

City of Muskegon
City Commission Meeting
Minutes

April 25, 2023, 5:30 pm
Muskegon City Hall
933 Terrace Street, Muskegon, MI 49440

Present: Mayor Ken Johnson
Commissioner Rachel Gorman
Commissioner Rebecca St.Clair
Commissioner Eric Hood
Vice Mayor Willie German, Jr.
Commissioner Michael Ramsey (left at 9:50 p.m.)
Commissioner Teresa Emory

Staff Present: City Manager Jonathan Seyferth
City Clerk Ann Meisch
City Attorney John Schrier
Deputy City Clerk Kimberly Young

1. Call To Order

The Regular Meeting of the City of Muskegon was held at City Hall, 933 Terrace Street, Muskegon, Michigan at 5:30 p.m. on Tuesday, April 25, 2023. Mayor Johnson called the City Commission Meeting to order at 5:30 p.m.

2. Prayer

Pastor Russ Damm, Oakcrest Church of God, opened the meeting with prayer.

3. Pledge of Allegiance

The Pledge of Allegiance to the Flag was recited by the Commission and the public.

4. Roll Call

As recorded above

5. Honors, Awards, and Presentations

5.a New Staff Introduction - Public Safety

Police Community Coordinator, Emily Morgenstern

Chief Kozal introduced Emily Morgenstern, new to the Department of Public Safety, as the Police Community Coordinator.

5.b Women Veterans Day

Mayor Johnson presented a resolution recognizing WINC (Women Injured in Combat) and declaring April 26 of each year as Women Veterans Day in Muskegon.

6. Public Comment on Agenda Items

Public comments were received.

7. Consent Agenda

Action No. 2023-54

Motion by: Vice Mayor German

Second by: Commissioner Hood

To accept the consent agenda as presented, minus item g and m.

Ayes: (7): Mayor Johnson, Commissioner Gorman, Commissioner St.Clair, Commissioner Hood, Vice Mayor German, Commissioner Ramsey, and Commissioner Emory

MOTION PASSES (7 to 0)

7.a Approval of Minutes - City Clerk

To approve the minutes of the March 28, 2023 Regular Meeting and the March 29, 2023 Special Meeting.

STAFF RECOMMENDATION: To approve the minutes.

7.b Health and Dental Care Renewal - Finance

To approve the renewal of Priority Health as the City's fully insured health care provider and the Third-Party Administrator for City's self-funded health care plan. And to renew Delta Dental as the City's dental insurance provider.

The City's health care coverage renews June 1, 2023, for the period June 1, 2023 to May 31, 2024. The following are changes effective June 1, 2023.

1. Renewal rates increased by 5%. Medical Inflation and Trend are 6.66% for Medical and 7.93% for Prescription.

Demographic	2022	2023
Single	\$572.44	\$604.78
Double	\$1,287.99	\$1,360.75
Family	\$1,545.59	\$1,632.91

2. Each year out-of-pocket maximums are adjusted by the insurance carrier. This year the change to out-of-pocket maximums are as follows:

Demographic	2022	2023
Single	\$8,550	\$9,100
Double/Family	\$17,100	\$18,200

3. Our Health Reimbursement Arrangement (HRA) is running very well. Our annual projection for this current (2022/23) plan year payout will be around \$361,369.24.

4. Our Deductible needs to be met before the Coinsurance starts. It is looking like only around 13 people meet their deductible and coinsurance for 2022/2023 plan year.

	2022	2023
Annual Employee	\$403,419.38	\$271,171.37
Annual HRA Employer	\$361,369.25	N/A
Annual Employer	\$2,117,951.74	\$2,440,542.31
Annual Hard Cap	\$2,647,020.05	\$2,774,084.40

5. For our self-funded contract, which includes 2 segments, those retirees under 65 and those over 65. We have 7 large claims currently in the self-funded plan. The renewal rates for the self-funded plan are as follows:

	Enrolled	Current	Renewal	Increase/Decrease
Admin Fee	157	\$51.68	\$52.85	2.0%
Aggregate Premium	157	\$13.76	\$14.72	7.0%

6. Delta Dental rates will remain the same for 2023-24. There are no plan changes. The city offers three benefit packages dependent on where you work.

