

CITY OF MUSKEGON

CITY COMMISSION MEETING

APRIL 25, 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, April 25, 2017. Pastor Tim Cross, Living Word 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 J. Gawron, Vice Mayor Hood, Commissioners Ken Johnson, Debra Warren, Willie German, Jr., and Dan Rinsema-Sybenga, Byron Turnquist, City Manager Franklin Peterson, City Attorney John Schrier, and City Clerk Ann Meisch.

2017-33 CONSENT AGENDA:

A. Approval of Minutes City Clerk

SUMMARY OF REQUEST: To approve minutes of the April 10, 2017 Worksession Meeting and the April 11, 2017 Regular City Commission Meeting.

FINANCIAL IMPACT: None

BUDGET ACTION REQUIRED: None

STAFF RECOMMENDATION: Approval of the minutes.

B. Sale of Unbuildable Vacant Lot at 1251 E. Laketon Avenue Planning & Economic Development

SUMMARY OF REQUEST: To approve the sale of the vacant, unbuildable lot at 1251 E. Laketon Avenue to Emerald City, LLC, owners of the adjacent property at 1249 E. Laketon Avenue. They would like to acquire the property so that they may combine them and put an addition on to the back of the existing building. They have offered \$600 for the parcel.

FINANCIAL IMPACT: The sale of this lot will generate additional tax revenue for the City.

BUDGET ACTION REQUIRED: None

STAFF RECOMMENDATION: To approve the resolution and authorize the Mayor and Clerk to sign the resolution and the deed.

C. Telephone System Upgrade Information Technology

SUMMARY OF REQUEST: A mandatory upgrade to our telephone system is required. Currently our telephone system is connected to Central Dispatch's system. Our system is redundant with Central Dispatch. If you recall, this current system is saving the City one million dollars over a ten year period of time. At one time the City's telephone bills were \$10,000 each month, but we have been able to reduce those lines to just \$20,000 a year. This upgrade is mandatory and Cisco will discontinue support in July.

FINANCIAL IMPACT: \$35,537

BUDGET ACTION REQUIRED: A budget adjustment will be needed in the third quarter reforecast.

STAFF RECOMMENDATION: Staff recommends approval of the upgrade to the current Cisco System as requested and authorize staff to sign the agreement.

D. Muskegon Public Schools "Youth Basketball League" and "Growing Goods" Funding Agreement Planning & Economic Development

SUMMARY OF REQUEST: The City of Muskegon ("City") is recommending approval of the Agreement with Muskegon Public School for the management of the Youth Basketball League and Open Gym and "Growing Goods" programs for 2017. It is the mission of Muskegon Public Schools to provide the best for every child every day. With the support of the City of Muskegon programs continue to promote the fundamental core values of respect, health, integrity, and sportsmanship, as well as providing a safe, welcoming and healthy environment for the youth.

FINANCIAL IMPACT: The funding will be disbursed from the 2017-2018 Community Development Block Grant/Leisure Services Fund.

BUDGET ACTION REQUIRED: None at this time.

STAFF RECOMMENDATION: To approve the Muskegon Public Schools Funding Agreement.

E. Fleet Replacement Vehicle DPW/Equipment

SUMMARY OF REQUEST: The Equipment Division is requesting permission to purchase one (1) F-250 Pickup from Gorno Ford, the MI-Deal State contract holder. Cost for this vehicle is \$25,654.00 coming from the Equipment Division fund.

FINANCIAL IMPACT: \$25,654.00

BUDGET ACTION REQUIRED: None. Amount is what was budgeted.

STAFF RECOMMENDATION: Authorize staff to purchase one (1) F-250 Pickup from Gorno Ford, the MI-Deal State contract holder.

F. Leaf Vac DPW/Equipment

SUMMARY OF REQUEST: The Equipment Division is requesting permission to purchase one (1) Leaf Vac coming from Fredrickson Equipment Supply the sole source dealer for this brand of equipment. Cost for this Vac is \$29,000 coming from the Equipment Division Fund.

FINANCIAL IMPACT: \$29,000.00

BUDGET ACTION REQUIRED: None. Amount is what was budgeted.

STAFF RECOMMENDATION: Authorize staff to purchase one (1) Leaf Vac coming from Fredrickson Equipment Supply the sole source dealer for this brand of equipment.

Motion by Commissioner Johnson, second by Commissioner Rinsema-Sybenga, to approve the consent agenda as presented, minus items G and H.

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

Nays: None

MOTION PASSES

2017-34 ITEMS REMOVED FORM CONSENT AGENDA

G. Annex HVAC Replacement City Manager

SUMMARY OF REQUEST: The Commission previously approved the replacement of certain components of the HVAC system in the Annex. The original estimates were set near \$42,000. The project has been completed and did require some scope changes. The updated final cost of the replacement is \$52,635.

FINANCIAL IMPACT: \$52,635 from the Public Improvement Fund.

BUDGET ACTION REQUIRED: None.

STAFF RECOMMENDATION: To authorize staff to award the HVAC replacement project to Northside Heating & Cooling.

Motion by Commissioner German, second by Commissioner Warren, to authorize staff to award the HVAC replacement project to Northside Heating & Cooling.

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

Nays: None

MOTION PASSES

H. Grant Authority to CNS Director to Purchase HUD Homes for Homebuyer Program Community & Neighborhood Services

SUMMARY OF REQUEST: To grant authority to the Director of Community and Neighborhood Services to bid on and enter into agreements to purchase property, on behalf of the City of Muskegon, for rehabilitation. Properties will be used to sell to eligible buyers through the Homebuyer Program.

