

CITY OF MUSKEGON

CITY COMMISSION MEETING

MAY 24, 2016

CITY COMMISSION CHAMBERS @ 5:30 P.M.

AGENDA

- **CALL TO ORDER:**
- **PRAYER:**
- **PLEDGE OF ALLEGIANCE:**
- **ROLL CALL:**
- **HONORS AND AWARDS:**
- **INTRODUCTIONS/PRESENTATION:**
 - A. Presentation to Jaylyn
 - B. MAISD Superintendent, John Severson, Presentation Regarding Muskegon Promise
- **CITY MANAGER'S REPORT:**
- **CONSENT AGENDA:**
 - A. Approval of Minutes City Clerk
 - B. Fireworks Display Permit for the 2nd of July Celebration at Heritage Landing City Clerk
 - C. 2016-2017 Michigan Municipal League Membership Dues City Clerk
 - D. 2016-2017 Muskegon High School Community Officer Agreement Public Safety
 - E. 2016-17 Healthcare & Wellness Program Finance Department
 - F. Consideration of Bids for: Repairs to the Boardwalk at Kruse Park Engineering
 - G. Authorization of Community Housing Development Organization (CHDO) Agreements Community & Neighborhood Services
 - H. Approval of Neighborhood Enterprise Zone Certificates Planning & Economic Development
 - I. Midtown Square – Authorization for Staff to Negotiate and Close on Sale of Homes Planning & Economic Development

J. Muskegon City Employee Homeownership Program Planning & Economic Development

☐ **PUBLIC HEARINGS:**

A. Create a Special Assessment District for Alley Between 4th – 5th – Muskegon – Webster Engineering

☐ **COMMUNICATIONS:**

☐ **UNFINISHED BUSINESS:**

☐ **NEW BUSINESS:**

A. Consideration of Bids for Paving of the Alley Between 4th – 5th – Muskegon – Webster Engineering

B. Parkland Muskegon – City Property Agreements Planning & Economic Development Department

C. Ameribank Building – Option Agreement between the City of Muskegon and Port City Construction & Development Services, LLC Planning & Economic Development

☐ **ANY OTHER BUSINESS:**

☐ **PUBLIC PARTICIPATION:**

- ▶ **Reminder: Individuals who would like to address the City Commission shall do the following:**
- ▶ Fill out a request to speak form attached to the agenda or located in the back of the room.
- ▶ Submit the form to the City Clerk.
- ▶ Be recognized by the Chair.
- ▶ Step forward to the microphone.
- ▶ State name and address.
- ▶ Limit of 3 minutes to address the Commission.
- ▶ (Speaker representing a group may be allowed 10 minutes if previously registered with City Clerk.)

☐ **CLOSED SESSION:**

☐ **ADJOURNMENT:**

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

Memorandum

To: Mayor and Commissioners

From: Frank Peterson

Re: City Commission Meeting

Date: May 24, 2016

Here is a quick outline of the items on next week's agenda:

1. We will have a special presentation/recognition from the family of a young girl from Muskegon named Jaylyn. She has been battling illness. A community member brought her situation to our attention and staff members organized a number of events/activities for Jaylyn and her family to enjoy in Muskegon. Her mother asked to come and thank the community for its support and also to educate us on the illness.
2. MAISD Superintendent John Severson will be in attendance to present information on the Muskegon Promise – which provides two years of college to qualified graduating seniors in Muskegon County.
3. Under the consent agenda, we are asking the Commission to for approval of the following:
 - a. Last meeting's minutes.
 - b. A fireworks display for July 2nd at Heritage Landing as part of the Rock Stock and the 4th of July celebrations.
 - c. Approval of the 2016-17 MML Membership dues. This is an annual expense.
 - d. Approval of the 2016-17 community officer agreement with Muskegon Public Schools. This year's contract represents a 3% increase over last year's amount.
 - e. Approval of the City's health and wellness program – which is essentially our health care coverage for employees and their dependents. The costs are trending upward, but we did make a few recommended changes to the program this year to flatten that increase some. Over the next year, we have committed to developing a three-tiered plan that give employees more options – and could save the city some dollars as well. This continues to be a great and ever-growing expense for the city.
 - f. Approval of repairs to the Kruse Park Board Walk. This is not the big fix – this is just to address the items that we can address without a DEQ Permit. The overall job seems to be growing in scale and complexity – and cost – so it is going to take longer than originally expected. This will give us a chance to get much of the boardwalk open sooner while we work on the major investments.

- g. Authorization to enter into agreement with two of our local community housing development organizations for the renovation of houses in the City.
 - h. Approval of Neighborhood Enterprise Zone certificates for the houses at Midtown Square. These certificates represent the tax saving incentives that we are using to help drive the home sales.
 - i. Authorization to allow staff to negotiate the final sales prices of the homes at Midtown Square as sign sale documents. This is necessary to keep up with the pace of real estate. Typically, when offers come in, we have a day or two to accept, counter, or reject. We did that with the first home sale, but we technically should have an approval in place from this Commission beforehand.
- 4. We are holding a public hearing for the creation of a special assessment to pave the alley between 4th, 5th, Muskegon, and Webster. This assessment is the result of a petition filed by more than 50% of the property owners asking for the work to be completed. It is not considered to be a consent assessment because at least one owner has expressed disapproval. Accordingly, a public hearing must be held. An important item to note is that the bids did come in higher than the engineer's original estimate. Mohammed does have some ideas that could possibly bring the cost down if homeowners and the Commission are interested in the change – he can explain it at the meeting.
- 5. Under New Business:
 - a. Approval of the special assessment previously discussed in the public hearing.
 - b. Approval of an amendment to the development agreement between the City and Parkland Properties for the Highpoint Flats Development. This has been an ongoing issue now for a number of years. We are recommending that the Commission approve a modified agreement that allows Parkland Properties to develop only the tower with 48 residential units and commercial development in the basement level. In exchange, the vacant parcel will be provided to the City to develop parking to service both the HPF building and the Ameribank building. This would all be contingent upon Parkland receiving approval from the State for the change and the Community Foundation for the construction financing.
 - c. Approval of an option agreement with Port City Construction for the purchase and rehabilitation of the Ameribank building located at 880 1st Street.

If there are questions on any agenda items, please try to let staff know in advance, and we will be sure to have the appropriate data/research available at the meeting.

Date: May 18, 2016
To: Honorable Mayor and City Commissioners
From: Ann Marie Meisch, City Clerk
RE: Approval of Minutes

SUMMARY OF REQUEST: To approve minutes of the May 9, 2016 Worksession Meeting and the May 10, 2016 Regular City Commission Meeting.

FINANCIAL IMPACT: None.

BUDGET ACTION REQUIRED: None.

STAFF RECOMMENDATION: Approval of the minutes.

City of Muskegon
City Commission Worksession
May 9, 2016
City Commission Chambers
5:30 PM

MINUTES

2016-36

Present: Commissioners German (left at 6:00 pm), Hood (left at 8:15 pm), Gawron, Johnson, Turnquist (left at 8:45 pm), Rinsema-Sybenga (left at 8:00 pm), and Warren.
Absent: None.

Revenues.

The City Manager presented several revenue sources the city could implement. The possibilities include:

Rental space at City Hall
Providing additional services to other agencies for a fee
Creating a Public Safety Authority, Parks Authority, or Building Authority
Parking fees at Pere Marquette Park and/or Kruse Park for non-residents
Development of a temporary food and retail event at Pere Marquette Park
Registration of vacation rentals with fees dedicated to Pere Marquette Park
Increase fees in 2017 for Farmers Market
Allowing the sale of alcohol in support of Farmers Market projects
Selling naming rights at the LC Walker Arena
Consider changing the way certain services are paid for
Consider increasing the income tax and reducing the property tax
Consider a special assessment for street lighting
Bond sale
Reorganization of workforce
Consider updating and readopting fiscal policies as ordinances vs. resolutions

The Commission will take the suggestions into consideration for discussion at a future meeting.

Sewer Fund

The sewer fund has not kept pace with the increases from the Muskegon County Wastewater. This year the City also lost a significant sewer customer. As such, staff is requesting approximately 20% increase in the sewer rates.

The Commission will consider this request at the upcoming budget hearing.

Adjournment.

Meeting adjourned at 8:45 p.m. due to lack of a quorum.

Ann Marie Meisch, MMC
City Clerk

CITY OF MUSKEGON

CITY COMMISSION MEETING

MAY 10, 2016

CITY COMMISSION CHAMBERS @ 5:30 P.M.

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, May 10, 2016.

Pastor Mary Sweet, Crestwood United Reformed 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 Gawron, Commissioners Dan Rinsema-Sybenga, Byron Turnquist, Ken Johnson, Debra Warren, and Willie German, Jr., City Manager Franklin Peterson, City Attorney John Schrier, and City Clerk Ann Meisch.

Absent: Vice-Mayor Eric Hood

2016-37 HONORS AND AWARDS:

A. Miss Basketball Runner up – Mardrekia Cook

Mayor Stephen J. Gawron presented a resolution and a street sign noting the accomplishment to Ms. Mardrekia Cook – a Muskegon Big Red.

2016-38 INTRODUCTIONS/PRESENTATION:

A. Carla Flanders, Muskegon Area Chamber of Commerce Regarding the Beautification Project for Sherman Corridor

Carla Flanders from the Muskegon Area Chamber of Commerce gave a presentation on the efforts for a Beautification Project of the Sherman Corridor – beginning at US31 and going all the way to Beach Street. Five municipalities are included in this effort.

2016-39 CONSENT AGENDA:

A. Approval of Minutes City Clerk

SUMMARY OF REQUEST: To approve minutes of the April 26, 2016 Regular City Commission Meeting.

FINANCIAL IMPACT: None

BUDGET ACTION REQUIRED: None

STAFF RECOMMENDATION: Approval of the minutes.

B. National Bike to Work Week Proclamation City Clerk

SUMMARY OF REQUEST: The City Commission is asked to adopt a proclamation supporting National Bike to Work Week June 13 – 17, 2016.

FINANCIAL IMPACT: None

BUDGET ACTION REQUIRED: None

STAFF RECOMMENDATION: To approve the proclamation.

F. Permanent Traffic Control Order-Installation of “Yield” signs at the intersection of Miner Avenue and Denmark Street, TCO #23-(2016)

Department of Public Works

SUMMARY OF REQUEST: Authorize staff to install permanent “YIELD” signs at east-bound and west-bound Miner Avenue at Denmark Street per Traffic Control Order #23-(2016).

FINANCIAL IMPACT: Cost of signage and installation of such at Miner Avenue @ Denmark Street.

BUDGET ACTION REQUIRED: None.

STAFF RECOMMENDATION: Authorize staff to install traffic control signage per Traffic Control Order #23-(2016).

Motion by Commissioner Johnson, second by Commissioner German, to approve the Consent Agenda as presented with the exception of Items C, D, E, and G.

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

Nays: None

MOTION PASSES

2016-40 ITEMS REMOVED FROM THE CONSENT AGENDA:

C. Special Event Liquor License – Farmer’s Market City Clerk

SUMMARY OF REQUEST: The Muskegon Farmer’s Market would like to try out a few new events this year and allow alcoholic beverages, including spirits. Proceeds will benefit the Power of Produce.

The following dates are being requested: June 30, July 7, July 28, August 11, and September 24th.

FINANCIAL IMPACT: \$50 permit from the State for every date requested.

BUDGET ACTION REQUIRED: None.

STAFF RECOMMENDATION: To approve the request.

Motion by Commissioner Warren, second by Commissioner Johnson, to approve the request for special event liquor licenses for the Farmer’s Market.

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

Nays: None

MOTION PASSES

D. CDBG/HOME Budget Recommendations Community and
Neighborhood Services Department (CNS)

SUMMARY OF REQUEST: To accept the recommendations of the Administration and Citizen's District Council in regards to the 2016 CDBG/HOME Budget Allocations for CNS.

FINANCIAL IMPACT: None at this time.

BUDGET ACTION REQUIRED: To finalize the budget for the CNS department and direct staff to publish the approved budgets for the 2016 CDBG/HOME Allocations.

STAFF RECOMMENDATION: To accept and approve the recommended 2016 CDBG and HOME Budgets for CNS.

COMMITTEE RECOMMENDATION: The Citizen's District Council has made their recommendations.

Motion by Commissioner German, second by Commissioner Rinsema-Sybenga, to accept and approve the recommended 2016 CDBG and HOME budgets for CNS.

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

Nays: None

MOTION PASSES

E. Zeno's Italian Ice Concession Contract for City of Muskegon Parks
Department of Public Works

SUMMARY OF REQUEST: Staff is asking permission to enter into a 1-year contractual agreement with Gregg Reed of Zeno's Italian Ice, LLC, at Pere Marquette Park, located within the City of Muskegon, to sell various products from a mobile vending trailer.

FINANCIAL IMPACT: Concession revenue is 10% of gross receipts. Commission revenue is unknown at this time as this is the first year in business for the concessionaire at City of Muskegon Parks.

BUDGET ACTION REQUIRED: None

STAFF RECOMMENDATION: Authorize DPW staff to enter into concession agreement with Gregg Reed of Zeno's Italian Ice, LLC.

Motion by Commissioner Warren, second by Commissioner Johnson, to authorize DPW staff to enter into concession agreement with Gregg Reed of

Zeon's Italian Ice, LLC.

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

Nays: None

MOTION PASSES

G. Removal of Street Lights in the Downtown Area Department of Public Works

SUMMARY OF REQUEST: Authorize staff to enter into agreement with Consumer's Energy to remove 44 street lights in the areas between Muskegon – Webster – Fourth – and Spring. Consumer's Energy has offered to remove those lights at a cost of \$25,521.

The estimated annual savings to the City is over \$900 per month for an estimated payback time of less than 3 years.

FINANCIAL IMPACT: \$25,521.00

BUDGET ACTION REQUIRED: None at this time.

STAFF RECOMMENDATION: To authorize staff to enter into an agreement with Consumer's Energy to remove 44 street lights in the area between Muskegon – Webster – Fourth – and Spring.

ORIGINAL MOTION

Motion by Commissioner Johnson, second by Commissioner Rinsema-Sybenga, to authorize staff to enter into an agreement with Consumer's Energy to remove 44 street lights in the area between Muskegon – Webster – Fourth – and Spring.

MOTION TO AMEND ORIGINAL MOTION

Motion by Commissioner Johnson, second by Commissioner Warren, to amend the authorization agreement to keep lights labeled as numbers 8, 24, 36, 49, 55, and 66. ~ NO VOTE ~

MOTION TO RESCIND MOTION TO AMEND ORIGINAL MOTION

Motion by Commissioner Johnson, second by Commissioner Rinsema-Sybenga, to rescind the motion to amend the authorization agreement to keep lights labeled as numbers 8, 24, 36, 49, 55, and 66.

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

Nays: None

MOTION PASSES

VOTE ON ORIGINAL MOTION

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

Nays: None

MOTION PASSES

2016-41 NEW BUSINESS:

A. Consideration of Bids for: Monroe Reconstruction between Fourth & Fifth Engineering

SUMMARY OF REQUEST: To award the reconstruction for Monroe from Fourth to Fifth to McCormick Sand, Inc. since they were the lowest responsible bidder with a total bid price of \$ 185,770.50.

FINANCIAL IMPACT: The construction cost of \$185,770.50 plus engineering cost of an additional 15%.

BUDGET ACTION REQUIRED: If awarded then budget will have to be revised to reflect increase in the cost.

STAFF RECOMMENDATION: Award the contract to McCormick Sand for a bid price of \$185,770.50.

Motion by Commissioner Rinsema-Sybenga, second by Commissioner Johnson, to award the contract to McCormick Sand for a bid price of \$185,770.50 for the reconstruction of Monroe between Fourth and Fifth.

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

Nays: None

MOTION PASSES

ANY OTHER BUSINESS:

Chief Lewis invited everyone to attend a mixer at Mona Lake Park that is being hosted by the City of Muskegon Heights and the Muskegon Rotary Club Wednesday, May 11, 2016 at 5:00 p.m.

Commissioner German question the removal of picnic tables at the park on Monroe between Fourth and Fifth and his questions were addressed by City Manager, Frank Petersen and Chief of Police, Jeff Lewis.

Commissioner German attended an Urban Policy Workshop and said that there was a good turnout.

PUBLIC PARTICIPATION: Public Comments were received.

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

Respectfully Submitted,

Ann Marie Meisch, MMC, City Clerk

Date: May 18, 2016
To: Honorable Mayor and City Commissioners
From: Ann Marie Cummings, City Clerk
**RE: Fireworks Display Permit for the 2nd of July
Celebration at Heritage Landing.**

SUMMARY OF REQUEST: Night Magic is requesting approval of a fireworks display permit for July 2nd at Heritage Landing. Fire Marshall Metcalf has reviewed the request and recommends approval contingent on inspection of the fireworks.

FINANCIAL IMPACT: None.

BUDGET ACTION REQUIRED: None.

STAFF RECOMMENDATION: Approval contingent on inspection of the fireworks and approval of insurance.

2016 Application for Fireworks Other Than Consumer or Low Impact

FOR USE BY LEGISLATIVE BODY
OF CITY, VILLAGE OR TOWNSHIP
BOARD ONLY

DATE PERMIT(S) EXPIRE:

Authority: 2011 PA 256		The LEGISLATIVE BODY OF CITY, VILLAGE OR TOWNSHIP BOARD will not discriminate against any individual or group because of race, sex, religion, age, national origin, color, marital status, disability, or political beliefs. If you need assistance with reading, writing, hearing, etc., under the Americans with Disabilities Act, you may make your needs known to this Legislative Body of City, Village or Township Board.	
TYPE OF PERMIT(S) (Select all applicable boxes)			
☐ Agricultural or Wildlife Fireworks		☐ Articles Pyrotechnic	
☒ Public Display		☒ Display Fireworks	
☐ Private Display		☐ Special Effects Manufactured for Outdoor Pest Control or Agricultural Purposes	
NAME OF APPLICANT <i>B. Buskin Enterprises LLC</i>		ADDRESS OF APPLICANT <i>7834 E Saint Hubert Trail Heyer, MI 49421</i>	
NAME OF PERSON OR RESIDENT AGENT REPRESENTING CORPORATION, LLC, DBA OR OTHER <i>Brian Werschem</i>		ADDRESS PERSON OR RESIDENT AGENT REPRESENTING CORPORATION, LLC, DBA OR OTHER <i>3436 Whispering Woods Dr. Muskegon MI 49444</i>	
IF A NON-RESIDENT APPLICANT (LIST NAME OF MICHIGAN ATTORNEY OR MICHIGAN RESIDENT AGENT) <i>N/A</i>		ADDRESS (MICHIGAN ATTORNEY OR MICHIGAN RESIDENT AGENT) <i>N/A</i>	
NAME OF PYROTECHNIC OPERATOR <i>Dan Kreider</i>		ADDRESS OF PYROTECHNIC OPERATOR <i>3999 Hupp, Lubert IN 46350</i>	
NO. YEARS EXPERIENCE <i>30</i>		NO. DISPLAYS <i>100+</i>	
NAME OF ASSISTANT <i>TBD</i>		ADDRESS OF ASSISTANT <i>TBD</i>	
NAME OF OTHER ASSISTANT <i>TBD</i>		ADDRESS OF OTHER ASSISTANT <i>TBD</i>	
EXACT LOCATION OF PROPOSED DISPLAY <i>Heritage handling</i>			
DATE OF PROPOSED DISPLAY <i>6/2/16 Rain Date 6/3/16</i>		TIME OF PROPOSED DISPLAY <i>10:30</i>	
MANNER AND PLACE OF STORAGE, SUBJECT TO APPROVAL OF LOCAL FIRE AUTHORITIES, IN ACCORDANCE WITH NFPA 1123, 1124 & 1126 AND OTHER STATE OR FEDERAL REGULATIONS. PROVIDE PROOF OF PROPER LICENSING OR PERMITTING BY STATE OR FEDERAL GOVERNMENT <i>No storage Required</i>			
AMOUNT OF BOND OR INSURANCE (TO BE SET BY LOCAL GOVERNMENT) <i>\$10,000,000</i>		NAME OF BONDING CORPORATION OR INSURANCE COMPANY <i>Arthur J Gallagher</i>	
ADDRESS OF BONDING CORPORATION OR INSURANCE COMPANY <i>777 108th Ave NE #200 Bellevue WA 98004</i>			
NUMBER OF FIREWORKS <i>Attached</i>		KIND OF FIREWORKS TO BE DISPLAYED (Please provide additional pages as needed)	
SIGNATURE OF APPLICANT 		DATE <i>4/28/16</i>	

2016 Permit for Fireworks Other than Consumer or Low Impact

Authority: 2011 PA 256	The LEGISLATIVE BODY OF CITY, VILLAGE OR TOWNSHIP BOARD will not discriminate against any individual or group because of race, sex, religion, age, color, marital status, disability, or political beliefs. If you need assistance with reading, writing, hearing, etc., under the Americans with Disabilities Act, you may make your needs known to this Legislative Body of City, Village or Township Board.
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This permit is not transferable. Possession of this permit authorizes the herein named person to possess, transport and display fireworks in the amounts, for the purpose of and at the place listed below only through permit expiration date.

TYPE OF PERMIT(S) (Select all applicable boxes) ☐ Agricultural or Wildlife Fireworks ☐ Articles Pyrotechnic ☒ Display Fireworks ☒ Public Display ☐ Private Display ☐ Special Effects Manufactured for Outdoor Pest Control or Agricultural Purposes		FOR USE BY LEGISLATIVE BODY OF CITY, VILLAGE OR TOWNSHIP BOARD ONLY. PERMIT(S) EXPIRATION DATE (ENTER DATE OF EXPIRATION)	
NAME OF PERSON PERMIT ISSUED TO <i>Brian Werschem</i>		AGE (18 YEARS OR OLDER) ☒ YES ☐ NO	
ADDRESS OF PERSON PERMIT ISSUED TO <i>3436 Whispering Woods Dr. Muskegon MI 49444</i>			
NAME OF ORGANIZATION, GROUP, FIRM OR CORPORATION <i>Baskin Enterprises LLC - Rock Stock Event Holder</i>		<i>Night Magic - Pyrotechnic Co</i>	
ADDRESS <i>7834 E Saint Hubert Trail Hesperia MI 49421</i>		<i>3999 Hupp, LaPorte, IN 46350</i>	
NUMBER AND TYPES OF FIREWORKS (Please attach additional pages if necessary) Attached			
EXACT LOCATION OF DISPLAY OR USE Heritage Landing - Launch from the Point over Water			
CITY, VILLAGE, TOWNSHIP City of Muskegon		DATE 6/2/16 Rain Date 6/3/16	TIME 10:30 PM
BOND OR INSURANCE FILED ☒ YES ☐ NO		AMOUNT \$10,000,000	

Issued by action of the Legislative Body of a ☐ City ☐ Village ☐ Township of _____ on the _____ day of _____	
(Signature and Title of Legislative Body Representative)	

THIS FORM IS VALID UNTIL THE DATE OF EXPIRATION OF PERMIT



CERTIFICATE OF LIABILITY INSURANCE

DATE (MM/DD/YYYY)

5/15/2016

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

IMPORTANT: If the certificate holder is an ADDITIONAL INSURED, the policy(ies) must be endorsed. If SUBROGATION IS WAIVED, subject to the terms and conditions of the policy, certain policies may require an endorsement. A statement on this certificate does not confer rights to the certificate holder in lieu of such endorsement(s).

