CITY OF MUSKEGON

CITY COMMISSION MEETING

AUGUST 22, 2006

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, August 22, 2006.

Mayor Warmington opened the meeting with a prayer from Pastor Penny Johnson from the Oak Crest Church of God after which the Commission and public recited the Pledge of Allegiance to the Flag.

ROLL CALL FOR THE REGULAR COMMISSION MEETING:

Present: Mayor Stephen Warmington, Vice Mayor Stephen Gawron, Commissioner Sue Wierengo, Chris Carter, Kevin Davis, Clara Shepherd, and Lawrence Spataro, City Manager Bryon Mazade, City Attorney John Schrier, and Acting City Clerk Linda Potter.

2006-70 CONSENT AGENDA:

A. Approval of Minutes. CITY CLERK

SUMMARY OF REQUEST: To approve the minutes for the August 7th Commission Worksession, and the August 8th Regular Commission Meeting.

FINANCIAL IMPACT: None

BUDGET ACTION REQUIRED: None

STAFF RECOMMENDATION: Approval of the minutes.

C. Vacation of the Northerly Unimproved Portion of Wells Avenue. PLANNING & ECONOMIC DEVELOPMENT

SUMMARY OF REQUEST: Request for the vacation of the Northerly unimproved portion of Wells Avenue, located on the campus of Mercy General Hospital, Oak Campus.

FINANCIAL IMPACT: None

BUDGET ACTION REQUIRED: None

STAFF RECOMMENDATION: Staff recommends vacation of the Northerly unimproved Wells Avenue, with the condition that all utility rights be retained.

COMMITTEE RECOMMENDATION: The Planning Commission unanimously recommended the vacation, with B. Smith absent, with the condition as listed above.

D. **FIRST READING: Zoning Ordinance Amendment to the Zoning Ordinance for Residential Design Criteria – Roof Pitch.** PLANNING & ECONOMIC DEVELOPMENT

SUMMARY OF REQUEST: Request to amend Section 2319 (#2) of Article XXIII (General Provisions) to amend the Residential Design Criteria.

FINANCIAL IMPACT: None

BUDGET ACTION REQUIRED: None

STAFF RECOMMENDATION: Staff recommends amendment of the Zoning Ordinance to amend the Residential Design Criteria regarding the roof pitch.

COMMITTEE RECOMMENDATION: The Planning Commission recommended approval of the amendment at their August 10th meeting. The vote was unanimous in favor of the amendment, with B. Smith absent.

E. **FIRST READING: Rezoning Request for Properties Located at 209 & 155 E. Walton Avenue and 185 E. Muskegon Avenue.** PLANNING & ECONOMIC DEVELOPMENT

SUMMARY OF REQUEST: Request to rezone the properties located at 209 & 155 E. Walton Avenue and 185 E. Muskegon Avenue from B-4, General Business District to R-1, One Family Residential District.

FINANCIAL IMPACT: None

BUDGET ACTION REQUIRED: None

STAFF RECOMMENDATION: Staff recommends approval of the request.

COMMITTEE RECOMMENDATION: The Planning Commission recommended approval of the request at their August 10th meeting. The vote was unanimous, with B. Smith absent.

G. **Purchase of 1581 Division.** COMMUNITY & NEIGHBORHOOD SERVICES

SUMMARY OF REQUEST: To approve the purchase of 1581 Division from the U.S. Department of Housing and Urban Development for $1 through its Good Neighbor program. In which, a municipality can purchase a home for one dollar, if a property is on the market for more than six months.

After 1581 Division is obtained, the City will contract to have the house totally rehabilitated then sell it to a qualified family continuing the City's aggressive neighborhood revitalization efforts.

FINANCIAL IMPACT: The dollar will come from Community and Neighborhood Services HOME program income fund.

BUDGET ACTION REQUIRED: None

STAFF RECOMMENDATION: To approve the request to purchase the home for $1.

