CITY OF MUSKEGON

CITY COMMISSION MEETING

NOVEMBER 10, 2020 @ 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 10, 2020, Commissioner Willie German, Jr., opened the meeting with a 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, Dan Rinsema-Sybenga, Willie German, Jr., and Michael Ramsey, City Manager Frank Peterson, City Attorney John Schrier, and City Clerk Ann Meisch.

Absent: Commissioner Teresa Emory

PUBLIC COMMENT ON AGENDA ITEMS: Public comments were received.

2020-82 CONSENT AGENDA:

A. Approval of Minutes City Clerk

SUMMARY OF REQUEST: To approve the minutes of the October 27, 2020 Regular Meeting.

STAFF RECOMMENDATION: To approve the minutes.

C. Update to the Lot Sale Policy Planning

SUMMARY OF REQUEST: Staff has prepared an updated lot sale policy that outlines procedures and incentives to direct the use and sale of vacant, city-owned residential properties.

Amendments to the draft policy have been made since discussing at the October Work Session and again after discussion at the November 9, 2020 Work Session.

STAFF RECOMMENDATION: To approve the lot sale policy as presented.

D. Muskegon County Designated Assessor Resolution & Interlocal Agreement Finance

SUMMARY OF REQUEST: To authorize the signing of the Resolution and Interlocal agreement for Muskegon County Designated Assessor.

Public Act 660 of 2018 requires the appointment of a qualified individual to serve as a Designated Assessor for the County for a five-year term. The appointment must be made by December 31, 2020. This agreement must be approved by a minimum of twelve (12) local boards as the next action step in the process of appointing a Designated Assessor. Once this is complete all twelve boards will then be asked to approve that the County's Equalization Director Donna VanderVries be appointed to serve.

STAFF RECOMMENDATION: Authorize the approval and signing of the Resolution and Interlocal agreement for Muskegon County Designated Assessor.

E. 1st Quarter Budget Reforecast Finance

SUMMARY OF REQUEST: At this time staff is presenting the 1st Quarter Budget Reforecast for FY2020-21. Due to COVID-19 there are more 1st quarter changes than normal. In the General Fund we are now projecting revenues of $31,056,304 and Expense of $30,464,065 for a net surplus of $592,239.

The Finance Director's 1st Quarter Budget Reforecast Highlights are attached.

STAFF RECOMMENDATION: To approve the 1st Quarter FY 2020-21 Budget Reforecast as presented.

F. Community EnCompass Infill Housing Development Agreement and Funding Economic Development – REMOVED PER STAFF REQUEST

H. CRC Recommendations City Clerk

SUMMARY OF REQUEST: To accept the resignations of: CDC – Kim Burr, HDC – Tim Painter, and ZBA – Steve Warmington.

STAFF RECOMMENDATION: To concur with the recommendations of the Community Relations Committee and approve the resignations.

Motion by Commissioner Johnson, second by Vice Mayor Hood, to accept the consent agenda as presented, except items B and G.

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

Nays: None

MOTION PASSES

2020-83 REMOVED FROM CONSENT AGENDA:

B. <u>Expanded Beach Parking</u> Public Works

SUMMARY OF REQUEST: Staff has worked to develop a proposed plan to expand/improve parking and pedestrian/bike facilities at Pere Marquette Park with a preliminary concept, schedule and budget presented here for discussion and consideration.

Public Works Director, Leo Evans, was in attendance and reviewed with the City Commission the proposed plan regarding expansion and improvements to beach parking. Discussion took place.

G. <u>Updated 4th Amendment to Lumberjacks Lease Agreement</u> City Manager

SUMMARY OF REQUEST: In August the City Commission approved the 4th Amendment to the Lumberjacks Lease, which would amend paragraph 14 to provide rent relief to the team during COVID-19 by reimbursing their facility improvements earlier than originally planned. After further discussion with the team's ownership, they are rescinding this request and asking that we consider an updated 4th Amendment that would allow for additional investment in the arena by ownership group. The team proposes that their ownership would fund the investments now, and be reimbursed by the city over the next several hockey seasons.

We are proposing an amendment to one section of the lease to accommodate anticipated reduced capacity at the arena:

Paragraph 14. The parties agree the amount of advanced funds to be reimbursed by the City to the Lumberjacks is ~~$260,215.35~~ <u>$381,215.35,</u> which shall be paid through ~~five~~ <u>seven</u> annual offsets ~~of $52,343.07~~ against Base Rent owed by the Lumberjacks to the City ~~during the First Option Period (i.e. years 3 through 7)~~ under this Agreement. The annual offsets shall be applied to the first rents coming due to the City during each year of the First Option Period<u>, as follows: 2020-21 Season: $54,459; 2021-22 Season $54,459; 2022-23 Season; $54,459; 2023-24 Season; $54,459; 2024-25 Season; $54,459, 2025-26 Season; $54,459 2026-27 Season; $54,461</u>

Detailed Improvement Summary. Most of these items are either missing from the arena today or nearing end-of life:

- **Cabling for internet and phone service is not up to today's standard. Upgrading the wiring and adding free WIFI hotspot areas for visitors will help year-round with internet access downtown. Estimate total cost: <u>$50,000.</u>**
- **The main concession area has a number of necessary pieces of equipment that are also failing or beyond normal life expectancy –**

specifically the commercial ice maker and the walk-in cooler both need to be replaced or refurbished. Our food options are significantly limited without access to a commercial hood. Estimated total cost: <u>$55,000</u>

- **Finally, there are approximately <u>$13,000</u> in upfront expenses to kick off our efforts to host more hockey tournaments and showcases.**

STAFF RECOMMENDATION: Authorized the proposed 4th Amendment to the Lease Agreement.

Motion by Commissioner German, second by Commissioner Rinsema-Sybenga, to authorize the proposed 4th Amendment to the Lease Agreement.

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

Nays: None

MOTION PASSES

2020-84 NEW BUSINESS:

A. <u>Sale – 219 Merrill Avenue</u> City Manager

SUMMARY OF REQUEST: City staff is seeking authorization to sell the city-owned home at 219 Merrill to Denisha Bartee.

The city constructed this house as part of the phase two of our infill housing program. Our contract to construct the home was $197,464. We also anticipated $11,844 in sales commissions. The accepted purchase price is $190,000. The City will also contribute $5,000 toward closing costs. The total amount requiring brownfield gap financing will be approximately $12,750. The 6.5% gap is larger than the average 5.4% gap from the first two sales, but still significantly small than the gap anticipated in the Brownfield Plan, and also significantly smaller than gap in the initial phase of the in-fill project. (Midtown Square).

STAFF RECOMMENDATION: Authorize the City Manager to complete the sale of 219 Merrill Avenue, as described in the purchase agreement.

Motion by Commissioner Rinsema-Sybenga, second by Commissioner Ramsey, authorize the City Manager to complete the sale of 219 Merrill Avenue, as described in the purchase agreement.

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

Nays: None

MOTION PASSES

ANY OTHER BUSINESS: Commissioner Ramsey thanked Mike Franzak for his efforts on sending notices to affected properties on a rezoning issue.

PUBLIC COMMENT ON NON-AGENDA ITEMS: **Public Comments were received.**

ADJOURNMENT: **The City Commission meeting adjourned at 6:20 p.m.**

Respectfully Submitted,

Ann Marie Meisch, MMC – City Clerk