

CITY OF MUSKEGON
CITY COMMISSION WORKSESSION
COMMISSION CHAMBERS
933 TERRACE STREET
MUSKEGON, MI 49440

Monday, November 9, 2020
5:30 p.m.

MINUTES

2020-81

Present: Mayor Gawron, Vice Mayor Hood (arrived at 5:38 p.m.), Commissioners Rinsema-Sybenga, Emory, Johnson, Ramsey, and German

Convention Center Funding and Construction Update – City Manager

Jeff Salowitz, from Construction Simplified, owner's representative presented information to the City Commission regarding the impact of mitigating PFAS, the discovery of an oil well, and the impact of COVID-19 on the Convention Center project and the impact on the budget for the project. Mr. Salowitz presented options on potential cost mitigating items showing the maximum savings and the recommended course of action for each item.

Discussion ensued regarding the potential cost mitigating items listed, funding, and construction update.

Update to the Lot Sale Policy- Planning

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.

Motion by Commissioner Johnson, second by Commissioner Rinsema-Sybenga, to further amend the Lot Sale Policy to specify that buildable lots sales will need to be approved by the City Commission and non-buildable lots will be handled through the Planning Department and that the update to the Lot Sale Policy should be reflected in the Commission Policy as well.

ROLL VOTE: AYES: Rinsema-Sybenga, Emory, Johnson, Gawron, Hood, Ramsey, and German.

NAYS: None

MOTION PASSES

This item will be on the Regular City Commission meeting agenda for November 10, 2020 for consideration.

Marihuana Social Equity – Planning

At the November 12 Planning Commission meeting staff will be proposing to allow microbusinesses, designated consumption establishments, Class A recreational grows (up to 100 plants), Class B recreational grows (up to 500 plants), Class A medical grows (up to 500 plants) and temporary marihuana events in B-2, B-4, MC, I-1, and I-2 zoning districts with the issuance of a special use permit. In order to obtain the special use permit, the following conditions must be met:

1. The property must not be located within 500 feet of a school.
2. The site plan must demonstrate the removal of blight from the property; including dilapidated fences signs, light poles, etc.
3. Signage shall be limited to one sign, no larger than 25 square feet and shall not use the word marihuana/marijuana, cannabis or any other word or phrase which would depict marihuana/marijuana; nor may pictures of a leaf or leaves, green cross or any other rendering which would depict marihuana/marijuana be displayed on a sign or any part of the building.
4. Microbusinesses and designated consumption establishments may only operate between 8 am to 12 am.
5. Designated consumption establishments licenses may be stacked with the other license types. However, no other license type may be stacked with each other.
6. The special use permit may be revoked by the Planning Commission if odor nuisances persist.

Discussion took place regarding the proposed allowances.

Update on Rezoning Mailings - Planning

Staff is proposing to mail out the rezoning notice letters (McLaughlin, Angell, Jackson Hill neighborhoods) on November 18. The letters will note that anyone who would like to comment can do so at the December 8 City Commission meeting, where the tabled item will be addressed again. There are about 2,500 properties that will be noticed, some of them which have an owner and tenant(s).

Revised Winter Parking Plan – Public Safety

Revise (1) LO09 of the effected city ordinance (92-71), staff received information that the current ordinance was problematic in our downtown designated area. With the increase of full-time residents living downtown parking is a premium throughout the day and night. Staff is proposing a change to the downtown area to accommodate residents and business patrons that frequent the designated area.

Proposed Change – Downtown designated area – odd/even would be implemented with the hours 12:00 a.m. to 7:00 a.m. (parking allowed on one side of street that would align with the calendar/address). This will allow residents and patrons downtown to utilized parking spots both sides of the street from 7:00 a.m. until 12 Midnight on any day during the Winter Parking Ban. Currently we allow parking downtown on both sides of the street, except between the hours of 2:00 a.m. to 6:00 a.m. in which NO parking

was allowed. This proposed revision would allow street parking twenty-four hours per day, except for a seven-hour period that would allow DPW to complete necessary street maintenance during the winter months. * See the attachment for LO09 parking restrictions and downtown area designation*

Review and discuss the proposed change to the Winter Parking Ban restrictions in the Downtown area. This item will be considered at the November 24, 2020 Regular City Commission Meeting.

Lakeshore Art Festival Proposal – City Clerk

Because of COVID, the Muskegon Chamber of Commerce will no longer be conducting the popular Lakeshore Art Festival and has approached the City to see if we are willing to take it over. Carla Flanders has directed the art festival for many years and is very knowledgeable about the event. Staff has approached Carla about her willingness to continue in this role and assist staff with the Lakeshore Art Fair if the Commission decides it is the direction the City would like to go.

The proposal is a contract from November 16, 2020 through September 1, 2021. Total cost of the agreement is \$29,000 plus 10% of any profit. The agreement is broken down into 10 monthly payments of \$2,900 each. If it is decided the event could not continue because of COVID, we would not be obligated for future payments. Historically the event has made money – up to \$100,000. 2021 is unknown for obvious reasons but evaluating the numbers with Carla and being very conservative, the event could break even or make a small profit in 2021.

The event is a big undertaking and we do not feel we could do it as well without the expertise of Carla Flanders. If it is the desire of the Commission to take over the Lakeshore Art Festival, we would ask the Commission to consider building a future relationship with CMF Marketing & Events to direct the art festival and educate staff on the ins and outs of the festival.

If Commission decided to move forward with the Art Festival, I would ask the Commission to approve expenditures not to exceed \$175,000 towards expenses understanding we will be receiving funds from booth spaces, sponsorships, food sales, etc., that will offset the expenses. Any expenses over \$15,000 will be brought to City Commission for approval.

Commission discussion took place regarding this event and how to move forward with how it would be administered by the city and if it should fall under our DDA.

Mercy Health Arena Investment Partnership with Lumberjacks – Mercy Health Arena

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~~ **\$381,215.35**, which shall be paid through ~~five~~ **seven** 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, **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**

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: **\$50,000.**
- 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: **\$55,000**
- Finally, there are approximately **\$13,000** in upfront expenses to kick off our efforts to host more hockey tournaments and showcases.

Discussion took place regarding the proposed amendment to the Lumberjacks Lease Agreement. This item will be considered at the November 10, 2020 Regular City Commission meeting.

Adjournment: The City Commission Worksession adjourned at 8:25 p.m.

Respectfully Submitted,

Ann Marie Meisch, MMC – City Clerk