CITY OF MUSKEGON

CITY COMMISSION MEETING

JUNE 27, 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:**
- □ **CONSENT AGENDA:**

A. **Approval of Minutes** City Clerk

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

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

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

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

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

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

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

I. **ITEM REMOVED PER STAFF REQUEST**

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

□ **PUBLIC HEARINGS:**

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

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

□ **COMMUNICATIONS:**

□ **UNFINISHED BUSINESS:**

□ **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

B. **Adoption of 2017-18 Proposed Budget** Finance

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

D. **Adopt Michigan DNR Grant Resolution** Department of Public Works

E. **Hartshorn Marina Engineering Study** Department of Public Works

F. **Sewer Rate Adjustment** Finance

G. **2017 Sanitation Service Fee** Finance

□ **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:**

A. **City Manager Evaluation**

□ **ADJOURNMENT:**

ADA POLICY: THE CITY OF MUSKEGON WILL PROVIDE NECESSARY AUXILIARY AIDS AND SERVICES TO INDIVIDUALS WHO WANT TO ATTEND THE MEETING UPON TWENTY-FOUR HOUR NOTICE TO THE CITY OF MUSKEGON. PLEASE CONTACT ANN MARIE MEISCH, CITY CLERK, 933 TERRACE STREET, MUSKEGON, MI 49440 OR BY CALLING (231) 724-6705 OR TTY/TDD DIAL 7-1-1- TO REQUEST A REPRESENTATIVE TO DIAL (231) 724-6705.

Date: June 20, 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 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.

CITY OF MUSKEGON
CITY COMMISSION WORKSESSION

Monday, June 12, 2017
5:30 p.m.
Muskegon City Commission Chambers
933 Terrace Street, Muskegon, MI 49440

MINUTES

2017-45

Present: Gawron, Hood (left at 8:43 p.m.), Warren (left at 8:40 p.m.), German, Rinsema-Sybenga, Johnson, and Turnquist

Absent: None

The agenda was rearranged to allow discussion of the LC Walker Arena Concession Point of Sale Contract with Digital Dining to the beginning of the meeting.

LC Walker Concession Point of Sale Contract

Frank Peterson, City Manager, presented information on the Digital Dining Program he would like to implement at the Walker Arena. The LC Walker arena stands grossed nearly $500,000 in sales during the current fiscal year. To better manage these sales, staff is requesting permission to purchase and implement a point of sales system. The system, Digital Dining, would be implemented prior to the start of hockey season, and would be interconnected to any restaurants that lease space in the arena as well. This item will be on the regular meeting agenda.

2017/18 Proposed Budget and Quarterly Reforecast

Frank Peterson, City Manager, presented information on the 2017-18 Proposed Budget and 4th Quarter Reforecast highlighting the most significant changes. Department Heads were in attendance and were able to participate in commenting and answering Commissioners' questions. Discussion took place regarding the 2017/18 proposed budget.

Any Other Business

Frank Peterson, City Manager, discussed some potential changes to the terms of the loan from the Cemetery Perpetual Care Fund loan that was approved on May 23, 2017 in order to get the best coverage for our investment and possibly be eligible for grant funds. Discussion took place regarding the terms of the loan from the Community Foundation – Cemetery Perpetual Care Fund.

Adjournment
Moved by Commissioner Turnquist, second by Commissioner Rinsema-Sybenga, to adjourn the meeting at 8:50 p.m.

Respectfully Submitted,

Ann Marie Meisch, MMC
City Clerk

CITY OF MUSKEGON

CITY COMMISSION MEETING

JUNE 13, 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, Vice Mayor Hood, Commissioners Ken Johnson, Debra Warren, Willie German, Jr., Dan Rinsema-Sybenga, and Byron Turnquist, City Manager Franklin Peterson, City Attorney John Schrier, and City Clerk Ann Meisch.

INTRODUCTIONS/PRESENTATION:

A. Recognition of Spring 2017 Citizen's Academy Graduates
Public Safety

Mayor, Stephen J. Gawron, read the resolution and thanked the 2017 Citizen's Police Academy for their faithful attendance, completion, and graduation from the ten week academy.

2017-46 CONSENT AGENDA:

A. Approval of Minutes City Clerk

SUMMARY OF REQUEST: To approve the minutes of the May 23, 2017 Regular City Commission Meeting.

FINANCIAL IMPACT: None

BUDGET ACTION REQUIRED: None

STAFF RECOMMENDATION: Approval of the Minutes.

C. Approval of a Neighborhood Enterprise Zone Certificate – 325 Terrace Point Circle – Planning & Economic Development

SUMMARY OF REQUEST: An application for a Neighborhood Enterprise Zone (NEZ) certificate has been received from Eric and Michelle Ringelberg for the new construction of a home at 325 Terrace Point Circle. This unit has already been constructed and the State Tax Commission allows applicants to apply for a certificate up to six (6) months after construction commences. Construction started in February with an estimated cost of $320,112. The applicant has met local and state requirements for the issuance of the NEZ certificate.

FINANCIAL IMPACT: Taxation will be 50% of the State average of new home for the next 12 years.

BUDGET ACTION REQUIRED: None.

STAFF RECOMMENDATION: Approval of the NEZ certificate.

D. **Approval of a Neighborhood Enterprise Zone Certificate – 311 Terrace Point Circle** – Planning & Economic Development

SUMMARY OF REQUEST: An application for a Neighborhood Enterprise Zone (NEZ) certificate has been received from Steve and Lori Videto for the new construction of a home at 311 Terrace Point Circle. This unit has already been constructed and the State Tax Commission allows applicants to apply for a certificate up to six (6) months after construction commences. Construction started in February with an estimated cost of $314,072. The applicant has met local and state requirements for the issuance of the NEZ certificate.

FINANCIAL IMPACT: Taxation will be 50% of the State average of new homes for the next 12 years.

BUDGET ACTION REQUIRED: None.

STAFF RECOMMENDATION: Approval of the NEZ certificate.

E. **Authorization of Community Housing Development Organization (CHDO) Agreements** – Community & Neighborhood Services

SUMMARY OF REQUEST: The Muskegon County Habitat for Humanity has proposed to build (2) three-bedroom, single-family homes in the Nims Neighborhood. The total budget for this project is $229,065. Muskegon County Habitat for Humanity has requested **$79,900**, in HOME funds to assist in the completion of these homes, as well as continuing the partnership between the City and Habitat in providing decent affordable homes within the City of Muskegon.

After the Mayor and Clerk sign the contracts, the CNS office will retain one copy of our files and a copy will be supplied to Muskegon County Habitat for Humanity for their records.

FINANCIAL IMPACT: Funding will be allocated from the 2016 HOME program.

BUDGET ACTION REQUIRED: The City Commission made budgeting allocation decisions last year.

STAFF RECOMMENDATION: To direct Mayor and Clerk to sign agreements

COMMITTEE RECOMMENDATION: Citizen District Council approved.

G. <u>CDBG Program Administration Agreement – City of Muskegon/City of Norton Shores</u>

SUMMARY OF REQUEST: The City of Muskegon has contracted with the City of Norton Shores to administer their Community Development Block Grant (CDBG) program since 2006. The current Agreement concludes on June 30, 2017. The new agreement extends for two years (through June 30, 2019).

FINANCIAL IMPACT: The City of Norton Shores will pay the maximum allowable CDBG costs per program year to the City of Muskegon, minus $1,000 to administer their CDBG program

BUDGET ACTION REQUIRED: None.

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

H. <u>Cemetery Perpetual Care Fund – CFFMC</u> City Manager

SUMMARY OF REQUEST: The City Commission recently approved a change to the fund to allow for a loan in support of development at 351 West Western. The developers have received a conditional offer from the MEDC to provide grant assistance to the project. However, the MEDC's recommendation is contingent upon the City's loan terms being adjusted to allow for better cash flow in the project. Absent a change to our loan, the grant funding is unlikely to be recommended at its current level.

FINANCIAL IMPACT: None

BUDGET ACTION REQUIRED: None

STAFF RECOMMENDATION: To authorize the Community Foundation for Muskegon County to invest $500,000 from the City of Muskegon Cemetery Perpetual Care Fund in 351 W. Western Ave. LLC, as a piece of the financing for a six-story residential, commercial and retail development on terms that are as follows:

The return to the Cemetery Perpetual Care Endowment Fund will be interest at 0% for the first three years and then at the prime rate beginning in year four, adjusted annually. Years 1-5, monthly payments will consists of interest only. Beginning in Year six, monthly payments will consists of principle and interest (prime), based on 25 year amortization. A balloon payment will be due at year 15. The loan will be secured by a subordinated mortgage on the development.

J. <u>Community Relations Committee Recommendation for Commission Opening</u> City Clerk

SUMMARY OF REQUEST: To concur with the recommendations from the Community Relations Committee regarding the appointment by City Manager, Frank Peterson, of Jonathan Wilson to the Housing Commission.

FINANCIAL IMPACT: None

BUDGET ACTION REQUIRED: None

STAFF RECOMMENDATION: To accept the recommendation made by the Community Relations Committee of Frank Peterson to appoint Jonathan Wilson to the Housing Commission.

COMMITTEE RECOMMENDATION: To accept the appointment by Frank Peterson of Jonathan Wilson to the Housing Commission.

Motion by Commissioner Johnson, second by Commissioner Warren, to approve the consent agenda as presented, minus items B, F, and I.

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

Nays: None

MOTION PASSES

2017-47 ITEMS REMOVED FROM THE CONSENT AGENDA

B. <u>Special Event Request – Burning Foot Beer Festival at Pere Marquette Park</u> - Planning

SUMMARY OF REQUEST: The Lakeshore Brewer's Guild is holding their 3rd annual "Burning Foot Beer Festival" event at Pere Marquette Park on August 26, 2017. City Commission approval is required due to the request to allow overnight camping at the beach.

Overnight camping proposal: Tent camping is proposed on the beach to the south of the festival area. RV camping is proposed in the grassy area of Margaret Drake Elliott Park adjacent to the parking lot near the Coast Guard Station. Camping areas will be open at 9:00 AM on Saturday, August 26 and be cleared out by 11:00 AM on Sunday, August 27. All camping areas will be monitored by festival personnel. A site plan is attached showing the proposed camping areas. Burning Foot personnel will obtain the necessary Health Department/DEQ permits.

FINANCIAL IMPACT: None.

BUDGET ACTION REQUIRED: None.

STAFF RECOMMENDATION: Staff recommends approval.

Motion by Commissioner Turnquist, second by Commissioner Johnson to

approve the special event request from Burning Foot Beer Festival at Pere Marquette Park.

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

Nays: None

MOTION PASSES

F. <u>Approval of the Fair Housing Agreement with Muskegon Heights and Norton Shores</u> – Community & Neighborhood Services

SUMMARY OF REQUEST: The cities of Muskegon, Muskegon Heights, and Norton Shores are entering into an agreement with the Fair Housing Center of West Michigan to conduct fair housing testing in the County of Muskegon per the recommendation of the 2009 Analysis of Impediments Report. This agreement will be for 2017-2019.

FINANCIAL IMPACT: Based on population, the City of Muskegon will pay $17,680 of the annual cost.

BUDGET ACTION REQUIRED: None.

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

Motion by Commissioner Warren, second by Commissioner German to approve the Fair Housing Agreement with Muskegon Heights and Norton Shores.

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

Nays: None

MOTION PASSES

I. <u>LC Walker Concession Point of Sale Contract</u> City Manager

SUMMARY OF REQUEST: The LC Walker arena concession stands grossed nearly $500,000 in sales during the current fiscal year. To better manage these sales, staff is requesting permission to purchase and implement a point of sales system. The system, Digital Dining, would be implemented prior to the start of the hockey season, and would be interconnected to any restaurants that lease space in the arena as well.

FINANCIAL IMPACT: $75,000

BUDGET ACTION REQUIRED: None. This cost is included in the 4th Quarter Budget Reforecast.

STAFF RECOMMENDATION: To authorize the City Manager to enter into a Purchase agreement with Services Integrated Systems, Inc. of Nunica, MI to install and implement the Digital Dining Point of Sale System at the LC Walker

Arena, and to purchase all necessary equipment to accomplish the installation and implementation.

Motion by Commissioner Johnson, second by Commissioner German to authorize the City Manager to enter into a purchase agreement with Service Integrated Systems, Inc. of Nunica, MI to install the Digital Dining Point of Sale System at the LC Walker Arena, and to purchase all necessary equipment to accomplish the installation and implementation.

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

Nays: None

MOTION PASSES

2017-48 PUBLIC HEARINGS:

A. <u>Transmittal of 2017-18 Proposed Budget</u> – City Manager

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 will be reviewed in detail with staff at the June 12th Worksession. A public hearing on the budget will be 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: To hold the public hearing.

PUBLIC HEARING COMMENCED:

The following persons offered comments on the proposed budget:

Chris Drake, 1309 Randolph, City of Muskegon Firefighter – Representing Local 370 Union

Mike McPhail, 1345 Lake Dunes Drive – opposes cuts to Fire Department

Terri Gust, 86 N. Bear Lake Road – against cuts to Fire Department

Mr. Murphy, 436 Adams – against cuts to Fire Department

Ruby Clark, Marquette Neighborhood Association President – why cut – should increase

Motion by Commissioner Rinsema-Sybenga, second by Commissioner Warren, to close the public hearing.

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

Nays: None

MOTION PASSES

2017-49 NEW BUSINESS:

A. <u>Defined Benefit Plan Amortization Extension Agreement</u> – Finance

SUMMARY OF REQUEST: To approve the Defined Benefit Plan Amortization Extension Agreement to extend the amortization periods for funding the unfunded accrued liability for the provision of the City's defined benefit pension benefits through MERS. The extension of the amortization periods will assist the City by reducing significant financial stress to the budget in coming years.

FINANCIAL IMPACT: It is estimated that the City's required contribution rate for the first year (fiscal year 2017-18) would decrease by over $304,000.

BUDGET ACTION REQUIRED: Future budgets will be reflective of this change.

STAFF RECOMMENDATION: To approve the Defined Benefit Plan Amortization Extension Agreement and authorize the Mayor to sign the agreement.

Motion by Commissioner Rinsema-Sybenga, second by Vice Mayor Hood, to approve the Defined Benefit Plan Amortization Extension Agreement and authorize the Mayor to sign the agreement.

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

Nays: None

MOTION PASSES

B. <u>Request for Approval of a Planned Unit Development at Former Nims School</u> – Planning & Economic Development

SUMMARY OF REQUEST: Request for Final Planned Unit Development (PUD) approval at the former Nims School located at 1161 W. Southern Avenue by Avasure, LLC. This project will reutilize the building as a number of uses; including offices, research and development and a business incubator.

FINANCIAL IMPACT: None.

BUDGET ACTION REQUIRED: None.

STAFF RECOMMENDATION: Staff recommends approval of the final PUD.

COMMITTEE RECOMMENDATION: The request was unanimously approved at the May 22, 2017 Special Planning Commission Meeting.

Motion by Commissioner Johnson, second by Commissioner German, to approve the Planned Unit Development at the former Nims School.

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

Nays: None

MOTION PASSES

C. Neighborhood Empowerment Program City Manager

SUMMARY OF REQUEST: Staff and City Commissioners have worked hard to encourage strong and vibrant neighborhoods. One of our greatest assets is to accomplish this is our neighborhood associations. This program is designed to empower neighborhoods to get more involved in activities that beautify their neighborhood, engage neighbors, provide positive activities for children, and otherwise improve quality of life within the neighborhood. This grant program builds on the current neighborhood grant program and provides opportunities for neighborhood groups to raise additional funds to make investments in their neighborhoods.

FINANCIAL IMPACT: $100,000 - $150,000 annually.

BUDGET ACTION REQUIRED: None.

STAFF RECOMMENDATION: To adopt the Neighborhood Empowerment Program and encourage neighborhood associations to utilize the program as a tool to help guide the development and improvement of their neighborhood.

Motion by Commissioner Warren, second by Commissioner Rinsema-Sybenga, to adopt the Neighborhood Empowerment Program.

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

Nays: None

MOTION PASSES

PUBLIC PARTICIPATION: No public comments were received.

ADJOURNMENT: The City Commission meeting adjourned at 7:20 p.m.

Respectfully Submitted,

Ann Marie Meisch, MMC, City Clerk

Date: June 20, 2017

To: Honorable Mayor and City Commissioners

From: Ann Marie Meisch, City Clerk

RE: One-Time or Occasional Users of Kitchen 242 – User Fee Change

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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.

Commission Meeting Date: June 27, 2017

Date: **June 9, 2017**

To: **Honorable Mayor and City Commission**

From: **Jeffrey Lewis, Director of Public Safety Office**

RE: **2017 – 2018 Muskegon High School Community Officer Agreement**

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.

COMMUNITY OFFICER & MUSKEGON PUBLIC SCHOOLS

AGREEMENT
2017 – 2018

This Agreement is effective **August 28, 2017** through **June 8, 2018**, between the City of Muskegon, a Michigan municipal corporation, of 933 Terrace Street, Muskegon, Michigan 49440 ("City"), and Muskegon Public Schools, of 349 West Webster, Muskegon, Michigan, 49440 ("MPS"), with reference to the following facts:

Background

A. City and MPS have determined that it is in each of their best interests to continue police services at the Muskegon High School ("MHS").

B. City has agreed to provide a police officer to be on patrol at MHS. At all times the officer assigned to work at MHS shall be a City police officer and, as such an employee of the City. Duties will be decided between mutual parties. However, it is agreed that a component of the role is to help establish a positive, safe learning environment at MHS and develop positive relationships with the student body.

C. MPS has agreed to pay the City a flat rate according to nine (9) months of service. The community officer will report to the MHS principal.

It is therefore agreed:

1. **Officer.** City shall provide a police officer to be on patrol at MHS during MHS's published academic calendar year, commencing **September 5, 2017** (which shall not include any published vacation days or summer school sessions. i.e. Christmas break, mid-winter break, Thanksgiving break, Professional Development days, Good Friday, Hackley Day or Memorial Day). The officer shall be present at MHS during hours which are mutually agreeable between the City and MPS.

2. **Payment.** MPS shall pay **$2,459.74** on the first of **EACH MONTH**, as invoiced, commencing **September 5, 2017** through **June 8, 2018**. Total payment will not exceed $**22,137.66.**

3. **Term: Termination.** The term of this Agreement shall be for one year from **August 28, 2017** through **June 8, 2018**, and may be renewed annually by mutual agreement. This Agreement may be terminated before the end of its term by subsequent written agreement, which shall be signed by both parties.

4. **Venue.** The parties agree that for purposes of any dispute in connection with this agreement, the Muskegon County Court shall have exclusive jurisdiction and venue.

MUSKEGON PUBLIC SCHOOLS	CITY OF MUSKEGON
By: ______________________________	By: ______________________________
Name: Justin M. Jennings	Name: Stephen J. Gawron
Title: Superintendent	Title: Mayor
Date: ______________________________	Date: ______________________________

AGENDA ITEM NO.____________

CITY COMMISSION MEETING __________________

TO: Honorable Mayor and City Commission

FROM: Department of Public Works

DATE: June 27, 2017

SUBJECT: Space Fruit LLC Concession Contract for City of Muskegon Parks.

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 and Kelvin Pearson of Space Fruit LLC.

COMMITTEE RECOMMENDATION:

Doug Sayles

From:	Space Fruit <spacefruitllc@gmail.com>
Sent:	Tuesday, June 13, 2017 11:18 AM
To:	Doug Sayles
Subject:	Proposal for Space Fruit at Pere Marquette
Attachments:	wild berry pearls.jpg; banana pearls.jpg; four cups ice.jpg; guava pearls.jpg; IMG_8420.JPG

The People of Pere Marquette,

Our names are Bri and Kelvin, and we are the proud owners of Space Fruit Truck. Our concession trailer (Space Fruit Truck) has been our dream over the last couple of years, and together we have worked from the ground up to bring it to life. When we made the decision to come back up to our home state of Michigan for the months of July and August we decided that there was no better place to put our trailer than on the beautiful shoreline of our favorite lake. We are proud to be the one and only vendor of our product, Fruit Pearls: a delicious, frozen snack!

