City of Muskegon

City Commission Meeting

Minutes

July 11, 2023, 5:30 pm
Muskegon City Hall
933 Terrace Street, Muskegon, MI 49440

Present:	Mayor Ken Johnson Commissioner Rachel Gorman Commissioner Rebecca St.Clair Commissioner Eric Hood Vice Mayor Willie German, Jr. Commissioner Michael Ramsey Commissioner Teresa Emory
Staff Present:	City Manager Jonathan Seyferth City Clerk Ann Meisch City Attorney John Schrier Deputy City Clerk Kimberly Young

1. Call To Order

Mayor Johnson called the Muskegon City Commission meeting to order at 5:30 p.m.

2. Prayer

Vice Mayor Willie German, Jr. opened the meeting with a prayer.

3. Pledge of Allegiance

The Pledge of Allegiance to the Flag was recited by the Commission and the public.

4. Roll Call

As recorded above

5. Honors, Awards, and Presentations

5.a <u>Recognition of Clerk</u>

City Clerk, Ann Meisch, was recognized for her assistance to the Wings Over Muskegon Event.

6. Public Comment on Agenda Items

Public comments were received.

7. Consent Agenda

Action No. 2023-77

Motion by: Commissioner Ramsey
Second by: Commissioner Gorman

To accept the consent agenda as presented, minus item 7c, 7d, 7h, 7m, and 7n.

Ayes: (7): Mayor Johnson, Commissioner Gorman, Commissioner St.Clair, Commissioner Hood, Vice Mayor German, Commissioner Ramsey, and Commissioner Emory

MOTION PASSES (7 to 0)

7.a <u>Approval of Minutes - City Clerk</u>

To approve the minutes of the June 12, 2023 Worksession and June 13, 2023 Regular meeting.

STAFF RECOMMENDATION: To approve the minutes.

7.b <u>Easement for Electric Facilities at 159 McLaughlin Ave - Planning</u>

Consumers Energy is seeking a thirty (30) foot wide strip of land, being fifteen (15) feet on each side of the centerline to obtain electricity for the construction of a residential structure at 159 McLaughlin Ave. which is a City owned parcel that is being developed.

Consumers Energy has requested an easement for utility pole(s) on each side of the centerline to obtain electricity for the construction of a residential structure at 159 McLaughlin Ave. which is a City owned parcel that is being developed.

STAFF RECOMMENDATION: To grant an easement to Consumers Energy on the City's property for 159 McLaughlin Ave. and authorize the Mayor to sign the easement documents.

7.e <u>Second ARP Amendment for West Urban - Development Services</u>

Staff is seeking approval to add 1 lot at 1077 Sophia to the ARP Agreement for West Urban to construct 3 homes.

In an effort to construct more affordable product and keep our target AMI statistics on track with the buyer pool, we have worked with West Urban to design some housing product that can be built and marketed at lower price points. The lot we are requesting is perfectly shaped to add three smaller units that can be sold for lower costs, making them attainable for low/mod income potential buyers in this interest rate environment.

This item does not change the total number of homes we have contracted for the ARP infill housing program, simply where three of them will be located. At the end of the program, we may have lots left over on the exhibit, in which case we will simply terminate the remaining lots from the agreement to free them up for other infill housing programs in the future.

STAFF RECOMMENDATION: To approve the Second Amendment to the West Urban Infill Housing Residential Construction Agreement as presented and to authorize the Mayor and Clerk to sign.

7.f **<u>123.NET Metro Act Permit Extension - DPW</u>**

123.NET requests approval of an amendment to their existing Metro Act permit to access and use the public right-of-way within the city for telecommunications purposes.

123.Net currently holds a Metro Act permit with the City of Muskegon. That agreement is set to expire on 02/10/2025. 123.Net desires to extend the term of the permit 5 years to 03/27/2028. Several telecommunications companies hold these permits in order to provide services to City residents and businesses. The permit includes restrictions on how and where the lines and other equipment can be installed.

