

City of Muskegon
City Commission Meeting
Minutes

October 24, 2023, 5:30 pm
Muskegon City Hall
933 Terrace Street, Muskegon, MI 49440

Present: Mayor Ken Johnson
Commissioner Rachel Gorman
Commissioner Rebecca St.Clair
Commissioner Eric Hood
Vice Mayor Willie German, Jr.
Commissioner Teresa Emory
Absent: Commissioner Michael Ramsey
Staff Present: City Manager Jonathan Seyferth
City Clerk Ann Meisch
City Attorney John Schrier
Deputy City Clerk Kimberly Young

1. Call To Order

Mayor Johnson called the City Commission meeting to order at 5:30 p.m.

2. Prayer

Pastor Dwayne Riley, Crestwood United Methodist Church, opened the meeting with prayer.

3. Pledge of Allegiance

The Pledge of Allegiance to the Flag was recited by the Commission and the public.

4. Roll Call

As recorded above

5. Honors, Awards, and Presentations

5.a Resolution Recognizing October as Domestic Violence Awareness and Prevention Month

Action No. 2023-111

Motion by: Commissioner St.Clair

Second by: Vice Mayor German

To recognize October as Domestic Violence Awareness Month.

Ayes: (6): Mayor Johnson, Commissioner Gorman, Commissioner St.Clair, Commissioner Hood, Vice Mayor German, and Commissioner Emory

Absent (1): Commissioner Ramsey

MOTION PASSES (6 to 0)

6. Public Comment on Agenda Items

Public comments were received.

7. Consent Agenda

Action No. 2023-112

Motion by: Commissioner Gorman

Second by: Commissioner Hood

To accept the consent agenda as presented, minus items B, C, D, H, I, and J.

Ayes: (6): Mayor Johnson, Commissioner Gorman, Commissioner St.Clair, Commissioner Hood, Vice Mayor German, and Commissioner Emory

Absent (1): Commissioner Ramsey

MOTION PASSES (6 to 0)

7.a Approval of Minutes - City Clerk

To approve the minutes of the October 9, 2023 Worksession and October 10, 2023 Regular Meeting.

STAFF RECOMMENDATION: To approve the minutes.

7.e Splash Pad Reconstruction Design - Parks & Recreation

A request for staff to enter into a contract with Fleis & Vandenbrink for design of the Spark grant-funded splash pad reconstruction.

STAFF RECOMMENDATION: To authorize staff to enter into a contract with Fleis & Vandenbrink for design of the Spark grant-funded splash pad reconstruction.

7.f GameTime Playground Grant - Parks & Recreation

A request to allow staff to enter into a contract with Sinclair Recreation for the purchase of 4 new playgrounds for a total amount of \$446,531.89. This includes the installation of St. Joseph's only.

STAFF RECOMMENDATION: To approve for staff to enter into a contract with Sinclair Recreation for the purchase of 4 new playgrounds for a total amount of \$446,531.89

7.g Equipment Purchases - DPW

Staff requests authorization to purchase five (5) fleet vehicles from Berger Chevrolet to replace and supplement DPW and fleet administration vehicles for a total of \$193,308.

STAFF RECOMMENDATION: To approve for staff to purchase five (5) fleet vehicles from Berger Chevrolet to replace and supplement DPW and fleet administration vehicles for a total of \$193,308.

7.k General Capital Spring Street Senior Housing Municipal Services Agreement - Development Services

City Staff has negotiated and reviewed a Payment in Lieu of Taxes and Municipal Services agreement for commission consideration for a new construction 53-unit Senior affordable housing complex at and around 162 E. Apple Avenue.

Pursuant to our 5 Year Housing Needs Assessments call for over 1,000 rental units priced under \$1,430 a month, staff has made overtures and established relationships with several new and existing LIHTC developers. General Capital has already successfully completed two new construction facilities in our community, and is seeking to complete a third with the Spring Street Berkshire Apartments. This site will support 53 affordable senior apartments.

General Capital is seeking a Municipal Services Charge of 3% of net shelter rents. This should equal roughly \$15,000 per year for the city to keep to defray costs of public service delivery to the site. General Capital

is also requesting a 7% Payment in lieu of Taxes agreement, which is detailed in another agenda item in the packet.

