

CITY OF MUSKEGON

CITY COMMISSION MEETING

JULY 24, 2018 @ 5:30 P.M.

**MUSKEGON CITY COMMISSION CHAMBERS
933 TERRACE STREET, MUSKEGON, MI 49440**

AGENDA

- ☐ **CALL TO ORDER:**
- ☐ **PRAYER:**
- ☐ **PLEDGE OF ALLEGIANCE:**
- ☐ **ROLL CALL:**
- ☐ **HONORS AND AWARDS:**
- ☐ **INTRODUCTIONS/PRESENTATION:**
- ☐ **CITY MANAGER'S REPORT:**
- ☐ **CONSENT AGENDA:**
 - A. Approval of Minutes** City Clerk
 - B. L-3 Communication Quote** DPW
 - C. Rezoning Request for a Portion of the Property at 710 Pulaski Ave**
Planning & Economic Development
 - D. Launch Ramp Ordinance Change** DPW - REMOVED PER STAFF REQUEST
 - E. First Amendment to Contract for Housing Exemption for Royale Glen Townhomes** Planning & Economic Development
- ☐ **PUBLIC HEARINGS:**
- ☐ **COMMUNICATIONS:**
- ☐ **UNFINISHED BUSINESS:**
- ☐ **NEW BUSINESS:**
 - A. Concurrence with the Housing Board of Appeals Notice and Order to Demolish** Public Safety
 - 328 Catherine Ave
 - 720 Amity Ave
 - 1774 6th Street (Commercial Storage Building)

B. Rezoning Request for a Portion of the Property at 306 Campbell St
Planning & Economic Development

☐ **ANY OTHER BUSINESS:**

☐ **PUBLIC PARTICIPATION:**

- ▶ **Reminder: Individuals who would like to address the City Commission shall do the following:**
- ▶ Fill out a request to speak form attached to the agenda or located in the back of the room.
- ▶ Submit the form to the City Clerk.
- ▶ 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.)

☐ **CLOSED SESSION:**

☐ **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 ANN MARIE MEISCH, CITY CLERK, 933 TERRACE STREET, MUSKEGON, MI 49440 OR BY CALLING (231) 724-6705 OR TTY/TDD DIAL 7-1-1- TO REQUEST A REPRESENTATIVE TO DIAL (231) 724-6705.

Date: July 17, 2018
To: Honorable Mayor and City Commissioners
From: Ann Marie Meisch, City Clerk
RE: Approval of Minutes

SUMMARY OF REQUEST: To approve minutes of the July 9, 2018 Worksession Meeting and the July 10, 2018 Regular Meeting.

FINANCIAL IMPACT: None.

BUDGET ACTION REQUIRED: None.

STAFF RECOMMENDATION: Approval of the minutes.

CITY OF MUSKEGON
CITY COMMISSION WORKSESSION
Monday, July 9, 2018
5:30 p.m.
City Commission Chambers
MINUTES

2018-51

Present: Johnson, Turnquist, Warren, Rinsema-Sybenga and German

Absent: Gawron and Hood

Launch Ramp Tickets and Fees

Summary of Request: To increase violation fines for not having a permit. Commissioners asked questions regarding the proposed changes and staff answered.

This item will be on the July 10, 2018 City Commission meeting for consideration.

Launch Ramp Ordinance Change

Summary of Request: To amend Chapter 58 Parks and Recreation ordinance to include additional language regarding daily permits.

This item will be on the July 10, 2018 City Commission meeting for consideration.

Housing: Mid-Town Square - Second Phase

The City Manager questioned whether the Commission wants him to pursue additional housing improvements in the neighborhood. The Commission agreed they want him to move forward but to try to find a public/private partnership in doing so.

Ameribank Development

Another developer has come forward with a proposal for the Ameribank Development. Port City's agreement has expired but indicates they are still interested. The City Manager would like the project to move forward and be completed.

Gary Post reminded Commissioners of past projects he has completed downtown when the economy was not as good. He indicates he has spent a lot of time working on the project. He is requesting the City Commission give him two weeks to put together a development agreement that is acceptable to everyone.

The Manager and Port City will review an agreement and hopefully have an acceptable plan to submit to Commission in two weeks.

Notice of Intent to Enter into Debt for the Purposes of Building a Convention Center

Summary of Request: The Notice of Intent Resolution is the first step in the bonding process. This resolution authorizes the publication of a Notice of Intent relating to the City's bonds issued

for the purpose of paying all or part of the cost to acquire, construct, furnish and equip a new convention center, including site acquisition, demolition and related site improvements. The notice indicates the City's intent to issue its limited tax full faith and credit Capital Improvement Bonds in an amount not to exceed \$20,000,000.

This item will be placed on the July 10, 2018 City Commission meeting.

Any Other Business

John Allen, 354 W. Muskegon, inquired about the proposed development for housing adjacent to Hartshorn Marina. He inquired whether current slip holders would be displaced. The City Manager indicated that no current slip holders will be displaced.

Roger Rapoport, 339 Houston, traffic calming measures in his neighborhood.

The Worksession Meeting adjourned at 8:00 p.m.

Respectfully Submitted,

Ann Marie Meisch, MMC – City Clerk

CITY OF MUSKEGON

CITY COMMISSION MEETING

JULY 10, 2018 @ 5:30 P.M.

**MUSKEGON CITY COMMISSION CHAMBERS
933 TERRACE STREET, MUSKEGON, MI 49440**

MINUTES

The Regular Commission Meeting of the City of Muskegon was held at City Hall, 933 Terrace Street, Muskegon, MI at 5:30 p.m., Tuesday, July 10, 2018. Pastor Darrin Longmire, Forest Park Covenant Church, opened the meeting with prayer, after which the Commission and public recited the Pledge of Allegiance to the Flag.

ROLL CALL FOR THE REGULAR COMMISSION MEETING:

Present: Mayor Stephen J. Gawron, Commissioners Ken Johnson, Byron Turnquist, Debra Warren, and Willie German, Jr, and Dan Rinsema-Sybenga, City Manager Frank Peterson, City Attorney John Schrier, and City Clerk Ann Meisch.

Absent: Vice Mayor Eric Hood

2018-52 CONSENT AGENDA:

A. Approval of Minutes City Clerk

SUMMARY OF REQUEST: To approve the minutes of the June 26, 2018 Regular Meeting.

FINANCIAL IMPACT: None

BUDGET ACTION REQUIRED: None

STAFF RECOMMENDATION: Approval of the minutes.