	Single	Double	Family
Basic (Police & Fire)	\$26.80	\$50.40	\$101.28
Enhanced (Non-Union)	\$32.68	\$61.19	\$122.25
Union Enhanced (union)	\$31.24	\$59.33	\$120.50

7. Vision rates will stay the same and there will be no changes in benefits.

8. Payroll contributions will be 10% employee paid on a bi-weekly basis. The 10% payroll contribution includes medical rates, and HRA payments.

AMOUNT REQUESTED: \$2,711,713.68

AMOUNT BUDGETED: \$2,711,713.68

STAFF RECOMMENDATION: To renew the health and dental plans with the current increase.

7.c Hard Cap Exemption - Finance

The State of Michigan has a hard cap exemption for the employer portion of health care. The health care renewal for the June 1, 2023 to May 31, 2024 has the employer paying \$2,784,987.31. The State of Michigan hard

cap is \$2,774,084.40. This is based off 69 single, 43 double and 77 family participants.

STAFF RECOMMENDATION: To adopt the annual Exemption option for the medical benefit plan coverage year June 1, 2023 through May 30, 2024.

7.d ARPA Community Grant Review Committee - City Manager

Removed per staff request.

7.e Adelaide Pointe Construction Engineering - DPW

Staff requests authorization to enter into a contract with ENG. Inc. to perform third-party construction engineering services for the roads and public utilities on the Adelaide Pointe development site.

In February of 2022 at the developer’s request, staff issued an RFP for design and construction engineering services at Adelaide Pointe. At the time it was thought that the hired firm would design and oversee the installation of the public infrastructure. Three firms submitted, and a summary of the qualifications-based scoring is shown below:

Submitting Firm	Score (Base 1000)
HRC, Inc.	730
ENG. Inc.	825
Edgewater Resources	355

ENG. was the highest-scoring firm, although no award was made due to changes in how the design and contracting was done.

The developers engineer ended up designing the project, and permits are now being issued. Construction on the public infrastructure is expected to begin this month, and may be completed this year.

The need for construction engineering services has not changed, and in fact is now greater than before due to the developer’s engineer having designed the infrastructure. ENG. has submitted a revised proposal that covers only the construction services. Staff find their proposal as compelling as before, and requests authorization to hire them to oversee this historic investment in Muskegon’s waterfront.

This is an unbudgeted item for FY23, however all costs are covered by special funds (roads, water and sewer). The costs will be budgeted in FY24 as shown below.

AMOUNT REQUESTED: \$25,000 (FY23)

AMOUNT BUDGETED: \$0 (FY23)

AMOUNT REQUESTED: \$28,250 (FY24)

AMOUNT BUDGETED: \$281,250 (FY24)

FUND OR ACCOUNT: \$60,637.50 (Water, 591) - \$43,487.50 (Sewer, 590) - \$202,125 (Streets, 203)

STAFF RECOMMENDATION: Authorize staff to enter into a contract with ENG. Inc. for third-party construction engineering services for the public infrastructure at the Adelaide Pointe site in the amount of \$306,250.

7.f Olthoff Drive Extension Contract Award - DPW

Staff is requesting approval of a contract with Terra Contractors, Inc. in the amount of \$1,043,104.60 for the extension of Olthoff Drive, with funds from a TEDF Category A grant from MDOT and remaining funds from an MEDC grant related to the demolition of the prison.

On March 14, 2023, Commission approved a grant agreement with MDOT that awarded up to \$630,000 to the City for a Transportation Economic Development Fund (Category A) Grant. The grant process has been completed, and the construction contract can now be awarded. The grant will cover 60% of the construction cost, leaving \$413,104.60 to be paid out of the MEDC grant the City received to redevelop the industrial park and demolish the former prison. The two grants combined will fully cover the cost of the project.

The City received bids on December 13, 2022. Terra Contractors is recommended by staff in accordance with an "intent to award" letter that Commission received last month, for reasons outlined in that letter.

AMOUNT REQUESTED: \$1,043,104.60 (Grant) AMOUNT
BUDGETED: \$1,043,104.60 (Grant)

FUND OR ACCOUNT: N/A (Via 202 and 482)

STAFF RECOMMENDATION: Authorize staff to enter into a contract with Terra Contractors in the amount of \$1,043,104.60 for the extension of Olthoff Drive on the former prison site.

7.h Street Sweeping Contract Award - DPW

Staff is requesting authorization to enter into a three-year contract with Tri-Us Services, Inc. for street sweeping services throughout the City for 2023 through 2025 in an amount of \$310,370.23 each year.