STAFF RECOMMENDATION: To approve the Municipal Services Agreement with **GENCAP SPRING STREET 53 LIMITED DIVIDEND HOUSING ASSOCIATION, LLC** and authorize the mayor and clerk to sign.

7.l General Capital Nelson School Family/Workforce Contract for Housing Exemption (PILOT) - Development Services

City Staff has negotiated and reviewed a Payment in Lieu of Taxes and Municipal Services agreement for commission consideration for a new construction 52-unit Workforce affordable housing complex at and around the Nelson School property, 550 West Grand Avenue.

Pursuant to our 5 Year Housing Needs Assessments call for over 1,000 rental units priced under \$1,430 a month, staff has made overtures and established relationships with several new and existing LIHTC developers. General Capital has already successfully completed two new construction facilities in our community, and is seeking to complete a third with the Nelson School Apartments. This site will support 52 affordable workforce apartments.

General Capital is seeking a Payment in lieu of Taxes (PILOT) of 5% of net shelter rents. This should equal roughly \$24,000 per year for the city to divide between taxing jurisdictions. General Capital is also requesting a 3% Municipal Services Charge, which is detailed in another agenda item in the packet.

Note that this item does not yet include the legal description exhibit that we would usually see with the document, and that is due to a lot split survey that is forthcoming and will be added to the document when complete. Specifically, this lot split will leave the sports field and playground on site under the ownership of MPS and open to the public.

STAFF RECOMMENDATION: To approve the Contract for Housing Exemption with **GENCAP NELSON LIMITED DIVIDEND HOUSING ASSOCIATION, LLC** and authorize the mayor and clerk to sign.

7.m General Capital Nelson School Family/Workforce Housing Municipal Services Agreement - Development Services

City Staff has negotiated and reviewed a Payment in Lieu of Taxes and Municipal Services agreement for commission consideration for a new

construction 52-unit Workforce affordable housing complex at and around the Nelson School property, 550 West Grand Avenue.

Pursuant to our 5 Year Housing Needs Assessments call for over 1,000 rental units priced under \$1,430 a month, staff has made overtures and established relationships with several new and existing LIHTC developers. General Capital has already successfully completed two new construction facilities in our community, and is seeking to complete a third with the Nelson School Apartments. This site will support 52 affordable workforce apartments.

General Capital is seeking a Municipal Services Charge of 3% of net shelter rents. This should equal roughly \$15,000 per year for the city to keep to defray costs of public service delivery to the site. General Capital is also requesting a 5% Payment in lieu of Taxes agreement, which is detailed in another agenda item in the packet.

STAFF RECOMMENDATION: To approve the Municipal Services Agreement with **GENCAP NELSON LIMITED DIVIDEND HOUSING ASSOCIATION, LLC** and authorize the mayor and clerk to sign.

7.n Pivotal Development Harbor View Family/Workforce Housing Contract for Housing Exemption (PILOT) - Development Services

City Staff has negotiated and reviewed a Payment in Lieu of Taxes and Municipal Services agreement for commission consideration for a new construction 46-unit workforce/family affordable housing complex at and around 122 East Muskegon Avenue.

Pursuant to our 5 Year Housing Needs Assessments call for over 1,000 rental units priced under \$1,430 a month, staff has made overtures and established relationships with several new and existing LIHTC developers. Pivotal Development is one of the largest Low Income Housing Development Tax Credit developers in the Midwest, and are seeking to complete their first Muskegon area project with the Harbor View Lofts. This site will support 46 affordable workforce apartments.

Pivotal is seeking a PILOT payment of 5% of net shelter rents. This should equal roughly \$18,000 per year for the city to keep to defray costs of public service delivery to the site. Pivotal is also requesting a 3% Municipal Services Agreement, which is detailed in another agenda item in the packet.

STAFF RECOMMENDATION: To approve the Contract for Housing Exemption with **HARBOR VIEW LIMITED DIVIDEND HOUSING ASSOCIATION LLC** and authorize the mayor and clerk to sign.

