

CITY OF MUSKEGON

CITY COMMISSION MEETING

JULY 11, 2017 @ 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:**
 - A. Procedural Correction City Manager/Clerk/Attorney
- **CONSENT AGENDA:**
 - A. Approval of Minutes City Clerk
 - B. Lakeshore Museum Loan Agreement Public Safety
 - C. D.D. MacGee's Grill LLC Concession/Business Contract for City of Muskegon Parks DPW
 - D. Approval of Building Contract for 1350 Eastwood Drive CNS
 - E. Amendment to the Zoning Ordinance – Signage Planning & Economic Development – *SECOND READING*
 - F. Rezoning Request for Several Properties to R-2, Single Family Medium Density Residential District Planning & Economic Development – *SECOND READING*
 - G. Rezoning Request for Several Properties to R-3, Single Family High Density Residential District Planning & Economic Development – *SECOND READING*
- **PUBLIC HEARINGS:**
 - A. Public Hearing for Brownfield Plan Amendment and Development and

Reimbursement Agreement for Liberty Building (formerly Ameribank)
Redevelopment Project Planning & Economic Development

☐ **COMMUNICATIONS:**

☐ **UNFINISHED BUSINESS:**

☐ **NEW BUSINESS:**

A. **Arena Lease – Rad Dad's** City Manager

B. **Arena Rink Alterations** City Manager

C. **Authorization to Repair/Refurbish 1999 Olympia** City Manager

☐ **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.

Memorandum

To: Mayor and Commissioners

From: Frank Peterson

Re: City Commission Meeting

Date: July 11, 2017

Here is a quick outline of the items on our agenda(s):

WORK SESSION

We have a group that would like to discuss the creation of a historic district to protect the Chase Hackley Piano Factory Building.

REGULAR MEETING

1. Under the consent agenda, we are asking the Commission for approval of the following:
 - a. Last meeting's minutes.
 - b. Approval of our annual agreement to loan a retired fire truck to the Lakeshore Museum Center for their fire barn display.
 - c. Approval of a concession agreement at Pere Marquette Park for DD MacGee's Grill. They will be located south of the bath house.
 - d. Approval of the building contract for 1350 Eastwood Drive. This is a CNS home that we plan to remodel and make available to an income-qualified homeowner. It's in a great location, and we think it will be easy to sell once finished!
 - e. Amendment to the zoning ordinance to allow for digital signs in the waterfront marine areas. This is a second and final reading.
 - f. Rezoning of certain parcels to R-2 single family medium density as part of the smaller lot zoning changes. This is a second and final reading.
 - g. Rezoning of certain parcels to R-3 single family high density as part of the smaller lot zoning changes. This is a second and final reading.

2. Under Public Hearings
 - a. We will take public comments on proposed brownfield plan amendment to include the Liberty Building (formerly known as Ameribank Building). Port City has exercised the option to purchase and move forward with the development.
3. Under new business, we will be asking the Commission to approve the following:
 - a. Approval of the lease for Rad Dad's Tacos and Tequila at the LC Walker Arena. Rad Dad's is leasing approximately 5,300 square feet of concourse space in the LC Walker Arena. They have increased their square footage request to accommodate a frozen yogurt business that will function seasonally as a walk-up frozen yogurt window during the warm months and serve arena events year-round. The city expects to expend approximately \$350,000 on building improvements to accommodate the two businesses.
 - b. Authorization to expend up to \$30,000 to replace dasher boards at the LC Walker Arena. The new dasher boards will be able to accommodate indoor soccer as arena management seeks to host more soccer-related activities at the arena in the coming year. The new dasher boards will increase revenue via Risers' Games, summer soccer leagues, all-star games, tournaments, and many other soccer-specific events that we are considering.
 - c. Authorization to expend up to \$35,000 to refurbish the city's 1999 Olympia Ice Resurfacing Unit. We do not have a backup unit, so it is imperative that the current unit is functioning properly and consistently. We expect this investment to buy us 3-4 years. At that time, we would be requesting a new resurfacing unit and converting this unit to act as the backup unit.

Let me know if you have any questions/comments/concerns

Date: July 5, 2017
To: Honorable Mayor and City Commissioners
From: Ann Marie Meisch, City Clerk
RE: Approval of Minutes

SUMMARY OF REQUEST: To approve minutes of the Special Meeting held Monday, June 26, 2017 and the Regular City Commission Meeting held Tuesday, June 27, 2017.

FINANCIAL IMPACT: None.

BUDGET ACTION REQUIRED: None.

STAFF RECOMMENDATION: Approval of the minutes.

MINUTES

CITY OF MUSKEGON **SPECIAL CITY COMMISSION MEETING**

Monday, June 26, 2017 - 5:30 p.m. @
Muskegon City Hall - 933 Terrace Street
Muskegon, MI 49440, Room 107

2017-49 (A)

The meeting was called to order at 5:30 p.m. on Monday, June 26, 2017 by Mayor Stephen J. Gawron.

ROLL CALL:

Present: Gawron, Hood, Warren, German, Rinsema-Sybenga, Turnquist, and Johnson
Absent: None

Collective Bargaining Agreement (Closed Session)

Motion by Commissioner Rinsema-Sybenga, second by Vice Mayor Hood, to go into closed session to discuss Collective Bargaining Agreement.

**ROLL VOTE: Ayes: Hood, Warren, German, Rinsema-Sybenga, Turnquist, and Johnson
Nays: None**

MOTION PASSES

Motion by Commissioner Rinsema-Sybenga, second by Commissioner German, to come out of closed session.

**ROLL VOTE: Ayes: German, Rinsema-Sybenga, Turnquist, Johnson, and Gawron
Nays: None
Absent: Hood and Warren**

MOTION PASSES

Open session resumes:

Proposed 2017-2018 Budget, cont.

Discussion regarding the proposed 2017-2018 budget took place and public comments were received. There was an explanation of how the stacks at Sappi will be taken down. There was a correction to the Commissioner's Budget

Adjournment: The Special Meeting adjourned at 9:18 p.m.

Respectfully Submitted,

Ann Marie Meisch, MMC, City Clerk

CITY OF MUSKEGON

CITY COMMISSION MEETING

JUNE 27, 2017 @ 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, June 13, 2017. Pastor Matt Sharpe, Evanston Avenue Baptist, 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, Debra Warren, Dan Rinsema-Sybenga, and Byron Turnquist, City Manager Franklin Peterson, City Attorney John Schrier, and City Clerk Ann Meisch.

Absent: Vice Mayor Eric Hood (arrived at 5:52 p.m.), Commissioner Willie German, Jr. (arrived at 6:00 p.m.)

2017-50 CONSENT AGENDA:

A. Approval of Minutes City Clerk

SUMMARY OF REQUEST: To approve minutes of the June 12, 2017 Worksession Meeting and the June 13, 2017 Regular City Commission Meeting.

FINANCIAL IMPACT: None

BUDGET ACTION REQUIRED: None

STAFF RECOMMENDATION: Approval of the minutes.

B. One-Time or Occasional Users of Kitchen 242 – User Fee Change City Clerk

SUMMARY OF REQUEST: Current fees for use of Kitchen 242 are \$15 per hour with a Security Deposit of \$50. Staff is seeking City Commission approval to amend the fee schedule for rental for one-time or occasional users to \$25 per hour and the Security Deposit to \$100, effective July 1, 2017.

FINANCIAL IMPACT: None

BUDGET ACTION REQUIRED: None

STAFF RECOMMENDATION: Approval of the change in fees for one-time or occasional users effective July 1, 2017.

C. 2017-2018 Muskegon High School Community Officer Agreement
Public Safety

SUMMARY OF REQUEST: To approve the 2017-2018 Muskegon High School Community Officer Agreement. This agreement provides Muskegon High School with a Community Officer during the nine months school is in session.

FINANCIAL IMPACT: Muskegon Public Schools agrees to pay the City of Muskegon \$2,459.74 each month, from September 2017 through May 2018, totaling \$22,137.66.

BUDGET ACTION REQUIRED: None

STAFF RECOMMENDATION: Approve the 2017-2018 Muskegon High School Community Officer Agreement and authorize the Mayor to sign.

E. Amendment to the Zoning Ordinance – Signage Planning &
Economic Development

SUMMARY OF REQUEST: Staff-initiated request to amend Section 2334 of the zoning ordinance to amend the rules on electronic message board signs and to allow them in B-1, Limited Business Districts and WM, Waterfront Marine Districts, as well as at churches in all zoning districts and all businesses that have been granted a special use permit in residential districts.

FINANCIAL IMPACT: None

BUDGET ACTION REQUIRED: None

STAFF RECOMMENDATION: To approve the zoning ordinance amendment.

COMMITTEE RECOMMENDATION: The Planning Commission unanimously recommended approval of the ordinance amendment, with one member absent.

~ SECOND READING REQUIRED ~

F. Rezoning Request for Several Properties to R-2, Single Family Medium Density Residential District Planning & Economic Development

SUMMARY OF REQUEST: Staff initiated request to rezone several properties from R-1, Single Family Low Density Residential District to R-2, Single Family Medium Density Residential District.

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 June 15 meeting, with one member absent.

~ SECOND READING REQUIRED ~

G. Rezoning Request for Several Properties to R-3, Single Family High Density Residential District Planning & Economic Development

SUMMARY OF REQUEST: Staff initiated request to rezone several properties from R-1, Single Family Low Density Residential District to R-3, Single Family High Density Residential District.

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 June 15 meeting, with one member absent.

~ SECOND READING REQUIRED ~

H. 2017 CDBG/HOME Budget Recommendations Community and Neighborhood Services

SUMMARY OF REQUEST: To accept the 2017 Budget recommendations from Citizen's District Council for CDBG/HOME Allocations.

FINANCIAL IMPACT: Budget will be published for release of funds request.

BUDGET ACTION REQUIRED: To finalize the budget for the CNS department and direct staff to publish approved 2017 ACDBG/HOME Allocation and Budget for Release of Funds and Environmental Review of Projects.

STAFF RECOMMENDATION: To accept and approve the recommended 2017 CDBG and HOME Budgets from Citizens District Council.

COMMITTEE RECOMMENDATION: The Citizens District Council has made their recommendations.

I. ITEM REMOVED PER STAFF REQUEST

J. Set Public Hearing for Amendment to Brownfield Plan – Liberty Building (Formerly Ameribank) Planning & Economic Development

SUMMARY OF REQUEST: To approve the resolution setting a public hearing for an amendment for the Brownfield Plan, and notifying taxing jurisdictions of the Brownfield Plan Amendment including the opportunity to express their views and recommendations regarding the proposed amendment at the public hearing. The amendment is for the inclusion of property which will be purchased by Liberty Development, LLC, located at 880 First Street, in the Brownfield Plan.

FINANCIAL IMPACT: Brownfield Tax Increment Financing will be used to reimburse the developer and the City for “eligible expenses” incurred in association with development of the Liberty project, which is approximately \$2,564,280. Liberty Development, LLC cost for the development of the property is approximately \$6.85 million in private investment, resulting in a substantial increase in the local and school taxes generated by the property.

BUDGET ACTION REQUIRED: None

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

COMMITTEE RECOMMENDATION: The Brownfield Redevelopment Authority met on June 15, 2017 and approved the Brownfield Plan Amendment and recommends the approval of the Brownfield Plan Amendment to the Muskegon City Commission.

Motion by Commissioner Turnquist, second by Commissioner Johnson, to approve the consent agenda as presented, minus items D.

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

Nays: None

MOTION PASSES

2017-51 ITEMS REMOVED FROM THE CONSENT AGENDA:

D. Space Fruit, LLC Concession for City of Muskegon Parks Department of Public Works

SUMMARY OF REQUEST: Staff is asking permission to enter into a 1-year contractual agreement with Bri Schott & Kelvin Pearson of Space Fruit LLC, at Pere Marquette Park, located within the City of Muskegon, to sell various Fruit Pearl items, as stated in their proposal, from a mobile concession trailer.

FINANCIAL IMPACT: Concession revenue is 10% of gross receipts.

BUDGET ACTION REQUIRED: None.

STAFF RECOMMENDATION: Authorize DPW staff to enter into concession agreement with Bri Schott & Kelvin Pearson of Space Fruit, LLC.

Motion by Commissioner Warren, second by Commissioner Rinsema-Sybenga, to authorize DPW staff to enter into concession agreement with Bri Schott & Kelvin Pearson of Space Fruit, LLC

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

Nays: None

MOTION PASSES

2017-52 PUBLIC HEARINGS:

A. Request for an Industrial Facilities Exemption Certificate – Lakeside Surfaces Planning & Economic Development

SUMMARY OF REQUEST: Pursuant to Public Act 198 of 1974, as amended, Lakeside Surfaces, Inc, 2265 Black Creek Road, has requested the issuance of an Industrial Facilities Tax Exemption Certificate (IFT). The total capital investment will be \$2,387,666 in real property and will create 26 new jobs in the City. They are eligible for a 12-year abatement per the City's IFT policy.

FINANCIAL IMPACT: The City will capture certain additional property taxes generated by the expansion.

BUDGET ACTION REQUIRED: None.

STAFF RECOMMENDATION: Approval of the resolution granting an Industrial Facilities Exemption Certificate for a term of twelve (12) years for real property.

PUBLIC HEARING COMMENCED: No public comments were received

Motion by Commissioner Rinsema-Sybenga, second by Commissioner Warren, to close the public hearing and approve the resolution granting an Industrial Facilities Exemption Certificate for a term of twelve years for real property for Lakeside Services.

**ROLL VOTE: Ayes: Warren, Rinsema-Sybenga, Turnquist, Johnson, and Gawron
Nays: None**

MOTION PASSES

B. Request to Transfer Two Industrial Facilities Exemption Certificates to KLO Acquisition, LLC Planning & Economic Development

SUMMARY OF REQUEST: Pursuant to Public Act 198 of 1974, as amended, KLO Acquisition, LLC, 1790 Sun Dolphin Drive, has requested the transfer of two personal property Industrial Facilities Tax Exemption Certificates (IFT) from Ameriform Acquisition, LLC. These would include Certificate numbers 2011-302 (set to expire at the end of 2019) and 2014-435 (set to expire at the end of 2023).

FINANCIAL IMPACT: The City will continue to capture the same amount of property taxes generated by the original IFT.

BUDGET ACTION REQUIRED: None.

STAFF RECOMMENDATION: Approval of the resolution granting the transfer of the IFT's.

PUBLIC HEARING COMMENCED: No public comments were received.

Motion by Commissioner Warren, second by Commissioner Johnson, to close the public hearing and approve the resolution granting transfer of the IFT's to KLO Acquisitions, LLC.

ROLL VOTE: Ayes: Rinsema-Sybenga, Turnquist, Johnson, Gawron, and Warren
Nays: None

MOTION PASSES

2017-53 NEW BUSINESS:

A. Concurrence with the Housing Board of Appeals Notice and Order to Demolish Public Safety

533 Jackson Avenue

1440 Jiroch Street

1460 Hoyt Street

SUMMARY OF REQUEST: This is to request that the City Commission concur with the findings of the Housing Board of Appeals that the structures are unsafe, substandard, a public nuisance and that they be demolished within thirty (30) days or infraction tickets may be issued. It is further requested that administration be directed to obtain bids for the demolition of the structures and that the Mayor and City Clerk be authorized and directed to execute contracts for demolition with the lowest responsible bidder or staff may issue infraction tickets to the owner, agent or responsible party if they do not demolish the structure.

FINANCIAL IMPACT: General Funds

BUDGET ACTION REQUIRED: None

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

Motion by Commissioner Rinsema-Sybenga, second by Commissioner Johnson, to concur with the Housing Board of Appeals notice and order to demolish 533 Jackson Avenue and 1440 Jiroch Street.

ROLL VOTE: Ayes: Rinsema-Sybenga, Turnquist, Johnson, Gawron, and Warren
Nays: None

MOTION PASSES

Motion by Commissioner Turnquist, second by Commissioner Johnson, to concur with the Housing Board of Appeals notice and order to demolish 1460 Hoyt Street Avenue and 1440 Jiroch Street.

ROLL VOTE: Ayes: Rinsema-Sybenga, Turnquist, Johnson, Gawron, and Warren
Nays: None

MOTION PASSES

B. Adoption of 2017-18 Proposed Budget Finance

SUMMARY OF REQUEST: At this time staff is transmitting to the City Commission the proposed budget for fiscal year 2017-18 which starts July 1, 2017. An electronic version of the budget has been distributed to Commissioners. Additionally, the budget is available for public inspection on the City's website and at the City Clerk's Office or Hackley Public Library.

The proposed budget has been reviewed in detail with staff at the June 12th Worksession. A public hearing on the budget was held at the regular Commission meeting the following evening on June 13th. City ordinance requires that the budget be adopted by the Commission on or before the second Commission meeting in June.

FINANCIAL IMPACT: The budget is the City's financial plan for the coming fiscal year.

BUDGET ACTION REQUIRED: None at this time.

STAFF RECOMMENDATION: Approval of the proposed budget for the fiscal year 2017-18.

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

Nays: None

C. Change Order to add Harris Street Resurfacing from Sherman to Sun Dolphin to the Glenside, Sherman to Glen (H-1708) Engineering

SUMMARY OF REQUEST: Authorize staff to execute a change order with McCormick Sand, Inc. adding the milling and resurfacing of Harris to the Glenside project as per the proposal.

This request is contingent upon the approval of the proposed CIP projects in the proposed 2017/2018 budget.

FINANCIAL IMPACT: Estimated cost for construction is \$113,859.28

BUDGET ACTION REQUIRED: None at this time assuming the proposed 2017/2018 CIP is adopted.

STAFF RECOMMENDATION: Authorize staff to execute a change order with McCormick Sand, Inc.

Motion by Commissioner Rinsema-Sybenga, second by Vice Mayor Hood, to authorize staff to execute a change order with McCormick Sand, Inc.

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

Nays: None

MOTION PASSES

D. Hartshorn Marina Engineering Study

Department of Public Works

SUMMARY OF REQUEST: Authorize staff to enter into an engineering services agreement with Abonmarche consulting to provide the preliminary engineering as per the proposal and as called for by the Michigan Department of Natural Resources grant.

FINANCIAL IMPACT: \$60,000 DOLLARS, State of Michigan match of \$30,000

BUDGET ACTION REQUIRED: None if the proposed budget is approved.

STAFF RECOMMENDATION: Authorize staff to enter into an engineering services agreement with Abonmarche.

Motion by Vice Mayor Hood, second by Commissioner Johnson, to authorize staff to enter into an engineering services agreement with Abonmarche.

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

Nays: None

MOTION PASSES

E. Adopt Michigan DNR Grant Resolution

Department of Public Works

SUMMARY OF REQUEST: To adopt the resolution and authorize the Mayor and Clerk to sign the agreement between the Michigan Department of Natural Resources and the City of Muskegon.

FINANCIAL IMPACT: \$30,000 is the city's match.

BUDGET ACTION REQUIRED: None is necessary if the proposed budget for 2017/2018 is approved.

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

Motion by Commissioner German, second by Commissioner Warren, to approve the resolution and authorize the Mayor and Clerk to sign the agreement.

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

Nays: None

MOTION PASSES

F. Sewer Rate Adjustment

Finance

SUMMARY OF REQUEST: In 2016 a resolution with a treatment rate for our customers that is based on a multiplier of 1.49 times the rate the county bills the city for wastewater was adopted. The 2017/18 budget calls for the multiplier to be raised to 1.68 based on the recommendation of H. J. Umbaugh & Associates to cover the costs of capital improvement needs of our aging infrastructure over

the next ten years. Additionally the monthly sewer administration charge will increase from \$2.67 to \$3.00.

FINANCIAL IMPACT: None at this time.

BUDGET ACTION REQUIRED: None at this time. The proposed rate change was incorporated into the FY 2017-18 budget that was recently approved by the City Commission.

STAFF RECOMMENDATION: Adoption of the fee adjustment resolution.

Motion by Commissioner Rinsema-Sybenga, second by Commissioner Warren, to approve the fee adjustment regarding sewer rates.

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

Nays: None

MOTION PASSES

G. 2017 Sanitation Service Fee Finance

SUMMARY OF REQUEST: To adopt the resolution to begin charging a sanitation service fee of \$1.20 per month per residential utility bill. This charge will cover the difference between what is currently being collected through property taxes and what the City currently pays for residential sanitation.

FINANCIAL IMPACT: None at this time.

BUDGET ACTION REQUIRED: None at this time. The proposed rate change was incorporated into the FY 2017-18 budget that was recently approved by the City Commission.

STAFF RECOMMENDATION: Adopt the resolution.

Motion by Vice Mayor Hood, second by Commissioner Johnson, to approve the 2017 Sanitation Service Fee Resolution.

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

Nays: None

MOTION PASSES

PUBLIC PARTICIPATION: Public Comments were received.

2017-54 CLOSED SESSION:

A. City Manager Evaluation

Motion by Commissioner Rinsema-Sybenga, second by Commissioner Warren, to go into closed session for the City Manager's Evaluation.

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

and Turnquist

Nays: None

MOTION PASSES

Motion by Commissioner Rinsema-Sybenga, second by Commissioner Turnquist, to return to open session.

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

Nays: None

MOTION PASSES

ADJOURNMENT: The City Commission meeting adjourned at 8:10 p.m.

Respectfully Submitted,

Ann Marie Meisch, MMC, City Clerk

COMMISSION MEETING DATE: July 11, 2017

Date: June 21, 2017
To: Honorable Mayor and City Commissioners
From: Director of Public Safety Jeffrey Lewis
Re: Lakeshore Museum Loan Agreement
(LaFrance Fire Truck)

SUMMARY OF REQUEST: The Director of Public Safety requests that the City Commission review and authorize the Lakeshore Museum Center Loan Agreement relating to the 1923 American LaFrance Fire Truck with attached equipment. Currently, the LaFrance is on display at the Fire House Museum (Clay Avenue). Part of this agreement includes for the Museum to try to get the fire truck in working condition, at their own expense, as their budget allows.

FINANCIAL IMPACT: N/A

BUDGET ACTION REQUIRED: N/A

STAFF RECOMMENDATION: Staff recommends approval of this loan agreement.



Loan Agreement

Incoming Loan for Exhibit
Loan# 41

Name: City of Muskegon

Phone: 231-724-6955

Address: 980 Jefferson Street

City, State Zip: Muskegon MI 49443

Start Date: Renewal 6-30-2017

Email: jeff.lewis@shorelinecity.com

End Date: Yearly review and renewal on
6-30-2018

For Use in: Fire Barn Museum Exhibit

The objects listed below and on any attached sheets are on loan subject to the conditions printed on the reverse.

Detailed description of items:

Long-term Loan for Fire Barn Museum Exhibit

1923 LaFrance Fire Engine and attached equipment

See reverse for terms and conditions.

Insurance Coverage Lakeshore Museum Center agrees to provide insurance coverage, see attached documentation.

The object(s) described above have been received by the Lakeshore Museum Center as a loan for exhibit, subject to the conditions on the reverse of this form. I acknowledge that I have read and agree to the conditions accompanying this form and certify that I have the authority to enter into this loan agreement.

Lender Signature: _____ **Date:** _____

LMC Representative: Brenda Nemethy **Date:** 6/21/2017

Returned to Lender:

I acknowledge that the object(s) described above have been returned in satisfactory condition and hereby release the Lakeshore Museum Center from any further responsibility for their care.