Staff issued a public bid for street sweeping services, as our previous contract had expired. A bid tab showing the results is included. The low bidder, Tri-US Services, has been performing street sweeping services for the City for many years and has always done a good job; staff recommends award to Tri-Us Services. The funds for street sweeping comes from the Sanitation Fund, which receives revenue from both the sanitation millage and the sanitation fee on the water bill. MDOT contracts with the City for sweeping of the trunklines within the City via reimbursement, and MDOT will again reimburse the City for the trunkline portions of this contract on an annual basis. The bid includes \$170.00 per hour for additional sweeping services such as special events, construction sweeping, etc.

AMOUNT REQUESTED: \$310,370.23 (FY23-23 Each) AMOUNT
BUDGETED: \$275,000 FY23 & \$311,000 FY24-26

FUND OR ACCOUNT: 101-521 (Sanitation)

STAFF RECOMMENDATION: To authorize staff to enter into a three-year contract with Tri-Us Services for street sweeping for an annual cost of \$310,370.23.

7.i Sale of Lots for Residential Construction to LRS Enterprises - Development Services

LRS Enterprises will complete their ARP Infill Housing Agreement with the City this calendar year, and would like to secure lots to privately build and market 9 residential for-sale homes.

Lots requested:

- 723 Sumner for construction of 2 homes (lot split)
- 725 Wesley for construction of 1 home
- 628 Mulder for construction of 2 homes (lot split)
- 396 Erickson for construction of 1 home
- 397 Marquette for construction of 1 home

- 388 Jackson for construction of 2 homes (lot split)

Total price for acquisition at 75% of True Cash Value is \$15,075.00. LRS will have the opportunity to have some of that rebated to them pending final design of the homes per the lot sale policy.

STAFF RECOMMENDATION: To authorize the Code Coordinator to work with the developer and complete the sale of the vacant lots to build nine single family homes on the buildable lots as described and to have the Mayor and Clerk sign the purchase agreement and deed.

7.j Amendment to the Zoning Ordinance - Marihuana Processing - 2nd Reading - Planning

Staff initiated request to amend the B-2, B-4, I-1, I-2 and MC sections of the zoning ordinance to allow marihuana processing facilities without extraction methods classified as hazardous under the Michigan Building Code as a special use permitted.

The Planning Commission recommended approval of the amendments by a 7-0 vote at their March 16, 2023 meeting.

STAFF RECOMMENDATION: To approve the request to amend the B-2, B-4, I-1, I-2 and MC sections of the zoning ordinance to allow marihuana processing facilities without extraction methods classified as hazardous under the Michigan Building Code as a special use permitted.

7.k Rezoning a Portion of 560 Mart Street - 2nd Reading - Planning

Request to rezone a portion of the property at 560 Mart St from B-2, Convenience & Comparison Business to WM-Waterfront Marine, by West MI Dock & Market.

The Planning Commission recommended approval of the rezoning by a 7-0 vote at their March 16, 2023 meeting.

STAFF RECOMMENDATION: To approve the request to rezone a portion of 560 Mart St from B-2 to Waterfront Marine.

7.l Rezoning of 1163 Terrace Street - 2nd Reading - Planning

Request to rezone the property at 1163 Terrace Street from R-3 Residential to B-2, Convenience & Comparison Business, by Ryan Burns.

The Planning Commission recommended approval of the rezoning by a 7-0 vote at their March 16, 2023 meeting.

STAFF RECOMMENDATION: To approve the rezoning of 1163 Terrace St from R-3 to B-2.

7.g TCO 78-2023 - Lakeshore & Southern Stop Sign Removal - DPW

Staff requests approval of Traffic Control Order #78-(2023).

The Michigan Manual of Uniform Traffic Control Devices (MMUTCD), the document that provides guidance for installation of traffic controls, includes provisions for stop-controlled intersections such as:

- The combined vehicular, bicycle, and pedestrian volume entering the intersection from all approaches averages more than 2,000 units per day, and
- An intersection of two residential neighborhood collector (through) streets of similar design and operating characteristics where multi-way stop control would improve traffic operational characteristics of the intersection.

In the spring of 2022, a stop sign was installed at Lakeshore and Southern in accordance with the above criteria. In consultation with the Nims Neighborhood Association, DPW and the neighborhood request the stop sign be removed. It has not contributed to safety, and in fact has added to noise pollution in the area as cars speed away from the stop sign. Stop signs installed at Michigan and Franklin and at Western and Franklin around the same time have yielded better results, are not proposed for removal, and will continue to be monitored.