7.o Pivotal Development Harbor View Family/Workforce Housing Municipal Services Agreement - Development Services

City Staff has negotiated and reviewed a Payment in Lieu of Taxes and Municipal Services agreement for commission consideration for a new construction 46-unit workforce/family affordable housing complex at and around 122 East Muskegon Avenue.

Pursuant to our 5 Year Housing Needs Assessments call for over 1,000 rental units priced under \$1,430 a month, staff has made overtures and established relationships with several new and existing LIHTC developers. Pivotal Development is one of the largest Low Income Housing Development Tax Credit developers in the Midwest, and are seeking to complete their first Muskegon area project with the Harbor View Lofts. This site will support 46 affordable workforce apartments.

Pivotal is seeking a Municipal Services Agreement equal to 3% of net shelter rents. This should equal roughly \$10,800 per year for the city to keep to defray costs of public service delivery to the site. Pivotal is also requesting a 5% Payment in lieu of Taxes Agreement, which is detailed in another agenda item in the packet.

STAFF RECOMMENDATION: To approve the Municipal Services Agreement with **HARBOR VIEW LIMITED DIVIDEND HOUSING ASSOCIATION LLC** and authorize the mayor and clerk to sign.

7.p Froebel School Sales Agreement to Samaritas - Development Services

City staff is proposing a sale of Froebel School, located at 417 Jackson Street, to Samaritas for \$1,000.00 contingent on the award of Low Income Housing Tax Credits for their proposed adaptive reuse development at the site.

City staff have worked with Samaritas and our legal counsel to draft the attached purchase agreement. Note the amount is very nominal, but given the amount of damage to the building and remediation necessary we feel it represents a reasonable market value. The replacement value of the building is likely exceeded by the needed repairs, and if it weren't for the prospect of doing an affordable housing project on the site and the

potential for federal Low Income Housing Tax Credits to offset the project we would not be able to convey the building at all.

Given the extensive likely presence of asbestos and other remediation-worthy materials along with the large substructure, our early estimates on removal of the building are very cost prohibitive. This low purchase price presents an opportunity to save the building for a high priority adaptive reuse and simultaneously avoid our current carried costs and potential future demolition expenses.

STAFF RECOMMENDATION: To approve the Sales Agreement for 417 Jackson to Samaritas for \$1,000.00 as presented.

7.b Storage Area Network Device (SAN) - Information Technology

Staff is requesting authorization to purchase a new Storage Area Network appliance to host the City of Muskegon virtual server systems.

STAFF RECOMMENDATION: To approve the purchase of a Storage Area Network appliance from Dell Technologies.

Action No. 2023-113(b)

Motion by: Vice Mayor German

Second by: Commissioner St.Clair

To approve the purchase of a Storage Area Network appliance from Dell Technologies.

Ayes: (6): Mayor Johnson, Commissioner Gorman, Commissioner St.Clair, Commissioner Hood, Vice Mayor German, and Commissioner Emory

Absent (1): Commissioner Ramsey

MOTION PASSES (6 to 0)

7.c Water Treatment Chemical Bids - DPW - Water Filtration

Staff is requesting approval of contracts with Univar and USALCO to supply fluoride and alum to the Water Filtration Plant.

The Water Filtration Plant purchases water treatment chemicals as part of a cooperative that includes seven other area municipalities. The contracts and bidding processes are managed by the City of Grand Rapids.

The City of Grand Rapids issued two separate public invitations to bid on

supplying and delivering water treatment chemicals: one for fluoride (hydrofluorosilicic acid) and one for alum (aluminum sulfate). Staff is requesting approval of the contracts with the lowest bidders, Univar (fluoride) and USALCO (alum). The fluoride contract is for a one-year term and the alum contract is for a one-year term with the option of two one-year renewals.

The Water Filtration Plant uses an average of 60 tons of fluoride annually. Under the contract with Univar, the estimated annual cost based on average use will be \$30,000 (\$500/ton).

The Water Filtration Plant uses an average of 251 dry tons of alum annually. Under the contract with USALCO, the estimated annual cost based on average use is:

Year 1 (\$455.80/dry ton): \$114,500

Year 2 (\$470.17/dry ton): \$118,500

Year 3 (\$490.70/dry ton): \$123,000

Fluoride and alum purchases are included in the Water Filtration Plant budget. Based on average use, it is anticipated that no budget adjustments will be required this fiscal year. However, the actual amount spent will ultimately depend on water usage and source water quality.

