

CITY OF MUSKEGON

CITY COMMISSION MEETING

AUGUST 12, 2003

CITY COMMISSION CHAMBERS @ 5:30 P.M.

AGENDA

- ❑ CALL TO ORDER:
- ❑ PRAYER:
- ❑ PLEDGE OF ALLEGIANCE:
- ❑ ROLL CALL:
- ❑ HONORS AND AWARDS:
- ❑ PRESENTATIONS:
- ❑ CONSENT AGENDA:
 - a. Approval of Minutes. CITY CLERK
 - b. Community Relations Committee Recommendations. CITY CLERK
 - c. Request to Raise the Mexican Flag. CITY CLERK
 - d. Healthcare Provider – Retirees Over 65. FINANCE
 - e. Amendment to the “Policy for Acquisition and Disposition of Residential Properties”. PLANNING & ECONOMIC DEVELOPMENT
 - f. Vacation of a Portion of McLaren Street. PLANNING & ECONOMIC DEVELOPMENT
 - g. Consent Agreement Policy. INSPECTION SERVICES
 - h. Professional Services Agreement with Muskegon Charter Township. INSPECTION SERVICES
 - i. Approval of 2003-2004 Subrecipient and Community Housing Development Organization (CHDO) Agreements. COMMUNITY & NEIGHBORHOOD SERVICES
 - j. Purchase of Lot on Octavius. COMMUNITY & NEIGHBORHOOD SERVICES
 - k. Approval of Contractor for Construction of House at 361 Oak. COMMUNITY & NEIGHBORHOOD SERVICES
 - l. Approval of Contractor for Construction of House at 1668 Beidler. COMMUNITY & NEIGHBORHOOD SERVICES

❑ **PUBLIC HEARINGS:**

- a. Amendments to Brownfield Plan - Gillespie Development, Loft Properties, LLC and Parmenter O'Toole. PLANNING & ECONOMIC DEVELOPMENT

❑ **COMMUNICATIONS:**

❑ **CITY MANAGER'S REPORT:**

❑ **UNFINISHED BUSINESS:**

❑ **NEW BUSINESS:**

- a. Employee Suggestion Award Program. CIVIL SERVICE
- b. Disadvantaged Contractor Recommendations. AFFIRMATIVE ACTION
- c. Request for Final Planned Unit Development Approval for a 40-Unit Senior Housing Development at McLaren St. and Wesley Ave. PLANNING & ECONOMIC DEVELOPMENT
- d. Proposed Water Rate Increase. FINANCE
- e. Energy Savings Performance Contract – L. C. Walker Arena. CITY MANAGER
- f. Designation of Voting Delegate and Alternate Voting Delegate for MML Annual Meeting. CITY CLERK
- g. Concurrence With the Housing Board of Appeals Notice and Order to Demolish the Following:
1. 1253 Calvin (tabled from last meeting)
 2. 1032 Wood
 3. 509 Adams
 4. 424 Orchard

❑ **ANY OTHER BUSINESS:**

❑ **PUBLIC PARTICIPATION:**

❑ **CLOSED SESSION: To discuss pending litigation**

- *Reminder: Individuals who would like to address the City Commission shall do the following:*
- Be recognized by the Chair.
- Step forward to the microphone.
- State name and address.
- Limit of 3 minutes to address the Commission.
- (Speaker representing a group may be allowed 10 minutes if previously registered with City Clerk.)

❑ **ADJOURNMENT:**

ADA POLICY: THE CITY OF MUSKEGON WILL PROVIDE NECESSARY AUXILIARY AIDS AND SERVICES TO INDIVIDUALS WHO WANT TO ATTEND THE MEETING UPON TWENTY FOUR HOUR NOTICE TO THE CITY OF MUSKEGON. PLEASE CONTACT GAIL A. KUNDINGER, CITY CLERK, 933 TERRACE STREET, MUSKEGON, MI 49440 OR BY CALLING (231) 724-6705 OR TDD: (231) 724-4172.

Date: August 12, 2003
To: Honorable Mayor and City Commissioners
From: Karen Scholle, Director of Civil Service/Personnel
RE: Employee Suggestion Award Program

SUMMARY OF REQUEST: Presentation of 2003 first quarter employee suggestion award to Barb Shullenberger of Administration for her suggestion to switch to computer template for letterhead rather than pay the cost of printing it.

FINANCIAL IMPACT: \$250 award from 2003 budget.

BUDGET ACTION REQUIRED: None

STAFF RECOMMENDATION: Approval

2003. 61
a)

Date: August 12, 2003
To: Honorable Mayor and City Commissioners
From: Gail A. Kunding, City Clerk
RE: Approval of Minutes

SUMMARY OF REQUEST: To approve the minutes of the Regular Commission Meeting that was held on Tuesday, July 22, 2003.

FINANCIAL IMPACT: None.

BUDGET ACTION REQUIRED: None.

STAFF RECOMMENDATION: Approval of the minutes.

CITY OF MUSKEGON

CITY COMMISSION MEETING

AUGUST 12, 2003

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 5:30pm, Tuesday, August 12, 2003.

Mayor Warmington opened the meeting with a prayer from Reverend Tyrone Matthew's from the Walkers Memorial Church of God in Christ, after which members of the City Commission and members of the public joined in reciting the Pledge of Allegiance to the Flag.

ROLL CALL FOR THE REGULAR COMMISSION MEETING:

Present: Mayor Stephen Warmington, Vice Mayor Karen Buie; Commissioners Stephen Gawron, William Larson, Robert Schweifler, Clara Shepherd and Lawrence Spataro; Assistant City Manager Lee Slaughter, City Attorney John Schrier and City Clerk Gail Kunding.

HONORS AND AWARDS:

a. Employee Suggestion Award Program. CIVIL SERVICE

Mayor Warmington presented a Employee Suggestion Award Certificate with \$250.00 worth of coupons from the Chamber of Commerce to Barb Shullenberger for her suggestion regarding saving of monies on letter head paper.

2003-61 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, July 22, 2003.

FINANCIAL IMPACT: None

BUDGET ACTION REQUIRED: None

STAFF RECOMMENDATION: Approval of the minutes.

b. Community Relations Committee Recommendations. CITY CLERK

SUMMARY OF REQUEST: At the August 4, 2003 Community Relations Committee meeting the following was recommended by the committee members:

1. Removal of Toya Davis from the Land Reutilization Committee
2. Appointment of Robert Hill to the Land Reutilization Committee.
3. Acceptance of resignation of Pat Strum from the Public Relations Committee

4. Appointment of Bob Henry to the Public Relations Committee.

FINANCIAL IMPACT: None

BUDGET ACTION REQUIRED: None

STAFF RECOMMENDATION: Concur with the Community Relations Committee recommendations.

c. Request to Raise the Mexican Flag. CITY CLERK

SUMMARY OF REQUEST: "Latino's Working for the Future" requests permission to fly the Mexican Flag outside City Hall on Saturday, September 13, 2003, in honor of Mexican Independence Day.

FINANCIAL IMPACT: None

BUDGET ACTION REQUIRED: None

STAFF RECOMMENDATION: Approval

d. Healthcare Provider – Retirees Over 65. FINANCE

SUMMARY OF REQUEST: For several years the City has offered retirees over age 65 the option of receiving a \$50.00 per month stipend towards the cost of a commercially-provided Medigap policy. This was done in response to complaints that the City's regular healthcare coverage for retirees over 65 was inadequate. The City works with a third party service provider (MagnaCare) to find the best medigap policy values for retirees and, to coordinate premium billings. MagnaCare is recommending that the current provider (Oxford Life) be replaced with Hartford Life Insurance effective October 1, 2003. The documents the City needs to sign to effect this change have been reviewed by the City Attorney.

FINANCIAL IMPACT: no direct financial impact on the city. The monthly stipend remains \$50.00.

BUDGET ACTION REQUIRED: None

STAFF RECOMMENDATION: Authorize Mayor and Clerk to sign the necessary documents.

e. Amendment to the "Policy for Acquisition and Disposition of Residential Properties" PLANNING & ECONOMIC DEVELOPMENT

SUMMARY OF REQUEST: Due to several situations that have arisen in the past few months regarding illegal property splits due to foreclosure, staff has worked with the City Attorney to develop language to address this issue. The language is proposed to be an amendment to the "Policy for Acquisition and Disposition of Residential Properties".

FINANCIAL IMPACT: None

BUDGET ACTION REQUIRED: None

STAFF RECOMMENDATION: To approve the amendment to the policy and have the Mayor and City Clerk sign the resolution.

f. Vacation of a Portion of McLaren Street. PLANNING & ECONOMIC DEVELOPMENT

SUMMARY OF REQUEST: Request for the vacation of a portion of McLaren St., north of Wesley Ave.

FINANCIAL IMPACT: None

BUDGET ACTION REQUIRED: None

STAFF RECOMMENDATION: Staff recommends vacation of the portion of McLaren St., with the conditions listed in the first resolution, and to allow the Mayor and Clerk to execute the second resolution once those conditions have been met.

COMMITTEE RECOMMEDATION: The Planning Commission recommended the vacation, with the conditions listed in the resolution. The vote was unanimous with T. Johnson and T. Harryman absent.

g. Consent Agreement Policy. INSPECTION SERVICES

SUMMARY OF REQUEST: This is to request the City Commission approve the Consent Agreement Policy. This policy will allow staff to enter into a consent agreement with a property owner without taking the agreement to the Commission for approval. This will be utilized by staff in an effort to expedite the approval allowing the property owner to begin the repairs ordered.

FINANCIAL IMPACT: None

BUDGET ACTION REQUIRED: None

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

i. Approval of 2003-2004 Subrecipient and Community Housing Development Organization (CHDO) Agreements. COMMUNITY & NEIGHBORHOOD SERVICES

SUMMARY OF REQUEST: To direct the Mayor and City Clerk to sign all of the 2003-2004 approved agreements for the City's sub-recipients and CHDO's. The City Commission approved the funding for each of the non-profits last spring during the City's Consolidated Planning process.

FINANCIAL IMPACT: Funding will be allocated from the 2003-2004 CDBG and HOME programs

BUDGET ACTION REQUIRED: None. The City Commission made budgeting decision last spring.

STAFF RECOMMENDATION: To direct the Mayor and Clerk to sign agreements.

j. Purchase of Lot on Octavius. COMMUNITY & NEIGHBORHOOD SERVICES

SUMMARY OF REQUEST: To approve the purchase of a lot on Octavius from a Mr. James Douglas for \$200.00. The property description is City of Muskegon Revised Plat of 1903 South ½ Lot 10 Block 149. It is adjacent to 503 Octavius, a current City rehabilitation project. If this is approved, the two lots will be combined in order to create a lot in compliance with the City's current zoning guidelines.

FINANCIAL IMPACT: The \$200.00 will be added to the cost of the rehabilitation project at 503 Octavius.

BUDGET ACTION REQUIRED: None

STAFF RECOMMENDATION: To approve the purchase.

k. Approval of Contractor for Construction of House at 361 Oak.
COMMUNITY & NEIGHBORHOOD SERVICES

SUMMARY OF REQUEST: To approve the contract with Holden Construction 291 Washington, Muskegon, MI for the construction of the house at 361 Oak for the price \$116,083. The house at 361 Oak will replace a former Turnkey 3 home that was recently demolished by the City of Muskegon. The project at 361 Oak is under the Operation "At Long Last" AKA Shangaliwa program. After the house is completed, it will be sold to a qualified first-time homebuyer as part of the City of Muskegon's aggressive neighborhood revitalization efforts. The funding for this project will be supplied from the City of Muskegon HOME funds from the U.S. Department of Housing and Urban Development.

FINANCIAL IMPACT: The funding for the project will be taken from the City's 2002 HOME funds.

BUDGET ACTION REQUIRED: None

STAFF RECOMMENDATION: To approve the contract with the fore mentioned contractor and direct the Mayor and Clerk to sign the contract.

l. Approval of Contractor for Construction of House at 1668 Beidler.
COMMUNITY & NEIGHBORHOOD SERVICES

SUMMARY OF REQUEST: To approve the contract with Top Notch Design, 4740 Jensen Rd., Fruitport MI for the construction of the new home to be located at 1668 Beidler for the cost of \$112, 829. The site at 1668 Beidler formerly was occupied by a Turnkey 3 home that was recently demolished. 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 "At Long Last."

FINANCIAL IMPACT: The funding for the project will be taken from the City's 2003 HOME funds.

BUDGET ACTION REQUIRED: None

STAFF RECOMMENDATION: To approve the contract with Top Notch Design and direct the Mayor and Clerk to sign the contract.

Motion by Vice Mayor Buie, second by Commissioner Gawron to accept the Consent Agenda as presented with the exception of item h.

ROLL VOTE: Ayes: Spataro, Warmington, Buie, Gawron, Larson, Schweifler, Shepherd

Nays: None

MOTION PASSES

2003-62 ITEMS REMOVED FROM AGENDA

h. Professional Services Agreement with Muskegon Charter Township.
INSPECTION SERVICES

SUMMARY OF REQUEST: This is to request the City Commission approve the Professional Service Agreement between the City of Muskegon and Muskegon Charter Township. This agreement is to allow the Inspection Services to conduct the electrical inspections and plan reviews for Muskegon Charter Township on a contractual basis. It is also requested that if approved, the Commission authorize the Mayor and City Clerk to sign the agreement.

FINANCIAL IMPACT: None

BUDGET ACTION REQUIRED: None

STAFF RECOMMENDATION: To approve and authorize the Mayor and Clerk to sign the service agreement after it has been approved by Muskegon Charter Township officials.

Motion by Commissioner Schweifler, second by Commissioner Spataro to approve the Professional Service Agreement between the City of Muskegon and Muskegon Charter Township, and have the Mayor and City Clerk sign the agreement after it has been approved by Township officials.

ROLL VOTE: Ayes: Warmington, Buie, Gawron, Larson, Schweifler, Shepherd, Spataro

Nays: None

MOTION PASSES

2003-63 PUBLIC HEARINGS:

a. Amendments to Brownfield Plan - Gillespie Development, Loft Properties, LLC and Parmenter O'Toole. PLANNING & ECONOMIC DEVELOPMENT

SUMMARY OF REQUEST: To hold a public hearing and approve the resolution approving and adopting amendments for the Brownfield Plan. The amendments are for the inclusion of property owned by Lakefront LLC (which will be sold to Gillespie Development and Loft Properties, LLC and leased to Parmenter O'Toole) in the Brownfield Plan.

FINANCIAL IMPACT: There is no direct financial impact in approving the Brownfield Plan amendments, although the development of the offices, condominiums and retail space, proposed by the owner/developers of the Edison landing site, will add to the tax base of the City of Muskegon.

BUDGET ACTION REQUIRED: None

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

The Public Hearing opened at 5:46pm to hear any comments from the public. No comments were heard at this time.

Motion by Commissioner Schweifler, second by Vice Mayor Buie to close the Public Hearing at 5:48pm and to approve the resolution adopting amendments for the Bownfield Plan and authorize the Mayor and City Clerk to sign said resolution.

ROLL VOTE: Ayes: Buie, Gawron, Larson, Schweifler, Shepherd, Spataro,

Warmington

Nays: None

MOTION PASSES

2003-64 NEW BUSINESS:

**a. Disadvantaged Contractor Recommendations. AFFIRMATIVE
ACTION**

SUMMARY OF REQUEST: To approve the list of recommendations to the City's bid proposal process.

FINANCIAL IMPACT: None

BUDGET ACTION REQUIRED: None

STAFF RECOMMENDATION: Staff recommends approval (The City's Equal Opportunity Committee approved this document on 6/23/03)

Motion by Commissioner Spataro, second by Commissioner Shepherd to approve the list of recommendations to the City's bid proposal process.

ROLL VOTE: Ayes: Gawron, Larson, Schweifler, Shepherd, Spataro, Warmington, Buie

Nays: None

MOTION PASSES

**b. Request for Final Planned Unit Development Approval for a 40-Unit Senior Housing Development at McLaren St. and Wesley Ave.
PLANNING & ECONOMIC DEVELOPMENT**

SUMMARY OF REQUEST: Request for final approval for a 40-unit senior housing development at McLaren St. and Wesley Ave. in the Jackson Hill neighborhood. The request is from the Sterling Group.

FINANCIAL IMPACT: None

BUDGET ACTION REQUIRED: None

STAFF RECOMMENDATION: Staff recommends final PUD approval for the development and approval of the associated plans provided that the conditions listed in the resolution are met.

COMMITTEE RECOMMENDATION: The Planning Commission recommended final approval of the PUD and associated plans, with the conditions listed on the resolution, at a special meeting held on 7/28. The vote was unanimous, with T. Johnson and T. Harryman absent.

Motion by Commissioner Larson, second by Commissioner Shepherd to approve the final Planned Unit Development for a 40-unit senior housing development at McLaren St. and Wesley Ave. and approve the associated plans provided the conditions listed on the resolution are met.

ROLL VOTE: Ayes: Larson, Schweifler, Shepherd, Spataro, Warmington, Buie, Gawron

Nays: None

MOTION PASSES

c. Proposed Water Rate Increase. FINANCE

SUMMARY OF REQUEST: The City's water rates were last adjusted in April 1999. Last year, the City retained the consulting engineering firm Tetra-Tech to study the City's water rate structure in light of 1) costly improvements to the filtration plant being mandated by the state and, 2) significant new legal developments impacting the structure of municipal user fees. The Tetra-Tech "Water Cost of Service Study" has previously been distributed to City Commissioners. The resolution implements the 2003 and 2004 rate recommendations contained in the study.

FINANCIAL IMPACT: The proposed rate increase will generate an estimated \$975,000 per year of additional revenue for the water system in 2004. The following table shows how the rate increase will impact typical residential households:

<u>Sample Users</u>	<u>Quarterly Water Bill before Increase</u>	<u>Quarterly Water Bill After 10/01/03 Increase</u>	<u>Quarterly Water Bill After 01/01/04 Increase</u>
Using 7,5000 gallons per month	\$9.20	\$8.80	\$10.90
Using 15,000 gallons per month	\$15.90	\$17.60	\$21.80

BUDGET ACTION REQUIRED: None at this time. The 2004 water fund budget will incorporate the projected revenues from the rate increase.

STAFF RECOMMENDATION: Approval of the resolution implementing the proposed water rate increase.

Motion by Commissioner Spataro, second by Commissioner Schweifler to approve the resolution implementing the proposed water rate increase.

ROLL VOTE: Ayes: Schweifler, Shepherd, Spataro, Warmington, Buie, Gawron, Larson

Nays: None

MOTION PASSES

**d. Energy Savings Performance Contract – L. C. Walker Arena. CITY
MANAGER**

SUMMARY OF REQUEST: To approve a Letter of Intent with Siemens Building Technologies, Inc., to enter into a Guaranteed Savings Performance Contract for the L.C. Walker Arena.

FINANCIAL IMPACT: \$15,000

BUDGET ACTION REQUIRED: None

STAFF RECOMMENDATION: To approve.

Motion by Commissioner Larson, second Commissioner Gawron to approve a

letter of Intent with Siemens Building Technologies, Inc., to enter into a Guaranteed Savings Performance Contract for the L.C. Walker Arena.

ROLL VOTE: Ayes: Shepherd, Spataro, Warmington, Buie, Gawron, Larson, Schweifler

Nays: None

MOTION PASSES

e. Designation of Voting Delegate and Alternate Voting Delegate for MML Annual Meeting. 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

COMMITTEE RECOMMENDATION: Community Relations Committee recommended approval.

Motion by Commissioner Spataro, second by Vice Mayor Buie to designate Commissioner Shepherd to attend the MML Annual Meeting and designate Gail Kundinger as alternate attendee.

ROLL VOTE: Ayes: Spataro, Warmington, Buie, Gawron, Larson, Schweifler, Shepherd

Nays: None

MOTION PASSES

f. Concurrence With the Housing Board of Appeals Notice and Order to Demolish the Following: INSPECTION SERVICES

SUMMARY OF REQUEST: This is to request that the City Commission concur with the findings of the Housing Board of Appeals that the structures located at **1253 Calvin (tabled from last meeting), 1032 Wood, 509 Adams, and 424 Orchard** 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. 1253 Calvin

CASE# & PROJECT ADDRESS: #01-37—1253 Calvin, Muskegon, MI

LOCATION AND OWNERSHIP: This structure is located on Calvin between Roberts and Creston and is owned by Elizabeth Klein.

STAFF CORRESPONDENCE: A dangerous building inspection was conducted on 7/23/01 and an interior inspection was conducted 8/21/01. A Notice and Order to repair was issued 8/2/01. The case was heard by the HBA on 9/6/01 and the case

was tabled for 60 days at that time. The case was heard again 12/6/01 and the owner was again granted 60 days to complete the exterior repairs. On 6/6/02 the HBA granted 120 days to complete the exterior repairs. On 10/7/02 the HBA declared the property substandard and dangerous. On July 22, 2003 the City Commission tabled the case for 14 days to allow an inspection to be conducted for an update on the status of repairs. The report from the inspectors is that no progress has been made since their last inspection.

OWNER CONTACT: Owner appeared before the City Commission at their July 22, 2003 meeting. At that time the case was tabled until the August 12, 2003 meeting in order to complete an interior inspection. This inspection took place on July 28, 2003 and noted that no permits have been taken for interior repairs. The roof structure and electrical system have not been completed. Although the exterior appears to be improved, the structure is not habitable at this time.

FINANCIAL IMPACT: None

BUDGET ACTION REQUIRED: General Funds

STATE EQUALIZED VALUE: \$16,200

ESTIMATED COST TO REPAIR: \$10,000

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

Motion by Commissioner Spataro, second by Commissioner Larson to concur with the Housing Board of Appeals to demolish 1253 Calvin St. and have staff obtain a bid for the demolition and have the Mayor and Clerk execute the contract.

ROLL VOTE: Ayes: Buie, Gawron, Larson, Schweifler, Shepherd, Spataro, Warmington

Nays: None

MOTION PASSES

2. 1032 Wood

CASE# & PROJECT ADDRESS: #02-46—1032 Wood, Muskegon, MI

LOCATION AND OWNERSHIP: The structure is located on Wood between Ada and Apple and is owned by Dean Pranger.

STAFF CORRESPONDENCE: A dangerous building inspection was conducted on 9/6/02 and the notice and order to repair or remove was issued 11/25/02. On 2/6/03 the HBA declared the structure substandard and dangerous. On 5/2/03 an interior inspection was conducted with a potential buyer. He was given a copy of the inspection report and was in contact with the building inspector and director. There has been no contact since May 2003.

OWNER CONTACT: Dean Pranger has not contacted the Inspection Department at all. The only certified mail he has accepted is the Notice and Order to repair or remove.

FINANCIAL IMPACT: CDBG

BUDGET ACTION REQUIRED: None

STATE EQUALIZED VALUE: \$16,100

ESTIMATED COST TO REPAIR: \$8,000 plus the cost to repair any interior defects.

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

3. 509 Adams

CASE# & PROJECT ADDRESS: #03-18—509 Adams, Muskegon, MI

LOCATION AND OWNERSHIP: This structure is located on Adams between Marshall and Langley in the Jackson Hill neighborhood and is owned by the State of Michigan.

STAFF CORRESPONDENCE: A dangerous building exterior inspection was conducted 3/19/03 and Notice and Order to repair or remove was issued 3/21/03. There has been no interior inspection. On 6/5/03 the HBA declared the structure substandard and dangerous.

OWNER CONTACT: There has been no contact.

FINANCIAL IMPACT: CDBG

BUDGET ACTION REQUIRED: None

STATE EQUALIZED VALUE: \$0 (state owned since 2001)

ESTIMATED COST TO REPAIR: \$8,000 not including interior repairs.

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

4. 424 Orchard

CASE# & PROJECT ADDRESS: #03-02—424 Orchard, Muskegon, MI

LOCATION AND OWNERSHIP: This structure is located on Orchard between Wood and Williams and is owned by the State of Michigan.

STAFF CORRESPONDENCE: A dangerous building inspection was conducted on 4/18/03 with the housing and building inspector. A Notice and Order to repair or remove was issued 4/23/03 and on 6/5/03 the HBA declared the structure substandard and dangerous. The structure has recently gone back to the state for back taxes.

OWNER CONTACT: There has been not contact.

FINANCIAL IMPACT: CDBG

BUDGET ACTION REQUIRED: None

STATE EQUALIZED VALUE: \$8,700

ESTIMATED COST TO REPAIR: \$12,000

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 1032 Wood St., 509 Adams St., and 424 Orchard St., and direct staff to obtain bids for the demolitions and

have the Mayor and Clerk execute the contract.

ROLL VOTE: Ayes: Warmington, Buie, Gawron, Larson, Schweifler, Shepherd, Spataro

Nays: None

MOTION PASSES

2003-65 CLOSED SESSION: To discuss pending litigation

Motion by Commissioner Schweifler, second by Vice Mayor Buie to go into Closed Session at 6:44pm.

ROLL VOTE: Ayes: Gawron, Larson, Schweifler, Shepherd, Spataro, Warmington, Buie

Nays: None

MOTION PASSES

Motion by Commissioner Schweifler, second by Commissioner Gawron to go into open session at 7:30pm.

ROLL VOTE: Ayes: Larson, Schweifler, Shepherd, Spataro, Warmington, Buie, Gawron

Nays: None

MOTION PASSES

The Regular Commission Meeting for the City of Muskegon was adjourned at 7:31PM.

Respectfully submitted,

A handwritten signature in blue ink that reads "Gail Kunding". The signature is written in a cursive, flowing style.

Gail Kunding, MMC

TO: Mayor and City Commission
FROM: City Clerk
DATE: August 5, 2003 *af*
RE: Community Relations Committee Recommendations

2003- 6/10/03

At the August 4, 2003 Community Relations Committee meeting the following was recommended by the committee members:

1. Removal of Toya Davis from the Land Reutilization Committee.
2. Appointment of Robert Hill to the Land Reutilization Committee.
3. Acceptance of resignation of Pat Strum from the Public Relations Committee.
4. Appointment of Bob Henry to the Public Relations Committee.

SUMMARY OF REQUEST: Concur with the Community Relations Committee recommendations.

2003- 61 c)

Date: August 12, 2003
To: Honorable Mayor and City Commissioners
From: Gail Kunding, City Clerk
RE: Request to Fly the Mexican Flag

SUMMARY OF REQUEST: Latino's Working For The Future requests permission to fly the Mexican Flag outside City Hall on Saturday, September 13, 2003, in honor of Mexican Independence Day.

FINANCIAL IMPACT: None

BUDGET ACTION REQUIRED: None

STAFF RECOMMENDATION: Approval

Gail K.

LATINO'S WORKING FOR THE FUTURE LA VILLITA

1218 Ransom Street
Muskegon, MI 49441
Phone / Fax 231-722-7320

July 30, 2003

Muskegon City Hall
933 Terrace Street
Muskegon, MI 49442

Dear Friend,

Mayor Steve Warmington and Muskegon City Commissioners ,

Latino's Working For the Future is again requesting permission from the City of Muskegon to raise the Mexican Flag on Saturday the thirteenth day of September as the sixteenth falls on a Tuesday. As in past years we do this in honor of Mexican Independence Day.

We thank you in advance and cordially invite you and the honorable members of the City Commission to join with us on this day. We hope to hear from you in the forthcoming days so we can plan accordingly

Sincerely,

Connie Navarro

Connie Navarro

RECEIVED
AUG 1 2003
MUSKEGON
CITY MANAGER'S OFFICE

CITY OF MUSKEGON

FLAG PLACEMENT POLICY

2001-139(b)

A. Purpose

To provide a procedure to consider requests to the City to fly flags on City owned or occupied property or facilities (herein "City property"). The flying of the United States of America, State of Michigan, the County of Muskegon and the City of Muskegon flags are exempt (except as set forth herein), from this policy and can be flown on City property or at City property by authorized City employees or officials.

B. City Control of Flag Placement.

Except as permitted by the City Commission or City staff members with authority, no flag, including "exempt" flags shall be placed on City property by any person except authorized city employees or officials. The procedures and standards set forth in this policy document shall govern the City's decision to permit or deny permission to have a particular flag flown or displayed on City property.

The flying of flags on City property is peculiarly within the prerogatives of the City. Flags which are permitted to be flown on City property have the effect of representing to the community the City's support for the organization or point of view which is represented by the flag. The City reserves the right to refuse or terminate the flying of any flag for the reason that unintended endorsements by the City shall not result from this policy. It is this concern, together with the City's acknowledgement that the flying of flags is a form of speech, which shall guide the City in administering this policy.

C. Review Process. The Procedure.

1. Request

A request to fly a flag(s) must be submitted in writing to the City Clerk at least 30 days prior to when the flag is proposed to be raised. The request shall state in writing:

a.. All the reasons for the request.

b. Describe and display the flag, which shall not be changed in the event permission is given.

- c. State the name, address, and the names and addresses of all the officers, of the organization submitting the request. Indicate the legal form of organization, and the name and address of the contact person who shall be responsible for the flag's condition and presentation.
- d. State the period for which the flag is requested to be flown.
- e. The desired location. (Locations shall be determined by the City based on availability and ability to display the flag without infringing on the display by others, including the City itself).

2. City Staff Review

The City staff will review the request and make a recommendation to the City Commission based on the following:

- a. Appropriateness of the organization and the flag. Flags which support illegal activities, take political positions or support candidates for any office, advocate against City policies or involve obscene language, symbols or activities are prohibited.
- b. The number of other flags already approved.
- c. The availability of locations.
- d. The time period during which the flag shall be permitted to be flown on City property. No permission shall be given for permanent flag placement. In the event an applicant desires a longer time period than that granted, renewal applications shall be submitted at least 30 days before the end of the initial period in order to afford the City Commission opportunity to decide on the extension.

D. City Commission Consideration and Decision.

The City Commission will consider the request after the review and recommendation from City staff. The City Commission will consider the determination of City staff when making their decision as well as any other criteria they deem appropriate, to the extent that the criteria are legally and constitutionally supportable. In the event a request is denied by the Commission, a decision with the reasons set forth shall be adopted at the time of the refusal, and set forth in the minutes in writing as part of the motion (or resolution) adopted.

E. Grant by City Commission; Location and Term

Any request that is approved will be accomplished by City Commission resolution that will include the specific location(s) where the flag(s) can be flown and the time period for which the request is granted.

Policy regarding term of the permission: No permanent permission shall be granted. The City's policy is to favor shorter term flying periods to accommodate a reasonable number of requests and avoid unintended endorsements which can arise not only by the message of the flag itself, but also by the duration a flag is flown other than flags of the City, County, State and the United States.

Applicants are encouraged to apply for periods of display which are shorter, as stated above. However, the Commission will consider periods up to one year for flags which represent long term or continuing organizations, activities or public (non-political) concerns. More typical will be permission granted for periods of a week to thirty days.

The term of any permission granted shall be subject to the City's determination to fly another flag in the location of and instead of the permitted flag in a time of emergency or of critical public concern.

F. Flag Maintenance

It shall be the responsibility of the requesting organization to maintain the flag(s) in good repair. Failure to do so will result in revocation of the permission to fly the flag(s). The City shall afford access to the flag for repair and maintenance.

G. Revocation

The City Commission shall have the sole discretion to revoke the permission to fly a flag permitted under this policy for whatever reasons they deem appropriate and which are legally and constitutionally supportable. Claims made by any person to whom permission has been granted concerning the import of the City's permission to fly a flag which are not intended or acceptable to the City shall be, without limitation, grounds for revocation without notice.

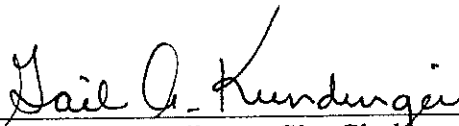
Any revocation of permission before the term permitted has expired shall be accomplished by the City removing the flag and notifying the applicant to come to the City's offices to retrieve the flag or flags removed. In such case the City shall indicate by written memorandum delivered to the applicant the reason(s) for revocation.

2001-139(b)
CERTIFICATION

This policy was adopted at a regular meeting of the City Commission, held on November 27, 2001. The meeting was properly held and noticed pursuant to the Open Meetings Act of the State of Michigan, Act 267 of the Public Acts of 1976.

CITY OF MUSKEGON

By


Gail A. Kunderger, City Clerk

2003-61 d)

Date: August 12, 2003

To: Honorable Mayor and City Commissioners

From: Finance Director

RE: Healthcare Provider – Retirees Over 65

SUMMARY OF REQUEST: For several years the city has offered retirees over age 65 the option of receiving a \$50.00 per month stipend towards the cost of a commercially-provided Medigap policy. This was done in response to complaints that the city's regular healthcare coverage for retirees over 65 was inadequate. The City works with a third party service provider (MagnaCare) to find the best Medigap policy values for retirees and, also, to coordinate premium billings. MagnaCare is recommending that the current provider (Oxford Life) be replaced with Hartford Life Insurance effective October 1, 2003 (see attached). The documents the city needs to sign to effect this change have been reviewed by the City Attorney.

FINANCIAL IMPACT: No direct financial impact on the city. The monthly stipend remains \$50.00.

BUDGET ACTION REQUIRED: None.

STAFF RECOMMENDATION: Authorize Mayor and Clerk to sign the necessary documents.

COMMITTEE RECOMMENDATION: The Committee of the Whole will meet Monday, August 11th to further discuss this item.

IMPORTANT

OXFORD LIFE INSURANCE COMPANY

Last October, Oxford Life Insurance Company defaulted on a \$100,000,000 loan and their parent company AMERCO could not assist them with the payments. Since then Oxford's rating has been lowered from A- (Excellent) to C+ (Marginal) and AMERCO has filed Chapter 11 Bankruptcy.

Although Oxford states your coverage is safe and medical bills will be paid, MagnaCare Group feels it is in your best interest to use another healthcare provider to avoid the possibility of some excessive rate increases and/or delays in claim payments.

INDIVIDUAL MEDICARE SUPPLEMENT

Several retirees have individual Medicare Supplement Plans with different carriers that have been experiencing some very large increase the past few years. Soon the carriers will be announcing their 2004 increases, which we expect will exceed 15%. Again, MagnaCare Group thinks it is in the best interest of moving those retirees into a true group retiree medical plan.

HARTFORD LIFE INSURANCE COMPANY

MagnaCare Group has secured coverage for you with Hartford Life Insurance Company, a leader in Senior Medical with an A++ (Superior) rating.

You have been automatically enrolled with Hartford. You will receive your new ID Card and Certificate of Coverage prior to the effective date. On the reverse side of this letter is a more detailed explanation about premium or procedural changes and your effective date.

We will use one plan design for all retirees. All Medicare Approved expenses and excess charges will be covered by the Plan (equivalent to Plan F). Then starting January 1, 2004 you will be responsible to pay the \$100 Medicare Part B deductible each year. This is not a standard Medicare Supplement Plan Design. We made this change because we were able to get a greater premium discount than the \$100 deductible.

MAGNACARE GROUP INC.

MagnaCare Group will continue to administer your retiree health plan. If you have any questions, please call our offices at 1-800-278-2323.

EFFECTIVE DATE

Your coverage with Hartford becomes effective October 1, 2003.

You will receive your ID Card and Certificate of Coverage prior to October 1, 2003.

Please remember to show you doctor your new Hartford Identification Card after October 1st. Until then continue to use your Oxford ID Card.

With any conversion claim problems can occur especially if your doctor does not fill out your claim form correctly. If you have any questions or encounter any problems please call MagnaCare Group at **1-800-278-2323** and their customer service representatives will assist you.

PRESCRIPTION DRUGS

If you have prescription drug coverage their will be no changes in plan design or premiums at this time.

MONTHLY PREMIUM

Effective October 1, 2003 your new rate will be:

AGE	RATE
65-69	\$114.88
70-74	\$128.11
75-79	\$146.95
80-84	\$155.04
85+	\$166.66

Rates will be increased 10.5% January 1, 2004 and will be reviewed every January 1st thereafter.

AGE	RATE
65-69	\$126.94
70-74	\$141.56
75-79	\$162.38
80-84	\$171.32
85+	\$184.16

PARMENTER O'TOOLE

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Thad N. McCollum

Of Counsel
Thomas J. O'Toole
Eric J. Fauri
Michael M. Knowlton

George A. Parmenter, 1903-1993

August 7, 2003

Timothy J. Paul
City of Muskegon
933 Terrace
Muskegon, MI 49443-0536

Re: Retiree Health Plan

Dear Mr. Paul:

We have reviewed the revised documents that you forwarded regarding the City of Muskegon's proposed retiree health plan. According to your discussions with the policy representative, the "Participation Agreement" that the City was initially requested to sign is no longer required. Therefore, we reviewed the "Acceptance Form" which was revise to remove various references to a "Trust Agreement".

The only revision we suggest to the Acceptance Form is to add an additional line on the signature page so that the Mayor and Clerk for the City may both sign the documents. Otherwise, the document is satisfactory to cover the terms proposed to you by the policy representative and should be submitted the City Council for their approval of the agreement. If you have any questions, please contact me.

Sincerely yours,



Jeffery A. Jacobson
Direct: 231.722.5405
Fax: 231.722.7866
E-Mail Address: jaj@parmenterlaw.com

Enclosures

Commission Meeting Date: August 12, 2003

2003-61

Date: July 24, 2003
To: Honorable Mayor and City Commissioners
From: Planning & Economic Development
RE: Amendment to the "Policy for Acquisition and Disposition of Residential Properties"

SUMMARY OF REQUEST:

Due to several situations that have arisen in the past few months regarding illegal property splits due to foreclosure, staff has worked with the City Attorney to develop language to address this issue. The language is proposed to be an amendment to the "Policy for Acquisition and Disposition of Residential Properties".

FINANCIAL IMPACT:

None.

BUDGET ACTION REQUIRED:

None.

STAFF RECOMMENDATION:

To approve the amendment to the policy and have the Mayor and City Clerk sign the resolution.

COMMITTEE RECOMMENDATION:

The Land Reutilization Committee and Legislative Policy Committee recommend approval of the request.

MUSKEGON CITY COMMISSION

RESOLUTION TO ADOPT AN AMENDMENT TO THE "POLICY AND PROCEDURE FOR ACQUISITION AND DISPOSITION OF RESIDENTIAL PROPERTIES"

WHEREAS, the City of Muskegon owns many unbuildable lots and wishes to sell these lots to adjoining property owners to expand their yards, and;

WHEREAS, foreclosure or tax reversion may cause an illegal lot split to occur, and;

WHEREAS, the City of Muskegon wishes to regain ownership of these unbuildable lots should foreclosure or tax reversion occur;

NOW, THEREFORE, BE IT RESOLVED that the City Commission hereby adopts the following policy amendment to assure reversion of these lots to the City of Muskegon:

(to be added under II., B)

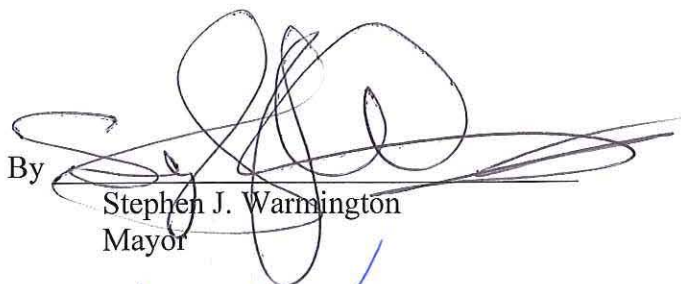
4. *For buildable lots*, deeds issued by the City will be conditional. A reverter clause will be included to require the buyer to commence construction within 18 months of the date of purchase, or the property will revert to the City.
5. *For non-buildable lots, the property shall be offered to adjoining property owners only. The City Assessor will be requested to join the non-buildable lot to the adjoining property and a single tax parcel identification number be provided. A reverter clause will be included in the deed so that if the buyer/adjoining property owner loses the adjoining property due to foreclosure or non-payment of taxes, the non-buildable lot shall revert to the City. At the point in time when any lein covers both parcels or there are no leins on either parcel, the property owner may request and the City shall agree to waive and terminate the reverter clause.*

Adopted this 12th day of August, 2003.

Ayes: 7

Nays: 0

Absent: 0

By 
Stephen J. Warmington
Mayor

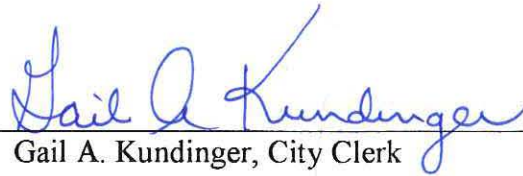
Attest 
Gail A. Kunderinger, MMC
City Clerk

CERTIFICATION

This resolution was adopted at a regular meeting of the City Commission, held on August 12, 2003. The meeting was properly held and noticed pursuant to the Open Meetings Act of the State of Michigan, Act 267 of the Public Acts of 1976.

CITY OF MUSKEGON

By

A handwritten signature in blue ink, reading "Gail A. Kunding", is written over a horizontal line.

Gail A. Kunding, City Clerk

2003.261 f)

Commission Meeting Date: August 12, 2003

Date: August 4, 2003
To: Honorable Mayor and City Commissioners
From: Planning & Economic Development
RE: Vacation of a portion of McLaren St.

SUMMARY OF REQUEST:

Request for the vacation of a portion of McLaren St., north of Wesley Ave.

FINANCIAL IMPACT:

None

BUDGET ACTION REQUIRED:

None

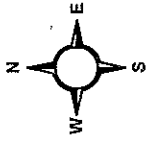
STAFF RECOMMENDATION:

Staff recommends vacation of the portion of McLaren St., with the conditions listed in the first attached resolution, and to allow the Mayor and Clerk to execute the second attached resolution once those conditions have been met.

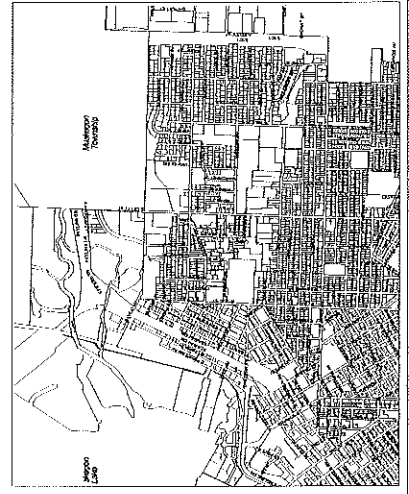
COMMITTEE RECOMMENDATION:

The Planning Commission recommended the vacation, with the conditions listed in the attached resolution. The vote was unanimous with T. Johnson and T. Harryman absent.

City of Muskegon Planning Commission Case # 2003-22



| = Subject Property(ies)
 O = Notice Area



Staff Report [EXCERPT]
CITY OF MUSKEGON
PLANNING COMMISSION
SPECIAL MEETING
July 28, 2003

Case 2003-22: Request to vacate the 274 linear feet of McLaren St. north of Wesley Ave., by the Sterling Group (tabled).

UPDATE

Staff has been working with Sterling Group for the past several months on the possible vacation of McLaren St., which was tabled by the Planning Commission at their June 25 Special Meeting.

A meeting was held on July 1. In attendance were the City Manager, Zoning Administrator, City Engineer, Fire Marshal, City Attorney and a representative from the Sterling Group. The discussion centered on the issues brought up at the special Planning Commission meeting.

It was determined that the only portion of street that is absolutely necessary to be vacated is the portion of McLaren, which is south of the proposed Sumner St. extension. Sterling has provided a legal description for that portion of street. The vacation request will only address that description.

Sterling absolutely requires that the City Commission vacates the portion of street before July 31st or they will not pursue the project. Staff and the Planning Commission have been hesitant to vacate a street without some form of guarantee that the project will proceed. A letter was prepared by City Attorney to Sterling Group giving two different options for vacating the street (see attached letter). After further discussion between Sterling Group and the City Attorney, it was determined that Option 2 was the preferred option, with two changes. These changes are minor and help protect the City's concerns. The changes are shown in *italics* in the attached letter.

Staff recommends approval of this request, provided that all the conditions listed in the proposed motion below are met.

MOTION FOR CONSIDERATION

I move that the vacation of a portion of McLaren St., as described in the attached legal description, be recommended to the City Commission for (approval/denial) based on the following conditions (only if approved):

1. The Planned Unit Development for the proposed development by the Sterling Group is approved by the City Commission.
2. All units in the proposed development will be fire suppressed, as agreed to by the Sterling Group in their 7/9/03 letter.

3. The fire hydrants must comply with International Fire Code Appendix C for placement and amount.
4. The effective date of the vacation will be when the following are completed (as agreed to by the Sterling Group in their 7/9/03 letter):
 - a. The pulling of building permits and issuance of certificates of occupancy.
 - b. Plans are presented and approved by City staff for the construction of the proposed Sumner Street and reconstruction of McLaren Street.
 - c. Posting a bond in the amount determined by the City to cover the cost of construction of proposed Sumner Street and reconstruction of McLaren Street north of proposed Sumner.
5. This vacation will reserve unto the City the right to retain and maintain all utilities in the vacated street.
6. A new 8" water main will be installed between Alva St. and the east line of the property owned by Findlay Group.
7. A new 8" water main will be constructed in McLaren St. from the newly proposed street to the north limits of the Findlay Group property.
8. A new street will be constructed and dedicated for public use or an easement provided for the would-be constructed water main.
9. The applicant will participate in the construction of the 8" water main from the north limits of the Findlay Group property to Jackson St. in the amount not more than \$30,000 with the rest of the Cost by the City.
10. The City will not maintain a sewer lift station should the proposed project require a station by design. Maintenance of a sewer lift station either individually or collectively will be the responsibility of the property owner.

PARMENTER O'TOOLE

Attorneys at Law

175 West Apple Avenue ■ P.O. Box 786 ■ Muskegon, Michigan 49443-0786
Phone 231.722.1621 ■ Fax 231.722.7866 or 231.728.2206
www.Parmenterlaw.com

July 2, 2003

VIA E-MAIL AND FIRST CLASS

Jeffrey Boss, P.E.
Sterling Development, LLC
3900 Edison Lakes Parkway
Suite 201
PO Box 2008
Mishawaka, IN 46546-2008

Dear Mr. Boss:

It was a pleasure meeting you yesterday and discussing your project. I believe all of us, both city staff and Sterling Development LLC, fully understand the concerns with the vacation of McLaren Street, South of the proposed Sumner Street. As such, a recitation of concerns may not be necessary. Sterling Development does not presently own the property subject to this discussion. I recognize that some of the obligations may be performed by an entity other than the Sterling Development LLC. In order to accomplish the desires of Sterling Development, LLC, while protecting the City if development does not ultimately occur, two different options appear viable:

Option One

The City and Sterling Development, LLC would agree as follows:

1. City would immediately vacate McLaren Street South of the proposed Sumner Street. The partial vacation of McLaren Street South of the proposed Sumner Street will reserve unto the City the right to retain and maintain all utilities in the vacated street;
2. A deed would be prepared and executed from the owner of the property, which I believe to be Sterling Development, LLC to the City of Muskegon for partially vacated portion of McLaren Street South of the proposed Sumner Street. The deed would be held in escrow by an appropriate title company. If construction of the development occurs and the proposed Sumner Street is open to traffic by December 31, 2004, the deed would be returned to the Sterling Development, LL. If the work is not completed and/or Sumner Street is not open for use by December 31, 2004 then the deed would be recorded;

3. No physical change will be made to McLaren Street until Sterling Development, LLC posts a bond, or other alternative acceptable form of financial assurance, to cover the cost of construction of proposed Sumner Street and reconstruction of McLaren Street North of proposed Sumner.

