

CITY OF MUSKEGON

CITY COMMISSION MEETING

NOVEMBER 14, 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:**
- ☐ **INTRODUCTIONS/PRESENTATION:**
- ☐ **CITY MANAGER'S REPORT:**
- ☐ **CONSENT AGENDA:**
 - A. Approval of Minutes** City Clerk
 - B. Market Manager** City Clerk
 - C. Sale of Parking Lot** City Manager – Removed Per Staff Request
 - D. 1078 2nd Street and 1180 4th Street Purchase** City Manager
 - E. Windward Pointe Master Planning** City Manager
 - F. Approval of a Neighborhood Enterprise Zone Certificate** Planning & Economic Development (341 Terrace Point Circle)
 - G. Approval of a Neighborhood Enterprise Zone Certificate** Planning & Economic Development (307 Terrace Point Circle)
 - H. Approval of a Neighborhood Enterprise Zone Certificate** Planning & Economic Development (345 Terrace Point)
 - I. Approval of a Neighborhood Enterprise Zone Certificate** Planning & Economic Development (656 Terrace Point)
 - J. Approval of a Neighborhood Enterprise Zone Certificate** Planning & Economic Development (315 Terrace Point Circle)

☐ **PUBLIC HEARINGS:**

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

☐ **COMMUNICATIONS:**

☐ **UNFINISHED BUSINESS:**

☐ **NEW BUSINESS:**

☐ **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 09, 2017

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

WORK SESSION

1. Continued discussion on Medical Marihuana Licensing Facilities Act. Look for an additional memo from staff later today or tomorrow on this issue.
2. Other Business. I'd like to use this time to make sure we're on the same page regarding the other items on the Tuesday Agenda.
3. Closed Session for the purposes of collective bargaining.

REGULAR MEETING

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 to move the market manager position from GoodTemps to official city employment.
 - c. An amendment to the purchase agreement with Pigeon Hill Brewing to swap Parcels A and B. Originally, we agreed to see the PHB the property to the east of 4th Street. Unfortunately, our records were inaccurate and the professional survey demonstrated that this section of property was significantly smaller than we originally thought. We are asking the commission to leave the terms unchanged but instead sell the parcel to the WEST of 4th Street. This is a positive for the city, as it does relieve some issues we were having related to designing a building and site plan that properly engaged the Terrace Point side of the property (especially related to walkability).
 - d. Authorization to expend \$75,000 from the Sappi Economic development Fund to participate in the hiring of DPZ CoDESIGN to develop a waterfront master plan for the Windward Pointe site. Staff feels strongly that this development needs to be properly master planned as both an urban and waterfront environment. We agree with Pure Michigan that DPZ gives us the best opportunity for this. Staff, elected

officials, and resident stakeholders will be engaged throughout the process, and as we look into the future regarding our own city-wide master plan, we feel that this effort could give us a great head start on that process.

- e. Authorization to purchase two homes – 1078 Second Street and 1180 4th Street. Over the past few years, dozens of complaints have been fielded/addressed regarding these homes. They are located in our Blight Fight Area. The Second Street property is a non-conforming three-unit house with limited parking. The 4th Street Property is a vacant HUD property that is strategically located adjacent to a number of publicly-owned lots. Both could be easily converted to single-family market rate housing and begin accommodating families in the near downtown neighborhood. 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. We expect that these houses will attract families above the 80% AMI limit, but likely not above 125% AMI.
 - f. Approval of an Enterprise Zone Certificate for 341 Terrace Point Circle.
 - g. Approval of an Enterprise Zone Certificate for 307 Terrace Point Circle.
 - h. Approval of an Enterprise Zone Certificate for 345 Terrace Point Circle.
 - i. Approval of an Enterprise Zone Certificate for 656 Terrace Point Circle.
 - j. Approval of an Enterprise Zone Certificate for 315 Terrace Point Circle.
2. Under Public Hearings, we will be take input on the following:
- a. A request from KL Outdoor for an industrial facilities exemption certificate.

Let me know if you have any questions/comments/concerns

Date: November 8, 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 October 24, 2017 Regular Meeting.

FINANCIAL IMPACT: None.

BUDGET ACTION REQUIRED: None.

STAFF RECOMMENDATION: Approval of the minutes.

CITY OF MUSKEGON

CITY COMMISSION MEETING

OCTOBER 24, 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, October 24, 2017. Commissioner Willie German, Jr., 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, Acting City Manager – Public Safety Director, Chief Jeffrey Lewis, City Attorney John Schrier, and City Clerk Ann Meisch.

