CITY OF MUSKEGON

CITY COMMISSION MEETING

DECEMBER 8, 2020 @ 5:30 P.M.

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

MINUTES

The Regular Commission Meeting of the City of Muskegon was held electronically with the Mayor, Vice Mayor and Commissioners participating via Zoom – a remote conferencing service, Clerk staff present at 933 Terrace Street, Muskegon, MI at 5:30 p.m., Tuesday, December 8, 2020.

ROLL CALL FOR THE REGUAR COMMISSION MEETING:

Present: Mayor Stephen J. Gawron (Muskegon, MI), Vice Mayor Eric Hood (Muskegon, MI) Commissioners Ken Johnson (Muskegon, MI), Dan Rinsema-Sybenga (Muskegon, MI), Willie German, Jr. (Muskegon, MI), Teresa Emory (Muskegon, MI), and Michael Ramsey (Muskegon, MI), City Manager Frank Peterson, City Attorney John Schrier, and City Clerk Ann Meisch.

HONORS/AWARDS/PRESENTATIONS:

A. 2016-2021 Vision Update

City Manager, Frank Peterson, shared a presentation with the City Commission to update all on the progress of goals and visions that were identified by the City Commission in January 2016. The goals fall into four distinct areas of housing, image, quality of life, and revitalizing revenue.

PUBLIC COMMENT ON AN AGENDA ITEM: Public comments received.

2020-91 CONSENT AGENDA:

A. Approval of Minutes City Clerk

SUMMARY OF REQUEST: To approve the minutes of the November 24, 2020 Regular City Commission Meeting.

STAFF RECOMMENDATION: To approve the minutes.

B. Gaming License Request from Muskegon Pregnancy Services City Clerk

SUMMARY OF REQUEST: Muskegon Pregnancy Services is requesting a

resolution recognizing them as a non-profit organization operating in the City for the purpose of obtaining a raffle license.

STAFF RECOMMENDATION: To approve the request from Muskegon Pregnancy Services to be recognized as a non-profit operating in the City for the purpose of obtaining a raffle license.

C. <u>MERS Defined Contribution Plan Adoption Agreements Addendum</u> Finance

SUMMARY OF REQUEST: MERS of Michigan, our Pension Plan Administrator, is asking all clients to complete and update plan adoption agreements so they can ensure the details of our plans are accurately documented. Staff is seeking your approval of the Defined Contribution Plan Agreement Addendums presented.

MERS of Michigan is asking the City of Muskegon to review and update our Defined Contribution Plan Adoption Agreements for each of our seven division, Non-Union, Clerical, 517m DPW, Police Patrol, Command and Fire. I have attached the Plan Adoption Agreement Addendums for each division. Please note we have not changed any of the provisions of our plans, this is a MERS request so they can ensure accuracy.

STAFF RECOMMENDATION: To approve the MERS Contribution Benefit Plan Adoption Agreement Addendums as presented.

D. <u>Non-Union Pay/Benefits</u> City Manager

SUMMARY OF REQUEST: Staff is seeking approval of the 2021 Non-Union Employee Wage and Benefit Program as detailed below.

The following changes are proposed:

1. **With CPI below 1% and unknown long-term impacts of COVID-19, we are seeking an equivalent 0.75% lump sum payment to all non-union staff in lieu of a cost-of-living adjustment. The payments would be equalized so all eligible employees received the same lump sum amount of $500. Based on 52 eligible employees, the total cost of this benefit is estimated at $26,000, plus applicable payroll taxes and benefits equal to $5,200.**
2. **Every March, employees are able to cash out a portion of the value of their accrued and unused sick time. To receive the full value, the employee is required to deposit the proceeds directly into a retirement savings account or a dependent college savings fund. We are asking to make an exception this year and remove the requirement to invest those funds into either of those savings accounts. This should be cost-neutral to the city. We would recommend that this be a one-year benefit change.**

No budget amendment will be necessary.

