CITY OF MUSKEGON

CITY COMMISSION MEETING

MAY 12, 2015

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 12, 2015.

Mayor Gawron opened the meeting with prayer from Reverend Mark Miller from Central United Methodist Church of Muskegon 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, Vice Mayor Lawrence Spataro, Commissioners Rinsema-Sybenga, Turnquist, Johnson, Hood, and German and Deputy City Clerk, Kimberly Grimm.

2015-34 CONSENT AGENDA:

A. Approval of Minutes. CITY CLERK

SUMMARY OF REQUEST: To approve minutes of the April 28, 2015 City Commission Meeting.

FINANCIAL IMPACT: None

BUDGET ACTION REQUIRED: None

STAFF RECOMMENDATION: Approval of the minutes.

B. McGraft Community Building Replacement Tables and Chairs DEPARTMENT OF PUBLIC WORKS

SUMMARY OF REQUEST: Authorize staff to purchase tables and chairs for the McGraft Park Community Building for a total price of $9,918 from Kendrick Stationers who submitted the lowest responsible bid.

The tables are called Indestructible Too 1200 Commercial Series. The request is for 12 eight foot tables, 96 Rough and Ready folding chairs along with a table and chair cart. Kendrick Stationers out of Sturgis MI is the company offering the entire requested package. They are also specifying date of delivery with 2 hour window period and will deliver direct to the community building.

FINANCIAL IMPACT: $9,918 from the McGraft Park Trust Fund

BUDGET ACTION REQUIRED: None

STAFF RECOMMENDATION: Authorize staff to purchase 12 tables, 96 chairs, table and chair cart from Kendrick Stationers.

C. <u>New Special Event Request – "Burning Foot Beer Festival" at Pere Marquette Park, 8/29/15</u> COMMUNITY AND ECONOMIC DEVELOPMENT

SUMMARY OF REQUEST: Michael Brower and the Lakeshore Brewers Guild, Inc. have submitted a special event application for a new event to be held at Pere Marquette Park on Saturday, August 29, 2015. The festival will highlight craft breweries and local artists with beer tasting, food vendors, art and live music from 3:00 to 9:00 p.m.

They are seeing City Commission approval to serve alcohol at Pere Marquette Park for the event. The beer vendor tables will be arranged in a circle on the beach just south of the boardwalk and concession stand, with festivities taking place within the circle – see attached map for location. Beer will be served in 5-ounce sample cups. They will have security personnel checking ID's.

FINANCIAL IMPACT: None

BUDGET ACTION REQUIRED: None

STAFF RECOMMENDATION: To approve the request

D. <u>Application for Permit for Fireworks</u> CITY CLERK

SUMMARY OF REQUEST: Muskegon Lakeshore Chamber of Commerce Foundation is requesting approval of a pyrotechnics display permit for July 4, 2015 at Heritage Landing. Fire Marshall Metcalf has reviewed the request and recommends approval contingent on inspection of the fireworks and approval of this insurance.

FINANCIAL IMPACT: None

BUDGET ACTION REQUIRED: None

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

E. <u>Business Improvement District – Resolution to Increase Number of Board Members</u> PLANNING & ECONOMIC DEVELOPMENT

SUMMARY OF REQUEST: The Business Improvement District (BID) was established by the City Commission on March 10, 2015. The initial Board members meet and a recommendation was made to add two new Board members. Also, one of the members was unable to serve. This is a request to add Mike Hennessey from Hennessy's Pub & Boar's Belly, and John Riegler from The Cheese Lady and to replace Amanda Garabedian from First General Credit Union with Connie Taylor.

FINANCIAL IMPACT: None

BUDGET ACTION REQUIRED: None

STAFF RECOMMENDATION: To approve the resolution and authorize the Mayor and Clerk's signatures.

COMMITTEE RECOMMENDAITON: The BID Board recommended approval.

F. **Request to revoke the Obsolete Property Rehabilitation Exemption Certificate at 441 W Western Ave** PLANNING & ECONOMIC DEVELOPMENT

SUMMARY OF REQUEST: PCJ Enterprise, LLC was approved for an Obsolete Property Rehabilitation Certificate (OPRA) on May 11, 2004 for their property at 441 W Western Ave. The certificate was approved for twelve years, expiring December 30, 2016. The new owners of the building would like to apply for a Commercial Facilities Exemption Certificate as part of their planned renovations, but need to revoke the OPRA certificate before they can be granted the new abatement. The OPRA may be revoked because the original applicants did not proceed in good faith with the operation of the facility.

FINANCIAL IMPACT: The building would be taxed at the normal rate unless another abatement is approved

BUDGET ACTION REQUIRED: None

STAFF RECOMMENDATION: To revoke the Obsolete Property Rehabilitation Certificate.

Motion by Commissioner Johnson, second by Vice Mayor Spataro to approve the Consent Agenda as read with the exception of items G and H.