STAFF RECOMMENDATION: To approve Traffic Control Order #78-(2023).

Action No. 2023-55 (g)

Motion by: Commissioner Ramsey

Second by: Commissioner St.Clair

To approve Traffic Control Order 78-2023

Ayes: (7): Mayor Johnson, Commissioner Gorman, Commissioner St.Clair, Commissioner Hood, Vice Mayor German, Commissioner Ramsey, and Commissioner Emory

MOTION PASSES (7 to 0)

7.m Amendment to the Zoning ordinance, Carriage House Requirements - 2nd Reading - Planning

Staff initiated request to amend the form-based code section of the zoning ordinance to allow carriage houses with only a one-story minimum requirement and only a 20-foot depth requirement.

STAFF RECOMMENDATION: To approve the requested amendments to allow carriage houses with only a one-story minimum requirement and only a 20-foot depth requirement.

Carriage houses are currently required to be two stories and have a minimum depth of 30 feet.

The Planning Commission recommended approval of the amendments by a 6-1 vote at the March 16, 2023 meeting.

Action No. 2023-55 (m)

Motion by: Commissioner Ramsey

Second by: Commissioner St.Clair

To approve the requested amendments to allow carriage houses with only a one-story minimum requirement and only a 20-foot depth requirements.

Ayes: (6): Mayor Johnson, Commissioner Gorman, Commissioner St.Clair, Commissioner Hood, Commissioner Ramsey, and Commissioner Emory

Nays: (1): Vice Mayor German

MOTION PASSES (6 to 1)

8. Public Hearings

8.a Public Hearing Brownfield Plan Amendment, The Meadows at Harbor 31, Harbor 31 LLC - Development Services

Harbor 31 LLC has submitted a Brownfield Plan Amendment for the Meadows at Harbor 31 Redevelopment Project - a residential development on 2.5 acres located at 177 Viridian Drive along the south shore of Muskegon Lake.

The Harbor 31 project is a 31-acre mixed use development that will include 155 market-rate apartments and townhouses, as well as a hotel, retail and office space, marina, boat sales rentals, and senior living.

The Meadows at Harbor 31 is located on 2.5-acres along Muskegon Lake. The proposed redevelopment activities will include a 21 two-story multi-family duplex style residential homes with surrounding grass lawn areas, sidewalks and roadways creating a walkable community that provides access to Muskegon Lake, greenspace areas in downtown Muskegon. Sustainable development concepts are proposed throughout the project including green building techniques and low-impact development and stormwater management. The Total private investment, not including property acquisition, is approximately \$7MM. Development is expected to begin this fall through 2024.

Staff comments:

- The Meadows at Harbor 31 is the third brownfield plan amendment for Harbor 31 LLC which includes Trilogy and Viridian Shores.
- The original property has been utilized for industrial use which has resulted in a widespread of contamination across the property. The developer is in the process of completing a phase ESA and will complete a BEA in the near future. The property is considered an eligible property as defined by act 381 due to the known soil contamination.
- The plan includes a total eligible activity costs of \$530,700 which includes department specific activities- \$50,700, due care activities- \$400,000, contingency (15%)- \$60,000, brownfield plan amendment/ act 381 work plan preparation- \$15,000, and brownfield plan amendment implementation- \$5,000.
- The total cost for the local only MSF Non-Environmental Eligible activities is \$1,430,435 which includes a contingency of 15% and 2.5% interest. The total Developer EGLE and local only MSF eligible activities costs is \$1,961,135.
- Additional eligible fees include the local only City of Muskegon eligible activities with a total cost of \$644,586.
- The 2023 taxable value of the eligible property is \$136,500. After completion of the development, the taxable value is estimated at \$2,800,000. This Plan Amendment assumes a 1% annual increase in the taxable value of the eligible property. Initial capture is anticipated to begin in 2026 (after the sunset of the Smart Zone tax abatement for the property).

- Capture of tax increment revenues for Developer reimbursement is anticipated to commence in 2026 and end in 2045, a total of 22 years. This Plan Amendment assumes approximately three years of additional capture of tax increment revenues (following Developer reimbursement) for deposit into a Local Brownfield Revolving Fund, if available.
- The Brownfield Redevelopment Authority approved and signed the resolution for the BPA on April 11, 2023.