Option Two

The City and Sterling Development, LLC would agree as follows:

1. City would immediately commit to vacate McLaren Street south of the proposed Sumner Street. The effective date of the vacation will be when the following are completed:
 - a) the pulling of building permits *and issuance of certificates of occupancy*;
 - b) plans are presented *and approved by City staff* for the construction of the proposed Sumner Street and reconstruction of McLaren Street;
 - c) posting a bond or irrevocable letter of credit in the amount determined by the City to cover the cost of construction of proposed Sumner Street and reconstruction of McLaren Street North of proposed Sumner.
2. The vacation of McLaren Street south of the proposed Sumner Street will reserve unto the City the right to retain and maintain all utilities in the vacated street.

Recognizing the concerns of the City, if there are any other options that should be considered, please feel free to communicate such.

Very truly yours,

John C. Schrier
Direct: 231.722.5401
Fax: 231.728.2206
E-Mail Address: jcs@parmenterlaw.com

c: Bryon Mazade
Deb Steenhagen
Mohammed Al-Shatel
Major Metcalf

CITY OF MUSKEGON

RESOLUTION # 2003-61 (F)

**RESOLUTION TO VACATE A PORTION OF A PUBLIC ALLEY UPON FULFILLMENT OF CERTAIN
CONDITIONS**

WHEREAS, a petition has been received to vacate McLaren Street south of the proposed Sumner Avenue, City of Muskegon; and,

WHEREAS, the Planning Commission held a public hearing on Monday July 28, 2003, to consider the petition, and, subsequently, conditionally recommended the vacation; and,

WHEREAS, due notice had been given of said hearing, as well as the August 12, 2003, City Commission meeting to consider the recommendation of the Planning Commission.

NOW, THEREFORE, BE IT RESOLVED, that the City Commission deems it advisable and will grant a vacation of McLaren Street south of the proposed Sumner Avenue upon satisfaction of the following conditions:

- 1) The pulling of building permits and issuance of certificates of occupancy for 40 units at The Village of Jackson Hill, at McLaren and Wesley Avenue;
- 2) Plans are presented and approved by city staff for the construction of the proposed Sumner Avenue and reconstruction of McLaren Street;
- 3) Posting a bond in the amount determined by the City to cover the cost of construction of proposed Sumner Avenue and reconstruction of McLaren Street North of proposed Sumner.

BE IT FURTHER RESOLVED, that upon satisfaction of the conditions, the Mayor and Clerk shall execute the attached Resolution vacating McLaren Street south of proposed Sumner Avenue.

BE IT FURTHER RESOLVED, that such vacation shall not operate so as to conflict with fire access or the utility rights heretofore acquired by the City or by any public service utility in the City of Muskegon, operating in, over, and upon said portion of alley hereby vacated, and it is hereby expressly declared that such rights shall remain in full force and effect.

BE IT FURTHER RESOLVED, that after any maintenance and repair by the City, the City shall restore the disturbed area to the grade and paving in existence at the time of vacation. The City shall not be responsible to replace special planting, landscaping, fences or any structure. No structure shall be placed in the easement which, in the sole judgment of the City, will interfere with the repair or maintenance of utilities in the easement, public or private.

Adopted this 12th day of August, 2003.

Ayes: Spataro, Warmington, Buie, Gawron, Larson,
Schweifler, Shepherd

Nays: None
Absent: None

By



Stephen J. Warmington, Mayor

and



Gail A. Kunding, MMC, Clerk

CERTIFICATION

I hereby certify that the foregoing constitutes a true and complete copy of a resolution adopted by the City Commission of the City of Muskegon, County of Muskegon, Michigan, at a regular meeting held on August 12, 2003.



Gail A. Kunding, MMC
Clerk, City of Muskegon

PREPARED BY:

John C. Schrier
Parmenter O'Toole
175 W. Apple Avenue
P.O. Box 786
Muskegon, MI 49443-0786

CITY OF MUSKEGON

RESOLUTION # 2003-61 (f)

**RESOLUTION TO VACATE A PORTION OF A PUBLIC ALLEY UPON FULFILLMENT OF CERTAIN
CONDITIONS**

WHEREAS, a petition has been received to vacate McLaren Street south of the proposed Sumner Avenue, City of Muskegon; and,

WHEREAS, the Planning Commission held a public hearing on Monday July 28, 2003, to consider the petition, and, subsequently, recommended the vacation; and,

WHEREAS, due notice had been given of said hearing, as well as the August 12, 2003, City Commission meeting to consider the recommendation of the Planning Commission, and

WHEREAS, the City Commission indicated a willingness to vacate McLaren Street south of proposed Sumner Avenue upon satisfaction of certain conditions; and

WHEREAS, the following conditions have been satisfied:

- 1) The pulling of building permits and issuance of certificates of occupancy for 40 units at The Village of Jackson Hill, located at McLaren Street and Wesley Avenue;
- 2) Plans are presented and approved by city staff for the construction of the proposed Sumner Avenue and reconstruction of McLaren Street;
- 3) Posting a bond in the amount determined by the City to cover the cost of construction of proposed Sumner Avenue and reconstruction of McLaren Street North of proposed Sumner.

NOW, THEREFORE, BE IT RESOLVED, that the City Commission deems it advisable to vacate and discontinue said portion of McLaren Street south of the proposed Sumner Avenue legally described as:

That portion of McLaren St. (33 feet in width) described as: BEGINNING at the intersection of the North right-of-way line of Wesley Avenue and the west right of way line of McLaren Street; thence north 151.39 feet along the West right-of-way line of McLaren Street; thence East to the East right-of-way of McLaren Street; thence South 151.48 feet along the East right-of-way line of McLaren Street to the North right-of-way line of Wesley Avenue; thence West to the point of beginning; all in Lot 10, Block 20 of the Revised Plat of 1903 of the City of Muskegon. Containing 0.1147 acres of land.

BE IT FURTHER RESOLVED, that the City Commission does hereby declare the alley vacated and discontinued, provided, however, that this action on the part of the City Commission shall not operate so as to conflict with fire access or the utility rights heretofore acquired by the City or by any public service utility in the City of Muskegon, operating in, over, and upon said portion of alley hereby vacated, and it is hereby expressly declared that such rights shall remain in full force and effect.

BE IT FURTHER RESOLVED, that after any maintenance and repair by the City, the City shall restore the disturbed area to the grade and paving in existence at the time of vacation. The City shall not be responsible to replace special planting, landscaping, fences or any structure. No structure shall be placed in the easement which, in the sole judgment of the City, will interfere with the repair or maintenance of utilities in the easement, public or private.

Effective this 12 day of August, 2003.

By _____
Stephen J. Warmington, Mayor

and _____
Gail A. Kunding, MMC, Clerk

CERTIFICATION

I hereby certify that the foregoing constitutes a true and complete copy of a resolution authorized by the City Commission of the City of Muskegon, County of Muskegon, Michigan, at a regular meeting held on August 12, 2003.

Gail A. Kunding, MMC
Clerk, City of Muskegon

PREPARED BY:
John C. Schrier
Parmenter O'Toole
175 W. Apple Avenue
P.O. Box 786
Muskegon, MI 49443-0786

2003- 61- (g)

DATE: August 5, 2003
TO: Honorable Mayor and City Commissioners
FROM: Robert B. Grabinski, Director of Inspection Services
RE: Consent Agreement Policy

SUMMARY OF REQUEST: This is to request the city commission approve the attached Consent Agreement Policy. This policy will allow staff to enter into a consent agreement with a property owner without taking the agreement to the commission for approval. This will be utilized by staff in an effort to expedite the approval allowing the property owner to begin the repairs ordered.

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

CITY COMMISSION RECOMMENDATION: The commission will consider this item at its meeting held on Tuesday, August 12, 2003.



CONSENT AGREEMENT POLICY

In an effort to expedite routine consent agreements in cases where the agreement does not arrive at the time appropriate for commission approval the following policy is implemented. This will allow the property owner to begin repairs and not have a wait of an additional two weeks when the matter is a routine and customary consent agreement. It is intended that this policy is a guideline allowing for discretion by the Director of Inspections, City Manager, and City Attorney in approving said agreement.

The following guidelines are to be met prior to granting approval without commission action:

1. There is a specific date by which the property owner and/or the contractors must pull all necessary permits. This date is between 10-14 working days of the documents approval with a specific date listed; i.e. "on or before July 1, 2003 at 5:00 PM".
2. A specific date where all work must be completed, inspected, and approved. This date is arrived at after a review of the deficiencies, the amount of work required, and the difficulty of repairs. Other factors may include consideration of past scheduling problems and/or discussions held with the property owner. It is intended that the time given is adequate to complete the requirements, but not allow the repairs to linger without resolution.
3. The property owner is required to escrow \$5,000.00 with the City of Muskegon. This money is to be used for demolition if the consent agreement terms are not met.
4. That all fees, fines, taxes, and other charges owed to the City of Muskegon are paid on or before the "permit date" and prior to issuance of the permit.
5. That this agreement is the final order of the court for this case.
6. If the basic terms listed above are met the City Commission authorizes the City Manager and the Director of Inspections with assistance from the City Attorney to enter into the agreement.
7. Any consent agreements approved in this manner will be presented to the commission at their next meeting as part of the city manager's report.

8. Deviations from the basic format or staff concerns will result in the consent agreement being placed on the closed session agenda at the next regularly scheduled meeting of the Muskegon City Commission.

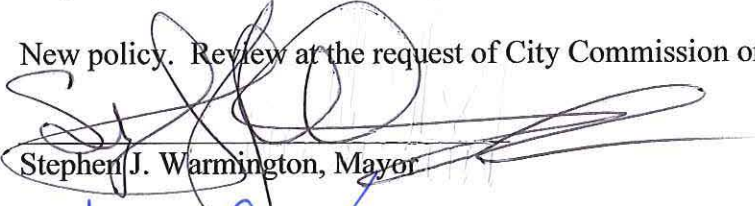
Adopted:

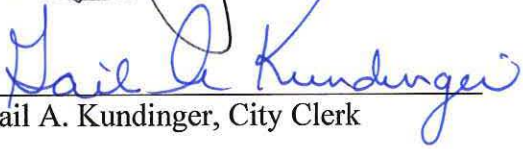
August 12, 2003

Last Update:

New policy. Review at the request of City Commission or staff.

Approved By:


Stephen J. Warmington, Mayor


Gail A. Kunderinger, City Clerk

CITY OF MUSKEGON

RESOLUTION # 2003-61 (F)

RESOLUTION TO VACATE A PORTION OF A PUBLIC ~~ALLEY~~ ^{STREET} UPON FULFILLMENT OF CERTAIN CONDITIONS

WHEREAS, a petition has been received to vacate McLaren Street south of the proposed Sumner Avenue, City of Muskegon; and,

WHEREAS, the Planning Commission held a public hearing on Monday July 28, 2003, to consider the petition, and, subsequently, recommended the vacation; and,

WHEREAS, due notice had been given of said hearing, as well as the August 12, 2003, City Commission meeting to consider the recommendation of the Planning Commission, and

WHEREAS, the City Commission indicated a willingness to vacate McLaren Street south of proposed Sumner Avenue upon satisfaction of certain conditions; and

WHEREAS, the following conditions have been satisfied:

- 1) The pulling of building permits and issuance of certificates of occupancy for 40 units at The Village of Jackson Hill, located at McLaren Street and Wesley Avenue;
- 2) Plans are presented and approved by city staff for the construction of the proposed Sumner Avenue and reconstruction of McLaren Street;
- 3) Posting a bond in the amount determined by the City to cover the cost of construction of proposed Sumner Avenue and reconstruction of McLaren Street North of proposed Sumner.

NOW, THEREFORE, BE IT RESOLVED, that the City Commission deems it advisable to vacate and discontinue said portion of McLaren Street south of the proposed Sumner Avenue legally described as:

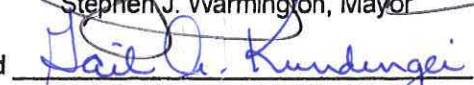
That portion of McLaren St. (33 feet in width) described as: BEGINNING at the intersection of the North right-of-way line of Wesley Avenue and the west right of way line of McLaren Street; thence north 151.39 feet along the West right-of-way line of McLaren Street; thence East to the East right-of-way of McLaren Street; thence South 151.48 feet along the East right-of-way line of McLaren Street to the North right-of-way line of Wesley Avenue; thence West to the point of beginning; all in Lot 10, Block 20 of the Revised Plat of 1903 of the City of Muskegon. Containing 0.1147 acres of land.

BE IT FURTHER RESOLVED, that the City Commission does hereby declare the alley vacated and discontinued, provided, however, that this action on the part of the City Commission shall not operate so as to conflict with fire access or the utility rights heretofore acquired by the City or by any public service utility in the City of Muskegon, operating in, over, and upon said portion of alley hereby vacated, and it is hereby expressly declared that such rights shall remain in full force and effect.

BE IT FURTHER RESOLVED, that after any maintenance and repair by the City, the City shall restore the disturbed area to the grade and paving in existence at the time of vacation. The City shall not be responsible to replace special planting, landscaping, fences or any structure. No structure shall be placed in the easement which, in the sole judgment of the City, will interfere with the repair or maintenance of utilities in the easement, public or private.

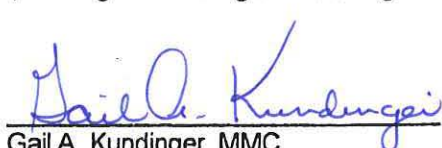
Effective this 26th day of May, 2005

By 
Stephen J. Warmington, Mayor

and 
Gail A. Kunding, MMC, Clerk

CERTIFICATION

I hereby certify that the foregoing constitutes a true and complete copy of a resolution authorized by the City Commission of the City of Muskegon, County of Muskegon, Michigan, at a regular meeting held on August 12, 2003.


Gail A. Kunding, MMC
Clerk, City of Muskegon

PREPARED BY:
John C. Schrier
Parmenter O'Toole
175 W. Apple Avenue
P.O. Box 786
Muskegon, MI 49443-0786

2003. 6/11)

Commission Meeting Date: August 12, 2003

Date: August 5, 2003
To: Honorable Mayor & City Commission
**From: Community and Neighborhood Services
Department**
**RE: Approval of 2003 – 2004 Subrecipient and
Community Housing Development Organization
(CHDO) Agreements**

SUMMARY OF REQUEST: To direct the Mayor and City Clerk to sign all of the 2003-2004 approved agreements for the City's subrecipients and CHDO's. The City Commission approved the funding for each of the nonprofits last spring during the City's Consolidated Planning process.

After the Mayor and Clerk sign the contracts, the CNS office will retain one copy of our files and a copy will be supplied to the appropriate nonprofit for their records.

FINANCIAL IMPACT: Funding will be allocated from the 2003-2004 CDBG and HOME programs.

BUDGET ACTION REQUIRED: None. The City Commission made budgeting decision last Spring.

STAFF RECOMMENDATION: To direct Mayor and Clerk to sign agreements.

COMMITTEE RECOMMENDATION: None needed.

CHDO AGREEMENT – 2003 - 2004

This CHDO AGREEMENT, made this 1st day of June, 2003, by and between the City of Muskegon, Michigan, A Municipal Corporation, (hereinafter "Recipient") _____ whose office is located at _____, (hereinafter "CHDO")

WITNESSETH:

WHEREAS, CHDO will receive Community Development Block Grant (CDBG/HOME) funds from the Recipient, in the amount of \$_____, to be used for the following:

WHEREAS, the parties wish to set forth the conditions on which the funds are to be made available;

NOW THEREFORE, in consideration of the covenants herein contained, the parties do mutually agree as follow:

I. GENERAL CONDITIONS

1. Services to be delivered are eligible activities as defined in Section 92.205 and 92.206 of HOME Administrative Regulations (CFR 92)
2. The CHDO certifies that the service is either:
 - a. a new service or
 - b. a quantifiable increase in the level of a service above the level which has been provided by or in behalf of the applicant from local revenue sources or State funds received by the applicant in the twelve (12) calendar months prior to submission of the proposal, or
 - c. a continuation of a service that would otherwise be decreased due to events beyond the control of the CHDO.
3. The CHDO is incorporated as a non-profit organization in good standing under Michigan Law.
4. The CHDO warrants that a current copy of its charter (if applicable), Articles of Incorporation and By-Laws are on file with the department of Community and Neighborhood Services. The CHDO shall also keep a current list of its board members, its officers and their addresses on file with the Community and Neighborhood Services department.

5. By resolution, the CHDO's Board of Directors shall certify to the City a responsible contact person, who shall be considered their representative in all matters relating to this Agreement for communication and administrative purposes.

Until further written notice from the CHDO, said contact person shall be:

II. PERSONNEL

1. The CHDO shall maintain direct control of all personnel employed by it and to provide the necessary training and supervision of its employees in carrying out contracted programs. However, implementation of the "project" must meet the requirement and approval of Community and Neighborhood Services.
2. In all work made possible by or resulting from this agreement, affirmative action will be taken to insure that low income persons, particularly minorities and women, are given maximum opportunity for training and employment; and that minority business concerns located in the area, to the greatest extent feasible, are awarded sub-contracts when permitted by this Agreement (Section 3, CDF 135).
3. Incorporated by reference are Title VI of the Civil Rights Act of 1964, Executive Order 11246 and OMB Circular A-102, Attachment O which relates to equal opportunity. Copies are available at the Community Development Office.
4. The CHDO (including its membership body, Board of Directors, committees, and paid and other volunteer staff) agrees that it will comply with City policies and procedures concerning equal opportunity, affirmative action, and non-discrimination in employment practices because of age, religion, race, color, national origin, sex, education association, marital status or physical limitation.

III. SCOPE OF SERVICES

The CHDO shall provide the services specified in Attachment "A", Scope of Services, in exchange for financial compensation detailed in Attachment "B".

IV. COMPENSATION AND METHOD OF PAYMENT

1. The maximum amount which the CHDO may receive pursuant to this Agreement is \$_____.
2. The CHDO warrants that its Board of Directors has approved a budget request to provide services detailed in this Agreement (attachment "B"). The budget total of \$_____, shall remain unchanged during the year unless amended as permitted in this Agreement. The CHDO may not, without City Commission approval, make transfer between categories not exceeding 10% of the overall budget total, or \$2,000.00, or whichever is greater.
3. Upon approval of CHDO's request for payment, the CHDO shall be reimbursed for expenses within a maximum of twenty (20 days.)
4. To receive payments, the CHDO must complete and submit the following:
 - a. Request for Payment
 - b. Detailed Invoice for Actual Expenditures
 - c. Quarterly Performance Reports
5. All program income, received by the CHDO, (if any) shall be disbursed by the CHDO prior to request for payments from the Recipient. Program income resulting from the project will be handled in accordance with the requirements of 24 CFR 570.503 applicable to CDBG Recipients and 24 CFR 92.503 for HOME CHDO's. All program income derived from the HOME activities by CHDO must be reinvested to the recipient (City) to the HOME Investment Trust Fund.
6. If at the end of the term of this Agreement there are unexpended portions of the contract amount set forth in this Agreement, the City may recapture said amount for reallocation to other purposes.
7. If CHDO fails to comply with terms specified in this Agreement or refused to accept and meet conditions imposed by the Department of Housing and Urban Development (HUD), the Recipient may immediately terminate payments to the CHDO and recover any funds it has advanced. In the event of the inability of CHDO to perform or complete the project, or termination of the Agreement by the City Commission, Recipient will pay only invoices for work performed or satisfactorily completed.
8. The Recipient shall not be held liable for expenditures or obligations incurred in excess of the authorized total budget, nor shall the City be held liable for expenditures or obligations for ineligible cost pursuant to Section 570.200 and 570.201 of the Housing and Community Development Act. And 92.206, 92.207 and 92.208 of National Affordable Housing Act of 1990.

IV. FINANCING AUDITS AND INSPECTIONS

1. The CHDO shall document the costs incurred with CDBG/HOME funds with the support of properly executed payrolls, time records, invoices, contracts, vouchers, receipts, or other official documentation that shows in proper detail the nature and propriety of charges. All such documents must be clearly identifiable and readily assessable during the term of the Agreement to City and HUD officials or their authorized representative for audit and examination as often as the City may deem necessary. Additionally, the CHDO agrees to securely maintain such documents for a period of three (3) years after termination of this Agreement.
2. The CHDO is to act within thirty (30) days after the signing of this Agreement to establish a procedure for its accounting operation that will not be inconsistent with Federal Management Circular A-102, Attachment G, and can be certified auditable by the Accountant for the Community Development Department. The auditable procedure shall insure that monies provided by the Community Development Block Grant HOME program can be separately traced from other funds of the CHDO.
3. The Recipient shall provide the CHDO with a copy of any account requirements established by HUD, and the CHDO shall thenceforth be responsible for compliance with such requirements.
4. Program Income earned by the Service Agency during the grant period shall be retained by the CHDO, and in accordance with OMB Circulars A-102, A-110 and A-122 shall be:
 - a. Added to funds committed to the project by the City and the CHDO to be used to further eligible program objectives as defined in the scope of services of this Agreement (see Attachment A).
 - b. Deduct from the total project costs for the purposes of determining the net costs on which the Federal (CDBG / HOME) share of the cost will be based.
5. No CDBG / CHDO funds shall be disbursed under this Agreement by the CHDO or any others contracted by the CHDO unless those contracted are in compliance with City and HUD requirements with regard to fiscal matter and civil rights to the extent such requirements are applicable. The CHDO shall provide the Recipient with a copy of such contracts.
6. The CHDO shall provide proof of Bonding Insurance for all employees who handle funds.

V. INSURANCE COVERAGE

The CHDO shall indemnify, defend, and hold the Recipient, its officers, and the employees harmless with respect to any damage claim arising out of activities specified by this Agreement. This CHDO shall maintain for the entire period of this Agreement a valid policy of liability insurance naming the City of Muskegon (Recipient) as an insured party with limits of not less than \$300,000 per occurrence. The CHDO shall also maintain coverage during the Agreement period for Workers' Compensation as required by law. The CHDO shall submit proof of insurance and amount of coverage to the Community Development office prior to receiving any funds.

VI. REPORTS, MONITORING AND EVALUATION

1. The CHDO agrees to cooperate fully with the Community and Neighborhood Services office, City and HUD officials, Citizen Committees, or any other individuals appointed by City Commission to evaluate and monitor the requirements and performance of programs financed with CDBG HOME funds. The CHDO agrees to provide to the same parties listed information and reports, oral or written, as may reasonably be required or requested during the term of this Agreement on matters relating to program activities, performance, or contract compliance.
2. The CHDO agrees to complete and submit to the Community and Neighborhood Services Office in a timely manner a Quarterly Performance Report.

The report forms are to be provided by the City. The CHDO agrees to collect and make available to the Community and Neighborhood Services Department the following information on its clients or program participants:

- a. Street (only) address of the client: (inside or outside City);
- b. Month and year of initial services;
- c. Number of services units rendered to each client served under this agreement;
- d. Age and sex of the client or participant;
- e. Whether the client or participant is the head of household;
- f. Whether client or participant is a member of a minority group (which group);
- g. Family income by family size (which will be indicated by checking an income range category);
- h. Whether client or participant head of household is handicapped;

The information is to be collected on a "Client Card" or tabulation sheets provided by the City. The form will state that the client/participant information being collected is required in order for the CHDO to receive HOME funds from the City of Muskegon. Client information will be submitted quarterly with the Performance Reports.

Alternate systems of collecting data required in this section can be developed in consultation with the Community and Neighborhood Services Office. The Recipient retains the final right to approve any waiver of, or amendment to, this reporting requirement.

VII. CONTRACT AMENDMENT

That except as expressly provided elsewhere in this Agreement, any modifications or amendments to this Agreement may be made by mutual Agreement of the CHDO and the City Commission. It is expressly understood that this Agreement is subject to HUD HOME funding regulations. Should HUD act to make changes in regulations or suspend or terminate funding, such actions shall automatically amend this Agreement, if applicable.

VIII. ASSIGNABILITY

The CHDO shall not assign or transfer any interest in this Agreement without consent of the City Commission.

IX. POLITICAL ACTIVITIES

None of the funds, materials, property or services provided directly or indirectly under this Agreement shall be used for any partisan political activities, or to further the election or defeat of any candidate for office.

X. CONFLICT OF INTEREST

No employee, officer or agent of the Recipient shall participate in the award or administration of this Agreement if a conflict of interest real or apparent, would be involved, or any type of benefit financially, politically or asset wise. (i.e. obtain housing, illegal obtaining of contracts, etc.) See CFR24.92.356 and CFR 570.611.

XI. CITY'S RIGHT TO ENFORCE

1. The Community and Neighborhood Services Department may unilaterally suspend (on a temporary basis) or alter this Agreement, including the amount of funds allocated, for failure to comply with the terms and conditions of this Agreement or failure to comply with regulations for the U.S. Government, or directives of the Muskegon City Commission, some examples of which follow:
 - a. Ineffective or improper use of the HOME funds;
 - b. Failure to submit complete and correct performance or financial reports;
 - c. Failure to provide services called for in the Scope of Services section within the time frame stated: and
 - d. If for any reason, the program cannot be completed.
2. The City Commission may unilaterally terminate this Contract for failure to comply with the terms and conditions of the Agreement, the regulations of the U.S. government, or directives of the Muskegon City Commission.
3. The Community and Neighborhood Services Department office shall provide reasonable notice to the CHDO before action is taken to suspend, alter or terminate this Agreement. Such notice shall include the reasons for the contemplated action and the CHDO shall be give a right to protest.
4. In the event this Agreement is terminated by the City Commission, the Ownership of all documents, equipment and properties acquired by HOME or Program Income funds shall revert to the Recipient with the decision for final disposition being left to the City Commission. However, the CHDO shall receive just compensation for any work satisfactorily completed prior to such termination.

XII. PURSUIT OF ADDITIONAL RESOURCES

The CHDO shall make bona fide efforts to secure funds and resources from other sources. Further, the CHDO shall cooperate with the Community and Neighborhood office, as requested, in its efforts to pursue additional or alternative funding. The CHDO shall report these efforts as part of the required Quarterly Performance Report.

XIII. TIME PERFORMANCE AGREEMENT TERM

All services rendered hereunder shall be completed by May 31, 2004. This Agreement automatically terminates at that time unless specifically extended by the City Commission. All funds allocated which are unspent or encumbered for services under this Agreement shall be repaid to the City within fifteen (15) days of this date.

XIV. OTHER

1. That it will comply with all requirements applicable to HUD Block Grant Subrecipients set forth in the HOME Program Requirements contained in 24 Code of Federal Regulation Part 570. Such requirements pertain to, but are not limited to, compliance with OMB Circular A-102, reports and information, audits and inspection, unearned payment, non-discrimination, disposition of real property, and miscellaneous grant administration requirements.
2. That should the CHDO utilize any portion of HOME funds for acquisition of property or relocation of individuals, families, or businesses as a result of a project involving federal financial assistance from HUD, as defined in regulations at 24CFR Part 42.79, all acquisition and/or relocation shall conform to the Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970 (P.L. 91.646), and the regulations which implement the Act (24 CFR Part 42).
3. That except with respect to the rehabilitation of residential use for less than eight families, all contractors engaged under contracts in excess of \$2000 for the construction prosecution, completion or repair of any building or work financed in whole or in part with assistance provided under this agreement, shall comply with HUD requirements pertaining to such Contracts and the applicable requirements of the regulations of the Department of Labor under 29 CFR Parts 2, 5, and 5a, governing the payment of wages and the ratio of apprentices and trainees to journeymen; provided, that if wage rates higher tan those required under such regulations are imposed by State or local law, nothing hereunder is intended to relieve the CHDO of its obligations, if any, to require payment of the higher rates. The CHDO shall require to be inserted in full in all such contracts subject to such regulations, provisions meeting the requirements of 29 CFR 5.5 and for such contracts in excess of \$10,000, 29n CFR 5a.3.
4. The CHDO agrees to abide by all other Federal requirements not highlighted in this Agreement, but included in the regulations HOME Regulation available at the Community and Neighborhood Services Department, or other regulations subsequently supplied to the Subrecipeint.
5. That should the CHDO funding involve construction work, the CHDO contractors(s) agree to allow access to the City or its representative for inspection purposes.

6. Should the CHDO acquire any real or personal property with funds provided under this Agreement, it will not dispose of such property through sale or otherwise without written permission of Recipient. If property is disposed of without written permission, the proceeds shall be returned to the Recipient, and CHDO may be required to reimburse the Recipient for the Federal portion of participation in the project, subject to requirements in the Office of Management and Budget Circular A-102, Attachment N, Property Management Stands.

XV. CONTRACT CLOSEOUT

All contracts will be closed out in accordance with the procedures specified in OMB Circular A-102, Attachment L, and Portions of OMB Circulars A-110 and A-122 applicable to non-profit organizations.

In Witness Whereof, the parties hereto have caused this contract to be executed the day and year above written.

Signed In the Presence Of:

CITY OF MUSKEGON, MICHIGAN
A Municipal Corporation

Witness _____

By: _____
Steve Warmington, Mayor

Witness _____

By: _____
Gail Kunding, City Clerk

Agency Name

Witness _____

By: _____
It's President

Witness _____

By: _____
It's Secretary

ATTACHMENT "A"

SCOPE OF SERVICES

CHDO's Name _____

SCOPE OF SERVICES

The Scope of Services section below lists the services to be provided under the terms of the CHDO Agreement. This description shall establish the basis for the Community and Neighborhood Services Office assessment of actual program accomplishments.

I. Location and Hours

The Service Agency shall provide the contracted services at the following locations(s):

II. Eligible Clients

The CHDO shall take affirmative action to insure that the primary beneficiaries of services rendered under this Agreement are eligible HOME clients. Eligible clients are defined as those persons of household who:

- a. Reside in the City of Muskegon and
- b. Have household incomes less than or equal to 80 percent of the median of the City.

ATTACHMENT "A"

SCOPE OF SERVICES

III. Description and Quantity of Services to be provided

Describe and number each service to be provided separately. Include the job title of the person (s) who will primarily render the service, the time span, which the service will be offered, if less than the total contract year, and how the service will be rendered.

Estimated quantity of service to be provided (number of persons to be served).

ATTACHEMENT "B"

BUDGET

REVENUES

HOME FUNDS \$ _____

*Other (Specify Below) _____

Program Income _____

TOTAL REVENUES \$ _____

EXPENDITURES

Total
Budgeted

Portion to be
Funded by HOME

Salaries & Fringes \$ _____ \$ _____

Consultant & Contract Services \$ _____ \$ _____

Office Supplies \$ _____ \$ _____

Telephone \$ _____ \$ _____

Rent & Related Expenses \$ _____ \$ _____

Equipment \$ _____ \$ _____

Office Furniture \$ _____ \$ _____

Travel \$ _____ \$ _____

Specific Assistance to Individuals \$ _____ \$ _____

Miscellaneous (Specify)

_____ \$ _____
_____ \$ _____
_____ \$ _____

TOTAL EXPENDITURES \$ _____ \$ _____

*LIST OTHER REVENUE SOURCES:

1. \$ _____
2. \$ _____
3. \$ _____
4. \$ _____
5. \$ _____

**SUBRECIPIENT / CHDO AGREEMENT
2003-2004**

This SUBRECIPIENT/CHDO AGREEMENT, made this 1st day of June, 2003, by and between the City of Muskegon, Michigan, A Municipal Corporation, (hereinafter "Recipient") and <CO. NAME> whose offices are located at <CO. ADDRESS>, (hereinafter "Subrecipient/CHDO"),

WITNESSETH:

WHEREAS, Subrecipient/CHDO will receive Community Development Block Grant (CDBG/HOME) funds from the Recipient, in the amount of \$ _____, to be used for the following:

WHEREAS, the parties wish to set forth the conditions on which the funds are to be made available;

NOW THEREFORE, in consideration of the covenants herein contained, the parties do mutually agree as follow:

I. GENERAL CONDITIONS

1. Services to be delivered are eligible activities as defined in Section 570.200 and 570.201 of the CDBG Administrative Regulations (CFR 570). And or Section 92.205 and 92.206 of HOME Administrative Regulations (CFR 92)
2. The Subrecipient/CHDO certifies that the service is either:
 - a. a new service or
 - b. a quantifiable increase in the level of a service above the level which has been provided by or in behalf of the applicant from local revenue sources or State funds received by the applicant in the twelve (12) calendar months prior to submission of the proposal, or
 - c. a continuation of a service that would otherwise be decreased due to events beyond the control of the Subrecipient.
3. The Subrecipient/CHDO is incorporated as a non-profit organization in good standing under Michigan Law.

4. The Subrecipient/CHDO warrants that a current copy of its charter (if applicable), Articles of Incorporation and By-Laws are on file with the Department of Community Development. The Subrecipient shall also keep a current list of its board members, its officers and their addresses on file with the Community Development Department.
5. By resolution, the Subrecipient's/CHDO's Board of Directors shall certify to the City a responsible contact person, who shall be considered their representative in all matters relating to this Agreement for communication and administrative purposes.

Until further written notice from the Subrecipient/CHDO, said contact person shall be:

II. PERSONNEL

1. The Subrecipient/CHDO shall maintain direct control of all personnel employed by it and to provide the necessary training and supervision of its employees in carrying out contracted programs. However, implementation of the "project" must meet the requirement and approval of Community and Neighborhood Services.
2. In all work made possible by or resulting from this agreement, affirmative action will be taken to insure that low income persons, particularly minorities and women, are given maximum opportunity for training and employment; and that minority business concerns located in the area, to the greatest extent feasible, are awarded sub-contracts when permitted by this Agreement (Section 3, CDF 135).
3. Incorporated by reference are Title VI of the Civil Rights Act of 1964, Executive Order 11246 and OMB Circular A-102, Attachment O which relates to equal opportunity. Copies are available at the Community Development Office.
4. The Subrecipient/CHDO (including its membership body, Board of Directors, committees, and paid and other volunteer staff) agrees that it will comply with City policies and procedures concerning equal opportunity, affirmative action, and non-discrimination in employment practices because of age, religion, race, color, national origin, sex, education association, marital status or physical limitation.

III. SCOPE OF SERVICES

The Subrecipient/CHDO shall provide the services specified in Attachment "A", Scope of Services, in exchange for financial compensation detailed in Attachment "B".

IV. COMPENSATION AND METHOD OF PAYMENT

1. The maximum amount which the Subrecipient/CHDO may receive pursuant to this Agreement is \$ _____.
2. The Subrecipient/CHDO warrants that its Board of Directors has approved a budget request to provide services detailed in this Agreement (attachment "B"). The budget total of \$ _____, shall remain unchanged during the year unless amended as permitted in this Agreement. The Subrecipient/CHDO may not, without City Commission approval, make transfer between categories not exceeding 10% of the overall budget total, or \$2,000.00, or whichever is greater.
3. Upon approval of Subrecipient's/CHDO request for payment, the Subrecipient/CHDO shall be reimbursed for expenses within a maximum of twenty (20 days.)
4. To receive payments, the Subrecipient/CHDO must complete and submit the following:
 - a. Request for Payment
 - b. Detailed Invoice for Actual Expenditures
 - c. Quarterly Performance Reports
5. All program income, received by the Subrecipient, (if any) shall be disbursed by the Subrecipient prior to request for payments from the Recipient. Program income resulting from the project will be handled in accordance with the requirements of 24 CFR 570.503 applicable to CDBG Recipients and 24 CFR 92.503 for HOME CHDO's. All program income derived from the HOME activities by CHDO must be reinvested to the recipient (City) to the HOME Investment Trust Fund.
6. If at the end of the term of this Agreement there are unexpended portions of the contract amount set forth in this Agreement, the City may recapture said amount for reallocation to other purposes.
7. If Subrecipient fails to comply with terms specified in this Agreement or refused to accept and meet conditions imposed by the Department of Housing and Urban Development (HUD), the Recipient may immediately terminate payments to the

Subrecipient and recover any funds it has advanced. In the event of the inability of Subrecipient to perform or complete the project, or termination of the Agreement by the City Commission, Recipient will pay only invoices for work performed or satisfactorily completed.

8. The Recipient shall not be held liable for expenditures or obligations incurred in excess of the authorized total budget, nor shall the City be held liable for expenditures or obligations for ineligible cost pursuant to Section 570.200 and 570.201 of the Housing and Community Development Act. And 92.206, 92.207 and 92.208 of National Affordable Housing Act of 1990.

IV. FINANCING AUDITS AND INSPECTIONS

1. The Subrecipient/CHDO shall document the costs incurred with CDBG/HOME funds with the support of properly executed payrolls, time records, invoices, contracts, vouchers, receipts, or other official documentation that shows in proper detail the nature and propriety of charges. All such documents must be clearly identifiable and readily assessable during the term of the Agreement to City and HUD officials or their authorized representative for audit and examination as often as the City may deem necessary. Additionally, the Subrecipient agrees to securely maintain such documents for a period of three (3) years after termination of this Agreement.
2. The Subrecipient/CHDO is to act within thirty (30) days after the signing of this Agreement to establish a procedure for its accounting operation that will not be inconsistent with Federal Management Circular A-102, Attachment G, and can be certified auditable by the Accountant for the Community Development Department. The auditable procedure shall insure that monies provided by the Community Development Block Grant HOME program can be separately traced from other funds of the Subrecipient.
3. The Recipient shall provide the Subrecipient/CHDO with a copy of any account requirements established by HUD, and the Subrecipient shall thenceforth be responsible for compliance with such requirements.
4. Program Income earned by the Service Agency during the grant period shall be retained by the Subrecipient, and in accordance with OMB Circulars A-102, A-110 and A-122 shall be:
 - a. Added to funds committed to the project by the City and the Subrecipient/CHDO to be used to further eligible program objectives as defined in the scope of services of this Agreement (see Attachment A).
 - b. Deduct from the total project costs for the purposes of determining the net costs on which the Federal (CDBG / HOME) share of the cost will be based.

5. No CDBG/ CHDO funds shall be disbursed under this Agreement by the Subrecipient or any others contracted by the Subrecipient/CHDO unless those contracted are in compliance with City and HUD requirements with regard to fiscal matter and civil rights to the extent such requirements are applicable. The Subrecipient/CHDO shall provide the Recipient with a copy of such contracts.
6. The Subrecipient/CHDO shall provide proof of Bonding Insurance for all employees who handle funds.

V. INSURANCE COVERAGE

The Subrecipient shall indemnify, defend, and hold the Recipient, its officers, and the employees harmless with respect to any damage claim arising out of activities specified by this Agreement. This Subrecipient shall maintain for the entire period of this Agreement a valid policy of liability insurance naming the City of Muskegon (Recipient) as an insured party with limits of not less than \$300,000 per occurrence. The Subrecipient/CHDO shall also maintain coverage during the Agreement period for Workers' Compensation as required by law. The Subrecipient/CHDO shall submit proof of insurance and amount of coverage to the Community Development office prior to receiving any funds.

VI. REPORTS, MONITORING AND EVALUATION

1. The Subrecipient/CHDO agrees to cooperate fully with the Community and Neighborhood Services office, City and HUD officials, Citizen Committees, or any other individuals appointed by City Commission to evaluate and monitor the requirements and performance of programs financed with CDBG HOME funds. The Subrecipient agrees to provide to the same parties listed information and reports, oral or written, as may reasonably be required or requested during the term of this Agreement on matters relating to program activities, performance, or contract compliance.
2. The Subrecipient agrees to complete and submit to the Community and Neighborhood Services Office in a timely manner a Quarterly Performance Report.

The report forms are to be provided by the City. The Subrecipient/CHDO agrees to collect and make available to the Community and Neighborhood Services Department the following information on its clients or program participants:

- a. Street (only) address of the client: (inside or outside City);
- b. Month and year of initial services;
- c. Number of services units rendered to each client served under this agreement;
- d. Age and sex of the client or participant;
- e. Whether the client or participant is the head of household;
- f. Whether client or participant is a member of a minority group (which group);
- g. Family income by family size (which will be indicated by checking an income range category);
- h. Whether client or participant head of household is handicapped;

The information is to be collected on a "Client Card" or tabulation sheets provided by the City. The form will state that the client/participant information being collected is required in order for the Subrecipient to receive Community Development Block Grant HOME funds from the City of Muskegon. Client information will be submitted quarterly with the Performance Reports.

Alternate systems of collecting data required in this section can be developed in consultation with the Community and Neighborhood Services Office. The Recipient retains the final right to approve any waiver of, or amendment to, this reporting requirement.

VII. CONTRACT AMENDMENT

That except as expressly provided elsewhere in this Agreement, any modifications or amendments to this Agreement may be made by mutual Agreement of the Subrecipient and the City Commission. It is expressly understood that this Agreement is subject to HUD Community Development Block Grant/HOME funding regulations. Should HUD act to make changes in regulations or suspend or terminate funding, such actions shall automatically amend this Agreement, if applicable.

VIII. ASSIGNABILITY

The Subrecipient/CHDO shall not assign or transfer any interest in this Agreement without consent of the City Commission.

IX. POLITICAL ACTIVITIES

None of the funds, materials, property or services provided directly or indirectly under this Agreement shall be used for any partisan political activities, or to further the election or defeat of any candidate for office.

X. CONFLICT OF INTEREST

No employee, officer or agent of the Recipient shall participate in the award or administration of this Agreement if a conflict of interest real or apparent, would be involved, or any type of benefit financially, politically or asset wise. (i.e. obtain housing, illegal obtaining of contracts, etc.) See CFR 24.92.356 and CFR 570.611.

XI. CITY'S RIGHT TO ENFORCE

1. The community and Neighborhood Services Department may unilaterally suspend (on a temporary basis) or alter this Agreement, including the amount of funds allocated, for failure to comply with the terms and conditions of this Agreement or failure to comply with regulations for the U.S. Government, or directives of the Muskegon City Commission, some examples of which follow:
 - a. Ineffective or improper use of the Community Development Block Grant/HOME funds:
 - b. Failure to submit complete and correct performance or financial reports;
 - c. Failure to provide services called for in the Scope of Services section within the time frame stated: and
 - d. If for any reason, the program cannot be completed.
2. The City Commission may unilaterally terminate this Contract for failure to comply with the terms and conditions of the Agreement, the regulations of the U.S. government, or directives of the Muskegon City Commission.
3. The Community and Neighborhood Services Department office shall provide reasonable notice to the Subrecipient before action is taken to suspend, alter or terminate this Agreement. Such notice shall include the reasons for the contemplated action and the Subrecipient shall be give a right to protest.
4. In the event this Agreement is terminated by the City Commission, the Ownership of all documents, equipment and properties acquired by CDBG / HOME or Program Income funds shall revert to the Recipient with the decision for final disposition being left to the City Commission. However, the Subrecipient shall receive just compensation for any work satisfactorily completed prior to such termination.

XII. PURSUIT OF ADDITIONAL RESOURCES

The Subrecipient/CHDO shall make bona fide efforts to secure funds and resources from other sources. Further, the Subrecipient/CHDO shall cooperate with the Community and Neighborhood office, as requested, in its efforts to pursue additional or alternative funding. The Subrecipient shall report these efforts as part of the required Quarterly Performance Report.

XIII. TIME PERFORMANCE AGREEMENT TERM

All services rendered hereunder shall be completed by May 31, 2004. This Agreement automatically terminates at that time unless specifically extended by the City Commission. All funds allocated which are unspent or encumbered for services under this Agreement shall be repaid to the City within fifteen (15) days of this date.

XIV. OTHER

1. That it will comply with all requirements applicable to HUD Block Grant Subrecipients set forth in the CDBG Program Requirements contained in 24 Code of Federal Regulation Part 570. Such requirements pertain to, but are not limited to, compliance with OMB Circular A-102, reports and information, audits and inspection, unearned payment, non-discrimination, disposition of real property, and miscellaneous grant administration requirements.
2. That should the Subrecipient/CHDO utilize any portion of CDBG/HOME funds for acquisition of property or relocation of individuals, families, or businesses as a result of a project involving federal financial assistance from HUD, as defined in regulations at 24CFR Part 42.79, all acquisition and/or relocation shall conform to the Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970 (P.L. 91.646), and the regulations which implement the Act (24 CFR Part 42).
3. That except with respect to the rehabilitation of residential use for less than eight families, all contractors engaged under contracts in excess of \$2000 for the construction prosecution, completion or repair of any building or work financed in whole or in part with assistance provided under this agreement, shall comply with HUD requirements pertaining to such Contracts and the applicable requirements of the regulations of the Department of Labor under 29 CFR Parts 2, 5, and 5a, governing the payment of wages and the ratio of apprentices and trainees to journeymen; provided, that if wage rates higher tan those required under such regulations are imposed by State or local law, nothing hereunder is intended to relieve the Subrecipient of its obligations, if any, to require payment of the higher rates. The Subrecipient shall require to be inserted in full in all such contracts subject to such regulations, provisions meeting the requirements of 29 CFR 5.5 and for such contracts in excess of \$10,000, 29n CFR 5a.3.
4. The Subrecipient/CHDO agrees to abide by all other Federal requirements not highlighted in this Agreement, but included in the Community Development Block Grant regulations HOME Regulation available at the Community and Neighborhood Services Department, or other regulations subsequently supplied to the Subrecipeint.

5. That should the Subrecipient/CHDO funding involve construction work, the Subrecipient CHDO contractors(s) agree to allow access to the City or its representative for inspection purposes.
6. Should the Subrecipient/CHDO acquire any real or personal property with funds provided under this Agreement, it will not dispose of such property through sale or otherwise without written permission of Recipient. If property is disposed of without written permission, the proceeds shall be returned to the Recipient, and Subrecipient may be required to reimburse the Recipient for the Federal portion of participation in the project, subject to requirements in the Office of Management and Budget Circular A-102, Attachment N, Property Management Stands.

XV. CONTRACT CLOSEOUT

All contracts will be closed out in accordance with the procedures specified in OMB Circular A-102, Attachment L, and Portions of OMB Circulars A-110 and A-122 applicable to non-profit organizations.

In Witness Whereof, the parties hereto have caused this contract to be executed the day and year above written.

Signed In the Presence Of:

CITY OF MUSKEGON, MICHIGAN
A Municipal Corporation

Witness _____

By: _____
Steve Warmington, Mayor

Witness _____

By: _____
Gail Kunding, City Clerk

Agency Name

Witness _____

By: _____
It's President

Witness _____

By: _____
It's Secretary

ATTACHMENT "A"

SCOPE OF SERVICES

Subrecipient Name _____

SCOPE OF SERVICES

The Scope of Services section below lists the services to be provided under the terms of the Subrecipient/CHDO Agreement. This description shall establish the basis for the Community and Neighborhood Services Office assessment of actual program accomplishments.

