

CITY OF MUSKEGON

CITY COMMISSION MEETING

NOVEMBER 28, 2017 @ 5:30 P.M.

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

AGENDA

- ☐ CALL TO ORDER:
- ☐ PRAYER:
- ☐ PLEDGE OF ALLEGIANCE:
- ☐ ROLL CALL:
- ☐ HONORS AND AWARDS:
 - A. City of Muskegon Employees – Years of Service Awards
 - B. Recognition of Fall 2017 Citizen's Academy Graduates
- ☐ INTRODUCTIONS/PRESENTATION:
- ☐ CITY MANAGER'S REPORT:
- ☐ CONSENT AGENDA:
 - A. Approval of Minutes City Clerk
 - B. Scanning Services City Manager
 - C. Sale of Parking Lot City Manager
- ☐ PUBLIC HEARINGS:
- ☐ COMMUNICATIONS:
- ☐ UNFINISHED BUSINESS:
- ☐ NEW BUSINESS:
 - A. Concurrence with the Housing Board of Appeals Notice and Order to Demolish the Following: Public Safety
638 Oak Avenue
- ☐ ANY OTHER BUSINESS:
- ☐ PUBLIC PARTICIPATION:
 - ▶ Reminder: Individuals who would like to address the City Commission shall do the following:

- ▶ Fill out a request to speak form attached to the agenda or located in the back of the room.
- ▶ Submit the form to the City Clerk.
- ▶ Be recognized by the Chair.
- ▶ Step forward to the microphone.
- ▶ State name and address.
- ▶ Limit of 3 minutes to address the Commission.
- ▶ (Speaker representing a group may be allowed 10 minutes if previously registered with City Clerk.)

☐ **CLOSED SESSION:**

☐ **ADJOURNMENT:**

ADA POLICY: THE CITY OF MUSKEGON WILL PROVIDE NECESSARY AUXILIARY AIDS AND SERVICES TO INDIVIDUALS WHO WANT TO ATTEND THE MEETING UPON TWENTY-FOUR HOUR NOTICE TO THE CITY OF MUSKEGON. PLEASE CONTACT ANN MARIE MEISCH, CITY CLERK, 933 TERRACE STREET, MUSKEGON, MI 49440 OR BY CALLING (231) 724-6705 OR TTY/TDD DIAL 7-1-1- TO REQUEST A REPRESENTATIVE TO DIAL (231) 724-6705.

Memorandum

To: Mayor and Commissioners

From: Frank Peterson

Re: City Commission Meeting

Date: November 27, 2017

Here is a quick outline of the items on our agenda:

1. Under the Consent Agenda, we are asking the Commission to consider the following:
 - a. Approval of meeting minutes from the most-recent City Commission meeting.
 - b. Approval of a scanning services invoice totaling \$18,072.65. Much of the document scanning was aimed at the preservation of old building plans, site plans, etc. An entire room on the second floor had been dedicated to storing these documents, but it had grown cluttered and disorganized over the years. I originally approved the scanning services on a per sheet basis expecting 30,000 or so sheets to be scanned. We ended up with nearly 65,000, which pushed the cost above my threshold for approval. With that said, the service has already been completed and we are simply asking the Commission to authorize the expenditure after-the-fact.
 - c. Approval of the revised purchase agreement with Pigeon Hill Brewing for the purchase of a city parking lot on Shoreline Drive. Originally, we had this item on the agenda for approval two weeks ago, but decided remove it from consideration while we finalized the purchase agreement and land survey. Everything is complete and we are proposing to sell Pigeon Hill Brewing the portion of the parking lot bounded by Shoreline Drive to the south, 5th Street to the west, 5th Street to the east, and the Mart Dock to the north. Pigeon Hill has committed to building a brewing/canning facility and tasting room to accommodate their fast-growing distribution business. Pigeon Hill Brewing is committed to building a facility that helps connect the downtown and the lakeshore architecturally, and the MEDC has offered the City of Muskegon \$15,000 in planning grants to help ensure that the site is designed appropriately to accomplish this.
2. Under the New Business, we are asking the Commission to consider the following:
 - a. Concurrence with the housing board of appeals to demolish 638 Oak Ave.

Date: November 22, 2017
To: Honorable Mayor and City Commissioners
From: Ann Marie Meisch, City Clerk
RE: Approval of Minutes

SUMMARY OF REQUEST: To approve minutes of the November 13, 2017 Worksession Meeting and the November 14, 2017 Regular Meeting.

FINANCIAL IMPACT: None.

BUDGET ACTION REQUIRED: None.

STAFF RECOMMENDATION: Approval of the minutes.

CITY OF MUSKEGON
CITY COMMISSION WORKSESSION

Monday, November 13, 2017
5:30 p.m.
City Commission Chambers

MINUTES

2017-87

Present: Gawron, Hood, Warren, German, Rinsema-Sybenga, Johnson, and
Turnquist
Absent: None

2017-88 Michigan's Medical Marihuana Facilities Licensing Act

Discussion of the Michigan Medical Marihuana Facilities Licensing Act continued from the October 9, 2017 Worksession Meeting. Commissioners have had an opportunity over the past month to have contact with residents to get their input and to do individual research.

Motion by Commissioner Johnson, second by Commissioner Warren, to refer the drafted opt-in ordinance to the Planning Commission for review at their January 2018 meeting.

Ayes: Johnson, Gawron, Warren

Nays: Hood, German, Rinsema-Sybenga, and Turnquist

MOTION FAILS

Comments were received from the public.

2017-89 **CLOSED SESSION:**

Collective Bargaining

Motion by Vice Mayor Hood, second by Commissioner Johnson, to go into Closed Session for the purpose of collective bargaining discussions.

Ayes: Gawron, Hood, German, Rinsema-Sybenga, Turnquist, Johnson

Nays: None

MOTION PASSES

Motion by Vice Mayor Hood, second by Commissioner Turnquist to come out of Closed Session.

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

Nays: None

MOTION PASSES

Any Other Business

Comments were received of the Commission.

ADJOURNMENT: The Worksession meeting adjourned at 9:15 p.m.

Respectfully Submitted,

Ann Marie Meisch, MMC – City Clerk

CITY OF MUSKEGON

CITY COMMISSION MEETING

NOVEMBER 14, 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, November 14, 2017. George Monroe, 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 Eric Hood, Commissioners Ken Johnson, Byron Turnquist, Willie German, Jr., Debra Warren, and Dan Rinsema-Sybenga, City Manager Frank Peterson, City Attorney John Schrier, and City Clerk Ann Meisch.

2017-90 CONSENT AGENDA:

A. Approval of Minutes City Clerk

SUMMARY OF REQUEST: To approve minutes of the October 24, 2017 Regular Meeting.

FINANCIAL IMPACT: None

BUDGET ACTION REQUIRED: None

STAFF RECOMMENDATION: Approval of the minutes.

C. Sale of Parking Lot City Manager

ITEM REMOVED PER STAFF REQUEST

F. Approval of a Neighborhood Enterprise Zone Certificate Planning & Economic Development (341 Terrace Point Circle)

SUMMARY OF REQUEST: An application for a Neighborhood Enterprise Zone (NEZ) certificate has been received from Robert and Michelle Klanke for the new construction of a home at 341 Terrace Point Circle. The estimated cost for construction is \$342,573. The applicant has met local and state requirements for the issuance of the NEZ certificate.

FINANCIAL IMPACT: Taxation will be applied as one-half of the previous year's state average principal residence millage rate to the value of the facility.

BUDGET ACTION REQUIRED: None.

STAFF RECOMMENDATION: Approval of NEZ certificate.

G. Approval of a Neighborhood Enterprise Zone Certificate Planning & Economic Development (307 Terrace Point Circle)

SUMMARY OF REQUEST: An application for a Neighborhood Enterprise Zone (NEZ) certificate has been received from Jesus Cutie for the new construction of a home at 307 Terrace Point Circle. The estimated cost for construction is \$319,004. The applicant has met local and state requirements for the issuance of the NEZ certificate.

FINANCIAL IMPACT: Taxation will be applied as one-half of the previous year's state average principal residence millage rate to the value of the facility.

BUDGET ACTION REQUIRED: None.

STAFF RECOMMENDATION: Approval of NEZ certificate.

H. Approval of a Neighborhood Enterprise Zone Certificate Planning & Economic Development (345 Terrace Point)

SUMMARY OF REQUEST: An application for a Neighborhood Enterprise Zone (NEZ) certificate has been received from Gordon and Kimberly Shutek for the new construction of a home at 345 Terrace Point. The estimated cost for construction is \$380,036. The applicant has met local and state requirements for the issuance of the NEZ certificate.

FINANCIAL IMPACT: Taxation will be applied as one-half of the previous year's state average principal residence millage rate to the value of the facility.

