

# CITY OF MUSKEGON

## CITY COMMISSION MEETING

JULY 14, 2015

CITY COMMISSION CHAMBERS @ 5:30 P.M.

### MINUTES

The Regular Commission Meeting of the City of Muskegon was held at City Hall, 933 Terrace Street, Muskegon, MI at 5:30 p.m., Tuesday, July 14, 2015.

Commissioner Willie German, Jr. opened the meeting with prayer, after which the Commission and public recited the Pledge of Allegiance to the Flag.

#### **ROLL CALL FOR THE REGULAR COMMISSION MEETING:**

Present: Mayor Stephen Gawron, Vice Mayor Lawrence Spataro, Commissioners Hood, German, Rinsema-Sybenga, Turnquist, and Johnson, City Manager Franklin Peterson, City Attorney John Schrier, and City Clerk Ann Meisch.

#### **2015-50 CONSENT AGENDA:**

##### **A. Approval of Minutes. CITY CLERK**

SUMMARY OF REQUEST: To approve minutes of the June 30, 2015 City Commission Meeting.

FINANCIAL IMPACT: None

BUDGET ACTION REQUIRED: None

STAFF RECOMMENDATION: Approval of the minutes

##### **B. Annex Lease CITY MANAGER**

SUMMARY OF REQUEST: City staff has been working with an organization that intends to operate a sports training and rehabilitation center in the LC Walker Arena Annex Building. The Annex is currently used intermittently throughout the year for concerts, dinners, and other gatherings. Staff is seeking approval for a five year lease agreement with ImaJam, Inc. that is expected significantly increase the usage of the building. This lease agreement will help city staff reduce costs associated with the LCV Walker Arena, as the tenant will become responsible for utilities and general maintenance. Additionally, the lease agreement calls for a nominal fixed rent of \$1.00 per month plus a percentage of the tenant's annual gross revenue. The lease agreement further calls for the city and the tenant to split the needed improvements to the Annex 50/50.

FINANCIAL IMPACT: Up to \$150,000 in facility improvements, to be offset by reduced arena operating costs and annual rent payments.

BUDGET ACTION REQUIRED: Up to \$150,000 Capital Improvement is expected; the budget will be adjusted as part of the 1<sup>st</sup> Quarter Budget Reforecast.

STAFF RECOMMENDATION: To approve the request and authorize the Mayor and Clerk to sign the agreement.

**C. Community Relations Committee Recommendation – CITY CLERK**

SUMMARY OF REQUEST: To concur with recommendations from the Community Relations Committee:

Accept the resignation of John E. Smith from the Construction Board of Appeals.

Appoint Harold Callender to the Construction Code Board of Appeals and Pastor Leroy Lockhart to the Equal Opportunity Committee.

FINANCIAL IMPACT: None

BUDGET ACTION REQUIRED: None

STAFF RECOMMENDATION: To concur with recommendations.

**Motion by Commissioner Johnson, second by Commissioner Hood to accept the Consent Agenda as read.**

**ROLL VOTE: Ayes: Hood, Spataro, German, Rinsema-Sybenga, Turnquist, Johnson, and Gawron**

**Nays: None**

***MOTION PASSES***

**2015-51 NEW BUSINESS:**

**A. Concurrence with the Housing Board of Appeals Notice and Order to Demolish the Following: PUBLIC SAFETY**

**1258 5<sup>th</sup> Street**

**462 Washington Avenue**

**1252 5<sup>th</sup> Street**

**1709 Pine**

**1370 Sanford**

SUMMARY OF REQUEST: This is to request that the City Commission concur with the findings of the Housing Board of Appeals that the structures are unsafe, substandard, a public nuisance and that they be demolished within thirty (30) days or infraction tickets may be issued. It is further requested that administration be directed to obtain bids for the demolition of the structure and that the Mayor and City Clerk be authorized and directed to execute a contract for demolition with the lowest responsible bidder or staff may issue infraction tickets to the owner, agent or responsible party if they do not demolish the structure.