I. Location and Hours

The Service Agency shall provide the contracted services at the following locations(s):

II. Eligible Clients

The Subrecipient/CHDO shall take affirmative action to insure that the primary beneficiaries of services rendered under this Agreement are eligible CDBG clients and HOME clients. Eligible clients are defined as those persons of household who:

- a. Reside in the City of Muskegon and
- b. Have household incomes less than or equal to 80 percent of the median of the City.

ATTACHMENT "A"

SCOPE OF SERVICES

III. Description and Quantity of Services to be provided

Describe and number each service to be provided separately. Include the job title of the person (s) who will primarily render the service, the time span, which the service will be offered, if less than the total contract year, and how the service will be rendered.

Estimated quantity of service to be provided (number of persons to be served).

ATTACHMENT "B"

BUDGET

REVENUES

CDBG/HOME FUNDS	\$ _____
*Other (Specify Below)	_____
Program Income	_____
TOTAL REVENUES	\$ _____

Total
Budgeted

Portion to be
Funded by CDBG/HOME

EXPENDITURES

Salaries & Fringes	\$ _____	\$ _____
Consultant & Contract Services	\$ _____	\$ _____
Office Supplies	\$ _____	\$ _____
Telephone	\$ _____	\$ _____
Rent & Related Expenses	\$ _____	\$ _____
Equipment	\$ _____	\$ _____
Office Furniture	\$ _____	\$ _____
Travel	\$ _____	\$ _____
Specific Assistance to Individuals	\$ _____	\$ _____

Miscellaneous (Specify)

_____	\$ _____
_____	\$ _____
_____	\$ _____

TOTAL EXPENDITURES	\$ _____	\$ _____
--------------------	----------	----------

*LIST OTHER REVENUE SOURCES:

1.	\$ _____
2.	\$ _____
3.	\$ _____
4.	\$ _____
5.	\$ _____

2003- 61 (g)

Commission Meeting Date: August 12, 2003

Date: August 5, 2003
To: Honorable Mayor & City Commission
From: Community and Neighborhood Services
Department
RE: Purchase of lot on Octavius

SUMMARY OF REQUEST: To approve the purchase of a lot on Octavius from a Mr. James Douglas for \$200.00. The property description is *City of Muskegon Revised Plat of 1903 South ½ Lot 10 Block 149*. It is adjacent to 503 Octavius, a current City rehabilitation project. If this is approved, the two lots will be combined in order to create a lot in compliance with the City's current zoning guidelines.

FINANCIAL IMPACT: The \$200.00 will be added to the cost of the rehabilitation project at 503 Octavius.

BUDGET ACTION REQUIRED: None

STAFF RECOMMENDATION: To approve the purchase.

COMMITTEE RECOMMENDATION: None needed.

QUIT-CLAIM DEED

KNOW ALL MEN BY THESE PRESENTS: That J. James Douglas, a married man whose address is 4220 E. Fruitport Road , Fruitport, MI

QUIT CLAIMS TO: **City of Muskegon** 933 Terrace Muskegon, Michigan 49443,

the following described premises situated in the City of Muskegon, County of Muskegon, State of Michigan, to wit:

City of Muskegon revised plat of 1903 S ½ lot 10 Block 149

for the sum of Two Hundred and no/100 Dollars (\$200.00)

This deed is exempt from real estate transfer tax pursuant to the provisions of MCLA 207.505(h)(i) and MCLA 207.526 Sec. 6(h)(i).

Dated this 12 day of August, 2003.

Seller

By _____
J. James Douglas

STATE OF MICHIGAN
COUNTY OF MUSKEGON

The foregoing instrument was acknowledged before me this ____ day of _____, 200____,

PREPARED BY:

John C. Schrier
Parmenter O'Toole
175 W. Apple Ave., P. O. Box 786
Muskegon, MI 49443-0786
Telephone: 616/722-1621

Notary Public, Muskegon County, Michigan
My commission expires: _____

SEND SUBSEQUENT TAX BILLS TO: Grantee WHEN RECORDED RETURN TO: Grantee

2003- 61 (K)

Commission Meeting Date: August 12, 2003

Date: August 5, 2003
To: Honorable Mayor & City Commission
From: Community and Neighborhood Services
Department
RE: Approval of Contractor for Construction of House
at 361 Oak.

SUMMARY OF REQUEST: To approve the contract with Holden Construction 291 Washington, Muskegon MI for the construction of the house at 361 Oak for the price \$116,083. The house at 361 Oak will replace a former Turnkey 3 home that was recently demolished by the City of Muskegon. The project at 361 Oak is under the Operation "At Long Last" aka Shangaliwa program. After the house is completed, it will be sold to a qualified first-time homebuyer as part of the City of Muskegon's aggressive neighborhood revitalization efforts. The funding for this project will be supplied from the City of Muskegon HOME funds from the U. S. Department of Housing and Urban Development.

FINANCIAL IMPACT: The funding for the project will be taken from the City's 2002 HOME funds.

BUDGET ACTION REQUIRED: None

STAFF RECOMMENDATION: To approve the contract with the fore mentioned contractor and direct the Mayor and Clerk to sign the contract.

COMMITTEE RECOMMENDATION: None needed.

FYI

The City of Muskegon's Community and Neighborhood Services received a total of four bids for new construction services for 361 Oak and 1668 Beidler.

	<u>361 Oak</u>	<u>1668 Beidler</u>
Holden Construction ** 291 Washington Muskegon, MI 49441	\$116,083	\$121,698
Whitelake Builders 8800 Ferry St. Montague, MI 49437	\$106,010*	\$105,000
Top Notch Design ** 4740 Jenson Fruitport, MI 49415	\$122,470	\$112,829
Bantam 1290 Wood St. Muskegon, MI 49442	\$144,268*	\$129,110

* Errors found in calculations

** Eliminated item, bid decreased by \$2,000

Note

White Lake Builder's did not have positive references.

RESIDENTIAL CONSTRUCTION AGREEMENT

This Residential Construction Agreement is made as of the **13th day of August, 2003** between **City of Muskegon** (the "Owner") and **Holden Construction** ("General Contractor").

BACKGROUND

A. General Contractor and Purchaser agree that General Contractor shall construct a single family residence (the "Residence") for Purchaser pursuant to the Infill Program, according to terms of this Agreement.

THEREFORE, the parties agree as follows:

1. **Building Site.** Owner has signed a binding purchase agreement with Purchaser to give a building site located on the real estate located at **361 Oak (Vacant Land)** and legally described on Exhibit B (the "Property"). Owner has agreed to hire General Contractor to build the Residence on the Property.

2. **The Residence.** General Contractor shall build the Residence in accordance with the plans and specifications, a copy of which is attached as Exhibit C (the "Plans"). Any features of the Residence that are not explicitly described in the Plans shall be determined in the sole discretion of General Contractor. For example, unless specifically set forth on the Plans, the location of all electrical outlets shall be as determined by General Contractor.

3. **Price.** The price for constructing the Residence shall be **\$116,083** ("Price"). **The Price may change in the event Owner and General Contractor and/or Purchaser, agree to change orders, modifications or extras, as defined below, in writing and signed by all the above.**

3.1 The price is based on certain allowances. Allowances are merely estimates of costs for items to be added to the Residence at Purchaser's and Owner's discretion, such as carpeting, light fixtures, window treatments, etc. The allowances used in determining the Price are set forth on Exhibit D. The Price will increase or decrease depending on the actual cost of the items listed as allowances. In the event the actual cost of any allowance exceeds the estimated amount ("Additional Allowance Amount"), Purchaser shall pay the Additional Allowance Amount within 30 days of General Contractor's invoice. No Additional Allowance Amount shall be billed through General Contractor without the express prior written consent of Owner.

4. **Costs Included.** The Price shall include the cost of the building permit and all sales taxes incurred by General Contractor for materials purchased and installed in the Residence, but shall exclude sales tax for those items purchased either by General Contractor or Purchaser as an allowance. The Price shall not include any other costs whatsoever associated with the construction of the Residence, including, but not limited to, utility bills, heating costs, sewer or water hook-up charges, trunkage fees, regional fees, or any other water, sewer or property tax assessments, each of which shall be Purchaser's sole responsibility.

5. **Payment of the Price.** The Price shall be paid in accordance with the following schedule ("Payment Schedule").

General Contractor may request draws from Transnation Title Insurance Co. ("Transnation"), which is acting as escrow agent. Draws may be requested no more than once per month. Requests for draws and documentation required will be in a format acceptable Transnation, and shall include at a minimum lien waivers. The total amount of a draw may never exceed the percentage of completion, less a 10% holdback. The balance owed on the contract, including any holdback, shall be paid upon completion and issuance of a certificate of occupancy.

6. **Modifications/Extras.** No modifications to the Plans ("Modifications") or requests for additional construction ("Extras") shall be binding upon either party, unless the Modifications and/or Extras are set forth on a written change order that is signed by General Contractor, future Purchaser of property ("Purchaser"), and Owner ("Change Order"). The Change Order must provide a detailed description of the Modifications and/or Extras and the cost or credit to be charged. Where a Change Order increases or decreases the Price ("Adjusted Price"), the Adjusted Price shall be paid according to the remaining portion of the Payment Schedule.

7. **Possession.** Purchaser shall be entitled to possession of the Residence upon payment of the Price or Adjusted Price in full. Upon payment in full, General Contractor shall deliver to Purchaser a completed sworn statement and a full unconditional waiver of lien. Payment of the Price or Adjusted Price by Purchaser shall constitute the acceptance of the Residence.

8. **Estimated Completion Date.** General Contractor shall commence construction of the Residence within **30** days from the date the parties sign this agreement **August 13, 2003** ("Commencement Date"). General Contractor shall endeavor to complete the Residence by **December 31, 2003** ("Completion Date"). Provided, that both the Commencement Date and the Completion Date may be extended as a result of circumstances beyond the control of General Contractor, including, but not limited to, delays caused by suppliers or subcontractors, delays for utility hook-ups, Acts of God, labor disputes, governmental inspections, regulations, or permit processes, material back orders, Purchaser's requests for Change Orders, fire, injury or disability to General Contractor or weather.

8. **General Contractor Conditions.** This Agreement is subject to and includes all of the Contractor Conditions attached to this Agreement as Exhibit A.

Owner- City of Muskegon

By: _____

Stephen J. Warmington

Its: Mayor

By: _____

Gail Kunding, MMC

Its: City Clerk

General Contractor – Holden Construction

Dated: _____, _____

By: _____

Curtis Holden

Its: Owner

EXHIBIT A

Contractor CONDITIONS

1. **General Contractor's Warranties.** All building materials used in the construction of the Residence shall be new. General Contractor guarantees its workmanship for a period of one year from the date of final completion. Within that period, General Contractor may replace, at its option, any materials incorporated into the Residence which are defective, provided the manufacturer's warranty is still in full force and effect and, in fact, the manufacturer honors that warranty. To make a claim under this warranty, Purchaser must give General Contractor written notice of any such defect in the workmanship and/or materials promptly upon discovery and not later than expiration of the one year warranty period. This warranty does not apply to workmanship or materials requiring repair or replacement because of normal wear and tear or natural settling. General Contractor shall turn over and transfer to Purchaser all manufacturer's warranties that are delivered directly to General Contractor by the manufacturer. All warranties under this agreement shall transfer upon the date of sale to Buyer as the Purchaser's successor in interest.

2. **Purchaser's Warranties.** Purchaser covenants and warrants that the Property is subject to a binding purchase agreement. Purchaser shall locate the exact location of the Residence on the Property. All corners of Residence shall be clearly marked with surveyor stakes. Purchaser covenants and agrees that such location is in compliance with all applicable federal, state and local rules and regulations, including, but not limited to, building restrictions, set-back requirements, sand dune and wetland laws, and regulations and zoning ordinances. In the event the location of the Residence is moved for any reason, General Contractor expressly reserves the right to increase the Price accordingly to the extent and in such amounts as the new location increases the cost to General Contractor.

3. **License.** General Contractor is a residential General Contractor and a residential maintenance and alteration contractor and is required to be licensed under article 24 of Act 299 of the Public Acts of 1980, as amended, being sections 339.2401 to 399.2412 of the Michigan Compiled Laws. An electrician is required to be licensed under Act No. 217 of the Public Acts of 1956, as amended, being sections 338.881 to 338.892 of the Michigan Compiled Laws. A Plumber is required to be licensed under Act No. 266 of the Public Acts of 1929, as amended being sections 338.901 to 338.917 of the Michigan Compiled Laws. General Contractor is licensed by the State of Michigan as a licensed Michigan Contractor and maintains its license in good standing. General Contractor's License and ID numbers are 2101076141 and 5286548, respectively.

4. **Laws, Ordinances and Regulations.** In connection with the construction of the Residence, General Contractor shall meet and comply with all applicable laws, ordinances, and regulations.

5. **Notice of Commencement.** Purchaser shall deliver a Notice of Commencement in accordance with the Michigan Construction Lien Act within ten days of this Agreement.

6. **Diligent Pursuit.** General Contractor shall diligently pursue its obligations under this Agreement. If Purchaser believes that General Contractor has failed to comply with this paragraph, it shall provide General Contractor not less than 15 days written notice of such non-compliance, a list of Purchaser's specific complaints, and a reasonable time within which General Contractor shall cure any such reasonable complaints. Until Purchaser fully complies with the notice provisions set forth in this paragraph, Purchaser may not replace General Contractor with any other party to complete construction

and may not deduct from the Price any amount paid by Purchaser to complete construction in accordance with the Plans.

7. **Insurance.** Purchaser shall procure and maintain an "all risk" insurance policy and shall name General Contractor as an additional named insured. Purchaser shall provide General Contractor with evidence of such insurance upon request. General Contractor shall maintain a policy of General Contractor's insurance fully insuring the Residence from the date construction commences until the date of substantial completion. Purchaser and their mortgagee may also maintain a policy of insurance upon their interest in the Residence. General Contractor shall also carry public liability insurance with coverage limits not less than \$300,000 single-limit coverage and worker's compensation insurance in an amount not less than the statutory minimum. Such policies shall name Purchaser and their mortgagee as additional named insured. General Contractor shall provide Purchaser with evidence of such insurance upon request. Purchaser and General Contractor waive all rights against each other for damages caused by fire or other perils to the extent covered by insurance provided under this paragraph.

8. **Miscellaneous.**

9.1 **Applicable Law.** This Agreement is executed in, shall be governed by, and construed and interpreted in accordance with the laws of the State of Michigan.

9.2 **Binding Effect.** This Agreement shall be binding upon, inure to the benefit of, and be enforceable by the parties and their respective legal representatives, successors, and assigns.

9.3 **Full Execution.** This Agreement requires the signature of both parties. Until fully executed on a single copy or in counterparts, this Agreement is of no binding force or effect, and if not fully executed, this Agreement is void.

9.4 **Counterparts.** This Agreement may be executed in two or more counterparts, each of which shall be deemed an original as against any party whose signature appears thereon, and all of which together shall constitute one and the same instrument. This Agreement shall become binding upon the parties when one or more counterparts, individually or taken together, shall bear the signatures of all parties.

9.5 **Non-Waiver.** No waiver by any party of any provision of this Agreement shall constitute a waiver by such party of such provision on any other occasion or a waiver by such party of any other provision of the Agreement.

9.6 **Severability.** Should any one or more of the provisions of this Agreement be determined to be invalid, unlawful, or unenforceable in any respect, the validity, legality, and enforceability of the remaining provisions shall not in any way be impaired or affected.

9.7 **No Discrimination.** Discrimination on the basis of religion, race, creed, color, national origin, age, sex, marital status, or handicapped condition by either party in respect to the construction of the Residence is prohibited.

9.8 **Assignment or Delegation.** Neither General Contractor nor Purchaser may assign all or any part of this Agreement. Provided, that General Contractor may delegate all or any part of its obligations to perform the services under this Agreement, to any persons or entities

that General Contractor, in its sole discretion, deems appropriate, including sub-contractors. Such delegation shall be at the sole expense of General Contractor unless otherwise provided.

9.9 Notices. All required or permitted written notices shall be deemed effective and duly given when: (i) personally delivered; (ii) sent by fax; (iii) one day after depositing in the custody of a nationally recognized receipted overnight delivery service; or (iv) two days after posting in the U.S. first class, registered or certified mail, postage prepaid, to the recipient party at the address as set forth at the outset of this Agreement, or to such other address as the recipient party shall have furnished to the sender in accordance with the requirements for the giving of notice.

9.10 Pronouns. For convenience, Purchaser has been referred to this Agreement sometimes in the singular and at other times in the plural.

Owner- City of Muskegon

By: _____
Stephen J. Warmington, Mayor

By: _____
Gail Kunding, MMC City Clerk

General Contractor– Holden Construction

Dated: _____, _____

By: _____
Curtis Holden
Its: Owner

EXHIBIT B
Legal Description

The City of Muskegon revised plat of 1903 Lot 4 Block 202

2003- 61 2)

Commission Meeting Date: August 12, 2003

Date: August 5, 2003
To: Honorable Mayor & City Commission
From: Community and Neighborhood Services
Department
RE: Approval of Contractor for Construction of House
at 1668 Beidler.

SUMMARY OF REQUEST: To approve the contract with Top Notch Design, 4740 Jenson Rd, Fruitport MI for the construction of the new home to be located at 1668 Beidler for the cost of \$112,829. The site at 1668 Beidler formerly was occupied by a Turnkey 3 home that was recently demolished. 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 "At Long Last."

FINANCIAL IMPACT: The funding for the project will be taken from the City's 2003 HOME funds.

BUDGET ACTION REQUIRED: None

STAFF RECOMMENDATION: To approve the contract with Top Notch Design and direct the Mayor and Clerk to sign the contract.

COMMITTEE RECOMMENDATION: None needed.

FYI

The City of Muskegon's Community and Neighborhood Services received a total of four bids for new construction services for 361 Oak and 1668 Beidler.

	<u>361 Oak</u>	<u>1668 Beidler</u>
Holden Construction ** 291 Washington Muskegon, MI 49441	\$116,083	\$121,698
Whitelake Builders 8800 Ferry St. Montague, MI 49437	\$106,010*	\$105,000
Top Notch Design ** 4740 Jenson Fruitport, MI 49415	\$122,470	\$112,829
Bantam 1290 Wood St. Muskegon, MI 49442	\$144,268*	\$129,110

* Errors found in calculations

** Eliminated item, bid decreased by \$2,000

Note

White Lake Builder's did not have positive references.

RESIDENTIAL CONSTRUCTION AGREEMENT

This Residential Construction Agreement is made as of the 13th day of August, 2003 between City of Muskegon (the "Owner") and Top Notch Design Contractors ("General Contractor").

BACKGROUND

A. General Contractor and Purchaser agree that General Contractor shall construct a single family residence (the "Residence") for Purchaser pursuant to the Infill Program, according to terms of this Agreement.

THEREFORE, the parties agree as follows:

1. **Building Site.** Owner has signed a binding purchase agreement with Purchaser to give a building site located on the real estate located at 1668 Beidler (Vacant Land) and legally described on Exhibit B (the "Property"). Owner has agreed to hire General Contractor to build the Residence on the Property.

2. **The Residence.** General Contractor shall build the Residence in accordance with the plans and specifications, a copy of which is attached as Exhibit C (the "Plans"). Any features of the Residence that are not explicitly described in the Plans shall be determined in the sole discretion of General Contractor. For example, unless specifically set forth on the Plans, the location of all electrical outlets shall be as determined by General Contractor.

3. **Price.** The price for constructing the Residence shall be \$112,829 ("Price"). **The Price may change in the event Owner and General Contractor and/or Purchaser, agree to change orders, modifications or extras, as defined below, in writing and signed by all the above.**

3.1 The price is based on certain allowances. Allowances are merely estimates of costs for items to be added to the Residence at Purchaser's and Owner's discretion, such as carpeting, light fixtures, window treatments, etc. The allowances used in determining the Price are set forth on Exhibit D. The Price will increase or decrease depending on the actual cost of the items listed as allowances. In the event the actual cost of any allowance exceeds the estimated amount ("Additional Allowance Amount"), Purchaser shall pay the Additional Allowance Amount within 30 days of General Contractor's invoice. No Additional Allowance Amount shall be billed through General Contractor without the express prior written consent of Owner.

4. **Costs Included.** The Price shall include the cost of the building permit and all sales taxes incurred by General Contractor for materials purchased and installed in the Residence, but shall exclude sales tax for those items purchased either by General Contractor or Purchaser as an allowance. The Price shall not include any other costs whatsoever associated with the construction of the Residence, including, but not limited to, utility bills, heating costs,

sewer or water hook-up charges, trunkage fees, regional fees, or any other water, sewer or property tax assessments, each of which shall be Purchaser's sole responsibility.

5. **Payment of the Price.** The Price shall be paid in accordance with the following schedule ("Payment Schedule").

General Contractor may request draws from Transnation Title Insurance Co. ("Transnation"), which is acting as escrow agent. Draws may be requested no more than once per month. Requests for draws and documentation required will be in a format acceptable Transnation, and shall include at a minimum lien waivers. The total amount of a draw may never exceed the percentage of completion, less a 10% holdback. The balance owed on the contract, including any holdback, shall be paid upon completion and issuance of a certificate of occupancy.

6. **Modifications/Extras.** No modifications to the Plans ("Modifications") or requests for additional construction ("Extras") shall be binding upon either party, unless the Modifications and/or Extras are set forth on a written change order that is signed by General Contractor, future Purchaser of property ("Purchaser"), and Owner ("Change Order"). The Change Order must provide a detailed description of the Modifications and/or Extras and the cost or credit to be charged. Where a Change Order increases or decreases the Price ("Adjusted Price"), the Adjusted Price shall be paid according to the remaining portion of the Payment Schedule.

7. **Possession.** Purchaser shall be entitled to possession of the Residence upon payment of the Price or Adjusted Price in full. Upon payment in full, General Contractor shall deliver to Purchaser a completed sworn statement and a full unconditional waiver of lien. Payment of the Price or Adjusted Price by Purchaser shall constitute the acceptance of the Residence.

8. **Estimated Completion Date.** General Contractor shall commence construction of the Residence within **30** days from the date the parties sign this agreement **August 13, 2003** ("Commencement Date"). General Contractor shall endeavor to complete the Residence by **December 31, 2003** ("Completion Date"). Provided, that both the Commencement Date and the Completion Date may be extended as a result of circumstances beyond the control of General Contractor, including, but not limited to, delays caused by suppliers or subcontractors, delays for utility hook-ups, Acts of God, labor disputes, governmental inspections, regulations, or permit processes, material back orders, Purchaser's requests for Change Orders, fire, injury or disability to General Contractor or weather.

8. **General Contractor Conditions.** This Agreement is subject to and includes all of the Contractor Conditions attached to this Agreement as Exhibit A.

Owner- City of Muskegon

By: _____
Stephen J. Warmington

Its: Mayor

By: _____
Gail Kunding, MMC

Its: City Clerk

**General Contractor –Top Notch Design
Contractors**

Dated: _____, _____

By: _____
Donald Beach

Its: Owner

EXHIBIT A

Contractor CONDITIONS

1. **General Contractor's Warranties.** All building materials used in the construction of the Residence shall be new. General Contractor guarantees its workmanship for a period of one year from the date of final completion. Within that period, General Contractor may replace, at its option, any materials incorporated into the Residence which are defective, provided the manufacturer's warranty is still in full force and effect and, in fact, the manufacturer honors that warranty. To make a claim under this warranty, Purchaser must give General Contractor written notice of any such defect in the workmanship and/or materials promptly upon discovery and not later than expiration of the one year warranty period. This warranty does not apply to workmanship or materials requiring repair or replacement because of normal wear and tear or natural settling. General Contractor shall turn over and transfer to Purchaser all manufacturer's warranties that are delivered directly to General Contractor by the manufacturer. All warranties under this agreement shall transfer upon the date of sale to Buyer as the Purchaser's successor in interest.

2. **Purchaser's Warranties.** Purchaser covenants and warrants that the Property is subject to a binding purchase agreement. Purchaser shall locate the exact location of the Residence on the Property. All corners of Residence shall be clearly marked with surveyor stakes. Purchaser covenants and agrees that such location is in compliance with all applicable federal, state and local rules and regulations, including, but not limited to, building restrictions, set-back requirements, sand dune and wetland laws, and regulations and zoning ordinances. In the event the location of the Residence is moved for any reason, General Contractor expressly reserves the right to increase the Price accordingly to the extent and in such amounts as the new location increases the cost to General Contractor.

3. **License.** General Contractor is a residential General Contractor and a residential maintenance and alteration contractor and is required to be licensed under article 24 of Act 299 of the Public Acts of 1980, as amended, being sections 339.2401 to 399.2412 of the Michigan Compiled Laws. An electrician is required to be licensed under Act No. 217 of the Public Acts of 1956, as amended, being sections 338.881 to 338.892 of the Michigan Compiled Laws. A Plumber is required to be licensed under Act No. 266 of the Public Acts of 1929, as amended being sections 338.901 to 338.917 of the Michigan Compiled Laws. General Contractor is licensed by the State of Michigan as a licensed Michigan Contractor and maintains its license in good standing. General Contractor's License and ID numbers are 2101123555 and 2929181, respectively.

4. **Laws, Ordinances and Regulations.** In connection with the construction of the Residence, General Contractor shall meet and comply with all applicable laws, ordinances, and regulations.

5. **Notice of Commencement.** Purchaser shall deliver a Notice of Commencement in accordance with the Michigan Construction Lien Act within ten days of this Agreement.

6. **Diligent Pursuit.** General Contractor shall diligently pursue its obligations under this Agreement. If Purchaser believes that General Contractor has failed to comply with this paragraph, it shall provide General Contractor not less than 15 days written notice of such non-compliance, a list of Purchaser's specific complaints, and a reasonable time within which General Contractor shall cure any such reasonable complaints. Until Purchaser fully complies with the notice provisions set forth in this paragraph, Purchaser may not replace General Contractor with any other party to complete construction

and may not deduct from the Price any amount paid by Purchaser to complete construction in accordance with the Plans.

7. **Insurance.** Purchaser shall procure and maintain an "all risk" insurance policy and shall name General Contractor as an additional named insured. Purchaser shall provide General Contractor with evidence of such insurance upon request. General Contractor shall maintain a policy of General Contractor's insurance fully insuring the Residence from the date construction commences until the date of substantial completion. Purchaser and their mortgagee may also maintain a policy of insurance upon their interest in the Residence. General Contractor shall also carry public liability insurance with coverage limits not less than \$300,000 single-limit coverage and worker's compensation insurance in an amount not less than the statutory minimum. Such policies shall name Purchaser and their mortgagee as additional named insured. General Contractor shall provide Purchaser with evidence of such insurance upon request. Purchaser and General Contractor waive all rights against each other for damages caused by fire or other perils to the extent covered by insurance provided under this paragraph.

8. **Miscellaneous.**

9.1 **Applicable Law.** This Agreement is executed in, shall be governed by, and construed and interpreted in accordance with the laws of the State of Michigan.

9.2 **Binding Effect.** This Agreement shall be binding upon, inure to the benefit of, and be enforceable by the parties and their respective legal representatives, successors, and assigns.

9.3 **Full Execution.** This Agreement requires the signature of both parties. Until fully executed on a single copy or in counterparts, this Agreement is of no binding force or effect, and if not fully executed, this Agreement is void.

9.4 **Counterparts.** This Agreement may be executed in two or more counterparts, each of which shall be deemed an original as against any party whose signature appears thereon, and all of which together shall constitute one and the same instrument. This Agreement shall become binding upon the parties when one or more counterparts, individually or taken together, shall bear the signatures of all parties.

9.5 **Non-Waiver.** No waiver by any party of any provision of this Agreement shall constitute a waiver by such party of such provision on any other occasion or a waiver by such party of any other provision of the Agreement.

9.6 **Severability.** Should any one or more of the provisions of this Agreement be determined to be invalid, unlawful, or unenforceable in any respect, the validity, legality, and enforceability of the remaining provisions shall not in any way be impaired or affected.

9.7 **No Discrimination.** Discrimination on the basis of religion, race, creed, color, national origin, age, sex, marital status, or handicapped condition by either party in respect to the construction of the Residence is prohibited.

9.8 **Assignment or Delegation.** Neither General Contractor nor Purchaser may assign all or any part of this Agreement. Provided, that General Contractor may delegate all or any part of its obligations to perform the services under this Agreement, to any persons or entities

that General Contractor, in its sole discretion, deems appropriate, including sub-contractors. Such delegation shall be at the sole expense of General Contractor unless otherwise provided.

9.9 Notices. All required or permitted written notices shall be deemed effective and duly given when: (i) personally delivered; (ii) sent by fax; (iii) one day after depositing in the custody of a nationally recognized receipted overnight delivery service; or (iv) two days after posting in the U.S. first class, registered or certified mail, postage prepaid, to the recipient party at the address as set forth at the outset of this Agreement, or to such other address as the recipient party shall have furnished to the sender in accordance with the requirements for the giving of notice.

9.10 Pronouns. For convenience, Purchaser has been referred to this Agreement sometimes in the singular and at other times in the plural.

Owner- City of Muskegon

By: _____
Stephen J. Warmington, Mayor

By: _____
Gail Kunding, MMC City Clerk

**General Contractor-Top Notch Design
Contractors**

Dated: _____, _____

By: _____
Donald Beach
Its: Owner

EXHIBIT B
Legal Description

The City of Muskegon revised plat of 1903 Block 436 S 85 Ft Lots 17 & 18

DATE: August 5, 2003

2003-62 (Ch)

TO: Honorable Mayor and City Commissioners

FROM: Robert B. Grabinski, Director of Inspection Services

RE: Professional Services Agreement with Muskegon Charter Township

SUMMARY OF REQUEST: This is to request the city commission approve the attached Professional Service Agreement between the City of Muskegon and Muskegon Charter Township. This agreement is to allow the Inspection Services to conduct the electrical inspections and plan reviews for Muskegon Charter Township on a contractual basis. It is also requested that if approved, the commission authorize the Mayor and City Clerk to sign the agreement.

STAFF RECOMMENDATION: To approve and authorize the Mayor and Clerk to sign the attached service agreement after it has been approved by Muskegon Charter Township officials.

CITY COMMISSION RECOMMENDATION: The commission will consider this item at it's meeting held on Tuesday, August 12, 2003.

**City of Muskegon
Professional Services Agreement
Electrical Inspections**

Agreement made and entered into this ____ day of _____ by and between the City of Muskegon, a Home Rule City (hereinafter referred to as "City"), and Muskegon Charter Township, a Municipal Corporation (hereinafter referred to as "Township").

1. It is agreed by the City and the Township that Electrical Inspection Services shall be performed upon Township request under conditions set by the Township.
 - a. The City shall receive 80% of the electrical permit fees collected by the Township.
 - b. The City shall receive \$35.00 per requested complaint inspection of property not related to a permit.
 - c. Scheduling: Upon notification of a request for inspection, the City Inspection Services Department will schedule accordingly.
 - d. Plan Review shall be paid at \$35.00 per hour.
 - e. The Township will compensate the City monthly based on permits issued, other work performed, and an invoice for plan review fees.
2. The City will maintain the certifications of the Electrical Inspector(s) as required by the State of Michigan in accordance with P.A. No. 54.
3. This agreement may be amended upon the mutual consent of both parties.
4. It is understood that the Electrical Inspector(s) is/are employees of the City and not the Township.
5. Liability insurance coverage shall be provided by the Township. To the fullest extent permitted by law, Muskegon Charter Township agrees to defend, pay in behalf of, and hold harmless the City of Muskegon, its elected and appointed officials, employees, and volunteers and others working in behalf of the City of Muskegon against any and all claims, demands, suits, or loss, including all costs

connected therewith, and for any damages which may be asserted, claimed or recovered against or from the City of Muskegon, its elected and appointed officials, employees, volunteers, or others working in behalf of the City of Muskegon by reason of personal injury, including bodily injury and death and/or property damage, including loss of use thereof, which arises out of or is in any way connected or associated with this contract.

6. This agreement may be cancelled, upon written notification, within 30 days by either party for any reason.

In witness whereof, the parties hereto have signed this Agreement.

WITNESSES:

James Nielsen, Clerk
Muskegon Charter Township

Gail A. Kunding, Clerk
City of Muskegon

P. Don Aley, Supervisor
Muskegon Charter Township

Stephen Warmington, Mayor
City of Muskegon

STATE OF MICHIGAN
COUNTY OF MUSKEGON

The foregoing instrument was acknowledged before me this _____ day of _____, 2003, by _____

2003-263 a)

Commission Meeting Date: August 12, 2003

Date: July 16, 2003
To: Honorable Mayor & City Commission
From: Planning & Economic Development Department CB
**RE: Public Hearing for Amendments to Brownfield
Plan- Gillespie Development, Loft Properties, LLC
and Parmenter O'Toole**

SUMMARY OF REQUEST: To hold a public hearing and approve the attached resolution approving and adopting amendments for the Brownfield Plan. The amendments are for the inclusion of property owned by Lakefront LLC (which will be sold to Gillespie Development and Loft Properties, LLC and leased to Parmenter O'Toole) in the Brownfield Plan.

FINANCIAL IMPACT: There is no direct financial impact in approving the Brownfield Plan amendments, although the development of the offices, condominiums and retail space, proposed by the owner/developers of the Edison landing site, will add to the tax base of the City of Muskegon.

BUDGET ACTION REQUIRED: None.

STAFF RECOMMENDATION: To hold the public hearing and approve the attached resolution and authorize the Mayor and Clerk to sign the resolution.

COMMITTEE RECOMMENDATION: The Muskegon City Commission set the public hearing for August 12, 2003, at their July 8, 2003 meeting. Since that time, a notice of the public hearing has been sent to taxing jurisdictions, and it has been published twice in the Muskegon Chronicle. In addition, the Brownfield Redevelopment Authority approved the Plan amendment on July 7, 2003 and further recommends that the Muskegon City Commission approve the Plan amendment.

RESOLUTION APPROVING THE BROWNFIELD PLAN AMENDMENT

City of Muskegon

County of Muskegon, Michigan

Minutes of a Regular Meeting of the City Commission of the City of Muskegon, County of Muskegon, Michigan (the "City"), held in the City Commission Chambers, on the 12th day of August, 2003, at 5:30 o'clock p.m., prevailing Eastern Time.

PRESENT: Members

Warminington, Buie, Gawron, Larson, Schweifler, Shepherd, Spataro

ABSENT: Members

None

The following preamble and resolution were offered by Member Schweifler and supported by Member Buie:

WHEREAS, in accordance with the provisions of Act 381, Public Acts of Michigan, 1996, as amended ("Act 381"), the City of Muskegon Brownfield Redevelopment Authority (the "Authority") has prepared and approved a Brownfield Plan Amendment at its meeting of July 8, 2003; and

WHEREAS, the Authority has forwarded the Brownfield Plan Amendment to the City Commission requesting its approval of the Brownfield Plan Amendment; and

WHEREAS, the City Commission has provided notice and a reasonable opportunity to the taxing jurisdictions levying taxes subject to capture to express their views and recommendations regarding the Brownfield Plan, as required by Act 381; and

WHEREAS, not less than 20 days has passed since the City Commission provided notice of the proposed Brownfield Plan to the taxing units; and

WHEREAS, the City Commission held a public hearing on the proposed Brownfield Plan on August 12, 2003.

NOW, THEREFORE, BE IT RESOLVED, THAT:

1. Definitions. Where used in this Resolution the terms set forth below shall have the following meaning unless the context clearly requires otherwise:

"Eligible Property" means the property designated in the Brownfield Plan as the Eligible Property, as described in Act 381.

"Brownfield Plan" means the Brownfield Plan prepared by the Authority, as transmitted to the City Clerk by the Authority for approval, copies of which Brownfield Plan are on file in the office of the City Clerk.

"Taxing Jurisdiction" shall mean each unit of government levying an ad valorem property tax on the Eligible Property.

2. Public Purpose. The City Commission hereby determines that the Brownfield Plan Amendment constitutes a public purpose.

3. Best Interest of the Public. The City Commission hereby determines that it is in the best interests of the public to promote the revitalization of eligible properties in the City to proceed with the Brownfield Plan Amendment.

4. Review Considerations. As required by Act 381, the City Commission has, in reviewing the Brownfield Plan Amendment, taken into consideration whether the Brownfield Plan Amendment meets the requirements set forth in Section 13 of Act 381.
5. Approval and Adoption of Brownfield Plan Amendment. The Brownfield Plan Amendment as submitted by the Authority is hereby approved and adopted. A copy of the Brownfield Plan and all amendments thereto shall be maintained on file in the City Clerk's office.
6. No Capture of Tax Increment Revenues by Authority. The Authority shall not capture Tax Increment Revenues on the Eligible Property, as described in the Brownfield Plan Amendment.
7. Disclaimer. By adoption of this resolution and approval of the Brownfield Plan Amendment, the City assumes no obligation or liability to the owner, developer or lessor of the Eligible Property for any loss or damage that may result to such persons from the adoption of this resolution and Brownfield Plan Amendment. The City makes no guarantees or representations as to the determinations of the appropriate state officials regarding the ability of the owner, developer or lessor to qualify for a single business tax credit pursuant to Act 228, Public Acts of Michigan, 1975, as amended, or as to the ability of the Authority to capture tax increment revenues from the State and local school district taxes for the Brownfield Plan.
8. Repealer. All resolutions and parts of resolutions insofar as they conflict with the provisions of this resolution be and the same hereby are rescinded.

AYES: Members

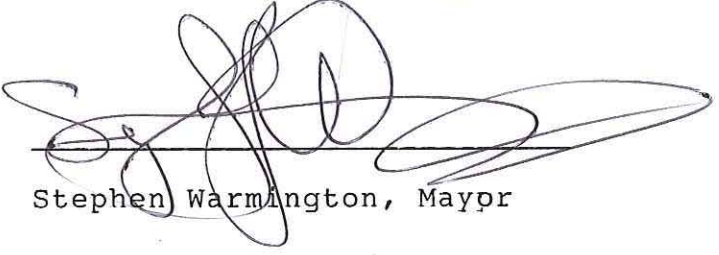
Buie, Gawron, Larson, Schweifler, Shepherd, Spataro, Warmington

NAYS:

Members None

RESOLUTION DECLARED ADOPTED.


Gail A. Kunding, City Clerk


Stephen Warmington, Mayor

I hereby certify that the foregoing is a true and complete copy of a resolution adopted by the City Commission of the City of Muskegon, County of Muskegon, State of Michigan, at a regular meeting held on August 12, 2003, and that said meeting was conducted and public notice of said meeting was given pursuant to and in full compliance with the Open Meetings Act, being Act 267, Public Acts of Michigan, 1976, as amended, and that the minutes of said meeting were kept and will be or have been made available as required by said Act.


Gail A. Kunding, City Clerk

CITY OF MUSKEGON
BROWNFIELD REDEVELOPMENT AUTHORITY
BROWNFIELD PLAN AMENDMENT

Original Plan Approved by the Board of the City of Muskegon Brownfield Redevelopment Authority on February 23, 1998.

Original Plan Approved by the City Commission of the City of Muskegon on April 14, 1998.

Amended by the Board of the City of Muskegon Brownfield Redevelopment Authority on August 10, 1998

Amended by the City Commission of the City of Muskegon on August 11, 1998

Amended by the Board of the City of Muskegon Brownfield Redevelopment Authority on June 13, 2000.

Amended by the City Commission of the City of Muskegon on July 11, 2000.

Amended by the Board of the City of Muskegon Brownfield Redevelopment Authority on April 15, 2003.

Amended by the City Commission of the City of Muskegon on May 27, 2003.

Amended by the Board of the City of Muskegon Brownfield Redevelopment Authority on July 7, 2003.

Amended by the City Commission of the City of Muskegon on August 12, 2003.

CITY OF MUSKEGON
BROWNFIELD REDEVELOPMENT AUTHORITY
BROWNFIELD PLAN

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Eligible Properties
 - E. Local Site Remediation Revolving Fund
- III. SITE SPECIFIC PROVISIONS
 - A. Kirksey/Anaconda Property (Approved 4/14/98)
 - B. Dilesco Corporation Property (Approved 8/11/98)
 - C. Beacon Recycling (Approved 7/11/00)
 - D. Verplank Dock Company (Approved 5/27/03)
 - E. Gillespie Development Property (Approved _____)
 - F. Loft Properties, LLC Property (Approved _____)
 - G. Parmenter O'Toole Property (Approved _____)

II. GENERAL PROVISIONS

A. Costs of the Brownfield Plan (Section 13(1)(a))

Any site-specific costs of implementing this Plan are described in the site-specific section of the Plan. Site-specific sources of funding may include tax increment financing revenue generated from new development on eligible brownfield properties, state and federal grant or loan funds, and/or private parties. Where private parties finance the costs of eligible activities under the Plan, tax increment revenues may be used to reimburse the private parties. The initial costs related to preparation of the Brownfield Plan were funded by the City's general fund. Subsequent amendments to the Plan are funded by the person requesting inclusion of a project in the Plan.

The Authority intends to pay for administrative costs and all of the things necessary or convenient to achieve the objectives and purposes of the Authority including, but not limited to:

- i) the cost of financial tracking and auditing the funds of the Authority,
- ii) costs for amending and/or updating this Plan, including legal fees, and
- iii) costs for Plan implementation

with any eligible tax increment revenues collected pursuant to the Plan. However, at this time, there are no properties included in this plan that will utilize tax increment financing and therefore there are currently no tax increment revenues to pay for these costs. As noted above, most costs related to the preparation of Plan amendments are borne by the person requesting inclusion of a project within the Plan.

B. Method for Financing Costs of Plan (Section 13(1)(d) and (e))

The Authority does not intend at this time to incur debt, such as through the issuance of bonds or other financing mechanisms. In the future, the City or Brownfield Authority may incur some debt on a site-specific basis. Please refer to the site-specific section of this Plan for details on any debt to be incurred by the City or Authority. When a property proposed for inclusion in the Plan is in an area where tax increment financing is a viable option, the Authority intends to enter into Development Agreements with the property owners/developers of a properties included in the Plan to reimburse them for the costs of eligible activities undertaken pursuant to this Plan. Financing arrangements will be specified in the Development Agreement, and also identified in the Site Specific section of the Plan.

I. INTRODUCTION

In order to promote the revitalization of commercial, industrial, and residential properties within the boundaries of the City of Muskegon (the "City"), the City established the City of Muskegon Brownfield Redevelopment Authority (the "Authority") pursuant to Act 381, Public Acts of Michigan, as amended ("Act 381"), and a resolution adopted by the Muskegon City Commission on February 10, 1998.

The major purpose of this Brownfield Plan ("Plan") is to promote the redevelopment of *eligible properties* within the City that are impacted by the presence of hazardous substances in concentrations that exceed Michigan's Part 201 Generic Cleanup Criteria ("facilities") or that have been determined to be Functionally Obsolete or Blighted. Inclusion of property within this Plan can facilitate financing of environmental response activities, infrastructure improvements, demolition, lead or asbestos abatement, and site preparation activities at *eligible properties*; and may also provide tax incentives to eligible taxpayers willing to invest in revitalization of *eligible properties*. By facilitating redevelopment of underutilized *eligible properties*, the Plan is intended to promote economic growth for the benefit of the residents of the City and all taxing units located within and benefited by the Authority.

This plan is intended to be a living document, which can be amended as necessary to achieve the purposes of Act 381. It is specifically anticipated that properties will be continually added to the Plan as new projects are identified. The Plan contains general provisions applicable to each site included in the Plan, as well as property-specific information for each project. The applicable Sections of Act 381 are noted throughout the Plan for reference purposes.

This Brownfield Plan contains the information required by Section 13(1) of Act 381, as amended. Additional information is available from the City Manager.

C. Duration of the Brownfield Plan (Section 13(1)(f))

The Plan, as it applies to a specific eligible property, shall be effective up to five (5) years after the year in which the total amount of any tax increment revenue captured is equal to the total costs of *eligible activities* attributable to the specific *eligible property*, or thirty (30) years from the date of approval of the Plan as it relates to an individual site, whichever is less. The total costs of *eligible activities* include the cost of principal and interest on any note or obligation issued by the Authority to pay for the costs of *eligible activities*, the reasonable costs of a work plan or remedial action plan, the actual costs of the Michigan Department of Environmental Quality's or Michigan Economic Growth Authority's review of the work plan or remedial action plan, and implementation of the *eligible activities*.

D. Displacement/Relocation of Individuals on *Eligible Properties* (Section 13(1)(i, j, k, l))

At this time, *eligible properties* identified in this Plan do not contain residences, nor are there any current plans or intentions by the City for identifying *eligible properties* that will require the relocation of residences. Therefore the provisions of Section 13(1)(i-l) are not applicable at this time.

E. Local Site Remediation Revolving Fund (Section 8; Section 13(1)(m))

At the time this Plan includes a property for which taxes will be captured through the increment financing authority provided by Act 381, it is the Authority's intent to establish a Local Site Remediation Revolving Fund ("Fund"). The Fund will consist of tax increment revenues that exceed the costs of eligible activities incurred on an eligible property, as specified in Section 13(5) of Act 381. Section 13(5) authorizes the capture of tax increment revenue from an eligible property for up to 5 years after the time that capture is required for the purposes of paying the costs of eligible activities identified in the Plan. It is the intention of the Authority to continue to capture tax increment revenues for 5 years after eligible activities are funded from those properties identified for tax capture in the Plan. The amount of school operating taxes captured for the Revolving Fund will be limited to the amount of school operating taxes captured for eligible activities under this Plan. It may also include funds appropriated or otherwise made available from public or private sources.

The Revolving Fund may be used to reimburse the Authority, the City, and private parties for the costs of eligible activities at *eligible properties* and other costs as permitted by Act 381. It may also be used for eligible activities on *eligible properties* for which there is no ability to capture tax increment revenues. The establishment of this Revolving Fund will provide additional flexibility to the Authority in facilitating redevelopment of brownfield properties by providing another source of financing for necessary eligible activities.

SITE SPECIFIC PROVISIONS

E. Gillespie Development

Eligibility and Project Summary (Sec. 13(1)(h))

Gillespie Development intends to acquire Lots J, K, L, and M of the Muskegon SmartZone, a site condominium known as Edison Landing located in downtown Muskegon ("Gillespie Property"). A Legal Description and map of the Gillespie Property is included in Attachment E-1.

A Baseline Environmental Assessment and Due Care compliance analysis conducted pursuant to Part 201 of Michigan's Natural Resources and Environmental Protection Act is currently being prepared for the Gillespie Property on behalf of Muskegon Lake, L.L.C. through Muskegon's CMI Brownfield Redevelopment Grant. The Property is also part of the "facility" addressed by a Remedial Action Plan (RAP) prepared on behalf of TDY Industries for the former Continental Motors/Teledyne site. The BEA and RAP both conclude that the property is a "facility" pursuant to Part 201, and is therefore an *eligible property* pursuant to Act 381. This *eligible property* includes all personal property.

