CITY OF MUSKEGON

CITY COMMISSION MEETING

SEPTEMBER 14, 2021 @ 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, September 14, 2021, Mr. George Munroe, Evanston Avenue Baptist Church, 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 (arrived at 5:36), Commissioners Ken Johnson, Dan Rinsema-Sybenga, and Teresa Emory, City Manager – Frank Peterson, City Attorney John Schrier, and City Clerk Ann Meisch.

Absent: Commissioners Willie German and Michael Ramsey

PUBLIC COMMENT ON AGENDA ITEMS: Public comments were received.

2021-84 CONSENT AGENDA:

A. Approval of Minutes City Clerk

SUMMARY OF REQUEST: To approve the minutes of the August 24, 2021 Regular Meeting.

STAFF RECOMMENDATION: To approve the minutes.

B. Financing 100-Foot Mid Mount Tower Ladder Truck Finance

SUMMARY OF REQUEST: At this time, we are seeking authorization to enter into a lease agreement with Team Financial for the purchase of a 100-foot Mid Mount Tower Ladder Truck.

At the August 10, 2021 City Commission meeting the Commission voted to purchase two Fire Trucks. By the end of September, the 100-foot Mid Mount Tower Ladder Truck will be ready to purchase for $1,370,873. At this time, we are seeking authorization to enter into a lease agreement with Team Financial. The proposed terms are for a five -year lease at 1.78% interest rate with the City purchasing the truck at the end of the lease for $1. There is a one-time $500.00 processing fee.

AMOUNT REQUESTED: $1,370,873.00

AMOUNT BUDGETED: $286,740.00 for 5 years

FUND OR ACCOUT: General – 101-50336-5700

STAFF RECOMMENDATION: To approve the lease agreement with Team Financial.

C. <u>Increase in General Fund Transfer to Mercy Health Arena and the Public Service Building</u> Finance

SUMMARY OF REQUEST: The Mercy Health Arena fund and the Public Service Building fund require a larger transfer from the General fund then what was budgeted to prevent a deficit. Mercy Health Arena needs an additional $25,000 transferred from the General Fund and the Public Service Building needs an additional $425,000 transferred from the General Fund.

Based on financial results for the fiscal year end June 30, 2021 the Mercy Health Arena and the Public Service Building fund required a larger transfer from the General Fund then what was budgeted in the 4th quarter reforecast, to prevent a fund deficit. The Mercy Health Arena fund needs to be increased from $700,000 to $725,000 and the Public Service Building fund needs to be increased from $200,000 to $625,000.

AMOUNT REQUESTED: $1,350,000 AMOUNT BUDGETED: $900,000

FUND OR ACCOUNT: 101, 254, 642

STAFF RECOMMENDATION: To approve the increase to the General Fund transfers for the Mercy Health Arena to $725,000 and the Public Service Building to $625,000.

D. <u>Western Avenue ADA Work</u> Public Works

SUMMARY OF REQUEST: Staff is requesting authorization to partner on several projects along Western Avenue to improve the ADA Access throughout the corridor.

The City Commission allocated $200,000 towards ADA work in the FY 21/22 budget as shown in line 101-91116. City staff is proposing a series of partnerships along Western Avenue to enhance the accessibility and pedestrian experience along the corridor.

Frauenthal

The Frauenthal is underway installing a snow melt system on the sidewalk in front of the Frauenthal and the Hilt Building as a part of their capital project which also includes replacing the ceiling of the Hilt Building basement which is under the sidewalk. The snowmelt system will be installed, operated and maintained by the Frauenthal at no cost to the City. Staff is seeking permission to allocate $120,000 towards the cost of removing and replacing the existing sidewalk in partnership on the project.

Staff is seeking to utilize the remaining $80,000 towards two projects along Western Avenue and possibly supplement with additional Major Street dollars if necessary. An exact split between these two is yet to be determined.

