

CITY OF MUSKEGON

CITY COMMISSION MEETING

OCTOBER 13, 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, October 13, 2015.

Pastor Tim Cross, Living Word 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 Lawrence Spataro, Commissioners Hood, Rinsema-Sybenga, Turnquist, and Johnson, City Manager Franklin Peterson, City Attorney John Schrier, and City Clerk Ann Meisch.

Absent: Commissioner Willie German, Jr.

2015-71 AMEND THE AGENDA:

Motion to Amend the Agenda:

Motion by Vice Mayor Spataro, second by Commissioner Turnquist, to amend the agenda to move the Public Hearing creating a city wide special assessment district for Street Lights the top of the agenda due to public interest.

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

Nays: None

MOTION PASSES

Public Hearing – Create City Wide Special Assessment for Street Lights Treasurer

SUMMARY OF REQUEST: To hold a public hearing on the proposed special assessment for the entire city and appoint two City Commissioners to the Board of Assessors if it is determined to proceed with the project.

FINANCIAL IMPACT: None

BUDGET ACTION REQUIRED: None

STAFF RECOMMENDATION: To create the special assessment for all eligible parcels for the entire city and assign two City Commissioners to the Board of Assessors by adopting the resolution.

Frank Peterson, City Manager, presented information regarding the city wide special assessment for street lights.

Public Hearing was opened to receive comments from the public.

Public Participation: The following members of the public spoke in opposition of the creation of the district for a special assessment for street lights.

Barbara Barkel, 1386 Nelson	Ann DeRouin, 1391 W. Laketon
Easter Young, 321 Merrill	Carolyn Mulder, 1174 Creekview
Patricia Simpson, 1172 Francis	David Harris, 1790 Sundolphin
Roger Nielsen, 420 Carmen	Susan Line, 3340 Millard
Janet Thomas, 297 W. Clay #104	Allan D. Muedzia, 1306 Howard
David BonFoey, 2463 Greenwood	Charles Lund, 1084 Maple
Jeff Vorgais, 2511 Greenwood	Joshua Eldenbrady, 1336 Spring
Jesus R. Pena, 1851 Walnut	Nancy Hulka, 3120 Country Club
Howard Collins, 450 W. Grand	Bill Wright, 452 W. Webster
Richard Pasarela, 2541 Fountain	Charlotte Forward, 1317 Howard

Motion by Vice Mayor Spataro, second by Commissioner Rinsema-Sybenga, to close the Public Hearing.

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

Nays: None

MOTION PASSES

Motion by Vice Mayor Spataro, second by Commissioner Rinsema-Sybenga, to create the special assessment district for all eligible parcels in the City of Muskegon and to appoint two City Commissioners to the Board of Assessors by adopting the resolution.

Discussion regarding the establishment of a special assessment district for street lights continued among the commission.

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

Nays: Johnson

MOTION PASSES

Commissioner Hood and Commissioner Turnquist are appointed to the Board of Assessors.

2015-72 CONSENT AGENDA

A. Approval of Minutes City Clerk

SUMMARY OF REQUEST: To approve minutes of the September 22, 2015 City Commission Meeting.

FINANCIAL IMPACT: None

BUDGET ACTION REQUIRED: None

STAFF RECOMMENDATION: Approval of the minutes.

B. Fiber Technologies Networks, LLC – METRO Act Permit Engineering

SUMMARY OF REQUEST: Approve the request for a permit from Fiber Technologies Networks, LLC to access and use the public right-of-way within the city. The purpose of the access is to construct a fiber optic network extension that will service certain properties in the city. The expansion will affect the following areas:

1. Parts of Henry Street between Sherman and Hackley
2. Parts of Roberts Street between Sherman and Keating
3. Parts of Creston Street between Laketon and Apple
4. Parts of Apple between Creston and US 31
5. Parts of Harvey Street
6. Parts of Keating Avenue

FINANCIAL IMPACT: None

BUDGET ACTION REQUIRED: None

STAFF RECOMMENDATION: Approve the permit for those properties in the City of Muskegon only, and sign the documents.

D. Contribution to (LBC) Lakeshore Baseball Club Engineering

SUMMARY OF REQUEST: Authorize a \$23,256 contribution to LBC to fund the necessary upgrades to the bleachers at Marsh Field.

FINANCIAL IMPACT: Staff negotiated a 90% contribution (\$23,256) toward the cost of repairs with LBC paying the other 10%

BUDGET ACTION REQUIRED: If approved, staff will add to the upcoming budget forecast.

STAFF RECOMMENDATION: Approve the contribution to LBC.

