CITY OF MUSKEGON

CITY COMMISSION MEETING

SEPTEMBER 14, 2004

CITY COMMISSION CHAMBERS @ 5:30 P.M.

MINUTES

The Regular Commission Meeting of the City of Muskegon was held at City Hall, 933 Terrace Street, Muskegon, Michigan at 5:30 p.m., Tuesday, September 14, 2004.

Vice Mayor Larson opened the meeting with a prayer from Pastor Michael Borgert from First Christian Reformed Church after which the Commission and public recited the Pledge of Allegiance to the Flag.

ROLL CALL FOR THE REGULAR COMMISSION MEETING:

Present: Vice Mayor Bill Larson, Commissioner Lawrence Spataro, Chris Carter, Kevin Davis, Stephen Gawron, and Clara Shepherd, City Manager Bryon Mazade, City Attorney John Schrier, and City Clerk Gail Kundinger.

Absent: Mayor Stephen Warmington (excused)

2004-81 CONSENT AGENDA:

A. Approval of Minutes. CITY CLERK

SUMMARY OF REQUEST: To approve the minutes of the Regular Commission Meeting that was held on Tuesday, August 24, 2004.

FINANCIAL IMPACT: None.

BUDGET ACTION REQUIRED: None.

STAFF RECOMMENDATION: Approval of the minutes.

B. Liquor License Request - Betak Enterprises III, Inc., 45 E. Muskegon. CITY CLERK

SUMMARY OF REQUEST: The Liquor Control Commission seeks local recommendation on a request from Betak Enterprises III, Inc., to transfer ownership of the 2004 SDD and SDM Licensed Business from H & J Inc.

FINANCIAL IMPACT: None.

BUDGET ACTION REQUIRED: None.

STAFF RECOMMENDATION: Approval.

C. Liquor License Request - Clover Bar, 817 E. Forest Ave. CITY CLERK

SUMMARY OF REQUEST: The Liquor Control Commission seeks local recommendation on a request to transfer ownership of the 2004 Class C-SDM Licensed Business with Dance Permit by dropping Wayne W. Brewer as stockholder by transfer of his 100 shares of stock to Timothy W. Brewer.

FINANCIAL IMPACT: None.

BUDGET ACTION REQUIRED: None.

STAFF RECOMMENDATION: Approval.

D. **Telecommunication Permit – The Shoreline Fiber Network Partners – Under the METRO Act.** ASSISTANT CITY MANAGER/ENGINEER

SUMMARY OF REQUEST: Authorize the Mayor to sign the permit application submitted by The Shoreline Network Partners. Submittal of the permit application is in response to the City opting into the State's METRO Act. All necessary reviews including City Attorney, Engineering Department, Finance Department, and City Manager's Office have been completed.

FINANCIAL IMPACT: None.

BUDGET ACTION REQUIRED: None.

STAFF RECOMMENDATION: To approve the permit and authorize the Mayor to sign the document.

E. **Nelson Park Renamed as St. Joseph Park.** LEISURE SERVICES

SUMMARY OF REQUEST: A petition has been received from the Nelson Neighborhood to rename Nelson Park on Monroe Avenue to St. Joseph Park in honor of the former St. Joseph's Church that leased the property to the City for the park.

FINANCIAL IMPACT: The cost to redo a sign.

BUDGET ACTION REQUIRED: None.

STAFF RECOMMENDATION: Approve.

COMMITTEE RECOMMENDATION: The Leisure Service Board recommends approval.

F. **Income Tax Refund Donation Program for 2004.** INCOME TAX

SUMMARY OF REQUEST: Approval to use the donations from the 2004 income tax returns to the BIG RED ED CLUB which is an activity of the Education fund of the Muskegon Public Schools.

FINANCIAL IMPACT: The average amount donated to previous Donation Programs is $2,500. Each donated refund saves the City approximately two dollars. Last year 478 people donated their refund checks.

BUDGET ACTION REQUIRED: None.

STAFF RECOMMENDATION: Approval recommended.