Lender Signature: _____ **Date:** _____

LMC Representative: _____ **Date:** _____

Lakeshore Museum Center, 430 West Clay Avenue, Muskegon, MI 49440

Phone 231.722.0278 • Fax 231.728.4119 • Email: info@lakeshoremuseum.org • www.lakeshoremuseum.org

Loan Terms and Conditions

Incoming Loan for Exhibit

Special Terms and Conditions – 1923 LaFrance Fire Engine, Lender City of Muskegon

Care and Preservation

1. The Lakeshore Museum Center (LMC) agrees to exercise reasonable care of the truck and will do what is reasonably necessary to preserve it in as good a condition as when received – with the exception of deterioration due to age and wear and tear due to approved use of truck for education and special event hands on use, and general maintenance.
2. City of Muskegon agrees to allow the LMC to keep the truck in operating condition and maintain or replace any components, including tires, brakes or other mechanical systems, as well as clean the truck. The City of Muskegon allows the LMC to do whatever maintenance is necessary to keep the truck operational without approval. However, the LMC is under no obligation to keep the truck in working condition or complete general maintenance, but will do so only as LMC budget allows.
3. City of Muskegon and Fire Department agree that the truck is available for hands on interaction with the public under the supervision of LMC staff – including but not limited to allowing the public to sit in the driver's seat, stand on running boards and other surfaces available for such use in normal operating conditions. Members of the public will not be allowed to operate the truck or be in physical contact with it while in motion.
4. City of Muskegon agrees that LMC staff or approved contractors may drive the truck – including but not limited to community events, parades, educational programming, and while performing general maintenance.
5. City of Muskegon and/or Fire Department personnel will cooperate to start engine or move vehicle outside of LMC Fire Barn Museum property for special events or the facilitate City of Muskegon/Fire Department maintenance activities. LMC requests a 30 day notice if possible before these activities occur.
6. In the event of damage to the objects while on loan, LMC will notify the Lender as soon as possible.
7. City of Muskegon/Fire Department personnel are welcome during business hours or at some other mutually agreed upon time to come onto Museum premises to service the truck, and if desired by both parties, to keep it in operating condition.
8. Any expense associated with keeping the truck in operating condition or any other work on truck, is the responsibility of the party who is pursuing the maintenance.

Insurance

1. LMC agrees to insure under its contents insurance policy for an amount not less than \$40,000. LMC shall have no liability for destruction or diminution in value of the truck above and beyond the insurance coverage.

Ownership and Lender Contact Information

1. Lender is responsible for updating address and contact information with LMC for the duration of the loan.
2. LMC may periodically renew the loan to keep current with responsible parties within City of Muskegon and Fire Department Management.

Return of Loans

1. LMC will arrange for return of Loaned objects within 30 days of the End Date indicated on this Loan form.
2. Loans left unclaimed more than one year from the End Date will be considered an unrestricted gift to the Lakeshore Museum Center and will be disposed of according to LMC policies. Lenders are referred to the Michigan Disposition of Property Act and the Uniform Unclaimed Property Act as relevant statutes.
3. LMC is not required to exhibit any loaned object. If an object is not selected for exhibit LMC will arrange to return objects to Lender.

Credit and Photography of Loaned Objects

1. LMC may photograph objects and the photographs may be reproduced for exhibit materials, publicity materials and relevant publications. The Lender may be identified in publications or exhibit material unless he/she requests anonymity.
2. Loaned objects may be photographed by the general public while on exhibit unless prohibited in writing by the Lender.



EVIDENCE OF PROPERTY INSURANCE

DATE (MM/DD/YYYY)
06/17/2016

THIS EVIDENCE OF PROPERTY INSURANCE IS ISSUED AS A MATTER OF INFORMATION ONLY AND CONFERS NO RIGHTS UPON THE ADDITIONAL INTEREST NAMED BELOW. THIS EVIDENCE DOES NOT AFFIRMATIVELY OR NEGATIVELY AMEND, EXTEND OR ALTER THE COVERAGE AFFORDED BY THE POLICIES BELOW. THIS EVIDENCE OF INSURANCE DOES NOT CONSTITUTE A CONTRACT BETWEEN THE ISSUING INSURER(S), AUTHORIZED REPRESENTATIVE OR PRODUCER, AND THE ADDITIONAL INTEREST.

AGENCY Jerviss-Fethke Insurance Agency 71 W. Webster Avenue Muskegon, MI 49440		PHONE (A/C, No, Ext) (231)722-2375		COMPANY Auto-Owners Insurance Company 6101 Anacapi Blvd Lansing, MI 48917	
FAX (A/C, No): (231)728-6545		E-MAIL ADDRESS: Lorraine@j-fins.com			
CODE: 010826		SUB CODE:			
AGENCY CUSTOMER ID #: 00000608					
INSURED Lakeshore Museum Center 430 W Clay Ave Muskegon, MI 49440-1002		LOAN NUMBER		POLICY NUMBER 16338813	
		EFFECTIVE DATE 01/10/2016		EXPIRATION DATE 01/10/2017	
				☐ CONTINUED UNTIL TERMINATED IF CHECKED	
THIS REPLACES PRIOR EVIDENCE DATED:					

PROPERTY INFORMATION

LOCATION/DESCRIPTION
1923 LAFRANCE FIRE ENGINE

THE POLICIES OF INSURANCE LISTED BELOW HAVE BEEN ISSUED TO THE INSURED NAMED ABOVE FOR THE POLICY PERIOD INDICATED. NOTWITHSTANDING ANY REQUIREMENT, TERM OR CONDITION OF ANY CONTRACT OR OTHER DOCUMENT WITH RESPECT TO WHICH THIS EVIDENCE OF PROPERTY INSURANCE MAY BE ISSUED OR MAY PERTAIN, THE INSURANCE AFFORDED BY THE POLICIES DESCRIBED HEREIN IS SUBJECT TO ALL THE TERMS, EXCLUSIONS AND CONDITIONS OF SUCH POLICIES. LIMITS SHOWN MAY HAVE BEEN REDUCED BY PAID CLAIMS.

COVERAGE INFORMATION

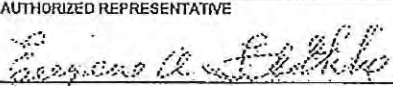
COVERAGE / PERILS / FORMS	AMOUNT OF INSURANCE	DEDUCTIBLE
1923 LAFRANCE FIRE ENGINE	\$50,000	

REMARKS (Including Special Conditions)

CANCELLATION

SHOULD ANY OF THE ABOVE DESCRIBED POLICIES BE CANCELLED BEFORE THE EXPIRATION DATE THEREOF, NOTICE WILL BE DELIVERED IN ACCORDANCE WITH THE POLICY PROVISIONS.

ADDITIONAL INTEREST

NAME AND ADDRESS	☐	MORTGAGEE	☐	ADDITIONAL INSURED
	☐	LOSS PAYEE		
	LOAN #			
	AUTHORIZED REPRESENTATIVE 			

LLN

AGENDA ITEM NO. _____

CITY COMMISSION MEETING _____

TO: Honorable Mayor and City Commission

FROM: Department of Public Works

DATE: July 11, 2017

SUBJECT: D.D. MacGee's Grill LLC Concession/Business Contract for City of Muskegon Parks.

SUMMARY OF REQUEST:

Staff is asking permission to enter into a 1-year contractual agreement with Bryan Toth of D.D. MacGee's Grill LLC, at Pere Marquette Park, located within the City of Muskegon, to sell various items, as stated in their proposal, from a mobile concession.

FINANCIAL IMPACT:

Concession revenue is 10% of gross receipts.

BUDGET ACTION REQUIRED:

None

STAFF RECOMMENDATION:

Authorize DPW staff to enter into concession agreement with Bryan Toth of D.D. MacGee's Grill LLC.

COMMITTEE RECOMMENDATION:

To whom it concerns,

D.D. MacGee's Grill wishes to be a vendor at the Pere Marquette Park. My Operation consist of a food cart that is equipped with a 24"x24" and a 30 lb. deep fryer. It also as a 4 cu ft refrigerator hand sink and triple sink for dishes. The cart is approximately 9 feet long and 4 feet wide. Please see attached photos.I also have a support vehicle (98 Chevy Express 1500 van). My support vehicle has a 7cu ft. freezer and a 4-cu ft. freezer as well as a generator for powering my cart and van.

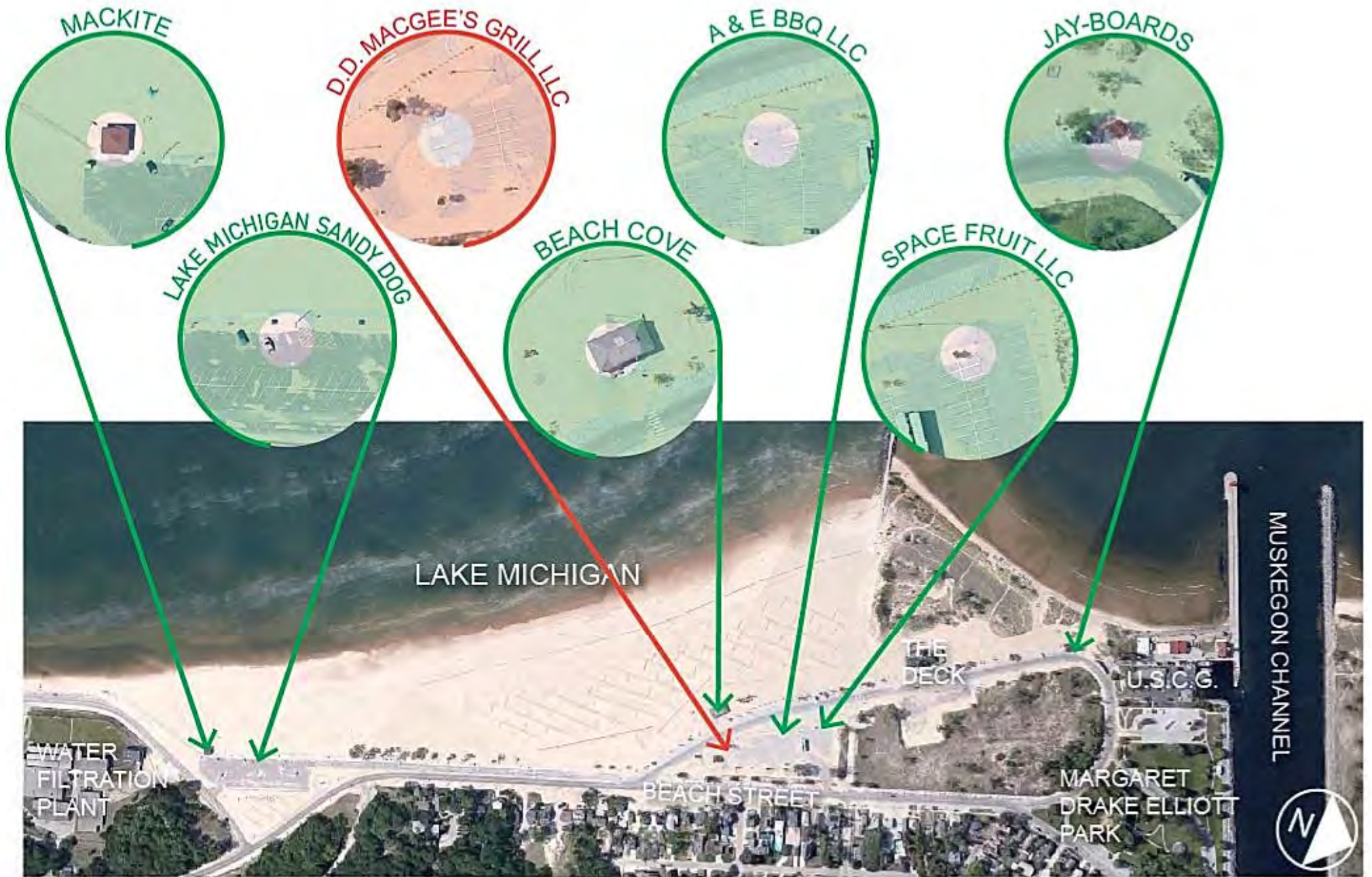
The Menu at D.D. MacGee's Grill changes. The main things I sell are hamburgers, hotdogs, fries and pulled pork. I do add cheese fries, corn dogs brats and onion rings from time to time. For drinks I offer various soft drinks as well as Gatorade and water.

When it comes to what days I will be at the park depends on other weekend events that I may go to. I plan to be at Pere Marquette during the week days. The hours of operation will be Setting up at 10 and open at 11 AM close at dark with an hour for cleanup. I can also be cleaned up by dark depending on the rules of the park.

Hopefully this covers everthing. If you have any further questions please contact me. I look forward to working with the City and hope we have a long lasting working relationship.

Bryan Toth
Owner
D.D. MacGee's Grill LLC
(231) 519-7425





APPROVED

REQUESTED

Commission Meeting Date: July 11, 2017

Date: June 30, 2017

To : Honorable Mayor and City Commission

From: Community and Neighborhood Services Department

RE : Approval of Building Contract for 1350 Eastwood Drive

SUMMARY OF REQUEST: To award the Building Contract for the rehabilitation of 1350 Eastwood Drive to Nassau Construction for the City of Muskegon's Homebuyers Program through CNS.

CNS received 2 bids as listed on the attached sheet; the cost estimate from our spec writer was \$79,000.

FINANCIAL IMPACT: The funding for this project has been secured with 2016 HOME Funds.

BUDGET ACTION REQUIRED: None

STAFF RECOMMENDATION: To award Nassau Construction the rehabilitation contract for 1350 Eastwood Drive; in the amount of \$ 95,500.00, for the Community and Neighborhood Services Office.

COMMITTEE RECOMMENDATION: None required.

MEMO

**Community and
Neighborhood Services
City of Muskegon
933 Terrace
Second Floor
Muskegon, MI 49442
Ph: 231-724-6717
Fax: 231-726-2501**

Date: June 28, 2017

To: Bidders regarding 1350 Eastwood Drive

From: Oneata Bailey, Director
Community and Neighborhood Services
City of Muskegon

Re: Bid Results

Community and Neighborhood Services received the following bid proposals:

<u>CONTRACTOR</u>	<u>Total Bid Price*</u>
Nassau Construction LLC	\$95,500
TK Construction	\$109,825

*excludes Alternative Bids for Hardwood Floor Repair/Sprinkler Repair

The City of Muskegon reserves the right to accept or reject any and all bids. The City of Muskegon is also not restricted to accept the lowest bid.

We appreciate everyone's interest in being a part of the City of Muskegon's neighborhood revitalization efforts. The selected bidder will be contacted in the next few days.

OB

Commission Meeting Date: July 11, 2017

Date: July 6, 2017
To: Honorable Mayor and City Commissioners
From: Planning & Economic Development
RE: Amendment to the Zoning Ordinance – Signage – *SECOND
READING*

SUMMARY OF REQUEST:

Staff-initiated request to amend Section 2334 of the zoning ordinance to amend the rules on electronic message board signs and to allow them in B-1, Limited Business Districts and WM, Waterfront Marine Districts, as well as at churches in all zoning districts and all businesses that have been granted a special use permit in residential districts.

FINANCIAL IMPACT:

None

BUDGET ACTION REQUIRED:

None

STAFF RECOMMENDATION:

To approve the zoning ordinance amendment.

COMMITTEE RECOMMENDATION:

The Planning Commission unanimously recommended approval of the ordinance amendment, with one member absent.

Staff Report (EXCERPT)
CITY OF MUSKEGON
PLANNING COMMISSION
REGULAR MEETING

Hearing, Case 2017-15: Staff-initiated request to amend Section 2334 of the zoning ordinance to amend the rules on electronic message board signs and to allow them in B-1, Limited Business Districts and WM, Waterfront Marine Districts, as well as at churches in all zoning districts and all business that have been granted a special use permit in residential districts.

SUMMARY

1. The Mart Dock, located at 560 Mart St (zoned Waterfront Marine), would like to install an electronic message board sign. However, these types of signs are prohibited in Waterfront Marine districts. They are also prohibited in B-1, Limited Business districts and at churches and approved businesses in residential zones.
2. Electronic message board signs have been allowed by the zoning ordinance for over 10 years and staff has not received any major complaints on them.
3. Staff has had to deny some electronic message board sign requests for some businesses and churches because of the current sign ordinance. Staff is requesting to allow these signs in more zoning districts to allow these churches and businesses to effectively promote themselves. There currently are some churches that are allowed to have electronic message board signs because they are located in business districts. However, most churches are located in residential districts.
4. Where already allowed in the current ordinance, there is a provision that states “electronic message boards shall be dimmed at dusk.” This allows staff to enforce on the brightness of any sign that may possibly cause a nuisance to any residential uses at night. Staff has not had to enforce using this as of yet, but it is good to have if a problem ever arises.
5. In addition to the electronic message board sign request, the Mart Dock also requested to have a 14’ tall sign. Signs in Waterfront Marine districts are only allowed to be a maximum of 8’ tall. Staff feels that the ordinance is correct here for the most part, given that most Waterfront Marine districts are located in Lakeside, and we should limit the height of pole signs in this area to avoid blight and diminished lake views. However, an 8’ tall sign would be too small to notice for someone driving on Shoreline Dr at 55 MPH. Staff recommends allowing taller signs in these districts as long as the property has frontage on a highway.

Current Message Board Sign at Mart Dock



Electronic Message Boards Sign at Mount Zion Church (188 W Muskegon Ave). This property is zoned Form Based Code, where these signs are allowed.



First Congregational Church (1201 Jefferson St). This property is zoned R-1, where electronic message board signs are not allowed.



Various signs in Lakeside, where electronic message board signs are not allowed





This building was recently approved for a SUP to operate a restaurant in an R-1 district, where electronic message boards are not allowed.



NEW LANGUAGE

Deletions are ~~crossed out~~ and additions are in **bold**.

6. Permitted signs in all residential and mobile home park districts:

- a. Entranceway monument signs are permitted for residential developments of up to twelve (12) square feet. One sign for each major public road frontage may be provided. Signs shall not exceed eight feet in height.
- b. Internally illuminated monument signs of up to thirty-two (32) square feet, not exceeding eight (8) feet in height, and internally lit wall signs up to twenty-four (24) feet for lawful institutional uses such as churches and schools. [amended 7/06]
- c. Legal business uses in residential districts are permitted signage as allowed in the B-1 zoning district, except for those uses otherwise addressed in this section. [amended 4/02]
- d. One (1) non-illuminated wall sign of up to eight (8) square feet for a home occupation. [amended 12/01]
- e. Changeable copy or message boards shall be part of a fixed, permanent sign and shall have rigid letters. ~~Electronic message boards are prohibited.~~
- f. **Electronic message boards shall be permitted for all churches and businesses granted a special use permit to operate in a residential district, provided:**
 - 1) **One electronic message board shall be permitted per premise.**
 - 2) **Electronic message boards shall be dimmed at dusk.**
 - 3) **Electronic message boards shall not be permitted for home businesses.**

8. Permitted signs in the B-1, Waterfront Marine Zone, Open Space Conservation, Open Space Recreation, and Lakefront Recreation:

- a. Scope: Signs shall pertain exclusively to the business carried on within the building.
- b. ~~Lighting: Signs may be illuminated, but no flashing or moving illumination shall be permitted.~~
- c. Number: One monument sign is permitted per property regardless of the number of businesses there. Properties with frontage on Muskegon Lake are permitted an additional monument or pole sign on the water frontage only.

- d. Wall, Awning or Braquet Signs, Size: Signs shall not exceed ten (10) percent of the surface area of the commercial portion of the front building and may be placed on any wall. In the case where the building is over one hundred feet (100') from the road, this allotment may be 15% of the front face of the storefront. In the case where the building is over 300 feet from the road, this allotment may be 20% of the front face of the storefront. In the case where the property has parallel frontage on at least one major street or corner frontage on at least one major street, this allotment may be 15% of the front face of the storefront.
- e. Wall, Awning or Braquet Signs, Placement: Signs shall be placed against the principal building or on a canopy. Signs shall not project above the roof line or cornice. No wall sign shall interrupt or conceal the architectural details of a building. A sign attached to a mansard shall be considered a wall sign.
- f. Changeable copy or message boards shall be part of a fixed, permanent sign and shall have rigid letters. ~~Electronic message boards are prohibited.~~
- g. **Electronic message boards, provided:**
 - 1) **One electronic message board shall be permitted per premise.**
 - 2) **Electronic message boards shall be dimmed at dusk.**
- h. Free-standing signs:
 - 1) Setback: The leading edge of the sign must be out of the public right-of-way. Signs must be a minimum of 10 feet from a neighboring sign.
 - 2) Clear vision: Signs shall not obstruct clear vision requirements for motorists.
 - 3) Area and height: Signs shall comply with the area requirements of Table II and shall not exceed eight feet (8') in height. **However, any parcel with frontage on a highway shall be allowed to follow the height restrictions of Table II.**

CITY OF MUSKEGON
MUSKEGON COUNTY, MICHIGAN

ORDINANCE NO. _____

An ordinance to amend section 2334 of the zoning ordinance to modify the rules on electronic message board signs and to allow them in B-1, Limited Business Districts and WM, Waterfront Marine Districts, as well as at churches in all zoning districts and all business that have been granted a special use permit in residential districts.

THE CITY COMMISSION OF THE CITY OF MUSKEGON HEREBY ORDAINS:

NEW LANGUAGE

Deletions are ~~crossed out~~ and additions are in **bold**.

6. Permitted signs in all residential and mobile home park districts:

- a. Entranceway monument signs are permitted for residential developments of up to twelve (12) square feet. One sign for each major public road frontage may be provided. Signs shall not exceed eight feet in height.
- b. Internally illuminated monument signs of up to thirty-two (32) square feet, not exceeding eight (8) feet in height, and internally lit wall signs up to twenty-four (24) feet for lawful institutional uses such as churches and schools. [amended 7/06]
- c. Legal business uses in residential districts are permitted signage as allowed in the B-1 zoning district, except for those uses otherwise addressed in this section. [amended 4/02]
- d. One (1) non-illuminated wall sign of up to eight (8) square feet for a home occupation. [amended 12/01]
- e. Changeable copy or message boards shall be part of a fixed, permanent sign and shall have rigid letters. ~~Electronic message boards are prohibited.~~
- f. **Electronic message boards shall be permitted for all churches and businesses granted a special use permit to operate in a residential district, provided:**
 - 4) **One electronic message board shall be permitted per premise.**
 - 5) **Electronic message boards shall be dimmed at dusk.**
 - 6) **Electronic message boards shall not be permitted for home businesses.**

8. Permitted signs in the B-1, Waterfront Marine Zone, Open Space Conservation, Open Space Recreation, and Lakefront Recreation:

- a. Scope: Signs shall pertain exclusively to the business carried on within the building.
- b. Lighting: ~~Signs may be illuminated, but no flashing or moving illumination shall be permitted.~~
- c. Number: One monument sign is permitted per property regardless of the number of businesses there. Properties with frontage on Muskegon Lake are permitted an additional monument or pole sign on the water frontage only.
- d. Wall, Awning or Braquet Signs, Size: Signs shall not exceed ten (10) percent of the surface area of the commercial portion of the front building and may be placed on any wall. In the case where the building is over one hundred feet (100') from the road, this allotment may be 15% of the front face of the storefront. In the case where the building is over 300 feet from the road, this allotment may be 20% of the front face of the storefront. In the case where the property has parallel frontage on at least one major street or corner frontage on at least one major street, this allotment may be 15% of the front face of the storefront.
- e. Wall, Awning or Braquet Signs, Placement: Signs shall be placed against the principal building or on a canopy. Signs shall not project above the roof line or cornice. No wall sign shall interrupt or conceal the architectural details of a building. A sign attached to a mansard shall be considered a wall sign.
- f. Changeable copy or message boards shall be part of a fixed, permanent sign and shall have rigid letters. ~~Electronic message boards are prohibited.~~
- g. **Electronic message boards, provided:**
 - 1) **One electronic message board shall be permitted per premise.**
 - 2) **Electronic message boards shall be dimmed at dusk.**
- h. Free-standing signs:
 - 1) Setback: The leading edge of the sign must be out of the public right-of-way. Signs must be a minimum of 10 feet from a neighboring sign.
 - 2) Clear vision: Signs shall not obstruct clear vision requirements for motorists.
 - 3) Area and height: Signs shall comply with the area requirements of Table II and shall not exceed eight feet (8') in height. **However, any parcel with frontage on a highway shall be allowed to follow the height restrictions of Table II.**

This ordinance adopted:

Ayes: _____

Nays: _____

Adoption Date: _____

Effective Date: _____

First Reading: _____

Second Reading: _____

CITY OF MUSKEGON

By: _____
Ann Meisch, MMC, City Clerk

CERTIFICATE

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 11th day of July, 2017, 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: _____, 2017.

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 11, 2017, the City Commission of the City of Muskegon adopted an ordinance to amend Section 2334 of the zoning ordinance to amend the rules on electronic message board signs and to allow them in B-1, Limited Business Districts and WM, Waterfront Marine Districts, as well as at churches in all zoning districts and all business that have been granted a special use permit in residential districts. 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 _____, 2017.