Fruit Pearls are made by flash freezing oranges, and then combining them with an all-natural fruit puree of various flavors. By holding in all the nutrients and hydration of the fruit, and served ice cold, Fruit Pearls are a healthy, and extremely delicious way to cool down on a warm summer day! Our product is often thought of as an all-natural all-fruit version of Dippin' Dots. To help direct your imagination we have attached some pictures of our product, and would like to point out that everything that you see in the cup is pure fruit (our chocolate/strawberry flavor being the exception)! We offer the following flavors at $4 a cup:

-Strawberry
-Chocolate Strawberry
-Guava Mango
-Wild Berries
-Tropical
-Banana Berry

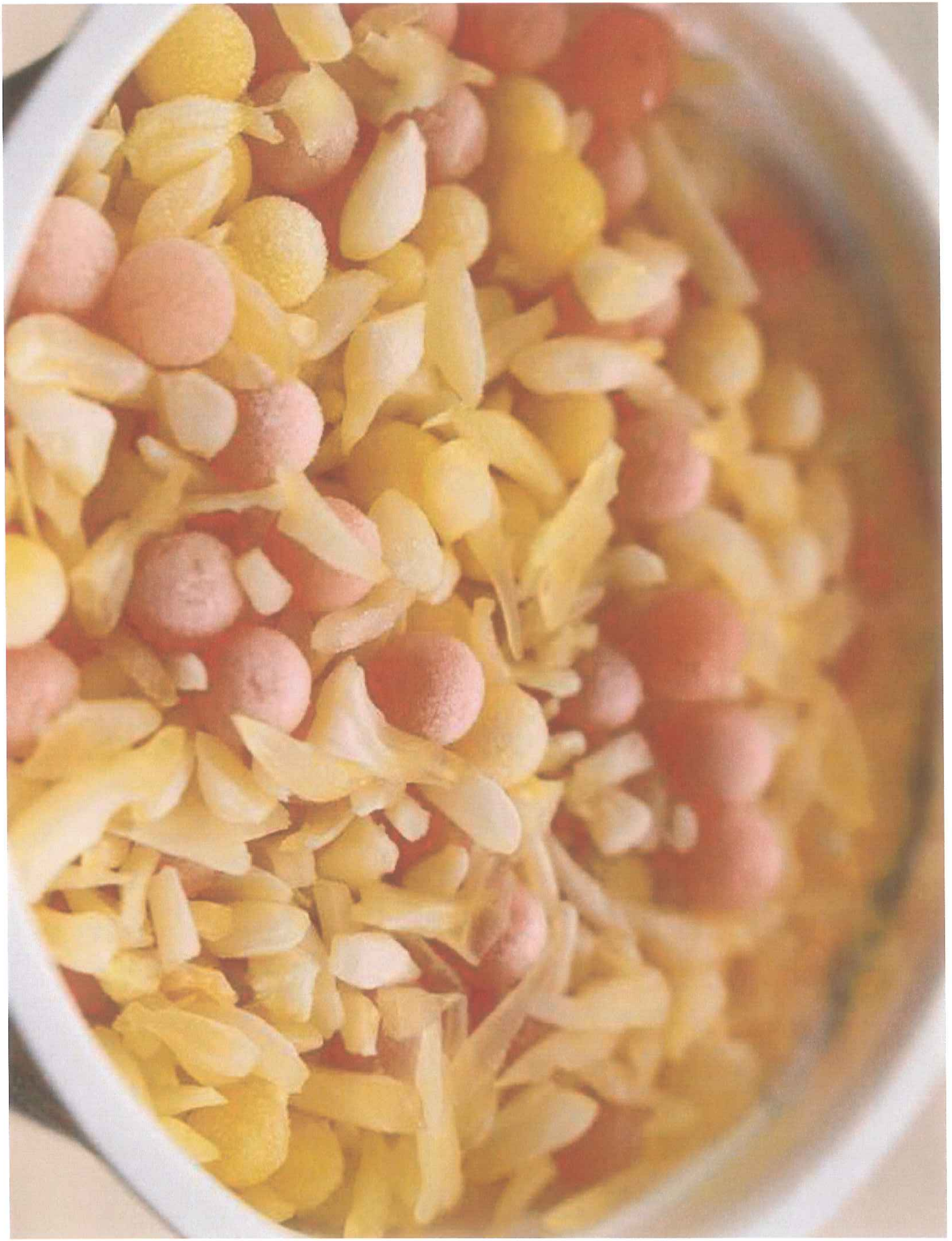
Our outer space themed trailer, is kid and family friendly as we love to create a fun and creative experience for our customers! We are so excited to share our amazing product with the people of Muskegon, and would love the opportunity to vend at Pere Marquette for the hottest months of the summer.

- We would like to be open for business: Thursday-Sunday from 11 AM- 7 PM for July and August.
- Our location of choice would be anywhere on our near the public beach. We have our own source of power if need be, otherwise we plug in to 30 AMP's.

Thank you so much for your time Shoreline City, and we look forward to hearing back!

Bri Schott and
Kelvin Pearson, Members
Space Fruit LLC


FROZEN!
SPACE FRUIT
ATM Drive Thru
SEE US TODAY FOR ALL YOUR FINANCIAL NEEDS!



MACKITE
LAKE MICHIGAN SANDY DOG
BEACH COVE
A & E BBQ LLC
SPACE FRUIT LLC
JAY-BOARDS
LAKE MICHIGAN
MUSKEGON CHANNEL
THE DECK
U.S.C.G.
WATER FILTRATION PLANT
BEACH STREET
MARGARET DRAKE ELLIOTT PARK
N
APPROVED
REQUESTED

Commission Meeting Date: June 27, 2017

Date: June 22, 2017

To: Honorable Mayor and City Commissioners

From: Planning & Economic Development

RE: Amendment to the Zoning Ordinance – Signage

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

<u>Hearing, Case 2017-15:</u> 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.

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    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:____

Nayes:____

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 27th day of June, 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 June 27, 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: June 27, 2017

Date: June 22, 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

---

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:

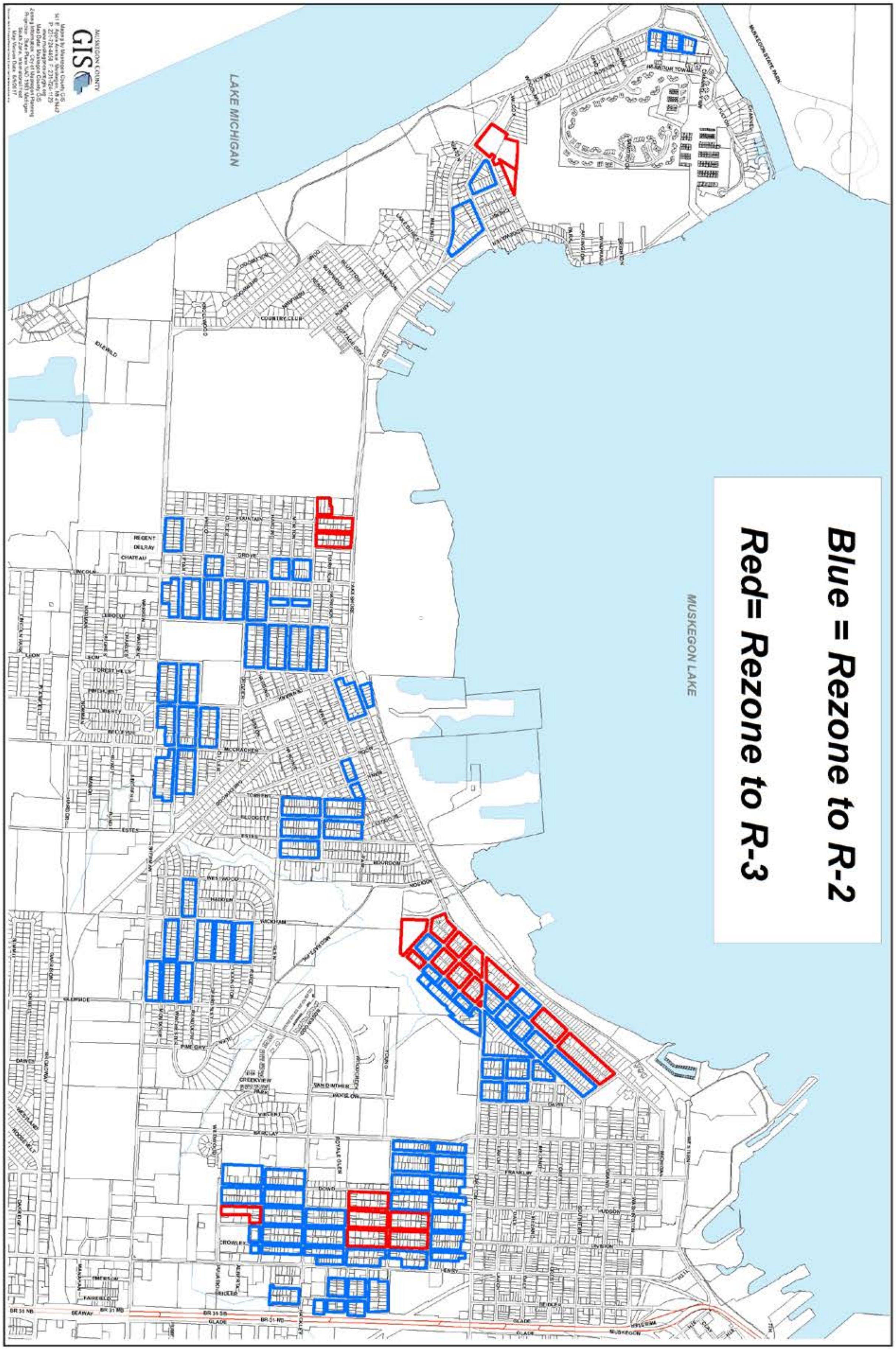
None

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.


Blue = Rezone to R-2
Red= Rezone to R-3
MUSKEGON LAKE
LAKE MICHIGAN
MUSKEGON COUNTY
GIS

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 27th day of June, 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 June 27, 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: June 27, 2017

Date: June 22, 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

---

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:

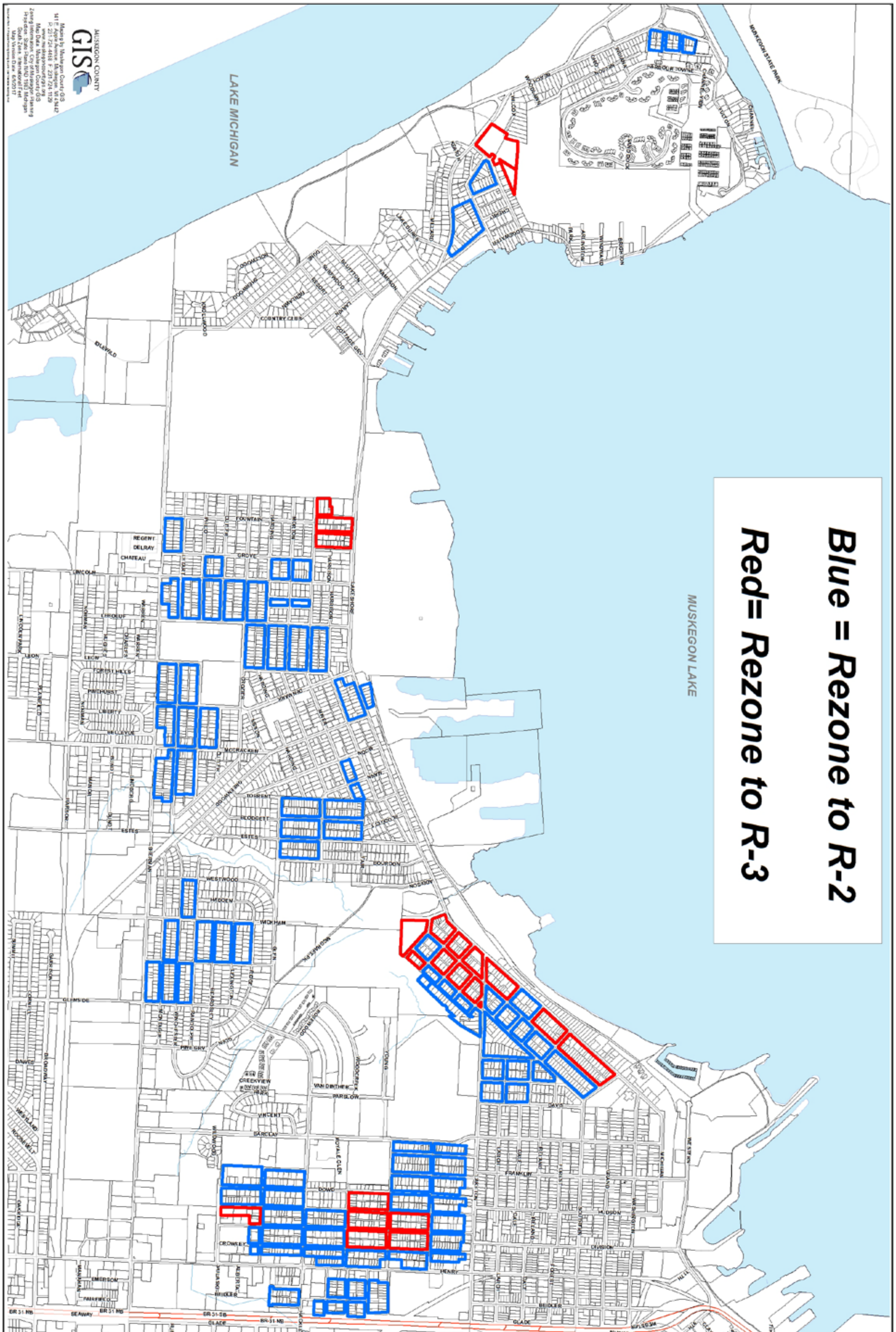
None

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
LAKE MICHIGAN
MUSKEGON LAKE
MUSKEGON COUNTY
GIS

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:____

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-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 27th day of June, 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 June 27, 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: June 27, 2017

Date:	**June 20, 2017**
To:	**Honorable Mayor and City Commission**
From:	**Community and Neighborhood Services Department (CNS)**
RE:	**2017 CDBG/HOME Budget Recommendations**

SUMMARY OF REQUEST: To accept the 2017 Budget recommendations from Citizens 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 CDBG/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. (See attached spreadsheet)

CDBG Organization/Agency	Activity	2016 Budget	2017 Proposed	2017 CDC Proposed
COM - Affirmative Action	Affirmative Action**	$10,000	$ 9,700.00	$ 10,000.00
COM - Affirmative Action	Youth Opportunities/Summer Internships	$0	$ -	$ 5,000.00
COM - CNS	CDBG Admin **	$ 167,332.00	$ 162,312.04	$ 164,308.00
COM - CNS	Priority Home Repair	$235,790	$ 228,716.46	$ 210,883.00
COM - CNS	Services Delivery	$75,000	$ 72,750.00	$ 72,750.00
COM - CNS	Vinyl Siding	$50,000	$ 48,500.00	$ 48,500.00
COM - CNS	Target Neighborhood	$0	$0	$0
COM - CNS	Neighborhood Grants	$0	$ -	$0
COM - Finance	Fire Station Bond Repayment	$133,540	$ 129,533.64	$ 133,401.00
COM - Inspections	Dangerous Bldgs - Demolition	$50,000	$ 48,500.00	$ 48,500.00
COM - Inspections	Dangerous Bldgs - Board-Ups	$10,000	$ 9,700.00	$ 9,700.00
COM - Leisure Services	Youth Recreation*	$70,000	$ 67,900.00	$ 90,000.00
COM - Planning	Code Enforcement	$50,000	$ 48,500.00	$ 48,500.00
Love INC - Ramps	Special Projects/Community Based Org.*	$0	$ -	$0
Love INC - Utility Assistance	Special Projects/Community Based Org *	$0	$ -	$0
COM - Engineering	Streets	$35,000	$ 33,950.00	$ 30,000.00
	Total CDBG Request	**$886,662**	**$ 860,062.14**	**$ 871,542.00**
	Total CDBG Allocated	$886,662		
	Expected program income (Debt Recovery)	$0		
	Total	$886,662		
	Allocated/Request Difference	**$0**		
	Total Amt of Public Service*	**$70,000**		
	Public Service maximum Amt 15%	$132,999		
	Difference	**$62,999**		
	Total Amt of City Administration Request**	**$167,332**		
	Administrative Maximum Amt < 20%	$177,332.40		
	Difference	**$10,000**		

NOTE:

* Public Service

** City CDBG Administration

HOME Organization/Agency	Activity	2016 Budget	2017 Proposed	2017 CDC Proposed
CHDO Allocation	Housing Affordable Units****	**$39,428**	$ 38,245.16	$ 37,431.00
CHDO Administration	Administration	$2,137	$ 2,072.89	$ 2,072.89
COM - CNS	HOME Administration***	**$26,285**	$ 25,496.45	$ 24,953.70
COM - CNS	HOME Infill/New Construction	$150,000	$ 145,500.00	$ 145,079.41
COM - CNS	HOME Rental Rehabilitation	$45,000	$ 43,650.00	$ 40,000.00
COM - CNS	HOME Rehab Construction *	$0	$ -	
COM - CNS	HOME Homebuyer Assistance *	$0	$ -	
	Total HOME Request	**$262,850**	**$ 254,964.50**	**$ 249,537.00**
	Total HOME Allocated	$264,277		
	(+) Program Income	$0		
	Total	**$264,277**		
	Allocated/Request Difference	**$1,427**		

NOTE:
*** Home Administration
**** CHDO Request
<u>* To be funded from Program Income</u>

Total Amt of HOME Administration* **	**$26,285**
Total Amt Designated = 10%	$26,864
Difference	**$579**
Total Amt of HOME CHDO ****	**$41,565**
Total Amt mandated >/= 15%	$39,642
Difference	**$1,923**

Commission Meeting Date: June 27, 2017

Date: June 20, 2017

To: Honorable Mayor & City Commission

From: Planning & Economic Development Department

RE: Set Public Hearing for Amendment to Brownfield Plan- Liberty Building (formerly Ameribank)

SUMMARY OF REQUEST: To approve the attached 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 attached 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.

RESOLUTION NOTIFYING TAXING UNITS,
MICHIGAN STRATEGIC FUND;
AND CALLING PUBLIC HEARING REGARDING
APPROVAL OF AMENDMENTS TO THE BROWNFIELD PLAN OF THE
CITY OF MUSKEGON BROWNFIELD REDEVELOPMENT AUTHORITY

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 offices, on the 27th day of June, 2017 at 5:30 o'clock p.m., prevailing Eastern Time.

PRESENT:

Members____

____

ABSENT: Members

____

The following preamble and resolution were offered by Member _________________ and supported by Member _________________:

WHEREAS, the City of Muskegon, County of Muskegon, Michigan (the "City") is authorized by the provisions of Act 381, Public Acts of Michigan, 1996, as amended ("Act 381"), to create a brownfield redevelopment authority; and

WHEREAS, pursuant to Act 381, the City Commission of the City duly established the City of Muskegon Brownfield Redevelopment Authority (the "Authority"); and

WHEREAS, in accordance with the provisions of Act 381, the Authority has prepared and approved Brownfield Plan Amendments to include the Liberty Building Project, and

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

WHEREAS, prior to approval of the Brownfield Plan Amendments, the Muskegon City Commission desires to hold a public hearing in connection with consideration of the Brownfield Plan Amendments as required by Act 381; and

WHEREAS, prior to approval of the Brownfield Plan Amendments, the City Commission is required to provide notice and a reasonable opportunity to the taxing jurisdictions levying taxes subject to capture and the Michigan Strategic Fund (MSF) to express their views and recommendations regarding the Brownfield Plan Amendments.

