

CITY OF MUSKEGON

CITY COMMISSION MEETING

MARCH 28, 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, March 28, 2017. Pastor Matthew Sharpe, Evanston Avenue Baptist 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 (arrived at 5:35 p.m.), Debra Warren, Willie German, Jr., and Dan Rinsema-Sybenga, City Manager Franklin Peterson, City Attorney John Schrier, and City Clerk Ann Meisch.

Absent: Commissioner Byron Turnquist

2017-24 CONSENT AGENDA:

A. Approval of Minutes City Clerk

SUMMARY OF REQUEST: To approve minutes of the March 2, 2017 Goal Setting Meeting, the March 13, 2017 Worksession Meeting, and the March 14, 2017 Regular City Commission Meeting.

FINANCIAL IMPACT: None

BUDGET ACTION REQUIRED: None

STAFF RECOMMENDATION: Approval of the minutes.

C. Permanent Traffic Control Order – Removal of “STOP” and “YIELD” signs at Harvey Street and install permanent “STOP” signs at Keating Avenue, per Traffic Control Order #31-(2017). DPW

SUMMARY OF REQUEST: Authorize removal of “STOP” and “YIELD” signs at Harvey Street and install permanent “STOP” signs at Keating Avenue, per Traffic Control Order #31-(2017).

FINANCIAL IMPACT: Cost of removing signs, installing signs/posts, if approved.

BUDGET ACTION REQUIRED: None

STAFF RECOMMENDATION: Authorize DPW staff to remove “STOP” and “YIELD” signs at Harvey Street and install “STOP” signs at Keating Avenue, per Traffic Control Order #31-(2017).

D. Aggregates, Highway Maintenance Materials and Concrete DPW

SUMMARY OF REQUEST:

Award supply of Calcium Chloride 38% (road brine) and 32% (winter salting) to Great Lakes Chloride

Award bid to supply bituminous products (Base and Top) to Asphalt Paving, Inc.

Award bid to supply Sylvax patching material to Unique Paving Materials

Award bid to supply AE-90 Asphalt Emulsions to Bit-Mat Products

Award bid for crack sealant to Sherwin Industries

Award bid to supply M1/32FA limestone chip blend to Verplank Trucking Company

Award bid to supply road slag to Verplank Trucking Company

Award bid to supply road gravel to Verplank Trucking Company

Award bid to supply 2NS sand to Yellow Rose Transport

Award bid to supply screened top soil to Accurate Excavators

Award bid to supply Fill Sand to Accurate Excavators

Award bid to supply 7-sack mix concrete to Port City Redi-Mix

FINANCIAL IMPACT: \$451,329.00

BUDGET ACTION REQUIRED: None; funds appropriated in several budgets.

STAFF RECOMMENDATION: Recommend approval of bids as outlined in Summary of Request.

F. Replace High Service Pump Load Center at Water Filtration Plant Water Filtration – DPW

SUMMARY OF REQUEST: Authorize staff to enter into an agreement with Newkirk Electric, Inc. to replace the High Service Pump Load Center Switch that powers the pumps providing water to the City. Newkirk Electric has performed all recent repairs to this equipment including the recent failure repairs over the past couple of years. Newkirk will provide the necessary labor, material, and equipment to perform the necessary replacement as well as proper disposal of old equipment.

Newkirk is being recommended due to their locality (City of Muskegon), familiarity with the plant, and experience in high voltage.

FINANCIAL IMPACT: \$27,188.00

BUDGET ACTION REQUIRED: This item is budgeted in 2017.

STAFF RECOMMENDATION: Authorize staff to hire Newkirk Electric out of Muskegon to replace the Load Center Switch for the HSP for \$27,188.

I. Amendment to the Zoning Ordinance – R-2 and R-3 Districts
Planning & Economic Development

SUMMARY OF REQUEST: Staff initiated request to amend Article IV (R-1, Single Family Residential Districts) to create two new categories for single family districts. These will include R-2, Single Family Medium Density Residential Districts and R-3, Single Family High Density Residential Districts.

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.

