CITY OF MUSKEGON

CITY COMMISSION MEETING

AUGUST 22, 2017 @ 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, August 22, 2017. Elder Holmes, Holy Trinity Church, opened the meeting with 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, Debra Warren, Byron Turnquist, Willie German, Jr., and Dan Rinsema-Sybenga, City Manager Franklin Peterson, City Attorney John Schrier, and City Clerk Ann Meisch.

2017-68 CONSENT AGENDA:

A. Approval of Minutes City Clerk

SUMMARY OF REQUEST: To approve minutes of the July 25, 2017 Regular City Commission Meeting and the minutes of the August 7, 2017 Worksession Meeting.

FINANCIAL IMPACT: None

BUDGET ACTION REQUIRED: None

STAFF RECOMMENDATION: Approval of the minutes.

B. Justice Assistance Grant Public Safety

SUMMARY OF REQUEST: The Director of Public Safety requests that the Commission authorize the Director and the City Manager to enter into an agreement with the City of Muskegon Heights and Muskegon County in regards to the disbursement of the FY 2017 Justice Assistance Grant. It is further requested that the Mayor be authorized to sign the Memorandum of Understanding. Note that time is of the essence as this grant requires a governing body review period and the grant submission and the grant deadline is September 5.

Although the Bureau of Justice Assistance has designated us as being in a disparate funding situation due to the County providing more than 50 % of the jail facilities, our proposal is to keep the allocations exactly as they initially came down from the BJA which is as follows: County of Muskegon - $0; City of Muskegon - $24,226; and City of Muskegon Heights - $14,929. Note that BJA uses crime data versus population in making these allocation decisions.

The City of Muskegon portion is planned to be used in continuation of the manner in which the previous year's JAG funding was used which is for the prosecution of city ordinance cases dealing primarily with neighborhood issues.

FINANCIAL IMPACT: None

BUDGET ACTION REQUIRED: None

STAFF RECOMMENDATION: Staff recommends approval of this request.

C. Frank's Taco Shack Concession Contract Department of Public Works

SUMMARY OF REQUEST: Staff is asking permission to enter into a seasonal contractual agreement, for 2017, with Frank Galindo of Frank's Taco Shack, at Pere Marquette Park, located within the City of Muskegon, to sell various items, as stated in their proposal, from a mobile concession.

FINANCIAL IMPACT: Concession revenue is 10% of gross receipts.

BUDGET ACTION REQUIRED: None

STAFF RECOMMENDATION: Enter into a season Concession/Business contractual agreement, for 2017, with Frank Galindo of Frank's Taco Shack.

D. City-MDOT Agreement; Laketon from Getty to Creston (H1706-123986A) Department of Public Works

SUMMARY OF REQUEST: Approve the contract with MDOT for the reconstruction of Laketon Avenue between Getty and Creston and approve the resolution authorizing the Mayor and City Clerk to sign the contract.

FINANCIAL IMPACT: MDOT's participation is limited to the approved federal funds of $1,160,000. The estimated total construction cost is $2.2 million plus engineering cost.

BUDGET ACTION REQUIRED: None

STAFF RECOMMENDATION: Approve the contract and resolution authorizing the Mayor and Clerk to sign both.

E. Roof Replacement – Water Filtration Plant Administration Building Department of Public Works/Water Filtration

SUMMARY OF REQUEST: Authorize staff to enter into a roof replacement agreement at the Water Filtration Plant – Administration Building with Bob's

Roofing since they submitted the lowest responsible bid of $66,000.

FINANCIAL IMPACT: $66,000

BUDGET ACTION REQUIRED: None

STAFF RECOMMENDATION: Authorize staff to enter into an agreement with Bob's Roofing for a cost of $66,000.

I. Adopt a Resolution Approving the Liquor License Application for Pigeon Hill Brewing Co., LLC as a Small Distiller at 500 W. Western Avenue
City Clerk

SUMMARY OF REQUEST: To adopt a resolution approving the liquor license application for Pigeon Hill Brewing Co., LLC as a Small Distiller at W. Western Avenue.

The primary purpose of seeking these licenses is to allow production of packaged cocktails. A cocktail in a can or a keg. Those kegs/cans would then be made available for sale throughout their distribution network. While some of the products could be made available in the taproom, there are no plans to turn the taproom into a cocktail bar or to add straight spirits to the menu.

FINANCIAL IMPACT: None

BUDGET ACTION REQUIRED: None

STAFF RECOMMENDATION: Adopt a resolution approving the request of Pigeon Hill Brewing Co., LLC for a liquor license as a Small Distiller at 500 W. Western Avenue.

