CITY OF MUSKEGON

CITY COMMISSION MEETING

MARCH 14, 2017

CITY COMMISSION CHAMBERS @ 5:30 P.M.

AGENDA

- □ **CALL TO ORDER:**
- □ **PRAYER:**
- □ **PLEDGE OF ALLEGIANCE:**
- □ **ROLL CALL:**
- □ **HONORS AND AWARDS:**
- □ **INTRODUCTIONS/PRESENTATION:**

  A. **Designation of Pine Street from Apple Avenue to Muskegon Avenue**
- □ **CITY MANAGER'S REPORT:**
- □ **CONSENT AGENDA:**

  A. **Approval of Minutes** City Clerk

  B. **Audit Contract Extension** Finance

  C. **Development and Reimbursement Agreement for Construction of Dock at Fisherman's Landing** Finance

  D. **Summer Youth Park Program Recreation Program Proposal – Boys and Girls Club of Muskegon** Planning & Economic Development

  E. **Source Water Protection Plan Agreements; Grant & Engineering** Water Filtration Plant

  F. **PILOT – Ordinance Amendment** Planning & Economic Development

  G. **PILOT – Muskegon Redevelopment Limited Dividend Housing Association (Core Financial – Amazon)** Planning & Economic Development
- □ **PUBLIC HEARINGS:**

  A. **Recommendation for Annual Renewal of Liquor Licenses** City Clerk

  B. **Public Hearing – Establishment of a Commercial Redevelopment District – 1205 Peck Street** Planning & Economic Development

  C. **Public Hearing – Issuance of a Commercial Facilities Exemption Certificate – 1205 Peck LLC** Planning & Economic Development

- □ **COMMUNICATIONS:**
- □ **UNFINISHED BUSINESS:**
- □ **NEW BUSINESS:**

  A. <u>Concurrence with the Housing Board of Appeals Notice and Order to Demolish</u> Public Safety

  1153 Pine

  1451 Park

  B. <u>Arena Proposal – Rad Dad's</u> City Manager

- □ **ANY OTHER BUSINESS:**
- □ **PUBLIC PARTICIPATION:**

- ► **Reminder: Individuals who would like to address the City Commission shall do the following:**
- ► Fill out a request to speak form attached to the agenda or located in the back of the room.
- ► Submit the form to the City Clerk.
- ► Be recognized by the Chair.
- ► Step forward to the microphone.
- ► State name and address.
- ► Limit of 3 minutes to address the Commission.
- ► (Speaker representing a group may be allowed 10 minutes if previously registered with City Clerk.)

- □ **CLOSED SESSION:**
- □ **ADJOURNMENT:**

ADA POLICY: THE CITY OF MUSKEGON WILL PROVIDE NECESSARY AUXILIARY AIDS AND SERVICES TO INDIVIDUALS WHO WANT TO ATTEND THE MEETING UPON TWENTY-FOUR HOUR NOTICE TO THE CITY OF MUSKEGON. PLEASE CONTACT ANN MARIE MEISCH, CITY CLERK, 933 TERRACE STREET, MUSKEGON, MI 49440 OR BY CALLING (231) 724-6705 OR TTY/TDD DIAL 7-1-1- TO REQUEST A REPRESENTATIVE TO DIAL (231) 724-6705.

AGENDA ITEM NO.______

To: Honorable Mayor and City Commissioners
From: DPW
Date: March 13, 2017
Subject: Designation of Pine Street from Apple to Muskegon Avenue

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SUMMARY OF REQUEST

A request was received to designate the section of Pine Street between Apple & Muskegon as Bill Gill Way in recognition of Mr. Gill's long and dedicated service to the Muskegon community through his long and dedicated service on the Muskegon County Board of Commissioners and community services.

FINANCIAL IMPACT

None

BUDGET ACTION REQUIRED

None

RECOMMENDATION

None. However if approved the sign designation would be placed on top of existing street name signs thus not impacting any addresses.

RESOLUTION # 2017- _________

MUSKEGON CITY COMMISSION

RESOLUTION TO DESIGNATE A SECTION OF PINE STREET

WHEREAS, the City received a request to designate the section of Pine street between Apple Avenue & Muskegon Avenue as Bill Gill Way; and

WHEREAS, Bill Gill was born in Muskegon, was an army veteran, served as a great champion for Civil and Human Rights, marched with members of the National Organization of Women to support efforts to support their right to vote in Springfield, IL, and served as County Commissioner of Muskegon for 22 years; and

WHEREAS, Bill Gill became a member of the NAACP at the age of 13. He served as a member of the Muskegon Branch 3147 for 71 years, 22 of those years he served as President of the branch; and

WHEREAS, the Muskegon community wishes to honor and recognize Mr. Gill's contribution to the area; and

WHEREAS, this segment of Pine was chosen to depict where Mr. Gill spent so many years at the County building serving the greater Muskegon community; and

WHEREAS, the City Commission met on the 13th day of March, 2017 at 5:30 p.m. to consider this request;

NOW, THEREFORE, BE IT RESOLVED that the City Commission hereby approve the request to designate that section of Pine Street between Apple Avenue & Muskegon Avenue as Bill Gill Way.

Ayes:

Nays:

Absent:

This resolution declared adopted this 13th day of March 2017.

I hereby certify that the foregoing constitutes a true and complete copy of a resolution adopted by the City Commission of the City of Muskegon, County of Muskegon, Michigan, at a regular meeting held on March 13, 2017.