AMOUNT REQUESTED: \$144,500 (Year 1 estimate, fluoride and alum)
\$118,500 (Year 2 estimate, alum only)
\$123,000 (Year 3 estimate, alum only)

STAFF RECOMMENDATION: To approve the water treatment chemical contracts with Univar and USALCO.

Action No. 2023-113(C)

Motion by: Commissioner Emory

Second by: Vice Mayor German

To approve the water treatment chemical contracts with Univar and USALCO.

Ayes: (6): Mayor Johnson, Commissioner Gorman, Commissioner St.Clair, Commissioner Hood, Vice Mayor German, and Commissioner Emory

Absent (1): Commissioner Ramsey

MOTION PASSES (6 to 0)

7.d Conversion Assistance Amendment - DPW

Staff requests authorization to enter into an amended Agreement with Ramboll for assistance in resolving the conversion of the Lakeshore Trail and Hartshorn properties.

STAFF RECOMMENDATION: To approve of staff entering into an amended agreement with Ramboll for assistance in resolving the conversion of the Lakeshore Trail & Hartshorn properties.

Action No. 2023-113(d)

Motion by: Commissioner St.Clair

Second by: Commissioner Hood

To approve of staff entering into an amended agreement with Ramboll for assistance in resolving the conversion of the Lakeshore Trail & Hartshorn properties.

Ayes: (6): Mayor Johnson, Commissioner Gorman, Commissioner St.Clair, Commissioner Hood, Vice Mayor German, and Commissioner Emory

Absent (1): Commissioner Ramsey

MOTION PASSES (6 to 0)

7.h Request to Rezone 162 E Apple, 170 E Apple, 974 Spring, 971 Jay, and 151/157/171/181 Allen - Planning

Request to rezone 162 E Apple Ave, 170 E Apple Ave, and 974 Spring St from B-2, Convenience & Comparison Business to FBC, Neighborhood Core and to rezone 151/157/171/181 Allen Ave and 971 Jay St from R-3, High Density Single Family Residential to FBC, Neighborhood Core, by General Capital Acquisitions, LLC.

The properties are being rezoned to allow for affordable apartments. The Planning Commission recommended approval of the request by a 7-0 vote.

SECOND READING REQUIRED

STAFF RECOMMENDATION: To approve the request to rezone 162 E Apple, 170 E Apple, 974 Spring, 971 Jay, and 151/157/171/181 Allen to Form Based Code, Neighborhood Core.

Action No. 2023-113(h)

Motion by: Vice Mayor German

Second by: Commissioner St.Clair

To approve the request to rezone 162 E Apple, 170 E Apple, 974 Spring, 971 Jay, and 151/157/171/181 Allen to Form Based Code, Neighborhood Core.

Ayes: (6): Mayor Johnson, Commissioner Gorman, Commissioner St.Clair, Commissioner Hood, Vice Mayor German, and Commissioner Emory

Absent (1): Commissioner Ramsey

MOTION PASSES (6 to 0)

7.i Request to Rezone 550 W Grand Ave - Planning

Request to rezone the property at 550 W Grand Ave from FBC, Urban Residential to FBC, Neighborhood Core, by General Capital Acquisitions, LLC.

The properties are being rezoned to allow for affordable apartments. The Planning Commission recommended approval of the request by a 7-0 vote.

SECOND READING REQUIRED

STAFF RECOMMENDATION: To approve the request to rezone the property at 550 W Grand Ave to Form Based Code, Neighborhood Core.

Action No. 2023-113(i)

Motion by: Vice Mayor German

Second by: Commissioner St.Clair

To approve the request to rezone the property at 550 W Grand Ave to Form Based Code, Neighborhood Core.