J. Certification of MERS Representative Finance

SUMMARY OF REQUEST: The MERS plan document provides that "the governing body for each municipality shall certify the names of two (2) delegates to the Annual Meeting. One delegate shall be a member who is an officer of the municipality appointed by the governing body of the municipality. The other delegate shall be a member who is not an officer of the municipality, elected by the member officer/employees of the municipality."

The City's employee units previously agreed to a rotating system (based on date of joining MERS) to select one official employee representative. This year the official employee representative attending the MERS conference will be Howard Usher from the 517M Union group.

It is recommended that Kenneth Grant (Assistant Finance Director) be designated as the City's employer delegate.

FINANCIAL IMPACT: Registration for the MERS conference in Detroit, MI is $250 per person, additionally, mileage, hotel and related costs will be incurred.

BUDGET ACTION REQUIRED: None

STAFF RECOMMENDATION: Certification of Kenneth Grant and Howard Usher to be the City's officer and employee delegates at the MERS annual meeting in Detroit September 21-22, 2017.

K. Approval of a Neighborhood Enterprise Zone Certificate – 321 Terrace Point Circle Planning & Economic Development

SUMMARY OF REQUEST: An application for a Neighborhood Enterprise Zone (NEZ) certificate has been received from Kevin and Kim Durnell for the new construction of a home at 321 Terrace Point Circle. This unit is already under construction of the State Tax Commission allows applicants to apply for a certificate up to six (6) months after construction commences. Construction started in May with an estimated cost of $260,865. The applicant has met local and state requirements for the issuance of the NEZ certificate.

FINANCIAL IMPACT: Taxation will be 50% of the State average of new homes for the next 12 years.

BUDGET ACTION REQUIRED: None

STAFF RECOMMENDATION: Approval of the NEZ certificate.

Motion by Commissioner Warren, second by Commissioner German, to approve the consent agenda as presented, except items F, G, and H.

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

Nays: None

MOTION PASSES

2017-69 ITEMS REMOVED FROM THE CONSENT AGENDA:

F. Consideration of Bids – City Hall Washing and Sealing Department of Public Works – Engineering

SUMMARY OF REQUEST: Authorize staff to enter into an agreement with D.C. Byers out of Grand Rapids to wash, caulk and seal City Hall for a bid price of $67,147 since they submitted the lowest bid upon an on-site meeting with two contactors, the other bid was Helms Caulking for $76,250.

FINANCIAL IMPACT: $67,147

BUDGET ACTION REQUIRED: A budget adjustment needs to be made since the budgeted amount was only $30,000 in the 17/18 CIP under general fund.

STAFF RECOMMENDATION: Authorize staff to enter into an agreement with D.C. Byers and authorize the necessary budget adjustment via the 1st quarter reforecast.

Motion by Commissioner Turnquist, second by Commissioner Rinsema-Sybenga, to authorize staff to enter into an agreement with D.C. Byers as per the proposal

and authorize the necessary budget adjustment via the 1st quarterly reforecast.

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

Nays: None

MOTION PASSES

G. <u>Approval of Building Contract for 1350 Eastwood Drive</u> Community and Neighborhood Services

SUMMARY OF REQUEST: To award the Building Contract for the rehabilitation of 1350 Eastwood Drive to TK Construction for the City of Muskegon's Homebuyers Program through CNS.

FINANCIAL IMPACT: The funding for this project has been secured with 2016 HOME funds.

BUDGET ACTION REQUIRED: None

STAFF RECOMMENDATION: To award TK Construction the rehabilitation contract for 1350 Eastwood Drive in the amount of $111,275.00 for the Community and Neighborhood Services Office.

Motion by Commissioner Turnquist, second by Commissioner Johnson, to award TK Construction the rehabilitation contract for 1350 Eastwood Drive in the amount of $111,275.00 for the Community and Neighborhood Services Office.

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

Nays: None

MOTION PASSES

H. <u>Adopt a Resolution Approving the Liquor License Application for Pigeon Hill Brewing Co., LLC as a Mixed Spirit Drink Manufacturer and Small Distiller at 441 W. Western</u> City Clerk

SUMMARY OF REQUEST: To adopt a resolution approving the liquor license application for Pigeon Hill Brewing Co., LLC as a Mixed Spirit Drink Manufacturer and Small Distiller at 441 W. Western Avenue.

The primary purpose of seeking these licenses is to allow production of packaged cocktails. A cocktail in a can or a keg. Those kegs/cans would then be made available for sale throughout their distribution network. While some of the products could be made available in the taproom, there are no plans to turn the taproom into a cocktail bar or to add straight spirits to the menu.