AMOUNT REQUESTED: $31,200 AMOUNT BUDGETED: $31,200

FUND OR ACCOUNT: Various

STAFF RECOMMENDATION: To approve the non-union pay employee wage and benefit program as detailed.

F. <u>Beach Warning System</u> Public Works

SUMMARY OF REQUEST: Authorize staff to contract with SwimSmart Warning Systems to provide and install a beach warning system at Pere Marquette Park and to contract with Windemueller Electric to provide electrician services to assist with the installation.

Staff has been working on the proposal with Jacob Soter from SwimSmart Warning Systems that will include installation of beach hazard warning systems at two locations within Pere Marquette Park. The locations will be at the bathhouse and at the kite shack building. At each location a wood pole will be installed with a dome light mounted to the pole, in addition a smaller set of lights will be mounted on the side of the building facing out towards the parking lot.

The pole mounted light will be a red strobe light that will blink only during high hazard days on the beach, and we can install a shield if needed to shield the east side of the lights away from the houses along Beach Street though I would propose to do this later only if it becomes an issue. Based on preliminary information the two lights will provide a visual cue for the area from the Water Filtration Plant north to the Breakwater arms. No audible warning is included. The building mounted light will be a smaller three colored light in red/yellow/green that will indicate the NOAA supplied swim conditions for the day. The building mounted lights are smaller and meant to provide information to beach users as they move from the parking areas to the beach. Both lights will be wired into the electric service at each building and will be automatically controlled based on information provided through the NOAA website. This system will provide immediate updates supported by NOAA on a consistent basis and eliminate the need for staff to continuously monitor and adjust throughout the day.

If approved the system would be proposed for installation in the Spring of 2021 and operational for beach season.

Funding is proposed to be drawn from the Parks Department Contractual Services budget that is currently under budget based on the reduced expenses incurred to date during the current fiscal year.

AMOUNT REQUESTED: $13,600 AMOUNT BUDGETED: $0

$7,600 SwimSmart Warning Systems

$6,000 Windemueller Electric

FUND OR ACCOUNT: 101-70751-5346

STAFF RECOMMENDATION: Authorize staff to contract with SwimSmart Beach Warning Systems and Windemueller Electric for the installation of a beach hazard warning system at Pere Marquette Park.

G. CZM Grant Application Public Works

SUMMARY OF REQUEST: Authorize staff to submit a grant application to the Michigan Department of Environment, Great Lakes, and Energy (MDEGLE) through the Coastal Zone Management Program and provide resolution of support along with a commitment of matching funds.

The State of Michigan is making available funding through the Coastal Zone Management (CZM) program to assist communities in supporting Great Lakes Coastal Zones. Staff would like to pursue a grant application within the program which requires a 50/50 match. The grant application would be focused on Grand Trunk Access Site.

If awarded the grant would be used to fund completion of design plans related to the attached improvements that were previously submitted for an MDNR Land and Water Conservation Fund Grant which was later retracted. The proposed plan represents an overall investment of approximately $1.5 Million dollars into improvements at the site and would be a potential project for multiple MDNR and USFWS grant opportunities. The estimated cost to prepare design plans is $100,000.

The goal of the grant would be to prepare a further refined and biddable design that could be used to pursue additional grant funding opportunities related to the construction of the proposed improvements for the site.

The earliest grant funding would be available is October 1, 2021 so any match dollars would be required within the 21/22 budget year.

Submission of the grant application requires a commitment of matching funds and resolution of support from the City Commission.

AMOUNT REQUESTED: $50,000 **AMOUNT BUDGETED:** $50,000 (FY21/22)

FUND OR ACCOUNT: 404

STAFF RECOMMENDATION: Approve staff to submit a Coastal Zone Management Grant through the State of Michigan Department of Environment, Great Lakes, and Energy for improvements at Grand Trunk Access site and authorize the clerk to sign the resolution providing for support and commitment of matching funds.

H. DWAM Grant Application Public Works

SUMMARY OF REQUEST: Authorize staff to submit a grant application to the Michigan Department of Environment, Great Lakes, and Energy (MDEGLE) through the Drinking Water Asset Management Program.