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 11, 2017

Date: July 6, 2017
To: Honorable Mayor and City Commissioners
From: Planning & Economic Development
RE: Rezoning request for several properties to R-2, Single Family Medium Density Residential District (*SECOND READING*)

SUMMARY OF REQUEST:

Staff initiated request to rezone several properties from R-1, Single Family Low Density Residential District to R-2, Single Family Medium Density Residential District.

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 June 15 meeting, with one member absent.

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 several properties to R-2, Single Family Medium Density Residential District.

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 several properties (see map) to R-2, Single Family Medium Density Residential District.

This ordinance adopted:

Ayes: _____

Nayes: _____

Adoption Date: _____

Effective Date: _____

First Reading: _____

Second Reading: _____

CITY OF MUSKEGON

By: _____

Ann Meisch, MMC
City Clerk

CERTIFICATE

(Rezoning of several properties to R-2, Single Family Medium Density Residential District)

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 11th day of July, 2017, 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: _____, 2017

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 11, 2017, the City Commission of the City of Muskegon adopted an ordinance amending the zoning map to provide for the change of zoning for several properties (see map) to R-2, Single Family Medium Density Residential District.

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 _____, 2017

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 11, 2017

Date: July 6, 2017
To: Honorable Mayor and City Commissioners
From: Planning & Economic Development
RE: Rezoning request for several properties to R-3, Single Family High Density Residential District – *SECOND READING*

SUMMARY OF REQUEST:

Staff initiated request to rezone several properties from R-1, Single Family Low Density Residential District to R-3, Single Family High Density Residential District.

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 June 15 meeting, with one member absent.

Blue = Rezone to R-2

Red= Rezone to R-3

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 several properties to R-3, Single Family High Density Residential District.

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 several properties (see map) to R-3, Single Family High Density Residential District.

This ordinance adopted:

Ayes: _____

Nays: _____

Adoption Date: _____

Effective Date: _____

First Reading: _____

Second Reading: _____

CITY OF MUSKEGON

By: _____
Ann Meisch, MMC
City Clerk

CERTIFICATE

(Rezoning of several properties to R-3, Single Family High Density Residential District)

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 11th day of July, 2017, 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: _____, 2017

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 11, 2017, the City Commission of the City of Muskegon adopted an ordinance amending the zoning map to provide for the change of zoning for several properties (see map) to R-3, Single Family High Density Residential District .

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 _____, 2017

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 11, 2017

Date: July 5, 2017
To: Honorable Mayor & City Commission
From: Planning & Economic Development Department
RE: Public Hearing for Brownfield Plan Amendment
and Development and Reimbursement Agreement
for Liberty Building (formerly Ameribank)
Redevelopment Project

SUMMARY OF REQUEST: To hold a public hearing and approve the resolution approving and adopting the amendment to the Brownfield Plan and to approve the Development and Reimbursement Agreement. The amendments are for property to be purchased by Liberty Development, LLC.

FINANCIAL IMPACT: Brownfield Tax Increment Financing will be used to reimburse the developer and the City for "eligible expenses" incurred in association with development of the Liberty Building project. Liberty Development, LLC cost for the development of the property is approximately \$6.88 million in private investment, resulting in a substantial increase in the local and school taxes generated by the property.

"Eligible Expenses" would be reimbursed starting in 2019. The estimated tax capture and payment schedule is included as Table 2 in the proposed Brownfield Plan Amendment.

During the last five years of the plan (estimated to be 2043-2048), the BRA is authorized to capture local taxes for five years for deposit into a Local Brownfield Revolving Fund.

The Development and Reimbursement Agreement provides the structure for the capture of taxes and the reimbursement to Liberty Development, LLC and the City of Muskegon for eligible expenses.

BUDGET ACTION REQUIRED: None.

STAFF RECOMMENDATION: To hold a public hearing for approval of the Brownfield Plan Amendment for the Liberty Building Redevelopment Project and approve the attached resolution and authorize the Mayor and Clerk to sign the resolution, and to approve the Development and Reimbursement Agreement between Liberty Development, LLC, the City of Muskegon and the City of Muskegon Brownfield Redevelopment Authority.

COMMITTEE RECOMMENDATION: The Muskegon City Commission set the public hearing for July 11, 2017 at their June 27, 2017 meeting. Since that time, a notice of the public hearing has been sent to taxing jurisdictions. In addition, the Brownfield Redevelopment Authority approved the Plan amendment and the Development and Reimbursement Agreement on June 15, 2017 and recommends that the Muskegon City Commission approve the Plan Amendment and Development and Reimbursement Agreement.

**RESOLUTION APPROVING THE BROWNFIELD PLAN AMENDMENT AND
DEVELOPMENT AND REIMBURSEMENT AGREEMENT**

Liberty Building Redevelopment Project

City of Muskegon

County of Muskegon, Michigan

Minutes of a Regular Meeting of the City Commission of the City of Muskegon, County of Muskegon, Michigan (the "City"), held in the City Commission Chambers, on the 11th day of July 2017, at 5:30 p.m., prevailing Eastern Time.

PRESENT: Members

ABSENT: Members

The following preamble and resolution were offered by Commissioner _____ and supported by Commissioner _____:

WHEREAS, in accordance with the provisions of Act 381, Public Acts of Michigan, 1996, as amended ("Act 381"), the City of Muskegon Brownfield Redevelopment Authority (the "Authority") has prepared and approved a Brownfield Plan Amendment to add the Liberty Building Redevelopment Project; and

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

WHEREAS, the Authority has forwarded the Development and Reimbursement Agreement to the City Commission requesting its approval of the Development and Reimbursement Agreement; and

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

WHEREAS, not less than 10 days has passed since the City Commission provided notice of the proposed Brownfield Plan to the taxing units; and

WHEREAS, the City Commission held a public hearing on the proposed Brownfield Plan on July 11, 2017.

NOW, THEREFORE, BE IT RESOLVED, THAT:

1. That the Brownfield Plan constitutes a public purpose under Act 381.
2. That the Brownfield Plan meets all the requirements of Section 13(1) of Act 381.
3. That the proposed method of financing the costs of the eligible activities, as identified in the Brownfield Plan and defined in Act 381, is feasible and the Authority has the authority to arrange the financing.
4. That the costs of the eligible activities proposed in the Brownfield Plan are reasonable and necessary to carry out the purposes of Act 381.

5. That the amount of captured taxable value estimated to result from the adoption of the Brownfield Plan is reasonable.

6. That the Brownfield Plan in the form presented is approved and is effective immediately.

7. That the Development and Reimbursement Agreement is approved and is effective immediately.

8. That all resolutions or parts of resolutions in conflict herewith shall be hereby rescinded.

Be It Further Resolved that the Mayor and City Clerk are hereby authorized to execute all documents necessary or appropriate to implement the provisions of the Brownfield Plan.

AYES: Members

NAYS:

Members

RESOLUTION DECLARED ADOPTED.

Ann Marie Meisch, City Clerk

Stephen J. Gawron, Mayor

I hereby certify that the foregoing is a true and complete copy of a resolution adopted by the City Commission of the City of Muskegon, County of Muskegon, State of Michigan, at a regular meeting held on July 11, 2017, and that said meeting was conducted and public notice of said meeting was given pursuant to and in full compliance with the Open Meetings Act, being Act 267, Public Acts of Michigan, 1976, as amended, and that the minutes of said meeting were kept and will be or have been made available as required by said Act.

Ann Marie Meisch, City Clerk

DEVELOPMENT AND REIMBURSEMENT AGREEMENT

880 FIRST STREET, MUSKEGON

THIS **DEVELOPMENT AND REIMBURSEMENT AGREEMENT** (the “Agreement”) is made as of June 15, 2017, between the **CITY OF MUSKEGON**, a Michigan municipal corporation (the “City”), whose address is 933 Terrace Street, Muskegon, Michigan 49440, the **CITY OF MUSKEGON BROWNFIELD REDEVELOPMENT AUTHORITY**, a Michigan public body corporate (the “Authority”), whose address is 933 Terrace Street, Muskegon, Michigan 49440, the **CITY OF MUSKEGON DOWNTOWN DEVELOPMENT AUTHORITY** (the “DDA”) whose address is 933 Terrace Street, Muskegon, Michigan 49440, and **LIBERTY DEVELOPMENT, LLC**, a Michigan limited liability company, whose address is 272 West Clay Avenue, Muskegon, Michigan, 49440 (together with its successors and assigns, the “Property Owner”).

Recitals

A. Pursuant to the Brownfield Redevelopment Financing Act, Act 381 of the Public Acts of Michigan of 1996 as amended (“Act 381”) the City adopted a Brownfield Plan Amendment on June 15, 2017 (the “Brownfield Plan Amendment”) to add 0.57 acres of land at 880 First Street, City of Muskegon, Michigan which is legally described in the attached Exhibit A (the “Property”);

B. The Property is included in the Brownfield Plan Amendment as an “eligible property” because it is a “facility” as defined by Part 201 of the Natural Resources and Environmental Protection Act (“Part 201”). The Property Owner is not a liable party, under Part 201, for remediation of any existing contamination on the Property.

C. The Property Owner will conduct Eligible Activities (as defined in Act 381) on the Property in order to address environmental and other brownfield conditions and to position the Property for redevelopment as a mixed use development, including residential, office, and various commercial uses (the “Project”). In addition, the City plans to conduct certain Eligible Activities (specifically infrastructure improvements) in support of the project on immediately adjacent, publicly owned parcels and right-of-ways.

D. The Project will include department specific activities, demolition activities, lead and asbestos abatement activities, site preparation activities, infrastructure improvements, Brownfield Plan Amendment and work plan preparation, contingency, and interest, all as described in the Brownfield Plan Amendment and eligible for reimbursement under Act 381. The total amount of the Eligible Activities in the Brownfield Plan Amendment, including contingency and interest, is \$1,941,865 (the “Total Eligible Brownfield TIF Costs”).

E. The Eligible Activities will facilitate redevelopment of the Property which will improve the environmental and aesthetic condition of the Property, increase employment within the City, increase the tax base within the City, and otherwise enhance the economic vitality, environmental health and quality of life in the City.

F. Act 381 permits the Authority to capture and use the school tax (where applicable) and local property tax revenues (both real and personal property) generated from the incremental increase in property value of a redeveloped brownfield site constituting an “eligible property” under Act 381 (the “Brownfield TIF Revenue”) to pay or to reimburse the cost of Eligible Activities conducted on the “eligible property”.

G. The Property is located within the City of Muskegon Downtown District; therefore, the DDA has the authority to capture tax increment revenues generated by the levy of certain taxes on the property pursuant to the City of Muskegon Downtown Development Authority Development Plan and TIF Plan (the “DDA Plan”),

H. By signing this Agreement, the DDA agrees to forego any capture of Brownfield TIF Revenue on the Property until all obligations described in the Brownfield Plan Amendment (the “Plan”) are met. has

I. In accordance with Act 381, the parties desire to establish a procedure for using the available Brownfield TIF Revenue generated from the Property to reimburse the Property Owner and the City for completion of Eligible Activities on the Property in an amount not to exceed the Total Eligible Brownfield TIF Costs.

NOW, THEREFORE, the parties agree as follows:

1. Interlocal Agreement.

- a) Transfer and Use of Tax Increment Revenues. Only upon affirmative vote by City of Muskegon approving the Plan, shall the tax increment revenues captured by the DDA generated by the Property be transferred to the BRA to reimburse approved Eligible Activities.
- b) Limitation to Tax Increment Revenues from the Property. The DDA shall only transfer to the BRA the tax increment revenues generated by the Property to reimburse approved Eligible Activity costs identified in “Attachment C Table 1” in the approved Plan and authorized by Act 381. Upon conclusion or dissolution of the Plan, all tax increment revenues generated by the Property shall be captured by the DDA as stated in the DDA Plan.
- c) DDA Obligation subordinate to Existing Bonds. This DDA’s obligation to transfer tax increment revenues to the Authority pursuant to this Agreement is subordinate to and contingent upon, the ability of the DDA to capture sufficient tax increment revenues from the other remaining property in its Downtown District to pay its annual debt service obligations. In the event that the DDA does not have sufficient funds from tax increment revenues to pay its annual debt service obligations, then the DDA shall not be obligated to transfer tax increment revenues from the Property to the Authority in that year and so long as a shortfall exists.
- d) Authority as Agent under this Agreement. The parties designate the Authority as the agent to receive and disburse all tax increment revenues generated by the

Property until such time as all obligations of the approved Plan have been satisfied.

- e) Effective Date. The Agreement shall commence upon its approval by the legislative bodies of the DDA and Authority and duly executed by their authorized representatives and filed with the Muskegon County Clerk and Secretary of State of the State of Michigan as required by Act 7.
 - f) Severability. To the extent that any provisions contained in this Agreement are deemed unenforceable, to the extent possible, the remaining terms shall remain in effect.
 - g) Term. The parties agree that the use of Brownfield TIF Revenue from the Property to reimburse Eligible Activities, Authority administration fees, make deposits to the State Revolving Fund and the Local Brownfield Revolving Fund shall begin once tax increment revenues are collected from the eligible property, which will occur after the official approval of the Plan by the Muskegon City Council. This contract extends until all obligations under this contract are met.
2. Reimbursement Source. During the Term (defined below in paragraph 3), and except as set forth in Paragraph 4 below, the Authority shall reimburse the Property Owner and City for the cost of Eligible Activities conducted on the Property from the Brownfield TIF Revenue in accordance with the Plan. The amount reimbursed to Property Owner and City for the Eligible Activities shall not exceed the lesser of (a) the actual cost of Eligible Activities plus interest, or (b) the Total Eligible Brownfield TIF Costs.
3. Capture of Taxes. The Authority shall capture Brownfield TIF Revenue from the Property for the purposes described in Paragraph 5 below until the earlier the period authorized under subsection (4) and (5) of Section 13 of Act 381 or 30 years (the “Term”). The capture of state tax increment revenue is contingent upon the approval of an Act 381 Work Plan by the Michigan Strategic Fund.
4. Reimbursement Process.
- a) The Property Owner and City shall submit to the Authority a “Request for Cost Reimbursement” of Eligible Activities paid for and consistent with the approved Plan. The Request for Cost Reimbursement must include documentation sufficient for the Authority to determine whether the costs incurred were for Eligible Activities, including detailed construction draws or invoices and proof of payment or lien waivers. Copies of all invoices for Eligible Activities must note what Eligible Activities they support.
 - b) Within forty-five (45) days after receiving a Request for Cost Reimbursement, the Authority shall either approve or deny the use of Brownfield TIF Revenue for reimbursement. The Property Owner and City shall cooperate with the Authority’s review by providing information and documentation to supplement

the Request for Cost Reimbursement which may be reasonably requested by the Authority during its review period. Reimbursement will be made as Brownfield TIF Revenue is available. Brownfield TIF Revenue will be first be used to pay the Authority's Administrative Fee (annually calculated as 10% of state and local tax increment revenue capture) and second to reimburse Eligible Activities. The Property Owner and City will be reimbursed proportionately under the following ratio: 90% of available Brownfield TIF Revenue will be used to reimburse the Property Owner and 10% of available Brownfield TIF Revenue will be used to reimburse the City. If a partial payment is made by the Authority because of insufficient Brownfield TIF Revenue, the Authority shall make additional payments toward the remaining amount within thirty (30) days of its receipt of additional Brownfield TIF Revenue from the Property until all amounts approved have been fully paid or the end of the Term, whichever occurs first. The Authority is not required to reimburse Eligible Activities costs from any source other than the Property's Brownfield TIF Revenues. If the Authority determines that the requested costs are deemed ineligible for reimbursement, the Authority shall give notification in writing of its reasons for rejection within the forty-five (45) day time period for review.

- c) Interest at the rate of five percent (5%) per annum shall accrue from and after the date of approval of the first Request for Cost Reimbursement by the Authority until the entire amount due is reimbursed by the Authority under this Agreement
- d) The Authority will capture tax increment revenues for a period not to exceed 5 years after the Eligible Activities have been reimbursed for deposit into the Authority's Local Brownfield Revolving Fund (LBRF).

5. Adjustments.

- a) Property Owner agrees to waive any appeal of any tax assessment or reassessment of the Property provided, however, that this waiver shall not be binding on any person or entity who acquires title to all or any portion of the Property after the date of this Agreement.
- b) If, due to an appeal of any tax assessment or reassessment of any portion of the Property, or for any other reason the Authority is required to reimburse any Brownfield TIF Revenue previously paid to any tax levying unit of government, the Authority may deduct the amount of any such reimbursement, including interest and penalties, from any amounts due and owing the Property Owner or City. If all amounts due the Property Owner and City under this Agreement have been fully paid or the Authority is no longer obligated to make any further payments to the Property Owner and City, the Authority shall invoice the Property Owner and City for the amount of such reimbursement and the Property Owner and City shall pay the Authority such invoiced amount within forty-five (45) days of the receipt of the invoice.

7. Legislative Authorization. This Agreement is governed by and subject to the restrictions set forth in Act 381. If there is legislation enacted in the future that alters or affects the amount of Brownfield TIF Revenue subject to capture, eligible property, or Eligible Activities, then the parties' rights and obligations under this Agreement shall be modified accordingly as required by law, or by agreement of the parties.

8. Notices. All notices shall be given by registered or certified mail addressed to the parties at their respective addresses as shown above. Any notice to the City shall be directed to its City Clerk. Any party may change the address by written notice sent by registered or certified mail to the other party.

9. Assignment. This Agreement and the rights and obligations under this Agreement shall not be assigned or otherwise transferred by any party without the consent of the other party, which shall not be unreasonably withheld, provided, however, the Property Owner may assign its interest in this Agreement to an affiliate without the prior written consent of the Authority, provided that any such assignee shall acknowledge to the Authority in writing on or prior to the effective date of such assignment its obligations upon assignment under this Agreement, and provided, further, that the Property Owner may make a collateral assignment of the Brownfield TIF Revenue for project financing purposes. As used in this paragraph, "affiliate" means any corporation, company, partnership, limited liability company, trust, sole proprietorship or other entity or individual which (a) is owned or controlled by such the Property Owner, (b) owns or controls the Property Owner or (c) is under common ownership or control with the Property Owner. This Agreement shall be binding upon any successors or permitted assigns of the parties.

10. Entire Agreement. This Agreement supersedes all agreements previously made between the parties relating to the subject matter. There are no other understandings or agreements between them.

11. Non-Waiver. No delay or failure by any party to exercise any right under this Agreement, and no partial or single exercise of that right, constitutes a waiver of that or any other right, unless otherwise expressly provided herein.

12. Headings. Headings in this Agreement are for convenience only and shall not be used to interpret or construe its provisions.

13. Governing Law. This Agreement shall be construed in accordance with and governed by the laws of the State of Michigan.

14. Counterparts. This Agreement may be executed in two or more counterparts, each of which shall be deemed an original but all of which together shall constitute one and the same instrument.

15. Binding Effect. The provisions of this Agreement shall be binding upon and inure to the benefit of all the parties and their respective heirs, legal representatives, successors and assigns.

16. Electronic Signatures. Executed counterparts of this Agreement delivered by fax or other electronic means shall be considered originals for all purposes.

(Signatures appear on the following page)

WHEREFORE, this Agreement has been executed as of the date first written above.

LIBERTY DEVELOPMENT, LLC

By: _____

Its: _____

PROPERTY OWNER

**CITY OF MUSKEGON BROWNFIELD
REDEVELOPMENT AUTHORITY**

By: _____

Its: _____

AUTHORITY

**CITY OF MUSKEGON DOWNTOWN
DEVELOPMENT AUTHORITY**

By: _____

Its: _____

DDA

CITY OF MUSKEGON

By: _____

Its: _____

CITY

(Signature Page to Development and Reimbursement Agreement – 880 First Street)

EXHIBIT A
IDENTIFICATION OF PROPERTY

Property in the City of Muskegon, County of Muskegon, State of Michigan, to wit:

Property Address: 880 First Street, City of Muskegon, Muskegon County, Michigan

Property I.D. No.: 61-24-205-310-0012-00

CITY OF MUSKEGON REVISED PLAT 1903 LOTS 12-15 BLOCK 310 & the westerly 10' of lot 16 of block 310.

**City of Muskegon
Brownfield Redevelopment Authority
County of Muskegon, State of Michigan**

**RESOLUTION APPROVING REVISED BROWNFIELD PLAN AMENDMENT
LIBERTY BUILDING DEVELOPMENT PROJECT (Liberty Development, LLC)**

Minutes of a meeting of the Board of the City of Muskegon Brownfield Redevelopment Authority, County of Muskegon, State of Michigan, held in the City Hall on the 15th day of June, 2017 at 9:00 a.m., prevailing Eastern Time.

PRESENT: Members

Edbrooke, Johnson, Kleaveland, Peterson, Bottomley, Riegler, Sytsema, Pesch,
Kalisz

ABSENT: Members

None

The following preamble and resolution were offered by Member Riegler and supported by Member Sytsema:

WHEREAS, a Brownfield Plan was adopted by the Muskegon City Commission on April 14, 1998, pursuant to Act 381, Public Acts of Michigan, 1996 ("Act 381"), a copy of which is on file with the Secretary of the City of Muskegon Brownfield Redevelopment Authority (the "Authority"); and

WHEREAS, the Authority is authorized to approve amendments to the Brownfield Plan; and

WHEREAS, the Authority approved a draft Brownfield Plan Amendment to include the Liberty Building ("Project") during its meeting on June 15, 2017;

WHEREAS the draft Brownfield Plan Amendment has been revised to reflect the terms of the Brownfield Reimbursement Agreement negotiated between Liberty Development, LLC and the City;

WHEREAS the Authority recommends approval of the attached revised amendment to include the **Liberty Building Development** project ("Project") in the Brownfield Plan to the City of Muskegon, County of Muskegon, State of Michigan (the "City").

NOW, THEREFORE, BE IT RESOLVED AS FOLLOWS:

1. The revised Brownfield Plan Amendment complies with all the requirements set forth in Section 13(1) of Act 381.
2. The Project is reasonable and necessary to carry out the purposes of Act 381
3. The Board hereby adopts and approves the revised Brownfield Plan Amendment adding the Liberty Building Development Project and recommends the approval of the Brownfield Plan Amendment by the Muskegon City Commission
4. The Secretary of the Authority is directed to deliver a certified copy of this resolution and the revised Brownfield Plan Amendment to the City Clerk.
5. Disclaimer. By adoption of this resolution and approval of the Brownfield Plan Amendment, the Authority assumes no obligation or liability to the owner, developer or lessor of the Eligible Property for any loss or damage that may result to such persons from the adoption of this resolution and Brownfield Plan Amendment. The Authority makes no guarantees or representations as to the determinations of the appropriate state officials regarding the ability of the owner, developer or lessor to qualify for a Michigan business tax credit pursuant to Michigan Public Act 36 of 2007, as amended, or as to the ability of the Authority to capture tax increment revenues from the State school and local taxes for the Brownfield Plan,.
6. Repealer. All resolutions and parts of resolution in conflict with the provisions of this resolution are hereby repealed or amended to the extent of such conflict.

AYES: Edbrooke, Johnson, Kleaveland, Peterson, Bottomley, Riegler, Sytsema, Pesch,
Kalisz

NAYS: None

RESOLUTION DECLARED ADOPTED.



Michael Kleaveland, Secretary

I hereby certify that the foregoing is a true and complete copy of a resolution adopted by the Board of the City of Muskegon Brownfield Redevelopment Authority, County of Muskegon, State of Michigan, at a meeting held on June 15, 2017, and that said meeting was conducted and public notice of said meeting was given pursuant to and in full compliance with the Open Meetings Act, being Act 267, Public Acts of Michigan, 1976, and that the minutes of said meeting were kept and will be or have been made available as required by said Act.



Michael Kleaveland, Secretary

**City of Muskegon
Brownfield Redevelopment Authority
County of Muskegon, State of Michigan**

**RESOLUTION APPROVING BROWNFIELD DEVELOPMENT AND REIMBURSEMENT
AGREEMENT**

LIBERTY BUILDING PROJECT (Liberty Development, LLC)

Minutes of a meeting of the Board of the City of Muskegon Brownfield Redevelopment Authority ("Authority"), County of Muskegon, State of Michigan, held in the City Hall on the 15th of June, 2017 at 9:00 a.m., prevailing Eastern Time.