FINANCIAL IMPACT: None

BUDGET ACTION REQUIRED: None

STAFF RECOMMENDATION: Adopt a resolution approving the request of Pigeon Hill Brewing Co., LLC for a liquor license as a Mixed Spirit Drink Manufacturer and Small Distiller at 441 W. Western Avenue.

Motion by Commissioner German, second by Commissioner Johnson, to adopt a resolution approving the request of Pigeon Hill Brewing Co., LLC for a liquor license as a Mixed Spirit Drink Manufacturer and Small Distiller at 441 W. Western Avenue.

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

Nays: None

MOTION PASSES

2017-70 PUBLIC HEARINGS:

A. Request for the Establishment of an Industrial Development District at 700 Terrace Point Drive Planning & Economic Development

SUMMARY OF REQUEST: Pursuant to Public Act 198 of 1974, as amended, KLO Outdoor has requested the establishment of an Industrial Development District at 700 Terrace Point Drive. The company is in the process of moving its corporate offices to this location and plan on making significant upgrades to the real property. The establishment of the district will allow the company to become eligible for the Industrial Facilities Tax Abatements (IFT's).

FINANCIAL IMPACT: None

BUDGET ACTION REQUIRED: None

STAFF RECOMMENDATION: Approval of the establishment of the Industrial Development District.

PUBLIC HEARING COMMENCED: Mr. Harris of KL Outdoor addressed the City Commission. No other public comments were received.

Motion by Commissioner Rinsema-Sybenga, second by Commissioner Warren, to close the public hearing and establish the Industrial Development District.

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

Nays: None

MOTION PASSES

2017-71 NEW BUSINESS:

A. Concurrence with the Housing Board of Appeals Notice and Order to Demolish the Following:

1047 Wood Street

1826 Ray Street

SUMMARY OF REQUEST: This is to request that the City Commission concur with the findings of the Housing Board of Appeals that the structures are unsafe, substandard, a public nuisance and that they be demolished within 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 or staff may issue infraction tickets to the owner, agent, or responsible party if they do not demolish the structure.

FINANCIAL IMPACT: General Funds

BUDGET ACTION REQUIRED: None

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

Motion by Commissioner German, second by Commissioner Rinsema-Sybenga, to concur with the Housing Board of Appeals decision to demolish 1047 Wood Street and 1826 Ray Street.

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

Nays: None

MOTION PASSES

B. **<u>Approval to Purchase Property from the Michigan Department of Transportation</u>** Planning & Economic Development

SUMMARY OF REQUEST: Staff is seeking approval to purchase a portion of lots one thru five and all of lots six and seven of Block 340 from MDOT. These lots are located between 8th and 9th Street and Webster and Muskegon. If approved, these lots will be combined with the portion of the lots that the City already owns, which would allow for development opportunities. This area is zoned Form Based Code, Urban Residential Context Area, which allows for residential homes between one and six units.

FINANCIAL IMPACT: The cost for all of the property is $7,700

BUDGET ACTION REQUIRED: None

STAFF RECOMMENDATION: Approval to purchase the property.

Motion by Commissioner Rinsema-Sybenga, second by Commissioner Johnson, to approve the purchase of property.

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

Nays: None

MOTION PASSES

C. <u>Convention Center</u> City Manager

SUMMARY OF REQUEST: In partnership with Muskegon County and Parkland Properties, the City of Muskegon is exploring the concept of constructing a downtown convention center, which will combine a hotel self-assessment with accommodation taxes to raise the funds to finance a convention center connected to the LC Walker Arena and the Holiday Inn. The City would likely be asked to carry the debt associated with the improvements, which could be as much as $15 Million. The debt payments would be paid with accommodation tax dollars, and would not affect the City's General Fund.

FINANCIAL IMPACT: None

BUDGET ACTION REQUIRED: None

STAFF RECOMMENDATION: Authorize City Manager to sign the Letter of Intent to enter into a partnership for the purposes of constructing a convention center in Downtown Muskegon.

Motion by Vice Mayor Hood, second by Commissioner Johnson, to authorize the City Manager to sign the Letter of Intent to enter into a partnership for the purposes of constructing a convention center in Downtown Muskegon.

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

Nays: None

MOTION PASSES

D. <u>Sale of Parking Lot</u> City Manager

ITEM REMOVED PER STAFF REQUEST

PUBLIC PARTICIPATION: Public comments were received.

ADJOURNMENT: The City Commission meeting adjourned at 7:11 p.m.

Respectfully Submitted,

Ann Marie Meisch, MMC, City Clerk