

# CITY OF MUSKEGON

## CITY COMMISSION MEETING

**AUGUST 24, 2004**

**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, Michigan at 5:30 p.m., Tuesday, August 24, 2004.

Mayor Warmington opened the meeting with a prayer from Pastor Sarah Johnson from the Word of Truth Outreach after which the Commission and Public recited the Pledge of Allegiance to the Flag.

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

Present: Mayor Stephen Warmington, Vice Mayor Bill Larson, Commissioners Stephen Gawron, Clara Shepherd, Lawrence Spataro, Chris Carter, and Kevin Davis, City Manager Bryon Mazade, City Attorney John Schrier, and City Clerk Gail Kundinger.

#### **2004-75 CONSENT AGENDA:**

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

SUMMARY OF REQUEST: To approve the minutes of the Commission Worksession that was held on Monday, August 9, 2004; and the Regular Commission Meeting that was held on Tuesday, August 10, 2004.

FINANCIAL IMPACT: None.

BUDGET ACTION REQUIRED: None.

STAFF RECOMMENDATION: Approval of the minutes.

##### **B. Michigan Municipal League Unemployment Group Account. CIVIL SERVICE**

SUMMARY OF REQUEST: Since its inception in 1978, the City of Muskegon has been a member of the Unemployment Compensation Group Account of the Michigan Municipal League. Participation in this group has provided cost savings in providing state-required unemployment compensation coverage for City employees, particularly in the areas of claims administration assistance and financial fund management. MML updated its membership and requests that all municipalities sign off on the updated agreement, which incorporates three changes:

1. All group members are required to submit a copy of their quarterly wage report with the quarterly contribution report.
2. Changes in the amount of annual taxable payroll from a specified amount for each member to the aggregate for each member.
3. All members are required to pay 100% of a negative account balance rather than 2/3 of the negative balance, which resulted in insufficient funding.

FINANCIAL IMPACT: None as the City's account balance currently is positive (\$56,000).

BUDGET ACTION REQUIRED: None.

STAFF RECOMMENDATION: To approve this request.

**Motion by Commissioner Gawron, second by Commissioner Shepherd to approve the Consent Agenda.**

**ROLL VOTE: Ayes: Larson, Shepherd, Spataro, Warmington, Carter, Davis, Gawron**

**Nays: None**

***MOTION PASSES***

**2004-76 PUBLIC HEARINGS:**

**A. Request to Establish an Obsolete Property District – 715 Terrace Street.**

**PLANNING & ECONOMIC DEVELOPMENT**

SUMMARY OF REQUEST: Pursuant to Public Act 146 of the Michigan Public Acts of 2000, MSBII, LLC, 99 Monroe Avenue, NW, Ste 1100, Grand Rapids, Michigan, has requested the establishment of an Obsolete Property District. The district would be located at 715 Terrace Street, Muskegon, MI, the former National City Bank project.

FINANCIAL IMPACT: If an Obsolete Property Certificate is issued, the property taxes on the building would be frozen for the duration of the certificate.

BUDGET ACTION REQUIRED: None.

STAFF RECOMMENDATION: Staff has concerns with approval of this request and recommends denial.

The Public Hearing opened at 5:36 p.m. to hear and consider any comments from the public. Comments were heard in support of the request from Mr. Dick Durell, 99 Monroe NW, Grand Rapids and from Mr. Tom DeBoer, 300 Ottawa, Grand Rapids.

**Motion by Commissioner Spataro, second by Commissioner Gawron to close the Public Hearing at 6:13 p.m. and approve the request to establish an Obsolete Property District at 715 Terrace Street.**

**ROLL CALL: Ayes: Shepherd, Spataro, Warmington, Carter, Davis, Gawron,**

Larson

Nays: None

***MOTION PASSES***

**B. Request to Issue an Obsolete Property Certificate – MSBII – 715 Terrace Street. PLANNING & ECONOMIC DEVELOPMENT**

SUMMARY OF REQUEST: Pursuant to Public Act 146 of the Michigan Public Acts of 2000, MSBII, LLC, 715 Terrace Street, Muskegon, MI, has requested the issuance of an Obsolete Property Certificate for the property located at 715 Terrace Street (former National City Bank project), Muskegon, MI. The building is presently an incomplete structure that would be completed for use as an office building. Total capital investment for this project is \$4,500,000. The project will result in bringing 140 jobs to the City of Muskegon. Because of these new jobs and the amount of the investment, the applicant could be eligible for a 12 year certificate.

FINANCIAL IMPACT: If an Obsolete Property Certificate is issued, the property taxes on the building would be frozen for the duration of the certificate.