Ayes: (6): Mayor Johnson, Commissioner Gorman, Commissioner St.Clair, Commissioner Hood, Vice Mayor German, and Commissioner Emory

Absent (1): Commissioner Ramsey

MOTION PASSES (6 to 0)

7.j General Capital Spring Street Senior Housing Contract for Housing Exemption (PILOT) Development Services

City Staff has negotiated and reviewed a Payment in Lieu of Taxes and Municipal Services agreement for commission consideration for a new construction 53-unit Senior affordable housing complex at and around 162 Apple Avenue.

Pursuant to our 5 Year Housing Needs Assessments call for over 1,000 rental units priced under \$1,430 a month, staff has made overtures and established relationships with several new and existing LIHTC developers. General Capital has already successfully completed two new construction facilities in our community, and is seeking to complete a third with the Berkshire Spring Street Project. This site will support 53 affordable senior apartments.

General Capital is seeking a Payment in lieu of Taxes (PILOT) of 7% of net shelter rents. This should equal roughly \$30,100 per year for the city to divide between taxing jurisdictions. General Capital is also requesting a 3% Municipal Services Charge, which is detailed in another agenda item in the packet.

Note that this item does not yet include the legal description exhibit that we would usually see with the document, and that is due to a lot split survey that is forthcoming and will be added to the document when complete.

STAFF RECOMMENDATION: To approve the Contract for Housing Exemption with Spring Street Limited Dividend Housing Association Limited Partnership and authorize the mayor and clerk to sign.

Action No. 2023-113(j)

Motion by: Vice Mayor German

Second by: Commissioner Emory

To approve the Contract for Housing Exemption with Spring Street Limited Dividend Housing Association Limited Partnership and authorize the mayor and clerk to sign.

Ayes: (6): Mayor Johnson, Commissioner Gorman, Commissioner St.Clair, Commissioner Hood, Vice Mayor German, and Commissioner Emory

Absent (1): Commissioner Ramsey

MOTION PASSES (6 to 0)

8. Public Hearings

8.a PRO Housing Grant - Public Hearing

The Development Services Division is seeking input from the public regarding the PRO Housing Application.

Stevie Parcell, Grants Program Coordinator for Community & Neighborhood Services provided an overview of the grant application being submitted and explained how public comments could be made during the public comment period.

The Pro Housing Grant is intended to identify and remove obstacles to the production and preservation of affordable housing such as: gaps in resources available for development, deteriorating infrastructure, challenges to preserving existing housing stock, and many more. The City is requesting \$10 million for the following eligible activities that will benefit only those residents at or below 80% of area median income:

- **\$3.5 million to establish a Housing Preservation Fund**
 - \$1.5 million for rental rehabilitation
 - \$2 million for owner-occupied housing
- **\$6 million to finance the construction or rehabilitation of affordable housing**
 - \$1 million for acquisition/rehabilitation/resale projects and nonprofit capacity building
 - \$4.5 million for construction of new units
 - \$.5 million for acquisition of land or real property for development
- **\$500,000 for homebuyer down payment assistance**

The plan is available for review in person in Room 202 of Muskegon City Hall, 933 Terrace Street, Muskegon, MI 49440, and online.

Comments are accepted by email to Stevie Parcell at stevie.parcell@shorelinecity.com, by phone at (231) 724-6775, and by mail to the following address:

Attn: Stevie Parcell

933 Terrace Street

Muskegon, MI 49440

Comments will be accepted from Thursday, October 12th 2023 through Friday, October 27th, 2023.

STAFF RECOMMENDATION: To close the public hearing and record comments provided.

PUBLIC HEARING COMMENCED: Public comments were received as follow:

Kwame James - in favor - grateful that the city is taking advantage of the opportunity to apply for the grant

Jay Kilgo - in favor - would like to see a public education piece in the grant

Dorothy Moss - in favor - would like to the city to have help available for residents to apply for funds if the grant is awarded

Action No. 2023-114(a)

Motion by: Commissioner St.Clair

Second by: Commissioner Emory

To close the public hearing and record comments provided

Ayes: (6): Mayor Johnson, Commissioner Gorman, Commissioner St.Clair, Commissioner Hood, Vice Mayor German, and Commissioner Emory

Absent (1): Commissioner Ramsey

MOTION PASSES (6 to 0)

9. Unfinished Business

10. New Business

10.a Inclusive Rebrand - Manager's Office

Staff is requesting authorization to approve a contract with Kindred Marketing, in the amount of \$50,000 for the completion of an inclusive rebranding for the City of Muskegon.