PRODUCER Arthur J. Gallagher Risk Management Services, Inc. 777 108th Ave NE, #200 Bellevue WA 98004		CONTACT NAME: Kristen Look PHONE (A/C, No, Ext): 425-586-1016 FAX (A/C, No): 425-451-3716 E-MAIL ADDRESS:	
		INSURER(S) AFFORDING COVERAGE	
		INSURER A: T.H.E. Insurance Company	
		INSURER B: Liberty Insurance Corporation	
		INSURER C:	
		INSURER D:	
		INSURER E:	
		INSURER F:	

INSURED
Mianinc-01
Mian, Inc. dba Night Magic Displays
3999 E. Hupp Road, Bldg R-3-1
La Porte IN 46350

COVERAGES**CERTIFICATE NUMBER:** 452911616**REVISION NUMBER:**

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

INSR LTR	TYPE OF INSURANCE	ADDL INSD	SUBR WVD	POLICY NUMBER	POLICY EFF (MM/DD/YYYY)	POLICY EXP (MM/DD/YYYY)	LIMITS
A	☒ COMMERCIAL GENERAL LIABILITY ☐ CLAIMS-MADE ☒ OCCUR ☒ Per Show Agg GEN'L AGGREGATE LIMIT APPLIES PER: ☐ POLICY ☐ PRO-JECT ☐ LOC ☐ OTHER:			CPP010529900	2/4/2016	2/4/2017	EACH OCCURRENCE \$1,000,000 DAMAGE TO RENTED PREMISES (Ea occurrence) \$100,000 MED EXP (Any one person) \$ PERSONAL & ADV INJURY \$1,000,000 GENERAL AGGREGATE \$ PRODUCTS - COMP/OP AGG \$2,000,000 \$
A	☒ AUTOMOBILE LIABILITY ☒ ANY AUTO ☐ ALL OWNED AUTOS ☐ SCHEDULED AUTOS ☐ HIRED AUTOS ☐ NON-OWNED AUTOS			CPP010529900	2/4/2016	2/4/2017	COMBINED SINGLE LIMIT (Ea accident) \$ BODILY INJURY (Per person) \$ BODILY INJURY (Per accident) \$1,000,000 PROPERTY DAMAGE (Per accident) \$ \$
A	☐ UMBRELLA LIAB ☒ OCCUR ☒ EXCESS LIAB ☐ CLAIMS-MADE DED ☐ RETENTION \$			ELP001210400	2/4/2016	2/4/2017	EACH OCCURRENCE \$9,000,000 AGGREGATE \$9,000,000 \$
B	☒ WORKERS COMPENSATION AND EMPLOYERS' LIABILITY ANY PROPRIETOR/PARTNER/EXECUTIVE OFFICER/MEMBER EXCLUDED? (Mandatory in NH) If yes, describe under DESCRIPTION OF OPERATIONS below	Y / N	N / A	WC34S311836056 WC534S524913036	2/4/2016 2/4/2016	2/4/2017 2/4/2017	☒ PER STATUTE ☐ OTH-ER E.L. EACH ACCIDENT \$1,000,000 E.L. DISEASE - EA EMPLOYEE \$1,000,000 E.L. DISEASE - POLICY LIMIT \$1,000,000

DESCRIPTION OF OPERATIONS / LOCATIONS / VEHICLES (ACORD 101, Additional Remarks Schedule, may be attached if more space is required)

Certificate holder is named as additional insured on the General Liability policy per form number CG133F (07/95)
The City of Muskegon all elected and appointed officials, all employees and volunteer, all boards, commissions and or authorities, and their board members, all employees and volunteers, the County of Muskegon, and B. Baskin Enterprises, LLC are named as additional insured with respect to the July 2, 2016 firework display in Muskegon MI

CERTIFICATE HOLDER**CANCELLATION**

County of Muskegon
Kristen Wade
316 Morris Ave. Ste 200
Muskegon MI 49440
USA

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

AUTHORIZED REPRESENTATIVE

© 1988-2014 ACORD CORPORATION. All rights reserved.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

ADDITIONAL INSURED—AUTOMATIC STATUS WHEN REQUIRED BY WRITTEN CONTRACT OR WRITTEN AGREEMENT

This endorsement modifies insurance provided by the Coverage Part(s) checked below:

- ☐ All Coverage Parts or
☒ Only the following checked Coverage Part(s)

- ☒ COVERAGE PART A - COMMERCIAL GENERAL LIABILITY
N/A COVERAGE PART B - CONTRACTOR'S POLLUTION LIABILITY
N/A COVERAGE PART C - PROFESSIONAL LIABILITY
N/A COVERAGE PART D - SITE ENVIRONMENTAL LIABILITY
N/A COVERAGE PART E - PRODUCTS POLLUTION LIABILITY
N/A COVERAGE PART F - OTHER

Solely with respect to coverage afforded by the Coverage Part(s) checked above:

SECTION II – Who Is An Insured is amended to include as an additional insured any person or organization you are required to include as an additional insured on this Policy by written contract or written agreement in effect during this "policy period" and executed prior to the "occurrence" of any "bodily injury" or, "property damage" but only with respect to liability for "bodily injury" or "property damage" caused, in whole or in part, by:

1. Your acts or omissions, or
2. The acts or omissions of those acting on your behalf.

Liability for the above acts or omissions includes the liability you are required to assume in a written contract or written agreement with an additional insured that is specifically related to "your work", provided that assumption of the additional insured's liability is permitted by law.

The insurance provided to the additional insured(s) under this endorsement is limited as follows:

1. In the event that the Limits of Insurance provided by this Policy exceed the Limits of Insurance required by the written contract or written agreement, the insurance provided by this endorsement shall be limited to the Limits of Insurance required by the written contract or written agreement. This endorsement shall not increase the Limits of Insurance stated in the Declarations.
2. Any coverage provided by this endorsement to an additional insured(s) shall be excess over any other valid and collectible insurance available to the additional insured whether primary, excess, contingent or on any other basis unless a written contract or written agreement specifically requires that this insurance apply on a primary and noncontributory basis.
3. With respect to the insurance afforded to the additional insured(s), the following additional exclusions apply:

This insurance does not apply to "bodily injury" or "property damage" occurring after:

- a. All work, including materials, parts or equipment furnished in connection with such work, (other than service, maintenance or repairs) on the project to be performed by

or on behalf of the additional insured(s) at the location of the covered operations, has been completed; or

- b. That portion of "your work" out of which the "bodily injury" or "property damage" arises has been put to its intended use by any person or organization other than another contractor or subcontractor engaged in performing operations for a principal as a part of the same project;

provided that item 3.a. and 3.b. above shall not apply if such coverage is required by written contract or written agreement in effect during this "policy period" and executed prior to the "occurrence" of any "bodily injury" or "property damage".

ALL OTHER TERMS AND CONDITIONS OF THE POLICY REMAIN UNCHANGED.

Includes copyrighted material of Insurance Services Office, Inc., with its permission.

Date: May 18, 2016
To: Honorable Mayor and City Commissioners
From: Ann Meisch, City Clerk
**RE: 2016-2017 Michigan Municipal League
Membership Dues**

SUMMARY OF REQUEST: Approval to pay the 2016-2017 MML dues in the amount of \$9,676. This is an increase of \$29.

FINANCIAL IMPACT:

MML Dues	\$8,796
Legal Defense Fund	<u>\$ 880</u>
Total	\$9,676

BUDGET ACTION REQUIRED: None.

STAFF RECOMMENDATION: Approval.



1675 Green Road
Ann Arbor, MI 48105-2530

T 734.662.3246
800.653.2483
F 734.662.8083
mml.org

May 10, 2016

Ms. Ann Marie Meisch
City Clerk
Muskegon
933 Terrace St.
PO Box 536
Muskegon, MI 49443-0536

Dear Ms. Meisch,

Thank you for your continued participation and support of the Michigan Municipal League. The League is leveraging our access to key leadership to fight issues vital to our members, including a significant municipal finance/SaveMiCity.org initiative that we recently launched. This past year the League was intimately involved publicly and behind the scenes on numerous topics facing our communities. Most notably, we successfully led the charge-first in Lansing and then in federal court-against SB 571/PA 269 also known as the gag order law regarding what communities can and can't say on local ballot issues. We were also able to change the debate on the now-stalled proposed changes to the historic district laws, eliminating key provisions that would have endangered local historic district laws, and we are currently working with legislators to correct the Dark Stores tax loophole issue that is negatively impacting property assessments around the state.

Here at the League, we're passionate about cultivating vibrant, unique, and people-focused places across the state. We know local communities are Michigan's greatest centers for change and our new Civic Innovation Labs will bring interactive and inspirational programming to educate, connect, and empower local leaders to get things done. Our unique programming offers people who love where they live the opportunity to learn, share, and test ideas that can transform their community.

The League's Board of Trustees recognizes the strained financial conditions present in many Michigan communities. We have worked very hard over the last several years to keep dues low, resulting in savings of over 20 percent. This year we are passing along a modest .3 percent inflationary adjustment to League dues.

The true power of the League comes from the combined voices of communities across Michigan. Together we can make a real difference. Your Michigan Municipal League membership is one of the best investments your community can make. Be sure to maximize your membership by contacting us with your questions, and by actively participating at League events. Thank you for your support. We look forward to our continued partnership with your community.

Sincerely,

A handwritten signature in blue ink that reads 'Daniel P. Gilmartin'.

Daniel P. Gilmartin
Executive Director & CEO

A handwritten signature in blue ink that reads 'John B. O'Reilly'.

John B. O'Reilly
President, 2015-2016

Enc.

We love where you live.





michigan municipal league

MICHIGAN MUNICIPAL LEAGUE
MEMBERSHIP RENEWAL INVOICE

2016 - 2017

Muskegon

ID: 347

Date: 05/01/2016

Membership Period: 07/01/2016 - 06/30/2017

Current Balance

* MML Dues	8,796.00
** Legal Defense Fund	880.00
	\$9,676.00

Total Due by July 01, 2016:
\$9,676.00

Please sign, date and return one invoice copy with your payment.

Make checks payable to the Michigan Municipal League and mail to the address below. Thank you.

(Signature)

(Date)

* MML dues include annual subscriptions to *The Review* for your officials at \$12.00 per subscription, which is 50% of the regular subscription rate.

** The Legal Defense Fund is an optional charge. The purpose of the Fund is to provide specialized legal assistance to member municipalities in cases that have significant statewide impact.

See what the League can do for you by visiting www.mml.org

Michigan Municipal League
P.O. Box 7409
Ann Arbor, MI 48107-7409
800-653-2483

Commission Meeting Date: May 17, 2016

Date: May 23, 2016

To: Honorable Mayor and City Commission

From: Jeffrey Lewis, Director of Public Safety Office

RE: 2016 – 2017 Muskegon High School Community Officer Agreement

SUMMARY OF REQUEST: To approve the 2016 – 2017 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 \$2,388.10 each month, from September 2016 through May 2017, totaling \$21,492.90.

BUDGET ACTION REQUIRED: None.

STAFF RECOMMENDATION: Approve the 2016 – 2017 Muskegon High School Community Officer Agreement.

COMMUNITY OFFICER & MUSKEGON PUBLIC SCHOOLS

AGREEMENT 2016 – 2017

This Agreement is effective **August 29, 2016** through **June 9, 2017**, 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:

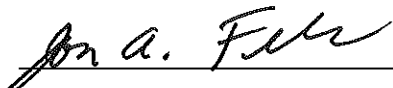
1. **Officer.** City shall provide a police officer to be on patrol at MHS during MHS's published academic calendar year, commencing **September 6, 2016** (which shall not include any published vacation days or summer school sessions. i.e. Christmas break, mid-winter break, Thanksgiving break, Professional 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 **\$2,388.10** on the first of **EACH MONTH**, as invoiced, commencing **September 6, 2016** through **June 9, 2017**. Total payment will not exceed **\$21,492.90**.

3. **Term: Termination.** The term of this Agreement shall be for one year from **August 29, 2016** through **June 9, 2017**, 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

By: 
Name: Jon A. Felske
Title: Superintendent
Date: 5-17-16

CITY OF MUSKEGON

By: _____
Name: Stephen J. Gawron
Title: Mayor
Date: _____

Date: May 24, 2016

To: Honorable Mayor and City Commissioners

From: Finance Department

RE: 2016-17 Healthcare & Wellness Program

SUMMARY OF REQUEST: It is time to renew the City's healthcare coverage for 2016-17 plan year (6/1/16-5/31/17). Renewal premiums for the City's current healthcare program came in at a 7% increase over the current year. Last year we experienced an increase of 9.9%. In comparative terms, many employers have been experiencing sharp double-digit rate increases for several years. Also, the City's healthcare costs remain below the "hard cap limits" set by PA 152 and remain cost competitive with the standards set by the state for new hires. These are good independent indicators that the City's program is cost-effective.

Starting June 1, 2016, the deductible will be increased from \$2,000 for an individual and \$4,000 for double/family to \$2,500 for an individual and \$5,000 for double/family. In addition, the coinsurance will change from 80/20% to 70/30% effective June 1, 2016.

For 2016-17, the City will continue to pay the HRA deductible if the employee and spouse completed the wellness requirements by March 31st; non-participants in the wellness program will continue to pay the first \$500 (single)/\$1,000 (double/family) of the deductible.

FINANCIAL IMPACT: Following is an estimate of gross premium costs for the Priority Health HMO program compared with the current healthcare plan year:

	2016-17			2015-16		
	Single	Double	Family	Single	Double	Family
Monthly Premium	\$ 495.51	\$ 1,114.90	\$ 1,337.88	\$ 463.28	\$ 1,042.38	\$ 1,250.86
Rate Change	6.96%	6.96%	6.96%	9.95%	9.95%	9.95%
Annual Premium	5,946.12	13,378.80	16,054.56	5,559.36	12,508.56	15,010.32
Current # Employees	35	43	114	35	43	114
Total Annual Premium	208,114.20	575,288.40	\$ 1,830,219.84	194,577.60	537,868.08	\$ 1,711,176.48
		2,613,622.44			2,443,622.16	
Add: HRA Deductibles Paid by City		271,000.00			271,000.00	
Less: 10% Employee Premium Copays		(261,362.24)			(244,362.22)	
Equals: Employer Cost		\$2,623,260.20			\$2,470,259.94	
	2016 PA 152 Hard Cap Limits			2015 PA 152 Hard Cap Limits		
	\$ 6,142.11	\$ 12,845.04	\$ 16,751.23	\$ 5,992.30	\$ 12,531.75	\$ 16,342.66
	214,973.85	552,336.72	1,909,640.22	209,730.50	538,865.25	1,863,063.24
		\$2,676,950.79			\$2,611,658.99	

Full-time City employees pay 10% of the above premium costs through payroll deduction.

BUDGET ACTION REQUIRED: Employee and retiree healthcare costs will be included in the forthcoming 2016-17 budget.

STAFF RECOMMENDATION: Authorize staff to execute documents with Priority Health to renew employee healthcare coverage for the coming year.

2016 Employee Open Enrollment

Health Insurance

1. The Deductible starting June 1, 2016 will be \$2,500 for an individual and \$5,000 for a double/family.
2. The Coinsurance Starting June 1, 2016 will be 70/30% (Insurance Carrier/Employee) with a maximum of \$1,500 for an individual and \$3,000 for a double/family.
3. If an employee completes the Wellness Requirements the City will pay \$2,500 of the individual deductible and \$5,000 of the double/family deductible.
4. If an employee **DOES NOT** complete the Wellness Requirements the employee will pay the first \$500 of the individual deductible and the first \$1,000 of the double/family deductible. The City will pay the balance.
5. If an employee completes the Wellness Requirements the City will pay the 30% coinsurance.
6. If an employee **DOES NOT** complete the Wellness Requirements the City will pay the 30% coinsurance.
7. All other benefits remain the same.

Dental Insurance & Vision Insurance

1. No Changes in benefits

Flexible Spending Account (FSA)

1. The limit for a Medical FSA for 2016 is \$2,550
2. The limit for a Dependent Care FSA for 2016 is \$5,000
3. For balances at the end of the year:
 - a. The City will allow an employee to rollover balances of up to \$500 to the next year.
There will no longer be a 76 day grace period.

City Self-funded Plan

1. The only covered preventive care service is Colonoscopy. All other preventive care is **Not Covered**.
2. All other benefits remain the same.

Educational Voluntary Meetings – These will be held throughout the year.

Cost Estimator & Priority Rewards	24/7 Care with MedNOW	Urgent Care & ER Use
Understanding Prescription Formularies	Using your Priority Health Account	Offering Multiple plan options to employee
Understanding Coordination of Benefits	Understanding your Early Retiree benefits	Understanding your over 65 Retiree benefits
Medicare Supplements, Medicare Advantage Plans & Prescription Drug Plans	Your Vision & Dental Benefits	Understanding your Flexible Spending Account

Rate Exhibit

Employer Group: CITY OF MUSKEGON

Quote No: 28546

PriorityHealth

Plan: HMO HRA SOLD

Effective Date: 06/01/2016

Group No: 778010

Rating Segment: ACTIVE, COBRA

Product [NonGrandfathered HCR]	HMO HRA	Riders
Copay Type	Copay Aligned	DME/P&O Coins: 70% Vision Option: 5 - High plan (exam & supplies)/year
Hospital Coinsurance		Rx Mail Order: 2.0 times
In Network	70%	
Out of Network	N/A	
Deductible		
Individual - In Network	\$2,500	
Family - In Network	\$5,000	
Individual - Out of Network	N/A	
Family - Out of Network	N/A	
Coinsurance Max		
Individual - In Network	\$1,500	
Family - In Network	\$3,000	
Individual - Out of Network	N/A	
Family - Out of Network	N/A	
Office Visit (PCP) Copay	\$15	
Specialist Copay	\$30	
Urgent Care Copay	\$45	
Emergency Room Copay	\$100	
Ambulance Copay	\$50	
High Tech Imaging Copay	\$100	

Rx Deductible (Individual/Family): \$0

	Copay	Coinsurance	Max
Rx Generic	\$10	100%	\$10
Rx Preferred Brand	\$40	100%	\$40
Rx Non-preferred Brand	\$40	100%	\$40
Rx Preferred Specialty	\$40	100%	\$40
Rx Non-preferred Specialty	\$40	100%	\$40

	Single	Double	Family
Premium	\$495.51	\$1,114.90	\$1,337.88
Estimated Federal & State Taxes	\$7.49	\$16.85	\$20.22
Estimated Billed Rate	\$503.00	\$1,131.75	\$1,358.10
Participants	35	43	114
Summary	Participants	192	Illustrative Combined
	Monthly Cost	\$217,801.87	\$221,093.65
	Annual Cost	\$2,613,622.44	\$2,653,123.80
	PEPM	\$1,134.38	\$1,151.53

This benefit plan includes federally mandated benefits for the following: \$0 copay preventive care and women's preventive care services.



STATE OF MICHIGAN
DEPARTMENT OF TREASURY
LANSING

RICK SNYDER
GOVERNOR

NICK A. KHOURI
STATE TREASURER

September 16, 2015

**PUBLIC EMPLOYER CONTRIBUTIONS TO MEDICAL BENEFIT PLANS
ANNUAL COST LIMITATIONS – CALENDAR YEAR 2016**

For a medical benefit plan coverage year beginning on or after January 1, 2012, MCL 15.563, as amended by 2013 Public Act 270, sets a limit on the amount that a public employer may contribute to a medical benefit plan.

For medical benefit plan coverage years beginning on or after January 1, 2013, MCL 15.563 provides that the dollar amounts that are multiplied by the number of employees with each coverage type be adjusted annually. Specifically, the dollar amounts shall be adjusted, by October 1 of each year, by the change in the medical care component of the United States consumer price index for the most recent 12-month period for which data are available. For calendar year 2015, the limit on the amount that a public employer may contribute to a medical benefit plan was set to the sum of the following:

- \$5,992.30 times the number of employees and elected public officials with single-person coverage
- \$12,531.75 times the number of employees and elected public officials with individual-and-spouse coverage or individual-plus-1-nonspouse-dependent coverage
- \$16,342.66 times the number of employees and elected public officials with family coverage.

The limits for 2016 equal the 2015 limits increased by **2.5 percent**. The 2.5 percent is the percentage change in the medical care component from the period September 2013-August 2014 to the period September 2014-August 2015.

Thus, for medical benefit plan coverage years beginning on or after January 1, 2016, the limit on the amount that a public employer may contribute to a medical benefit plan equals the sum of the following:

- **\$6,142.11** times the number of employees and elected public officials with single-person coverage
- **\$12,845.04** times the number of employees and elected public officials with individual-and-spouse coverage or individual-plus-1-nonspouse-dependent coverage
- **\$16,751.23** times the number of employees and elected public officials with family coverage.

Nick A. Khouri
State Treasurer

September 16, 2015

Date: May 24, 2016
To: Honorable Mayor and City Commissioners
From: Engineering
RE: Consideration of Bids for:
Repairs to the Boardwalk @ Kruse Park

SUMMARY OF REQUEST:

To authorize staff to enter into a minor repairs contract (no bonds), with Midwest Builders LLC for a total estimated bid of \$19,450 since they were the lowest responsible bidder (see attached bid tabulation).

FINANCIAL IMPACT:

The construction cost of \$19,450 plus engineering costs.

BUDGET ACTION REQUIRED:

None at this time.

STAFF RECOMMENDATION:

Authorize staff to enter into a repairs contract with Midwest Builders for an estimated price of \$19,450.

COMMITTEE RECOMMENDATION:

SUMMARY OF BIDS

PROJECT: Kruse Park Dune Walk Repair - Phase 1
BIDS DUE: May 17, 2016 2 p.m. - City of Muskegon Clerk's Office
DEPARTMENT: Public Works
ARCHITECT: Andrea J Riegler, Architect PLLC

Bidder	Base Bid Amount	Add Alternate 1	Add Alternate 2	Total Bid Amount With Alt 1 & 2	Insurance Certificate	Qualifications Verified
Muskegon Quality Builders, Inc.	\$ 29,480	\$ 2,760	\$ 8,000	\$ 40,240		x
Cifford Buck Construction Company, Inc	\$34,347	\$ 3,425	\$ 9,957	\$ 47,729		x
Midwest Builders LLC	\$14,350	\$ 1,600	\$3,500	\$ 19,450	x	

Based on the bids submitted, the apparent low bidder is Midwest Builders LLC. Pending verification of their qualifications, I am recommending that a notice of award be issued to Midwest Builders LLC for phase 1 of the Kruse Park Dune Walk Repair Project.

Andrea J Riegler, Architect PLLC

Commission Meeting Date: May 24, 2016

Date: May 17, 2016

To: Honorable Mayor & City Commission

**From: Community and Neighborhood Services
Department**

**RE: Authorization of Community Housing
Development Organization (CHDO) Agreements**

SUMMARY OF REQUEST: To direct the Mayor and City Clerk to sign the 2015 approved agreements for the City's CHDO reserve and operating funds. The City Commission approved a budget of \$100,000 to CHDO nonprofits last spring during the City's annual Action Plan process.