The planned Gillespie project spans 4 (four) lots on the 16-lot Edison Landing project. Called "The MarketPlace at Edison Landing", the development will include residential, commercial, retail, and office uses. Current plans envision 50 residential units, 4-5 restaurants/bistros, banks, an art studio, day spa/salons, a gym, and offices. Pending completion of the Shoreline Drive extension, Gillespie intends to initiate site preparation in Fall 2003. Based on the estimated square footage to be constructed (46,800 ft² residential, 33,400 ft² commercial), Gillespie estimates that approximately 266 new jobs will be created by this project. These positions will be concentrated in the restaurants and bank; a smaller number of positions will be created by the tenants in the main commercial buildings. Current estimates indicate that this project will involve over \$10 million in private investment.

Eligible Activities, Financing, Cost of Plan (Sec. 13(1)(a),(b),(c),(d),(g))

Eligible activities that have been conducted on the property include additional response activities through implementation of a RAP; and preparation of a Baseline Environmental Assessment and Section 7a (Due Care) Compliance Analysis. Future eligible activities would likely be related to Due Care response activities, which may be funded by the CMI Brownfield Grant. Therefore, there are no *eligible costs* proposed to be financed with tax increment revenues. Further, the property is in the LDFA District thereby making brownfield tax increment financing unavailable. As such, there are no costs to the City of

City of Muskegon Brownfield Plan Amendment
July 2003

Muskegon or its taxing jurisdictions as a result of the Gillespie Property being included in this Plan.

Single Business Tax Credit

The Gillespie Property is included in the Plan to enable "*qualified taxpayers*" as defined by Act 228 of 1975, as amended, to avail themselves of eligibility for a credit against their Michigan single business tax liability for "*eligible investments*" as defined by P.A. 228. "*Eligible investments*" include demolition, construction, restoration, alteration, renovation, or improvement of buildings or site improvements on eligible property and the addition of machinery, equipment, and fixtures to *eligible property* after the effective date of this Plan Amendment.

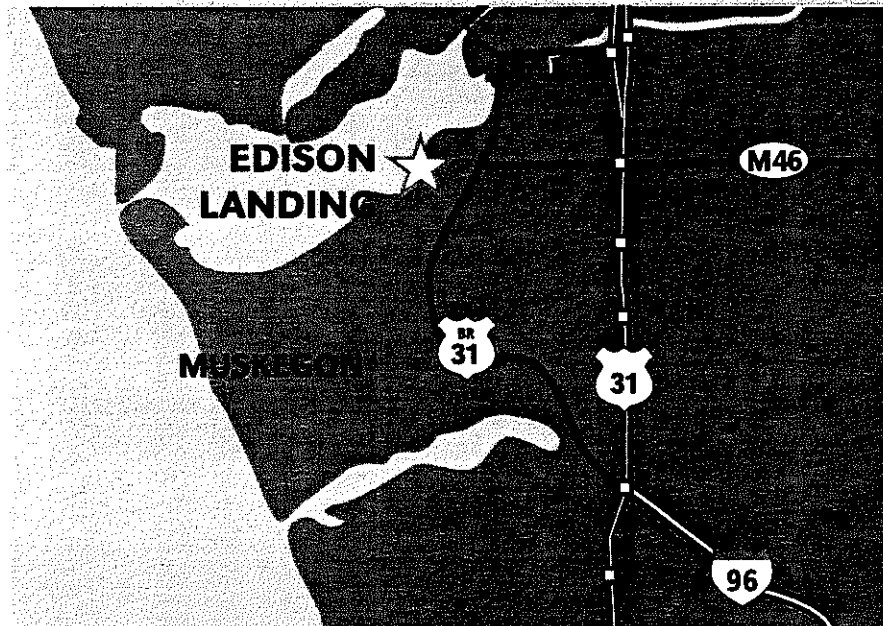
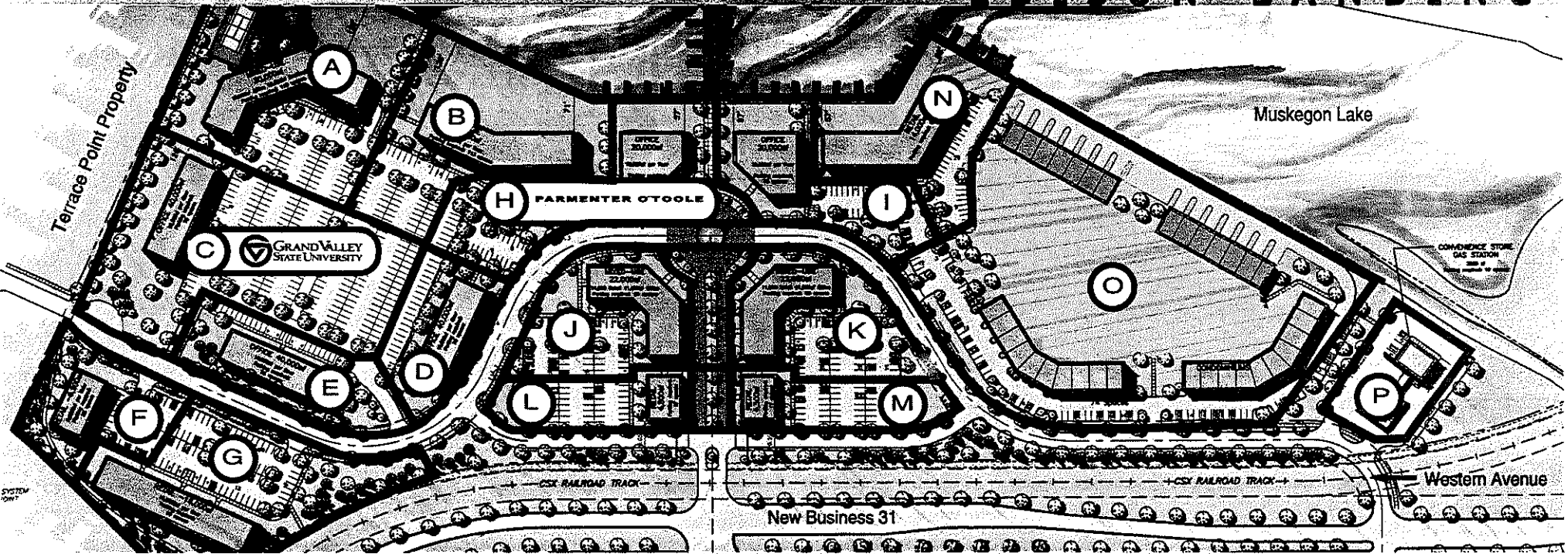
Effective Date of Inclusion in Brownfield Plan

The Gillespie Property was added to this Plan on _____ 2003.

ATTACHMENT E-1

SITE MAP, LEGAL DESCRIPTION GILLESPIE DEVELOPMENT PROPERTY

EDISON LANDING



UNIT	SQUARE FT.	USE	INITIAL OFFERING PRICE
A	30,000	Residential	Sale Pending
B	30,000	Residential	Sale Pending
C	25,000	Grand Valley State University	SOLD
D	40,000	Office	\$500,000
E	40,000	Office	\$500,000
F	6,500	Retail & Restaurant	\$195,000
G	18,500	Retail & Restaurant	\$525,000
H	20,000	Parmenter O'Toole	SOLD
I	20,000	Office	\$600,000
J	22,000	Retail, Office & Residential	Sale Pending
K	22,000	Retail, Office & Residential	Sale Pending
L	4,500	Retail, Office & Residential	Sale Pending
M	4,500	Residential	Sale Pending
N	14,000	Retail & Restaurant	\$750,000
O		Residential (condominiums)	\$1,190,000
P	3,000	Convenience Store / Gasoline	\$495,000

All prices subject to change without notice. Contact broker for current prices

EDISON LANDING



THE OPPORTUNITY

In the spring of 2001, Muskegon joined an elite group of 11 Michigan communities receiving a SmartZone™ designation from the State of Michigan. The Muskegon Lakeshore SmartZone, called Edison Landing, is a joint venture between the private and public sector to re-develop a critical piece of Downtown Muskegon's shoreline as a mixed-use development that includes residential, commercial, retail, office/commercial and recreational components.

Featuring 34 acres of land, with Muskegon Lake on one side and new Business 31 on the other, Edison Landing presents a unique development opportunity. The developer, Lakefront Development, LLC, has divided this parcel into 16 site condominium units ranging from 0.8 to over 6 acres. One of the parcels will house the new home of Parmenter O'Toole, the largest law firm along the lakeshore. On another parcel, Grand Valley State University will operate an energy-related research and development facility and a business incubator closely linked to its business and engineering schools. The remaining sites are available for construction of buildings with uses consistent with the Planned Unit Development already approved by the City of Muskegon. The master deed and Bylaws of the site condominium will provide for many open areas, including the waterfront, which will allow for access from both land and water. The condominium association will maintain strict control over both the uses and architectural design of each of the buildings to be constructed, ensuring a harmonious look for Muskegon's new downtown.

It is easy to look at the site and see just the beautiful waterfront, but the impact and importance of Shoreline Drive is significant. The Michigan Department of Transportation has approved the redirection of existing traffic from Webster and Muskegon Avenues to the new Shoreline Drive, which will be designated as Business U.S. 31. Once completed, Shoreline Drive traffic

is expected to exceed 20,000 vehicles per day. This will make Shoreline Drive Muskegon's main roadway, a gateway to downtown Muskegon and Muskegon Lake.

Participation in Edison Landing is supported by the aggressive use of business development incentives. Each site within the SmartZone is qualified to be designated as a "Brownfield," which translates into a time-limited opportunity to receive a Single Business Tax Credit equal to 10% of the purchaser's eligible investment at the site. Commercial businesses locating within this Enterprise Community Zone before the end of 2004 are eligible to receive a substantial five-year tax abatement. In addition, Michigan law provides for 12-year, 50% property tax abatements for certain high-tech research and development, offices and engineering buildings located within the SmartZone. Finally, because of the City's status as an Enterprise Community, commercial construction projects of up to \$3 million may be financed with tax-exempt revenue bonds. As part of a Local Development Finance Authority, nearly all of the property tax revenue generated from this SmartZone must be utilized on the site.

Locating in Edison Landing offers additional benefits: This is the only waterfront SmartZone and the only SmartZone with direct access to Lake Michigan. In addition, Edison Landing is on a major traffic route in a Metropolitan Statistical Area with one of the highest growth rates in the United States and a population of our MSA exceeding one million people.

It has been decades since the Muskegon lakeshore could be developed. Now, Edison Landing offers developers the first opportunity in generations to build along the beautiful Muskegon Lake shoreline, they can do so with the added benefits of new Business 31 and the SmartZone.

For purchase or leasing information, please contact Tom Pohlman of Encore Properties, 616-915-1895, tpohlman@aol.com, or Chris Kelly, 231-722-5414, clk@parmenterlaw.com.

SmartZone™ is a service mark of the Michigan Economic Development Corporation.

LEGAL DESCRIPTION
GILLESPIE DEVELOPMENT PROPERTY

The land is situated in the City of Muskegon, County of Muskegon, State of Michigan and described as follows:

Units J, K, L, and M, Muskegon Lakeshore Smart Zone, a Site Condominium, according to the Master Deed dated October 10, 2002, recorded October 11, 2002 in Liber 3503. Page 491, Muskegon County Records, and designated as Muskegon County Condominium Subdivision Plan No. 100, together with the rights in general common elements and limited common elements as set forth in the above Master Deed and as described in Act 59 of the Public Acts of 1978, as amended.

SITE SPECIFIC PROVISIONS

F. Loft Properties, LLC

Eligibility and Project Summary (Sec. 13(1)(h))

Loft Properties, LLC intends to acquire Lots A and B of the Muskegon Lakeshore SmartZone, a site condominium known as Edison Landing located in downtown Muskegon ("Loft Property"). A legal Description and map of the Loft Property is included in Attachment F-1.

Several *eligible activities* have been conducted on the Loft Property. A Baseline Environmental Assessment (BEA) and Due Care compliance analysis pursuant to Part 201 of Michigan's Natural Resources and Environmental Protection Act were conducted on the Property to facilitate its acquisition by Lakefront Development LLC. A BEA will also be prepared on behalf of Loft Properties, LLC prior to acquisition. The Property is also part of the "facility" addressed by a Remedial Action Plan (RAP) prepared on behalf of TDY Industries for the former Continental Motors/Teledyne site. The BEA and the RAP both conclude that the Property is a "facility" pursuant to Part 201, and is therefore an *eligible property* pursuant to Act 381. This *eligible property* includes all personal property.

Loft Properties, LLC intends to construct a 72-unit residential condominium development on Lots A and B of Edison Landing. It is estimated that 10 new jobs would be created by this development, with a capital investment of approximately \$10 million. After completion of the Shoreline Drive East extension (estimated Fall 2003), the project timetable calls for 4 phases of the project to be constructed over a 5-year period.

Eligible Activities, Financing, Cost of Plan (Sec. 13(1)(a),(b),(c),(d),(g))

Eligible activities that have been conducted on the Property include preparation of a Baseline Environmental Assessment and Section 7a (Due Care) Compliance Analysis, and implementation of additional response activities as part of a RAP. Future *eligible activities* on the Property will include preparation of a BEA on behalf of Loft Properties LLC, and Due Care response activities, which may be funded by the Muskegon CMI Brownfield Grant. Therefore, there are no eligible costs proposed to be financed with tax increment revenues. Further, the Property is in the LDFA District thereby making brownfield tax increment financing unavailable. As such, there are no costs to the City of Muskegon or its taxing jurisdictions as a result of the Loft Properties, LLC Property being included in this Plan.

Single Business Tax Credit

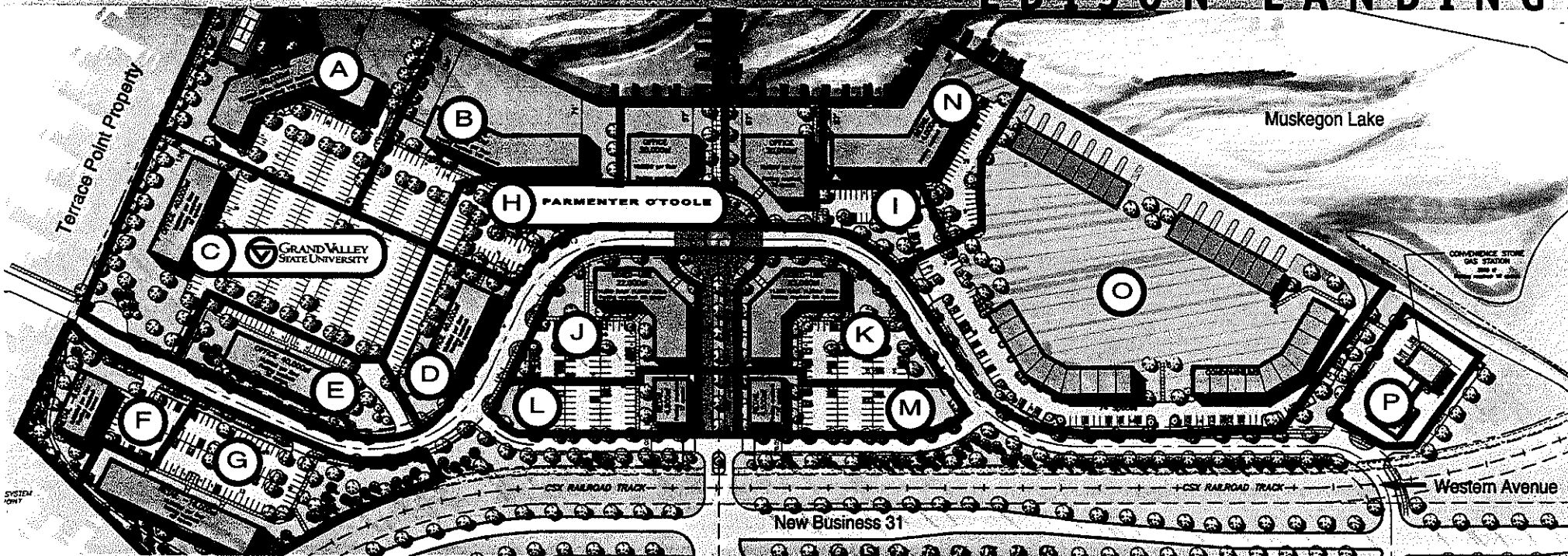
The Loft Property is included in the Plan to enable "*qualified taxpayers*" as defined by Act 228 of 1975, as amended, to avail themselves of eligibility for a credit against their Michigan single business tax liability for "eligible investments" as defined by P.A. 228. "Eligible investments" include demolition, construction, restoration, alteration, renovation, or improvement of buildings or site improvements on eligible property and the addition of machinery, equipment, and fixtures to *eligible property* after the effective date of this Plan Amendment.

Effective Date of Inclusion in Brownfield Plan

The Loft Properties, LLC Property was added to this Plan on _____ 2003.

ATTACHMENT F-1
Site Map, Legal Description
Loft Properties, LLC Property

EDISON LANDING



EDISON LANDING

M46

BR 31

31

96

UNIT	SQUARE FT.	USE	INITIAL OFFERING PRICE
A	30,000	Residential	Sale Pending
B	30,000	Residential	Sale Pending
C	25,000	Grand Valley State University	SOLD
D	40,000	Office	\$500,000
E	40,000	Office	\$500,000
F	6,500	Retail & Restaurant	\$195,000
G	18,500	Retail & Restaurant	\$525,000
H	20,000	Parmenter O'Toole	SOLD
I	20,000	Office	\$600,000
J	22,000	Retail, Office & Residential	Sale Pending
K	22,000	Retail, Office & Residential	Sale Pending
L	4,500	Retail, Office & Residential	Sale Pending
M	4,500	Residential	Sale Pending
N	14,000	Retail & Restaurant	\$750,000
O		Residential (condominiums)	\$1,190,000
P	3,000	Convenience Store / Gasoline	\$495,000

All prices subject to change without notice. Contact broker for current prices

EDISON LANDING



THE OPPORTUNITY

In the spring of 2001, Muskegon joined an elite group of 11 Michigan communities receiving a SmartZone™ designation from the State of Michigan. The Muskegon Lakeshore SmartZone, called Edison Landing, is a joint venture between the private and public sector to re-develop a critical piece of Downtown Muskegon's shoreline as a mixed-use development that includes residential, commercial, retail, office/commercial and recreational components.

Featuring 34 acres of land, with Muskegon Lake on one side and new Business 31 on the other, Edison Landing presents a unique development opportunity. The developer, Lakefront Development, LLC, has divided this parcel into 16 site condominium units ranging from 0.8 to over 6 acres. One of the parcels will house the new home of Parmenter O'Toole, the largest law firm along the lakeshore. On another parcel, Grand Valley State University will operate an energy-related research and development facility and a business incubator closely linked to its business and engineering schools. The remaining sites are available for construction of buildings with uses consistent with the Planned Unit Development already approved by the City of Muskegon. The master deed and Bylaws of the site condominium will provide for many open areas, including the waterfront, which will allow for access from both land and water. The condominium association will maintain strict control over both the uses and architectural design of each of the buildings to be constructed, ensuring a harmonious look for Muskegon's new downtown.

It is easy to look at the site and see just the beautiful waterfront, but the impact and importance of Shoreline Drive is significant. The Michigan Department of Transportation has approved the redirection of existing traffic from Webster and Muskegon Avenues to the new Shoreline Drive, which will be designated as Business U.S. 31. Once completed, Shoreline Drive traffic

is expected to exceed 20,000 vehicles per day. This will make Shoreline Drive Muskegon's main roadway, a gateway to downtown Muskegon and Muskegon Lake.

Participation in Edison Landing is supported by the aggressive use of business development incentives. Each site within the SmartZone is qualified to be designated as a "Brownfield," which translates into a time-limited opportunity to receive a Single Business Tax Credit equal to 10% of the purchaser's eligible investment at the site. Commercial businesses locating within this Enterprise Community Zone before the end of 2004 are eligible to receive a substantial five-year tax abatement. In addition, Michigan law provides for 12-year, 50% property tax abatements for certain high-tech research and development, offices and engineering buildings located within the SmartZone. Finally, because of the City's status as an Enterprise Community, commercial construction projects of up to \$3 million may be financed with tax-exempt revenue bonds. As part of a Local Development Finance Authority, nearly all of the property tax revenue generated from this SmartZone must be utilized on the site.

Locating in Edison Landing offers additional benefits: This is the only waterfront SmartZone and the only SmartZone with direct access to Lake Michigan. In addition, Edison Landing is on a major traffic route in a Metropolitan Statistical Area with one of the highest growth rates in the United States and a population of our MSA exceeding one million people.

It has been decades since the Muskegon lakeshore could be developed. Now, Edison Landing offers developers the first opportunity in generations to build along the beautiful Muskegon Lake shoreline, they can do so with the added benefits of new Business 31 and the SmartZone.

For purchase or leasing information, please contact Tom Pohlman of Encore Properties, 616-915-1895, tpohlman@encore.com, or Chris Gilly, 231-722-5414, cg@parmenterlaw.com

SmartZone™ is a service mark of the Michigan Economic Development Corporation.

LEGAL DESCRIPTION
PARMENTER O'TOOLE PROPERTY

The land is situated in the City of Muskegon, County of Muskegon, State of Michigan and described as follows:

Unit H, Muskegon Lakeshore Smart Zone, a Site Condominium, according to the Master Deed dated October 10, 2002, recorded October 11, 2002 in Liber 3503. Page 491, Muskegon County Records, and designated as Muskegon County Condominium Subdivision Plan No. 100, together with the rights in general common elements and limited common elements as set forth in the above Master Deed and as described in Act 59 of the Public Acts of 1978, as amended.

EDISON LANDING



THE OPPORTUNITY

In the spring of 2001, Muskegon joined an elite group of 11 Michigan communities receiving a SmartZone™ designation from the State of Michigan. The Muskegon Lakeshore SmartZone, called Edison Landing, is a joint venture between the private and public sector to re-develop a critical piece of Downtown Muskegon's shoreline as a mixed-use development that includes residential, commercial, retail, office/commercial and recreational components.

Featuring 34 acres of land, with Muskegon Lake on one side and new Business 31 on the other, Edison Landing presents a unique development opportunity. The developer, Lakefront Development, LLC, has divided this parcel into 16 site condominium units ranging from 0.8 to over 6 acres. One of the parcels will house the new home of Parmenter O'Toole, the largest law firm along the lakeshore. On another parcel, Grand Valley State University will operate an energy-related research and development facility and a business incubator closely linked to its business and engineering schools. The remaining sites are available for construction of buildings with uses consistent with the Planned Unit Development already approved by the City of Muskegon. The master deed and Bylaws of the site condominium will provide for many open areas, including the waterfront, which will allow for access from both land and water. The condominium association will maintain strict control over both the uses and architectural design of each of the buildings to be constructed, ensuring a harmonious look for Muskegon's new downtown.

It is easy to look at the site and see just the beautiful waterfront, but the impact and importance of Shoreline Drive is significant. The Michigan Department of Transportation has approved the redirection of existing traffic from Webster and Muskegon Avenues to the new Shoreline Drive, which will be designated as Business U.S. 31. Once completed, Shoreline Drive traffic

is expected to exceed 20,000 vehicles per day. This will make Shoreline Drive Muskegon's main roadway, a gateway to downtown Muskegon and Muskegon Lake.

Participation in Edison Landing is supported by the aggressive use of business development incentives. Each site within the SmartZone is qualified to be designated as a "Brownfield," which translates into a time-limited opportunity to receive a Single Business Tax Credit equal to 10% of the purchaser's eligible investment at the site. Commercial businesses locating within this Enterprise Community Zone before the end of 2004 are eligible to receive a substantial five-year tax abatement. In addition, Michigan law provides for 12-year, 50% property tax abatements for certain high-tech research and development, offices and engineering buildings located within the SmartZone. Finally, because of the City's status as an Enterprise Community, commercial construction projects of up to \$3 million may be financed with tax-exempt revenue bonds. As part of a Local Development Finance Authority, nearly all of the property tax revenue generated from this SmartZone must be utilized on the site.

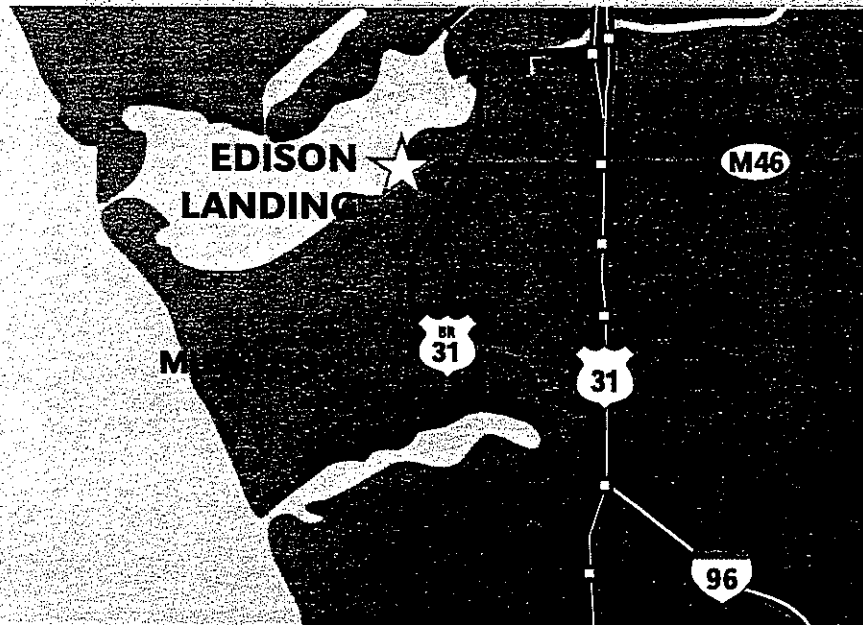
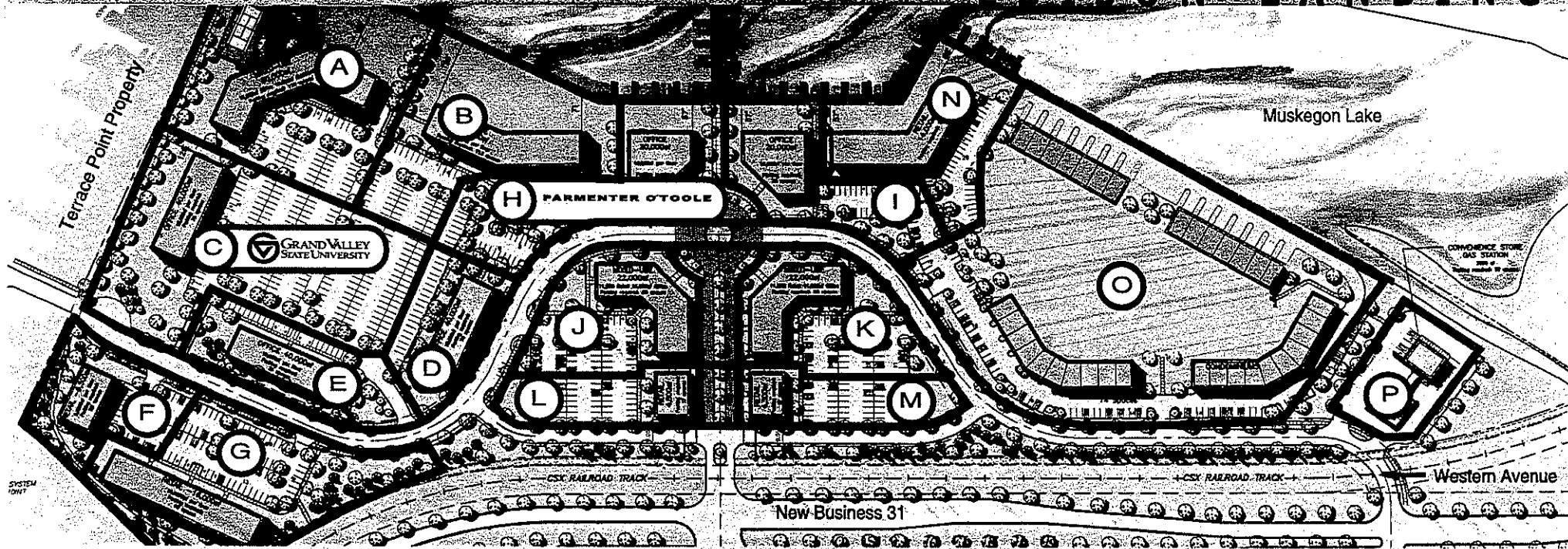
Locating in Edison Landing offers additional benefits: This is the only waterfront SmartZone and the only SmartZone with direct access to Lake Michigan. In addition, Edison Landing is on a major traffic route in a Metropolitan Statistical Area with one of the highest growth rates in the United States and a population of our MSA exceeding one million people.

It has been decades since the Muskegon lakeshore could be developed. Now, Edison Landing offers developers the first opportunity in generations to build along the beautiful Muskegon Lake shoreline, they can do so with the added benefits of new Business 31 and the SmartZone.

For purchase or leasing information, please contact Tom Pohlman of Edison Landing, LLC at 231-222-5414 or tpohlman@edisonlanding.com, or Chris Kelly at 231-222-5414 or ck@parmenterlaw.com.

SmartZone™ is a service mark of the Michigan Economic Development Corporation.

EDISON LANDING



UNIT	SQUARE FT.	USE	INITIAL OFFERING PRICE
A	30,000	Residential	Sale Pending
B	30,000	Residential	Sale Pending
C	25,000	Grand Valley State University	SOLD
D	40,000	Office	\$500,000
E	40,000	Office	\$500,000
F	6,500	Retail & Restaurant	\$195,000
G	18,500	Retail & Restaurant	\$525,000
H	20,000	Parmenter O'Toole	SOLD
I	20,000	Office	\$600,000
J	22,000	Retail, Office & Residential	Sale Pending
K	22,000	Retail, Office & Residential	Sale Pending
L	4,500	Retail, Office & Residential	Sale Pending
M	4,500	Residential	Sale Pending
N	14,000	Retail & Restaurant	\$750,000
O		Residential (condominiums)	\$1,190,000
P	3,000	Convenience Store / Gasoline	\$495,000

All prices subject to change without notice. Contact broker for current prices

ATTACHMENT G-1
Site Map, Legal Description
Parmenter Property

*City of Muskegon Brownfield Plan Amendment
July 2003*

Further, the Property is in the LDFA District thereby making brownfield tax increment financing unavailable. As such, there are no costs to the City of Muskegon or its taxing jurisdictions as a result of the Parmenter Property being included in this Plan.

Single Business Tax Credit

The Parmenter Property is included in the Plan to enable "*qualified taxpayers*" as defined by Act 228 of 1975, as amended, to avail themselves of eligibility for a credit against their Michigan single business tax liability for "eligible investments" as defined by P.A. 228. "Eligible investments" include demolition, construction, restoration, alteration, renovation, or improvement of buildings or site improvements on eligible property and the addition of machinery, equipment, and fixtures to *eligible property* after the effective date of this Plan Amendment.

Effective Date of Inclusion in Brownfield Plan

The Parmenter Property was added to this Plan on _____ 2003.

SITE SPECIFIC PROVISIONS

G. Parmenter O'Toole

Eligibility and Project Summary (Sec. 13(1)(h))

Parmenter O'Toole intends to lease Unit H of the Muskegon SmartZone, a site condominium known as Edison Landing located in downtown Muskegon ("Parmenter Property") from an entity that will be owned by the shareholders of Parmenter O'Toole. A Legal Description and map of the Parmenter Property is included in Attachment G-1.

Several *eligible activities* have been conducted on the Parmenter Property. A Baseline Environmental Assessment (BEA) and Due Care compliance analysis pursuant to Part 201 of Michigan's Natural Resources and Environmental Protection Act were conducted on the Parmenter Property to facilitate its acquisition by Lakefront Development LLC. A BEA will also be prepared on behalf of Parmenter O'Toole prior to execution of its lease. The Parmenter Property is also part of the "facility" addressed by a Remedial Action Plan (RAP) prepared on behalf of TDY Industries for the former Continental Motors/Teledyne site. The BEA and the RAP both conclude that the Parmenter Property is a "facility" pursuant to Part 201, and is therefore an *eligible property* pursuant to Act 381. This *eligible property* includes all personal property.

The planned Parmenter project involves the construction of the law offices of Parmenter O'Toole. The building will contain approximately 20,000 square feet of office space. Pending completion of the Shoreline Drive extension and the infrastructure improvements within Edison Landing, Parmenter intends to initiate site preparation in Fall 2003. Parmenter currently employs 38 FTE's, which will relocate from their current Apple Ave. location to the Edison Landing site. Parmenter also estimates that it will employ an extra four (4) to eight (8) people following the relocation to its new offices. These positions will include attorneys, paralegals, legal secretaries, administrative personnel and support staff. Current estimates indicate that this project will involve over \$4 million in private investment.

Eligible Activities, Financing, Cost of Plan (Sec. 13(1)(a),(b),(c),(d),(g))

Eligible activities that have been conducted on the Parmenter Property include preparation of a Baseline Environmental Assessment and Section 7a (Due Care) Compliance Analysis, and implementation of additional response activities as part of a RAP. Future *eligible activities* on the Parmenter Property will include preparation of a BEA on behalf of Parmenter O'Toole and Due Care response activities, which may be funded by the CMI Brownfield Grant. Therefore, there are no eligible costs proposed to be financed with tax increment revenues.

LEGAL DESCRIPTION
LOFT PROPERTIES, LLC PROPERTY

The land is situated in the City of Muskegon, County of Muskegon, State of Michigan and described as follows:

Units A & B, Muskegon Lakeshore Smart Zone, a Site Condominium, according to the Master Deed dated October 10, 2002, recorded October 11, 2002 in Liber 3503. Page 491, Muskegon County Records, and designated as Muskegon County Condominium Subdivision Plan No. 100, together with the rights in general common elements and limited common elements as set forth in the above Master Deed and as described in Act 59 of the Public Acts of 1978, as amended and together with those riparian rights appurtenant to Unit A and B owned by Seller as determined by survey.

Date: August 5, 2003
To: Honorable Mayor and City Commissioners
From: Ken James, Affirmative Action Director
Re: Disadvantaged Contractor Recommendations

Summary of Request:

To approve the attached list of recommendations to the City's bid proposal process.

Financial Impact:

None

Budget Action Required:

None

Staff Recommendation:

Staff recommends approval (The City's Equal Opportunity Committee approved this document on 6/23/03)

Committee Recommendation:

NA

PARMENTER O'TOOLE

Attorneys at Law

175 West Apple Avenue ■ P.O. Box 786 ■ Muskegon, Michigan 49443-0786
Phone 231.722.1621 ■ Fax 231.722.7866 or 231.728.2206
www.Parmenterlaw.com

July 3, 2003

Ken James, Affirmative Action Director
City of Muskegon
933 Terrace
P.O. Box 536
Muskegon, MI 49443-0536

Dear Mr. James:

You requested our opinion regarding the recommendations to amend sections of the bid proposal process, a copy of which is attached. I presume this applies to all bids for construction projects regardless of which department is overseeing the project. The only changes arising from the amendments are the inclusion of paragraphs 1a, 1c, and 7.

The amendments would:

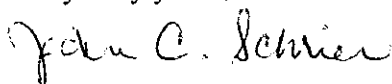
1. Require contractors to contract disadvantaged subcontractors or explain why the disadvantaged subcontractors were not contacted;
2. Provide bid approval authority to the Affirmative Action Director for the purpose of ensuring that City regulations were followed; and
3. Add the Urban League to the list of bid document holders.

While there is no legal impediment, you may wish to consider the following:

- 1) You may wish to define "disadvantaged contractor" so that contractors and subcontractors can comply;
- 2) You may wish to treat the Urban League as you do any other bid holder.

If you have any other questions, please feel free to contact me.

Very truly yours,



John C. Schrier
Direct: 231.722.5401
Fax: 231.728.2206
E-Mail Address: jcs@parmenterlaw.com
Attachment

RECEIVED
JUL 7 2003
MUSKEGON
CITY MANAGER'S OFFICE

Disadvantaged Contractor Recommendations

1. Bid contract changes
 - a. Disadvantaged Contractor Affidavit
 - b. Diversity Participation and Local Employment Effort
 - c. Affirmative Action Director review of lowest responsible bidder
2. Bidder list information
3. County Wide Certification
4. List of Local Disadvantaged Contractors*
5. Best practice efforts of other communities
6. Scope of project breakdown
7. Urban League as a bid document holder

Definition: Disadvantaged Contractor

For the purpose of this document a disadvantaged contractor refers to businesses that are owned and controlled by minorities, women, and other socially and economically disadvantaged persons. The overall goal is to create a level playing field on which disadvantaged contractors can compete fairly for contracts and sub-contracts with the City of Muskegon.

Introduction

The Affirmative Action Department recommends seven changes concerning the City of Muskegon's current bid proposal process. By implementing the recommended changes the City will be able to enhance its bidding process to include more participation from disadvantaged business professionals.

1. Bid contract changes:

a. Disadvantaged Contractor Affidavit

The recommendation is that a disadvantaged contractor affidavit be added to the City of Muskegon current bidding forms. This affidavit would require all bidders to list all disadvantaged contractors that were contacted to participate on the project as sub-contractors. The bidder must clearly state which disadvantaged contractors were contacted and, if not considered, the reason why.

b. Diversity Participation and Local Employment Effort

The recommendation is that attention is called to pages "v" and "vi" under the Invitation for Bids section, and page 55 of part 3, section 2, Affirmative Action to Ensure Equal Employment Opportunity. This department further recommends that City language includes that Qualified Disadvantaged Contractors must be considered on City projects and Prime Contractors/Bidders must consider utilizing Disadvantaged Contractors as sub-contractors on City projects.

c. Affirmative Action Director Review of lowest responsible bidder

The recommendation is that any lowest responsible bidder referred to the City Commission by any City Department includes the approval of the Affirmative Action Director. This is to ensure that all regulations were met by the bidder during the bid process.

2. Bidder list information:

The recommendation is that an official list of all bid holders be maintained in City Clerk's office. The list should include name of business, contact person, business address, telephone number, fax number, and email address if applicable. This information is to be available upon request to any individual wishing to be considered as sub-contractor.

3. County Wide Certification:

This department recommends that the City of Muskegon continues to work with other county agencies in formalizing a certification process.

4. List of Local Disadvantaged Contractors:

The Affirmative Action Department will maintain an accurate list of local disadvantaged contractors and this same list will be provided to all bid holders.

Please note, once the County Wide Certification process is complete, the Affirmative Action Department will maintain a certified list of local disadvantaged contractors.

5. Best practice efforts of other communities:

The Affirmative Action Department will remain abreast of new practices and current trends utilized by other communities that may enhance our efforts. If deemed necessary, new recommendations will be made.

6. Scope of project breakdown:

The City of Muskegon will continue to include on its construction sheets all jobs broken down by job specification. This is to ensure that sub-contractors can know the specific needs of the project and focus their particular trade.

7. Urban League as a bid document holder:

The recommendation is that the Urban League of Greater Muskegon, located at 425 Catawba, Muskegon, MI, 49442, is named as a bid document holder. Bids mailed to the Urban League are for viewing purposes only. Anyone interested in bidding on a City of Muskegon project must pick up bidding forms from the City Clerk's office. By naming the Urban Leagues as a bid holder, bid documents will be available for view at the City of Muskegon in the Clerk's, Engineer's, and Affirmative Action offices, as well as the Urban League of Greater Muskegon.

Adopted by the Equal Opportunity Committee on, June 23, 2003

Chairperson

Approved by the Muskegon City Commission on, August 12, 2003

Mayor

INVITATION FOR BIDS

CITY OF MUSKEGON, MICHIGAN

Project Title H-1564 NIMS ST. & IRWIN AVE., WOOD ST. TO GETTY ST.

The City of Muskegon, Michigan will receive sealed bids until **2:00 p.m.** local time on **May 20, 2003** at the City Clerk's Office, City Hall 933 Terrace Street, Muskegon, Michigan, at which time and place all bids will be publicly opened and read aloud for the following Project:

***Items of work include:**

Asphalt: 7,495 Sq. Yd. Aggregate Base Course 22A @ 8" C.I.P.; 1,838 Tons Various Bit Mix (3C @ 165#/Sq. Yd. & 4C Mod. Polymer Asphalt @ 220#/Sq. Yd.); 4,910 Lin. Ft. Concrete Curb & Gutter F-4 Mod.; 1,972 Cu. Yd. Excavation; 7,130 Sq. Yd. Removing Pavement; and other related items (Engineer's estimate is \$324,104.30)

or:

Concrete: 270 Tons Various Bit. Mix (3C @ 165#/Sq. Yd. & 4C Mod. Polymer Asphalt @ 220#/Sq. Yd.); 8,555 Sq. Yd. Concrete Pavement w/6" Integral Curb Non-Reinforced; 1,047 Cu. Yd. Excavation; 7,130 Sq. Yd. Removing Pavement; and other related items (Engineer's estimate is \$426,419.30)

Copies of Plans and Specifications may be obtained on or after, **May 5, 2003** by depositing \$25 with the City Clerk for each set. Deposit will be refunded if Documents are returned in good condition within 10 days after Bid Opening. An amount equal to five percent (5%) of the Bid must be submitted with each Bid Proposal in one of three forms acceptable to the City of Muskegon. Contract documents may be examined at the following locations:

Builders & Traders Exchange, Grand Rapids
F.W. Dodge Publishers, Grand Rapids
City Engineer's Office, Muskegon City Hall

Attention is called to the fact that the City requires: that the Contractor consider hiring local work force insofar as possible; that not less than the salaries and wages set forth in the Specifications must be paid; that 14% minority and 6.9% female are the goals established for participation in each trade; that the Contractor must ensure employees and applicants for employment are not discriminated against based upon their race, creed, color, religion, sex, national origin, handicapped condition nor veteran background; and that all pertinent regulations must be complied with. No bid may be withdrawn within sixty (60) days after bid opening.

The City of Muskegon reserves the right to reject any or all bids or to waive any informalities or irregularities in the bidding.

A Pre-Bid Conference will be held in the second floor conference room (Rm. 203) at City Hall, at **10:00 a.m. on May 13, 2003**, at which time and place any questions regarding this Project should be presented. Minutes from said Pre-Bid Conference will become an Addendum to the Contract.

CITY OF MUSKEGON, MICHIGAN

By: Gail A. Kundering, City Clerk

PUBLISH: May 3, 2003

ADA POLICY

The City will provide necessary appropriate auxiliary aids services, for example, signers for the hearing impaired, audio tapes for the visually impaired, etc., for disabled persons who want to attend the meeting, upon twenty-four hours notice to the City. Contact:

Gail A. Kundering, City Clerk
933 Terrace Street, Muskegon, MI 49440
(231) 724-6705 or TDD (231) 724-6773

**NOTICE OF REQUIREMENT FOR AFFIRMATIVE ACTION TO ENSURE EQUAL
EMPLOYMENT OPPORTUNITY (Executive Order 11246)**

1. The Bidder's attention is called to the "Equal Opportunity Clause" and the "Standard Adopted Equal Employment Specifications" set forth in Part 3, Section II, of the these Documents.
2. The goals and the timetables for minority and female participation, expressed in percentage terms for the Contractor's aggregate workforce in each trade on all construction work in the covered area, are as follows:

TRADE	<u>GOALS FOR PARTICIPATION IN EACH TRADE</u>	
	<u>MINORITY</u>	<u>FEMALE</u>
ALL	14%	6.9%

These goals are applicable to all the Contractor's construction work (whether or not it is Federal or Federally-assisted) performed in the covered area. If the Contractor performs construction work in a geographical area located outside of the covered area, it shall apply the goals established for such geographical area where the work is actually performed. With regard to this second area, the Contractor also is subject to the goals for both its Federally involved and nonfederally involved construction.

The Contractor's compliance with the Executive Order and regulations in 41 CFR Part 60-4 shall be based on its implementation of the Equal Opportunity Clause, specific affirmative action obligations required by the specifications set forth in 41 CFR 60-4.3(a), and its efforts to meet the goals. The hours of minority and female employment and training must be substantially uniform throughout the length of the Contract, and in each trade, and the Contractor shall make a good faith effort to employ minorities and women evenly on each of its projects. The transfer of minority or female employees or trainees from contractor to contractor for from project to project for the sole purpose of meeting the contractor's goals shall be a violation of the Contract, the Executive Order, and the regulations in 41 CFR Part 60-4. Compliance with the goals will be measured against the total work hours performed.

3. The Contractor shall provide written notification to the Director of the Office of Federal Contract Compliance Programs within 10 working days of award of any construction subcontract in excess of \$10,000 at any tier for construction work under the Contract resulting from this solicitation. The notification shall list the name, address and telephone number of the subcontractor; employer identification number of the subcontractor; estimated dollar amount of the subcontract; estimated starting and completion dates of the subcontract; and the geographical area in which the contract is to be performed.
4. As used in this Notice, and in the Contract resulting from this solicitation, the "covered area" is the City of Muskegon, County of Muskegon, State of Michigan.

NOTICE OF REQUIREMENT FOR AFFIRMATIVE ACTION
TO INSURE EQUAL EMPLOYMENT OPPORTUNITY AND
PROHIBITING DISCRIMINATION IN EMPLOYMENT

(Federal Executive Order 11246)

Michigan: Elliot-Larson Civil Rights Act

The attention of bidders is particularly called to the requirements for ensuring that employees and applicants for employment are not discriminated against.

During the performance of this contract, the contractor agrees as follows:

The contractor will not discriminate against any employee or applicant for employment because of religion, race, color, national origin, age, sex, height, weight, familial status, marital status, handicapped, or status as a Vietnam era veteran. The contractor will take affirmative action to ensure that applicants are employed and that employees are treated during employment, without regard to their religion, race, color, national origin, age, sex, height, weight, familial status, marital status, handicapped condition or veteran background. Such action shall include, but not be limited to, the following: employment, upgrading, demotion, or transfer; recruitment or recruitment advertising, layoff or termination; rates of pay or other forms of compensation; selection for training, including apprenticeship.

LOCAL EMPLOYMENT EFFORT

The City of Muskegon requires that the contractor must hire local trades and labor employees from the City of Muskegon, County of Muskegon and/or this SMSA (Standard Metropolitan Statistical Area, for the duration of this project, insofar as these are available to perform the necessary work. Supervisory and/or technical staff officials are exempt from this requirement.

LABOR STANDARDS PROVISIONS
EMPLOYMENT AND PREVAILING WAGE AND SALARY REQUIREMENTS

The attention of bidders is particularly called to the requirements covered in these documents concerning the payment of not less than the prevailing wage and salary rates specified, and in regard to conditions of employment with respect to certain categories and classifications of employees.

All laborers and mechanics employed by this contract shall be paid unconditionally and not less than once each week, and without subsequent deduction or rebate on any account (except such payroll deductions as are permitted by the applicable regulations issued by the City of Muskegon).

Disadvantaged Contractor Affidavit

Please provide the name(s) of all Disadvantaged subcontractors from whom you solicited bids for this project and additional information below.

Disadvantaged Contractor:	Contact Person:	Contact Method/Date:	Decision (Yes or No):
---------------------------	-----------------	----------------------	-----------------------

1. _____	_____	_____	_____
----------	-------	-------	-------

2. _____	_____	_____	_____
----------	-------	-------	-------

3. _____	_____	_____	_____
----------	-------	-------	-------

4. _____	_____	_____	_____
----------	-------	-------	-------

Of the Disadvantaged Contractors listed above, please indicate why they will not be used on this project.