____
Mayor, Stephen J. Gawron

____
City Clerk, Ann Marie Meisch

Memorandum

To: Mayor and Commissioners

From: Frank Peterson

Re: City Commission Meeting

Date: March 9, 2017

Here is a quick outline of the items on our agenda(s):

WORK SESSION

1. We will consider an incentive/financing package for the planned development at Unit 7, which is commonly identified as the downtown volleyball lot. The developers will be on hand to discuss the project. If we are in agreement with the incentive package, we will add it to the Tuesday Agenda, as formal approval is needed to finalize the project's financing and get the project to an official start date this Spring.

2. We will discuss the potential of a 5-year PILOT Agreement for the Amazon Building as the new owners look to make certain investments in the building in an effort to make the development much more of an asset to our downtown.

3. We will discuss the initial terms of a proposal to lease space on the LC Walker Arena concourse to operate a bar/restaurant, as well as to manage the arena's concessions. There are a number of legal agreements that would need to be drafted and executed, but having the commission's support on the initial terms will be important before we expend resources in drafting those documents.

4. Clerk's Office staff will discuss items related to polling locations. We are looking to consolidate some locations to reduce the burden on our schools, which serve as polling locations in many precincts.

5. We'll discuss some potential changes to rules and fees at the Farmers Market.

6. We'll discuss the potential of designating Pine Street from Apple Ave to Muskegon Ave in honor of Bill Gill. Vice Mayor Hood will take the lead on this one.

7. Under other business, I'll take a few moments to go over any questions/concerns that Commissioners may have on the regular meeting agenda.

REGULAR MEETING

1. Under Honors and Awards we will formally designate a section of Pine Street in honor of Bill Gill.
2. Under the consent agenda, we are asking the Commission for approval of the following:
   a. Last meeting's minutes.
   b. An extension of our current auditing services contract with Brickley DeLong, a downtown Muskegon-based company.
   c. Development and reimbursement agreement for the construction of new ADA accessible docks at Fisherman's Landing. The total cost of the docks will be $160,000. The Fisherman's Landing group will pay the first $60,000 and the city will fund the remaining $100,000 in the form of a loan. The loan will be repaid over a 10 year period. Loan proceeds will be paid from the City's Revolving Loan Fund.
   d. Summer Youth Recreational Program Proposal by the Boy and Girls Club.
   e. Source Water Protection Plan Agreements for grant and engineering. We have been awarded this grant and are asking permission to accept the grant and work with the engineering company that procured the grant on our behalf. The grant is designed to help protect our drinking water intake in Lake Michigan.
   f. Amendment to our PILOT Ordinance to allow PILOTs agreements at 3%. This will allows flexibility to require additional city service fees on these projects.
   g. PILOT Agreement for the Amazon Apartments. The agreement would call for a 5 year PILOT period with a 3% PILOT and a 3% city service fee. The short-term nature of the PILOT requests stems from the expectation that the cash flow it helps create over the 5-years will help cover the costs of making needed improvements/upgrades at the facility.

3. Under Public Hearings:
   a. We will recommend annual liquor license approvals. I believe that by the time the meeting takes place, all current license holders will be in compliance with all requirements for renewal.
   b. Establishment of a Commercial Rehabilitation District at 1205 Peck Street. The owner is planning improvements to the structure to provide offices. The offices would services people with certain disabilities.
   c. Issue the certificate associated with the district creates at 1205 Peck Street

4. Under new business, we will be asking the Commission to approve the following:

a. Concurrence with the Housing Board of Appeals Notice and Order to Demolish 1153 Pine and 1451 Park.
b. Rad Dad’s Lease Proposal. This proposal is to lease space on the arena concourse to operate Rad Dad’s Tacos and Tequila, as well as negotiate a management agreement to operate the arena’s concessions.

Let me know if you have any questions/comments/concerns

Date: March 7, 2017

To: Honorable Mayor and City Commissioners

From: Ann Marie Meisch, City Clerk

RE: Approval of Minutes

SUMMARY OF REQUEST: To approve minutes of the February 28, 2017 Regular City Commission Meetings.

FINANCIAL IMPACT: None.

BUDGET ACTION REQUIRED: None.

STAFF RECOMMENDATION: Approval of the minutes.

CITY OF MUSKEGON

CITY COMMISSION MEETING

FEBRUARY 28, 2017

CITY COMMISSION CHAMBERS @ 5:30 P.M.

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, February 28, 2017. Pastor Wally Reames, Central Assembly of God, 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.

2017-13 CONSENT AGENDA:

A. <u>Approval of Minutes</u> City Clerk

SUMMARY OF REQUEST: To approve the minutes of the February 13, 2017 Worksession and the February 14, 2017 Regular City Commission Meetings.

FINANCIAL IMPACT: None

BUDGET ACTION REQUIRED: None

STAFF RECOMMENDATION: Approval of minutes.

D. <u>2017 Dozer Rental for Beach Leveling</u> Department of Public Works

SUMMARY OF REQUEST: Staff is requesting permission to enter into a rental agreement with Southeastern Equipment Co. Inc., out of Novi, MI for a Case 2050 M Dozer for leveling sand at Pere Marquette Beach.

FINANCIAL IMPACT: Estimated cost for the 2017 Dozer rental is $8,500 (which included $1000 for delivery and pickup).

BUDGET ACTION REQUIRED: None

STAFF RECOMMENDATION: Approve request.

E. <u>Buekema Park Roof Materials</u> DPW/Parks Department

SUMMARY OF REQUEST: Authorize staff to purchase roofing material to reconstruct the restroom building roof and repair two other smaller building roofs on the property. Work will be performed in house by Parks Staff.