STAFF RECOMMENDATION: To approve the Metro Act Permit Extension requested by 123.NET and authorize the DPW Director to sign.

7.g **<u>Lead Service Line Replacements - DPW</u>**

Authorize the award of the 2024 Lead Service Line Replacement Contract to SWT Excavating, and authorize the clerk to sign the attached resolution.

Our engineering consultant Prein & Newhof solicited bids for lead service line replacements. This project was introduced to the Commission at the October 25, 2022 regular meeting when the engineering work was awarded. It was also included in our DWRF and CWSRF Project Plans in June of 2021. The original locations proposed are Apple Avenue (in advance of MDOT's 2026 reconstruction of that street) and the East Campbell Field area.

The low bidder, SWT Excavating, is currently performing a similar project for the City of Muskegon Heights, also overseen by Prein & Newhof. Their lowest bid of $3,462,145.86 is below the engineer's estimate. Staff recommends award to Kamminga & Roodvoets on the basis of Prein & Newhof's experience with them on their project in Muskegon Heights, and the similarity between the projects.

SWT's bid was well below the engineer's estimate. Prein & Newhof worked with the state to identify additional lead service lines that could be added to the contract if the bids came in favorably. This way we do not let available principal forgiveness go back to the state. So, staff is simultaneously requesting approval of a change order of $1,005,642 to SWT's bid to increase the contract cost to $4,467,787.86 which will allow us to take advantage of the full amount of bonding and principal forgiveness being offered to us through the state and replace 120 more lead service lines in the Oakview neighborhood.

This project is financed through the sale of bonds in partnership with the State of Michigan Clean Water State Revolving Fund. The State program offers grants and principal forgiveness for portions of the project. We anticipate that when bonds are sold later this summer, we will be offered grants and forgiveness worth 75% of the project cost. For this project that is estimated at $3,350,840.90 of aid. The remainder of the project will be financed over 20 years with a 1.875% interest rate.

The portion of the project that will be financed will be added to the water debt fee. Staff estimates that when fully in effect in FY25, the sewer debt fee associated with this project will be $0.34 per month on a standard residential bill.

AMOUNT REQUESTED: $4,467,787.86 (Total) - $1,116,946.96 (Bonded)

FUND OR ACCOUNT: Sewer (590)

STAFF RECOMMENDATION: To approve award of the 2024 Lead Service Line Replacement Contract to SWT Excavating, contingent upon successful financial arrangements with the CWSRF program, and authorize the Clerk to sign the resolution.

7.i Wilcox-Thompson Street Reconstruction - DPW

Authorize the award of the Wilcox-Thompson Street Reconstruction Contract to the low bidder, Kamminga & Roodvoets, and authorize the clerk to sign the resolution.

Our engineering consultant Prein & Newhof solicited bids for sewer replacement, water main replacement, lead service line replacement and street reconstruction in the Bluffton neighborhood. This project was introduced to the Commission at the October 25, 2022 regular meeting when the engineering work was awarded. It was also included in our DWRF and CWSRF Project Plans in June of 2021. A map of the project is shown at the right.

The low bidder, Kamminga & Roodvoets, has performed similar projects for the City, including currently working on the Sanford project, and is highly recommended by staff and by Prein & Newhof. Their low bid of $4,048,154.05 is below the engineer's estimate.

This project is financed through the sale of bonds in partnership with the State of Michigan Clean Water and Drinking Water Revolving Funds. The State of Michigan programs offer grants and principal forgiveness for portions of the project. We anticipate that when bonds are sold later this summer, we will be offered grants and forgiveness worth 75% of the water system cost, and 50% of the sewer system cost. For this project that is estimated at a combined $2,497,306.23 of aid. The remainder of the project will be financed with a 1.875% interest rate.

The portion of the project that will be financed will be added to the water and sewer debt fees. Staff estimates that when fully in effect in FY25, the combined debt fees associated with this project will be $0.47 per month on a standard residential bill.