~SECOND READING REQUIRED~

J. Amendment to the Zoning Ordinance – Preamble & Sections 400 & 404
Planning & Economic Development

SUMMARY OF REQUEST: Staff initiated request to amend Article IV (R-1, Single Family Residential Districts) to amend the preamble to reflect the changes made by adding the new residential districts; to amend Sections 400 (Principal Uses Permitted) to create the allowed and special uses permitted in the new residential districts; and to amend Section 404 (Area and Bulk Requirements) to create the development standards for the new residential districts.

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.

~SECOND READING REQUIRED~

K. 245, 255, and 285 West Western Avenue City Manager

SUMMARY OF REQUEST: This 4th Amendment to the Development Agreement is requested by Parkland Properties. The purpose of the agreement is to provide an additional 2 months of time to finish the project.

FINANCIAL IMPACT: None

BUDGET ACTION REQUIRED: None

STAFF RECOMMENDATION: To approve the amendment and authorize the Mayor to sign.

L. Brownfield Development Agreement Between Pure Muskegon, LLC and the City of Muskegon for Windward Pointe MDEQ Grant (Stack Demo) Planning & Economic Development

SUMMARY OF REQUEST: The City, to encourage Pure Muskegon, LLC to proceed with the purchase of the former Sappi property (Windward Pointe), applied for and received a Brownfield Grant in the amount of \$1 million to offset the eligible Stack Demolitions costs on the site. The costs for the stack demolition are expected to be between \$1.3 Million and \$1.6 Million. The Development Agreement includes the terms of grant implementation. The Brownfield Grant Funds will be available to reimburse the Property Owner (Pure Muskegon, LLC) for the stack demolition costs, in accordance with the terms, conditions and limitations of the grant agreement. The City will disburse the Brownfield Grant Funds and will contract with a separate Grant Manager for Grant oversight (including preparation of reports to MDEQ).

FINANCIAL IMPACT: The City will receive the MDEQ Grant in the amount of \$1 Million, on a reimbursement basis and the funds will be distributed to the Property Owner as Grant eligible activities are undertaken.

BUDGET ACTION REQUIRED: None.

STAFF RECOMMENDATION: To approve the "Brownfield Development Agreement" and authorize the Mayor to sign.

M. MDEQ Grant Administration Proposal – Lakeshore Environmental, Inc. for Windward Pointe MDEQ Grant (Stack Demo) Planning & Economic Development

SUMMARY OF REQUEST: Staff is recommending that Lakeshore Environmental, Inc. be retained to provide MDEQ Grant Administration services for the MDEQ Brownfield Grant. As part of the Brownfield Development Agreement between the City of Muskegon and Pure Muskegon, LLC, MDEQ grant funds may be paid for consultants to administer the grant (with fees not to exceed \$30,000). Since Lakeshore Environmental, Inc. has been involved with the Windward Pointe site for several years (as well as other brownfield sites), they are qualified to conduct the Grant Administration activities. These activities include completion of quarterly reports, submittal of contractor invoices for reimbursement, monthly progress meetings, communications with MDEQ staff, project team and contractors and completion and submittal of a final project summary to the MDEQ. Lakeshore Environmental, Inc. will coordinate with City staff to ensure all the requirements of the MDEQ Grant are met.

FINANCIAL IMPACT: The City will pay Lakeshore Environmental, Inc. up to \$30,000 for these administrative activities, through the MDEQ Grant Funds.

BUDGET ACTION REQUIRED: None.

STAFF RECOMMENDATION: To approve the “MDEQ Grant Administration Proposal” and authorize the Mayor to sign.

Motion by Commissioner Johnson, second by Commissioner German, to approve the consent agenda as presented, minus items B, E, G, and H.

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

Nays: None

MOTION PASSES

2017-25 ITEMS REMOVED FROM THE CONSENT AGENDA:

B. Muskegon YMCA Summer Recreation Program Planning & Economic Development

SUMMARY OF REQUEST: The City of Muskegon is recommending approval of the Agreement with the Muskegon YMCA for the management of the 2017 “Summer in the City” Recreation Program. For six years the program has provided “a structured environment of activities promoting health, confidence, respect, and responsibility for over 600 kids in an environment where they can feel safe and secure.”

This Agreement is consistent with the memo sent to the City Commission by the Director of Community & Economic Development in December 2016. The anticipated total cost of the program for 2017 in the City of Muskegon is \$154,553. It is proposed that the City provide \$20,000 towards the program’s management for 2017.