BUDGET ACTION REQUIRED: None.

STAFF RECOMMENDATION: Approval of NEZ certificate.

I. Approval of a Neighborhood Enterprise Zone Certificate Planning & Economic Development (656 Terrace Point)

SUMMARY OF REQUEST: An application for a Neighborhood Enterprise Zone (NEZ) certificate has been received from Patrick Loughridge for the new construction of a home at 656 Terrace Point. The estimated cost for construction is \$284,705. The applicant has met local and state requirements for the issuance of the NEZ certificate.

FINANCIAL IMPACT: Taxation will be applied as one-half of the previous year's state average principal residence millage rate to the value of the city.

BUDGET ACTION REQUIRED: None.

STAFF RECOMMENDATION: Approval of NEZ certificate.

J. Approval of a Neighborhood Enterprise Zone Certificate Planning & Economic Development (315 Terrace Point Circle)

SUMMARY OF REQUEST: An application for a Neighborhood Enterprise Zone (NEZ) certificate has been received from Cheryl Parker for the new construction of a home at 315 Terrace Point Circle. The estimated cost for construction is \$347,032. The applicant has met local and state requirements for the issuance of the NEZ certificate.

FINANCIAL IMPACT: Taxation will be applied as one-half of the previous year's state average principal residence millage rate to the value of the facility.

BUDGET ACTION REQUIRED: None.

STAFF RECOMMENDATION: Approval of NEZ certificate.

Motion by Commissioner Warren, second by Commissioner Johnson, to approve the consent agenda as presented, except items B, D, and E.

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

Nays: None

MOTION PASSES

2017-91 ITEMS REMOVED FROM CONSENT AGENDA:

B. Market Manager City Clerk

SUMMARY OF REQUEST: Over the past year, the market has grown with more activities, use of the kitchen, and the food hub pilot program. With the addition of three food truck rallies, Dining in the Dark, Farm-To-Table event, Halloween Bash, etc. in just the last year or so, the market has grown beyond a part-time Market Manager. This past year, the Market Manager averaged 35 hours per week with plenty more to do if able to.

FINANCIAL IMPACT: When calculating the cost of the Market Manager through the temporary service, we have found it will cost an additional \$4,000 per year to hire a Market Manager full-time with benefits.

BUDGET ACTION REQUIRED: None

STAFF RECOMMENDATION: To create a full-time position for Market Manager.

Motion by Commissioner Turnquist, second by Commissioner Rinsema-Sybenga, to create a full-time position for Market Manager.

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

Nays: None

MOTION PASSES

D. 1078 2nd Street and 1180 4th Street Purchase City Manager

SUMMARY OF REQUEST: Staff was recently presented with the opportunity to purchase these properties for a combined cost of \$79,000. Staff plans to convert the properties to single family residences and return them to the neighborhood as private owner-occupied homes. These houses will be purchased and rehabbed with Public Improvement Funds rather than CDBG/HOME Funds in an effort to create affordable housing without income restrictions.

FINANCIAL IMPACT: \$79,000, plus closing costs.

BUDGET ACTION REQUIRED: None

STAFF RECOMMENDATION: Authorize City Manager to enter into a purchase agreement for 1078 Second Street in the amount of \$55,000 and 1180 Fourth Street in the amount of \$24,000.

Motion by Commissioner Turnquist, second by Commissioner Rinsema-Sybenga, to authorize City Manager to enter into a purchase agreement for 1078 Second Street in the amount of \$55,000 and 1180 Fourth Street in the amount of \$24,000.

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

Nays: None

MOTION PASSES

E. Windward Pointe Master Planning City Manager

SUMMARY OF REQUEST: The City and Pure Muskegon have the opportunity to engage a world premiere water-front redevelopment master planning organization to help guide the vision for the former Sappi site. DPZ CoDesign (DPZ) is widely recognized as a leading expert in the latest/best practices for planning, urban design, and sustainable mixed-use development in waterfront communities. The cost to bring DPZ into Muskegon to conduct the full master planning process is significant. DPZ will spend a number of days in Muskegon gathering data, conducting public meetings and developing a sustainable 21st Century plan for this site. As part of the Sappi Paper Mill's closing, approximately \$500,000 was left to the City to help mitigate the effects of the plant's closure. Staff is asking that \$75,000 of those funds be allocated to the master planning process for Windward Pointe. The total cost of the process is expected to exceed \$250,000.

FINANCIAL IMPACT: \$75,000

BUDGET ACTION REQUIRED: To be included in the 1st Quarter Budget Reforecast.

STAFF RECOMMENDATION: Authorize the expenditure of \$75,000 from the Sappi Economic Development Fund.

Motion by Commissioner German, second by Commissioner Johnson, to authorize the expenditure of \$75,000 from the Sappi Economic Development Fund.

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

Nays: None

MOTION PASSES

2017-92 PUBLIC HEARINGS:

A. Request for an Industrial Facilities Exemption Certificate – KLO Acquisition Planning & Economic Development

SUMMARY OF REQUEST: Pursuant to Public Act 198 of 1974, as amended, KLO Acquisitions, LLC, 700 Terrace Point, has requested the issuance of an Industrial Facilities Tax (IFT) Exemption Certificate. The company will be locating its corporate headquarters at this location, which will result in a real property investment of almost \$450,000 and will create up to 35 new jobs. This qualifies them for a tax abatement of 12 years under the City's IFT policy.

FINANCIAL IMPACT: The City will capture additional property taxes generated by the expansion.

BUDGET ACTION REQUIRED: None.

STAFF RECOMMENDATION: Approval of the resolution granting an Industrial Facilities Exemption Certificate for a term of twelve years for real property.

PUBLIC HEARING COMMENCED: No public comments were received under public hearing for this issue.

Motion by Commissioner Johnson, Second by Commissioner German, to close the public and approve the resolution granting an Industrial Facilities Exemption Certificate for a term of twelve (12) years for real property.

PUBLIC PARTICIPATION: Public Comments were received.

ADJOURNMENT: The City Commission Meeting adjourned at 6:40 p.m.

Respectfully Submitted,

Ann Meisch, MMC, City Clerk

AGENDA ITEM NO. _____
CITY COMMISSION MEETING _____

TO: Honorable Mayor and City Commissioners

FROM: Frank Peterson, City Manager

DATE: November 28, 2017

RE: Scanning Services

SUMMARY OF REQUEST:

This past summer, the City engaged with Alcogare LLC to scan a number of documents for digital archiving and storage. The scanning was completed on a per-sheet basis. Many of the documents were old building plans and site plans – the total quantity was unknown at the onset of the process. Upon completion, a total of 64,883 documents had been scanned at a cost of \$18,072.65. Staff is seeking formal approval to expense the \$18,072.65.

FINANCIAL IMPACT:

\$18,072.65 in general fund expenses.

BUDGET ACTION REQUIRED:

None at this time. The expenses will be included in the budget reforecast.

STAFF RECOMMENDATION:

Authorize \$18,072.65 in document scanning and archiving costs.

COMMITTEE RECOMMENDATION:



Alcogare LLC

ALCOGARE LLC
5071 Ruby Ridge Drive
Holland, MI 49424

Phone: 616-403-1033
E-mail:
gmccaw@alcogare.com

Invoice

Date: October 17, 2017

Invoice Number 001
Project Number 17016

Bill To:

CITY OF MUSKEGON
Ms. Ann Meisch, MMC, City Clerk
Cc: Inspections Department, SafeBuilt
933 Terrace Street
Muskegon, MI 49440

Ship To:

933 Terrace Street
Muskegon, MI 49440

RECEIVED
OCT 17 2017
SAFEBUILT MUSKEGON

RECEIVED

OCT 20 2017

MUSKEGON
CITY MANAGER'S OFFICE

Project Description:

Scanned **78 Boxes (1,910 Rolled Plan Files)**
12 Boxes (488 Folded and MISC Plans)

Scanned **64,883** documents, as follows:

Scanned **5,023** 30" x 42" (or larger) drawings in B/W and color, saved as Group-4 TIF, JPG and converted to PDF.
Scanned **26,813** 24" x 36" (or larger) drawings in B/W and color, saved as Group-4 TIF, JPG and converted to PDF.
Scanned **33,047** 8-1/2" x 11" (or larger) documents in color, saved as PDF with searchable text.

Delivered: **1** 240 GB External 3.0/2.0 USB Solid State Hard-Drive For Accessible and Permanent Storage.