INTRODUCTIONS/PRESENTATION:

Announcement of Recipient of Consumer's Energy Customer Service Award

Donna Jean's Sweet Dreams was awarded a check for \$1,000 based on the interaction with several "secret shoppers". Donna Jean's was recognized for excellent customer service.

Muskegon Lake Hawks Lake Hawk's Coach, Ron Jenkins, introduced several of the Lake Hawks players and thanked the City Commission for supporting the program.

2017-84 CONSENT AGENDA:

A. Approval of Minutes City Clerk

SUMMARY OF REQUEST: To approve minutes of the October 9, 2017 Worksession Meeting and the October 10, 2017 Regular Meeting.

FINANCIAL IMPACT: None

BUDGET ACTION REQUIRED: None.

STAFF RECOMMENDATION: Approval of the minutes.

B. Extending Sub-recipient Agreements Community & Neighborhood

Services

SUMMARY OF REQUEST: To extend the 2015 Sub-recipient Agreements with Love INC until December 31, 2017.

FINANCIAL IMPACT: To allow Love INC the opportunity to expend the remaining dollars from their 2015 grants:

Love INC	\$4,500 – Wheelchair Ramps
	\$3,500 – Utility Assistance

BUDGET ACTION REQUIRED: None.

STAFF RECOMMENDATION: To extend the 2015 Sub-recipient Agreements with Love INC until December 31, 2017.

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

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

Nays: None

MOTION PASSES

2017-85 PUBLIC HEARINGS:

A. BID Special Assessment – Resolution Confirming Special Assessment Roll Planning & Economic Development

SUMMARY OF REQUEST: The City Commission approved the creation of the BID special assessment district at the September 26, 2017 meeting and the Special Assessment Roll is now ready to be confirmed. The assessments will go towards various downtown expenditures, including snow removal, landscaping, marketing/promotion/events, streetscape and administration. The BID assessment includes both a “Class A” and “Class B” district. Staff has prepared three separate Special Assessment Rolls for the Commission to choose from with the option of approving it for one, two, or three years.

FINANCIAL IMPACT: The City will contribute \$25,000 per year towards Downtown Muskegon Now as an administrative fee.

BUDGET ACTION REQUIRED: None.

STAFF RECOMMENDATION: To approve the resolution approving the confirmation of the special assessment roll for three years and authorize the Mayor and Clerk to sign.

Planning Manager, Mike Franzak, updated the Commission on incidental changes with the proposed roll, including the removal of Emory House located at 446 W. Webster due to the address being a primary residence. Letters in opposition were received regarding 632 & 629 W. Clay, 8 W. Walton, and the

parking lot for Waterston Insurance.

PUBLIC HEARING COMMENCED:

Julia Hunter, representing Ginman Tire, is opposed to the special assessment.

Jillian Miller, representing City Hub Cyclery would like to see the services more evenly applied to those paying the assessment.

Brian Pearson, Attorney representing Reliable Towing, is opposed to the special assessment.

Maureen Bulkeis, representing Northwestern Mill Supply, is opposed to the special assessment.

Jon Rooks, representing the Holiday Inn, is in favor of the assessment.

Doug Pollock, representing the Holiday Inn, is in favor of the assessment.

Clyde Whitehouse, representing Hot Rod Harley Davidson, supports the BID and the assessment but would prefer the assessment be for one year.

Motion by Commissioner Rinsema-Sybenga, second by Vice Mayor Hood, to close the public hearing and approve the resolution approving the confirmation of the special assessment roll for three years and authorize the Mayor and Clerk to sign.

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

Nays: German

MOTION PASSES

2017-86 NEW BUSINESS:

A. Concurrence with the Housing Board of Appeals Notice and Order to Demolish the Following: Public Safety

1386 Ransom Street

312 Jackson Avenue

1772 5th Street

SUMMARY OF REQUEST: This is to request that the City Commission concur with the findings of the Housing Board of Appeals that the structures are unsafe, substandard, a public nuisance and that they be demolished within 30 days. It is further requested that administration be directed to obtain bids for the demolition of the structures and that the Mayor and City Clerk be authorized and directed to execute a contract for demolition with the lowest responsible bidder or staff may issue infraction tickets to the owner, agent or responsible party if they do not demolish the structure.

FINANCIAL IMPACT: General Funds

BUDGET ACTION REQUIRED: None.

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

Motion by Commissioner German, second by Commissioner Warren, to concur with the Housing Board of Appeals decision to demolish.

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

Nays: None

MOTION PASSES

B. Local Officers Compensation Committee Recommendation City Clerk

SUMMARY OF REQUEST: The City of Muskegon's Local Officers Compensation Commission met on October 9, 2017 and is recommending salary increases and travel budget increases for the Mayor and City Commissioners.