Disadvantage Contractor:	Decision/Reason:
--------------------------	------------------

1. _____	_____
----------	-------

2. _____	_____
----------	-------

DRAFT

2003-2646)

Commission Meeting Date: August 12, 2003

Date: July 29, 2003
To: Honorable Mayor and City Commissioners
From: Planning & Economic Development
RE: Request for final Planned Unit Development approval for a 40-unit senior housing development at McLaren St. and Wesley Ave.

SUMMARY OF REQUEST:

Request for final approval for a 40-unit senior housing development at McLaren St. and Wesley Ave. in the Jackson Hill neighborhood. The request is from the Sterling Group.

FINANCIAL IMPACT:

None

BUDGET ACTION REQUIRED:

None

STAFF RECOMMENDATION:

Staff recommends final PUD approval for the development and approval of the associated plans provided that the conditions listed in the attached resolution are met.

COMMITTEE RECOMMENDATION:

The Planning Commission recommended final approval of the PUD and associated plans, with the conditions listed on the attached resolution, at a special meeting held on 7/28. The vote was unanimous, with T. Johnson and T. Harryman absent.

CITY OF MUSKEGON

RESOLUTION #2003- 64 (b)

RESOLUTION FOR FINAL PLANNED UNIT DEVELOPMENT APPROVAL FOR THE PROPOSED DEVELOPMENT AT McLAREN ST. AND WESLEY AVE.

WHEREAS, a petition for a planned unit development was received from the Sterling Group and,

WHEREAS, a planned unit development will allow a 40-unit senior residential development; and,

WHEREAS, proper notice was given by mail and publication and public hearings were held by the City Planning Commission and by the City Commission to consider said petition, during which all interested persons were given an opportunity to be heard in accordance with provisions of the Zoning Ordinance and State Law; and

WHEREAS, the Planning Commission and staff have recommended approval of the final Planned Unit Development and associated site and landscaping plans, with conditions as follows:

1. The development will remain a senior complex for ages 55 and older as long as the PUD is in effect.
2. The proposed vacation of a portion of McLaren St. and the proposed re-alignment of McLaren St. and Sumner Ave. must be approved by the City Commission or this PUD approval will be void.
3. Sign permits will be obtained for all proposed signage and signs will meet ordinance requirements.
4. The construction plans for Sumner and McLaren must be submitted to and approved by the Engineering Department and must contain local street dimensions such as width of street a minimum of 27 feet back-to-back and right-of-way of no less than 50 feet, to be dedicated to the City.
5. Fire hydrants shall comply with International Fire Code Appendix C.
6. The walking trail shown on the site plan will be paved with asphalt.

NOW, THEREFORE, BE IT RESOLVED that the recommendation by staff and the City Planning Commission be accepted and the final planned unit development is hereby approved with conditions.

Adopted this 12th day of August, 2003

Ayes: 7

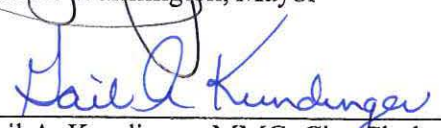
Nays: 0

Absent: 0

By:


Stephen J. Warmington, Mayor

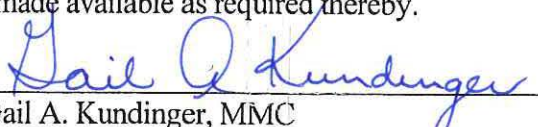
Attest:


Gail A. Kunderinger, MMC, City Clerk

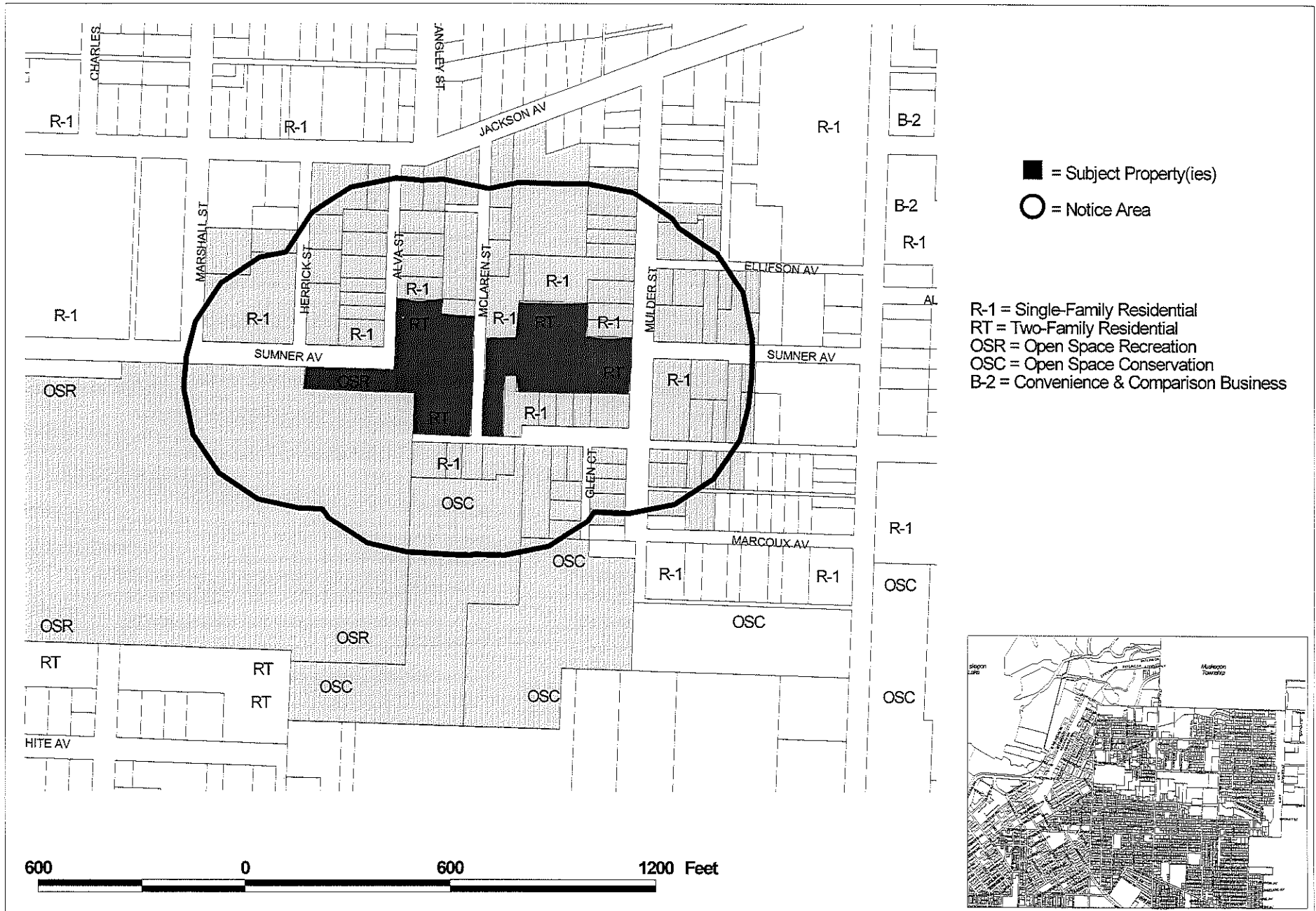
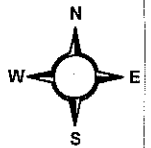
CERTIFICATE (Final PUD for McLaren St./Wesley Ave.)

The undersigned, being the duly qualified clerk of the City of Muskegon, Muskegon County, Michigan, does hereby certify that the foregoing is a true and complete copy of a resolution adopted by the City Commission of the City of Muskegon, at a regular meeting of the City Commission on the 12th day of August, 2003, at which meeting a quorum was present and remained throughout, and that the original of said ordinance is on file in the records of the City of Muskegon. I further certify that the meeting was conducted and public notice was given pursuant to and in full compliance with Act No. 267, Public Acts of Michigan of 1976, as amended, and that minutes were kept and will be or have been made available as required thereby.

DATED: Aug 12th, 2003.


Gail A. Kunderinger, MMC
Clerk, City of Muskegon

**City of Muskegon
Planning Commission
Case # 2003-28**



CITY OF MUSKEGON
PLANNING COMMISSION
SPECIAL MEETING
MINUTES [EXCERPT]

July 28, 2003

P. Sartorius called the meeting to order at 4:06 p.m., and roll was taken.

MEMBERS PRESENT: J. Aslakson, B. Mazade, S. Warmington, P. Sartorius, B. Smith,
T. Michalski, L. Spataro

MEMBERS ABSENT: T. Johnson, excused; T. Harryman, excused.

STAFF PRESENT: D. Steenhagen, H. Griffith

OTHERS PRESENT: S. Czadzeck, Driesenga & Associates; K. Heckaman, Vice-
President of Sterling Group; J. Boss, Sterling Group; B. Holmes,
Jackson Hill Neighborhood Association; J. Schrier, City Attorney.

APPROVAL OF MINUTES

A motion to approve the minutes of the regular meeting of July 10, 2003 was made by L. Spataro, supported by S. Warmington and unanimously approved.

OLD BUSINESS

Case 2003-28: Request for final Planned Unit Development approval for a senior housing development at McLaren St. and Wesley Ave., by The Sterling Group (tabled). D. Steenhagen gave the staff report. The applicant has submitted a revised site plan for the proposed development, as well as a building floorplan which is to scale. The site plan shows 16 duplex buildings (32 units) and two 4-unit buildings (8 units) for a total of 40 units for the development. There is also a proposed office and clubhouse building. The proposed buildings are situated along the proposed re-aligned McLaren St., and Sumner Ave. and the existing Wesley Ave. There are 14 two-bedroom units shown and 26 one-bedroom units. Each unit is proposed to have a one-stall garage with an additional parking space in the driveway in front of the garage. There are three proposed spaces for the office and clubhouse. The zoning ordinance requires 15% common, usable open space for a residential development. The newest site plan does show 20% open space including a walking trail. Setbacks for the structures from the streets are shown on the revised site plan. The structures appear to average about 11 feet from the roads with the garages recessed further to allow room for one car to park in the driveways in front of the garages. The site plan shows screening in all required areas and indicates that the screening will meet ordinance requirements. Building dimensions are shown on the revised site plan. An elevation of a proposed design has been provided. The revised site plan states that "exteriors of buildings will have varying sidings, colors, and aesthetic treatments".

A landscape plan has been submitted. The exact locations of existing trees are not shown, but the developer has agreed to walk the site with staff and the landscape architect in order to develop a comprehensive tree protection plan. This is indicated and agreed to on the landscape plan. The plan also states that all efforts will be made to "replace vegetation in a manner that is reasonable and effective". The landscape plan shows a variety of species of trees (canopy, evergreen and flowering), shrubs and other landscaping materials, including street trees along the proposed Sumner Ave. extension and the Wesley Ave. cul-de-sac, as well as landscaping buffers along the adjoining residential properties. Staff has spoken to the developer about working together with the landscape architect on a tree protection plan and on a plan for tree replacement (in addition to already proposed landscaping) for the site. This type of approach has worked well with another recent development and staff feels comfortable that the developer and landscape architect understand the City requirements for tree replacement. A performance guarantee for landscaping should be required, to be put in place during the construction process to ensure that all landscaping is in place before any Certificates of Occupancy are issued for the development. The landscaping plan shows details of placement, size and species. A good mix of landscaping materials is provided. Street trees are provided as well. Sidewalk is shown along both sides of most of the proposed McLaren and Sumner Streets as well as the Wesley Ave. cul-de-sac. A location for an identification sign is shown on the site plan. Any site signage must meet ordinance requirements for size and placement and sign permits must be obtained at the time that signs are placed on the property. The ordinance permits entranceway monument signs for residential developments of up to 12 square feet. One sign for each major public road frontage may be provided. Signs shall not exceed eight feet in height. Site signage will be addressed when sign permits are applied for, as is common practice. Staff has received a letter committing to fire suppression in all buildings. This meets the requirements of the Fire Marshal. Other requirements of the Fire Marshal (regarding hydrants) and the City Engineer can be addressed during the construction plan and building permit process.

A floorplan has been submitted which is to scale. Staff has calculated that the one-bedroom units are proposed to have approximately 730 square feet while the two-bedroom units are proposed to have approximately 900 square feet. The unit sizes are below the ordinance requirements for one and two-family residential dwelling units (the ordinance requires 960 for a one-bedroom and 1060 for a two-bedroom). The Zoning Ordinance is structured so that it has one set of requirements for living space for one or two-family units and a separate set for apartments (defined as more than two units). It may not in some cases be appropriate to require a duplex unit to have the same living space as a single-family home as duplexes are generally smaller sized in many cases. Requiring a duplex to meet the same living space requirements as single-family homes in essence, requires them to be the same size as two single-family homes stuck together, which is not the case for many duplexes. In this case, two of the proposed buildings are four-units, and therefore those buildings need to meet the requirements for apartment living sizes anyway. For apartment units, the ordinance requires 650 square feet for a one-bedroom unit, and 875 square feet for a two-bedroom unit. The proposed units meet these requirements. Treating this development as a series of apartment units seems reasonable to staff. The zoning ordinance requires storage space of at least 15% of the interior living space of each dwelling unit, exclusive of auto storage or attic storage, to be provided within the structure. The proposed units do not meet this requirement. Both the one and two-bedroom units have approximately 4% of storage space, comprised of storage closet areas. Staff has spoken with Billie Joy Holmes, Vice-President of the Jackson Hill Neighborhood Association. The former

president of the association has resigned his position and Ms. Holmes is the current spokesperson for the group. Staff made sure that Ms. Holmes understood the development plans and invited her to come and look at the site plan if she so wished. Ms. Holmes stated that she would bring the issue up at the next neighborhood board meeting and would either get back to staff with the neighborhood's comments on the development or a representative would come to the special meeting.

T. Michalski stated that the walkway is proposed to be gravel according to the site plan. He asked if this was acceptable according to zoning ordinance requirements. D. Steenhagen stated that staff would propose that it be a paved surface. K. Heckaman stated that they would be using normal black asphalt for the walkway. S. Czadzeck described the process for the walkway. J. Aslakson asked if the applicant was aware of the proposed conditions for approval. J. Boss stated that they were. T. Michalski asked if there was any way to insure that this would remain a senior complex. B. Mazade stated that it would be done through the PUD process and enforced. D. Steenhagen added that it was also required in order for the applicant to get the tax credits. J. Schrier stated that the court doesn't like deed covenants. It is also hard to say what the appropriate zoning would be 30 years from now. K. Heckaman asked once the PUD is recorded, wouldn't it stay with the property. J. Schrier stated that it is always subject to change. P. Sartorius stated that as long as the PUD is in place, it would be. J. Aslakson would like to see the first condition changed to "The development will remain a senior complex as long as the PUD is in effect". K. Heckaman asked if "55 and older" could be added in order to define "senior". L. Spataro asked why there wasn't any sidewalk between building H & G. S. Czadzeck stated that the curb is right up to the property line at that point, leaving no room for sidewalk there. B. Holmes asked questions in regards to the proposal for the street placement. D. Steenhagen explained the way the street connections would be.

A motion that the final PUD and associated site plan for a senior residential development at McLaren St., Sumner Ave. and Wesley Ave. be approved pursuant to the determination of compliance with the intent of the City Zoning Ordinance and City Master Land Use Plan based on the following conditions: 1) The development will remain a senior complex for 55 and older as long as the PUD is in effect. 2) The proposed vacation of a portion of McLaren St. and the proposed re-alignment of McLaren St. and Sumner Ave. must be approved by the City Commission or this PUD approval will be void. 3) Sign permits will be obtained for all proposed signage and signs will meet ordinance requirements. 4) The construction plans for Sumner and McLaren must be submitted to and approved by the Engineering Department and must contain local street dimensions such as width of street a minimum of 27 feet back-to-back and right-of-way of no less than 50 feet, to be dedicated to the City. 5) Fire hydrants shall comply with International Fire Code Appendix C. 6) The walking trail shown on the site plan will be paved, was made by J. Aslakson, supported by T. Michalski and unanimously approved.

Date: August 12, 2003

2003- 64 e)

To: Honorable Mayor and City Commissioners

From: Finance Director

RE: Proposed Water Rate Increase

SUMMARY OF REQUEST: The City's water rates were last adjusted in April 1999. Last year, the City retained the consulting engineering firm Tetra-Tech to study the City's water rate structure in light of 1) costly improvements to the filtration plant being mandated by the state and, 2) significant new legal developments impacting the structure of municipal user fees. The Tetra-Tech "Water Cost of Service Study" has previously been distributed to City Commissioners. The attached resolution implements the 2003 and 2004 rate recommendations contained in the study.

FINANCIAL IMPACT: The proposed rate increase will generate an estimated \$975,000 per year of additional revenue for the water system in 2004. The following table shows how the rate increase will impact typical residential households:

<u>Sample Users</u>	<u>Quarterly Water Bill Before Increase</u>	<u>Quarterly Water Bill After 10/01/03 Increase</u>	<u>Quarterly Water Bill After 01/01/04 Increase</u>
Using 7,500 gallons per month	\$9.20	\$8.80	\$10.90
Using 15,000 gallons per month	\$15.90	\$17.60	\$21.80

BUDGET ACTION REQUIRED: None at this time. The 2004 water fund budget will incorporate the projected revenues from the rate increase

STAFF RECOMMENDATION: Approval of the attached resolution implementing the proposed water rate increase.

COMMITTEE RECOMMENDATION: The Committee of the Whole will meet on Monday, August 11th to further discuss this item.

PARMENTER O'TOOLE

Attorneys at Law

175 West Apple Avenue ■ P.O. Box 786 ■ Muskegon, Michigan 49443-0786
Phone 231.722.1621 ■ Fax 231.722.7866 or 231.728.2206
www.Parmenterlaw.com

July 23, 2003

Timothy J. Paul
Director of Finance
City of Muskegon
933 Terrace Street
P.O. Box 536
Muskegon, MI 49443-0536

Re: Water Rates

Dear Mr. Paul:

Enclosed is a revised water resolution.

Very truly yours,



John C. Schrier
Direct: 231.722.5401
Fax: 231.728.2206
E-Mail Address: jcs@parmenterlaw.com

Enclosure

c: Derrick Smith, City Treasurer

Typical Monthly Water Bill
Ranked from Lowest (1) to Highest (59)
Residential Customers - 7,500 Gallons Usage
(Bold Type Indicates Local Area Communities)

Community	Water	Rank
Saginaw	\$ 6.86	1
Waterford Township	7.33	2
Wyandotte	7.68	3
Sterling Heights	7.94	4
Ferndale	8.64	5
Muskegon	9.20	6
Clinton Township	9.43	7
Eastpointe	9.56	8
Detroit	9.72	9
Taylor	9.97	10
Dearborn	10.05	11
Rochester Hills	10.10	12
Port Huron	10.63	13
Southgate	10.64	14
Allen Park	10.78	15
Southfield	10.86	16
Kentwood	10.92	17
Warren	11.03	18
Troy	11.06	19
Portage	11.09	20
Holland	11.55	21
Inkster	11.85	22
Grand Haven	11.93	23
Lincoln Park	12.43	24
Battle Creek	12.78	25
Livonia	12.80	26
Waterford	12.82	27
Kalamazoo	13.04	28
Muskegon Heights	13.12	29
Royal Oak	13.15	30
Farmington Hills	13.32	31
Muskegon Township	13.60	32
Westland	13.80	33
Canton	13.95	34
Garden City	14.07	35
Wyoming	14.17	36
Whitehall	14.18	37
Oak Park	14.34	38
Redford Township	14.40	39
Bloomfield Township	14.93	40
Roosevelt Park	15.18	41
West Bloomfield Township	16.00	42
Midland	16.50	43
East Lansing	16.57	44
Novi	16.69	45
St Clair Shores	16.82	46
Shelby Township	17.02	47
Ann Arbor	17.50	48
Lansing	17.88	49
Bay City	18.60	50
Montague	18.89	51
Norton Shores	19.47	52
Pontiac	21.30	53
Grand Rapids	22.42	54
Jackson	22.52	55
Flint	23.29	56
Fruitport Township	23.72	57
Burton	24.50	58
North Muskegon	32.00	59
Average	\$14.18	
Median	\$13.15	

PROJECTED FOR MUSKEGON BY YEAR							
2003	Rank	2004	Rank	2005	Rank	2006	Rank

-4.3%		23.9%		16.5%		0.8%		0.8%
8.80	6	10.90	16	12.70	24	12.80	25	12.90

Note: Assumes 7,500 gallons (or 1,000 cubic feet) monthly usage and a 5/8" (or nearest equivalent) meter size.

Source: April 2000 Michigan Water/Wastewater Rate Survey conducted by Black & Veatch Corporation, Management Consulting Division and supplemented by local area survey as of June 2003.

Typical Monthly Water Bill
Ranked from Lowest (1) to Highest (59)
Residential Customers - 15,000 Gallons Usage
(Bold Type Indicates Local Area Communities)

Community	Water	Rank
Saginaw	\$12.95	1
Waterford Township	13.33	2
Wyandotte	14.35	3
Sterling Heights	14.91	4
Muskegon	15.90	5
Ferndale	17.28	6
Dearborn	17.96	7
Taylor	18.26	8
Muskegon Heights	18.44	9
Eastpointe	18.46	10
Clinton Township	18.63	11
Detroit	18.62	12
Holland	18.95	13
Port Huron	19.10	14
Kalamazoo	19.98	15
Rochester Hills	20.20	16
Kentwood	20.42	17
Portage	20.95	18
Allen Park	21.06	19
Southgate	21.28	20
Southfield	21.44	21
Warren	21.64	22
Battle Creek	21.88	23
Lincoln Park	22.01	24
Troy	22.12	25
Grand Haven	22.35	26
Wyoming	22.67	27
Inkster	23.35	28
Midland	24.00	29
Livonia	24.10	30
Muskegon Township	24.70	31
Roosevelt Park	25.15	32
Waterford	25.64	33
Royal Oak	25.86	34
Farmington Hills	26.29	35
Garden City	27.05	36
Oak Park	27.42	37
Westland	27.60	38
Canton	27.90	39
Redford Township	28.12	40
Whitehall	28.35	41
Bloomfield Township	29.85	42
Montague	30.14	43
Novi	30.64	44
Norton Shores	30.72	45
West Bloomfield Township	32.00	46
East Lansing	33.15	47
Shelby Township	33.21	48
St Clair Shores	33.64	49
Lansing	34.01	50
Ann Arbor	35.00	51
Pontiac	35.10	52
Bay City	35.20	53
Grand Rapids	35.32	54
Jackson	37.94	55
Burton	41.00	56
Fruitport Township	41.59	57
North Muskegon	44.00	58
Flint	45.17	59
Average	\$25.73	
Median	\$24.10	

PROJECTED FOR MUSKEGON BY YEAR							
2003	Rank	2004	Rank	2005	Rank	2006	Rank
1.8%		23.9%		16.5%		0.8%	
17.60	6	21.80	22	25.40	32	25.60	32
						25.80	33

Note: Assumes 15,000 gallons (or 1,000 cubic feet) monthly usage and a 5/8" (or nearest equivalent) meter size.

Source: April 2000 Michigan Water/Wastewater Rate Survey conducted by Black & Veatch Corporation, Management Consulting Division and

CITY OF MUSKEGON

Resolution No. 2003-264 (c)

A Resolution amending the general fee resolution of the City.

RECITALS

A review of the water rates has been undertaken by staff and consultants, City staff recommends and City commission has determined that an increase in the rates for water service and elimination of the ready-to-serve (RTS) charge is justified in the opinion of the City Commission.

THEREFORE, BE IT RESOLVED BY THE CITY COMMISSION:

1. For service provided after October 1, 2003, the water ready-to-serve (RTS) charge, except for fire lines, shall be eliminated.
2. The ready to serve charge for fire lines shall be:

<u>Description</u>	<u>Monthly Amount Billed</u>
FIRELINE READY TO SERVE 2 INCH	\$6.50
FIRELINE READY TO SERVE 3 INCH	\$13.25
FIRELINE READY TO SERVE 4 INCH	\$21.00
FIRELINE READY TO SERVE 6 INCH	\$39.00
FIRELINE READY TO SERVE 8 INCH	\$66.60
FIRELINE READY TO SERVE 10 INCH	\$103.00
FIRELINE READY TO SERVE 12 INCH	\$132.00
FIRELINE READY TO SERVE 16 INCH	\$210.00

<u>Description</u>	<u>Quarterly Amount Billed</u>
FIRELINE READY TO SERVE 2 INCH	\$19.50
FIRELINE READY TO SERVE 3 INCH	\$39.75
FIRELINE READY TO SERVE 4 INCH	\$63.00
FIRELINE READY TO SERVE 6 INCH	\$117.00
FIRELINE READY TO SERVE 8 INCH	\$198.00
FIRELINE READY TO SERVE 10 INCH	\$309.00
FIRELINE READY TO SERVE 12 INCH	\$396.00
FIRELINE READY TO SERVE 16 INCH	\$630.00

3. For service provided after October 1, 2003 the rate for water shall be changed from \$0.67 per hundred cubic feet to \$0.88 per hundred cubic feet.
4. For service provided after January 1, 2004, the rate for water shall be changed from \$0.88 per hundred cubic feet to \$1.09 per hundred cubic feet.

This resolution passed.

Ayes 7

Nays 0

CITY OF MUSKEGON

By Gail A. Kunderinger
Gail A. Kunderinger, Clerk

CERTIFICATE

This resolution was adopted at a meeting of the City Commission, held on _____, 2003. The meeting was properly held and noticed pursuant to the Open Meetings Act of the State of Michigan, Act 267 of the Public Acts of 1976.

CITY OF MUSKEGON

By Gail A. Kunderinger
Gail A. Kunderinger, Clerk

CITY OF MUSKEGON, MICHIGAN

Water Cost of Service Study

Prepared by

Tetra Tech MPS

May 2003

ACKNOWLEDGEMENT

We would like to acknowledge the efficient assistance and useful data provided to our representatives throughout the course of this project. We would like to recognize the following City of Muskegon personnel:

Mr. Timothy Paul, Finance Director

Mr. Derrick Smith, City Treasurer

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EXECUTIVE SUMMARY

This Water Cost of Service Study presents recommendations for revisions to the City of Muskegon's water rate structure.

A water cost of service study follows this three-step process:

1. Determine how much money the City needs to fund its water operating and capital programs. These are the City's water revenue requirements.
2. Determine what it costs the City to provide water, wastewater and various related services. This is called cost allocation.
3. Develop a water rate structure to recover the cost of service from each customer or class of customers who cause the costs to be incurred. New rates must comply with existing intermunicipal service contract provisions. This is the rate design.

There are three reasons for reviewing the City's current water utility service rate structure:

1. Ensure the financial stability of the City's water utility in light of significant capital improvements being planned.
2. The current water rate structure has been in use for many years and the December 1998 Michigan Supreme Court ruling of Bolt v. the City of Lansing may affect the City's water rate structure because the ruling established a criteria that municipal user fees should be based on the cost of providing the service to its customers.
3. The City may apply for State Revolving Fund low interest loan funding for the upcoming capital improvements. One State requirement for obtaining this low interest loan is that the City prepare a Water User Charge System. This report will develop a water rate structure that could serve as the basis for the required Water User Charge System.

This cost of service study utilizes the Tetra Tech MPS SmartRate financial model to calculate water revenue requirements and to allocate these to water customers. The SmartRate financial model

consists of linked Excel software program spreadsheets, which can be used by the City to set future water rates by entering new budget and customer usage data. It is recommended that the City conduct such reviews annually and, if necessary, adjust the rates. This will help prevent the “rate shock” that occurs when rates are not adjusted for many years. Financial and customer usage data used in the SmartRate financial model were provided by the City and were adjusted based on several review discussions with City staff.

INTRODUCTION

WATER RATE STRUCTURE DEVELOPMENT

The proposed water rate structure developed in this report are based on the following cost of service procedures:

1. Determination of the total annual revenue required for the year the rates are to be effective.
2. Distribution of the costs to user classes in accordance with their requirements for service.
3. Design of water rates that will recover from each class, within practical limits, the costs allocated to each user class based on the cost to serve these user classes.

Rates must also comply with existing intermunicipal water service contracts.

ANNUAL REVENUE REQUIRED

The annual revenue required was determined using the cash basis of revenue determination and was based on the City's fiscal year 2003 budget escalated to fiscal year 2007. Rates projected beyond fiscal year 2003 are presented for information purposes only, using estimates of future expenses and usage.

RATE DESIGN

The City of Muskegon's water rate structure consists of a Ready-to-Serve charge and a Commodity charge. Appendix A, Table 1, "Water Rate History" shows the water rate structure from 1998 to 2002. The December 1998 Michigan Supreme Court ruling of Bolt v. the City of Lansing may affect the City's water rate structure because this ruling established a criteria that municipal user fees should be proportional to the cost of providing the service to its customers. *NOTE: All references to the Bolt Opinion by Tetra Tech MPS should receive a legal review by the City Attorney and/or his/her designee. Tetra Tech MPS's opinions regarding the Bolt Opinion are strictly limited to our previous rate study work done in support of legal representation.* In addition, the City is pursuing a Michigan Drinking Water Revolving Fund (DWRf) low interest loan to lower the City's cost to construct necessary improvements to its water system. The City's water rate structure must be designed so as to meet both the Bolt and the DWRf requirements.

IMPACT OF THE BOLT OPINION ON THE CITY'S WATER RATE STRUCTURE

The December 1998 Michigan Supreme Court decision *Bolt v. City of Lansing* asserted that three primary criteria are to be considered when distinguishing between a fee and a tax:

1. A user fee must serve a regulatory purpose rather than a revenue-raising purpose;
2. User fees must be proportional to the necessary costs of the service;
3. A user fee must be voluntary in that the customer must be able to refuse or limit his/her use of the service.

The City's Ready-to-Serve charge is a fixed charge that increases based on the customer's meter size. It is charged to any City customer who is connected to the City's water service regardless of their volume of use. This is commonly known as a "minimum charge" or a "base customer charge". This type of charge could be subject to a Bolt court challenge if the City cannot document that the costs recovered by the Ready-to-Serve charge are proportional to the service as given in point two, above. The reason is that a customer using no City metered water during a billing period could argue that his water bill should be zero. Such a customer could also argue that the Ready-to-Serve charge violates point three, above, because such a fee prevents the customer from limiting the use of the service.

The Commodity charge is charge that is based on the volume of metered water used by the customer. There are three common types of Commodity charges:

1. Inclining Block: This is a pricing process where the price per unit of water increases with increased volume of usage.
2. Declining Block: This is a pricing process where the price per unit of water decreases with increased volume of usage.
3. Level Rate: This is a pricing process where the price per unit remains the same regardless of the volume of usage.

The following table summarizes the advantages and disadvantages of each of these rate structures. Muskegon uses a level block type of Commodity charge. It is recommended that the City retain the use of this type of a level block Commodity charge in light of the City's desire to pursue a DWRP low interest loan and to help protect itself from a Bolt court challenge.

Advantages and Disadvantages of the Three Common Types of Commodity Charge Rate Structures

Rate Structure	Advantages	Disadvantages
Inclining Block	• Best match of price to cost of service • Considers both volume and rate of use • Can apply seasonally or continually	• Adds instability to revenue stream • Can be difficult to apply • May not meet MDEQ SRF low interest loan requirements • Difficult to defend against a Bolt challenge
Declining Block	• Historically standard practice	• Does not encourage conservation • Does not consider customer's rate of use • Can be difficult to apply • May not meet MDEQ SRF low interest loan requirements • Difficult to defend against a Bolt court challenge
Level Block	• Has a conservation element • Recognizes some rate of use factor • Easy to understand • Stable revenue stream • Meets MDEQ SRF low interest loan requirements • Easiest to defend against a Bolt court challenge	• Assumes all customers have the same rate of use patterns

WATER RATE CALCULATIONS

The City's water system expenses, using current budgets coupled with projections to the year 2007, are given in Appendix A, Tables 7, 8, 9 and 10.

In Appendix A, Table 4 projects metered water billable flows for City and Outside City based on percentage usage increases provided by the City. In order to calculate the Commodity charge, the total billable flows must be converted to "equivalent" billable flows. This is because Outside City customers are billed, by contract, Commodity charges based on multipliers applied to their billable flows. These multipliers are shown in the first column of Table 11, "Projected Water Rate Calculations" and are as follows:

Outside City Customer Multipliers

Contract Customer	Multiplier
Muskegon County Northside	1.25
Roosevelt Park	1.35
North Muskegon	1.35
Muskegon Township	1.35
Norton Shores (Miscellaneous Services)	2.00
Miscellaneous Outside	1.50

The City's water system expenses were reviewed and then allocated to the Commodity charge. Outside City customers Commodity charges were then calculated in Table 11. The results are given in the following table.

Commodity Charges, Proposed Through 2007, \$ per 100 Cubic Feet

Customer	Proposed	2004	2005	2006	2007
City	0.88	1.09	1.27	1.28	1.29
Muskegon County Northside	1.10	1.36	1.58	1.60	1.61
Roosevelt Park	1.18	1.47	1.71	1.72	1.74
North Muskegon	1.18	1.47	1.71	1.72	1.74
Muskegon Township	1.18	1.47	1.71	1.72	1.74
Norton Shores (Miscellaneous Services)	1.75	2.18	2.53	2.55	2.57
Miscellaneous Outside	1.32	1.63	1.90	1.92	1.93

IMPACT OF PROJECTED WATER RATES

As shown in Appendix A, Table 14, "Revenue Percent-to-Billable Flow Percent by User Class", in 1998 the City used 77.37% of the total system metered flow and contributed 70.17% of the total system revenue, a difference of 7.20%. However, by 2002, these percentages were 72.49% and 68.87%, respectively, for a difference of 3.62%. By eliminating the City's Ready-to-Serve charge, this trend will be reversed. Under the proposed water rate structure, it is projected that, by 2007, these percentages could be 69.94% and 61.45%, respectively, for a difference of 8.49%.

As shown in Table 6, "Water Rate History", the revenue generated by the City's Ready-to-Serve charges has been just under 20% of total revenue from 1998 through 2002. By eliminating its Ready-to-Serve charges, the City will face a greater risk to its revenue stability because all revenue will be charged on the basis of amount of metered flow. The major water users (inside and outside the City) use approximately 33% of the total water produced. For example, according to Table 6, in 2002 revenue from Ready-to-Serve charges was \$685,303 and revenue from Commodity charges was \$2,838,874 for a total of \$3,524,177. If billable flow had dropped by 25% in all service areas, Ready-to-Serve charge revenue would have still been \$685,303 and Commodity charge revenue would have been 75% of \$2,838,874, or \$2,129,155. Total revenue would be \$685,303 plus \$2,129,155 = \$2,814,458. This would equate to a total net revenue reduction of approximately 20%. However, if all the \$3,524,177 revenue was Commodity charge based, the total net revenue reduction would also be 25%. If billable flow was reduced by 50%, total revenue would be equal to $\$685,303 + (0.50 \times \$2,838,874) = \$2,104,740$ for a total net revenue reduction of approximately 40%. Under a Commodity charge rate structure, the total net revenue reduction would be 50%. This is summarized in the following table:

2002 Revenues Under Current and Proposed Water Rate Structures and 25% and 50% Reductions in
Billable Flow

Rate Structure	Ready-to-Serve	Commodity	Total Revenue
Current	\$685,303	\$2,838,874	\$3,524,177

Current, with 25 drop in Billable Flow	\$685,303	\$2,129,155	\$2,814,458
Proposed, with 25% drop in Billable Flow	\$0	\$2,643,132	\$2,643,132

Current, with 50 drop in Billable Flow	\$685,303	\$1,419,437	\$2,104,740
Proposed, with 50% drop in Billable Flow	\$0	\$1,762,088	\$1,762,088

The effect on water costs for various customers using the proposed rate structure is shown in Table 13, "Water Cost Comparison" as summarized in the following table:

Cost Comparisons and Annual Percentage Cost Increases

User	Current Cost	2007 Cost	Average Annual Increase
Average Residential – City: 5/8" Meter & 26 CF per Quarter	\$24.92 per Quarter	\$33.43 per Quarter	7 %
High Residential – City: 1" Meter & 100 CF per Quarter	\$85.75 per Quarter	\$128.59 per Quarter	10%

Low Commercial - City: 2" Meter & 500 CF per Quarter	\$395.00 per Quarter	\$642.93 per Quarter	13%
High Commercial - City: 3" Meter & 2,000 CF/Quarter	\$1,452.50 per Quarter	\$2,571.74 per Quarter	15%

Largest Six Customers – City			18%
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Muskegon County Northside	\$146,889 per Year	\$281,911 per Year	18%
Roosevelt Park	\$197,776 per Year	\$409,938 per Year	21%
North Muskegon	\$262,666 per Year	\$544,439 per Year	21%
Muskegon Township	\$433,483 per Year	\$746,708 per Year	14%

APPENDIX A

Tables

Table 1
Water Rate History

CITY					
Quarterly Ready-to-Serve Charges:					
Meter Size:	1998	1999	2000	2001	2002
5/8"	7.50	7.50	7.50	7.50	7.50
3/4"	10.25	10.25	10.25	10.25	11.25
1"	15.75	15.75	15.75	15.75	18.75
1 1/4"	22.63	22.63	22.63	22.63	28.25
1 1/2"	29.50	29.50	29.50	29.50	37.50
2"	46.00	46.00	46.00	46.00	60.00
3"	84.50	84.50	84.50	84.50	112.50
4"	139.50	139.50	139.50	139.50	187.50
6"	277.00	277.00	277.00	277.00	377.00
8"	497.00	497.00	497.00	497.00	600.00
10"	799.50	799.50	799.50	799.50	862.50
12"	1,184.50	1,184.50	1,184.50	1,184.50	1,612.50
Commodity Charge:					
Per 100 Cubic Feet:	0.60	0.67	0.67	0.67	0.67
MUSKEGON COUNTY					
NORTHSIDE					
Quarterly Ready-to-Serve Charges:					
Meter Size:	1998	1999	2000	2001	2002
5/8"	7.50	7.50	7.50	7.50	7.50
3/4"	10.25	10.25	10.25	10.25	11.25
1"	15.75	15.75	15.75	15.75	18.75
1 1/4"	22.63	22.63	22.63	22.63	28.25
1 1/2"	29.50	29.50	29.50	29.50	37.50
2"	46.00	46.00	46.00	46.00	60.00
3"	84.50	84.50	84.50	84.50	112.50
4"	139.50	139.50	139.50	139.50	187.50
6"	277.00	277.00	277.00	277.00	377.00
8"	497.00	497.00	497.00	497.00	600.00
10"	799.50	799.50	799.50	799.50	862.50
12"	1,184.50	1,184.50	1,184.50	1,184.50	1,612.50
Commodity Charge:					
Per 100 Cubic Feet:	0.75	0.84	0.84	0.84	0.84
ROOSEVELT PARK					
Quarterly Ready-to-Serve Charges:					
Meter Size:	1998	1999	2000	2001	2002
5/8"	7.50	7.50	7.50	7.50	7.50
3/4"	10.25	10.25	10.25	10.25	11.25
1"	15.75	15.75	15.75	15.75	18.75
1 1/4"	22.63	22.63	22.63	22.63	28.25
1 1/2"	29.50	29.50	29.50	29.50	37.50
2"	46.00	46.00	46.00	46.00	60.00

Table 1
Water Rate History

Meter Size:	1998	1999	2000	2001	2002
3"	84.50	84.50	84.50	84.50	112.50
4"	139.50	139.50	139.50	139.50	187.50
6"	277.00	277.00	277.00	277.00	377.00
8"	497.00	497.00	497.00	497.00	600.00
10"	799.50	799.50	799.50	799.50	862.50
12"	1,184.50	1,184.50	1,184.50	1,184.50	1,612.50
Commodity Charge:					
Per 100 Cubic Feet:	0.81	0.90	0.90	0.90	0.90
<u>NORTH MUSKEGON</u>					
Quarterly Ready-to-Serve Charges:					
Meter Size:	1998	1999	2000	2001	2002
5/8"	7.50	7.50	7.50	7.50	7.50
3/4"	10.25	10.25	10.25	10.25	11.25
1"	15.75	15.75	15.75	15.75	18.75
1 1/4"	22.63	22.63	22.63	22.63	28.25
1 1/2"	29.50	29.50	29.50	29.50	37.50
2"	46.00	46.00	46.00	46.00	60.00
3"	84.50	84.50	84.50	84.50	112.50
4"	139.50	139.50	139.50	139.50	187.50
6"	277.00	277.00	277.00	277.00	377.00
8"	497.00	497.00	497.00	497.00	600.00
10"	799.50	799.50	799.50	799.50	862.50
12"	1,184.50	1,184.50	1,184.50	1,184.50	1,612.50
Commodity Charge:					
Per 100 Cubic Feet:	0.81	0.90	0.90	0.90	0.90
<u>MUSKEGON TOWNSHIP</u>					
Quarterly Ready-to-Serve Charges:					
Meter Size:	1998	1999	2000	2001	2002
5/8"	7.50	7.50	7.50	7.50	7.50
3/4"	10.25	10.25	10.25	10.25	11.25
1"	15.75	15.75	15.75	15.75	18.75
1 1/4"	22.63	22.63	22.63	22.63	28.25
1 1/2"	29.50	29.50	29.50	29.50	37.50
2"	46.00	46.00	46.00	46.00	60.00
3"	84.50	84.50	84.50	84.50	112.50
4"	139.50	139.50	139.50	139.50	187.50
6"	277.00	277.00	277.00	277.00	377.00
8"	497.00	497.00	497.00	497.00	600.00
10"	799.50	799.50	799.50	799.50	862.50
12"	1184.50	1184.50	1184.50	1184.50	1612.50
Commodity Charge:					
Per 100 Cubic Feet:	1.50	1.50	1.50	1.11	1.11

**Table 1
Water Rate History**

Meter Size:	1998	1999	2000	2001	2002
NORTON SHORES (Miscellaneous Services)					
Commodity Charge:	1998	1999	2000	2001	2002
Per 100 Cubic Feet:	1.20	1.34	1.34	1.34	1.34
MISC. OUTSIDE					
Commodity Charge:	1998	1999	2000	2001	2002
Per 100 Cubic Feet:	0.90	1.01	1.01	1.01	1.01

Table 2
Projected Water Rates

CITY					
Quarterly Ready-to-Serve Charges:					
Meter Size:	Proposed	2004	2005	2006	2007
5/8"	0.00	0.00	0.00	0.00	0.00
3/4"	0.00	0.00	0.00	0.00	0.00
1"	0.00	0.00	0.00	0.00	0.00
1 1/4"	0.00	0.00	0.00	0.00	0.00
1 1/2"	0.00	0.00	0.00	0.00	0.00
2"	0.00	0.00	0.00	0.00	0.00
3"	0.00	0.00	0.00	0.00	0.00
4"	0.00	0.00	0.00	0.00	0.00
6"	0.00	0.00	0.00	0.00	0.00
8"	0.00	0.00	0.00	0.00	0.00
10"	0.00	0.00	0.00	0.00	0.00
12"	0.00	0.00	0.00	0.00	0.00
Commodity Charge:					
Per 100 Cubic Feet:	0.88	1.09	1.27	1.28	1.29
MUSKEGON COUNTY					
NORTHSIDE					
Quarterly Ready-to-Serve Charges:					
Meter Size:	Proposed	2004	2005	2006	2007
5/8"	0.00	0.00	0.00	0.00	0.00
3/4"	0.00	0.00	0.00	0.00	0.00
1"	0.00	0.00	0.00	0.00	0.00
1 1/4"	0.00	0.00	0.00	0.00	0.00
1 1/2"	0.00	0.00	0.00	0.00	0.00
2"	0.00	0.00	0.00	0.00	0.00
3"	0.00	0.00	0.00	0.00	0.00
4"	0.00	0.00	0.00	0.00	0.00
6"	0.00	0.00	0.00	0.00	0.00
8"	0.00	0.00	0.00	0.00	0.00
10"	0.00	0.00	0.00	0.00	0.00
12"	0.00	0.00	0.00	0.00	0.00
Commodity Charge:					
Per 100 Cubic Feet:	1.10	1.36	1.58	1.60	1.61
ROOSEVELT PARK					
Quarterly Ready-to-Serve Charges:					
Meter Size:	Proposed	2004	2005	2006	2007
5/8"	0.00	0.00	0.00	0.00	0.00
3/4"	0.00	0.00	0.00	0.00	0.00
1"	0.00	0.00	0.00	0.00	0.00
1 1/4"	0.00	0.00	0.00	0.00	0.00
1 1/2"	0.00	0.00	0.00	0.00	0.00
2"	0.00	0.00	0.00	0.00	0.00

Table 2
Projected Water Rates

Meter Size:	Proposed	2004	2005	2006	2007
3"	0.00	0.00	0.00	0.00	0.00
4"	0.00	0.00	0.00	0.00	0.00
6"	0.00	0.00	0.00	0.00	0.00
8"	0.00	0.00	0.00	0.00	0.00
10"	0.00	0.00	0.00	0.00	0.00
12"	0.00	0.00	0.00	0.00	0.00
Commodity Charge:					
Per 100 Cubic Feet:	1.18	1.47	1.71	1.72	1.74
NORTH MUSKEGON					
Quarterly Ready-to-Serve Charges:					
Meter Size:	Proposed	2004	2005	2006	2007
5/8"	0.00	0.00	0.00	0.00	0.00
3/4"	0.00	0.00	0.00	0.00	0.00
1"	0.00	0.00	0.00	0.00	0.00
1 1/4"	0.00	0.00	0.00	0.00	0.00
1 1/2"	0.00	0.00	0.00	0.00	0.00
2"	0.00	0.00	0.00	0.00	0.00
3"	0.00	0.00	0.00	0.00	0.00
4"	0.00	0.00	0.00	0.00	0.00
6"	0.00	0.00	0.00	0.00	0.00
8"	0.00	0.00	0.00	0.00	0.00
10"	0.00	0.00	0.00	0.00	0.00
12"	0.00	0.00	0.00	0.00	0.00
Commodity Charge:					
Per 100 Cubic Feet:	1.18	1.47	1.71	1.72	1.74
MUSKEGON TOWNSHIP					
Quarterly Ready-to-Serve Charges:					
Meter Size:	Proposed	2004	2005	2006	2007
5/8"	0.00	0.00	0.00	0.00	0.00
3/4"	0.00	0.00	0.00	0.00	0.00
1"	0.00	0.00	0.00	0.00	0.00
1 1/4"	0.00	0.00	0.00	0.00	0.00
1 1/2"	0.00	0.00	0.00	0.00	0.00
2"	0.00	0.00	0.00	0.00	0.00
3"	0.00	0.00	0.00	0.00	0.00
4"	0.00	0.00	0.00	0.00	0.00
6"	0.00	0.00	0.00	0.00	0.00
8"	0.00	0.00	0.00	0.00	0.00
10"	0.00	0.00	0.00	0.00	0.00
12"	0.00	0.00	0.00	0.00	0.00
Commodity Charge:					
Per 100 Cubic Feet:	1.18	1.47	1.71	1.72	1.74