BUDGET ACTION REQUIRED: None.

STAFF RECOMMENDATION: Staff has concerns with approval of this request and therefore, recommends denial.

The Public Hearing opened at 6:14 p.m. to hear and consider any comments from the public. No comments were heard from the public.

**Motion by Commissioner Spataro, second by Vice Mayor Larson to close the Public Hearing at 6:16 p.m. and approve the request for an Obsolete Property Certificate at 715 Terrace Street contingent on negotiating an acceptable development agreement approved by staff.**

**ROLL VOTE: Ayes: Spataro, Warmington, Carter, Davis, Gawron, Larson, Shepherd**

**Nays: None**

***MOTION PASSES***

**C. Review 2003-2004 Consolidated Annual Performance Evaluation Report (CAPER). COMMUNITY AND NEIGHBORHOOD SERVICES**

SUMMARY OF REQUEST: To conduct a public hearing on August 24, 2004, to review accomplishments and receive comments from the public concerning the 2003 – 2004 CAPER developed by the Community and Neighborhood Services Department. After the public hearing has been conducted and all the comments have been documented, the CNS office requests that the Commission direct the CNS staff to submit the required documents to HUD in compliance with 24 CFR 91.520, by no later than August 31, 2004.

FINANCIAL IMPACT: The City is required to submit the CAPER report in order to

continue receiving CDBG and HOME funding.

BUDGET ACTION REQUIRED: None.

STAFF RECOMMENDATION: To direct staff to gather comments from the public and to submit the CAPER to HUD after the public comment period has elapsed.

The Public Hearing opened at 6:20 p.m. to hear and consider any comments from the public. No public comments were heard.

**Motion by Commissioner Shepherd, second by Commissioner Carter to close the Public Hearing at 6:27 p.m. and accept the Consolidated Annual Performance Report.**

**ROLL VOTE: Ayes: Warmington, Carter, Davis, Gawron, Larson, Shepherd, Spataro**

**Nays: None**

***MOTION PASSES***

**D. Spreading of the Special Assessment Roll - Sidewalk Replacement Program for 2004. ENGINEERING**

SUMMARY OF REQUEST: To hold a public hearing on the spreading of the special assessment roll for the 2004 Sidewalk Replacement Program and to adopt the resolution confirming the special assessment roll.

FINANCIAL IMPACT: A total of \$133,000.55 will be assessed against two hundred & seven (207) parcels.

BUDGET ACTION REQUIRED: None at this time.

STAFF RECOMMENDATION: To approve the special assessment roll and adopt the resolution.

The Public Hearing opened at 6:27 p.m. to hear and consider any comments from the public. Comments in opposition were heard from Ted Hall, 1386 Dudley; Gordon Kalavitz, 15646 Lake Ave., Grand Haven; and Robert Buckner, 1060 Albert.

**Motion by Vice Mayor Larson, second by Commissioner Gawron to close the Public Hearing at 6:50 p.m., spread the special assessment roll for the 2004 Sidewalk Replacement Program, and adopt the resolution.**

**ROLL VOTE: Ayes: Carter, Davis, Gawron, Larson, Shepherd, Warmington**

**Nays: None**

**Absent: Commissioner Spataro (stepped out of the room)**

***MOTION PASSES***

**2004-77 NEW BUSINESS:**

**A. Request for Preliminary Planned Unit Development Approval at the Former Muskegon Mall Site, 100 Muskegon Mall. PLANNING &**

## ECONOMIC DEVELOPMENT

SUMMARY OF REQUEST: The request for preliminary Planned Unit Development (PUD) approval at the former mall site is for a mixed use residential and commercial development. The request is by Chris McGuigan, Downtown Muskegon Development Corporation.

FINANCIAL IMPACT: None.

BUDGET ACTION REQUIRED: None.

STAFF RECOMMENDATION: Staff recommends preliminary approval of the PUD provided that the conditions listed in the resolution are met.

COMMITTEE RECOMMENDATION: The Planning Commission recommended preliminary approval of the PUD, with the conditions listed on the resolution, at their August 12, 2004, meeting. The vote was unanimous with B. Smith absent.