The State of Michigan is making available funding through the Drinking Water Asset Management (DWAM) program to assist communities in supporting the goals of asset management. Staff would like to pursue a grant application in the first quarter (due by January 1). Staff is still working to finalize the details of the application but it will likely include some or all of the following items:

- **Condition verification, and GPS point collection of all hydrants and valves and incorporation into city GIS system for improved record keeping and maintenance.**
- **Field verification of lead service lines. Assistance to perform excavation and physical verification of questionable areas to guide future investment.**
- **Updates to the water main information in the GIS System. The sanitary sewer and storm sewers were nearly fully collected during the previous funding cycle (SAW). This would get our water system at or above the same level of accuracy.**
- **Update to the system wide hydraulic model. Perform routine update to the hydraulic model that helps identify solutions to problem areas and guide future investment to maximize efficiency.**
- **Update to the financial analysis and verification of rate study for future years.**

The funding for this program comes from the $500M Clean Water investment announced by the State of Michigan earlier this year. The program offers a total of $36.5M statewide for these efforts. There is zero match dollars required for this grant application. No formal resolution of support is required, however we wanted to make you aware of our intention to apply and offer an opportunity for comment.

AMOUNT REQUESTED: $0 AMOUNT BUDGETED: $0

FUND OR ACCOUNT: 591

STAFF RECOMMENDATION: Authorize staff to submit for a Drinking Water Assent Management Grant through the State of Michigan Department of Environment, Great Lakes, and Energy in the 1st Quarter Application Period.

I. <u>Michigan & Franklin Reconstruction</u> Public Works

SUMMARY OF REQUEST: Authorize the award of the Michigan Avenue and Franklin Street reconstruction project to the low bidder, Wadel Stabilization, Inc.

Staff solicited bids for the road reconstruction on Michigan Avenue from Lakeshore Drive east to Hudson Street and on Franklin Street from Michigan Avenue north to West Western Avenue in the Nims Neighborhood.

Bids were received as follows:

- **$829,357.35 – Wadel Stabilization**
- **$853,948.06 – Brenner Excavating**
- **$857,235.65 – Jackson-Merkey**
- **$878,698.68 – West Michigan Dirtworks**
- **$889,145.80 – McCormick Sand**
- **$950,858.50 – Hallack Contracting**
- **$982,508.85 – Diversco Construction**
- **$997,868.30 – Kamminga & Roodvoets**
- **$1,091,692.90 – Terra Contractors**

The project was included in the 20-21 budget with funds being drawn from the Major Street, Water, and Sewer funds. The collective bids are below the budgeted amounts for the project and no reforecasting adjustment is anticipated at this time. The project would be constructed during the 2021 construction season.

AMOUNT REQUESTED: $829,357.35 AMOUNT BUDGETED: $900,000

FUND OR ACCOUNT: 202-92003 - $800,000
590-92003 - $50,000
591-92003 - $50,000

STAFF RECOMMENDATION: Approve the award of the Michigan Avenue and Franklin Street project to the low bidder, Wadel Stabilization, and authorize staff to sign the contracts.

K. <u>Westwood Change Order #002</u> Public Works

SUMMARY OF REQUEST: Staff is seeking authorization to approve Change Order #002 to the sewer project work on Westwood Street in the Glenside Neighborhood.

Final quantity measurements have been completed for the water and sewer work conducted primarily on Westwood Street in the Glenside neighborhood and the project has been recommended for final acceptance and closeout

Change Order #002 represents an increase to the Contract value of $23,247.87. Combined with the previously approved Change Order #001 the total change order value for the project stands at $36,602.20 on an original contract value of $1,245,042.00 for a net final increase of 2.9%. The approved project budgets contained a contingency of ~6% so this final balancing does not exceed the budgeted contingency. Future reforecasts will reduce the total budgeted cost of this project.

The change order is a result of additional expenses incurred to reconnect the

irrigation at McGraft Park that were not originally anticipated, and various other small changes throughout the course of the project.