NOW, THEREFORE, BE IT RESOLVED THAT:

1. The City Commission hereby acknowledges receipt of the Brownfield Plan Amendments from the Authority and directs the City Clerk to send notice of the proposed Brownfield Plan Amendments to the governing body of each taxing jurisdiction in the City and the MSF notifying them of the City Commission's intention to consider approval of the Brownfield Plan Amendments [after the public hearing described below]; and that a copy of the Plan is available for public inspection at the Muskegon City Clerk’s Office.

2. A public hearing is hereby called on the 11th of July, 2017 at 5:30 p.m., prevailing Eastern Time, in the City Hall Commission Chambers to consider adoption by the City Commission of a resolution approving the Brownfield Plan Amendments.

3. The City Clerk shall notice said public hearing. The notice shall be not less than 10 days before the date set for the public hearing

4. The notice of the hearing shall be in substantially the following form:

CITY OF MUSKEGON
COUNTY OF MUSKEGON, STATE OF MICHIGAN

PUBLIC HEARING ON AN AMENDMENT TO THE MUSKEGON BROWNFIELD PLAN, AS APPROVED BY THE CITY OF MUSKEGON BROWNFIELD REDEVELOPMENT AUTHORITY

TO ALL INTERESTED PERSONS IN THE CITY OF MUSKEGON:

PLEASE TAKE NOTICE that the Muskegon City Commission of the City of Muskegon, Michigan, will hold a public hearing on July 11, 2017, at 5:30 p.m., prevailing Eastern Time in the City Hall Commission Chambers located at 933 Terrace Street, Muskegon, Michigan, to consider the adoption of a resolution approving a Brownfield Plan Amendment for the City of Muskegon Brownfield Redevelopment Authority pursuant to Act 381 of the Public Acts of Michigan of 1996, as amended.

The property to which the proposed Brownfield Plan Amendment applies is:

Liberty Building Project
880 First Street
Muskegon, Michigan 49440

Copies of the proposed Brownfield Plan Amendment are on file at the office of the City Clerk for inspection during regular business hours.

At the public hearing, all interested persons desiring to address the City Commission shall be afforded an opportunity to be heard in regard to the approval of the Brownfield Plan Amendments for the City of Muskegon Brownfield Redevelopment Authority. All aspects of the Brownfield Plan Amendments will be open for discussion at the public hearing.

FURTHER INFORMATION may be obtained from the City Clerk.

This notice is given by order of the City Commission of the City of Muskegon, Michigan.

____

Ann Marie Meisch, City Clerk

5. All resolutions and parts of resolutions insofar as they conflict with the provisions of this resolution be and the same hereby are rescinded.

AYES: Members

NAYS: Members

RESOLUTION DECLARED ADOPTED.

Ann Marie Meisch, City Clerk

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 June 27, 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

MUSKEGON BROWNFIELD REDEVELOPMENT AUTHORITY

BROWNFIELD PLAN AMENDMENT

880 1st Street, Muskegon, Michigan 49440

PREPARED FOR	Muskegon Brownfield 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

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) $ 780,011 (Interest) $ 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	Brownfield Plan
DEVELOPER	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

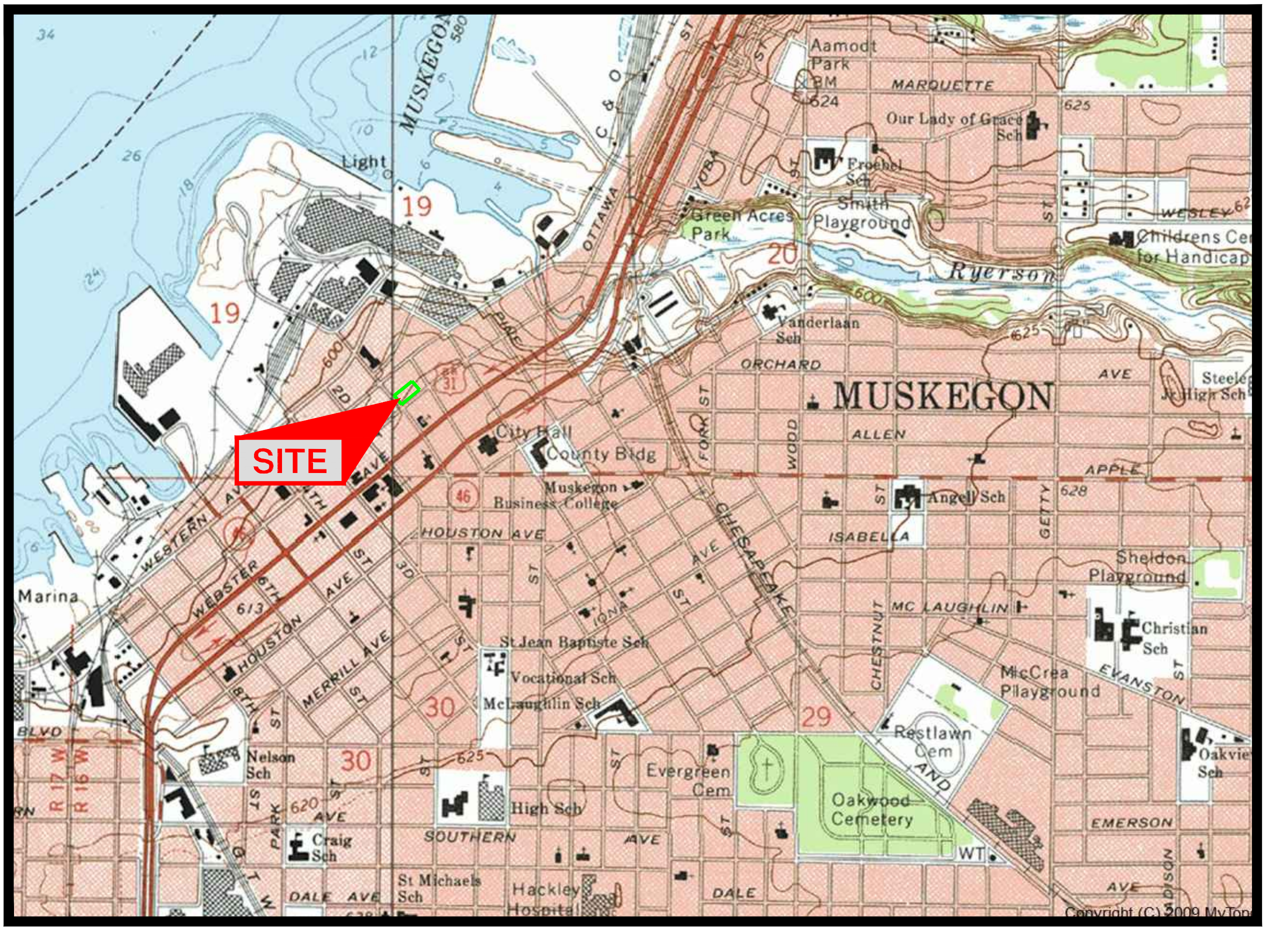
Attachment A

Site Maps and Photographs

MUSKEGON EAST QUADRANGLE

MICHIGAN - MASKEGON COUNTY

7.5 MINUTE SERIES (TOPOGRAPHIC)



T.10 N.-R.16 W.

1 0 1 MILE

1000 0 1000 2000 3000 4000 5000 6000 7000 FEET

1 0 1 KILOMETER

MICHIGAN
QUADRANGLE LOCATION

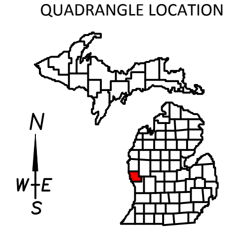


IMAGE TAKEN FROM 1972U.S.G.S. TOPOGRAPHIC MAP
PHOTOREVISED 1980

AKTPEERLESS

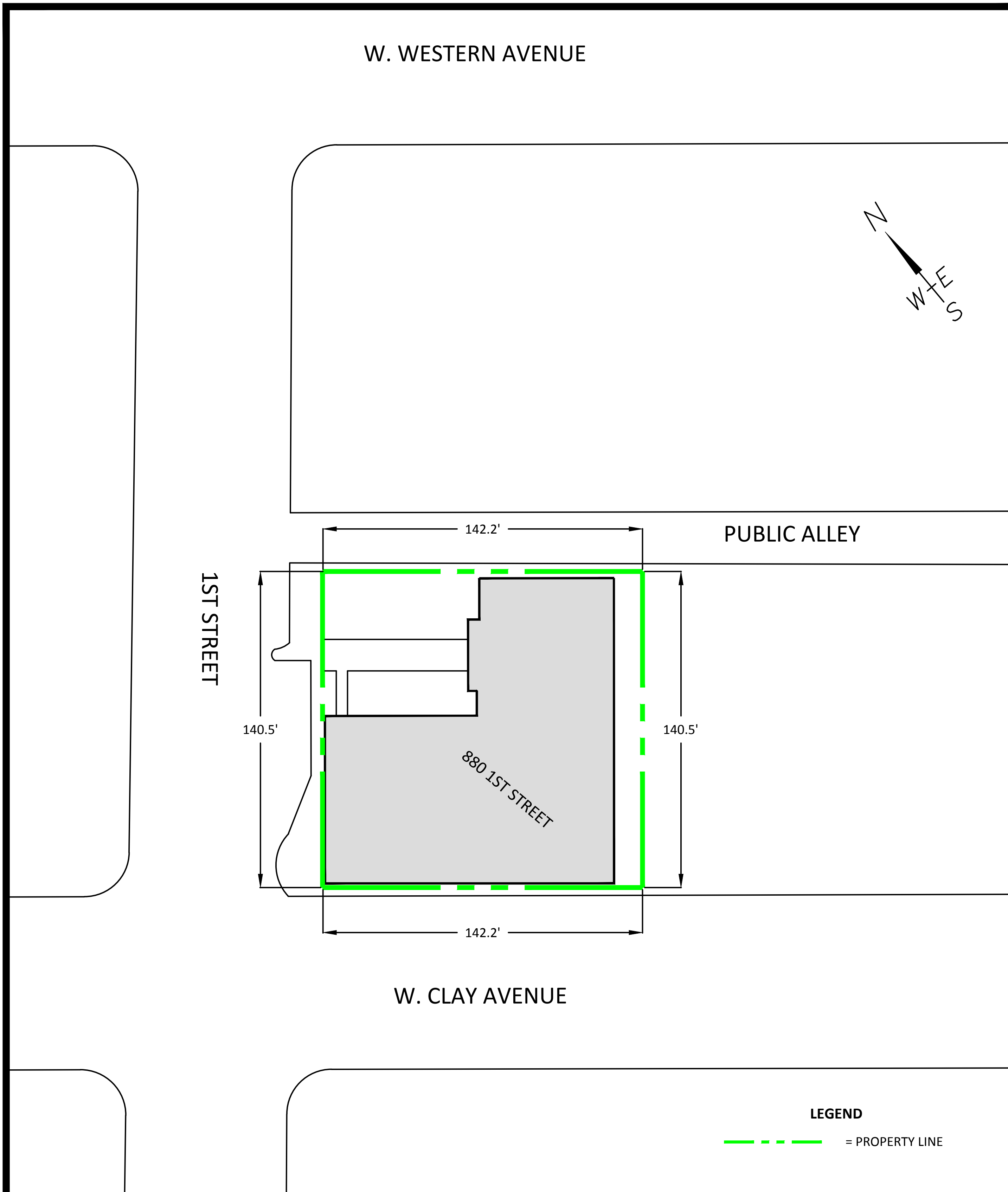
www.aktpeerless.com

SCALED PROPERTY LOCATION MAP

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

DRAWN BY: ARR
DATE: 04/04/2017

FIGURE 1



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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

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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		

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

Estimated Total Years of Plan:	30

Plan Year	Beginning Balance	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*		$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -

AKTPEERLESS

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

	11	12	13 (End of OPRA)	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	$ 55,171	$ 55,723	$ 56,280	$ 56,843	$ 57,411	$ 57,985	$ 58,565	$ 59,151
BRA Administrative Fee	$ 6,635	$ 6,701	$ 8,845	$ 8,933	$ 9,022	$ 9,113	$ 9,204	$ 9,296	$ 9,389	$ 9,483
City Reimbursement	$ 3,373	$ 3,407	$ 5,517	$ 5,572	$ 5,628	$ 5,684	$ 5,741	$ 5,799	$ 5,857	$ 5,915
Local TIR Available for Reimbursement	**$ 23,722**	**$ 23,959**	**$ 40,809**	**$ 41,217**	**$ 41,630**	**$ 42,046**	**$ 42,466**	**$ 42,891**	**$ 43,320**	**$ 43,753**
Total State & Local TIR Available	**$ 50,812**	**$ 51,320**	**$ 68,444**	**$ 69,128**	**$ 69,820**	**$ 70,518**	**$ 71,223**	**$ 71,935**	**$ 72,654**	**$ 73,381**
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	$ 40,809	$ 41,217	$ 41,630	$ -	$ -	$ -	$ -	$ -
Documentation of Due Care	$ 223	$ 225	$ 384	$ 388	$ 391	$ -	$ -	$ -	$ -	$ -
Non-Environmental Eligible Activities	$ 23,499	$ 23,734	$ 40,426	$ 40,830	$ 41,238	$ -	$ -	$ -	$ -	$ -
Interest Reimbursement	$ -	$ -	$ -	$ -	$ -	$ 42,046	$ 42,466	$ 42,891	$ 43,320	$ 43,753
Environmental Portion	$ -	$ -	$ -	$ -	$ -	$ 395	$ 399	$ 403	$ 407	$ 411
Non-Environmental Portion	$ -	$ -	$ -	$ -	$ -	$ 41,651	$ 42,067	$ 42,488	$ 42,913	$ 43,342
Total LOCAL TIR Reimbursement	**$ 23,722**	**$ 23,959**	**$ 40,809**	**$ 41,217**	**$ 41,630**	**$ 42,046**	**$ 42,466**	**$ 42,891**	**$ 43,320**	**$ 43,753**
Total Annual Developer Reimbursement	**$ 50,812**	**$ 51,320**	**$ 68,444**	**$ 69,128**	**$ 69,820**	**$ 70,518**	**$ 71,223**	**$ 71,935**	**$ 72,654**	**$ 73,381**
LOCAL SITE REMEDIATION FUND	0	0	0	0	0	0	0	0	0	0
LSRRF Deposits	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**
STATE	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
LOCAL	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -

AKTPEERLESS

Table 3. Reimbursement Allocation Schedule

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

	21	22	23	24	25	26	27	28	29	End Plan 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***
STATE Reimbursement Balance	*$ 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**
LOCAL Reimbursement Balance	*$ 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	0	0	0	0	0	0	0	0	0	0
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

AKTPEERLESS

Commission Meeting Date: June 27, 2017

Date: June 22, 2017

To: Honorable Mayor and City Commissioners

From: Planning & Economic Development

RE: Public Hearing - Request for an Industrial Facilities Exemption Certificate – Lakeside Surfaces

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SUMMARY OF REQUEST:

Pursuant to Public Act 198 of 1974, as amended, Lakeside Surfaces, Inc, 2265 Black Creek Rd, 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 attached resolution granting an Industrial Facilities Exemption Certificate for a term of twelve (12) years for real property.

COMMITTEE RECOMMENDATION:

None

Resolution No. _______

MUSKEGON CITY COMMISSION

RESOLUTION APPROVING APPLICATION FOR ISSUANCE
OF INDUSTRIAL FACILITIES EXEMPTION CERTIFICATE
Lakeside Surfaces, Inc

WHEREAS, pursuant to P.A. 198 of 1974 as amended, after duly noticed public hearing held on July 26, 1983, this Commission by resolution established an Industrial Development District as requested by the City of Muskegon for Port City Industrial Park, including the property leased by Lakeside Surfaces Inc, 2265 Black Creek Rd, Muskegon, Michigan 49444; and

WHEREAS, Lakeside Surfaces Inc has filed an application for the issuance of an Industrial Facilities Tax Exemption Certificate with respect to new real property that has been installed within said Industrial Development District; and

WHEREAS, said application was filed no later than six months after project commencement and the Muskegon City Commission held a public hearing on June 27, 2017, at the Muskegon City Hall in Muskegon, Michigan at 5:30 p.m. at which hearing the applicant, the assessor and representatives of the affected taxing units were given written notice and were afforded an opportunity to be heard on said application; and

WHEREAS, the installation of new real property is calculated to and will have the reasonable likelihood to retain, create, or prevent the loss of employment in Muskegon, Michigan; and

WHEREAS, the aggregate SEV of real property exempt from ad valorem taxes within the City of Muskegon, will not exceed 5% of an amount equal to the sum of the SEV of the unit, plus the SEV of personal and real property thus exempted.

NOW, THEREFORE, BE IT RESOLVED by the Muskegon City Commission of the City of Muskegon, Michigan that:

1) The Muskegon City Commission finds and determines that the Certificate considered together with the aggregate amount of certificates previously granted and currently in force under Act No. 198 of the Public Act of 1974 as amended and Act No. 255 of the Public Acts of 1978 as amended shall not have the effect of substantially impeding the operation of the City of Muskegon or impairing the financial soundness of a taxing unit which levies ad valorem property taxes in the City of Muskegon.

2) The application of Lakeside Surfaces Inc, for the issuance of an Industrial Facilities Tax Exemption Certificate with respect to the installation of new machinery and equipment on the following described parcel of real property situated within the City of Muskegon to wit:

   CITY OF MUSKEGON PORT CITY IND CTR #4 LOT 38 ALSO INCL THAT PART NW 1/4 SE 1/4 SEC 34 T10N R16W LYING S OF CL LITTLE BLACK CREEK & N OF LOT 38 PORT CITY IND CTR #4

3) The Industrial Facilities Tax Exemption Certificate is issued and shall be and remain in force and effect for a period of 12 years on real property.

Adopted this 27th Day of June 2017.

Ayes:

Nays:

Absent:

BY: ___________________________________
Stephen J. Gawron
Mayor

ATTEST: ___________________________________
Ann Meisch
Clerk

CERTIFICATION

I hereby certify that the foregoing constitutes a true and complete a resolution adopted by the Muskegon City Commission, County of Muskegon, Michigan, at a regular meeting held on June 27, 2017.

____
Ann Meisch
Clerk

MUSKEGON

West Michigan's Shoreline City

City of Muskegon
Industrial Facilities Exemption Application
Summary Sheet

Employment Information: **109 employees**

Racial Characteristics:

White	94 (86%)
Minority	15 (14%)

Gender Characteristics:

Male	90 (89%)
Female	19 (11%)

Total No. of Anticipated New Jobs: 26

Investment Information:

Real Property:	$2,387,666
Personal Property	$0
Total:	$2,387,666

Property Tax Information: (Annual)	All Jurisdictions	City Only
Total New Taxes Generated	$ 68,246	$ 13,215
Value of Abatement	$ 34,123	$ 6,607
Total New Taxes Collected	$ 34,123	$ 6,607

Income Tax Information: (Annual)

Total Additional Income Tax Generated: $4,921

Company Requirements:

Adopted Affirmative Action Policy	☑ Yes	☐ No
Meeting w/ City Affirmative Action Director	☑ Yes	☐ No
Signed Tax Abatement Contract	☑ Yes	☐ No
Taxes Paid In Full	☑ Yes	☐ No
Zoning Conflicts	☐ Yes	☑ No

Mike Franzak
Planning Manager

Dwana Thompson
Dwana Thompson
Affirmative Action Director

CITY OF MUSKEGON

CONTRACT FOR TAX ABATEMENT
Act 198 Public Acts of 1974

AGREEMENT between CITY OF MUSKEGON, a municipal corporation of 933 Terrace Street, Muskegon, Michigan 49441, ("City") and LAKESIDE SURFACES, INC ("Company").

Recitals:

A. The Company has applied to City for the establishment of an industrial development district or industrial rehabilitation district pursuant to the provisions of Act 198 of the Public Acts of 1974, as amended, which act requires a contract between the City and the Company to be agreed and submitted with the Company's subsequent anticipated application for an industrial facilities exemption certificate.