1. Community enCompass \$85,000

2. Habitat for Humanity \$22,000*

* Includes city HOME funding *See map for locations*

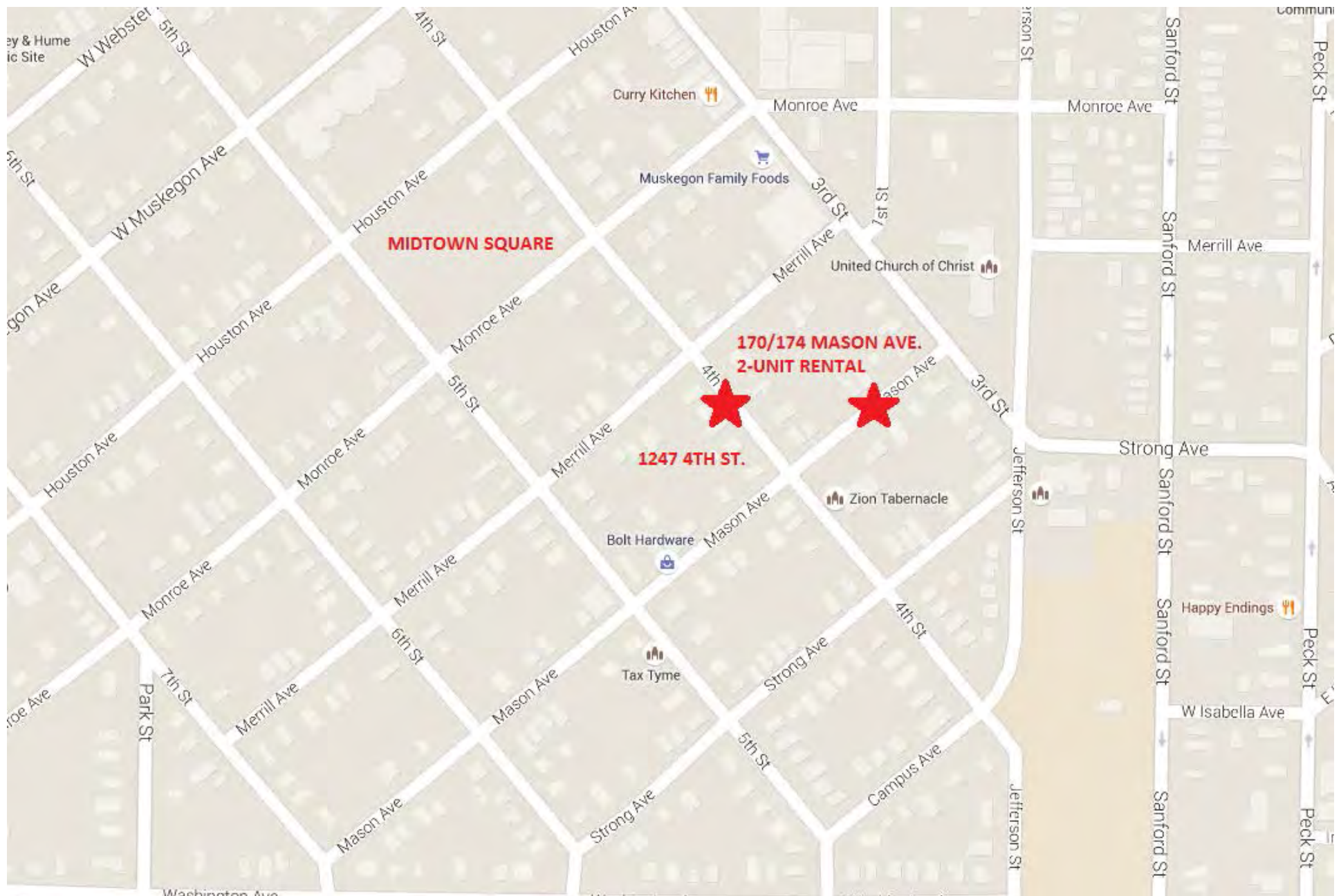
After the Mayor and Clerk sign the contracts, the CNS office will retain one copy for our files and a copy will be supplied to the appropriate nonprofit for their records.

FINANCIAL IMPACT: Funding will be allocated from the 2015 HOME program.

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

STAFF RECOMMENDATION: To direct Mayor and Clerk to sign agreements.

COMMITTEE RECOMMENDATION: Citizen District Council approved.



Commission Meeting Date: May 24, 2016

Date: May 19, 2016
To: Honorable Mayor and City Commissioners
From: Planning & Economic Development
RE: Approval of Neighborhood Enterprise Zone Certificates

SUMMARY OF REQUEST:

The City is applying for Neighborhood Enterprise Zone (NEZ) certificates for the construction of the Midtown Square Homes at 294 Monroe Ave, 300 Monroe Ave, 308 Monroe Ave, 314 Monroe Ave, 320 Monroe Ave, 333 Houston Ave, 339 Houston Ave, 345 Houston Ave and 349 Houston Ave. The State Tax Commission allows applicants to apply for an NEZ up to six (6) months after construction commencement if the local unit of government is willing to approve. The estimated cost for construction for the homes is \$172,640 (294 Monroe Ave), \$161,605 (300 Monroe Ave), \$193,670 (308 Monroe Ave), \$173,000 (314 Monroe Ave), \$182,420 (320 Monroe Ave), 333 Houston Ave, \$182,260 (339 Houston Ave), \$162,290 (345 Houston Ave) and \$172,115 (349 Houston Ave). The City plans on transferring the NEZ certificate to the buyer once the property is sold.

FINANCIAL IMPACT:

Taxation will be 50% of the State average for the next 12 years.

BUDGET ACTION REQUIRED:

None

STAFF RECOMMENDATION:

Approval of the NEZ certificate.

COMMITTEE RECOMMENDATION:

None

Resolution No. _____

MUSKEGON CITY COMMISSION

**RESOLUTION TO APPROVE THE ISSUANCE
OF A NEIGHBORHOOD ENTERPRISE ZONE CERTIFICATE**

WHEREAS, an application for a Neighborhood Enterprise Zone Certificate has been filed with the City Clerk by the City of Muskegon to construct a home at 294 Monroe Ave in the Nelson neighborhood, and;

WHEREAS, the applicant has satisfied both the local and state eligibility criteria for a Neighborhood Enterprise Zone Certificate;

WHEREAS, the local unit of government is allowing the six (6) month grace period after construction commencement to apply, which is allowed under the law;

WHEREAS, the Neighborhood Enterprise Zone Certificate will be good for twelve (12) years;

NOW, THEREFORE, BE IT RESOLVED that the application for a Neighborhood Enterprise Zone Certificate for the new construction of a home by the City of Muskegon be approved.

Adopted this 24th day of May, 2016.

Ayes:

Nays:

Absent:

By: _____
Stephen J. Gawron, Mayor

Attest: _____
Ann Meisch
City Clerk

CERTIFICATION

I hereby certify that the foregoing constitutes a true and complete copy of a resolution adopted by the City Commission of the City of Muskegon, County of Muskegon, Michigan at a regular meeting held on May 24, 2016.

By: _____

Ann Meisch
City Clerk

Resolution No. _____

MUSKEGON CITY COMMISSION

**RESOLUTION TO APPROVE THE ISSUANCE
OF A NEIGHBORHOOD ENTERPRISE ZONE CERTIFICATE**

WHEREAS, an application for a Neighborhood Enterprise Zone Certificate has been filed with the City Clerk by the City of Muskegon to construct a home at 300 Monroe Ave in the Nelson neighborhood, and;

WHEREAS, the applicant has satisfied both the local and state eligibility criteria for a Neighborhood Enterprise Zone Certificate;

WHEREAS, the local unit of government is allowing the six (6) month grace period after construction commencement to apply, which is allowed under the law;

WHEREAS, the Neighborhood Enterprise Zone Certificate will be good for twelve (12) years;

NOW, THEREFORE, BE IT RESOLVED that the application for a Neighborhood Enterprise Zone Certificate for the new construction of a home by the City of Muskegon be approved.

Adopted this 24th day of May, 2016.

Ayes:

Nays:

Absent:

By: _____
Stephen J. Gawron, Mayor

Attest: _____
Ann Meisch
City Clerk

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By: _____
Ann Meisch
City Clerk

Resolution No. _____

MUSKEGON CITY COMMISSION

**RESOLUTION TO APPROVE THE ISSUANCE
OF A NEIGHBORHOOD ENTERPRISE ZONE CERTIFICATE**

WHEREAS, an application for a Neighborhood Enterprise Zone Certificate has been filed with the City Clerk by the City of Muskegon to construct a home at 308 Monroe Ave in the Nelson neighborhood, and;

WHEREAS, the applicant has satisfied both the local and state eligibility criteria for a Neighborhood Enterprise Zone Certificate;

WHEREAS, the local unit of government is allowing the six (6) month grace period after construction commencement to apply, which is allowed under the law;

WHEREAS, the Neighborhood Enterprise Zone Certificate will be good for twelve (12) years;

NOW, THEREFORE, BE IT RESOLVED that the application for a Neighborhood Enterprise Zone Certificate for the new construction of a home by the City of Muskegon be approved.

Adopted this 24th day of May, 2016.

Ayes:

Nays:

Absent:

By: _____
Stephen J. Gawron, Mayor

Attest: _____
Ann Meisch
City Clerk

CERTIFICATION

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By: _____
Ann Meisch
City Clerk

Resolution No. _____

MUSKEGON CITY COMMISSION

**RESOLUTION TO APPROVE THE ISSUANCE
OF A NEIGHBORHOOD ENTERPRISE ZONE CERTIFICATE**

WHEREAS, an application for a Neighborhood Enterprise Zone Certificate has been filed with the City Clerk by the City of Muskegon to construct a home at 314 Monroe Ave in the Nelson neighborhood, and;

WHEREAS, the applicant has satisfied both the local and state eligibility criteria for a Neighborhood Enterprise Zone Certificate;

WHEREAS, the local unit of government is allowing the six (6) month grace period after construction commencement to apply, which is allowed under the law;

WHEREAS, the Neighborhood Enterprise Zone Certificate will be good for twelve (12) years;

NOW, THEREFORE, BE IT RESOLVED that the application for a Neighborhood Enterprise Zone Certificate for the new construction of a home by the City of Muskegon be approved.

Adopted this 24th day of May, 2016.

Ayes:

Nays:

Absent:

By: _____
Stephen J. Gawron, Mayor

Attest: _____
Ann Meisch
City Clerk

CERTIFICATION

I hereby certify that the foregoing constitutes a true and complete copy of a resolution adopted by the City Commission of the City of Muskegon, County of Muskegon, Michigan at a regular meeting held on May 24, 2016.

By: _____

Ann Meisch
City Clerk

Resolution No. _____

MUSKEGON CITY COMMISSION

**RESOLUTION TO APPROVE THE ISSUANCE
OF A NEIGHBORHOOD ENTERPRISE ZONE CERTIFICATE**

WHEREAS, an application for a Neighborhood Enterprise Zone Certificate has been filed with the City Clerk by the City of Muskegon to construct a home at 320 Monroe Ave in the Nelson neighborhood, and;

WHEREAS, the applicant has satisfied both the local and state eligibility criteria for a Neighborhood Enterprise Zone Certificate;

WHEREAS, the local unit of government is allowing the six (6) month grace period after construction commencement to apply, which is allowed under the law;

WHEREAS, the Neighborhood Enterprise Zone Certificate will be good for twelve (12) years;

NOW, THEREFORE, BE IT RESOLVED that the application for a Neighborhood Enterprise Zone Certificate for the new construction of a home by the City of Muskegon be approved.

Adopted this 24th day of May, 2016.

Ayes:

Nays:

Absent:

By: _____
Stephen J. Gawron, Mayor

Attest: _____
Ann Meisch
City Clerk

CERTIFICATION

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By: _____

Ann Meisch
City Clerk

Resolution No. _____

MUSKEGON CITY COMMISSION

**RESOLUTION TO APPROVE THE ISSUANCE
OF A NEIGHBORHOOD ENTERPRISE ZONE CERTIFICATE**

WHEREAS, an application for a Neighborhood Enterprise Zone Certificate has been filed with the City Clerk by the City of Muskegon to construct a home at 333 Houston Ave in the Nelson neighborhood, and;

WHEREAS, the applicant has satisfied both the local and state eligibility criteria for a Neighborhood Enterprise Zone Certificate;

WHEREAS, the local unit of government is allowing the six (6) month grace period after construction commencement to apply, which is allowed under the law;

WHEREAS, the Neighborhood Enterprise Zone Certificate will be good for twelve (12) years;

NOW, THEREFORE, BE IT RESOLVED that the application for a Neighborhood Enterprise Zone Certificate for the new construction of a home by the City of Muskegon be approved.

Adopted this 24th day of May, 2016.

Ayes:

Nays:

Absent:

By: _____
Stephen J. Gawron, Mayor

Attest: _____
Ann Meisch
City Clerk

CERTIFICATION

I hereby certify that the foregoing constitutes a true and complete copy of a resolution adopted by the City Commission of the City of Muskegon, County of Muskegon, Michigan at a regular meeting held on May 24, 2016.

By: _____

Ann Meisch
City Clerk

Resolution No. _____

MUSKEGON CITY COMMISSION

**RESOLUTION TO APPROVE THE ISSUANCE
OF A NEIGHBORHOOD ENTERPRISE ZONE CERTIFICATE**

WHEREAS, an application for a Neighborhood Enterprise Zone Certificate has been filed with the City Clerk by the City of Muskegon to construct a home at 339 Houston Ave in the Nelson neighborhood, and;

WHEREAS, the applicant has satisfied both the local and state eligibility criteria for a Neighborhood Enterprise Zone Certificate;

WHEREAS, the local unit of government is allowing the six (6) month grace period after construction commencement to apply, which is allowed under the law;

WHEREAS, the Neighborhood Enterprise Zone Certificate will be good for twelve (12) years;

NOW, THEREFORE, BE IT RESOLVED that the application for a Neighborhood Enterprise Zone Certificate for the new construction of a home by the City of Muskegon be approved.

Adopted this 24th day of May, 2016.

Ayes:

Nays:

Absent:

By: _____
Stephen J. Gawron, Mayor

Attest: _____
Ann Meisch
City Clerk

CERTIFICATION

I hereby certify that the foregoing constitutes a true and complete copy of a resolution adopted by the City Commission of the City of Muskegon, County of Muskegon, Michigan at a regular meeting held on May 24, 2016.

By: _____

Ann Meisch
City Clerk

Resolution No. _____

MUSKEGON CITY COMMISSION

**RESOLUTION TO APPROVE THE ISSUANCE
OF A NEIGHBORHOOD ENTERPRISE ZONE CERTIFICATE**

WHEREAS, an application for a Neighborhood Enterprise Zone Certificate has been filed with the City Clerk by the City of Muskegon to construct a home at 345 Houston Ave in the Nelson neighborhood, and;

WHEREAS, the applicant has satisfied both the local and state eligibility criteria for a Neighborhood Enterprise Zone Certificate;

WHEREAS, the local unit of government is allowing the six (6) month grace period after construction commencement to apply, which is allowed under the law;

WHEREAS, the Neighborhood Enterprise Zone Certificate will be good for twelve (12) years;

NOW, THEREFORE, BE IT RESOLVED that the application for a Neighborhood Enterprise Zone Certificate for the new construction of a home by the City of Muskegon be approved.

Adopted this 24th day of May, 2016.

Ayes:

Nays:

Absent:

By: _____
Stephen J. Gawron, Mayor

Attest: _____
Ann Meisch
City Clerk

CERTIFICATION

I hereby certify that the foregoing constitutes a true and complete copy of a resolution adopted by the City Commission of the City of Muskegon, County of Muskegon, Michigan at a regular meeting held on May 24, 2016.

By: _____

Ann Meisch
City Clerk

Resolution No. _____

MUSKEGON CITY COMMISSION

**RESOLUTION TO APPROVE THE ISSUANCE
OF A NEIGHBORHOOD ENTERPRISE ZONE CERTIFICATE**

WHEREAS, an application for a Neighborhood Enterprise Zone Certificate has been filed with the City Clerk by the City of Muskegon to construct a home at 349 Houston Ave in the Nelson neighborhood, and;

WHEREAS, the applicant has satisfied both the local and state eligibility criteria for a Neighborhood Enterprise Zone Certificate;

WHEREAS, the local unit of government is allowing the six (6) month grace period after construction commencement to apply, which is allowed under the law;

WHEREAS, the Neighborhood Enterprise Zone Certificate will be good for twelve (12) years;

NOW, THEREFORE, BE IT RESOLVED that the application for a Neighborhood Enterprise Zone Certificate for the new construction of a home by the City of Muskegon be approved.

Adopted this 24th day of May, 2016.

Ayes:

Nays:

Absent:

By: _____
Stephen J. Gawron, Mayor

Attest: _____
Ann Meisch
City Clerk

CERTIFICATION

I hereby certify that the foregoing constitutes a true and complete copy of a resolution adopted by the City Commission of the City of Muskegon, County of Muskegon, Michigan at a regular meeting held on May 24, 2016.

By: _____

Ann Meisch
City Clerk

Commission Meeting Date: May 24, 2016

Date: May 16, 2016
To: Honorable Mayor & City Commission
From: Planning & Economic Development Department
**RE: Midtown Square- Authorization for Staff to
Negotiate and Close on Sale of Homes**

SUMMARY OF REQUEST: Construction on the Midtown Square Homes has been completed (four homes) or is being completed (five homes). There have been several showings and one purchase offer to date. As it is necessary to move quickly on the sales negotiations, staff is requesting that the Director of Community & Economic Development and/or the Zoning Administrator/Planner III be authorized to sign the Purchase Agreements and Closing Documents for the homes, as determined by the final negotiated purchase price.

FINANCIAL IMPACT: None.

BUDGET ACTION REQUIRED: None.

STAFF RECOMMENDATION: To authorize the Mayor & Clerk to sign the attached resolution authorizing the Director of Community & Economic Development and/or the Zoning Administrator/Planner III to sign Purchase Agreements and Closing Documents for the Midtown Square Homes at a price to be determined by the City Manager.

RESOLUTION _____

RESOLUTION AUTHORIZING THE DIRECTOR OF COMMUNITY & ECONOMIC DEVELOPMENT OR ZONING ADMINISTRATOR/PLANNER III TO SIGN OFF ON ALL PURCHASE AGREEMENTS AND CLOSING DOCUMENTS FOR THE MIDTOWN SQUARE HOMES, WITH THE PRICE TO BE DETERMINED BY THE CITY MANAGER.

Moved by _____ and supported by _____

Commissioner _____ that the following Resolution be adopted:

Adopted this _____ day of _____, 2016.

BY

Stephen J. Gawron, Mayor

ATTEST

Ann Meisch, City Clerk

CERTIFICATION

This resolution was adopted at a meeting of the City Commission, held on _____, **2016**. The meeting was properly held and noticed pursuant to the Open Meetings Act of the State of Michigan, Act 267 of the Public Acts of 1976.

CITY OF MUSKEGON

By _____
Ann Meisch, City Clerk

Commission Meeting Date: May 24, 2016

Date: May 18, 2016
To: Honorable Mayor & City Commission
From: Planning & Economic Development Department
RE: Muskegon City Employee Homeownership Program

SUMMARY OF REQUEST: It is important to encourage the City employees to live in the City of Muskegon and enjoy the benefits of homeownership, when feasible. In addition, the City has invested time and money into eliminating blight and restoring central city neighborhoods. In keeping with both of these objectives, a "Muskegon City Employee Homeownership Program" is proposed. City employees purchasing a home within the City will be eligible for up to \$500 toward a down payment, as well as the possibility of a forgivable loan, from \$1,500 to \$3,500 depending on the neighborhood where the home is purchased (see attached program outline and application).

FINANCIAL IMPACT: For employees meeting the conditions of the "Program", the City will provide a \$500 match toward a down payment on a home, with the possibility of an additional \$1,500 to \$3,000 forgivable loan, depending on the neighborhood where the home is located.

BUDGET ACTION REQUIRED: None.

STAFF RECOMMENDATION: To approve the "Muskegon City Employee Homeownership Program" and authorize staff to implement the program and provide to City employees purchasing a home in the City a down payment match up to \$500, as well as the possibility of a \$1,500 to \$3,000 forgivable loan, depending on neighborhood where the home is located.

Muskegon City Employee Homeownership Program

What is it?

This program is designed to assist employees of the City of Muskegon to become homeowners within key neighborhoods of the city. The program is expected to assist with neighborhood revitalization.

Who is eligible?

All active employees of the City of Muskegon.

What are the benefits?

The City will match up to \$500 toward the down payment of a home, with no annual income limits. An additional \$1,500 match is provided for homes purchased in the Angell, Campbell Field, East Muskegon, Jackson Hill, Lakeside, Marquette, Marsh Field, McLaughlin, Nelson, Nims, Oakview, or Sheldon Park neighborhoods. An additional \$3,000 match is provided for homes purchased in the Angell, Campbell Field, East Muskegon, Jackson Hill, Lakeside, Marquette, Marsh Field, McLaughlin, Nelson, Nims, Oakview, or Sheldon Park neighborhoods that require more than \$30,000 in repairs or new construction (upon completion of the required renovation/construction).

All City-provided match dollars will be in the form of a forgivable loan.

What are the restrictions/loan terms?

The property must be located in the City of Muskegon. The buyer must contribute at least \$500 towards purchase and must use the property as his/her principal residence. Closing on the property must occur within 90 days of the contract date. Only one City employee per household may receive assistance.

\$1,000 in loan principle will be forgiven annually, for each full year of continued ownership, occupancy and employment with the City of Muskegon. Upon termination of occupancy and/or employment, the outstanding loan balance must be repaid within 60 days.

Examples

1. An employee choosing to live in places like Glenside, Beachwood, Bluffton, and Lakeside would only be eligible for the initial \$500 match.
2. An employee choosing to buy in the new development Midtown Square Development would be eligible for \$500 + \$1,500 + \$3,000, and the employee could end up with a \$10,000 down payment (\$5,000 from the city).

List the Address you are interested in _____

Check Status: ☐ Married ☐ Single ☐ Divorced ☐ Widowed ☐ Separated				
Home Buyers Last Name		First Name		M.I.
Current Street Address		City	State	Zip Code
Home Phone No. ()	Work Phone No. & Ext. ()		Cell Phone No. ()	
Hire Date ____/____/____	Department		Position	

[illegible]

1. Would this house be your primary residence? ☐ Yes ☐ No	2. How much are you able and planning to contribute towards the down payment? \$_____
3. Will you be living with anyone else who is an employee of the City of Muskegon and will be receiving these benefits? ☐ Yes ☐ No	4. How long would you expect to stay at this address after moving in?
5. Which neighborhood is the house you are looking at purchasing located in?	6. Does the address you wish to purchase require more than \$30,000 in repairs or new construction? ☐ Yes ☐ No

***Keep in mind the City will need copies of all papers associated with the closing of the house as proof of your personal payments towards it.**

Date: May 24, 2016
To: Honorable Mayor and City Commissioners
From: Engineering
RE: Public Hearing
Create a Special Assessment District for:
Alley between 4th-5th-Muskegon-Webster

SUMMARY OF REQUEST:

To hold a public hearing on the proposed special assessment for **the Alley between 4th-5th-Muskegon-Webster**, and to create the special assessment district and appoint two City Commissioners to the Board of Assessors if it is determined to proceed with the project.

The request is the result of a petition for paving which was signed by the majority of the property owners abutting the aforementioned alley. It is also worth mentioning that the “estimated” cost figures previously shared with the owners (\$28,207), via the notification of this hearing, is expected to rise substantially (more than 20%) due to higher bid prices.

FINANCIAL IMPACT:

About \$35,000, which is expected to be assessed to abutting property owners, including the City.

BUDGET ACTION REQUIRED:

None at this time.

STAFF RECOMMENDATION:

To create the special assessment district and assign two City Commissioners to the Board of Assessors by adopting the attached resolution

COMMITTEE RECOMMENDATION:

CITY OF MUSKEGON

Resolution No. _____

Resolution At First Hearing Creating Special Assessment District
For **ALLEY BETWEEN 4TH-5TH-MUSKEGON-WEBSTER**
Location and Description of Properties to be Assessed:
See Exhibit A attached to this resolution

RECITALS:

1. A hearing has been held on **May 24, 2016** at 5:30 o'clock p.m. at the City Commission Chambers. Notice was given by mail and publication as required by law.
2. That estimates of costs of the project, a feasibility report and valuation and benefit information are on file with the City and have been reviewed for this hearing.
3. At the hearing held **May 24, 2016**, there were _____% objections by the owners of the property in the district registered at the hearing either in writing received before or at the hearing or by owners or agents present at the hearing, and the Commission has considered the advisability of proceeding with the project.

FINDINGS:

1. The City Commission has examined the estimates of cost to construct the project including all assessable expenses and determines them to be reasonable.
2. The City Commission has considered the value of the property to be assessed and the value of the benefit to be received by each property proposed to be assessed in the district after the improvements have been made. The City Commission determines that the assessments of costs of the City project will enhance the value of the properties to be assessed in an amount at least equivalent to the assessment and that the improvement thereby constitutes a benefit to the property.