H. Approval of Contractor for Construction of House at 280 Iona. COMMUNITY & NEIGHBORHOOD SERVICES

SUMMARY OF REQUEST: To approve the contract with De Rose Builders Inc., of 7786 Wiczer Drive, Fruitport, MI for the construction of the new home to be located at 280 Iona for the cost of $97,876. After the construction is completed, the new home will be sold to a qualified first-time homebuyer, continuing the City's aggressive neighborhood revitalization efforts under the Operation "Metamorphosis: A Change from Old to New".

The City obtained the original house at 280 Iona from the State of Michigan. The house was later demolished because it was deemed not cost effective for rehabilitation.

The City received four other bids:

- Diamond Development Inc., 6820 Lakita Drive, Fruitport, MI for $99,950.
- J2 Construction, 109 West Laketon Avenue, Muskegon, MI for $119,866.
- Obenauf DePender Construction LLC, 4471 Thompkins Trail, Muskegon, MI for $120,296.
- Top Notch Design Contractors, 4740 Jensen Road, Fruitport, MI for $122,000.

FINANCIAL IMPACT: The funding for the project will be taken from the City's 2006-2007 HOME funds.

BUDGET ACTION REQUIRED: None

STAFF RECOMMENDATION: To approve Community and Neighborhood Services office to develop a contract with De Rose Builders, Inc. and direct the Mayor and Clerk to sign the contract.

I. Purchase Agreement with Muskegon County for C Station. ENGINEERING

SUMMARY OF REQUEST: Approve the purchase agreement with Muskegon County for parcels A, C, D & E and terminate the reverter clause on parcel B as shown on the drawing and authorize the Mayor and Clerk to execute said agreement. The total purchase price is $93,840.50.

FINANCIAL IMPACT: None

BUDGET ACTION REQUIRED: None

STAFF RECOMMENDATION: Approve the purchase agreement.

Motion by Vice Mayor Gawron, second by Commissioner Shepherd to accept the consent agenda as presented minus items B and F.

ROLL VOTE: Ayes: Wierengo, Carter, Davis, Gawron, Shepherd, Spataro, and

Warmington

Nays: None

MOTION PASSES

2006-71 ITEMS REMOVED FROM THE CONSENT AGENDA:

B. <u>Approval of a Neighborhood Enterprise Zone Certificate – 1293 Marquette.</u> PLANNING & ECONOMIC DEVELOPMENT

SUMMARY OF REQUEST: An application for a Neighborhood Enterprise Zone (NEZ) certificate has been received from Pierre and Tondalaya Tyson for the new construction of a home in the Marquette neighborhood at 1293 Marquette Avenue. The property is located in a Neighborhood Enterprise Zone for new construction. The application states that the estimated cost for construction will be $191,537 in materials. The applicant has met local and state requirements for the issuance of the NEZ certificate. Approval or denial by the City Commission is required within 60 days of the application date and must be forwarded to the State Tax Commission.

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

BUDGET ACTION REQUIRED: None

STAFF RECOMMENDATION: Approve issuance of the NEZ certificate.

Motion by Commissioner Spataro, second by Commissioner Carter to approve the Neighborhood Enterprise Zone Certificate for 1293 Marquette.

ROLL VOTE: Ayes: Carter, Davis, Gawron, Shepherd, Spataro, Warmington, and Wierengo

Nays: None

MOTION PASSES

F. <u>FIRST READING: Zoning Ordinance Amendment to the Sign Ordinance for Window Signage.</u> PLANNING & ECONOMIC DEVELOPMENT

SUMMARY OF REQUEST: Request to amend Section 2334 (#5, h.) of Article XXIII (General Provisions) to amend the sign ordinance language to clarify window signage allotments.

FINANCIAL IMPACT: None

BUDGET ACTION REQUIRED: None

STAFF RECOMMENDATION: Staff recommends amendment of the Zoning Ordinance to amend the sign ordinance language clarifying window signage allotments.