STAFF RECOMMENDATION: No action is required unless City Commission rejects the Committee Recommendation.

FINANCIAL IMPACT: None

BUDGET ACTION REQUIRED: None

COMMITTEE RECOMMENDATION: The Local Officer's Compensation Commission recommends increasing the Mayor's salary by \$300 to \$8,100 and the City Commission's salary by \$200 to \$6,500 in addition to increasing the Mayor's Training, Education, and Travel budget by \$500 and the City Commission's Training, Education, and Travel budget by \$250.

Motion by Commissioner Warren, second by Vice Mayor Hood, to accept the recommendation of the Local Officer's Compensation Commission.

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

Nays: Johnson, Gawron

MOTION PASSES

C. Cooling Towers – LC Walker Arena City Manager

SUMMARY OF REQUEST: The cooling towers at the LC Walker Arena have required significant repairs over the past three hockey seasons. Additional significant repairs are again required to address a large coolant leak. Staff would rather replace the system, which is more than 20 years old. Three bids were received, with the lowest coming from Refrigeration Concepts, Inc. of Comstock Park. RCI was the low bidder and has serviced these units regularly.

FINANCIAL IMPACT: \$49,260 Expense to the Public Improvement Fund

BUDGET ACTION REQUIRED: None at this time.

STAFF RECOMMENDATION: Authorize City Manager to accept the bid from Refrigeration Concepts, Inc. in the amount of \$49,260 to replace the cooling towers at the LC Walker Arena.

Motion by Commissioner Johnson, second by Commissioner German to authorize the City Manager to accept the bid from Refrigeration Concepts, Inc. in the amount of \$49,260 to replace the cooling towers at the LC Walker Arena.

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

Nays: None

MOTION PASSES

ANY OTHER BUSINESS: Commissioner Johnson asked the City Clerk to give an update regarding the upcoming election. City Clerk, Ann Meisch, reminded the audience of the date of the election, polling place hours, and absentee ballot availability.

PUBLIC PARTICIPATION: Public Comments were received.

ADJOURNMENT: The City Commission Meeting adjourned at 7:27 p.m.

Respectfully Submitted,

Ann Meisch, MMC, City Clerk

Date: November 28, 2017
To: Honorable Mayor and City Commissioners
From: City Clerk
RE: Market Manager

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:

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

AGENDA ITEM NO. _____
CITY COMMISSION MEETING _____

TO: Honorable Mayor and City Commissioners
FROM: Frank Peterson, City Manager
DATE: November 8, 2017
RE: 1078 Second Street and 1180 4th Street Purchase

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 a 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.

COMMITTEE RECOMMENDATION:

AGENDA ITEM NO. _____
CITY COMMISSION MEETING _____

TO: Honorable Mayor and City Commissioners

FROM: Frank Peterson, City Manager

DATE: November 8, 2017

RE: Windward Pointe Master Planning

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 for 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.

COMMITTEE RECOMMENDATION:

Commission Meeting Date: November 14, 2017

Date: November 9, 2017
To: Honorable Mayor and City Commissioners
From: Planning & Economic Development
RE: Approval of a Neighborhood Enterprise Zone Certificate

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 the NEZ certificate.

COMMITTEE RECOMMENDATION:

None

Resolution No. _____

MUSKEGON CITY COMMISSION

**RESOLUTION TO APPROVE THE ISSUANCE
OF A NEIGHBORHOOD ENTERPRISE ZONE CERTIFICATE**

WHEREAS, an application for a Neighborhood Enterprise Zone Certificate has been filed with the City Clerk by Robert and Michelle Klanke to construct a home at 341 Terrace Point Circle in the Terrace Point Condominium neighborhood, and;

WHEREAS, the applicant has satisfied both the local and state eligibility criteria for a Neighborhood Enterprise Zone Certificate;

WHEREAS, the local unit of government is allowing the six (6) month grace period after construction commencement to apply, which is allowed under the law;

WHEREAS, the Neighborhood Enterprise Zone Certificate will be good for twelve (12) years;

NOW, THEREFORE, BE IT RESOLVED that the application for a Neighborhood Enterprise Zone Certificate for the new construction of a home by Robert and Michelle Klanke be approved.

Adopted this 14th day of November, 2017.

Ayes:

Nays:

Absent:

By: _____
Stephen J. Gawron, Mayor

Attest: _____
Ann Meisch
City Clerk

CERTIFICATION

I hereby certify that the foregoing constitutes a true and complete copy of a resolution adopted by the City Commission of the City of Muskegon, County of Muskegon, Michigan at a regular meeting held on November 14, 2017.

