

CITY OF MUSKEGON

CITY COMMISSION MEETING

MAY 10, 2022 @ 5:30 P.M.

**MUSKEGON CITY COMMISSION CHAMBERS
933 TERRACE STREET, MUSKEGON, MI 49440**

MINUTES

The Regular Commission Meeting of the City of Muskegon was held at City Hall, 933 Terrace Street, Muskegon, Michigan at 5:30 p.m., Tuesday, May 10, 2022. Sister Agnes Mary, St. Michael the Archangel Catholic 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 Ken Johnson, Vice Mayor Willie German, Jr., Commissioners, Eric Hood, Teresa Emory, Rachel Gorman, Rebecca St.Clair, and Michael Ramsey Interim City Manager LeighAnn Mikesell, City Attorney John Schrier, and City Clerk Ann Meisch.

PUBLIC COMMENT ON AGENDA ITEMS: Public comments were received.

2022-42 CONSENT AGENDA:

A. Approval of Minutes City Clerk

SUMMARY OF REQUEST: To approve the minutes of the April 11, 2022 Worksession, April 12, 2022 Regular meeting, and April 15, 2022 Special Goal Setting meeting.

STAFF RECOMMENDATION: To approve the minutes.

B. Analysis of Impediments Community and Neighborhood Services

SUMMARY OF REQUEST: Every year, the Department of Housing and Urban Development (HUD) reviews grantees to assess fair housing priorities and goals. An Analysis and Impediments Study is to further Fair Housing Choice which is required by all Community Development Block Grant recipients every 5 years. The study will encompass a complete review of patterns of integration/segregation, racial disparity or concentrated areas of poverty, disparity of choice, ethical practice of lenders, policies/ordinances that create housing needs to minority and disadvantaged citizens of the grantee's community.

The cities of Muskegon, Muskegon Heights, and Norton Shores are partnering within the county of Muskegon to accept the proposal from RKG Associates and enter into an agreement with them to conduct an Analysis of Impediment (AI) Study.

It is necessary to initiate an Analysis of Impediment Study to further Fair Housing Choice within the cities of Muskegon, Muskegon Heights, and Norton Shores. The Study will evaluate, monitor, and address any Fair Housing issues and resolve/promote housing choice within our communities as required. The costs of the \$110,000 will be split between three municipalities.

AMOUNT REQUESTED: \$36,666.67 AMOUNT BUDGETED: \$40,000

FUND OR ACCOUNT: CDBG-CV

STAFF RECOMMENDATION: Authorize the CNS department to enter into agreement with partnering cities of Muskegon Heights and Norton Shores to hire RKG Associates to complete the Analysis of Impediments Study for the City of Muskegon.

C. DDA Liquor License – 451 W Western Planning

SUMMARY OF REQUEST: Hissom Restaurant Group, LLC is requesting a Downtown Development Authority On-Premise Liquor License for the building at 451 W Western Avenue. The Liquor Control Commission allows for additional liquor licenses within Downtown Development Authority Districts under certain conditions.

STAFF RECOMMENDATION: To approve the request for a Downtown Development Authority On-Premise Liquor License for the building at 451 W Western Avenue.

F. Concession Agreement – So Ridiculously Delicious Public Works

SUMMARY OF REQUEST: Staff is asking permission to enter into a contractual agreement with Alisa Jordan of "So Ridiculously Delicious" at Reese Park. "So Ridiculously Delicious" operated last year at the park with no issues, and Ms. Jordan has proposed to provide the same service again this year. Fees to the City for the concession would be \$250.00 plus 5% of Gross Receipts. Staff will confirm an updated food service license before allowing the concession to operate this year.

STAFF RECOMMENDATION: Authorize staff to enter into a Concession Agreement with Alisa Jordan of "So Ridiculously Delicious" at Reese park for 2022.

I. Street Vacations – Larch Avenue and Clinton Street Planning

SUMMARY OF REQUEST: Staff initiated request to vacate Larch Avenue east of Peck Street and west of Leahy Street and to also vacate Clinton Street south of Larch Avenue and north of Laketon Avenue. The Planning Commission

unanimously recommended vacation of the streets at their April meeting.

STAFF RECOMMENDATION: To approve the request to vacate Larch Avenue east of Peck Street and west of Leahy Street and also to vacate Clinton Street south of Larch Avenue and north of Laketon Avenue.

J. Sale – 1375 James Street Planning – REMOVED PER STAFF REQUEST

K. eScribe Meeting Manager Software Clerk – REMOVED PER STAFF REQUEST

Motion by Commissioner Gorman, second by Commissioner Ramsey, to accept the consent agenda as presented, minus item D, E, G, and H.

