

CITY OF MUSKEGON

CITY COMMISSION MEETING

MAY 9, 2017 @ 5:30 P.M.

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

MINUTES

The Regular Commission Meeting of the City of Muskegon was held at City Hall, 933 Terrace Street, Muskegon, MI at 5:30 p.m., Tuesday, May 9, 2017. Pastor Leroy Lockhart, New Birth Ministries, opened the meeting with prayer, after which the Commission and public recited the Pledge of Allegiance to the Flag.

ROLL CALL FOR THE REGULAR COMMISSION MEETING:

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

HONORS AND AWARDS:

A. 2016 Outstanding Citizenship Award Presentation

Commissioner Kenneth Johnson presented John McGee, Jr. with the City of Muskegon 2016 Outstanding Citizenship Award. John serves as Vice-President of the McLaughlin Neighborhood Association, volunteers at CATCH Camp, and helps maintain the community park. These are just a couple examples of his generosity.

INTRODUCTIONS/PRESENTATION:

A. Muskegon Catholic Central 2016 Division 8 Football State Champions

The Muskegon Catholic Central Crusaders were recognized and congratulated on winning the 2016 Division 8 Football State Championship. A Certificate of Recognition and a sign were presented by Mayor Stephen J. Gawron.

2017-38 CONSENT AGENDA:

A. Approval of Minutes City Clerk

SUMMARY OF REQUEST: To approve the minutes of the April 25, 2017 Regular

City Commission Meeting.

FINANCIAL IMPACT: None.

BUDGET ACTION REQUIRED: None.

STAFF RECOMMENDATION: Approval of the minutes.

B. Request to Fly the Norwegian Flag City Clerk

SUMMARY OF REQUEST: Sons of Norway are requesting permission to fly the Norwegian Flag at City Hall on Saturday, May 17, 2017 in honor of Norway's Constitution Day (Independence Day).

FINANCIAL IMPACT: None.

BUDGET ACTION REQUIRED: None.

STAFF RECOMMENDATION: Approval of the request.

C. Adopt a Resolution Approving the Liquor License Application for 18th Amendment as a Mixed Spirit Drink Manufacturer at 350 W. Western Avenue City Clerk

SUMMARY OF REQUEST: To adopt a resolution approving a Liquor License for 18th Amendment, LLC for a license as a Mixed Spirit Drink Manufacturer at 350 W. Western Avenue.

FINANCIAL IMPACT: None.

BUDGET ACTION REQUIRED: None.

STAFF RECOMMENDATION: Adopt a resolution approving the request of 18th Amendment LLC for a liquor license as a Mixed Spirit Drink Manufacturer at 350 W. Western Avenue.

D. Adopt a Resolution Approving the Liquor License Application for 18th Amendment as a Small Distiller and Mixed Spirit Drink Manufacturer at 1150 7th Street City Clerk

SUMMARY OF REQUEST: To adopt a resolution approving a Liquor License for 18th Amendment, LLC for a license as a Small Distiller and Mixed Spirit Drink Manufacturer at 1150 7th Street.

FINANCIAL IMPACT: None.

BUDGET ACTION REQUIRED: None.

STAFF RECOMMENDATION: Adopt a resolution approving the request of 18th Amendment LLC for a liquor license as a Small Distiller and Mixed Spirit Drink Manufacturer at 1150 7th Street.

H. Water System Asset Management Plan Department of Public Works

SUMMARY OF REQUEST: Authorize staff to enter into an agreement with Prein &

Newhof to perform a State mandated “Water System Asset Management Plan” per Michigan’s Safe Drinking Water Act of 1976.

City staff would like to capitalize on the work already completed by Prein & Newhof as part of the most recent Reliability Study and Saw Grant, which will be used for the Asset Management Plan.

FINANCIAL IMPACT: \$35,000.00

BUDGET ACTION REQUIRED: None.

STAFF RECOMMENDATION: Authorize staff to enter into an agreement with Prein & Newhof.

I. Roof Repairs at LC Walker Arena DPW/Engineering

SUMMARY OF REQUEST: Authorize staff to enter into a roof repairs agreement at LC Walker Arena with Allied Roofing since they submitted the lowest responsible bid of \$19,700.

FINANCIAL IMPACT: \$19,700.00

BUDGET ACTION REQUIRED: None.