**Table 2
Projected Water Rates**

Meter Size:	Proposed	2004	2005	2006	2007
NORTON SHORES (Miscellaneous Services)					
Commodity Charge:	Proposed	2004	2005	2006	2007
Per 100 Cubic Feet:	1.75	2.18	2.53	2.55	2.57
MISC. OUTSIDE					
Commodity Charge:	Proposed	2004	2005	2006	2007
Per 100 Cubic Feet:	1.32	1.63	1.90	1.92	1.93

**Table 3
Historical Billable Flows**

	Annual Billable Flows, 100 Cubic Foot Units				
	1998	1999	2000	2001	2002 *
City	3,030,907	2,910,031	2,871,081	3,011,411	2,753,381
Muskegon County					
Northside	109,387	149,340	198,890	187,710	175,390
Roosevelt Park	121,391	97,269	89,968	154,266	236,150
North Muskegon	319,533	300,428	229,008	304,957	313,631
Muskegon Township	330,878	284,681	323,273	316,295	314,938
Norton Shores (Miscellaneous Services)	4,545	4,031	3,977	3,870	4,064
Miscellaneous Outside	888	860	755	845	887
TOTAL	3,917,529	3,746,640	3,716,952	3,979,354	3,798,441
* Assumed 2002 over 2001 Percentage Increases:					
Norton Shores (Miscellaneous Services): 5%					
Miscellaneous Outside: 5%					

Table 4
Projected Billable Flows

	Annual Billable Flows, 100 Cubic Foot Units *				
	2003	2004	2005	2006	2007
City	2,780,915	2,808,724	2,836,811	2,865,179	2,893,831
Muskegon County Northside	184,160	193,367	203,036	213,188	223,847
Roosevelt Park	238,512	240,897	243,306	245,739	248,196
North Muskegon	323,040	332,731	342,713	352,994	363,584
Muskegon Township	330,685	347,219	364,580	382,809	401,950
Norton Shores (Miscellaneous Services)	4,267	4,480	4,704	4,939	5,186
Miscellaneous Outside	932	978	1,027	1,078	1,132
TOTAL	3,862,509	3,928,397	3,996,177	4,065,927	4,137,727
* Assumed Annual Increases:					
City:	1%				
Muskegon County Northside:	5%				
Roosevelt Park:	1%				
North Muskegon:	3%				
Muskegon Township:	5%				
Norton Shores (Miscellaneous Services):	5%				
Miscellaneous Outside:	5%				

Table 5
Projected Equivalent Billable Flows

	Annual Equivalent Billable Flows, 100 Cubic Foot Units				
	2003	2004	2005	2006	2007
City	2,780,915	2,808,724	2,836,811	2,865,179	2,893,831
Muskegon County Northside	230,199	241,709	253,795	266,485	279,809
Roosevelt Park	321,991	325,210	328,463	331,747	335,065
North Muskegon	436,104	449,187	462,663	476,543	490,839
Muskegon Township	446,425	468,746	492,183	516,792	542,632
Norton Shores (Miscellaneous Services)	8,533	8,960	9,408	9,878	10,372
Miscellaneous Outside	1,397	1,467	1,541	1,618	1,699
TOTAL	4,225,564	4,304,004	4,384,863	4,468,242	4,554,246

Table 6
Water Revenue History

Revenue Description	1998	1999	2000	2001	2002
Ready-to-Serve Charge Revenue:					
City of Muskegon	548,820	505,569	552,299	526,416	582,291
Muskegon Township	74,824	65,954	81,344	82,259	83,902
Other Outside-City	14,253	16,290	15,106	14,445	19,110
Total	637,897	587,813	648,749	623,120	685,303
Percentage of Total Revenue	19%	17%	18%	17%	19%
Commodity Charge Revenue:					
City of Muskegon	1,818,544	1,862,420	1,923,624	2,017,646	1,844,765
Muskegon Township	496,317	427,022	463,896	351,088	349,581
Other Outside-City	421,249	497,765	485,324	577,071	644,528
Total	2,736,110	2,787,207	2,872,844	2,945,805	2,838,874
Percentage of Total Revenue	81%	83%	82%	83%	81%
Total Revenue:					
City of Muskegon	2,367,364	2,367,989	2,475,923	2,544,062	2,427,056
Muskegon Township	571,141	492,976	545,240	433,347	433,483
Other Outside-City	435,502	514,055	500,430	591,516	663,638
Total	3,374,007	3,375,020	3,521,593	3,568,925	3,524,177

Table 7
Water System Budgeted Capital Improvements 2003 Through 2007

591	Water	2003 (Budget)	2003 (Revised Estimate)	2004 (Budget)	2004 (Revised Estimate)	2005	2006	2007
	Street Projects, Associated Utility Work:							
90075	Thompson, Plum/Edgewater	50,000	50,000		-	-	-	-
90074	Edgewater, Thompson/Wilcox	15,000	15,000		-	-	-	-
91031	Hackley Ave, Huson/Seaway	5,000	5,000		-	-	-	-
92005	Nims Street Tank Painting	200,000	200,000		-	-	-	-
91027	Terrace St., Iona to Peck	150,000	150,000		-	-	-	-
91025	Washington, Hudson/Lakeshore	140,000	140,000		-	-	-	-
96017	Shoreline Drive East	100,000	100,000		-	-	-	-
92006	Water Main Replacements	200,000	200,000		-	-	-	-
92007	Breakwall - Beach Street	60,000	60,000		-	-	-	-
	Subtotal:	920,000	920,000		750,000	750,000	750,000	750,000
	Water System Bonded Improvements:							
92008	Filter Rehabilitation	-	-	1,392,300	-	-	-	-
92009	Sediment Basin Rehabilitation	-	-	3,422,950	-	-	-	-
92010	NPDES Discharge Elimination	-	-	816,850	-	-	-	-
92011	Aux Pump Sta Conversion	-	-	1,939,700	-	-	-	-
	Water Filtration Plant Improvements (\$16,262,000, 100% City) **:		-	-	16,262,000	-	-	-
	Cross Channel Water Main (\$6,838,000, 0% City) **:		-	-	-	-	-	-
	Muskegon Township Storage Tank and Pump Station (\$1,808,000, 0% City) **:		-	-	-	-	-	-

Table 7
Water System Budgeted Capital improvements 2003 Through 2007

591	Water	2003 (Budget)	2003 (Revised Estimate)	2004 (Budget)	2004 (Revised Estimate)	2005	2006	2007
	Bronze Intake Screens, Carbon Feed Pump Replacement, Harvey Street Booster Station Improvements, Harvey Street Reservoir Fill Valve, Keating Street Booster Station, Intake Sampling Line and Pump, NaOCl Carrier Water Softener (\$797,000, 100% City, to be completed by 2013. Construction assumed to be done after 2007 in this table)		-	-	-	-	-	-
	Subtotal:	-	-	7,571,800	16,262,000	-	-	-
	Less Previous Bond Proceeds Available:	-	-	-	4,500,000	-	-	-
	Less Muskegon Twp Payment:	-	-	-	1,000,000	-	-	-
	Grand Total:	920,000	920,000	7,571,800	11,512,000	750,000	750,000	750,000
	* Amount for 2004 - 2007:	750,000						
	** Per Reliability Study							

Table 8
Water System Schedule of Indebtedness 2003 Through 2007

Date of Issue	Amount of Issue	2003	2004	2005	2006	2007
October 1, 1993	\$5,465,000					
	Interest Payable	40,500	40,500	40,500	40,500	40,500
	Principal Payable *	-	-	-	-	-
	Total Principal and Interest	40,500	40,500	40,500	40,500	40,500
	* Interest rate is 0% until 2012. In 2012 interest rate is 4.5%. Total principal and interest payments will be \$480,375 in 2012 and \$460,125 in 2013 (final payment)					
March 2, 1999	\$9,575,000					
	Interest Payable	377,059	361,380	344,704	326,899	308,168
	Principal Payable	405,000	420,000	435,000	455,000	470,000
	Total Principal and Interest	782,059	781,380	779,704	781,899	778,168
2004	\$10,800,000					
	Total Principal and Interest **	-	-	692,820	692,820	692,820
	** Bond Issue = \$16,262,000 less \$4,500,000 less \$1,000,000 = \$10,762,000 (Use \$10,800,000). Per City: 20 years at 2.5% with level payments beginning in 2005					

Table 9
Water System Expenses

Acct	591 WATER FUND	2000 (Actual)	2001 (Actual)	2002 (Actual)	2003 (Budget)	2004 (Budget)	2004 (Rev Est)	2005	2006	2,007
	Operating Expenditures									
30548	Administration									
5100	Salaries & Benefits	-	-	-	-	-	-	-	-	-
5200	Operating Supplies	-	10	-	-	-	-	-	-	-
5300	Contractual Services (Insurance/Indirect Costs/Administration Fee) *	359,581	453,613	389,093	513,566	536,676	536,676	560,827	586,064	612,437
5400	Other Expenses	7,431	6,144	7,966	-	-	-	-	-	-
5700	Capital Outlays	45	-	-	-	-	-	-	-	-
5900	Other Financing Uses (Interest on Water Bonds)	495,727	471,301	453,666	417,559	401,880	401,880	385,204	367,399	348,668
	Other Cash Uses and Adjustments (Principal on Water Bonds)	302,213	591,739	360,596	405,000	420,000	420,000	435,000	455,000	470,000
	Debt Service for 2004 \$10,800,000 Bond	-	-	-	-	-	-	692,820	692,820	692,820
	Subtotal	1,164,997	1,522,807	1,211,321	1,336,125	1,358,556	1,358,556	2,073,851	2,101,283	2,123,925

Table 9
Water System Expenses

Acct	591 WATER FUND	2000 (Actual)	2001 (Actual)	2002 (Actual)	2003 (Budget)	2004 (Budget)	2004 (Rev Est)	2005	2006	2,007
	Operating Expenditures									
60559	Maintenance - City									
5100	Salaries & Benefits *	698,628	788,512	712,770	610,798	638,284	638,284	667,007	697,022	728,388
5200	Operating Supplies **	237,968	235,205	169,124	107,431	110,654	110,654	113,974	117,393	120,915
5300	Contractual Services *	293,031	350,528	336,967	335,775	350,885	350,885	366,675	383,175	400,418
5400	Other Expenses ***	71,680	12,356	33,577	9,480	10,000	10,000	10,000	10,000	10,000
5700	Capital Outlays ***	5,129	7,327	2,256	9,500	10,000	10,000	10,000	10,000	10,000
5900	Other Financing Uses	-	-	-	-	-	-	-	-	-
	Subtotal	1,306,436	1,393,928	1,254,694	1,072,984	1,119,823	1,119,823	1,167,655	1,217,590	1,269,720
	Operating Expenditures Maintenance -									
60660	Township									
5100	Salaries & Benefits *	3,190	206,700	203,610	286,738	299,641	299,641	313,125	327,216	341,940
5200	Operating Supplies **	863	9,526	10,219	14,491	14,926	14,926	15,374	15,835	16,310
5300	Contractual Services *	47	120,508	126,067	129,494	135,321	135,321	141,411	147,774	154,424
5400	Other Expenses ****	-	469	792	443	500	500	500	500	500
5700	Capital Outlays *****	-	800	3,289	4,350	5,000	5,000	5,000	5,000	5,000
5900	Other Financing Uses	-	-	-	-	-	-	-	-	-
	Subtotal	4,100	338,003	343,977	435,516	455,388	455,388	475,409	496,325	518,174

Table 9
Water System Expenses

Acct	591 WATER FUND	2000 (Actual)	2001 (Actual)	2002 (Actual)	2003 (Budget)	2004 (Budget)	2004 (Rev Est)	2005	2006	2,007
	Operating Expenditures -									
	60558 Filtration									
5100	Salaries & Benefits *	469,642	440,416	476,572	521,626	545,099	545,099	569,629	595,262	622,049
5200	Operating Supplies **	121,252	115,076	129,191	112,195	115,561	115,561	119,028	122,599	126,276
5300	Contractual Services *	285,375	349,281	340,767	441,100	460,950	460,950	481,692	503,368	526,020
5400	Other Expenses *****	3,546	2,374	4,067	4,150	5,000	5,000	5,000	5,000	5,000
5700	Capital Outlays *****	27,339	104,236	37,326	72,700	25,000	25,000	25,000	25,000	25,000
5900	Other Financing Uses	-	-	-	-	-	-	-	-	-
	Subtotal	907,154	1,011,383	987,923	1,151,771	1,151,610	1,151,610	1,200,349	1,251,229	1,304,345
	90000 Project Expenditures									
5200	Operating Supplies	-	-	-	-	-	-	-	-	-
5300	Contractual Services (Budgeted Capital Improvements)	665,056	1,363,419	1,253,024	920,000	7,571,800	11,512,000	750,000	750,000	750,000
5700	Capital Outlays	-	-	-	-	-	-	-	-	-
	Equipment Replacement *****					-	140,000	140,000	140,000	140,000
	Subtotal	665,056	1,363,419	1,253,024	920,000	7,571,800	11,652,000	890,000	890,000	890,000
	Grand Total	4,047,743	5,629,540	5,050,939	4,916,396	11,657,177	15,737,377	5,807,264	5,956,426	6,106,165
*	Increase 2004/2007:	4.50%	per year							
**	Increase 2004/2007:	3.00%	per year							
***	Amount 2004/2007:	10,000	all years							
****	Amount 2004/2007:	500	all years							
*****	Amount 2004/2007:	5,000	all years							
*****	Amount 2004/2007:	25,000	all years							
*****	Amount 2004/2007:	140,000	all years							

Table 10
Water System Expense Allocations

591 WATER FUND Account Number(s)	Allocated To:	2004 (Budget)	2004 (Revised Estimate)	2005	2006	2007
30548, 60559, 60558, 60660, 90000	All Customers	11,657,177	15,737,377	5,807,264	5,956,426	6,106,165
	Less State Grant	(100,000)	-	-	-	-
	Less Bond Proceeds	(7,600,000)	(10,800,000)	-	-	-
	Less Interest Income	(50,000)	(50,000)	(50,000)	(50,000)	(50,000)
	Less Muskegon Township Contract Operations Income	(200,000)	(200,000)	(200,000)	(200,000)	(200,000)
	Net to All Customers (Expenses less State Grant, Bond Proceeds, Interest Income, and Muskegon Township Contract Operations Income)	3,707,177	4,687,377	5,557,264	5,706,426	5,856,165

Table 11
Projected Water Rate Calculations

CITY:	Proposed	2004	2005	2006	2007
Commodity Charge Per 100 Cubic Feet = (Expenses Allocated to All Customers/Total Equivalent Billable Flow) x 1.00	0.88	1.09	1.27	1.28	1.29
MUSKEGON COUNTY NORTHSIDE:					
Commodity Charge Per 100 Cubic Feet = (Expenses Allocated to All Customers/Total Equivalent Billable Flow) x 1.25	1.10	1.36	1.58	1.60	1.61
ROOSEVELT PARK:					
Commodity Charge Per 100 Cubic Feet = (Expenses Allocated to All Customers/Total Equivalent Billable Flow) x 1.35	1.18	1.47	1.71	1.72	1.74
NORTH MUSKEGON:					
Commodity Charge Per 100 Cubic Feet = (Expenses Allocated to All Customers/Total Equivalent Billable Flow) x 1.35	1.18	1.47	1.71	1.72	1.74
MUSKEGON TOWNSHIP:					
Base Commodity Charge Per 100 Cubic Feet = (Expenses Allocated to All Customers/Total Equivalent Billable Flow) x 1.35	1.18	1.47	1.71	1.72	1.74
NORTON SHORES (MISCELLANEOUS SERVICES):					
Commodity Charge Per 100 Cubic Feet = (Expenses Allocated to All Customers/Total Equivalent Billable Flow) x 2.00	1.75	2.18	2.53	2.55	2.57
MISCELLANEOUS OUTSIDE:					
Commodity Charge Per 100 Cubic Feet = (Expenses Allocated to All Customers/Total Equivalent Billable Flow) x 1.50	1.32	1.63	1.90	1.92	1.93

Table 12
Water System Revenues

591 WATER FUND	2000 (Actual)	2001 (Actual)	2002 (Actual)	2003 (Budget)	2004 (Budget)	2004 (RevEst)	2005	2006	2007
Subtotal	3,936,337	4,717,919	4,169,079	5,100,000	11,657,177	15,737,377	5,807,264	5,956,426	6,106,165
Expenditures	4,047,743	5,629,540	5,050,939	4,916,396	11,657,177	15,737,377	5,807,264	5,956,426	6,106,165
Available Cash Balance, Beginning of Year **	6,094,347	5,982,941	5,071,320	4,189,460	4,373,064	8,873,064	4,373,064	4,373,064	4,373,064
Transfer from Cash Balance **	111,406	911,621	881,860	(183,604)	-	4,500,000	-	-	-
Available Cash Balance, End of Year	5,982,941	5,071,320	4,189,460	4,373,064	4,373,064	4,373,064	4,373,064	4,373,064	4,373,064
** 2004 (Revised Estimate) Available Cash Balance increased by \$4,500,000 to account for previous bond issue proceeds available)									
** Amount for 2004 - 2007:	50,000								

Table 12
Water System Revenues

591 WATER FUND	2000 (Actual)	2001 (Actual)	2002 (Actual)	2003 (Budget)	2004 (Budget)	2004 (RevEst)	2005	2006	2007
Revenues									
Special Assessments	-	-	-	-	-	-	-	-	-
EDA Grant Seaway Ind Park	-	-	-	-	-	-	-	-	-
State Grant Shoreline Drive	-	-	-	100,000	100,000				
State Shared Revenue	-	-	-	-	-	-	-	-	-
Charges: City (2000, 2001 included all customers; 2002 Rev Est, 2003 Budget included all except Muskegon Twp)	3,531,540	3,980,059	4,084,612	4,500,000	2,439,756	3,058,907	3,595,302	3,659,143	3,721,088
Charges: Muskegon County Northside					201,959	263,239	321,653	340,329	359,797
Charges: Roosevelt Park					282,489	354,178	416,285	423,677	430,849
Charges: North Muskegon					382,603	489,198	586,367	608,596	631,154
Charges: Muskegon Township	-	-	-	450,000	391,658	510,499	623,780	659,999	697,754
Muskegon Township Contract Operations Income	-	-	-	-	200,000	200,000	200,000	200,000	200,000
Charges: Norton Shores (Miscellaneous Services)					7,486	9,758	11,923	12,616	13,337
Charges: Miscellaneous Outside	-	-	-	-	1,226	1,598	1,953	2,066	2,184
Hydrant Rental - Muskegon Twp	-	-	-	-	-	-	-	-	-
Interest Income *	320,696	230,864	84,467	50,000	50,000	50,000	50,000	50,000	50,000
Operating Transfers In	-	454,812	-	-	-	-	-	-	-
Other (NEW BOND ISSUANCE)	84,101	52,184	-	-	7,600,000	10,800,000	-	-	-

Table 13
Water Cost Comparison

CITY	Current	Proposed	Percent Change	2004	Percent Change	2005	Percent Change	2006	Percent Change	2007	Percent Change	Average Annual Percent Change: Current to 2007
Quarterly Bill for a 5/8" Average Usage Residential Customer and 26 Units per Quarter:												
Meter Size:												
5/8"	7.50	0.00		0.00		0.00		0.00		0.00		
100 Cubic Foot Usage:												
26	17.42	22.81		28.32		32.95		33.20		33.43		
Total:	24.92	22.81	-8%	28.32	24%	32.95	16%	33.20	1%	33.43	1%	7%
Quarterly Bill for a 1" High Usage Residential Customer and 100 Units per Quarter:												
Meter Size:												
1"	18.75	0.00		0.00		0.00		0.00		0.00		
100 Cubic Foot Usage:												
100	67.00	87.73		108.91		126.74		127.71		128.59		
Total:	85.75	87.73	2%	108.91	24%	126.74	16%	127.71	1%	128.59	1%	10%
Quarterly Bill for a 2" Commercial Customer and 500 Units per Quarter:												
Meter Size:												
2"	60.00	0.00		0.00		0.00		0.00		0.00		
100 Cubic Foot Usage:												
500	335.00	438.66		544.54		633.69		638.55		642.93		
Total:	395.00	438.66	11%	544.54	24%	633.69	16%	638.55	1%	642.93	1%	13%
Quarterly Bill for a 3" Commercial Customer and 2,000 Units per Quarter:												
Meter Size:												
3"	112.50	0.00		0.00		0.00		0.00		0.00		
100 Cubic Foot Usage:												
2,000	1,340.00	1,754.64		2,178.15		2,534.75		2,554.22		2,571.74		
Total:	1,452.50	1,754.64	21%	2,178.15	24%	2,534.75	16%	2,554.22	1%	2,571.74	1%	15%
Quarterly Bills (Commodity Charge Portion Only) for Quarterly 100 Cubic Foot Usage as Noted:												
Lorin Industries:												
43,496	29,142.32	38,159.96	31%	47,370.34	24%	55,125.72	16%	55,549.08	1%	55,930.17	1%	18%
State Prison:												
42,669	28,587.90	37,433.98	31%	46,469.14	24%	54,076.97	16%	54,492.27	1%	54,866.11	1%	18%
Sealed Power Company:												
12,805	8,579.35	11,234.10	31%	13,945.59	24%	16,228.73	16%	16,353.36	1%	16,465.55	1%	18%
West Michigan Steel:												
10,455	7,004.52	9,171.95	31%	11,385.72	24%	13,249.77	16%	13,351.52	1%	13,443.12	1%	18%
Hackley Hospital:												
9,623	6,447.24	8,442.24	31%	10,479.88	24%	12,195.63	16%	12,289.29	1%	12,373.60	1%	18%
Hy-Lift Inc.:												

Table 13
Water Cost Comparison

CITY	Current	Proposed	Percent Change	2004	Percent Change	2005	Percent Change	2006	Percent Change	2007	Percent Change	Average Annual Percent Change: Current to 2007
9,008	6,035.36	7,902.91	31%	9,810.37	24%	11,416.51	16%	11,504.19	1%	11,583.11	1%	18%
Mercy General Health Partners:												
8,885	5,952.78	7,794.78	31%	9,676.15	24%	11,260.31	16%	11,346.78	1%	11,424.63	1%	18%
MUSKEGON COUNTY NORTHSIDE: Annual Commodity Charge Revenue												
100 Cubic Foot Usage, (based on Actual 2002):												
175,390	146,889	192,342	31%	238,766	24%	277,856	16%	279,990	1%	281,911	1%	18%
ROOSEVELT PARK: Annual Commodity Charge Revenue												
100 Cubic Foot Usage, (based on Actual 2002):												
236,150	197,776	258,974	31%	347,199	34%	347,199	0%	404,042	16%	409,938	1%	21%
NORTH MUSKEGON: Annual Commodity Charge Revenue												
100 Cubic Foot Usage, (based on Actual 2002):												
313,631	262,666	343,944	31%	461,116	34%	536,609	16%	540,780	1%	544,439	1%	21%
MUSKEGON TOWNSHIP: Commodity Charge Revenue (based on 2002 billable flow) vs. 2002 Total Ready-to-Serve and Commodity Charge Revenue												
100 Cubic Foot Usage, (based on Actual 2002):												
314,938												
Ready-to-Serve	83,902	0										
Commodity	349,581	373,007										
Contract Operations	0	0		200,000		200,000		200,000		200,000		
Total	433,483	373,007	-14%	669,037	78%	738,845	11%	742,983	1%	746,708	1%	14%
NORTON SHORES (Miscellaneous Services)												
Commodity Charge:												
Per 100 Cubic Feet:	1.34	1.75	31%	2.18	24%	2.53	16%	2.55	1%	2.57	1%	18%
MISCELLANEOUS OUTSIDE												
Commodity Charge:												
Per 100 Cubic Feet:	1.01	1.32	31%	1.63	24%	1.90	16%	1.92	1%	1.93	1%	18%

Table 14
Revenue Percent-to-Billable Flow Percent by User Class

USER CLASS	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007
City:										
Flow, 100 Cubic Feet:	3,030,907	2,910,031	2,871,081	3,011,411	2,753,381	2,780,915	2,808,724	2,836,811	2,865,179	2,893,831
Percent of Total Flow:	77.37%	77.68%	77.25%	75.68%	72.49%	72.00%	71.50%	70.99%	70.47%	69.94%
Revenue:	\$2,367,364	\$2,367,989	\$2,475,923	\$2,544,062	\$2,427,056	\$2,439,756	\$3,058,907	\$3,595,302	\$3,659,143	\$3,721,088
Percent of Total Revenue:	70.17%	70.17%	70.31%	71.29%	68.87%	62.45%	62.59%	62.45%	61.96%	61.45%
Muskegon Twp:										
Flow, 100 Cubic Feet	330,878	284,681	323,273	316,295	314,938	330,685	347,219	364,580	382,809	401,950
Percent of Total Flow:	8.45%	7.60%	8.70%	7.95%	8.30%	8.57%	8.84%	9.13%	9.42%	9.72%
Revenue:	\$571,141	\$492,976	\$545,240	\$433,347	\$433,483	\$591,658	\$710,499	\$823,780	\$859,999	\$897,754
Percent of Total Revenue:	16.93%	14.61%	15.49%	12.15%	12.31%	15.15%	14.54%	14.31%	14.57%	14.83%
Other Outside-City:										
Flow, 100 Cubic Feet	555,744	551,928	522,598	651,648	730,122	750,909	772,453	794,786	817,938	841,946
Percent of Total Flow:	14.19%	14.74%	14.06%	16.38%	19.23%	19.45%	19.67%	19.89%	20.12%	20.35%
Revenue:	\$435,502	\$514,055	\$500,430	\$591,516	\$663,638	\$875,764	\$1,117,971	\$1,338,181	\$1,387,284	\$1,437,323
Percent of Total Revenue:	12.91%	15.24%	14.22%	16.58%	18.84%	22.42%	22.88%	23.25%	23.49%	23.74%
<i>City Flow %</i>	77.37%	77.68%	77.25%	75.68%	72.49%	72.00%	71.50%	70.99%	70.47%	69.94%
<i>City Revenue %</i>	70.17%	70.17%	70.31%	71.29%	68.87%	62.45%	62.59%	62.45%	61.96%	61.45%
<i>Non-City Flow %</i>	22.64%	22.34%	22.76%	24.33%	27.53%	28.02%	28.51%	29.02%	29.54%	30.07%
<i>Non-City Revenue %</i>	29.84%	29.85%	29.71%	28.73%	31.15%	37.57%	37.42%	37.56%	38.06%	38.57%
Total Flow 100 Cubic Feet:	3,917,529	3,746,640	3,716,952	3,979,354	3,798,441	3,862,509	3,928,397	3,996,177	4,065,927	4,137,727
Total Revenue:	\$3,374,007	\$3,375,020	\$3,521,593	\$3,568,925	\$3,524,177	\$3,907,177	\$4,887,377	\$5,757,264	\$5,906,426	\$6,056,165

Glossary of Terms

Ancillary Charges - Charges for services not recovered through water rates. These services are not directly related to general water service and are to benefit specific customers.

Bond Coverage - A ratio of revenues in excess of expenses to cover debt service payment.

Bond Covenants - Contractual commitments to bondholders.

Cash-needs Approach - A method of determining user charges based on the annual cash requirements of the utility operation.

Cost Allocation - The procedure for assigning costs to utility service functions.

Cost of Service - Operating expenses, capital expenditures, and other cash requirements to provide utility service.

Debt Service - Cash requirements for the payment of interest and principal on revenue bonds.

Rate Blocks - A rate design method where different rates are charged for defined volumes of usage.

Revenue Bonds - Long-term debt payable from the revenues derived from user charges and fees.

Revenue Requirements - Financial resources required to fund the utilities operation and maintenance expenses, annual debt service payments, and capital replacement/renewal costs.

User Charges - Costs assessed to customers for utility services including volume rates, billing and customer service charges.

AGENDA ITEM NO. 2003-65d 64d)

CITY COMMISSION MEETING 8/12/03

TO: Honorable Mayor and City Commissioners

FROM: Bryon L. Mazade, City Manager

DATE: July 30, 2003

RE: Energy Savings Performance Contract - L. C. Walker Arena

SUMMARY OF REQUEST:

To approve a Letter of Intent with Siemens Building Technologies, Inc., to enter into a Guaranteed Savings Performance Contract for the L. C. Walker Arena.

FINANCIAL IMPACT:

\$15,000

BUDGET ACTION REQUIRED:

None at this time.

STAFF RECOMMENDATION:

To approve.

COMMITTEE RECOMMENDATION:

2003-64 (d)
8-12-03

SIEMENS

Siemens Building Technologies

July 28, 2003

Mr. Bryon Mazade
City Manager
City of Muskegon
933 Terrace Street
P.O. Box 536
Muskegon, MI 49443-0536

Dear Mr. Mazade:

This letter shall act as a **Letter of Intent (LOI)** demonstrating that **City of Muskegon** intends to partner with **Siemens Building Technologies, Inc. (Siemens)** in a "Guaranteed Savings Performance Contract" for the **L.C. Walker Arena** providing the following conditions are met:

1. **Siemens** will perform a detailed infrastructure audit and pre-construction design. The detailed audit will contain the following:
 - Detailed design for each facility improvement measure.
 - Develop and send out bidding documents for each facility improvement measure (FIM).
 - Receive bids from subcontractors.
 - Compile costs for FIM's.
 - Calculate guaranteed savings (operational and energy) for all FIM's.
 - Submission of documents for all required state approvals.
 - Guaranteed Savings are for the City of Muskegon only.
2. A feasibility analysis has been conducted that identified a potential project scope that is cash flow positive over ten (10) years. This analysis provides an overview of the potential improvements for the L.C. Walker Arena.
3. The infrastructure audit and final proposal for a "Guaranteed Savings Performance Contract" will detail the following for each FIM:
 - Scope description.
 - Cost breakdown.
 - Guaranteed savings.
 - Annual performance assurance services.
 - Documented maintenance.

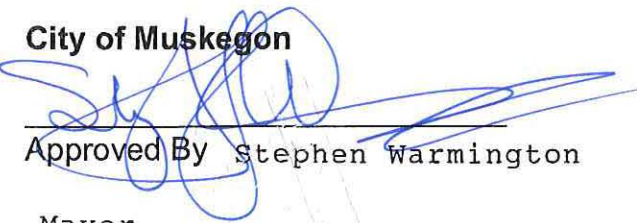
4. This proposal will be structured so that the guaranteed savings will offset the capital improvements and provide a cumulative ten (10) year positive cash flow in excess of \$50,000 directly to the City of Muskegon. **This cumulative positive cash flow may include energy savings, operational savings and avoided costs agreed to by the City of Muskegon and Siemens.** The financial analysis will be presented in a format consistent with the financial analysis methods currently used by the **City of Muskegon**.
5. The final proposal will be for a fixed and firm price for all work necessary.
6. The City of Muskegon will have the option to submit the proposals to the State of Michigan School and Local Government Energy Services Program. Siemens will provide all necessary support and documentation required.

We understand that the **City of Muskegon** will assist the **Siemens'** engineering staff with the detailed audit and design by providing the necessary data and information required. Full access to building equipment, accurate occupancy levels, building operating schedules and any other reasonable information necessary to complete our analysis and design is also required.

If after the detailed audit and design phase, the **City of Muskegon** elects not to enter into a performance contract, the **City of Muskegon** agrees to pay Siemens the amount of **\$ 15,000.00 (Fifteen Thousand Dollars)** to cover the cost incurred during the detailed energy audit and design phase. Otherwise, these costs will be absorbed as part of the total performance contract cost. The duration of this Detailed Design phase will be **Sixty (60) Days** after both parties have signed the LOI.

In the event **Siemens** cannot reduce the annual operating/energy bills and provide a cumulative ten (10) year positive cash flow in excess of \$50,000, the **City of Muskegon** will not be responsible for any payments associated with the design and detailed energy audit.

City of Muskegon


Approved By Stephen Warmington

Mayor

Title

Date

Aug. 25, 2003

Siemens Building Technologies, Inc.


Approved By David R. Hopping

District Manager

Title

Date

Aug 26, 2003

Siemens Building Technologies, Inc

Building Automation Division

1525 Gezon Parkway SW
Wyoming, MI 49509

Tel: (616) 538-1611
Fax: (616) 538-2890

Date: August 12, 2003

2003-681e)

To: Honorable Mayor and City Commissioners

From: City Clerk, Gail Kunding

RE: Designation of Voting Delegate and Alternate
Voting Delegate for MML Annual Meeting.

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

COMMITTEE RECOMMENDATION: Community Relations Committee
recommended approval



June 23, 2003

OFFICIAL NOTICE TO MEMBER CITIES AND VILLAGES
OF THE MICHIGAN MUNICIPAL LEAGUE

(Please present at the next Council or Commission Meeting)

Dear Official:

The annual meeting of the members of the Michigan Municipal League will be held in Detroit, September 17-19, 2003. The business session is scheduled for 10:45 a.m. on Wednesday, September 17, at the Detroit Renaissance Center. The meeting will be held for the following purposes:

1. Election of Trustees. To elect six members of the Board of Trustees for terms of three years each.
2. Policy. To vote on statements of policy and resolutions properly brought before the annual meeting.
3. Other Business. To transact such other business as may properly come before the meeting.

Designation of Voting Delegates

Pursuant to the provisions of the League Bylaws, you are requested to designate by action of your governing body one of your officials who will be in attendance at the Convention as your 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. After taking this action, please return the enclosed reply card no later than August 27, 2003.

In connection with the designation of an official representative of the member to the annual meeting, your attention is invited to the following provisions of the Bylaws of the Michigan Municipal League:

"Section 4.4 - Votes of Members. Each member city and village shall be equally privileged with all other members in its voice and vote in the election of officers and upon any proposition presented for discussion or decision at any meeting of the members. Honorary members shall be entitled to participate in the discussion of any question, but such members shall not be entitled to vote. The vote of each member shall be cast by its official representative attending the meeting at which an election of officers or a decision on any proposition shall take place. Each member shall, by action of its governing body prior to the annual meeting or any special meeting, appoint one official of such member city or village as its principal official representative to cast the vote of the member at such meeting, and may appoint one official as its alternate official representative to serve in the absence or inability to act of the principal representative.

A member of the National League of Cities

Web Address
www.mml.org

Headquarters Office
1675 Green Road, P.O. Box 1487
Ann Arbor, MI 48106-1487
Phone: 734-662-3246
Fax: 734-662-8083

Lansing Office
320 N. Washington Square, Suite 110
Lansing, MI 48933-1288
Phone: 517-485-1314
Fax: 517-372-7476

Northern Field Office
200 Minneapolis Avenue
Gladstone, MI 49837-1931
Phone: 906-428-0100
Fax: 906-428-0101

President
KATE LAWRENCE
Mayor, Brighton

Vice President
MYRON FRASIER
Councilmember, Southfield

Trustees
ALEX ALLIE
City Manager, Huntington Woods

SHEILA COCKREL
Councilmember, Detroit

GRETCHEN DRISKELL
Mayor, Saline

CRAIG GIERKE
Councilmember, Escanaba

BARBARA HOLT
Mayor Pro Tem, Walker

ROBERT JONES
Mayor, Kalamazoo

KURT KIMBALL
City Manager, Grand Rapids

JAMES LEIDLEIN
City Manager, Harper Woods

THOMAS MARKUS
City Manager, Birmingham

SPENCER NEBEL
City Manager, Sault Ste. Marie

FLORENCE SCHRADER
Treasurer, Ubly

MARGENE ANN SCOTT
Councilmember, Madison Heights

JAMES SINCLAIR
Councilmember, Rogers City

JOEL THOMPSON
Mayor, Otsego

MARTY WAZBINSKI
Mayor Pro Tem, Midland

JOSEPH YUCHASZ
Village President, Elk Rapids

Executive Director
GEORGE D. GOODMAN

Election of Trustees

In connection with election of officers, under Section 5.3 of the Bylaws, six members of the Board of Trustees will be elected at the annual meeting for a term of three years. The regulations of the Board of Trustees require the Nominations Committee to complete its recommendations and post the names of the nominees for the Board of Trustees on the bulletin board of the registration desk at least four hours before the hour of the business meeting.

Resolution

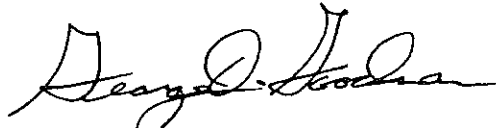
In connection with consideration of resolutions and statements of policy, under Section 4.5 of the Bylaws of the League, the Board of Trustees acts as the Resolutions Committee, and no resolution or motion, except procedural and incidental matters having to do with business properly before the annual meeting or pertaining to the conduct of the meeting, shall be considered at the annual meeting unless it is submitted to the meeting by the Board of Trustees. The proposed Michigan Municipal League Policies and any new proposed Resolutions recommended by the Board of Trustees for adoption by the membership will be printed and distributed prior to the Convention, to permit governing bodies of member cities and villages to have an opportunity to review such proposals and delegate to their voting representative the responsibility for expressing the official point of view of the member at the annual meeting.

The Board of Trustees will meet on Tuesday, September 16, at the Renaissance Center in Detroit for the purpose of considering such other matters as may be requested by the membership.

Sincerely,



Kate Lawrence
President



George D. Goodman,
Executive Director

GDG/dw
Enc.

DATE: August 4, 2003 2003 - 64 - 8)2)

TO: Honorable Mayor and Commissioners

FROM: Robert B. Grabinski, Director of Inspection Services

RE: Concurrence with the Housing Board of Appeals Notice and Order to Demolish. Dangerous Building Case #: 02-46 Address: 1032 Wood.

SUMMARY OF REQUEST: This is to request that the City Commission Concur with the findings of the Housing Board of Appeals that the structure located at **1032 Wood** is unsafe, substandard, a public nuisance and that it be demolished within thirty (30) days. It is further requested that administration be directed to obtain bids for the demolition of the structure and that the Mayor and City Clerk be authorized and directed to execute a contract for demolition with the lowest responsible bidder.

Case# & Project Address: #02-46 – 1032 Wood, Muskegon, MI

Location and ownership: This structure is located on Wood between Ada and Apple and is owned by Dean Pranger.

Staff Correspondence: A dangerous building inspection was conducted on 9/6/02 and the notice and order to repair or remove was issued 11/25/02. On 2/6/03 the HBA declared the structure substandard and dangerous. On 5/2/03 an interior inspection was conducted with a potential buyer. He was given a copy of the inspection report and was in contact with the building inspector and director. There has been no contact since May 2003.

Owner Contact: Dean Pranger has not contacted the Inspection Department at all. The only certified mail he has accepted is the notice and order to repair or remove.

Financial Impact: CDBG

Budget action required: None

State Equalized value: \$16,100

Estimated cost to repair: \$8,000 plus the cost to repair any interior defects.

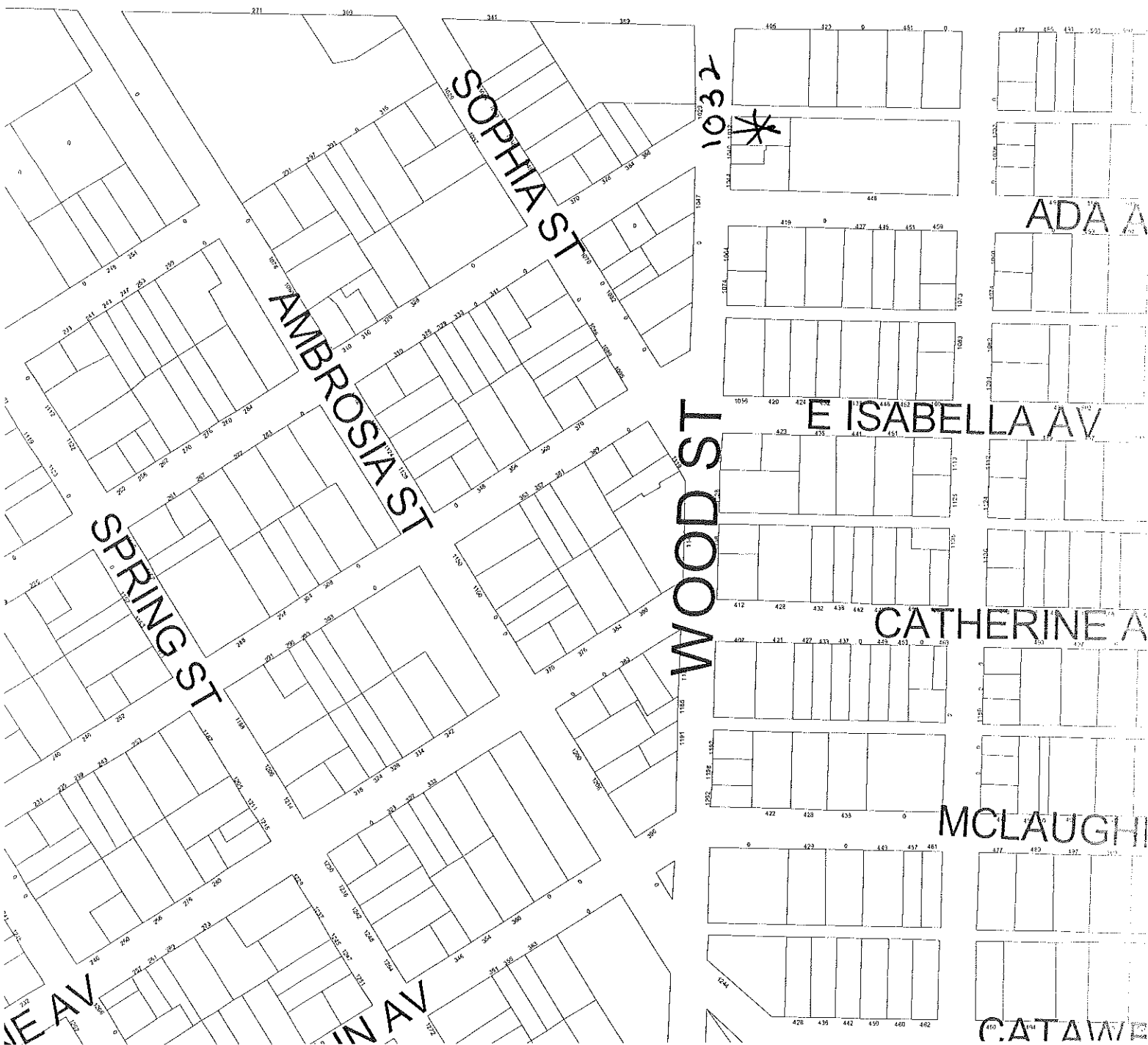
Staff Recommendation: To concur with the Housing Board of Appeals decision to demolish.

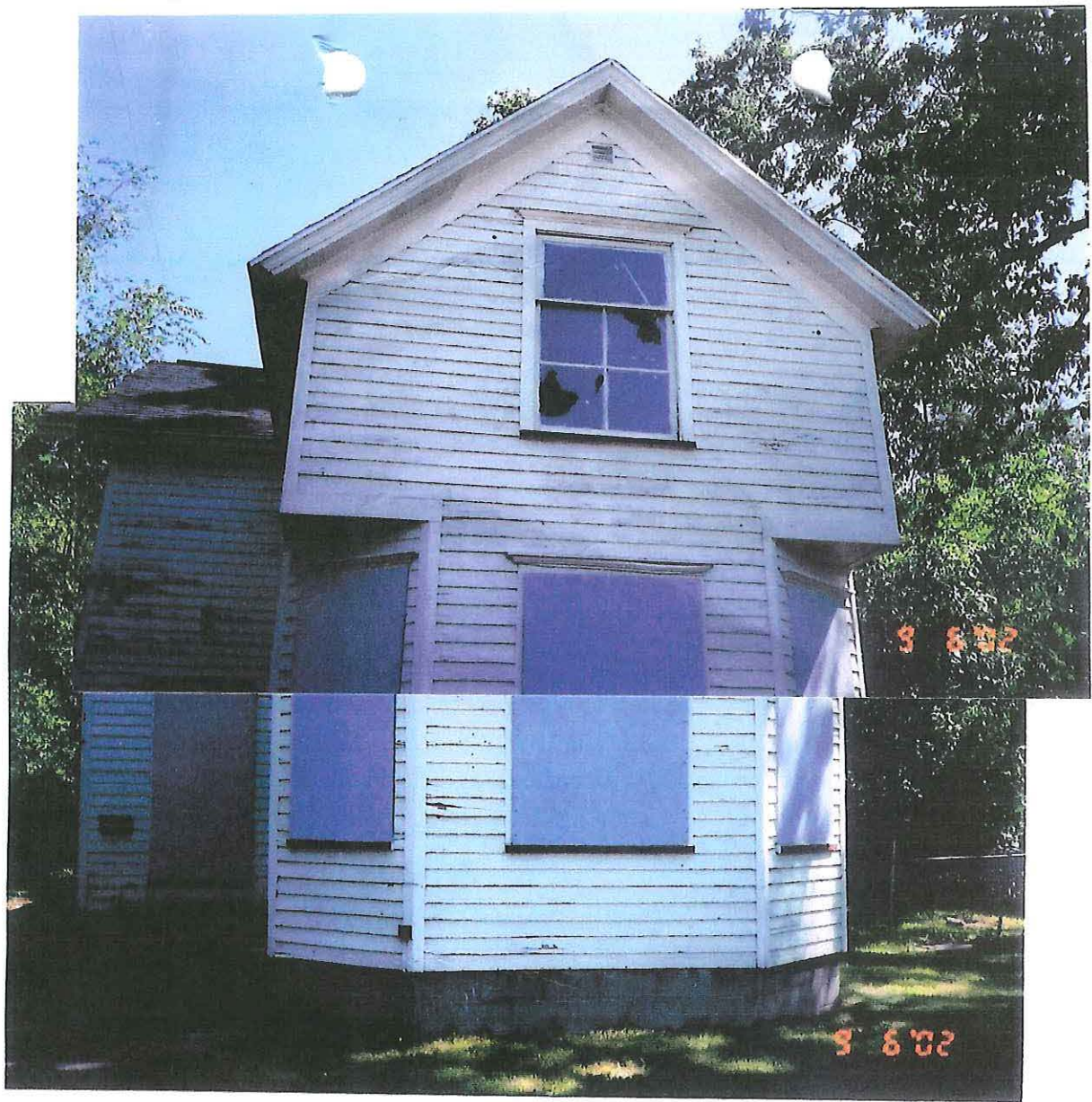
City Commission Recommendation: The commission will consider this item at it's meeting Tuesday, August 12, 2003.

