	LASTOBS
Animal	<i>Clonophis kirtlandii</i>	Kirtland's snake		E	G2	S1	1879	1879-07-11
Animal	<i>Falco peregrinus</i>	Peregrine falcon		E	G4	S3	2010	2018

Comments for Table 1:

No concerns. Occurrences are Historic and/or far removed from project location.

Table 2: Occurrences of special concern species & other natural features within 1.5 miles of RSR #2743

ELCAT	SNAME	SCOMNAME	USESA	SPROT	G_RANK	S_RANK	FIRSTOBS	LASTOBS
Animal	<i>Lasmsgona costata</i>	Flutedshell		SC	G5	SNR	2000-08-01	2000-08-01
Animal	<i>Pleurobema sintoxia</i>	Round pigtoe		SC	G4G5	S3	2018-08-14	2018-08-14
Animal	<i>Utterbackia imbecillis</i>	Paper pondshell		SC	G5	S2S3	2018-08-14	2018-08-14
Animal	<i>Villosa iris</i>	Rainbow		SC	G5	S3		
Animal	<i>Sphaerium fabale</i>	River fingernail clam		SC	G5	SNR		
Animal	<i>Bombus pensylvanicus</i>	American bumble bee		SC	G3G4	S1	1963-09-04	1963-09-04
Animal	<i>Bombus affinis</i>	Rusty-patched bumble bee	LE	SC	G2	SH	1963-07-25	1975-07-12
Animal	<i>Bombus pensylvanicus</i>	American bumble bee		SC	G3G4	S1	1963-05-30	1965-08-09
Animal	<i>Lithobates palustris</i>	Pickerel frog		SC	G5	S3S4	1911-08-30	1911-08-30
Animal	<i>Bombus auricomus</i>	Black and gold bumble bee		SC	G4G5	S2	1963-08-02	1963-08-02
Animal	<i>Alasmidonta marginata</i>	Elktoe		SC	G4	S3?	2000-07	2018-07-19
Plant	<i>Collinsia verna</i>	Blue-eyed Mary		SC	G5	SNR	1838-08-27	1877-05-06

Comments for Table 2:

NOTE: Several rare freshwater mussels have been documented throughout the project area. Freshwater mussels (*Unionida*) require a fish host to complete their life cycle. Eggs are fertilized and develop into larvae within the gills of the female mussel. These larvae, called glochidia, are released into the water and must attach to a

suitable fish host to survive and transform into the adult mussel. As zebra mussel (*Dreissena polymorpha*) infestation has led to the extirpation of many native mussel communities, boat hulls and trailers, fishing gear and scuba equipment should be thoroughly cleaned before moving between waterbodies, to prevent the spread of zebra mussel larvae and adults.

Please consult MNFI's [Rare Species Explorer](#) for additional information regarding the occurrences in Table 2.

Special concern species and natural communities are not protected under endangered species legislation, but efforts should be taken to minimize any or all impacts. Species classified as special concern are species whose numbers are getting smaller in the state. If these species continue to decline, they would be recommended for reclassification to threatened or endangered status.

Flutedshell – the state special concern flutedshell mussel (*Lasmigona costata*) has been known to occur in the Kalamazoo River. Fluted-shell mussels inhabit medium to large rivers in sand, mud, or fine gravel in areas with slow to moderate flow.

Management and Conservation – threats to the species include water pollution, industrial and residential discharge, siltation, increased water temperatures and non-native species. All projects should implement proper upland managements such as contour farming and other soil erosion control methods.

Round pigtoe - the special concern round pigtoe mussel (*Pleurobema sintoxia*) has been known to occur in the Kalamazoo River. Round pigtoe mussels inhabit medium sized to large rivers. They are found on sand or mud in sparsely vegetated areas with a moderate current. Bluegill (*Lepomis macrochirus*) are believed to be the host fish for round pigtoe.

Management and Conservation - like other mussels, threats include natural flow alterations, siltation, channel disturbance, point and non-point source pollution, and exotic species. Maintenance or establishment of vegetated riparian buffers can help protect mussel habitats from many of their threats. Control of zebra mussels is critical to preserving native mussels. And as with all mussels, protection of their hosts habitat is also crucial.

Paper pondshell – the state special concern paper pondshell mussel (*Utterbackia imbecillis*) has been known to occur in the Kalamazoo River. Paper pondshell is most often observed in lakes, ponds and impoundments with soft mud or sand substrates.