STAFF RECOMMENDATION: Authorize staff to enter into an agreement with Allied Roofing for a cost of \$19,700.

J. Assignment of Contract for Housing Exemption Planning & Economic Development

SUMMARY OF REQUEST: General Capital Acquisitions, LLC and the City entered into a Contract for Housing Exemption on September 22, 2015. Berkshire Muskegon Limited Dividend Housing Association, LLC is an affiliate of General Capital Acquisitions, LLC that has been formed for the purpose of owning the project. This request is to approve the assignment of the contract from General Capital Acquisitions, LLC to Berkshire Muskegon Limited Dividend Housing Association, LLC.

FINANCIAL IMPACT: None.

BUDGET ACTION REQUIRED: None.

STAFF RECOMMENDATION: Approval of the request and to authorize the Mayor and Clerk to sign the Assignment of Contract for Housing Exemption.

K. Community Relations Committee Recommendations for City Board and Committee Openings

SUMMARY OF REQUEST: To concur with recommendations from the Community Relations Committee regarding appointments to the Business Improvement District and the Community Development Block Grant – Citizen’s District Council.

FINANCIAL IMPACT: None.

BUDGET ACTION REQUIRED: None.

STAFF RECOMMENDATION: To accept the recommendations made by the Community Relations Committee to appoint Clyde Whitehouse to the Business Improvement District and Jeremy Lenertz to the CDBG – Citizen's District Council.

COMMITTEE RECOMMENDATION: To appoint Clyde Whitehouse to the Business Improvement District and Jeremy Lenertz to the CDBG – Citizen's District Council as recommended from the May 8, 2017 meeting.

L. Community Relations Committee Recommendations for Talent Bank Application Changes

SUMMARY OF REQUEST: To concur with recommendations from the Community Relations Committee regarding changes to the Talent Bank Application.

FINANCIAL IMPACT: None.

BUDGET ACTION REQUIRED: None.

STAFF RECOMMENDATION: To approve the recommendations made by the Community Relations Committee.

COMMITTEE RECOMMENDATION: Accept recommendations for changes and additions to the Talent Bank Application from the May 8, 2017 meeting.

Motion by Commissioner Turnquist, second by Commissioner Warren, to approve the consent agenda as presented, minus items E, F, and G.

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

Nays: None

MOTION PASSES

2017-39 ITEMS REMOVED FROM THE CONSENT AGENDA

E. A & E Barbecue 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 Eric Jewel of A & E Barbecue LLC, at Pere Marquette Park, located within the City of Muskegon, to sell various Barbecue/food items from a mobile concession.

FINANCIAL IMPACT: Concession revenue is 10% of gross receipts.

BUDGET ACTION REQUIRED: None.

STAFF RECOMMENDATION: Authorize DPW staff to enter into concession agreement with Eric Jewel of A & E Barbecue LLC.

Motion by Commissioner German, second by Commissioner Rinsema-Sybenga, to authorize DPW staff to enter into concession agreement with Eric Jewel of A &

E Barbecue LLC.

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

Nays: None

MOTION PASSES

F. Nims Neighborhood Boat Safety Program Department of Public
Works

SUMMARY OF REQUEST: Authorize staff to work with the Nims Neighborhood Association/Watch Us Go Boating Program, and enter into a contract with “Guy’s Ultimate Kayak Service” to facilitate a boating safety education program, and access to Muskegon Lake.

FINANCIAL IMPACT: None.

BUDGET ACTION REQUIRED: None.

STAFF RECOMMENDATION: To approve the contract between “Guy’s Ultimate Kayak Service” and the City of Muskegon for one year, with an option for staff to renew to the contract for an additional two years.

Motion by Commissioner Johnson, second by Commissioner German, to approve the contract between “Guy’s Ultimate Kayak Service” and the City of Muskegon for one year, with an option for staff to renew the contract for an additional two years.

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

Nays: None

MOTION PASSES

G. Request to Amend the City Code of Ordinances Planning &
Economic Development

SUMMARY OF REQUEST: Staff initiated request to amend the animal section of the City Code of Ordinances to add a section for beekeeping. The ordinance outlines provisions for beekeeping under certain conditions.

FINANCIAL IMPACT: None.

BUDGET ACTION REQUIRED: None.

STAFF RECOMMENDATION: Approval of the ordinance amendment.

Motion by Commissioner German, second by Commissioner Warren, to approve the ordinance amendment.