F

EME

WI





1032 WOOD

For The Inspection Department
City of Muskegon

File #: 421879

FROM CITY ASSESSOR'S RECORDS

OWNER: Dean Pranger
PROPERTY: 1032 Wood
PARCEL NO: 24-205-067-0006-00
DESCRIPTION: W 99 ft of Lot 6 Ex S 8 ft of W 62 ½ ft Blk 67

FROM RECORDS OF TRANSNATION TITLE

LIBER: 2124
PAGE: 886
DATE OF DEED: July 2, 1998
GRANTOR NAME & ADDRESS: Slettrab Enterprises, Inc., 2255 South Wood,
Muskegon, MI 49441
GRANTEE NAME & ADDRESS: Dean A. Pranger, 1811 Lawnel, Muskegon,
MI 49441
LIENS OR MORTGAGES: 2124/887; 3152/102
TODAY'S DATE: September 12, 2002
EFFECTIVE DATE: August 22, 2002 at 8:00 AM

Abstracted by:


TRANSNATION TITLE INSURANCE COMPANY

The above information is to be used for reference purposes only and not to be relied upon as evidence of title and/or encumbrances. Accordingly, said information is furnished at a reduced rate, and the Company's liability shall in no event exceed the amount paid for said information, should evidence of title and/or encumbrances be desired, application for title insurance should be placed with Transnation Title Insurance Company.

STATE OF MICHIGAN
COUNTY OF MUSKEGON
RECEIVED FOR RECORD

1998 JUL 14 AM 9:35

Larry Carter
REGISTER OF DEEDS

WARRANTY DEED

STATUTORY FORM FOR CORPORATIONS

401840

Form No. M-961

KNOW ALL MEN BY THESE PRESENTS:

That Slettrab Enterprises, Inc., a Michigan

Corporation

a Michigan corporation, whose street is 2255 Southwood

Muskegon, MI 49441

Conveys and Warrants to Dean A. Pranger, a married man

whose street number and post office address is 1811 Lawnel

Muskegon, MI 49441

the following described premises situated in the City of Muskegon County of Muskegon and State of Michigan, to-wit:

The West 99 feet of Lot 6, except the South 8 feet of the West 62 1/2 feet of Block 67, Revised Plat (of 1903) of the City of Muskegon, as recorded in Liber 3 of Plats, Page 71, Muskegon County Records.

00-01096 / 31-29-201-007

Parcel #61-

01096

31-29-201-007-007

More commonly known as: 1032 Wood Street, Muskegon, Michigan 49442

for the sum of ONE AND 00/100, (**\$1.00*) Dollars

for the sum of AFFIX REVENUE STAMPS AFTER RECORDING

subject to easements, use, building and other restrictions of record, if any;

Dated this 2nd day of July, 1998

Signed and Sealed in presence of

Signed and Sealed:

Amy B. Fett

Amy B. Fett

Jill A. Osterhart

Jill A. Osterhart

STATE OF MICHIGAN

COUNTY OF Muskegon

ss.

Slettrab Enterprises, Inc.,

BY *Lester E. Bartels*
Lester E. Bartels, President

AMY B. FETT

Notary Public, Muskegon County, Michigan
My Commission Expires 4-19-99

The foregoing instrument was acknowledged before me this 2nd day of July, 1998 by resident, Lester E. Bartels, of Slettrab Enterprises, Inc.,

Amy B. Fett

My Commission expires _____, Notary Public, _____ County, Michigan

County Treasurer's Certificate

Michigan, 10 is 98
I hereby certify that there are no tax liens or taxes owed by the state or any individual against the within description, and all taxes on this are paid for five years previous to the date of this instrument, as appears by the reports in my office.

Ms. 0051017 *quakers-d* On June

After recording return to:

Dean A. Pranger
1811 Lawnel
Muskegon, Michigan 49441

City Treasurer's Certificate

Drafted By:
Slettrab Enterprises
2255 Southwood
Muskegon, MI 49441

NOTICE OF HEARING BEFORE THE CITY COMMISSION

DATE: August 1, 2003

1032 Wood

(Address of Property)

TO: All owners and interested parties:

Dean Pranger, 19022 Armington Dr. El Paso, TX 79928
Owner

Independent Bank, 78 South Main St. Rockford, MI 49341
(Other interested parties)

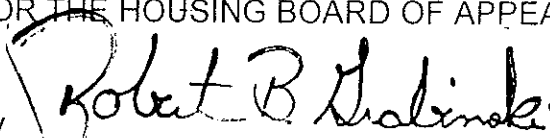
Maria Garcia, 4618 Mallow, Houston, TX 77051

On February 6, 2003 the Muskegon Housing Board of Appeals made a determination that the subject property is sub-standard, a public nuisance and a dangerous building under the City Code and ordered that it be repaired or demolished.

The City Commission will hold a hearing on Tuesday, August 12, 2003 to consider the above decision of the Housing Board of Appeals. You may appear at this hearing at 5:30 p.m. on Tuesday, August 12, 2003, at the Muskegon City Hall, 933 Terrace Street, Muskegon, Michigan, with counsel, if you desire, to present any relevant evidence and arguments concerning the decision to demolish the above structures.

CITY OF MUSKEGON INSPECTIONS DEPT.
FOR THE HOUSING BOARD OF APPEALS

By



Robert B. Grabinski, Director of Inspections

CITY OF MUSKEGON
INSPECTION REPORT
1032 WOOD
(INTERIOR INSPECTION)
5/2/03

Inspection noted:

1. Fixtures are incomplete or missing.
2. Inadequate wiring throughout.
3. Smoke detectors are missing.
4. Upper tenant has no access to service equipment.
5. Plumbing and mechanicals need to be replaced.
6. Due to extreme structural damage to floor system of home, a Michigan Registered Engineer must evaluate damage and design any proposed repair.
7. Basement stairs in home are in state of collapse and must be rebuilt to MRC 2000 requirements. Section R314, 315, 316.
8. Exterior upper stairway is unstable; stairs – landing, column-supports, handrails, guardrails must meet design loads and MRC 2000 code requirements. R314, 315, 316.
9. Repair all ceiling, walls, and floor damage.
10. Replace all broken out windows and frames.
11. Smoke alarms are required in each bedroom, outside of bedrooms and basement. Alarms must be powered by electrical source and interconnected with battery back-up.

Henry Faltinowski lg
Henry Faltinowski
Building Inspector

5-14-03
DATE

Step 5 - Repair Hough (HMF)

727-0567 - Church

727-9479 - Home

727-6744 - H.A. Number

CITY OF MUSKEGON
CITY OF MUSKEGON HOUSING (BUILDING) BOARD OF APPEALS

Date: February 10, 2003

To: Dean Pranger, 19022 Armington Dr. El Paso, TX 79928
Owners Name & Address

Independent Bank, 78 South Main St. Rockford, MI 49341
Names & Addresses of Other Interested Parties

Maria Garcia, 4618 Mallow, Houston, TX 77051

ORDER TO DEMOLISH STRUCTURE

The Housing Board of Appeals, having received evidence at a scheduled and noticed meeting held on Thursday, February 6, 2003 does hereby order that the following structure(s) located at **1032 Wood**, Muskegon, Michigan, shall be demolished for the reason that the said structure or structures are found, based upon the evidence before the Board of Appeals, to be dangerous, substandard and a public nuisance.

The owners or persons interested shall apply for the required permits to demolish the structure(s) within 30 days from the final determination to concur and demolish, if it is made by the City Commission. Demolition shall be accomplished no later than 60 days after a concurrence by the City Commission.

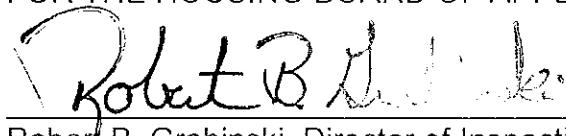
The director of inspections is ordered to place before the Muskegon City Commission this order and the record in this case to seek concurrence by the City Commission with the decision of this board, and further to give notice to the owner and interested parties of the date and time when this matter shall be considered by the City Commission. **This order is not final until concurred with by the City Commission.**

NOTICE TO OWNER AND INTERESTED PARTIES

Please take notice that this decision of the Housing Board of Appeals will be presented to the City Commission of the City of Muskegon on the date and at a time to be noticed to you by the Director of Inspections. You are hereby notified that you will have an opportunity to appear before the said City Commission at that time and to present any and all evidence or matters relevant to the issue of demolition or repair of the said structures. This order of the Housing Board of Appeals is not final, but will become final if and when the City Commission has considered the record and this order, and has concurred.

The City Commission may concur with this order, or disapprove or modify the order.

FOR THE HOUSING BOARD OF APPEALS:

A handwritten signature in black ink, appearing to read "Robert B. Grabinski", written over a horizontal line.

Robert B. Grabinski, Director of Inspections

CITY OF MUSKEGON
CITY OF MUSKEGON HOUSING BOARD OF APPEALS

NOTICE OF HEARING

Date: January 23, 2003

Address of the Property: 1032 Wood St.

TO: Dean Pranger, 19022 Armington Dr, El Paso, TX 79928
[Name & Address of Owner]

Independent Bank, 78 S. Main St. Rockford, MI 49341
[Names & Addresses of Other Interested Parties]

Maria M. Garcia, 4618 Mallow, Houston, TX 77051

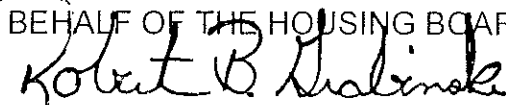
Please take notice that on Thursday, February 6, 2003, the City of Muskegon Housing Board of Appeals will hold a hearing at 933 Terrace, Muskegon, MI at 5:30 o'clock p.m., and at the said hearing consider whether or not the following structure should be determined to be dangerous, substandard and a nuisance, and demolished, or repaired.

The reason for this hearing is that you have not complied with the Notice and Order to Repair or Demolish issued 9/26/02.

At the hearing on Thursday, February 6, 2003, at 5:30 o'clock p.m., at the Muskegon City Hall, 933 Terrace Street, Muskegon, Michigan, you may appear and present any relevant evidence to the Housing Board of Appeals and have counsel of your choice present, if you desire, to show cause why the structure should not be allowed or ordered demolished.

CITY OF MUSKEGON INSPECTION DEPARTMENT,
ON BEHALF OF THE HOUSING BOARD OF APPEALS

By



Robert B. Grabinski, Director of Inspections

CITY OF MUSKEGON

NOTICE AND ORDER TO REPAIR OR REMOVE (DEMOLISH) A STRUCTURE

DATE: November 25, 2002

Address of the Property: 1032 Wood

TO: Dean Pranger, 19022 Armington Dr. El Paso, TX 79928
[Name & Address of Owner]

Independent Bank, 78 S. Main St. Rockford, MI 49341
Names & Addresses of Other Interested Parties]

Maria M. Garcia, 4618 Malllow, Houston, TX 77051

The Building Inspection Department of the City of Muskegon has determined that the structures above described are dangerous, substandard, and constitute a nuisance in violation of the Dangerous Buildings Ordinance of the City.

You are hereby notified that the City will proceed to demolish or cause the demolition and removal of the said structure unless you accomplish the actions indicated below within the time limits indicated (only one to be checked):

1. X Obtain the issuance of all permits required to accomplish the repair of the structure defects listed in the attached schedule within 30 days of this notice. All repairs shall be accomplished within the times set forth in the permits. All work must be physically commenced within 30 days of the date of this notice.
2. _____ Obtain the issuance of the appropriate permit for the demolition of structures within 30 days, and accomplish the demolition thereof within 60 days of this notice.

The conditions which cause the said structures to be dangerous, substandard and a nuisance are listed in the attached schedule.

FAILURE TO COMPLY

After 30 days from mailing this notice, if you have not complied with this notice, a hearing will be scheduled before the City of Muskegon Housing Board of Appeals for the purpose of enforcing this notice and order and instituting City action to remove the structure. You will receive notice of that hearing. You may appear and present any relevant evidence to the Housing Board of Appeals and have counsel of your choice present, if you desire. You will have the opportunity to show cause why the structure shall not be ordered demolished.

SCHEDULE OF CONDITIONS

The following conditions are present at the structure at 1032 Wood, Muskegon, Michigan, and cause said structure to be a dangerous or substandard building and a public nuisance.

Please see the attached inspection report

CITY OF MUSKEGON INSPECTIONS DEPARTMENT

A handwritten signature in black ink, reading "Robert B. Grabinski". The signature is written in a cursive style with a large, stylized "R" and "G".

Robert B. Grabinski, Director of Inspections

CITY OF MUSKEGON

NOTICE FOR INTERIOR INSPECTION

DATE: September 23, 2002

Address of Property: 1032 Wood

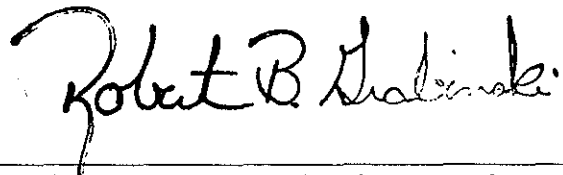
TO: Dean Pranger, 19022 Armington Dr, El Paso, TX 79928
[Name & Address of Owner]

None
(Interested Parties)

The Inspection Services Department of the City of Muskegon has preliminarily determined that the structures described above are dangerous, substandard, and constitute a nuisance in violation of the Dangerous Buildings Ordinance of the City.

We intend to inspect the interior of the building(s). Please be present to allow an interior inspection of the above described properties on **Tuesday, October 29, 2002** at **3:30 P.M.** Failure to appear and allow the inspection will result in this office seeking a search warrant to conduct the inspection.

CITY OF MUSKEGON INSPECTION SERVICES



Robert B. Grabinski, Director of Inspections

CITY OF MUSKEGON
DANGEROUS BUILDING INSPECTION REPORT

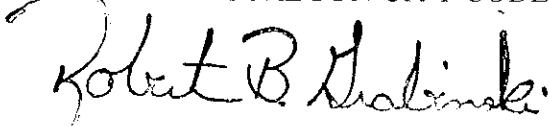
1032 WOOD

9/6/02

Inspection noted:

1. An interior inspection is required by all trade inspectors (plumbing, mechanical, electrical and building) before any permits or certificates of occupancy will be issued.
2. Structure vacant and boarded over 180 days.
3. Windows broken out and open.
4. Stairs to 2nd floor improper and unsafe.
5. Roof needs repair.
6. No utilities.

BASED UPON MY RECENT INSPECTION OF THE ABOVE PROPERTY, I HAVE DETERMINED THAT THE STRUCTURE MEETS THE DEFINITION OF A DANGEROUS AND/OR SUBSTANDARD BUILDING AS SET FORTH IN SECTION 4-23 OF THE MUSKEGON CITY CODE.



ROBERT B. GRABINSKI, DIRECTOR OF INSPECTIONS

9-6-02

DATE

648) 3)
2003-2648(3)

DATE: August 4, 2003
TO: Honorable Mayor and Commissioners
FROM: Robert B. Grabinski, Director of Inspection Services
RE: Concurrence with the Housing Board of Appeals Notice and Order to Demolish. Dangerous Building Case #: 03-18 Address: 509 Adams.

SUMMARY OF REQUEST: This is to request that the City Commission Concur with the findings of the Housing Board of Appeals that the structure located at 509 Adams is unsafe, substandard, a public nuisance and that it be demolished within thirty (30) days. It is further requested that administration be directed to obtain bids for the demolition of the structure and that the Mayor and City Clerk be authorized and directed to execute a contract for demolition with the lowest responsible bidder.

Case# & Project Address: #03-18, 509 Adams, Muskegon, MI

Location and ownership: This structure is located on Adams between Marshall and Langley in the Jackson Hill neighborhood and is owned by the State of Michigan.

Staff Correspondence: A dangerous building exterior inspection was conducted 3/19/03 and notice and order to repair or remove was issued 3/21/03. There has been no interior inspection. On 6/5/03 the HBA declared the structure substandard and dangerous.

Owner Contact: There has been no contact.

Financial Impact: CDBG

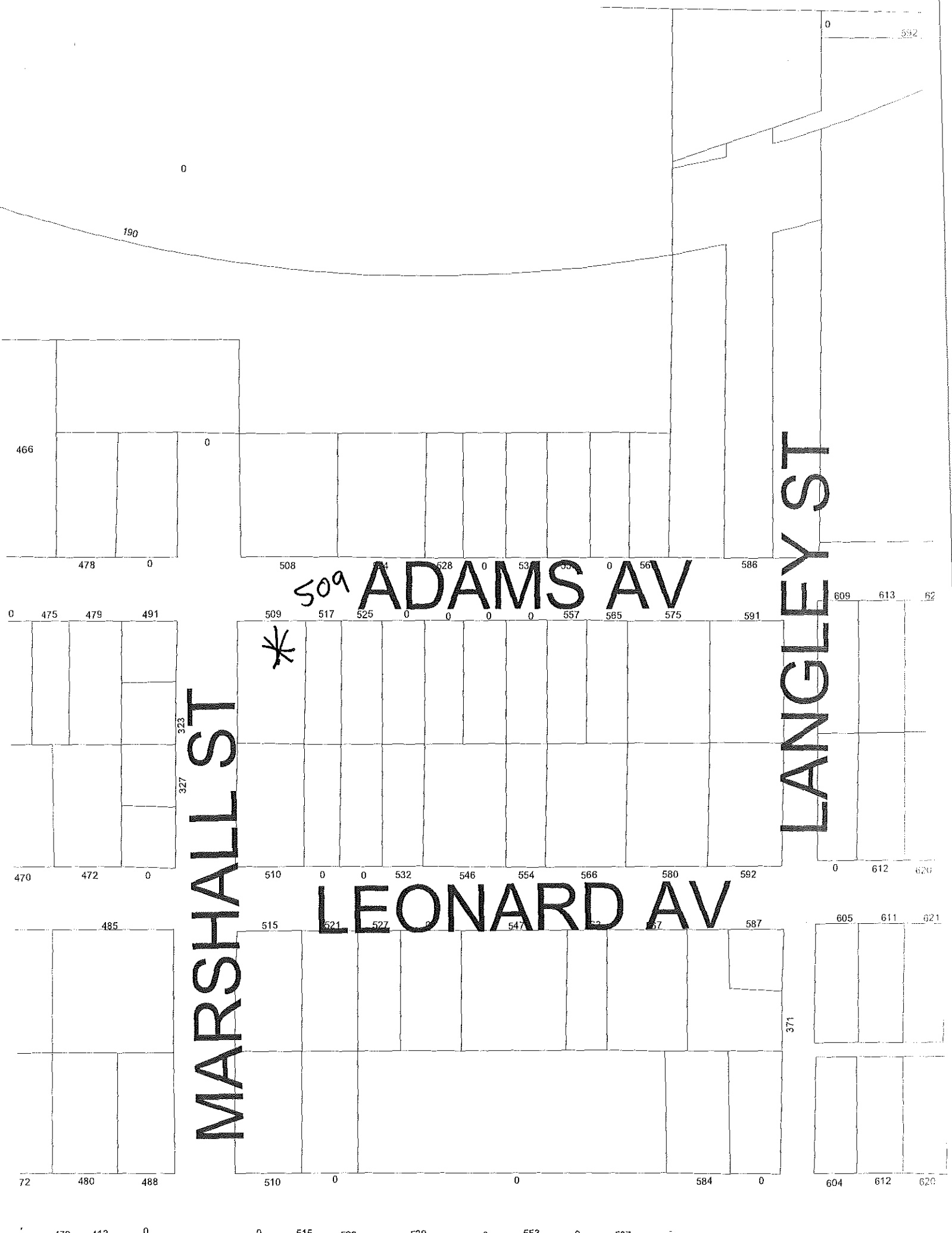
Budget action required: None

State Equalized value: \$0 (state owned since 2001)

Estimated cost to repair: \$8,000 not including interior repairs.

Staff Recommendation: To concur with the Housing Board of Appeals decision to demolish.

City Commission Recommendation: The commission will consider this item at it's meeting Tuesday, August 12, 2003.



MARSHALL ST

LANGLEY ST

ADAMS AV

LEONARD AV

509

*

327

371

190

0

592

0

466

0

478

0

508

514

528

0

532

535

0

560

586

0

475

479

491

509

517

525

0

0

0

0

557

565

575

591

609

613

62

470

472

0

510

0

0

532

546

554

566

580

592

0

612

620

485

515

521

527

0

547

553

567

587

605

611

621

72

480

488

510

0

0

584

0

604

612

620

479

413

0

0

515

523

539

0

553

0

567

0



509 A DAMS

For The Inspection Department
City of Muskegon

File #: 426741

FROM CITY ASSESSOR'S RECORDS

OWNER: State of Michigan
PROPERTY: 509 Adams
PARCEL NO: 24-205-009-0009-00
DESCRIPTION: Lot 9 Blk 9

FROM RECORDS OF TRANSNATION TITLE

LIBER: 3087
PAGE: 553
DATE OF DEED: May 2, 2000
GRANTOR NAME & ADDRESS: State of Michigan
GRANTEE NAME & ADDRESS: State of Michigan
LIENS OR MORTGAGES: 3522/916; 3522/917
TODAY'S DATE: March 24, 2003
EFFECTIVE DATE: February 25, 2003 at 8:00 AM
Abstracted by: Judy A. Janner
TRANSNATION TITLE INSURANCE COMPANY

The above information is to be used for reference purposes only and not to be relied upon as evidence of title and/or encumbrances. Accordingly, said information is furnished at a reduced rate, and the Company's liability shall in no event exceed the amount paid for said information, should evidence of title and/or encumbrances be desired, application for title insurance should be placed with Transnation Title Insurance Company.

STATE OF MICHIGAN
COUNTY OF MUSKEGON
RECEIVED FOR RECORD

27D SEP 18 AM 9:43

Mark Fairchild
REGISTER OF DEEDSMichigan Department of Treasury, LPS
465 (4-97) Formerly L-2349STATE TREASURER DEED
Issued under authority of Section 211.67a, MCL

184882

This deed is exempt from Real Estate
Transfer Tax and State Real Estate
Transfer Tax under MCL sections 207.505
(H) and 207.526 (H)(I) respectively

On this 2nd of May, 2000 the grantor, Mark A. Murray, State Treasurer, State of Michigan, 430 W. Allegan St., Lansing, Michigan 48922, by his authorized representative Thomas E. Willard, quit-claims the following described property to the State of Michigan, whose address is, Department of Natural Resources, Real Estate Division, P.O. Box 30448, Lansing, Michigan 48909-7948.

Title became absolute in the State of Michigan by court decree of the Circuit Court of the County named below and nonredemption from the 1999 tax sale within the statutory period. Under section 67a of P.A. 206 of 1893, as amended, the grantor, for and in consideration of the premises, conveys to the grantee, State of Michigan, the following:

MUSKEGON County, State of Michigan.

Township of Blue Lake SN186
FRUITVALE
Lots 1 to 48 incl Blk 22
610423200100

Township of Blue Lake SN190
FRUITVALE
Lots 37 & 38 Blk 46
610425603700

Township of Blue Lake SN195
SUPERVISOR'S PLAT OF LAKEVIEW ADDITION TO FRUITVALE
Lots 55 & 56 Blk 3
610434305500

Continued on next page

Witnesses:

MARK A. MURRAY, State Treasurer

By:

Thomas E. Willard
Thomas E. Willard

Drafted by Jan Rial

Local Property Services Division
Treasury Building
Lansing, Michigan 48922

STATE OF MICHIGAN)
) SS
County of Ingham)

On this 28th day of August, 2000, the foregoing instrument was acknowledged before me by Thomas E. Willard, authorized representative of the State Treasurer.

My commission expires November 07, 2002

Toni L. Falcon
Toni L. Falcon, Notary Public, Ingham County

9.50

NOTICE OF HEARING BEFORE THE CITY COMMISSION

DATE: August 1, 2003

509 Adams

(Address of Property)

TO: All owners and interested parties:

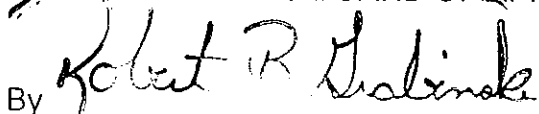
State of Michigan, P.O. Box 30735, Lansing, MI 48909-8235
Owner

None
(Other interested parties)

On June 5, 2003 the Muskegon Housing Board of Appeals made a determination that the subject property is sub-standard, a public nuisance and a dangerous building under the City Code and ordered that it be repaired or demolished.

The City Commission will hold a hearing on Tuesday, August 12, 2003 to consider the above decision of the Housing Board of Appeals. You may appear at this hearing at 5:30 p.m. on Tuesday, August 12, 2003, at the Muskegon City Hall, 933 Terrace Street, Muskegon, Michigan, with counsel, if you desire, to present any relevant evidence and arguments concerning the decision to demolish the above structures.

CITY OF MUSKEGON INSPECTIONS DEPT.
FOR THE HOUSING BOARD OF APPEALS

By 

Robert B. Grabinski, Director of Inspections

CITY OF MUSKEGON
CITY OF MUSKEGON HOUSING (BUILDING) BOARD OF APPEALS

Date: June 6, 2003

To: State of Michigan, P.O. Box 30735, Lansing, MI 48909-8235
Owners Name & Address

None
Names & Addresses of Other Interested Parties

ORDER TO DEMOLISH STRUCTURE

The Housing Board of Appeals, having received evidence at a scheduled and noticed meeting held on Thursday, June 5, 2003 does hereby order that the following structure(s) located at **509 Adams**, Muskegon, Michigan, shall be demolished for the reason that the said structure or structures are found, based upon the evidence before the Board of Appeals, to be dangerous, substandard and a public nuisance.

The owners or persons interested shall apply for the required permits to demolish the structure(s) within 30 days from the final determination to concur and demolish, if it is made by the City Commission. Demolition shall be accomplished no later than 60 days after a concurrence by the City Commission.

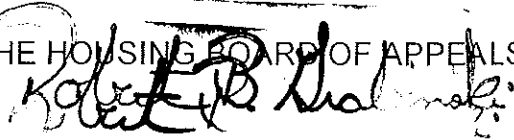
The director of inspections is ordered to place before the Muskegon City Commission this order and the record in this case to seek concurrence by the City Commission with the decision of this board, and further to give notice to the owner and interested parties of the date and time when this matter shall be considered by the City Commission. **This order is not final until concurred with by the City Commission.**

NOTICE TO OWNER AND INTERESTED PARTIES

Please take notice that this decision of the Housing Board of Appeals will be presented to the City Commission of the City of Muskegon on the date and at a time to be noticed to you by the Director of Inspections. You are hereby notified that you will have an opportunity to appear before the said City Commission at that time and to present any and all evidence or matters relevant to the issue of demolition or repair of the said structures. This order of the Housing Board of Appeals is not final, but will become final if and when the City Commission has considered the record and this order, and has concurred.

The City Commission may concur with this order, or disapprove or modify the order.

FOR THE HOUSING BOARD OF APPEALS:

A handwritten signature in black ink, appearing to read "Robert B. Grabinski", is written over a horizontal line.

Robert B. Grabinski, Director of Inspections

CITY OF MUSKEGON
CITY OF MUSKEGON HOUSING BOARD OF APPEALS
NOTICE OF HEARING

Date: May 22, 2003

Address of the Property: 509 Adams

TO: State of Michigan, P.O. Box 30735, Lansing, MI 48909-8235
[Name & Address of Owner]

None
[Names & Addresses of Other Interested Parties]

Please take notice that on Thursday, June 5, 2003, the City of Muskegon Housing Board of Appeals will hold a hearing at 933 Terrace, Muskegon, MI at 5:30 o'clock p.m., and at the said hearing consider whether or not the following structure should be determined to be dangerous, substandard and a nuisance, and demolished, or repaired.

The reason for this hearing is that you have not complied with the Notice and Order to Repair or Demolish issued 3/21/03.

At the hearing on Thursday, June 5, 2003, at 5:30 o'clock p.m., at the Muskegon City Hall, 933 Terrace Street, Muskegon, Michigan, you may appear and present any relevant evidence to the Housing Board of Appeals and have counsel of your choice present, if you desire, to show cause why the structure should not be allowed or ordered demolished.

CITY OF MUSKEGON INSPECTION DEPARTMENT,
ON BEHALF OF THE HOUSING BOARD OF APPEALS

By Robert B. Grabinski
Robert B. Grabinski, Director of Inspections

Memo

To: PIONEER RESTORATION
ATTN: DEB
From: Lorraine
CC:
Date: February 13, 2003
Re: REQUEST FOR BOARD UP

PLEASE BOARD THE FOLLOWING PROPERTIES:

ADDRESS	LOCATION TO BOARD/SECURE
509 Adams	Any broken windows and unsecured doors

IF YOU HAVE ANY QUESTIONS PLEASE DON'T HESITATE TO CALL ME AT
(231) 724-6757.

THANKS !

CITY OF MUSKEGON

NOTICE AND ORDER TO REPAIR OR REMOVE (DEMOLISH) A STRUCTURE

DATE: March 21, 2003

Address of the Property: 509 Adams

TO: State of Michigan, P.O. Box 30735, Lansing, MI 48909-8235
[Name & Address of Owner]

None
(Interested Parties)

The Building Inspection Department of the City of Muskegon has determined that the structures above described are dangerous, substandard, and constitute a nuisance in violation of the Dangerous Buildings Ordinance of the City.

You are hereby notified that the City will proceed to demolish or cause the demolition and removal of the said structure unless you accomplish the actions indicated below within the time limits indicated (only one to be checked):

1. X Obtain the issuance of all permits required to accomplish the repair of the structure defects listed in the attached schedule within 30 days of this notice. All repairs shall be accomplished within the times set forth in the permits. All work must be physically commenced within 30 days of the date of this notice.
2. Obtain the issuance of the appropriate permit for the demolition of structures within 30 days, and accomplish the demolition thereof within 60 days of this notice.

The conditions which cause the said structures to be dangerous, substandard and a nuisance are listed in the attached schedule.

FAILURE TO COMPLY

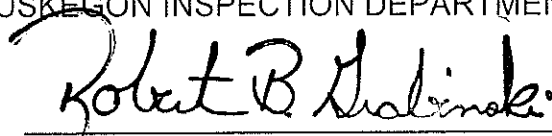
After 30 days from mailing this notice, if you have not complied with this notice, a hearing will be scheduled before the City of Muskegon Housing Board of Appeals for the purpose of enforcing this notice and order and instituting City action to remove the structure. You will receive notice of that hearing. You may appear and present any relevant evidence to the Housing Board of Appeals and have counsel of your choice present, if you desire. You will have the opportunity to show cause why the structure shall not be ordered demolished.

SCHEDULE OF CONDITIONS

The following conditions are present at the structure at **509 Adams**, Muskegon, Michigan, and cause said structure to be a dangerous or substandard building and a public nuisance.

Please see the attached inspection report

CITY OF MUSKEGON INSPECTION DEPARTMENT

A handwritten signature in black ink, reading "Robert B. Grabinski". The signature is written in a cursive style with a large, stylized "R" at the beginning.

Robert B. Grabinski, Director of Inspections

CITY OF MUSKEGON
DANGEROUS BUILDING INSPECTION REPORT

509 ADAMS

3/19/03

Inspection noted:

1. Interior inspection required by the Inspection Services Dept. Trade inspectors (plumbing, mechanical, electrical and building).
2. Severe damage to roof system, roof covering must be removed and inspection of sheathing and rafters will be required.
3. Replace all damaged siding.
4. Repair or replace all damaged doors, windows, and screens on home.

BASED UPON MY RECENT INSPECTION OF THE ABOVE PROPERTY, I HAVE DETERMINED THAT THE STRUCTURE MEETS THE DEFINITION OF A DANGEROUS AND/OR SUBSTANDARD BUILDING AS SET FORTH IN SECTION 4-23 OF THE MUSKEGON CITY CODE.

Henry Faltinowski / lg
HENRY FALTINOWSKI, BUILDING INSPECTOR

3-20-03
DATE

DANGEROUS BUILDING NEW CASES:

Case # 03-18 – 509 Adams – State of MI

There was no one present to represent this case.

Staff Recommendation: Declare this building substandard, a public nuisance, and dangerous building and forward to city commission for their concurrence.

A motion was made by Clara Shepherd and seconded by Nick Kroes to accept staff recommendation.

A roll call vote was taken:

AYES:

NAYES:

EXCUSED:

ABSENT:

John Warner
Randy Mackie
Jon Rolewicz
Nick Kroes
Jerry Bever
Clara Shepherd

Greg Borgman

The motion carried.

Case #03-07 – 2037 Kinsey – Harry & Katherine Jourden

There was no one present to represent this case. Mr. Grabinski gave a history of the case, which began with a Police Department investigation.

Staff Recommendation: Declare this building substandard, a public nuisance, and dangerous building and forward to city commission for their concurrence.

A motion was made by Nick Kroes and seconded by Clara Shepherd to accept staff recommendation.

A roll call vote was taken:

AYES:

NAYES:

EXCUSED:

ABSENT:

John Warner
Randy Mackie
Jon Rolewicz
Nick Kroes
Jerry Bever

Greg Borgman

DATE: August 4, 2003
TO: Honorable Mayor and Commissioners
FROM: Robert B. Grabinski, Director of Inspection Services
RE: Concurrence with the Housing Board of Appeals Notice and Order to Demolish. Dangerous Building Case #: 03-02 Address: 424 Orchard.

2003-8-4

SUMMARY OF REQUEST: This is to request that the City Commission Concur with the findings of the Housing Board of Appeals that the structure located at **424 Orchard** is unsafe, substandard, a public nuisance and that it be demolished within thirty (30) days. It is further requested that administration be directed to obtain bids for the demolition of the structure and that the Mayor and City Clerk be authorized and directed to execute a contract for demolition with the lowest responsible bidder.

Case# & Project Address: #03-02, 424 Orchard, Muskegon, MI

Location and ownership: This structure is located on Orchard between Wood and Williams and is owned by the State of Michigan.

Staff Correspondence: A dangerous building inspection was conducted on 4/18/03 with the housing and building inspector. A notice and order to repair or remove was issued 4/23/03 and on 6/5/03 the HBA declared the structure substandard and dangerous. The structure has recently gone back to the state for back taxes.

Owner Contact: There has been no contact.

Financial Impact: CDBG

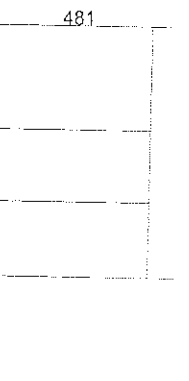
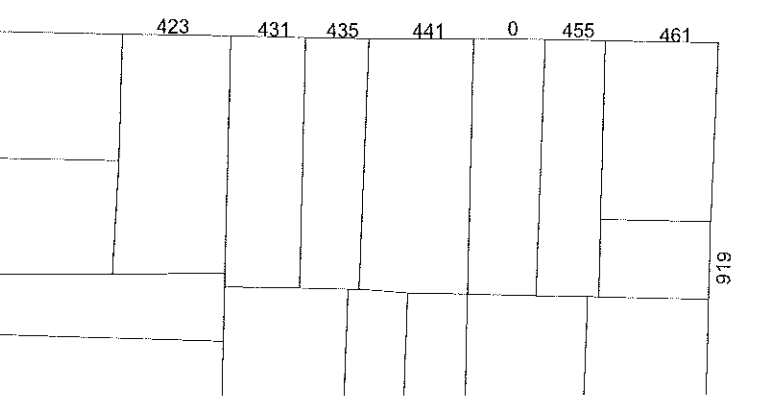
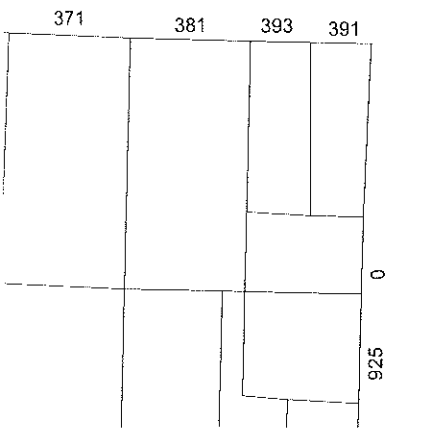
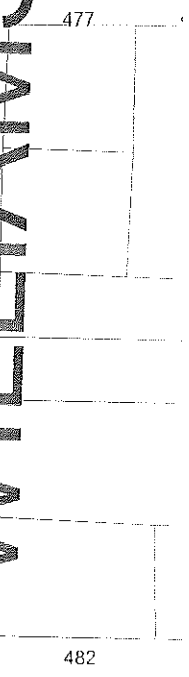
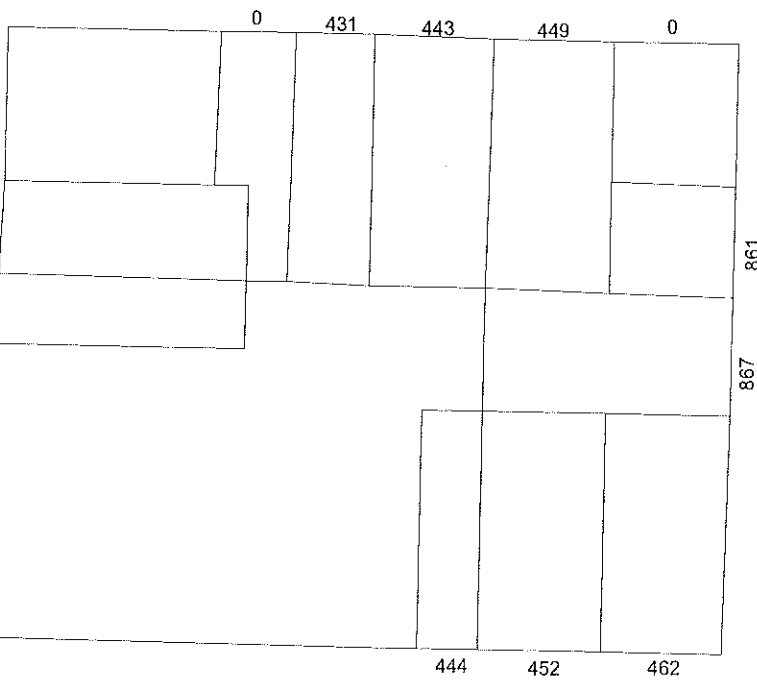
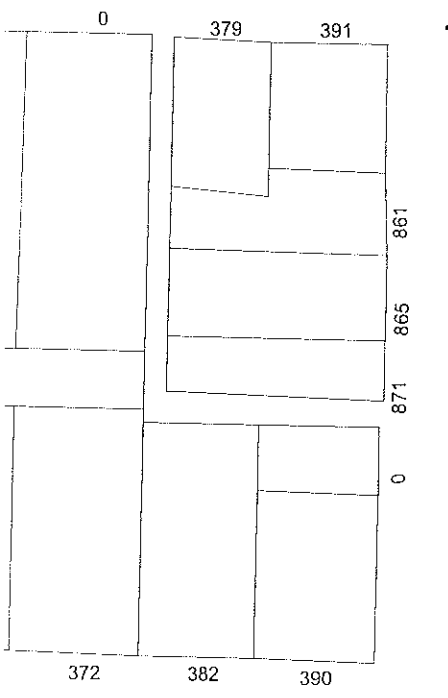
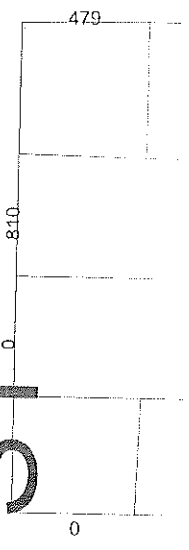
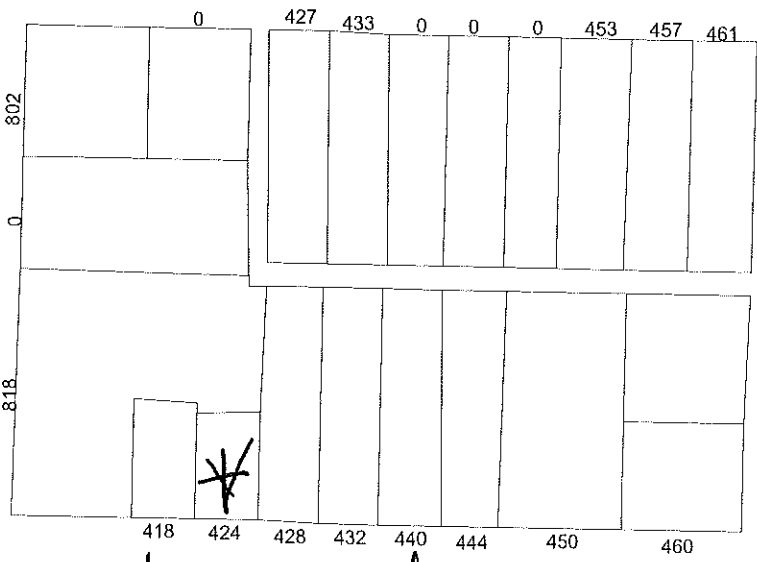
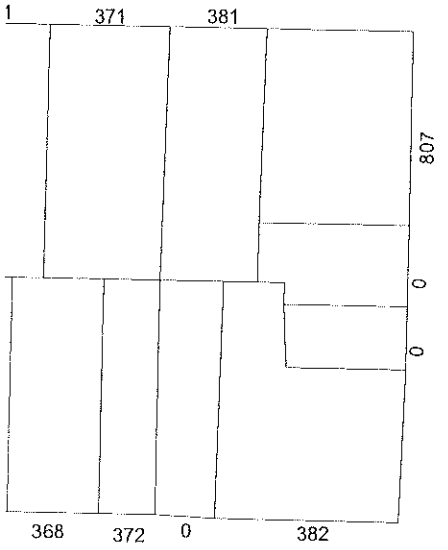
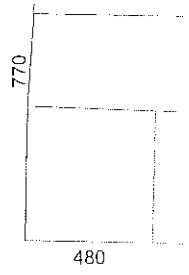
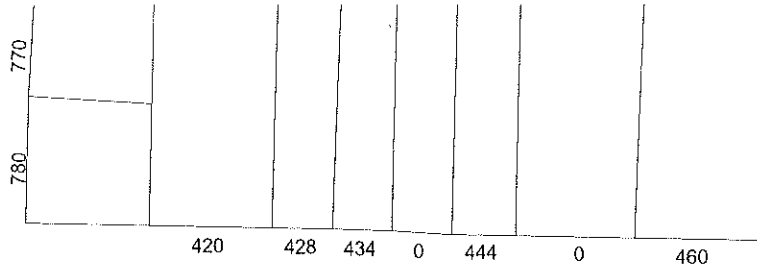
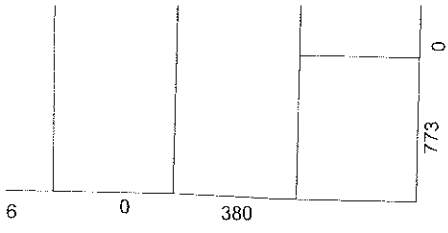
Budget action required: None

State Equalized value: \$8,700

Estimated cost to repair: \$12,000

Staff Recommendation: To concur with the Housing Board of Appeals decision to demolish.

City Commission Recommendation: The commission will consider this item at it's meeting Tuesday, August 12, 2003.



WOOD

424 Orchard

WILLIAMS ST



424 Orchard

For The Inspection Department
City of Muskegon

File #: 424584

FROM CITY ASSESSOR'S RECORDS

OWNER: Scott Flaska – SJ LLC

PROPERTY: 424 Orchard

PARCEL NO: 24-205-045-0014-00

DESCRIPTION: S 60 ft. Lot 14 Blk 45

FROM RECORDS OF TRANSNATION TITLE

LIBER: 2295

PAGE: 566

DATE OF DEED: October 1, 1999

GRANTOR NAME & ADDRESS: S & J LLC, PO Box 81, Cedar, MI 49621

GRANTEE NAME & ADDRESS: Scott L. Flaska, PO Box 81, Cedar, MI 49621

LIENS OR MORTGAGES: 3417/210

TODAY'S DATE: February 3, 2003

EFFECTIVE DATE: January 8, 2003 at 8:00 AM

Abstracted by: Julie Ann Cook
TRANSNATION TITLE INSURANCE COMPANY

The above information is to be used for reference purposes only and not to be relied upon as evidence of title and/or encumbrances. Accordingly, said information is furnished at a reduced rate, and the Company's liability shall in no event exceed the amount paid for said information, should evidence of title and/or encumbrances be desired, application for title insurance should be placed with Transnation Title Insurance Company.

STATE OF MICHIGAN
COUNTY OF MUSKEGON
RECEIVED FOR RECORD

1999 OCT -1 AM 11:10

Mark F. Feeley
REGISTER & RECORDS

QUIT CLAIM DEED

Dated 10TH THIS DAY OF JULY 1997.The Grantor(s) S&J LLCWhose Address is/are P.O. BOX 81, CEDAR, MI 49621Convey(s) and Quit Claim(s) to SCOTT L. FLASKA, A MARRIED MAN ("GRANTEE(S)").Whose address is/are P.O. BOX 81, CEDAR, MI 49621the following described premises situated in the CITY of MUSKEGONCounty of MUSKEGON and State of Michigan :ORIGINAL PLAT
S 60 FT LOT 14 BLK 45

AKA: 424 ORCHARD, MUSKEGON, MI 49442

61-31-20-455-020

Exempt under County transfer tax sec 5(a) and State transfer tax 6(a)
for the sum of LESS THAN ONE HUNDRED DOLLARS AND 00/100 Dollars (\$less than 100.00).

WITNESSES:

Thomas Feeley
TOM FEELEYShelly Mikowski
SHELLY MIKOWSKI

SIGNED BY:

Scott L. Flaska
SCOTT L. FLASKA - GEN PARTNERSTATE OF MICHIGAN)
COUNTY OF LEELANAU)
SS.The foregoing instrument was acknowledged before me this 10TH day of JULY 1997.by SCOTT, TOM & SHELLY.Shelly K. Mikowski
SHELLY MIKOWSKI NOTARY PUBLIC,LEELANAU COUNTY, MICHIGAN

MY COMMISSION EXPIRES

5.28.2002✓ DRAFTED BY:
SCOTT L. FLASKA
P.O. BOX 81
CEDAR, MICH. 49621

STATE OF MICHIGAN
COUNTY OF MUSKEGON
RECEIVED FOR RECORD

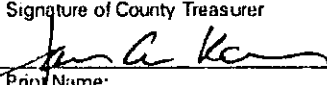
2002 MAY -8 AM 8:33

Mark Fairchild
REGISTER OF DEEDSMichigan Department of Treasury, LPS
3626 (5-00)This form is issued under the authority
of MCL, Section 211.78g

CERTIFICATE OF FORFEITURE OF REAL PROPERTY

On March 1, 2002 the following real property was forfeited to the MUSKEGON
County Treasurer for NON PAYMENT OF PROPERTY TAXES for the
year(s) 2000

This property will be titled absolutely in the name of the foreclosing governmental unit if not
redeemed within 21 days after entry of a judgment of foreclosure pursuant to Section 211.78k
of P.A. 123 of 1999. After this date parties of interest in this property will have NO FURTHER
RIGHT TO REDEEM.