Management and Conservation: as with all species of this group, paper pondshell has been found to be highly vulnerable to chemical pollutants and heavy metals found in many herbicides and pesticides, and in other forms of point and non-point source pollution.

Elktoe - the special concern elktoe mussel (*Alasmodonta marginata*) has been known to occur in the Kalamazoo River. This species is found in clean, clear rivers with gravel or rocky bottoms and swift currents. It is a riffle species, preferring swifter currents over packed sand and gravel substrates. Although fertilization generally occurs in July, the developing glochidia (larval mussels) are held in the gills until the following June, at which time the parasitic glochidia are released and adhere to a fish host. Known host fish include the white sucker (*Catostomus commersoni*), northern hog sucker (*Hypentelium nigricans*), shorthead redhorse (*Moxostoma macrolepidotum*), rockbass (*Ambloplites rupestris*) and warmouth (*Lepomis gulosus*).

Management and Conservation: the elktoe needs clean, fast-flowing water to survive. Therefore, changes to its habitat, such as river impoundment, siltation, and channel disturbances, including dredging, negatively affect this species.

Codes to accompany Tables:

State Protection Status Code Definitions (SPROT)

E: Endangered

T: Threatened

SC: Special concern

Federal Protection Status Code Definitions (USES A)

LE = listed endangered

LT = listed threatened

LELT = partly listed endangered and partly listed threatened

PDL = proposed delist

E(S/A) = endangered based on similarities/appearance

PS = partial status (federally listed in only part of its range)

C = species being considered for federal status

Global Heritage Status Rank Definitions (GRANK)

The priority assigned by [NatureServe](#)'s national office for data collection and protection based upon the element's status throughout its entire world-wide range. Criteria not based only on number of occurrences; other critical factors also apply. Note that ranks are frequently combined.

G1 = critically imperiled globally because of extreme rarity (5 or fewer occurrences range-wide or very few remaining individuals or acres) or because of some factor(s) making it especially vulnerable to extinction.

G2 = imperiled globally because of rarity (6 to 20 occurrences or few remaining individuals or acres) or because of some factor(s) making it very vulnerable to extinction throughout its range.

G3: Either very rare and local throughout its range or found locally (even abundantly at some of its locations) in a restricted range (e.g. a single western state, a physiographic region in the East) or because of other factor(s) making it vulnerable to extinction throughout its range; in terms of occurrences, in the range of 21 to 100.

G4: Apparently secure globally, though it may be quite rare in parts of its range, especially at the periphery.

G5: Demonstrably secure globally, though it may be quite rare in parts of its range, especially at the periphery.

Q: Taxonomy uncertain

State Heritage Status Rank Definitions (SRANK)

The priority assigned by the Michigan Natural Features Inventory for data collection and protection based upon the element's status within the state. Criteria not based only on number of occurrences; other critical factors also apply. Note that ranks are frequently combined.

S1: Critically imperiled in the state because of extreme rarity (5 or fewer occurrences or very few remaining individuals or acres) or because of some factor(s) making it especially vulnerable to extirpation in the state.

S2: Imperiled in state because of rarity (6 to 20 occurrences or few remaining individuals or acres) or because of some factor(s) making it very vulnerable to extirpation from the state.

S3: Rare or uncommon in state (on the order of 21 to 100 occurrences).

S4 = apparently secure in state, with many occurrences.

S5 = demonstrably secure in state and essentially ineradicable under present conditions.

SX = apparently extirpated from state.

Section 7 Comments
Rare Species Review #2743
Jones & Henry Engineers, Inc.
Kalamazoo Water Reclamation Plant
City of Kalamazoo
Kalamazoo County, MI
October 20, 2020

For projects involving Federal funding or a Federal agency authorization

The following information is provided to assist you with Section 7 compliance of the Federal Endangered Species Act (ESA). The ESA directs all Federal agencies "to work to conserve endangered and threatened species. Section 7 of the ESA, called "Interagency Cooperation, is the means by which Federal agencies ensure their actions, including those they authorize or fund, do not jeopardize the existence of any listed species."

