

CITY OF MUSKEGON
CITY COMMISSION WORKSESSION
Monday, April 12, 2021
5:30 pm
City Commission Chambers

MINUTES

2021-32

Present: Mayor Gawron, Vice Mayor Hood, Commissioners Rinsema-Sybenga, Emory, Johnson, Ramsey, and German.

Absent: None.

Adding a Second Worksession

Commissioner Ramsey requested the City Commission consider adding a second Worksession meeting to shorten the length of the meetings.

A majority of Commissioners indicated they were not interested in a second meeting but suggested a way to shorten the meetings. The City Clerk was instructed to send out information received from another municipality on the rules placed on their meetings to shorten discussion.

This item will be placed on the next Worksession meeting for discussion.

Deputy City Manager Position

The City Manager presented a job description to create a position for a Deputy City Manager. A lengthy discussion took place on the title of Assistant City Manager vs Deputy City Manager. A majority of the Commissioners felt comfortable with Deputy City Manager title and authorized the City Manager to take the job description to Civil Service.

Carlisle's Arena Lease Discussion

Placer.ai Software Subscription

The Economic Development Department has been researching various data analysis platforms to help us answer some larger socio-economic questions regarding our population and workforce. Placer.ai would allow the department to use anonymized GPS data from cell phones to determine critical information to better understand our local economy.

This item has been discussed at several Commission Meetings and will be placed on the April 13, 2021 meeting for consideration by the Commission.

2021-33

Purchasing Policy

The Purchasing Work Group is seeking approval of a revised purchasing policy.

At the request of the Mayor, the Purchasing Policy Work Group has reviewed the existing policy, talked with various departments throughout the city, and presents a revised policy. Changes of note include:

The purchasing authority has been increased based on review of recent purchases.

The process for correcting a bid was modified to limit liability.

The local preference has been modified.

Goals have been included for disadvantaged contractors.

Provisions to select vendors based on qualifications have been further outlined.

The use of prevailing wages has been modified.

Staff approval of change orders has been changed based on contingency included in the budget.

Provisions for handling violations of the policy have been added.

Motion by Commissioner Johnson, Supported by Commissioner Emory to remove the discussion of the Purchasing Policy to the next Legislative Meeting in June.

ROLL CALL VOTE:

Ayes: Emory and Johnson.

Nays: Gawron, Hood, Ramsey, German, and Rinsema-Sybenga.

MOTION FAILS

Discussion took place regarding budgeted and unbudgeted items. Commissioner Johnson indicated he did not feel comfortable allowing staff to purchase unbudgeted items under \$25,000 without prior consent of the Commission.

The Finance Director indicated these items are brought to the Commission through the reforecast.

The majority of the Commission indicated they were fine with the language for purchases under \$25,000 as presented in the proposed policy.

Questions came up about who approves emergency purchases and the elimination of the prevailing wages.

Staff will follow up on several questions and will forward answers to the City Commission for consideration at the April 13, 2021 Commission meeting.

Solar Tax Abatement

The City will be working with Chart House Energy on installing solar panels on the roof of the arena. The company is seeking a 100% tax abatement on the personal property through Public Act 328 of 1998.

Jon Ledsworth, Chart House Energy, indicated he has sought a tax abatement from the City of Norton Shores.

This item will be on the April 13, 2021 agenda for consideration by the Commission.

Muskegon Social Equity Program

The City will be receiving \$112,000 in excise tax funds this year from the State for allowing marihuana facilities. The City has also received \$1,200 in donations from local marihuana companies. Staff has prepared a document outlining proposed grants/loans for the program.

Social District

Commissioner Johnson has asked that the social district and Rebel Road be placed on the worksession meeting for discussion. We learned that special liquor licenses may not be obtained in a social district unless the social district is suspended. We have reached out to Representative Terry Sabo who tried to have legislation changed but is unable to do so.

Staff met with Rebel Road and gave them other options to have a beer tent. Rebel Road has also reached out to Representative Terry Sabo. The City has offered the use of the arena at no cost. Staff offered the back half of Fourth Street for a beer tent and Hackley park for a concert and beer tent that is just adjacent to Fourth Street and right off of Western. Staff also offered Sixth Street as another option for a beer tent or possibly the parking lot of Lakeshore Museum if the museum is in agreement.

As another alternative, we offered to charge more for the social district cups during the four-day event and with the proceeds, the City is able to pay for the expenses of the event. Rebel Road would still raise funds through their vendors and any activities they wanted to charge for as well as donation containers.

We also hear from the CIO Hall who will also be unable to pull a special liquor license for their establishment. They too have reached out to Representative Terry Sabo and understand this law will not change this year.