G. **Set Public Hearing for Amendments to Brownfield Plan - Former Muskegon Mall.** PLANNING & ECONOMIC DEVELOPMENT

SUMMARY OF REQUEST: To approve the resolution setting a public hearing for amendments to the Brownfield Plan, and notifying taxing jurisdictions of the Brownfield Plan Amendments, including the opportunity to express their views and recommendations regarding the proposed amendments at the public hearing. The amendments are for the inclusion of the former Muskegon Mall Property, now owned by Downtown Muskegon Development Corporation (DMDC) in the Brownfield Plan.

FINANCIAL IMPACT: Brownfield Tax Increment Financing would be used to reimburse the City, DMDC, and possibly developers for "eligible expenses" incurred in association with development of the Mall, starting in 2012, when the Renaissance Zone status of the Mall property will begin to expire. DMDC currently estimates that full development of the Mall property will involve approximately $60 million in private investment, resulting in a substantial increase in the local and school taxes generated by the property.

"Eligible Expenses" would be reimbursed starting in 2012, including the payment of 4% interest annually. The estimated tax capture and payment schedule is included as Attachment L-4 in the proposed Brownfield Plan Amendment. The City is also authorized by law to capture up to $75,000/year to pay for "reasonable and actual administrative and operating costs of the Brownfield Redevelopment Authority. As such, $50,000/year of the local tax increment will be captured to reimburse the Brownfield Authority for its administrative costs, for a total of $550,000 over 11 years.

After all eligible costs incurred by the various parties are reimbursed (estimated to be in 2017), the BRA is authorized to continue to capture local taxes for five more years for deposit into a Local Site Remediation Revolving Fund. Current estimates indicate that approximately $3,460,000 could be captured from the taxes on the Mall property for deposit into this local fund.

STAFF RECOMMENDATION: To approve the resolution and authorize the Mayor and Clerk to sign the resolution.

COMMITTEE RECOMMENDATION: The Brownfield Redevelopment Authority will meet on September 8, 2004, and approve the Brownfield Plan Amendment adding the Muskegon Mall to the Brownfield Plan, and request the Muskegon City Commission set a public hearing on the Plan Amendments, and request notification of the taxing jurisdictions of the proposed amendment and its financial impact on each jurisdiction.

H. <u>Plow Truck Purchase.</u> PUBLIC WORKS

SUMMARY OF REQUEST: Approval to purchase two cab and chassis from Woodland International.

FINANCIAL IMPACT: Total Cost $104,062.24.

BUDGET ACTION REQUIRED: None. $140,000 was budgeted for the total purchase.

STAFF RECOMMENDATION: Approve purchase of budgeted replacement cab and chassis from Woodland International.

I. <u>Dump Boxes and Under Body Plows.</u> PUBLIC WORKS

SUMMARY OF REQUEST: Approval to purchase two dump boxes and under body plows.

FINANCIAL IMPACT: Total Cost $49,578.

BUDGET ACTION REQUIRED: None.

STAFF RECOMMENDATION: Approve purchase of two dump boxes and under body plows from Truck & Trailer Specialties.

J. <u>Semi Tractor Purchase.</u> PUBLIC WORKS

SUMMARY OF REQUEST: Approval to purchase one Freightliner CL 120 semi tractor from Freightliner of Grand Rapids.

FINANCIAL IMPACT: Cost per unit $77,065.

BUDGET ACTION REQUIRED: None. $80,000 was budgeted for this purchase.

STAFF RECOMMENDATION: Approve purchase of one Freightliner CL 120 from Freightliner of Grand Rapids.

Motion by Commissioner Spataro, second by Commissioner Shepherd to approve the Consent Agenda.

ROLL VOTE: Ayes: Carter, Davis, Gawron, Larson, Shepherd, Spataro

Nays: None

MOTION PASSES

2004-82 PUBLIC HEARINGS:

A. <u>Spreading of the Special Assessment Roll – Strong Avenue, Jefferson to Peck.</u> ENGINEERING

SUMMARY OF REQUEST: To hold a public hearing on the spreading of the special assessment for Strong Avenue from Jefferson Street to Peck Street, and to adopt the resolution confirming the special assessment roll.

FINANCIAL IMPACT: A total of $29,371.29 would be spread against the thirteen (13) parcels abutting the project.

BUDGET ACTION REQUIRED: None at this time.

STAFF RECOMMENDATION: To approve the special assessment roll and adopt the resolution.

The Public Hearing opened at 5:37 p.m. to hear and consider any comments from the public. No comments were heard.