F. Approval of a Neighborhood Enterprise Zone Certificate-314 Terrace Point Circle Planning & Economic Development

SUMMARY OF REQUEST: An application for a Neighborhood Enterprise Zone (NEZ) certificate has been received from Terrace Point Landing, LLC for the new construction of a home at 314 Terrace Point Circle. The property is located in a Neighborhood Enterprise Zone for new construction. This unit has already been built and is being used as the model for sales. The State Tax Commission allows applicants to apply for an NEZ up to six months after construction commencement if the local unit of government is willing to approve. The application states that the estimated cost for the construction was \$273,492. 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.

G. Approval of a Neighborhood Enterprise Zone Certificate-349 Terrace Point Circle Planning & Economic Development

SUMMARY OF REQUEST: An application for a Neighborhood Enterprise Zone (NEZ) certificate has been received from Orville and Susan Crain for the new construction of a home at 349 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 \$513,688. This unit is currently under construction. The State Tax Commission allows applicants to apply for an NEZ up to six months after construction commencement if the local unit of government is willing to approve. 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.

Motion by Vice Mayor Spataro, second by Commissioner Rinsema-Sybenga, to approve the consent agenda as read, with the exception of items C, E, and H.

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

Nays: None

MOTION PASSES

2015-73 ITEMS REMOVED FROM THE CONSENT AGENDA

C. Lakeshore Trail – Exchange of Property Between the Muskegon Community College (MCC) and the City Planning & Economic Development

SUMMARY OF REQUEST: MCC has purchased the former YMCA property in Muskegon. As the title company was in the process of preparing their title commitment, it was found that a piece of property purchased by the City in November 1998 for the Lakeshore Trail was actually never used for the trail. However, a similar sized property in the same area was used for this small portion of the trail and was actually YMCA property. The Quit Claim Deeds will deed from MCC to the City the property where the Lakeshore Trail was actually built

and will deed from the City to MCC the property purchased by the City but never built on.

FINANCIAL IMPACT: MCC will pay for the necessary costs to close on the property transactions.

BUDGET ACTION REQUIRED: None

STAFF RECOMMENDATION: To approve the sale of property to MCC from the City, to accept the property from MCC to the City, and authorize necessary staff signatures.

Motion by Commissioner Rinsema-Sybenga, second by Commissioner Johnson, to approve the Safebuilt Collections Contract amendment.

Commissioner Rinsema-Sybenga disclosed that he is employed by Muskegon Community College but that there is no conflict of interest in this matter.

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

Nays: None

MOTION PASSES

E. Transfers to Engineering, Major and Local Streets Funds Finance

SUMMARY OF REQUEST: During the close out of fiscal year 2014-15 and based on the financial results for the fiscal year ended June 30, 2015, staff transferred \$75,000 from the general fund to the engineering services fund to eliminate a fund balance deficit in that fund. In addition, staff transferred \$500,000 from the general fund to the major streets fund to be used to assist with the costs of reconstructing Muskegon and Webster and \$300,000 to support the local streets fund. The possibility of transferring funds was discussed during the City Commission work session meeting held on June 8, 2015

FINANCIAL IMPACT: \$75,000 from the general fund to the engineering services fund, \$500,000 from the general fund to the major streets fund, and \$300,000 from the general fund to the local streets fund.

BUDGET ACTION REQUIRED: None

STAFF RECOMMENDATION: Formal approval of the transfers from the general fund to the engineering services fund, major streets fund, and local streets fund, effective June 30, 2015.

Motion by Commissioner Turnquist, second by Commissioner Rinsema-Sybenga, to approve the transfers from the general fund to the engineering services fund, major streets fund, and local streets fund, effective June 30, 2015.

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

Nays: None

MOTION PASSES

H. Safebuilt Collection Contract (amendment proposal) Director of Public Safety

SUMMARY OF REQUEST: The Director of Public Safety requests that the City Commission review and consider approving an amendment to the professional services contract with Safebuilt. The agreement is being amended to accommodate the collections of the issued municipal civil infractions (MCI) that have gone unresolved.

Safebuilt issues the MCI in cases in which a verbal and/or written warning has not encouraged compliance with the noted ordinance violation. Safebuilt advised that many recipients of the MCI are neither contacting them nor complying with the issued MCI citation.

2015 MCI's issued that are not resolved within thirty (30) days after issuance will be forwarded to a local collection agency. The proposed amendment addresses the administrative fee Safebuilt will receive as it relates to amounts collected and disbursed.

FINANCIAL IMPACT: Collected fees from Paramount will be received and disbursed per the amended contract.

BUDGET ACTION REQUIRED: None

STAFF RECOMMENDATION: Staff recommends approval of this action to amend.

Motion by Commissioner Turnquist, second by Commissioner Rinsema-Sybenga, to approve the amendment to the Safebuilt Collection Contract.