Staff and law enforcement have actively been working with restaurants, bar owners, and patrons teaching them the rules of a social district. Downtown is becoming busier as the weather warms and the social district will become one of the most popular activities downtown. Law enforcement has grave concerns of teaching patrons they may walk outside establishments with a drink but stop patrons from walking outside during crowded special events. The City is ultimately responsible for the social district and if it is found that patrons are leaving establishments with a drink when not permitted, the Liquor Control Commission will end the social district which will be a detriment to all of our bars and restaurants downtown. Staff highly discourages suspending the social district for special events and continue to work with special events to find alternative means as our downtown continuously changes and grows.

The general consensus from the Commissioners was the same. Commissioners encouraged staff to continue to work with event organizers to find an alternate solution.

Terrace Street Reconfiguration

Staff has begun to work on our 2022 project for Terrace Street between Apple Avenue and Lakeshore Drive. The project includes a proposal for a substantial reduction in the size of Terrace Street along with a conversion from a boulevard to a 2-lane/2-way roadway.

A brief discussion took place regarding this upcoming project.

Harbor 31 Viridian Shores Housing Development Update/Neighborhood Enterprise Zone Discussion

The development team at Harbor 31 has been working through several legacy environmental issues at the development site as well as more stringent mitigation criteria from EGLE on various aspects of the project scope. They have requested the opportunity to update the commission alongside city staff that have been working on the project.

The developers have planned a multi-phase, multi-use buildout for the Harbor 31 site which includes single family detached residential as well as owner-occupied townhomes. They have done quite a bit of environmental and geotechnical field work on the site and are working with EGLE to determine what level of mitigation will be required. It is evident based on findings that more substantial and active vapor mitigation systems will likely be required for any residential uses, and there will also potentially be required wetland replacement obligations that did not exist in prior years. Due to these upward pressures on project costs which the developer will elaborate on, they intend to request a Neighborhood Enterprise Zone for the owner-occupied phases of the development, similar to the ones established for recent other housing developments. There is a legal notice and hearing process to establish this district laid out in the relevant statute, tonight's discussion is solely to promote active communication between the developer and the city by way of updating the commission.

425 Agreement Business Park North Removal/Acquisition of 902 Pine Street

The department has been working with Muskegon County for some time now as to their requested disposition of the 425 Shared Jurisdiction Agreement at Business Park North. We have come to terms that have been agreed upon by the County Commission and are for your consideration.

Effectively, the City of Muskegon would remove the existing 425 agreement between the City, County, and Dalton Township. This would forego claims to future income tax revenues sourced from any jobs created at this site for the city, and so we determined that it was not in the best interest of the community to simply agree to dispense of the agreement. We requested that the County relinquish to us a roughly 1/3rd acre parcel at 902 Pine Street, which the county acquired in 2013 for a parking lot they never built. This site was the former location of a longstanding furniture store, then Pine Street Antiques which was demolished by Muskegon County when the took possession of the lot. City staff feel this lot would make a quality candidate for further

workforce housing options in the community, and potentially some mixed use commercial as well. The County would not trade the lot for free in exchange for removal of the 425, so agreed to sell it for half of it's appraised value, \$24,000. The City countered by requesting that they invest some or all of that revenue from the sale into the paving of another gravel lot located across Pine Street from this lot which is currently used by the County Sheriff's Department for parking. The County Administrator agreed to these terms. This will increase the curb appeal and value for resale and development of the lot we wish to trade.

There are two excavation companies that have conditional purchase agreements on much of the site at Business Park North. Accurate Excavation and Ryerson Excavation have both requested to purchase acreage there in order to build storage facilities for vehicles and potentially to store excess materials and fill. As of now the County has informed us these are the only development prospects they have for the sites. Staff has included the relevant documents and records on the lot in your packet. Staff proposes to utilize the Economic Development Fund (493) to acquire this lot, file the necessary Baseline Environmental Assessments with EGLE, and then immediately outlay a Request for Proposals to see the lot redeveloped. The expectation is that we would achieve market value for the lot, which should be in the \$50,000 range in the event it is selected for a potential LIHTC development.

This item will be on the April 13, 2021 agenda for consideration by the Commission.

State of Emergency for Meetings

The City Commission approved a resolution authorizing remote meetings through May 31st. Muskegon County Commissioners adopted a resolution authorizing remote meetings through December 31st. Our City Attorney has indicated that our Commission dictate how the City's own boards meet going forward.

The City has approximately 20 different boards and committees that continue to meet remotely. Departments need a directive of what these meetings look like moving forward. There are several options available. The City Commission could indicate all meetings are to be held remotely through May 31st. The City Commission could start meeting in person beginning in June with committees meeting in person or hybrid by September 1st. These are just some examples of possible options.

Commission could review its options at its worksession and a resolution can be added to Tuesday's meeting adopting how boards meet going forward.

Public Comments Public comments were received.

Respectfully Submitted,

Ann Marie Meisch, MMC – City Clerk