

**CITY OF MUSKEGON
CITY COMMISSION WORKSESSION
Monday, December 7, 2020
5:30 pm
City Commission Chambers
REMOTE MEETING**

MINUTES

2020-90

Present: Mayor Gawron (Muskegon, MI), Vice Mayor Hood (Muskegon, MI), Commissioners Rinsema-Sybenga (Muskegon, MI), Emory (Muskegon, MI), Johnson (Muskegon, MI), Ramsey (arrived at 6:00 p.m. – Muskegon, MI), and German (Muskegon, MI).

Absent: None.

Commission Chambers Electronics Update – City Clerk

The City Clerk updated the Commissioner on the project of updating the commission chambers audio and visual equipment to enhance the training experience for our election inspectors. Keith Roelfsema and Ward LaDuke from Vizidef explained what is being done. Commissioners can expect better video, better video quality, better video reliability, as well as a better audio experience for all. Vizidef recommends using YouTube for our streaming service for several reasons – their platform is specifically designed for sharing video.

Village at Jackson Hill PILOT – Planning

General Capital (“GCG”) is under contract to purchase the Village at Jackson Hill, a 40-unit senior tax credit apartment complex constructed about 15 years ago at 557 McLaren Avenue. GCG intends to apply to MSHDA for 9% tax credits to rehabilitate the project. In order for the project to receive a high enough score to be competitive to receive an allocation of credits, they are asking that the City consider adopting a new PILOT for the program. The existing 4% PILOT terminates in 2027 and MSHDA requires a PILOT with a longer term to receive the PILOT points.

If successful in receiving a tax credit award, GCG intends to rehabilitate the project. They anticipate spending approximately \$48,000 per unit in hard construction costs. The rehabilitation will include creating visitable and truly handicap accessible units. In addition, if successful in receiving an award of the credits the Area Median Income (“AMI”) unit mix of the project will expand. Currently, the project has 2 60% AMI units, 18 45% AMI units, and 20 40% AMI units. With a new tax credit award, the unit AMI mix

will shift to 5 units at 30% AMI, 5 units at 40% AMI, 1 unit at 50% AMI, 16 units at 40% AMI, and 13 units at 80% AMI.

With the change in unit mix the gross potential rental revenue at the project will increase from approximately \$260,000 to \$330,000. This increase will happen over time, as the current tenants will not be displaced. Rents will increase in the same manner they have in the past. As new tenants take occupancy, the rents will increase to the new AMI limits.

The current owners are paying a 4% PILOT and it expires in 2027. GCG is requesting to extend the PILOT 25 years (until 2046) and is willing to adjust the PILOT payments to include a municipal services fee.

Jake Eckholm, Economic Development, provided a summary of the project to the City Commission. Josh Haffron, GCG, also provided information on the project.

Discussion took place.

Body Camera Purchase – Public Safety

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 Offices. 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 to 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 if 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 Motorola/WatchGuard system. We were able to negotiate a significant discount to cover the remaining product life of our current system.

Public Safety Director – Chief Jeff Lewis, Captain Dennis Lord, and Mike Muskovin from Motorola provided an overview of the request and answered questions from the Commission.

Discussion ensued. This item will be placed before the Commission on Tuesday, December 8, 2020 for consideration.

Paid Parking Proposal – Development Services

Staff is seeking input on the proposal for paid parking at the city's beach parks for 2021. The proposal includes staff recommendations for General Information, Residents/Non-Residents, Rates, Enforcement, and Communication.

Commissioners made suggestions, asked questions, and discussed the proposal.

Staff will do more work on the proposal to attempt to incorporate recommendations from the discussion. Another proposal will be presented at a later date.

Convention Center Naming Rights – City Manager

Staff is seeking approval of two agreements: authorizing the City to enter into 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 pleased 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.

City Manager Frank Peterson provided a summary of the request for approval of Convention Center Naming Rights agreement. This item will be considered at the regular City Commission meeting on Tuesday, December 8, 2020.

Parkland Properties Marina Agreement – City Manager

Staff is seeking approval of the 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 user for the property, staff 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.

City Manager Frank Peterson and John Rooks, owner of Parkland Properties, provided a summary of the proposed agreement. Discussion took place. This item will be considered at the regular City Commission meeting on Tuesday, December 8, 2020.

Public Comments – No Public Comments were received.

The Worksession Meeting adjourned at 7:52 p.m.

Respectfully Submitted,

Ann Marie Meisch, MMC – City Clerk