This activity falls within the range of five (5) federally listed/proposed species which have been identified by the U.S. Fish and Wildlife Service (USFWS) to occur in Kalamazoo County, Michigan:

Federally Endangered

Indiana bat - there appears to be suitable habitat within the 1.5-mile search buffer. The state and federally endangered Indiana bats (*Myotis sodalis*) are found only in the eastern United States and are typically confined to the southern three tiers of counties in Michigan. Indiana bats that summer in Michigan winter in caves in Indiana and Kentucky. This species forms colonies and forages in riparian and mature floodplain habitats. Nursery roost sites are usually located under loose bark or in hollows of trees near riparian habitat. Indiana bats typically avoid houses or other artificial structures and typically roost underneath loose bark of dead elm, maple and ash trees. Other dead trees used include oak, hickory and cottonwood.

Foraging typically occurs over slow-moving, wooded streams and rivers as well as in the canopy of mature trees. Movements may also extend into the outer edge of the floodplain and to nearby solitary trees. A summer colony's foraging area usually encompasses a stretch of stream over a half-mile in length. Upland areas isolated from floodplains and non-wooded streams are generally avoided.

Management and Conservation: the suggested seasonal tree cutting range for Indiana bat is between October 1 and March 31 (i.e., no cutting April 1-September 30). This applies throughout the Indiana bat range in Michigan.

Mitchell's satyr butterfly – there does not appear to be suitable habitat within the 1.5-mile search buffer. The federally endangered and state endangered Mitchell's satyr butterfly (*Neonympha mitchellii mitchellii*) is restricted to calcareous wetlands known as prairie fens. In Michigan, this habitat is characterized by scattered tamaracks, poison sumac, and dogwood with a ground cover of sedges, shrubby cinquefoil, and a variety of herbaceous species with prairie affinities. Adult Mitchell's satyr butterflies are active two to three weeks each summer, with males emerging before females. Adult flight dates are from mid-June to mid-July. Larvae hibernate near the bottom of a sedge. The larval food plant is thought to be several species of sedge. The caterpillar is green with white stripes.

Management and Conservation: the primary threat to the continued survival of this species is habitat loss and modification. Many of the wetland complexes occupied currently have been altered or drained for agriculture or development. Wetland alteration is responsible for extirpating the single known satyr population in Ohio. Wetland alteration also can lead to invasion by exotic plant species such as glossy buckthorn (*Rhamnus frangula*), purple loosestrife (*Lythrum salicaria*), common buckthorn (*Rhamnus cathartica*), and the common reed (*Phragmites australis*). In addition, landscape-scale processes that may be important for maintaining suitable satyr habitat and/or creating new habitat, such as wildfires, fluctuations in hydrologic regimes, and flooding from beaver (*Castor canadensis*) activity, have been virtually eliminated or altered throughout the species' range.

Snuffbox – there appears to be suitable habitat within 1.5-miles of the project site. The state and federally endangered snuffbox mussel (*Epioblasma triquetra*) inhabits rivers and streams with cobble, gravel, or sand bottoms in swift currents and usually is deeply buried in the substrate. Glochidia, the parasitic larval stage of the mussel, are released from May to mid-July. In Michigan, the only host fish known for snuffbox is the log perch (*Percina caprodes*). In other parts of their range the banded sculpin (*Cottus carolinae*) is also a known host. After completing the parasitic stage and reaching adulthood, snuffbox remain relatively sessile on the river bottom, living between 8-10 years. The best time to survey for snuffbox is April through September.

Conservation and Management: the snuffbox mussel is sensitive to river impoundment, siltation and disturbance, due to its requirement for clean, swift current and relative immobility as an adult. To maintain the current populations in Michigan, rivers need to be protected to reduce silt loading and run-off. Maintaining or establishing vegetated riparian buffers can aid in controlling many of the threats to mussels. Control of zebra mussels is critical to preserving native mussels. And as with all mussels, protection of their hosts habitat is also crucial. Because the life cycle of the snuffbox is inherently linked with that of the logperch in Michigan, conservation and management of this fish species is needed to ensure that of the snuffbox.

Federally Threatened

Northern long-eared bat - Northern long-eared bat (*M. septentrionalis*) numbers in the northeast US have declined up to 99 percent. Loss or degradation of summer habitat, wind turbines, disturbance to hibernacula, predation, and pesticides have contributed to declines in Northern long-eared bat populations. However, no other threat has been as severe to the decline as White-nose Syndrome (WNS). WNS is a fungus that thrives in the cold, damp conditions in caves and mines where bats hibernate. The disease is believed to disrupt the hibernation cycle by causing bats to repeatedly awake thereby depleting vital energy reserves. This species was federally listed in May 2015 primarily due to the threat from WNS.