AMOUNT REQUESTED: $0 AMOUNT BUDGETED: $0

FUND OR ACCOUNT: 590/591-91855

STAFF RECOMMENDATION: Authorize staff to approve Change order #002 to the Westwood Sewer Project with Kamminga and Roodvoets in the amount of $23,247.87 for a total net change on the project of $36,602.20.

M. <u>NEZ Certificates</u> Planning

SUMMARY OF REQUEST: Applications for Neighborhood Enterprise Zone (NEZ) certificates have been received for homes at the Terrace Point Landing Development. The applications are for the following addresses: 319, 676, 678, 680, 682, and 686 Terrace Point. All applicants have met local and state requirements for the issuance of the NEZ certificates.

STAFF RECOMMENDATION: To approve the NEZ certificates at 319, 676, 678, 680, 682, 684, and 686 Terrace Point Drive for a duration of 12 years.

P. <u>Parkland Properties Marina Agreement</u> City Manager

SUMMARY OF REQUEST: Staff is seeking approval of the attached development agreement with Parkland Properties to construct a dry marina on property mutually encumbered by the City of Muskegon and Parkland Properties.

Many years ago, as part of the development of the SPX corporate headquarters, a piece of the land was encumbered for mutual benefit of the property owner and the public. The result of the agreement is that the land be perpetually used as a parking lot. Over time, the hotel was developed and the ownership interests of SPX now belong to Parkland Properties. In an effort to find a higher and better use for the property, staff has worked with Parkland Properties to create a development agreement that results in redevelopment of the site to accommodate a dry marina and replace the public parking spaces along the Terrace Point Drive median. The development would also include the construction of townhomes overlooking Terrace Point Drive and the Shoreline Inn.

The Developer will invest in excess of $4 Million in initial costs to construct the dry marina and improve the parking along Terrace Point Drive from Shoreline Drive to the Terrace Pointe Traffic Circle. The developer will also invest in excess of $5 Million in new residential development on the Parkland-owned property located at 650 Terrace Point Drive. The project could take as long as 5 years, depending on State and Federal approval processes.

STAFF RECOMMENDATION: To authorize the City Manager to sign the Development Agreement.

Motion by Commissioner Johnson, second by Vice Mayor Hood, to approve the

consent agenda as presented, minus items E, J, L, N, O, and Q.

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

Nays: None

MOTION PASSES

2020-92 REMOVED FROM CONSENT AGENDA:

E. <u>Body Camera Purchase</u> Public Safety

SUMMARY OF REQUEST: The Public Safety Department (Police) is requesting permission to purchase Motorola/WatchGuard Body Worn Cameras and In-Car Video Systems for our marked police cars.

The Public Safety Department (Police) is requesting to contract with Motorola/WatchGuard to purchase seventy (70) body worn cameras to be worn by Muskegon Police Officers. In order to integrate our systems, twenty-four (24) in car video systems will also be purchased, replacing our current L-3/SafeFleet in car systems. We will be able merge audio/video files from both body worn camera and in-car video to be stored and viewed in one file. We would not have this capability of we stayed with L-3/SafeFleet's product. In consulting with IT, we were experiencing more long-term technical issues with the performance of our current L-3/SafeFleet product and it was recommended we upgrade to the Motorala/Watchguard system. We were able to negotiate a significant discount to cover the remaining product life of our current system.

AMOUNT REQUESTED: $477,499.33 AMOUNT BUDGETED: $0

FUND OR ACCOUNT: General Fund – 101

STAFF RECOMMENDATION: Approval for the purchase of body cameras and in-car video systems for the Muskegon Police Department

Motion by Commissioner German, second by Commissioner Rinsema-Sybenga, to approve the purchase of body cameras and in-car video systems for the Muskegon Police Department.

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

Nays: None

MOTION PASSES

J. <u>Beach Street Expanded Parking</u> Public Works

SUMMARY OF REQUEST: Authorize staff to approve Amendment #001 to the contract with DLZ to provide the design engineering services related to design and construction oversight of the proposed expansion of parking and construction of a pedestrian boardwalk along Beach Street within Pere

Marquette Park.