By: _____
Ann Meisch
City Clerk

Commission Meeting Date: November 14, 2017

Date: November 9, 2017
To: Honorable Mayor and City Commissioners
From: Planning & Economic Development
RE: Approval of a Neighborhood Enterprise Zone Certificate

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 the NEZ certificate.

COMMITTEE RECOMMENDATION:

None

Resolution No. _____

MUSKEGON CITY COMMISSION

**RESOLUTION TO APPROVE THE ISSUANCE
OF A NEIGHBORHOOD ENTERPRISE ZONE CERTIFICATE**

WHEREAS, an application for a Neighborhood Enterprise Zone Certificate has been filed with the City Clerk by Jesus Cutie to construct a home at 307 Terrace Point Circle in the Terrace Point Condominium neighborhood, and;

WHEREAS, the applicant has satisfied both the local and state eligibility criteria for a Neighborhood Enterprise Zone Certificate;

WHEREAS, the local unit of government is allowing the six (6) month grace period after construction commencement to apply, which is allowed under the law;

WHEREAS, the Neighborhood Enterprise Zone Certificate will be good for twelve (12) years;

NOW, THEREFORE, BE IT RESOLVED that the application for a Neighborhood Enterprise Zone Certificate for the new construction of a home by Jesus Cutie be approved.

Adopted this 14th day of November, 2017.

Ayes:

Nays:

Absent:

By: _____
Stephen J. Gawron, Mayor

Attest: _____
Ann Meisch
City Clerk

CERTIFICATION

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By: _____

Ann Meisch
City Clerk

Commission Meeting Date: November 14, 2017

Date: November 9, 2017
To: Honorable Mayor and City Commissioners
From: Planning & Economic Development
RE: Approval of a Neighborhood Enterprise Zone Certificate

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 the NEZ certificate.

COMMITTEE RECOMMENDATION:

None

Resolution No. _____

MUSKEGON CITY COMMISSION

**RESOLUTION TO APPROVE THE ISSUANCE
OF A NEIGHBORHOOD ENTERPRISE ZONE CERTIFICATE**

WHEREAS, an application for a Neighborhood Enterprise Zone Certificate has been filed with the City Clerk by Gordon and Kimberly Shutek to construct a home at 345 Terrace Point in the Terrace Point Condominium neighborhood, and;

WHEREAS, the applicant has satisfied both the local and state eligibility criteria for a Neighborhood Enterprise Zone Certificate;

WHEREAS, the local unit of government is allowing the six (6) month grace period after construction commencement to apply, which is allowed under the law;

WHEREAS, the Neighborhood Enterprise Zone Certificate will be good for twelve (12) years;

NOW, THEREFORE, BE IT RESOLVED that the application for a Neighborhood Enterprise Zone Certificate for the new construction of a home by Gordon and Kimberly Shutek be approved.

Adopted this 14th day of November, 2017.

Ayes:

Nays:

Absent:

By: _____
Stephen J. Gawron, Mayor

Attest: _____
Ann Meisch
City Clerk

CERTIFICATION

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By: _____
Ann Meisch
City Clerk

Commission Meeting Date: November 14, 2017

Date: November 9, 2017
To: Honorable Mayor and City Commissioners
From: Planning & Economic Development
RE: Approval of a Neighborhood Enterprise Zone Certificate

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 facility.

BUDGET ACTION REQUIRED:

None

STAFF RECOMMENDATION:

Approval of the NEZ certificate.

COMMITTEE RECOMMENDATION:

None

Resolution No. _____

MUSKEGON CITY COMMISSION

**RESOLUTION TO APPROVE THE ISSUANCE
OF A NEIGHBORHOOD ENTERPRISE ZONE CERTIFICATE**

WHEREAS, an application for a Neighborhood Enterprise Zone Certificate has been filed with the City Clerk by Patrick Loughridge to construct a home at 656 Terrace Point in the Terrace Point Condominium neighborhood, and;

WHEREAS, the applicant has satisfied both the local and state eligibility criteria for a Neighborhood Enterprise Zone Certificate;

WHEREAS, the local unit of government is allowing the six (6) month grace period after construction commencement to apply, which is allowed under the law;

WHEREAS, the Neighborhood Enterprise Zone Certificate will be good for twelve (12) years;

NOW, THEREFORE, BE IT RESOLVED that the application for a Neighborhood Enterprise Zone Certificate for the new construction of a home by Patrick Loughridge be approved.

Adopted this 14th day of November, 2017.