ROLL VOTE: Ayes: Gorman, Emory, St.Clair, Johnson, Hood, Ramsey, and German

Nays: None

MOTION PASSES

2022-43 REMOVED FROM CONSENT AGENDA:

D. Sale – 535 Yuba Street Planning

SUMMARY OF REQUEST: City staff is seeking authorization to sell the City owned vacant lot at 535 Yuba Street to James E. Locke, Jr. Mr. Locke would like to purchase the City owned buildable lot at 535 Yuba Street for \$2,400 (74% of the True Cash Value of \$3,200) plus half of the closing costs and the fee to register the deed. Mr. Locke will be constructing a single-family home on the property.

STAFF RECOMMENDATION: Authorize the Code Coordinator to complete the sale of 535 Yuba Street, as described in the purchase agreement, and to have the Mayor and Clerk sign the purchase agreement and deed.

Motion by Vice Mayor German, second by Commissioner Gorman, to authorize the Code Coordinator to complete the sale of 535 Yuba Street, as described in the purchase agreement, and to have the Mayor and Clerk sign the purchase agreement and deed.

ROLL VOTE: Ayes: Emory, St.Clair, Johnson, Hood, Ramsey, German, and Gorman

Nays: None

MOTION PASSES

E. Shoreline Drive Engineering Services Public Works

SUMMARY OF REQUEST: Staff is requesting authorization to approve a Professional Services Agreement with Progressive AE to provide traffic engineering services for a pilot road diet and traffic study on Shoreline Drive.

Staff solicited proposals from engineering firms to provide comprehensive traffic engineering services related to conceptual development, design, and traffic study completion for a pilot road diet on Shoreline Drive.

Staff is requesting to award the engineering services agreement to the highest scoring firm (Progressive AE)

Firm	Score
Hubbell, Roth & Clark	745
Progressive AE	755
Rowe PSC	735
Spalding DeDecker	710

Staff scored the proposals using Qualifications Based Selection criteria to ensure we were selecting the best partner for this important project. The scoring showed Progressive AE as the leading firm, and staff recommends contracting with them based on their proposal and their history of service. Progressive AE has provided admirable engineering services for the City of Muskegon in the past, including on previous traffic engineering projects in the area in particular for the development of the Convention Center. A summary score table is shown.

AMOUNT REQUESTED:
\$49,090

AMOUNT BUDGETED:
\$15,000 (21/22)
\$100,000 (22/23 – proposed)

STAFF RECOMMENDATION: Authorize staff to sign a professional services agreement with Progressive AE in an amount of \$49,090 to provide traffic engineering services for the development and study of the pilot road diet on Shoreline Drive.

Motion by Vice Mayor German, second by Commissioner Gorman, to authorize staff to sign a professional services agreement with Progressive AE in an amount of \$49,090 to provide traffic engineering services for the development and study of the pilot road diet on Shoreline Drive.

ROLL VOTE: Ayes: St.Clair, Johnson, Hood, Ramsey, Gorman, and Emory

Nays: German

MOTION PASSES

G. Concession Agreement – Michigan Lighthouse Conservancy Public Works

SUMMARY OF REQUEST: Staff is asking permission to enter into a 3-year contractual agreement with Erin Vorgias of the Michigan Lighthouse Conservancy – Muskegon Lights Branch to operate a gift shop and to support the tour operations in the chalet at Pere Marquette Park.

Staff is asking permission to enter into a Concession Agreement from May 10, 2022 – May 10, 2025 with Erin Vorgias of the Michigan Lighthouse Conservancy – Muskegon Lights Branch. Ms. Vorgias has proposed to operate a gift shop and support facility for their tour operations in the chalet at Pere Marquette Park

MLC is proposing to pay the standard \$1,000 annual fee to the city for the right to use the facility, but is asking for the standard 5% of gross receipts to be waived to help support the capital fundraising goals of the 501c3 organization as they work to secure funds for need repairs at the lights.

STAFF RECOMMENDATION: Authorize staff to enter into a 3-year Concession Agreement with Erin Vorgias of the Michigan Lighthouse Conservancy for use of the chalet at Pere Marquette Park.

1st Motion - Motion by Commissioner Emory, second by Vice Mayor German, to authorize staff to enter into a 3-year Concession Agreement with Erin Vorgias of the Michigan Lighthouse Conservancy for use of the chalet at Pere Marquette Park and to waive the Annual Fee as well as the percentage of gross receipts.

2nd Motion - Motion by Commissioner Hood, second by Commissioner Ramsey, to table this item until May 24, 2022.

ROLL VOTE: Ayes: Hood, Ramsey, German, Gorman, Emory, St.Clair, and Johnson

Nays: None

MOTION PASSES

H. Sale – 523 Yuba Street Planning

SUMMARY OF REQUEST: City staff is seeking authorization to amend the City Commission approved purchase agreement from the April 12, 2022, meeting to add one additional City owned vacant lot to Stephens Homes and Investments LLC purchase.