FINANCIAL IMPACT: CDBG of General Funds

BUDGET ACTION REQUIRED: None

STAFF RECOMMENDATION: To concur with the Housing Board of Appeals decision to demolish.

**Motion by Vice Mayor Spataro, second by Commissioner Johnson to concur with the Housing Board Appeals notice and order to demolish 1258 5<sup>th</sup> Street, 462 Washington Avenue, and 1709 Pine Street.**

**ROLL VOTE: Ayes: Spataro, German, Rinsema-Sybenga, Turnquist, Johnson, Gawron, and Hood.**

**Nays: None**

***MOTION PASSES***

**Motion by Vice Mayor Spataro, second by Commissioner German to concur with the Housing Board Appeals notice and order to demolish 1252 5<sup>th</sup> Street.**

**ROLL VOTE: Ayes: German, Rinsema-Sybenga, Turnquist, Johnson, Gawron, Hood, and Spataro**

**Nays: None**

***MOTION PASSES***

**Motion by Vice Mayor Spataro, second by Commissioner Johnson to concur with the Housing Board Appeals notice and order to demolish 1370 Sanford.**

**ROLL VOTE: Ayes: Rinsema-Sybenga, Turnquist, Johnson, Gawron, Hood, Spataro, and German**

**Nays: None**

***MOTION PASSES***

**B. LC Walker Lease Agreement with Lumberjacks Hockey Team. CITY MANAGER**

SUMMARY OF REQUEST: For the past six months, city staff has been working with the Muskegon Lumberjacks ownership group to transition the group from facility manager to tenant. After much consideration, the team and city staff mutually agreed that an ideal time to initiate the transition would be upon the completion of the 2014-15 hockey season. An important aspect of the early transition was the ability to enter into a long-term lease agreement that would improve the marketability of the hockey team.

The key terms of the proposed lease are as follows:

1. The lease has an initial three year term that can be extended up to two additional years if the hockey team sells at least 80,000 tickets in years two and/or three.
2. The hockey team will have access to certain office space, locker rooms, practice and game ice, concession areas merchandise sales areas, and certain common areas.
3. The Lumberjacks will make an annual lump sum payment to the city

equal to \$12,500, and provide a ticket revenue share with the city as follows:

- a. \$1.00 per ticket for the first 60,000 tickets printed (\$37,500 of which is due at the same time as the annual lump sum payment).
  - b. \$0.00 per ticket for the next 12,500 tickets printed.
  - c. \$2.00 per ticket for the next 10,000 tickets printed.
  - d. \$3.00 per ticket for the next 10,000 tickets printed.
  - e. \$4.00 per ticket for any ticket printed in excess of 92,501 tickets.
4. The hockey team and city are to split certain revenues related to advertising.
  5. The hockey team will provide its own ushers, security, and post-game arena cleaning.
  6. The hockey team will keep net revenues from concession sales during their games.
  7. The hockey team will pay \$750 per preseason game and \$1,000 per playoff game hosted at the arena.

FINACIAL IMPACT:

BUDGET ACTION REQUIRED: None

STAFF RECOMMENDATION: To approve the lease and authorize the Mayor and Clerk to sign.

**Motion by Commissioner Johnson, second by Commissioner Hood to approve the lease and authorize the Mayor and Clerk to sign.**

**ROLL VOTE: Ayes: Turnquist, Johnson, Gawron, Hood, Spataro, and German, and Rinsema-Sybenga,**

**Nays: None**

***MOTION PASSES***

**ANY OTHER BUSINESS:** Vice Mayor Spataro commented on the success of the Susan B. Koman event at the beach last week.

**PUBLIC PARTICIPATION:** Public Comments were received.

**ADJOURNMENT:** The City Commission Meeting adjourned at 6:26 p.m.

Respectfully Submitted

Ann Marie Meisch, MMC  
City Clerk