B. Transfer to Economic Development Revolving Loan Fund From Economic Development Sappi Finance

SUMMARY OF REQUEST: As fiscal year 2018-19 begins Finance would like to streamline and reduce funds. As some on the Commission have requested we are proposing to transfer the balance of funds from Economic Development Sappi to Economic Development Revolving Loan funds. The Sappi fund was created in 2010 with \$500,000 from Sappi as part of the Settlement Agreement for the closure of Sappi's Muskegon Mill. The money is to be used for any economic development purpose at the discretion of the City.

FINANCIAL IMPACT: None

BUDGET ACTION REQUIRED: None

STAFF RECOMMENDATION: Approve transfer of the remaining funds in the Economic Development Sappi fund to the Economic Development Revolving Loan fund.

C. Mission Lift Station Monitoring Equipment Department of Public Works

SUMMARY OF REQUEST: Authorize staff to purchase two lift station monitoring units for two of our 21 stations.

The 2017/18 Sewer Maintenance Budget includes costs for the purchase and installation of two Mission Monitoring Units, one to be installed at our Edgewater Street Lift Station and the other at our Harbour Towne Lift Station.

Belasco, Newkirk, and C-N-C Electric were invited to bid. C-N-C Electric provided the lowest quote of \$11,000 per unit installed, including a service contract for each unit good for one year. Belasco Electric did not bid.

FINANCIAL IMPACT: The estimated cost of materials and installation is \$22,000.

BUDGET ACTION REQUIRED: None. Expenditures for the purchase would come from the Sewer Budget and were anticipated during the budgeting process.

STAFF RECOMMENDATION: Approve purchase.

D. Procurement of Rapid Mixer DPW/Water Filtration Plant

SUMMARY OF REQUEST: Authorize staff to procure new mixer from Fusion Fluid Equipment to replace current mixer at the Water Filtration Plant.

We have two rapid mixers in service from Mastrrr and we have been replacing them about every two years due to frequent failure of bearings. The bearings are not replaceable and the design forces us to replace the whole unit. These mixers are built to order, take six months to procure and the customer service is also poor. We had contacted Fusion Fluid, a local firm to provide a custom solution with replaceable parts, and the pricing is comparable to that from Mastrrr.

FINANCIAL IMPACT: \$22,480.66

BUDGET ACTION REQUIRED: None

STAFF RECOMMENDATION: Staff be authorized to procure rapid mixer from Fusion Fluid Equipment at a cost of \$22,480.66.

E. 2018 Capital Improvement Projects – Milling and Resurfacing – Forest Avenue Department of Public Works

SUMMARY OF REQUEST: Awarded the resurfacing contract for Forest Avenue

from Sanford Street to Clinton Street (H-1719) to the low bidder. Asphalt Paving Incorporated. Two contractors submitted bids for the projects as follows:

Asphalt Paving Incorporated \$21,190.00

Michigan Paving and Materials Company \$31,153.00

FINANCIAL IMPACT: \$21,190.00

BUDGET ACTION REQUIRED: None. This project is included in the capital project list on the 2018/2019 budget. The resurfacing on Forest Avenue is being funded through a CDBG (\$30K budgeted).

STAFF RECOMMENDATION: Award the project to the low bidder. Asphalt Paving Incorporated.

F. 2018 Capital Improvement Projects – Milling and Resurfacing – Eight (8) Street Segments Department of Public Works

SUMMARY OF REQUEST: Award the resurfacing (H-1718) for eight (8) street segments to the low bidder, Michigan Paving and Materials Company. Three contractors submitted bids for this project as follows:

Michigan Paving and Materials Company \$427,363.86

Asphalt Paving Incorporated \$492,224.71

Rieth-Riley Construction Company \$533,639.00

FINANCIAL IMPACT: \$427,363.86

BUDGET ACTION REQUIRED: None. This project is included in the capital project list on the 2018/2019 budget. The resurfacing on eight (8) streets is being funded through Major Streets (\$540K budgeted) and Local Streets (\$200K budgeted).

STAFF RECOMMENDATION: Award the project to the low bidder, Michigan Paving and Materials Company.

G. Launch Ramp Tickets and Fees Department of Public Works

SUMMARY OF REQUEST: To increase violation fines for not having a permit as follows:

No Launch Ramp Permit: \$70.00 per incident (currently \$55.00)

No Commercial Launch Permit: \$250.00 per incident (currently no fine)

Vessels over thirty-feet or three or more axles launching: \$300.00 (currently no fine)

Current Fees:

Resident Launch Permit: \$50.00

Resident Senior Launch Permit: \$30.00

Non-Resident Permit: \$70.00

Senior, Non-Resident Permit: \$45.00

FINANCIAL IMPACT: None

BUDGET ACTION REQUIRED: None

STAFF RECOMMENDATION: Approval of the revised fines.

H. Launch Ramp Ordinance Change Department of Public Works

SUMMARY OF REQUEST: To amend Chapter 58 Parks and Recreation ordinance to include the following language:

Section 58-3. Public boat launch permit; violation as a municipal civil infraction.

*No person shall launch a vessel at the city launch ramp facilities without a permit from the city. The annual permit is valid for the calendar year in which it was purchased, for vessels less than thirty-feet launched from a trailer with two axles or less (except pontoons), and only when visible from outside the vehicle and fully adhered to the windshield of the vehicle registered with the city at the time of purchase(s). **Daily permits are valid for the 4-hour period of the date purchased** and must be displayed on the vehicle dash board with date and permit number visible from outside the vehicle. Permit(s) are non-transferrable and may not be re-sold. Violation of this section shall be a municipal civil infraction.*

Original: No person shall launch a boat at the city launch facilities without a permit from the city from March 1 through November 30. Violation of this section shall be a municipal civil infraction. (Ord. No. 2351, 3-22-2016).

Added to the ordinance:

No private or for-profit business may launch commercial vessel(s) from the city launch ramp facilities without the commercial launch permit from the city. The permits(s) are valid for the calendar year in which they were purchased, for vessels up to thirty-feet in length with less than two axles (except pontoons). The permit is transferable only between vehicles owned by the purchaser for business purposes and must be visible from outside the vehicle.

The Department of Public Works also requests to increase violation fines for not having a permit. Those modifications are included in a separate agenda item.

FINANCIAL IMPACT: None

BUDGET ACTION REQUIRED: None

STAFF RECOMMENDATION: Approve the modified language for the ordinance.

