

CITY OF MUSKEGON

CITY COMMISSION MEETING

JANUARY 10, 2017

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 10, 2017. Pastor Matt Sharpe, Evanston Avenue Baptist 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 J. Gawron, Vice Mayor Hood, Commissioners Ken Johnson, Debra Warren, Willie German, Jr., Dan Rinsema-Sybenga, and Byron Turnquist, City Manager Franklin Peterson, City Attorney John Schrier, and City Clerk Ann Meisch.

2017-02 CONSENT AGENDA:

A. Approval of Minutes City Clerk

SUMMARY OF REQUEST: To approve minutes of the December 12, 2016 Worksession Meeting and the December 13, 2016 Regular City Commission Meeting.

FINANCIAL IMPACT: None.

BUDGET ACTION REQUIRED: None.

STAFF RECOMMENDATION: Approval of the minutes.

B. Gaming License Request from Harbor Hospice Foundation City Clerk

SUMMARY OF REQUEST: The Muskegon Harbor Hospice Foundation is requesting a resolution recognizing them as a non-profit organization operating in the City for the purpose of obtaining a Gaming License.

FINANCIAL IMPACT: None.

BUDGET ACTION REQUIRED: None.

STAFF RECOMMENDATION: Approval.

C. Gaming License Request from Flyin' Heroes City Clerk

SUMMARY OF REQUEST: The Flyin' Heroes is requesting a resolution recognizing them as a non-profit organization operating in the City for the purpose of obtaining a Gaming License.

FINANCIAL IMPACT: None.

BUDGET ACTION REQUIRED: None.

STAFF RECOMMENDATION: Approval.

D. Special Event Liquor License – Farmers Market City Clerk

SUMMARY OF REQUEST: The Muskegon Farmers Market will be hosting a Dining in the Dark event on Thursday, February 16th at the Farmers Market and we are requesting a liquor license including spirits. Proceeds will benefit the Farmers Market.

FINANCIAL IMPACT: \$50 permit from the State for every date requested and \$75 bond.

BUDGET ACTION REQUIRED: None.

STAFF RECOMMENDATION: To approve the request.

E. MDOT Performance Resolution Department of Public Works

SUMMARY OF REQUEST: Adopt the MDOT Performance Resolution authorizing the director of public works and/or administrative supervisor to sign off on permits to perform work on state highways within the city. The form has been updated and previous resolution is no longer valid

FINANCIAL IMPACT: None.

BUDGET ACTION REQUIRED: None.

STAFF RECOMMENDATION: To approve and adopt the Performance Resolution by authorizing the City Clerk to sign.

F. Agreement for Engineering Services with Charles Wiggins Engineering

SUMMARY OF REQUEST: Authorize staff to enter into an employment agreement with Charles Wiggins to provide assistance to the engineering department in the capacity of a Civil Engineer I.

As you may recall, Mr. Wiggins worked for the City for over 27 years and since retiring in August of 2015 he had been employed by Elwood Services to provide engineering services to the City.

Furthermore, it is respectfully requested that staff be authorized to retro this agreement to the beginning of this year (2017) and the ability to extend and/or terminate said agreement to best serve the City.

FINANCIAL IMPACT: Approximately \$60,000 based on estimated 1700 hours

of work.

BUDGET ACTION REQUIRED: None.

STAFF RECOMMENDATION: Authorize staff to enter into an agreement with Mr. Wiggins.

G. Amendment to the Zoning Ordinance – Waterfront Industrial Planned Unit Development (WI-PUD) Planning & Economic Development

REMOVED PER STAFF REQUEST

H. Termination of “The Watermark” Project Brownfield Redevelopment Authority Plan (May, 25, 2004) Planning & Economic Development

SUMMARY OF REQUEST: The Brownfield Plan Amendment for “The Watermark” Project (“Plan”) was approved by the Brownfield Redevelopment Authority (BRA) and the City Commission in May 2004. The redevelopment projects outlined in the Plan have been completed (54 residential units). There was no TIF capture included in this Plan. As a new Brownfield Plan Amendment is being requested by the owners of the property, it is necessary to terminate the existing Plan which has been completed, using the language recommended in the “Staff Recommendation”.

FINANCIAL IMPACT: None.

BUDGET ACTION REQUIRED: None.

STAFF RECOMMENDATION: That the City Commission hereby terminates “The Watermark” Project Brownfield Plan adopted on May 25, 2004. The Plan is being terminated pursuant to MCL 125.2666(8)(a) as it relates to the eligible property located at 930 Washington Avenue and pursuant to MCL 125.2666(8)(b) as it relates to the eligible property located at 920 Washington Avenue, 965 West Western Avenue and 1330 Division Street.

COMMITTEE RECOMMENDATION: The Brownfield Redevelopment Authority approved termination of the Brownfield Plan Amendment for “The Watermark” Project (May 25, 2004) at their December 6, 2016 meeting.

I. Adopt a Resolution to Approve the Operation of the Red Project in the City of Muskegon City Manager

SUMMARY OF REQUEST: Adopt a resolution to approve the operation of the Red Project in the City of Muskegon.

FINANCIAL IMPACT: None.

BUDGET ACTION REQUIRED: None.

STAFF RECOMMENDATION: Adopt the resolution.

Motion by Vice Mayor Hood, second by Commissioner German, to approve the consent agenda as presented.