Ayes:

Nays:

Absent:

By: _____
Stephen J. Gawron, Mayor

Attest: _____
Ann Meisch
City Clerk

CERTIFICATION

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By: _____

Ann Meisch
City Clerk

Commission Meeting Date: November 14, 2017

Date: November 9, 2017
To: Honorable Mayor and City Commissioners
From: Planning & Economic Development
RE: Approval of a Neighborhood Enterprise Zone Certificate

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 application states that the estimated cost for construction will be \$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 the NEZ certificate.

COMMITTEE RECOMMENDATION:

None

Resolution No. _____

MUSKEGON CITY COMMISSION

**RESOLUTION TO APPROVE THE ISSUANCE
OF A NEIGHBORHOOD ENTERPRISE ZONE CERTIFICATE**

WHEREAS, an application for a Neighborhood Enterprise Zone Certificate has been filed with the Acting City Clerk by Cheryl Parker to construct a home at 315 Terrace Point Circle in the Terrace Point Condominium neighborhood, and;

WHEREAS, the applicant has satisfied both the local and state eligibility criteria for a Neighborhood Enterprise Zone Certificate;

WHEREAS, the local unit of government is allowing the six (6) month grace period after construction commencement to apply, which is allowed under the law;

WHEREAS, the Neighborhood Enterprise Zone Certificate will be good for twelve (12) years;

NOW, THEREFORE, BE IT RESOLVED that the application for a Neighborhood Enterprise Zone Certificate for the new construction of a home by Cheryl Parker be approved.

Adopted this 14th day of November, 2017.

Ayes:

Nays:

Absent:

By: _____
Stephen J. Gawron, Mayor

Attest: _____
Ann Meisch
City Clerk

CERTIFICATION

I hereby certify that the foregoing constitutes a true and complete copy of a resolution adopted by the City Commission of the City of Muskegon, County of Muskegon, Michigan at a regular meeting held on November 14, 2017.

By: _____

Ann Meisch
City Clerk

Commission Meeting Date: November 14, 2017

Date: November 9, 2017
To: Honorable Mayor and City Commissioners
From: Planning & Economic Development
RE: Public Hearing - Request for an Industrial Facilities Exemption Certificate – KLO Acquisition

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 certain additional property taxes generated by the expansion.

BUDGET ACTION REQUIRED:

None

STAFF RECOMMENDATION:

Approval of the attached resolution granting an Industrial Facilities Exemption Certificate for a term of twelve (12) years for real property.

COMMITTEE RECOMMENDATION:

None

Resolution No. _____

MUSKEGON CITY COMMISSION

**RESOLUTION APPROVING APPLICATION FOR ISSUANCE
OF INDUSTRIAL FACILITIES EXEMPTION CERTIFICATE
*KLO ACQUISITION, LLC***

WHEREAS, pursuant to P.A. 198 of 1974 as amended, after duly noticed public hearing held on August 22, 2017, this Commission by resolution established an Industrial Development District as requested by KLO Acquisition, LLC, which included the property leased by KLO Acquisition, LLC, 700 Terrace Point, Muskegon, Michigan 49440; and

WHEREAS, KLO Acquisition, LLC, has filed an application for the issuance of an Industrial Facilities Tax Exemption Certificate with respect to building improvements to be installed within said Industrial Development District; and

WHEREAS, said application was filed no later than six months after project commencement and the Muskegon City Commission held a public hearing on November 14, 2017, at the Muskegon City Hall in Muskegon, Michigan at 5:30 p.m. at which hearing the applicant, the assessor and representatives of the affected taxing units were given written notice and were afforded an opportunity to be heard on said application; and

WHEREAS, the real property improvements are calculated to and will have the reasonable likelihood to retain, create, or prevent the loss of employment in Muskegon, Michigan; and

WHEREAS, the aggregate SEV of real property exempt from ad valorem taxes within the City of Muskegon, will not exceed 5% of an amount equal to the sum of the SEV of the unit, plus the SEV of personal and real property thus exempted.

NOW, THEREFORE, BE IT RESOLVED by the Muskegon City Commission of the City of Muskegon, Michigan that:

- 1) The Muskegon City Commission finds and determines that the Certificate considered together with the aggregate amount of certificates previously granted and currently in force under Act No. 198 of the Public Act of 1974 as amended and Act No. 255 of the Public Acts of 1978 as amended shall not have the effect of substantially impeding the operation of the City of Muskegon or impairing the financial soundness of a taxing unit which levies ad valorem property taxes in the City of Muskegon.
- 2) The application of KLO Acquisition, LLC, for the issuance of an Industrial Facilities Tax Exemption Certificate with respect to the installation of real property improvements on the following described parcel of real property situated within the City of Muskegon to wit:

That part of Blocks 558 and 563 of the revised Plat of 1903 of the City of Muskegon, as recorded in Liber 3 of Plats, Page 71, Muskegon County, Michigan; including all land made by land-fill which may subaqueous lands at the time of dedication of said revised plat of 1903, described as follows: Commencing at the intersection of the Northeasterly line of Terrace Street being the Southwesterly line of Block 557 of said revised Plat of 1903, extended to the centerline of vacated Water Street; thence North 62 degrees 44 minutes 00 seconds West along the Northeasterly line of said Terrace Street extended 381.45 feet; thence Westerly along the Northerly line of said Terrace Street along the arc of a 302.48 foot radius curve to the left, a distance of 447.51 feet (the long chord of said curve bears South 72 degrees 02 minutes 30 seconds West, 429.45 feet, the central angle curve is 90 degrees 27 minutes 00 seconds); thence South 26 degrees 49 minutes 00 seconds West along the Northwesterly line of said Terrace Street 225.07 feet to the Easterly line of Terrace Point Drive, a public street, as dedicated in an instrument recorded in Liber 1557, Pages 426-430; thence Northerly along said Easterly line of the arc of a 517.00 foot radius curve to the right, a distance of 705.40 feet (the long chord of said curve bears North 23 degrees 29 minutes 25 seconds West, 651.95 feet, the central angle of said curve is 78 degrees 10 minutes 34 seconds); thence North 15 degrees 35 minutes 52 seconds East

along said Easterly line of Terrace Point Drive, 187.25 feet to the point of a curvature of a traffic circle for said Terrace Point Drive; thence Easterly, Northerly and Westerly along said traffic circle on the arc of 75.00 foot radius curve to the left, a distance of 232.88 feet (the long chord of said curve bears North 18 degrees 20 minutes 25 seconds West, 149.98 feet, the central angle of said curve is 177 degrees 54 minutes 42 seconds) to the point of beginning of this description; Thence Southwesterly along said traffic circle on the arc of a 75.00 foot radius curve to the left, a distance of 105.61 feet (the long chord of said curve bears South 32 degrees 21 minutes 55 seconds West, 97.10 feet, the central angle of said curve is 80 degrees 40 minutes 47 seconds); thence North 61 degrees 06 minutes 15 seconds West 139.74 feet; thence Southwesterly along the arc of a 172.00 foot radius curve to the right, a distance of 89.56 feet (the long chord of said curve bears South 58 degrees 58 minutes 45 seconds West, 88.55 feet, the central angle of said curve is 29 degrees 50 minutes 00 seconds); thence South 73 degrees 53 minutes 45 seconds West, 127.91 feet; thence North 16 degrees 06 minutes 15 seconds West, 75.00 feet; thence South 73 degrees 53 minutes 45 seconds West, 110.00 feet; thence North 16 degrees 06 minutes 15 seconds West, 250 feet, more or less, to the waters edge of Muskegon Lake to a point hereinafter referred as "Point A"; thence recommence at point of beginning; thence North 17 degrees 17 minutes 45 seconds West, 326.55 feet; thence North 66 degrees 15 minutes 15 seconds West 275 feet, more or less, to the waters edge of Muskegon Lake; thence Southwesterly along said waters edge of Muskegon Lake 350 feet, more or less, to the above mentioned "Point A"; Excepting therefrom: any land the lies beneath the waters of Muskegon Lake.

- 3) The Industrial Facilities Tax Exemption Certificate is issued and shall be and remain in force and effect for a period of 12 years on real property.

Adopted this 14th Day of November 2017.

Ayes:

Nays:

Absent:

BY: _____
Stephen J. Gawron
Mayor

ATTEST: _____
Ann Meisch
Clerk

CERTIFICATION

I hereby certify that the foregoing constitutes a true and complete a resolution adopted by the Muskegon City Commission, County of Muskegon, Michigan, at a regular meeting held on November 14, 2017.

Ann Meisch
Clerk



West Michigan's Shoreline City

City of Muskegon Industrial Facilities Exemption Application Summary Sheet

Employment Information: 229 employees

Racial Characteristics:

White 188 (82%)
Minority 42 (18%)

Gender Characteristics:

Male 179 (78%)
Female 50 (22%)

Total No. of Anticipated New Jobs: ~~70~~ 35

Investment Information:

Real Property: \$442,517
Personal Property \$0
Total: \$442,517

Property Tax Information: (Annual)

	<u>All Jurisdictions</u>	<u>City Only</u>
Total New Taxes Generated	\$ 12,648	\$ 2,450
Value of Abatement	\$ 6,324	\$ 1,225
Total New Taxes Collected	\$ 6,324	\$ 1,225