Motion by Commissioner Gawron, second by Commissioner Spataro to close the Public Hearing at 5:38 p.m. and approve the special assessment roll for Strong Avenue, Jefferson to Peck.

ROLL VOTE: Ayes: Carter, Davis, Gawron, Larson, Shepherd, Spataro

Nays: None

MOTION PASSES

B. <u>Spreading of the Special Assessment Roll - Campus Avenue, from Washington to Approximately 100' North of Fourth.</u> ENGINEERING

SUMMARY OF REQUEST: To hold a public hearing on the spreading of the special assessment for Campus Avenue from Washington to approximately 100' north of Fourth Street, and to adopt the resolution confirming the special assessment roll.

FINANCIAL IMPACT: A total of $28,086.26 would be spread against the fourteen (14) parcels abutting the project.

BUDGET ACTION REQUIRED: None at this time.

STAFF RECOMMENDATION: To approve the special assessment roll and adopt the resolution.

The Public Hearing opened at 5:39 p.m. to hear and consider any comments from the public. No comments were heard.

Motion by Commissioner Carter, second by Commissioner Davis to close the Public Hearing at 5:40 p.m. and approve the special assessment roll for Campus Avenue, from Washington to approximately 100' north of Fourth.

ROLL VOTE: Ayes: Davis, Gawron, Larson, Shepherd, Spataro, Carter

Nays: None

MOTION PASSES

C. <u>2005 Budget.</u> FINANCE

SUMMARY OF REQUEST: This is the time set for a public hearing on the City's proposed budget for the year 2005. The proposed 2005 budget has been made available for public inspection at City Hall, Hackley Public Library and the City's website page.

STAFF RECOMMENDATION: After receiving comments, close the public hearing and approve the proposed 2005, City of Muskegon Budget resolution.

The Public Hearing opened at 5:41 p.m. to hear and consider any comments from the public. No comments were heard.

Motion by Commissioner Spataro, second by Commissioner Carter that at 5:44 p.m. the Public Hearing be continued to the Special Meeting set for Wednesday, September 22, 2004.

ROLL VOTE: Ayes: Gawron, Larson, Shepherd, Spataro, Carter, Davis

Nays: None

MOTION PASSES

2004-83 NEW BUSINESS:

A. <u>Approval of Pay Station Agreement with USA Mail Today.</u> TREASURER

SUMMARY OF REQUEST: In an attempt to better serve those individuals who are unable to come to City Hall to pay their utility bills, the City Treasurer requests to allow payments to be made at USA Mail Today located at 1071 S. Getty St., Muskegon, Michigan.

FINANCIAL IMPACT: We anticipate a decrease in delinquent utility bills due to the convenience of a "one stop" payment location and a possible increase in utility cash flows to the City of Muskegon.

BUDGET ACTION REQUIRED: There is a five dollar ($5.00) monthly fee to be billed quarterly to the City of Muskegon.

STAFF RECOMMENDATION: The staff recommends the approval of the service agreement with USA Mail Today to accept City of Muskegon utility bill payments at their location.

Motion by Commissioner Shepherd, second by Commissioner Gawron to approve the service agreement with USA Mail Today.

ROLL VOTE: Ayes: Larson, Shepherd, Spataro, Carter, Davis, Gawron

Nays: None

MOTION PASSES

B. <u>Concurrence with the Housing Board of Appeals Notice and Order to Demolish the Following.</u> INSPECTIONS

SUMMARY OF REQUEST: This is to request that the City Commission concur with the findings of the Housing Board of Appeals that the following structures are unsafe, substandard, public nuisances and that they be demolished within thirty (30) days. It is further requested that administration be directed to obtain bids for the demolition of the structures and that the Mayor and City Clerk be authorized and directed to execute a contract for demolition with the lowest responsible bidder.

1. 523 W. Webster (Outside Area 10)

CASE NUMBER & PROJECT ADDRESS: #EN-040007 – 523 W. Webster

LOCATION AND OWNERSHIP: This structure is located on Webster between Sixth and Seventh and was owned by William Gooden, who is recently deceased.

STAFF CORRESPONDENCE: This case began 1/26/04 because of numerous complaints of parties and the police being called. The notice and order to repair was issued on 1/26/04. The case went before the HBA on 6/4/04 and George Gooden was present. The HBA declared the structure with a 60 day delay before sending to Commission.