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

Nays: None

MOTION PASSES

2015-74 PUBLIC HEARINGS:

A. Public Hearing – Request for the establishment of an Industrial Development District at 441 W. Western Avenue Planning & Economic Development

SUMMARY OF REQUEST: Pursuant to Public 198 of 1974, as amended, Pigeon Hill Brewing Company, LLC, has requested to establish an Industrial Development District at 441 W. Western Avenue. The establishment of the district will allow the company to become eligible for Industrial Facilities Tax Abatements (IFTs).

FINANCIAL IMPACT: None

BUDGET ACTION REQUIRED: None

STAFF RECOMMENDATION: Approval of the establishment of the Industrial Development District.

Public Hearing was opened to receive comments from the public.

Joel Kamp of 3823 Harbor Breeze Drive, Norton Shores, owner of Pigeon Hill and Lora Swenson of 1184 7th Street, Muskegon, spoke on this issue.

Motion by Vice-Mayor Spataro, second by Commissioner Johnson to close the public hearing and establish the Industrial Development District at 441 W. Western Avenue.

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

Nays: None

MOTION PASSES

B. Public Hearing – Request for an Industrial Facilities Exemption Certificate – Pigeon Hill Brewing Company, LLC Planning & Economic Development

SUMMARY OF REQUEST: Pursuant to Public Act 198 of 1974, as amended, Pigeon Hill Brewing Company, LLC, has requested issuance of an Industrial Facilities Tax Exemption Certificate. The company will be investing \$193,700 in real property. The investment is expected to create up to 20 jobs. This qualifies them for a tax abatement of 12 years on real property.

FINANCIAL IMPACT: The City will capture certain additional property taxes generated by the expansion.

BUDGET ACTION REQUIRED: None

STAFF RECOMMENDATION: Approval of the resolution granting a Facilities Exemption Certificate for a term of 12 years for real property.

Public Hearing was opened to receive comments from the public.

No comments were received.

Motion by Commissioner Johnson, second by Commissioner Turnquist to close the public hearing and issue the Industrial Facilities Tax Exemption Certificate to Pigeon Hill Brewing Company, LLC

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

Nays: None

MOTION PASSES

2015-75 NEW BUSINESS:

A. Concurrence with the Housing Board of Appeals Notice and Order to Demolish the Following Public Safety

SUMMARY OF REQUEST: This is a request that the City Commission concur with the findings of the Housing Board of Appeals that the following structures are unsafe, substandard, public nuisances, 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 structures 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 or General Funds

BUDGET ACTION REQUIRED: None

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

357 Mason

229 E. Grand

236 Washington – garage only

725 Ellifson

597 W. Muskegon – garage only

733 Marcoux

1445 Park

1451 Park

Motion by Vice-Mayor Spataro, second by Commissioner Turnquist to concur with the Housing Board of Appeals notice and order to demolish 357 Mason, 229 E Grand, ~~225~~ Ellifson, 597 W. Muskegon (garage only), 733 Marcoux, and 1445 Park Street. ^ 725

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

Nays: None

MOTION PASSES

Motion by Vice Mayor Spataro, second by Commissioner Hood, to concur with the Housing Board of Appeals notice and order to demolish 236 Washington – garage only.

Joel Ortiz addressed the City Commission regarding this property. He explained that he has a contractor scheduled to complete repairs to the roof on the garage.

Motion by Commissioner Johnson, second by Commissioner Hood, to table this matter until the November 10, 2015 Commission Meeting.

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

Nays: None

MOTION PASSES

Antwan Bruce, 1520 6th Street, owner of 1451 Park Street spoke. Lance Walker, 1536 Park Street, father of the owner of 1451 Park Street, assured the City Commission that the issues with the structure would be taken care of and he had the financing to do so.

Motion by Vice-Mayor Spataro, second by Commissioner Johnson to take the recommendation of the Housing Board of Appeals to demolish 1451 Park Street back to the Housing Board of Appeals for reconsideration and resolution.

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

Nays: None

MOTION PASSES

2015-76 ANY OTHER BUSINESS:

Local Officers Compensation Commission

The Local Officers Compensation Commission met on October 1, 2015 to review and discuss the compensation of our elected officers. The commission recommended an increase of \$300 for the Mayor and \$200 for Commissioners.

Motion by Vice-Mayor Spataro, second by Commissioner Johnson, to decline the increase recommended by the Local Officers Compensation Commission.

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

Nays: None

MOTION PASSES

PUBLIC PARTICIPATION: Public comments were received.

ADJOURNMENT: The City Commission Meeting adjourned at 8:45 p.m.

Respectfully submitted,

Ann Marie Meisch, MMC
City Clerk