Although no known hibernacula or roost trees have been documented within 1.5 miles of the project area, this activity occurs within the designated [WNS zone](#) (i.e., within 150 miles of positive counties/districts impacted by WNS). In addition, there appears to be suitable habitat within the buffer. The USFWS has prepared a [dichotomous key](#) to help determine if this action may cause prohibited take of this bat. Please consult the USFWS [Endangered Species Page](#) for more information.

Also called northern bat or northern myotis, this bat is distinguished from other *Myotis* species by its long ears. In Michigan, northern long-eared bats hibernate in abandoned mines and caves in the Upper Peninsula; they also commonly hibernate in the Tippy Dam spillway in Manistee County. This species is a regional migrant with migratory distance largely determined by locations of suitable hibernacula sites.

Northern long-eared bats typically roost and forage in forested areas. During the summer, these bats roost singly or in colonies underneath bark, in cavities or in crevices of both living and dead trees. Roost trees are selected based on the suitability to retain bark or provide cavities or crevices. Common roost trees in southern Lower Michigan include species of ash, elm and maple. Foraging occurs primarily in areas along woodland edges, woodland clearings and over small woodland ponds. Moths, beetles and small flies are common food items. Like all temperate bats this species typically produces only 1-2 young per year.

Management and Conservation: when there are no known roost trees or hibernacula in the project area, we encourage you to conduct tree-cutting activities and prescribed burns in forested areas during October 1 through March 31 when possible, but you are not required by the ESA to do so. When that is not possible, we encourage you to remove trees prior to June 1 or after July 31, as that will help to protect young bats that may be in forested areas but are not yet able to fly.

Eastern massasauga rattlesnake (EMR) – this project falls within Tier 2 EMR habitat as designated by the US Fish & Wildlife Service, which means that there is suitable habitat in the area and the species may occur here. The federally threatened and state special concern eastern massasauga (*Sistrurus catenatus*) is Michigan's only venomous snake and

occurs in a variety of wetland habitats including swamps, wet meadows, marshes, moist grasslands, wet prairies, and floodplain forests. Eastern massasaugas occur throughout the Lower Peninsula but are not found in the Upper Peninsula. Populations in southern Michigan are typically associated with open wetlands, particularly prairie fens, while those in northern Michigan are better known from lowland coniferous forests, such as cedar swamps. These snakes normally overwinter in crayfish or small mammal burrows often close to the groundwater level and emerge in spring as water levels rise. During late spring, these snakes move into adjacent uplands they spend the warmer months foraging in shrubby fields and grasslands in search of mice and voles, their favorite food.

Often described as “shy and sluggish”, these snakes avoid human confrontation and are not prone to strike, preferring to leave the area when they are threatened. However, like any wild animal, they will protect themselves from anything they see as a potential predator. Their short fangs can easily puncture skin and they do possess potent venom. Like many snakes, the first human reaction may be to kill the snake, but it is important to remember that all snakes play vital roles in the ecosystem. Some may eat harmful insects. Others like the massasauga consider rodents a delicacy and help control their population. Snakes are also a part of a larger food web and can provide food to eagles, herons, and several mammals.

Management and Conservation: any sightings of these snakes should be reported to the Michigan Department of Natural Resources, Wildlife Division. If possible, a photo of the live snake is also recommended.

USFWS Section 7 Consultation Technical Assistance can be found at:

<https://www.fws.gov/midwest/endangered/section7/s7process/index.html>

The website offers step-by-step instructions to guide you through the Section 7 consultation process with prepared templates for documenting “no effect.” as well as requesting concurrence on “may affect, but not likely to adversely affect” determinations.

Please let us know if you have questions.

Michael Sanders
Environmental Review Specialist/Zoologist
Sander75@msu.edu
Cell: 517-980-5632

Appendix T

Interoffice Memo

Date: January 5, 2021
To: Natural Features Protection Committee
From: Ryan Stoughton, PE, Assistant City Engineer - Wastewater
RE: Biofilter Project – Potential Construction Area Tree Inventory

To whom it may concern,

Below is a listing, in no specific order, of trees which reside within the potential construction impact region for the City of Kalamazoo Water Reclamation Plant's Biofilter construction project. For this task, tree's were measured and recorded per MDOT standard specifications.