**Motion by Commissioner Shepherd, second by Commissioner Spataro to approve the preliminary Planned Unit Development for the former Muskegon Mall site.**

**ROLL VOTE: Ayes: Davis, Gawron, Larson, Shepherd, Spataro, Warmington, Carter**

**Nays: None**

### ***MOTION PASSES***

#### **B. Disclosure of Potential Conflict of Interest Under HOME Investment Partnerships Program. COMMUNITY AND NEIGHBORHOOD SERVICES**

SUMMARY OF REQUEST: Under HOME Investment Partnership program regulations, potential conflicts of interest must be disclosed to the public prior to requesting a waiver from HUD. Anthony McCloud of 1656 6<sup>th</sup> Street, Apartment 1, has made an offer to purchase the City-owned home at 1668 Beidler from the City's First Time Homebuyers Infill Program. Mr. McCloud has certified that he is a first time homebuyer who has not owned a home in the last three years. But, because Mr. McCloud is a member of the Citizen's District Council, the City is required to request an opinion from the City Attorney before submitting to U.S. Department of Housing and Urban Development a waiver request. The City Attorney has determined that no conflict of interest is present in this case; however, this must be disclosed to the public before any further action can be taken.

FINANCIAL IMPACT: None.

BUDGET ACTION REQUIRED: None.

STAFF RECOMMENDATION: To approve the City's Community and Neighborhood Services Department to submit the waiver of conflict of interest to the U.S. Department of Housing and Urban Development.

**Motion by Vice Mayor Larson, second by Commissioner Spataro to approve**

submitting the waiver of conflict of interest to the U. S. Department of Housing and Urban Development.

ROLL VOTE: Ayes: Gawron, Larson, Shepherd, Spataro, Warmington, Carter, Davis

Nays: None

**MOTION PASSES**

**C. Selection of Contractor for the Building of Duplex at 407 Catherine "Operation - It Takes Two". COMMUNITY AND NEIGHBORHOOD SERVICES**

SUMMARY OF REQUEST: To approve the selection of Nobles Inc., for the construction of a duplex at 407 Catherine on the corner of Wood/Catherine. Project title – Operation: Nyumba Mbili “It Takes Two”. The CNS office received three qualified bids for the project:

1. Nobles Inc.                      \$172,885  
210 E. Broadway  
Muskegon, MI
2. Bantam Group, Inc.    \$199,636  
962 Stonewood Dr.  
Spring Lake, MI
3. Top Notch Design        \$215,100  
4740 Jenson  
Fruitport, MI

The duplex will be built at the site of the former Briggs Dairy, which was recently demolished because of its blighting status and potential nuisance. Operation: Nyumba Mbili is another example of the City of Muskegon’s continued efforts to rid our community of blight by revitalizing and renovating our neighborhoods.

FINANCIAL IMPACT: Funds will be allocated from City HOME budget 2001 and 2002.

BUDGET ACTION REQUIRED: None.

STAFF RECOMMENDATION: To approve the low bid submitted by Nobles Inc., of \$172,885 for the construction of a duplex at 407 Catherine.

COMMITTEE RECOMMENDATION: The Land Reutilization Committee approved the project.

**Motion by Commissioner Shepherd, second by Commissioner Davis to award the bid to Nobles Inc.**

ROLL VOTE: Ayes: Larson, Shepherd, Spataro, Warmington, Carter, Davis, Gawron

Nays: None

**MOTION PASSES**

**D. Resolution Supporting Wastewater Rate Relief to Sappi Fine Paper.** CITY  
MANAGER

SUMMARY OF REQUEST: To approve a resolution in support of providing wastewater rate relief to Sappi Fine Paper.

FINANCIAL IMPACT: The rate relief for Sappi will cause an increase in rates to the City of approximately 11.5% in 2006.

BUDGET ACTION REQUIRED: None.

STAFF RECOMMENDATION: To approve the resolution.

**Motion by Vice Mayor Larson, second by Commissioner Shepherd to adopt the resolution in support of providing wastewater rate relief to Sappi Fine Paper.**

**ROLL VOTE: Ayes: Shepherd, Spataro, Warmington, Carter, Davis, Gawron, Larson**

**Nays: None**

***MOTION PASSES***

**2004-78 ANY OTHER BUSINESS:** Commission was reminded of up-coming events.

**2004-79 CLOSED SESSION:** To discuss collective bargaining.

**Motion by Commissioner Spataro, second by Commissioner Gawron to go into Closed Session at 7:31 p.m.**

**ROLL VOTE: Ayes: Spataro, Warmington, Carter, Davis, Gawron, Larson, Shepherd**

**Nays: None**

***MOTION PASSES***

**Motion by Vice Mayor Larson, second by Commissioner Spataro to come out of Closed Session at 7:44 p.m.**

**ROLL VOTE: Ayes: Warmington, Carter, Davis, Gawron, Larson, Shepherd, Spataro**

**Nays: None**

***MOTION PASSES***

**ADJOURNMENT:** The City Commission Meeting adjourned at 7:45 p.m.

Respectfully submitted,

Gail A. Kunding, MMC  
City Clerk