Following up on a topic from earlier in November staff has solicited a proposal to provide engineering services related to constructing additional parking and a pedestrian boardwalk along Beach Street as a part of the currently active county water main project.

DLZ provided the original engineering for the project and this amendment includes the design work necessary to complete a design as shown in the attachment. DPW reviewed the proposal from DLZ and was unable to provide a matching service in house based on prior commitments for Engineering Department staff. The proposed amendment was reviewed and deemed reasonable based on the estimated cost of the project.

If approved, DLZ will complete the attached design and work with the current contractor (Hallack Contracting) to prepare a detailed change order for the additional work.

After design work is completed staff would return to Commission with Amendment #002 to the DLZ Contract for the Construction Engineering Services ($36,500 as shown in attached proposal) and with a change order for Hallack Contracting for a TBD amount to amend the existing contract for the Bach Street construction.

AMOUNT REQUESTED: $31,000 AMOUNT BUDGETED: $0

FUND OR ACCOUNT: Propose to add 404-91917-5346 to a future reforecast. 91917 is the designation for the current project on Beach Street though only contains funding from 202 and 591.

STAFF RECOMMENDATION: Authorize staff to approve the design engineering portion of the DLZ proposal as Amendment #001 to our existing contract with DLZ to provide design engineering services related to the expanded beach parking and pedestrian paths within Pere Marquette Park.

Motion by Commissioner Emory, second by Commissioner Rinsema-Sybenga, to authorize staff to approve the design engineering portion of the DLZ proposal as Amendment #001 to our existing contract with DLZ to provide design engineering services related to the expanded beach parking and pedestrian paths within Pere Marquette Park.

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

Nays: None

MOTION PASSES

L. Installment Purchase Agreement Approval – Jackson Hill Infill Housing
Development Services

SUMMARY OF REQUEST: **Staff is seeking approval of the installment purchase agreement between the Community Foundation for Muskegon County, LRS Enterprises, and the City. The $355,000 loan will supply a portion of the funds for the Jackson Hill Infill Housing Development.**

At the September 22, 2020 regular commission meeting, staff received authorization to work with the Community Foundation for Muskegon County to make a Program Related Investment of $355,000 to undertake construction of the first two homes in this multi-year development project. The City agreed to loan $75,000 from its Economic Development Revolving Loan Fund for the project as well. The CFFMC will be repaid upon sale of the homes, and the City will be repaid with tax increment financing. Staff worked with our bond counsel from Miller Canfield to develop documents that follow Act 99 of 1933 which authorizes cities to enter into installment purchase agreements. The agreement acts as the Note and is a limited tax general obligation of the City of Muskegon. Attached are the installment purchase agreement documents associated with the PRI from the CFFMC.

AMOUNT REQUESTED: **None at this time.**

AMOUNT BUDGETED: **Payback determined next year.**

FUND OR ACCOUNT: **Economic Development Fund – 493**

STAFF RECOMMENDATION: **To approve the installment purchase agreement between the Community Foundation for Muskegon County, LRS Enterprises, and the City, approve the resolution authorizing the installment purchase agreement, and authorize the mayor and clerk to sign.**

Motion by Commissioner German, second by Commissioner Rinsema-Sybenga, to approve the installment purchase agreement between the Community Foundation for Muskegon County, LRS Enterprises, and the City, approve the resolution authorizing the installment purchase agreement, and authorize the mayor and clerk to sign.

ROLL VOTE: **Ayes: German, Rinsema-Sybenga, Emory, Johnson, Gawron, Hood, and Ramsey**

Nays: None

MOTION PASSES

N. <u>Street/Alley Vacations</u> Planning

SUMMARY OF REQUEST: **Staff initiated request to vacate the following streets and alley: E Muskegon Avenue between Cedar Street and Emerald Street, Rathborn Street between Walton Avenue and Eastern Avenue; and the alley east of Cedar Street and west of Eastern Avenue between Walton Avenue and Yuba Street.**

The Planning Commission unanimously recommended vacation of the streets

and alley.