Sycamore

(1) 17" diameter
(2) 18" diameter
(1) 32" diameter
(1) 11" diameter
(1) 18" diameter
(1) 22" diameter

Black Walnut

(2) 12" diameter
(1) 8" diameter
(2) 7" diameter
(1) 12" diameter
(2) 9" diameter
(1) 11" diameter

Locus

(1) 22" diameter

Cherry

(1) 8" diameter
(1) 7" diameter

Red Pine

(1) 14" diameter

If you have any questions, please feel free to contact me at 269-337-8736 or stoughtonr@kalamazoo-city.org.



City Clerk's Report

January 19, 2021

Correspondence Received

Attached is the following correspondence:

- correspondence received from Gwendolyn Hooker regarding the DROP program and the circumstances surrounding the firing/retiring of former Public Safety Chief Karianne Thomas.
- correspondence received from a City of Kalamazoo homeowner regarding water and sewer rates.

From: [Gwencrashcase Hooker](#)
To: [Borling, Scott](#)
Subject: [External Email] City Commission 12/21/20
Date: Wednesday, December 23, 2020 10:54:30 PM

Hello.

My name is Gwendolyn Hooker.

Tonight I attempted to call in for Public Comments for the City of Kalamazoo Commission Meeting Monday December 21, 2020. Numerous times I called the number 269/226-6573 and numerous times the line rung repeatedly and then hung up, this happened at least 3 times.

If I would of been able to leave public comments I would of asked questions regarding the DROP Program. What is it? Is it a employee retention program only for upper management staff? Why are only Administrative staff eligible? What Community engagement was done? When was the ordinance introduced, voted on, and passed? What is the criteria for staff to be considered/elected? Are there specific job performance standards required?

I would of also inquired about the recent news surrounding former Chief Carianne Thomas's firing/retiring? I personally am extremely disappointed in the adminstration for the word semantics and lack of full transparency in regards to this issue. For an administration already struggling with trust issues it is very disheartening to hear from a news outlet that I was mislead and told something that was blatantly untrue. If this issue would of involved a black person I believe that this situation would of been handled entirely different, thus making this ANOTHER situation of inequity grounded in a structurally discriminatory system. I expected so much more.

Please make this a PUBLIC record of correspondence and share at the next slated Commission meeting.

Toward Justice & Equity,
Gwendolyn Hooker-Advocate
City of Kalamazoo
Northside Resident-District 1

Take & B
Take Heart and Be Strong!

Vine Neighborhood Association
806 S. Westnedge Avenue
Kalamazoo, MI 49008
269/775.1221

Kalamazoo Defender
Comerica Building
151 S. Rose Street, Ste 200
Kalamazoo, MI 49007
269/250.5082
www.hopethrunavigation.org

1/18/21

I've been communicating with Nancy Strong regarding the 2019 & 2020 water & sewer price hikes, as well as how bills are calculated. I understand water is metered, and sewer is not. Thus, the sewer bill is simply a guesstimate based upon a calculation during the winter in which a cap is set for future bills, because the City "assumes" all of the water coming out of the tap goes into the sewer. So, sewer usage is billed at the same rate as water usage until the determined cap is met – regardless of whether or not the sewer rate is accurate.

Ms. Strong's exact explanation is as follows: *"Instead of being metered, your sewer service is linked to your water service for billing purposes. This means that whatever usage goes into the house as water is assumed to go back out as sewer. The exception is that in the summer months the City of Kalamazoo offers a discount on the sewer with the knowledge that many residents use water outside that does not go into the sewer. This is the cap I referred to. Typically, this is calculated annually when the sewer cap is reinstated. At this time, the City has actually left the cap in place all year as a courtesy due to the run water advisories that we had in 2018 and 2019. For this reason, your cap has been active since 2018."*

"The sewer rate charged is higher than water due to the difference in cost of wastewater processing and what needs to be done to remove contaminants. The rate charged to you is \$0.64 per cubic meter for sewer and \$0.496 for water. The City only charges the same amount for water and sewer up to the sewer base that I discussed with you as disclosed in the rate schedule set by the Board of Commissions."