PRESENT: Members

Edbrooke, Johnson, Kleaveland, Peterson, Bottomley, Riegler, Sytsema, Pesch,
Kalisz

ABSENT: Members

None

The following preamble and resolution were offered by Member R. Pesch and supported by Member M. Johnson

WHEREAS, the Authority approved a Brownfield Plan Amendment to include the Liberty Building Development project ("Project") during its meeting on June 15, 2017;

WHEREAS, the Liberty Building Brownfield Plan Amendment includes tax increment financing to pay for certain eligible activities related to the Project;

WHEREAS, a Development and Reimbursement Agreement between the City and Liberty Development, LLC has been negotiated to provide for reimbursement of the costs of eligible activities identified in the Brownfield Plan Amendment.

NOW, THEREFORE, BE IT RESOLVED AS FOLLOWS:

1. The Development and Reimbursement Agreement between the City and Liberty Development, LLC for the Liberty Building Brownfield Plan Amendment is necessary to facilitate the implementation of the Brownfield Plan,
2. The Authority hereby approves the Development and Reimbursement Agreement for the Liberty Building Brownfield Plan, and recommends the approval of the Agreement by the Muskegon City Commission.
3. Repealer. All resolutions and parts of resolution in conflict with the provisions of this resolution are hereby repealed or amended to the extent of such conflict.

AYES: Edbrooke, Johnson, Kleaveland, Peterson, Bottomley, Riegler, Sytsema, Pesch,
Kalisz

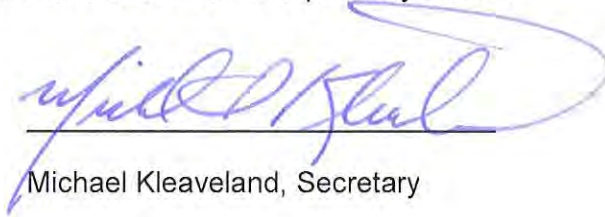
NAYS: None

RESOLUTION DECLARED ADOPTED.



Michael Kleaveland, Secretary

I hereby certify that the foregoing is a true and complete copy of a resolution adopted by the Board of the City of Muskegon Brownfield Redevelopment Authority, County of Muskegon, State of Michigan, at a meeting held on June 15, 2017, and that said meeting was conducted and public notice of said meeting was given pursuant to and in full compliance with the Open Meetings Act, being Act 267, Public Acts of Michigan, 1976, and that the minutes of said meeting were kept and will be or have been made available as required by said Act.



Michael Kleaveland, Secretary

MUSKEGON BROWNFIELD REDEVELOPMENT AUTHORITY

BROWNFIELD PLAN AMENDMENT

880 1st Street, Muskegon, Michigan 49440

PREPARED FOR

Muskegon Brownf eld Redevelopment Authority
933 Terrace Street
Muskegon, Michigan 49440
Contact Person: Mike Franzak
Email: mike.franzak@shorelinecity.com
Phone: (231) 724-6982

PREPARED BY

AKT Peerless
25 Ionia Avenue
Grand Rapids, Michigan 49503
Contact Person: Dan Wells
Email: wellsd@aktpeerless.com
Phone: (616) 608-0229

PROJECT

12237F

REVISION DATE

June 14, 2017

BRA APPROVAL
CITY APPROVAL

Table of Contents

1.0 INTRODUCTION.....	4
2.0 GENERAL PROVISIONS.....	4
2.1 DESCRIPTION OF ELIGIBLE PROPERTY (SECTION 13 (L)(H)).....	5
2.2 BASIS OF ELIGIBILITY (SECTION 13 (1)(H) , SECTION 2 (M)), SECTION 2(R).....	5
2.3 SUMMARY OF ELIGIBLE ACTIVITIES AND DESCRIPTION OF COSTS (SECTION 13 (1)(A),(B)) ...	5
2.4 ESTIMATE OF CAPTURED TAXABLE VALUE AND TAX INCREMENT REVENUES (SECTION 13(1)(C)); IMPACT OF TAX INCREMENT FINANCING ON TAXING JURISDICTIONS (SECTION 13(1)(G), SECTION 2(E))	7
2.5 PLAN OF FINANCING (SECTION 13(1)(D)); MAXIMUM AMOUNT OF INDEBTEDNESS (SECTION 13(1)(E))	8
2.6 DURATION OF BROWNFIELD PLAN (SECTION 13(1)(F))	8
2.7 EFFECTIVE DATE OF INCLUSION IN BROWNFIELD PLAN	8
2.8 DISPLACEMENT/RELOCATION OF INDIVIDUALS ON ELIGIBLE PROPERTY (SECTION 13(1)(I-L))	8
2.9 LOCAL SITE REMEDIATION REVOLVING FUND (“LSRRF”) (SECTION 8, SECTION 13(1)(M)).....	9
2.10 OTHER INFORMATION.....	9

ATTACHMENTS

A. achment A	Site Maps and Photographs
• Figure 1 – Scaled Property Location Map	
• Figure 2 – Eligible Property Boundary Map	
Attachment B	Legal Description
Attachment C	Tables
• Table 1 – Eligible Activities	
• Table 2 – Tax Increment Revenue Estimates	
• Table 3 – Reimbursement Allocation Schedule	

PROJECT SUMMARY

PROJECT NAME	Liberty Building - Redevelopment and Reuse of Properties Located at 880 1st Street, Muskegon, Michigan
DEVELOPER	Liberty Development, LLC 272 West Clay Avenue PO Box 732 Muskegon, Michigan 49440 Gary Post (231) 578-2033
ELIGIBLE PROPERTY LOCATION	The Eligible Property is located at 880 1st Street, Muskegon, Michigan. Parcel ID Number 61-24-205-310-0012-00.
TYPE OF ELIGIBLE PROPERTY	Facility
SUBJECT PROJECT DESCRIPTION	The Liberty Building Redevelopment Project (Project) consists of the redevelopment of the subject property, which is located at 880 1st Street in the City of Muskegon. This Project will include the rehabilitation of the existing 54,122-square foot, 5-story commercial building. The building will be rehabilitated to accommodate first floor retail tenants, second and third floor commercial office tenants, and fourth and fifth floor residential condominiums. The redevelopment plans also include the incorporation of underground parking. This Project will ultimately put the underutilized property back to productive use and return it to the City's tax rolls. The Project is seeking approval of Tax Increment Financing (TIF). Rehabilitation and construction are expected to begin in late winter of 2017.
ELIGIBLE ACTIVITIES	Department Specific Activities, Demolition, Lead and Asbestos Survey and Abatement, Site Preparation, Infrastructure Improvements, and Preparation of a Brownfield Plan and Act 381 Work Plan.
DEVELOPER'S REIMBURSABLE COSTS	\$ 1,161,853 (Est. Eligible Activities & Contingency) <u>\$ 780,011 (Interest)</u> \$ 1,941,864

MAXIMUM DURATION OF CAPTURE	30 years
ESTIMATED TOTAL CAPITAL INVESTMENT	\$6.85 million
INITIAL TAXABLE VALUE	\$0 (City Owned)

LIST OF ACRONYMS AND DEFINITIONS

BEA	Baseline Environmental Assessment (Michigan process to provide new property owners and/or operators with exemptions from environmental liability)
BFP OR PLAN DEVELOPER	Brownfield Plan Liberty Development, LLC
ELIGIBLE PROPERTY	Property for which eligible activities are identified under a Brownfield Plan, referred to herein as “the subject property”.
ESA	Environmental Site Assessment
LBRF	Local Brownfield Revolving Fund
MBRA	Muskegon Brownfield Redevelopment Authority
MDEQ	Michigan Department of Environmental Quality
MEDC	Michigan Economic Development Corporation
MSF	Michigan Strategic Fund
PHASE I ESA	An environmental historical review and site inspection (no soil and/or groundwater sampling and analysis)
PHASE II ESA	Environmental subsurface investigation (includes soil, soil gas, and/or groundwater sampling and analysis)
RCC	Residential Cleanup Criteria
SUBJECT PROPERTY	The Eligible Property, located at 880 1st Street, northeast of the intersection of 1st Street and W. Clay Street, in Muskegon, Michigan. It comprises one parcel.
TIF	Tax Increment Financing (TIF describes the process of using TIR—i.e., TIF is the use of TIR to provide financial support to a project)
TIR	Tax Increment Revenue (new property tax revenue, usually due to redevelopment and improvement that is generated by a property after approval of a Brownfield Plan)

BROWNFIELD PLAN

880 1st Street, Muskegon, Michigan 49440

1.0 Introduction

The City of Muskegon, Michigan (the “City”), established the Muskegon Brownfield Plan on April 14, 1998, pursuant to Michigan Public Act 381 of 1996, as amended (“Act 381”). The primary purpose of Act 381 is to encourage the redevelopment of eligible property by providing economic incentives through tax increment financing for certain eligible activities.

The main purpose of this Brownfield Plan is to promote the redevelopment of and investment in certain “Brownfield” properties within the City. Inclusion of subject property within Brownfield plans will facilitate financing of environmental response and other eligible activities at eligible properties, and will also provide tax incentives to eligible taxpayers willing to invest in revitalization of eligible sites, commonly referred to as “Brownfields.” By facilitating redevelopment of Brownfield properties, Brownfield plans are intended to promote economic growth for the benefit of the residents of the City and all taxing units located within and benefited by the Authority.

The identification or designation of a developer or proposed use for the Eligible Property that is the subject of this Brownfield Plan (the “subject property”) shall not be integral to the effectiveness or validity of this Brownfield Plan. This Brownfield Plan is intended to apply to the subject property identified in this Brownfield Plan and, if tax increment revenues are proposed to be captured from that subject property, to identify and authorize the eligible activities to be funded by such tax increment revenues. Any change in the proposed developer or proposed use of the subject property shall not necessitate an amendment to this Brownfield Plan, affect the application of this Brownfield Plan to the subject property, or impair the rights available to the Authority under this Brownfield Plan.

This Brownfield Plan is intended to be a living document, which may be modified or amended in accordance with the requirements of Act 381, as necessary to achieve the purposes of Act 381. The applicable sections of Act 381 are noted throughout the Brownfield Plan for reference purposes.

This Brownfield Plan contains information required by Section 13(1) of Act 381.

The Liberty Building (Project) consists of the redevelopment of the existing 54,122-square foot, 5-story commercial building. The building will be rehabilitated to accommodate first floor retail tenants, second and third floor commercial office tenants, and fourth and fifth floor residential condominiums. This Project will ultimately put an underutilized property back to productive use, increase urban density and will return the property to the City’s tax rolls.

The Project is seeking approval of Tax Increment Financing (TIF). Rehabilitation and construction are expected to begin in late winter of 2017.

2.0 General Provisions

The following sections detail information required by Act 381.

2.1 Description of Eligible Property (Section 13 (l)(h))

The Eligible Property (“subject property”) is located at 880 1st Street, in the southeast ¼ of Section 19 (Township 10 North /Range 16 West) in Muskegon, Michigan. The subject property is situated northeast of the intersection of 1st Street and W. Clay Street. The subject property consists of a 0.46-acre parcel. The subject property is located in an area of Muskegon (“City”) that is characterized by commercial and residential properties and vacant lots. The subject property is located within the City’s Business Improvement District and Downtown Development District.

The following table describes the subject property. See Attachment A, Figure 2 – Eligible Property Boundary Map.

Eligible Property Information

Address	Tax Identification Number	Basis of Brownfield Eligibility	Approximate Acreage
880 1st Street	61-24-205-310-0012-00	Facility	0.46

The subject property is within the Mainstreet Form-Based Code zoning district (FBC-MS). It currently contains a 5-story vacant commercial building (the former Ameribank building). Exterior portions of the subject property include landscaped areas.

Attachment A includes site maps of the Eligible Property, refer to: Figure 1, Scaled Property Location Map and Figure 2, Eligible Property Boundary Map (which includes lot dimensions). The legal description of the parcel included in the Eligible Property is presented in Attachment B.

The parcel and all tangible real and personal property located thereon will comprise the Eligible Property, which is referred to herein as the “subject property.”

2.2 Basis of Eligibility (Section 13 (1)(h) , Section 2 (m)), Section 2(r))

The subject property is considered “Eligible Property” as defined by Act 381, Section 2 because: (a) the subject property was previously utilized as commercial property; (b) it is located within the City of Muskegon, a qualified local governmental unit, or “Core Community” under Act 381; and (c) the subject property has been determined to be a “facility.”

The subject property most recently operated as a bank. The parcel was acquired by the City of Muskegon through voluntary purchase in December 2015.

According to previous environmental investigations conducted on the property, polynuclear aromatic hydrocarbons (PNAs) (e.g., benzo(a)pyrene and dibenzo(a,h)anthracene) have been identified in soil on the property at concentrations exceeding Michigan Department of Environmental Quality (MDEQ) Direct Contact Cleanup Criteria.

2.3 Summary of Eligible Activities and Description of Costs (Section 13 (1)(a),(b))

The “eligible activities” that are intended to be carried out at the subject property are considered “eligible activities” as defined by Sec 2 of Act 381, because they include department specific activities, demolition, lead and asbestos survey and abatement, site preparation, infrastructure improvements, and

the preparation of Brownfield and Act 381 work plans (including cost tracking and reimbursement request preparation) (see Table 1).

A summary of the eligible activities and the estimated cost of each eligible activity intended to be paid for with Tax Increment Revenues from the subject property are shown in the table below

Estimated Cost of Reimbursable Eligible Activities

Description of Eligible Activity		Estimated Cost*	
1.	Department Specific Activities	\$	9,500
2.	Demolition	\$	356,000
3.	Lead and Asbestos Activities	\$	93,500
4.	Site Preparation	\$	68,388
5.	Infrastructure Improvements	\$	450,310
Total Environmental and Non-Environmental Eligible Activities		\$	977,698
6.	15% Contingency on Eligible Activities	\$	146,655
7.	Brownfield Plan & Act 381 WP Preparation Activities	\$	37,500
Total Eligible Activities Cost with 15% Contingency		\$	1,161,853
8.	BRA Administration Fee	\$	242,078
9.	State Revolving Fund	\$	124,845
10.	Local Brownfield Revolving Fund (LBRF)**	\$	255,492
11.	Interest (calculated at 5%, simple)***	\$	780,011
Total Eligible Costs for Reimbursement		\$	2,564,280

*Estimated costs are subject to approval by MSF. Any costs not approved by the MSF may become local only costs paid out of captured tax increment revenues from locally levied millages (to the extent available).

**LBRF deposits will be made in accordance with Act 381.

***Interest is calculated annually at 5% simple interest on unreimbursed eligible activities, in accordance with MBRA policy.

A detailed breakout of the eligible activities and the estimated cost of each eligible activity intended to be paid for with Tax Increment Revenues from the subject property is shown in Attachment C, Table 1.

It is currently anticipated that construction will begin in summer 2017 and be completed by spring 2018.

The Developer desires to be reimbursed for the costs of eligible activities. Tax increment revenue generated by the subject property will be captured by the Authority and used to reimburse the cost of the eligible activities completed on the subject property after approval of this Brownfield Plan and an associated Reimbursement Agreement.

The costs listed in the table above are estimated costs and may increase or decrease depending on the nature and extent of environmental contamination and other unknown conditions encountered on the subject property. The actual cost of those eligible activities encompassed by this Brownfield Plan that will qualify for reimbursement from tax increment revenues of the Authority from the subject property shall be governed by the terms of a Reimbursement Agreement with the Authority (the "Reimbursement Agreement"). No costs of eligible activities will be qualified for reimbursement except to the extent

permitted in accordance with the terms and conditions of the Reimbursement Agreement and/or the Development Agreement.

In accordance with this Brownfield Plan, and the associated Reimbursement Agreement, the amount advanced by the Developer will be repaid by the Authority with interest at the rate set at 5% simple interest, solely from the tax increment revenues realized from the Eligible Property. Payments will be made to the full extent incremental property tax revenues are or become available for such purpose under the Act. Based on the projected cost of eligible activities, interest reimbursement in this Brownfield Plan is estimated at \$780,011. However, if the actual cost of eligible activities turns out to be lower than the above estimates, interest reimbursement may be lower, subject to the 5% simple interest calculation.

Tax increment revenues will first be used to pay or reimburse administrative expenses described in the table above. The amount of school tax revenues, which will be used to reimburse the costs of implementing eligible activities at this site, will be limited to the cost of eligible activities approved by the MSF, with the interest rate provided above. In the event that the use of school tax revenues to reimburse specific eligible activities is not approved by the MSF, these specific activities will be reimbursed with local-only TIF (to the extent available).

2.4 Estimate of Captured Taxable Value and Tax Increment Revenues (Section 13(1)(c)); Impact of Tax Increment Financing On Taxing Jurisdictions (Section 13(1)(g), Section 2(ee))

This Brownfield Plan anticipates the capture of tax increment revenues to reimburse the Developer for the costs of eligible activities under this Brownfield Plan in accordance with the Reimbursement Agreement. A table of estimated tax increment revenues to be captured is attached to this Brownfield Plan as Attachment C, Table 2. Tax increment revenue capture is expected to begin in 2019.

The subject property is located within the City of Muskegon's Downtown Development District, managed by the Downtown Development Authority (DDA). The DDA has the authority to capture all tax increment revenues other than the state education tax and local or intermediate school district taxes. However, it is anticipated that an interlocal agreement will be executed between the DDA and the MBRA to allow all of the DDA's incremental revenue to be captured by the MBRA and used for the purposes described in this plan.

The total estimated cost of the eligible activities and other costs (including administrative fees, contingency, interest and state and local brownfield revolving fund deposits) to be reimbursed through the capture of tax increment revenue is projected to be \$2,564,280. The estimated effective initial taxable value for this Brownfield Plan is \$0, and is based on land and real property tax only. The initial taxable value of \$0 is set in 2017, the year in which the eligible property was included in this plan. Redevelopment of the subject property is expected to initially generate incremental taxable value in 2019 with the first significant increase in taxable value of approximately \$1,668,311 beginning in 2019.

It is estimated that the Authority will capture the 2019 through 2048 tax increment revenues to reimburse the cost of the eligible activities, reimburse interest, make deposits to the State Brownfield Redevelopment Fund and LBRF and pay Authority administrative fees. An estimated schedule of tax increment revenue reimbursement is provided as Attachment C, Table 3.

The captured incremental taxable value and associated tax increment revenue will be based on the actual increased taxable value from all taxable improvements on the subject property and the actual

millage rates levied by the various taxing jurisdictions during each year of the plan, as shown in Attachment C, Tables 2 and 3. The actual tax increment captured will be based on taxable value set through the property assessment process by the local unit of government and equalized by the County and the millage rates set each year by the taxing jurisdictions.

2.5 Plan of Financing (Section 13(1)(d)); Maximum Amount of Indebtedness (Section 13(1)(e))

Eligible activities are to be financed by the Developer. The Authority will reimburse the Developer for the cost of approved eligible activities, but only from tax increment revenues generated from the subject property as available, and subject to the Reimbursement Agreement and Development Agreement.

All reimbursements authorized under this Brownfield Plan shall be governed by the Reimbursement Agreement. The Authority shall not incur any note or bonded indebtedness to finance the purposes of this Brownfield Plan. The inclusion of eligible activities and estimates of costs to be reimbursed in this Brownfield Plan is intended to: (1) authorize the Authority to fund such reimbursements; and (2) provide the DDA with relevant information necessary to form and execute an interlocal agreement to fund such reimbursements. The inclusion of eligible activities and estimates of costs to be reimbursed in this Brownfield Plan does not obligate the Authority to fund any reimbursement or to enter into the Reimbursement Agreement providing for the reimbursement of any costs for which tax increment revenues may be captured under this Brownfield Plan, or which are permitted to be reimbursed under this Brownfield Plan. The amount and source of any tax increment revenues that will be used for purposes authorized by this Brownfield Plan, and the terms and conditions for such use and upon any reimbursement of the expenses permitted by the Brownfield Plan, will be provided solely under the Reimbursement Agreement contemplated by this Brownfield Plan.

2.6 Duration of Brownfield Plan (Section 13(1)(f))

Current tax capture projections indicate the tax increment capture will continue for 30 years. In no event shall the duration of the Brownfield Plan exceed 35 years following the date of the resolution approving the Brownfield Plan, nor shall the duration of the tax capture exceed the lesser of the period authorized under subsection (4) and (5) of Section 13 of Act 381 or 30 years. Further, in no event shall the beginning date of the capture of tax increment revenues be later than five years after the date of the resolution approving the Brownfield Plan.

2.7 Effective Date of Inclusion in Brownfield Plan

The subject property will become a part of this Brownfield Plan on the date this Brownfield Plan is approved by the City of Muskegon. The date of tax capture shall commence during the year construction begins or the immediate following year—as increment revenue becomes available—but the beginning date of tax capture shall not exceed five years beyond the date of the governing body resolution approving the Brownfield Plan amendment.

2.8 Displacement/Relocation of Individuals on Eligible Property (Section 13(1)(i-l))

There are no persons or businesses residing on the Eligible Property, and no occupied residences will be acquired or cleared; therefore there will be no displacement or relocation of persons or businesses under this Brownfield Plan.

2.9 Local Brownfield Revolving Fund (“LBRF”) (Section 8, Section 13(1)(m))

The Authority has established a Local Brownfield Revolving Fund (LBRF). The Authority will capture incremental local and state school taxes to fund the LBRF, to the extent allowed by law. The rate and schedule of incremental tax capture for the LBRF will be determined on a case-by-case basis. Considerations may include, but not be limited to the following: total capture duration, total annual capture, project economic factors, level of existing LBRF funding, projected need for LBRF funds, and amount of school tax capture available in accordance with Act 381.

The amount of tax increment revenue authorized for capture and deposit in the LBRF is estimated at \$255,492.

2.10 Other Information

The tax capture breakdown of tax increment revenues anticipated to become available for use in this Brownfield Plan is summarized below.