SECOND READING REQUIRED

Motion by Commissioner Rinsema-Sybenga, second by Commissioner Johnson,

to approve the consent agenda as presented.

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

Nays: None

MOTION PASSES

2018-53 PUBLIC HEARINGS:

A. Request of the Establishment of an Industrial Development District at 2420 Remembrance Drive Planning & Economic Development

SUMMARY OF REQUEST: Pursuant to Public Act 198 of 1974, as amended, Grooters Development has requested the establishment of an Industrial Development District at 2420 Remembrance Drive. The establishment of the district will allow the company to become eligible for Industrial Facilities Tax Abatements (IFTs).

FINANCIAL IMPACT: None

BUDGET ACTION REQUIRED: None

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

Motion by Commissioner Johnson, second by Commissioner Warren, to approve the establishment of the Industrial Development District.

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

Nays: None

MOTION PASSES

2018-54 NEW BUSINESS:

A. Notice of Intent Resolution Capital Improvement Bonds Convention Center Finance

SUMMARY OF REQUEST: The Notice of Intent Resolution is the first step in the bonding process. This resolution authorizes the publication of a Notice of Intent relating to the City's bonds issued for the purpose of paying all or part of the cost to acquire, construct, furnish and equip a new convention center, including site acquisition, demolition and related site improvements. The notice indicates the City's intent to issue its limited tax full faith and credit Capital Improvement Bonds in an amount not to exceed \$20,000,000.

FINANCIAL IMPACT: None.

BUDGET ACTION REQUIRED: None.

STAFF RECOMMENDATION: Approve the Notice of Intent Resolution for

Capital Improvements Bonds not to exceed \$20,000,000 and authorize the City Clerk to publish a notice of intent to issue the Bonds in the Muskegon Chronicle.

Motion by Commissioner Johnson, second by Commissioner German, to approve the Notice of Intent Resolution for Capital Improvement Bonds not to exceed \$20,000,000 and authorize the City Clerk to publish a notice of intent to issue the Bonds in the Muskegon Chronicle.

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

Nays: None

MOTION PASSES

B. Houston Avenue Traffic Calming Proposal Department of Public Works

SUMMARY OF REQUEST: Construct bump outs along Houston Avenue at the intersection of 5th Street to provide traffic calming effects along Houston Avenue. Work is proposed to be completed by city crews from the highway department.

FINANCIAL IMPACT: \$12,000

BUDGET ACTION REQUIRED: None. Work performed by city crews included within existing budget for salary/benefits and materials.

STAFF RECOMMENDATION: Approve construction of the bump outs along Houston Avenue.

Motion by Commissioner Warren, second by Commissioner German, to approve construction of the bump outs along Houston Avenue.

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

Nays: None

MOTION PASSES

PUBLIC PARTICIPATION: Public Comments were received.

ADJOURNMENT: The City Commission Meeting adjourned at 6:00 p.m.

Respectfully Submitted,

Ann Marie Meisch, MMC, City Clerk

Date: 7/24/2018

To: Honorable Mayor and City Commissioners

From: DPW/Equipment

RE: L-3 Communication Quote

SUMMARY OF REQUEST:

The Equipment Division is requesting permission to order new Police in-car DVR units along with new computer server to download DVR video for storage. Current server is at end of life and will no longer be supported past the end of August.

FINANCIAL IMPACT:

\$68,658.35 from the Equipment Budget and

\$16,452.00 from the Public Safety Budget

BUDGET ACTION REQUIRED:

None. Amount is what was budgeted.

STAFF RECOMMENDATION:

Authorize staff to order new server and DVR units from L-3 Mobile Visions.



Mobile-Vision, Inc.

QUOTE

400 Commons Way, Rockaway, NJ 07866
T. 973-453-8562 F. 973-257-3024

Number 209616809

Date May 16, 2018

Sold To**Muskegon Police Department**

Dennis Lord
1350 E. Keating Avenue
Muskegon, MI 49442

Phone 231-724-6309

Fax 231-722-5140

Ship To**Muskegon Police Department**

Dennis Lord
1350 E. Keating Avenue
Muskegon, MI 49442

Phone 231-724-6309

Fax 231-722-5140

Salesperson	P.O. Number	Ship Via	Terms
Paul Olkowski		None	

Line	Qty	SKU	Description	Unit Price	Ext.Price	Comments
1	1	DESR710	Kit, includes: Dell Power Edge T630 rack-mountable with dual Intel Xeon E5-2609-V3 Six Core Processors Processors, dual power supplies, 4 Ethernet ports, with 10TB storage. Also includes: monitor, keyboard, mouse, USB Card reader, Dell PowerConnect 2808, and 2 Ethernet patch cables.	\$8,581.50	\$8,581.50	
2	2	MVD-TRAN-OPS	On site professional services	\$1,912.50	\$3,825.00	
3	1	MVD-DES-BTO-EOL	OS/DES SWR Installation on EOL Servers & Data Migration	\$750.00	\$0.00	
4	25	MVD-VLX-TR	VLX-Transmitter, Voice Link eXtended	\$198.00	\$4,950.00	
5	1	PRIM4201WDISCR	Kit: Bravo 4201 Disc Publisher. Input capacity: 100, Number of Drives: 1, Ink cartridge: 1 CMY, Resolution: Up to 4800 dpi, Table mount. Accessories included: PTPublisher Software for PC and Mac. One tri-color ink cartridge and two Tuffcoat® sample discs (CD/DVD). Kiosk Kit for front dispensing of up to 100 discs. Includes a work station, 100 matt white DVDs, patch cable. One year hot swap and standard warranty.	\$4,045.50	\$4,045.50	
6	17	FBHKUA32Z-22V	FlashbackHD Upgrade Kit, DVR, VLX, Optical Zoom Cam, 32GBSD, 32' camera cable	\$3,550.50	\$60,358.50	
7	17	MVD-SMW3C3C2CB	Antenna, Dome Wifi/GPS Thru-Hole Mount, Black, FB3/FBHD	\$197.05	\$3,349.85	

Signing below is in lieu of a formal Purchase Order.
Your signature will authorize acceptance of both pricing and product:

Signed: _____ Dated: _____

L-3 Shipping Terms are FOB Rockaway, NJ. By signing below you agree to waive your shipping terms and ship this order FOB Rockaway, NJ.

Signed: _____ Dated: _____

SubTotal	85,110.35
Tax	TBD
S&H	0.00
Total	85,110.35

Quotation is valid for 60 days from date issued. The technology described herein is controlled under the Export Administration Regulation (EAR) and may not be exported without proper authorization by the U.S. Department of Commerce. State/Local Fees and Taxes are not included.

