CITY OF MUSKEGON

CITY COMMISSION MEETING

JUNE 25, 2019 @ 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 25, 2019, Reverend Darrin Longmire, Forest Park Covenant Church, opened the meeting with prayer, after which the Commission and public recited the Pledge of Allegiance to the Flag.

ROLL CALL FOR THE REGULAR COMMISSION MEETING:

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

INTRODUCTIONS/PRESENTATION:

A. Pollinator Habitat Update Department of Public Works

Leo Evans, City Engineer, provided an update on progress to date and planned next steps relative to the urban Pollinator Habitat Conservation and Preservation Plan.

2019-49 CONSENT AGENDA:

A. Approval of Minutes City Clerk

SUMMARY OF REQUEST: To approve the minutes of the June 6, 2019 Budget Meeting, June 10, 2019 Worksession, and the June 11, 2019 Regular Meeting.

FINANCIAL IMPACT: None

BUDGET ACTION REQUIRED: None

STAFF RECOMMENDATION: Approval of the minutes.

C. Peck & Sanford 2-Way Conversion Department of Public Works

SUMMARY OF REQUEST: To award the project to J. Ranck Electric, Inc. since they were the lowest responsible bidder with a total bid price of $205,247.10

One bid was received for this project from J. Ranck Electric, Inc. for $205,247.10

FINANCIAL IMPACT: $205,247.10

BUDGET ACTION REQUIRED: None. Project was budgeted in 18-19 reforecast and will be carried forward into the 19-20 budget.

STAFF RECOMMENDATION: Award the contract to J. Ranck Electric, Inc.

G. Approval of Sale of City Home at 1015 E. Forest Avenue Community & Neighborhood Services

SUMMARY OF REQUEST: To approve the resolution and instruct the Community and Neighborhood Services Department to complete the sales transaction with Kathryn Schmidt for the rehabilitated home at 1015 East Forest Avenue for a purchase price of $115,000.

FINANCIAL IMPACT: The proceeds from the sale will be used to continue the rehabilitation of affordable homes through the HOME program and provide funding for our Homebuyer's Assistance Program.

BUDGET ACTION REQUIRED: None.

STAFF RECOMMENDATION: To approve the resolution and direct the CNS staff to complete the sale.

Motion by Commissioner Warren, second by Commissioner Johnson, to approve the consent agenda as presented, except item B, D, E, and F.

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

Nays: None

MOTION PASSES

2019-50 REMOVED FROM CONSENT AGENDA:

B. Zoning Ordinance Amendment – Residential Design Criteria Planning & Economic Development

SUMMARY OF REQUEST: Staff initiated request to amend section 2319 of the zoning ordinance to reduce the minimum living space requirement for single-family and duplex homes.

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 request at their June 13 meeting.

Motion by Commissioner Turnquist, second by Commissioner Rinsema-Sybenga, to approve the zoning ordinance amendment.

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

Nays: None

MOTION PASSES

D. <u>Sanitation Service Fee Resolution</u> Finance

SUMMARY OF REQUEST: To adopt the resolution to continue charging a sanitation service fee of $1.20 per month per residential utility bill plus an additional .80 to provide recycling. The total charge per month per residential utility will be $2.00. 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: This fee will generate an estimated $318,000.

BUDGET ACTION REQUIRED: None at this time. The rate was incorporated into the FY 2019-20 budget that was recently approved by the City Commission.

STAFF RECOMMENDATION: Adoption of the resolution.

Motion by Commissioner Warren, second by Commissioner Rinsema-Sybenga, to adopt the resolution.

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

Nays: None

MOTION PASSES

E. <u>Sewer Rate Adjustment</u> Finance

SUMMARY OF REQUEST: In 2018 a resolution with a treatment rate for our customers that is based on a multiplier of 1.73 times the rate the county bills the city for wastewater was adopted. The 2019/20 budget calls for the multiplier to be raised to 1.81 to cover the costs of capital improvement needs of our aging infrastructure over the next ten years.

FINANCIAL IMPACT: None at this time.

BUDGET ACTION REQUIRED: None at this time. The proposed rate change was incorporated into the FY 2019-20 budget that was recently approved by the City Commission.

STAFF RECOMMENDATION: Adoption of the fee adjustment resolution.

Motion by Commissioner Johnson, second by Commissioner Rinsema-Sybenga, to adopt the fee adjustment resolution.

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

Nays: None

MOTION PASSES

F. <u>Park Storage Environmental Review</u> Planning & Economic Development

SUMMARY OF REQUEST: Authorize staff to enter into an agreement with Envirologic to complete environmental investigation of city owned property at 1713 Seventh Street. Phase I and II environmental site assessments and a baseline environmental assessment are needed before the city can sell the property for development.

The requested consultant provided oversight during the removal of an underground storage tank during demolition activities on the site and has familiarity with the history and future needs at this location. They have submitted a reasonable cost estimate for the work.

FINANCIAL IMPACT: $16,865 for environmental services as follow up to demolition costs, covered by the Public Improvement Fund.

BUDGET ACTION REQUIRED: None.