3rd – 4th Block (West Half)

This project will involve removal of several parallel parking spaces along Western Avenue and widening the sidewalk. Instead of a barrier curb a gutter will be placed along the edge of the roadway allowing for the area formerly used by the parallel parking spaces to be either used as additional pedestrian space and/or parallel parking spaces. This is a half-block long model similar to what the City of Detroit completed on Bagley Street - https://detroit.curbed.com/2020/1/16/21068713/bagley-street-mexicantown-detroit-shared-street The goal is to create a barrier free interface from building face to building face that can be used as the situation dictates. This would be a trial concept to prove the notion for later use on a large scale.

1st – 2nd Block (West Half / North Side)

This project would be a partnership with the Leonard to eliminate several angle parking spaces on Western in front of the Leonard, and several parallel spaces along 2nd Street adjacent to The Leonard. The goal of this project would be to offer increased pedestrian and plaza space for use as social district space, and/or in conjunction with a future restaurant type operation located on the ground floor of The Leonard.

In all of these projects the split of this $200,000 may not fully fund the project and additional funds may be required. This proposal is just the first step in funding each of these projects.

AMOUNT REQUESTED: $200,000 AMOUNT BUDGETED: $200,000

FUND OR ACCOUNT: 101-91116

STAFF RECOMMENDATION: Authorize staff to utilize the $200,000 allocation for ADA Projects in partnership with multiple projects along Western Avenue.

E. Extension of CHOP Contract Public Works

SUMMARY OF REQUEST: Staff is requesting authorization to extend an existing contract with CHOP Tree Service during Fiscal Year 21/22 in the amount of $75,000 for As-Needed Forestry Services.

The City Commission allocated $75,000 towards Contractual Forestry Work under line 101-70771-5300 in the 21/22 Fiscal Year. Staff is requesting authorization to extend our existing contract with CHOP, Inc. who was the low bidder selected for the same work during the 20/21 Fiscal Year. CHOP, Inc. has been a great contractor and helped partner with us successfully complete several forestry projects during the previous fiscal year.

Staff has previously utilized CHOP for work outside of the road right-of-way when performing tree work on development projects, and for large scale projects where CHOP can provide increased resources to address large projects (Lakeside Cemetery & Musketawa Trail).

Staff is requesting to award the $75,000 budgeted to CHOP as an extension for the 21/22 Fiscal Year and not repost the work for competitive bids. During the previous bidding cycle CHOP was the only bid accepted. A copy of the bid sheet submitted during the 20/21 open competitive bidding is provided for reference.

AMOUNT REQUESTED: $75,000 AMOUNT BUDGETED: $75,000

FUND OR ACCOUNT: 101-70771-5300

STAFF RECOMMENDATION: Authorize staff to extend the existing contract with CHOP Tree Service in the amount of $75,000 for completion during the 21/22 Fiscal Year.

F. Laketon Trail Lighting Public Works

SUMMARY OF REQUEST: Staff is requesting authorization to award a contract to J&J Electrical LLC for the construction of lights along a portion of the Laketon Trail.

Staff solicited bids for a project to install trail lighting on a portion of the Laketon Trail between Peck and 7th Street. This area is located within the marihuana district and the existing street lights along Laketon Avenue are all on the south side of the street, across from the path leading to less than desirable lighting levels along the pathway in particular at the street crossings. Bids were received on August 24, 2021 with the low bid coming from J&J in the amount of $94,037.00.

Staff has not worked with J&J previously and conducted a meeting with them on August 30, 2021 to assess their understanding of the project and gauge their ability to complete the work. It is the opinion of staff that J&J fully understands the project and is appropriately positioned to complete the work as outlined.

The original bid did not include the installation of receptacles on the poles. As such staff requested a price to add this into the project which wat quoted at $7,379.00. Adding this amount to the original bid creates a proposed contract cost of $101,416 which is still below the 2nd lowest bidder.