Quantity	Item	Description	Unit Price	Sub-Total	Discount %	Total
5,023	Large Docs	Archived drawings and maps—30" x 42" or larger	\$1.20	\$6,027.60	50%	\$3,013.80
26,813	Large Docs	Archived drawings and maps—24" x 36" or larger	\$1.00	\$26,813.00	50%	\$13,406.50
33,047	Small Docs	Various sizes—specs, permits, sketches, etc.	\$0.10	\$3,304.70	50%	\$1,652.35
64,883	OCR Pages	Text-Recognition Applied	\$0.02	\$1,297.66	(No Charge)	\$0.00
1	240 GB Drive	External 3.0/2.0 USB Hard-Drive	\$139.99	\$139.99	(No Charge)	\$0.00
			Subtotal	\$37,582.95		\$18,072.65
			Balance Due			\$18,072.65

Thank you for allowing ALCOGARE LLC to serve you on this project. We look forward to assisting you with any future needs.

REMITTANCE

Customer ID:

Date:

Amount Due:

Amount Enclosed:

5071 Ruby Ridge Drive ■ Holland, MI 49424 ■ (616) 403-1033 ■ www.alcogare.com

AGENDA ITEM NO. _____
CITY COMMISSION MEETING _____

TO: Honorable Mayor and City Commissioners

FROM: Frank Peterson, City Manager

DATE: November 28, 2017

RE: Sale of Parking Lot

SUMMARY OF REQUEST:

The City Commission previously authorized the City Manager to enter into an agreement to sell Pigeon Hill Brewing a portion of the city-owned parking lots on Shoreline Drive to accommodate the company's expansion plans. The agreement originally called for Sub-Parcels 1 and 2 (collectively Parcel A) to be sold to Pigeon Hill Brewing and Sub-Parcel 3 (now identified as Parcel B) to be retained by the City of Muskegon. Upon completion of the formal property survey, it was determined that the size of Parcel A was significantly less than originally understood by both parties. Parcel A is now insufficiently sized to accommodate Pigeon Hill's expansion. Parcel B is sufficiently sized to accommodate the expansion. Accordingly, staff is asking the City Commission to amend the original purchase agreement by replacing Parcel A with Parcel B, which would leave Parcel A in the city's ownership and place Parcel B in Pigeon Hill Brewing's ownership.

FINANCIAL IMPACT:

None

BUDGET ACTION REQUIRED:

None.

STAFF RECOMMENDATION:

Authorize City Manager to sign the purchase agreement and proceed with the sale of Parcel B.

COMMITTEE RECOMMENDATION:

REAL ESTATE PURCHASE AGREEMENT

This Real Estate Purchase Agreement ("Agreement") has been made as of the Effective Date (defined below), by the **City of Muskegon**, a Michigan municipal corporation, of 933 Terrace Street, Muskegon, Michigan 49440 ("Seller") and **Pigeon Hill Brewing Company, LLC**, a Michigan limited liability company, of 500 W. Western Avenue, Muskegon, Michigan 49440 ("Buyer") with reference to the following facts:

Background

A. Seller owns the real property located City of Muskegon commonly known as 895 Fourth Street in the City of Muskegon, Muskegon County, Michigan, which is legally described on **Exhibit A**, together with all improvements, fixtures, easements, hereditaments and appurtenances associated with that real estate (the "Property").

B. Buyer desires to purchase and Seller desires to sell to Buyer the portion of the Property located to the South and West of Fourth Street together with all improvements, fixtures, easements, hereditaments and appurtenances associated with that real estate (the "Premises"). The Premises is legally described on **Exhibit B** and the approximate location of the Premises is depicted on **Exhibit C**.

Therefore, for good and valuable consideration, the parties agree as follows:

1. **Sale and Purchase of Premises.** Seller agrees to sell to Buyer, and Buyer agrees to purchase from Seller, on the terms and subject to the conditions set forth in this Agreement, the Premises.
2. **Purchase Price.** The purchase price for the Premises shall be \$98,400 ("Purchase Price"), payable at Closing (as defined below) in immediately available funds.
3. **Payment Terms.** Buyer shall pay the full Purchase Price, including any adjustments and/or prorations contained herein, to Seller at Closing in certified funds upon execution and delivery of a quit claim deed.
4. **Deposit.** Buyer has made an earnest money deposit of \$7,500 ("Deposit") which shall be held by the Title Company, and which shall be applied toward the Purchase Price at Closing if the sale is consummated or disbursed as set forth in this Agreement.
5. **Title Policy and Survey.**
 - a. Seller and Buyer have received a title commitment for an extended coverage ALTA owner's policy of title insurance issued by Transnation Title Agency (the "Title Company") for the Premises in the amount of the Purchase Price and bearing a date later than the Effective Date, along with copies of all of the underlying documents referenced therein (the "Title Commitment"). Seller shall cause the Title Company to issue a marked-up commitment or *pro forma* owner's policy with respect to the Premises at the Closing naming Buyer as the insured and in form and substance satisfactory to Buyer, but subject to the Permitted Exceptions (defined below). As soon as possible after the Closing, Seller shall cause the Title Company to furnish to Buyer an extended coverage ALTA owner's policy of title insurance with respect to the

Premises (the "Title Policy"). Seller shall be responsible for the cost of the Title Policy, provided that Buyer shall be responsible for the cost of any endorsements to the Title Policy which Buyer desires.

b. Seller has ordered and will pay for an ALTA/ACSM Land Title Survey of the Premises in accordance with the most current ALTA Standards (the "Survey"), certified to Buyer and to the Title Company, and shall promptly deliver the Survey to Buyer upon receipt. In the event of any discrepancy between the as-surveyed legal description and the legal description in the Title Commitment, the legal description from the Survey for the Premises shall be included as the "as-surveyed legal description" in all conveyance documents with respect to the Premises; alternatively, at Buyer's election, Seller shall execute and deliver to Buyer a quit claim deed to the Premises reflecting the "as-surveyed legal description."

c. Seller, at its expense, shall prior to Closing complete the division of the Property so that the Premises is a separately identified tax parcel.

6. **Title Objections.** Buyer shall have 10 days from the receipt of the title commitment and Survey within which to raise objections to the status of the Seller's title to the Premises or matters shown on the Survey. If objection to the title and/or Survey is made, Seller shall have seven days from the date it is notified in writing of the particular defects claimed to either (a) remedy the objections or (b) notify Buyer that it will not remedy the objections. If Buyer does not notify Seller in writing as to any title or survey objections, then Buyer will be deemed to have accepted the condition of title and survey as set forth in the Title Commitment and Survey. If Seller is unwilling or unable to remedy the title and/or survey defect or obtain title insurance over such defects within the time period specified, then notwithstanding anything contained herein to the contrary, Buyer may, at its option, upon written notice to Seller, either (i) terminate this Agreement and obtain a refund of the Deposit and neither Seller nor Buyer shall have any further obligation to the other pursuant to this Agreement, except as otherwise provided herein, or (ii) waive such objection, in which case such objection shall become a Permitted Exception, and thereafter proceed to the Closing according to the terms hereof. Any matter disclosed on the Title Commitment or the Survey which is waived or not objected to by Buyer shall be deemed a "Permitted Exception." The foregoing notwithstanding, no mortgage, monetary encumbrance, lien (including for unpaid water bills) (except the lien of real estate taxes not yet due and payable) or tenancy right shown on the Title Commitment shall be considered a Permitted Exception, and Seller shall discharge of record all monetary encumbrances, liens and tenancy rights affecting the Premises at or prior to Closing.

7. **Property Taxes.** The Premises is owned by the Seller and is not subject to property taxes. Buyer shall be responsible for all property taxes and special assessments that first become due and payable after Closing without proration.

8. **Assessments.** Seller shall pay in full any assessments that are due and payable on the Premises in full on or before Closing.

9. **Inspection.** At Buyer's sole option and expense, except for the cost of the Survey and Envirollogic Phase I as described in Section 10, Buyer and Buyer's agents may conduct inspections of the Premises until December 18, 2017 ("Inspection Period"). Buyer's inspection under this Section may include, by way of example but not limitation, inspections of any existing improvements to the Premises, other systems servicing the Premises, zoning, and the suitability for Buyer's intended purposes for the

Premises. If Buyer, in Buyer's sole discretion, is not satisfied with the results of the inspections for any reason, Buyer shall notify Seller in writing of Buyer's dissatisfaction within three business days after the expiration of the Inspection Period. If Buyer so notifies Seller, Seller shall immediately refund to Buyer all sums deposited by Buyer and this Agreement shall be terminated and have no further force and effect. If no written objection is made by Buyer within the stated period, this inspection contingency shall be deemed to be waived by Buyer and the parties shall proceed to closing in accordance with the terms of this Agreement.