Subsequently, the City realizes not all metered water goes into the sewer, and has no idea what a customer's actual sewer usage is, but elects to inaccurately bill for the same usage amount anyway (just at a higher rate than water.)

The Feb 2020 water & sewer rate increase the commission approved kicked in during a pandemic when a large portion of the population began learning & working from home - which probably increased everyone's usage and cost. The City couldn't have anticipated COVID, but knowing so many families were suddenly thrown into financial crisis, they certainly could have reconvened to roll back the 2020 price hike. Yet, nothing was done.

I don't think most City customers understand how their bills are calculated, nor do they realize their sewer isn't metered for an accurate calculation of these bills. But, I do think most customers have noticed higher bills. And, customers may or may not have heard about the annual price hikes (including another one slated for 2021.) So, my questions for the City Commission are as follows:

- **Why didn't the Commission reconvene to roll back the Feb 2020 rate increase once the pandemic hit?**
- **Do you still plan to forge ahead with additional rate increases in 2021 & 2022?**
- **If so, how can you justify these increases to customers already financially struggling to pay their bills during a pandemic?**
- **How long has the sewer rate cap calculation existed, and what entity created it?**

Thank you for your time and service to the community during this challenging year.

**Respectfully,
A City of Kalamazoo homeowner**



City Commission Agenda Report

City of Kalamazoo

Date: **1/19/2021**

Item: **J.1.**

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

FROM: Clyde J Robinson, City Attorney

DATE: January 19, 2021

SUBJECT: Committee of the Whole Meetings Resolution

RECOMMENDATION:

It is recommended that the City Commission adopt a resolution amending the City Commission Rules to govern Committee of the Whole (COW) meetings on a trial basis.

BACKGROUND:

At the urging of Commissioner Urban in particular, the City Commission has expressed a willingness to adopt a Committee of the Whole approach to communications surrounding upcoming City Commission agenda items in lieu of informational meetings with the City Manager and administrative staff. The suggested approach is reflected in the proposed amendment to the City Commission Rules. The proposed Rule 4A is set forth as a trial alternative to existing Rule 4 which addresses Special Meetings, Work Sessions and Committee of the Whole Meetings. Rule 4A consolidates Special Meetings, Work Sessions and Committee of the Whole Meetings into one meeting framework. This permits flexibility in how the meetings are conducted. While it is anticipated that in most COW meetings only one category of matters will be undertaken, the proposed rule permit two or all three types of matters, i.e. action items, upcoming agenda items, and community issues to be addressed at a single meeting, time permitting.

In this regard, COW meetings will be scheduled on the first and third Monday of the month from 5 pm to 6:30 pm prior to the Regular Business meeting. This will require amendment of the current schedule of City Commission meetings.

Since proposed Rule 4A contemplates a six-month trial approach, current Rule 4 is not being amended or repealed. Instead Rule 4A will take precedence over Rule 4 until the end of July when the trial rule sunsets, unless it is extended or made permanent.

STRATEGIC VISION ALIGNMENT:

Strategic Goal Impact:



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

COMMUNITY ENGAGEMENT:

Appropriate Depth of Engagement

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

FISCAL IMPACT:

There is no fiscal impact associated with this recommendation.



Commission Agenda Report

City of Kalamazoo

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

FROM: Clyde J. Robinson, City Attorney

DATE: January 13, 2021

SUBJECT: Committee of the Whole Meetings Resolution

RECOMMENDATION

It is recommended that the City Commission adopt a Resolution amending its Rules to govern Committee of the Whole (COW) meetings on a trial basis

BACKGROUND

At the urging of Commissioner Urban in particular, the City Commission has expressed a willingness to adopt a Committee of the Whole approach to communications surrounding upcoming City Commission agenda items in lieu of informational meetings with the City Manager and administrative staff. The suggested approach is reflected in the proposed amendment to the City Commission Rules. The proposed Rule 4A is set forth as a trial alternative to existing Rule 4 which addresses Special Meetings, Work Sessions and Committee of the Whole Meetings. Rule 4A consolidates Special Meetings, Work Sessions and Committee of the Whole Meetings into one meeting framework. This permits flexibility in how the meetings are conducted. While it is anticipated that in most COW meetings only one category of matters will be undertaken, the proposed rule permit two or all three types of matters, i.e. action items, upcoming agenda items, and community issues to be addressed at a single meeting, time permitting.