Stephens Homes and Investments LLC will be constructing one single family home on this additional lot owned by the City of Muskegon. The property is zoned R-1 (Single Family Residential). This will be sold for 75% of the True Cash Value (TCV) per policy. The selling price for this lot will be \$2,400. The property is located in the Brownfield Development area. This property will be added to the other nine following the requirement that a home will also be constructed within twenty-four (24) months.

STAFF RECOMMENDATION: Authorize the Code Coordinator to work with the developer and complete the sale of this additional city owned buildable lot as described and to have the Mayor and Clerk sign the deed.

Motion by Vice Mayor German, second by Commissioner St.Clair, to authorize the Code Coordinator to work with the developer and complete the sale of this additional City owned buildable lot as described and to have the Mayor and

Clerk sign the deed.

ROLL VOTE: Ayes: Ramsey, German, Gorman, Emory, St.Clair, Johnson, and Hood

Nays: None

MOTION PASSES

2022-44 PUBLIC HEARINGS:

A. Commercial Rehabilitation Certificate – 130 E Apple Avenue Planning

SUMMARY OF REQUEST: Pursuant to Public Act 210 of 2005, as amended, The Forrest Group of West Michigan LLC has requested the issuance of a Commercial Rehabilitation Certificate at 130 E. Apple Avenue.

The Certificate will freeze the taxable value of the building and exempt the new real property investment from local taxes. The school operating tax and the State Education Tax (SET) are still levied on the new investment. Land and personal property cannot be abated under this act. The City Commission approved the creation of the Commercial Rehabilitation District at its March 8 meeting. The estimated cost of rehabilitation is \$300,000. The tax incentive committee has recommended an abatement duration of three (3) years.

STAFF RECOMMENDATION: To approve the issuance of a Commercial Rehabilitation Certificate at 130 E Apple Avenue for a duration of three (3) years.

PUBLIC HEARING COMMENCED: No public comments received.

Motion by Commissioner Ramsey, second by Commissioner Hood, to close the public hearing and approve the issuance of a Commercial Rehabilitation Certificate at 130 E Apple Avenue for a duration of five (5) years.

ROLL VOTE: Ayes: German, Gorman, Emory, St.Clair, Johnson, Hood, and Ramsey

Nays: None

MOTION PASSES

B. HOME American Rescue Plan (ARP) Hearing Community and Neighborhood Services

SUMMARY OF REQUEST: HUD has awarded the City of Muskegon HOME ARP funds in addition to our regular FY2021 HOME formula allocation. These funds are to be used (one-time) to create a significant opportunity to meet the housing and service needs of our community's most vulnerable population.

CNS proposes to use these funds to provide resources to youth at risk of homelessness (under the age of 18) who are struggling to have shelter/housing, lack of mentors and health services. Support the development of non-

congregate shelter for those identified as uncovered youth.

In addition, partnering agencies within the county of Muskegon will assist with resources to offset immediate housing stabilization. CNS is proposing the purchase of existing Rental Housing units within our community in order to mandate HUD HOME rents to those identified as homeless in our community-individuals or families assessed and counted as eligible through our Muskegon Continuum of Care.

Lastly, these HOME funds will continue to supply the housing market with Affordable housing choices to those who income qualify to purchase. This process is faster with existing properties within our county and HOME allocation funds.

AMOUNT REQUESTED: \$1,035,512.50 AMOUNT BUDGETED: \$1,218,250.00

FUND OR ACCOUNT: HOME ARP

STAFF RECOMMENDATION: Authorize CNS to submit the proposed project(s) selections itemized within this request: Youth Services and Employment, Affordable Rental and Homeownership Housing opportunities.

PUBLIC HEARING COMMENCED:

Rachel Zaragoza with MAISD, homeless youth coordinator for our region of the state, spoke in support of providing funds for homeless students.

Nicole Darcy, homeless liaison with Muskegon Public Schools, spoke in support of providing support of providing funds for homeless students.

Chauncey Williams, representing Muskegon Public Schools as the K-12 Career and College facilitator, spoke in favor of a program supporting homeless students.

Diane Foster, 135 Ottawa, spoke in favor of the program and thinks we should increase the age limit to 18.

LaShonda Young, 11886 Heights Ravenna Road, spoke about her experience and in support of a program to support homeless youth.

Brenda Frierson-Grider, 1081 Green, spoke about her person experience and supports a program for homeless youth.

Motion by Commissioner Ramsey, second by Commissioner St.Clair, to close the public hearing and authorize CNS to submit the proposed project(s) selections itemized within this request: Youth Services and Employment, Affordable Rental and Homeownership Housing opportunities.