10. **Environmental.** Seller has caused and paid for Envirologic Environmental Consulting to conduct a Phase I Environmental Site Assessment ("Envirologic Phase I") of the Premises and has delivered a copy of the Envirologic Phase I dated September 26, 2017 to Buyer. Without limiting the generality of Section 9, Buyer and Buyer's agents shall have the right to conduct environmental assessments (which may include assessments of compliance with environmental laws, regulations and common law) of the Premises until December 18, 2017 in one or more phases, including the procurement and analysis of samples of soil, groundwater, surface water, air, or any other environmental medium, and any building component or other material located at the Premises. The cost of any additional environmental assessment desired by Buyer (including a Phase II and any related testing) shall be borne by Buyer. Seller and Buyer and their agents shall cooperate in the environmental assessments. Seller's or Buyer's agents shall have the right to interview employees and representatives of Seller and Buyer who have or may have knowledge of conditions and events relevant to the operating history or environmental condition of the Premises or the intended future use of the Premises. Prior to causing any invasive testing of the Premises to be conducted as part of any environmental site assessment, Buyer shall provide Seller with a detailed proposal of such testing and obtain the written approval of Seller, which shall not be unreasonably withheld, before such invasive testing is performed. If the Premises is a "facility" within the meaning of Part 201 of the Michigan Natural Resources and Environmental Protection Act ("NREPA"), MCL 324.20101 *et seq.* ("Part 201"), Buyer may, at Buyer's expense, prepare and submit to the Michigan Department of Environmental Quality ("MDEQ") a "baseline environmental assessment, pursuant to Section 26 of Part 201, MCL 324.20126. Buyer may also, at Buyer's expense, prepare a plan ("Due Care Plan") to meet due care obligations at the Premises imposed under MCL 324.20107a. Buyer may, at its option and Buyer's expense, submit the Due Care Plan to MDEQ for approval as a no further action report under Section 14d of Part 201m, MCL 324.20114d. If the Premises is subject to Part 111 of NREPA or RCRA corrective action, the Buyer may seek liability protections as the Buyer deems appropriate in its sole discretion.

11. **Condition of Premises.** Buyer understands and agrees that the Premises are taken "**AS IS**" subject only to the representations and warranties set forth in this Agreement. Buyer represents that by closing on the purchase of the Premises, Buyer will be purchasing the Premises as a result of its inspection and investigation of the Premises and that Buyer is satisfied with the condition of the land, and improvements thereon. Buyer further represents and warrants that it is not purchasing the Premises based on any representations made by or on behalf of Seller except as specifically set forth in this Agreement. No implied warranties of habitability, quality, condition, fitness for a particular purpose, or any other implied warranties shall operate between Seller and Buyer, and Buyer expressly waives any and all such implied warranties.

12. **Representations, Covenants, and Warranties of Seller.** Seller represents, covenants, and warrants the following to be true:

a. Seller is a Michigan municipal corporation duly organized, validly existing and in good standing under the laws of the State of Michigan.

b. Subject to the provisions of Section 14(f), Seller has the power and authority to enter into and perform Seller's obligations under this Agreement.

c. There is no litigation or proceeding either pending or, to the best of Seller's knowledge without independent inquiry, threatened against or relating to the Premises in any judicial, quasi-judicial or administrative forum.

d. To the best of Seller's knowledge without independent inquiry, except as disclosed in writing to, and accepted by Buyer, there are, and shall be, no uncured violations including, without limitation, environmental violations, of any laws, ordinances, orders, regulations, rules or requirements of any governmental authority, affecting the Premises or any part thereof.

e. To the best of Seller's knowledge without independent inquiry (except the Envirologic Phase I), no toxic or hazardous substance or waste as defined in any federal, state or local environmental law, ordinance, rule or regulation have been used, stored, generated, recycled, treated, released, spilled, discharged or otherwise disposed of on, in, under, or otherwise affecting the Premises. To the best of Seller's knowledge without independent inquiry, Seller has not received any notice from any applicable governmental entity of the potential or actual existence of any hazardous substance on, in, under, adjacent to, or otherwise affecting the Premises.

f. The performance of this Agreement by Seller will not be in violation of any laws, statutes, local ordinances, state or federal regulations, court or administrative order, or ruling, nor is the performance of this Agreement in violation of any loan document's conditions or restrictions in effect for financing, whether secured or unsecured.

13. **Representations and Warranties of Buyer.** Buyer represents, covenants, and warrants the following to be true:

a. Buyer is a Michigan limited liability company duly organized, validly existing and in good standing under the laws of the State of Michigan.

b. Buyer has the power and authority to enter into and perform Buyer's obligations under this Agreement.

c. No judgment is outstanding against Buyer and no litigation, action, suit, judgment, proceeding, or investigation is pending or outstanding before any forum, court, or governmental body, department or agency or, to the knowledge of Buyer, threatened, that has the stated purpose or the probable effect of enjoining or preventing the Closing.

d. No insolvency proceeding, including, without limitation, bankruptcy, receivership, reorganization, composition, or arrangement with creditors, voluntary or involuntary, affecting Buyer or any of Buyer's assets or properties, is now or on the Closing Date will be pending or, to the knowledge of Buyer, threatened.

e. Buyer will have sufficient funds to pay the Purchase Price on the Closing Date.

f. Buyer, nor any person or party that owns or is controlled by Buyer, is not in violation of any laws relating to terrorism or money laundering, is not a "specially designated national and blocked person" on the most current list published by the U.S. Treasury Department Office of Foreign Asset Control; that Buyer is not listed in the annex to, and is not otherwise subject to the provisions of, Executive Order No. 13224 ("Executive Order"); and that Buyer is not acting on behalf of any person or entity that is listed in the annex to, or is otherwise subject to the provisions, of the Executive Order.

14. **Conditions Precedent.** This Agreement and all of the obligations of Buyer under this Agreement are, at Buyer's option, subject to the fulfillment, before or at the time of the Closing, of each of the following conditions:

a. **Representations and Warranties True at the Closing.** The representations, covenants, and warranties of Seller contained in this Agreement shall be true in all material respects at the time of the Closing.

b. **Performance.** The obligations, agreements, documents and conditions required to be signed and performed by Seller shall have performed and complied with the same before or at the date of the Closing.

c. **Due Diligence Investigation.** Buyer has not terminated this Agreement according to the provisions of Sections 6, 9, or 10).

d. **Lot Division.** Seller has completed the division of the Property so that the Premises is a separate tax parcel.

e. **IDD.** Seller has completed the necessary actions so the Premises is approved and designated as an Industrial Development District.

f. **City Commission Approval.** This Agreement is approved by the Muskegon City Commission.

15. **Tax Abatements.** Seller will support and cooperate with Buyer in its application for an Industrial Facilities Tax Abatement (a similar abatement) related to the Premises provided that the abatement is only for a period of 10 years. Seller makes no representations or guarantees as to the approval of the abatement.

16. **Default.**

a. **By Buyer.** In the event Buyer fails to comply with any or all of the obligations, covenants, warranties or agreements under this Agreement and such default is not cured within 10 days after receipt of notice (other than Buyer's failure to tender the purchase price in full at Closing, a default for which no notice is required), then Seller may terminate this Agreement and retain \$5,000 of the Deposit is liquidated damages and as its sole remedy.

b. **By Seller.** In the event Seller fails to comply with any or all of the obligations, covenants, warranties or agreements under this Agreement, and such default is not cured within

10 days after receipt of notice, then Buyer may either terminate this Agreement or Buyer may pursue its legal and/or equitable remedies against Seller including, without limitation, specific performance.

17. **Real Estate Commission.** The parties acknowledge that no real estate brokers, salespersons, or agents are involved in this transaction and the parties hereby indemnify and hold each other harmless from any and all such claims for brokerage fees. Provided the transaction contemplated by this Agreement closes, Seller shall pay Andrea Riegler a consulting fee of \$1,000 at Closing.

18. **Closing.**

a. **Date of Closing.** Unless the parties otherwise mutually agree, the Closing shall be held no later than 10 days after Buyer provides written notification to Seller that all of the requirements set forth in Section 14 have been fulfilled to the full satisfaction of Buyer, but no later than December 22, 2017, unless this Agreement is terminated in accordance with its provisions ("Closing").

b. **Costs.** The costs associated with this Agreement and the Closing shall be paid as follows: (i) Seller shall pay any state and county transfer taxes in the amount required by law, (ii) Seller shall pay the premium for the owner's policy of title insurance, provided that Buyer shall pay for endorsements to the Title Policy which Buyer desires (iii) Seller shall be responsible to pay for the recording of any instrument that must be recorded to clear title to the extent required by this Agreement, (iv) Buyer shall pay for the cost of recording the deed, and (v) Seller and Buyer shall pay equally any Closing fees charged by the Title Company.

c. **Deliveries.** At Closing, Seller shall deliver the deed for the Premises and Buyer shall pay the balance of the purchase price. The parties shall execute and deliver such other documents reasonably required to effectuate the transaction contemplated by this Agreement.