THEREFORE, BE IT RESOLVED:

1. The City Commission hereby declares a special assessment district to include the property set forth in Exhibit A attached to this resolution.
2. The City Commission determines to proceed with the improvements as set forth in the feasibility study and estimates of costs, and directs the City Engineer to proceed with project design, preparation of specifications and the bidding process. If appropriate and if bonds are to be sold for the purposes of financing the improvements, the Finance Department shall prepare plans for financing including submission of application to the Michigan Department of Treasury and the beginning of bond proceedings.
3. The City Commission hereby appoints a Board of Assessors consisting of City Commissioners _____ and _____

and the City Assessor who are hereby directed to prepare an assessment roll. Assessments shall be made upon front foot basis.

4. Based on the City's Special Assessment policy and preliminary estimates it is expected that approximately 100% of the cost of the alley improvement will be paid by special assessments.
5. Upon submission of the special assessment roll, the City staff is hereby directed to notify all owners and persons interested in properties to be assessed of the hearing at which the City Commission will consider confirmation of the special assessment roll.

This resolution adopted.

Ayes _____

Nays _____

CITY OF MUSKEGON

By _____
Ann Meisch, City Clerk

ACKNOWLEDGMENT

This resolution was adopted at a meeting of the City Commission, held on a **May 24, 2016**. The meeting was properly held and noticed pursuant to the Open Meetings Act of the State of Michigan, Act 267 of the Public Acts of 1976.

CITY OF MUSKEGON

By _____
Ann Marie Meisch, City Clerk

EXHIBIT A

ALLEY BETWEEN 4TH - 5TH - MUSKEGON - WEBSTER

SPECIAL ASSESSMENT DISTRICT

**All properties abutting that section of THE ALLEY BETWEEN 4TH – 5TH – MUSKEGON
- WEBSTER**

MUSKEGON County

equalization

May 10, 2016

Mohammed Al-Shatel, City Engineer
City of Muskegon
933 Terrace Street
Muskegon, MI 49443

Mr. Al-Shatel:

In accordance with your request, I have examined the proposed special assessment district for the paving of the alley between 4th Street & 5th Street in the City of Muskegon. The purpose of this analysis is to document the reasonableness of this special assessment district by identifying and quantifying any accrued benefits. It is subject to the normal governmental restrictions of escheat, taxation, police power and eminent domain. The effective date is May 10, 2016.

The proposed special assessment district encompasses primarily residentially classed properties. The City of Muskegon Engineer's Department has provided per parcel cost estimates in accordance with the City's Special Assessment Policy and all project-related costs.

The total project cost is estimated to be **\$28,207.78**

The amount of money to be spread is based on a cost per front foot rate ranging from \$35.44 to \$35.75 per parcel. The City Engineer's Department is solely responsible for these figures.

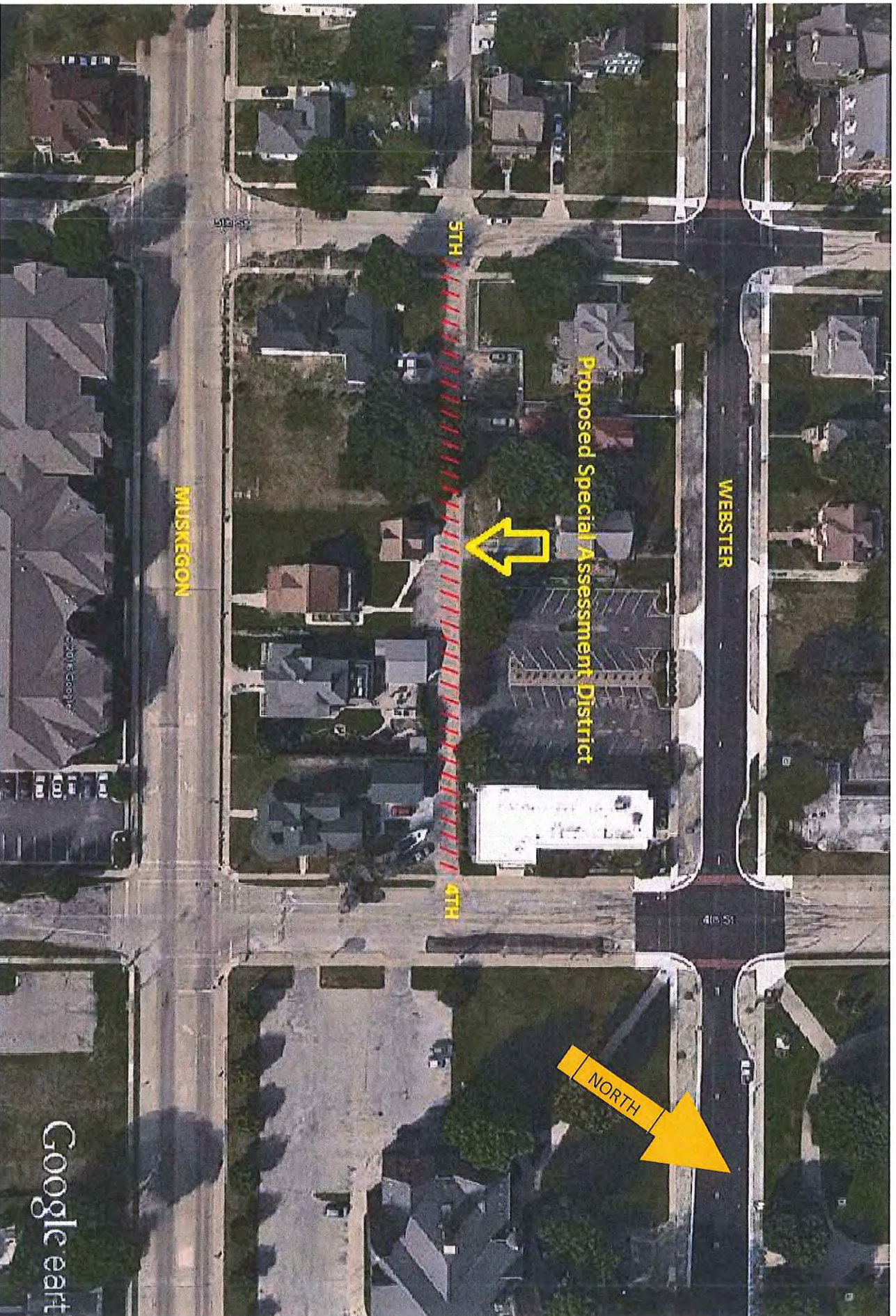
In conclusion, it is my opinion that the special assessment amounts as provided justly and reasonably represents the accrued benefits to the properties encompassed by this project. The amounts reflect the sum of the immediate estimated value enhancement and the intrinsic value that will accrue from an overall increase in property values due to an improved quality of life created by the proposed project. Simply stated, the front foot rate of \$35.44 to \$35.75 per parcel to be spread over parcels appears reasonable and equitable based upon the data presented by the City of Muskegon Engineer's Department, and supporting office records.

Sincerely,



Donna Vandervries, MMAO
City of Muskegon Assessor

EXHIBIT A



May 12, 2016

CITY OF MUSKEGON
C/O Mayor Gawron & City Commissioners
933 TERRACE ST.
MUSKEGON, MI 49443

Parcel Number: 24-205-336-0008-00 AT 382 W. MUSKEGON AVE

NOTICE OF HEARING ON SPECIAL ASSESSMENT

Dear Property Owner:

The Muskegon City Commission is considering whether or not to create a special assessment district which would assess your property for the following paving project:

H-1707-- ALLEY, 4TH TO 5TH, MUSKEGON & WEBSTER

The proposed special assessment district will be located as follows:

All parcels abutting Alley from 4th St. to 5th St., Muskegon & Webster

It is proposed that all of the above improvement will be paid by special assessment against properties in the aforementioned district. Following are conditions of the proposed special assessment which are important to you.

Public Hearings

An initial public hearing to consider the creation of a special assessment district will be held at the City of Muskegon City Commission Chambers on May 24th, 2016 at 5:30 P.M. You are encouraged to appear at this hearing, either in person, by agent or in writing to express your opinion, approval, or objection concerning the proposed special assessment. We are enclosing a Hearing Response Card for you to indicate your agreement or opposition to the special assessment, **WHICH IF NOT RETURNED, WILL BE CONSIDERED IN FAVOR**. This card includes the property identification and description, assessable footage per City policy, and the estimated cost of the assessment. You may also appear, as above, in lieu of, or in addition to mailing your response card to the City Clerk. Written objections or appearances must be made at or prior to the hearing. NOTE: THE SPECIAL ASSESSMENT WILL BE CREATED OR NULLIFIED AT THIS HEARING. IT IS IMPORTANT FOR YOU TO COMMENT AT THIS HEARING IF YOU WANT YOUR OPINION COUNTED FOR THE SPECIAL ASSESSMENT.

CONFIRMED AT THE SECOND HEARING, YOU WILL HAVE THIRTY (30) DAYS FROM THE DATE OF CONFIRMATION OF THE ROLL TO FILE A WRITTEN APPEAL WITH THE MICHIGAN STATE TAX TRIBUNAL. HOWEVER, UNLESS YOU PROTEST AT THE INITIAL HEARING OR AT THE SECOND HEARING CONFIRMING THE ROLL, EITHER IN PERSON, BY AGENT, OR IN WRITING BEFORE OR AT THE HEARING, YOUR RIGHT TO APPEAL TO THE MICHIGAN TAX TRIBUNAL WILL BE LOST.

By City Charter, if the owners of more than one-half of the properties to be assessed shall object to the assessment in writing at or before the hearing, the improvement shall not be made unless the City Commission determines by affirmative vote of all its members that the safety or health of the public necessitates the improvement.

Estimated Costs

The total estimated cost of the alley is \$28,207.78, all of which (\$28,207.78) will be paid by special assessment to property owners. Your property's estimated share of the special assessment is shown on the attached hearing response card.

The Alley Assessment - Which covers improvements to the alley, may be paid in installments over a period of up to ten (10) years.

Please refer to the enclosed sheet entitled *Special Assessment Payment Options* for more information on payment options.

I urge you to return the enclosed hearing response card indicating your preference and to attend the scheduled public hearing. Your views are important to the City and to your neighbors. Additional information, including preliminary project plans and cost estimates is available in the Engineering Department located on the second floor of City Hall. Regular business hours are from 8:00 A.M. to 5:00 P.M. Monday through Friday except holidays. You can also reach our office at 231.724.6707.

Sincerely,



Mohammed Al-Shatel, P.E.

City Engineer

Special Assessment Payment Options

Property owners in the City of Muskegon who are being specially assessed for street, sidewalk or other public improvements may pay their assessment in the following ways:

I. Lump Sum Payment in Full

Assessments may be paid in full within sixty (60) days of the confirmation of the special assessment roll *without interest*.

II. Installment Payments

Assessments not paid within the first sixty (60) days may be paid in installments over several years as follows:

Street and Alley Assessments – Ten (10) years equal annual principal payments. For example, if the amount of your assessment is \$850.00, you will be billed \$85.00 per year plus applicable interest as described below.

Driveway, Sidewalk, and Approach Assessments - Ten (10) years equal annual principal payments plus applicable interest as described below.

Interest – Simple interest is charged at the rate of 5.00% per year *unless* the City has borrowed money to complete the project for which you are assessed and has pledged you assessments for repayment of the borrowed money. In such cases, the interest you are charged is equal to the interest rate the City must pay on the borrowed money plus 1.00%.

III. Further Information About the Above Programs

Further information about any of the above payment options may be obtained by calling either the **City Assessor's Office at 724-6386** or the **City Treasurer's Office at 724-6720**.

SPECIAL ASSESSMENT
HEARING RESPONSE CARD

NO RESPONSE COUNTS AS "IN FAVOR" OF PROJECT-To have your vote count, please

Return This Card By MAY 24, 2016

Project Title: ALLEY, 4TH TO 5TH, MUSKEGON AVE. & WEBSTER AVE.
Project Description PAVING OF ALLEY

INSTRUCTIONS

If you wish to have your written vote included as part of the tabulation of votes forwarded to the City Commission for the scheduled public hearing, please return this card by the date indicated above. To use this response card please indicate whether you Oppose or Favor this special assessment project, sign the form and return it to the City Clerk's Office. To return this card by mail, simply fold this self-stamped form so the address on the reverse side is showing. Be sure to seal the form with a small piece of tape or staple prior to mailing. IF YOU DO NOT SEND THIS FORM YOUR VOTE COUNTS AS "IN FAVOR" OF PROJECT.

Assessment Information

Property Address:	382 W. MUSKEGON AVE.	CITY OF MUSKEGON PLANNING DEPT. PO BOX 0536 MUSKEGON, MI 49443-0536
Parcel Number:	24-205-336-0008-00	
Assessable Frontage:	79.7 Feet	
Estimated Front Foot Cost:	\$35.62 Per Foot	
ESTIMATED TOTAL COST	\$2,849.27	

Property Description

CITY OF MUSKEGON REVISED PLAT OF 1903 SLY 24.75 FT LOT 9 & NLY 55 FT LOT 8 BLK 336

YOUR VOTE COUNTS!

Please vote either in favor or opposed to the Special Assessment Street Paving Project.

I AM IN FAVOR

☐

I AM OPPOSED

☐

Owner	_____	Co-Owner/Spouse	_____
Signature	_____	Signature	_____
Address	_____	Address	_____

Thank you for taking the time to vote on this important issue.

AFFIDAVIT OF MAILING

STATE OF MICHIGAN)
) SS
COUNTY OF MUSKEGON)

TO CREATE A SPECIAL ASSESSMENT DISTRICT FOR THE FOLLOWING:

Alley, Fourth St. to Fifth St., Muskegon and Webster

THE DEPONENT SAYS THAT THE NOTICE OF HEARING WAS SERVED UPON EACH OWNER OF OR PARTY IN INTEREST IN PROPERTY TO BE ASSESSED IN THE SPECIAL ASSESSMENT DISTRICT WHOSE NAME APPEARS UPON THE LAST TAX ASSESSMENT RECORDS OF THE CITY OF MUSKEGON BY MAILING SUCH NOTICE IN A SEALED ENVELOPE BY FIRST CLASS UNITED STATES MAIL, WITH POSTAGE PREPAID, ADDRESSED TO EACH SUCH OWNER OR PARTY IN INTEREST AT THE ADDRESS SHOWN ON SAID LAST TAX ASSESSMENT RECORDS BY DEPOSITING THEM IN AN OFFICIAL UNITED STATES MAIL RECEPTACLE ON THE 13TH DAY OF MAY, 2016.

ANN MEISCH, CITY CLERK

SUBSCRIBED AND SWORN TO BEFORE ME THIS
_____ DAY OF _____, 2016.

NOTARY PUBLIC, MUSKEGON COUNTY, MICHIGAN
MY COMMISSION EXPIRES _____

**CITY OF MUSKEGON
NOTICE OF PUBLIC HEARINGS
SPECIAL ASSESSMENT DISTRICTS**

IN AN EFFORT TOWARDS NEIGHBORHOOD IMPROVEMENT, the Muskegon City Commission is proposing that special assessment districts be created for the following projects:

**H-1707--ALLEY, FOURTH ST. TO FIFTH ST.,
BETWEEN MUSKEGON AVE & WEBSTER AVE**

The specific locations of the special assessment districts and the properties proposed to be assessed are:

All parcels abutting the Alley, from Fourth St. to Fifth St. (H-1707)

Between Muskegon Ave & Webster Ave

The City Commission proposes that the property owners by means of special assessments will bear the cost of improvement. You may examine preliminary plans and cost estimates in the City Hall's Engineering Department during regular business hours - between 8:00 A.M. and 5:00 P.M. on weekdays, except holidays.

PLEASE TAKE NOTICE: A PUBLIC HEARING WILL BE HELD IN THE MUSKEGON CITY COMMISSION CHAMBERS ON **MAY 24TH, 2016 AT 5:30 O'CLOCK P.M**

PLEASE UNDERSTAND THAT YOU HAVE A RIGHT TO PROTEST YOUR ASSESSMENT EITHER IN WRITING OR IN PERSON AT THE HEARING. IF THE SPECIAL ASSESSMENT ROLL IS CONFIRMED (AT A LATER HEARING) YOU WILL HAVE THIRTY (30) DAYS FROM THE DATE OF THE ROLL'S CONFIRMATION TO FILE A WRITTEN APPEAL WITH THE MICHIGAN STATE TAX TRIBUNAL. HOWEVER, UNLESS YOU PROTEST AT THIS HEARING OR AT THE HEARING CONFIRMING THE ROLL, EITHER IN PERSON, BY YOUR AGENT OR REPRESENTATIVE, OR IN WRITING BEFORE OR AT THE HEARING, YOUR RIGHT TO APPEAL TO THE MICHIGAN TAX TRIBUNAL WILL BE LOST.

By City Charter, if the owners of more than one-half of the properties to be assessed shall object to the assessment in writing at or before the hearing, the improvement shall not be made unless the City Commission determines by affirmative vote of all its members that the safety or health of the public necessitates the improvement.

PUBLISH: **May 15th, 2016**

Ann Marie Meisch, City Clerk

ADA POLICY

The City will provide necessary appropriate auxiliary aids and services, for example, signers for the hearing impaired, audiotapes for the visually impaired, etc., for disabled persons who want to attend the meeting, upon twenty-four hours notice to the City. Contact:

Ann Marie Meisch, City Clerk
933 Terrace Street, Muskegon, MI 49440 (231) 724-6705 or TDD (231) 724-6773

Date: May 24, 2016
To: Honorable Mayor and City Commissioners
From: Engineering
RE: Consideration of Bids for:
Paving of the Alley between 4th – 5th – Muskegon – Webster

SUMMARY OF REQUEST:

To Award the Alley paving project to McCormick Sand, Inc. since they were the lowest responsible bidder with a total bid price of \$32,825 (see attached bid tabulation).

This award, if approved should be contingent upon the creation of the special assessment district for this project.

FINANCIAL IMPACT:

The construction cost of \$32,825 plus engineering cost of an additional 15%

BUDGET ACTION REQUIRED:

None at this time.

STAFF RECOMMENDATION:

Award the contract to McCormick Sand for a bid price of \$32,825 if the special assessment district is created.

COMMITTEE RECOMMENDATION:

H-1707 ALLEY BETWEEN
FOURTH FIFTH - MUSKEGON - WEBSTER

CONTRACTOR ADDRESS CITY/ST/ZIP				ENGINEER'S ESTIMATE		TERRA CONTRACTORS 856 PULASKI MUSKEGON, MI 49441		JACKSON-MERKEY CONTRACTORS, INC. 3430 LUND AVE. MUSKEGON, MI 49442-6300		MCCORMICK SAND INC. 5430 RUSSELL RD. TWIN LAKE, MI 49457	
Item	Description	UNITS	QUANTITY	UNIT PRICE	TOTAL	UNIT PRICE	TOTAL PRICE	UNIT PRICE	TOTAL PRICE	UNIT PRICE	TOTAL PRICE
1	Mobilization, Max. /1,605.00 MAX	LSUM	1	\$1,605.00	\$1,605.00	\$1,605.00	\$1,605.00	\$1,605.00	\$1,605.00	\$1,605.00	\$1,605.00
2	Pavt, Rem, Modified	Syd	12	\$5.00	\$60.00	\$12.00	\$144.00	\$38.00	\$456.00	\$12.00	\$144.00
3	Machine Grading, Modified	Sta	4	\$1,500.00	\$6,000.00	\$4,200.00	\$16,800.00	\$3,230.00	\$12,920.00	\$2,000.00	\$8,000.00
4	Erosion Control, Inlet Protection, Fabric Drop	Ea	1	\$100.00	\$100.00	\$75.00	\$75.00	\$150.00	\$150.00	\$100.00	\$100.00
5	Aggregate Base, 6 inch	Syd	830	\$6.00	\$4,980.00	\$8.70	\$7,221.00	\$7.80	\$6,474.00	\$9.00	\$7,470.00
6	Dr Structure, Adj, Add Depth, Modified	Ft	1	\$300.00	\$300.00	\$750.00	\$750.00	\$470.00	\$470.00	\$485.00	\$485.00
7	Dr Structure Cover, Modified	Lb	330	\$1.25	\$412.50	\$2.27	\$749.10	\$1.10	\$363.00	\$1.50	\$495.00
8	Dr Structure, Cover, Adj, Case I, Modified	Ea	1	\$350.00	\$350.00	\$750.00	\$750.00	\$760.00	\$760.00	\$650.00	\$650.00
9	Hand Patching	Ton	2	\$250.00	\$500.00	\$135.00	\$270.00	\$94.00	\$188.00	\$94.00	\$188.00
10	HMA, 3C	Ton	65	\$65.00	\$4,225.00	\$92.00	\$5,980.00	\$84.00	\$5,460.00	\$84.00	\$5,460.00
11	HMA, 4C	Ton	65	\$70.00	\$4,550.00	\$105.00	\$6,825.00	\$94.00	\$6,110.00	\$94.00	\$6,110.00
12	Barricade, Type III, High Intensity, Lighted, Furn	Ea	2	\$50.00	\$100.00	\$50.00	\$100.00	\$125.00	\$250.00	\$125.00	\$250.00
13	Barricade, Type III, High Intensity, Lighted, Oper	Ea	2	\$1.00	\$2.00	\$50.00	\$100.00	\$1.00	\$2.00	\$1.00	\$2.00
14	Plastic Drum, High Intensity, Furn	Ea	14	\$20.00	\$280.00	\$50.00	\$700.00	\$18.00	\$252.00	\$18.00	\$252.00
15	Plastic Drum, High Intensity, Oper	Ea	14	\$1.00	\$14.00	\$50.00	\$700.00	\$1.00	\$14.00	\$1.00	\$14.00
16	Sign, Type B, Temp, Prismatic, Furn	Sft	100	\$5.50	\$550.00	\$1.00	\$100.00	\$3.00	\$300.00	\$3.00	\$300.00
17	Sign, Type B, Temp, Prismatic, Oper	Sft	100	\$1.00	\$100.00	\$1.00	\$100.00	\$1.00	\$100.00	\$1.00	\$100.00
18	Topsoil Surface, Furn, 4 inch	Syd	100	\$3.00	\$300.00	\$4.00	\$400.00	\$12.50	\$1,250.00	\$7.00	\$700.00
19	Hydroseeding	Syd	100	\$1.00	\$100.00	\$3.00	\$300.00	\$2.00	\$200.00	\$5.00	\$500.00
ENGINEERS ESTIMATE TOTAL				TOTAL	\$24,528.50		\$43,669.10		\$37,324.00		\$32,825.00
APPARENTLY LOW BIDDER											

Commission Meeting Date: May 24, 2016

Date: May 19, 2016
To: Honorable Mayor & City Commission
From: Planning & Economic Development Department
RE: Parkland Muskegon- City Property Agreements

SUMMARY OF REQUEST: The City of Muskegon ("City") entered into a Development Agreement ("Development Agreement") with Parkland Muskegon, LLC ("Parkland") on September 4, 2007. The Development Agreement was amended on March 26, 2013. It is now requested to enter into a Second Amendment to the Development Agreement. The Second Amendment removes Parkland's requirement to construct 24 new market housing units on the property adjacent to High Point Flats, and includes the sale of this property to the City, on the condition that the City builds a parking lot within twelve months of Closing on the property (as identified in Exhibit A-1). The parking lot will be available for the properties on the block, including High Point Flats and Ameribank. High Point Flats will be responsible for 60% of the annual costs related to the parking lot (and Ameribank will be responsible for 40%). In addition, Parkland is required to complete the exterior renovation of High Point Flats by June 30, 2017, as well as "use reasonable efforts" to complete the interior renovation by June 30, 2017 (which includes constructing 48 market rate housing units).

FINANCIAL IMPACT: The purchase price to the City for the property adjacent to High Point Flats is \$1.00. In addition, a special assessment in the amount of \$121,330.00 will be placed on the December 2016 property tax bill for High Point Flats. If \$3 million is spent by Parkland between the signing of the Development Agreement and June 30, 2017, the City will not exercise its rights to collect the special assessment and it will be discharged and deemed paid in full.