Commission Meeting Date: July 24, 2018

Date: July 18, 2018
To: Honorable Mayor and City Commissioners
From: Planning & Economic Development
RE: Rezoning Request for a Portion of the Property at 710 Pulaski Ave

SUMMARY OF REQUEST:

Request to rezone a portion of the property at 710 Pulaski Ave from I-1, Light Industrial to B-4, General Business.

FINANCIAL IMPACT:

None

BUDGET ACTION REQUIRED:

None

STAFF RECOMMENDATION:

Staff recommends approval of the rezoning

COMMITTEE RECOMMENDATION:

The Planning Commission unanimously recommended approval of the request at their July 12 meeting, with four members absent.

SUMMARY

1. The property is zoned I-1, Light Industrial. The building is used by Ramos Towing. The northern half of the property is vacant.
2. The applicant would like to rent space to a dance studio, but that use is not allowed in industrial districts. The applicant would like to rezone a portion of the property to B-4 to allow for the dance studio and also for their future development plans on the northern portion of the property.
3. This area has a mixture of several different uses, with business being the most prominent. Northern Machine Tool and Ramos Towing are the only industrial properties on the block. The Seaway Industrial Park is located just to the northeast of this property.
4. Notice was sent to all property owners/tenants within 300 feet of this property. At the time of this writing, staff had not received any comments from the public.

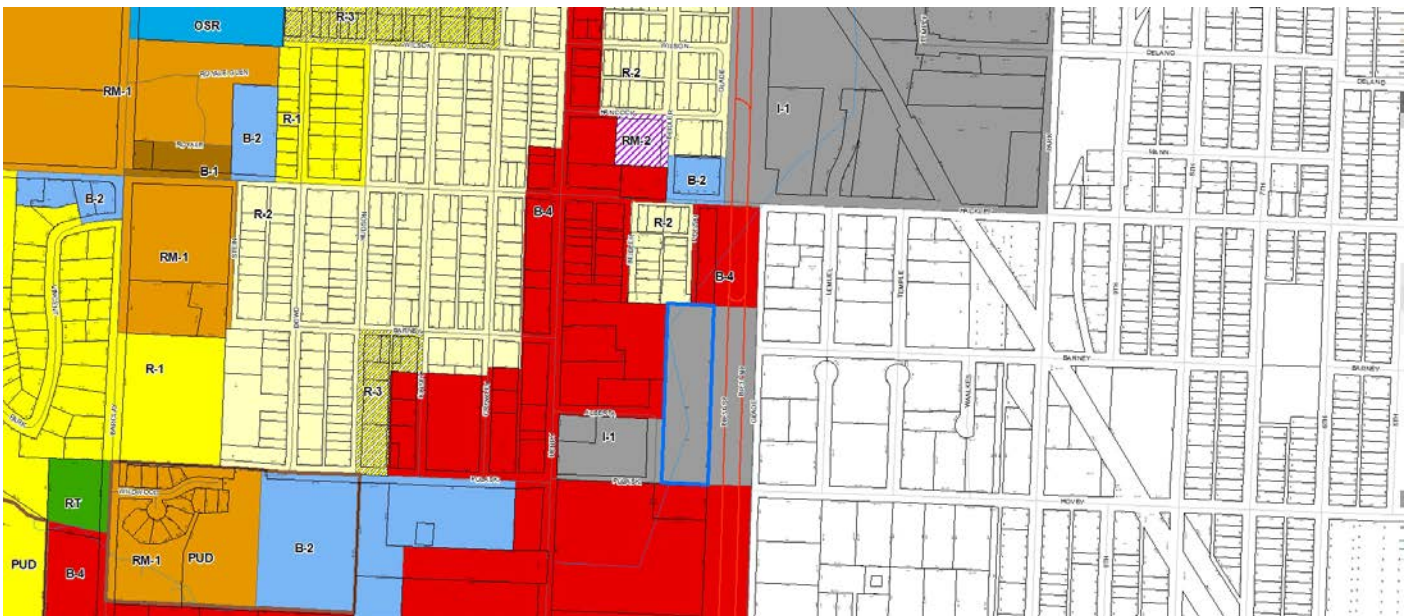
710 Pulaski Ave looking east. The owner is seeking to use the space on the left as a dance studio.



Aerial Map



Zoning Map



Portion to rezone to B-4 in Red



CITY OF MUSKEGON
MUSKEGON COUNTY, MICHIGAN

ORDINANCE NO. _____

An ordinance to amend the zoning map of the City to provide for a zone change for a portion of the property from I-1, Light Industrial to B-4, General Business.

THE CITY COMMISSION OF THE CITY OF MUSKEGON HEREBY ORDAINS:

The zoning map of the City of Muskegon is hereby amended to change the zoning for a portion of the following described property from I-1, Light Industrial to B-4, General Business.

CITY OF MUSKEGON SEC 31 T10N R16W E 409 FT OF S 829 FT OF NW FRL 1/4 OF SW FRL 1/4
SEC 31 T 10 N R 16 W EXC THAT PT TH'OF DEEDED TO STATE OF MI FOR HWY PURPOSES
ALSO EXC E 62 FT TH'OF ALSO E 1/2 OF VAC BEIDLER ST ADJ TO SD DESC

This ordinance adopted:

Ayes: _____

Nays: _____

Adoption Date: _____

Effective Date: _____

First Reading: _____

Second Reading: _____

CITY OF MUSKEGON

By: _____

Ann Meisch, MMC
City Clerk

CERTIFICATE
(Rezoning a portion of 710 Pulaski Ave I-1 to B-4)

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 an ordinance adopted by the City Commission of the City of Muskegon, at a regular meeting of the City Commission on the 24th day of July, 2018, 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 the Michigan Zoning Enabling Act, Public Acts of Michigan No. 33 of 2006, and that minutes were kept and will be or have been made available as required thereby.

DATED: _____, 2018

Ann Meisch, MMC
Clerk, City of Muskegon

Publish: Notice of Adoption to be published once within ten (10) days of final adoption.