B. That in addition to the statutory requirement, the City has determined that it is in the best interests of the taxpayers, property owners and residents of the City that this Agreement be approved and executed prior to the establishment of the requested district, and the City deems this Contract, together with the conditions set forth in the said Act to constitute a necessary element in the City's determination whether or not to create the district.

C. The Company intends to install the project set forth in its application ("project") which it believes qualifies for the process of establishing the district and the application for industrial facilities exemption certificate.

D. The City, provided this Agreement is executed, will determine whether to create the district based upon the potential for the production of permanent jobs, the continuation or increase of economic activity, planning and zoning considerations and the City's general plan and intentions regarding economic development. In addition to the City policy considerations and predictions that the Company's proposed district and certificate benefit the community in those ways, the City has further determined that the contractual commitments made by the Company to thereby assist the community shall be binding on the Company and necessary to continue the tax exemption made possible by the certificate.

NOW THEREFORE THE PARTIES AGREE:

1. **COMPANY AGREEMENT**. The Company irrevocably commits to the investment, job retention and job creation promises made in its application, a copy of which is attached hereto and incorporated herein. In particular the Company agrees:

1.1 That 100% of the jobs shall be filled and in existence with full-time employees by a date no later than two (2) years from the date of the granting of the certificate by the State Tax Commission.

1.2 The Company shall meet the affirmative action goal included in the application or in any documents supplied by the City and utilized by the Company, including any additional representations made to the City Commission on or before the date two (2) years after the granting of the certificate by the State Tax Commission. It shall maintain the said levels of employment diversity during the period of the certificate.

1.3 The Company, by the end of two (2) years from the date of the grant of the certificate by the State Tax Commission shall have completed the investment of $2,387,655 in personal property improvements as shown in the application.

1.4 That the improvements and equipment to receive the tax abatement treatment shall be completed on or before the date two (2) years from the date of granting of the certificate by the State Tax Commission.

1.5 The Company shall pay its specific taxes required by the act in a timely manner, and shall not delay payments so as to incur any penalties or interest.

1.6 The Company shall not appeal the valuation of any real or personal property at the facility to the Michigan Tax Tribunal or the State Tax Commission.

1.7 The Company shall fully cooperate with the City representatives in supplying all requested and required documentation regarding jobs, investment, the meeting of all goals and the timely installation and utilization of equipment and improvements. The City shall be entitled to inspect at reasonable hours the Company's premises where the said improvements and equipment have been installed and where the said jobs are performed.

1.8 The Company shall maintain, during the entire period for which the tax abatement is granted, the level of jobs, affirmative action goals, production and utilization of the improvements and equipment at the site where the district has been created and for which the tax exemption has been granted.

1.9 The Company shall not cause or fail to cure the release of any hazardous substance, or the violation of any environmental law on its premises in the City. It shall report any releases to the appropriate governmental authority in a timely and complete manner, and provide copies of said report documentation to the City. It shall comply with all orders and actions of any governmental agency having authority.

1.10 The Company shall maintain the equipment and improvements so as to minimize physical or functional obsolescence.

1.11 The Company shall continue to operate its business location in the City, containing the same number of and type of jobs, for the term of the certificate.

2. **AGREEMENT BY THE CITY**. Provided this contract has been executed and further provided all applications to create the district and achieve the industrial facility exemption certificate have been properly filed, the City shall, in a timely manner, determine in a public meeting to create the district and receive, process, and approve thereafter the Company's application for an industrial facilities exemption certificate. The City may consider this contract in a meeting separate from and prior to the meeting in which the City considers the creation of the district and approval of the application for certificate. Further, the City shall require the submission of this contract signed by the Company together with its applications, before creating the district.

3. **EVENTS OF DEFAULT**. The following actions or failures to comply shall be considered events of default by the Company:

3.1 Failure to meet any of the commitments set forth above.

3.2 The closing of the Company's facilities in the City. Closing shall mean for purpose of this Agreement, the removal, without transfer to another site within the City of substantially all of the production facilities, and the elimination of substantially all the jobs created or retained thereby, which are set forth in the Company's application.

3.3 Failure to afford to the City the documentation and reporting required.

3.4 The failure to create or retain jobs, meet affirmative action goals or expend the funds on equipment and improvements as represented in the application within the times required hereby.

3.5 The bankruptcy or insolvency of the Company.

3.6 The failure to pay any and all taxes and assessments levied on the Company's property or any other taxes, local, state or federal, including but not limited to City income taxes and the withholding of said City income taxes from employees as required by the City Income Tax Ordinance.

3.7 The performance or omission of any act which would lead to revocation under MCLA 207.565, being §15 of the Act.

3.8 The violation of any provisions, promises, commitments, considerations or covenants of this Agreement.

4. **REMEDIES ON DEFAULT.** In the event of any of the above defaults the City shall have the following remedies which it may invoke without notice, except as may be reasonably required by the Company's rights to due process:

4.1 In the event of closing as determined after investigation of the facts and a public hearing, the Company shall be immediately liable for penalties to be paid forthwith to the city as determined as follows:

> 4.1.1 The Company shall pay to the City for prorata distribution to the taxing units experiencing the abatement, an amount equal to the difference between the industrial facilities tax which it has paid, and the total property taxes to the relevant taxing units which it would have paid, given its installations of improvements and equipment, during the years for which the certificate was in effect.
>
> 4.1.2 Immediate Revocation. The Company hereby consents to revocation to the IFT certificate before the State Tax Commission, without hearing, and the City shall submit a copy of this Agreement to the State Tax Commission in connection with its revocation procedure, giving notice that the default has occurred and immediate revocation should occur.

4.2 In the event the improvements and equipment have not been installed before the two (2) year period, in addition to the revocation procedures before the State Tax Commission, the abatement should immediately be reduced by the City proportionately, and any installations which have not been finished at the end of said two (2) year period shall not be eligible for the abatement thereafter and shall be placed on the regular tax roll.

4.3 Failure to Expend the Funds Represented. In the event, (whether or not the installations have been completed), the Company has not expended the funds it has represented on its application that it would invest for the installation of equipment, the abatement shall be reduced prorata, and any remaining value of equipment shall be placed on the regular tax roll.

4.4 Job Creation and Retention. In the event the promised number of jobs have not been created or retained at the end of the two (2) years after the grant of the certificate by the State Tax Commission, the abatement shall be proportionately reduced.

4.5 Affirmative Action Goals. In the event, after one (1) year from the grant of the certificate by the State Tax Commission, the affirmative action goals of the City for additional jobs have not been met on a prorata basis, the abatement shall be revoked.

4.6 For other violations of this Agreement or for actions or omissions by the Company amounting to grounds for revocation by statue, the City shall recommend to the State Tax Commission immediate revocation of the certificate.

4.7 Special Assessment. For any amount due to be paid to the City, under this Section 4, the Company consents that the City shall have a personal action against the Company for the said amount, and in addition, cumulatively, and not by election, the City shall have a special assessment lien on all the property of the Company personal and real, located in the City, for the collection of the amounts due as and in the manner of property taxes and in such case the collection of the said special assessment shall be accomplished by addition by the City to the Company's property tax statement regularly rendered.

5. Governing Law. This Agreement shall be construed and enforced in accordance with the laws of the State of Michigan applicable to contracts made and to be performed within the State of Michigan.

6. Counterparts. This Agreement may be executed in one or more counterparts. Notwithstanding such execution all such counterparts shall constitute one and the same Agreement.

7. Benefit. This Agreement shall be binding upon and inure to the benefit of the respective parties, their successors and personal representatives.

8. Effective Date. This Agreement shall be effective on the date the State of Michigan Tax Commission grants the company at Industrial Facilities Exemption Certificate.

CITY OF MUSKEGON

By __________________________
Stephen J. Gawron, Mayor

Date __________________________

and__________________________
Ann Meisch, Clerk

Date __________________________

By__________________________

Its______________________

Date __________________________

Commission Meeting Date: June 27, 2017

Date: June 22, 2017

To: Honorable Mayor and City Commissioners

From: Planning & Economic Development

RE: Public Hearing - Request to Transfer Two Industrial Facilities Exemption Certificate to KLO Acquisition, LLC

SUMMARY OF REQUEST:

Pursuant to Public Act 198 of 1974, as amended, KLO Acquisition, LLC, 1790 Sun Dolphin Dr, 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 attached resolution granting the transfer of the IFTs.

COMMITTEE RECOMMENDATION:

None

Resolution No. _______

MUSKEGON CITY COMMISSION

RESOLUTION APPROVING APPLICATION FOR TRANSFER
OF INDUSTRIAL FACILITIES EXEMPTION CERTIFICATES #2011-302 & #2014-435
KLO Acquisition, LLC

WHEREAS, pursuant to P.A 198 of 1974, M.C.L. 207.551 et seq., as amended, after duly noticed public hearing held on July 26, 1983, this Commission by resolution established an Industrial Development District as requested by the City of Muskegon for Port City Industrial Park, including the property owned by KLO Acquisition, LLC, 1790 Sun Dolphin Rd, Muskegon, Michigan 49444; and

WHEREAS, the City of Muskegon approved two applications from Ameriform Acquisition, LLC requesting two Industrial Facilities Exemption Certificates (numbers 2011-302 & 2014-435) for personal property investments located at 1790 Sun Dolphin Rd, Muskegon, Michigan 49444; and

WHEREAS, KLO Acquisition, LLC has filed an application for a transfer of Industrial Facilities Exemption Certificates #2011-302 and #2014-435 with respect to $1,700,000 in personal property (#2011-302) and $4,625,000 in personal property (#2014-435) within the Industrial Development District (Port City Industrial Park); and

WHEREAS, the applicant, the Assessor, and a representative of the affected taxing units were given written notice of the transfer application and were offered an opportunity to be heard on said application; and

WHEREAS, KLO Acquisition, LLC has substantially met all the requirements under Public Act 198 of 1974 for the transfer of Industrial Facilities Exemption Certificates #2011-302 & #2014-435; and

WHEREAS, the aggregate SEV of real and personal property exempt from ad valorem taxes within the City of Muskegon, after granting this certificate, will not exceed 5% of an amount equal to the sum of the SEV of the unit, plus the SEV of personal and real property thus exempted; and

NOW, THEREFORE, BE IT RESOLVED BY the City Commission of the City of Muskegon that:

1. The City of Muskegon finds and determines that the granting of the transfer of an Industrial Facilities Exemption Certificate considered together with the aggregate amount of certificates previously granted and currently in force under Act No. 198 of the Public Acts of 1974 and Act No. 255 of the Public Acts of 1978, **shall not have the effect of substantially impeding the operation of the City of Muskegon, or impairing the financial soundness of a taxing unit which levies ad valorem property taxes in the City of Muskegon.**

2. The application from KLO Acquisition, LLC for a transfer of Industrial Facilities Exemption Certificates #2011-302 & #2014-435, with respect to a personal property on the following described parcel of real property situated within the Industrial Development District (Port City Industrial Park) to wit:

CITY OF MUSKEGON SEC 34 T10N R16W THAT PT S 1/2 SW 1/4 PARCEL 1 DESC AS COM @ S 1/4 COR SD SEC TH S 89D 34M 26S W ALG S LN SD SEC 1382 FT TH N 00D46M 26S E PAR TO N/S 1/4 LN SD SEC 900 FT TH S 89D 34M 26S W PAR TO S LN SD SEC 340 FT FOR POB TH N 00D 46M 26S E PAR TO SD N/S 1/4 LN 440.45 FT TO N LN SD S 1/2 SW 1/4 TH S 89D 46M 13S W ALG SD N LN 940.12 FT TO W LN SD SEC TH S 01D 08M 39S W AGL SD W LN 7.32 FT TO NELY LN MI ST HWY DEPT ROW AS DESC IN DEED RECOR'D 703/374 TH S 34D 43M 34S E ALG SD NELY LN 528.10 FT TH N 89D 34M 26S E 633.50 FT TO POB THAT PRT S 1/2 SW 1/4 DESC AS COM @ S 1/4 COR SD SEC TH N 00D 46M 26S E ALG N/S 1/4 LN SD SEC 350 FT TO N LN SHERMAN BLVD TH S 89D 34M 26S W PAR TO S LN SD SEC & ALG N LN SD SHERMAN BLVD 350 FT TH N 00D 46M 26S E PAR TO N/S 1/4 LN 411.78 FT TH NLY ALG ARC OF 200 FT RD CURVE TO LT DIST OF 19.22 FT

(CNTRL ANG SD CURVE IS 05D 30M 20S & LC SD CURVE BEARS N 01D 58M 44S W 19.21 FT) TO POB TH NWLY ALG ARC OF 200 FT RD CURVE TO LT DIST 299.13 FT (CENTRAL ANG SD CIRVE IS 85D 41M 40S & LC SD CURVE BEARS N 47D 34M 44S W 272.02 FT) TH S 89D 34M 26S W 1007.78 FT TH N 30D 12M 47S W 67.97 FT TH S 89D 34M 26S W 125 FT TH N 00D 46M

3. The Industrial Facilities Exemption Certificates when issued shall remain in force for the remaining years approved under Industrial Facilities Exemption certificates #2011-302 with an end date of 12/31/2019 and #2014-435 with an end date of 12/31/2023.

Adopted this 27th Day of June 2017.

Ayes:

Nays:

Absent:

BY: ______________________________

Stephen J. Gawron
Mayor

ATTEST: ______________________________

Ann Meisch
Clerk

CERTIFICATION

I hereby certify that the foregoing constitutes a true and complete a resolution adopted by the Muskegon City Commission, County of Muskegon, Michigan, at a regular meeting held on June 27, 2017.

____

Ann Meisch
Clerk

CITY OF MUSKEGON

CONTRACT FOR TAX ABATEMENT
Act 198 Public Acts of 1974

AGREEMENT between CITY OF MUSKEGON, a municipal corporation of 933 Terrace Street, Muskegon, Michigan 49441, ("City") and KLO Acquisition, LLC ("Company").

Recitals:

A. The Company has applied to City for the establishment of an industrial development district or industrial rehabilitation district pursuant to the provisions of Act 198 of the Public Acts of 1974, as amended, which act requires a contract between the City and the Company to be agreed and submitted with the Company's subsequent anticipated application for an industrial facilities exemption certificate.

B. That in addition to the statutory requirement, the City has determined that it is in the best interests of the taxpayers, property owners and residents of the City that this Agreement be approved and executed prior to the establishment of the requested district, and the City deems this Contract, together with the conditions set forth in the said Act to constitute a necessary element in the City's determination whether or not to create the district.

C. The Company intends to install the project set forth in its application ("project") which it believes qualifies for the process of establishing the district and the application for industrial facilities exemption certificate.

D. The City, provided this Agreement is executed, will determine whether to create the district based upon the potential for the production of permanent jobs, the continuation or increase of economic activity, planning and zoning considerations and the City's general plan and intentions regarding economic development. In addition to the City policy considerations and predictions that the Company's proposed district and certificate benefit the community in those ways, the City has further determined that the contractual commitments made by the Company to thereby assist the community shall be binding on the Company and necessary to continue the tax exemption made possible by the certificate.

NOW THEREFORE THE PARTIES AGREE:

1. **COMPANY AGREEMENT**. The Company irrevocably commits to the investment, job retention and job creation promises made in its application, a copy of which is attached hereto and incorporated herein. In particular the Company agrees:

1.1 That 100% of the jobs shall be filled and in existence with full-time employees by a date no later than two (2) years from the date of the granting of the certificate by the State Tax Commission.

1.2 The Company shall meet the affirmative action goal included in the application or in any documents supplied by the City and utilized by the Company, including any additional representations made to the City Commission on or before the date two (2) years after the granting of the certificate by the State Tax Commission. It shall maintain the said levels of employment diversity during the period of the certificate.

1.3 That the improvements and equipment to receive the tax abatement treatment shall be completed on or before the date two (2) years from the date of granting of the certificate by the State Tax Commission.

1.4 The Company shall pay its specific taxes required by the act in a timely manner, and shall not delay payments so as to incur any penalties or interest.

1.5 The Company shall not appeal the valuation of any real or personal property at the facility to the Michigan Tax Tribunal or the State Tax Commission.

1.6 The Company shall fully cooperate with the City representatives in supplying all requested and required documentation regarding jobs, investment, the meeting of all goals and the timely installation and utilization of equipment and improvements. The City shall be entitled to inspect at reasonable hours the Company's premises where the said improvements and equipment have been installed and where the said jobs are performed.

1.7 The Company shall maintain, during the entire period for which the tax abatement is granted, the level of jobs, affirmative action goals, production and utilization of the improvements and equipment at the site where the district has been created and for which the tax exemption has been granted.

1.8 The Company shall not cause or fail to cure the release of any hazardous substance, or the violation of any environmental law on its premises in the City. It shall report any releases to the appropriate governmental authority in a timely and complete manner, and provide copies of said report documentation to the City. It shall comply with all orders and actions of any governmental agency having authority.

1.9 The Company shall maintain the equipment and improvements so as to minimize physical or functional obsolescence.

1.10 The Company shall continue to operate its business location in the City, containing the same number of and type of jobs, for the term of the certificate.

2. **AGREEMENT BY THE CITY**. Provided this contract has been executed and further provided all applications to create the district and achieve the industrial facility exemption certificate have been properly filed, the City shall, in a timely manner, determine in a public meeting to create the district and receive, process, and approve thereafter the Company's application for an industrial facilities exemption certificate. The City may consider this contract in a meeting separate from and prior to the meeting in which the City considers the creation of the district and approval of the application for certificate. Further, the City shall require the submission of this contract signed by the Company together with its applications, before creating the district.

3. **EVENTS OF DEFAULT**. The following actions or failures to comply shall be considered events of default by the Company:

3.1 Failure to meet any of the commitments set forth above.

3.2 The closing of the Company's facilities in the City. Closing shall mean for purpose of this Agreement, the removal, without transfer to another site within the City of substantially all of the production facilities, and the elimination of substantially all the jobs created or retained thereby, which are set forth in the Company's application.

3.3 Failure to afford to the City the documentation and reporting required.

3.4 The failure to create or retain jobs, meet affirmative action goals or expend the funds on equipment and improvements as represented in the application within the times required hereby.

3.5 The bankruptcy or insolvency of the Company.

3.6 The failure to pay any and all taxes and assessments levied on the Company's property or any other taxes, local, state or federal, including but not limited to City income taxes and the withholding of said City income taxes from employees as required by the City Income Tax Ordinance.

3.7 The performance or omission of any act which would lead to revocation under MCLA 207.565, being §15 of the Act.

3.8 The violation of any provisions, promises, commitments, considerations or covenants of this Agreement.

4. **REMEDIES ON DEFAULT.** In the event of any of the above defaults the City shall have the following remedies which it may invoke without notice, except as may be reasonably required by the Company's rights to due process:

4.1 In the event of closing as determined after investigation of the facts and a public hearing, the Company shall be immediately liable for penalties to be paid forthwith to the city as determined as follows:

> 4.1.1 The Company shall pay to the City for prorata distribution to the taxing units experiencing the abatement, an amount equal to the difference between the industrial facilities tax which it has paid, and the total property taxes to the relevant taxing units which it would have paid, given its installations of improvements and equipment, during the years for which the certificate was in effect.
>
> 4.1.2 Immediate Revocation. The Company hereby consents to revocation to the IFT certificate before the State Tax Commission, without hearing, and the City shall submit a copy of this Agreement to the State Tax Commission in connection with its revocation procedure, giving notice that the default has occurred and immediate revocation should occur.

4.2 In the event the improvements and equipment have not been installed before the two (2) year period, in addition to the revocation procedures before the State Tax Commission, the abatement should immediately be reduced by the City proportionately, and any installations which have not been finished at the end of said two (2) year period shall not be eligible for the abatement thereafter and shall be placed on the regular tax roll.

4.3 Failure to Expend the Funds Represented. In the event, (whether or not the installations have been completed), the Company has not expended the funds it has represented on its application that it would invest for the installation of equipment, the abatement shall be reduced prorata, and any remaining value of equipment shall be placed on the regular tax roll.

