

CITY OF MUSKEGON

CITY COMMISSION MEETING

JULY 11, 2017 @ 5:30 P.M.

MUSKEGON CITY COMMISSION CHAMBERS
933 TERRACE STREET, MUSKEGON, MI 49440

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 11, 2017. Commissioner Willie German 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, Commissioners Ken Johnson, Debra Warren, Dan Rinsema-Sybenga, Byron Turnquist, and Willie German, Jr., City Manager Franklin Peterson, City Attorney John Schrier, and City Clerk Ann Meisch.

Absent: Vice Mayor Eric Hood

2017- 56 CITY MANAGER'S REPORT:

A. Procedural Correction City Manager, City Clerk, City Attorney

SUMMARY OF REQUEST: At the meeting held on June 27, 2017 there was an affirmation roll call but no motion made to approve the 2017-18 budget.

STAFF RECOMMENDATION: To make a motion to approve the 2017-18 Proposed Budget.

Motion by Commissioner German, second by Commissioner Warren, to approve the 2017-18 Proposed Budget.

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

Nays: None

MOTION PASSES

2017-57 CONSENT AGENDA:

A. Approval of Minutes City Clerk

SUMMARY OF REQUEST: To approve the minutes of the Special Meeting held

Monday, June 26, 2017 and the Regular City Commission Meeting held Tuesday, June 27, 2017.

FINANCIAL IMPACT: None

BUDGET ACTION REQUIRED: None

STAFF RECOMMENDATION: Approval of the minutes.

B. Lakeshore Museum Loan Agreement Public Safety

SUMMARY OF REQUEST: The Director of Public Safety requests that the City Commission review and authorize the Lakeshore Museum Center Loan Agreement relating to the 1923 American LaFrance Fire Truck with attached equipment. Currently, the LaFrance is on display at the Fire House Museum (Clay Avenue). Part of this agreement includes for the museum to try to get the fire truck in working condition, at their own expense, as their budget allows.

FINANCIAL IMPACT: None

BUDGET ACTION REQUIRED: None

STAFF RECOMMENDATION: Staff recommends approval of this loan agreement.

C. D.D. MacGee's Grill LLC Concession/Business Contract for City of Muskegon Parks DPW

SUMMARY OF REQUEST: Staff is asking permission to enter into a 1-year contractual agreement with Bryan Toth of D.D. MacGee's Grill LLC, at Pere Marquette Park, located within the City of Muskegon, to sell various items, as stated in their proposal, from a mobile concession.

FINANCIAL IMPACT: Concession revenue is 10% of gross receipts.

BUDGET ACTION REQUIRED: None

STAFF RECOMMENDATION: Authorize DPW staff to enter into concession agreement with Bryan Toth of D.D. MacGee's Grill, LLC.

D. Approval of Building Contract for 1350 Eastwood Drive CNS

SUMMARY OF REQUEST: To award the Building Contract for the rehabilitation of 1350 Eastwood Drive to Nassau Construction for the City of Muskegon's Homebuyers Program through CNS.

CNS received 2 bids, the cost estimate from our spec writer was \$79,000

FINANCIAL IMPACT: The funding for this project has been secured with 2016 HOME funds

BUDGET ACTION REQUIRED: None

STAFF RECOMMENDATION: To award Nassau Construction the rehabilitation contract for 1350 Eastwood Drive in the amount of \$95,500, for the Community

and Neighborhood Services Office.

E. Amendment to the Zoning Ordinance – Signage Planning & Economic Development – *SECOND READING*

SUMMARY OF REQUEST: Staff initiated request to amend Section 2334 of the zoning ordinance to amend the rules on electronic message board signs and to allow them in B-1, Limited Business Districts and WM, Waterfront Marine Districts, as well as at churches in all zoning districts and all businesses that have been granted a special use permit in residential districts.

FINANCIAL IMPACT: None

BUDGET ACTION REQUIRED: None

STAFF RECOMMENDATION: To approve the zoning ordinance amendment.

F. Rezoning Request for Several Properties to R-2, Single Family Medium Density Residential District Planning & Economic Development – *SECOND READING*

SUMMARY OF REQUEST: Staff initiated request to rezone several properties from R-1, Single Family Low Density Residential District to R-2, Single Family Medium Density Residential District.

FINANCIAL IMPACT: None

BUDGET ACTION REQUIRED: None

STAFF RECOMMENDATION: Staff recommends approval of the rezoning.

COMMITTEE RECOMMENDATION: The Planning Commission unanimously recommended approval of the request at their June 15 meeting, with one member absent.

G. Rezoning Request for Several Properties to R-3, Single Family High Density Residential District Planning & Economic Development – *SECOND READING*

SUMMARY OF REQUEST: Staff initiated request to rezone several properties from R-1, Single Family Low Density Residential District to R-3, Single Family High Density Residential District.

FINANCIAL IMPACT: None

BUDGET ACTION REQUIRED: None

STAFF RECOMMENDATION: Staff recommends approval of the rezoning.

COMMITTEE RECOMMENDATION: The Planning Commission unanimously recommended approval of the request at their June 15 meeting, with one member absent.

Motion by Commissioner Rinsema-Sybenga, second by Commissioner Turnquist,

to approve the consent agenda as presented.

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

Nays: None

MOTION PASSES

2017-58 PUBLIC HEARINGS:

A. Public Hearing for Brownfield Plan Amendment and Development and Reimbursement Agreement for Liberty Building (formerly Ameribank) Redevelopment Project 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 to be purchased by Liberty Development, LLC.