STAFF RECOMMENDATION: To close the public hearing and to approve the resolution for the Brownfield Plan Amendment, for The Meadows at Harbor 31 authorizing the Mayor and City Clerk to sign.

Contessa Alexander, Development Services, provided an overview of the project. A representative, Kirk, from Fishbeck was also in attendance to answer questions from Commission. Jake Eckholm, Development Services Director answered Commissioners questions and provided clarification.

PUBLIC HEARING COMMENCED:

Lea Markowski, suggested adding evergreens when possible and consider what it looks like from the street.

Action No. 2023-56 (a)

Motion by: Commissioner St.Clair

Second by: Commissioner Ramsey

To close the public hearing and to approve the resolution for the Brownfield Plan Amendment, for The Meadows at Harbor 31 authorizing the Mayor and City Clerk to sign.

Ayes: (7): Mayor Johnson, Commissioner Gorman, Commissioner St.Clair, Commissioner Hood, Vice Mayor German, Commissioner Ramsey, and Commissioner Emory

MOTION PASSES (7 to 0)

8.b 2023 Consolidated Annual Action Plan - CNS

The Annual Action Plan is available on our website for citizen review and comment period of 30 days from April 16 -May 16, 2023. A public Hearing is another opportunity to comment about the Federal CDBG and HOME

program activities performed during the fiscal year 2023 (July 1, 2023 - June 30, 2024). Click on the link to view the Annual Action Plan <https://muskegon-mi.gov/2023-annual-action-plan/>

STAFF RECOMMENDATION: To conduct a Public Hearing for the 2023 Annual Action Plan review.

Director Sharonda Carson provided an overview of the 2023 Annual Action Plan.

PUBLIC HEARING COMMENCED:

Mark Poletti called in and believes we need more plans to help homeless and possibly provide warming shelters.

Diane Foster spoke about people who are working, single, and homeless and need our help - and suggested we should be considering providing shelter and possibly rehabilitating a school to meet this need.

Patsy Petty called in and wants to help spread the word about the programs available through Community and Neighborhood Services and also asked if there was money for new construction for low income housing.

Mr. Jenkins commented on the fact that CDBG funds are paying for the Fire Department Bond and wants to see the money used differently and wonders how it got into the CDBG.

Action No. 2023-56 (b)

Motion by: Commissioner Ramsey

Second by: Commissioner St.Clair

To close the public hearing.

Ayes: (7): Mayor Johnson, Commissioner Gorman, Commissioner St.Clair, Commissioner Hood, Vice Mayor German, Commissioner Ramsey, and Commissioner Emory

MOTION PASSES (7 to 0)

9. Unfinished Business

10. New Business

10.a Parkland Marina Development Agreement Amendment - City Manager

This Amendment to the Parkland Marina Agreement seeks to make clear what public access will look like once Parkland Marina has developed the property. The amendment also further defines how public access will be maintained and what type of activities are allowed on the pier. This language has also been updated following the Commission work session discussion on Monday, April 10.

In early 2021 the City took action to sell a parking lot adjacent to Terrace Point Marina. The parking lot was encumbered by an easement which gave the easement holder (the owner of Terrace Point Marina) extensive rights over the property including the ability move drives and access and no structures could be built by the City without the permission of the adjacent property owner/easement holder. Parkland approached the City to purchase the property so they could develop the area with the understanding that public access would be maintained. This would have the additional benefit of creating additional taxable value for the City. Earlier this year the City Commission requested staff work to get better detail on what public access would be at the pier following development by Parkland Marina LLC. The updated Amendment to the Development Agreement defines the following:

- Provides handicapped Parking near the Terrace Point Marina Clubhouse
- Provides two access points for pedestrians (see purple paths on the map in Exhibit A)
- Allows for fishing in dedicated areas
- Allows wagons/strollers on pier, allows bikes along the southerly access point
- Parkland agrees to make \$250,000 worth of improvements to public access
- With the approval of the amendment, Parkland immediately grants the public the right and a license to use the area in the same way as the former agreement.
- Parkland may only close public access for up to 30 days during construction to provide for construction of its improvements (this may be extended with the permission of the City Manager)
- A site plan (Exhibit A) of the final layout with public access noted is also included.