19. **Possession.** Possession of the Premises is to be delivered to Buyer by Seller at Closing.

20. **Risk of Loss.** Until the time of Closing, risk of loss because of the damage to or destruction of any improvements located on the Premises shall be solely that of Seller. In the event the improvements located on the Premises are damaged prior to the date of Closing, and are not repaired by Seller prior to Closing, Buyer may elect to terminate this Agreement; or Buyer may elect to continue this Agreement in which event Seller shall assign to Buyer any insurance proceeds to be received by Seller because of said damage or other destruction. Buyer shall be responsible for repairing and shall indemnify Seller for any damage to the Premises caused by its inspectors of the Premises or presence in the Premises prior to Closing.

21. **Notice.** All notices and other deliveries required under this Agreement shall be made and given to the appropriate party, or the office of the party, at the address set forth above or at such other address as may hereafter be specified by such parties by written notice from time to time. Notices shall be effective on the date of receipt, if given by hand, express delivery or recognized courier service. Notices given by certified mail shall be deemed effective five business days after the date of deposit in an authorized postal facility, as shown by its receipt for certified mail.

22. **Effective Date.** The effective date of this Agreement, i.e., the date on which the timing provisions and contingencies of this Agreement begin (the "Effective Date"), shall be the date on which

the last person to sign this document shall have signed the document. If the parties fail to insert the date they signed this Agreement beneath their signatures below, the Effective Date shall be the date on which Buyer received a fully executed copy of this document. **IT IS THEREFORE VERY IMPORTANT FOR EACH PERSON SIGNING THIS DOCUMENT TO PLACE THE DATE OF SIGNING IN THE SPACE PROVIDED BELOW HIS OR HER SIGNATURE.**

23. **Miscellaneous.**

- a. **Governing Law.** This Agreement is executed in accordance with, shall be governed by, and construed and interpreted in accordance with the laws of the State of Michigan.
- b. **Entire Agreement.** This Agreement shall constitute the entire agreement, and shall supersede any other agreements, written or oral, that may have been made or entered into, by and between the parties with respect to the purchase of the Premises and shall not be modified or amended except in a subsequent writing signed by the party against whom enforcement is sought.
- c. **Binding Effect.** This Agreement shall be binding upon, and inure to the benefit of and be enforceable by, the parties and their respective legal representatives, permitted successors and assigns.
- d. **Counterparts.** This Agreement may be executed in two or more counterparts, each of which shall be deemed an original as against any party whose signature appears thereon, and all of which together shall constitute one and the same instrument. This Agreement shall become binding upon the parties when one or more counterparts, individually or taken together, shall bear the signatures of all parties.
- e. **Non-Waiver.** No waiver by any party of any provision of this Agreement shall constitute a waiver by such party of such provision on any other occasion or a waiver by such party of any other provision of this Agreement.
- f. **Severability.** Should any one or more of the provisions of this Agreement be determined to be invalid, unlawful or unenforceable in any respect, the validity, legality and enforceability of the remaining provisions of this Agreement shall not in any way be impaired or affected.
- g. **Assignment or Delegation.** Buyer shall not assign all or any portion of its rights and obligations contained in this Agreement without the express prior written approval of Seller, which shall not be unreasonably withheld. Provided, upon notification to Seller, Buyer may assign its rights and obligations to an entity in which a majority of the equity is owned by the same parties who own a majority of the equity of Buyer.
- h. **Survival of Representations and Warranties.** The representations, warranties, covenants and agreements contained in this Agreement and in any instrument provided for in this Agreement shall survive the Closing date and continue in full force and effect after the consummation of this purchase and sale.

SELLER:

CITY OF MUSKEGON

By: _____

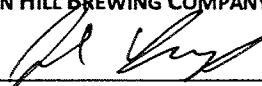
Name:

Title:

Dated: _____, 2017

BUYER:

PIGEON HILL BREWING COMPANY, LLC

By:  _____

Name: Joel Kamp

Title: Co-Founder & CEO

Dated: November 20, 2017

Exhibit A
Property Legal Description

(Preliminary)

PARCEL A:

Part of Lot 2, Block 567, Revised Plat (of 1903) of the City of Muskegon, Muskegon County, Michigan, Liber 3, Page 71 described as follows:

Commencing at a found vertical railroad rail on the line between Blocks 567 and 563, being 858.25 feet, more or less, Northwesterly of the Northeast corner of Block 566, LAT=43°14'15.95882", LONG=86°15'22.91399"; thence South 40 degrees 43 minutes 49 seconds East, on said line between Blocks 567 and 563, a distance of 200.00 feet to the point of beginning; thence continuing South 40 degrees 43 minutes 49 seconds East, on said line between Blocks 567 and 563, a distance of 101.47 feet; thence Southwesterly, along a curve to the left, 40 feet Northwesterly of the railroad centerline, as measured at right angles to the existing railroad, a distance of 167.95 feet (curve data being radius=3,512.07 feet, delta=2 degrees 44 minutes 24 seconds, long chord and bearing=South 25 degrees 13 minutes 46 seconds West, 167.94 feet); thence South 23 degrees 9 minutes 57 seconds West, along a line 40 feet Northwesterly, of the railroad centerline, as measured at right angles to the existing railroad, a distance of 124.16 feet; thence North 66 degrees 43 minutes 24 seconds West, a distance of 152.16 feet; thence North 34 degrees 26 minutes 46 seconds East, a distance of 342.97 feet to the point of beginning.

PARCEL B:

Part of Lot 2, Block 567 Revised Plat (of 1903) of the City of Muskegon, Muskegon County, Michigan, Liber 3, Page 71, described as follows:

Commencing at a found vertical railroad rail on the line between Blocks 567 and 563, being 858.25 feet, more or less, Northwesterly of the Northeast corner of Block 566; thence South 40 degrees 43 minutes 49 seconds East, on said line between Blocks 567 and 563, a distance of 200.00 feet; thence South 34 degrees 26 minutes 46 seconds West, a distance of 416.28 feet; thence South 34 degrees 29 minutes 42 seconds West, a distance of 69.00 feet to the point of beginning; thence South 38 degrees 35 minutes 8 seconds East, a distance of 196.65 feet; thence Southwesterly, along a curve to the right, 40 feet Northwesterly of the railroad centerline as measured at right angles to the existing railroad, a distance of 260.28 feet (curve data being, radius= 1,777.07 feet, delta=8 degrees 23 minutes 30 seconds, long chord and bearing= South 32 degrees 23 minutes 20 seconds West, 260.04 feet); thence South 36 degrees 3 minutes 4 seconds West, along a line 40 feet Northwesterly of the railroad centerline, as measured at right angles to the existing railroad, a distance of 128.98 feet to the Southwesterly line of Block 567; thence North 38 degrees 12 minutes 39 seconds West, along said Southwesterly line, a distance of 203.09 feet; thence North 34 degrees 27 minutes 11 seconds East, a distance of 385.66 feet to the point of beginning.