BUDGET ACTION REQUIRED: None.

STAFF RECOMMENDATION: To approve the "Agreement" between the City of Muskegon and Parkland Muskegon, LLC (see attached), as well as the "Second Amendment to Development Agreement" between the City of Muskegon and Parkland Muskegon, LLC (see attached) and authorize the Mayor and Clerk to sign all necessary documents, including closing documents at the time of sale. In addition, authorize staff to work with the City Attorney to develop "Exhibit B" and include that in the final "Second Amendment to Development Agreement".

AGREEMENT

THIS **AGREEMENT** is made this 18th day of May, 2016 ("**Agreement**"), by and between the **CITY OF MUSKEGON**, a Michigan municipal corporation (the "**City**"), whose address is 933 Terrace Street, Muskegon, Michigan 49441, and **PARKLAND MUSKEGON, LLC**, a Michigan limited liability company of 75 W. Walton Suite A, Muskegon, Michigan 49440, and **PARKLAND MUSKEGON, INC.**, a Michigan corporation whose address is 75 W. Walton Suite A, Muskegon, Michigan 49440 (collectively the "**Company**") (collectively the "**City**" and the "**Company**" may be referred to as the "**Parties**").

IT IS HEREBY AGREED AS FOLLOWS:

1. The Company and the City are parties to a certain Development Agreement, dated as of September 4, 2007, as amended by a certain First Amendment to Development Agreement dated as of March 26, 2013 (collectively the "**Development Agreement**"). The Parties have reached an agreement on the terms and conditions for a Second Amendment to the Development Agreement (see **Exhibit A**) ("**Second Amendment**").
2. The execution of the Second Amendment is contingent upon the Community Foundation for Muskegon County ("**Community Foundation**") reinstating the \$4.3 million loan commitment that was made to the Company for the Highpoint Flats development, under the same terms and conditions as the original commitment, within thirty (30) days from the date of execution of this Agreement. If the Community Foundation reinstates the loan, the Parties will execute the Second Amendment without modification, unless such modification is agreed to by both Parties in writing. If the Community Foundation does not reinstate the loan under the same terms and conditions as the original commitment, the Parties will not be required to execute the Second Amendment.
3. The Parties will work together to examine the opportunity for the project to receive an NEZ designation that will address the anticipated negative cash flows that is expected to be experienced within the first 15 years after completion. The obligations under this Agreement are contingent upon the Parties agreeing on a mutually acceptable plan prior to the execution of the Second Amendment.

THIS AGREEMENT IS HEREBY EXECUTED ON THE DATE IDENTIFIED ABOVE.

CITY OF MUSKEGON, a Michigan municipal corporation

By: _____

Its: _____

PARKLAND MUSKEGON, INC., a Michigan corporation

By: _____

Jonathan Rooks

Its: President

SECOND AMENDMENT TO DEVELOPMENT AGREEMENT

THIS **SECOND AMENDMENT TO DEVELOPMENT AGREEMENT** is made this ____ day of May, 2016 (the "**Second Amendment**"), by and between the **CITY OF MUSKEGON**, a Michigan municipal corporation (the "**City**"), whose address is 933 Terrace Street, Muskegon, Michigan 49441, and **PARKLAND MUSKEGON, LLC**, a Michigan limited liability company of 75 W. Walton Suite A, Muskegon, Michigan 49440, and **PARKLAND MUSKEGON, INC.**, a Michigan corporation whose address is 75 W. Walton Suite A, Muskegon, Michigan 49440 (collectively the "**Company**") (collectively the "**City**" and the "**Company**" may be referred to as the "**Parties**").

RECITALS

WHEREAS, the Company and the City are parties to a certain Development Agreement, dated as of September 4, 2007, as amended by a certain First Amendment to Development Agreement dated as of March 26, 2013 (collectively the "**Development Agreement**"). Unless otherwise defined herein, capitalized terms shall have the meaning given to them in the Development Agreement; and

WHEREAS, the Parties desire to enter into this Second Amendment for the mutual benefit of the Parties to cure any default of the Company under the Development Agreement, remove the construction of the 24 new market housing units on the adjacent properties from the Development Agreement, and transfer the adjacent properties to the City; and

WHEREAS, the Parties wish to further amend the Development Agreement on the terms and conditions set forth in this Second Amendment.

NOW, THEREFORE, THE PARTIES AGREE AS FOLLOWS:

1. **INCORPORATION OF RECITALS AND DEFINED TERMS.** The above recitals are hereby incorporated into this Second Amendment as if fully set forth herein.

2. **COMPANY AGREEMENT.** The following subsections in Paragraph 2 of the Development Agreement are amended to read as follows:

"2.1 Redevelopment of the former Hackley Bank Building, at the corner of 1st Street and Western Ave. in downtown Muskegon, an 8 story structure constructed in 1916, to be renovated and adaptively reused as 48 market rate housing units (the "**Project**")."

"2.3 Unless otherwise amended by this Second Amendment, the performance of all other undertakings set forth in this application."

"2.4 Unless otherwise amended by this Second Amendment, the Company shall improve the properties and improvements, in accordance with the Renaissance Zone proposal submitted by Parkland Muskegon, LLC."

3. **SALE TO THE CITY.** The Company will sell the adjacent properties, more particularly described in the attached **Exhibit A -1** (the “**Property**”), to the City, provided the City builds a parking lot within twelve (12) months of Closing in the area identified in **Exhibit A-2** (the “**HPF Lot**”). At Closing, the City shall grant the Company a non-revocable, appurtenant, perpetual and exclusive easement for forty-seven (47) parking spaces, minimum 9.5’ (wide) x 20’ (long), on, above, or between the HPF Lot and the adjacent alley running along the edge of the City owned Clay Avenue property, as more particularly shown in Exhibit A-2, to be used by the Company, its guests, residents, tenants, and owners for parking at the Project. In addition, the City agrees to grant the Company, its guests, residents, tenants and owners a non-revocable, appurtenant, perpetual and exclusive easement to the portion of the parking lot being built between Clay Avenue and the alley, as more particularly described in Exhibit A-2 (the “**Clay Lot**”)(collectively the “HPF Lot” and the “Clay Lot” are referred to as the “**City Parking Lot**”), with approximately fifty (50) more parking spaces, during all times, except business hours (“**Business Hours**” are defined as Monday to Friday, 9:00 am to 5:00 pm, except legal holidays). Only the Company, its guests, residents, tenants and owners, and the office employees or residential dwelling occupants of the neighboring 880 1st Street (former Ameribank Building), may use the Clay Lot, and no retail or other user parking will be permitted. The City Parking Lot will have at least ninety (90) spaces.

4. **GARAGES AND ENTRANCE.** In addition to the easements identified in paragraph 3 above, the City will grant the Company a non-revocable, appurtenant, perpetual and exclusive easement to build four (4) garages and an entrance to the Project, as more particularly described in the attached **Exhibit B**, for exclusive use by the Company, its guests, residents, tenants and owners.

5. **COST SHARING.** The Company and the owner of the neighboring 880 1st Street building (“**Ameribank**”) will share the costs of decoration, maintenance, repair and replacement of the City Parking Lot, on a 60/40 basis, where the Company will be responsible for 60% of all annual costs and Ameribank will be responsible for 40% of all annual costs.

6. **CLOSING.** Subject to the other provisions of this Amendment, the “**Closing**” of the transaction contemplated in paragraph 3 will be held at a date and time agreed to by the Parties, within thirty (30) days after the Company has received approval from the MEDC under Paragraph 11 of this Second Amendment. If the Parties are not able to agree on such a date and time, the closing will be at 2:00 p.m. on the 30th day, or the next business day if the 30th day is a holiday or weekend. The closing shall not be held any later than September 1, 2016.

7. **PURCHASE PRICE.** The “**Purchase Price**” for the Property is One Dollar (\$1.00). No earnest money deposit has been paid or is required in connection with this transaction.

8. **DEED.** At Closing, the Company will execute and deliver a warranty deed conveying fee simple title to the Property to the City, free and clear of all liens and debts, and subject only to encumbrances, reservations, restrictions, and other matters of record, and the deed restrictions for parking described in paragraph 3 of this Second Amendment (the “**Deed**”). The City will prepare and record the easement documents described above.

9. **CONSTRUCTION TIMELINE.** The Company shall complete the exterior renovation of the Project by June 30, 2017, which will include replacing or repairing the exterior walls, windows, panels, doors and entry ways of the Project. The Company shall use reasonable efforts to also complete the interior renovation of the Project by June 30, 2017, which will include constructing 48, market rate housing units; however, it may have until June 30, 2018 if it cannot reasonably complete the renovation by this deadline.

10. **SPECIAL ASSESSEMENT.** A special assessment in the amount of \$121,330.00 will be placed on December 2016 property tax bill of the property located at 285 West Western Avenue, however, if \$3.0 Million is spent between the signing of this agreement and June 30, 2017, the City will not exercise its rights to collect the special assessment, and the special assessment will be discharged and deemed paid in full. Nothing contained in this provision admits Company's liability for the assessment in the event this Second Amendment terminates due to the Contingency in Paragraph 11 not being satisfied.

11. **CONTINGENCY.** The obligations of the Parties under this Second Amendment are contingent upon the Michigan Economic Development Corporation or its agent (collectively the "MEDC") approving (by no later than July 6, 2016) the amendments to the previously approved incentives for the Project to allow for the removal of the 24 unit addition from the scope of the Project, as noted in paragraph 2.1 above, an extension of the Completion Date for the 48 units in the tower, as noted in paragraph 9 above, and the substitution of commercial space into the basement level of the Project (to be developed at a later date by the Company, a tenant, or an unaffiliated entity). The City agrees to actively support the Company in its request.

12. **MISCELLANEOUS.**

12.1 Entire Agreement. This is the entire agreement between the Parties regarding the subject matter of this Amendment. It may not be modified or amended except in a written Amendment executed by both Parties.

12.2 Improvements. The Development Plan description included in Exhibit C of the Development Agreement shall be amended to reflect the description included in Section 2.1 above.

12.3 Construction. The terms of this Second Amendment amend and modify the Development Agreement as if fully set forth in the Development Agreement.

12.4 Ratification. All other provisions of the Development Agreement not specifically modified by this Second Amendment are preserved, confirmed and shall remain in full force and effect.

12.5 Counterparts. This Amendment may be signed in counterparts and delivered electronically or by facsimile, and each such counterpart and delivery will be a binding and valid execution and delivery of this Amendment.

12.6 Binding Nature. This Amendment shall be binding upon the Parties and their subrogees, successors, and permitted assigns.

12.7 Legal Counsel. Each of the Parties had the advice of legal counsel (or an opportunity to obtain the same) before entering into this Amendment and it is to be interpreted as if it were mutually drafted.

12.8 Authority. Each of the undersigned who execute this document on behalf of an entity represent and warrant that they are authorized by the appropriate agents, members, managers, directors or stockholders of the entity for the purpose of binding the entity to the obligations of this Amendment.

THIS AMENDMENT IS HEREBY EXECUTED ON THE DATE IDENTIFIED ABOVE.

CITY OF MUSKEGON, a Michigan municipal corporation

PARKLAND MUSKEGON, INC., a Michigan corporation

By: _____

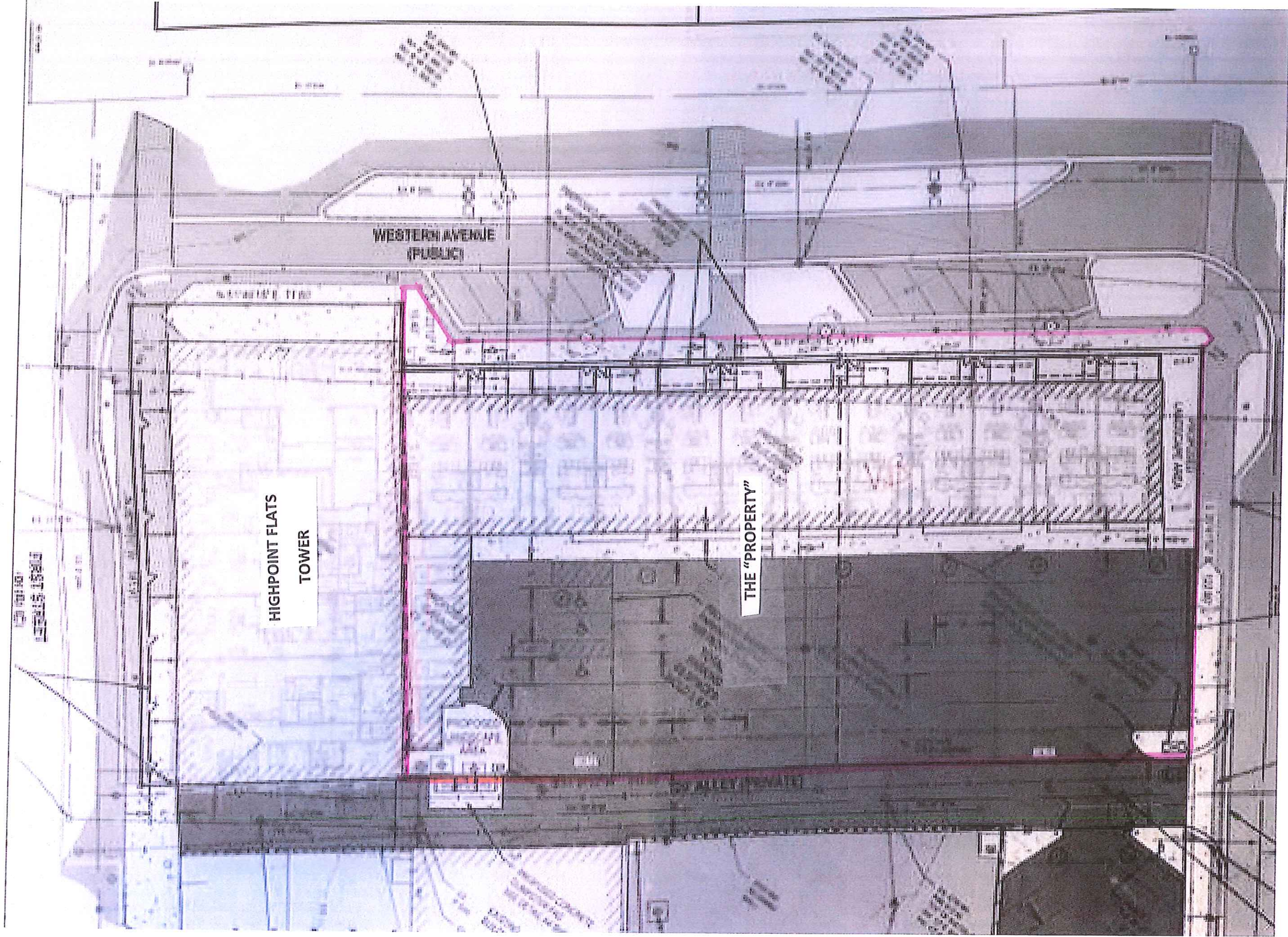
Its: _____

By: _____

Jonathan Rooks

Its: President

EXHIBIT A-1



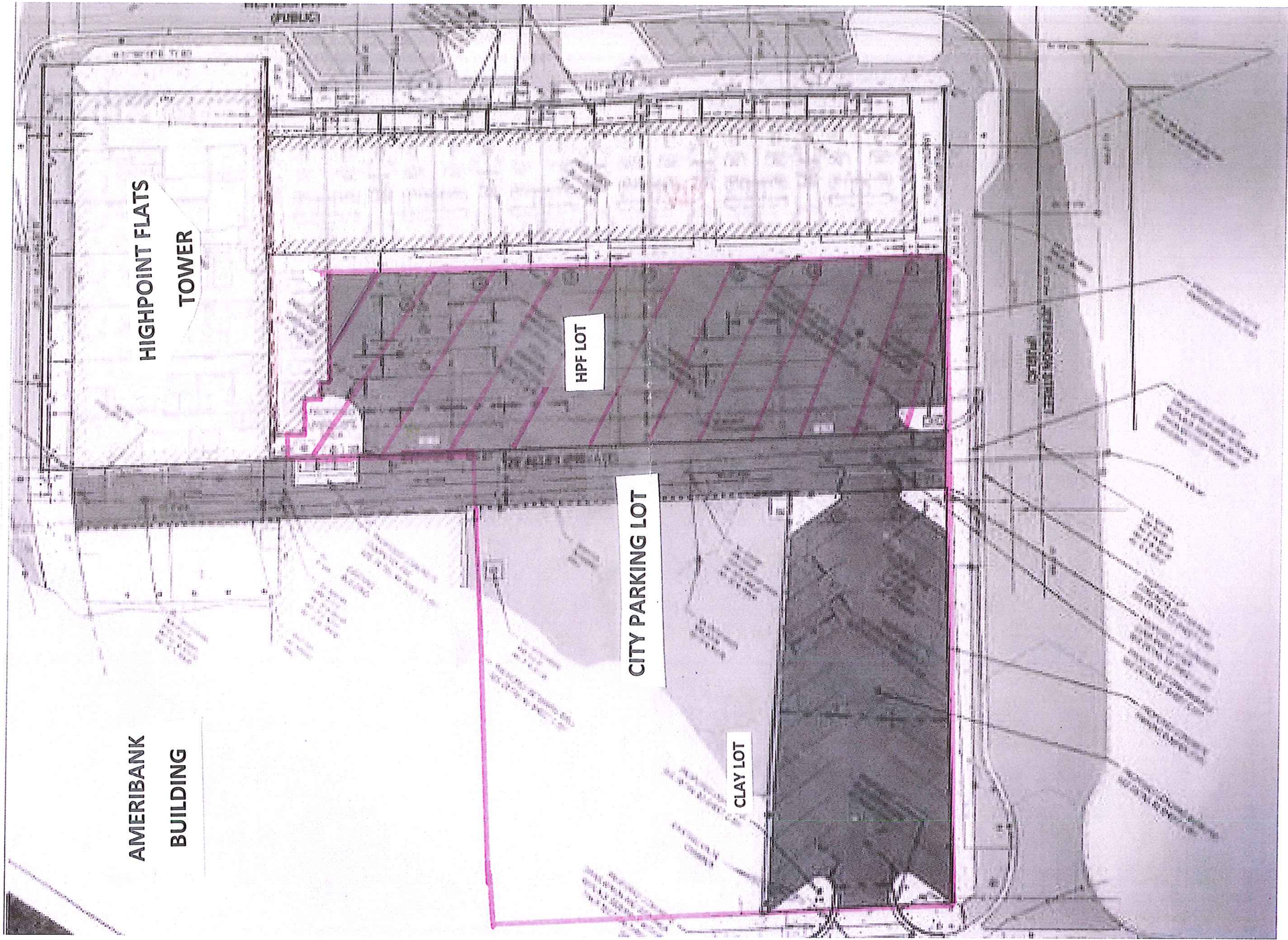
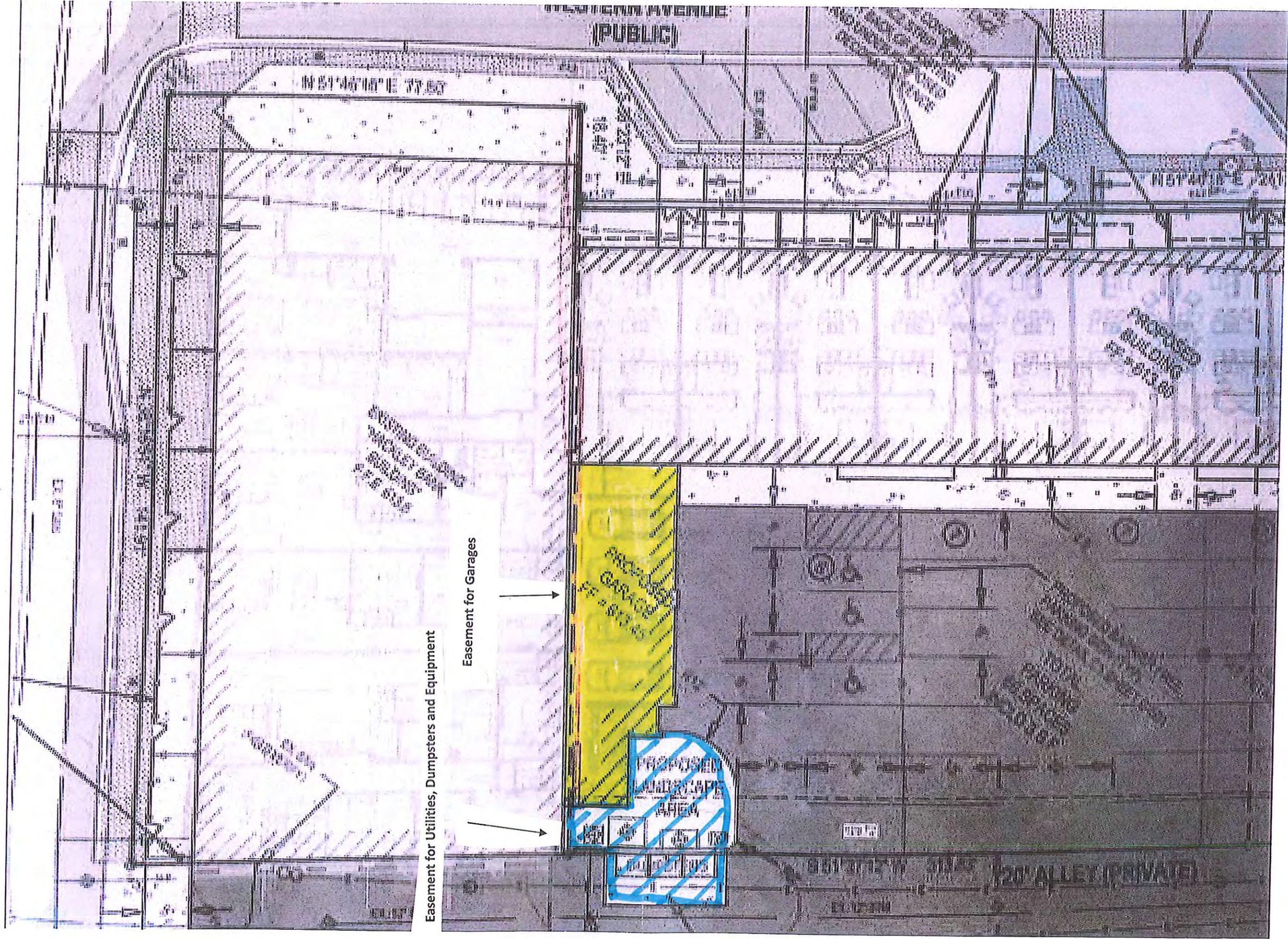


EXHIBIT B



DEVELOPMENT AGREEMENT
CITY OF MUSKEGON RENAISSANCE ZONE

THIS IS AN AGREEMENT between the CITY OF MUSKEGON, a municipal corporation, of 933 Terrace Street, Muskegon, Michigan 49441 ("City") and Parkland Muskegon, LLC, a limited liability corporation, of 600 Monroe St, Suite 406, Grand Rapids, Michigan 49503 ("Company").

Recitals:

- A. The City has an established Renaissance Zone. The Company desires to acquire property within the Renaissance Zone. The City deems this Agreement to constitute a necessary element in the City's determination regarding the location of the Company in the Renaissance Zone.
- B. The Company intends to install the projects set forth in its Application (Attached as Exhibit C) for Renaissance Zone location and approval. The Company understands that the City relies upon the undertakings of the Company in the Agreement to establish and to continue the Company's status as a Renaissance Zone Company.

NOW THEREFORE THAT PARTIES AGREE:

- 1. **DOCUMENTS ATTACHED.** Included in this Agreement are the following documents which have been collected and relied upon by the parties:

- Exhibit A Copy of the Renaissance Zone Act, as amended to date.
- Exhibit B City of Muskegon Extension of Time Period For Existing Renaissance Zone Parcels
- Exhibit C The application for Renaissance Zone Designation filed by Parkland Muskegon, LLC.
- Exhibit D Special Assessment Agreement.