STAFF RECOMMENDATION: To approve the First Amendment to the Development Agreement between the City of Muskegon and Parkland Marina LLC and authorize the Mayor and Clerk to sign.

Action No. 2023-57 (a)

Motion by: Commissioner St.Clair

Second by: Commissioner Ramsey

To approve the First Amendment to the Development Agreement between the City of Muskegon and Parkland Marina LLC and authorize the Mayor and Clerk to sign.

Ayes: (2): Commissioner Ramsey, and Commissioner Emory

Nays: (5): Mayor Johnson, Commissioner Gorman, Commissioner St.Clair, Commissioner Hood, and Vice Mayor German

MOTION FAILS (2 to 5)

Amendment:

Motion by: Commissioner Ramsey

Second by: Commissioner Hood

To call the question.

Ayes: (7): Mayor Johnson, Commissioner Gorman, Commissioner St.Clair, Commissioner Hood, Vice Mayor German, Commissioner Ramsey, and Commissioner Emory

MOTION PASSES (7 to 0)

10.b Lumberjacks Renovations to Trinity Health Arena - Arena

Seek approval to develop conceptual designs, establish a project budget and complete a feasibility study to construct new team space at Trinity Health Arena. In exchange, the Lumberjacks would like to add two additional renewal options to Lumberjacks Shared Use Agreement.

Muskegon Lumberjacks Organization LLC, parent company of the USHL's Muskegon Lumberjacks, are seeking approval to construct a second story office suite above their existing players' lounge and coaches' offices with access to and a presence on the arena concourse. The proposed space would be built into the necessary locker room and supporting medical space to provide the Lumberjacks the best amenities and continued success in player recruitment. All construction would be fully funded by the Muskegon Lumberjacks Organization LLC. Due to the nature of the cost to build, the Muskegon Lumberjacks Organization LLC is requesting 2

additional 5yr renewal options added to their shared use agreement. Attached is the proposed sixth amendment as well as a general concept of construction.

STAFF RECOMMENDATION: To direct staff to continue working with the Lumberjacks regarding the exploration of the building renovation and amendment to the shared use agreement.

10.c Ottawa Bridge SHPO Meeting - DPW

The consultant working on the Ottawa Bridge removal project has asked that we share the findings by the State Historic Preservation Office (SHPO) with the public and seek feedback.

The Ottawa Street bridge is part of an MDOT project that has bundled several locally-owned bridges that need to be removed. MDOT is leading the project and funding it, the City's role is limited to providing information and guidance and approval of the final project details.

MDOT's consultant (AECOM) submitted for routine SHPO clearance, but was notified that the bridge is eligible for listing on the national register of historic places. As a result, SHPO determined that removal of the bridge would have an "adverse effect" on the bridge from a historic preservation perspective. Due to this finding, the City needs to receive feedback from the public.

It's important to remember that despite being *eligible* for listing on the historic register, that does not make an item intrinsically historic. The Ottawa bridge is not unique, nor has it attracted historic interest by the community. The bridge no longer serves a purpose – the park it leads to is accessible by a driveway from the other side of the river.

Furthermore, the bridge is in extremely poor condition and has been closed for years. The bridge is being removed because it is beyond repair. Were the bridge to be listed and the City make efforts to save it the cost would be very significant, staff believes it would be unlikely to receive grant funding, and the bridge would, at best, serve as one of two entrances to a small park.

For information and public comment only.

Dan VanderHeide address the Commission regarding the Ottawa Bridge.

PUBLIC COMMENT:

Lea Markowski - Muskegon Watershed says that people use Richards park alot - bridge is not ideal, don't discount the value of it as is.

Diane Foster - Is adamant that there was previously money set aside to repair the Ottawa Street Bridge and that there are several users. She put in a disc golf course at Richards Park.

Brian Clincy called in - he would like to see that people can get to Richards Park safely.

10.d FY24 CWSRF Project Plan Updates - DPW

The City's CWSRF Project Plan on file with the state for future revolving fund projects has been updated, and the City needs to receive comment and adopt the plan by resolution.

The City has taken advantage of favorable rates and even some principal forgiveness as a part of the state's Revolving Loan Fund programs to complete substantial utility improvement projects, such as the Sanford Street project currently underway. In order to be eligible for these programs, projects must be included in the City's "Project Plan" that is on file with the state department of EGLE. The specific projects proposed for the program are not known at this time; this Project Plan is simply a list of projects the City *may* propose for the program in the future. The list is used by the state to perform preliminary environmental and other clearance work so they are prepared for the projects if and when the City proposes them.