Exhibit B
Premises Property Description

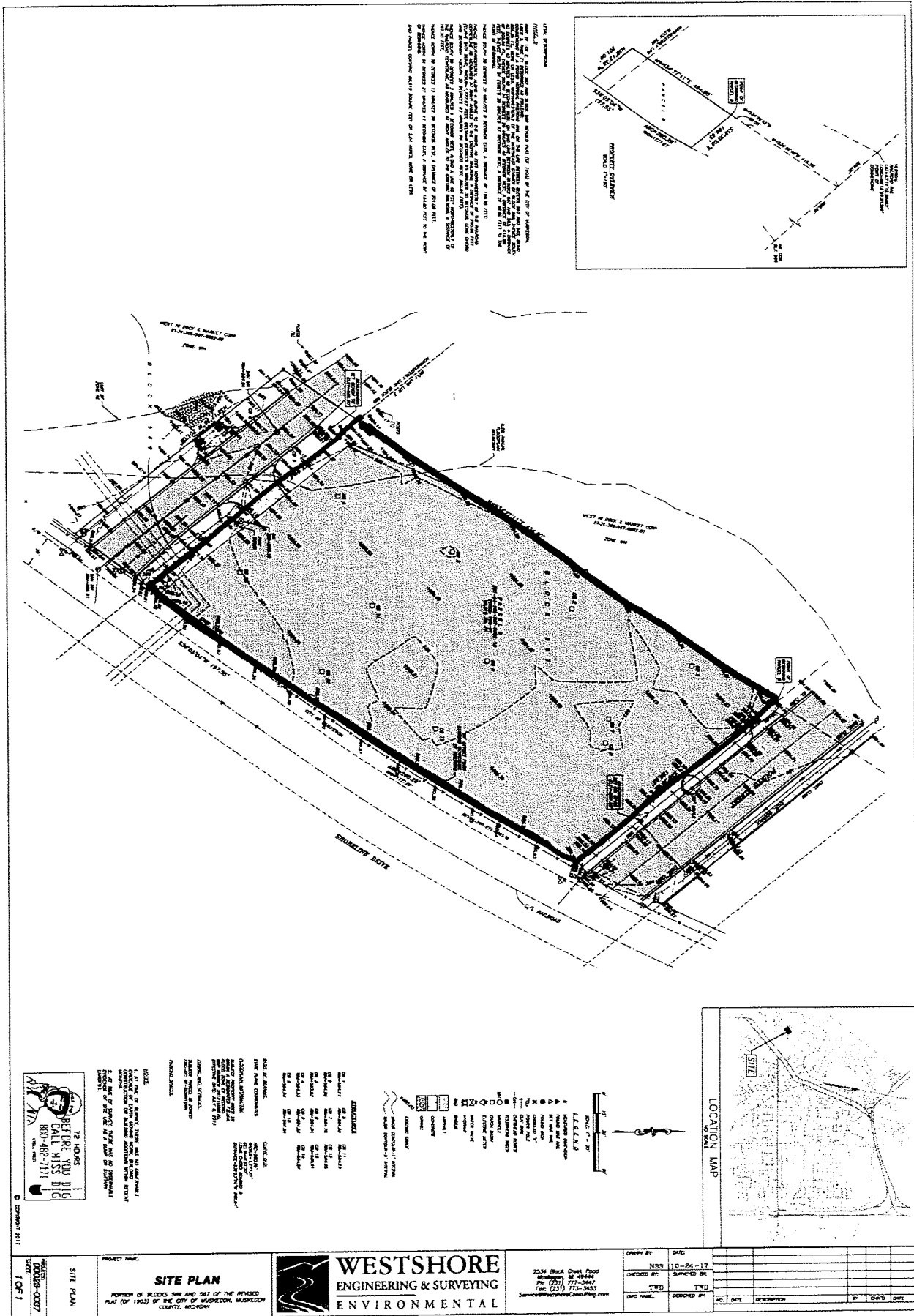
(Preliminary)

PARCEL B:

Part of Lot 2, Block 567 Revised Plat (of 1903) of the City of Muskegon, Muskegon County, Michigan, Liber 3, Page 71, described as follows:

Commencing at a found vertical railroad rail on the line between Blocks 567 and 563, being 858.25 feet, more or less, Northwesternly of the Northeast corner of Block 566; thence South 40 degrees 43 minutes 49 seconds East, on said line between Blocks 567 and 563, a distance of 200.00 feet; thence South 34 degrees 26 minutes 46 seconds West, a distance of 416.28 feet; thence South 34 degrees 29 minutes 42 seconds West, a distance of 69.00 feet to the point of beginning; thence South 38 degrees 35 minutes 8 seconds East, a distance of 196.65 feet; thence Southwesterly, along a curve to the right, 40 feet Northwesternly of the railroad centerline as measured at right angles to the existing railroad, a distance of 260.28 feet (curve data being, radius= 1,777.07 feet, delta=8 degrees 23 minutes 30 seconds, long chord and bearing= South 32 degrees 23 minutes 20 seconds West, 260.04 feet); thence South 36 degrees 3 minutes 4 seconds West, along a line 40 feet Northwesternly of the railroad centerline, as measured at right angles to the existing railroad, a distance of 128.98 feet to the Southwesterly line of Block 567; thence North 38 degrees 12 minutes 39 seconds West, along said Southwesterly line, a distance of 203.09 feet; thence North 34 degrees 27 minutes 11 seconds East, a distance of 385.66 feet to the point of beginning.

Exhibit C



LEGAL DESCRIPTIONS

PARCEL B

PART OF LOT 2, BLOCK 567 REVISED PLAT (OF 1903) OF THE CITY OF MUSKEGON, LIBER 3, PAGE 71 DESCRIBED AS FOLLOWS: COMMENCING AT A FOUND VERTICAL RAILROAD RAIL ON THE LINE BETWEEN BLOCKS 567 AND 563, BEING 858.25 FT., MORE OR LESS, NORTHWESTERLY OF THE NORTHEAST CORNER OF BLOCK 566, THENCE SOUTH 40 DEGREES 43 MINUTES 49 SECONDS EAST, ON SAID LINE BETWEEN BLOCKS 567 AND 563, A DISTANCE OF 200.00 FT., THENCE SOUTH 34 DEGREES 26 MINUTES 46 SECONDS WEST, A DISTANCE OF 416.28 FEET, THENCE SOUTH 34 DEGREES 29 MINUTES 42 SECONDS WEST, A DISTANCE OF 69.00 FEET TO THE POINT OF BEGINNING;

THENCE SOUTH 38 DEGREES 35 MINUTES 8 SECONDS EAST, A DISTANCE OF 196.65 FEET;

THENCE SOUTHWESTERLY, ALONG A CURVE TO THE RIGHT, 40 FEET NORTHWESTERLY OF THE RAILROAD CENTERLINE AS MEASURED AT RIGHT ANGLES TO THE EXISTING RAILROAD, A DISTANCE OF 260.28 FEET (CURVE DATA BEING, RADIUS=1,777.07 FEET, DELTA=8 DEGREES 23 MINUTES 30 SECONDS, LONG CHORD AND BEARING= SOUTHWEST 32 DEGREES 23 MINUTES 20 SECONDS WEST, 260.04 FEET);

THENCE SOUTH 36 DEGREES 3 MINUTES 4 SECONDS WEST, ALONG A LINE 40 FEET NORTHWESTERLY OF THE RAILROAD CENTERLINE, AS MEASURED AT RIGHT ANGLES TO THE EXISTING RAILROAD, A DISTANCE OF 128.98 FEET TO THE SOUTHWESTERLY LINE OF BLOCK 567;

THENCE NORTH 38 DEGREES 12 MINUTES 39 SECONDS WEST, ALONG SAID SOUTHWESTERLY LINE, A DISTANCE OF 203.09 FEET

THENCE NORTH 34 DEGREES 27 MINUTES 11 SECONDS EAST, A DISTANCE OF 385.66 FEET TO THE POINT OF BEGINNING.

SAID PARCEL CONTAINS 75,681 SQUARE FEET OR 1.74 ACRES, MORE OR LESS.

EXCEPTIONS:

TITLE COMMITMENT 224712WMS REVISION NO. 2,
TRANSACTION TITLE AGENCY
EFFECTIVE DATE: SEPTEMBER 19, 2017 AT 8:00 AM.

SCHEDULE B - SECTION II

ITEMS 1-8, 10, 13, 14, 16, 23, 24, 27, 30, 31 AND 32 ARE NOT SURVEY MATTERS AND ARE NOT SHOWN ON THIS SURVEY.

ITEM 9-RIGHTS OF THE PUBLIC AND OF ANY GOVERNMENTAL UNIT IN ANY PART OF THE LAND TAKEN, USED OR DEEDED FOR STREET, ROAD OR HIGHWAY PURPOSES. SHOWN FOR SHORELINE DRIVE.

ITEM 11-RIGHT OF WAY FOR RAILROAD, SWITCH TRACKS, SPUR RACKS, RAILROAD COMPANY FACILITIES AND OTHER RELATED EASEMENTS, IF ANY, ON AND ACROSS THE LAND. SHOWN ON THIS SURVEY DRAWING.

ITEM 12-RIGHTS OF THE PUBLIC, OF ANY GOVERNMENTAL UNIT AND OF ANY RAILROAD COMPANY IN ANY PART OF THE LAND TAKEN, USED OR DEEDED FOR RAILROAD OR RAILS-TO-TRAILS PURPOSES.

13.-EASEMENT FOR RIGHT-OF-WAY PURPOSES VESTED IN MICHIGAN LAKE SHORE RAILROAD COMPANY BY INSTRUMENT RECORDED IN LIBER 20, PAGE 502. SHOWN ON THIS SURVEY DRAWING BUT DOES NOT AFFECT SUBJECT PROPERTY.

15.-TERMS, CONDITIONS AND PROVISIONS OF A CERTAIN EASEMENT AGREEMENT RECORDED IN LIBER 54 OF MISC. RECORDS, PAGE 219. SHOWN ON THIS SURVEY DRAWING BUT DOES NOT AFFECT SUBJECT PROPERTY.

17.-EASEMENT GRANTED TO CONSUMERS POWER COMPANY RECORDED IN LIBER 67 OF MISC. RECORDS, PAGE 384. SHOWN ON THIS SURVEY DRAWING BUT DOES NOT AFFECT SUBJECT PROPERTY.