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

Nays: None

MOTION PASSES

2017-03 PUBLIC HEARINGS:

A. Public Hearing for Brownfield Plan Amendment and Development and Reimbursement Agreement for P&G Holdings NY, LLC Redevelopment Project (Watermark) Planning & Economic Development

SUMMARY OF REQUEST: To hold a public hearing and approve the resolution approving and adopting the amendment to the Brownfield Plan and to approve the Development and Reimbursement Agreement. The amendments are for property owned by P&G Holdings NY, LLC.

FINANCIAL IMPACT: Brownfield Tax Increment Financing will be used to reimburse the developer for "eligible expenses" incurred in association with development of the Watermark project. P&G Holdings NY, LLC cost for the development of the property is approximately \$30 million in private investment, resulting in a substantial increase in the local and school taxes generated by the property.

"Eligible Expenses" would be reimbursed starting in 2018. The estimated tax capture and payment schedule is included as Attachment U-3 in the proposed Brownfield Plan Amendment.

After all eligible cost incurred by the various parties are reimbursed (estimated to be in 2047), the BRA is authorized to continue to capture local taxes for five more years for deposit into a Local Site Remediation Revolving Fund.

The Development and Reimbursement Agreement provides the structure for the capture of taxes and the reimbursement to P&G Holdings and the City of Muskegon for eligible expenses.

STAFF RECOMMENDATION: To hold a public hearing for approval of the Brownfield Plan Amendment for the P&G Holdings NY, LLC Redevelopment Project and approve the resolution and authorize the Mayor and Clerk to sign the resolution, and to approve the Development and Reimbursement Agreement between P&G Holdings NY, LLC, the City of Muskegon, and the City of Muskegon Brownfield Redevelopment Authority.

COMMITTEE RECOMMENDATION: The Muskegon City Commission set the public hearing for January 10, 2017 at their December 13, 2016 meeting. Since that time, a notice of the public hearing has been sent to taxing jurisdictions. In addition, the Brownfield Redevelopment Authority approved the Plan amendment and the Development and Reimbursement Agreement on December 6, 2016 and recommends that the Muskegon City Commission

approve the Plan amendment and Development and Reimbursement Agreement.

PUBLIC HEARING COMMENCED:

Comments were received by the public as follows:

Lawrence Spataro	1567 Sixth Street	In Favor
Pat Camp	930 Washington	Against
Jen Sanocki	1417 Lakeshore Drive	Against
Pete Amrine	1431 Glen	Would like to see it fixed
Donna Pennington	1418 Lakeshore Drive	Against
Lea Markowski	1055 Horton	Wants to see it

Motion by Commissioner Rinsema-Sybenga, second by Vice Mayor Hood to close the public hearing and approve the resolution and authorize the Mayor and Clerk to sign the resolution, and to approve the Development and Reimbursement Agreement between P& G Holdings NY, LLC, the City of Muskegon and the City of Muskegon Brownfield Redevelopment Authority.

Motion by Commissioner Johnson, second by Commissioner Warren, to table the item until the February 14, 2017 Regular Commission Meeting.

ROLL VOTE: Ayes: Turnquist and Johnson

Nays: Gawron, Hood, Warren, German, and Rinsema-Sybenga

MOTION FAILS

~ VOTE ON ORIGINAL MOTION ~

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

Nays: Johnson

MOTION PASSES

2017-04 NEW BUSINESS:

A. Approval of a Neighborhood Enterprise Zone Certificate – 920 Washington Avenue & 965 W. Western Avenue Planning & Economic Development

SUMMARY OF REQUEST: An application for a Neighborhood Enterprise Zone Certificate has been received from P&G Holdings NY, LLC for the conversion of vacant industrial space to apartments at 920 Washington Avenue and 965 West Western Avenue. The estimated project cost is \$9,417,175 and will include 126 market rate apartments. The property was approved as a Neighborhood Enterprise Zone District on September 13, 2016. The applicant has met local and

state requirements for the issuance of the NEZ certificate. They have requested the maximum 15 years for the exemption.

FINANCIAL IMPACT: The taxes on the apartment portion of the project will be frozen at the pre-rehabilitated rate for 15 years, with a three-year phase out (they will receive 75% of the abatement in year 13, 50% in year 14, and 25% in year 15).

BUDGET ACTION REQUIRED: None.

STAFF RECOMMENDATION: Approval of the NEZ certificate.

Motion by Commissioner Rinsema-Sybenga, second by Commissioner Warren, to approve the NEZ certificate for 920 Washington Avenue and 965 W. Western Avenue.

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

Nays: Johnson

MOTION PASSES

B. Approval of a Neighborhood Enterprise Zone Certificate – 285 W. Western Avenue Planning & Economic Development

REMOVED PER STAFF REQUEST

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

1456 Park Street

1290 Wood Street

768 Marcoux

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 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: General Funds

BUDGET ACTION REQUIRED: None.

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

Motion by Commissioner German, second by Vice Mayor Hood, to concur with

the Housing Board of Appeals decision to demolish 1456 Park Street and 768 Marcoux.

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

Nays: None

MOTION PASSES

Motion by Commissioner Rinsema-Sybenga, second by Commissioner Johnson, to concur with the Housing Board of Appeals decision to demolish 1290 Wood Street.

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

Nays: None

MOTION PASSES

PUBLIC PARTICIPATION: Public comments were received.

ADJOURNMENT: The City Commission Meeting adjourned at 7:00 p.m.

Respectfully Submitted,

Ann Marie Meisch, MMC, City Clerk