The funding for this project is derived from the Marihuana Business Fees collected. Business are required to install decorative lighting on their site or make a donation to the city to install lighting elsewhere. In 20/21 the City collected $66,965 from this fee with anticipation of collecting an additional $30,000 during the current fiscal year. Staff felt that the use of the lighting on the path in the marijuana district improved an existing problem and also focused those dollars back to the primary area that generated the revenue. The project will need to be included in a future reforecast of the budget if approved.

J&J Electrical LLC is located within the City of Muskegon.

AMOUNT REQUESTED: $101,416.00 AMOUNT BUDGETED: $0

FUND OR ACCOUNT: 101

STAFF RECOMMENDATION: Authorize staff to approve a contract with J&J Electrical LLC in the amount of $101,416.00 for the construction of a pedestrian lighting system along the Laketon Avenue Trail between Peck and 7th.

G. <u>Police Cruiser Replacement</u> Public Works

SUMMARY OF REQUEST: The Equipment Division is requesting permission to purchase three (3) Chevy Tahoes to replace existing vehicles in the Police Department fleet.

Tahoes will be purchased from Berger Chevrolet, the Mi-Deal contract holder. The price of this vehicle is $38,836.00 each for a total price of $116,508.00 coming from the Equipment budget. These vehicles were budgeted for replacement in the 21/22 budget.

AMOUNT REQUESTED: $116,508 AMOUNT BUDGETED: $117,000

FUND OR ACCOUNT: Equipment

STAFF RECOMMENDATION: Authorize staff to purchase three (3) Chevy Tahoes replacement vehicles for Police Department.

H. <u>Special Event Fee Waiver Form</u> Public Works

SUMMARY OF REQUEST: To amend the current Special Event Fee Waiver Form to allow some fees to be waived at the staff level.

This is the same application that was presented at the July Work Session. Event fees under $2,500 would be eligible to be waived at various percentages based on the answers to the questions on the form. Fees over $2,500 will still go before the Commission.

STAFF RECOMMENDATION: Approve the revisions to the Special Event Fee Waiver Application for events scheduled in 2022 and authorize staff to waive fees for events scheduled in 2022 and authorize staff to waive fees per the stated requirements when less than $2,500.

I. <u>Sanford Street and Glenside Phase 2 Engineering Assistance</u> Public Works

SUMMARY OF REQUEST: Staff is requesting authorization to approve the Professional Services Agreement with Prein & Newhof to provide comprehensive engineering services for the design of water and sewer projects schedule for construction in 2023 and planned for financing within the state revolving loan fund programs during state fiscal year 2022.

Staff is planning to pursue two (2) primary water/sewer projects as a part of the State of Michigan Revolving Loan programs (DWRF/SRF) during the State 2022 Fiscal Year. These projects would be constructed during 2023.

<u>Sanford Street</u>

This is the last phase of a three-phase project of which Prein & Newhof has completed the prior two phases. The first was completed in 2020 and included work on several alleys in additional to work on Jefferson and Strong. The second was completed in 2021 and included work on Peck Street. This project will include complete water/sewer upgrades on Sanford from Merrill south to Laketon. In addition, staff is proposing to fund the remainder of Sanford Street north to Apple as ineligible (SRF/DWRF) expense. The project will include a substantial reduction in the width of Sanford Street (40 Ft – 27 Ft) and is proposed to replace one of the sidewalks with a bike path that will connect from the Laketon to Lakeshore Trails.

Glenside Phase 2

The first phase of this project was completed in 2020 and included work on Westwood Street. This project will be focused on Hadden Street which will allow for the eventual abandonment of the utilities in the non-existent alley between Westwood and Hadden.

Both projects are budgeted in the 21/22 budgets and will also have allocations included in the future 22/23 and 23/24 fiscal years. The two projects represent an approximately $8.5M Investment of which nearly $2.5M will be forgiven through the loan program based on our qualification as a disadvantaged community.