CITY OF MUSKEGON
NOTICE OF ADOPTION

Please take notice that on July 24, 2018, the City Commission of the City of Muskegon adopted an ordinance amending the zoning map to provide for the change of zoning for a portion of the property from I-1 to B-4:

CITY OF MUSKEGON SEC 31 T10N R16W E 409 FT OF S 829 FT OF NW FRL 1/4 OF SW
FRL 1/4 SEC 31 T 10 N R 16 W EXC THAT PT TH'OF DEEDED TO STATE OF MI FOR HWY
PURPOSES ALSO EXC E 62 FT TH'OF ALSO E 1/2 OF VAC BEIDLER ST ADJ TO SD DESC

Copies of the ordinance may be viewed and purchased at reasonable cost at the Office of the City Clerk in the City Hall, 933 Terrace Street, Muskegon, Michigan, during regular business hours.

This ordinance amendment is effective ten days from the date of this publication.

Published _____, 2018

CITY OF MUSKEGON

By _____

Ann Meisch, MMC
City Clerk

PUBLISH ONCE WITHIN TEN (10) DAYS OF FINAL PASSAGE.

Account No. 101-80400-5354

Commission Meeting Date: July 24, 2018

Date: July 18, 2018
To: Honorable Mayor and City Commissioners
From: Planning & Economic Development
RE: First Amendment to Contract for Housing Exemption for Royale Glen Townhomes

SUMMARY OF REQUEST:

Hackley-Barclay and the City entered into a Contract for Housing Exemption on November 23, 1993, in which the City granted Hackley-Barclay a payment in lieu of taxes (PILOT) to help finance the construction of 78 townhouses at Royale Glen Townhomes. The PILOT that was granted was under the City's old PILOT exemption ordinance, which stated that the PILOT exemption would terminate if the property receiving the exemption was refinanced; however, the City's PILOT ordinance has since been amended in a way that would allow Hackley-Barclay to obtain the necessary financing and still maintain the PILOT exemption.

FINANCIAL IMPACT:

None

BUDGET ACTION REQUIRED:

None

STAFF RECOMMENDATION:

Approval of the amended contract

COMMITTEE RECOMMENDATION:

None



PARMENTER
LAW

Visit 601 Terrace Street, Muskegon, MI 49440

Mail PO Box 786, Muskegon, MI 49443-0786

Web www.parmenterlaw.com

June 27, 2018

Frank Peterson
933 Terrace Street
Muskegon, MI 49440

**Re: Royale Glen Townhomes
PILOT exemption agreement**

Dear Frank:

Please find enclosed 4 copies of the First Amendment to Contract for Housing Exemption for Royale Glen Townhomes. All copies have been executed by Joe Hollander. Please add this item to the City's agenda. Once approved, please return a fully executed copy to our office and I will forward it to Joe Hollander and his attorney.

Sincerely,

Benjamin P. Reider



Direct P: (231) 722-5418

Direct F: (231) 722-5518

Email: Ben@parmentelaw.com

Enclosures

**CITY OF MUSKEGON
FIRST AMENDMENT TO CONTRACT FOR HOUSING EXEMPTION**

This Amendment is entered into by and between **Hackley-Barclay Limited Dividend Housing Association Limited Partnership**, a Michigan limited partnership, of 834 King Highway, Suite 100, Kalamazoo, Michigan 49001 ("Hackley-Barclay"), and the **City of Muskegon**, a municipal corporation, of 933 Terrace Street, Muskegon, Michigan 49440 ("City"), with reference to the following facts:

Background

A. Hackley-Barclay and the City entered into a certain Contract for Housing Exemption dated November 23, 1993 ("Housing Exemption Agreement"), in which the City granted Hackley-Barclay a payment in lieu of taxes ("PILOT") exemption under the City's ordinance to help Hackley-Barclay finance the construction of 78 townhouses known as Royale Glen Townhomes located at 1085 Royale Glen Drive, Muskegon, Michigan 49441 (the "Townhouses").

B. Hackley-Barclay's construction of the Townhouses was also financed with federal low income housing tax credits and a loan from MSHDA, the latter of which imposed rent restrictions on the Townhouses until 2025, making it difficult for Hackley-Barclay to build reserves for needed improvements to the Townhouses.

C. The PILOT exemption granted to Hackley-Barclay under the Housing Exemption Agreement was granted under the City's old PILOT exemption ordinance, which stated that the PILOT exemption would terminate if the property receiving the exemption was refinanced; however, the City's PILOT ordinance has since been amended in such a way that would allow Hackley-Barclay to obtain the necessary financing and still maintain the PILOT exemption.

D. Because Hackley-Barclay would have qualified for the PILOT exemption under the amended PILOT ordinance, Hackley-Barclay requests that the City amend the Housing Exemption Agreement in order to allow Hackley-Barclay to facilitate refinancing of the development and permit its renovation while retaining income restrictions.

E. Accordingly, the parties desire to amend the Exemption Agreement in accordance with the terms and conditions of this Amendment.

Therefore, for good and valuable consideration, the parties agree as follows:

1. Defined Terms. All capitalized terms in this Amendment shall have the same meaning as set forth in the Exemption Agreement unless otherwise indicated.

2. Amendments. Paragraph 2 and Paragraph 3 of the Housing Exemption Agreement shall be amended to read as follows:

2. Term of Exemption. This exemption shall continue for the period of time the housing units remain subject to income and rent restrictions pursuant to Section 42 of the Internal Revenue Service Code of 1986 or the Authority Regulatory Agreement, not to exceed 30 years and 3 months from and after the beginning of the tax day of the year in which a final certificate of compliance or occupancy is issued by the City for the Project as provided for in Section 82-52, which is April 1, 2025. The City agrees to be contractually bound by this agreement to honor the exemption status of the proposed project as provided therein and in this agreement for the entire period during which the Project is financed by a loan made by the Authority or receives low income housing tax credits under Section 42 of the Internal Revenue Code of 1986, as amended, provided

that the said loan continues to be outstanding and not in default as more particularly set forth in Section 82-46, et. seq. of the Ordinance, not to exceed 30 years and 3 months, which is April 1, 2025.

3. Responsibilities of Hackley-Barclay. Hackley-Barclay agrees to perform the following:

3.1 Hackley-Barclay shall pay the service charge and payment in lieu of taxes set forth in Section 82.52, et. seq. of the Ordinance in a timely manner (on or before July 1 of each year during the time the exemption is in effect). For said purposes, Hackley-Barclay recognizes and will abide by all of the collection provisions of the Ordinance, including, without limitation, the acceptance of the lien provisions status of the payment in lieu of taxes in the event of default as set forth in the Ordinance. The service charge shall equal four (4%) percent for the first 25 years (January 1, 1995 to December 31, 2019) and five (5%) percent for the last 5 years and 3 months of the contract rents (January 1, 2020 to April 1, 2025) charged for the total of all units in the exempt housing project, whether the units are occupied or not, and whether or not the rents are paid.