AMOUNT REQUESTED: $4,048,154.05 (Total) - $1,550,847.82 (Bonded)

FUND OR ACCOUNT: 590 (Sewer) & 591 (Water)

STAFF RECOMMENDATION: To approve award of the Wilcox-Thompson Streets Reconstruction Project to Kamminga & Roodvoets, contingent upon successful financial arrangements with the CWSRF and DWRF programs, and authorize the Clerk to sign the resolution.

7.j Harbour Towne & Edgewater Lift Station Repairs Project - DPW

Authorize the award of the Harbour Towne and Edgewater Lift Station Repairs Contract to Jackson-Merkey, and authorize the clerk to sign the resolution.

Our engineering consultant Prein & Newhof solicited bids for pump replacements and other repairs to the Harbour Towne and Edgewater Lift Stations. This project was introduced to the Commission at the October 25, 2022 regular meeting when the engineering work was awarded. It was also included in our DWRF and CWSRF Project Plans in June of 2021.

The low bidder, Jackson-Merkey, has performed similar projects for the City, including having built both of these lift stations at the time of their original construction. Their low bid of $424,995 is below the engineer’s estimate and $2,505 below the second lowest bid. The City has had mixed results with Jackson-Merkey. The second half of the Terrace Street project was better managed than previous projects, and due to program requirements the City would be responsible to pay for the “extra” $2,505 if we were to award to the second lowest bidder. For these reasons, staff recommends award to Jackson-Merkey.

This project is financed through the sale of bonds in partnership with the State of Michigan Clean Water State Revolving Fund. The State programs offer grants and principal forgiveness for portions of the project. We anticipate that when bonds are sold later this summer, we will be offered grants and forgiveness worth 50% of the sewer system cost. For this project that is estimated at $213,750 of aid. The remainder of the project will be financed with a 1.875% interest rate.

The portion of the project that will be financed will be added to the sewer debt fee. Staff estimates that when fully in effect in FY25, the sewer debt fee associated with this project will be $0.07 per month on a standard residential bill.

AMOUNT REQUESTED: $427,500 (Total) - $213,750 (Bonded)

FUND OR ACCOUNT: Sewer (590)

STAFF RECOMMENDATION: To approve award of the Harbour Towne and Edgewater Lift Station Repairs Project to Jackson-Merkey, contingent upon successful financial arrangements with the CWSRF program, and authorize the Clerk to sign the included resolution.: I move to approve award of the Harbour Towne and Edgewater Lift Station Repairs Project to Jackson-Merkey, contingent upon successful financial arrangements with the CWSRF program, and authorize the Clerk to sign the resolution.

7.k Contract Award - Keating Industrial to Port City

Staff is requesting authorization to approve a contact with Asphalt Paving Inc, in the amount of $201,644.45 for the repaving of Keating Avenue from Industrial Boulevard to Port City Boulevard.

Bids were solicited for a construction project to mill and resurface Keating Ave from Industrial to Port City, along with necessary casting adjustments and maintenance of traffic. Asphalt Paving, Inc. provided the low bid.

AMOUNT REQUESTED: $201,664.45

FUND OR ACCOUNT: 202 (Major Streets)

STAFF RECOMMENDATION: To authorize staff to enter into a contact with Asphalt Paving, Inc. in the amount of $201,664.45 for the resurfacing of Keating Avenue from Industrial Boulevard to Port City Boulevard.

7.l Olthoff Drive Extension Project Change Order - DPW

Staff is requesting authorization to approve a contact change order with Terra Excavators, LLC, in the amount of $193,404.00.

This project has been delayed significantly from when it was awarded at the April 25, 2023 Commission meeting. Pipe material delays continue to plague the project, however close coordination with the adjacent property owner has prevented these delays from impacting the critical parts of the overall project.

The project, as it was originally designed, required City staff to perform a large portion of the work on the prison site due to security concerns. As a part of that coordination with the adjacent property owner, the City's consulting engineer and the contract worked to find ways to reduce the security concerns and the City's direct responsibilities. By raising the road and allowing the sewer to connect further west in the existing portion Olthoff Drive, the need to enter the prison property for construction and for maintenance was eliminated. This also eliminated an estimated $166,113 in costs the City DPW would have incurred by needing to perform work on the prison site.