18.-COVENANTS, CONDITIONS AND RESTRICTIONS AND OTHER PROVISIONS BUT OMITTING RESTRICTIONS, IF ANY, BASED ON RACE, COLOR, RELIGION, SEX, HANDICAP, FAMILIAL STATUS OR NATIONAL ORIGIN AS CONTAINED IN INSTRUMENT RECORDED IN LIBER 89 OF MISC. RECORDS, PAGE 451. SHOWN ON SURVEY DRAWING BUT DOES NOT AFFECT SUBJECT PROPERTY.

19.-TERMS, CONDITIONS AND PROVISIONS OF A CERTAIN EASEMENT AGREEMENT RECORDED IN LIBER 89 OF MISC. RECORDS, PAGE 374. SHOWN ON THIS SURVEY DRAWING. BUT DOES NOT AFFECT SUBJECT PROPERTY.

20.-EASEMENT FOR SEWER PURPOSES VESTED IN THE CITY OF MUSKEGON BY INSTRUMENT RECORDED IN LIBER 89 OF MISC. RECORDS, PAGE 385.

21.-EASEMENT FOR INTERCEPTING SEWER PURPOSES VESTED IN CITY OF MUSKEGON BY INSTRUMENT RECORDED IN LIBER 93 OF MISC. RECORDS, PAGE 327.

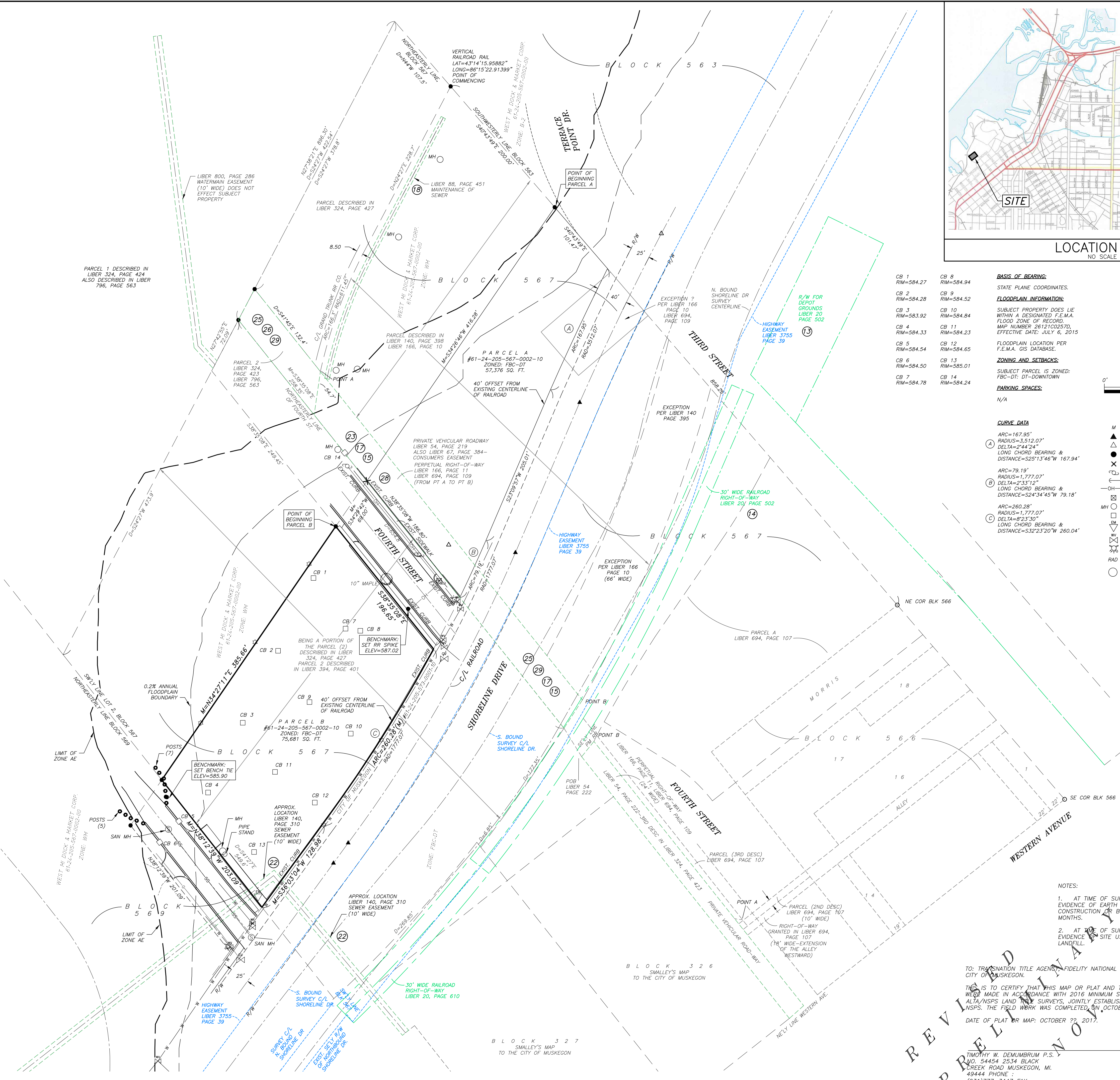
22.-EASEMENT FOR SEWER PURPOSES VESTING IN CITY OF MUSKEGON BY INSTRUMENT RECORDED IN LIBER 140 OF MISC. RECORDS, PAGE 310. SHOWN ON THIS SURVEY DRAWING.

25.-TERMS, CONDITIONS AND PROVISIONS OF A CERTAIN EASEMENT AGREEMENT RECORDED IN LIBER 324 OF MISC. RECORDS, PAGE 423. COVENANTS, CONDITIONS AND RESTRICTIONS AND OTHER PROVISIONS BUT OMITTING RESTRICTIONS, IF ANY, BASED ON RACE, COLOR, RELIGION, SEX, HANDICAP, FAMILIAL STATUS OR NATIONAL ORIGIN AS CONTAINED IN INSTRUMENT RECORDED IN LIBER 324 OF MISC. RECORDS, PAGE 427. PARCELS ARE SHOWN ON THIS SURVEY DRAWING, BUT EXACT LOCATION OF EASEMENT IS NOT DESCRIBED. SHOWN ON THIS SURVEY DRAWING BUT DOES NOT AFFECT SUBJECT PROPERTY.

26.-COVENANTS, CONDITIONS AND RESTRICTIONS AND OTHER PROVISIONS BUT OMITTING RESTRICTIONS, IF ANY, BASED ON RACE, COLOR, RELIGION, SEX, HANDICAP, FAMILIAL STATUS OR NATIONAL ORIGIN AS CONTAINED IN INSTRUMENT RECORDED IN LIBER 324 OF MISC. RECORDS, PAGE 427. PARCELS ARE SHOWN ON THIS SURVEY DRAWING, BUT EXACT LOCATION OF EASEMENT IS NOT DESCRIBED. SHOWN ON THIS SURVEY DRAWING BUT DOES NOT AFFECT SUBJECT PROPERTY.

28.-TERMS, CONDITIONS AND PROVISIONS OF A CERTAIN EASEMENT AGREEMENT RECORDED IN LIBER 694, PAGE 107. SHOWN ON THIS SURVEY DRAWING. SHOWN ON THIS SURVEY DRAWING BUT DOES NOT AFFECT SUBJECT PROPERTY.

29.-TERMS, CONDITIONS AND PROVISIONS OF A CERTAIN EASEMENT AGREEMENT RECORDED IN LIBER 796, PAGE 563. SHOWN ON THIS SURVEY DRAWING. SHOWN ON THIS SURVEY DRAWING BUT DOES NOT AFFECT SUBJECT PROPERTY.



BASIS OF BEARING:

STATE PLANE COORDINATES.

FLOODPLAIN INFORMATION:

SUBJECT PROPERTY DOES LIE WITHIN A DESIGNATED F.E.M.A. FLOOD ZONE OF RECORD. MAP NUMBER 2612102D70, EFFECTIVE DATE: JULY 6, 2015

FLOODPLAIN LOCATION PER F.E.M.A. GIS DATABASE.