AMOUNT REQUESTED: $862,300 (FY 21/22, 22/23, & 23/24)

AMOUNT BUDGETED: $400,000 (FY 21/22)

FUND OR ACCOUNT: 202/590/591

STAFF RECOMMENDATION: Authorize staff to sign the professional services agreement with Prein & Newhof to provide Engineering Services for the water, sewer, road, and bike path projects on Sanford Avenue and Glenside Phase 2.

J. Bulk Sticker Fee Adjustment Public Works

SUMMARY OF REQUEST: Staff is requesting Commission approval to adjust the user fee for Bulk Item stickers from the current rate of $2/EA or 6 for $10 to a new proposed rate of $3/EA and 4 for $10.

Staff is planning to increase the user fee for bulk item stickers and begin to offer free bags with the purchase of a sticker. Residents purchasing a sticker would be able to take one bag per sticker. Two bag options would be provided; a heavy duty 60-gallon bag for miscellaneous items; or a larger thin bag for wrapping a mattress. The hope is this program will save someone from having to make separate stop to purchase bags and stickers and make it into a single stop operation.

STAFF RECOMMENDATION: Authorize a change to the Bulk Item Sticker pricing in the user fee schedule to $3 per each or 4 each for $10.

K. Amendment to the Floodplain Management Ordinance Planning

SUMMARY OF REQUEST: Staff-initiated request to amend Sections 26-401 through 26-405 of the City Code of Ordinances to adopt the new Flood Insurance Rate Map panels from the National Flood Insurance Program.

The only change is to the Flood Insurance Rate Map panels listed in Section 26-403.

STAFF RECOMMENDATION: To approve the request to amend Sections 26-401 through 26-405 of the City Code of Ordinances to adopt the new Flood Insurance Rate Map panels from the National Flood Insurance Program.

L. Sale – 239 Monroe Avenue Planning

SUMMARY OF REQUEST: City staff is seeking authorization to sell the City-owned home at 239 Monroe Ave. to Dakota J. Crow and Annah Crow.

The city constructed this house as part of the phase two of our infill housing program. Our contract to construct the home was $164,470. We also anticipated $11,512 in sales commissions. There are additional costs $7,286.12 (switching the range from electric to gas, changing laminate counter tops in the kitchen from solid to surface, discount kitchen sink, hook up new single-bowl undermount sink & permits, fees, dumpster.) The accepted purchase price is $177,900.

STAFF RECOMMENDATION: Authorize the Code Coordinator to complete the sale of 239 Monroe Ave, as described in the attached purchase agreement and to have the Mayor and Clerk sign the deed.

M. ARP Infill Housing Program City Manager

SUMMARY OF REQUEST: City staff has developed and released a Request for Qualifications for homebuilders to participate in our ARP Infill Housing Program. We received a total of four responses.

Staff is recommending that all four builders be selected to submit formal proposals to construct homes as part of the ARP Infill Housing Program. LRS Enterprises submitted to construct five homes; William Construction submitted to construct six homes; Kramer Builders submitted to construct three homes, and West Urban Properties submitted to construct the full $5Million program. We are using a rough estimate of $250,000 per home, but the actual costs will be determined as the builders bid their specific projects with their subcontractors. The breakdown will look something like this:

Builder/Developer	City ARP Funds	Developer Funds
LRS Enterprises	$750,000	$750,000
Williams Construction	$750,000	$750,000
Kramer Builders	$250,000	$250,000

West Urban Properties	$3,250,000	$3,250,000

STAFF RECOMMENDATION: Authorize staff to work directly with the following qualified builders: LRS Enterprises, Williams Construction, Kramer Builders, and West Urban Properties to submit formal construction proposals to build a minimum of 40 new single-family homes as part of the ARP Infill Housing Program at a cost not to exceed $5 Million.

N. <u>Arena Buildout – Carlisle's</u> City Manager

SUMMARY OF REQUEST: Carlisle's restaurant is officially moving forward at Mercy Health Arena. Staff is seeking approval to perform the construction activities.