FINANCIAL IMPACT: Brownfield Tax Increment Financing will be used to reimburse the developer and the City for “eligible expenses” incurred in association with development of the Liberty Building Project. Liberty Development, LLC cost for the development of the property is approximately \$6.88 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 2019. The estimated tax capture and payment schedule is included as Table 2 in the proposed Brownfield Plan Amendment.

During the last five years of the plan (estimated to be 2043-2048), the BRA is authorized to capture local taxes for five years for deposit into a Local Brownfield Revolving Fund

The Development and Reimbursement Agreement provides the structure for the capture of taxes and the reimbursement to Liberty Development, LLC and the City of Muskegon for eligible expenses.

BUDGET ACTION REQUIRED: None

STAFF RECOMMENDATION: To hold a public hearing for approval of the Brownfield Plan Amendment for the Liberty Building 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 Liberty Development, LLC, the City of Muskegon and the City of Muskegon Brownfield Redevelopment Authority.

COMMITTEE RECOMMENDATION: The Muskegon City Commission set the public hearing for July 11, 2017 at their June 27, 2017 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 June 15, 2017 and recommends that the Muskegon city Commission approve the Plan Amendment and Development and Reimbursement Agreement.

PUBLIC HEARING COMMENCED: Gary Post, Developer, addressed the commission.

Motion by Commissioner Johnson, second by Commissioner Warren, to close the public hearing and approve the Brownfield Amendment Plan for the Liberty Building 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 Liberty Development, LLC, the City of Muskegon, and the City of Muskegon Brownfield Redevelopment Authority.

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

Nays: None

MOTION PASSES

2017-59 NEW BUSINESS:

A. Arena Lease – Rad Dad’s City Manager

SUMMARY OF REQUEST: City Staff has been working with a group of local business owners interested in creating a restaurant and bar to service the LC Walker Arena and also provide more daily food/beverage options to the downtown community. Rad Dad’s Taco and Tequila Bar is originally proposed to lease approximately 3,500 square feet of concourse space in the arena and 500 square feet of outdoor space to provide outdoor dining space at the corner of Western Avenue and 4th Street. The group is now proposing to lease approximately 5,300 square feet. The owners would like to open by September 1, 2017.

FINANCIAL IMPACT: Build-out costs are expected to be less than \$350,000. If build out costs are at \$350,000, the tenant’s initial lease rate will be \$12.50/sf (\$66,250 annually for both interior and outdoor space. In the event that costs fall below or exceed \$350,000, any amount over or under \$350,000, will be added to or subtracted from the tenant’s lease rate as follows: for every dollar of variance, the tenant’s annual rent will increase/decrease by 12.5 cents per year. Regardless of savings, rent will be no less than \$53,000 annually.

BUDGET ACTION REQUIRED: \$350,000 Capital Improvement is expected; a budget adjustment will be included as part of the 1st quarter budget reforecast, with the proceeds coming from the Public Improvement Fund.

STAFF RECOMMENDATION: To approve the request and authorize the city Manager to sign the lease.

Motion by Commissioner Johnson, second by Commissioner German, to approve approve the request and authorize the City Manager to sign the lease.

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

Nays: None

MOTION PASSES

B. Arena Rink Alterations City Manager

SUMMARY OF REQUEST: There are a number of repairs needed to the dasher boards at the LC Walker Arena. Rather than simply repairing and replacing the boards, arena management is proposing to upgrade the dasher boards behind both goalie areas to accommodate indoor soccer goals. The new boards will allow for an imbedded 14x18 soccer goal. These goals will accommodate the Muskegon Risers indoor soccer club, as well as a number of exhibition games planned in 2017 – 18. The goals will also make it possible to add indoor soccer tournaments and leagues during the hockey offseason.

FINANCIAL IMPACT: The new dasherboards are provided and installed by Rink Systems at a cost of \$24,250. The concrete work will be provided by RW Concrete Sawing, Inc. at a cost of \$4,155. Additional costs may arise as arena staff explores seating options for the area directly adjacent to the soccer goals.

BUDGET ACTION REQUIRED: A budget adjustment will be included as part of the 1st quarter budget reforecast, with the proceeds coming from the Public Improvement Fund.

STAFF RECOMMENDATION: To approve the request and authorize the installation of the new dasher board system at a cost not to exceed \$30,000.

Motion by Commissioner German, second by Commissioner Warren, to approve the request and authorize the installation of the new dasher board system at a cost not to exceed \$30,000.

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

Nays: None

MOTION PASSES

C. Authorization to Repair/Refurbish 1999 Olympia City Manager

SUMMARY OF REQUEST: The City owns and operates a 1999 Olympia Ice Resurfacing machine (often referred to as a Zamboni). The Olympia has required significant repairs over the past three hockey seasons, and almost in the inability to finish a Lumberjack's playoff game earlier this year. A replacement Olympia would likely cost between \$75,000 and \$125,000, depending on the age of the unit. Staff is seeking permission to send the current

Olympia to be refurbished. The cost of the project is dependent upon the components that are ultimately replaced. Arena management expect this cost to be between \$30,000 and \$35,000, as a number of major components have already been replaced in the past year.

FINANCIAL IMPACT: Not to exceed \$35,000

BUDGET ACTION REQUIRED: A budget adjustment will be included as part of the 1st quarter budget reforecast, with the proceeds coming from the Arena Fund.

STAFF RECOMMENDATION: To approve the request and authorize the refurbishing of the 1999 Olympia at a cost not to exceed \$35,000.

Motion by Commissioner German, second by Commissioner Warren, to approve the request and authorize the refurbishing of the 1999 Olympia at a cost not to exceed \$35,000.

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

Nays: None

MOTION PASSES

ADJOURNMENT: The City Commission meeting adjourned at 6:27 p.m.

Respectfully Submitted,

Ann Marie Meisch, MMC, City Clerk