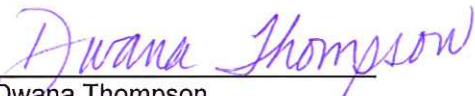
Income Tax Information: (Annual)

Total Additional Income Tax Generated: ~~\$12,230~~ \$6,115

Company Requirements:

Adopted Affirmative Action Policy	☒ Yes	☐ No
Meeting w/ City Affirmative Action Director	☒ Yes	☐ No
Signed Tax Abatement Contract	☒ Yes	☐ No
Taxes Paid In Full	☒ Yes	☐ No
Zoning Conflicts	☐ Yes	☒ No


Mike Franzak
Planning Manager


Dwana Thompson
Affirmative Action Director

CITY OF MUSKEGON

CONTRACT FOR TAX ABATEMENT

Act 198 Public Acts of 1974

AGREEMENT between CITY OF MUSKEGON, a municipal corporation of 933 Terrace Street, Muskegon, Michigan 49441, (“City”) and KLO Acquisition, LLC. (“Company”).

Recitals:

A. The Company has applied to City for the establishment of an industrial development district or industrial rehabilitation district pursuant to the provisions of Act 198 of the Public Acts of 1974, as amended, which act requires a contract between the City and the Company to be agreed and submitted with the Company’s subsequent anticipated application for an industrial facilities exemption certificate.

B. That in addition to the statutory requirement, the City has determined that it is in the best interests of the taxpayers, property owners and residents of the City that this Agreement be approved and executed prior to the establishment of the requested district, and the City deems this Contract, together with the conditions set forth in the said Act to constitute a necessary element in the City’s determination whether or not to create the district.

C. The Company intends to install the project set forth in its application (“project”) which it believes qualifies for the process of establishing the district and the application for industrial facilities exemption certificate.

D. The City, provided this Agreement is executed, will determine whether to create the district based upon the potential for the production of permanent jobs, the continuation or increase of economic activity, planning and zoning considerations and the City’s general plan and intentions regarding economic development. In addition to the City policy considerations and predictions that the Company’s proposed district and certificate benefit the community in those ways, the City has further determined that the contractual commitments made by the Company to thereby assist the community shall be binding on the Company and necessary to continue the tax exemption made possible by the certificate.

NOW THEREFORE THE PARTIES AGREE:

1. **COMPANY AGREEMENT.** The Company irrevocably commits to the investment, job retention and job creation promises made in its application, a copy of which is attached hereto and incorporated herein. In particular the Company agrees:

1.1 That 100% of the jobs shall be filled and in existence with full-time employees by a date no later than two (2) years from the date of the granting of the certificate by the State Tax Commission.

1.2 The Company shall meet the affirmative action goal included in the application or in any documents supplied by the City and utilized by the Company, including any additional representations made to the City Commission on or before the date two (2) years after the granting of the certificate by the State Tax Commission. It shall maintain the said levels of employment diversity during the period of the certificate.

1.3 The Company, by the end of two (2) years from the date of the grant of the certificate by the State Tax Commission shall have completed the investment of \$442,517 in real property improvements as shown in the application.

1.4 That the improvements and equipment to receive the tax abatement treatment shall be completed on or before the date two (2) years from the date of granting of the certificate by the State Tax Commission.

1.5 The Company shall pay its specific taxes required by the act in a timely manner, and shall not delay payments so as to incur any penalties or interest.

1.6 The Company shall not appeal the valuation of any real or personal property at the facility to the Michigan Tax Tribunal or the State Tax Commission.

1.7 The Company shall fully cooperate with the City representatives in supplying all requested and required documentation regarding jobs, investment, the meeting of all goals and the timely installation and utilization of equipment and improvements. The City shall be entitled to inspect at reasonable hours the Company's premises where the said improvements and equipment have been installed and where the said jobs are performed.

1.8 The Company shall maintain, during the entire period for which the tax abatement is granted, the level of jobs, affirmative action goals, production and utilization of the improvements and equipment at the site where the district has been created and for which the tax exemption has been granted.

1.9 The Company shall not cause or fail to cure the release of any hazardous substance, or the violation of any environmental law on its premises in the City. It shall report any releases to the appropriate governmental authority in a timely and complete manner, and provide copies of said report documentation to the City. It shall comply with all orders and actions of any governmental agency having authority.

1.10 The Company shall maintain the equipment and improvements so as to minimize physical or functional obsolescence.

1.11 The Company shall continue to operate its business location in the City, containing the same number of and type of jobs, for the term of the certificate.