- 2. **COMPANY AGREEMENT.** The Company agrees to the following commitments which it shall perform in a timely and reasonably acceptable manner:

- 2.1 The improvement, to comply with all construction codes, of the former Comerica building, 285 W Western, for said purposes. The first phase of the redevelopment will consist of rehabilitation of the former Comerica building to create market-rate housing units for rent or sale. The ground

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floor will be rehabilitated to accommodate commercial business. The second phase will consist of constructing bi-level mixed-use buildings that will serve as commercial and residential. These will be constructed on the vacant lots to the east of the former Comerica building. The second phase will begin after completion of the first phase.

- 2.2 Private investment in the amount of at least \$3,000,000 within five (5) years from the date of the property's designation of Renaissance Zone extension status by the State of Michigan, pursuant to paragraph 2.7.
 - 2.3 The performance of all other undertakings set forth in the application.
 - 2.4 Assurance and completion of the payment of all real and personal property taxes due for all years prior to the creation of the Renaissance Zone on the properties.
 - 2.5 Cooperation with City representatives to supply all requested and required documentation necessary in the City's reasonable judgment to determine compliance with the undertakings set forth in this Agreement and its attachments.
 - 2.6 The Company shall take all required precautions to avoid the release of any hazardous substance in violation of any environmental law on its premises, and shall report any releases to the appropriate authority in a timely and complete manner as required by law, providing copies of said documentation to the City. Subject to its rights to contest any proposed orders and actions, the Company shall comply with all orders and actions of any governmental agency having authority.
 - 2.7 The Company shall improve the properties and improvements, in accordance with the Renaissance Zone proposal submitted by Parkland Muskegon, LLC.
 - 2.8 The Company shall maintain the equipment and improvements so as to minimize physical or functional obsolescence.
3. AGREEMENT BY THE CITY. Provided this Agreement has been executed and further provided all applications concerning Renaissance Zone status have been properly filed, the City shall, in a timely manner, proceed with the appropriate meetings or applications including as necessary the State of Michigan Renaissance Zone Review Board, and with all local review entities by law. The City may consider this agreement in a meeting separate from and prior to the meeting in which the City or any entity considers the creation of the district or approval of the application for Renaissance Zone extension status.

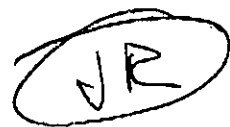
4. EVENTS OF DEFAULT. The following actions or failures to comply, subject to events of force majeure, shall be considered events of default by the Company if not cured within sixty (60) days after receipt of written notice from the City of such act or failure to comply.

- 4.1 Failure to meet any of the commitments set forth above.
- 4.2 Failure to afford to the City the documentation and reporting required.
- 4.3 Failure to expend the funds on equipment and improvements as represented in the attachments within the times required hereby.
- 4.4 The bankruptcy or insolvency of the Company.
- 4.5 The failure to pay any taxes other than those exempted by the Renaissance Zone Act, and the failure to pay any special assessments levied on the Company's property timely after levy or final appeal.
- 4.6 The violation of any provisions, promises, commitments, considerations or covenants of this Agreement.

5. REMEDIES ON DEFAULT. In the event that 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. The amounts due by reason of the exercise of the remedies, shall be payable by a special assessment as outlined in the attached Special Assessment agreement.

- 5.1 In the event of default and after investigation of the facts and a public hearing, the Company shall be immediately liable for the amounts below, to be paid forthwith to the City, and the Renaissance Zone status of the Company shall be revoked or void, with the following consequences:

- 5.1.1 The Company shall begin making payments, as outlined in the attached Special Assessment agreement, to the City, the amount of \$9,333.33 per year. The assessment will not be charged during the first two years, pending partial completion of the proposed project. Partial completion of the project will be met once 10% of the total project cost (\$300,000) is spent on either hard or soft costs. If partial completion has not been made within the first two years, the Company shall be liable for payment of the assessment for those two years plus future year's assessments.
- 5.1.2 The Company shall pay to the State of Michigan all amounts of the corporate income tax which have been abated under the Renaissance Zone Act, if any.



5.1.3 The Company shall immediately pay to the City any corporate City income tax which have been abated under the Renaissance Zone Act, if any.

5.2 Failure to Install Improvements. In the event the improvements, renovations and the equipment have not been completed or installed by the time set forth in the attachments, the Special Assessment shall be paid to the City.

5.3 Failure to Expend the Funds Represented. In the event the improvements, renovations and the equipment have not been completed or installed by the time set forth in the attachments, the Special Assessment shall be paid to the City.

5.4 Other Violations. For any material violations of this Agreement, the City reserves the right to seek declaration by a court entity with authority that the Special Assessment shall be paid to the City.

5.5 Special Assessment. For any amount to be paid to the City as a result of default by the Company, 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.

5.6 City Considerations for Determination in Matters of Default. The City shall consider the following factors, but the determination to invoke remedies are the sole and reasonable discretion of the City:

5.6.1 The economic conditions, if any, reasonably known to the City, which are found to be directly related to the default or circumstance causing the proposed action by the City.

5.6.2 The performance of the Company in meeting the commitments and requirements of the Application, the submitted materials, and the provisions of the Certificate and this Agreement.

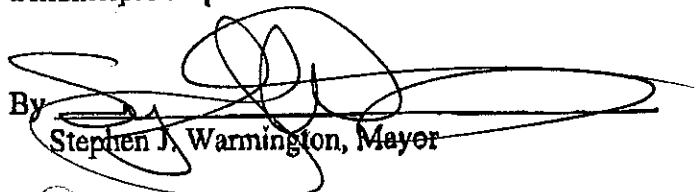
5.6.3 Whether the effect on the City's finances of the Company's actions is material and substantial.

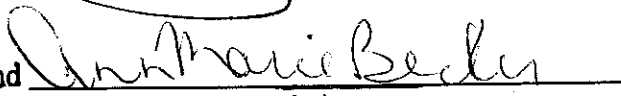
5.6.4 Whether the circumstance affecting the status of the Company was created by occurrences beyond the control of the Company or could reasonably have been avoided, and, in particular, whether the Company could economically and feasibly continue to perform as required by this Agreement.

JP

6. 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, and in particular the Renaissance Zone Act of the State, as amended.
7. 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. Benefits. 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 grants the Renaissance Zone designation.
9. Invalidity. In the event any provision of this agreement is declared invalid by a court or tribunal having competent jurisdiction, the remainder of the agreement shall remain in full force and effect.

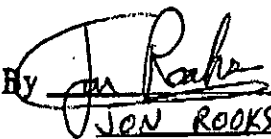
CITY OF MUSKEGON,
a municipal corporation

By 
Stephen J. Warmington, Mayor

and 
Ann Marie Becker, Clerk

Dated: September 4, 2007

Parkland Muskegon, LLC
a Limited Liability Corporation

By 
JON ROOKS, Its member

Dated: AUG 21, 2007

FIRST AMENDMENT TO DEVELOPMENT AGREEMENT

THIS FIRST AMENDMENT TO DEVELOPMENT AGREEMENT, is made as of March 26, 2013 (the "First Amendment"), by and among CITY OF MUSKEGON, a municipal corporation (the "City"), whose address is 933 Terrace Street, Muskegon, Michigan 49441, and PARKLAND MUSKEGON, LLC, a Michigan limited liability company, whose address is 940 Monroe Ave NW, Suite 155, Grand Rapids, Michigan 49503 and PARKLAND MUSKEGON, INC., a Michigan corporation, whose address is 940 Monroe Ave NW, Suite 155, Grand Rapids, Michigan 49503 (collectively, the "Company").

RECITALS:

WHEREAS, Parkland Muskegon, LLC and the City are parties to a certain Development Agreement, dated as of September 4, 2007 (the "Development Agreement"). Unless otherwise defined herein, capitalized terms shall have the meaning given to them in the Development Agreement; and

WHEREAS, the property subject to the Development Agreement was originally acquired by Parkland Muskegon, LLC and subsequently transferred to a separate legal entity, Parkland Muskegon, Inc., in order to complete the proposed project; and

WHEREAS, the parties desire to enter into this First Amendment, for the mutual benefit of the parties, to add Parkland Muskegon, Inc. as one of the Developers subject to the Development Agreement; and

WHEREAS, Company and the Authority wish to further amend the Development Agreement on the terms and conditions set forth in this First Amendment.

NOW, THEREFORE, THE PARTIES AGREE AS FOLLOWS:

1. **INCORPORATION OF RECITALS AND DEFINED TERMS.** The above recitals are hereby incorporated into this First Amendment as if fully set forth herein.

2. **COMPANY AGREEMENT.** The following subsections in Paragraph 2 of the Development Agreement are amended to read as follows:

2.1 Redevelopment of the former Hackley Bank Building, at the corner of 1st Street and Western Ave in downtown Muskegon, an 8-story structure constructed in 1916, to be renovated and adaptively reused as 48 market rate housing units, plus construction of 24 new market rate housing units added on two levels on the adjacent property, for a total of approximately 72 market rate housing units (the "Project").

2.2 Private investment in the Project of at least \$3,000,000 by 12/31/2015.

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2.3 Unless otherwise amended by this First Amendment, the performance of all other undertakings set forth in the application.

2.4 Unless otherwise amended by this First Amendment, the Company shall improve the properties and improvements, in accordance with the Renaissance Zone proposal submitted by Parkland Muskegon, LLC.

3. **ADDITION OF DEVELOPER.** Parkland Muskegon, Inc. shall be added as a party to the Development Agreement.

4. **EVENTS OF DEFAULT.** Paragraph 4 of the Development Agreement is amended to provide the Company one hundred twenty (120) days to cure an event of default after receipt of written notice from the City of such act or failure to comply.

5. **MISCELLANEOUS.**

5.1 Improvements. The Development Plan description included in Exhibit C of the Development Agreement shall be amended to reflect the project description included in Section 2.1 above.

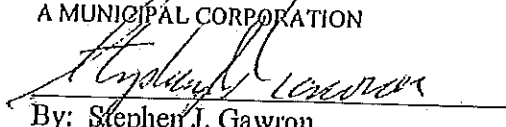
5.2 Construction. The terms of this First Amendment amend and modify the Development Agreement as if fully set forth in the Development Agreement.

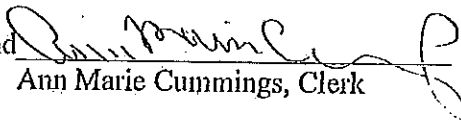
5.3 Ratification. All other provisions of the Development Agreement not specifically modified by this First Amendment are preserved, confirmed and shall remain in full force and effect.

5.4 Counterparts. This First Amendment may be executed in counterparts, each of which shall constitute an original although not fully executed, but both of which taken together shall constitute a single instrument. The signature page of either counterpart may be detached from the other counterpart without impairing the legal effect of the signatures thereon. Counterpart signature(s) by facsimile or email, or signatures on facsimile or scanned/emailed signature page(s) of this First Amendment, are expressly permitted.

IN WITNESS WHEREOF, the parties have caused this First Amendment to be executed this 26th day of March, 2013, as follows:

CITY OF MUSKEGON,
A MUNICIPAL CORPORATION


By: Stephen J. Gawron
Its: Mayor

and 
Ann Marie Cummings, Clerk

PARKLAND MUSKEGON, LLC


By: Jon Rooks
Title: Member

PARKLAND MUSKEGON, INC.


By: Jon Rooks
Title: President

Commission Meeting Date: May 24, 2016

Date: May 18, 2016
To: Honorable Mayor & City Commission
From: Planning & Economic Development Department
**RE: Ameribank Building- Option Agreement between
the City of Muskegon and Port City Construction
& Development Services, LLC**

SUMMARY OF REQUEST: The City issued a Request for Proposal for the former Ameribank Building at 800 First Street. One viable proposal was received by the deadline of March 31, 2016. Staff has met with the proposed purchaser and an Option Agreement has been prepared between the parties (see attached). The term of the Option is through October 1, 2016, with an extension possible through January 1, 2017. The option is for 800 First Street, which will be returned to production use as a mixed-use commercial and residential development. The purchase price is \$1.00, plus a total earnest money deposit of \$20,000 (to be returned to the purchaser upon completion of the project). In addition, the City will offer a loan of \$100,000 in support of the project. The City will develop surface parking on adjacent lots (208 & 216 Clay Avenue). The parking will be shared with other developments on the block, with 40% of the maintenance costs to be paid by the purchaser.

FINANCIAL IMPACT: Although the purchase price for the building is minimal, the building will be renovated and put back into production use and its occupants will generate taxes for the City in the future.

BUDGET ACTION REQUIRED: None.

STAFF RECOMMENDATION: To approve the Option Agreement between the City of Muskegon and Port City Construction & development Services, LLC and authorize the Mayor and Clerk to sign all necessary documents, including closing documents at the time of sale.

OPTION AGREEMENT FOR PURCHASE OF REAL PROPERTY

THIS OPTION AGREEMENT ("Agreement") made and entered into by and between the City of Muskegon ("City", "Seller") and Port City Construction & Development Services, LLC, on behalf of an entity to be formed ("Purchaser"), to be effective as of the date it is signed by the City.

BACKGROUND

- A. Seller is the fee simple owner of three parcels of real property situated in the County of Muskegon in the State of Michigan having the street addresses of 880 First Street (Parcel I), 216 Clay Avenue (Parcel II), and 208 Clay Avenue (Parcel III), as shown on the diagram attached as Exhibit A.
- B. Purchaser has submitted a proposal to develop Parcel I and return it to productive use as a mixed-use commercial and residential development in conformance with the land use plan of the City of Muskegon.
- C. Purchaser requires an option to purchase Parcel I in order to provide certitude in its planning process to redevelop the parcel and invest approximately \$6,000,000 in the project.
- D. Seller is willing to grant Purchaser an option to purchase Parcel I upon the terms set forth in this Agreement.

AGREEMENT

In reliance on the above facts and the mutual promises expressed in this document, **the parties agree as follows:**

1. **Definitions.** For the purposes of this Agreement, the following terms shall have the following meanings:
 - 1.1. "Effective Date" shall mean the day the City signs this Agreement;
 - 1.2. "Option Fee" shall mean the total sum of Five Thousand dollars (\$5,000.00)
 - 1.3. "Option Term" shall mean that period of time commencing on the Effective Date and ending on or before October 1, 2016, unless the Option Term is extended by mutual agreement of the parties;
 - 1.4. "Option Exercise Date" shall mean that date, within the applicable Option Term, upon which the Purchaser shall send its written notice to Seller exercising its Option to Purchase;
 - 1.5. "Closing Date" shall mean the day agreed upon between the parties to close the purchase of the Parcel.
2. **Grant of Option.** In exchange for the Option Fee payable to Seller, Seller grants to Purchaser the exclusive right and Option ("Option") to purchase the Parcel upon the terms and conditions as set forth in this Agreement.

3. **Due Date of Option Fee Payment.** Within 3 days of the Effective Date, Purchaser agrees to deliver the Option Fee to the Seller.
4. **Exercise of Option.** Purchaser may exercise its exclusive right to purchase Parcel I at any time during the Option Term by giving written notice to Seller. The date of delivery of said notice shall be the Option Exercise Date. In the event the Purchaser does not exercise its exclusive right to purchase the Parcel during the Option Term, Seller shall be entitled to retain the Option Fee, and this agreement shall then become null and void and neither party shall have any further liability, obligation or duty to the other under this Agreement.
5. **Extension of the Option Term.** The Purchaser may extend the Option Term for an additional three months (to January 1, 2017) prior its expiration by paying an additional \$2,000 to the Seller as an additional Option Fee payment.
6. **Contract for Purchase and Sale of the Parcels.** In the event Purchaser exercises its exclusive Option as provided for in Paragraph 4, Seller and Purchaser agree to enter into a binding Purchase and Sale Contract which shall contain the following terms and conditions:
 - 6.1. Purchase Price. The purchase price for Parcel I shall be the sum of \$1.00, plus a total earnest money deposit of \$20,000. Upon completion of the project, the Seller will return to the Purchaser the earnest money deposit. The Option Fee shall be deemed a down payment on the Purchase Price of the Parcel and shall be applied at the Closing of the purchase of Parcel I.
 - 6.2. Closing Date. The closing date shall be 60 days after Purchaser exercises its Option or any other date agreed to by the Seller and Purchaser.
 - 6.3. Parking. The Seller shall create surface parking on some or all of Parcels II and III in support of the development of Parcel I and adjacent developments in a location between Jefferson Avenue and First Street, Clay Avenue and Western Avenue.
 - 6.4. Closing Costs. The costs of closing the purchase transaction(s) shall be borne by the Purchaser, other than costs which are related to certifications or filings required by the Seller and the Seller's legal fees in connection with this Option and the Purchase.
 - 6.5. Post-Closing Construction. Purchaser shall commence renovations of the Parcel within 60 days of the Closing and shall make reasonable continual progress until completion.
7. **Other Conditions of the Purchase**
 - 7.1. If by the end of the Option Term, Levels Two and Three of the building on the Parcel are not under contract to sell (as a condominium unit) or lease (as a corporate office space) to one or more entities acceptable to Seller, neither party shall have any obligation to close the purchase.
 - 7.2. The environmental survey performed on behalf of the Seller is provided to the Purchaser at no cost to the Purchaser.
 - 7.3. Any additional property surveys, studies or structural information in the Seller's possession shall be provided to the Purchaser at no cost to the Purchaser.
 - 7.4. The City Commission shall consider approving an Obsolete Property Certificate for 12 years, subject to approval by the Michigan Economic Development Corporation for the Parcel.

- 7.5. The Seller will offer a loan of \$100,000 in support of the project, under terms and conditions to be determined.
- 7.6. The Seller will assist and support the Purchaser with other financial and economic incentives (such as a Brownfield overlay) with the purpose of enhancing the viability of the project.
- 7.7. The Seller will cooperate with and assist the Purchaser in obtaining a grant through the Michigan Community Revitalization Program.
- 7.8. The Seller will develop surface parking as provided in Section 6.3 and install curb cuts for the surface parking. Seller and Purchaser shall enter into an agreement of appropriate form regarding adequate spaces for use of the tenants/residents in the Purchaser's development, including assumption of 40% of the cost of maintenance following receipt of an occupancy certificate.
8. **Default by Purchaser; Remedies of Seller.** In the event Purchaser, after exercise of the Option, fails to proceed with the closing of the purchase of the Parcels consistent with the terms and provisions of this Agreement or as described in the Purchase and Sale Contract, Seller shall be entitled to retain the Option Fee as liquidated damages and shall have no further recourse against Purchaser;
9. **Default by Seller; Remedies of Purchaser.** In the event Seller fails to close the sale of the Parcel consistent with the terms and provisions of this Option Agreement or as described in the agreed-to Purchase and Sale Contract for a reason other than non-approval of the prospective owner(s) or tenant(s) of Floors Two and Three, Purchaser shall be entitled to the return of the Option Fee and to reasonable costs incurred by the Buyer in reliance on Seller's promises regarding the Sale of the Parcel.

10. MISCELLANEOUS.

- 10.1. Execution by Both Parties. This Agreement shall not become effective and binding until fully executed by both Purchaser and Seller.
- 10.2. Notices. To be effective, all notices, demands and/or consents related to the Agreement shall be in writing and shall be delivered in person to the parties by hand or by a national carrier which obtains a receipt for its delivery to the addressee.
- 10.3. Addresses. Notices and communications shall be addressed to the parties as follows, or at such other address as either may specify to the other in writing.

If to the Purchaser

**Port City Construction &
Development Services, LLC**

Attention: Gary Post
360 West Western Avenue, Suite M
Muskegon, MI 49440

With a copy to:

Philip M. Stoffan
Philip M. Stoffan, PLC
318 Houston Avenue
Muskegon, MI 49441

If to the Seller

City of Muskegon

Attention: Frank Peterson
City Manager
933 Terrace Street
Muskegon, MI 49443

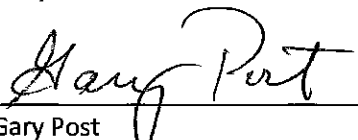
with a copy to:

John C. Schrier
Parmenter O'Toole, PC
601 Terrace Street
Muskegon, MI 49443

- 10.4. Governing Law. This Agreement shall be governed by and construed in accordance with the laws of the State of Michigan.
- 10.5. Successors and Assigns. This Agreement shall apply to, inure to the benefit of and be binding upon and enforceable against the parties and their respective successors, and or assigns, to the extent as if specified at length throughout this Agreement. Specifically, the Purchaser may assign its rights and obligations under this Agreement for an entity formed for the purpose of developing the Parcels, subject to Seller's acceptance, which will not be unreasonably withheld. Parties recognize that the acceptance or rejection will include analysis of the tenant/owner of the second and third floor of the building.
- 10.6. Maintenance of Parcel I. During the term of the Option, Purchaser shall make reasonable good faith efforts to control the existing landscaping (mowing, shrub trimming, etc.)
- 10.7. Cost of this Agreement. Any cost and/or fees incurred by the Purchaser or Seller in executing this Agreement shall be borne by the respective party incurring such cost and/or fee.
- 10.8. Entire Agreement. This Agreement contains all of the terms, promises, covenants, conditions and representations made or entered into by or between Seller and Purchaser, with the exception of the contents of Purchaser's Proposal which is incorporated by reference, and supersedes all prior discussions and agreements whether written or oral between Seller and Purchaser with respect to the Option and all other matters it contains.
- 10.9. Modification. This Agreement may not be modified or amended unless such amendment is set forth in writing and executed by both Seller and Purchaser with the formalities hereof.
- 10.10. Counterparts. This Agreement may be executed in one or more counterparts, each of which shall be deemed an original document and all of which taken together shall be deemed to be a single document.

Committing themselves to abide by these terms, the parties have caused this Agreement to be executed by their duly authorized representatives, each on the date shown below their signatures.

