

CITY OF MUSKEGON
CITY COMMISSION WORKSESSION

Monday, August 8, 2022
5:30 p.m.
City Commission Chambers
933 Terrace Street, Muskegon, MI 49440

MINUTES

2022-72

Present: Mayor Johnson, Vice Mayor German, Commissioners Gorman, St.Clair, and Emory

Absent: Commissioners Hood and Ramsey

Farmers Market Presentation

Ann Meisch, City Clerk, presented information about the Muskegon Farmer's Market. The presentation included information about staffing, advantages of the Muskegon Farmers Market, Seasonal and Daily vendors, multiple programs like SNAP/EBT – Senior POP, Kids POP, Flea Market, Winter Market, Event Rentals, City Events, Kitchen 242, Challenges at the Market, and future goals. The presentation will be made available on the City's website.

Update on City's ARPA Allocation

Peter Wills, Director of Strategic Initiatives, provided a staff update on the City's allocation of American Rescue Plan Act (ARPA) funds.

Staff previously provided an update to the Commission on the use of ARPA funds at a Special Meeting on February 28, 2022. Since that time, staff continues to meet to strategize on the use and implementation of the ARPA funds to realize the highest long term gain for our community. Staff is also targeting and evaluating federal grant opportunities that continue to be released throughout the year as part of the Infrastructure Investment and Jobs Act (IIJA) implementation process.

Staff intends to provide a review of the funding allocations and commitments made thus far. We will also work with the Commission to develop options for handling the remaining funds and engaging with our neighbors.

Periodic engagement also continues with the National League of Cities (NLC) as part of our participation in their ARPA Grant Navigator program to explore additional opportunities for federal funding.

Table 1.

Status of Committed ARPA Funds			
Project	Purpose	Committed	Status
Infill Housing – West Urban Properties	Infill Housing	\$4.275M	Sub-recipient Agreement signed
Infill Housing – LRS Enterprises	Infill Housing	\$750,000	Current staff consultation with LRS
Infill Housing – Community enCompass	Infill Housing	\$250,000	Full Award expended
General Fund	GF FY22 contribution	\$900,000	Budgeted
General Fund	GF FY23 contribution	\$650,000	Budgeted
Water/Sewer	Houston Ave project	\$800,000	Budgeted
Trinity Health Arena/Thayer Ave	Restrooms, ADA improvements, etc	\$750,000	Budgeted
Trinity Health Arena	FY22 Budget	\$675,000	Budgeted
Convention Center	Outstanding project expenses	\$2.5M	Budgeted
CSXT Purchase Agreement	Removal of rail line	\$2.0M	\$185,480.54 expended per Agreement
Boys & Girls Club	Fundraising campaign contribution	\$1.0M	Full Award expended
Muskegon Museum of Art	Fundraising campaign contribution	\$1.0M	Full Award expended
Frauenthal Center	Utility relocation expenses	\$1.0M	Full Award expended
	Subtotal	\$16,550,000	
	ARPA Balance	\$6,331,894	

- 23% - percentage of funding currently committed to infill housing initiative
- 13% - percentage of funding currently committed to local non-profit agencies

Table 2. - projects included within the permitted Standard Allowance “umbrella” intended to replace up to \$10M of lost public sector revenue.

Commitment of Funds to replace lost public sector revenue, up to \$10M (Standard Allowance)	
Infill Housing	\$5.275M
Convention Center	\$2.5M
General Fund FY22	\$900,000
General Fund FY23	\$650,000
Trinity Health Arena FY22	<u>\$675,000</u>
Total	\$10,000,000

Parks Donation Policy

Staff has prepared the draft policy to administer donation requests received for the City Parks Department. The draft policy is meant to provide guidance and consistency for those wishing to make a donation to the City Parks system and the staff charged with reviewing requests and coordinating for installation. The most common donations are benches, but can also include options for trees, plaques, etc.

The policy also sets a precedent in place for pre-existing donations in that they will not be maintained at city expense in perpetuity.

Staff is seeking input on the draft policy with the hopes of refining the policy and bringing it back for formal approval by the Commission at a later date.

Discussion took place regarding the draft Policy and this item will appear on the agenda for approval at a later date.

ARP Infill Housing Working Cash Fund Request

Jake Eckholm, Economic Development Director, presented information to Commission regarding the ARP Infill Housing Working Cash Fund Request.

Staff is requesting authorization to issue an inter-fund loan from the General Fund (101) to the Public Improvement Fund (404) of one million dollars (\$1,000,000) to ensure working capital on hand for the ARP Infill Housing Program being implemented by Briggs Builders and West Urban Properties.

We are working diligently on infilling owner occupied housing in the community through the five million dollar commitment from the City Commission from American Rescue Plan Act funds. Mr. Briggs is working with the City to secure additional financing through the Community Foundation in order to infill 6 total homes in Jackson Hill, and Mr. Dusendang has a working total of 34-36 units depending on pricing that will primarily be placed in McLaughlin and Nelson. 18 are currently in the permitted stage at various levels of completion, and therein lies the issue. The

structure of the agreements for both developers indicates that the city make them whole for their half of the investment in each house 45 days after Certificate of Occupancy is issued, or at time of sale. With the rate of building that is necessary to keep various subcontractors engaged during this very difficult labor market, it is likely that we will run into cash on hand issues in the ARP program wherein all of our money is “tied up in inventory.”

Staff is requesting that the General Fund, which currently has a fund reserve of 9.6 million dollars, make a temporary interfund loan to the Property Improvement Fund of 1 million dollars, which is enough to fully implement 4 builds at the contracted prices. This should be enough cushion to keep our building partners and their contractors working consistently through project implementation. The structure would require that all city proceeds from sale are booked into the Public Improvement Fund, and that the full 1 million dollars is returned to the General Fund in a lump sum transfer at the culmination of both ARP infill housing projects.

Discussion of this information took place and this item will be on the regular meeting agenda on August 9, 2022 for consideration.

Public Comment – Public comment was received

Adjournment: The City Commission Worksession Meeting adjourned at 7:03 p.m.

Respectfully Submitted,

Ann Marie Meisch, MMC – City Clerk