After more than two years of planning, we have started demolition of the front entryway at the arena to accommodate the facility's newest restaurant. There are a number of logistics related to the construction timing that is resulting in a logical path forward that includes the City managing the construction project and timeline.

There are a number of key milestones that we must hit, including the two greatest issues: Moving doors for the opening of the hockey season in October, and building in compliance with our liquor license. Our lease with Carlisle's calls for them to begin construction after the DDA liquor license is secured – that may take much of October and is not acceptable to the Lumberjacks. To expedite the process, the Arena is seeking to undertake and manage the construction efforts. We would enter into the construction contract with Platinum Construction (Carlisle's contractor). Carlisle's ownership group would then pay us in full once construction is complete. Note that we have their bank approval letter, and their financing is already set. The buildout will take 8-10 weeks at an estimated cost of $647,202.49.

AMOUNT REQUESTED: $647,202.49 AMOUNT BUDGETED: $0

FUND OR ACCOUNT: Arena Fund

STAFF RECOMMENDATION: Approve the expenditure of $647,202.49 for the construction of Carlisle's and amend the budget accordingly to account for both the expenditure and the reimbursement in the Arena Fund.

O. <u>Sale – 766 Leonard</u> Economic Development

SUMMARY OF REQUEST: City staff is seeking authorization to sell the city-owned home at 766 Leonard in Jackson Hill to Brittany Dlynn Brown.

The City is constructing this single family detached home as part of our infill housing program. Our contract to construct two homes was for $425,000, and the estimated finished costs of this home will be $215,000. We also anticipated $12,900 in sales commissions. The accepted purchase price is $200,000, and the incurred sales commissions are $10,000. The City will not contribute funds toward closing costs outside of the seller's agent commission. The proceeds of this home will repay a portion of the Priority Related Investment made by the Community Foundation for Muskegon County. The sale of the second home in this project should repay the remainder, and any additional funds will reimburse the Economic Development Fund for the $75,000 in the project.

STAFF RECOMMENDATION: Authorize the City Manager to complete the sale of 766 Leonard Street, as described in the purchase agreement.

P. Community Relations Committee Recommendations City Clerk

SUMMARY OF REQUEST: To appoint Emilio Trejo to the Historic District Commission.

The CRC recommends appointing Emilio Trejo to the vacant position on the Historic District Commission – Term expiring 01/31/2022.

STAFF RECOMMENDATION: To concur with the recommendation of the CRC on the appointment.

Motion by Commissioner Rinsema-Sybenga, second by Commissioner Johnson, to accept the consent agenda as presented.

ROLL VOTE: Ayes: Gawron, Rinsema-Sybenga, Emory, and Johnson

Nays: None

MOTION PASSES

2021-85 PUBLIC HEARINGS:

A. 2020 Consolidated Annual Performance Evaluation Report (CAPER) Hearing Community and Neighborhood Services

SUMMARY OF REQUEST: The CAPER is available on our website for citizen review and comment period of 20 days from September 5 -25, 2021. A public Hearing is another opportunity to comment about the Federal CDBG and HOME program activities performed during the fiscal year 2020 (July 1, 2020 - June 30, 2021).

Citizen input is a necessary process of program activities for the CDBG/HOME annual allocations. The 2020 CAPER is another opportunity to comment on the performance achievements of the annual projects during the Hearing.

STAFF RECOMMENDATION: To conduct a Public Hearing for the 2020 CAPER review.

Motion by Commissioner Rinsema-Sybenga, second by Commissioner Johnson, to close the public hearing.

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

Nays: None

MOTION PASSES

B. <u>Issuance of a Commercial Facilities Exemption Certificate – 441 W. Western Avenue</u> Planning

SUMMARY OF REQUEST: Pursuant to Public Act 255 of 1978, as amended, PH Holdings LLC (Pigeon Hill Brewing) has requested the issuance of a Commercial Facilities Exemption Certificate. The certificate will freeze the taxable value of the building and exempt the new real property investment from local taxes. The company will be investing $650,000 in upgrades to the building and will create up to 30 new jobs, which qualifies them for an abatement of four (4) years.