4.4 Job Creation and Retention. In the event the promised number of jobs have not been created or retained at the end of the two (2) years after the grant of the certificate by the State Tax Commission, the abatement shall be proportionately reduced.

4.5 Affirmative Action Goals. In the event, after one (1) year from the grant of the certificate by the State Tax Commission, the affirmative action goals of the City for additional jobs have not been met on a prorata basis, the abatement shall be revoked.

4.6 For other violations of this Agreement or for actions or omissions by the Company amounting to grounds for revocation by statue, the City shall recommend to the State Tax Commission immediate revocation of the certificate.

4.7 Special Assessment. For any amount due to be paid to the City, under this Section 4, the Company consents that the City shall have a personal action against the Company for the said amount, and in addition, cumulatively, and not by election, the City shall have a special assessment lien on all the property of the Company personal and real, located in the City, for the collection of the amounts due as and in the manner of property taxes and in such case the collection of the said special assessment shall be accomplished by addition by the City to the Company's property tax statement regularly rendered.

5. Governing Law. This Agreement shall be construed and enforced in accordance with the laws of the State of Michigan applicable to contracts made and to be performed within the State of Michigan.

6. Counterparts. This Agreement may be executed in one or more counterparts. Notwithstanding such execution all such counterparts shall constitute one and the same Agreement.

7. Benefit. This Agreement shall be binding upon and inure to the benefit of the respective parties, their successors and personal representatives.

8. Effective Date. This Agreement shall be effective on the date the State of Michigan Tax Commission grants the company at Industrial Facilities Exemption Certificate.

CITY OF MUSKEGON

By ___________________________
Stephen J. Gawron, Mayor

Date ___________________________

and___________________________
Ann Meisch, Clerk

Date ___________________________

By___________________________

Its_______________________

Date ___________________________

MUSKEGON

West Michigan's Shoreline City

City of Muskegon
Industrial Facilities Exemption Application
Summary Sheet

KLO Acquisition, LLC

Employment Information: **302 employees**

Racial Characteristics:

White	226 (75%)
Minority	76 (25%)

Gender Characteristics:

Male	243 (80%)
Female	59 (20%)

Company Requirements:

Adopted Affirmative Action Policy	☑ Yes	☐ No
Meeting w/ City Affirmative Action Director	☐ Yes	☑ No
Signed Tax Abatement Contract	☑ Yes	☐ No
Taxes Paid In Full	☑ Yes	☐ No
Zoning Conflicts	☐ Yes	☑ No

Mike Franzak
Planning Manager

Dwana Thompson
Dwana Thompson
Affirmative Action Director

COMMISSION MEETING DATE: June 27, 2017

TO: Honorable Mayor and Commissioners

FROM: Jeffrey Lewis, Director of Public Safety

RE: Concurrence with the Housing Board of Appeals Notice and Order to Demolish. Dangerous Building Case #: EN1709364

SUMMARY OF REQUEST: This is to request that the City Commission Concur with the findings of the Housing Board of Appeals that the structure located at **533 Jackson Ave** is unsafe, substandard, a public nuisance and that it be demolished within thirty (30) days. It is further requested that administration be directed to obtain bids for the demolition of the structure and that the Mayor and City Clerk be authorized and directed to execute a contract for demolition with the lowest responsible bidder or staff may issue infraction tickets to the owner, agent or responsible party if they do not demolish the structure.

Location and ownership: This structure is located on Jackson Ave between Marshall Street and Herrick Street in the Jackson Hill Neighborhood and is owned by Doris Johnson, Ypsilanti MI (Land Contractor Holder) and Phyillis McQuirter, Grand Rapids MI.

Staff Correspondence: A structure fire occurred on 10/3/14. A dangerous building inspection was conducted on 03/29/17. The Notice and Order to Repair was issued on 05/01/17. On 06/01/17 the HBA declared the structure substandard and dangerous.

Financial Impact: General Funds

Budget action required: None

State Equalized value: $13,300

Estimated cost to repair: $11,000

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

Owner Contact: The daughter of the deceased owner, McQuirter, stated her mother was selling the home on a Land Contact to Johnson and Johnson defaulted on the payments. McQuirter said they foreclosing on the Land Contract and once the legal work is complete, she will be demolishing the home.

Permits obtained: None

DANGEROUS BUILDING INSPECTION

Enforcement # EN1709364
Parcel # 24-205-023-0001-00

Date completed: March 29, 2017

1. **DEFICENCIES:**
2. **Front porch is rotted, pillar supports are rotted and have peeling or no paint**
3. **Siding are rotted or missing boards, peeling or missing paint**
4. **Tree(s) are growing onto the house**
5. **Roofing is deteriorated or missing**
6. **Roof flashing are missing or not installed correctly on rear half of home**
7. **Soffits & fascia are missing, rotted or not attached**
8. **Window have rotted sills and sashes**
9. **Gas service locked out, gas and electric are present on home**
10. **Garage has rotted causing the garage to lean. Siding is missing, rotted and has peeling paint**
11. **Garage service door and overhead door are rotted and damaged**
12. **NOTE: Interior inspection of the home was not completed at this time**

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


03.29.2017 12:50


03.29.2017 12:50


03.29.2017 12:50


03.29.2017 12:50


03.29.2017 12:51


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03.29.2017 12:51


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03 29 2017 12 52
PRIVATE PROPERTY

03 29 2017 12 52

03 29 2017 12 52

03 29 2017 12 53

03 29 2017 12 53

COMMISSION MEETING DATE: June 27, 2017

TO: Honorable Mayor and Commissioners

FROM: Jeffrey Lewis, Director of Public Safety

RE: Concurrence with the Housing Board of Appeals Notice and Order to Demolish. Dangerous Building Case #: EN1708579

SUMMARY OF REQUEST: This is to request that the City Commission Concur with the findings of the Housing Board of Appeals that the structure located at **1440 Jiroch St** is unsafe, substandard, a public nuisance and that it be demolished within thirty (30) days. It is further requested that administration be directed to obtain bids for the demolition of the structure and that the Mayor and City Clerk be authorized and directed to execute a contract for demolition with the lowest responsible bidder or staff may issue infraction tickets to the owner, agent or responsible party if they do not demolish the structure.

Location and ownership: This structure is located on Jiroch Street between Irwin Ave and Grand Ave and is owned by the Muskegon County Treasurer and Fifth Third Bank.

Staff Correspondence: A dangerous building inspection was conducted on 04/25/17. The Notice and Order to Repair was issued on 05/01/17. On 06/01/17 the HBA declared the structure substandard and dangerous.

Financial Impact: General Funds

Budget action required: None

State Equalized value: $3,900

Estimated cost to repair: $40,000

Staff Recommendation: To concur with the Housing Board of Appeals decision to demolish.

Owner Contact: A structure fire occurred on 11/18/16 causing heavy damage to the two unit rental dwelling. Fire insurance for a rental dwelling was canceled prior to the fire. The owner allowed tax foreclosure in 2017. No owner contact.

Permits obtained: None

DANGEROUS BUILDING INSPECTION

Enforcement # EN1708579
Property Address: 1440 JIROCH ST
Parcel # 24-205-274-0006-00

Date completed: April 25, 2017

DEFICENCIES:
Note: Structure fire occurred on 11/18/2016.

1. **Upper floor of the 2 story, 2 unit rental dwelling, received heavy fire damage.**
2. **Smoke and water damage have noted throughout the entire dwelling**
3. **Sections of the roof are missing or have caved in**
4. **Numerous windows are broken or missing**
5. **Several areas of siding are missing, melted or not complete**
6. **Electrical service to the home was terminated during firefighting operations and meter(s) were removed. Electrical service must be brought up to code before service is restored**
7. **Gas service was terminated during firefighting operations. Meter for upper has been removed, lower unit meter still attached. Piping for gas must be brought up to code before service is restored**
8. **Fascia and soffits are damaged or missing**
9. **Porch windows not damaged have peeling paint**
   ***Note: Exterior only inspection conducted at this time*.**

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


04.25.2017 08:54

1440
NOTICE

04.25.2017 08:57


04.25.2017 08:57


04.25.2017 08:57



04.25.2017 08:55

04.25.2017 08:55

04.25.2017 08:56

COMMISSION MEETING DATE: June 27, 2017

TO: Honorable Mayor and Commissioners

FROM: Jeffrey Lewis, Director of Public Safety

RE: Concurrence with the Housing Board of Appeals Notice and Order to Demolish. Dangerous Building Case #: EN1709367

SUMMARY OF REQUEST: This is to request that the City Commission Concur with the findings of the Housing Board of Appeals that the structure located at **1460 Hoyt St** is unsafe, substandard, a public nuisance and that it be demolished within thirty (30) days. It is further requested that administration be directed to obtain bids for the demolition of the structure and that the Mayor and City Clerk be authorized and directed to execute a contract for demolition with the lowest responsible bidder or staff may issue infraction tickets to the owner, agent or responsible party if they do not demolish the structure.

Location and ownership: This structure is located on Hoyt St. between Irwin Ave and E. Grand Ave is owned by Murray R. Vanderstelt, 1719 S. Getty St, Muskegon, MI.

Staff Correspondence: The home has been vacant since 2008. A dangerous building inspection was conducted on 03/29/17. The first Notice and Order to Repair was issued on 04/03/17. A second Notice of Order to Repair was issued on 05/01/17. On 06/01/17 the HBA declared the structure substandard and dangerous.

Financial Impact: General Funds

Budget action required: None

State Equalized value: $17,000

Estimated cost to repair: $25,500

Staff Recommendation: To concur with the Housing Board of Appeals decision to demolish.

Owner Contact: Owner scheduled a "trade's inspection" for 5/16/17. Inspectors met with the owner at the home and the owner would not allow inspectors to complete an interior inspection. An exterior inspection was conducted and the owner was advised of the necessary repairs. The owner said, "I want to avoid the HBA, I will make the repairs". The owner was advised he must provide a plan and a time table to complete the repairs. The owner called on 5-23-17 and said he wanted to paint the home. I informed the owner just painting the exterior would not keep the home from the HBA meeting. There was no further contact from the owner until the HBA meeting on 6-1-17.

Permits obtained: None

DANGEROUS BUILDING INSPECTION

Enforcement # EN1709367
Parcel # 24-205-272-0008-00
Date completed: March 29, 2017

DEFICENCIES:

1. **Siding has peeling paint or areas with no paint**
2. **Siding is rotted or missing**
3. **Evasive trees/brush have grown into the foundation**
4. **Many window frames and sills are rotted**
5. **Many windows are cracked, broke, boarded or missing**
6. **Foundation blocks are cracked or missing**
7. **Roofing is deteriorated and must be removed and replaced. A section of roofing on south side near chimney has collapsed**
8. **Fascia and soffits are rotted or missing**
9. **Rear steps to upper unit are rotted and must be replaced**
10. **Garage roof is deteriorated, foundation is missing and structure is leaning. Garage overhead doors are rotted and windows are missing**
11. **Electrical service must be replaced and upgraded**

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


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03 29 2017 10 16

Date: June 20, 2017

To: Honorable Mayor and City Commissioners

From: Beth Lewis, Finance Director

RE: Adoption of 2017-18 Proposed Budget

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 fiscal year 2017-18.

Date: June 27, 2017

To: Honorable Mayor and City Commissioners

From: Engineering

RE: Change Order to add Harris Street resurfacing from Sherman to Sundolphin to the Glenside, Sherman to Glen (H-1708)

SUMMARY OF REQUEST:

Authorize staff to execute a change order with McCormick Sand Inc. adding the milling & resurfacing of Harris to the Glenside project as per the attached 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. as per the attached proposal.

COMMITTEE RECOMMENDATION:

McCormick Sand Inc.

5430 Russell Rd. · Twin Lake, MI 49457 · Ph. 231-766-0466 · Fax 231-766-5162

Date: June 14, 2017

To: Attn: Mohammed Al-Shatel, P.E.
Engineering Department
City of Muskegon
933 Terrace Street
Muskegon, MI 49440

RE: Price Proposal for Harris Drive and Sun Dolphin Street Resurfacing

Below is the price proposal for milling and resurfacing of Harris Drive, north of Sherman Blvd and Sun Dolphin St, from Harris Drive, west to the cul-de-sac.

Work is similar in nature to H-1708 Glenside, Sherman to Glen and will be executed in accordance with the same specifications.

Description	QTY	UOM	Unit Price	Total
Mobilization	1	LS	$ 12,200.00	$ 12,200.00
Milling	4926	SYD	$ 1.75	$ 8,620.50
Agg Base Conditioning	4926	SYD	$ 2.50	$ 12,315.00
Dr Struct Adj, Case 1 Mod	4	EA	$ 1,200.00	$ 4,800.00
Valve Box Reconstruct	6	EA	$ 1,200.00	$ 7,200.00
Traffic Control	1	LS	$ 1,250.00	$ 1,250.00
HMA 5E3	867	TN	$ 75.84	$ 65,753.28
Pavt Mrkg, WB, 4", Yellow	1531	FT	$ 0.50	$ 765.50
Pavt Mrkg, WB, 4", White	216	FT	$ 0.50	$ 108.00
Pavt Mrkg, OCP, 18" Stop Bar	34	FT	$ 5.50	$ 187.00
Pavt Mrkg, OCP, "ONLY" Sym	3	EA	$ 110.00	$ 330.00
Pavt Mrkg, OCP, Arrow Sym	3	EA	$ 110.00	$ 330.00
Total				**$ 113,859.28**

Sincerely,

McCormick Sand, Inc.

David P. Vander Molen, P.E.

David Vander Molen, P.E.
Project Manager

Date: 6/27/2017

To: Honorable Mayor and City Commission

From: Department of Public Works

RE: Adopt Michigan DNR Grant Resolution

SUMMARY OF REQUEST:

To adopt the attached resolution and authorize the mayor and clerk to sign the agreement (attached) 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.

RESOLUTION

Upon Motion made by_________________________, second by________________________, the following resolution was adopted:

"RESOLVED, that the City of Muskegon, Muskegon County, Michigan does hereby accept the terms of the Agreement as received from the Michigan Department of Natural Resources, and the City does hereby specifically agree, but not by way or limitation, as follows:

1. To appropriate the sum of Thirty Thousand dollars ($30,000.00), to match the grant authorized by the department.
2. To maintain satisfactory financial accounts, documents, and records and to make the available to the Department for auditing at reasonable times.
3. To negotiate and enter into a contractual relationship with a registered professional engineer so licensed by the State of Michigan to provide for the completion of said preliminary engineering study in accordance with the established engineering principles, which contractual relationship shall be the subject of approval of the Department.
4. To comply with any and all terms of the said Agreement, including all terms not specifically set forth in the foregoing portions of the Resolution."

The following aye votes were recorded: ______

The following nay votes were recorded: ______

State of Michigan)
) §
County of Muskegon)

I, _________________________, Clerk of the City of Muskegon, Muskegon County, Michigan, do hereby certify that the above is a true and correct copy of the Resolution relative to the Agreement with the Michigan Department of Natural Resources, which Resolution was adopted by the City Council at a meeting held ____________________________, 2017

____
City Clerk, Ann Meisch

Dated:_________________

AGREEMENT
Engineering Study

THIS AGREEMENT, made this ____________ day of ___________, 2017, by and between the CITY OF MUSKEGON, MUSKEGON COUNTY, MICHIGAN, a municipal corporation, hereinafter referred to as the "City", and the MICHIGAN DEPARTMENT OF NATURAL RESOURCES, an agency of the State of Michigan, hereinafter referred to as the "Department."

WHEREAS, the City is an important center of recreational boating activity and serves as a refuge point for shallow-draft recreational vessels; and

WHEREAS, the City has solicited the aid and assistance of the Department in conducting a T-Dock and Marina Building expansion preliminary engineering study for Hartshorn Marina; and

NOW, THEREFORE, in consideration of the mutual promises and conditions contained herein, it is agreed as follows:

1. This Agreement shall be administered on behalf of the Department through its Parks and Recreation Division. All reports, documents, or actions required of the City by this Agreement shall be submitted to Parks and Recreation Division, P.O. Box 30257, Lansing, Michigan, 48909.

2. The Department agrees as follows:

   a. To grant to the City a sum of money equal to fifty (50) percent of the total cost of a preliminary engineering study to determine the design and cost of improvements required for the T-Dock and Marina Building expansion preliminary engineering study. Said grant shall not in any event exceed Thirty Thousand dollars ($30,000.00).

   b. The monies herein granted shall be released as reimbursement according to the following:

   > Acceptance by the City of this Agreement, execution of an agreement between the City and a registered professional engineer as prescribed in paragraph 3b hereof, study completion and written Department approval, and receipt of payment reimbursement request.

   c. As a condition precedent to any liability and/or responsibility of the Department under this Agreement, the City shall execute a contract or an agreement with a registered professional engineering firm so licensed by the State of Michigan for the conduct and completion of said preliminary engineering study, which contract or agreement shall be approved by the Department in writing.

3. The City agrees as follows:

   a. To immediately appropriate the sum of Thirty Thousand dollars ($30,000.00). This sum represents fifty (50) percent of the total cost of the preliminary engineering study called for by this Agreement. Any additional funds needed to complete this study, called for in this Agreement, shall be provided by the City.

   b. To negotiate and enter into a contractual relationship with a registered professional engineer so licensed by the State of Michigan to provide for the completion of said preliminary engineering study in accordance with established engineering principles, which contractual relationship shall be subject to the approval of the Department.

c. To authorize no variances from said engineering contract nor any additional expenditures without obtaining prior written approval of the Department for each and every variance or additional expenditure.

d. To use all funds granted by the Department to this Agreement solely for the conduct and completion of the preliminary engineering study. The City shall maintain satisfactory financial accounts, documents, and records and shall make them available to the Department for auditing at reasonable times. Such accounts, documents, and records shall be retained by the City for a period of not less than three (3) years following completion of the study called for herein.

e. To designate and establish a competent and proper agency and/or individual to be responsible for the conduct and the completion of the said preliminary engineering study.

f. To hold and save the State of Michigan and the Department free from damages or any suits brought against the City due to the conduct of the study.

g. To certify to the best of its knowledge and belief that the City and any principal, agent, contractor, and subcontractor of the City:

(1) are not presently debarred, suspended, proposed for debarment, and declared ineligible or voluntarily excluded from covered transactions by any State or Federal agency.

(2) have not been convicted of or had a civil judgment rendered against them for commission of fraud or a criminal offense in connection with obtaining, attempting to obtain, or performing a public (Federal, State, or local) transaction or contract under a public transaction, as defined in 45 CFR 1185; violation of Federal or State antitrust statutes or commission of embezzlement, theft, forgery, bribery, falsification or destruction of records, making false statements, or receiving stolen property within a three-year period preceding this Agreement.

(3) are not presently indicted or otherwise criminally or civilly charged by a governmental entity (Federal, State, or local) with commission of any of the offenses.

(4) have not had one or more public transactions (Federal, State, or local) terminated for cause or default within three years preceding this Agreement.

(5) will comply with all applicable requirements of all Federal and State laws, rules, executive orders, regulations, and policies governing this program.

4. It is expressly understood and agreed by and between the parties hereto that neither this Agreement, nor any section, paragraph, condition, clause, provision, or like portion hereof, shall in any way be construed so as to impose any obligation of any nature whatsoever, financial or otherwise, upon either the Department or the City as regards the construction of facilities which shall be considered in said preliminary engineering study.

IN WITNESS WHEREOF, the parties hereto have hereunto set their hands and seal the day and date first above written.

WITNESSES:

____

____

CITY OF MUSKEGON

By: ________________________

Title: ________________________

____

____

MICHIGAN DEPARTMENT OF NATURAL RESOURCES

By: ________________________
Ronald A. Olson, Chief
Parks and Recreation Division

Date: 6/27/2017

To: Honorable Mayor and City Commission

From: Department of Public Works

RE: Hartshorn Marina Engineering Study

SUMMARY OF REQUEST:

Authorize staff to enter into an engineering services agreement with Abonmarche consulting to provide the preliminary engineering as per the attached proposal and called for by the MDNR's 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

Engineering • Architecture • Land Surveying

June 5, 2017

City of Muskegon
Kevin Santos, Harbor Master
Harbor Master
920 W. Western Ave.
Muskegon, MI 49441

Re: Muskegon Hartshorn Marina
Preliminary Engineering Study (PES) Proposal

Dear Mr. Santos:

Thank you for the opportunity to assist the City of Muskegon in the planning process for Hartshorn Marina. Abonmarche is pleased to present this proposal to complete a preliminary engineering study (PES) to identify and initiate improvements to the Muskegon Hartshorn Marina.