FINANCIAL IMPACT: The total cost of this purchase is $13,535.64 from Keene Lumber being the responsible low bidder. (Rycenga Building Center $16,792.23, Weber Lumber $24,398.24)

BUDGET ACTION REQUIRED: None at this time as this proposed purchase was budgeted for.

STAFF RECOMMENDATION: Authorize staff to purchase the roof materials.

F. <u>One Year Janitorial Services Extension, Optional Year through 4/30/2018</u> Engineering

SUMMARY OF REQUEST: Extend the current janitorial services contract with Reliant Professional Cleaning for one more year, thru the end of April 2018, as per the request from the company.

FINANCIAL IMPACT: The total annual cost of the proposed extension to clean City Hall, P.D., DPW & Filtration Plant is $62,316 which is an increase of $1,308 or just over 2.1%.

BUDGET ACTION REQUIRED: None

STAFF RECOMMENDATION: Approve the one year extension with Reliant Professional Cleaning Services to provide janitorial services until the end of April of 2018, at City Hall, DPW & Filtration.

G. <u>Contract Extension Agreement – 1 Year Street Sweeping Contract for 2017</u> Department of Public Works

SUMMARY OF REQUEST: To exercise the option for a 1-year contractual extension, as outlined in the previous 3-year contract with TRI-US SERVICES, INC., to provide street sweeping services for 2017.

FINANCIAL IMPACT: $202,135.50 cost for the 1 year contract extension. Funds to cover all expenses are budgeted. Trunkline expenses are reimbursed by State funding.

BUDGET ACTION REQUIRED: None; monies appropriated in Highway and State trunkline budgets.

STAFF RECOMMENDATION: Approve request to contract out service for a 1-year extension as specified in previous contract.

I. <u>Copier/Printer Maintenance Agreement</u> Assistant Finance Director

SUMMARY OF REQUEST: The City just ended a five year contract with Applied Imaging for document management. The City paid a fixed price each month for the copiers and printers and a per copy cost for the maintenance which included toner. Almost all the larger copiers are well under their lifetime maximums and do not need to be replaced. In negotiating a new maintenance agreement with Applied Imaging we discovered through Applied Imaging's

MITN Cooperative we could save several hundred dollars a month if we bought new, more maintenance effective printers. We are proposing to purchase 40 new copiers/printers that will represent a savings of approximately $250 per month over the cost of maintenance alone for our current fleet. We have been pleased with our relationship with Applied Imaging and look forward to that continuing. Additionally, we own the old printers so we will be selling those units which should help to offset some of the cost of the new equipment.

FINANCIAL IMPACT: Savings of approximately $250 per month over the current cost of maintenance.

BUDGET ACTION REQUIRED: None

STAFF RECOMMENDATION: Authorize staff to enter into a five year agreement with Applied Imaging.

J. <u>Contract for Demolition at 239 Monroe Avenue</u> Community and Neighborhood Services Department

SUMMARY OF REQUEST: To approve for Community and Neighborhood Services to execute a contract with Melching, Inc., Nunica MI, for the demolition of the structure located at 239 Monroe Avenue. This activity is under the Target Neighborhood Blight Fight Program. The following bids were received:

JMB Demoliton LLC ~ Zeeland MI for $9,250

Melching, Inc ~ Nunica, MI for $8,600

FINANCIAL IMPACT: The funding will be allocated from the City's CDBG Funds.

BUDGET ACTION REQUIRED: None

STAFF RECOMMENDATION: To approve the request.

K. <u>Set Public Hearing for Amendment to Brownfield Plan – Windward Pointe</u> Planning & Economic Development Department

SUMMARY OF REQUEST: To approve the resolution setting a public hearing for an amendment for the Brownfield Plan, and notifying taxing jurisdictions of the Brownfield Plan Amendment including the opportunity to express their views and recommendations regarding the proposed amendment at the public hearing. The amendment is for the inclusion of property owned by Pure Muskegon, located at 2400 Lakeshore Drive, in the Brownfield Plan.

FINANCIAL IMPACT: Brownfield Tax increment Financing will be used to reimburse the developer for "eligible expenses" incurred in association with development of the Watermark project, which is approximately $44,863,763. Pure Muskegon cost for the development of the property is approximately $200 million in private investment, resulting in substantial increase in the local and school taxes generated by the property.

BUDGET ACTION REQUIRED: None

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

COMMITTEE RECOMMENDATION: The Brownfield Redevelopment Authority met on February 16, 2017 and approve the Brownfield Plan Amendment and recommends the approval of the Brownfield Plan Amendment to the Muskegon City Commission.

L. <u>Defined Benefit Plan Adoption Agreements – Div 01(Non-Union) and Div 21 (Police Patrol)</u> Finance

SUMMARY OF REQUEST: To approve the Defined Benefit Plan Adoption Agreements to bridge the pension benefit for current non-union employees from a 2.25% multiplier to a 2.0% multiplier with frozen final average compensation and to bridge the pension benefit for current police patrol employees from a 3.0% multiplier to a 2.67% multiplier with frozen final average compensation.

FINANCIAL IMPACT: It is estimated that the City's contribution rate for non-union would decrease by $196,284 while the City's contribution rate for police patrol would decrease by $328,399 for the next fiscal year.

BUDGET ACTION REQUIRED: Future budgets will be reflective of these changes.

STAFF RECOMMENDATION: To approve the Defined Benefit Plan Adoption Agreements and authorize the Mayor to sign the agreements.