Prein & Newhof has updated our Clean Water State Revolving Fund (CWSRF) Project Plan (the plan dedicated to sanitary sewer projects) to show potential projects over the next several years. Part of the updating process includes holding a meeting where the public can comment on the plan (satisfied by today's meeting and the public comment periods within it), and a resolution by the Commission adopting the plan. The resolution is attached.

The Project Plan is included without appendices due to size. For the full version (385 pages, 55MB), please visit: [DRAFT rep 2023-04-10 CWSRF Project Plan - Muskegon.pdf](#)

STAFF RECOMMENDATION: Adopt the City's CWSRF Project Plan via the included resolution.

Barbara Marczak with Prein & Newhof presented about the FY2024 Plan for Clean Water State Revolving Fund.

PUBLIC COMMENT PERIOD:

Annie King, 675 Amity - had water brought from the street to the house and the water is not clear.

Action No. 2023-57 (d)

Motion by: Commissioner St.Clair

Second by: Commissioner Gorman

To adopt the City's CWSRF Project Plan via the included resolution.

Ayes: (6): Mayor Johnson, Commissioner Gorman, Commissioner St.Clair, Commissioner Hood, Vice Mayor German, and Commissioner Emory

Absent (1): Commissioner Ramsey

MOTION PASSES (6 to 0)

10.e Parking Lot Lease Agreement - Development Services

With the construction of Lofts at 1021 Jefferson, the road diet on Terrace, and potential development at 122 W. Muskegon (McDonald's Lot) there is no longer adequate parking for employees at City Hall without impacting citizen parking areas. Staff has identified a lease option for dedicated employee parking.

Since 2019 it has been anticipated that development and infrastructure changes around City Hall would necessitate a permanent parking amenity for city staff. The previous parking lot on 1021 Jefferson was never widely used due to the mid-block crossing on Apple Avenue to access the building. After that was constructed, most staff have parked on the diagonal spaces installed on Terrace or in the closed down McDonald's parking lot across the street. These options are no longer sustainable either, as Terrace parking is being reoriented with the road diet and our team is actively working on redevelopment options at the McDonald's site. Additionally, our insurance company has requested that we procure dedicated employee parking that we have site control over to reduce liability.

For about 18 months staff worked to negotiate a long-term lease for parking at the St. Mary's Catholic Church parking lot on Webster, and unfortunately both the church and the city could not get the Archdiocese in Grand Rapids to be particularly responsive to the concept. This

arrangement would have been predicated on the city improving the parking lot substantially up front and then having a nominal lease payment moving forward.

As we experienced difficulty dealing with the Archdiocese, we reached out to the owner of Anchor Insurance who has relocated into the former Fifth Third bank building at 877 Terrace. Mr. Jim Mines has already completely rehabbed the parking lot with resurfacing, lighting, striping, and landscaping so we would have a higher annual lease payment, but no capital project on the front end. Our annual payment will be \$25,000 for the first five years for 52 spaces which equates to \$1.32 per space/day. This is a competitive price for commercial leases for employee parking we have found in other markets, both for covered and uncovered lots. After the fifth year, annual rent inflation would be tied to the CPI with a cap of no more than 8% each year.

AMOUNT REQUESTED: Lease value of \$25,000 per year, escalated after year 5

FUND OR ACCOUNT: 101, multiple

STAFF RECOMMENDATION: To approve the lease for city parking at 877 Terrace Street and authorize the mayor and clerk to sign.

Action No. 2023-57 (e)

Motion by: Commissioner Emory

Second by: Commissioner St.Clair

To approve the lease for city parking at 877 Terrace Street and authorize the mayor and clerk to sign.

Ayes: (6): Mayor Johnson, Commissioner Gorman, Commissioner St.Clair, Commissioner Hood, Vice Mayor German, and Commissioner Emory

Absent (1): Commissioner Ramsey

MOTION PASSES (6 to 0)

11. Any Other Business

12. Public Comment on Non-Agenda items

Public comments were received.

13. Closed Session

14. Adjournment

The City Commission meeting adjourned at 10:56 p.m.

Motion by: Commissioner St.Clair

Second by: Commissioner Emory

MOTION PASSES

Respectfully Submitted,
Ann Marie Meisch, MMC - City Clerk