For the Purchaser entity to be formed later:
**Port City Construction & Development
Services, LLC**

By 
Gary Post
Authorized Manager
On May 17, 2016

For the City (Seller):
City of Muskegon

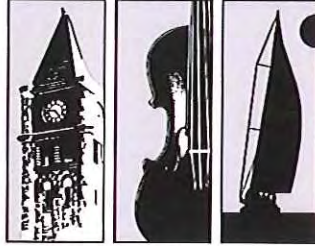
By _____
Stephen Gawron
Mayor

On _____

By _____
Ann Marie Meisch
City Clerk

On _____

MUSKEGON



West Michigan's Shoreline City
www.shorelinecity.com

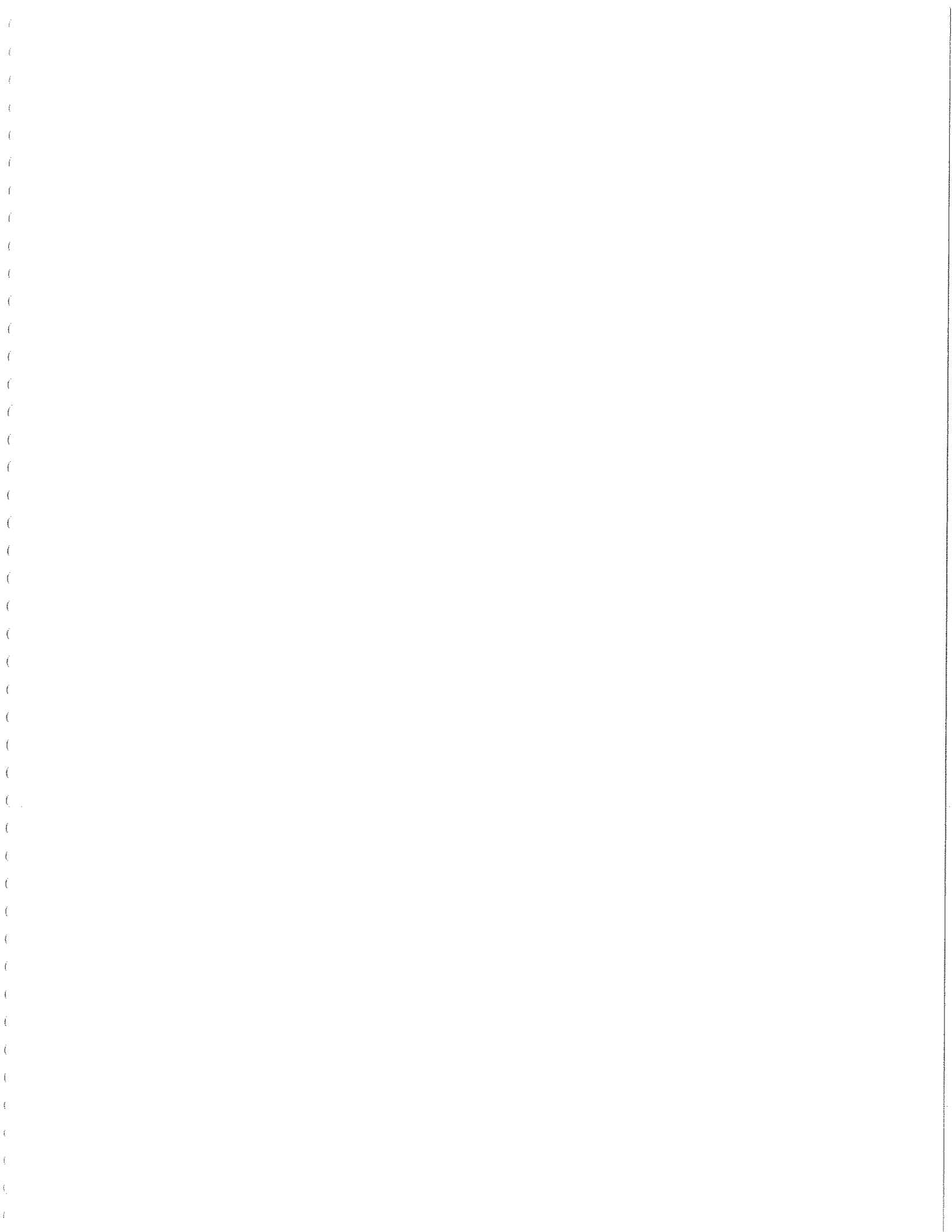


AMERIBANK BUILDING REDEVELOPMENT

Proposal – March 31, 2016



PORT CITY
CONSTRUCTION & DEVELOPMENT SERVICES, LLC



AMERIBANK BUILDING REDEVELOPMENT

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Part A: Company Information

BASIC INFORMATION:

Names:	Gary Post & Kevin Donovan	Company: Port City Construction & Development Services, LLC
Address:	360 W. Western Avenue, Suite M	City, State, Zip: Muskegon, MI 49440
Email:	gpost@portcitycds.com kdonovan@portcitycds.com	Phone: 231-578-2033 (m) 231-571-2033 (m)
Area of Specialty:	Construction Management & Development	Experience: Combined 80+ Years

AMERIBANK BUILDING REDEVELOPMENT

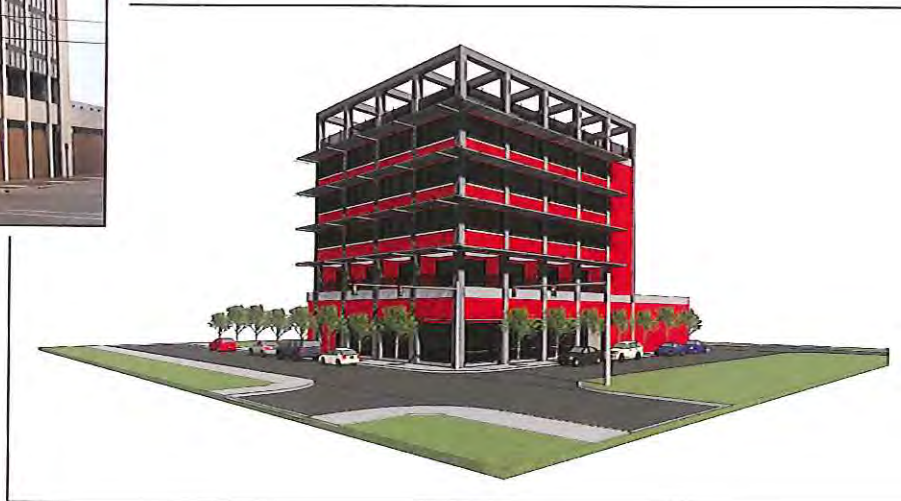
Part B: Statement of Interest

In response to the City's Request for Proposal dated March 1, 2016, Port City Construction & Development Services, LLC is sincerely interested in redeveloping the Ameribank Building located at 880 First Street in downtown Muskegon. To accomplish this challenging task, we have assembled a team of local professionals including Hooker DeJong Architect | Engineers, J. Nedeau Realtor, Inc. and Jonathan Witmer as a finance and grant consultant. In addition, we believe the City's involvement and collaboration with the redevelopment of this facility is necessary to ensure its success – and invite the City to participate as part of the redevelopment team. However, our intent is not to simply work with the City, but to lead the City and the rest of the team through the process that results in the successful, third-generation redevelopment of this long-vacant property and returns it to a job- and income-generating facility in Muskegon's urban core.

Part C: Development Concept



**Rendering of
Redeveloped Building**



Our concept for redevelopment of this building is consistent with the City's vision – a mixed-use development including retail and entertainment on the main floor, commercial office use on the second and third floors and market-rate residential apartments on the fourth and fifth floors.

AMERIBANK BUILDING REDEVELOPMENT

As indicated in the Request for Proposal, the original building was built in 1923 and went through a major remodeling in 1972. We believe the 1972 remodeling involved complete removal of the original façade and replacement of that with the precast panels and curtainwall system now in place. We essentially propose to do the same again – remove the precast panels and existing curtainwall system and replace with a modern building envelope system.

A preliminary breakdown of the project and its intended use follows:

- Lower Level	8,294 s.f.	Parking
	5,934 s.f.	Storage, Mechanical, Support Services
- Main Floor	1,674 s.f.	Common space
	12,334 s.f.	Retail, Entertainment and Commercial
- 2 nd & 3 rd Floors	2,336 s.f.	Common Space & Terrace
	9,064 s.f.	Commercial Office Space
- 4 th & 5 th Floors	Ten Market-Rate Apartments of 763 s.f. to 930 s.f. each	

Creating a roof-top entertainment / recreational space on either or both roof levels would be considered along with any other improvements or amenities that would enhance the overall development.

We believe the City of Muskegon's involvement and participation for redevelopment of this property is critical for several reasons. First, there are no doubt several areas where the City's understanding and involvement with the project would lead to critical assistance and possible concessions. We know already, as the pro forma indicates, that redevelopment of this property is going to be challenging, particularly financially. So, we would look to the City for help with:

- Environmental issues
- Designation, perhaps, of the facility as an Obsolete Structure
- Significant discount on the purchase price
- Easements or assistance with purchasing additional property should access be required for parking in the lower level
- Other grant or loan programs such as the Community Revitalization Program

We should note that a solid tenant has already expressed interest in the office space on the second and third floors.

Also, at this time, we have not ruled out the benefit that the Press' property (the old City parking ramp site) might be to this development and would like to explore that possibility further, if that option is still available.

AMERIBANK BUILDING REDEVELOPMENT

Part D: Support

LETTER OF SUPPORT FROM MEDC

Gary Post

From: Ryan Kilpatrick (MEDC) <KilpatrickR@michigan.org>
Sent: Sunday, March 27, 2016 8:46 AM
To: Jonathan Witmer; Gary Post
Subject: 800 First Street

Good morning Gary & Jonathan,

Thank you for sharing the proposed scope of work intended for submittal to the City of Muskegon for the redevelopment of the property located at 800 First Street in downtown Muskegon.

Based upon the information that has been shared so far, it appears that your proposed scope of work would be a good fit for an application to the Michigan Community Revitalization Program (MCRP) for a grant and/or low interest loan. The MCRP is funded annually and is a competitive financing resource statewide. Assuming that funds are available at the time that your project is ready to submit an application, I would be more than happy to assist with the packaging and presentation of your project to the MEDC management committee to request preliminary support and recommendation to the Michigan Strategic Fund Board. This process would be pending the satisfactory submittal of all necessary documentation and the presentation of evidence for financial need to support the project.

I look forward to talking with you further if/when the City of Muskegon makes its selection for a developer of choice.

Best,

Ryan Kilpatrick, AICP, EDFP
Region 4, [Community Assistance Team](#)
Collaborative Community Development
Michigan Economic Development Corporation
300 N. Washington Square Lansing, MI 48913
Mobile: 616.430.8015
kilpatrickr@michigan.org

AMERIBANK BUILDING REDEVELOPMENT

SSB

SHELBY STATE BANK

242 North Michigan Ave.
P.O. Box 126
Shelby, Michigan 49455-0126
231-861-2123
Fax 231-861-2468

March 30, 2016

RE: Ameribank Building Reference Letter

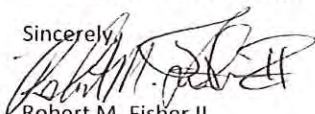
To Whom It May Concern:

On behalf of the development team of Port City Construction & Development Services, LLC, Hooker DeJong Architect-Engineers, J. Nedeau Realtor, Inc., and Jonathan Witmer, Shelby State Bank would like to express their potential interest and support to the development team regarding their redevelopment proposal for the Ameribank Building located at 880 First St, Muskegon.

With an interest in assisting with the development and business community of the City of Muskegon and the surrounding area, Shelby State Bank welcomes the potential opportunity to assist this team with this major development project. At first glance, based on the combination of grant dollars, owner's equity, traditional financing, and potential tax increment financing the proposed plan appears to be a viable option. However, this interest is based on a preliminary review of the proposal and does not constitute a commitment to lend. Additional due diligence and information gathering will be necessary to determine whether Shelby State Bank is willing to commit to providing the traditional financing required for this project.

Shelby State Bank looks forward to the opportunity of potentially partnering with this team, the City of Muskegon, and other partners to enhance downtown Muskegon.

Sincerely,



Robert M. Fisher II
Senior Vice President/Senior Lender

AMERIBANK BUILDING REDEVELOPMENT



Port City Construction
Attn: Gary Post
272 W. Clay Ave
Muskegon, MI 49440

March 30, 2016

Subject: Letter of Support for the Ameribank Building.

To Gary Post,

Please accept this letter showing Community Shores Bank interest in the Ameribank Building project located in Downtown Muskegon. You have a long standing relationship with Community Shores Bank and look forward to looking at projects such as this with you and Port City Construction.

Please keep me apprised as things progress.

Thanks for helping Muskegon grow now and in the future and being a loyal customer of Community Shores Bank..

Sincerely,

A handwritten signature in dark ink, appearing to read "Ronald A. Mann, Jr.", with a stylized flourish at the end.

Ronald A. Mann, Jr.
Vice President
Community Shores Bank
1030 W. Norton Ave
Muskegon, MI 49441
(D) 231-780-1815
(C) 231-206-7049

1030 WEST NORTON
MUSKEGON, MICHIGAN 49441
PHONE 231.780.1800
FAX 231.780.8018

Part E: Team Members



Port City Construction & Development Services, LLC (PCCDS) is a two-member, Limited Liability Company registered in the State of Michigan. Gary Post formed PCCDS in 2006, upon retirement from Muskegon Construction Company, following a successful thirty-five year career in commercial, industrial and institutional construction. The company was formed initially as a construction and development firm focused on the redevelopment of the immediate Muskegon area. Kevin Donovan joined the company in 2012 upon the consolidation of the Muskegon Construction Company operations with the parent company in Grand Rapids. The two principals have over 80 years of combined experience during their careers in construction.

In the ten years since its formation, Port City Construction has been involved with several redevelopment and construction projects in the immediate Muskegon area. Those projects include redevelopment of the Century Club and Russell Block buildings in downtown Muskegon. Involvement also includes key projects for customers such as Hackley Public Library, the Muskegon Museum of Art, the City of Norton Shores, Muskegon Public Schools, Muskegon Heights Public School Academy, the Muskegon Rescue Mission, the E.C. Brooks Prison Chapel and the West Michigan Symphony. In their previous careers the principles were instrumental in the redevelopment of the Watermark Lofts and the Artworks of Muskegon as well as other successful projects like Tanglewood, United Way of the Lakeshore and several major projects at Muskegon Community College.

AMERIBANK BUILDING REDEVELOPMENT

J. NEDEAU REALTOR, INC. – REAL ESTATE FIRM

J. NEDEAU

REALTOR, INC.

RESIDENTIAL • COMMERCIAL

The J. Nedeau Realtor, Inc. name represents excellence and professionalism to all who see it.

As the oldest independent real estate firm in the county, our roots and our commitment to our community run deep. Since 1959, when our office was in the Occidental Hotel, we have sold businesses, buildings, and residences in the City of Muskegon. We bring generations of experience and expertise in all aspects of the local real estate market to this project.

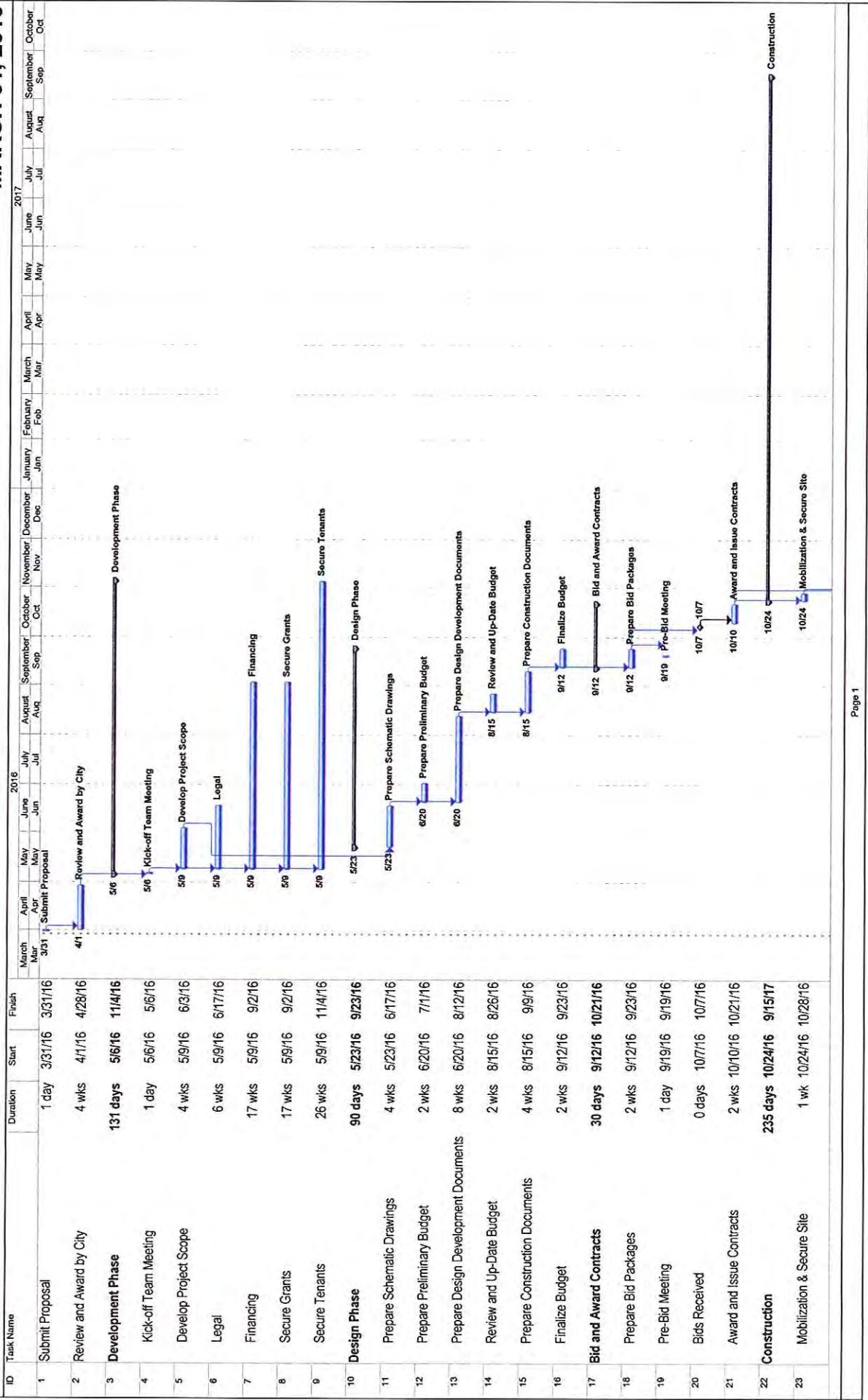
JONATHAN WITMER, DEVELOPMENT FINANCE & INCENTIVES CONSULTANT

A Downtown Muskegon resident, Jon began his career in development as an intern with the City of Muskegon, working on programs to incentivize economic development and job creation in the City. From there, he held positions with the City of Muskegon Heights, acquiring and renovating single family residences. In Hamtramck, Michigan he oversaw federal regulation compliance with the acquisition and redevelopment of infill residential properties that resulted in over fifty new or fully renovated single family homes. He is currently employed as the Real Estate Development Associate for the Inner City Christian Federation in Grand Rapids. At ICCF he works to create high quality affordable housing for families. Jon would love to bring the knowledge and experience he's gained in other cities to his hometown and continue the revitalization of Downtown Muskegon.



AMERIBANK BUILDING REDEVELOPMENT

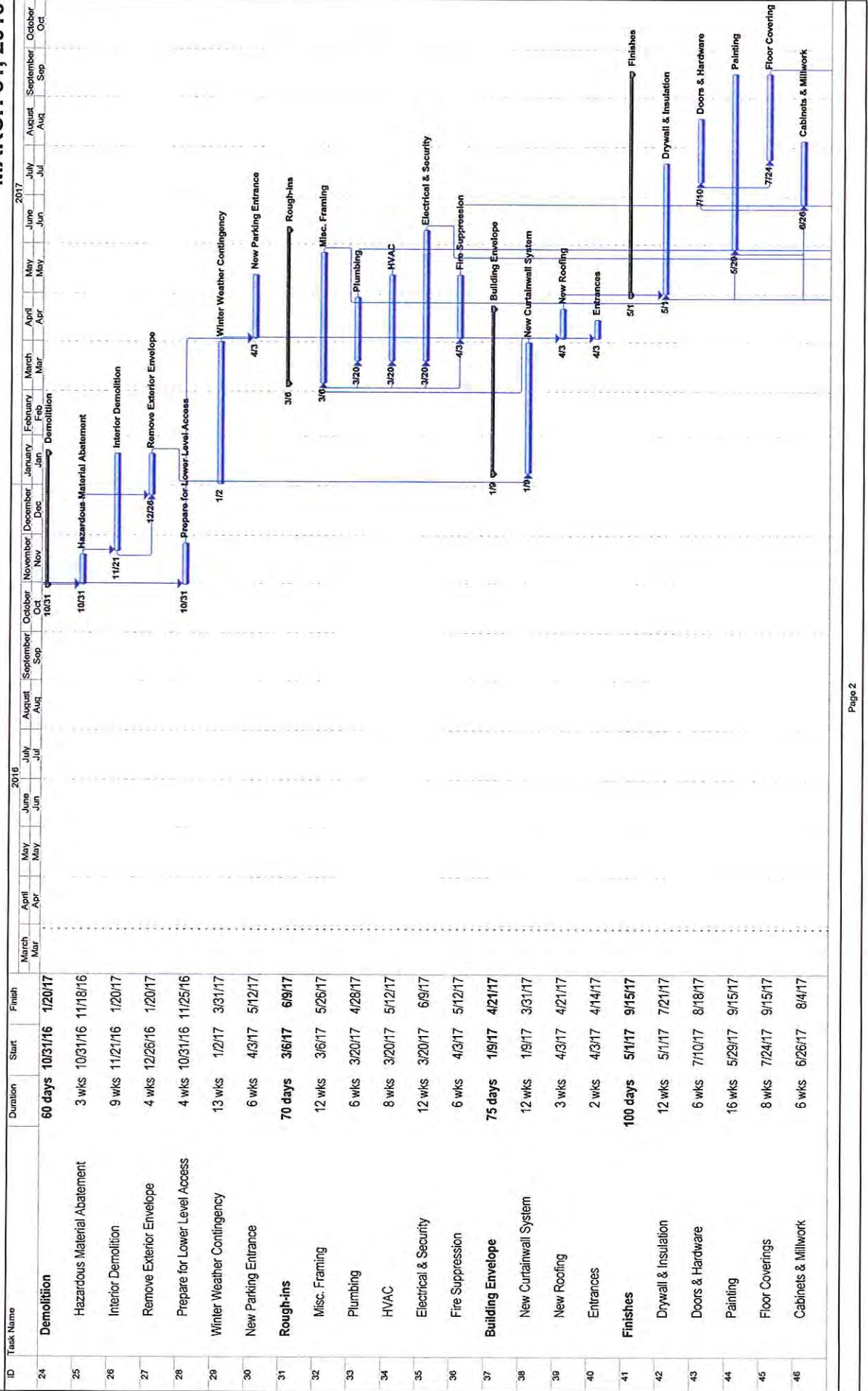
PRELIMINARY REDEVELOPMENT SCHEDULE MARCH 31, 2016





AMERIBANK BUILDING REDEVELOPMENT

PRELIMINARY REDEVELOPMENT SCHEDULE MARCH 31, 2016





AMERIBANK BUILDING REDEVELOPMENT

PRELIMINARY REDEVELOPMENT SCHEDULE MARCH 31, 2016

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AMERIBANK BUILDING REDEVELOPMENT

PRELIMINARY BUDGET



AMERIBANK BUILDING REDEVELOPMENT ESTIMATE OF CONSTRUCTION COSTS MARCH 31, 2016

Description	Quantity	Unit	Unit Cost	Total Cost	Comments
1 Site Work	1	l.s.	200,000	200,000	
2 Demolition	46,714	s.f.	2.25	105,107	
3 Building Envelope					
Remove Existing Precast Panels	9,248	s.f.	5.00	46,240	
Remove Existing Curtainwall	10,880	s.f.	5.00	54,400	
New Storefront and Façade	20,128	s.f.	50.00	1,006,400	
4 Lower Level					
Parking	8,294	s.f.	40.00	331,760	
Storage	5,934	s.f.	25.00	148,350	
5 Main Floor					
Retail / Commercial / Entertainment	13,256	s.f.	80.00	1,060,480	White Box
6 Second Floor					
Commercial Office Space	4,405	s.f.	95.00	418,475	
7 Third Floor					
Commercial Office Space	5,355	s.f.	95.00	508,725	
8 Fourth Floor					
Residential Apartments	5,196	s.f.	110.00	571,560	
9 Fifth Floor					
Residential Apartments	5,196	s.f.	110.00	571,560	
				5,023,057	
Contingency	10%			502,306	
Constr. Man. OH & Fee	3%			150,692	
Estimate of Total Construction Costs				5,676,054	
Square Footage				114.98	Cost / Gross S.F. (Less Site Work and Demolition)
Lower Level					
Garage	8,294	s.f.			
Storage	5,934	s.f.			
Main Floor					
Retail	8,379	s.f.			
Retail / Commercial	3,955	s.f.			
Second Floor	4,405	s.f.			
Third Floor	5,355	s.f.			
Fourth Floor	5,196	s.f.			
Fifth Floor	5,196	s.f.			
Above Ground Floors	32,486	s.f.			
Total	46,714	s.f.			
	1				