STAFF RECOMMENDATION: To vacate E Muskegon Avenue between Cedar Street and Emerald Street; Rathborn Street between Walton Avenue and Eastern Avenue; and the alley east of Cedar Street and west of Eastern Avenue between Walton Avenue and Yuba Street.

Motion by Commissioner German, second by Commissioner Rinsema-Sybenga, to vacate E Muskegon Avenue between Cedar Street and Emerald Street; Rathborn Street between Walton Avenue and Eastern Avenue; and the alley east of Cedar Street and west of Eastern Avenue between Walton Avenue and Yuba Street.

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

Nays: None

MOTION PASSES

O. <u>Former Farmers Market Rezoning</u> Planning

SUMMARY OF REQUEST: Staff initiated request to rezone the properties at 731 Yuba Street, 205 E Muskegon, 225 Eastern Avenue, 287 E Muskegon Avenue, 185 E Muskegon Avenue, and 209 E Walton Avenue to Form Based Code, Urban Residential.

This is the former Farmer's Market site. The property was rezoned to industrial a couple years ago, but residents eventually pushed back at the food processing proposal. Staff is currently working with Allen Edwin Home Builders on a residential development at this site.

The Planning Commission unanimously recommended approval of the rezoning's at their November meeting.

STAFF RECOMMENDATION: To approve the rezoning of the former Farmers Market site.

Motion by Commissioner German, second by Commissioner Rinsema-Sybenga, to approve the rezoning of the formers Farmers Market site.

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

Nays: Emory and German

MOTION PASSES

Q. <u>Convention Center Naming Rights</u> City Manager

SUMMARY OF REQUEST: Staff is seeking approval of two agreements: authorizing the City to enter the Convention Center Naming Rights and Sponsorship Agreement with VanDyk Mortgage Corporation; and approving corresponding amendment to the Convention Center Management Agreement with Parkland.

In an effort to raise additional capital to ensure the highest quality convention center without levying additional taxes or fees, on November 26, 2019, staff was authorized to identify strategic advertising partners within the new convention center. The goal was to raise at least $1 Million over a period not to exceed 20 years.

Staff is please to present a naming-rights agreement with VanDyk Mortgage that will generate $150,000 annually for the next 10 years. Over that 10-year period, the city will net approximately $1 Million after paying sellers commissions, installing signage, and compensating Parkland $2,000 per month for convention center operation costs associated with the VanDyk Agreement. The net income from the initial sponsor commitment has exceeded expectations and will be used to offset approximately $2 million in unexpected cost overruns at the facility. Staff intends to seek out other strategic partners to name/sponsor interior signage.

STAFF RECOMMENDATION: Approve the Naming Rights and Sponsorship Agreement with VanDyk Mortgage and approve the corresponding 1st Amendment to the Convention Center Management Agreement with Parkland, and authorize the City Manager to sign the agreements.

Mario Flores, VanDyk Mortgage, provided some information about the company and answered questions from Commissioners. VanDyk Mortgage is excited to have a presence in downtown Muskegon.

Motion by Commissioner Emory, second by Commissioner Rinsema-Sybenga, to approve the Naming Rights and Sponsorship Agreement with VanDyk Mortgage and approve the corresponding 1st Amendment to the Convention Center Management Agreement with Parkland, and authorize the City Manager to sign the agreements.

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

Nays: None

MOTION PASSES

2020-93 PUBLIC HEARINGS:

A. <u>Jackson Hill, McLaughlin & Angell Rezoning's</u> Planning – REJECTED

SUMMARY OF REQUEST: Staff-initiated request to rezone all single-family (R-1, R-2, R-3) and duplex (RT) parcels in the McLaughlin, Angell, and Jackson Hill neighborhoods to Form Based Code, Urban Residential (FBC-UR)

The Planning Commission voted 8-1 to recommend approval to the City Commission. The City Commission asked staff to mail notices to all properties affected by the case. Staff mailed out more than 4,000 notices.