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

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

Nays: None

MOTION PASSES

2017-14 ITEMS REMOVED FROM THE CONSENT AGENDA:

B. <u>Approval of Resolution to Apply for State Grant to Purchase New Voting Equipment</u> City Clerk

SUMMARY OF REQUEST: To approve a Resolution to Apply for State Grant to Purchase New Voting Equipment. All municipalities in the State of Michigan are in the process of obtaining new voting equipment. Most or all of the cost will be covered by Federal Help America Vote Act funds and state-appropriated funds. The State requires the City to apply for a grant in order to be eligible for state funding assistance.

FINANCIAL IMPACT: None

BUDGET ACTION REQUIRED: None

STAFF RECOMMENDATION: Approval of the resolution.

Motion by Commissioner Johnson, second by Commissioner German, to approve the resolution.

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

Nays: None

MOTION PASSES

C. **Approval of Resolution in Support of Naming Third Street from Muskegon to Mason** City Clerk

SUMMARY OF REQUEST: To approve a Resolution in Support of Designating Third Street from Muskegon to Mason as Midtown Muskegon.

FINANCIAL IMPACT: None

BUDGET ACTION REQUIRED: None

STAFF RECOMMENDATION: Approval of the resolution.

Motion by Commissioner German, second by Commissioner Warren, to approve the resolution.

Motion to amend the resolution to read from Muskegon to Jefferson instead of from Muskegon to Strong.

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

Nays: None

MOTION PASSES

VOTE ON ORIGINAL MOTION

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

Nays: None

MOTION PASSES

H. **Lake Michigan Sandy Dog 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 Jeff Taylor & Michelle Sharpy of Lake Michigan Sandy Dog, at Pere Marquette Park, located within the City of Muskegon, to sell various food items, as stated in their proposal, from a mobile concession trailer.

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

BUDGET ACTION REQUIRED: None

STAFF RECOMMENDATION: Authorize DPW staff to enter into concession agreement with Jeff Taylor and Michelle Sharpy of Lake Michigan Sandy Dog.

Motion by Commissioner Warren, second by Commissioner Rinsema-Sybenga, to authorize DPW Staff to enter into a concession agreement with Jeff Taylor and Michelle Sharpy of Lake Michigan Sandy Dog.

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

Nays: None

MOTION PASSES

2017-15 PUBLIC HEARINGS:

A. <u>Parks & Recreation Master Plan Amendment</u> Department of Public Works

SUMMARY OF REQUEST: To approve a resolution amending the Parks and Recreation Master Plan to include updating infrastructure at Hartshorn Marina. The Michigan Department of Natural Resources requires specific language and proposals before the city is eligible to apply for state matching grants.

FINANCIAL IMPACT: None

BUDGET ACTION REQUIRED: None

STAFF RECOMMENDATION: To hold a public hearing and for the City Commission to adopt the "Muskegon Parks & Recreation Master Plan 2016" Hartshorn Marina amendments for 2017, and authorize Mayor and Clerk to sign documents necessary related to the amendments.

PUBLIC HEARING COMMENCED: No public comments were received.

Motion by Commissioner Rinsema-Sybenga, second by Commissioner Warren, to close the public hearing and to adopt the "Muskegon Parks & Recreation Master Plan 2016" Hartshorn Marina amendments for 2017, and authorize the Mayor & Clerk to sign documents necessary related to the amendments.

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

Nays: None

MOTION PASSES

2017-16 NEW BUSINESS:

A. <u>Concurrence with the Housing Board of Appeals Notice and Order to Demolish Sixteen Residential Structures</u> Director of Public Safety

SUMMARY OF REQUEST: This is to request that the City Commission concur with the findings of the Housing Board of Appeals that the following structures are unsafe, substandard, a public nuisance and that they be demolished.

Address	State Equalized Value
1. 862 Stevens	**$13,500 (2015) & $0 (2016)**
2. 139 Myrtle	**$9,800 (2015) & $0 (2016)**
3. 325 Iona	**$8,100 (2015) & $0 (2016)**
4. 333 Catherine	**$12,500 (2015) & $0 (2016)**
5. 430 Allen	**$10,800 (2015) & $0 (2016)**
6. 452 Amity	**$16,300 (2015) & $0 (2016)**
7. 1773 Superior	**$14,500 (2015) & $0 (2016)**
8. 367 E. Holbrook	**$22,300 (2016)**
9. 1725 Wood	**$11,400 (2016)**
10. 1617 Smith	**$19,000 (2016)**
11. 252 E. Isabella	**$12,500 (2016)**
12. 618 Catawba	**$14,300 (2016)**
13. 748 Catherine	**$13,700 (2016)**
14. 501 E. Apple	**$22,300 (2016)**
15. 629 Allen	**$14,500 (2016)**
16. 750 Amity	**$20,000 (2016)**

The properties are owned by the Muskegon County Land Bank and/or the Muskegon County Treasurer (which will be deeded to the Muskegon County Land Bank as part of the Hardest Hit 2 Blight Fight Grant that they were awarded). The properties with $0 SEV for 2016 has the SEV from 2015 included as those had been tax foreclosed in 2015 with the remainder being foreclosed in 2016.

FINANCIAL IMPACT: None

BUDGET ACTION REQUIRED: None

STAFF RECOMMENDATION: To concur with the Housing Board of Appeals decision to demolish.

Motion by Commissioner German, second by Commissioner Warren, to concur with the Housing Board of Appeals decision to demolish.

