

# CITY OF MUSKEGON

## CITY COMMISSION MEETING

**JANUARY 12, 2016**

**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, January 12, 2016.

Reverend Tim VanderHaar, First Congregational Church, 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 Eric Hood, Commissioners Debra Warren, Willie German, Jr., Dan Rinsema-Sybenga, Byron Turnquist, and Ken Johnson, Acting City Manager Mohammed Al-Shatel, City Attorney John Schrier, and City Clerk Ann Meisch.

#### **2016-04 HONORS AND AWARDS:**

##### **A. Muskegon Catholic Central – 2015 Division 8 State Football Champions**

Mayor Gawron and the Commission congratulated the Muskegon Catholic Central Crusaders Coach, Steve Czerwon, and the team for the Division 8 State Championship and presented them with a Certificate of Recognition and a sign.

#### **2016-05 CONSENT AGENDA:**

##### **A. Approval of Minutes** City Clerk

SUMMARY OF REQUEST: To approve minutes of the December 7, 2015 Worksession Meeting, the December 8, 2015 City Commission Meeting, the December 16, 2015 Special Commission Meeting, and the January 4, 2016 Organizational Meeting.

FINANCIAL IMACT: None

BUDGET ACTION REQUIRED: None

STAFF RECOMMENDATION: Approval of the minutes.

**B. Approval of A Neighborhood Enterprise Zone Certificate** Planning and Economic Development

SUMMARY OF REQUEST: An application for a Neighborhood Enterprise Zone (NEZ) certificate has been received from John and Jeannie Platt for the new construction of a home at 333 Terrace Point Circle. The property is located in a Neighborhood Enterprise Zone for new construction. The application states that the estimated cost for construction will be \$395,323. The applicant has met local and state requirements for the issuance of the NEZ certificate. Approval or denial by the City Commission is required within 60 days of the application date and must be forwarded to the State Tax Commission.

FINANCIAL IMPACT: Taxation will be 50% of the State average for the next 12 years.

BUDGET ACTION REQUIRED: None

STAFF RECOMMENDATION: Approval of the NEZ certificate.

**C. Sale of a Portion of the Property at 1690 Creston Street** Planning and Economic Development

SUMMARY OF REQUEST: Staff is seeking approval to sell a portion of the buildable, industrial zoned lot at 1690 Creston Street to the adjacent business, Production Fabricators, Inc. at 1608 Creston Street, which is located in Muskegon Township. They are seeking to expand their business onto this lot with a building addition. They are requesting to purchase about 40% of the 2.45 acre lot and to also retain a 60' by 180' access easement on the remaining parcel for truck access. By creating the easement on the lot, instead of selling this portion of the land, it will allow the remaining lot to meet the minimum lot standards for a buildable lot. The City leases space to Muskegon Central Dispatch on the current lot for the communications tower located on site. The portion of the land to be sold will not interfere with the portion leased by Muskegon Central Dispatch. Production Fabricators has offered \$15,000 for the portion of the lot. Planning Commission approved the site plan for the building addition, contingent upon the sale of the lot, at their December 2015 meeting.

FINANCIAL IMPACT: Staff recommends a sale price of \$15,000.

BUDGET ACTION REQUIRED: None

STAFF RECOMMENDATION: Approval and signature of the purchase agreement, easement agreement, and resolution.

**E. Lease Agreement Between Envirollogic and City of Muskegon** Planning and Economic Development

SUMMARY OF REQUEST: Envirollogic, headquartered in Kalamazoo, has provided environmental site assessment services for the City over the past several years. Most recently, they were granted the contract for the USEPA Site

Assessment Grant. Since they will be in the City of Muskegon frequently over the next few years while providing site assessment services for the grant, they have agreed, and desire, to have a satellite office in the City. The lease will allow Enviorlogic to have their Muskegon Satellite location at City Hall. The space allocated will be approximately 170 square feet in the CNS department. (However, it may be moved if that space is needed for another use in the future.)

FINANCIAL IMPACT: Enviorlogic will not require any equipment to be provided to them. They will pay a monthly rate of \$300.

BUDGET ACTION REQUIRED: None

STAFF RECOMMENDATION: To approve the lease and authorize the Mayor and Clerk's signatures.

**F. MDOT - City Amending the Agreement for Muskegon and Webster Engineering**

SUMMARY OF REQUEST: Authorize staff to sign the amendment to the agreement with Michigan Department of Transportation extending the completion date of the project to May 27, 2016 instead of the December 31, 2015 date in the original agreement and adopt a resolution authorizing Mohammed Al-Shatel to execute said amendment.

FINANCIAL IMPACT: None

BUDGET ACTION REQUIRED: None

STAFF RECOMMENDATION: Authorize staff to sign the agreement/contract amendment.