STAFF RECOMMENDATION: To (approve/deny) the request for a Commercial Facilities Exemption Certificate for a period of four (4) years.

PUBLIC HEARING COMMENCED: Joel Kamp, owner, spoke about the project.

Motion by Commissioner Johnson, second by Vice Mayor Hood, to close the public hearing and approve the request for a Commercial Facilities Exemption Certificate for eight (8) years.

<u>Motion to Amend:</u> Motion by Commissioner Johnson, second by Commissioner Emory, to amend the previous motion to reflect the duration of ten years for the Commercial Facilities Exemption Certification.

<u>Vote on Motion to Amend:</u>

ROLL VOTE: Ayes: Rinsema-Sybenga, Emory, Johnson, and Gawron

Nays: Hood

MOTION PASSES

<u>Vote on Original Motion with Amendment:</u>

ROLL VOTE: Ayes: Rinsema-Sybenga, Emory, Johnson, and Gawron

Nays: Hood

MOTION PASSES

C. **Issuance of a Commercial Facilities Exemption Certificate (New Facility) – 639 W Clay Avenue** Planning

SUMMARY OF REQUEST: Pursuant to Public Act 255 of 1978, as amended, Indigrow LLC has requested the issuance of a New Facility Commercial Facilities Exemption Certificate. The certificate will reduce the taxable value of the building. The company will be investing $1,133,351 into the new building addition and will create up to 30 new jobs, which qualifies them for an abatement of 8 years.

This will be an addition to the current building at 639 W Clay Avenue. The new building will receive its own tax abatement and the rehab to the existing building will receive its own tax abatement. This will decrease the amount of tax revenue abated than it would by granting one abatement on the entire project.

STAFF RECOMMENDATION: To (approve/deny) the request for a New Facility Commercial Facilities Exemption Certificate for a period of eight years.

PUBLIC HEARING COMMENCED: No public comments were received.

Motion by Commissioner Johnson, second by Commissioner Rinsema-Sybenga, to close the public hearing and approve the request for a New Facility Commercial Facilities Exemption Certificate for a period of eight years.

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

Nays: None

MOTION PASSES

D. **Issuance of a Commercial Facilities Exemption Certificate (Restored Facility) – 639 W Clay Avenue** Planning

SUMMARY OF REQUEST: Pursuant to Public Act 255 of 1978, as amended, Indigrow LLC has requested the issuance of a Restored Facility Commercial facilities Exemption Certificate. The certificate will freeze the taxable value of the building and exempt the new real property investment from local taxes. The company will be investing $1,218,561 into restoring the existing building and will create up to 30 new jobs, which qualifies them for an abatement of 8 years.

This will be for the restoration of the existing building at 639 W Clay Avenue. The new building will receive its own tax abatement and the rehab to the existing building will receive its own tax abatement. This will decrease the amount of tax revenue abated than it would by granting one abatement on the entire project.

STAFF RECOMMENDATION: To (approve/deny) the request for a Restored Facility Commercial Facilities Exemption Certificate for a period of eight years.

PUBLIC HEARING COMMENCED: No public comments were received.

Motion by Commissioner Rinsema-Sybenga, second by Commissioner Emory, to close the public hearing and approve the request for a Restored Facility Commercial Facilities Exemption Certificate for a period of eight years.

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

Nays: None

MOTION PASSES

E. <u>Camcar Plastics IFT Public Hearing</u> Economic Development

SUMMARY OF REQUEST: Camcar Plastics has requested an Industrial Facilities Tax Abatement for a small new construction addition to their shipping and receiving department at their Glade Street location.