In effect this change order represents approximately an increase of $27,291 to the project, however since the contractor will now be performing all of the work, their contract increases by an amount of $193,404 as shown on the attached spreadsheet. While the original cnotract of $1,043,104.60 was budgeted in FY24, this change order was not, and a budget reforecast will be included at the next quarter. The MEDC grant that paid for demolition of the prison and is paying for the utilities in this project has the funds to pay for this change order, so it will be a revenue-neutral reforecast.

AMOUNT REQUESTED: $193,404.00 (Additional) - $1,236,508.60 (Total)

FUND OR ACCOUNT: 445 (Public Improvement)

STAFF RECOMMENDATION: To authorize staff to approve the change order amount of $193,404.00 revising the contract amount for the Olthoff Extension contract amount with Terra Contractors, LLC to $1,236,508.60.

7.o **Lot Sale - 1690 Creston Street - Planning**

Staff is seeking authorization to sell the City owned, 1.7-acre lot at 1690 Creston St to Excalibur Company, which operates an industrial business adjacent to the parcel.

The lot formerly contained the defunct communications tower and two small equipment sheds. The City usually asks for 30% of the true cash value for a lot. The true cash value of the lot is $30,000 (75%=$22,500). Staff received an estimate to remove the tower and sheds at a cost of $23,500. The purchase agreement was written as to convey the property to the buyer as long as the tower and sheds were removed from the property within 60 days. However, the buyer was mistaken when he signed the purchase agreement and removed the tower from the site on June 27. After becoming aware, staff instructed the buyer to not remove the sheds at this time. The property owner intends to construct a building addition once the property is purchased.

STAFF RECOMMENDATION: To approve the lot sale request and authorize the Mayor and Clerk to sign the real estate purchase agreement.

7.p **Updated EGLE Loan Resolutions for Shaw Walker and Harbor 31 - Economic Development**

EGLE has requested that the EGLE loan resolutions for both Shaw Walker and Harbor 31 be updated.

EGLE loan applications and supporting documents have been submitted to EGLE for both the Shaw Walker Project and Harbor 31. Our EGLE representative has requested that we include in both resolutions that the local unit of government commits to repaying the loan.

The resolutions for both Harbor 31 and Shaw Walker have been approved at the City Commissions meeting held on June 27, 2023.

STAFF RECOMMENDATION: To approve the attached updated resolutions for the EGLE Brownfield Loan applications on behalf of the City of Muskegon and the Downtown Development authorizing the Mayor and Clerk to sign.

7.q **Amendment to Sale of 754 Leonard Ave - Manager's Office**

Staff is seeking approval for an amendment to the purchase agreement for the sale of 754 Leonard Avenue.

Due to delays in construction, the closing date for the sale of this home has been shifted multiple times which has caused negative impacts on the mortgage interest rate of the buyer. The amendment changes the amount of proceeds the city will receive from the sale. The sale price remains at $220,000, and now the city is agreeing to contribute $8,000 toward the buyer's closing costs. The original agreement (approved on November 22, 2022) had no seller's concession included. Staff recommends approving the amendment to ensure the buyer can move forward with the purchase. There is certainly risk that the buyer will walk away from the sale if the amendment is not approved.

STAFF RECOMMENDATION: To approve the amendment to the purchase agreement for 754 Leonard Avenue.

7.r **Gaming Resolution for Friends of Art - City Clerk**

Friends of Art is requesting Recognition as non-profit in the City of Muskegon for the purpose of obtaining a charitable gaming license.

STAFF RECOMMENDATION: To approve the request from Friends of Art to be recognized as a non-profit in the City of Muskegon for the purpose of obtaining a charitable gaming license.

7.c **GARE Membership - Manager's Office**

Staff is seeking approval to formally apply for membership with the Government Alliance on Race & Equity.