FINANCIAL IMPACT: None.

BUDGET ACTION REQUIRED: None.

STAFF RECOMMENDATION: To authorize the Director of Community and Neighborhood Services, Oneata Bailey, to bid on and enter into agreements to purchase HUD Homes on behalf of the City of Muskegon.

Motion by Commissioner German, second by Commissioner Johnson, to authorize the Director of Community and Neighborhood Services, Oneata Bailey, to bid on and enter into agreements to purchase HUD Homes on behalf of the City of Muskegon.

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

Nays: None

MOTION PASSES

2017-35 PUBLIC HEARINGS:

A. Public Hearing for the 2017 Action Plan Community & Neighborhood Services Department

SUMMARY OF REQUEST: To conduct a public hearing on April 25, 2017 to receive comments from the public concerning the 2017 Action Plan developed by the Community and Neighborhood Services Department.

FINANCIAL IMPACT: The City is required to submit the Annual Action Plan to receive 2017 allocations of CDBG and HOME Investment Partnership Programs.

BUDGET ACTION REQUIRED: None.

STAFF RECOMMENDATION: To direct staff to gather comments from the public and to submit the 2017 Action Plan to HUD after the public comment period.

PUBLIC HEARING COMMENCED: No comments were received from the public.

Motion by Vice Mayor Hood, second by Commissioner Johnson, to close the public hearing.

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

Nays: None

MOTION PASSES

2017-36 NEW BUSINESS:

A. Approval of Sale of City-owned Home at 2112 Sampson Community & Neighborhood Services Department

SUMMARY OF REQUEST: To approve the resolution and instruct the Community and Neighborhood Services department to complete the sales transaction with Kelma Smajic-Adams for the newly constructed home at 2112 Sampson Avenue: purchase price \$158,000.

FINANCIAL IMPACT: The proceeds from the sale will be used to continue the rehabilitation of affordable homes through the HOME program and provide funding for our Homebuyer's Assistance Program.

BUDGET ACTION REQUIRED: None

STAFF RECOMMENDATION: To approve the resolution and direct the CNS staff to complete the sale.

Motion by Commissioner Johnson, second by Commissioner German, to approve the resolution and direct the CNS staff to complete the sale.

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

Nays: None

MOTION PASSES

B. Approval of a Neighborhood Enterprise Zone Certificate – 285 W. Western Avenue Planning & Economic Development

SUMMARY OF REQUEST: An application for a Neighborhood Enterprise Zone Certificate has been received from Parkland Muskegon, Inc. for the conversion of vacant commercial space to 47 market-rate apartments at 285 W. Western Avenue. The estimated project cost is \$168,900 per unit. The property was approved as a Neighborhood Enterprise Zone District on December 13, 2016. The applicant has met local and state requirements for the issuance of the NEZ certificate. They have requested the maximum 15 years for the exemption.

FINANCIAL IMPACT: The taxes on the apartment portion of the project will be frozen at the pre-rehabilitated rate for 15 years, with a three-year phase out (they will receive 75% of the abatement in year 13, 50% in year 14, and 25% in year 15).

BUDGET ACTION REQUIRED: Approval of the NEZ certificate for 15 years.

STAFF RECOMMENDATION: Approval of the NEZ certificate for 15 years.

Motion by Commissioner German, second by Commissioner Rinsema-Sybenga, to approve to approve the NEZ Certificate for 15 years.

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

Nays: None

MOTION PASSES

C. Approval of a Neighborhood Enterprise Zone Certificate – 275 W. Clay Avenue Planning & Economic Development

SUMMARY OF REQUEST: An application for a Neighborhood Enterprise Zone Certificate has been received from Berkshire Muskegon LDHA, LLC for the 16 market rate units in their proposed mixed-use development at 275 W. Clay Avenue. The estimated project cost is \$183,864 per unit. The property was approved as a Neighborhood Enterprise One District on February 14, 2017. The certificate would only apply to the 16 market rate units and not the 68 subsidized residential units or commercial units.

FINANCIAL IMPACT: One-half of the previous year's state average principal residence millage rate will be applied to the value of the facility for a duration of 15 years, with a three-year phase out (they will receive 75% of the abatement in year 13, 50% in year 14, and 25% in year 15).

BUDGET ACTION REQUIRED: None.

STAFF RECOMMENDATION: Approval of the NEZ certificate for a duration of 15 years.

Motion by Commissioner Rinsema-Sybenga, second by Vice Mayor Hood, to approve the NEZ certificate for a duration of 15 years.

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

Nays: None

MOTION PASSES

D. Amendment to the Zoning Ordinance – Form Based Code, Urban Residential Planning & Economic Development

SUMMARY OF REQUEST: Staff initiated request to amend the Form Based Code, Urban Residential Context Area section of the zoning ordinance to allow small multi-plex buildings for multi-family uses.

FINANCIAL IMPACT: None.

BUDGET ACTION REQUIRED: None.

STAFF RECOMMENDATION: To approve the zoning ordinance amendment.

COMMITTEE RECOMMENDATION: The Planning Commission unanimously recommended approval of the ordinance amendment, with two members absent.

Motion by Commissioner Rinsema-Sybenga, second by Commissioner Warren, to approve the zoning ordinance amendment.

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

Nays: None

MOTION PASSES

PUBLIC PARTICIPATION: Public comments were received.

ADJOURNMENT: The City Commission Meeting adjourned at 6:35 p.m.

Respectfully Submitted,

Ann Marie Meisch, MMC, City Clerk