3.2 Hackley-Barclay agrees to file all information required by the Ordinance and further to meet its obligations to the Michigan State Housing Development Authority in connection with Michigan State Housing Development Authority's administration of the low income housing tax credit program.

3. Full Force and Effect. Except as provided in this Amendment, the Exemption Agreement shall remain in full force and effect. In the event of any conflict in the terms of the Exemption Agreement and this Amendment, the terms of this Amendment shall control.

4. Counterparts. This Amendment may be signed in one or more counterparts, each of which shall be deemed to be an original, with the same effect as if the signatures on this Amendment and each of the counterparts were on the same instrument. Electronic copies and signatures sent in PDF format shall be treated as originals.

5. Effective Date. This Amendment shall become effective when executed by all parties listed below.

City –

By: _____
Name: Stephen J. Gawron
Title: Mayor
Date: _____, 2018

By: _____
Name: Ann Meisch
Title: City Clerk
Date: _____, 2018

Hackley-Barclay LIMITED DIVIDEND HOLDING
ASSOCIATION LIMITED PARTNERSHIP

By: _____
Name: Joseph H. Hollander
Title: GENERAL PARTNER
Date: JUNE 26, 2018

COMMISSION MEETING DATE: July 24, 2018

TO: Honorable Mayor and Commissioners

FROM: Jeffrey Lewis, Director of Public Safety

RE: Concurrence with the Housing Board of Appeals Notice and Order to Demolish. Dangerous Building Case #: **EN1801162** – 328 Catherine Ave

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 **328 Catherine Ave** 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 or staff may issue civil infraction citations to the owner, agent or responsible party if they do not demolish the structure.

Location and ownership: This structure is located on Catherine Ave between Spring St and Ambrosia St. The property is located in the McLaughlin Neighborhood. The structure is owned by Brent Slater, 1693 Beidler St, Muskegon, MI 49441.

Staff Correspondence:

April 30, 2018, a complaint notice was sent, with no response.

May 14, 2018, a final complaint notice was sent, with no response.

June 5, 2018, the Notice & Order was sent and posted.

June 22, 2018, a ten day notice was sent and posted.

All notices are sent First Class and Certified Mail and posted on the property in question.

On July 5, 2018, the HBA declared the structure substandard, dangerous and a public nuisance. The owner did not attend the HBA hearing.

Financial Impact: General Funds

Budget action required: None

State Equalized value: \$12,900

Estimated cost to repair: \$45,000

Staff Recommendation: To concur with the Housing Board of Appeals decision to demolish all structures on the property

Owner Contact: No owner contact throughout the dangerous building notification process.

Permits obtained: None

Owner SLATER BRENT
1693 BEIDLER ST
MUSKEGON, MI 49441-2368

Enforcement # EN1801162

Property Address: 328 CATHERINE AVE

Parcel # 24-205-250-0005-10

Date completed: April 16, 2018

DEFICIENCIES:

1. Front porch windows are broken, missing or boarded with bare wood
2. Siding on front porch is loose, missing or not attached
3. Front porch entry door is delaminating, rotted and missing trim
4. Handrails are missing on front steps
5. Many window frames are rotted, have peeling paint and missing glazing
6. Several window are cracked or broken
7. Siding has peeling paint, missing sections, rotted sections and loose
8. Foundation on west side of home has vehicular damage. Many cement blocks are damaged or missing. Foundation wall show signs of immediate collapse.
9. Soffits and fascia are rotted, missing, loose and have peeling paint
10. Basement windows are broken, missing or boarded with an approved materials
11. Garage foundation blocks are loose, missing mortar or out of position
12. Garage overhead door is off track
13. Chimney liner cap at top of chimney is missing
14. Gas & electrical service was locked off at the time of the inspection

NOTE: This depicts an exterior only inspection

Based upon my recent inspection of the above property I determined that the structure meets the definition of a Dangerous Building and/or Substandard Building as set forth in Section 10-61 of the Muskegon City Code.

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 City Commission concurs.

PHOTOS of 328 Catherine Ave







COMMISSION MEETING DATE: July 24, 2018

TO: Honorable Mayor and Commissioners

FROM: Jeffrey Lewis, Director of Public Safety

RE: Concurrence with the Housing Board of Appeals Notice and Order to Demolish. Dangerous Building Case #: EN1800601 – 720 Amity Ave

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 720 Amity 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 or staff may issue civil infraction citations to the owner, agent or responsible party if they do not demolish the structure.

Location and ownership: This structure is located on Amity School St between Kenneth St and S. Getty St and in the Angell Neighborhood. The property is owned by Claudia Copeland (deceased), Hattie Copeland, 1315 Flower Ave, Muskegon, MI 49442 & Lottie Copeland, 19101 Evergreen 301, Detroit MI 48219.

Staff Correspondence: On March 8, 2018, Muskegon Police Dept. assisted Lottie Copeland entering the structure and found the home was in disrepair and loaded with clothing and other items. The Building Department was summoned to assist MPD regarding the condition of the home.

On April 20, 2018, a notice to repair was sent with no response.

On May 7, 2018, a final notice to repair was sent, with no response.

On June 5, 2018, The "Notice & Order" was sent and posted.

On June 22, 2018, a ten day notice was sent and posted.

On July 5, 2018, the HBA declared the structure substandard, dangerous and a nuisance.

Financial Impact: General Funds

Budget action required: None

State Equalized value: \$18,800

Estimated cost to repair: \$55,000

Staff Recommendation: To concur with the Housing Board of Appeals decision to demolish all structures on the property

Owner Contact:

Owner's daughter, Lottie Copeland called and advise she wanted to make the repairs and keep the house.

Both Lottie and Hattie Copeland attended the HBA hearing. Both testified they would like to repair the home and keep the home in the family but also stated they were having a difficult time just paying the property taxes.

After the HBA hearing, Lottie spoke with inspector Paulson stating the home would be too costly to repair and the "home should be demolished".