**G. Approval of 285 West Western Preliminary Expenses**City Manager

SUMMARY OF REQUEST: As part of the potential redevelopment of 285 West Western Avenue, the City of Muskegon will be required to submit a new/updated application to the Michigan Economic Development Corporation. To accomplish this, a number of items need to be completed, including updated architectural drawings, updated cost estimates, and updated project proformas. Further, there are a number of safety and security improvements needed at the vacant building, including boarding broken windows and addressing roof drainage issues. City staff is requesting permission to expend up to \$45,000 in pre-construction expenses at 285 West Western to prepare the MEDC application, bid the project, and address a number of pressing security and safety items.

FINANCIAL IMPACT: Up to \$45,000

BUDGET ACTION REQUIRED: This change will be reflected in the Second Quarter Status Report.

STAFF RECOMMENDATION: To authorize staff to expend up to \$45,000 in pre-construction expenses related to the redevelopment of 285 West Western and to suspend the purchasing policy as it relates to the \$45,000.00.

**H. Approval of Trades-Services Procurement 2016 Proposals for CNS**  
Community and Neighborhood Services

SUMMARY OF REQUEST: To approve the following Trades - Services procured through sealed bid proposals producing the lowest responsible bidder:

- Appraisals – Midwest Real Estate Services
- Building Contractor – Custom Exteriors
- Electrical Contractor – Belasco Electric
- Mechanical Contractor – Accurate Mechanical Services
- Plumbing Contractor – Brett Noordhoff Plumbing
- Property Maintenance – Walker Handyman Enterprises
- Realtor – Greenridge Realty, Inc.
- Specification Writer – Hager Consulting, LLC
- Structural Engineer/Surveyor – Westshore Consulting

FINANCIAL IMPACT: None

BUDGET ACTION REQUIRED: None

STAFF RECOMMENDATION: To approve the procured Trades Contractors and Service providers for Community and Neighborhood Services during 2016 with possible one year extension.

**I. Assessing Agreement** City Manager

SUMMARY OF REQUEST: Staff would like to continue utilizing Muskegon County Equalization as our Assessor. The proposed agreement will be for five years beginning July 1, 2016 but may be terminated with 90 days written notice. The agreement calls for an annual base fee of \$320,000 with a two percent increase annually.

FINANCIAL IMPACT: \$320,000 per year with a two percent increase annually.

BUDGET ACTION REQUIRED: None

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

**J. Liquor License Request – Racquets, 446 Western Avenue** Public Safety

SUMMARY OF REQUEST: The Muskegon Police Department has received an Application for Temporary Authorization from Downtown Pinnacle Properties (dba Racquets Downtown Grill) for a charity event scheduled for February 4, 2016 to February 6, 2016. The liquor license request is to include Western Avenue between 3<sup>rd</sup> and 4<sup>th</sup> Streets. Spirits will be served.

The State of Michigan Liquor Control Commission is asking for local commission approval for use of the city street before the license is issued. This is a repeat event and the Muskegon Police Department finds no reason to deny this request.

FINANCIAL IMPACT: None

BUDGET ACTION REQUIRED: None

STAFF RECOMMENDATION: Approval of the request.

**L. Community Relations Committee Recommendations for Various City Boards and Committees** City Clerk

SUMMARY OF REQUEST: Accept the recommendations from the Community Relations Committee and appoint to the

- **Board of Review** – Tracie Webb and Don Correll
- **Citizen's Police Review Board** – David Bukala, Ruby Clark, Phyllis Loudermill, and Quinton Cooley
- **Citizen's District Council** – Thomas Pastoor, Kim McDonald, and Geoffrey Burr
- **Construction Board of Appeals** – Chad Grinwis, Harold Callendar, and Michael McPhall
- **Downtown Development Authority** – Michael Kleaveland and Paul Edbrooke
- **Election Commission** – Wanda Matsey
- **Equal Opportunity Committee** – Rosie Buchanan, Charlotte Johnson, and Betty Cheeks
- **Historic District Commission** – Andrea Riegler and Karen Panozzo
- **Housing Code Board of Appeals** – Ed Simmons and Gregory Borgman
- **Housing Commission** – Rosie Mae Walker
- **Income Tax Board of Review** – Jason Meekhof
- **Local Development Finance Authority** – Andy Wible and Jason Meekhof
- **Local Officer's Compensation Commission** – Virgie Jackson
- **Zoning Board of Appeals** – Stephen Warmington

Accept the resignation of Charles Anderson from the Citizen's Police Review Board and David Wagner from the Citizen's District Council.