There are 53.3479 non-homestead mills available for capture, with school millage equaling 24.0000 mills (45%) and local millage equaling 29.3479 mills (55%). Approximately 35% of the project will include homestead residential property, which impacts the proportion of school and local tax capture. There are 35.3479 homestead mills available for capture, with school millage equaling 6.000 mills (17%) and local millage equaling 29.3479 (83%). The Project is also anticipating approval of an Obsolete Property Rehabilitation Act (OPRA) tax abatement which would abate 100% of local taxes for up to 12 years and 50% of state taxes for up to 6 years. The requested tax capture for environmental and non-environmental eligible activities breaks down as follows:

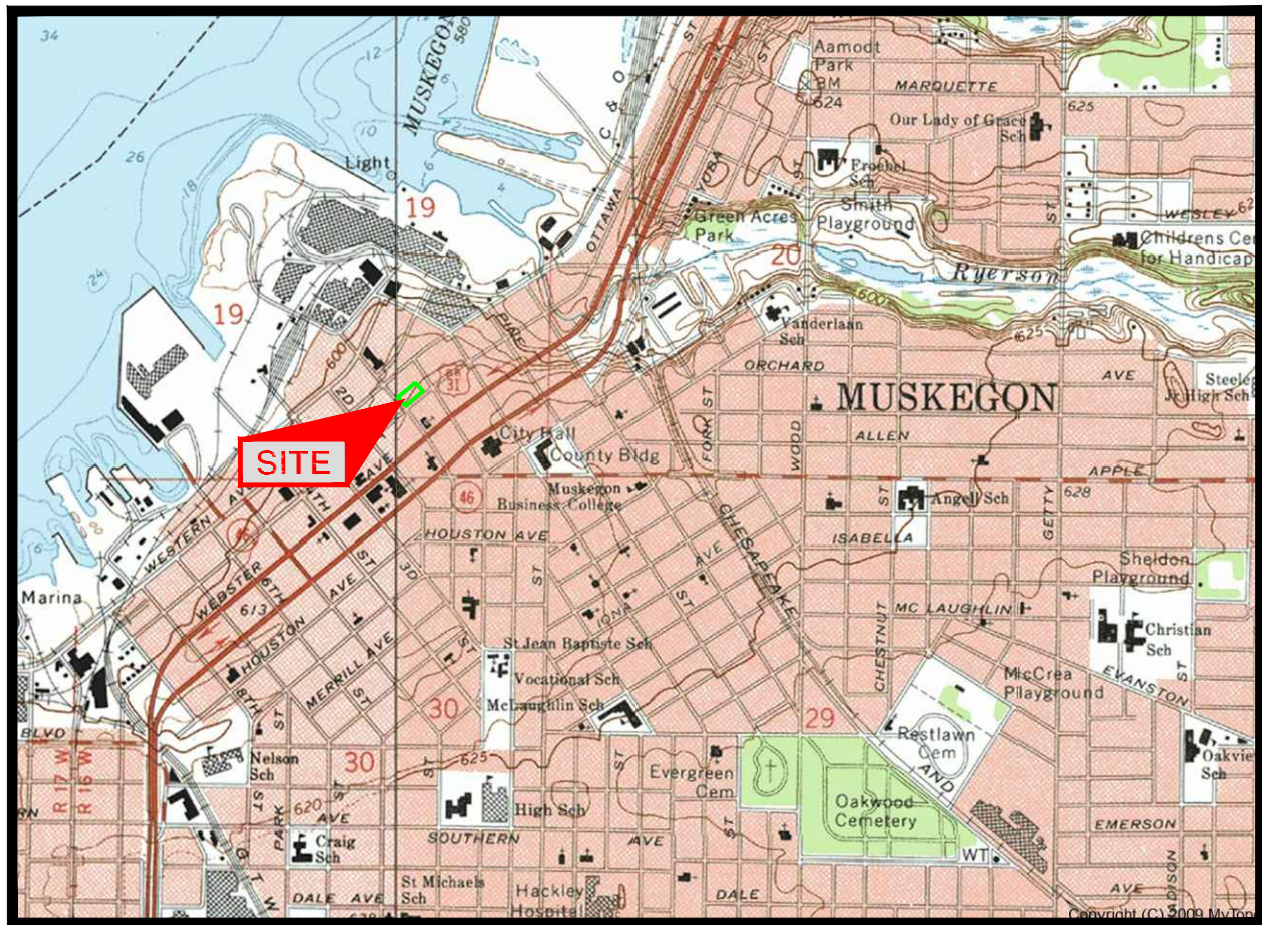
Tax Capture

State to Local Tax Capture	Eligible Activities, Interest, Contingency
MSF School tax capture (44.51%)	\$864,324
MSF Local tax capture (55.49%)	\$1,077,541
Local-Only tax capture	\$0
Total	\$1,941,865

Attachments

Attachment A
Site Maps and Photographs

MUSKEGON EAST QUADRANGLE
MICHIGAN - MASKEGON COUNTY
7.5 MINUTE SERIES (TOPOGRAPHIC)



T.10 N.-R.16 W.

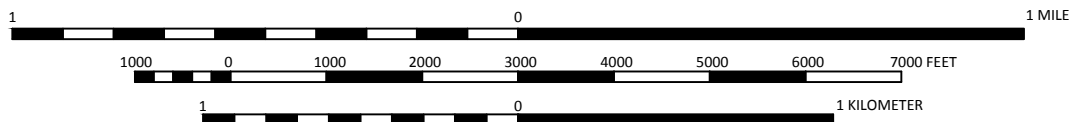
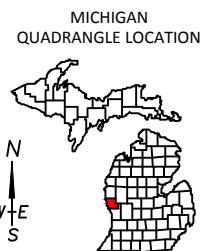
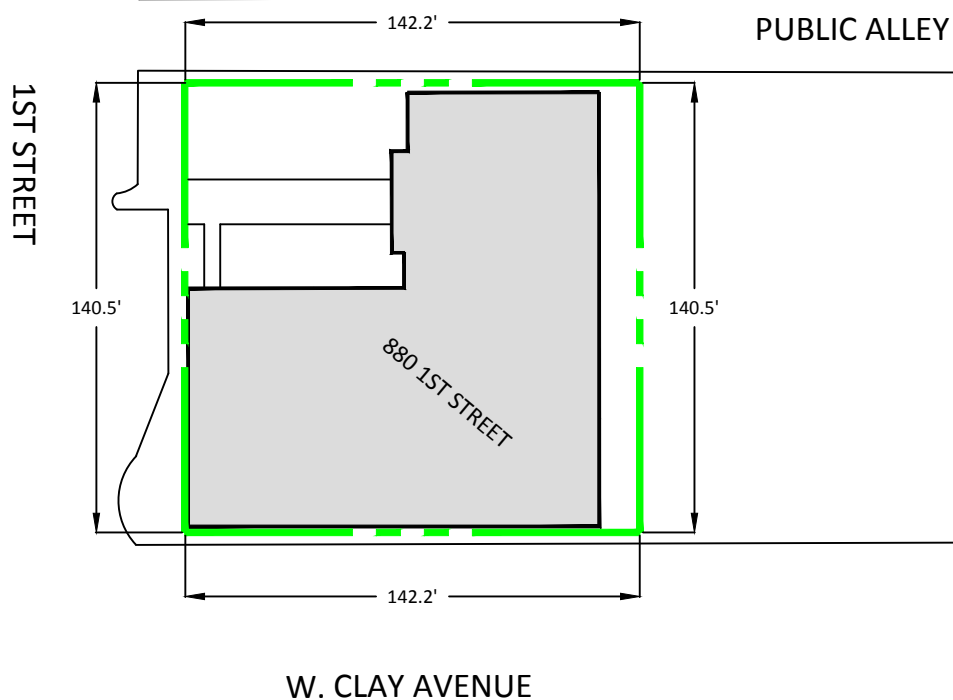


IMAGE TAKEN FROM 1972 U.S.G.S. TOPOGRAPHIC MAP
PHOTOREVISED 1980



W. WESTERN AVENUE



LEGEND

— — — — — = PROPERTY LINE



www.aktpeerless.com

ELIGIBLE PROPERTY BOUNDARY MAP

880 1ST STREET
MUSKEGON, MICHIGAN
PROJECT NUMBER: 12337F-2-25

DRAWN BY: OGO
DATE: 04/04/2017

0 30 60
SCALE: 1" = 60'

FIGURE 2

Attachment B
Legal Description(s)

CITY OF MUSKEGON REVISED PLAT 1903 LOTS 12-15 BLOCK 310 & the westerly 10' of lot 16 of block 310.

Attachment C

Tables

Table 1. Eligible Activities

Liberty Building
880 1st Street
Muskegon, MI
AKT Peerless Project No. 12337
As of June 12, 2017

ELIGIBLE ACTIVITIES COST SUMMARY				
				Estimated Cost of Eligible Activity
Department Specific Activities				\$ 9,500
Demolition				\$ 356,000
Lead and Asbestos Activities				\$ 93,500
Site Preparation Activities				\$ 68,388
Eligible Infrastructure Improvement Activities				\$ 450,310
TOTAL NON-ENVIRONMENTAL ELIGIBLE ACTIVITIES				\$ 968,198
Total Environmental and Non-Environmental Eligible Activities				\$ 977,698
15% Contingency on Eligible Activities				\$ 146,655
Brownfield Plan & Act 381 WP Preparation Activities				\$ 37,500
Total Eligible Activities Cost with 15% Contingency				\$ 1,161,853
Interest (calculated at 5%, simple)				\$ 780,011
Total Eligible Activities Cost, with Contingency & Interest				\$ 1,941,865
BRA Administration Fee				\$ 242,078
State Revolving Fund				\$ 124,845
Local Brownfield Revolving Fund (LBRF)				\$ 255,492
Total Eligible Costs for Reimbursement				\$ 2,564,280

Table 2. Tax Increment Revenue Estimates

Liberty Building
880 1st Street
Muskegon, MI
AKT Peerless Project No. 12337b
As of June 12, 2017

		Estimated TV Increase rate: 1.01															
		Plan Year	1	2	3	4	5	6	7	8	9	10	11	12	13	14	
		Calendar Year	2019	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030	2031	2032	
		Initial Taxable Value	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
		Estimated New TV	\$ 1,668,311	\$ 1,684,994	\$ 1,701,844	\$ 1,718,862	\$ 1,736,051	\$ 1,753,411	\$ 1,770,945	\$ 1,788,655	\$ 1,806,541	\$ 1,824,607	\$ 1,842,853	\$ 1,861,281	\$ 1,879,894	\$ 1,898,693	
		Estimated New TV (Residential Only)	\$ 583,909	\$ 589,748	\$ 595,645	\$ 601,602	\$ 607,618	\$ 613,694	\$ 619,831	\$ 626,029	\$ 632,289	\$ 638,612	\$ 644,998	\$ 651,448	\$ 657,963	\$ 664,543	
		Estimated New TV (Land Only)	\$ 57,500	\$ 58,075	\$ 58,656	\$ 59,242	\$ 59,835	\$ 60,433	\$ 61,037	\$ 61,648	\$ 62,264	\$ 62,887	\$ 63,516	\$ 64,151	\$ 64,792	\$ 65,440	
		Incremental Difference (New TV - Initial TV)	\$ 1,668,311	\$ 1,684,994	\$ 1,701,844	\$ 1,718,862	\$ 1,736,051	\$ 1,753,411	\$ 1,770,945	\$ 1,788,655	\$ 1,806,541	\$ 1,824,607	\$ 1,842,853	\$ 1,861,281	\$ 1,879,894	\$ 1,898,693	
School Capture	Millage Rate		\$ 0.35														
State Education Tax (SET)	6.0000	Incremental	\$ 6,929	\$ 6,998	\$ 7,068	\$ 7,139	\$ 7,211	\$ 7,283	\$ 10,626	\$ 10,732	\$ 10,839	\$ 10,948	\$ 11,057	\$ 11,168	\$ 11,279	\$ 11,392	
School Operating Tax	18.0000	Incremental	\$ 10,277	\$ 10,380	\$ 10,484	\$ 10,589	\$ 10,694	\$ 10,801	\$ 20,720	\$ 20,927	\$ 21,137	\$ 21,348	\$ 21,561	\$ 21,777	\$ 21,995	\$ 22,215	
School Total	24.0000		\$ 17,206	\$ 17,378	\$ 17,552	\$ 17,728	\$ 17,905	\$ 18,084	\$ 31,346	\$ 31,659	\$ 31,976	\$ 32,296	\$ 32,618	\$ 32,945	\$ 33,274	\$ 33,607	
Abatement Value (school) - OPRA			\$ 12,323	\$ 12,446	\$ 12,571	\$ 12,696	\$ 12,823	\$ 12,951									
Abatement Value (school taxes)			\$ 12,323	\$ 12,446	\$ 12,571	\$ 12,696	\$ 12,823	\$ 12,951	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
Local Capture	Millage Rate																
County Museum	0.3221	Incremental	\$ 335	\$ 338	\$ 342	\$ 345	\$ 349	\$ 352	\$ 356	\$ 359	\$ 363	\$ 367	\$ 370	\$ 374	\$ 606	\$ 612	
County Veterans	0.0752	Incremental	\$ 78	\$ 79	\$ 80	\$ 81	\$ 81	\$ 82	\$ 83	\$ 84	\$ 85	\$ 86	\$ 86	\$ 87	\$ 141	\$ 143	
Senior Cit Svc	0.5000	Incremental	\$ 520	\$ 525	\$ 531	\$ 536	\$ 541	\$ 547	\$ 552	\$ 558	\$ 563	\$ 569	\$ 575	\$ 580	\$ 940	\$ 949	
Central Dispatch	0.3000	Incremental	\$ 312	\$ 315	\$ 318	\$ 322	\$ 325	\$ 328	\$ 331	\$ 335	\$ 338	\$ 341	\$ 345	\$ 348	\$ 564	\$ 570	
Comm College	2.2037	Incremental	\$ 2,293	\$ 2,316	\$ 2,339	\$ 2,362	\$ 2,386	\$ 2,410	\$ 2,434	\$ 2,458	\$ 2,483	\$ 2,508	\$ 2,533	\$ 2,558	\$ 4,143	\$ 4,184	
M.A.I.S.D	4.7580	Incremental	\$ 4,950	\$ 5,000	\$ 5,050	\$ 5,100	\$ 5,151	\$ 5,203	\$ 5,255	\$ 5,308	\$ 5,361	\$ 5,414	\$ 5,468	\$ 5,523	\$ 8,945	\$ 9,034	
City Op	10.0905	Incremental	\$ 10,499	\$ 10,604	\$ 10,710	\$ 10,817	\$ 10,925	\$ 11,034	\$ 11,145	\$ 11,256	\$ 11,369	\$ 11,482	\$ 11,597	\$ 11,713	\$ 18,969	\$ 19,159	
City Sanitation	3.0000	Incremental	\$ 3,121	\$ 3,153	\$ 3,184	\$ 3,216	\$ 3,248	\$ 3,281	\$ 3,313	\$ 3,347	\$ 3,380	\$ 3,414	\$ 3,448	\$ 3,482	\$ 5,640	\$ 5,696	
Hackley Library	2.4000	Incremental	\$ 2,497	\$ 2,522	\$ 2,547	\$ 2,573	\$ 2,598	\$ 2,624	\$ 2,651	\$ 2,677	\$ 2,704	\$ 2,731	\$ 2,758	\$ 2,786	\$ 4,512	\$ 4,557	
County Operating	5.6984	Incremental	\$ 5,929	\$ 5,988	\$ 6,048	\$ 6,109	\$ 6,170	\$ 6,231	\$ 6,294	\$ 6,357	\$ 6,420	\$ 6,484	\$ 6,549	\$ 6,615	\$ 10,712	\$ 10,820	
Local Total	29.3479		\$ 30,535	\$ 30,840	\$ 31,149	\$ 31,460	\$ 31,775	\$ 32,093	\$ 32,413	\$ 32,738	\$ 33,065	\$ 33,396	\$ 33,730	\$ 34,067	\$ 55,171	\$ 55,723	
Abatement Value (local) - OPRA			\$ 15,069	\$ 15,219	\$ 15,372	\$ 15,525	\$ 15,681	\$ 15,837	\$ 15,996	\$ 16,156	\$ 16,317	\$ 16,480	\$ 16,645	\$ 16,812			
Abatement Value (local taxes)			\$ 15,069	\$ 15,219	\$ 15,372	\$ 15,525	\$ 15,681	\$ 15,837	\$ 15,996	\$ 16,156	\$ 16,317	\$ 16,480	\$ 16,645	\$ 16,812	\$ -	\$ -	
Non-Capturable Millages	Millage Rate																
Comm College Dbt	0.3400	Tax Jurisd.	\$ 218	\$ 220	\$ 222	\$ 225	\$ 227	\$ 229	\$ 231	\$ 234	\$ 236	\$ 239	\$ 241	\$ 243	\$ 639	\$ 646	
Hackley Debt	0.4962	Tax Jurisd.	\$ 318	\$ 321	\$ 325	\$ 328	\$ 331	\$ 335	\$ 338	\$ 341	\$ 345	\$ 348	\$ 352	\$ 355	\$ 933	\$ 942	
MPS Debt -1995	4.1600	Tax Jurisd.	\$ 2,668	\$ 2,695	\$ 2,722	\$ 2,749	\$ 2,777	\$ 2,804	\$ 2,832	\$ 2,861	\$ 2,889	\$ 2,918	\$ 2,947	\$ 2,977	\$ 7,820	\$ 7,899	
MPS Debt -2009	2.1900	Tax Jurisd.	\$ 1,405	\$ 1,419	\$ 1,433	\$ 1,447	\$ 1,462	\$ 1,476	\$ 1,491	\$ 1,506	\$ 1,521	\$ 1,536	\$ 1,552	\$ 1,567	\$ 4,117	\$ 4,158	
MPS Sinking	1.0000	Tax Jurisd.	\$ 641	\$ 648	\$ 654	\$ 661	\$ 667	\$ 674	\$ 681	\$ 688	\$ 695	\$ 701	\$ 709	\$ 716	\$ 1,880	\$ 1,899	
Total Non-Capturable Taxes	8.1862		\$ 5,251	\$ 5,303	\$ 5,356	\$ 5,410	\$ 5,464	\$ 5,519	\$ 5,574	\$ 5,629	\$ 5,686	\$ 5,743	\$ 5,800	\$ 5,858	\$ 15,389	\$ 15,543	
Abatement Value (non-capt) - OPRA			\$ 8,406	\$ 8,490	\$ 8,575	\$ 8,661	\$ 8,748	\$ 8,835	\$ 8,924	\$ 9,013	\$ 9,103	\$ 9,194	\$ 9,286	\$ 9,379			
Abatement Value (non-capturable) taxes)			\$ 8,406	\$ 8,490	\$ 8,575	\$ 8,661	\$ 8,748	\$ 8,835	\$ 8,924	\$ 9,013	\$ 9,103	\$ 9,194	\$ 9,286	\$ 9,379	\$ -	\$ -	
Total Annual OPRA Abatement Value			\$ 35,798	\$ 36,156	\$ 36,517	\$ 36,883	\$ 37,251	\$ 37,624	\$ 24,919	\$ 25,169	\$ 25,420	\$ 25,674	\$ 25,931	\$ 26,190	\$ -	\$ -	
Total Accumulated OPRA Abatement Value			\$ 35,798	\$ 71,954	\$ 108,471	\$ 145,354	\$ 182,606	\$ 220,230	\$ 245,149	\$ 270,317	\$ 295,738	\$ 321,412	\$ 347,343	\$ 373,534	\$ 373,534	\$ 373,534	

Table 2. Tax Increment Revenue Estimates

Liberty Building
880 1st Street
Muskegon, MI
AKT Peerless Project No. 12337b
As of June 12, 2017

Estimated TV Increase rate:																			
	Plan Year	15	16	17	18	19	20	21	22	23	24	25	26	27	28	29	30		
	Calendar Year	2033	2034	2035	2036	2037	2038	2039	2040	2041	2042	2043	2044	2045	2046	2047	2048		
	Initial Taxable Value	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -		
	Estimated New TV	\$ 1,917,680	\$ 1,936,857	\$ 1,956,225	\$ 1,975,788	\$ 1,995,545	\$ 2,015,501	\$ 2,035,656	\$ 2,056,012	\$ 2,076,573	\$ 2,097,338	\$ 2,118,312	\$ 2,139,495	\$ 2,160,890	\$ 2,182,499	\$ 2,204,324	\$ 2,226,367		
	Estimated New TV (Residential Only)	\$ 671,188	\$ 677,900	\$ 684,679	\$ 691,526	\$ 698,441	\$ 705,425	\$ 712,480	\$ 719,604	\$ 726,800	\$ 734,068	\$ 741,409	\$ 748,823	\$ 756,311	\$ 763,875	\$ 771,513	\$ 779,228		
	Estimated New TV (Land Only)	\$ 66,095	\$ 66,756	\$ 67,423	\$ 68,098	\$ 68,778	\$ 69,466	\$ 70,161	\$ 70,863	\$ 71,571	\$ 72,287	\$ 73,010	\$ 73,740	\$ 74,477	\$ 75,222	\$ 75,974	\$ 76,734		
	Incremental Difference (New TV - Initial TV)	\$ 1,917,680	\$ 1,936,857	\$ 1,956,225	\$ 1,975,788	\$ 1,995,545	\$ 2,015,501	\$ 2,035,656	\$ 2,056,012	\$ 2,076,573	\$ 2,097,338	\$ 2,118,312	\$ 2,139,495	\$ 2,160,890	\$ 2,182,499	\$ 2,204,324	\$ 2,226,367		
School Capture	Millage Rate																		
State Education Tax (SET)	6.0000	Incremental	\$ 11,506	\$ 11,621	\$ 11,737	\$ 11,855	\$ 11,973	\$ 12,093	\$ 12,214	\$ 12,336	\$ 12,459	\$ 12,584	\$ 12,710	\$ 12,837	\$ 12,965	\$ 13,095	\$ 13,226	\$ 13,358	
School Operating Tax	18.0000	Incremental	\$ 22,437	\$ 22,661	\$ 22,888	\$ 23,117	\$ 23,348	\$ 23,581	\$ 23,817	\$ 24,055	\$ 24,296	\$ 24,539	\$ 24,784	\$ 25,032	\$ 25,282	\$ 25,535	\$ 25,791	\$ 26,048	
School Total	24.0000		\$ 33,943	\$ 34,282	\$ 34,625	\$ 34,971	\$ 35,321	\$ 35,674	\$ 36,031	\$ 36,391	\$ 36,755	\$ 37,123	\$ 37,494	\$ 37,869	\$ 38,248	\$ 38,630	\$ 39,017	\$ 39,407	
Abatement Value (school) - OPRA																			
Abatement Value (school taxes)		\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
Local Capture	Millage Rate																		
County Museum	0.3221	Incremental	\$ 618	\$ 624	\$ 630	\$ 636	\$ 643	\$ 649	\$ 656	\$ 662	\$ 669	\$ 676	\$ 682	\$ 689	\$ 696	\$ 703	\$ 710	\$ 717	
County Veterans	0.0752	Incremental	\$ 144	\$ 146	\$ 147	\$ 149	\$ 150	\$ 152	\$ 153	\$ 155	\$ 156	\$ 158	\$ 159	\$ 161	\$ 162	\$ 164	\$ 166	\$ 167	
Senior Cit Svc	0.5000	Incremental	\$ 959	\$ 968	\$ 978	\$ 988	\$ 998	\$ 1,008	\$ 1,018	\$ 1,028	\$ 1,038	\$ 1,049	\$ 1,059	\$ 1,070	\$ 1,080	\$ 1,091	\$ 1,102	\$ 1,113	
Central Dispatch	0.3000	Incremental	\$ 575	\$ 581	\$ 587	\$ 593	\$ 599	\$ 605	\$ 611	\$ 617	\$ 623	\$ 629	\$ 635	\$ 642	\$ 648	\$ 655	\$ 661	\$ 668	
Comm College	2.2037	Incremental	\$ 4,226	\$ 4,268	\$ 4,311	\$ 4,354	\$ 4,398	\$ 4,442	\$ 4,486	\$ 4,531	\$ 4,576	\$ 4,622	\$ 4,668	\$ 4,715	\$ 4,762	\$ 4,810	\$ 4,858	\$ 4,906	
M.A.I.S.D	4.7580	Incremental	\$ 9,124	\$ 9,216	\$ 9,308	\$ 9,401	\$ 9,495	\$ 9,590	\$ 9,686	\$ 9,783	\$ 9,880	\$ 9,979	\$ 10,079	\$ 10,180	\$ 10,282	\$ 10,384	\$ 10,488	\$ 10,593	
City Op	10.0905	Incremental	\$ 19,350	\$ 19,544	\$ 19,739	\$ 19,937	\$ 20,136	\$ 20,337	\$ 20,541	\$ 20,746	\$ 20,954	\$ 21,163	\$ 21,375	\$ 21,589	\$ 21,804	\$ 22,023	\$ 22,243	\$ 22,465	
City Sanitation	3.0000	Incremental	\$ 5,753	\$ 5,811	\$ 5,869	\$ 5,927	\$ 5,987	\$ 6,047	\$ 6,107	\$ 6,168	\$ 6,230	\$ 6,292	\$ 6,355	\$ 6,418	\$ 6,483	\$ 6,547	\$ 6,613	\$ 6,679	
Hackley Library	2.4000	Incremental	\$ 4,602	\$ 4,648	\$ 4,695	\$ 4,742	\$ 4,789	\$ 4,837	\$ 4,886	\$ 4,934	\$ 4,984	\$ 5,034	\$ 5,084	\$ 5,135	\$ 5,186	\$ 5,238	\$ 5,290	\$ 5,343	
County Operating	5.6984	Incremental	\$ 10,928	\$ 11,037	\$ 11,147	\$ 11,259	\$ 11,371	\$ 11,485	\$ 11,600	\$ 11,716	\$ 11,833	\$ 11,951	\$ 12,071	\$ 12,192	\$ 12,314	\$ 12,437	\$ 12,561	\$ 12,687	
Local Total	29.3479		\$ 56,280	\$ 56,843	\$ 57,411	\$ 57,985	\$ 58,565	\$ 59,151	\$ 59,742	\$ 60,340	\$ 60,943	\$ 61,552	\$ 62,168	\$ 62,790	\$ 63,418	\$ 64,052	\$ 64,692	\$ 65,339	
Abatement Value (local) - OPRA																			
Abatement Value (local taxes)		\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
Non-Capturable Millages	Millage Rate																		
Comm College Dbt	0.3400	Tax Jurisd.	\$ 652	\$ 659	\$ 665	\$ 672	\$ 678	\$ 685	\$ 692	\$ 699	\$ 706	\$ 713	\$ 720	\$ 727	\$ 735	\$ 742	\$ 749	\$ 757	
Hackley Debt	0.4962	Tax Jurisd.	\$ 952	\$ 961	\$ 971	\$ 980	\$ 990	\$ 1,000	\$ 1,010	\$ 1,020	\$ 1,030	\$ 1,041	\$ 1,051	\$ 1,062	\$ 1,072	\$ 1,083	\$ 1,094	\$ 1,105	
MPS Debt -1995	4.1600	Tax Jurisd.	\$ 7,978	\$ 8,057	\$ 8,138	\$ 8,219	\$ 8,301	\$ 8,384	\$ 8,468	\$ 8,553	\$ 8,639	\$ 8,725	\$ 8,812	\$ 8,900	\$ 8,989	\$ 9,079	\$ 9,170	\$ 9,262	
MPS Debt -2009	2.1900	Tax Jurisd.	\$ 4,200	\$ 4,242	\$ 4,284	\$ 4,327	\$ 4,370	\$ 4,414	\$ 4,458	\$ 4,503	\$ 4,548	\$ 4,593	\$ 4,639	\$ 4,685	\$ 4,732	\$ 4,780	\$ 4,827	\$ 4,876	
MPS Sinking	1.0000	Tax Jurisd.	\$ 1,918	\$ 1,937	\$ 1,956	\$ 1,976	\$ 1,996	\$ 2,016	\$ 2,036	\$ 2,056	\$ 2,077	\$ 2,097	\$ 2,118	\$ 2,139	\$ 2,161	\$ 2,182	\$ 2,204	\$ 2,226	
Total Non-Capturable Taxes	8.1862		\$ 15,699	\$ 15,855	\$ 16,014	\$ 16,174	\$ 16,336	\$ 16,499	\$ 16,664	\$ 16,831	\$ 16,999	\$ 17,169	\$ 17,341	\$ 17,514	\$ 17,689	\$ 17,866	\$ 18,045	\$ 18,225	
Abatement Value (non-capt) - OPRA																			
Abatement Value (non-capturable) taxes)		\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
Total Annual OPRA Abatement Value		\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
Total Accumulated OPRA Abatement Value		\$ 373,534	\$ 373,534	\$ 373,534	\$ 373,534	\$ 373,534	\$ 373,534	\$ 373,534	\$ 373,534	\$ 373,534	\$ 373,534	\$ 373,534	\$ 373,534	\$ 373,534	\$ 373,534	\$ 373,534	\$ 373,534	\$ 373,534	