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

Nays: None

MOTION PASSES

2015-35 ITEMS REMOVED FROM THE CONSENT AGENDA:

G. **Third Quarter 2014-15 Budget Reforecast** FINANCE

SUMMARY OF REQUEST: At this time staff is transmitting the ***Third Quarter 2014-15 Budget Reforecast*** which outlines proposed changes to the budget that have come about as a result of changes in revenue projections, policy priorities, labor contracts, updated economic conditions, or other factors.

FINANCIAL IMPACT: Significant third quarter proposed adjustments to the budget are as follows:

- General Fund revenues are reforecast to be $83,220 higher than te second quarter reforecast. The significant changes included; 1) property taxes increased by $102,000, 2) income taxes increased by $180,000, 3) building permits decreased by $55,000, 4) police department income increased by $25,000, 5) income tax penalty & interest increased by $20,000, 6) civil infractions decreased by

$15,000, 7) traffic fines and fees increased by $13,000, 8) court fees decreased by $10,000, and 9) operating transfer of $176,000 from the public improvement fund has been eliminated.

- General Fund expenditures are estimated to be $46,224 lower than the second quarter reforecast. The significant changes include; 1) police department projected decrease of $107,000, 2) fire department projected increase of $108,448, 3) central fire station projected increase in expenses by $15,000, 4) fire safety inspections contractual services expense revised down by $149,000, 5) parks maintenance decreased by $25,463, 6) McGraft Park maintenance increased by $10,000, 7) farmer's market adjusted up by $14,500, 8) city promotions & public relations increased by $40,000, 9) city manager department projected decrease of $35,000, 10) contingency and bad debt expense projected increase of $50,000. And 11) net reductions in planning, zoning and economic development budgeted costs by $22,285.

BUDGET ACTION REQUIRED: City Commission approval of this reforecast will formally amend the City's 2014-15 budget.

STAFF RECOMMENDATION: Approval

Motion by Commissioner German, second by Commissioner Johnson to approve the Third Quarter 2014-15 Budget Reforecast

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

Nays: None

MOTION PASSES

H. <u>Acceptance of Terrace Point Circle & the extension of Terrace Point Dr. within the Terrace Point Landing Site Condominium plat</u> ENGINEERING

SUMMARY OF REQUEST: Adopt the resolution accepting the referenced streets into the City's street system even though they are not in complete compliance with the City's subdivision ordinance regarding radii and tangents requirements.

Staff is relying heavily on the recommendations by design engineer and traffic engineer both of whom recommended acceptance.

FINANCIAL IMPACT: None

BUDGET ACTION REQUIRED: None

STAFF RECOMMENDATION: Adopt the resolution.

Motion by Commissioner German, second by Vice Mayor Spataro to accept the resolution and approve the acceptance of Terrace Point Circle & the extension of Terrace Point Drive within the Terrace Point Landing Site Condominium plat.

Motion by Vice Mayor Spataro, second by Commissioner Rinsema-Sybenga to amend original motion to include approval contingent upon installation of all signs recommended by traffic engineer and contingent upon there being a 3-year warrant for underground utilities

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

Nays: None

MOTION PASSES

ROLL VOTE ON ORIGINAL MOTION: Ayes: Turnquist, Johnson, Gawron, Hood, Spataro, German, and Rinsema-Sybenga

Nays: None

MOTION PASSES

2015-36 PUBLIC HEARINGS:

A. Establishment of a Commercial Rehabilitation District – 435 & 441 W Western Ave. PLANNING & ECONOMIC DEVELOPMENT

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

FINANCIAL IMPACT: None

BUDGET ACTION REQUIRED: None

STAFF RECOMMENDATION: Establishment of the Commercial Redevelopment District.

Public Hearing was opened to receive comments from public.

No comments received.

Motion by Vice-Mayor Spataro, second by Commissioner German to close the public hearing and establish a Commercial Rehabilitation District for 435 & 441 W Western Avenue

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

Nays: None

MOTION PASSES

B. Issuance of a Commercial Facilities Exemption Certificate – Pigeon Hill Brewing Company, LLC PLANNING & ECONOMIC DEVELOPMENT

SUMMARY OF REQUEST: Pursuant to Public Act 255 of 1978, as amended, Pigeon

Hill Brewing Company, LLC has requested the issuance of a Commercial Facilities Exemption Certificate. The Certificate will freeze the taxable value of the building and exempt the new real property investment from local taxes. The company will be investing $500,000 in the building and will create 10 new jobs, which qualifies them for an abatement of 12 years.

FINANCIAL IMPACT: The real property taxes would be frozen at their pre-rehabilitated rate for the duration of the certificate

BUDGET ACTION REQUIRED: None

STAFF RECOMMENDATION: Issuance of the Commercial Facilities Exemption Certificate

Public Hearing was opened to receive comments from public.

Joel Kamp of 3823 Harbor Breeze answered questions of commissioners.