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

Nays: None

MOTION PASSES

2017-40 PUBLIC HEARINGS:

A. Establishment of a Commercial Redevelopment District – 351 W. Western Avenue Planning & Economic Development

SUMMARY OF REQUEST: Pursuant to Public Act 255 of 1978, as amended, 351 W. Western, 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 provide a 50% reduction in the number of mills levied as ad valorem taxes, excluding the State Education Tax.

FINANCIAL IMPACT: None.

BUDGET ACTION REQUIRED: None.

STAFF RECOMMENDATION: Establishment of the Commercial Redevelopment District.

PUBLIC HEARING COMMENCED:

Developers Chris Benedict – 370 Mid Oak, North Muskegon and Josh Fraley – 15120 Cross Creek Drive, Spring Lake were present.

Al Green – could be a good spot for a grocery store.

Motion by Commissioner Rinsema-Sybenga, second by Vice Mayor Hood, to close the public hearing and establish the Commercial Redevelopment District at 351 W. Western Avenue.

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

Nays: None

MOTION PASSES

B. Issuance of a Commercial Facilities Exemption Certificate – 351 W. Western LLC Planning & Economic Development

SUMMARY OF REQUEST: Pursuant to Public Act 255 of 1978, as amended, 351 W. Western, LLC has requested the issuance of a Commercial Facilities Exemption Certificate. The certificate provides a 50% reduction in the number of mills levied as ad valorem taxes, excluding the State Education Tax, for the commercial portion of the development. The company will be investing \$2,286,777 in the commercial space, which qualifies them for an abatement of nine (9) years.

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

BUDGET ACTION REQUIRED: None.

STAFF RECOMMENDATION: Issuance of the Commercial Facilities Exemption Certificate.

PUBLIC HEARING COMMENCED: No public comments were received.

Motion by Commissioner Johnson, second by Commissioner German, to close the public hearing and to issue the Commercial Facilities Exemption Certificate for 351 W. Western, LLC.

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

Nays: None

MOTION PASSES

2017-41 NEW BUSINESS:

A. Request to Create a New Neighborhood Enterprise Zone District at 351 W. Western Avenue Planning & Economic Development

SUMMARY OF REQUEST: Pursuant to Public Act 147 of the Michigan Public Acts of 1992, 351 W. Western, LLC has requested to create a new Neighborhood Enterprise Zone (NEZ) district for the parcel at 351 W. Western Avenue. Properties located in this NEZ district will be eligible to apply for NEZ certificates, which will lower the residential property taxes on new construction. Notice letters were sent to the taxing jurisdictions on March 2, 2017 and a public hearing was held on April 11, 2017. State law requires that the resolution must be adopted at least 60 days after the notice letters were sent. This project will include 20 market-rate units.

FINANCIAL IMPACT: No financial impact at this point. However, being in a district will allow them to apply for a rehab NEZ certificate, which will lower the residential property taxes for 1 to 15 years.

BUDGET ACTION REQUIRED: None.

STAFF RECOMMENDATION: Staff recommends approval of the new NEZ district.

Motion by Commissioner Rinsema-Sybenga, second by Commissioner Warren, to approve the new NEZ District.

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

Nays: None

MOTION PASSES

B. Purchase Agreement – 1000 West Western Avenue City Manager

SUMMARY OF REQUEST: As part of the City's effort to clean up the West Western Avenue corridor, City staff removed the vacant parking lot on the former Shaw Walker Parking Lot property adjacent to the City's Hartshorn Marina (1000 West Western). The property was subsequently listed for sale with Core Realty. City staff negotiated a purchase agreement with Smith Equities, LLC to purchase the property for an amount equal to \$249,000. Smith Equities will use the 90 day due diligence period to create a development plan for the site as well as work with City staff to explore options to improve and/or manage Hartshorn Marina.

FINANCIAL IMPACT: \$250,000 income, minus closing costs.

BUDGET ACTION REQUIRED: None.

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

Motion by Commissioner Johnson, second by Commissioner Rinsema-Sybenga, to approve the purchase agreement and authorize the City Clerk and Mayor to sign.

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

Nays: None

MOTION PASSES

PUBLIC PARTICIPATION: Public comments were received.

ADJOURNMENT: The City Commission meeting adjourned at 6:43 p.m.

Respectfully Submitted,

Ann Marie Meisch, MMC, City Clerk