Abonmarche is familiar with Hartshorn Marina, as we have been involved with several phases of improvements since 2002, as well as a marina master plan in 2001. Abonmarche also helped prepare the application to the State of Michigan Waterways Commission for completion of the preliminary engineering study, a process the Commission encourages before grant applications are submitted for construction of facility improvements.

We are currently working on other municipal marinas in the region and will apply our knowledge of this project and extensive experience within other Great Lakes marinas to advance the process efficiently.

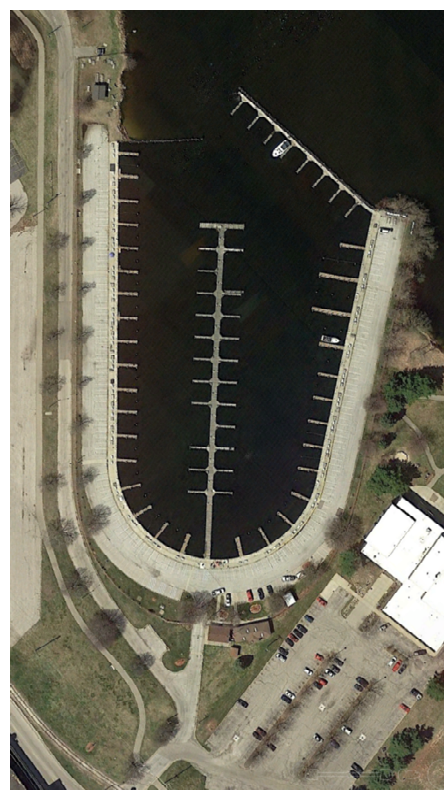
Figure 1: 2016 Google Earth Aerial

UNDERSTANDING

We understand the City of Muskegon would like proceed with previously identified improvements and building expansion concepts. We have learned of the City's desires to replace aging components of the marina, including the center "T" dock; to reconfigure slip sizes/slip mix; and to consider a new, multi-functional, year-round facility for the marina office with public and private bathrooms and other community features. The study will assess existing conditions and prioritize needs and expansion/improvement plans. Ultimately the findings of the study will inform the strategy for improving the facility and support decisions regarding phasing, grant applications, and funding allocations.

SCOPE OF SERVICES

We propose the following Scope of Services:

Task 1 – Project Initiation/Kick-Off

Abonmarche will meet with the City to confirm project goals and establish milestones. We will begin to identify operational needs, unmet slip demand, opportunities for new amenities, and recent public/boater feedback. Modern marina design standards/requirements such as ADA and NEC will also be discussed. The meeting will ideally include the City's project manager and harbormaster to ensure all major concerns and opportunities are identified and prioritized. A site visit/tour will also be incorporated into the meeting to allow the team to observe needs/opportunities in person.

Task 1 Deliverables
- Meeting Summary
- Project Schedule

Task 2 – Preliminary Engineering Study

2A. Conditions Assessment

Abonmarche will complete an inventory of marina components, assess the conditions, and identify issues. We will first inventory and review available data/records including drawings, permits, surveys, and soil data. Abonmarche will then conduct a detailed review of site conditions, including the following components:

- Seawalls, bulkheads, revetment
- ADA Accessibility
- Fixed and floating dock systems
- Gangways/ramps
- Marina utilities, including electric, potable water, communications, pumpout
- Ice suppression
- Parking & waterfront access
- Fish cleaning station
- Marina buildings

We will collect measurements and photos for inclusion in the final report. After completion of the site visit, Abonmarche will summarize observations and identify issues that require improvement, replacement, or repair.

2B. Marina Market Analysis

In order to satisfy boater needs, capture market demand, and ensure plans efficiently utilize the available space and infrastructure, Abonmarche will conduct a marina market analysis. We will first collect and review data from the marina itself, from other local marinas within Muskegon Lake, and from select regional marinas in Whitehall and in Grand Haven. We will compare the data to identify the following local/regional market trends:

- Seasonal/transient occupancy
- Slip mix
- Rates
- Marina services
- Amenities

We will then reach out to the local boating community to survey boater desires and needs. The results of the boater survey and marina market data will be combined to create and prioritize a list of recommended improvements.

Figure 2: Hartshorn Marina - Center Floating Dock, January, 2017

2C. Report & Recommendations

Abonmarche will prepare a report that summarizes the results of the above tasks and provides recommendations for future development of Hartshorn Marina. We will consider facility opportunities including the components mentioned above. In addition, we will reach out to the MDEQ and USACE to ascertain permit feasibility and identify challenges that may impact marina plans.

The report will be submitted as a draft for review before development of concept improvement plans below (Task 3). Abonmarche will also plan to present the draft report to the public. After comments are received and addressed, final concept improvement plans and construction cost estimates from Task 3 will be generated and the final report will be assembled.

It is anticipated the report will contain additional detail regarding each of the marina improvement priorities and will serve as a guide for implementation of the plan. At minimum, the report will address the following:

- Conditions assessment
- Marina market analysis & boater survey
- National Electric Code (NEC) & Electric shock drowning (ESD) prevention
- 2010 Americans with Disabilities Act (ADA) Standards for Accessible Design
- 2003 MDNR Harbor Development Standards
- Slip mix, user groups & unmet demand
- Opportunities for new amenities
- Permit feasibility (permit applications are excluded)
- Identify grants & due dates
    - Michigan Waterways Program Grants
    - USFWS Boating Infrastructure Grant (BIG)
    - USFWS Wildlife & Sport Fish Restoration Program
    - Michigan Clean Vessel Act (CVA) Pumpout Grant

Task 2 Deliverables

- Meeting Summaries
- Preliminary Engineering Study (Draft & Final)
    - Conditions assessment
    - Marina market study & boater survey
    - Development recommendations

Task 3 - Concept Improvements Plans

After identification and prioritization of recommended improvements, Abonmarche will work with City staff to prepare up to three schematic concepts for the continued development of the marina. We will prepare cost estimates for each of the concepts and will then refine these concepts down to a final concept, based upon feedback from the City. Abonmarche will prepare a construction cost estimate for the final concept, which will help to inform staging plans, grant applications, and financial planning. It is anticipated that the final concept will be used to determine next steps and to begin to scope Phase III of the marina improvements.

Task 3 Deliverables

- Meeting Summaries
- Schematic concepts (up to 3) & construction cost estimates
- Final concept & construction cost estimate

EXCLUSIONS

This proposal does not include any fees for obtaining record information or permit application fees. The following services are specifically excluded from this proposal. If a need is identified, Abonmarche is available to provide a proposal.

- Boundary, topographic, or bathymetric survey
- Special studies such as threatened/endangered species, wetland delineation, etc.
- Hydraulic modeling/wave studies
- Soil borings – environmental or geotechnical; Subsurface investigation/test holes
- Local, state or federal permitting; permit processing
- Design/Bid Documents – final design & specifications

SCHEDULE

Abonmarche proposes to initiate the project in August, 2017, or earlier if necessary. We anticipate the scope of work herein can be completed within 15 weeks of the notice to proceed.

FEES

We propose to complete the above Scope of Services for a lump sum fee of **$60,000,** including reimbursables and direct costs.

Your signature in the space provided below and on the attached professional services agreement will authorize us to commence with the work. If you have any questions or need further clarification, please feel free to contact me at our office.

Sincerely,
ABONMARCHE

Michael C Morphey, PE, LEED AP	Christopher J Cook, PE
Senior Project Engineer/Project Manager	President/CEO
AUTHORIZED BY:	DATE:
______________________________	______________________________

CC: Tim Drews, PE, PTOE
Tony McGhee

ABONMARCHE

Professional Services Agreement

Abonmarche Project Number: ____________

AGREEMENT between (Client name), City of Muskegon (Date) ____________

(Client address) 920 W. Western Ave. (Phone) ____________

(Cell) ____________ (Fax) ____________ (Email) ____________ hereinafter referred to as the Client, and Abonmarche Consultants, Inc., referred to as Abonmarche, of 95 West Main Street, PO Box 1088, Benton Harbor, MI 49023.

The Client contracts with Abonmarche to perform professional services with regard to the Client's project generally referred to as:

(Project Name) Muskegon Hartshorn Marina – Preliminary Engineering Study (Location) Muskegon, MI

The professional services to be provided by Abonmarche, collectively referred to as the Work Plan, are as follows:

(Scope of work) See attached proposal dated 6/5/2017

(Project schedule) See attached proposal dated 6/5/2017

(Special Provisions) See attached proposal dated 6/5/2017

Abonmarche's proposal/work plan, dated June 5, 2017 is incorporated into this Agreement by reference, and is limited to the services described therein.

The Client agrees to promptly pay for services provided by Abonmarche for the Scope of Work according to the following:

(fee $) See attached proposal dated 6/5/2017

Prior to commencement of services, the Client will specify any and all documentation that the Client requires for submission with the invoice for services provided by Abonmarche. Absent any special request from the Client, Abonmarche will send its standard form of invoice.

If, after receipt of an invoice from Abonmarche, the Client has any questions, or if there are any discrepancies in the invoice, the Client shall identify the issue in writing within ten (10) days of its receipt. If no written objection is made within the ten (10) day period, any such objection shall be deemed waived.

Abonmarche invoices are due upon receipt. The parties agree that interest of 1.5% per month will be added to any unpaid balance after 30 days.

The Client has designated ____________ as its Representative. The Representative shall have the authority to execute any documents pertaining to this Agreement or amendments thereto, and for the approval of all change orders, addenda, and additional services to be performed by Abonmarche. The representative shall be the contact person for submission of all documents, invoices or communications.

Authorization to Proceed and Guarantee of Payment: By signing this Agreement the Client authorizes Abonmarche to provide services described above, and that the Client is the responsible party for making payment to Abonmarche. *By signing below, I acknowledge that I have received and agree to the Terms and Conditions on Page 2 of this Agreement, and I understand that the Terms and Conditions take precedence over all prior oral and written understandings.* These Terms and Conditions can only be amended, supplemented, modified, or canceled by a written instrument signed by both parties. Any notice or other communications shall be in writing and shall be considered to have been duly given when personally delivered or upon the third day after being deposited into first class certified mail, postage prepaid, return receipt requested.

Authorized Client Representative	If Individual	Authorized Abonmarche Representative	
Client:	**Signature:**	**Signature:**	
Signature:	Printed Name:	Printed Name:	
Printed Name:	Date of Birth:	Title:	
Date Signed:	Driver's License #:	Originating Office:	Abonmarche Consultants, Inc. 95 W. Main Street PO Box 1088 Benton Harbor, MI 49023 T 269.927.2295 F 269.927.1017
Federal Tax ID:	Employed by:		
	Address:		
	City/State	Date Signed:	
	Date Signed:		

TERMS AND CONDITIONS OF PROFESSIONAL SERVICES AGREEMENT

1. **Agreement.** These Terms and Conditions shall be incorporated by reference and shall prevail as the basis of the Client's Agreement to Abonmarche. Any Client document or communication in addition to or in conflict with these Terms and Conditions shall be subordinate and subject to these provisions.
2. **Execution.** Abonmarche has the option to render this Agreement null and void, if it is not executed within thirty (30) days of delivery.
3. **Client Responsibilities.** The Client will provide all criteria and information concerning the requirements of the Project. The Client will assume responsibility for interpretation of contract documents and for construction observation and will waive all claims against Abonmarche that may be in any way connected, unless Abonmarche's services under this Agreement include full-time construction observation or review of contractor's performance.
4. **Performance.** The standard of care for services performed by or provided by Abonmarche will be the care and skill ordinarily used by Abonmarche's profession practicing under similar circumstances at the same time and in the same locality. Abonmarche makes no warranty, expressed or implied, with respect to any services provided by Abonmarche. Abonmarche will not be liable for any claim, damages, cost, or expense (including attorney's fees) or other liability or loss not directly and solely caused by the negligent acts, errors, or omissions of Abonmarche.
5. **Hourly Billing Rates.** If payment is on an hourly rate, Client will pay Abonmarche at the current hourly billing rates. The hourly rates are adjusted annually or as deemed appropriate.
6. **Reimbursable Expenses.** Reimbursable expenses, the actual costs incurred directly or indirectly for the Client's Project, will be charged at Abonmarche's current rates. Examples of reimbursable expenses include, but are not limited to: mileage, tests and analyses, special equipment services, postage and delivery charges, telephone and telefax charges, copying, printing, and binding charges, commercial transportation, meals, lodging, special fees, licenses, and permits. Subconsultant and outside technical or professional services will be charged on the basis of the actual costs times a factor of 1.15.
7. **Additional Services.** Additional services that may be provided pursuant to the Agreement or any subsequent modification of the Agreement will be authorized, when possible, by written amendment signed on behalf of the Client and Abonmarche. Additional services, performed by Abonmarche are subject to all Terms and Conditions and the Client will be responsible for payment. Should the Client, regulatory agency, or any public body or inspector direct modification or addition to services covered by this Agreement, including costs relating to the relationship between the Client and a third party i.e. punch lists, change orders, and disputes, the cost will be added to the agreed price. Requests for extra services should be made in writing via a change order, but none the less, Abonmarche is entitled to be paid for extra services provided whether or not it is in writing.
8. **Underground Structures or Buried Utilities.** The Client is responsible for identification and location of all public and private buried structures on the Client's property and the Project site, such as, but not limited to, storage tanks and lines, or gas, water, sewer, electrical, phone, cable, or any other public or private utilities. It is agreed that Abonmarche is not responsible for accidental damage to utilities or underground structures, whether known, unknown or improperly located. The client shall be responsible for design fees if changes are necessary. Utility locating or marking services provided by Abonmarche are not substitutes for complying with the utility owner notification requirements or the locating services (811 systems) required prior to an excavation. Utilities shown as located by ground penetrating radar are approximate only. No excavation took place to verify the positions shown or to verify the type of utility (except as noted). Careful excavation is required for verification of the buried utility. The owner or customer assumes the risk of error and the actual location of the underground utility. Abonmarche is not providing any certification or guarantee regarding the exact location of any underground utility.
9. **Underground Conditions.** Abonmarche shall have no responsibility for the identification of existing or unforeseen/differing underground conditions. The Contractor shall have sole responsibility for determining the nature of underground conditions and the means and methods of dealing with those conditions. Abonmarche is entitled to rely upon the information provided by geotechnical consultants and shall have no responsibility for the accuracy or correctness of the data contained in the geotechnical reports.
10. **Site Access and Security.** With the exception of access rights that land surveyors are afforded by law, the Client will provide Abonmarche access to the Project site and the Client will be responsible for obtaining any necessary permission from any affected third party property owners for use of their lands. The Client is solely responsible for site security.
11. **Consultants.** Abonmarche may engage Consultants at the request of the Client to perform services which are typically the Client's responsibility, such as surveys, geotechnical and environmental assessments. The Client agrees that Abonmarche will not be responsible for, or in any manner guarantee, the performance of services by the Consultants. The Client agrees that Abonmarche will not be liable for any claim, liability, or defense cost for injury or loss sustained by any party allegedly caused by the Consultants' negligence or willful misconduct.
12. **Opinions of Cost.** Any opinions of probable construction cost and/or total project cost provided by Abonmarche will be on the basis of experience and judgment, but these are only estimates. Abonmarche does not warrant that bids or ultimate construction or total project costs will not vary from such estimates.
13. **Ownership of Work Product.** Abonmarche will remain the owner of all original drawings, reports, and other materials provided to the Client, whether in hard copy or magnetic media form. The Client is authorized to use the copies provided by Abonmarche only in connection with the Project. Any other use or reuse by the Client for any purposes whatever will be at the Client's risk and full legal responsibility, without liability to Abonmarche and the Client will defend, indemnify, and hold Abonmarche harmless from all claims, damages, losses, and expenses, including attorney fees arising out of or resulting there from.
14. **Electronic Media.** Copies of data, reports, drawings, specifications, and other materials furnished by Abonmarche that may be relied upon by the Client are limited to the printed copies (also known as hard copies) that are delivered to the Client pursuant to the services under this Agreement. Computer files of text, data, graphics, or of other types of electronic media are the sole possession of Abonmarche, unless specifically stated otherwise in an amendment to this Agreement. Any electronic media provided under this Agreement to the Client are only for the convenience of the Client. Any conclusions or information obtained or derived from such electronic files will be at the user's sole risk.
15. **Bonds and Permits.** The Client will be responsible for the adoption of any site access or right of way bonds that may be initiated on their behalf. At completion of Abonmarche's services, the Client will take responsibility and pay any ongoing bond or permit costs for any bonded or permitted services.
16. **Insurance.** The Client will cause Abonmarche and Abonmarche's employees to be listed as additional insured on all general liability and property insurance policies carried by the Client that are applicable to the Project. Upon request, the Client and Abonmarche will each deliver to the other certificates of insurance evidencing their coverage. The Client will require the Contractor to purchase and maintain general liability and other insurance as specified in the Contract Documents and to cause Abonmarche and Abonmarche's employees to be listed as additional insured with respect to such liability and other insurance purchased and maintained by the Contractor for the Project.
17. **Third party Invoicing.** If the Client directs Abonmarche to invoice third party payers, Abonmarche will do so, but the Client agrees to be ultimately responsible for Abonmarche's compensation until the Client provides Abonmarche with the third party's written acceptance of all terms of this Agreement and until Abonmarche agrees to the substitution.
18. **Third Party Beneficiaries.** Nothing contained in this Agreement shall create a contractual relationship with or a cause of action in favor of a third party against either the Client or Abonmarche. Abonmarche's services under this Agreement are being performed solely for the Client's benefit, and no other party or entity shall have any claim against Abonmarche because of this Agreement or performance or nonperformance of services hereunder. The Client and Abonmarche agree to require a similar provision in all contracts with contractors, subcontractors, subconsultants, vendors and other entities involved in this Project to carry out the intent of this provision.
19. **Suspension of Services.** In the event of non-payment by Client, Abonmarche will have the absolute right to cease performance of any services.
20. **Contractor's Work:** Abonmarche shall have no authority to direct or control the Work of the Contractor or to stop the Work of the Contractor. Abonmarche shall not be liable to any party for the failure of the Contractor to perform the Work consistent with the Plans and Specifications and applicable Codes and Regulations. Abonmarche shall have no responsibility or be liable for safety procedures of the Contractor or its subcontractors.
21. **Notice of Lien Rights.** Abonmarche hereby notifies, and the Client acknowledges that Abonmarche has lien rights on the Client's land and property when Abonmarche provides labor and materials for Projects on the Client's land and the Client does not pay for those services.
22. **Legal Expenses.** If Abonmarche brings a lawsuit against the Client to collect invoiced fees and expenses, the Client shall be legally liable to pay Abonmarche's expenses, including its actual attorney fees and costs.
23. **Liability Limitation.** Client and persons claiming through Client agree to limit the liability of Abonmarche, its agents and employees, for all claims arising out of, in connection with, or resulting from, the performance of the services under this agreement to an amount of $25,000 or the fee paid to us for professional services on this project, whichever is greater. Client acknowledges that Abonmarche is a corporation and agrees that any claim made by Client arising out of any act or mission of any director, officer, or employee of Abonmarche, in execution or performance of this Agreement, shall be made against Abonmarche and not against such director, officer, or employee.
24. **Consequential Damages.** The Client and Abonmarche waive consequential damages for claims, disputes, or other matters in question relating to services provided as a part of this Agreement, including for example, but not limited to, loss of business.
25. **Governing Law.** This Agreement will be deemed to have been made in Berrien County, Michigan and shall be governed by and construed in accordance with the laws of the State of Michigan.
26. **Exclusive choice of forum**. Each party irrevocably and unconditionally agrees that it will not bring any action, litigation, or proceeding against any other party in any way arising from or relating to this Agreement in any forum other than the courts of the state of Michigan sitting in Berrien and any applicable Michigan appellate court. Each party irrevocably and unconditionally submits to the exclusive jurisdiction of those courts and agrees to bring any such action, litigation, or proceeding only in those courts. Each party agrees that a final judgment in any such action, litigation, or proceeding is conclusive and may be enforced in other jurisdictions by suit on the judgment or in any other manner provided by law.
27. **Considerations.** The successors, executors, administrators, and legal representatives of the Client and Abonmarche are hereby bound onto the other with respect to the covenants, Agreements, and obligations of this Agreement.
28. **Acts of God.** Neither the Client nor Abonmarche will have any liability for nonperformance caused in whole or in part by causes beyond Abonmarche's reasonable control. Such causes include, but are not limited to, Acts of God, civil unrest and war, labor unrest and strikes, acts of authorities, and events that could not be reasonably anticipated.
29. **Termination.** Either the Client or Abonmarche may terminate this Agreement by giving ten (10) days written notice to the other party. In such an event, the Client will pay Abonmarche in full for all services previously authorized and performed prior to the effective date of the termination, plus (at the discretion of Abonmarche) a termination charge to cover finalization of services necessary to bring ongoing services to a logical conclusion. Such charge will not exceed thirty (30) percent of all charges previously incurred. Upon receipt of such payment, Abonmarche will return to the Client all documents and information that are the property of the Client.
30. **Entire Agreement.** This Agreement contains the entire agreement between the parties and there are no agreements, representations, statements, or understandings which have been relied on by the parties which are not stated in this Agreement.