Motion by Commissioner Johnson, second by Vice Mayor Spataro to close the public hearing and issue a Commercial Facilities Exemption Certificate to Pigeon Hill Brewing Company, LLC

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

Nays: None

MOTION PASSES

C. <u>Establishment of a Commercial Rehabilitation District – 896 Jefferson St.</u>
PLANNING & ECONIMIC DEVELOPMENT

SUMMARY OF REQUEST: Pursuant to Public Act 255 of 1978, as amended, 896 Jefferson, LLC has requested the establishment of a Commercial Redevelopment District. The creation of the district will allow the building owner to apply for a Commercial Facilities Exemption Certificate, which will freeze the taxable value of the building and exempt the new real property investment from local taxes.

FINANCIAL IMPACT: None

BUDGET ACTION REQUIRED: None

STAFF RECOMMENDATION: Establishment of the Commercial Redevelopment District.

Public Hearing was opened to receive comments from public.

No comments received.

Motion by Commissioner Turnquist, second by Commissioner Hood to close the public hearing and establish a Commercial Rehabilitation District for 896 Jefferson St.

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

Nays: None

MOTION PASSES

D. <u>Issuance of a Commercial Facilities Exemption Certificate – 896 Jefferson, LLC</u> PLANNING & ECONOMIC DEVELOPMENT

SUMMARY OF REQUEST: Pursuant to Public Act 255 of 1978, as amended, 896 Jefferson, LLC has requested the issuance of a Commercial Facilities Exemption Certificate. The certificate will freeze the taxable value of the building and exempt the new real property investment from local taxes. The company will be investing over $359,000 in the building and will create 60 new jobs, which qualifies them for an abatement of 12 years.

FINANCIAL IMPACT: The real property taxes would be frozen at their pre-rehabilitated rate for the duration of the certificate

BUDGET ACTION REQUIRED: None

STAFF RECOMMENDATION: Issuance of the Commercial Facilities Exemption Certificate.

Public Hearing was opened to receive comments from public.

Chris Nass, 2411 Lake Avenue answered questions of commissioners.

Cindy Ackerman, 1408 Lakeshore Court asked questions about the investment

Anthony Hall, Greater Believer Apostolic Faith Church asked about including minorities in opportunity to lease a hair salon suite.

Motion by Vice Mayor Spataro, second by Commissioner Rinsema-Sybenga to close the public hearing and issue a Commercial Facilities Exemption Certificate to 896 Jefferson, LLC

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

Nays: None

MOTION PASSES

E. <u>Establishment of a Commercial Rehabilitation District –165 W Clay</u> PLANNING & ECONIMIC DEVELOPMENT

SUMMARY OF REQUEST: Pursuant to Public Act 255 of 1978, as amended, 165 Clay LLC has requested the establishment of a Commercial Redevelopment District. The creation of the district will allow the building owner to apply for a Commercial Facilities Exemption Certificate, which will freeze the taxable value of the building and exempt the new real property investment from local taxes.

FINANCIAL IMPACT: None

BUDGET ACTION REQUIRED: None

STAFF RECOMMENDATION: Establishment of the Commercial Redevelopment District.

Public Hearing was opened to receive comments from public.

No comments received.

Motion by Rinsema-Sybenga, second by Commissioner Hood to close the public hearing and establish a Commercial Rehabilitation District for 165 W. Clay Ave

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

Nays: None

MOTION PASSES

F. <u>Issuance of a Commercial Facilities Exemption Certificate – 165 W Clay Avenue</u> PLANNING & ECONOMIC DEVELOPMENT

SUMMARY OF REQUEST: Pursuant to Public Act 255 of 1978, as amended, 165 Clay, LLC has requested the issuance of a Commercial Facilities Exemption Certificate. The certificate will freeze the taxable value of the building and exempt the new real property investment from local taxes. The company will be investing over $336,000 in the building and will create 26 new jobs, which qualifies them from an abatement of 12 years.

FINANCIAL IMPACT: None

BUDGET ACTION REQUIRED: None

STAFF RECOMMENDATION: Issuance of the Commercial Facilities Exemption Certificate.

Public Hearing was opened to receive comments from public.

Chris Nass, 2411 Lake Avenue answered questions of commissioners.

Motion by Commissioner Johnson, second by Commissioner Rinsema-Sybenga to close the public hearing and issue a Commercial Facilities Exemption Certificate to 165 Clay, LLC

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

Nays: None

MOTION PASSES

2015-37 NEW BUSINESS:

A. <u>Concurrence with the Housing Board of Appeals Notice and Order to Demolish the Following:</u> PUBLIC SAFETY

318 W. LARCH AVENUE

1328 SPRING STREET

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

FINANCIAL IMPACT: None

BUDGET ACTION REQUIRED: None

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

Motion by Vice Mayor Spataro, second by Commissioner German to Concur with the Housing Board of Appeals Notice and Order to Demolish

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

Nays: None

MOTION PASSES

PUBLIC PARTICIPATION: Public comments received.

ADJOURNMENT: The City Commission Meeting adjourned at 6:32 p.m.

Respectfully submitted,

Ann Marie Cummings, MMC
City Clerk