STAFF RECOMMENDATION: To approve the request to rezone all single-family

(R-1, R-2, R-3) and duplex (RT) parcels in the McLaughlin, Angell and Jackson Hill neighborhoods to Form Based Code, Urban Residential (FBC-UR)

PUBLIC HEARING COMMENCED:

Roland Jones – 595 Yuba – several concerns – would like it tabled

Robert Harwood – 367 Gunn Street – worried about higher taxes

Shawn Tate – 287 McLaughlin – opposed

Steve Thompson – 464 W. Webster – would like to delay

Yourvette Davis – 1093 Chestnut – would like it tabled

Tesa Griffin – 864 Kenneth – would like it tabled, would like more information

Shirley Green – 2574 Morton – wanted to talk about a different area

Randy VanderWhite – 1577 Clinton – concerned about multi-plexes

Charlotte Johnson – 219 Catherine – opposed

Motion by Commissioner Ramsey, second by Commissioner German, to close the public hearing.

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

Nays: None

MOTION PASSES

Motion by Commissioner German, second by Commissioner Emory, to table this item.

ROLL VOTE: Ayes: Hood, German, Emory

Nays: Ramsey, Rinsema-Sybenga, Johnson, and Gawron

MOTION FAILS

Motion by Commissioner Ramsey, second by Vice Mayor Hood, to call the question.

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

Nays: None

MOTION PASSES

Motion by Commissioner Johnson, second by Commissioner Emory, to reject the request to rezone.

ROLL VOTE: Ayes: Ramsey, German, Emory, Johnson, and Hood

Nays: Rinsema-Sybenga and Gawron

MOTION PASSES

B. <u>CAPER 2019</u> Community & Neighborhood Services

SUMMARY OF REQUEST: Request to conduct a Public Hearing of the Community & Neighborhood Services department Consolidated Annual Performance Evaluation Report (CAPER 2019) of HUD funded programs through CDBG and HOME for the City of Muskegon.

STAFF RECOMMENDATION: To submit the 2019 CAPER including any public comments received during the 20-day comment period ending December 22, 2020.

PUBLIC HEARING COMMENCED: No public comments were received.

Motion by Commissioner Rinsema-Sybenga, second by Commissioner Ramsey, to close the public hearing and submit the 2019 CAPER.

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

Nays: None

MOTION PASSES

C. <u>Infill Housing Project (2nd Amendment) Brownfield Plan Amendment Public Hearing</u> Economic Development

SUMMARY OF REQUEST: To hold a public hearing and approve the resolution to adopt the city's Infill Housing Project (2nd Amendment) to the Scattered Site Brownfield Plan. The BRA approved the Plan amendment on 11/24 and recommended approval by the City Commission.

The 2nd Amendment adds (12) additional parcels into the Scattered Site Brownfield Plan. On July 28th the City Commission approved the 1st Amendment. The redevelopment of <u>119 total parcels</u> are primarily located in the Nelson, Jackson Hill and Angell neighborhoods, respectively. Some lots will be split, creating up to 253 subject parcels. This updated plan incorporates three types of redevelopment projects; infill housing on vacant City lots (up to 238 units), the rehab of existing homes (11 detached housed), and two separate mixed-use developments (former Catholic Charities parcels and 880 First St, LLC projects). Activities include the redevelopment and rehabilitation of subject parcels and construction of new commercial and residential units. The City is currently marketing these properties with the anticipation that private developers will acquire the sites and submit plans for productive redevelopment.

Developer's Reimbursement Costs: Infill Housing - $5,837,000; Mixed-use projects - $1,000,000; Total reimbursement costs - $6,837,000.

