

**CITY OF MUSKEGON
CITY COMMISSION WORKSESSION**

**Monday, July 13, 2020
5:30 p.m.
REMOTE MEETING**

MINUTES

2020-40

Present: Mayor Gawron, Vice Mayor Hood, Commissioners German, Rinsema-Sybenga, Emory, and Johnson

Absent: Commissioner Ramsey

Sewer Rate & Budget Implications – Public Works

The City Commission approved a 3% rate increase to the sewer at the June 23rd Commission Meeting. This resulted in an approximately \$350,000 shortfall in the sewer fund for the 20-21 Budget Year. A memo was provided summarizing options to making up the shortfall.

City Commissioners discussed options presented in the memo provided by the Public Works Director, Leo Evans, who explained where the increase in cost is coming from as well as some options to possibly reduce expenses, options to potentially increase revenue, and some other alternatives.

Commissioners discussed the possibility of a 2% increase and removal of projects to help cover the shortfall.

Mercy Health Arena Solar Installation – Public Works

Public Works Director, Leo Evans, presented information regarding preliminary proposals from Charthouse Energy to install and operate solar arrays on the roofs of Mercy Health Arena and the Annex.

The Preliminary proposal from Charthouse Energy that summarizes the project and the parameters. Charthouse Energy has already successfully partnered with several other local municipalities namely Muskegon Heights and Norton Shores on projects as well as several private installations including Torresen's Marina.

The Commission is supportive of the project.

West Urban Properties Agreement – City Manager

In June, the City Commission accepted a Letter of Intent from West Urban Properties and authorized the city manager and city attorney to finalize a development agreement. The proposed development agreement is provided and recommended for approval.

We are proposing the framework of a Pilot program that we would use to initially partner with West Urban Properties to construct 100 units on vacant city lots. As part of the program, either the City of West urban Properties may choose to stop home construction prior to the completion of the 100 homes. The program is expected to be applicable to many different builders/developers and many different housing types and densities. As the City tries to reverse 40+ years of neighborhood disinvestment, it is important that we acknowledge the areas that make us less attractive for development than urban areas. Some of those items are more in our control than others. This program focuses strictly on developer return on investment – with the goal of the city acting as a partner to help ensure that a major investment in rental housing neither fails to cashflow nor causes unreasonable increases in local rents. Many times, affordability and profitability contradict one another – this Pilot program is designed to help attain both.

The City Commission will have the opportunity to review the proposed program and the item will be placed on the agenda for consideration on July 28, 2020.

There was some discussion regarding the Brownfield Amendment Plan as it relates to the West Urban Properties Pilot Program and other infill housing opportunities, including future opportunities.

The Worksession Meeting adjourned at 7:45 p.m.

Respectfully Submitted,

Ann Marie Meisch, MMC – City Clerk