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 YMCA Summer Recreation Program request.

Motion by Commissioner Warren, second by Commissioner Johnson, to approve the Muskegon YMCA Summer Recreation Program request.

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

Nays: None

MOTION PASSES

E. Jay-Boards Rental/Lessons Business Contract for City of Muskegon
Parks DPW

SUMMARY OF REQUEST: Staff is asking permission to enter into a 3-year contractual agreement with Jason Gorski of Jay-Boards at Pere Marquette Beach and Harbor Towne Beach, located within the City of Muskegon, for Stand-up Paddleboard Rentals/Lessons.

FINANCIAL IMPACT: Contract Revenue will be 10% of gross receipts, per Contract Agreement.

BUDGET ACTION REQUIRED: None.

STAFF RECOMMENDATION: Authorize DPW staff to enter into a 3-year contractual agreement with Jason Gorski of Jay Boards for 2017, 2018, and 2019.

Motion by Commissioner Warren, second by Commissioner Rinsema-Sybenga, to authorize DPW Staff to enter into a 3-year contractual agreement with Jason Gorski of Jay Boards for 2017, 2018, and 2019.

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

Nays: None

MOTION PASSES

G. Emergency Response Plan (updated) Public Safety

SUMMARY OF REQUEST: The City of Muskegon has elected to be incorporated into the Muskegon County Emergency Management Program. By becoming part of the county emergency management program, the City of Muskegon and the County of Muskegon have certain responsibilities to each other. This Support Emergency Operations Plan has been developed to identify the responsibilities between the City of Muskegon and the County of Muskegon in regards to pre-disaster emergency management activities.

FINANCIAL IMPACT: None

BUDGET ACTION REQUIRED: None

STAFF RECOMMENDATION: To approve the resolution as presented.

Motion by Commissioner Warren, second by Commissioner German, to approve the Emergency Management Resolution.

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

Nays: None

MOTION PASSES

H. Amendment to the Zoning Ordinance – R-1, Single Family Districts
Planning & Economic Development

SUMMARY OF REQUEST: Staff initiated request to amend Article IV (R-1, Single Family Residential Districts) to rename it R-1, Single Family Low Density Residential Districts.

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 Johnson, to amend the Zoning Ordinance – R-1, Single Family Districts.

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

Nays: None

MOTION PASSES

~SECOND READING REQUIRED~

2017-26 PUBLIC HEARINGS:

A. Public Hearing for Brownfield Plan Amendment and Development and Reimbursement Agreement for Windward Pointe Redevelopment Project Planning & Economic Development

SUMMARY OF REQUEST: To hold a public hearing and approve the resolution approving and adopting the amendment to the Brownfield Plan and to approve the Development and Reimbursement Agreement. The amendments are for property owned by Pure Muskegon, LLC.

FINANCIAL IMPACT: Brownfield Tax Increment Financing will be used to reimburse the developer for “eligible expenses” incurred in association with development of the Windward Pointe project. Pure Muskegon, LLC cost for the development of the property is approximately \$200 Million in private investment, resulting in a substantial increase in the local and school taxes generated by the property.

“Eligible Expenses” would be reimbursed starting in 2019. The estimated tax capture and payment schedule is included as Table 2 in the proposed Brownfield Plan Amendment.

After all eligible costs incurred by the various parties are reimbursed (estimated to be in 2040), the BRA is authorized to continue to capture local taxes for five

more years for deposit into a Local Site Remediation Revolving Fund.

The Development and Reimbursement Agreement provides the structure for the capture of taxes and the reimbursement to Pure Muskegon for eligible expenses.

BUDGET ACTION REQUIRED: None.

STAFF RECOMMENDATION: To hold a public hearing for approval of the Brownfield Plan Amendment for the Pure Muskegon Redevelopment Project and approve the resolution and authorize the Mayor and Clerk to sign the resolution, and to approve the Development and Reimbursement Agreement between Pure Muskegon, LLC, the City of Muskegon, and the City of Muskegon Brownfield Redevelopment Authority.