Estimated Total Capital Investment: Infill Housing - $48,600,000; Home rehab -

$500,000; Mixed Use developments: $26,000,000; Total Estimated Capital Investment - $75,100,000

Plan Amendment eligible activities: $4,840,000 cost of sale/seller concessions; $1,200,000 demolition and abatement; $777,000 public infrastructure; $20,000 Brownfield Plan Preparation and Development; $1,025,550 contingency fees (15%); $7,862,550 – total eligible activities to be paid under this Plan. End of 2023 for expected completion date of the Project homes. After all eligible costs incurred by the various parties are reimbursed, the BRA is authorized to continue to capture local taxes for five more years for deposit into a Local Site Remediation Revolving Fund.

The additional eligible properties include:

880 First Street (880 First St LLC development) / 216 W. Clay (880 First St LLC development / 208 W. Clay (880 First St LLC development) / 1095 Third Street (former Catholic Charities property) / 301 W. Muskegon Ave (former Catholic Charities parking lot) / 589 McLaughlin (Big Red Developer) / 559 McLaughlin (Big Red Developer) / 441 Isabella (Big Red Developer) / 438 Isabella (Big Red Developer) / 591 Catherine (Big Red Developer) / 185 E. Muskegon Ave (former Farmers market properties) / 209 E. Walton Ave (former Farmers Market properties)

STAFF RECOMMENDATION: To close the public hearing and approve the resolution of the Brownfield Plan Amendment for the city's Infill Housing Project (2nd Amendment).

PUBLIC HEARING COMMENCED: No public comments were received.

Motion by Commissioner Ramsey, second by Commissioner Johnson, to close the public hearing and approve the resolution of the Brownfield Plan Amendment for the city's Infill Housing Project (2nd Amendment).

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

Nays: None

MOTION PASSES

2020-94 NEW BUSINESS:

A. <u>Community EnCompass Infill Housing Development Agreement and Funding</u> Economic Development

SUMMARY OF REQUEST: Community EnCompass has committed their share of funding for this project through an approved resolution of the Board of Directors. Staff recommends approving the use of $250,000 of HOME Funds to couple with $320,000 in contributions from Community EnCompass and retain Community

EnCompass as the builders and marketers of the homes.

In an attempt to further our Economic Equity efforts and to create diversity of housing price points as we build infill, we have been working for quite some time with Community EnCompass to try and construct a deal within the Brownfield TIF and their institutional capacity to construct homes that would be specifically for buyers at or below 80% AMI. The attached development agreement is based on other residential construction agreements the City has used and is reflective of the anticipated costs to construct 3 single family homes on city owned lots at 180 Houston, 1141 Jefferson, and 1259 Sanford. A map is attached with the locations highlighted. Community EnCompass already receives HOME funds each year from the City's CDBG programming as the only Community Housing Development Organization (CHDO) in the area. This item would increase their 20/21 allotment as well as allocate existing program income for this development. The total project would have a not-to-exceed budget of $570,000, with Community EnCompass to be repaid first by proceeds from sales, and the city second. Any losses incurred by the City would be recouped through Brownfield TIF.

AMOUNT REQUESTED: $250,000

AMOUNT BUDGETED: Consistent with CNS Program Development Plan, budget amendment required at quarterly reforecast.

FUND OR ACCOUNT: CDBG HOME Funds (Current and previous year carryover/program income)

Commissioner Rinsema-Sybenga stated a conflict of interest and recused himself from discussing and voting on this item as his spouse is employed by Community EnCompass.

Commissioner Ramsey stated a conflict of interest and recused himself from discussing and voting on this item as he is employed by Community EnCompass.

Motion by Commissioner Johnson, second by Commissioner Emory, to accept the development agreement as amended and authorize the Finance Department to release funds for construction to Community Encompass upon the signing of the development agreement and meeting the stipulations thereof. The City Commission deems this to be in the best interest of the City. The Mayor and Clerk are authorized to sign the development agreement upon waiver of any conflict by the US Department of Housing and Urban Development.

ROLL VOTE: Ayes: Johnson, Gawron, Hood, German, and Emory

Nays: None

MOTION PASSES

PUBLIC COMMENT: **Public comments were received.**

ADJOURNMENT: **The City Commission meeting adjourned at 10:20 p.m.**

Respectfully Submitted,

Ann Marie Meisch, MMC – City Clerk