OWNER CONTACT: At the HBA meeting George Gooden stated he was awarded this property when it went through Probate after William Gooden's death. He stated he is not sure what he'll do with the property, but asked if he could use it as a "guest house" for friends to stay in. He also stated if it cost too much to repair he would tear it down. He was present at the party that the police shut down in April. At the HBA meeting he was ordered to bring in a copy of the Probate order showing he was the owner and if progress was being made on repairs the case would not be forwarded to City Commission. No copy of the Probate order has been submitted, nor permits applied for.

FINANCIAL IMPACT: CDBG Funds

BUDGET ACTION REQUIRED: None

STATE EQUALIZED VALUE: $17,600

ESTIMATED COST TO REPAIR: $25,000

STAFF RECOMMENDATION: To concur with the Housing Board of Appeals decision to demolish.

Motion by Commissioner Spataro, second by Commissioner Gawron to concur with the Housing Board of Appeals decision to demolish 523 W. Webster.

ROLL VOTE: Ayes: Shepherd, Spataro, Carter, Gawron, Larson

Nays: Davis

MOTION PASSES

2. 1842 Franklin (South of Area 12)

CASE NUMBER & PROJECT ADDRESS: #EN-040048 – 1842 Franklin

LOCATION AND OWNERSHIP: This structure is located on Franklin between Laketon and Windsor and is owned by William Grimm.

STAFF CORRESPONDENCE: This case began 4/29/04 because of numerous complaints of a dangerous situation for neighborhood children. The owner started an addition on the house and stopped after the blocks were laid. The area was filled with water and neighbors were concerned about children falling in. The notice and order to repair/remove was issued 4/30/04 and on 6/3/04 the HBA heard the case. The case was tabled indefinitely to allow the owner time to complete the repairs and pull a permit for the scope of the work being done. The case was brought back to the HBA 8/5/04 and was declared dangerous.

OWNER CONTACT: Mr. Grimm was present at both HBA meetings and stated he wanted to complete the repairs. On August 24th an inspector noted the house had been demolished, but the site not totally cleared. The blocks from the addition and the original foundation is still remaining.

FINANCIAL IMPACT: General Funds

BUDGET ACTION REQUIRED: None

STATE EQUALIZED VALUE: $12,700

ESTIMATED COST FOR SITE CLEARANCE: $2,500

STAFF RECOMMENDATION: To concur with the Housing Board of Appeals decision to demolish.

Motion by Commissioner Spataro, second by Commissioner Shepherd to concur with the Housing Board of Appeals decision to demolish 1842 Franklin.

ROLL VOTE: Ayes: Spataro, Carter, Davis, Gawron, Larson, Shepherd

Nays: None

MOTION PASSES

3. 1130 Sanford (Area 10)

CASE NUMBER & PROJECT ADDRESS: #EN-040036 – 1130 Sanford

LOCATION AND OWNERSHIP: This structure is located on Sanford between Houston and Monroe and is owned by Countrywide Home Loans in California.

STAFF CORRESPONDENCE: This case began 5/04 because of the house being vacant, open and large amount of trash & debris left. A dangerous building inspection was conducted on 3/5/04 and the notice and order to repair was issued on 3/22/04. On 5/6/04 the HBA declared the structure substandard and dangerous. An interior inspection was conducted 7/2/04.

OWNER CONTACT: The contractor working for the mortgage company scheduled the interior inspection and stated he would be doing repairs on the house. After receiving the inspection report, Amanda from Countrywide Mortgage stated they will be selling the house as is.

FINANCIAL IMPACT: CDBG Funds

BUDGET ACTION REQUIRED: None

STATE EQUALIZED VALUE: $16,600

ESTIMATED COST TO REPAIR: $30,000

STAFF RECOMMENDATION: To concur with the Housing Board of Appeals decision to demolish

Motion by Commissioner Spataro, second by Commissioner Gawron to concur with the Housing Board of Appeals decision to demolish 1130 Sanford.

ROLL VOTE: Ayes: Carter, Davis, Gawron, Larson, Shepherd, Spataro

Nays: None

MOTION PASSES

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

Respectfully submitted,

Gail A. Kundinger, MMC
City Clerk