Table 3. Reimbursement Allocation Schedule

Liberty Building
880 1st Street
Muskegon, MI
AKT Peerless Project No. 12337
As of June 12, 2017

Developer Projected Reimbursement	Proportionality	School & Local Taxes	Local-Only Taxes	Total
State	46.0%	\$ 824,790		\$ 824,790
Local	54.0%	\$ 824,912	\$ -	\$ 824,912
TOTAL		\$ 1,649,702	\$ -	\$ 1,649,702
MDEQ	0.9%	\$ 18,260		
MSF	99.1%	\$ 1,923,605		

Estimated Total Years of
Plan: 30

*It is projected that insufficient revenue will be produced to fully reimburse the developer. Projected Shortfall: \$292,163

Plan Year	1	2	3	4	5	6	7	8	9	10
Total State Incremental Revenue	\$ 17,206	\$ 17,378	\$ 17,552	\$ 17,728	\$ 17,905	\$ 18,084	\$ 31,346	\$ 31,659	\$ 31,976	\$ 32,296
City Reimbursement	\$ 1,721	\$ 1,738	\$ 1,755	\$ 1,773	\$ 1,790	\$ 1,808	\$ 3,135	\$ 3,166	\$ 3,198	\$ 3,230
State Brownfield Revolving Fund (3 mills of SET)	\$ 1,732	\$ 1,750	\$ 1,767	\$ 1,785	\$ 3,605	\$ 3,641	\$ 5,313	\$ 5,366	\$ 5,420	\$ 5,474
State TIR Available for Reimbursement	\$ 13,753	\$ 15,629	\$ 15,785	\$ 15,943	\$ 14,300	\$ 14,443	\$ 26,033	\$ 26,293	\$ 26,556	\$ 26,822
Total Local Incremental Revenue	\$ 30,535	\$ 30,840	\$ 31,149	\$ 31,460	\$ 31,775	\$ 32,093	\$ 32,413	\$ 32,738	\$ 33,065	\$ 33,396
BRA Administrative Fee	\$ 4,774	\$ 4,822	\$ 4,870	\$ 4,919	\$ 4,968	\$ 5,018	\$ 6,376	\$ 6,440	\$ 6,504	\$ 6,569
City Reimbursement	\$ 3,053	\$ 3,084	\$ 3,115	\$ 3,146	\$ 3,177	\$ 3,209	\$ 3,241	\$ 3,274	\$ 3,306	\$ 3,340
Local TIR Available for Reimbursement	\$ 22,707	\$ 22,934	\$ 23,164	\$ 23,395	\$ 23,629	\$ 23,866	\$ 22,796	\$ 23,024	\$ 23,254	\$ 23,487

Total State & Local TIR Available	\$ 36,461	\$ 38,563	\$ 38,949	\$ 39,338	\$ 37,929	\$ 38,308	\$ 48,829	\$ 49,317	\$ 49,811	\$ 50,309
--	------------------	------------------	------------------	------------------	------------------	------------------	------------------	------------------	------------------	------------------

DEVELOPER	Beginning Balance										
DEVELOPER Reimbursement Balance	\$ 1,941,865	\$ 1,905,404	\$ 1,866,841	\$ 1,827,892	\$ 1,788,554	\$ 1,750,625	\$ 1,712,316	\$ 1,663,487	\$ 1,614,170	\$ 1,564,359	\$ 1,514,051
STATE Reimbursement Balance	\$ 892,983	\$ 879,229	\$ 863,601	\$ 847,816	\$ 831,873	\$ 817,573	\$ 803,130	\$ 777,097	\$ 750,804	\$ 724,248	\$ 697,426
Eligible Activities Reimbursement	\$ 534,288	\$ 13,753	\$ 15,629	\$ 15,785	\$ 15,943	\$ 14,300	\$ 14,443	\$ 26,033	\$ 26,293	\$ 26,556	\$ 26,822
Environmental Eligible Activities	\$ 5,024	\$ 129	\$ 147	\$ 148	\$ 150	\$ 134	\$ 136	\$ 245	\$ 247	\$ 250	\$ 252
Non-Environmental Eligible Activities	\$ 529,264	\$ 13,624	\$ 15,482	\$ 15,637	\$ 15,793	\$ 14,165	\$ 14,307	\$ 25,788	\$ 26,046	\$ 26,306	\$ 26,570
Interest Reimbursement	\$ 358,695	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Environmental Portion	\$ 3,373	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Non-Environmental Portion	\$ 355,322	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Total STATE TIR Reimbursement	\$ 13,753	\$ 15,629	\$ 15,785	\$ 15,943	\$ 14,300	\$ 14,443	\$ 26,033	\$ 26,293	\$ 26,556	\$ 26,822	
LOCAL Reimbursement Balance	\$ 1,048,882	\$ 1,026,175	\$ 1,003,240	\$ 980,077	\$ 956,681	\$ 933,052	\$ 909,186	\$ 886,390	\$ 863,366	\$ 840,111	\$ 816,624
Eligible Activities Reimbursement	\$ 627,565	\$ 22,707	\$ 22,934	\$ 23,164	\$ 23,395	\$ 23,629	\$ 23,866	\$ 22,796	\$ 23,024	\$ 23,254	\$ 23,487
Documentation of Due Care	\$ 5,901	\$ 214	\$ 216	\$ 218	\$ 220	\$ 222	\$ 224	\$ 214	\$ 216	\$ 219	\$ 221
Non-Environmental Eligible Activities	\$ 621,664	\$ 22,494	\$ 22,719	\$ 22,946	\$ 23,175	\$ 23,407	\$ 23,641	\$ 22,582	\$ 22,808	\$ 23,036	\$ 23,266
Interest Reimbursement	\$ 421,317	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Environmental Portion	\$ 3,962	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Non-Environmental Portion	\$ 417,355	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Total LOCAL TIR Reimbursement	\$ 22,707	\$ 22,934	\$ 23,164	\$ 23,395	\$ 23,629	\$ 23,866	\$ 22,796	\$ 23,024	\$ 23,254	\$ 23,487	
Total Annual Developer Reimbursement	\$ 36,461	\$ 38,563	\$ 38,949	\$ 39,338	\$ 37,929	\$ 38,308	\$ 48,829	\$ 49,317	\$ 49,811	\$ 50,309	

LOCAL SITE REMEDIATION FUND	LSRRF Year	0	0	0	0	0	0	0	0	0	0
LSRRF Deposits		\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
STATE	\$ 8,397	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
LOCAL	no maximum	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -

Table 3. Reimbursement Allocation Schedule

Liberty Building
880 1st Street
Muskegon, MI
AKT Peerless Project No. 12337
As of June 12, 2017

Estimated Capture

Administrative Fees	\$	242,078
State Revolving Fund	\$	124,845
Local Revolving Fund	\$	255,492

End of OPRA

	11	12	13	14	15	16	17	18	19	20
Total State Incremental Revenue	\$ 32,618	\$ 32,945	\$ 33,274	\$ 33,607	\$ 33,943	\$ 34,282	\$ 34,625	\$ 34,971	\$ 35,321	\$ 35,674
City Reimbursement	\$ 3,262	\$ 3,294	\$ 3,327	\$ 3,361	\$ 3,394	\$ 3,428	\$ 3,463	\$ 3,497	\$ 3,532	\$ 3,567
State Brownfield Revolving Fund (3 mills of SI	\$ 5,529	\$ 5,584	\$ 5,640	\$ 5,696	\$ 5,753	\$ 5,811	\$ 5,869	\$ 5,927	\$ 5,987	\$ 6,047
State TIR Available for Reimbursement	\$ 27,090	\$ 27,361	\$ 27,634	\$ 27,911	\$ 28,190	\$ 28,472	\$ 28,757	\$ 29,044	\$ 29,335	\$ 29,628
Total Local Incremental Revenue	\$ 33,730	\$ 34,067	\$ 34,404	\$ 34,741	\$ 35,078	\$ 35,415	\$ 35,752	\$ 36,089	\$ 36,426	\$ 36,763
BRA Administrative Fee	\$ 6,635	\$ 6,701	\$ 6,767	\$ 6,833	\$ 6,899	\$ 6,965	\$ 7,031	\$ 7,097	\$ 7,163	\$ 7,229
City Reimbursement	\$ 3,373	\$ 3,407	\$ 3,441	\$ 3,475	\$ 3,509	\$ 3,543	\$ 3,577	\$ 3,611	\$ 3,645	\$ 3,679
Local TIR Available for Reimbursement	\$ 23,722	\$ 23,959	\$ 24,196	\$ 24,433	\$ 24,670	\$ 24,907	\$ 25,144	\$ 25,381	\$ 25,618	\$ 25,855
Total State & Local TIR Available	\$ 50,812	\$ 51,320	\$ 51,830	\$ 52,341	\$ 52,851	\$ 53,362	\$ 53,872	\$ 54,383	\$ 54,893	\$ 55,404

DEVELOPER

DEVELOPER Reimbursement Balance	\$ 1,463,239	\$ 1,411,919	\$ 1,343,475	\$ 1,274,347	\$ 1,204,528	\$ 1,134,010	\$ 1,062,787	\$ 990,852	\$ 918,198	\$ 844,817
STATE Reimbursement Balance	\$ 670,336	\$ 642,976	\$ 615,341	\$ 587,430	\$ 559,240	\$ 530,769	\$ 502,012	\$ 472,968	\$ 443,634	\$ 414,006
Eligible Activities Reimbursement	\$ 27,090	\$ 27,361	\$ 27,634	\$ 27,911	\$ 28,190	\$ 28,472	\$ 28,757	\$ 29,044	\$ 29,335	\$ 29,628
Environmental Eligible Activities	\$ 255	\$ 257	\$ 260	\$ 262	\$ 265	\$ 268	\$ 270	\$ 273	\$ 276	\$ 279
Non-Environmental Eligible Activities	\$ 26,835	\$ 27,104	\$ 27,375	\$ 27,648	\$ 27,925	\$ 28,204	\$ 28,486	\$ 28,771	\$ 29,059	\$ 29,349
Interest Reimbursement	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Environmental Portion	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Non-Environmental Portion	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Total STATE TIR Reimbursement	\$ 27,090	\$ 27,361	\$ 27,634	\$ 27,911	\$ 28,190	\$ 28,472	\$ 28,757	\$ 29,044	\$ 29,335	\$ 29,628
LOCAL Reimbursement Balance	\$ 792,903	\$ 768,944	\$ 728,134	\$ 686,917	\$ 645,287	\$ 603,241	\$ 560,775	\$ 517,884	\$ 474,564	\$ 430,811
Eligible Activities Reimbursement	\$ 23,722	\$ 23,959	\$ 24,196	\$ 24,433	\$ 24,670	\$ 24,907	\$ 25,144	\$ 25,381	\$ 25,618	\$ 25,855
Documentation of Due Care	\$ 223	\$ 225	\$ 227	\$ 229	\$ 231	\$ 233	\$ 235	\$ 237	\$ 239	\$ 241
Non-Environmental Eligible Activities	\$ 23,499	\$ 23,734	\$ 23,969	\$ 24,204	\$ 24,439	\$ 24,674	\$ 24,909	\$ 25,144	\$ 25,379	\$ 25,614
Interest Reimbursement	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Environmental Portion	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Non-Environmental Portion	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Total LOCAL TIR Reimbursement	\$ 23,722	\$ 23,959	\$ 24,196	\$ 24,433	\$ 24,670	\$ 24,907	\$ 25,144	\$ 25,381	\$ 25,618	\$ 25,855
Total Annual Developer Reimbursement	\$ 50,812	\$ 51,320	\$ 51,830	\$ 52,341	\$ 52,851	\$ 53,362	\$ 53,872	\$ 54,383	\$ 54,893	\$ 55,404

LOCAL SITE REMEDIATION FUND

	0	0	0	0	0	0	0	0	0	0
LSRRF Deposits	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
STATE	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
LOCAL	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -

Table 3. Reimbursement Allocation Schedule

Liberty Building
880 1st Street
Muskegon, MI
AKT Peerless Project No. 12337
As of June 12, 2017

	End Plan									
	21	22	23	24	25	26	27	28	29	30
Total State Incremental Revenue	\$ 36,031	\$ 36,391	\$ 36,755	\$ 37,123	\$ 37,494	\$ 37,869	\$ 38,248	\$ 38,630	\$ 39,017	\$ 39,407
City Reimbursement	\$ 3,603	\$ 3,639	\$ 3,676	\$ 3,712	\$ 3,749	\$ 3,787	\$ 3,825	\$ 3,863	\$ 3,902	\$ 3,941
State Brownfield Revolving Fund (3 mills of SI	\$ 6,107	\$ 6,168	\$ 6,230	\$ 6,292	\$ 6,355	\$ -	\$ -	\$ -	\$ -	\$ -
State TIR Available for Reimbursement	\$ 29,924	\$ 30,223	\$ 30,526	\$ 30,831	\$ 31,139	\$ 37,869	\$ 38,248	\$ 38,630	\$ 39,017	\$ 39,407
Total Local Incremental Revenue	\$ 59,742	\$ 60,340	\$ 60,943	\$ 61,552	\$ 62,168	\$ 62,790	\$ 63,418	\$ 64,052	\$ 64,692	\$ 65,339
BRA Administrative Fee	\$ 9,577	\$ 9,673	\$ 9,770	\$ 9,868	\$ 9,966	\$ 10,066	\$ 10,167	\$ 10,268	\$ 10,371	\$ 10,475
City Reimbursement	\$ 5,974	\$ 6,034	\$ 6,094	\$ 6,155	\$ 6,217	\$ 6,279	\$ 6,342	\$ 6,405	\$ 6,469	\$ 6,534
Local TIR Available for Reimbursement	\$ 44,191	\$ 44,633	\$ 45,079	\$ 45,530	\$ 45,985	\$ 46,445	\$ 46,909	\$ 47,378	\$ 47,852	\$ 48,331
Total State & Local TIR Available	\$ 74,115	\$ 74,856	\$ 75,605	\$ 76,361	\$ 77,124	\$ 84,314	\$ 85,157	\$ 86,009	\$ 86,869	\$ 87,737
DEVELOPER										
DEVELOPER Reimbursement Balance	\$ 770,702	\$ 695,846	\$ 620,241	\$ 543,881	\$ 485,333	\$ 447,464	\$ 409,216	\$ 370,586	\$ 331,569	\$ 292,163
<u>STATE Reimbursement Balance</u>	\$ 384,082	\$ 353,858	\$ 323,333	\$ 292,502	\$ 261,362	\$ 223,493	\$ 185,246	\$ 146,615	\$ 107,599	\$ 68,192
Eligible Activities Reimbursement	\$ 29,924	\$ 25,387	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Environmental Eligible Activities	\$ 281	\$ 239	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Non-Environmental Eligible Activities	\$ 29,643	\$ 25,148	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Interest Reimbursement	\$ -	\$ 4,837	\$ 30,526	\$ 30,831	\$ 31,139	\$ 37,869	\$ 38,248	\$ 38,630	\$ 39,017	\$ 39,407
Environmental Portion	\$ -	\$ 45	\$ 287	\$ 290	\$ 293	\$ 356	\$ 360	\$ 363	\$ 367	\$ 371
Non-Environmental Portion	\$ -	\$ 4,791	\$ 30,239	\$ 30,541	\$ 30,846	\$ 37,513	\$ 37,888	\$ 38,267	\$ 38,650	\$ 39,036
Total STATE TIR Reimbursement	\$ 29,924	\$ 30,223	\$ 30,526	\$ 30,831	\$ 31,139	\$ 37,869	\$ 38,248	\$ 38,630	\$ 39,017	\$ 39,407
<u>LOCAL Reimbursement Balance</u>	\$ 386,620	\$ 341,988	\$ 296,909	\$ 251,379	\$ 223,970	\$ 223,970	\$ 223,970	\$ 223,970	\$ 223,970	\$ 223,970
Eligible Activities Reimbursement	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Documentation of Due Care	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Non-Environmental Eligible Activities	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Interest Reimbursement	\$ 44,191	\$ 44,633	\$ 45,079	\$ 45,530	\$ 27,409	\$ -	\$ -	\$ -	\$ -	\$ -
Environmental Portion	\$ 416	\$ 420	\$ 424	\$ 428	\$ 258	\$ -	\$ -	\$ -	\$ -	\$ -
Non-Environmental Portion	\$ 43,775	\$ 44,213	\$ 44,655	\$ 45,102	\$ 27,151	\$ -	\$ -	\$ -	\$ -	\$ -
Total LOCAL TIR Reimbursement	\$ 44,191	\$ 44,633	\$ 45,079	\$ 45,530	\$ 27,409	\$ -	\$ -	\$ -	\$ -	\$ -
Total Annual Developer Reimbursement	\$ 74,115	\$ 74,856	\$ 75,605	\$ 76,361	\$ 58,548	\$ 37,869	\$ 38,248	\$ 38,630	\$ 39,017	\$ 39,407
LOCAL SITE REMEDIATION FUND										
LSRRF Deposits	\$ -	\$ -	\$ -	\$ -	\$ 18,576	\$ 46,445	\$ 46,909	\$ 47,378	\$ 47,852	\$ 48,331
STATE	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
LOCAL	\$ -	\$ -	\$ -	\$ -	\$ 18,576	\$ 46,445	\$ 46,909	\$ 47,378	\$ 47,852	\$ 48,331

AGENDA ITEM NO. _____
CITY COMMISSION MEETING _____

TO: Honorable Mayor and City Commissioners

FROM: Frank Peterson, City Manager

DATE: July 11, 2017

RE: Arena Lease – Rad Dad’s

SUMMARY OF REQUEST:

City Staff has been working with a group of local business owners interested in creating a restaurant and bar to service the LC Walker Arena and also provide more daily food/beverage options to the downtown community. **Rad Dad’s Taco and Tequila Bar** is originally proposed to lease approximately 3,500 square feet of concourse space in the arena and 500 square feet of outdoor space to provide outdoor dining space at the corner of Western Avenue and 4th Street. The group is now proposing to lease approximately 5,300 square feet. The owners would like to open by September 1, 2017.

FINANCIAL IMPACT:

Build-out costs are expected to be less than \$350,000. If build out costs are at \$350,000, the tenant’s initial lease rate will be \$12.50/sf (\$66,250 annually for both interior and outdoor space. In the event that costs fall below or exceed \$350,000, any amount over or under \$350,000 will be added to or subtracted from the tenant’s lease rate as follows: for every dollar of variance, the tenant’s annual rent will increase/decrease by 12.5 cents per year. Regardless of savings, rent will be no less than \$53,000 annually.

BUDGET ACTION REQUIRED:

\$350,000 Capital Improvement is expected; a budget adjustment will be included as part of the 1st quarter budget reforecast, with the proceeds coming from the Public Improvement Fund.

STAFF RECOMMENDATION:

To approve the request and authorize the City Manager to sign the lease.

COMMITTEE RECOMMENDATION:

None.

LEASE

This lease ("Lease"), is made effective as of _____, 2017 (Effective Date") by and between the **City of Muskegon**, a Michigan municipal corporation, 933 Terrace Street, Muskegon, MI 49440 ("Landlord"), and **Rad Dad's, L.L.C.**, a Michigan limited liability company, of 470 W. Western Ave., Muskegon, MI 49440 ("Tenant" or "Rad Dad").

BACKGROUND

A. The Muskegon County Building Authority is the owner of the L.C. Walker Arena and Conference Center located at 470 West Western Avenue, Muskegon, Michigan 49440 ("Arena"), and leases the premises to the County of Muskegon. The County subleases the Arena to the City, by which the City is responsible for operation, maintenance and improvements for the Arena.

B. City presently has a sub-lease with WC Hockey, LLC ("WC Hockey") for use of the ice rink and locker room facilities in the Arena. The City has a management agreement with Two T's, LLC ("Two T's") for overall management duties related to the Arena. Within 90 days of the execution of this Sublease, the City will amend all sub-leases for the Arena that are in place to exclude operation of any concessions at the Arena. It is the intention of the Parties that Rad Dad will be the sole provider of concessions at the Arena.

C. In addition to operating the concessions at the Arena, Rad Dad will operate a full service restaurant in the Arena. The parties will cooperate to add Rad Dad as a co-licensee to the liquor license currently held by the City for the Arena (Class C License No. 1962-2015 issued by the Michigan Liquor Control Commission ("Liquor License")).

AGREEMENT

1. **Description of Premises and Leased Premises.** In consideration of the rents and covenants to be paid, performed and observed by Tenant, Landlord leases to Tenant and Tenant accepts from Landlord 5,800 square feet of space as depicted on the drawing attached as **Exhibit A** ("Leased Premises") in what is commonly known as the LC Walker Arena, including the Annex located at 470 W. Western Ave., Muskegon, MI 49440 as legally described on **Exhibit B** and consisting of 59,847 square feet ("Premises"). The parties shall work together cooperatively with respect to the design of the Leased Premises, which may result in a change to Exhibit A [JJ1] and the number of square feet being leased.

2. **Term.** The initial term of this lease shall be for 3 years, with four 3 year options, which may be exercised by Tenant providing Landlord with written notice of such not less than ninety (90) days from the expiration of the application term or option. The term shall commence on either the date the Tenant is approved as a co-licensee to the Liquor License, or the Delivery Date (as defined herein) whichever last occurs. Each renewal period shall be on the same terms and conditions as this Lease. CPI increase for each term.