Staff had participated with Ottawa County where we began work with the GARE framework. Staff is committed to achieving racial equity through improvements to our policies, practices, and procedures. We have re-established the Core Team and expect to complete an audit of our current practices. It is important to us to formally join the GARE community and benefit from the resources they provide.

Our membership comes with expectations that we will share our experiences, insights, challenges, and successes with other GARE members. We are encouraged to share our affiliation with GARE across our networks, media assets, and the public and to follow GARE's social media policy.

Staff propose joining as Core members which means our entire city government is included, and every employee has access to the resources. Based on our number of employees, annual dues are $1,000.

STAFF RECOMMENDATION: To approve formal application to join the Government Alliance on Race & Equity.

Action No. 2023-78(c)

Motion by: Vice Mayor German
Second by: Commissioner St.Clair

To approve formal application to join the Government Alliance on Race & Equity.

Ayes: (7): Mayor Johnson, Commissioner Gorman, Commissioner St.Clair, Commissioner Hood, Vice Mayor German, Commissioner Ramsey, and Commissioner Emory

MOTION PASSES (7 to 0)

7.d <u>Land Bank Lot Purchase - Development Services</u>

Staff is seeking approval to purchase 10 additional residential lots from the Muskegon County Landbank to add to our existing infill housing programs.

Staff has been working diligently to get more builders and investors involved in infilling housing for the community in light of the staggering data in our 5 Year Housing Needs Assessment. This has been successful and we are seeing an uptick in lot sales both from our inventory as well as the Land Bank's intended for new construction. We are still working out some issues with the lots intended for the PILOT program with West Urban, and found these lots owned by MCLB are proximal to many of our other builds and future build sites. We would like to get them under site control in order to continue that infill program and ensure we have adequate lots to complete the project successfully.

Additionally, there is a higher charge for these lots in particular than we would typically see from the MCLB due to the fact we intend to add them to a PILOT agreement, which will cost them money on the back end.

AMOUNT REQUESTED: $35,000

FUND OR ACCOUNT: Public Improvement Fund, 23/24 Budgeted Property Acquisitions

STAFF RECOMMENDATION: To approve application to Muskegon County Land Bank for purchase of 10 lots as presented for $35,000, and to authorize closing.

Action No. 2023-78(d)

Motion by: Commissioner Emory
Second by: Vice Mayor German

To approve application to Muskegon County Land Bank for purchase of 10 lots as presented for $35,000, and to authorize closing.

Ayes: (7): Mayor Johnson, Commissioner Gorman, Commissioner St.Clair, Commissioner Hood, Vice Mayor German, Commissioner Ramsey, and Commissioner Emory

MOTION PASSES (7 to 0)

7.h **Morton Street Reconstruction - DPW**

Authorize the award of the Morton Street Reconstruction Contract to the low bidder, Jackson-Merkey, and authorize the clerk to sign the resolution.

Our engineering consultant Prein & Newhof solicited bids for sewer replacement, water main replacement, lead service line replacement and street reconstruction in Morton Street from Lincoln to Denmark. This project was introduced to the Commission at the October 25, 2022 regular meeting when the engineering work was awarded. It was also included in our DWRF and CWSRF Project Plans in June of 2021.

The low bidder, Jackson-Merkey, has performed similar projects for the City, including the Terrace Street project. Their low bid of $1,732,668.75 is below the engineer’s estimate and about $275,000 below the second lowest bid. The City has had mixed results with Jackson-Merkey. The second half of the Terrace Street project was better managed than previous projects, and due to program requirements the City would be responsible to pay for the "extra" $275,000 if we were to award to the second lowest bidder. For these reasons, staff cautiously recommends award to Jackson-Merkey.

This project is financed through the sale of bonds in partnership with the State of Michigan Clean Water and Drinking Water Revolving Funds. The State of Michigan programs offer grants and principal forgiveness for portions of the project. We anticipate that when bonds are sold later this summer, we will be offered grants and forgiveness worth 75% of the water system cost and 50% of the sewer system cost. For this project that is estimated at a combined $1,128,660.42 of aid. The remainder of the project will be financed with a 1.875% interest rate.