COMMITEEE RECOMMENDATION: The Planning Commission recommended approval of the amendment at their August 10th meeting. The vote was unanimous in favor of the amendment, with B. Smith absent.

Motion by Commissioner Carter, second by Commissioner Davis to approve the first reading of the Zoning Ordinance amendment to the sign ordinance for window signage.

ROLL VOTE: Ayes: Davis, Gawron, Shepherd, Spataro, Warmington, Wierengo, and Carter

Nays: None

MOTION PASSES

2006-72 PUBLIC HEARINGS:

A. Request for an Industrial Facilities Exemption Certificate - SAPPI. PLANNING & ECONOMIC DEVELOPMENT

SUMMARY OF REQUEST: Pursuant to Public Act 198 of 1974, as amended, SAPPI, has requested the issuance of an Industrial Facilities Exemption Certificate for the property located at 2400 Lakeshore Drive, Muskegon. The total capital investment is approximately $4,173,595 in personal property. This request qualifies SAPPI for a term of seven years for personal property.

FINANCIAL IMPACT: The City will capture certain additional property taxes generated by the expansion.

BUDGET ACTION REQUIRED: None

STAFF RECOMMENDATION: Approval of the resolution granting an Industrial Facilities Exemption Certificate for a term of seven years for personal property.

The Public Hearing opened at 5:45 p.m. to hear and consider any comments from the public. No public comments were heard.

Motion by Commissioner Spataro, second by Commissioner Shepherd to close the Public Hearing at 5:55 p.m. and approve the request for an Industrial Facilities Exemption Certificate for $4,173,595 in personal property for a term of seven years for SAPPI.

ROLL VOTE: Ayes: Gawron, Shepherd, Spataro, Warmington, Wierengo, Carter, and Davis

Nays: None

MOTION PASSES

B. Review 2005-2006 Consolidated Annual Performance Evaluation Report. COMMUNITY & NEIGHBORHOOD SERVICES

SUMMARY OF REQUEST: To conduct a public hearing on August 22, 2006, to review accomplishments and receive comments from the public concerning the 2005 – 2006 Consolidated Annual Performance Evaluation Report (CAPER) developed by the Community and Neighborhood Services Department.

After the public hearing has been conducted and all the comments have been documented; the Community and Neighborhood Services office requests that the Commission direct the staff to submit the required documents to the U. S.

Department of Housing and Urban Development (HUD) in compliance with 24 CFR 91.520, by no sooner than August 31, 2006.

FINANCIAL IMPACT: The City is required to submit the CAPER report in order to continue receiving Community Development Block Grant and HOME funding.

BUDGET ACTION REQUIRED: None

STAFF RECOMMENDATION: To direct staff to gather comments from the public and to submit the CAPER to HUD after the public comment period has elapsed.

The Public Hearing opened at 6:11 p.m. to hear and consider any comments form the public. No public comments were heard.

Motion by Vice Mayor Gawron, second by Commissioner Shepherd to close the Public Hearing at 6:12 p.m. and direct staff to gather public comments and submit the Consolidated Annual Performance Evaluation Report to Housing and Urban Development after the public comment period has elapsed.

ROLL VOTE: Ayes: Shepherd, Spataro, Warmington, Wierengo, Carter, Davis, and Gawron

Nays: None

MOTION PASSES

2006-73 NEW BUSINESS:

A. <u>Request for Final Planned Unit Development Approval for Terrace Lots.</u> PLANNING & ECONOMIC DEVELOPMENT

SUMMARY OF REQUEST: The request for Final Planned Unit Development (PUD) approval at the Terrace Lots for a mixed use retail and commercial development. The request is by Carl Miskotten, Downtown Muskegon Believers, LLC.

FINANCIAL IMPACT: None

BUDGET ACTION REQUIRED: None

STAFF RECOMMENDATION: Staff recommends final approval of the PUD provided that the conditions listed in the resolution are met.