ROLL VOTE: Ayes: Gorman, Emory, St.Clair, Johnson, Hood, Ramsey, and German

Nays: None

MOTION PASSES

2022-45 NEW BUSINESS:

A. Housing Board of Appeals Demolitions Public Safety

1969 Kinsey Street

2123 Henry Street (Garage only)

SUMMARY OF REQUEST: The Housing Board of Appeals approved the demolition of 1969 Kinsey and 2123 Henry Street (garage only).

This is to request that the City Commission concur with the finding of the Housing Board of Appeals that the structures located at 1969 Kinsey and 2123 Henry Street (garage only), are unsafe, substandard, a public nuisance and that they be demolished within thirty (30) days. It is further requested that administration be directed to obtain bids for the demolition of the structure and that the Mayor and City Clerk be authorized and directed to execute a contract for demolition with the lowest responsible bidder or staff may issue infraction tickets to the owner, agent, or responsible party if they do not demolish the structure.

FUND OR ACCOUNT: 101-80387-5356

STAFF RECOMMENDATION: To concur with the Housing Board of Appeals to demolish 1969 Kinsey and 2123 Henry Street (garage only) and approval from commission to accept bids on this demolition.

First Motion - Motion by Commissioner Ramsey, second by Commissioner Gorman, to concur with the Housing Board of Appeals to demolish 1969 Kinsey and approval from the City Commission to accept bids on this demolition.

ROLL VOTE: Ayes: Emory, St.Clair, Johnson, Hood, Ramsey, German, and Gorman

Nays: None

MOTION PASSES

Second Motion - Motion by Commissioner Ramsey, second by Commissioner Hood, to concur with the Housing Board of Appeals to demolish 2123 Henry (garage only) and approval from the City Commission to accept bids on this demolition.

ROLL VOTE: Ayes: St.Clair, Johnson, Hood, Ramsey, German, Gorman, and Emory

Nays: None

MOTION PASSES

B. 3rd Quarter Reforecast Finance

SUMMARY OF REQUEST: At this time staff is asking for approval of the 3rd Quarter

Budget Reforecast for FY 2021-22 budget year as presented.

The Finance Department has adjusted numerous accounts, some of the notable changes in revenue are as follows:

We have seen a modest increase in Property Tax & Property Tax Sanitation collections through the 3rd Quarter. Revenue projections are up over \$200,000 from the original budget.

Revenue projections from our Inspections which includes building, electrical, and heating are down \$72,000 from the original budget.

The Marihuana excise tax payment was significantly larger than expected. This year's payment was \$451,627 compared to our first payment of \$112,005. This revenue is in our State Grant fund 101-00000-4400.

Miscellaneous & Sundry revenue 101-00000-4800 is up significantly due to a one-time overpayment correction.

101-00000-4904 represents ARPA money coming into the General Fund.

Some of the notable changes in expenses are as follows:

The Police budget was raised by almost \$400,000 primarily due to salary increases, retirements, and comp payouts.

This 3rd Quarter reforecast reflects the \$2,668,933 that the Commission approved to transfer to the Convention Center from the General Fund.

The Central Dispatch Capital Project expenditure number has been lowered from \$1,100,000 to \$289,176, this project is now complete.

Changes specific to Mercy Health Arena – revenues are projected to be up more than \$1.2 million than the original budget. However, almost \$650,000 of the revenue is coming from Carlisle's for reimbursement of the buildout.

We had to increase revenue projections on quite a few line items for the Arena.

Water and Sewer Funds also have adjustments. The Sewer Fund had some minor revenue increases. We are reducing Muskegon County Wastewater Treatment costs to \$5,000,000 based on the current projections. The original budgeted for 20/21 was \$6,000,000 and then was reduced to \$5,500,000 in the 1st quarter.

The Water & Sewer Maintenance Depart (60559) had to have its budget increased by \$130,000 primarily due to salaries and supply costs.

We had to lower our Wholesale Water revenue projections by \$400,000 and are behind last year's pace, this is a more realistic number.

STAFF RECOMMENDATION: To approve the 3rd Quarter FY2021-22 Budget Reforecast as presented.

Motion by Commissioner Ramsey, second by Commissioner Emory, to approve the 3rd Quarter FY2021-22 Budget Reforecast as presented.

ROLL VOTE: Ayes: St.Clair, Johnson, Hood, Ramsey, German, Gorman, and Emory

Nays: None

MOTION PASSES

PUBLIC COMMENT ON NON-AGENDA ITEMS: Public comments were received.

ADJOURNMENT: The City Commission meeting adjourned at 7:35 p.m.

Respectfully Submitted,

Ann Marie Meisch, MMC - City Clerk