The Tax Incentive Committee has utilized the new Tax Incentive Policy approved by the City Commission to score and make recommendations on several incentive applications recently. Camcar has been working with the division to apply for a Public Act 198 Industrial Facilities Exemption for an 800 square foot expansion to their current facility at 1732 Glade Street. The incentive allowed an eligible entity to apply for a 50% cut in their real property tax liability for up to 12 years, as approved by the local unit of government. The applicant has applied for the full 12-year abatement.

Based on the new policy, due to the taxable value being created ($72,000), the number of permanent jobs created (3), the Tax Incentive Committee's scoring system dictates a recommendation of 9 years of abatement as opposed to the maximum of 12.

STAFF RECOMMENDATION: To close the Public Hearing and approve the Industrial Facilities Exemption application for Camcar Plastics for a term of nine (9) years.

PUBLIC HEARING COMMENCED: No public comments were received.

Motion by Commissioner Johnson, second by Commissioner Rinsema-Sybenga, to close the public hearing and approve the Industrial Facilities Exemption application for Camcar Plastics for a term of nine (9) years.

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

Nays: None

MOTION PASSES

F. <u>Sun Dolphin Drive Industrial Space IFT Transfer Public Hearing</u> Economic Development

SUMMARY OF REQUEST: InSite Real Estate LLC has requested the transfer of an existing Industrial Facilities Tax Abatement for industrial real property they have acquired at 1790 Sun Dolphin Drive.

The new owners of these facilities are leasing them back to the new operators of KL Outdoor, and the facilities onsite are one of several operated locally in the injection molding company's portfolio. InSite is currently not listed the listed owner of the building on the existing Industrial Facilities Exemption and so they must request a transfer of termination of the incentive. Naturally, they opted for a request to transfer the real property exemption, which is scheduled to terminate December 30, 2026.

The new ownership has recently paid some back property taxes and is eligible to request said transfer.

STAFF RECOMMENDATION: A motion to close the Public Hearing and approve the Industrial Facilities Exemption Transfer for IIP Muskegon, MI (1790 and 1880 Sun Dolphin) LLC as presented.

PUBLIC HEARING COMMENCED: No public comments were received.

Motion by Commissioner Rinsema-Sybenga, second by Commissioner Johnson, to close the public hearing and approve the Industrial Facilities Exemption Transfer for IIP Muskegon, MI (1790 and 1880 Sun Dolphin) LLC as presented.

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

Nays: None

MOTION PASSES

G. <u>Trace Analytical IFT Public Hearing</u> Economic Development

SUMMARY OF REQUEST: Trace Analytical has requested an Industrial Facilities Tax Abatement for an 8,000 square foot addition to their location at 2241 Black Creek Road, which would support 18 new employees over the next several years.

The Tax Incentive Committee has utilized the new Tax Incentive Policy approved by the City Commission to score and make recommendations on several incentive applications recently. Trace Analytical Labs has been working with the division to apply for a Public Act 198 Industrial Facilities Exemption for an 8000 square foot expansion to their current facility at 2241 Black Creek Road. The incentive allows an eligible entity to apply for a 50% cut in their real property tax liability for up to 12 years, as approve by the local unit of government. The applicant has applied for the full 12-year abatement.

Based on the new policy, due the taxable value being created ($600,000), the number of permanent jobs created (18), the Tax Incentive Committee's scoring system dictates a recommendation of 9 years of abatement as opposed to the maximum of 12.

STAFF RECOMMENDATION: A motion to close the Public Hearing and approve the Industrial Facilities Exemption application for Trace Analytical Labs for a term of nine (9) years.

PUBLIC HEARING COMMENCED: Brad Hilleary, from Trace Analytical Labs, spoke.

Motion by Commissioner Rinsema-Sybenga, second by Commissioner Emory, to close the public hearing and approve the Industrial Facilities Exemption Application for Trace Analytical Labs for a term of nine (9) years.

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

Nays: None

MOTION PASSES

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

ADJOURNMENT: The City Commission meeting adjourned at 7:37 p.m.

Respectfully Submitted,

Ann Marie Meisch, MMC – City Clerk