2. **AGREEMENT BY THE CITY.** Provided this contract has been executed and further provided all applications to create the district and achieve the industrial facility exemption certificate have been properly filed, the City shall, in a timely manner, determine in a public meeting to create the district and receive, process, and approve thereafter the Company's application for an industrial facilities exemption certificate. The City may consider this contract in a meeting separate from and prior to the meeting in which the City considers the creation of the district and approval of the application for certificate. Further, the City shall require the submission of this contract signed by the Company together with its applications, before creating the district.

3. **EVENTS OF DEFAULT.** The following actions or failures to comply shall be considered events of default by the Company:

3.1 Failure to meet any of the commitments set forth above.

3.2 The closing of the Company's facilities in the City. Closing shall mean for purpose of this Agreement, the removal, without transfer to another site within the City of substantially all of the production facilities, and the elimination of substantially all the jobs created or retained thereby, which are set forth in the Company's application.

3.3 Failure to afford to the City the documentation and reporting required.

3.4 The failure to create or retain jobs, meet affirmative action goals or expend the funds on equipment and improvements as represented in the application within the times required hereby.

3.5 The bankruptcy or insolvency of the Company.

3.6 The failure to pay any and all taxes and assessments levied on the Company's property or any other taxes, local, state or federal, including but not limited to City income taxes and the withholding of said City income taxes from employees as required by the City Income Tax Ordinance.

3.7 The performance or omission of any act which would lead to revocation under MCLA 207.565, being §15 of the Act.

3.8 The violation of any provisions, promises, commitments, considerations or covenants of this Agreement.

4. **REMEDIES ON DEFAULT.** In the event of any of the above defaults the City shall have the following remedies which it may invoke without notice, except as may be reasonably required by the Company's rights to due process:

4.1 In the event of closing as determined after investigation of the facts and a public hearing, the Company shall be immediately liable for penalties to be paid forthwith to the city as determined as follows:

4.1.1 The Company shall pay to the City for prorata distribution to the taxing units experiencing the abatement, an amount equal to the difference between the industrial facilities tax which it has paid, and the total property taxes to the relevant taxing units which it would have paid, given its installations of improvements and equipment, during the years for which the certificate was in effect.

4.1.2 Immediate Revocation. The Company hereby consents to revocation to the IFT certificate before the State Tax Commission, without hearing, and the City shall submit a copy of this Agreement to the State Tax Commission in connection with its revocation procedure, giving notice that the default has occurred and immediate revocation should occur.

4.2 In the event the improvements and equipment have not been installed before the two (2) year period, in addition to the revocation procedures before the State Tax Commission, the abatement should immediately be reduced by the City proportionately, and any installations which have not been finished at the end of said two (2) year period shall not be eligible for the abatement thereafter and shall be placed on the regular tax roll.

4.3 Failure to Expend the Funds Represented. In the event, (whether or not the installations have been completed), the Company has not expended the funds it has represented on its application that it would invest for the installation of equipment, the abatement shall be reduced prorata, and any remaining value of equipment shall be placed on the regular tax roll.

4.4 Job Creation and Retention. In the event the promised number of jobs have not been created or retained at the end of the two (2) years after the grant of the certificate by the State Tax Commission, the abatement shall be proportionately reduced.

4.5 Affirmative Action Goals. In the event, after one (1) year from the grant of the certificate by the State Tax Commission, the affirmative action goals of the City for additional jobs have not been met on a prorata basis, the abatement shall be revoked.

4.6 For other violations of this Agreement or for actions or omissions by the Company amounting to grounds for revocation by statute, the City shall recommend to the State Tax Commission immediate revocation of the certificate.

4.7 Special Assessment. For any amount due to be paid to the City, under this Section 4, the Company consents that the City shall have a personal action against the Company for the said amount, and in addition, cumulatively, and not by election, the City shall have a special assessment lien on all the property of the Company personal and real, located in the City, for the collection of the amounts due as and in the manner of property taxes and in such case the collection of the said special assessment shall be accomplished by addition by the City to the Company's property tax statement regularly rendered.

5. Governing Law. This Agreement shall be construed and enforced in accordance with the laws of the State of Michigan applicable to contracts made and to be performed within the State of Michigan.

6. Counterparts. This Agreement may be executed in one or more counterparts. Notwithstanding such execution all such counterparts shall constitute one and the same Agreement.

7. Benefit. This Agreement shall be binding upon and inure to the benefit of the respective parties, their successors and personal representatives.

8. Effective Date. This Agreement shall be effective on the date the State of Michigan Tax Commission grants the company at Industrial Facilities Exemption Certificate.

CITY OF MUSKEGON

By _____
Stephen J. Gawron, Mayor

Date _____

and _____
Ann Meisch, Clerk

Date _____

By _____

Its _____

Date _____