COMMITTEE RECOMMENDATION: The Planning Commission recommended approval of the Preliminary PUD and the final PUD, with the conditions listed on the resolution, at their August 10, 2006, meeting. The vote was approved by majority vote, with T. Harryman voting no, and B. Smith absent.

Motion by Commissioner Spataro, second by Commissioner Wierengo to approve the final Planned Unit Development for Terrace Street lots with remaining conditions as recommended by staff.

ROLL VOTE: Ayes: Spataro, Warmington, Wierengo, Carter, Davis, Gawron, and Shepherd

Nays: None

MOTION PASSES

B. <u>Tool & Die Recovery Zone Status for Eagle Aluminum Cast Products.</u>
PLANNING & ECONOMIC DEVELOPMENT

SUMMARY OF REQUEST: To approve the Development Agreement and Resolution establishing a Tool & Die Recovery Zone for Eagle Aluminum Cast Products, for property located at 664 W. Clay Street.

FINANCIAL IMPACT: The loss to all units would be over $181,000. This property is located in the Downtown Development authority but City staff has been unable to calculate the impact on the DDA's budget. In addition, any future investments would be tax exempt also.

BUDGET ACTION REQUIRED: None

STAFF RECOMMENDATION: To approve the Development Agreement and Resolution establishing a Tool & Die Recovery Zone, and authorize the Mayor and Clerk to sign.

Motion by Commissioner Spataro, second by Commissioner Shepherd to approve the Tool & Die Recovery Zone status for Eagle Aluminum Cast Products at 664 W. Clay Street.

ROLL VOTE: Ayes: Warmington, Wierengo, Carter, Davis, Gawron, Shepherd, and Spataro

Nays: None

MOTION PASSES

C. <u>Tool & Die Recovery Zone Status for Beckstrom Mold Technology, Inc.</u>
PLANNING & ECONOMIC DEVELOPMENT

SUMMARY OF REQUEST: To approve the Development Agreement and Resolution establishing a Tool & Die Recovery Zone for Beckstrom Mold Technology, Inc., 771 Access Hwy.

FINANCIAL IMPACT: The City will forgo approximately $68,075 in taxes for the 15 year period of the zone. In addition, any future investments would be tax exempt also.

BUDGET ACTION REQUIRED: None

STAFF RECOMMENDATION: To approve the Development Agreement and Resolution establishing a Tool & Die Recovery Zone, and authorize the Mayor and Clerk to sign.

Motion by Commissioner Spataro, second by Vice Mayor Gawron to approve the Tool & Die Recovery Zone status for Beckstrom Mold Technology, Inc., at 771 Access Hwy.

ROLL VOTE: Ayes: Wierengo, Carter, Davis, Gawron, Shepherd, Spataro, and Warmington

Nays: None

MOTION PASSES

D. <u>Designation of Voting Delegates for the Michigan Municipal League Annual Business Meeting.</u> CITY CLERK

SUMMARY OF REQUEST: To designate by action of the Commission, one of our officials who will be in attendance at the Convention as an official representative to cast the vote of the municipality at the annual meeting; and, if possible, to designate one other official to serve as alternate.

FINANCIAL IMPACT: None

BUDGET ACTION REQUIRED: None

STAFF RECOMMENDATION: Approval.

Motion by Vice Mayor Gawron, second by Commissioner Wierengo to designate Commissioner Shepherd as the official representative for the Municipal League Annual Business Meeting.

ROLL VOTE: Ayes: Carter, Davis, Gawron, Shepherd, Spataro, Warmington, and Wierengo

Nays: None

MOTION PASSES

E. <u>Purchase of 466 Mulder.</u> COMMUNITY & NEIGHBORHOOD SERVICES

SUMMARY OF REQUEST: To approve the purchase of 466 Mulder (Revised Plat 1903 lot 6 Block 18) from Arburt Golidy and Billie J. Quinn for the agreed upon price of $2,625.