An RFP was issued on August 28, 2023 for an Inclusive Rebrand for the city. The city is seeking a creative agency to develop an inclusive brand for its rebranding initiative. The selected agency's objective will be to develop a comprehensive rebranding strategy for the city. The agency will be responsible for building a brand kit that addresses the following goals:

- Improve Muskegon's image
- Stimulate economic development
- Unite the community through an inclusive process
- Develop a comprehensive citywide brand strategy and roll-out plan
- Create a dynamic new brand identity
- Demonstrate Muskegon's connection and community

The current city logo was created decades ago and no brand guidelines, brand story or brand kit exist. In 2015, the city embarked on a rebranding journey and ultimately no consensus logo was selected. Currently, the City of Muskegon uses variations of the old logo, individual department logos, random colors and fonts, and the Watch Muskegon brand kit for city material.

AMOUNT REQUESTED: Up to \$50,000

FUND OR ACCOUNT: 101-103-801

STAFF RECOMMENDATION: To authorize staff to approve a contract with Kindred Marketing in the amount of \$50,000 for the completion of an inclusive rebranding for the City of Muskegon.

Action No. 2023-115(a)

Motion by: Commissioner St.Clair

Second by: Commissioner Gorman

To authorize staff to approve a contract with Kindred Marketing in the amount of \$50,000 for the completion of an inclusive rebranding for the City of Muskegon.

Ayes: (6): Mayor Johnson, Commissioner Gorman, Commissioner St.Clair, Commissioner Hood, Vice Mayor German, and Commissioner Emory

Absent (1): Commissioner Ramsey

MOTION PASSES (6 to 0)

10.b Purchase Option for Windward Pointe - Manager's Office

City Staff has worked with the City Attorney and Parkland Properties to draft an option agreement giving the City of Muskegon the exclusive right to purchase an area encompassing ten (10) lots at a reduced rate on the Windward Pointe PUD to install a new public park and Muskegon Lake access at the end of the Lincoln Street extension in the development.

City staff has been working to enhance public access to Muskegon Lake in the Windward Pointe Planned Unit Development (PUD) submitted by Parkland Properties. During those conversations with Parkland, the site plan evolved to include considerably more public access points than in the original draft. However, those access points are mostly at the end of public rights of ways or smaller in area. To gain higher quality public access, staff proposed purchasing up to ten (10) lakefront parcels adjacent to a public parklet at the end of Lincoln Street originally intended for single-family houses.

Staff pointed out that if we were to purchase some of the lots intended for single-family houses, Parkland would not need to run as many utility stubs and other infrastructure to these lots and potentially could leave them out of their Master Condo Agreement, saving further costs. Parkland agreed to a rate of **\$148,750 per lot**, representing a **15% reduction** in the average projected sale price on all waterfront lots in the PUD.

The sites highlighted in RED on the attached screen grab of a portion of the PUD reflect the lots the City would have the option to buy. The option would commence at the closing date between Parkland and Pure Muskegon on the property, and the City would have two (2) years to execute these purchases.

The staff anticipates that the PUD will come to the City Commission for consideration at your meeting on November 14th.

AMOUNT REQUESTED: \$1,487,500

STAFF RECOMMENDATION: To approve the Option Agreement between the City of Muskegon and Parkland Properties as presented and to authorize the mayor and clerk to sign.

Action No. 2023-115(b)

Motion by: Commissioner St.Clair

Second by: Commissioner Emory

To approve the Option Agreement between the City of Muskegon and Parkland Properties as presented and to authorize the mayor and clerk to sign.

11. Any Other Business

Comments were made by Vice Mayor German, Commissioner St.Clair and Commissioner Hood.

12. Public Comment on Non-Agenda items

Public comments were received.

13. Closed Session

14. Adjournment

The City Commission meeting adjourned at 7:30 p.m.

Motion by: Commissioner St.Clair

Second by: Commissioner Gorman

To adjourn.

MOTION PASSES

Respectfully Submitted,

Ann Marie Meisch, MMC - City Clerk