Property ID No.: 61-24-205-045-0014-00	
Owner according to tax record S J LLC	
Address: 424 ORCHARD AVE MUSKEGON MI	Amount for which property was forfeited \$ 1,360.64
Property Description: S 60 FT LOT 14 BLK 45	
Prepared by: JAN A. KOENS 990 Terrace Muskegon MI 49442	Signature of County Treasurer  Print Name: JAN A. KOENS

[Home](#) [Help ▼](#) [Tools ▼](#) [Departments ▼](#)

Property Information

[New Property Search](#)

Owners Name	STATE OF MICHIGAN
Property Address	424 ORCHARD AVE MUSKEGON MI 49442
Owners Address	3RD FLOOR TREASURY LANSING MI 48922
Property Number	24-205-045-0014-00
Map Number	24-31-20-455-020
Class	704
Neighborhood	R01.
Legal Desc	CITY OF MUSKEGON REVISED PLAT OF 1903 S 60 FT LOT 14 BLK 45

[View Mailing Label](#)

© 2002 City of Muskegon | Contact

NOTICE OF HEARING BEFORE THE CITY COMMISSION

DATE: August 1, 2003

424 Orchard

(Address of Property)

TO: All owners and interested parties:

State of Michigan, 3rd Floor, Treasury Dept., Lansing, MI 48922
Owner

None
(Other interested parties)

On June 5, 2003 the Muskegon Housing Board of Appeals made a determination that the subject property is sub-standard, a public nuisance and a dangerous building under the City Code and ordered that it be repaired or demolished.

The City Commission will hold a hearing on Tuesday, August 12, 2003 to consider the above decision of the Housing Board of Appeals. You may appear at this hearing at 5:30 p.m. on Tuesday, August 12, 2003, at the Muskegon City Hall, 933 Terrace Street, Muskegon, Michigan, with counsel, if you desire, to present any relevant evidence and arguments concerning the decision to demolish the above structures.

CITY OF MUSKEGON INSPECTIONS DEPT.
FOR THE HOUSING BOARD OF APPEALS

By Robert B. Grabinski
Robert B. Grabinski, Director of Inspections

Memo

DATE: July 17, 2003
TO: State of MI
FROM: Lorraine/Inspection Services
SUBJECT: 424 Orchard

Attached are previous notices regarding the above property which is now owned by the State of Michigan. If you have any question regarding this, please call 231-724-6715.

**CITY OF MUSKEGON
CITY OF MUSKEGON HOUSING (BUILDING) BOARD OF APPEALS**

Date: June 6, 2003

To: Scott Flaska, P.O. Box 81, Cedar, MI 49621
Owners Name & Address

Muskegon County Treasurer, P.O. Box 177, Muskegon, MI 49443
Names & Addresses of Other Interested Parties

ORDER TO DEMOLISH STRUCTURE

The Housing Board of Appeals, having received evidence at a scheduled and noticed meeting held on Thursday, June 5, 2003 does hereby order that the following structure(s) located at **424 Orchard**, Muskegon, Michigan, shall be demolished for the reason that the said structure or structures are found, based upon the evidence before the Board of Appeals, to be dangerous, substandard and a public nuisance.

The owners or persons interested shall apply for the required permits to demolish the structure(s) within 30 days from the final determination to concur and demolish, if it is made by the City Commission. Demolition shall be accomplished no later than 60 days after a concurrence by the City Commission.

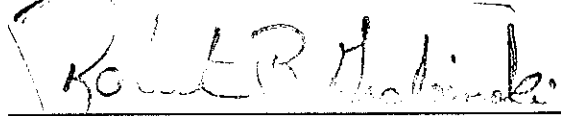
The director of inspections is ordered to place before the Muskegon City Commission this order and the record in this case to seek concurrence by the City Commission with the decision of this board, and further to give notice to the owner and interested parties of the date and time when this matter shall be considered by the City Commission. **This order is not final until concurred with by the City Commission.**

NOTICE TO OWNER AND INTERESTED PARTIES

Please take notice that this decision of the Housing Board of Appeals will be presented to the City Commission of the City of Muskegon on the date and at a time to be noticed to you by the Director of Inspections. You are hereby notified that you will have an opportunity to appear before the said City Commission at that time and to present any and all evidence or matters relevant to the issue of demolition or repair of the said structures. This order of the Housing Board of Appeals is not final, but will become final if and when the City Commission has considered the record and this order, and has concurred.

The City Commission may concur with this order, or disapprove or modify the order.

FOR THE HOUSING BOARD OF APPEALS:

A handwritten signature in dark ink, appearing to read "Robert B. Grabinski", is written over a horizontal line.

Robert B. Grabinski, Director of Inspections

CITY OF MUSKEGON
CITY OF MUSKEGON HOUSING BOARD OF APPEALS

NOTICE OF HEARING

Date: May 22, 2003

Address of the Property: 424 Orchard

TO: Scott Flaska, P.O. Box 81, Cedar, MI 49621
[Name & Address of Owner]

Muskegon County Treasurer, P.O. Box 177, Muskegon, MI 49443
[Names & Addresses of Other Interested Parties]

Please take notice that on Thursday, June 5, 2003, the City of Muskegon Housing Board of Appeals will hold a hearing at 933 Terrace, Muskegon, MI at 5:30 o'clock p.m., and at the said hearing consider whether or not the following structure should be determined to be dangerous, substandard and a nuisance, and demolished, or repaired.

The reason for this hearing is that you have not complied with the Notice and Order to Repair or Demolish issued 4/23/03.

At the hearing on Thursday, June 5, 2003, at 5:30 o'clock p.m., at the Muskegon City Hall, 933 Terrace Street, Muskegon, Michigan, you may appear and present any relevant evidence to the Housing Board of Appeals and have counsel of your choice present, if you desire, to show cause why the structure should not be allowed or ordered demolished.

CITY OF MUSKEGON INSPECTION DEPARTMENT,
ON BEHALF OF THE HOUSING BOARD OF APPEALS

By Robert B. Grabinski
Robert B. Grabinski, Director of Inspections

CITY OF MUSKEGON

NOTICE AND ORDER TO REPAIR OR REMOVE (DEMOLISH) A STRUCTURE

DATE: April 23, 2003

Address of the Property: 424 Orchard

TO: Scott L. Flaska, P.O. Box 81, Cedar, MI 49621
[Name & Address of Owner]

Muskegon County Treasurer, P.O. Box 177, Muskegon, MI 49443
(Interested Parties)

The Building Inspection Department of the City of Muskegon has determined that the structures above described are dangerous, substandard, and constitute a nuisance in violation of the Dangerous Buildings Ordinance of the City.

You are hereby notified that the City will proceed to demolish or cause the demolition and removal of the said structure unless you accomplish the actions indicated below within the time limits indicated (only one to be checked):

1. X Obtain the issuance of all permits required to accomplish the repair of the structure defects listed in the attached schedule within 30 days of this notice. All repairs shall be accomplished within the times set forth in the permits. All work must be physically commenced within 30 days of the date of this notice.
2. Obtain the issuance of the appropriate permit for the demolition of structures within 30 days, and accomplish the demolition thereof within 60 days of this notice.

The conditions which cause the said structures to be dangerous, substandard and a nuisance are listed in the attached schedule.

FAILURE TO COMPLY

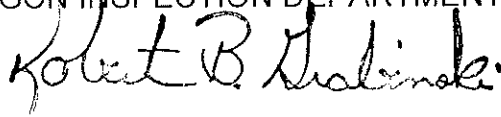
After 30 days from mailing this notice, if you have not complied with this notice, a hearing will be scheduled before the City of Muskegon Housing Board of Appeals for the purpose of enforcing this notice and order and instituting City action to remove the structure. You will receive notice of that hearing. You may appear and present any relevant evidence to the Housing Board of Appeals and have counsel of your choice present, if you desire. You will have the opportunity to show cause why the structure shall not be ordered demolished.

SCHEDULE OF CONDITIONS

The following conditions are present at the structure at **424 Orchard** Muskegon, Michigan, and cause said structure to be a dangerous or substandard building and a public nuisance.

Please see the attached inspection report

CITY OF MUSKEGON INSPECTION DEPARTMENT

A handwritten signature in black ink, reading "Robert B. Grabinski". The signature is written in a cursive style with a horizontal line underneath the name.

Robert B. Grabinski, Director of Inspections

DANGEROUS BUILDING INTERIOR INSPECTION
424 ORCHARD
4/18/03

1. Back porch needs structural repair -- no footings, rotted floor joists, ceiling damage, rafter collapsed, new sheeting and roofing needed.
2. Kitchen roof sagging. Needs structural repair, new sheeting and roofing in that area.
3. Kitchen wall is bowing out. Structural or siding needs to be addressed.
4. No footings.
5. Interior floors have numerous areas that are unlevel.
6. Light fixtures throughout are missing globes and hardware.
7. Smoke detectors missing.
8. Wiring above dropped ceiling s has open splices and missing J boxes.
9. Flashing missing where service passes through roof.
10. Must provide exterior lighting at all egress doors.
11. Need water heater replaced.
12. Needs to have heat runs cleaned and furnace certified safe for operation by licensed mechanical contractor. If furnace is found to be unsafe, must be replaced.
13. Cooper water line in kitchen has come apart at coupling and needs to be repaired.
14. Water line in bathroom needs to be connected to the faucet and water stopper is missing.

BASED UPON MY RECENT INSPECTION OF THE ABOVE PROPERTY, I
HAVE DETERMINED THAT THE STRUCTURE DOES MEET THE DEFINITION
OF A DANGEROUS AND/OR SUBSTANDARD BUILDING AS SET FORTH IN
SECTION 4-23 OF THE MUSKEGON CITY CODE.

Henry Faltinowski *lg*
HENRY FALTINOWSKI, BUILDING INSPECTOR

4-1803
DATE

Case #03-02 – 424 Orchard – Scott Flaska

No one was present to represent this case.

Staff Recommendation: Declare this building substandard, a public nuisance, and dangerous building and forward to city commission for their concurrence.

A motion was made by Clara Shepherd and seconded by Jerry Bever to accept staff recommendation.

A roll call vote was taken:

AYES:

NAYES:

EXCUSED:

ABSENT:

John Warner
Randy Mackie
Jon Rolewicz
Nick Kroes
Jerry Bever
Clara Shepherd

Greg Borgman

The motion carried.

Case #02-87 – 719 Orchard – John Lester & Faye Gilbert

Mr. Grabinski gave a history of this case and stated both parties involved have been in contact with the Inspection Department. Ownership is the issue in this case. John Lester owned it with Gennie Kellum (now deceased) and he and Gennie's daughter, Faye Gilbert, have not reached an agreement on what to do with the property. Mr. Lester has an attorney, but Ms. Gilbert stated she has not heard from him. Mr. Grabinski stated he understands, but the reality is that if they don't resolve the issue and do something, the property will be a vacant lot.

Staff Recommendation: Declare this building substandard, a public nuisance, and dangerous building, but delay forwarding to city commission for their concurrence for 60 days.

A motion was made by Randy Mackie and seconded by Jon Rolewicz to accept staff recommendation.

A roll call vote was taken:

AYES:

NAYES:

EXCUSED:

ABSENT:

John Warner
Randy Mackie

Greg Borgman

DATE: August 4, 2003

TO: Honorable Mayor and Commissioners

FROM: Robert B. Grabinski, Director of Inspection Services

RE: Concurrence with the Housing Board of Appeals Notice and Order to Demolish. Dangerous Building Case #: 01-37 Address: 1253 Calvin.

SUMMARY OF REQUEST: This is to request that the City Commission Concur with the findings of the Housing Board of Appeals that the structure located at 1253 Calvin is unsafe, substandard, a public nuisance and that it be demolished within thirty (30) days. It is further requested that administration be directed to obtain bids for the demolition of the structure and that the Mayor and City Clerk be authorized and directed to execute a contract for demolition with the lowest responsible bidder.

Case# & Project Address: #01-37 – 1253 Calvin, Muskegon, MI

Location and ownership: This structure is located on Calvin between Roberts and Creston and is owned by Elizabeth Klein.

Staff Correspondence: A dangerous building inspection was conducted on 7/23/01 and an interior inspection was conducted 8/21/01. A notice and order to repair was issued 8/2/01. The case was heard by the HBA on 9/6/01 and the case was tabled for 60 days at that time. The case was heard again 12/6/01 and the owner was again granted 60 days to complete the exterior repairs. On 6/6/02 the HBA granted 120 days to complete the exterior repairs. On 10/7/02 the HBA declared the property substandard and dangerous. On July 22, 2003 the City Commission tabled the case for 14 days to allow an inspection to be conducted for an update on the status of repairs. The report from the inspectors is that no progress has been made since their last inspection.

Owner Contact: Owner appeared before the City Commission at their July 22, 2003 meeting. At that time the case was tabled until the August 12, 2003 meeting in order to complete an interior inspection. This inspection took place on July 28, 2003 and noted that no permits have been taken for interior repairs. The roof structure and electrical system have not been completed. Although the exterior appears to be improved, the structure is not habitable at this time.

Financial Impact: None

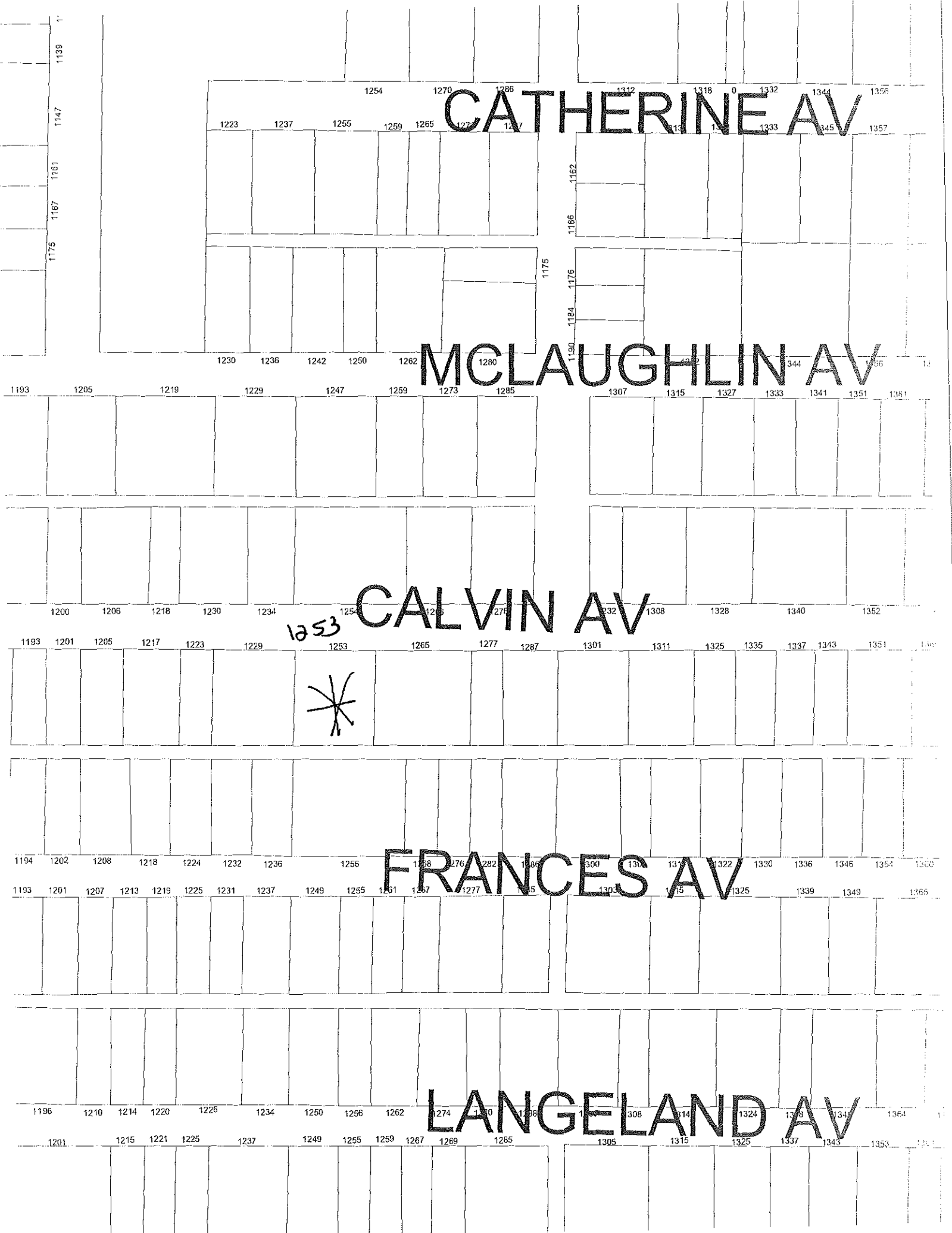
Budget action required: General Funds

State Equalized value: \$16,200

Estimated cost to repair: \$10,000

Staff Recommendation: To concur with the Housing Board of Appeals decision to demolish.

City Commission Recommendation: The commission will consider this item at it's meeting Tuesday, August 12, 2003.



CATHERINE AV

MCLAUGHLIN AV

1253
CALVIN AV

FRANCES AV

LANGLELAND AV



DSC00127.JPG



DSC00128.JPG



DSC00129.JPG



DSC00130.JPG

1253 CALVIN



Harbor Title

955 West Broadway
Muskegon, MI 49441

Title Search

Case No.: 100120955
July 31, 2001

1. Beginning Date: 5/13/97, at 8:00 A.M.

Please See Attached Liber 1983, Page 202, County Records, for Legal Description:

2. We have searched the records in the office of the Register of Deeds for County, Michigan covering the subject property, and find the following conveyances and undischarged encumbrances, from said beginning date to 6/22/2001, at 8:00 A.M.

Documents

Deeds:

Liber 1982, Page 202

Mortgages:

NONE

Taxes:

Possible Sidewalk Assessment in the year 2002.

Possible Water/Sewer Usage Fees.

Proof of payment of invoice fees, due and payable to City of Muskegon Treasurer in the amount of \$60.00.

Payment of the 2000 delinquent taxes, due and payable to the Muskegon County Treasurer in the amount of \$582.64, if paid by August 31, 2001.

Note:

Permanent Parcel No.: 61-24-685-008-0013-00.

2001 State Equalized Value: \$13,400.00.

2001 Taxable Value: \$10,087.00.

Non-Homestead Property.

3. We find no United States Internal Revenue Liens recorded in the office of the Register of Deeds of County, Michigan, against:

Elizabeth Gubocki
4. No search has been made for any instrument, however designated, which has been filed as a financing statement pursuant to the Uniform Commercial Code.
5. No search has been made of the records of the Circuit, Probate or other Courts, or of any record other than those in the office of the Register of Deeds.
6. Under this form of search this company is not an insurer of above title, nor does it guarantee the title or any evidence of title thereto.
7. Note: In consideration of the fact that the above information is to be used for reference purposes only and not relied upon as evidence of title, it is furnished at a reduced rate and this Company's liability is limited to the amount

NOTICE OF HEARING BEFORE THE CITY COMMISSION

DATE: August 1, 2003

1253 Calvin

(Address of Property)

TO: All owners and interested parties:

Elizabeth Klein, 1940 Woodward, Muskegon, MI 49442
Owner

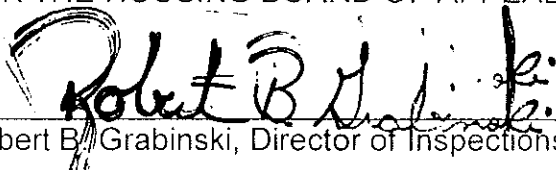
None
(Other interested parties)

On October 3, 2002 the Muskegon Housing Board of Appeals made a determination that the subject property is sub-standard, a public nuisance and a dangerous building under the City Code and ordered that it be repaired or demolished.

The City Commission will hold a hearing on Tuesday, August 12, 2003 to consider the above decision of the Housing Board of Appeals. You may appear at this hearing at 5:30 p.m. on Tuesday, August 12, 2003, at the Muskegon City Hall, 933 Terrace Street, Muskegon, Michigan, with counsel, if you desire, to present any relevant evidence and arguments concerning the decision to demolish the above structures.

CITY OF MUSKEGON INSPECTIONS DEPT.
FOR THE HOUSING BOARD OF APPEALS

By


Robert B. Grabinski, Director of Inspections

Grabinski, Lorraine

Beth 777-2120

From: LaBrenz, Don
Sent: Monday, July 28, 2003 4:45 PM
To: Grabinski, Bob; Grabinski, Lorraine
Subject: 1253 Calvin

1253
Calvin

During a progress inspection at the above address, I observed that no progress has been made to the interior of the house since my visit to inspect the service in 2001.

There currently are no permits on file to do any interior of the building.

When I spoke with the property owner, she stated that she has not had any money for repairs, and that her intention is to "get in and clean it out so I can sell it"

NOTICE OF CITY COMMISSION DETERMINATION

Date: July 23, 2003

Address of the Property: 1253 Calvin

Description of the Structure: Ramona Park Addition Lots 13 & 14 Blk 8 &
E ½ Garden St. Vac. Adj.

To: Elizabeth Klein, 1940 Woodward, Muskegon, MI 49442
[Name & Address of Owner]

None

[Names & Addresses of Other Interested Parties]

Please take notice that on July 22, 2003, the City Commission determined to table your case for 14 days. This case may be brought back to the commission at the discretion of the Director of Inspections for their concurrence with the order of the Housing Board of Appeals that the above structure is a dangerous building, substandard and a public nuisance after the 14 days.

If you disagree with the decision of the City Commission, you have the right to file a petition for superintending control in the Circuit Court for the County of Muskegon within 21 days after the date of mailing of this notice.

CITY OF MUSKEGON INSPECTION DEPARTMENT
By Robert B. Grabinski

Robert B. Grabinski, Director of Inspections

NOTICE OF HEARING BEFORE THE CITY COMMISSION

DATE: July 11, 2003

1253 Calvin

(Address of Property)

TO: All owners and interested parties:

Elizabeth Gubocki, 1940 Woodward, Muskegon, MI 49442
Owner

None
(Other interested parties)

On October 3, 2002 the Muskegon Housing Board of Appeals made a determination that the subject property is sub-standard, a public nuisance and a dangerous building under the City Code and ordered that it be repaired or demolished.

The City Commission will hold a hearing on **Tuesday, July 22, 2003** to consider the above decision of the Housing Board of Appeals. You may appear at this hearing at **5:30 p.m. on Tuesday, July 22, 2003**, at the Muskegon City Hall, 933 Terrace Street, Muskegon, Michigan, with counsel, if you desire, to present any relevant evidence and arguments concerning the decision to demolish the above structures.

CITY OF MUSKEGON INSPECTIONS DEPT.
FOR THE HOUSING BOARD OF APPEALS

By


Robert B. Grabinski, Director of Inspections

CITY OF MUSKEGON
CITY OF MUSKEGON HOUSING (BUILDING) BOARD OF APPEALS

Date: October 7, 2002

To: Elizabeth Klein, 1940 Woodward, Muskegon, MI 49442
 Owners Name & Address

None
 Names & Addresses of Other Interested Parties

ORDER TO DEMOLISH STRUCTURE

The Housing Board of Appeals, having received evidence at a scheduled and noticed meeting held on Thursday, October 3, 2002 does hereby order that the following structure(s) located at 1253 Calvin, Muskegon, Michigan, shall be demolished for the reason that the said structure or structures are found, based upon the evidence before the Board of Appeals, to be dangerous, substandard and a public nuisance.

The owners or persons interested shall apply for the required permits to demolish the structure(s) within 30 days from the final determination to concur and demolish, if it is made by the City Commission. Demolition shall be accomplished no later than 60 days after a concurrence by the City Commission.

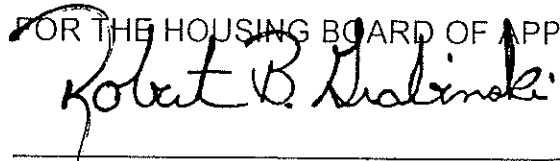
The director of inspections is ordered to place before the Muskegon City Commission this order and the record in this case to seek concurrence by the City Commission with the decision of this board, and further to give notice to the owner and interested parties of the date and time when this matter shall be considered by the City Commission. **This order is not final until concurred with by the City Commission.**

NOTICE TO OWNER AND INTERESTED PARTIES

Please take notice that this decision of the Housing Board of Appeals will be presented to the City Commission of the City of Muskegon on the date and at a time to be noticed to you by the Director of Inspections. You are hereby notified that you will have an opportunity to appear before the said City Commission at that time and to present any and all evidence or matters relevant to the issue of demolition or repair of the said structures. This order of the Housing Board of Appeals is not final, but will become final if and when the City Commission has considered the record and this order, and has concurred.

The City Commission may concur with this order, or disapprove or modify the order.

FOR THE HOUSING BOARD OF APPEALS:

A handwritten signature in black ink, reading "Robert B. Grabinski". The signature is written in a cursive style with a large initial "R".

Robert B. Grabinski, Director of Inspections

CITY OF MUSKEGON
CITY OF MUSKEGON HOUSING (BUILDING) BOARD OF APPEALS

NOTICE OF HEARING

Date: September 19, 2002

Address of the Property: 1253 Calvin

TO: Elizabeth Gubocki, 12689 Patricia Ave. Grant, MI 49327
[Name & Address of Owner]

None

Names & Addresses of Other Interested Parties]

Please take notice that on Thursday, October 3, 2002, the City of Muskegon Housing Board of Appeals will hold a hearing at 933 Terrace, Muskegon, MI at 5:30 o'clock p.m., and at the said hearing consider whether or not the following structure should be determined to be dangerous, substandard and a nuisance, and demolished, or repaired.

The reason for this hearing is to review the status of the repairs.

At the hearing on Thursday, October 3, 2002, at 5:30 o'clock p.m., at the Muskegon City Hall, 933 Terrace Street, Muskegon, Michigan, you may appear and present any relevant evidence to the Housing Board of Appeals and have counsel of your choice present, if you desire, to show cause why the structure should not be allowed or ordered demolished.

CITY OF MUSKEGON INSPECTION DEPARTMENT,
ON BEHALF OF THE HOUSING BOARD OF APPEALS

By Robert B. Grabinski
Robert B. Grabinski, Director of Inspections

CITY OF MUSKEGON
CITY OF MUSKEGON HOUSING BOARD OF APPEALS

ORDER TO TABLE THIS CASE 120 DAYS

Date of Order: June 11, 2002

Address of the property: 1253 Calvin

To: Elizabeth Gubocki, 12689 Patricia Ave. Grant, MI 49327
Owners Name & Address

None
Names & Addresses of Other Interested Parties

CASE TABLED FOR 120 DAYS

The Housing Board of Appeals of the City of Muskegon has reviewed your case and ordered that it be tabled for 120 days to finish the exterior repairs. All exterior repairs are to be completed in that time and inspections called for.

This case will be reviewed again at the October Housing Board of Appeals meeting, which you will be notified of.

If you have any questions, please call the Inspection Department at 231-724-6715.

CITY OF MUSKEGON
HOUSING BOARD OF APPEALS

By Robert B. Grabinski
Robert B. Grabinski, Director of Inspections

Memo

FR1-744-2559
MON-750-4934

To: Robert Grabinski
From: Lorraine Grabinski
CC: File
Date: 06/05/02
Re: 1253 Calvin

Beth Gubocki contacted the office this morning. She cannot make the HBA meeting 6/6, due to her work schedule. She is asking for a 120 day extension to finish the roof because of finances and personal reasons. She is getting married August 17 and will then be able to sell her house and have the money to finish the roof. She talked to Ardyce (CNS) about getting help, but didn't qualify because the roof doesn't leak.

She wanted to schedule a meeting with Bob Grabinski. I told her that might not be necessary if she could update me on where she's at with repairs. I will call her on Friday or Monday to let her know Bob's decision.

**CITY OF MUSKEGON
CITY OF MUSKEGON HOUSING (BUILDING) BOARD OF APPEALS**

NOTICE OF HEARING

Date: May 23, 2002

Address of the Property: 1253 Calvin

TO: Elizabeth Gubocki, 12689 Patricia Ave. Grant, MI 49327
[Name & Address of Owner]

None
Names & Addresses of Other Interested Parties]

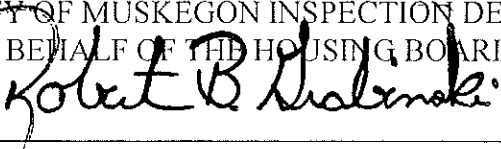
Please take notice that on Thursday, June 6, 2002, the City of Muskegon Housing Board of Appeals will hold a hearing at 933 Terrace, Muskegon, MI at 5:30 o'clock p.m., and at the said hearing consider whether or not the following structure should be determined to be dangerous, substandard and a nuisance, and demolished, or repaired.

The reason for this hearing is **to review your progress on the said structure.**

At the hearing on Thursday, June 6, 2002, at 5:30 o'clock p.m., at the Muskegon City Hall, 933 Terrace Street, Muskegon, Michigan, you may appear and present any relevant evidence to the Housing Board of Appeals and have counsel of your choice present, if you desire, to show cause why the structure should not be allowed or ordered demolished.

CITY OF MUSKEGON INSPECTION DEPARTMENT,
ON BEHALF OF THE HOUSING BOARD OF APPEALS

By


Robert B. Grabinski, Director of Inspections

**CITY OF MUSKEGON
CITY OF MUSKEGON HOUSING (BUILDING) BOARD OF APPEALS**

NOTICE OF HEARING

Date: February 26, 2002

Address of the Property: 1253 Calvin, Muskegon MI

Description of the Structure: Pomona Park Addition Lots 13 & 14 Blk 8 & E ½ Garden St.
vacated

TO: Elizabeth Gubocki, 12689 Patricia Ave, Grant, MI 49327
[Name & Address of Owner]

None

Names & Addresses of Other Interested Parties]

Please take notice that on Thursday, March 7, 2002, the City of Muskegon Housing Board of Appeals will hold a hearing at 933 Terrace, Muskegon, MI at 5:30 o'clock p.m, and at the said hearing consider whether or not the following structure should be determined to be dangerous, substandard and a nuisance, and demolished, or repaired.

The reason for this hearing is to review your progress on the exterior repairs.

At the hearing on Thursday, March 7, 2002, at 5:30 o'clock p.m., at the Muskegon City Hall, 933 Terrace Street, Muskegon, Michigan, you may appear and present any relevant evidence to the Housing Board of Appeals and have counsel of your choice present, if you desire, to show cause why the structure should not be allowed or ordered demolished.

CITY OF MUSKEGON INSPECTION DEPARTMENT,
ON BEHALF OF THE HOUSING BOARD OF APPEALS

By

Robert B. Grabinski
Robert B. Grabinski, Director of Inspections

Affirmative Action
231/724-6703
FAX/722-1214

Assessor
231/724-6708
FAX/726-5181

Cemetery
231/724-6783
FAX/726-5617

Civil Service
231/724-6716
FAX/724-4405

Clerk
231/724-6705
FAX/724-4178

Comm. & Neigh.
Services
231/724-6717
FAX/726-2501

Engineering
231/724-6707
FAX/727-6904

Finance
231/724-6713
FAX/724-6768

Fire Dept.
231/724-6792
FAX/724-6985

Income Tax
231/724-6770
FAX/724-6768

Info. Systems
231/724-6744
FAX/722-4301

Leisure Service
231/724-6704
FAX/724-1196

Manager's Office
231/724-6724
FAX/722-1214

Mayor's Office
231/724-6701
FAX/722-1214

Inspection Services
231/724-6715
FAX/726-2501

Planning/Zoning
231/724-6702
FAX/724-6790

Police Dept.
231/724-6750
FAX/722-5140

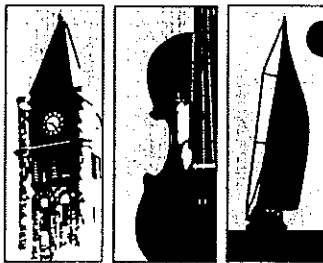
Public Works
231/724-4100
FAX/722-4188

Treasurer
231/724-6720
FAX/724-6768

Water Billing Dept.
231/724-6718
FAX/724-6768

Water Filtration
231/724-4106
FAX/755-5290

MUSKEGON



West Michigan's Shoreline City

December 10, 2001

Elizabeth Gubocki
12689 Patricia Ave.
Grant, MI 49327

Re: 1253 Calvin

Dear Ms. Gubocki:

On December 6, 2001 the Housing Board of Appeals heard your case on the above structure.

The board's determination on this case is to grant you a sixty day extension to complete the exterior repairs.

If you have any questions, please contact this office at (231) 724-6715.

Sincerely,

A handwritten signature in black ink, appearing to read 'Robert B. Grabinski'.

Robert B. Grabinski
Director of Inspections
RBG/lg



CITY OF MUSKEGON

INSPECTION DEPARTMENT

(231) 724-6715

INSPECTION SHEET For 1253 Culvin

progress
Report.

☒ Building	☐ Electrical	☐ Mechanical	☐ Plumbing	☐ Zoning
# _____	# _____	# _____	# _____	_____
☐ Footing	☐ Service	☐ Underground	☐ Underground	_____
☐ Rough In	☐ Rough In	☐ Rough In	☐ Rough In	_____
☐ Final	☐ Final	☐ Final	☐ Final	_____
☐ _____	☐ _____	☐ _____	☐ _____	_____

Inspector Henry F. Date 11/13/2001 Approved ☐ yes ☐ no

Reason making good progress
siding 99% complete
2) tack pointing Foundation
Block.

Correct prior to _____ and call for reinspection.

**CITY OF MUSKEGON
CITY OF MUSKEGON HOUSING (BUILDING) BOARD OF APPEALS**

NOTICE OF HEARING

Date: November 21, 2001

Address of the Property: 1253 Calvin, Muskegon MI

Description of the Structure: Pomona Park Addition Lots 13 & 14 Blk 8

TO: Elizabeth Gubocki, 12689 Patricia Ave. Grant, MI 49327
[Name & Address of Owner]

None

Names & Addresses of Other Interested Parties]

Please take notice that on **Thursday, December 6, 2001**, the City of Muskegon Housing Board of Appeals will hold a hearing at 933 Terrace, Muskegon, MI at 5:30 o'clock p.m., and at the said hearing consider whether or not the following structure should be determined to be dangerous, substandard and a nuisance, and demolished, or repaired.

The reason for this hearing is to review your progress on the exterior repairs as required in the order to repair issued 9/10/01.

At the hearing on Thursday, December 6, 2001, at 5:30 o'clock p.m., at the Muskegon City Hall, 933 Terrace Street, Muskegon, Michigan, you may appear and present any relevant evidence to the Housing Board of Appeals and have counsel of your choice present, if you desire, to show cause why the structure should not be allowed or ordered demolished.

CITY OF MUSKEGON INSPECTION DEPARTMENT,
ON BEHALF OF THE HOUSING BOARD OF APPEALS

By

Robert B. Grabinski
Robert B. Grabinski, Director of Inspections

**CITY OF MUSKEGON
CITY OF MUSKEGON HOUSING BOARD OF APPEALS**

ORDER TO REPAIR OR DEMOLISH

Date of Order: September 10, 2001

Address of the property: **1253 Calvin**

Description of the structure: Pomona Park Addition Lots 13 & 14 Blk 8

To: Elizabeth Gubocki, 12689 Patricia Ave. Grant, MI 49327
(Name & Address of Owner)

None
(Names & Addresses of Other Interested Parties)

OPPORTUNITY TO REPAIR

The Housing Board of Appeals of the City of Muskegon has found that the above structures are dangerous or substandard buildings and a public nuisance. However, it is determined that the buildings are repairable, provided that permits are applied for and repairs performed in a timely fashion. Therefore, it is ordered that the owner or interested parties shall apply for all permits required to accomplish the repairs of the conditions found in the inspection report attached to this order and complete all exterior repairs within **60 days**. All interior repairs shall be accomplished in the time limited by the permits issued relevant to the said repairs, and physical repair must be commenced within the said 30 days of obtaining those permits.

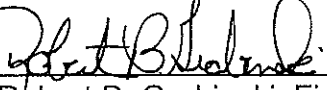
FAILURE TO COMPLY – DEMOLITION ORDER

TO BE SUBMITTED TO THE CITY COMMISSION

In the event the owners or interested parties fail to apply for all permits required to effectuate the said repairs or fail to commence physical repair within 60 days, then the above order of the Housing Board of Appeals shall constitute an order to demolish the said structures.

In such case, the Director of Inspections is ordered to place before the Muskegon City Commission this order and the record in this case to seek concurrence by the City Commission with the decision of this board for demolition, and further, to give notice to the owner and interested parties of the date and time when this matter shall be considered by the City Commission.

CITY OF MUSKEGON
HOUSING BOARD OF APPEALS

By 
Robert B. Grabinski, Fire Marshal

**CITY OF MUSKEGON
CITY OF MUSKEGON HOUSING (BUILDING) BOARD OF APPEALS**

NOTICE OF HEARING

Date: August 22, 2001

Address of the Property: 1253 Calvin Muskegon, Michigan

Description of the Structure: Lots 13 & 14 Blk 8 of Pomona Park Addition & E 1/2 Garden St.
Vacated

TO: Elizabeth & Hedwig Gubocki, 12689 Patricia, Grant, MI 49327
[Name & Address of Owner]

None
Names & Addresses of Other Interested Parties]

Please take notice that on **Thursday, September 6, 2001**, the City of Muskegon Housing Board of Appeals will hold a hearing at 933 Terrace, Muskegon, MI at 5:30 o'clock p.m., and at the said hearing consider whether or not the following structure should be determined to be dangerous, substandard and a nuisance, and demolished, or repaired.

The reason for this hearing is that you have not complied with the Notice and Order to Repair or Demolish a Structure issued by the City of Muskegon Building Inspection Department on 8/1/01.

At the hearing on Thursday, September 6, 2001, at 5:30 o'clock p.m., at the Muskegon City Hall, 933 Terrace Street, Muskegon, Michigan, you may appear and present any relevant evidence to the Housing Board of Appeals and have counsel of your choice present, if you desire, to show cause why the structure should not be allowed or ordered demolished.

CITY OF MUSKEGON INSPECTION DEPARTMENT,
ON BEHALF OF THE HOUSING BOARD OF APPEALS

By Robert B. Grabinski
Robert B. Grabinski, Fire Marshal/Inspection Services

CITY OF MUSKEGON

NOTICE AND ORDER TO REPAIR OR REMOVE (DEMOLISH) A STRUCTURE

DATE: August 1, 2001

Address of the Property: 1253 Calvin St., Muskegon, Michigan

Description of the Structure: Lots 13 & 14 of Block 8 of Pomona Park Addition

TO: Elizabeth & Hedwig Gubocki, 48 N. North St. White Cloud, MI 49349
[Name & Address of Owner]

The Building Inspection Department of the City of Muskegon has determined that the structures above described are dangerous, substandard, and constitute a nuisance in violation of the Dangerous Buildings Ordinance of the City.

You are hereby notified that the City will proceed to demolish or cause the demolition and removal of the said structure unless you accomplish the actions indicated below within the time limits indicated (only one to be checked):

1. X Obtain the issuance of all permits required to accomplish the repair of the structure defects listed in the attached schedule within 30 days of this notice. All repairs shall be accomplished within the times set forth in the permits. All work must be physically commenced within 30 days of the date of this notice.
2. Obtain the issuance of the appropriate permit for the demolition of structures within 30 days, and accomplish the demolition thereof within 60 days of this notice.

The conditions which cause the said structures to be dangerous, substandard and a nuisance are listed in the attached schedule.

FAILURE TO COMPLY

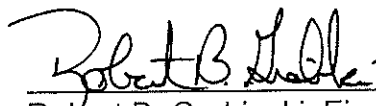
After 30 days from mailing this notice, if you have not complied with this notice, a hearing will be scheduled before the City of Muskegon Housing Board of Appeals for the purpose of enforcing this notice and order and instituting City action to remove the structure. You will receive notice of that hearing. You may appear and present any relevant evidence to the Housing Board of Appeals and have counsel of your choice present, if you desire. You will have the opportunity to show cause why the structure shall not be ordered demolished.

SCHEDULE OF CONDITIONS

The following conditions are present at the structure at **1253 Calvin St.** Muskegon, Michigan, and cause said structure to be a dangerous or substandard building and a public nuisance.

Please see the attached inspection report

CITY OF MUSKEGON INSPECTION DEPARTMENT

A handwritten signature in black ink, appearing to read "Robert B. Grabinski", written over a horizontal line.

Robert B. Grabinski, Fire Marshal/Inspections

CITY OF MUSKEGON
DANGEROUS BUILDING INSPECTION REPORT

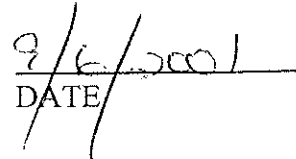
1253 Calvin
(INTERIOR INSPECTION)
August 21, 2001

Inspection noted:

1. Additions on home have insufficient structural ceiling and rafter members to safely carry design loads. Need to 2000 incorporate members to Michigan Residential Code.
2. Service to be replaced. All wiring must comply with 1999 Michigan Electrical Code.

BASED UPON MY RECENT INSPECTION OF THE ABOVE PROPERTY, I HAVE DETERMINED THAT THE STRUCTURE MEETS THE DEFINITION OF A DANGEROUS AND/OR SUBSTANDARD BUILDING AS SET FORTH IN SECTION 4-23 OF THE MUSKEGON CITY CODE.


HENRY FALTINOWSKI, BUILDING INSPECTOR


DATE

CITY OF MUSKEGON
DANGEROUS BUILDING INSPECTION REPORT

1253 Calvin St.

7/23/01

Inspection noted:

1. An interior inspection is required by all trade inspectors (plumbing, mechanical, electrical and building) before any permits or certificates of occupancy will be issued.
2. Three permits in window.
3. Work has not been completed on permits and no inspections have been made.
4. Home is boarded up.
5. Missing siding, exposed sheathing – rotting, sheathing in contact with ground. 9/14/2001 permit
6. Chimney deteriorating, in need of repair. Mechanical certification to verify 9/14/2001 permit safety.
7. Fascia and soffit in need of repair.
8. Large drop in roof rafters.

BASED UPON MY RECENT INSPECTION OF THE ABOVE PROPERTY, I HAVE DETERMINED THAT THE STRUCTURE MEETS THE DEFINITION OF A DANGEROUS AND/OR SUBSTANDARD BUILDING AS SET FORTH IN SECTION 4-23 OF THE MUSKEGON CITY CODE.


HENRY FALTINOWSKI, BUILDING INSPECTOR

7/30/2001
DATE

HOUSING BOARD OF APPEALS
MEETING MINUTES
6/6/02
5:30 P.M.

ATTENDANCE: Greg Borgman, John Warner, Randy Mackie, Jonathan Rolewicz, and Nick Kroes

ABSENT:

EXCUSED: Jerry Bever and Clara Shepherd

STAFF: Robert Grabinski, Henry Faltinowski, Don LaBrenz, and Lorraine Grabinski

GUESTS: David VanKammen, Bill Gill, Mary & Willie Fields, Scott Livingston, Attorney Bowen, realtors & representative of buyer for 1624 Wood St.

Meeting minutes: A motion was made by John Warner and seconded by Randy Mackie to approve the May minutes. The motion passed.

REVIEW CASES:

#01-037 – 1253 Calvin – Elizabeth Gubocki, 12689 Patricia Ave. Grant, MI

Ms. Gubocki was not present, but she called the Inspection office and asked for 120-day extension to finish the roof. She could not be at the meeting because of her work schedule. She is getting married in August and will then sell her house in Grant and have the money to finish the house on Calvin. She has made good progress so far.

Staff Recommendation: Table this case for 120 days to allow owner to finish roof repairs.

A motion was made by Nick Kroes and seconded by Randy Mackie to accept staff recommendation.

A roll call vote was taken:

AYES:

NAYES:

EXCUSED:

ABSENT:

Greg Borgman
Randy Mackie
John Warner
Jon Rolewicz
Nick Kroes

Jerry Bever
Clara Shepherd

The motion carried.

Case #01-037 – 1253 Calvin – Elizabeth Gubocki, 12689 Patricia, Grant, MI

Ms. Gubocki was present to represent this case. Mr. Grabinski gave a history on this case. This case came to Inspection Department by the Neighborhood Association. Mr. Grabinski attended a Neighborhood meeting and this address was one of their issues. He stated the problem with this property is that permits are pulled and the work starts, then stops. This has happened for the last three years. An interior inspection was conducted 9/6/01. The interior repairs needed are small in number, but significant expense there. The Inspection Department is asking for a realistic time line to get the repairs done. The home has been used only for storage in the past and this is also an issue. The owner stated that this property belongs to her mother. Her mother is currently in a nursing home, but she plans to bring her back home. She has worked on the home previous to her mother becoming ill. That is when the work stopped. The owner has estimates for the repairs. Mr. Kroes inquired about having the money to do the interior repairs. Ms. Gubocki stated that she does have the money. She also stated that she didn't know there was a time frame on permits. She stated that she can complete the exterior repairs within 60 days.

Staff Recommendation: Table this case for 60 days to allow Ms. Gubocki to contact Henry Faltinowski to develop a time table for completion of interior repairs and also within the 60 days the exterior repairs be completed. If progress is not made it will be brought back to the HBA.

Motion: Motion made by Randy Mackie, seconded by John Warner to support staff's recommendation.

A roll call vote was taken:

AYES:

Greg Borgman
Randy Mackie
John Warner
Jerry Bever
Nick Kroes

NAYES:

EXCUSED:

ABSENT:

Clinton Todd
Fred Nielsen

The motion carried.

Case # 01-022 – 869 Emerald – Collie Dotson 869 Emerald, Muskegon, MI

No one was in attendance to represent this case. Mr. Grabinski gave a history of the case. It is a vacant piece of property. It came to the Inspection Department by a police report. It was wide open and had broken windows. Once inside the structure it was determined to be very dangerous, the ceilings are collapsing. CNS are looking at this property to build on, once the existing structure is gone.

Case #01-037 – 1253 Calvin – Elizabeth Gubocki 12689 Patricia, Grant, MI

Ms. Gubocki was present to represent this case. She had some pictures to show her progress and stated that repairs are going well. Mr. Grabinski stated this case is back before the board because when she was last brought before the board she was given 60 days to complete the exterior repairs and the 60 days is up. She has made a lot of progress, but not everything was completed. Mr. Grabinski asked if she had a timeline as far as the roof is concerned. Ms. Gubocki asked for a 60 day extension. The property is vacant at this time.

Staff Recommendation: Give until June 1, 2002 to complete the remaining exterior repairs as long as Ms. Gubocki continues to have contact with our office and continue with progress.

Motion made by Randy Mackie and seconded by Nick Kroes to accept staff recommendation.

A roll call vote was taken:

<u>AYES:</u>	<u>NAYES:</u>	<u>EXCUSED:</u>	<u>ABSENT:</u>
Greg Borgman			
Randy Mackie			
John Warner			
Jerry Bever			
Fred Nielsen			
Nick Kroes			

The motion carried.

Case #00-57 – 2082 Estes – David VanKammen, 2086 Estes, Muskegon

Mr. VanKammen was not present, but he did submit a letter to the Inspection Office with his plans and a request of an extension until May 1, 2002 to complete.

Staff Recommendation: Accept the owner's request for an extension until May 1, 2002.

Motion made by Jerry Bever and seconded by John Warner to accept staff recommendation.

A roll call vote was taken:

<u>AYES:</u>	<u>NAYES:</u>	<u>EXCUSED:</u>	<u>ABSENT:</u>
Greg Borgman			
Randy Mackie			