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

Nays: None

MOTION PASSES

B. <u>Sale of a Non-Buildable Vacant Lot in the Port City Industrial Park</u>
Planning & Economic Development Department

SUMMARY OF REQUEST: To approve the land purchase agreement for the sale for the unaddressed property to Marathon Petroleum Company LP. In order to meet Michigan Department of Environmental Quality (MDEQ) requirements, the company needs to perform wetland mitigation on 16.1 acres of land for activities pertaining to another site outside of the City. The City has over 57 acres of undevelopable land in the Industrial Park and is able to carve out 28.4 acres to sell. The property is considered unbuildable because it is located under the ordinary high water mark and is considered wetlands. The company has agreed to the purchase price of $100,000. If the purchase agreement is approved, the company will have 45 days to secure final approval by senior management, upon which this offer is contingent. Upon final approval by the company, an earnest money deposit of $10,000 will be placed in escrow and they will begin all necessary investigations such as survey, title and environmental. Closing will also be contingent upon acceptance/approval of the site by the MDEQ and completion by the City of the parcel split/combination.

FINANCIAL IMPACT: The sale of this lot will generate additional tax revenue for the City as the property will be put back on the City's tax rolls.

BUDGET ACTION REQUIRED: None

STAFF RECOMMENDATION: To authorize the Mayor and City Clerk to sign the Land Purchase Agreement.

Motion by Commissioner Rinsema-Sybenga, second by Vice Mayor Hood, to authorize the Mayor and City Clerk to sign the Land Purchase Agreement.

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

Nays: None

MOTION PASSES

C. <u>Second Quarter 2016-17 Budget Reforecast</u> Finance Director

SUMMARY OF REQUEST: At this time staff is transmitting the ***Second Quarter 2016-17 Budget Reforecast*** which outlines proposed changes to the budget that have come about as result of changes in revenue projections, policy priorities, labor contracts, updated economic conditions, or other factors.

FINANCIAL IMPACT: A summary of second quarter proposed adjustments to the budget are as follows:

- General Fund revenues are reforecast to be $284,000 lower than the first quarter budget reforecast, largely due to lower projected income tax revenues.

- General Fund expenditures are reforecast to be $86,000 higher than the first quarter budget reforecast.
- There is some refinement of the capital projects budget resulting in an overall net decrease of $445,000 from the first quarter budget reforecast due to the removal of $500,000 for the marina docks and building improvements project in the Marina Fund. However, in the General Fund $25,000 has been added for roof repairs at LC Walker Arena and $30,000 has been added for a project to wash and seal the City Hall building.

BUDGET ACTION REQUIRED: City Commission approval of this reforecast will formally amend the City's 2016-17 budget.

STAFF RECOMMENDATION: Approval

Motion by Commissioner Warren, second by Commissioner Rinsema-Sybenga, to approve the Second Quarter Budget Reforecast for 2016-17.

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

Nays: None

MOTION PASSES

D. <u>Concur with the Muskegon County Clerk's Association's Recommendation to Select Dominion as the Election Equipment Vendor</u>

On this 28th day of February, 2017, a motion was made by Commissioner Johnson and seconded by Commissioner German to concur with the Muskegon County Clerk's Association's recommendation made by a vote of 13-1 at its February 21, 2017 meeting, that the Muskegon County Clerk, Nancy A. Waters, select Dominion as the election equipment vendor for the municipalities of Muskegon County.

AYES: Hood, Warren, German, Rinsema-Sybenga, Turnquist, Johnson, and Gawron

NAYS: None

MOTION PASSES

PUBLIC PARTICIPATION: No public comments were received.

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

Respectfully Submitted,

Ann Marie Meisch, MMC, City Clerk

Commission Meeting Date: March 14, 2017

Date: March 6, 2017

To: Honorable Mayor and City Commissioners

From: Finance

RE: Audit Contract Extension

SUMMARY OF REQUEST: The City recently completed its contract for audit services with Brickley DeLong. The firm has approached the City with a proposal to extend the contract for five years. This proposal includes fees at the same rate for the 2017 audit as was charged for the 2016 audit. There is a 2% increase each year for the 2018 and 2019 audits, followed by an increase of 3% each year for the 2020 and 2021 audits.

The City has had a successful relationship with Brickley for a number of years and has enjoyed a smooth and efficient annual audit process. With current staff levels and increased demands on staff time, we believe it is prudent to continue this relationship. Additionally, Brickley is a major downtown employer and the only CPA firm located in the City qualified to perform our audit with a significant presence in the governmental auditing field.

FINANCIAL IMPACT:

Fiscal Year	**2016**	**2017**	**2018**	**2019**	**2020**	**2021**
Previous Fee	$36,550	-	-	-	-	-
Proposed Fee	-	$36,550	$37,280	$38,025	$39,165	$40,340

BUDGET ACTION REQUIRED: Future budgets will include the amounts shown above.

STAFF RECOMMENDATION: Approval.

City of Muskegon

PROPOSAL FOR AUDIT SERVICES

February 17, 2017

Proposing Firm:
Brickley DeLong, P.C.
316 Morris Ave., P.O. Box 999
Muskegon, Michigan 49443-0999
Phone: (231) 726-5855
Contact: Eric P. Van Dop, C.P.A.
Partner

BRICKLEY DELONG
CERTIFIED PUBLIC ACCOUNTANTS

February 17, 2017

Mr. Derrick Smith
Director of Finance
City of Muskegon
933 Terrace Street
Muskegon, MI 49440-1397

Due to our long, valued relationship, Brickley DeLong, P.C. would like to submit a proposal for audit services to the City of Muskegon.