Permits obtained: None

DANGEROUS BUILDING INSPECTION REPORT

Owner CLAUDIA COPELAND (deceased)
720 AMITY AVE
MUSKEGON, MI 49442

Enforcement # EN1800601

Property Address: 720 AMITY AVE

Parcel # 24-205-050-0018-30

DEFICIENCIES: Exterior Inspection only: Date completed: March 9, 2018

1. Roof: There is a large hole in the roof right of front dormer
2. Roofing is loose, not attached and rotted in several areas
3. Soffits and fascia are rotted, missing or not attached
4. Window frames and trim are rotted, missing or not attached
5. Windows are missing, are cracked, have holes and several will not close
6. Siding has peeling paint, holes, rotted in several areas and sections missing
7. Porch decking is rotted or missing

DEFICIENCIES: INTERIOR Inspection only: Date completed: May 7, 2018

1. A large amount of clothing, debris and construction materials are located throughout the home making it difficult to navigate throughout the home.
2. A large hole in the dining room ceiling from the roof leak.
3. Water damage noted throughout the entire home.
4. Walls have water damage.
5. Upper bedrooms have major water damage. Ceilings have collapsed and the walls have holes and black mold.
6. Unable to operate sinks, toilet and tub due to the amount of debris in or around these items.
7. Unable to inspect the condition of the basement, water heater and furnace due to the amount of debris piled in the stairway

Based upon my recent inspection of the above property I determined that the structure meets the definition of a Dangerous Building and/or Substandard Building as set forth in Section 10-61 of the Muskegon City Code.

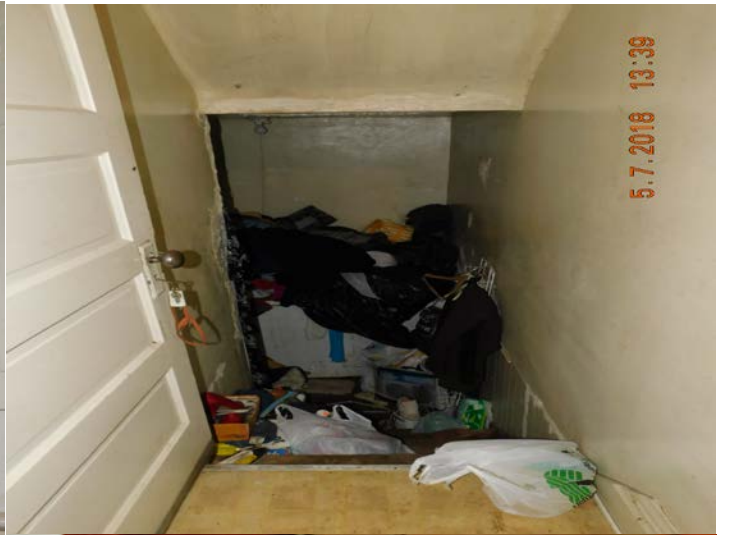
If you disagree with the decision of the City Commission, you have the right to file a petition for superintending control in the Circuit Court for the County of Muskegon within 21 days after the City Commission concurs.

PHOTOS OF 720 Amity









COMMISSION MEETING DATE: July 24, 2018

TO: Honorable Mayor and Commissioners

FROM: Jeffrey Lewis, Director of Public Safety

RE: Concurrence with the Housing Board of Appeals Notice and Order to Demolish.
Dangerous Building Case #: **EN1804046** – 1774 6th Street (commercial storage building)

SUMMARY OF REQUEST: This is to request that the City Commission Concur with the findings of the Housing Board of Appeals that the **commercial storage building** located at **1774 6th Street** 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 or staff may issue civil infraction citations to the owner, agent or responsible party if they do not demolish the structure.

Location and ownership: This structure is located on 6th Street between W. Larch Ave and W. Laketon Ave end in the Nelson Neighborhood. The structure is owned by Joyce Hudson, 1672 Harvey St, Muskegon, MI 49442.

Staff Correspondence:

May 7, 2018, a notice to repair or remove the structure was sent, with no response.

May 21, 2018 a “final notice” to repair or remove the structure was sent, with no response.

June 5, 2018, the “Notice & Order” was sent.

June 22, 2018, a ten notice of the HBA hearing was sent.

Note: This structure was declared in 2012, case EN110050 and partially demolished.

There are two buildings attached to this property, 1770 6th St and the target structure, 1774 6th St.

The owner’s son, Wally, contacted the Inspections Department and stated he would like to complete the demolition of the structure but has a medical condition limiting the amount of work he can complete. Wally was given a list of demolition contractors to assist in the removal of the structure.

On July 5, 2018, the HBA declared the garage structure substandard, dangerous and a public nuisance. The owner or the owner’s son, did not appear at the HBA hearing.

Financial Impact: General Funds

Budget action required: None

State Equalized value: \$12,200 (entire property)

Estimated cost to repair this structure: \$79,000

Staff Recommendation: To concur with the Housing Board of Appeals decision to demolish the commercial storage building at 1774 6th St only.

Permits obtained: None

DANGEROUS BUILDING INSPECTION

Owner HUDSON JOYCE L
1672 HARVEY ST
MUSKEGON, MI 49442

Enforcement # EN1804046

Property Address: 1770 6TH ST (The 1774 6th St structure only)

Parcel # 24-205-462-0006-00

Date completed: June 26, 2018

DEFICIENCIES:

Note: This building has been partially demolished

1. Roof: the structure has a flat roof. Most of the roof has collapsed
2. Entry doors are rotted, damaged or not attached
3. Windows are broken or missing
4. Block walls have numerous cracks, blocks missing and numerous holes.

Note: The listed violation depict an exterior only inspection

Based upon my recent inspection of the above property I determined that the structure meets the definition of a Dangerous Building and/or Substandard Building as set forth in Section 10-61 of the Muskegon City Code.

SECTION 116.3 Notice (UNSAFE STRUCTURES AND EQUIPMENT)

If an unsafe condition is found, the *building official* shall serve on the owner, agent or person in control of the structure, a written notice that describes the condition deemed unsafe and specifies the required repairs or improvements to be made to abate the unsafe condition, or that requires the unsafe structure to be demolished within a stipulated time. Such notice shall require the person thus notified to declare immediately to the *building official* acceptance or rejection of the terms of the order.

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 City Commission concurs.

PHOTOS OF 1774 6TH STREET





Commission Meeting Date: July 24, 2018

Date: July 18, 2018
To: Honorable Mayor and City Commissioners
From: Planning & Economic Development
RE: Rezoning Request for a Portion of the Property at 306 Campbell St

SUMMARY OF REQUEST:

Request to rezone a portion of the property at 306 Campbell St from R-1, Low Density Single Family Residential to I-1, Light Industrial.

