

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