Our proposal is for the audit of the City of Muskegon's financial statements for the years ending June 30, 2017, 2018, 2019, 2020, and 2021. Our fee for such services will not exceed the following:

SERVICE DESCRIPTION		
Financial Audit and Single Audit		
June 30, 2017	$	36,550
June 30, 2018		37,280
June 30, 2019		38,025
June 30, 2020		39,165
June 30, 2021		40,340

If actual time and expenses are less than these amounts, we will reduce our fee accordingly. We would note that the proposed fee for 2017 is the same as 2016 with modest increases thereafter.

Our fee was determined on the assumption that we will receive cooperation and assistance from the City to facilitate completion of the engagement, that the City's records will be in an auditable condition, and that there will not be significant increases in the City's operations over the period of the proposal. For instance, should the City add significant new grants or activities or adopt new accounting standards, we request that the audit fees be adjusted at mutually-agreeable rates accordingly. Should the City need additional services outside the scope of the audit, such as assistance with account analysis or GASB 34 or GASB 68, we would be happy to discuss them with you and would be available to perform such services at our standard rates.

Our audits will be made in accordance with generally accepted auditing standards adopted by the American Institute of Certified Public Accountants. In addition, we will perform a single audit in accordance with *Government Audit Standards* and the provisions of the federal Single Audit Act. The above quoted rates are for a single audit with up to two major programs. Should the City have additional major programs, we would discuss the additional cost with you in advance and perform such services at a mutually-agreeable rate.

We believe that Brickley DeLong, P.C. would be an excellent choice as auditors for City of Muskegon because Brickley DeLong, P.C.:

1. Has been the auditor of the City of Muskegon for several years and understands the City and its programs. In addition, the partner assigned to the engagement has been associated with the City's audit for several years.
2. Has extensive experience in servicing local governmental units, school districts, and nonprofit organizations in Western Michigan.
3. Has extensive experience in performing audits of federal programs for governmental units, local school districts, and nonprofit organizations.
4. Commits significant time in the training of professional staff members in the unique aspects of Michigan municipal accounting, financial reporting, and auditing.
5. Has a partner in the firm that maintains a member position on the State of Michigan Committee on Governmental Accounting and Auditing.
6. Encourages year around communications with client staff members to address technical issues and emerging issues.
7. Requires professional staff to have entrance conferences with appropriate client officials prior to the commencement of audit field work to discuss the audit scope, time tables, and significant matters.
8. Requires partners and professional staff members to have exit conferences with client officials to review and discuss draft financial statements and letters of recommendations prior to issuance so as to enable client to better understand the financial statements, disclosures, trends, and recommendations.
9. Seeks the opportunity to meet with Boards and associated committees to discuss the scope of audit engagements and to present financial statements and letters of recommendations.

We would welcome the opportunity to participate in an interview with the Commission of the City of Muskegon, a committee thereof, or designee to discuss our qualifications, audit plan, firm policies and procedures, or other matters.

We are confident that Brickley DeLong, P.C. can continue to meet your needs, and we would welcome the opportunity to continue to serve the City of Muskegon.

We look forward to hearing from you. If you desire any additional information, please call. Thank you for your time and consideration.

Sincerely,

Brickley DeLong, P.C.

Brickley DeLong, P.C.

Commission Meeting Date: March 14, 2017

Date: March 6, 2017

To: Honorable Mayor and City Commissioners

From: Finance

RE: Development and Reimbursement Agreement for Construction of Dock at Fisherman's Landing

---

SUMMARY OF REQUEST: To approve a development and reimbursement agreement between the City and Fisherman's Landing, Inc. The agreement will enable construction of a new dock at Fisherman's Landing and provides for Fisherman's Landing, Inc. to reimburse the City for $100,000 of the construction costs as a loan.

FINANCIAL IMPACT: $100,000 loan from the City's Revolving Loan Fund to Fisherman's Landing, Inc.

BUDGET ACTION REQUIRED: None.

STAFF RECOMMENDATION: To approve the attached agreement.

DEVELOPMENT AND REIMBURSEMENT AGREEMENT

This Development and Reimbursement Agreement is made as of ____________, 2017, between the CITY OF MUSKEGON, a Michigan municipal corporation (the "City"), and Fisherman's Landing, Inc., a non-profit corporation, whose business address is 501 E. Western Avenue, Muskegon, Michigan 49440 ("Corporation").

RECITALS

A. City owns real property located at the east end of Muskegon Lake, commonly referred to as Fisherman's Landing and Campground ("Premises").

B. Corporation is interested in making capital improvements to the docks located at the Premises ("Public Improvements").

C. The cost of the Public Improvements is $160,000.00, and shall be paid for by Corporation.

D. City is willing to lend $100,000.00 for the Public Improvements, subject to reimbursement by Corporation for the cost of the Public Improvements.

TERMS AND CONDITIONS

Therefore, in exchange for the consideration in and referred to by this Agreement, the parties agree as follows:

1. **Improvements.** Corporation has entered into a contract to purchase and install Public Improvements at the Premises ("Contract"). A copy of the proposed Contract is attached as Exhibit A.

2. **Financial Obligations.** Corporation has entered into the Contract in the amount of $160,000.00.

3. **City Obligations.** City agrees to lend $100,000 to Corporation, so that Corporation can fulfill its obligations under the Contract.