The portion of the project that will be financed will be added to the water and sewer debt fees. Staff estimates that when fully in effect in FY25, the combined debt fees associated with this project will be $0.17 per month on a standard residential bill.

AMOUNT REQUESTED: $1,732,668.75 (Total) - $604,008.33 (Bonded)

FUND OR ACCOUNT: Water (591), Sewer (591), & Local Streets (203)

STAFF RECOMMENDATION: To approve award of the Morton Street Reconstruction Project to Jackson-Merkey, contingent upon successful financial arrangements with the CWSRF and DWRF programs, and authorize the Clerk to sign the resolution.

Action No. 2023-78(h)

Motion by: Commissioner Emory
Second by: Commissioner St.Clair

To approve award of the Morton Street Reconstruction Project to Jackson-Merkey, contingent upon successful financial arrangements with the CWSRF and DWRF programs, and authorize the Clerk to sign the resolution.

Ayes: (7): Mayor Johnson, Commissioner Gorman, Commissioner St.Clair, Commissioner Hood, Vice Mayor German, Commissioner Ramsey, and Commissioner Emory

MOTION PASSES (7 to 0)

7.m <u>Shoreline Drive Pilot Phase II - DPW</u>

Authorize staff to spend up to $56,000 for the implementation of the second phase of the Shoreline Drive Traffic Pilot, including authorizing staff to enter into contracts with Give ‘Em a Brake Safety and Barry’s Greenhouses for $20,890 and $14,000 respectively.

At the work session meeting on June 12, 2023, staff presented options for the implementation of the second phase of the Shoreline Drive Traffic Pilot. This phase is intended to be longer and more representative of the summer and event season than the first phase was last fall.

Commission expressed support for the pilot, as well as for some “imagination stations” that would call to mind what the next version of Shoreline Drive could look like. As discussed at the meeting, those stations will include landscaping along the corridor, and could include a section of parking near the Arena and/or Farmer’s Market, street art at intersections or elsewhere, and additional stations if community partners are interested in participating (such as a temporary or faux bus stop).

The traffic control and data collection will be set up as quickly as possible in order to obtain data in July of 2023 and make more direct comparisons to our baseline data from July of 2022. The imagination items will be deployed as soon as they are available. In summary of the costs:

- Traffic control contract with Give ‘Em a Brake Safety: $20,890.00 (See Attached)
- Landscaping by Barry’s Greenhouses: $14,000 Quote Plus $6,000 Contingency (See Attached)
- Supplies and Labor for Street Artwork: $5,000
- Miscellaneous Imagination Station Supplies & Labor: $10,000

The total as presented here and discussed at the work session is $56,000 based on the two attached quotes and efforts to assemble the imagination stations.

AMOUNT REQUESTED: $56,000

FUND OR ACCOUNT: 202 (Major Streets)

STAFF RECOMMENDATION: To authorize staff to spend up to $56,000 for the implementation of the second phase of the Shoreline Drive Traffic Pilot, including authorizing staff to enter into contracts with Give ‘Em a Brake Safety and Barry’s Greenhouses for $20,890 and $14,000 respectively.

Action No. 2023-78(m)

Motion by: Vice Mayor German
Second by: Commissioner Ramsey

To authorize staff to spend up to $56,000 for the implementation of the second phase of the Shoreline Drive Traffic Pilot, including authorizing staff to enter into contracts with Give 'Em a Brake Safety and Barry's Greenhouses for $20,890 and $14,000 respectively.

Ayes: (6): Mayor Johnson, Commissioner Gorman, Commissioner St.Clair, Commissioner Hood, Commissioner Ramsey, and Commissioner Emory

Nays: (1): Vice Mayor German

MOTION PASSES (6 to 1)

7.n <u>Splashpad RFQ/RFP - DPW</u>

Staff requests authorization to issue a request for qualifications/proposals to replace the downtown splash pad.