ZONING AND SETBACKS:

SUBJECT PARCEL IS ZONED: FBC-DT, DT-DOWNTOWN

PARKING SPACES:

N/A

CURVE DATA

ARC=167.95'
RADIUS=3,512.07'
DELTA=2°44'24"
LONG CHORD BEARING & DISTANCE=S25°13'46"W 167.94'
ARC=79.19'
RADIUS=1,777.07'
DELTA=2°33'12"
LONG CHORD BEARING & DISTANCE=S24°34'45"W 79.18'
ARC=260.28'
RADIUS=1,777.07'
DELTA=8°23'30"
LONG CHORD BEARING & DISTANCE=S32°23'20"W 260.04'

LEGEND

- M MEASURED DIMENSION
- ▲ FOUND MAG NAIL
- SET MAG NAIL
- FOUND IRON
- X CHISELED "X"
- POWER POLE
- GUY WIRE
- OVERHEAD POWER
- ☒ TELEPHONE RISER
- MH MANHOLE
- CATCH BASIN
- ELECTRIC METER
- WATER VALVE
- HYDRANT
- RAD RADIUS
- SCHEDULE B PART II EXCEPTIONS

NOTES:

- AT TIME OF SURVEY, THERE WAS NO OBSERVABLE EVIDENCE OF EARTH MOVING WORK, BUILDING CONSTRUCTION OR BUILDING ADDITIONS WITHIN RECENT MONTHS
- AT TIME OF SURVEY, THERE WAS NO OBSERVABLE EVIDENCE OF EARTH MOVING WORK, BUILDING CONSTRUCTION OR BUILDING ADDITIONS WITHIN RECENT MONTHS

TO: TRANSACTION TITLE AGENCY, FIDELITY NATIONAL TITLE INSURANCE COMPANY, AND CITY OF MUSKEGON.

THIS IS TO CERTIFY THAT THIS MAP OR PLAT AND THE SURVEY ON WHICH IT IS BASED WAS MADE IN ACCORDANCE WITH 2016 MINIMUM STANDARD DETAIL REQUIREMENTS FOR ALTA/NSPS LAND TITLE SURVEYS, JOINTLY ESTABLISHED AND ADOPTED BY ALTA AND NSPS. THE FIELD WORK WAS COMPLETED ON OCTOBER 22, 2017.

DATE OF PLAT OR MAP: OCTOBER 22, 2017.

DATE:

PROJECT NAME:	ALTA/NSPS LAND TITLE SURVEY
PROJECT:	00023-0037
SHEET:	1 OF 1
DRAWN BY:	NSS
CHECKED BY:	TWD
DATE:	10-24-17
NO. DATE	1 11-09-17
DESCRIPTION	REV. PARCEL B
BY	NSS
CHK'D	TWD
DATE	11-09-17

2534 Black Creek Road
Muskegon, MI 49444
Ph: (231) 777-3447
Fax: (231) 777-3453
Service@westshoreconsulting.com

WESTSHORE
ENGINEERING & SURVEYING
ENVIRONMENTAL

COMMISSION MEETING DATE: November 28, 2017

TO: Honorable Mayor and Commissioners

FROM: Jeffrey Lewis, Director of Public Safety

RE: Concurrence with the Housing Board of Appeals Notice and Order to Demolish. Dangerous Building Case #: EN1714969, 638 Oak St

SUMMARY OF REQUEST: This is to request that the City Commission Concur with the findings of the Housing Board of Appeals that the structure located at 638 Oak Ave is unsafe, substandard, a public nuisance and that it be demolished within thirty (30) days. It is further requested that administration be directed to obtain bids for the demolition of the structure 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.

Location and ownership: This structure is located on Oak Ave between South Getty Street and Scott Street in the Angell Neighborhood. The structure is owned by Lara Meier & Amanda Beck, 1714 Jarman St, Muskegon Hts, MI 49444.

Staff Correspondence: The “notice & order to repair” was sent on 10/03/2017. A “10 day notice” was sent on 10/24/2017 for the November 2, 2017 HBA hearing. On November 2, 2017 the HBA declared the structure substandard and dangerous.

Financial Impact: General Funds

Budget action required: None

State Equalized value: \$15,400

Estimated cost to repair: \$24,300

Staff Recommendation: To concur with the Housing Board of Appeals decision to demolish all structures on the property

Owner Contact: On September 29, 2017, the owner (Amanda) contacted the Inspection Department and stated the home was sold on a land contract over two years ago. The buyer defaulted on the land contract and the home was retained by the owner's on September 18, 2017. The owner stated the home is need of numerous repairs and they didn't know how they were going to pay for everything. Owner was trying to sell the home "as is".

Permits obtained: None

DANGEROUS BUILDING INSPECTION

Enforcement # EN1714969

Property Address: 638 OAK AVE

Parcel # 24-205-040-0004-20

Date completed: September 29, 2017 (exterior only)

DEFICENCIES:

- 1) Siding:
 - a) Siding is missing in several locations
 - b) Siding not complete
 - c) Siding corners are missing
- 2) Windows:
 - a) Several new windows installed without permits
 - b) Glazing is missing
 - c) Sills rotted or missing
 - d) Peeling or no paint
 - e) Torn or missing screens
 - f) Boarded windows have weather exposed interior grade plywood (OSB)
 - g) Storms windows are broken or missing
- 3) Front enter step was replaced and does not meet code for tread height
- 4) Foam spray insulation cannot be exposed to sunlight
- 5) French door installed on upper floor without a permit; needs to be secure as the door opens to no porch or landing
- 6) Boarded doorway on west side of home wave exposed interior grade plywood (OSB)

7) Roof:

- a) Roof has been patch with materials not approved for roofing
- b) Shingles are missing and rotted
- c) Soffits and fascia are rotted, missing and peeling paint

Date completed: October 12, 2017 (interior)

INTERIOR DEFICENCIES:

1. **Electrical Service:** The current service is protected by fuses. There has been numerous updates and changes to the electrical circuits throughout the home without permits and not to code. The electrical service must be upgraded to circuit breakers.
2. **Smoke detection:** Hardwired smoke detection must be added throughout the home with locations determined by code
3. **Basement:** Sewage backup or leak has caused at least 2 feet of standing sewage. Sewage back up or leak must be repaired and the basement must be cleaned & sanitized (sludge at time of inspection)
4. **Furnace & water heaters (2):** Due to the sewage leak, the furnace and water heaters must be inspected by a licensed HVAC contractor and certified safe or units must be replaced
5. **Front bedroom:** Bearing wall has been removed causing the ceiling to bow down. This area is dangerous and in danger of collapse.
6. **Front bedroom:**
 - a. Windows must be openable for egress
 - b. Drywall is not complete
 - c. Electrical outlets need to be attached and covers installed
 - d. Floor coverings must be replaced
 - e. Hardwired smoke detection must be installed per code
 - f. Trim missing from doors, windows and floor
 - g. Doors must have door knobs & proper hardware
7. **Bedroom 2:**
 - a. Hardwired smoke detection must be installed per code
 - b. Holes in drywall / plaster must be repaired
 - c. Windows must be openable for egress
 - d. Trim missing from floor, doors and windows
 - e. Doors must have door knobs & proper hardware
8. **Living Room:**
 - a. Front entry door frame has been damaged and must be replaced

- b. Windows must be repaired or replaced
- c. Floor coverings must be replaced

9. Kitchen:

- a. Wood floor has peeling paint that must be scraped, sanded & repainted
- b. Kitchen cabinets have peeling paint that must be scraped, sanded & repainted
- c. Electrical outlets within 6' of a sink must be GFCI protected
- d. Electrical lighting must be repaired and reattached
- e. Holes in drywall must be patched and painted

10. Bath:

- a. Door must have door knob and working hardware
- b. Electrical outlets within 6' of a sink must be GFCI protected

11. Back Entry area:

- a. Ceiling drywall has collapsed from a water leak above. Leak must be repaired and ceiling must be replaced
- b. Entry door must be weathertight and sealed
- c. Floor coverings must be replaced

12. Stairway to Upper Apartment:

- a. Handrail is missing
- b. Stairway must have railing at the top stairway
- c. French door must be secured or gated off to prevent falls

13. Laundry Area:

- a. Cap gas line
- b. Water drain must be piped to sanitary sewer, cannot be piped to the outside
- c. Drywall missing from walls
- d. Door are missing at stairway and kitchen entrance
- e. New windows not installed correctly
- f. Open wiring and new wiring installed incorrectly. All splices must be junction boxes and attached to the structure per code requirements

14. Kitchen:

- a. Electrical outlets within 6' of a sink must be GFCI protected
- b. Holes in the walls and ceiling must be repaired.
- c. Window trim missing or not complete
- d. Floor covering must be repaired or replaced

15. Living Room:

- a. The door installed in place of the window was completed without a building permit. The door has no landing or steps on the exterior. The door

must be secured in the closed position or removed & replaced with a window.

b. Open electrical outlets must be repaired and covers installed

16. Bedroom 1:

a. The large amount of animal feces must be removed and room cleaned and sanitized.

b. Hardwired smoke detection installed per code

Jay Paulson, Inspector

Based upon my recent inspection of the above property I determined that the structure meets the definition of a Dangerous Building and/or Substandard Building as set forth in Section 10-61 of the Muskegon City Code.

If you disagree with the decision of the City Commission, you have the right to file a petition for superintending control in the Circuit Court for the County of Muskegon within 21 days after the City Commission concurs.

PHOTOS of 638 Oak Ave