End of Agreement.

Commission Meeting Date: June 27, 2017

Date: June 27, 2017

To: Honorable Mayor and City Commissioners

From: Finance Director

RE: Sewer Rate Adjustment

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 attached fee adjustment resolution.

CITY OF MUSKEGON
RESOLUTION NO.________

At a regular meeting of the City Commission of Muskegon, Michigan, held at the City Commission Chambers on June 27, 2017.

RECITALS

A review of the rates for sewer service has been accomplished by the city's staff, recommendations received, and the City Commission has determined that the following rate changes are justified. Accordingly, this resolution is made for the purpose of maintaining the financial viability of the city's sewer system.

THEREFORE, THE CITY COMMISSION OF THE CITY OF MUSKEGON HEREBY RESOLVES:

1. Effective July 1, 2017, to rescind City of Muskegon Resolution No. 2016-53(M), which was adopted June 28, 2016.

2. Charges for residential sewer service shall be changed from a multiplier of 1.49 to 1.68 of the rate the county bills the city for wastewater treatment effective July 1, 2017, with future rates to be adjusted as the county charges are adjusted. The monthly sewer administration charge shall be changed from $2.67 to $3.00.

3. Charges for commercial/industrial sewer service shall continue to be billed at a rate of 1.25 times (1.25x) the city rate for residential sewer service. The monthly sewer administration charge shall also be changed to $3.00.

4. Charges for all non-metered residential sewer customers will be calculated based on an assumed usage rate of 12 hundred cu. ft. per month.

5. Unless there is a separate agreement specifying a different billing method, non-resident users of the city sewer system will be billed at a rate that is double (2x) the city rate for that class of user.

The above changes to be effective as noted above.

This resolution adopted.

YEAS:

NAYS:

CITY OF MUSKEGON

By: ______________________________
Ann Marie Meisch, MMC, City Clerk

STATE OF MICHIGAN COUNTY OF MUSKEGON

I hereby certify that the foregoing is a true and complete copy of a resolution adopted at a meeting of the Board of Commissioners of the City of Muskegon, Michigan, held on the 27th day of June, 2017 and that the minutes of the meeting are on file in the office of the City Clerk and are available to the public. Public notice of the meeting was given pursuant to and in compliance with Act 267, Public Acts of Michigan, 1976.

UMBAUGH

H. J. Umbaugh & Associates
Certified Public Accountants, LLP
2150 Association Drive
Suite 100
Okemos, MI 48864
Phone: 517-321-0110
Fax: 517-321-8866
www.umbaugh.com

City of Muskegon
SAW Grant
Asset Management Financial Plan
May 2017

A primary goal of Asset Management is to develop a long term plan for revenue support of capital improvements, as well as operating cost. The following Asset Management Financial Plan (AMFP) is intended to summarize the policy formulation in the areas of rate management, capital spending, and fund balance.

Methodology

A significant effort has been made by the City and their consulting engineers to inventory assets, evaluate the infrastructure, and determine asset criticality. The result is the identification of asset investment cost by project and by year. The AMFP covers an extended forecast period to take this asset evaluation into account.

The AMFP is a four step process: 1) historical comparison with audits and budgets, 2) test year, or normalized budget year, along with inflation assumptions for purposes of forecasting, 3) proof of rate to revenue for reliance on customer data, and 4) cash flow forecast including revenue, operating expense, capital spending, debt, and fund balance (i.e., actual cash and investment balance). The analysis is a "cash basis" approach as described in the AWWA Manual of Rate Making Practices.

From year to year, this AMFP may be used to implement policy regarding rate management and budgeting.

Audit Comparison

One key indicator of financial health is the cash and investments balance found in the Comparative Statement of Net Position of the Sewer Fund. The City currently has this cash and investment balance at around two months compared to the Test Year operating expenses. Management of the cash balance will be discussed further under 'Forecast - Cash Balance.'

The Sewer Fund audited Revenues, Expenses and Changes in Net Position comparison reveals decreasing annual revenues due to customer loss. Revenues are expected to increase in the future due to rate increases and stabilization of customer base. Operating expenses are relatively stable when not taking into account one-time project related expenses.

Budget Comparison / Test Year

The current year budget is fairly consistent with previous years. Certain adjustments have been made to reflect a normalized year of expenses. This has been utilized to develop the Test Year budget including expected percent inflation factors.

Proof of Rate to Revenue

The City bills customers based on customer class. All customers are billed an administration charge per month. Customers are then charged per ccf for every ccf used. Different commodity charges are used for residential customers vs. commercial/industrial customers. Non-metered customers are billed based on an assumed use of volume. The various charges billed at the current rates tie to the revenue reflected in the audit and budget, such that we can rely on the numbers in forecasting.

Forecast - Capital Cost

Annual costs have been forecasted based on an engineering evaluation of asset inventory, condition assessment, and criticality. These are expenses not already included in the operating and maintenance budget. The forecast reflects a mix of cash-funding and debt-funding certain projects. This combination results in good management of the cash balance and utilizing debt only when needed.

Forecast - Cash Balance

The City's minimum target of cash and investments to operating expenses (net of depreciation) is three months. This minimum target is not something that can never be crossed. With the right mix of cash and debt-funding capital improvements, the cash balance is estimated to stay between 3-4 months throughout the forecast.

Forecast - Rate Management

The forecast shows revenue needs to support operations, debt, and capital cost while solving to cash balance. The cash flow forecast demonstrates a rate track with a one-time increase of 12.75% to the administration charge and residential commodity charge which flow through to the other various charges. After that, annual increases of 3.00% to those rates are anticipated. Annual increases are highly recommended to keep up with expected rising expenses over time. Without the annual increases, the cash balance will quickly fall below the targeted minimum.

Management Summary

- Rates: one-time increase of 12.75% and then annual increases of 3.00%.
- Cash Balance: target of three months compared to net operating costs over forecast period.
- Capital Cost: a mix of cash and debt-funding in order to manage rates and cash balance effectively over time.

AMFP – Management Tool

The AMFP is a living document. It is most effective as a tool used annually for budget and user rate decisions.

UMBAUGH

H. J. Umbaugh & Associates
Certified Public Accountants, LLP
2150 Association Drive
Suite 100
Okemos, MI 48864
Phone: 517-321-0110
Fax: 517-321-8866
www.umbaugh.com

May 18, 2017

City of Muskegon
933 Terrace Street
Muskegon, MI 49440

Re: City of Muskegon (Michigan) Sewer Fund – SAW Grant – Asset Management Financial Plan

Dear City of Muskegon:

The attached schedules (listed below) present unaudited and limited information for the purpose of discussion and consideration in the preliminary planning stage of a SAW financial plan by the appropriate officers, officials and advisors of the City of Muskegon. The use of these schedules should be restricted to this purpose, for internal use only, as the information is subject to future revision and final report.

We would appreciate your questions or comments on this information and would provide additional information upon request.

Sincerely,

UMBAUGH

Tom Traciak

CITY OF MUSKEGON (MICHIGAN) SEWER FUND

COMPARATIVE STATEMENT OF NET POSITION

	As of				
	6/30/2012	**6/30/2013**	**6/30/2014**	**6/30/2015**	**6/30/2016**
	(-------------------------------------Per Audit-------------------------------------)				
Assets					
Current assets:					
Cash and investments	$3,701,462	$4,158,969	$3,545,607	$2,339,749	$1,428,302
Accounts receivable	1,021,398	975,036	902,555	867,045	1,040,325
Due from other governmental units	-	-	118,946	114,883	277,420
Inventories	42,173	35,391	27,743	37,399	17,751
Prepaid items	43,720	41,848	40,957	42,696	42,566
Total current assets	4,808,753	5,211,244	4,635,808	3,401,772	2,806,364
Noncurrent assets:					
Capital assets:					
Land	16,188	16,188	16,188	16,188	16,188
Buildings, improvements and systems	20,580,862	20,787,414	21,201,158	21,429,041	21,524,875
Machinery and equipment	39,722	50,082	83,643	83,643	83,643
Construction in progress	356,994	168,019	112,125	4,578	-
Subtotal	20,993,766	21,021,703	21,413,114	21,533,450	21,624,706
Less: Accumulated depreciation	(7,990,463)	(8,420,733)	(8,858,011)	(9,307,714)	(9,763,260)
Total noncurrent assets	13,003,303	12,600,970	12,555,103	12,225,736	11,861,446
Total Assets	$17,812,056	$17,812,214	$17,190,911	$15,627,508	$14,667,810
Deferred Outflows of Resources - Related to Pension	-	-	-	25,261	156,551
Liabilities					
Current liabilities:					
Accounts payable	$9,396	$12,911	$94,455	$130,209	$136,244
Accrued liabilities	9,742	7,250	8,822	9,311	12,885
Due to other governmental units	439,401	562,732	619,093	568,696	1,070,051
Bonds and other obligations, due within one year	7,300	7,300	7,300	7,900	7,700
Total current liabilities	465,839	590,193	729,670	716,116	1,226,880
Noncurrent liabilities:					
Bonds and other obligations, less amounts due within one year	36,465	36,393	36,263	39,566	38,274
Net pension liability	-	-	-	219,117	411,065
Total noncurrent liabilities	36,465	36,393	36,263	258,683	449,339
Total Liabilities	502,304	626,586	765,933	974,799	1,676,219
Deferred Inflows of Resources - Related to Pension	-	-	-	-	4,853
Net Position					
Net investment in capital assets	13,003,303	12,600,970	12,555,103	12,225,736	11,861,446
Unrestricted	4,306,449	4,584,658	3,869,875	2,452,234	1,281,843
Total Net Position	17,309,752	17,185,628	16,424,978	14,677,970	13,143,289
Total Liabilities and Net Position	$17,812,056	$17,812,214	$17,190,911	$15,652,769	$14,819,508

CITY OF MUSKEGON (MICHIGAN) SEWER FUND

COMPARATIVE STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION

	Fiscal Year Ended				
	6/30/2012	**6/30/2013**	**6/30/2014**	**6/30/2015**	**6/30/2016**
	(------------------------------------Per Audit------------------------------------)				
Operating Revenues					
Charges for services	$6,308,525	$6,502,293	$6,501,812	$6,237,327	$6,183,805
Other	147,109	556,022	132,099	126,481	121,749
Total operating revenues	6,455,634	7,058,315	6,633,911	6,363,808	6,305,554
Operating Expenses					
Administration	333,857	304,916	291,653	297,397	438,534
Wastewater treatment	5,405,696	5,286,893	5,679,994	6,210,557	5,749,839
Wastewater maintenance	-	1,181,143	1,124,966	1,465,445	1,972,093
Subtotal	5,739,553	6,772,952	7,096,613	7,973,399	8,160,466
Depreciation expense	421,949	430,270	437,278	449,703	455,546
Total operating expenses	6,161,502	7,203,222	7,533,891	8,423,102	8,616,012
Net operating income (loss)	294,132	(144,907)	(899,980)	(2,059,294)	(2,310,458)
Non-Operating Revenues (Expenses)					
Investment earning	25,008	20,783	20,384	16,106	10,414
Capital Contributions	-	-	118,946	474,681	765,363
Change in net position	319,140	(124,124)	(760,650)	(1,568,507)	(1,534,681)
Net position, beginning of year	16,990,612	17,309,752	17,185,628	16,246,477	$14,677,970
Net position, end of year	$17,309,752	$17,185,628	$16,424,978	$14,677,970	$13,143,289

CITY OF MUSKEGON (MICHIGAN) SEWER FUND

COMPARATIVE DETAIL OF OPERATING EXPENSES

	Fiscal Year Ended						
	6/30/2014	**6/30/2015**	**6/30/2016**	**6/30/2017**	**Test Year**	**Multiplier**	**2017/18**
Operating Expenses							
Dept: 30548 - Bond Interest, Insurance & Other							
5300 Contractual Services	$0	$0	$0	$437,298	$437,298	1.0%	441,671
5319 Other Insurance & Bonds	62,326	62,304	63,979	-	-	0.0%	-
5353 Printing	422	440	-	-	-	0.0%	-
5360 Indirect Cost Allocation	101,185	106,849	110,304	-	-	0.0%	-
5364 Right of Way Lease	11	11	11	-	-	0.0%	-
5370 Payment to Other Government	2,709	2,793	3,235	-	-	0.0%	-
5371 City Service Fee/Contributions	-	-	106,006		-	0.0%	-
5374 Utility Administration Fees	125,000	125,000	155,000	-	-	0.0%	-
5471 Bad Debts	24,535	16,215	8,969	12,000	12,000	1.0%	12,120
5990 Depreciation Expense	-	-	-	- [1]	-	0.0%	-
Total Bond Interest, Insurance & Other Expenses	316,188	313,613	447,503	449,298	449,298		453,791
Dept: 60550 - Storm Water Management							
5371 Paying Agent Fees/Contributions	-	-	1,764	-	-	0.0%	-
Dept: 60557 - Muskegon County Wastewater Treatment							
5370 Payment to Other Government	5,679,994	6,210,557	5,749,839	6,000,000	5,867,285	[2]	5,988,390
Dept: 60559 - Water & Sewer Maintenance							
5100 Salaries & Benefits	-	-	-	781,472	781,472	3.5%	808,824
5101 Salary Permanent	242,238	232,856	284,550	-	-	0.0%	-
5110 Lead Person & Shift Premium	1,419	-	-	-	-	0.0%	-
5111 Overtime	31,977	34,006	33,414	-	-	0.0%	-
5112 Sick Leave Pay	18,343	22,993	31,158	-	-	0.0%	-
5113 Vacation Pay	29,953	29,230	30,067	-	-	0.0%	-
5114 Personal & Other Leave	8,832	8,981	9,025	-	-	0.0%	-
5115 Holiday Pay	12,207	12,423	10,590	-	-	0.0%	-
5141 Retiree Healthcare - General	12,116	11,153	13,410	-	-	0.0%	-
5144 MERS Retirement System	19,046	25,462	54,796	-	-	0.0%	-
5145 Pension Adjustment - GASB 68	-	-	65,511		-	0.0%	-
5151 Health Insurance	89,030	89,007	103,311	-	-	0.0%	-
5153 Life Insurance	841	827	970	-	-	0.0%	-
5155 Dental Insurance	6,797	6,776	7,941	-	-	0.0%	-
5159 Disability Insurance	1,102	1,067	1,272	-	-	0.0%	-
5161 Social Security	25,975	25,476	29,886	-	-	0.0%	-
5163 Workers' Compensation	11,988	11,160	15,286	-	-	0.0%	-
5165 Unemployment	297	94	41	-	-	0.0%	-
5181 Education Incentive Pay	524	971	1,269	-	-	0.0%	-
5183 Longevity Pay	6,621	6,840	6,526	-	-	0.0%	-
5200 Operating Supplies	-	-	-	55,390	55,390	1.5%	56,221
5201 Office Supplies	-	-	88		-	0.0%	-
5213 Clothing & Uniforms	724	104	668	-	-	0.0%	-
5221 Tools	143	738	860	-	-	0.0%	-
5225 Motor Fuel & Lubricants	23	-	144	-	-	0.0%	-
5227 Licenses	125	95	380	-	-	0.0%	-
5231 Miscellaneous Material & Supplies	962	1,010	1,391	-	-	0.0%	-
5239 Sewer/Water System Supplies	19,761	14,926	48,852	-	-	0.0%	-
5243 Repair Supplies	143	192	68	-	-	0.0%	-
5249 Equipment Supplies	1,866	1,754	318	-	-	0.0%	-
5255 Road Maintenance Supplies	33,479	26,350	34,575	-	-	0.0%	-
5257 Seeding & Planting Supplies	-	259	-	-	-	0.0%	-
5259 Traffic Control Device Supplies	4,545	-	785	-	-	0.0%	-
5300 Contractual Services	-	-	-	440,654	440,654	1.5%	447,264
5341 Laundry & Uniform Cleaning	1,569	1,855	1,528	-	-	0.0%	-
5346 Contractual Services	51,012	37,126	18,484	-	-	0.0%	-
5351 Medical Services	354	300	660	-	-	0.0%	-
5353 Printing	115	-	-	-	-	0.0%	-
5362 Rental of Buildings	84,612	76,776	69,099	-	-	0.0%	-
5364 Right of Way Lease	354	354	354	-	-	0.0%	-
5366 Vehicle Rental	249,600	220,959	275,412	-	-	0.0%	-
5390 Telephone	1,077	605	3,436	-	-	0.0%	-
5391 Electricity	22,826	24,375	22,913	-	-	0.0%	-
5400 Other Expenses	-	-	-	23,000	23,000	1.0%	23,230
5405 Inventory Purchases	-	31,540	13,600	-	-	0.0%	-
5450 Conference, Training and Travel	228	254	4,360	-	-	0.0%	-
5700 Capital Outlays	-	-	-	5,900	5,900	1.0%	5,959
5720 Equipment Purchases	5,484	1,271	4,005	-	-	0.0%	-
5770 Equipment Repair	1,077	3,499	566	-	-	0.0%	-
Total Water & Sewer Maintenance Expenses	999,386	963,665	1,201,570	1,306,416	1,306,416		1,341,497

[1] Depreciation Expense is removed from this report as it is performed on the cash basis.
[2] See County Charges (pages 9-10).