After 466 Mulder is obtained, the City will combine the lot with the parcel at 458 Mulder. The Community & Neighborhood Services office is currently completing a rehabilitation project at that site. By adding the additional land, the future buyer of the house at 458 Mulder will now have added yard for possible later expansion and/or a garage.

FINANCIAL IMPACT: The funding for the purchase will be taken from program income produce from the sale of the CNS properties.

BUDGET ACTION REQUIRED: None

STAFF RECOMMENDATION: To approve the request to purchase the parcel.

Motion by Commissioner Carter, second by Commissioner Spataro to approve the purchase of the lot at 466 Mulder.

ROLL VOTE: Ayes: Davis, Gawron, Shepherd, Spataro, Warmington, Wierengo, and Carter

Nays: None

MOTION PASSES

F. <u>Approval of Sale of City Owned Home at 458 Mulder.</u> COMMUNITY &

NEIGHBORHOOD SERVICES

SUMMARY OF REQUEST: To approve the sale of 458 Mulder to Ms. Angela D. Major of 1170 Allen Avenue for the purchase price of $63,500. The house at 458 Mulder was donated to the City of Muskegon. At the time the Community & Neighborhood Services office obtained the structure, it was a non-conforming two-unit in a single-family zoned neighborhood. The Community & Neighborhood Services office contracted to have the house rehabilitated back to a single-family home, under the program Operation "And Two Shall Become As One". Ms. Major will be purchasing this as an owner-occupied resident.

FINANCIAL IMPACT: The program income derived from the sale will be deposited in the City's HOME account.

BUDGET ACTION REQUIRED: None at this time.

STAFF RECOMMENDATION: To approve the sale to Ms. Major and direct the Mayor and Clerk to sign the resolution.

Motion by Commissioner Shepherd, second by Commissioner Carter to approve the sale of the city owned home at 458 Mulder to Ms. Angela D. Major for $63,500.

ROLL VOTE: Ayes: Gawron, Shepherd, Spataro, Warmington, Wierengo, Carter, and Davis

Nays: None

MOTION PASSES

G. <u>Concurrence with the Housing Board of Appeals Notice & Order to Demolish the Following:</u> PUBLIC SAFETY

1282 Terrace (Area 11b)

500 Amity (Area 11)

1114 E. Dale

SUMMARY OF REQUEST: This is to request City Commission concurrence with the findings of the Housing Board of Appeals that these structures are unsafe, substandard, public nuisances 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 the demolitions with the lowest responsible bidder.

FINANCIAL IMPACT: 1282 Terrace – CDBG Funds; 1114 E. Dale and 500 Amity – General Funds.

BUDGET ACTION REQUIRED: None

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

Motion by Commissioner Spataro, second by Vice Mayor Gawron to concur with

the Housing Board of Appeals notice and order to demolish 1282 Terrace.

ROLL VOTE: Ayes: Shepherd, Spataro, Warmington, Wierengo, Carter, Davis, and Gawron

Nays: None

MOTION PASSES

Motion by Commissioner Carter, second by Commissioner Spataro to concur with the Housing Board of Appeals notice and order to demolish 1114 E. Dale.

ROLL VOTE: Ayes: Spataro, Warmington, Wierengo, Carter, Davis, Gawron, and Shepherd

Nays: None

MOTION PASSES

Motion by Commissioner Spataro, second by Commissioner Shepherd to concur with the Housing Board of Appeals notice and order to demolish 500 Amity.

Motion by Commissioner Shepherd, second by Commissioner Spataro to table the concurrence of the Housing Board of Appeals for 500 Amity for 30 days.

ROLL VOTE: Ayes: Warmington, Wierengo, Carter, Davis, Gawron, Shepherd, and Spataro

Nays: None

MOTION TO TABLE PASSES

ANY OTHER BUSINESS: Commission discussed various items.

PUBLIC PARTICIPATION: Various comments were heard from the public.

ADJOURNMENT: The City Commission Meeting adjourned at 6:46 p.m.

Respectfully submitted,

Linda Potter, CMC
Acting City Clerk