COMMITTEE RECOMMENDATION: The Muskegon City Commission set the public hearing for March 28, 2017 at the February 28, 2017 meeting. Since that time, a notice of the public hearing has been sent to taxing jurisdictions. In addition, the Brownfield Redevelopment Authority approved the Plan amendment and the Development and Reimbursement Agreement on February 16, 2017 and recommends that the Muskegon City Commission approve the Plan amendment and Development and Reimbursement Agreement.

PUBLIC HEARING COMMENCED: No public comments were received.

Motion by Commissioner Johnson, second by Commissioner German, to close the public hearing and approve the Brownfield Plan Amendment for the Pure Muskegon Redevelopment Project and approve the resolution and authorize the Mayor and Clerk to sign the resolution, and to approve the Development and Reimbursement Agreement between Pure Muskegon, LLC, the City of Muskegon, and the City of Muskegon Brownfield Redevelopment Authority.

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

Nays: None

MOTION PASSES

2017-27 NEW BUSINESS:

A. Request to add Parcels to the City's Existing Groundwater Ordinance – Burgess-Norton Planning & Economic Development

SUMMARY OF REQUEST: The City has received a petition from Burgess-Norton Manufacturing Company, Inc. to designate 711 parcels under the water supplies ordinance. These parcels are associated with the former Standard Automotive Parts Company at 660 Nims Street. The ordinance prohibits the use of groundwater wells and secondary water supplies under certain circumstances and in certain locations, to prevent exposure to contaminated groundwater, as well as to prevent wells from influencing the movement of

contaminated water. Notice was sent to the affected addresses prior to this meeting.

FINANCIAL IMPACT: None

BUDGET ACTION REQUIRED: None

STAFF RECOMMENDATION: Approval of the ordinance amendment to include the additional 711 parcels.

Motion by Commissioner Johnson, second by Commissioner Warren to approve the ordinance amendment to include the additional 711 parcels.

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

Nays: None

MOTION PASSES ~SECOND READING REQUIRED~

B. Request to add Parcels to the City's Existing Groundwater Ordinance – Ambrosia Street Planning & Economic Development

SUMMARY OF REQUEST: The City has received a petition from the Michigan Department of Environmental Quality to designate 511 parcels under the water supplies ordinance. The Ambrosia Street area groundwater contamination was discovered by sampling conducted by the environmental consultant Arcadis of Michigan, LLC for the Burgess-Norton site in 2013. During that work Arcadis not only defined the extent of the contamination plume coming from the Burgess-Norton site, but also identified three other plumes of chlorinated contamination. The ordinance prohibits the use of groundwater wells and secondary water supplies under certain circumstances and in certain locations, to prevent exposure to contaminated groundwater, as well as to prevent wells from influencing the movement of contaminated water. Notice was sent to the affected addresses prior to this meeting.

FINANCIAL IMPACT: None

BUDGET ACTION REQUIRED: None

STAFF RECOMMENDATION: Approval of the ordinance amendment to include the additional 511 parcels.

Motion by Vice Mayor Hood, second by Commissioner Rinsema-Sybenga to approve the ordinance amendment to include the additional 511 parcels.

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

Nays: None

MOTION PASSES ~SECOND READING REQUIRED~

C. Request to Create a New Neighborhood Enterprise Zone District at 285 W Western Avenue Planning & Economic Development

SUMMARY OF REQUEST: Pursuant to Public Act 147 of the Michigan Public Acts of 1992, Parkland Muskegon, LLC has requested to create a new Neighborhood Enterprise Zone (NEZ) district for the parcel at 285 W Western Avenue. Properties located in this NEZ district will be eligible to apply for NEZ certificates, which will freeze the taxable value for residential construction. A public hearing was held on this matter at the City Commission meeting on June 28, 2016. This project will include 47 apartments and two floors of commercial space. The NEZ will only affect the residential component of the project.

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 freeze the residential taxable value at its pre-rehabilitated rate for 1 to 15 years.

BUDGET ACTION REQUIRED: None.

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

Motion by Commissioner Warren, second by Commissioner Johnson to approve the new NEZ District at 285 W. Western Avenue.

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

Nays: None

MOTION PASSES

PUBLIC PARTICIPATION: No public comments were received.

ADJOURNMENT: The City Commission Meeting adjourned at 6:30 p.m.

Respectfully Submitted,

Ann Marie Meisch, MMC, City Clerk