FINANCIAL IMPACT: None

BUDGET ACTION REQUIRED: None

STAFF RECOMMENDATION: Approval

**Motion by Commissioner Johnson, second by Commissioner German, to approve the consent agenda as read with the exception of items D and K.**

**ROLL VOTE: Ayes: Hood, Warren, German, Rinsema-Sybenga, Turnquist,**

**Johnson, and Gawron**

**Nays: None**

**MOTION PASSES**

**2016-06 ITEMS REMOVED FROM CONSENT AGENDA:**

**D. Operations Management Contract for Kitchen 242 – Pioneer Resources & City of Muskegon** Planning & Economic Development

SUMMARY OF REQUEST: The City contracted with Pioneer Resources to provide operations management of the Farmers' Market commercial kitchen (Kitchen 242) in May 2014. The contract technically expired several months ago, although Pioneer Resources continues to provide operations management. The new one year contract will start January 15, 2016.

FINANCIAL IMPACT: Per the terms of the contract, the manager shall provide the staffing, management and operations of the facility. The City shall pay for the utility costs. The manager shall track revenue and expenses and turn over any net proceeds to the City.

BUDGET ACTION REQUIRED: None

STAFF RECOMMENDATION: To approve the contract and authorize the Mayor and Clerk's signatures.

STAFF RECOMMENDATION: Approval

**Motion by Commissioner Rinsema-Sybenga, second by Commissioner Johnson, to approve the contract and authorize the Mayor and Clerk's signatures.**

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

**Nays: None**

**MOTION PASSES**

**K. LED Sign at the Farmer's Market** Engineering

SUMMARY OF REQUEST: Authorize staff to enter into an agreement with Allsigns LLC out of Muskegon to purchase and install an LED digital sign at the Farmer's Market using a 16 mm lighting system to enhance visibility for a cost of \$29,550.00.

Allsigns is being recommended as a result of the bid tabulation.

FINANCIAL IMPACT: Cost of purchase and installation of \$29,550.

BUDGET ACTION REQUIRED: None at this time, however, future budget reforecasts might have to be revised to account for this expense.

STAFF RECOMMENDATION: Authorize staff to enter into an agreement with Allsigns LLC.

**Motion by Commissioner German, second by Vice Mayor Hood, to authorize staff to enter into an agreement with Allsigns LLC.**

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

**Nays: None**

**MOTION PASSES**

**2016-07 PUBLIC HEARINGS:**

**A. BID Special Assessment – Resolution Confirming Special Assessment**

**Roll** Planning and Economic Development

SUMMARY OF REQUEST: The City Commission approved the creation of a BID special assessment district at the November 24, 2015 meeting and the Special Assessment Roll is now ready to be confirmed. The assessments will go towards various downtown expenditures, including snow removal on sidewalks, spring/fall cleanup and landscaping, holiday decorating, banners and directional signs, marketing/advertising and art. The BID assessment includes both a “Class A” and a “Class B” district. Since the November 24 Commission meeting, the maximum amount to be assessed for Class B properties is \$750, rather than the \$3,000 that is the maximum assessed for Class A properties.

In addition, if the Special Assessment Roll is confirmed, it is requested that the City Commission authorize a loan payment to the BID in the amount of \$45,000 to cover initial expenses for the BID until the assessment proceeds are collected.

FINANCIAL IMPACT: The total estimated cost of services within the BID is \$128,467.36 of which approximately 90% (\$115,942.02) will be paid by the special assessment to property owners, with the remaining cost being paid by the City. If the loan to the BID in the amount of \$45,000 is approved, it will be paid back with the assessments as they are collected.

BUDGET ACTION REQUIRED: None

STAFF RECOMMENDATION: To approve the resolution approving the confirmation of the special assessment roll and authorize the Mayor and Clerk to sign. In addition, if the Special Assessment Roll is approved, to also approve the \$45,000 loan to the BID to cover initial expenses.

**PUBLIC HEARING COMMENCED:**

Cathy Brubaker-Clarke addressed the commission and presented information regarding four letters received in opposition, they are from the following: Janski LLC – 297 W. Clay #104; David L. Bolen – 750 Pine; Easter Jones Gill – 830 Pine, 840 Pine, 839 Pine, 845 Pine, and 849 Pine; Hairitage Properties, LLC – 935 Jefferson.

Alan Jager – Holton Duck Lake Road, Holton, MI 49425 owner of 275 W. Clay

spoke in opposition of the assessment.

**Motion by Commissioner German, second Commissioner Rinsema-Sybenga, to close the Public Hearing.**

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

**Nays: None**

***MOTION PASSES***

**Motion by Commissioner Johnson, second Vice Mayor Hood, to approve the resolution approving the confirmation of the special assessment roll and authorize the Mayor and Clerk to sign. In addition, if the Special Assessment Roll is approved, to also approve the \$45,000 loan to the BID to cover initial expenses.**

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

**Nays: None**

***MOTION PASSES***

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

**ADJOURNMENT:** The City Commission Meeting adjourned at 6:24 p.m.

Respectfully Submitted,

Ann Marie Meisch, MMC, City Clerk