During the summer of 2022 the downtown splash pad was subject to frequent breakdowns and disruptions in service. An extensive amount of resources were put towards the project on numerous occasions to provide what little operational use the site was able to provide in 2022. Late in 2022 the system failed again and it was determined in the best interest to close it for the remainder of the year. The Parks irrigation staff have created a temporary fix to provide this amenity to our residents for the summer of 2023 to hopefully get us through the season but this is not a permanent solution.

Staff is requesting approval to issue the attached request for qualifications to begin the next phase of this project which will start to envision a long term replacement for the site. Proposals received through the RFQ process will be reviewed and shortlisted by a team of stakeholders and then presented to the Commission and Public for additional feedback. Construction of a new site for use in 2024 is the expectation.

The Michigan Spark Grant has awarded the City of Muskegon $250,000 with an additional donation of $50,000 from Howmet to help with upgrades to the splash pad and replacement of the "Alcoa Celebration Square" sign.

The previous RFP for this project was developed prior to the receiving the Spark grant. This proposal is being created to fit into the awarded grant amount.

AMOUNT REQUESTED: N/A

AMOUNT BUDGETED: $290,000

STAFF RECOMMENDATION: Authorize staff to issue a request for qualifications for the replacement of the downtown splash pad.

Action No. 2023-78(n)

Motion by: Commissioner Ramsey
Second by: Commissioner St.Clair

Authorize staff to issue a request for qualifications for the replacement of the downtown splash pad.

Ayes: (7): Mayor Johnson, Commissioner Gorman, Commissioner St.Clair, Commissioner Hood, Vice Mayor German, Commissioner Ramsey, and Commissioner Emory

MOTION PASSES (7 to 0)

8. Public Hearings

8.a <u>Establishment of a Commercial Redevelopment District - 420 S. Harvey Rental and Storage LLC - Economic Development</u>

420 S. Harvey Rental & Storage LLC, has requested the establishment of a Commercial Redevelopment District at 420 S. Harvey. The creation of the district will allow the building owner to apply for a Commercial Facilities Exemption Certificate. The Commercial Facilities Exemption Tax freezes the taxable value of the building and exempts the new investment from local taxes.

Most recently this property was used by Sons of Norway and built in 1948. The sq ft of the property is about 10,754. 420 Harvey Holdings LLC (the company), intends to redevelop this property for retail. The total cost of rehabilitation will be $3,000,000, with 150 new jobs, 50 retained jobs, and 100 construction jobs.

The owner is seeking a Commercial Facilities Exemption Certificate for Phase 1 of development which will include a marijuana retailer, marijuana consumption lounge, restaurant/ bar, and outdoor hospitality venue.

STAFF RECOMMENDATION: To close the public hearing and approve the Establishment of the Commercial Redevelopment District at 420 S. Harvey authorizing the Mayor and City Clerk to sign the resolution.

Action No. 2023-79(a)

Motion by: Commissioner St.Clair
Second by: Commissioner Ramsey

To close the public hearing and approve the Establishment of the Commercial Redevelopment District at 420 S. Harvey authorizing the Mayor and City Clerk to sign the resolution.

PUBLIC HEARING COMMENCED: No public comments received.

Ayes: (7): Mayor Johnson, Commissioner Gorman, Commissioner St.Clair, Commissioner Hood, Vice Mayor German, Commissioner Ramsey, and Commissioner Emory

MOTION PASSES (7 to 0)

8.b <u>Request for a Commercial Facilities Exemption Certificate - 420 S. Harvey Rental and Storage LLC - Economic Development</u>

420 S. Harvey Rental & Storage LLC, has requested a Commercial Facilities Exemption Certificate 420 S. Harvey.

Contingent to the approval of a Commercial Redevelopment District, 420 S. Harvey Rental & Storage LLC has requested a Commercial Facilities Exemption Certificate for the property at 420 S. Harvey. The owner plans to redevelop this property and bring a new cannabis business Cannary. The total cost of rehabilitation will be $3,000,000, with 150 new jobs, 50 retained jobs, and 100 construction jobs.