STAFF RECOMMENDATION: Authorize staff to enter into an agreement with Envirologic for environmental services related to the property located at 1713 Seventh Street.

Motion by Commissioner Turnquist, second by Commissioner German, to authorize staff to enter into an agreement with Envirologic for environmental services related to the property located at 1713 Seventh Street.

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

Nays: None

MOTION PASSES

2019-51 PUBLIC HEARINGS:

A. <u>Establishment of a Commercial Redevelopment District – 292 W. Western Avenue</u> Planning & Economic Development

SUMMARY OF REQUEST: Pursuant to Pubic Act 255 of 1978, as amended, Sweetwater Development, LLC has requested the establishment of a Commercial Redevelopment District. The creation of the district will allow the building owner to apply for a Commercial Facilities Exemption Certificate, which will freeze the taxable value of the building and exempt the new real property investment from local taxes.

FINANCIAL IMPACT: None.

BUDGET ACTION REQUIRED: None.

STAFF RECOMMENDATION: Establishment of the Commercial

Redevelopment District.

PUBLIC HEARING COMMENCED:

Diane Foster, 153 Ottawa, made comments.

Mike Jenkins, 487 Washington, made comments.

Motion by Commissioner Rinsema-Sybenga, second by Vice Mayor Hood, to close the public hearing and establish the Commercial Redevelopment District.

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

Nays: None

MOTION PASSES

B. <u>Issuance of a Commercial Facilities Exemption Certificate – Sweetwater Development, LLC</u> Planning & Economic Development

SUMMARY OF REQUEST: Pursuant to Public Act 255 of 1978, as amended, Sweetwater Development, LLC has requested the issuance of a Commercial Facilities Exemption Certificate for their project at 292 W. Western Avenue. The certificate provides a 50% reduction in the number of mills levied as ad valorem taxes, excluding the State Education Tax, for the commercial portion of the development. The company will be investing $4,154,539 in the commercial space and will create up to 30 jobs, which qualifies them for an abatement of 12 years.

FINANCIAL IMPACT: The certificate provides a 50% reduction in the number of mills levied as ad valorem taxes, excluding the State Education Tax.

BUDGET ACTION REQUIRED: None.

STAFF RECOMMENDATION: Issuance of the Commercial Facilities Exemption Certificate.

PUBLIC HEARING COMMENCED: No public comments were received.

Motion by Commissioner Rinsema-Sybenga, second by Commissioner Johnson, to close the public hearing and issue the Commercial Facilities Exemption Certificate.

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

Nays: None

MOTION PASSES

C. <u>Request to Create a new Neighborhood Enterprise Zone District at 292 W Western Ave</u> Planning & Economic Development

SUMMARY OF REQUEST: Pursuant to Public Act 147 of the Michigan Public Acts of 1992, Sweetwater Development, LLC has requested to create a new Neighborhood Enterprise Zone (NEZ) district for the parcel at 292 W Western Avenue for a new mixed-use building.

FINANCIAL IMPACT: For those properties that are approved for a NEZ Certificate, taxation will be levied using half of the State average of millages of local entities.

BUDGET ACTION REQUIRED: None.

STAFF RECOMMENDATION: To hold the public hearing.

PUBLIC HEARING COMMENCED: No public comments were received.

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

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

Nays: None

MOTION PASSES

D. Transmittal of 2019-20 Proposed Budget City Manager

SUMMARY OF REQUEST: At this time staff is transmitting to the City Commission the proposed budget for fiscal year 2019-20 which starts July 1, 2019. Both hardcopy and electronic versions of the budget have been distributed to Commissioners. Additionally, the budget is available for public inspection on the City's website and at the City Clerk's office.

The proposed budget was reviewed in detail with staff at the June 6th work session. A public hearing on the budget will be held at the regular Commission meeting on June 25th. 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.

STAFF RECOMMENDATION: Approval of the proposed budget for fiscal year 2019-20.

https://www.muskegon-mi.gov/2019-20-budget-and-quarterly-reforecast/

PUBLIC HEARING COMMENCED: No public comments were received.

Motion by Commissioner Warren, second by Vice Mayor Hood, to close the public hearing and adopt the proposed budget for fiscal year 2019-20.

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

Nays: None

MOTION PASSES

2019-52 NEW BUSINESS:

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

1619 Superior

1285 Eighth Street

769 Catawba Avenue

SUMMARY OF REQUEST: This is a request that the City Commission concur with the findings of the Housing Board of Appeals that the structures are unsafe, substandard, a public nuisance and that they be demolished within 30 days. It is further requested that administration be directed to obtain bids for the demolition of the structures and that the Mayor and City Clerk be authorized and directed to execute 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.

FINANCIAL IMPACT: General Funds

BUDGET ACTION REQUIRED: None.

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

Motion by Commissioner German, second by Commissioner Rinsema-Sybenga, to concur with the Housing Board of Appeals decision to demolish 1619 Superior and 769 Catawba.

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

Nays: None

MOTION PASSES

Motion by Commissioner Johnson, second by Commissioner Rinsema-Sybenga, to refer 1285 8th Street back to the Housing Board of Appeals.