CITY OF MUSKEGON (MICHIGAN) SEWER FUND

(Continued)

COMPARATIVE DETAIL OF OPERATING EXPENSES

2018/19	2019/20	2020/21	2021/22	2022/23	2023/24	2024/25	2025/26	2026/27	2027/28
446,088	450,549	455,054	459,605	464,201	468,843	473,531	478,266	483,049	487,880
-	-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-	-
12,241	12,364	12,487	12,612	12,738	12,866	12,994	13,124	13,255	13,388
-	-	-	-	-	-	-	-	-	-
458,329	462,912	467,541	472,217	476,939	481,708	486,525	491,391	496,305	501,268
-	-	-	-	-	-	-	-	-	-
6,113,128	6,241,608	6,373,942	6,510,246	6,650,640	6,795,245	6,944,189	7,097,600	7,255,614	6,870,370
837,132	866,432	896,757	928,144	960,629	994,251	1,029,049	1,065,066	1,102,343	1,140,925
-	-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-	-
57,064	57,920	58,789	59,671	60,566	61,474	62,396	63,332	64,282	65,247
-	-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-	-
453,973	460,782	467,694	474,710	481,830	489,058	496,393	503,839	511,397	519,068
-	-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-	-
23,462	23,697	23,934	24,173	24,415	24,659	24,906	25,155	25,406	25,660
-	-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-	-
6,019	6,079	6,140	6,201	6,263	6,326	6,389	6,453	6,517	6,582
-	-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-	-
1,377,650	1,414,910	1,453,314	1,492,898	1,533,703	1,575,767	1,619,134	1,663,845	1,709,946	1,757,483

COMPARATIVE DETAIL OF OPERATING EXPENSES

	Fiscal Year Ended						
	6/30/2014	6/30/2015	6/30/2016	6/30/2017	Test Year	Multiplier	2017/18
Operating Expenses (Continued)							
Dept: 60966 - Muskegon/Webster 9th to Spring							
5346 Contractual Services	-	4,412	12,754	-	-	0.0%	-
Dept: 90000 - Project Expenditures							
5300 Contractual Services	-	-	-	1,300,000	-	0.0%	-
Dept: 91131 - Sherman, Estes to Glenside							
5346 Contractual Services	73,145	-	-	-	-	0.0%	-
Dept: 91134 - Estes, Fair to Lakeshore							
5346 Contractual Services	30,358	-	-	-	-	0.0%	-
5355 Engineering Services	1,331	-	-	-	-	0.0%	-
Total Estes, Fair to Lakeshore Expenses	31,689	-	-	-	-		-
Dept: 91137 - Beidler, Hackley to 700' South							
5346 Contractual Services	-	-	78,668		-	0.0%	-
Dept: 91205 - Austin Street Lift Station							
5346 Contractual Services	206,438	-	-	-	-	0.0%	-
5355 Engineering Services	10,674	-	-	-	-	0.0%	-
Total Austin Street Lift Station Expenses	217,112	-	-	-	-		-
Dept: 91307 - Merrill, Fifth to Third							
5346 Contractual Services	-	102,057	-	-	-	0.0%	-
5355 Engineering Services	1,715	13,939	-	-	-	0.0%	-
Total Merrill, Fifth to Third Expenses	1,715	115,996	-	-	-		-
Dept: 91308 - Palmer, McGraft to Southern							
5346 Contractual Services	36,861	-	-	-	-	0.0%	-
Dept: 91312 - Sewer Infiltration							
5345 Consultant Fees	62,005	97,995	-	-	-	0.0%	-
Dept: 91318 - Getty St, Evanston to Apple							
5346 Contractual Services	-	166	4,250	-	-	0.0%	-
Dept: 91325 - Storm & Waste Water Asset Mgmt - SAW Grant							
5346 Contractual Services	49,113	364,385	724,397	-	-	0.0%	-
5355 Engineering Services	-	22,141	27,559	-	-	0.0%	-
Total Storm & Waste Water Asset Mgmt - SAW Grant Expenses	49,113	386,526	751,956	-	-		-
Dept: 91408 - Henry St, Sherman to Hackley							
5355 Engineering Services	-	1,666	-	-	-	0.0%	-
Dept: 91502 - Monroe Street Between 4th and 5th							
5355 Engineering Services	-	-	4,448	-	-	0.0%	-
Dept: 99012 - GIS Training							
5346 Contractual Services	43	-	-	-	-	0.0%	-
5355 Engineering Services	45,309	-	7,940	-	-	0.0%	-
Total GIS Training Expenses	45,352	-	7,940	-	-		-
Total Sewer Operating Expenses	$7,512,559	$8,094,595	$8,260,691	$9,055,714	$7,622,999		$7,783,678

CITY OF MUSKEGON (MICHIGAN) SEWER FUND

(Continued)

COMPARATIVE DETAIL OF OPERATING EXPENSES

2018/19	2019/20	2020/21	2021/22	2022/23	2023/24	2024/25	2025/26	2026/27	2027/28
-	-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-	-
$7,949,107	$8,119,430	$8,294,797	$8,475,361	$8,661,281	$8,852,721	$9,049,848	$9,252,836	$9,461,865	$9,129,120

CITY OF MUSKEGON (MICHIGAN) SEWER FUND

SCHEDULE OF 2016/17 BUDGETED OPERATING EXPENSES AND ADJUSTMENTS

		2016/17 Budget (Per Client)	Adjustments	Test Year
Operating Expenses				
Dept: 30548 - Bond Interest, Insurance & Other				
5300	Contractual Services	$437,298		$437,298
5319	Other Insurance & Bonds	-		-
5353	Printing	-		-
5360	Indirect Cost Allocation	-		-
5364	Right of Way Lease	-		-
5370	Payment to Other Government	-		-
5371	City Service Fee/Contributions	-		-
5374	Utility Administration Fees	-		-
5471	Bad Debts	12,000		12,000
5990	Depreciation Expense	-		-
	Total Bond Interest, Insurance & Other Expenses	449,298	-	449,298
Dept: 60550 - Storm Water Management				
5371	Paying Agent Fees/Contributions	-		-
Dept: 60557 - Muskegon County Wastewater Treatment				
5370	Payment to Other Government	6,000,000	($113,118)	5,886,882
Dept: 60559 - Water & Sewer Maintenance				
5100	Salaries & Benefits	781,472		781,472
5101	Salary Permanent	-		-
5110	Lead Person & Shift Premium	-		-
5111	Overtime	-		-
5112	Sick Leave Pay	-		-
5113	Vacation Pay	-		-
5114	Personal & Other Leave	-		-
5115	Holiday Pay	-		-
5141	Retiree Healthcare - General	-		-
5144	MERS Retirement System	-		-
5145	Pension Adjustment - GASB 68	-		-
5151	Health Insurance	-		-
5153	Life Insurance	-		-
5155	Dental Insurance	-		-
5159	Disability Insurance	-		-
5161	Social Security	-		-
5163	Workers' Compensation	-		-
5165	Unemployment	-		-
5181	Education Incentive Pay	-		-
5183	Longevity Pay	-		-
5200	Operating Supplies	55,390		55,390
5201	Office Supplies	-		-
5213	Clothing & Uniforms	-		-
5221	Tools	-		-
5225	Motor Fuel & Lubricants	-		-
5227	Licenses	-		-
5231	Miscellaneous Material & Supplies	-		-
5239	Sewer/Water System Supplies	-		-
5243	Repair Supplies	-		-
5249	Equipment Supplies	-		-
5255	Road Maintenance Supplies	-		-
5257	Seeding & Planting Supplies	-		-
5259	Traffic Control Device Supplies	-		-
5300	Contractual Services	440,654		440,654
5341	Laundry & Uniform Cleaning	-		-
5346	Contractual Services	-		-
5351	Medical Services	-		-
5353	Printing	-		-
5362	Rental of Buildings	-		-
5364	Right of Way Lease	-		-
5366	Vehicle Rental	-		-
5390	Telephone	-		-
5391	Electricity	-		-
5400	Other Expenses	23,000		23,000
5405	Inventory Purchases	-		-
5450	Conference, Training and Travel	-		-
5700	Capital Outlays	5,900		5,900
5720	Equipment Purchases	-		-
5770	Equipment Repair	-		-
	Total Water & Sewer Maintenance Expenses	1,306,416	-	1,306,416

CITY OF MUSKEGON (MICHIGAN) SEWER FUND

(Continued)

SCHEDULE OF 2016/17 BUDGETED OPERATING EXPENSES AND ADJUSTMENTS

	2016/17 Budget (Per Client)	Adjustments	Test Year
Operating Expenses (Continued)			
Dept: 60966 - Muskegon/Webster 9th to Spring			
5346 Contractual Services	-	-	-
Dept: 90000 - Project Expenditures			
5300 Contractual Services	1,300,000	(1,300,000)	-
Dept: 91131 - Sherman, Estes to Glenside			
5346 Contractual Services	-	-	-
Dept: 91134 - Estes, Fair to Lakeshore			
5346 Contractual Services	-		-
5355 Engineering Services	-		-
Total Estes, Fair to Lakeshore Expenses	-	-	-
Dept: 91137 - Beidler, Hackley to 700' South			
5346 Contractual Services	-	-	-
Dept: 91205 - Austin Street Lift Station			
5346 Contractual Services	-		-
5355 Engineering Services	-		-
Total Austin Street Lift Station Expenses	-	-	-
Dept: 91307 - Merrill, Fifth to Third			
5346 Contractual Services	-		-
5355 Engineering Services	-		-
Total Merrill, Fifth to Third Expenses	-	-	-
Dept: 91308 - Palmer, McGraft to Southern			
5346 Contractual Services	-	-	-
Dept: 91312 - Sewer Infiltration			
5345 Consultant Fees	-	-	-
Dept: 91318 - Getty St, Evanston to Apple			
5346 Contractual Services	-	-	-
Dept: 91325 - Storm & Waste Water Asset Mgmt - SAW Grant			
5346 Contractual Services	-		-
5355 Engineering Services	-		-
Total Storm & Waste Water Asset Mgmt - SAW Grant Expenses	-	-	-
Dept: 91408 - Henry St, Sherman to Hackley			
5355 Engineering Services	-	-	-
Dept: 91502 - Monroe Street Between 4th and 5th			
5355 Engineering Services	-	-	-
Dept: 99012 - GIS Training			
5346 Contractual Services	-		-
5355 Engineering Services	-		-
Total GIS Training Expenses	-	-	-
Total Sewer Operating Expenses	$9,055,714	($1,413,118)	$7,642,596

CITY OF MUSKEGON (MICHIGAN) SEWER FUND

COUNTY CHARGES

			Fiscal Year Ended 6/30/2016	Multiplier	Test Year	2017/18
Gallonage	Flow per County (Mgal)	1,882				
	Rate from County	$2,082.71				
		$3,919,244	3,919,244	3.0%	4,036,821	4,157,926
$17MM Bond	Flow per County (Mgal)	1,882				
	Rate from County	$291.21				
		$547,999	547,999	0.0%	547,999	547,999
Phase I	Flow per County (Mgal)	1,882				
	Rate from County	$192.92				
		$363,037	363,037	0.0%	363,037	363,037
Phase II	Flow per County (Mgal)	1,882				
	Rate from County	$152.97				
		$287,859	287,859	0.0%	287,859	287,859
60" Segment 1	Flow per County (Mgal)	1,882				
	Rate from County	$155.25				
		$292,149	292,149	0.0%	292,149	292,149
60" Segment 2	Flow per County (Mgal)	1,882				
	Rate from County	$180.37				
		$339,420	339,420	0.0%	339,420	339,420
	Total County Charges per Calculation		5,749,708		5,867,285	5,988,390

CITY OF MUSKEGON (MICHIGAN) SEWER FUND

(Continued)

COUNTY CHARGES

2018/19	2019/20	2020/21	2021/22	2022/23	2023/24	2024/25	2025/26	2026/27	2027/28
4,282,663	4,411,143	4,543,478	4,679,782	4,820,175	4,964,781	5,113,724	5,267,136	5,425,150	5,587,904
547,999	547,999	547,999	547,999	547,999	547,999	547,999	547,999	547,999	
363,037	363,037	363,037	363,037	363,037	363,037	363,037	363,037	363,037	363,037
287,859	287,859	287,859	287,859	287,859	287,859	287,859	287,859	287,859	287,859
292,149	292,149	292,149	292,149	292,149	292,149	292,149	292,149	292,149	292,149
339,420	339,420	339,420	339,420	339,420	339,420	339,420	339,420	339,420	339,420
6,113,128	6,241,608	6,373,942	6,510,246	6,650,640	6,795,245	6,944,189	7,097,600	7,255,614	6,870,370

CITY OF MUSKEGON (MICHIGAN) SEWER FUND

CASH FLOW ANALYSIS

	2016/17	Increase	2017/18	Increase	2018/19
Assumptions					
Customers billed - month	13,055		13,055		13,055
Administration charge - month	$2.67	12.75%	$3.01	3.00%	$3.10
Non-metered City customers billed - month	22		22		22
Non-metered City flat charge - month	$40.80		$46.00		$47.38
Non-metered non-resident customers billed - month	101		101		101
Non-metered non-resident flat charge - month	$81.60		$92.00		$94.76
Residential volume billed - annual ccf	731,411		731,411		731,411
Residential Commodity charge - ccf	$3.40	12.75%	$3.83	3.00%	$3.95
Commercial/Industrial City volume billed - annual ccf	1,059,667		1,059,667		1,059,667
Commercial/Industrial City commodity charge - ccf	$4.25		$4.79		$4.94
Revenues					
Rates & charges					
Administration charge	$418,282		$471,613		$485,762
Non-metered City flat rate charge	10,771		12,145		12,509
Non-metered non-resident flat rate charge	98,899		111,509		114,854
Residential commodity charge	2,486,797		2,803,864		2,887,980
Commercial/Industrial City commodity charge	4,503,585		5,077,792		5,230,126
Total rates & charges revenue	7,518,335		8,476,922		8,731,230
Other	126,481		126,481		126,481
Total revenues	7,644,816		8,603,403		8,857,711
Total operating expenditures	7,622,999		7,783,678		7,949,107
Net operating revenue	21,816		819,725		908,604
Less: Estimated cash-funded capital improvements					260,000
Estimated debt service #1 2017/18 Bonds [1]					244,500
Estimated debt service #2 2018/19 Bonds [2]					
Estimated debt service #3 2019/20 Bonds [3]					
Estimated debt service #4 2020/21 Bonds [4]					
Estimated debt service #5 2021/22 Bonds [5]					
Estimated debt service #6 2022/23 Bonds [6]					
Estimated debt service #7 2023/24 Bonds [7]					
Estimated debt service #8 2024/25 Bonds [8]					
Estimated debt service #9 2025/26 Bonds [9]					
Estimated debt service #10 2026/27 Bonds [10]					
Net cash flow			$819,725		$404,104
Cash & investments	*$1,400,000*		*$2,219,725*		*$2,623,829*
Typical City homeowner's bill (6 ccf/month)	*$23.07*		*$26.01*		*$26.79*

[1] Estimated debt service payments based on a $3,808,524.61 20-year bond issue at current SRF rates.
[2] Estimated debt service payments based on a $3,343,854.58 20-year bond issue at current SRF rates.
[3] Estimated debt service payments based on a $3,832,944.90 20-year bond issue at current SRF rates.
[4] Estimated debt service payments based on a $3,696,844.62 20-year bond issue at current SRF rates.
[5] Estimated debt service payments based on a $3,255,601.49 20-year bond issue at current SRF rates.
[6] Estimated debt service payments based on a $2,979,677.44 20-year bond issue at current SRF rates.
[7] Estimated debt service payments based on a $3,297,982.45 20-year bond issue at current SRF rates.
[8] Estimated debt service payments based on a $3,225,062.09 20-year bond issue at current SRF rates.
[9] Estimated debt service payments based on a $4,162,336.31 20-year bond issue at current SRF rates.
[10] Estimated debt service payments based on a $3,863,252.97 20-year bond issue at current SRF rates.

CITY OF MUSKEGON (MICHIGAN) SEWER FUND

(Continued)

CASH FLOW ANALYSIS

2019/20	2020/21	2021/22	2022/23	2023/24	2024/25	2025/26	2026/27	2027/28
13,055	13,055	13,055	13,055	13,055	13,055	13,055	13,055	13,055
$3.19	$3.29	$3.39	$3.49	$3.59	$3.70	$3.81	$3.93	$4.05
22	22	22	22	22	22	22	22	22
$48.80	$50.27	$51.78	$53.33	$54.93	$56.58	$58.27	$60.02	$61.82
101	101	101	101	101	101	101	101	101
$97.61	$100.54	$103.55	$106.66	$109.86	$113.15	$116.55	$120.04	$123.65
731,411	731,411	731,411	731,411	731,411	731,411	731,411	731,411	731,411
$4.07	$4.19	$4.31	$4.44	$4.58	$4.71	$4.86	$5.00	$5.15
1,059,667	1,059,667	1,059,667	1,059,667	1,059,667	1,059,667	1,059,667	1,059,667	1,059,667
$5.08	$5.24	$5.39	$5.56	$5.72	$5.89	$6.07	$6.25	$6.44
$500,334	$515,344	$530,805	$546,729	$563,131	$580,025	$597,425	$615,348	$633,809
12,884	13,271	13,669	14,079	14,501	14,936	15,384	15,846	16,321
118,300	121,849	125,504	129,269	133,147	137,142	141,256	145,494	149,859
2,974,619	3,063,858	3,155,774	3,250,447	3,347,960	3,448,399	3,551,851	3,658,407	3,768,159
5,387,029	5,548,640	5,715,099	5,886,552	6,063,149	6,245,043	6,432,395	6,625,367	6,824,128
8,993,167	9,262,962	9,540,851	9,827,076	10,121,889	10,425,545	10,738,312	11,060,461	11,392,275
126,481	126,481	126,481	126,481	126,481	126,481	126,481	126,481	126,481
9,119,648	9,389,443	9,667,332	9,953,557	10,248,370	10,552,026	10,864,793	11,186,942	11,518,756
8,119,430	8,294,797	8,475,361	8,661,281	8,852,721	9,049,848	9,252,836	9,461,865	9,129,120
1,000,218	1,094,646	1,191,971	1,292,276	1,395,649	1,502,179	1,611,956	1,725,077	2,389,636
490,000	670,000	55,000	55,000	55,000	55,000	55,000	55,000	55,000
244,500	244,500	244,500	244,500	244,500	244,500	244,500	244,500	244,500
214,750	214,750	214,750	214,750	214,750	214,750	214,750	214,750	214,750
	246,000	246,000	246,000	246,000	246,000	246,000	246,000	246,000
		237,250	237,250	237,250	237,250	237,250	237,250	237,250
			209,250	209,250	209,250	209,250	209,250	209,250
				191,250	191,250	191,250	191,250	191,250
					211,500	211,500	211,500	211,500
						207,250	207,250	207,250
							267,250	267,250
								248,000
$50,968	($280,604)	$194,471	$85,526	($2,351)	($107,321)	($204,794)	($358,923)	$57,636
$2,674,797	*$2,394,193*	*$2,588,664*	*$2,674,190*	*$2,671,839*	*$2,564,518*	*$2,359,724*	*$2,000,801*	*$2,058,437*
$27.60	*$28.42*	*$29.28*	*$30.15*	*$31.06*	*$31.99*	*$32.95*	*$33.94*	*$34.96*

Commission Meeting Date: June 27, 2017

Date: June 27, 2017

To: Honorable Mayor and City Commissioners

From: Finance Director

RE: 2017 Sanitation Service Fee

SUMMARY OF REQUEST: To adopt the resolution to beginning 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 was incorporated into the FY 2017-18 budget that was recently approved by the City Commission.

STAFF RECOMMENDATION: Adoption of the attached resolution.

CITY OF MUSKEGON
RESOLUTION NO.________

At a regular meeting of the City Commission of Muskegon, Michigan, held at the City Commission Chambers on June 27, 2017.

RECITALS

After reviewing the cost to provide sanitation services for the residents of the City of Muskegon, the City Commission has determined that the funds generated from the 3 mills dedicated to sanitation currently does not cover the costs to provide the service at its current level.

THEREFORE, THE CITY COMMISSION OF THE CITY OF MUSKEGON HEREBY RESOLVES:

1. Effective July 1, 2017, a monthly service fee of $1.20 will be charged to all residential utility billings.

2. This rate increase will be in effect until June 30, 2018 at which time it will be re-evaluated with the proposed budget.

The above changes to be effective as noted above.

This resolution adopted.

YEAS:

NAYS:

CITY OF MUSKEGON

By: ______________________________
Ann Marie Meisch, MMC, City Clerk

STATE OF MICHIGAN COUNTY OF MUSKEGON

I hereby certify that the foregoing is a true and complete copy of a resolution adopted at a meeting of the Board of Commissioners of the City of Muskegon, Michigan, held on the 28th day of June, 2016 and that the minutes of the meeting are on file in the office of the City Clerk and are available to the public. Public notice of the meeting was given pursuant to and in compliance with Act 267, Public Acts of Michigan, 1976.