The owner is seeking a Commercial Facilities Exemption Certificate for Phase 1 of development which will include a marijuana retailer, marijuana consumption lounge, restaurant/ bar, and outdoor hospitality venue. The Tax Abatement Committee met on July 6, 2023 to score this application and send along their recommendation to City Commission.

STAFF RECOMMENDATION: To close the public hearing and approve the Commercial Facilities Exemption Certificate at 420 S. Harvey authorizing the Mayor and City Clerk to sign the resolution.

Action No. 2023-79(b)

Motion by: Commissioner Ramsey
Second by: Commissioner Emory

To close the public hearing and approve the Commercial Facilities Exemption Certificate, for 8 years, at 420 S. Harvey authorizing the Mayor and City Clerk to sign the resolution.

PUBLIC HEARING COMMENCED: No public comments received.

Ayes: (7): Mayor Johnson, Commissioner Gorman, Commissioner St.Clair, Commissioner Hood, Vice Mayor German, Commissioner Ramsey, and Commissioner Emory

MOTION PASSES (7 to 0)

9. Unfinished Business

10. New Business

10.a <u>Bike Path Relocation at Adelaide Pointe - Manager's Office</u>

Staff is seeking approval of the exchange of property for the relocation of the Lakeshore Trail bike path within the Adelaide Pointe development.

In cooperation with the development at Adelaide Pointe, staff is requesting a change in the alignment of the Lakeshore Trail. Exhibits showing the existing location of the property/trail overlayed with the proposed location are included for reference. Adelaide Pointe QOZB will deed to the city the necessary property for the trail realignment, and the city will deed to Adelaide Pointe QOZB the former trail property. All closing costs will be borne by the developer. Please note that this property exchange requires the city to enter into the MDNR conversion process, and staff is collaborating with the state on this effort.

STAFF RECOMMENDATION: To approve the exchange of property for the relocation of the Lakeshore Trail within the Adelaide Pointe development and authorize the City Manager to sign.

Action No. 2023-80(a)

Motion by: Commissioner St.Clair
Second by: Commissioner Ramsey

To approve the exchange of property for the relocation of the Lakeshore Trail within the Adelaide Pointe development and authorize the Mayor and City Clerk to sign with the condition that a public easement be place onto the promenade to the Southwest of Building B1 in the Adelaide Pointe approved Planned Unit Development.

Ayes: (7): Mayor Johnson, Commissioner Gorman, Commissioner St.Clair, Commissioner Hood, Vice Mayor German, Commissioner Ramsey, and Commissioner Emory

MOTION PASSES (7 to 0)

10.b <u>District Library Board Appointment - City Clerk</u>

To make an appointment to the District Library Board for a citizen position with a term expiring June 30, 2027. There are two qualified applicants, Thomas DeVoogd and Karen Evans. Karen Evans held this appointment until the term expired on June 30, 2023.

STAFF RECOMMENDATION: To make an appointment to the citizen position on the District Library Board, term expiring June 30, 2027.

Action No. 2023-80(b)

Motion by: Commissioner Ramsey
Second by: Commissioner Hood

To appoint Karen Evans to the citizen position on the District Library Board, term expiring June 30, 2027.

Ayes: (7): Mayor Johnson, Commissioner Gorman, Commissioner St.Clair, Commissioner Hood, Vice Mayor German, Commissioner Ramsey, and Commissioner Emory

MOTION PASSES (7 to 0)

11. Any Other Business

City Manager Jonathan Seyferth advised that we are still looking for a meeting date to review recommendations from the ARPA Community Grant Committee.

Commissioner Hood questioned the policy regarding city residents receiving free beach parking passes.

12. Public Comment on Non-Agenda items

Public comments were received.

13. Closed Session

14. Adjournment

The City Commission meeting adjourned at 8:00 p.m.

Motion by: Commissioner Ramsey
Second by: Commissioner Gorman

To adjourn.

MOTION PASSES

Respectfully Submitted,

Ann Marie Meisch, MMC - City Clerk