4. **Corporation Obligations.**

a. Corporation agrees to satisfy its obligations in the Contract and to insure that the docks are installed.

b. Corporation agrees to pay City $100,000.00, plus interest in the unpaid portion at the interest rate of 4.0%. The principal amount of the unpaid balance, plus interest shall be satisfied by annual installments of $12,292.00, each to be paid on the 1st of January, beginning January 1, 2018 and continuing until January 1, 2027, when the entire balance of principal and interest shall be due and payable in full. Corporation may at any time prepay without penalty all or any portion of the principal, and any such payments shall be applied to the principal installments last coming due.

5. **Representations and Warranties.** Corporation makes the following representations and warranties to City:

a. There are no suits or proceedings pending or, to their knowledge, threatened against or affecting Corporation.

b. Corporation has full power and authority to execute and perform the terms and provisions of this Agreement.

c. Corporation has provided City with copies of all information related to the proposed Public Improvements at the Premises.

6. **Interpretation.** This is the entire agreement, including attachments, between the parties as to its subject. It shall not be amended or modified except in writing signed by the parties. It shall not be affected by any course of dealing and the waiver of any breach shall not constitute a waiver of any subsequent breach of the same or any other provision. This Agreement shall be interpreted and construed in accordance with Michigan law and the parties agree to jurisdiction and venue within the courts for the County of Muskegon.

7. **Notice.** All notices, approvals, consents and other communications required under this Agreement shall be in writing and shall be deemed given: (i) when delivered in person; (ii) one day after depositing in the custody of a nationally-recognized receipted overnight delivery service with delivery fees prepaid; or (iii) three days after posting in the United States Mail first-class, postage prepaid. Notices shall be sent to the parties at the following addresses:

To Muskegon:

CITY OF MUSKEGON
933 Terrace, P.O. Box 536
Muskegon, MI 49443-0536
Attn: City Clerk

To Corporation:

FISHERMAN'S LANDING, INC.
c/o ____________________
Kevin Wright
1467 S Dangl Rd
Muskegon Mi 49442

8. **Miscellaneous.**

a. ***Governing Law.*** This Agreement is executed in accordance with, shall be governed by, and construed and interpreted in accordance with the laws of the State of Michigan.

b. ***Entire Agreement.*** This Agreement shall constitute the entire agreement, and shall supersede any other agreements, written or oral, that may have been made or entered into, by and between the parties with respect to the subject matter of this Agreement and shall not be modified or amended except in a subsequent writing signed by the party against whom enforcement is sought.

c. ***Binding Effect.*** This Agreement shall be binding upon, and inure to the benefit of and be enforceable by, the parties and their respective legal representatives, permitted successors, and assigns.

d. ***No-Waiver.*** No waiver by any party of any provision of this Agreement shall constitute a waiver by such party of such provision on any other occasion or a waiver by such party of any other provision of this Agreement.

e. ***Severability.*** Should any one or more of the provisions of this Agreement be determined to be invalid, unlawful, or unenforceable in any respect, the validity, legality, and enforceability of the remaining provisions of this Agreement shall not in any way be impaired or affected.

f. ***Assignment.*** Corporation may not assign all or any portion of its rights and obligations contained in this Agreement without the express prior written approval of Lender, which approval may be withheld in the other party's sole discretion.

g. ***Modifications.*** This Agreement may be amended, superseded, or canceled, and any of the terms of this Agreement may be waived, only by the express written agreement of the parties.

h. ***Survival.*** All representations and warranties contained herein or made in writing by Corporation in connection with this Agreement shall survive the execution and delivery of this Agreement and of the Note.

i. ***Counterparts.*** This Agreement may be executed in counterparts, and each set of duly delivered identical counterparts that includes all signatories shall be deemed to be on original document.

WHEREFORE, this Agreement has been executed as of the date first written above.

CITY:

CITY OF MUSKEGON

By: ______________________________
Name: Stephen Gawron
Title: Mayor
Dated: ____________, 2017

and: ______________________________
Name: Ann Marie Meisch, MMC
Title: City Clerk
Dated: ____________, 2017

CORPORATION:

FISHERMAN'S LANDING, INC.

By: ______________________________
Name: Kevin Wright
Title: MANAGER
Dated: 3-6-17, 2017

Exhibit A

CONTRACT

Equity Marine Construction LLC
Dale TenBrink
14788 Boom Road
Spring Lake, MI 49456
Phone: 616-847-2482
equitymarine@att.net

February 16, 2017

CLIENT: Fisherman's Landing
Kevin Wright
501 E. Western Ave.
Muskegon, MI 49443

Project Site: SAME

CONTRACT PROPOSAL

Equity Marine Construction (EMC) has visited the project site consulted with the owner as to his specifications and has developed the following itemized proposal:

SCOPE OF WORK:

Dock:

1. Supply and install 400' X 5' steel frame dock, 2 X 8 treated decking and supported by thirty eight 5' X 8' dock floats by Premier.
2. Supply and install 400' of D-shape rub rail along entire length of dock with twenty four tie off cleats.
3. Dock to be held in position with ten 30' – 40' X 10" pipe pile and ten slide boxes.
4. All fasteners to be a combination of stainless and galvanized.
5. All exposed steel to be painted in color of choice.
6. All piling and decking edges to be routered for smooth edge.
7. All decking to be screwed not nailed.

COST: $ 110,000

Aluminum Ramp:

1. Supply and install 50' X 4' aluminum gangway ramp following hillside down to a 6 X 6 permanent landing at waters edge.
2. Supply and install 10' X 4' aluminum gangway going from landing to 4 X 4 dock approach on the side of main dock.
3. All gangways to have aluminum railings on each side.