AMERIBANK BUILDING

Muskegon, Michigan

March 29, 2016

Pro Forma / Development Cost

Building and Site Costs		
Site Improvements		200,000
Interior & Exterior Building Demolition		205,747
Exterior Building Restoration		1,006,400
Lower Level Up-Grades		480,110
Building Construction		3,130,800
Construction Permits, Tap Fees, Gen'l Cond., etc.	7.5%	In Above
Construction Fees, Overhead & Profit	3.0%	150,692
Total Building Costs		5,173,748
Other Costs		
Property Acquisition		By City
Arch./Engr. Fees	5.0%	258,687
Development Fees	3.0%	155,212
Legal & Accounting Fees		20,000
Brokerage Fees		50,000
Property / Builder's Risk / OPL Insurance		10,000
Taxes During Construction		-
Property Carrying Costs - 4 months	8.0%	-
Contingency (Percent of Building Costs)	10.0%	502,306
Total Other Costs		996,206
Financing Costs		
Interim Financing - 6 months	5.0%	77,124
Interim Points	1.0%	15,425
Appraisal Fees		3,000
Lender Inspection		2,000
Permanent Points	2.0%	0
Financing & Closing Costs		5,000
Total Financing Costs		102,549
Total Development Costs		6,272,503
TAX CREDITS:		
Federal Historic	20.0%	
Sale value of credit	90.0%	-

AMERIBANK BUILDING

Muskegon, Michigan

March 29, 2016

Pro Forma / Development Cost

	Michigan Historic	5.0%	
	Sale value of credit	55.0%	-
	Federal Non-Historic	10.0%	627,250
	Sale Value of Credit	90.0%	564,525
	Brown Field	10.0%	
	Sale value of credit	50.0%	-
	Comm. Revit. Program	25.0%	1,568,126
	Sale value of credit	90.0%	1,411,313
	Total Tax Credit		1,975,838
Net Development Costs After Tax Credits (Not including Federal Credits)			4,861,190

Income

Scheme A			
Lower Level Parking			
14,000	Spaces	1.20	16,800
Main Floor			
8,379	s.f. in Retail	12.50	104,738
3,955	s.f. in Retail and Commercial	12.50	49,438
Second & Third Floor			
9,064	s.f. - Single Tenant	12.00	108,768
Fourth Floor			
763	1 - Bedroom	14.00	10,682
764	1 - Bedroom	14.00	10,696
921	2 - Bedroom	14.00	12,894
930	2 - Bedroom	14.00	13,020
920	2- Bedroom	14.00	12,880
Fifth Floor			
763	1 - Bedroom	15.00	11,445
764	1 - Bedroom	15.00	11,460
921	2 - Bedroom	15.00	13,815
930	2 - Bedroom	15.00	13,950
920	2- Bedroom	15.00	13,800
43,994		Gross Income	404,385

AMERIBANK BUILDING

Muskegon, Michigan

March 29, 2016

Pro Forma / Development Cost

Vacancy and Loss	5.0%	20,219
Effective Gross Income		384,166
Expenses		
Utilities - Common Areas	6,822	23,877
Insurance - GL and Property		In Above
Taxes		In Above
General Maintenance	3.5%	13,446
Management	5.0%	19,208
Total Expenses		56,531
Net Income Before Debt Service (NIBDS)		327,635

Financing

	Cap Rate	
Value = NIBDS/Cap Rate	8.5%	3,854,525
Loan = 75% of Value	75.0%	2,890,894
Loan Payment = NIBDS/Coverage Ratio	1.25	262,108
Constant = Payment/Loan Amount		0.0907
2,890,894 Loan Amount		
5.00% Interest Rate		
25 Term		
Payment		205,116

Economic Summary

Net Development Cost	4,861,190
Loan Amount	2,890,894
Equity	1,970,296

AMERIBANK BUILDING

Muskegon, Michigan

March 29, 2016

Pro Forma / Development Cost

Net Income Before Debt Service	327,635
Loan Payment	205,116
Annual Cash Flow	122,519
Return on Cost = NIBDS/Net Development Cost	6.74%
Return on Equity = Cash Flow/Equity	6.22%

Alternative - How Much Rent?

Loan Amount		2,890,894
Net Development Amount		4,861,190
Equity		1,970,296
Desired Return	15.0%	295,544
Loan Payment		205,116
NIBDS		500,660
Expenses		56,531
Effective Gross Income		557,191
Vacancy and Loss	5.0%	29,326
Required Gross Income		586,517
Leasable Square Feet	43,994	\$ 13.33

AMERIBANK BUILDING REDEVELOPMENT

CERTIFICATE OF INSURANCE

INSURANCE COVERAGE

Professional Liability

Travellers Casualty & Surety Co.
c/o HRH A&E
425 N. Martingale Rd.
Suite 1100
Schaumburg, IL 60173
847.517.8900

Coverage Limits:

\$2,000,000 each occurrence
\$4,000,000 aggregate
\$5,000,000 aggregate | umbrella

General Liability

Motorists Insurance Group
471 East Broad Street
Columbus, OH 43215

Coverage Limits:

\$2,000,000 per claim
\$2,000,000 aggregate

Worker's Comp

Hooker DeJong Architects & Engineers
Michigan Insurance Company
1700 E. Beltline NE, Ste 100
PO Box 152120
Grand Rapids, MI 49515

\$500,000 Per Accident

Auto

Hooker DeJong Architects & Engineers
Motorists Insurance Group
c/o Shoreline Insurance Agency
875 W. Broadway Avenue
Muskegon, MI 49441

\$1,000,000

Insurance specimens are available upon request.



AMERIBANK BUILDING REDEVELOPMENT

CERTIFICATE OF INSURANCE



CERTIFICATE OF LIABILITY INSURANCE

DATE (MM/DD/YYYY)
6/2/2015

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

IMPORTANT: If the certificate holder is an ADDITIONAL INSURED, the policy(ies) must be endorsed. If SUBROGATION IS WAIVED, subject to the terms and conditions of the policy, certain policies may require an endorsement. A statement on this certificate does not confer rights to the certificate holder in lieu of such endorsement(s).

PRODUCER Lighthouse Insurance Group, Inc. 8235 Mason Drive Suite E Newaygo MI 49337		CONTACT NAME: Lynda DeCan PHONE (A/C No. Ext.): (231) 652-2079 FAX (A/C No.): (231) 652-2087 E-MAIL ADDRESS: ldecana@lighthousegroup.net	
INSURED Compass Builders LLC Port City Construction & Development, LLC PO Box 732 Muskegon MI 49443		INSURER(S) AFFORDING COVERAGE INSURER A: Acuity A Mutual Insurance NAIC # 14184 INSURER B: Brown & Riding Insurance INSURER C: INSURER D: INSURER E: INSURER F:	

COVERAGES **CERTIFICATE NUMBER:** CL156207642 **REVISION NUMBER:**

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

INSR LTR	TYPE OF INSURANCE	ADDL(SUBR) INSR WVD	POLICY NUMBER	POLICY EFF (MM/DD/YYYY)	POLICY EXP (MM/DD/YYYY)	LIMITS
A	GENERAL LIABILITY					EACH OCCURRENCE \$ 1,000,000
	☒ COMMERCIAL GENERAL LIABILITY					DAMAGE TO RENTED PREMISES (EA OCCURRENCE) \$ 100,000
	☐ CLAIMS-MADE ☒ OCCUR		159844	4/10/2015	4/10/2016	MED EXP (Any one person) \$ 5,000
						PERSONAL & ADV INJURY \$ 1,000,000
	GEN'L AGGREGATE LIMIT APPLIES PER					GENERAL AGGREGATE \$ 2,000,000
	☒ POLICY ☐ PROJECT ☐ LOC					PRODUCTS - COM/OP AGG \$ 2,000,000
	AUTOMOBILE LIABILITY					COMBINED SINGLE LIMIT (EA ACCIDENT) \$
	☐ ANY AUTO					BODILY INJURY (Per person) \$
	☐ ALL OWNED AUTOS					BODILY INJURY (Per accident) \$
	☐ H-RED AUTOS					PROPERTY DAMAGE (Per accident) \$
	☐ SCHEDULED AUTOS					\$
	☐ NON-OWNED AUTOS					\$
A	UMBRELLA LIAB					EACH OCCURRENCE \$ 2,000,000
	☒ EXCESS LIAB ☒ CLAIMS-MADE		159844	4/10/2015	4/10/2016	AGGREGATE \$ 2,000,000
	DED ☒ RETENTION \$					\$
A	WORKERS COMPENSATION AND EMPLOYERS' LIABILITY					☒ WC STATUTORY LIMITS ☐ OTHER
	ANY PROPRIETOR/PARTNER/EXECUTIVE OFFICER MEMBER EXCLUDED? (Mandatory in MI)					E L EACH ACCIDENT \$ 100,000
	If yes, describe under DESCRIPTION OF OPERATIONS below	N/A	159844	4/10/2015	4/10/2016	E L DISEASE - EA EMPLOYEE \$ 100,000
						E L DISEASE - POLICY LIMIT \$ 500,000
B	Errors & Omissions		001989000	5/6/2015	5/6/2016	Aggregate 500,000 Deductible 5,000

DESCRIPTION OF OPERATIONS / LOCATIONS / VEHICLES (Attach ACORD 101, Additional Remarks Schedule, if more space is required)
 Named insured on Errors & Omissions policy is Port City Construction & Development, LLC

CERTIFICATE HOLDER For Informational Purposes Only	CANCELLATION SHOULD ANY OF THE ABOVE DESCRIBED POLICIES BE CANCELLED BEFORE THE EXPIRATION DATE THEREOF, NOTICE WILL BE DELIVERED IN ACCORDANCE WITH THE POLICY PROVISIONS. AUTHORIZED REPRESENTATIVE Lynda DeCan
--	--

ACORD 25 (2010/05)

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AMERIBANK BUILDING REDEVELOPMENT



Port City Construction & Development Services focuses on new commercial construction as well as the revitalization and redevelopment of key projects in the Muskegon and Lakeshore areas.

SERVICE AREAS

Services include new commercial construction, general contracting, design & build, and construction management.

- Commercial & Industrial Construction
- Educational & Institutional Construction
- Church Renovation/New Construction
- Historical Building Restorations
- Non-profit Organizations
- Residential

SERVICES OFFERED

- Project Development
- Cost Estimating
- Cost Control
- Budgeting
- Value Engineering
- Site Management
- Systems Analysis
- Scheduling
- Site Planning
- Project Management

KNOWLEDGE & EXPERIENCE

Gary Post formed Port City Construction in 2006, following a successful 35-year career in commercial, industrial and educational construction.

Kevin Donovan joined Port City Construction in 2012. With over 38 years of experience, he handles all details in project management.

Kevin and Gary's industry knowledge, combined experience, and community commitment are valuable assets for educational, redevelopment and commercial construction projects in West Michigan.

AMERIBANK BUILDING REDEVELOPMENT

COMPLETED PROJECTS

Port City Construction has completed many commercial construction and renovation projects throughout Muskegon and the Lakeshore area. The following is a selection of those construction projects.

Commercial & Industrial

- City of Norton Shores DPW
- Newkirk Electric

Educational & Institutional

- Muskegon Public Schools
- Muskegon Heights Public School Academy
- Muskegon Museum of Art – Lighting Up-grades
- Muskegon Museum of Art – HVAC Up-grades
- Hampton Inn Remodel

Church Renovation/New Construction

- First Evangelical Lutheran Church
- EC Brooks Correctional Facility Chapel

Historical Building Restorations

- Hackley Public Library
- Century Club Development
- Russell Block Development

Non-profit Organizations

- Muskegon Rescue Mission – Men's Shelter
- Muskegon Rescue Mission – Administrative Offices
- Muskegon Rescue Mission – Women's Shelter
- Hackley Teen Health Center
- Tanglewood Senior Care
- United Way of the Lakeshore

Residential

- Six individual row house-style townhomes for Heritage Square Development

View the Port City Construction & Development project portfolio at www.portcitycds.com.

PH 231.571.9501

360 W. Western Ave. Suite M

PO Box 732

Muskegon, MI 49443-0732



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AMERIBANK BUILDING REDEVELOPMENT



Watermark Condominiums | Muskegon, MI

HDJ provided architectural and engineering services for the renovation of the former Shaw Walker manufacturing facility in Muskegon's downtown Waterfront District into condominiums targeted at young urban professionals and empty nesters.

The complete redesign/renovation of the one million square foot building to create 53 residential one, two, and 3- bedroom loft-style condos with high ceilings and hardwood floors.

In Phase 2, the Watermark building's ground level will accommodate 5,000 square feet of retail and/or professional office space.

Facility Type: Mid-rise condominium, mixed-use development, banquet facility

Size: 1 million sq ft

Scope: Adaptive re-use renovation

Funding: Private/Market Rate

AMERIBANK BUILDING REDEVELOPMENT



Rosenwald Courts Apartments | Chicago, IL

With help from the Hooker DeJong, Inc. (HDJ), Architectural, Engineering & Planning firm, the Bronzeville neighborhood is being transformed. HDJ has been awarded the opportunity to redesign the entire city block bounded by Michigan and Wabash as well as 46th and 47th street. The massive mixed use project is approximately 400,000 square feet of residential, commercial and retail use for the area of Grand Boulevard in the Bronzeville neighborhood.

The residential component consists of family and senior units of the building. The family area of the building has 119 total units with 47 one-bedrooms, 67 two-bedrooms, five historic one-bedroom units, and one manager's unit. The senior side consists of 120 one-bedroom units for the people of Chicago. The commercial portion will consist of 32,440 square feet of space along with 13,400 square feet of retail for the local neighborhood. Amenities will include meeting and community spaces, fitness rooms, laundry lounges, storage units along with nine elevators that previously did not exist.

Facility Type: Senior & family living units, commercial and retail space

Size: 119 family units; 120 senior units

Scope: Renovation Rehab



AMERIBANK BUILDING REDEVELOPMENT



Lloyd House | Menominee, MI

HDJ provided architectural and engineering services for the renovation/rehab to the existing historic building known as Lloyd's Department store is a 4 story multi-use building.

The adaptive re-use renovation to the 1920's Lloyd's Department Store created living units on the top three floors. Four ground level units coexist with 2 minor retail tenants, central lobby and community space. Parking spaces are located in the basement portion of the ground level with street access and outdoor vehicle ramps.



Historic Services Parts 1, 2 & 3 were also provided.

Received the 2015 Governor's Award for Historic Preservation for the rehabilitation of Lloyd's Department Store in Menominee, MI.

Type: Affordable housing

Size: 66,200 SF; 44 total units, community space, commercial and retail space

Scope: Renovation rehabilitation, Adaptive re-use renovation / Historic Rehabilitation

Funding: USDA, Federal Historic Preservation Tax Credits, LIHTC



AMERIBANK BUILDING REDEVELOPMENT



Mason Adaptive Reuse Renovation | Mason, Michigan

The mixed use urban redevelopment is in Mason, Michigan. The adaptive reuse renovation includes two existing and adjacent structures on which is 2 stories and one 3 stories. The finished project will have a single commercial office user on the street level and a portion of the third floor, as well as residential apartments at the second and third floors. Minor site improvements will provide for access and parking at the rear of the parcels.

Type: Mixed use – housing and retail/commercial, adaptive reuse renovation

AMERIBANK BUILDING REDEVELOPMENT



Artworks of Muskegon | Muskegon, MI

An apartment building known as Artworks, features 26 two-bedroom lofts, each with its own personal display and performance area. The units are designed to function as a warm, comfortable living space, as well as an art studio that fosters creativity.

Artworks of Muskegon was honored as a finalist for the National Housing & Rehabilitation Association's 2006 J. Timothy Anderson Awards for Excellence in Historic Rehabilitation and received the 2007 Governor's Award for Historic Preservation.

Type: Family housing, display/performance area

Size: 26-unit

Scope: Adaptive re-use renovation

Funding: LIHTC, Historic Tax Credits, HUD221, HUD236



AMERIBANK BUILDING REDEVELOPMENT



Amazon Apartments | Muskegon, MI

A complete renovation of the historic Amazon Building, which was originally constructed in 1895 to house the Princess Knitting Company, into modern loft-style apartments. This 126-unit apartment building designed to preserve the Romanesque architectural style of Chicago architect Henry Ives Cobb.

The Amazon Apartments feature exposed heavy timber construction with original Chicago brick, exposed ductwork, and hardwood floors. Residents enjoy all that downtown life has to offer, with most apartments offering panoramic views of Muskegon Lake. In addition, the building has 10,000 square feet of commercial space on the street level to accommodate a hairstyling salon, as well as retail and professional office space.

Facility Type: Family loft apartments, commercial/retail space
Size: 126-unit
Scope: Adaptive re-use renovation



AMERIBANK BUILDING REDEVELOPMENT



Heritage Lane Residences | Jonesville, MI

The adaptive reuse of the former Kiddie Brush and Toy warehouse and manufacturing facility into a distinct, multi-family housing development featuring senior and family units as well as commercial space.

HDJ accomplished this by leveraging and enhancing the distinct characteristics of the existing structure while adding new elements to give it a fresh, urban feel cohesive with its downtown location.

The project will feature a complete interior renovation with exposed brick and ductwork, bright colors, new wall coverings and flooring. Old exterior windows will be replaced with larger, more energy efficient windows to save on energy costs and maximize use of natural light.

Facility Type: Senior and multi-family apartments with commercial spaces

Size: 46-unit

Scope: Adaptive reuse renovation

Funding: LIHTC, Historic Tax Credits

AMERIBANK BUILDING REDEVELOPMENT

J. NEDEAU

REALTOR, INC.

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RESIDENTIAL REAL ESTATE

Successfully servicing your Real Estate needs since 1959 says several things about us as Agents. We're solid, straightforward and trustworthy. We are the experts at work in Muskegon, Ottawa and Newaygo Counties. Through our professional and successful agents, we look forward to serving you. We will find the right house for the right buyer for the right price. Our experience and dedication speaks through our satisfied clients.

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Thank you for the privilege of serving you for over 53 years. We are the oldest independent Real Estate office in the Muskegon area. Known for our discretion, teamwork and our good reputation, we look forward to serving you for the next 50+ years.

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We diligently represent our sellers by: promoting your best interest, bringing you qualified buyers, and maintaining our fiduciary responsibility to you throughout the entire transaction from listing day to closing day and beyond.

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putting investors together with opportunities

We succeed when you do!

Currently Representing this Downtown Mixed-Use Development



HERITAGE SQUARE TOWNHOMES



FOUR FLOOR PLANS TO CHOOSE FROM, 1000-3000 sq ft

Heritage Square Townhomes, a 22-unit condominium development in downtown Muskegon, offers four basic floor plans starting from \$180,000 and ranging from 1000-3000 square feet. Each townhome has multiple levels available in either 2 or 3 story units with optional elevators. Customization of floor plans to meet individual tastes and needs is readily available.

PROPERTY FEATURES

Prices from \$180,000 +
2 & 3 story

bay windows
1 or 2-stall garages

private porches & decks
elevator optional

shared common courtyard
full basements



WHAT IS A RENAISSANCE ZONE?

Renaissance Zones are geographical areas set aside by the state and local municipalities which are virtually tax-free for any business or resident presently located in or moving into one of the zones. They were created primarily to encourage economic investment in emerging areas such as urban, core cities. Individuals qualify for tax-benefits after establishing their primary residence in Heritage Square for 193 days.

TAX FREE LIVING TO 2023

- NO property taxes*
- NO city income taxes
- NO state income taxes

*A small sum of debt component is currently being tested

Presented by
Mary Jamieson
(231) 744-6219
(231) 557-9803

www.NedeauRealtor.com

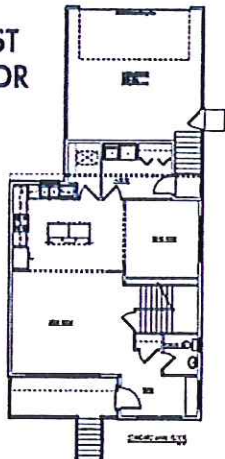
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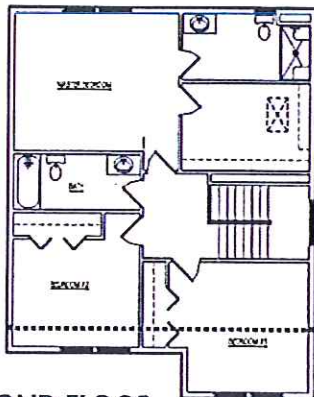
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Currently Representing this Downtown Residential Development

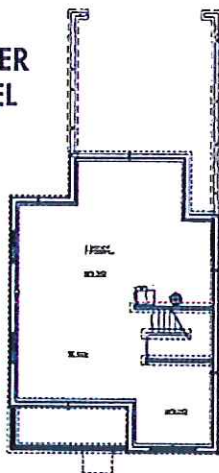
FIRST FLOOR



SECOND FLOOR



LOWER LEVEL



midtown
SQUARE

URBAN HOUSING DEVELOPMENT

294 MONROE AVE.
MUSKEGON, MI 49441

3 BEDROOMS | 2.5 BATHROOMS
1,870 SQ. FT. | \$187,900



WATCH MUSKEGON



Deep Community Roots

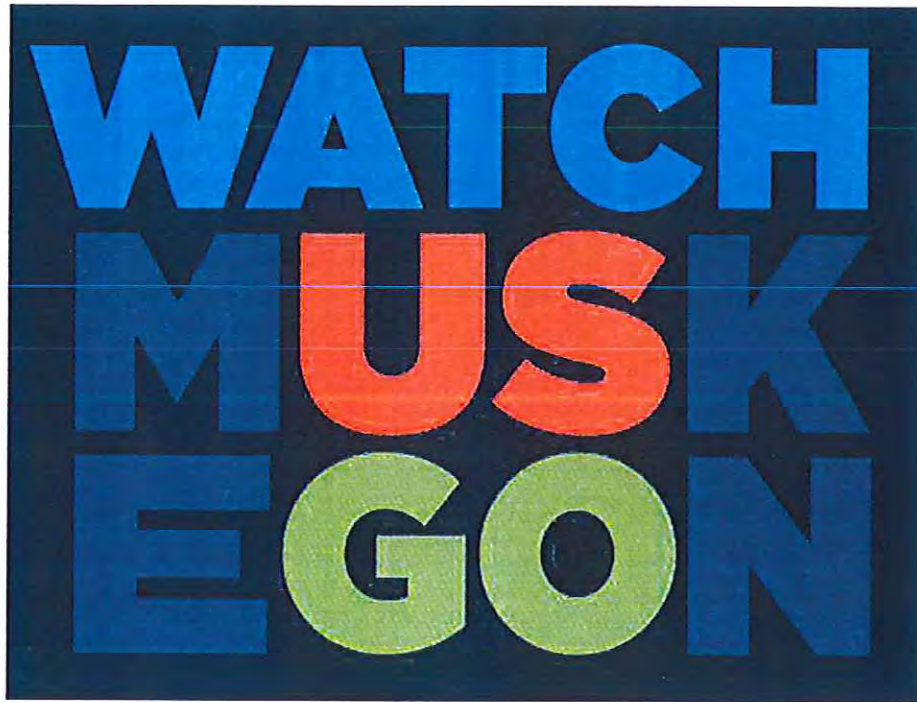
J. Nedeau Realtor, Inc., is owned locally and independently. Our focus has always been, and continues to be, on the needs of our community.

Our involvement in many community organizations, boards, and associations brings to our sales efforts a wide range of talents and contacts. Whether it is conveying our knowledge and enthusiasm for the community, or getting the answers to a perspective purchasers' questions, we are exceptionally able to add that dimension to affect a sale.

Current Involvement

- Chamber of Commerce
- Realtors Promoting Muskegon
- Watch Muskegon Stakeholder
- Muskegon STARS!
- Muskegon in Focus
- YMCA Board Member
- North Muskegon Board of Education Trustee
- Muskegon Yacht Club Commodore
- Community en Compass

No name in real estate is know better than
J. Nedeau Realtor, Inc.,
serving Muskegon County and environs since 1959.



J. Nedeau Realtor, Inc.
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