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

Nays: None

MOTION PASSES

B. <u>Approval of Midtown Square 2 Construction Contracts</u> Planning & Economic Development

SUMMARY OF REQUEST: Staff is seeking approval of the seven contracts totaling $2,999,230 for the construction of ten attached townhomes and six detached single family homes.

FINANCIAL IMPACT: $2,999,230 – funded via a loan from the Michigan State Land Bank.

BUDGET ACTION REQUIRED: None

STAFF RECOMMENDATION: Approval of and authorization to sign the construction contracts.

Motion by Commissioner Rinsema-Sybenga, second by Vice Mayor Hood, to approve and authorize signing of the construction contracts.

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

Nays: Warren

MOTION PASSES

C. <u>BoomTown Market Economic Development Revolving Loan Fund Application</u> Planning & Economic Development

SUMMARY OF REQUEST: BoomTown market is seeking a loan from the City's Economic Revolving Loan Fund for $55,000 in order to complete their necessary capital accrual to open a downtown grocery store in the first floor of Lakeview Lofts on Western Avenue.

FINANCIAL IMPACT: $55,000 to be repaid at prime interest rate at time of closing +2% over a 5 year term.

BUDGET ACTION REQUIRED: None at this time.

STAFF RECOMMENDATION: To authorize the loan application and release necessary funds to BoomTown Market as presented.

Motion by Vice Mayor Hood, second by Commissioner Johnson, to authorize the loan application and release necessary funds to BoomTown Market as presented.

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

Nays: None

MOTION PASSES

D. <u>Ordinance – Operation of Electric Scooters & Electric Bikes</u> Public Safety

SUMMARY OF REQUEST: The Director of Public Safety requests the City Commission approve the proposed Ordinance as it pertains to the use of

Electric Scooters and Electric Bikes within the City. This ordinance defines operator age requirements, allowed locations for operation and operation restrictions in reference to State and City motor vehicle requirements.

FINANCIAL IMPACT: None

BUDGET ACTION REQUIRED: None

STAFF RECOMMENDATION: To approve the proposed ordinance for use of Electric Scooters & Electric Bikes in the City.

Motion by Commissioner Warren, second by Vice Mayor Hood, to approve the proposed ordinance for use of Electric Scooters and Electric Bikes in the City.

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

Nays: None

MOTION PASSES

E. <u>Convention Center Resolution and Agreements</u> City Manager

SUMMARY OF REQUEST: Staff is seeking approval of the Bonding Resolution and two agreements with Muskegon County. Approval of these three items simultaneously is important, as all three require approval to move the project forward. The amendment to the development agreement will better clarify the responsibilities and commitments of all three parties following our decision to adjust the size of the facility and remove prevailing wage requirements. The Accommodation Tax Allocation Agreement outlines the County's commitment to use Accommodation Tax receipts to reimburse the city its costs associated with the convention center debt. The Bonding Resolution is required 45 days prior to the issuance of capital improvement bonds.

FINANCIAL IMPACT:

BUDGET ACTION REQUIRED: None at this time.

STAFF RECOMMENDATION: To approve the Amendment to the Development Agreement, the Accommodation Tax Allocation Agreement, and the Bonding Resolution authorizing issuance of 2019 Capital Improvement Bonds.

Motion by Commissioner Johnson, second by Commissioner Rinsema-Sybenga, to approve the Amendment to the Development Agreement and Accommodations Tax Allocation Agreement.

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

Nays: None

MOTION PASSES

Motion by Commissioner Johnson, second by Commissioner German, to

approve the Bonding Resolution authorizing Issuance of 2019 Capital Improvement Bonds.

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

Nays: Johnson

MOTION PASSES

F. <u>Request for Final Planned Unit Development (PUD) Approval Including Street Vacations – The Docks</u> Planning & Economic Development

SUMMARY OF REQUEST: Request for final PUD approval for The Docks development at 3400, 3460, 3474 Wilcox Avenue, 1875 Waterworks Road, and 1490 Edgewater Street. This request also includes the request to vacate Edgewater Street, north of Lot 80 and the following unimproved streets within the Edgewater plat, those being Arlington Avenue, west of lot 24; Windward Drive, west of Lot 46, Brighton Avenue, west of Lot 66; Manhattan Avenue, west of the existing cul-de-sac portion of Edgewater Street; and Edgewater Street north of the existing cul-de-sac.

FINANCIAL IMPACT: None.

BUDGET ACTION REQUIRED: None.

STAFF RECOMMENDATION: Staff recommends approval of the PUD with the condition to add more street trees and to work with the staff arborist on marking trees to remain.

COMMITTEE RECOMMENDATION: The Planning Commission approved a motion to recommend approval of the PUD with conditions by an 8-1 vote.

Motion by Commissioner Rinsema-Sybenga, second by Commissioner Johnson, to approve the PUD with the condition to add more street trees and to work with staff arborist on marking trees to remain.

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

Nays: None

MOTION PASSES

PUBLIC PARTICIPATION: Public comments were received.

Respectfully Submitted,

Ann Marie Meisch, MMC – City Clerk