In this regard, COW meetings will be scheduled on the first and third Monday of the month from 5 pm to 6:30 pm prior to the Regular Business meeting. This will require amendment of the current schedule of City Commission meetings.

Since proposed Rule 4A contemplates a six-month trial approach, current Rule 4 is not being amended or repealed. Instead Rule 4A will take precedence over Rule 4 until the end of July when the trial rule sunsets, unless it is extended or made permanent.

COMMUNITY RESOURCES CONSULTED

None. This is an internal matter and is consistent with the Good Governance Strategic

Goal.

ALTERNATIVES

The City Commission could choose not to adopt this Resolution. This is not recommended as it would require that meetings be cancelled or require the physical gathering of a quorum of the Commission in a place open to the public. This remains problematic given the social distancing requirements for public gatherings issued by the Director of the Michigan Department of Health and Human Services

ATTACHMENTS

Proposed Resolution Amending City Commission Meeting Rules

CITY OF KALAMAZOO, MICHIGAN

RESOLUTION NO. _____

**A RESOLUTION ADDING CITY COMMISSION RULE 4A
TO TEMPORARILY GOVERN SPECIAL MEETINGS, WORK SESSIONS
AND COMMITTEE OF THE WHOLE MEETINGS**

Minutes of a regular meeting of the City Commission of the City held on January 19, 2021, at 7:00 o'clock p.m., local time, by electronic means.

PRESENT, Commissioners:

ABSENT, Commissioners:

WHEREAS, the City Commission desiring to conduct the public business of the City in a manner that permits both the general public and members of the City Commission greater transparency;

NOW, THEREFORE, IT IS RESOLVED, THAT City Commission Policy 10.1, City Commission Rules is amended to add following provision:

**Rule 4A. ORDER OF BUSINESS FOR SPECIAL MEETINGS, WORK
SESSIONS & MEETINGS OF THE COMMITTEE OF THE WHOLE**

The purpose of this Rule is to subsume and consolidate the procedures governing Special Meetings and Work Sessions as Committee of the Whole Meetings on a trial basis.

The order of business for Committee of the Whole Meetings shall be Call to Order/Roll Call, Communications, Public Comments, Special Agenda Items (matters recommended for decision), Committee of the Whole (information and discussion of items on upcoming City Commission regular business meeting agendas), Work Session (presentation and discussion of Community Issues), , Commissioner Comments, and Adjournment. This rule shall not be construed to prohibit the addition, removal, or relocation of items on the upcoming City Commission meeting agenda.

The agenda for Committee of the Whole Meetings shall be set by the City Manager in consultation with the Commission and/or Administrative Committee and consist of matters that may come before the City Commission at future Regular Business meetings, information on Community Issues and matters requiring immediate action.

Committee of the Whole Meetings shall be chaired by the Mayor or in his or her absence by the Vice Mayor. Parliamentary procedures will be governed by Robert's Rules of Order for Informal Consideration. In considering any matter coming before the Committee of the Whole, such may be amended, postponed until a certain time or postponed indefinitely. Minutes will be kept and approved in the course of usual business of the City Commission.

Public Comment at Committee of the Whole Meetings is limited to the matters being considered by the City Commission at that particular meeting. Comments by individual speakers are limited to two minutes.

The provisions of this Rule governing Special Meetings, Work Sessions and Committee of the Whole Meetings controls and prevails over any conflicting Rule while it remains in effect. This Rule sunsets and be of no further effect after July 31, 2021.

NOW, THEREFORE, IT IS FURTHER RESOLVED, THAT the City Commission's calendar of meetings is revised to include Committee of the Whole Meetings to be held on the 1st and 3rd Mondays of the month, 5:00 pm – 6:30 pm, effective February 1, 2021 thru July 31, 2021.

The above resolution was offered by _____

and supported by _____.

AYES, Commissioners:

NAYS, Commissioners:

ABSTAIN, Commissioners:

RESOLUTION DECLARED ADOPTED.

CERTIFICATE

The foregoing is a true and complete copy of a resolution adopted by the City Commission of the City of Kalamazoo at a regular meeting held on January 19, 2021. Public notice was given and the meeting was conducted in compliance with the

Michigan Open Meetings Act (PA 267 of 1976) as amended by PA 254 of 2020.
Minutes of the meeting will be available as required by the Act.

Scott Borling, City Clerk