3. **Rent**

a. **Base Rent.** For the first year of the lease, the Tenant shall pay to Landlord a maximum annual rent of \$12.50 per square foot of rentable lease space as shown on Exhibit A, which shall be adjusted by decreasing the annual rent by 12.5 cents for every dollar that Tenant does not spend of the \$350,000 committed by the Landlord for development of the leased space. Provided, however, the annual rent shall not be less than \$10.00 per square foot of the rentable lease space. The rent shall be payable in equal monthly installments (the "Rent") in advance on the 1st day of each month of the term. The Rent shall be payable at the above office of Landlord without abatement, deduction or setoff. After the first year the Rent shall be increased each June 1st by the increase in CPI over the Base Index. The Base Index is the value published immediately prior to the lease commencement date.

b. **Additional Rent.** Tenant shall also pay to Landlord as "Additional Rent," on demand, an amount equal to its "Pro-Rata Share" (which for purposes of this Lease shall be a fraction, the numerator of which is the square footage of the Leased [JJ2] Premises and the denominator of which is the total square footage of the Premises) of all expenses actually incurred by Landlord for (a) CAM (as defined below) expenses incurred by Landlord; (b) commonly used dumpsters; and, (c) garbage service. Tenant shall pay a monthly amount equal to Landlord's reasonable estimate of these annual costs, and which Tenant shall pay in advance, on the first day of each month during the Term.

Not less often than once every 12 months, Landlord shall provide to Tenant a statement of costs, and with the statement a reconciliation of the monthly estimate of Tenant's Pro-Rata Share as appropriate, with any excess or deficiency being applied or added to Tenant's next installment of Additional Rent. All other sums that Tenant is required to pay under the terms of this Lease shall also be paid as Additional Rent. Tenant shall be entitled on reasonable advance written notice to Landlord, and at Tenant's cost, to inspect Landlord's books and records as they may relate to the statements submitted by Landlord to Tenant for Additional Rent.

c. **Property Taxes.** Tenant shall also pay before delinquent, all real estate taxes for the Leased Premises as billed from time to time by the Landlord, and personal property taxes for personal property used therein.

4. **Common Areas.** So long as Tenant is not in default under this Lease, Tenant, its agents, employees, customers, and invitees, shall have the use, in common with all others to whom the Landlord has granted or may later grant rights to use them, of the sidewalks, parking areas, and drives designated by Landlord, as these shall exist from time to time, for the Premises ("Common Areas"). During the Term Landlord, Landlord's agents or permitted third parties shall perform all necessary maintenance ("CAM") to the Common Areas (including, without limitation, general cleaning, snow removal, grass cutting, parking lot cleanup, repairs of exterior light fixtures, and light bulb replacement).

5. **Utilities.** The Leased Premises shall be separately metered for gas, electricity, water and sewer. Tenant shall pay all charges for gas, electricity, water, power, telephone cable television and internet service used, rendered or supplied upon or in connection with the Leased Premises, and shall indemnify the Landlord against any liability or damages on such account. Tenant will have no responsibility to pay for utilities outside of the Leased Premises, provided all of Tenants exterior signage shall be wired through meter serving the Leased Premises.

6. **Right of Landlord to Lease.** The Landlord covenants and warrants that it is in lawful possession and control of said Leased Premises, and has the authority to enter into this lease agreement.

7. **Quiet Enjoyment.** Landlord covenants that Tenant, on payment of all the aforesaid installments and performing all the covenants aforesaid, shall and may peacefully and quietly have, hold and enjoy the said Leased Premises for the term hereof. Landlord agrees that there are no restrictions applicable to the Leased Premises which affect and limit the right of Tenant to exercise any of the rights granted to Tenant by this lease. Landlord agrees that it will not grant any easements on the Leased Premises, or create any restrictions thereto, during the term of the lease without the prior consent of Tenant.

8. **Use of Premises.** Tenant is granted the right during the term of this lease, or any renewals hereof, to occupy and use the Leased Premises for operating a bar and restaurant. .

9. **Tenant's Acceptance of Leased Premises As Is.** Landlord shall deliver the Leased Premises with "Landlord's Work," as defined herein, completed ("Delivery Date"). If Tenant takes possession of the Leased Premises, Tenant shall be deemed to accept the same in its then "AS IS, WHERE IS" condition, subject to Landlord's obligation to complete any so-called punchlist items and repair any defects in construction. Tenant acknowledges that Landlord shall not be required to make any renovations or improvements to the Leased Premises except for Landlord's Work as defined in this Lease. Landlord shall construct the Leased Premises in accordance with the blueprints attached **Exhibit C** ("Landlord's Work"). Tenant shall not be liable for any cost or expense incurred by Landlord in completing Landlord's Work, all of which shall be Landlord's obligation. Tenant waives any warranties, express or implied, of fitness, liability, and usefulness for Tenant's particular purpose or otherwise, except to the extent specifically set forth in Exhibit C hereto.

Landlord covenants to deliver to Tenant possession of the Leased Premises with Landlord's Work complete and all regulatory approvals and sign-offs received by the Delivery Date but not later than 120 days from the date of the Agreement to Proceed as defined in the Development Agreement ("Development Agreement") among Landlord, Tenant and the City of Muskegon of even date ("Delivery Date Deadline"). If for any reason Landlord is unable to deliver possession of the Leased Premises by the Delivery Date Deadline, Landlord, prior to the Delivery Date Deadline, shall provide written notice to Tenant of the date on which Landlord anticipates delivery to Tenant of the Leased Premises (the "Late Delivery Date"), which date shall be no later than Sixty Days (60) after the Delivery Date Deadline. If Landlord does not deliver the Leased Premises to Tenant in accordance with the Lease by the Late Delivery Date, then Tenant shall have the right to terminate this Lease ("Delivery Termination Right") without

penalty upon the Thirtieth (30th) day following the date on which Tenant provides written notice ("Delivery Termination Notice") to Landlord of Tenant's intent to exercise its Delivery Termination Right ("Effective Termination Date"), which notice must be given, if at all, anytime during the period commencing on the day following the Late Delivery Date and continuing until the Thirtieth (30th) day following the Late Delivery Date (provided, however, that Tenant may not terminate the Lease, even if Tenant has provided Delivery Termination Notice, if Landlord has delivered the Leased Premises to Tenant in accordance with this Lease prior to the Effective Termination Date). Upon such termination on the Effective Termination Date, neither party shall have any further obligation or liability to the other relating to this Lease.

10. **Maintenance.** Tenant shall, at its own expense, make all necessary repairs and replacements within the Leased Premises, including pipes, heating system, plumbing system, window glass, fixtures and all other appliances belonging thereto, all equipment used in connection with the Leased Premises, and the sidewalks, curbs and vaults adjoining or appurtenant to the Leased Premises. Such repairs and replacements ordinary as well as extraordinary and structural and non-structural, shall be made promptly, when necessary. All repairs and replacements shall be in quality and class at least equal to the original work. On default of Tenant in making necessary repairs or replacements, Landlord may, but shall not be required to make such repairs and replacements for Tenant's account, and the expenses thereof shall constitute and be collectible as Additional Rent. Landlord shall be solely responsible for all necessary repairs and maintenance of the Premises except for the Leased Premises.

11. **Alterations or Improvements.** Except as provided in the Development Plan, Tenant shall not make any alterations, additions, or improvements to the Premises except with the written consent of Landlord. Any alteration, addition or improvement made by the Tenant after such consent shall have been given, and any fixtures installed as part thereof, shall at the Landlord's option become the property of the Landlord upon the expiration or other sooner termination of this lease, provided, however, that Landlord shall have the right to require Tenant to remove such fixtures, additions or improvements at the Tenant's cost upon such termination of this lease provided that in the event of any such removal, Tenant shall make all repairs necessitated by such removal so as to leave the premises in like condition as when taken except for ordinary wear and tear.

12. **Public Orders and Zoning.** Tenant shall, at its own expense, make all alterations, improvements, or repairs in the Leased Premises that may be ordered by public authorities, or required by changes in or additions to state and local zoning ordinances.

13. **Mechanical Failures.** Landlord shall not be liable for any damage to persons or property on account of the stoppage or failure of operation of any part of the mechanical plant of the building, or heating, air conditioning, plumbing or electrical facilities, whether for necessary or desirable repairs or improvements thereof, or occasioned by accident or other cause. All personal property in the Leased Premises shall be at the risk of Tenant only, and Landlord shall not be liable for any loss of or damage to said personal property, to said premises or to Tenant arising from the bursting, stoppage or leaking of water, gas, sewer or steam pipes, the stoppage or failure of operation of any part of the mechanical plant of the building, or heating, air

conditioning, plumbing or electrical facilities, or from any acts or neglect of co-tenants or other occupants of the building, or any other persons.

14. **Security.** Landlord shall not be liable for any injury to the person or property of the Tenant or any other persons caused by the criminal acts of third persons occurring at the Leased Premises.

15. **Insurance.**

(a) Tenant shall, at its own expense, maintain policies of fire and extended coverage insurance on the Leased Premises and on all of its trade fixtures, furnishings and equipment in an amount equal to the full insurable value of such property. At the request of Landlord at any time, Tenant shall furnish Landlord evidence that such insurance is in force.

(b) Tenant shall, at its own expense, provide and keep in force general public liability insurance protecting Tenant and Landlord against all claims for damages to person or property or for loss of life or of property occurring upon, in, or about the Leased Premises, the streets, gutters, sidewalks, curbs, or vaults adjacent thereto, to such limits as Landlord may reasonably, from time to time, require in respect to injuries to any one person, in respect to any one accident or disaster or incident of negligence, and in respect to property damage. Limits of \$1,000,000 in respect to injuries to any one person, \$1,000,000 in respect to any one accident or disaster or incident of negligence and \$1,000,000 in respect to property damage are deemed reasonable as of the date hereof.

(c) Tenant shall, at its own expense, provide and keep in force such other insurance against other insurable hazards in such amounts as may from time to time be required by Landlord, provided that such insurable hazards are commonly insured against with respect to similar premises, due regard being given to the height and type of construction, location, use and occupancy.

(d) Landlord shall obtain insurance on the Premises in amounts and with such terms that are commercially reasonable for a building of similar size and with similar uses.

16. **Compliance with Laws.** Tenant, under penalty of forfeiture and damages, agrees to promptly comply with all requirements of law and with all ordinances, regulations or orders of any state, municipal or other public authority affecting all or any part of the Leased Premises and with all requirements of the Board of Fire Underwriters or similar body and of any liability insurance company insuring the Landlord against liability for accidents in or connected with all or any part of the Leased Premises, and Tenant further agrees to save Landlord harmless from any and all penalties, fines or liabilities that may result from Tenant's failure to so comply.

17. **Destruction of Building.** In the event the Premises or Leased Premises shall be partially or totally destroyed by fire or other casualty insured under the insurance carried by Landlord, as to become partially or totally untenable, the damage to the Premises and Leased Premises shall be promptly repaired by Landlord, unless Landlord shall elect not to rebuild as provided below. The obligation of Landlord to reconstruct the Leased Premises shall be limited

to the City's obligations under the Development Plan. All other reconstruction within the Leased Premises shall be the sole responsibility of Tenant. In no event shall Landlord be required to repair or replace Tenant's trade fixtures, furnishings or equipment.

If any such fire or other casualty shall occur within eighteen (18) months of the end the term of this Lease or any renewal term, Landlord or Tenant may, at its option, terminate this Lease with written notice to the other party within thirty days of the destruction.

18. **Risk of Loss.** During the term of this lease, and any extension or renewal thereof, the risk of loss with respect to all risks insurable under a fire and extended coverage insurance policy meeting the requirements of the laws of the State of Michigan, together with the risk of loss with respect to all uninsurable losses to the premises which are subject to the control or prevention by Tenant, shall rest upon Tenant. (The parties agree that for purposes of interpreting the foregoing provision, an example of an uninsurable loss which shall be the responsibility of Tenant would be Tenant's failure, as possessor of the premises, to detect a malfunction in the heating system during the winter, resulting in the freezing and bursting of water pipes in the premises. If the freezing and bursting of the water pipes and consequent damage flowing therefrom is not covered by the insurance required to be maintained by Tenant, all such damages resulting therefrom are the responsibility of and must be paid for by Tenant.)

19. **Subrogation.** Tenant, its officers, agents or employees shall not be liable for damage to the Leased Premises or for interruption of rent resulting from any of the perils covered by fire and extended coverage insurance, or which would be covered if such insurance were in force, and Landlord agrees not to sue for such damage and that every applicable policy of insurance will contain or be endorsed with the standard waiver of subrogation clause. Landlord shall not be liable for damage to the property or business of Tenant in or on the Leased Premises resulting from any of the perils covered if such insurance were in force, and Tenant agrees not to sue for such damage and that every applicable policy of insurance will contain or be endorsed with the standard waiver of subrogation clause.

20. **Liens and Encumbrances.** Tenant covenants that Tenant will not create or permit to be created or to remain, and will promptly discharge, at Tenant's sole cost and expense, any lien, encumbrance or charge upon the Leased Premises or any part thereof, or upon Tenant's leasehold interest therein, which lien, encumbrance or charge arises out of the use or occupancy of the Leased Premises by Tenant or by reason of any labor or materials furnished or claimed to have been furnished to Tenant or by reason of any construction, alteration, addition, repair or demolition of any part of the Leased Premises. The existence of any construction, mechanic's, laborer's, materialman's, supplier's or vendor's lien, or any right in respect thereof, shall not constitute a violation of this paragraph, if payment is not yet due upon the contract or for the goods or services in respect of which any such lien has arisen or where there is a good faith dispute relating thereto, provided that in such event Tenant shall promptly prosecute an action to resolve the validity of the lien. Nothing in this lease contained shall be construed as constituting the consent or request of Landlord, expressed or implied, to any contractor, subcontractor, laborer, materialman or vendor to or for the performance of any labor or construction, alteration, addition, repair or demolition of or to the Leased Premises or any part thereof. Notice is hereby given that Landlord will not be liable for any labor, services or materials furnished or to be furnished to Tenant, or to anyone holding the Leased Premises or any part thereof through or

under Tenant, and that no mechanic's or other liens for any such labor or materials shall attach to the interest of Landlord in and to the Leased Premises.

21. **Assignment or Subletting.** Tenant shall not sublease, assign, mortgage, or encumber this lease without the prior written consent of the Landlord in each instance, which consent shall not be unreasonably withheld. If this lease is assigned, or if the Leased Premises or any part thereof is sublet, or occupied by anybody other than the Tenant, the Landlord may, after default by the Tenant, collect rent from the assignee, subtenant, or occupant and apply the net amount collected to the rent herein reserved. No such assignment, subletting, occupancy or collection shall be deemed a waiver of this covenant, or the acceptance of the assignee as tenant, or a release of the Tenant from the further performance by the Tenant of the covenants in this lease. The consent by the Landlord to an assignment shall not be construed to relieve the Tenant from obtaining the consent in writing of the Landlord to any further assignment.

22. **Eminent Domain.** If the Leased Premises are taken by a public authority under power of eminent domain, Tenant shall be entitled to a pro rata refund of any rent paid in advance. Landlord and Tenant, in any condemnation proceedings, shall each be entitled to recover their own damages, provided that Tenant agrees to cooperate with Landlord in Landlord's attempt to recover damages in any such condemnation proceedings and to furnish any and all information that Landlord may request in such attempt and provided further that Landlord agrees to cooperate with Tenant in Tenant's attempt to recover damages in any such condemnation proceedings and to furnish any and all information that Tenant may request in such attempt.

23. **Default and Repossession.** If the Leased Premises shall be deserted or vacated, or if proceedings are commenced against the Tenant in any court under a bankruptcy act or for the appointment of a trustee or receiver of the Tenant's property either before or after the commencement of the lease term, or if there shall be a default in the payment of rent or any part thereof for more than five days after written notice of such default by the Landlord, or if there shall be default in the performance of any other covenant, agreement, condition, rule or regulation herein contained or hereafter established on the part of the Tenant for more than twenty days after written notice of such default by the Landlord, this lease (if the Landlord so elects) shall thereupon become null and void, and the Landlord shall have the right to reenter or repossess the Leased Premises, either by force, summary proceedings, surrender, or otherwise, and dispossess and remove therefrom the Tenant, or other occupants thereof, and their effects, without being liable to any prosecution therefor. In such case, the Landlord may, at its option, relet the Leased Premises or any part thereof, as the agent of the Tenant, and the Tenant shall pay the Landlord the difference between the rent hereby reserved and agreed to be paid by the Tenant for the portion of the term remaining at the time of reentry or repossession and the amount, if any, received or to be received under such reletting for such portion of the term. The Tenant hereby expressly waives the service of notice of intention to reenter or of instituting legal proceedings to that end. Tenant agrees to pay all expenses and damages incurred by Landlord as a result of Tenant's default, including Landlord's attorney fees.

24. **Curing of Tenant's Default.** If Tenant shall fail to perform any of its obligations hereunder, Landlord may, if it so elects, and after five (5) days prior notice to Tenant, cure such

default at Tenant's expense, and Tenant agrees to reimburse Landlord (as Additional Rent) for all costs and expenses incurred as a result thereof upon demand.

25. **Right to Show the Premises.** Tenant agrees that ninety (90) days prior to the expiration of the term of this lease, or any extension hereof, Landlord may display in and about the Leased Premises "For Rent" or "For Sale" signs and may have reasonable access to the Leased Premises for the purpose of exhibiting same to prospective tenants.

26. **Surrender.** Tenant shall quit and surrender the premises at the expiration of the lease term, in as good a state and condition as the premises were at the commencement of the term, reasonable use and wear thereof excepted.

27. **Holding Over.** It is agreed that any holding over by the Tenant upon expiration of the term of this lease or any extension hereof, shall operate as an extension of this lease from month to month only.

28. **Notices.** Any notice required to be given in writing under the provisions of this lease shall be deemed to be delivered if given personally to the party entitled to such notice or if deposited in the U.S. mail and addressed with the business address of the party entitled to such notice with postage thereon fully prepaid.

29. **Waiver.** One or more waivers of any covenant or condition by Landlord shall not be construed as a waiver of a subsequent breach of the same covenant or condition.

30. **Laws of Michigan to Govern.** This lease agreement shall be interpreted under the laws of the State of Michigan.

31. **Binding upon Successors and Assigns.** This lease shall be binding upon the parties hereto and their respective heirs, administrators, personal representatives, successors and assigns.

32. **Concessions Agreement.** This Lease is contingent upon Landlord and Tenant executing a concessions agreement within 90 days of the execution of this Lease. In the event the concessions agreement is terminated, this Lease shall be terminable by either party with notice to the other. In the event this Lease is terminated, the concessions agreement shall be terminable by either party with notice to the other.

33. **Liquor License.** In the event the Michigan Liquor Control Commission ("MLCC") requires the owner of the Liquor License to take any action, or refrain from any action, Tenant shall immediately take steps to satisfy the MLCC, and keep the Liquor License in compliance. Tenant shall indemnify Landlord for any fine or violation issued by the MLCC. In the event the MLCC disapproves of Tenant's use of the Liquor License in any way, Tenant shall immediately cease such use, or Landlord may terminate this Lease.

{Signatures appear on the following 2 pages.}

LANDLORD –
City of Muskegon,
a Michigan municipal corporation

By: _____
Name:
Title:
Date: _____, 2017

TENANT–

Rad Dad's, LLC,
a Michigan limited liability company

By: _____
Name:
Title:
Date: _____, 2017

EXHIBIT A

Leased Premises

EXHIBIT B

Premises

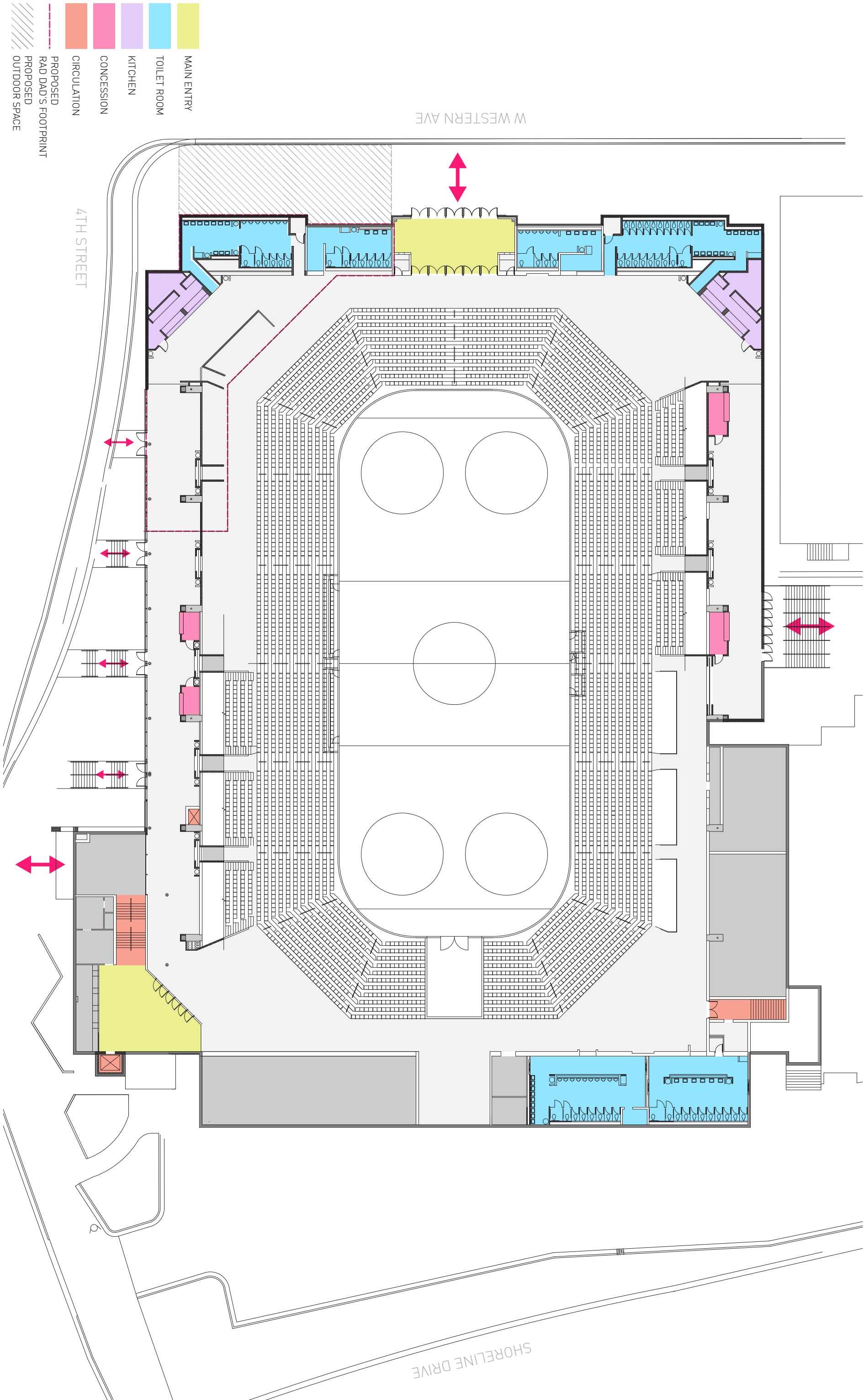
The part of Lot 1, Block 567 of the Revised Plat of 1903 of the City of Muskegon, Muskegon County, Michigan, described as follows: Commencing at the Southwesterly corner of said Block 567; thence North 50°55'50" East along the Northwesterly line of Western Avenue 175.29 feet for POINT OF BEGINNING; thence North 39°01'35" West 172.00 feet to the Northwesterly line of Thayer Avenue; thence South 50°55'50" West along said Northwesterly line 116.00 feet to the Northeasterly line of Fifth Street; thence North 39°01'35" West along said Northeasterly line 188.65 feet to the Southeasterly right of way line of Shoreline Drive; thence Northeasterly along said Southeasterly line on the arc of a 5187.69 foot curve to the right a distance of 159.20 feet (the central angle of said curve is 1°45'30" and the long chord bears North 39°09'22" East 159.20 feet); thence continuing Northeasterly along said Southeasterly line on the arc of a 1107.00 foot radius curve to the left a distance of 198.97 feet (the central angle of said curve is 10°17'54" and the long chord bears North 34°53'10" East 198.70 feet) to the Southwesterly line of Fourth Street; thence Southeasterly along said Southwesterly line on the arc of a 619.21 foot curve to the right a distance of 5.65 feet (the central angle of said curve is 00°31'20" and the long chord bears South 58°52'07" East 5.65 feet); thence South 59°07'47" East along said Southwesterly line 128.42 feet; thence continuing Southeasterly along Southwesterly line of the arc of a 138.77 foot radius curve to the right a distance of 119.33 feet (the central angle of said curve is 49°16'12" and the long chord bears South 34°29'41" East 115.69 feet); thence South 09°51'35" East along said Southwesterly line 4.10 feet; thence Southeasterly along said Southwesterly line on the arc of a 186.93 foot curve to the left a distance of 49.53 feet (the central angle of said curve is 15°10'50" and the long chord bears South 17°27'00" East 49.38 feet); thence South 25°02'25" East along said Southwesterly line 48.60 feet; thence Southeasterly along said Southwesterly line on the arc of a 423.00 foot curve to the left a distance of 103.39 feet (the central angle of said curve is 14°00'15" and the long chord bears South 32°02'32" East 103.13 feet); thence South 39°02'40" East along said Southwesterly line 7.81 feet to the Northwesterly line of Western Avenue; thence South 50°55'50" West along said Northwesterly line 223.25 feet to Point of Beginning.