FINANCIAL IMPACT:

None

BUDGET ACTION REQUIRED:

None

STAFF RECOMMENDATION:

Staff does not recommend approval of the rezoning, based on the findings in the Master Land Use Plan.

COMMITTEE RECOMMENDATION:

The Planning Commission unanimously recommended denial of the request at their July 12 meeting, with four members absent.

SUMMARY

1. The property is 7.1 acres and consists mostly of wetlands. There is a house fronting Campbell St, but most of the property is vacant.
2. The wetlands area is zoned I-2, General Industrial and the rest is zoned R-1, Low Density Single-Family Residential.
3. The applicant is requesting to rezone the corner of Getty/Leonard to I-1, Light Industrial to build a small manufacturing space. This area would be approximately 92' x 130' (11,960 sf).
4. The corner of Getty/Leonard consists mostly of multi-family housing.
5. Notice was sent to all property owners/tenants within 300 feet of this property. At the time of this writing, staff had received two calls (Robert Harwood at 367 Gunn St, Yvonne Morrissey at 736 Marquette) that were both against the request.

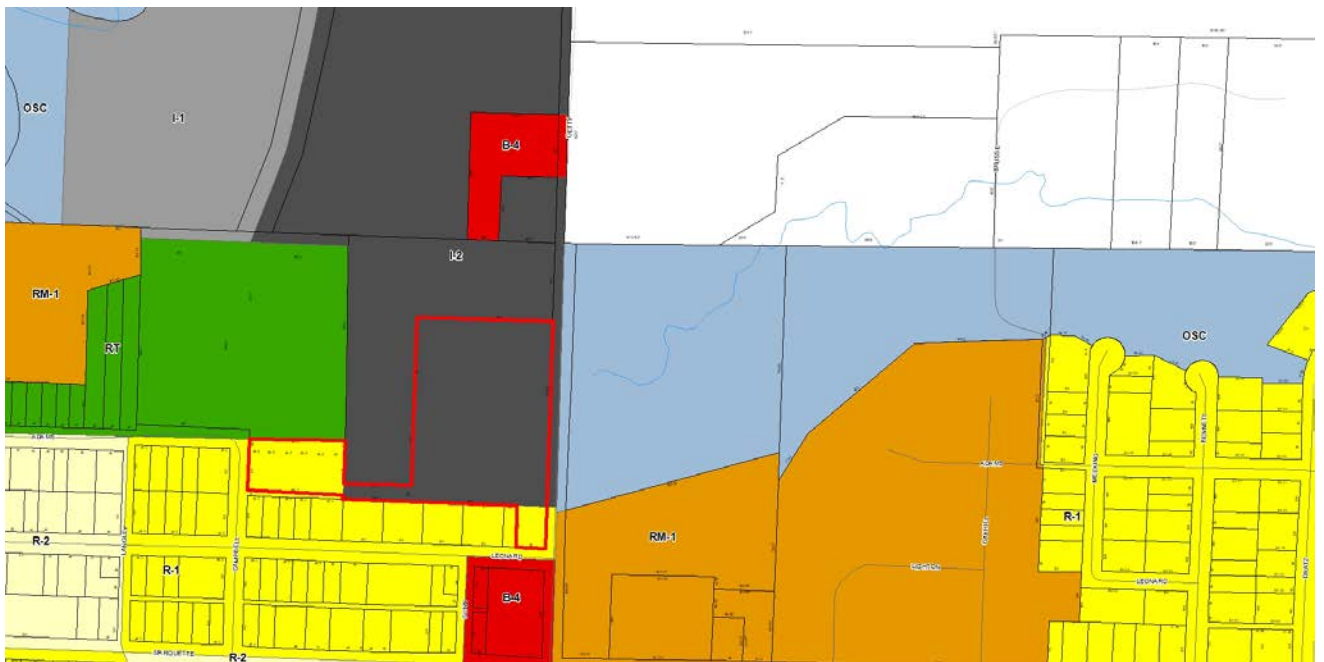
306 Campbell at the corner Getty/Leonard



Aerial Map



Zoning Map



CITY OF MUSKEGON
MUSKEGON COUNTY, MICHIGAN

ORDINANCE NO. _____

An ordinance to amend the zoning map of the City to provide for a zone change for a portion of the property from R-1, Low Density Single Family to I-1, Light Industrial.

THE CITY COMMISSION OF THE CITY OF MUSKEGON HEREBY ORDAINS:

The zoning map of the City of Muskegon is hereby amended to change the zoning for a portion of the following described property from R-1, Low Density Single Family Residential to I-1, Light Industrial.

CITY OF MUSKEGON SUB DIV OF BLK 3 REVISED PLAT OF 1903 N 88 FT OF LOTS 21 TO 26
INCL & S 1/2 OF ADAMS AVE VAC ADJ TO SAID LOTS

This ordinance adopted:

Ayes: _____

Nayes: _____

Adoption Date: _____

Effective Date: _____

First Reading: _____

Second Reading: _____

CITY OF MUSKEGON

By: _____

Ann Meisch, MMC
City Clerk

CERTIFICATE
(Rezoning a portion of 306 Campbell St from R-1 to I-1)

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 an ordinance adopted by the City Commission of the City of Muskegon, at a regular meeting of the City Commission on the 24th day of July, 2018, 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 the Michigan Zoning Enabling Act, Public Acts of Michigan No. 33 of 2006, and that minutes were kept and will be or have been made available as required thereby.

DATED: _____, 2018

Ann Meisch, MMC
Clerk, City of Muskegon

Publish: Notice of Adoption to be published once within ten (10) days of final adoption.

CITY OF MUSKEGON
NOTICE OF ADOPTION

Please take notice that on July 24, 2018, the City Commission of the City of Muskegon adopted an ordinance amending the zoning map to provide for the change of zoning for a portion of the property from R-1 to I-1:

CITY OF MUSKEGON SUB DIV OF BLK 3 REVISED PLAT OF 1903 N 88 FT OF LOTS 21 TO 26 INCL & S 1/2 OF ADAMS AVE VAC ADJ TO SAID LOTS

Copies of the ordinance may be viewed and purchased at reasonable cost at the Office of the City Clerk in the City Hall, 933 Terrace Street, Muskegon, Michigan, during regular business hours.

This ordinance amendment is effective ten days from the date of this publication.

Published _____, 2018

CITY OF MUSKEGON

By _____
Ann Meisch, MMC
City Clerk

PUBLISH ONCE WITHIN TEN (10) DAYS OF FINAL PASSAGE.

Account No. 101-80400-5354