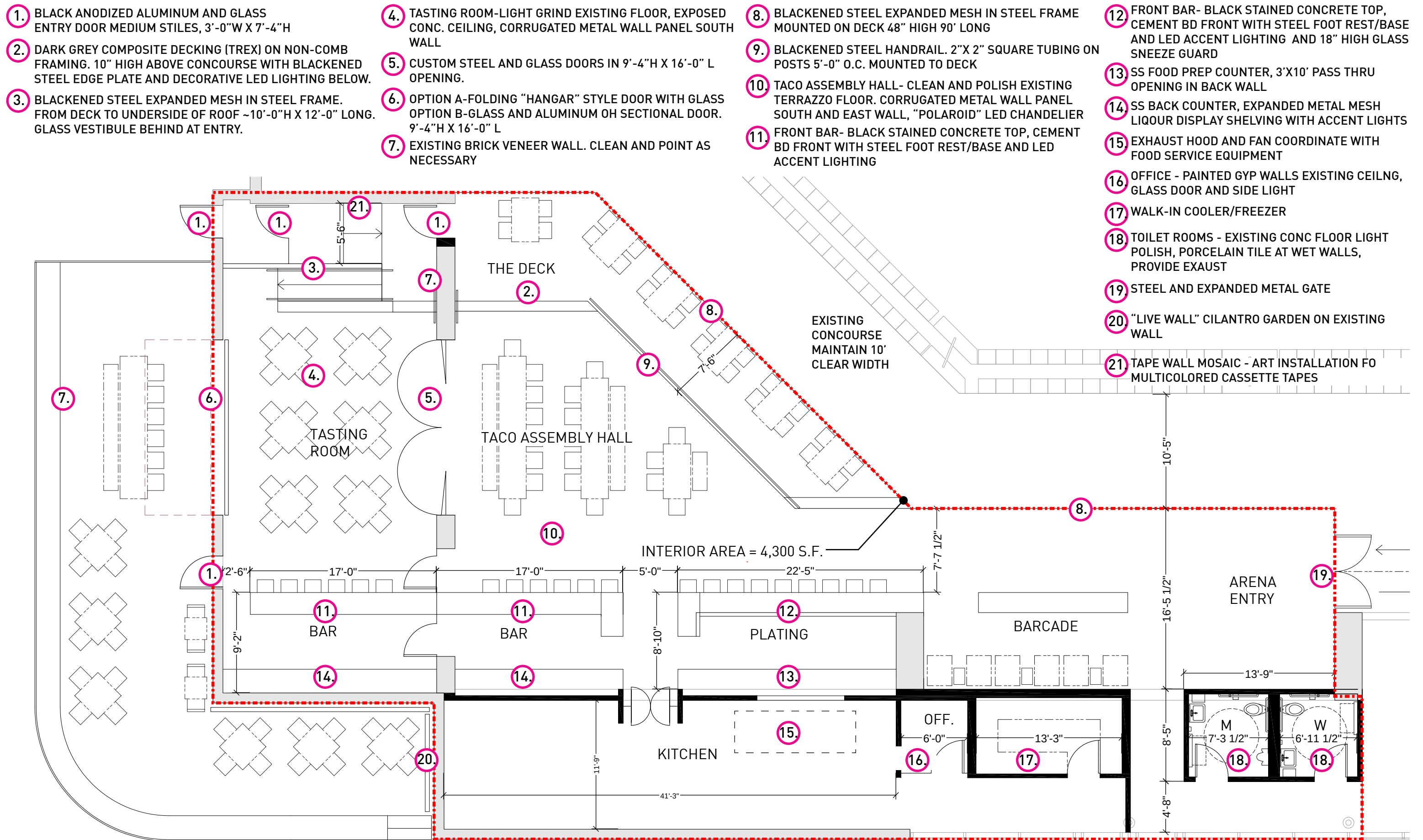
EXHIBIT C

Blueprints

To be prepared and attached at a later date.

EXISTING CONCOURSE PLAN



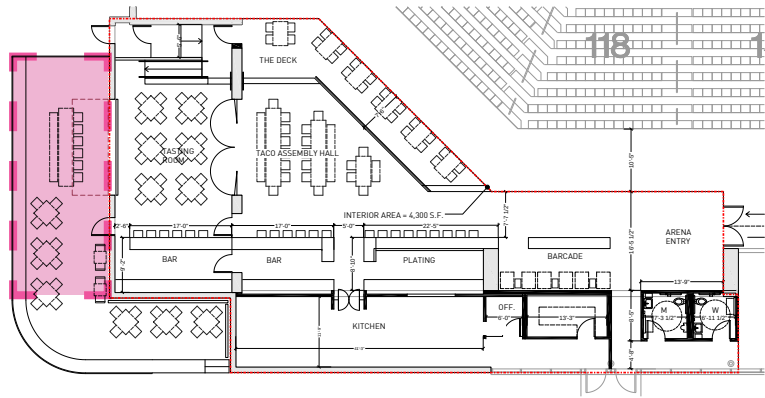


FLOOR PLAN

SCALE: 1/8" = 1'-0"



COUNCOURSE EXTERIOR



KEY PLAN

EXTERIOR DEVELOPMENT OPTION 2- AWNING

AWNING ROOF PITCHED TO EXISTING ROOF

"LIVEWALL" CILANTRO VERTICAL GARDEN

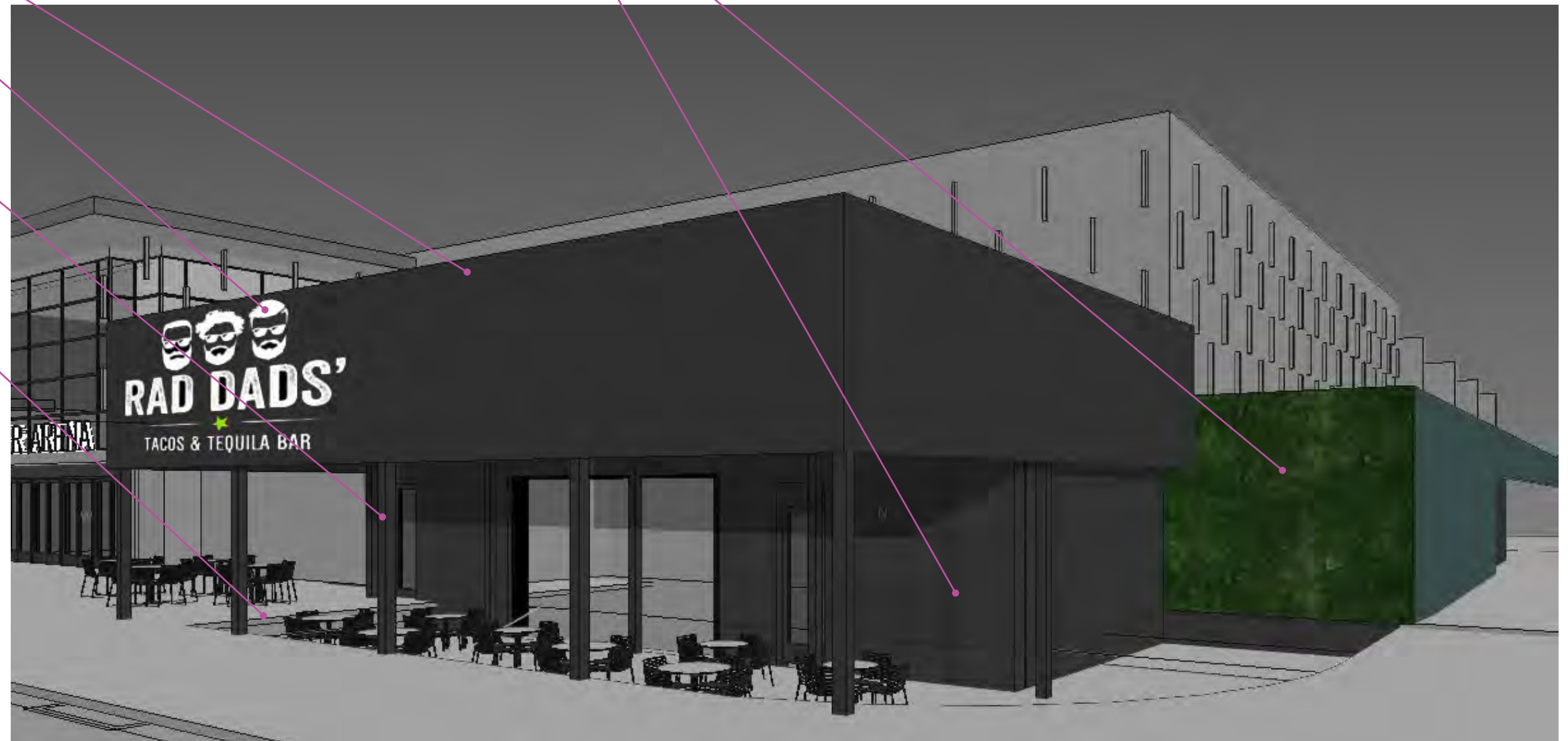
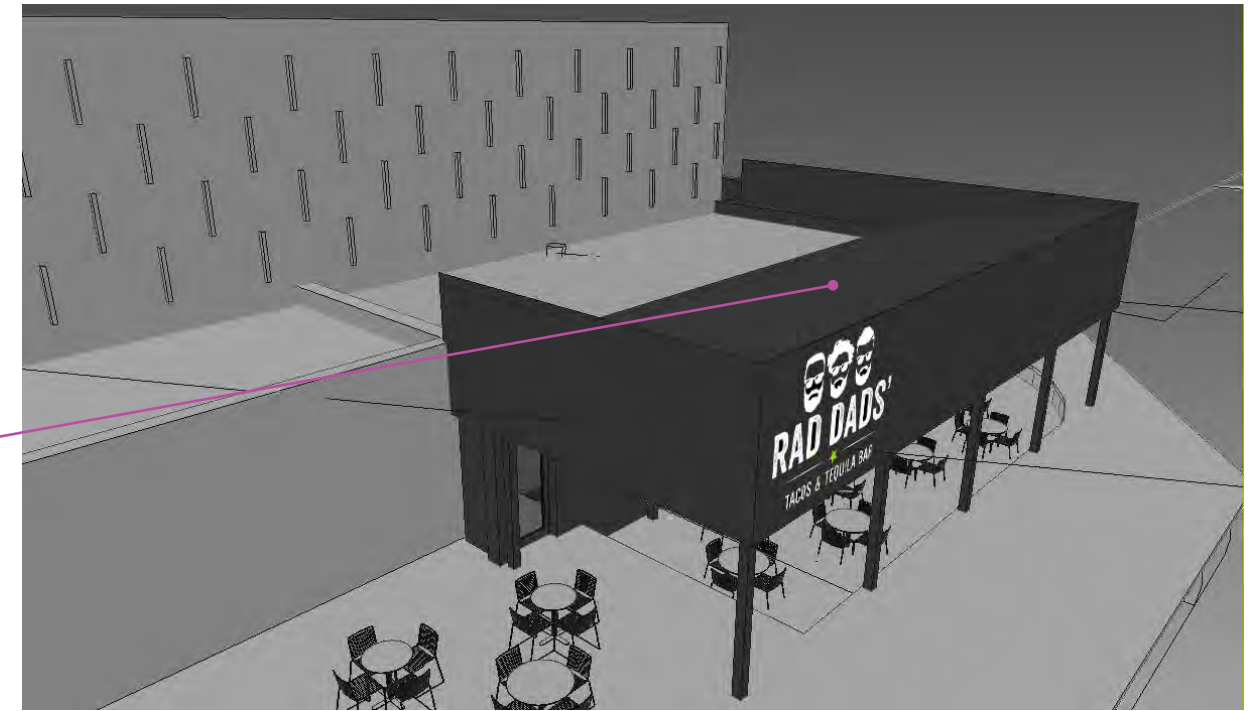
EXISTING METAL WALL PAINTED

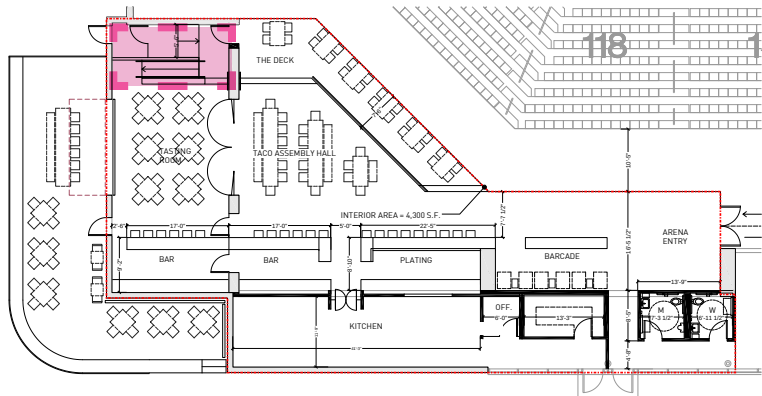
VERTICAL STRETCHED FABRIC BY AWNING MANUFACTURER

PRINTED GRAPHIC LOGO ON FABRIC

PAINTED STEEL FRAMING BY AWNING MANUFACTURER

SUNKEN CONCRETE PATIO WITH ROLLED RAMP EDGES AND GALVANIZED PIPE HANDRAIL





KEY PLAN

DARK GREY COMPOSITE DECKING (TREX)
ON NON-COMB FRAMING. 10" HIGH ABOVE
CONCOURSE WITH BLACKENED STEEL EDGE
PLATE AND DECORATIVE LED LIGHTING BELOW.

BLACKENED STEEL HANDRAIL. 2"X 2" SQUARE
TUBING ON POSTS 5'-0" O.C. MOUNTED TO DECK

CORRUGATED METAL WALL PANEL ON EXISTING
CMU WALL

OPTION A-FOLDING "HANGAR" STYLE DOOR WITH
GLASS OPTION B-GLASS AND ALUMINUM OH
SECTIONAL DOOR.
9'-4"H X 16'-0" L

EXISTING BRICK VENEER WALL.
CLEAN AND POINT AS NECESSARY

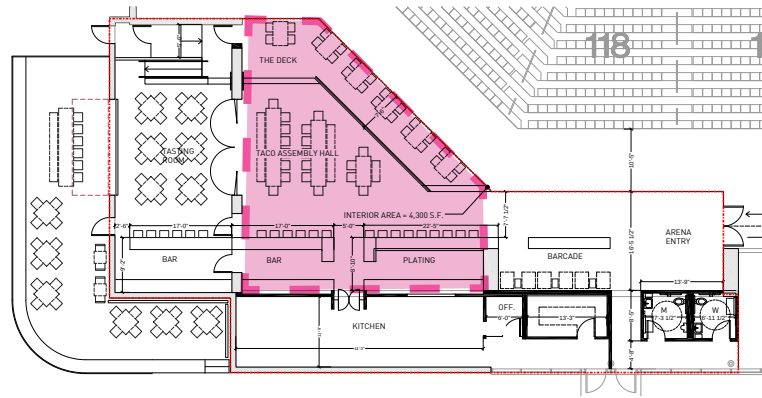
TAPE WALL MOSAIC - ART INSTALLATION FOR
MULTICOLORED CASSETTE TAPES

BLACK ANODIZED ALUMINUM AND GLASS
ENTRY DOOR MEDIUM STILES, 3'-0"W X 7'-4"H

BLACKENED STEEL EXPANDED MESH IN STEEL FRAME.
FROM DECK TO UNDERSIDE OF ROOF ~10'-0"H X 12'-0" LONG.
GLASS VESTIBULE BEHIND AT ENTRY.



TACO ASSEMBLY HALL DEVELOPMENT



KEY PLAN

CORRUGATED METAL WALL PANEL ON EXISTING CMU WALL

FRONT BAR- BLACK STAINED CONCRETE TOP, CEMENT BD FRONT WITH STEEL FOOT REST/ BASE AND LED ACCENT LIGHTING

SS BACK COUNTER, EXPANDED METAL MESH LIQUOR DISPLAY SHELVEING WITH ACCENT LIGHTS

SS FOOD PREP COUNTER, 3'X10' PASS THRU OPENING IN BACK WALL

FRONT BAR- BLACK STAINED CONCRETE TOP, CEMENT BD FRONT WITH STEEL FOOT REST/BASE AND LED ACCENT LIGHTING AND 18" HIGH GLASS SNEEZE GUARD

TACO ASSEMBLY HALL- CLEAN AND POLISH EXISTING TERRAZZO FLOOR. CORRUGATED METAL WALL PANEL SOUTH AND EAST WALL, "POLAROID" LED CHANDELIER

BLACK ANODIZED ALUMINUM AND GLASS ENTRY DOOR MEDIUM STILES, 3'-0"W X 7'-4"H
CUSTOM STEEL AND GLASS DOORS IN 9'-4"H X 16'-0" L OPENING.

BLACKENED STEEL EXPANDED MESH IN STEEL FRAME MOUNTED ON DECK 48" HIGH 90' LONG

DARK GREY COMPOSITE DECKING (TREX) ON NON-COMB FRAMING. 10" HIGH ABOVE CONCOURSE WITH BLACKENED STEEL EDGE PLATE AND DECORATIVE LED LIGHTING BELOW.



EXISTING CONCOURSE NOT IN SCOPE



© ROSSETTI 2017

AGENDA ITEM NO. _____
CITY COMMISSION MEETING _____

TO: Honorable Mayor and City Commissioners

FROM: Frank Peterson, City Manager

DATE: July 11, 2017

RE: Arena Rink Alterations

SUMMARY OF REQUEST:

There are a number of repairs needed to the dasher boards at the LC Walker Arena. Rather than simply repairing and replacing the boards, arena management is proposing to upgrade the dasher boards behind both goalie areas to accommodate indoor soccer goals. The new boards will allow for an imbedded 14x18 soccer goal. These goals will accommodate the Muskegon Risers indoor soccer club, as well as a number of exhibition games planned in 2017-18. The goals will also make it possible to add indoor soccer tournaments and leagues during the hockey offseason.

FINANCIAL IMPACT:

The new dasher boards are provided and installed by Rink Systems at a cost of \$24,250. The concrete work will be provided by RW Concrete Sawing, Inc. at a cost of \$4,155. Additional costs may arise as arena staff explores seating options for the area directly adjacent to the soccer goals.

BUDGET ACTION REQUIRED:

A budget adjustment will be included as part of the 1st quarter budget reforecast, with the proceeds coming from the Public Improvement Fund.

STAFF RECOMMENDATION:

To approve the request and authorize the installation of the new dasher board system at a cost not to exceed \$30,000.

COMMITTEE RECOMMENDATION:

None.



1103 Hershey Street
Albert Lea, MN 56007
www.rinksystems.com

Phone # 800-944-7930 Fax # 507-377-1060

Quote

Date	Quote #
6/14/2017	2633

Name / Address

LC Walker Arena
955 4th Street
Muskegon, MI 49440

Ship To

LC Walker Arena
955 4th Street
Muskegon, MI 49440

Requested By	Sales Rep	Due Date	FOB	Terms
Neil	SLO	7/14/2017	RSI	Net 30

Qty	U/M	Description	RSI #	Cost	Total
1	ea	DASHERBOARD SOCCER CONVERSION TO INCLUDE: RECONFIGURE EXISTING BOARD DESIGN AND PROVIDE NEW DASHER BOARD PANELS TO PROVIDE A REMOVABLE 12'-8" OPENING FOR INSERTING SOCCER GOALS. PROVIDE 2" GALVANIZED STEEL ICE DAM UNDER NEW BOARD PANELS NEW EQUIPMENT GATE AND ACCESS GATE WILL BE PROVIDED ALONG WITH FILLER PANELS AND FILLER ACRYLIC PIECES ADDITIONAL ACCESS GATE PROVIDED FOR SOCCER FIELD ACCESS PROVIDE (2) 12' WIDE X 6'-6" HIGH X 2' DEEP ALUMINUM SOCCER GOALS WITH NETTING INCLUDES FIELD MEASURE OF EXISTING SYSTEM TO ASSURE PROPER FIT AND FUNCTION, AS WELL AS ASSIST IN REMOVING BOARDS FOR CONCRETE WORK. INCLUDES (3) DASHERBOARD STORAGE CARTS FOR SYSTEM SHIPPING INCLUDED	CUSTOM	20,750.00	20,750.00T
1	ea	LABOR AND EXPENSES TO REMOVE AND INSTALL NEW SYSTEM	CUSTOM	3,500.00	3,500.00T
Subtotal					\$24,250.00
Sales Tax (0.0%)					\$0.00
Total					\$24,250.00
THANK YOU FOR ALLOWING US THE OPPORTUNITY TO PROVIDE THIS QUOTE. WE APPRECIATE YOUR BUSINESS. IF YOU HAVE ANY QUESTIONS, PLEASE CALL US AT (800) 944-7930.					



Date: 6/14/2017

Estimate

TO: NEIL HAWRYLIW
L.C. WALKER ARENA

FROM: RICH KARNES
RW Concrete Sawing Inc.
P.O. Box 119
Dorr, MI 49323
Ph.# (616)378-0075
Fax# (616)296-2070
karnesrich@yahoo.com

PH#

FAX#

RFQ #	Sales Rep.	Job Address	BUDGET NUMBER		karnesrich@yahoo.com	Terms
			L.C. WALKER ARENA			NET 30 DAYS
Quantity	Unit	Description			Unit Price	Extended Price
1		WALL SAW/SLAB SAW/CORE DRILL ON EAST END OF ICE ARENA TO OPEN UP A 15' WIDE BY 32" DEEP AREA TO FIT A SOCCER NET,				2375
1		SINCE NO OVERCUTS, WILL HAVE TO CHIP AND GRIND FLOOR TO TRY AND MAKE ENDS OF CUTS FLUSH WITH				340
2		SLURRY BARRELS,			120	240
1		REMOVE CONCRETE AND RECYCLE,				1200

AGENDA ITEM NO. _____
CITY COMMISSION MEETING _____

TO: Honorable Mayor and City Commissioners
FROM: Frank Peterson, City Manager
DATE: July 11, 2017
RE: Authorization to repair/Refurbish 1999 Olympia

SUMMARY OF REQUEST:

The City owns and operates a 1999 Olympia Ice Resurfacing Machine (often referred to as a Zamboni). The Olympia has required significant repairs over the past three hockey seasons, and almost resulted in the inability to finish a Lumberjack's playoff game earlier this year. A replacement Olympia would likely cost between \$75,000 and \$125,000, depending on the age of the unit. Staff is seeking permission to send the current Olympia to be refurbished. The cost of the project is dependent upon the components that are ultimately replaced. Arena management expect this cost to be between \$30,000 and \$35,000, as a number of major components have already been replaced in the past year.

FINANCIAL IMPACT:

Not to exceed \$35,000.

BUDGET ACTION REQUIRED:

A budget adjustment will be included as part of the 1st quarter budget reforecast, with the proceeds coming from the Arena Fund.

STAFF RECOMMENDATION:

To approve the request and authorize the installation of the new dasher board system at a cost not to exceed \$35,000.

COMMITTEE RECOMMENDATION:

None.