COST: $ 40,000

Optional:

1. Remove and dispose of existing docks and pipe pile.

COST: $ 8,000

2. Remove and dispose of existing stairway and decks.

COST: $ 2,000

SUBCONTRACTING:

EMC will be allowed to address and incorporate the use of subcontractors as required to perform or complete the project.

PAYMENT:

1. Down payment of $ 1,000.00 due upon signing of contract.
2. Payment of $ 60,000.00 due at commencement of work for materials.
3. Balance due at project completion. Payment in full constitutes acceptance of the project.
4. A monthly service charge of 2% will be assessed on all past due accounts (24% annually).

CONTINGENCIES:

This agreement is contingent upon strikes, accidents, acts of God, material and weather delays that are unavoidable and beyond the control of this contractor.

Upon acceptance of the contract proposal, the terms, conditions and agreements contained herein will be deemed a contract between the contractor and owner/agent. Oral changes will have no effect. The contract may be altered only by written agreement signed by the party against whom enforcement of any waiver, change, modifications, extensions or discharges is sought.

Equity Marine Construction LLC
14788 Boom Road
Spring Lake, MI 49456

Dale Ten Brink (EMC)

3/3/17

Dated

Fisherman's Landing
Kevin Wright
501 E. Western Ave.
Muskegon, MI 49443

Kevin Wright

Owner

3/3/2017

Dated

Commission Meeting Date: March 14, 2017

Date: March 7, 2017

To: Honorable Mayor and City Commission

From: Planning and Economic Development Department

Re: Summer Youth Park Program Recreation Program Contract-Boys and Girls Club of Muskegon

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SUMMARY OF REQUEST: The City of Muskegon ("City") is recommending approval of the attached Contract with the Boys and Girls Club of Muskegon ("Manager") for the management of the 2017 Summer Youth Park Recreation Program. For the past several years, the City of Muskegon has provided the majority of the Leisure Services funds for the Summer Park Youth Recreation Program. The YMCA managed the program for several summers, and the Boys and Girls Club took over management for the summer of 2016. This Contract is consistent with the memo sent to City Commission by the Director of Community & Economic Development in December 2016 (see attached). For 2017, the Boys and Girls Club of Muskegon will operate in four (4) sites in the City, three (3) of which are funded by the City of Muskegon (Smith Ryerson Park, Reese Park and Seyferth Park). The anticipated total cost of the program for 2017 in the City of Muskegon is $96,381. It is proposed that the City provide $45,000 towards the program's management for 2017 and 2018. The Contract is for two years. However, if funding is no longer available in the future, the Contract can be cancelled.

FINANCIAL IMPACT: It is anticipated that the funding will be disbursed from future the Community Development Block Grant Leisure Services Fund.

BUDGET ACTION REQUIRED: None at this time.

STAFF RECOMMENDATION: To approve the Summer Youth Park Program Proposal and Contract and authorize staff to enter into an agreement with the Boys and Girls Club of Muskegon.

CITY OF MUSKEGON
OPERATIONS MANAGEMENT CONTRACT
BOYS & GIRLS CLUB
SUMMER PARKS PROGRAM

This is a Contract, effective March __, 2017, for the management of the City of Muskegon Summer Parks Program ("Parks Program"), as defined by "Proposal," made between the **City of Muskegon,** a Michigan municipal corporation, of 933 Terrace Street, Muskegon, Michigan 49440 ("City") and **The Boys & Girls Club of Muskegon**, 425 W Western Ave #308, Muskegon, MI 49440 ("Manager").

Background

The **City** has overseen the Parks Program for many years. It takes place in several City parks during the Summer months, as detailed in "Proposal." The **Manager** has provided management of the Parks Program in the past and has submitted a proposal to continue management into the future. In the event of any conflict, this Contract prevails over any terms in the proposal.

Therefore, the parties agree as follows:

Management; Operation; Maintenance; Improvements. The Manager agrees to perform all acts and assume all responsibilities for the management and operation of the Parks Program, as defined in proposal. The Manager's responsibilities include, but are not limited to, all operation of the individual park program sites, including staff oversight, meals, supplies and equipment. In addition, the Manager shall be responsible for reserving the identified parks for the program through the City's Parks Department. The Manager's responsibility shall further include the retaining and hiring of all personnel or, if approved by the City, independent contractors, for the purpose of carrying out all the responsibilities and functions of the Manager.

2. Expenses. The Manager shall pay on a timely basis, without incurring any cost of default or penalties, all expenses, payroll, payroll taxes, benefits, taxes, if any, and costs of any kind necessary or related to the complete performance of its responsibilities as Manager, defined in proposal.

3. Manager; Agency Status. The Manager shall carry on the responsibilities set forth above, and all incidental or related performances, functions or acts, and shall pay all the said expenses and costs, all on behalf of the City, as defined in proposal.

4. Level of Performance; Standards; Prices. The Manager's performance and assumption of the responsibilities undertaken by this Contract shall be carried out and performed to the satisfaction of the City, in its sole judgment and discretion, as defined in proposal.

5. Participants. It is the intent of the City that the Parks Program is open to all youth, ages 6- 18 years-of-age. Programming is to be available at least Monday- Thursday, during the day, with two meals served for participants, as defined in proposal.

6. Quarterly Reports. The Manager shall provide the City with a mid-term report (July) and a final report (September) detailing all income and expenditures and program activities. Manager shall also provide the City with a copy of the participant log at the conclusion of the parks program.

8. Management Fee. For its management of the program as defined in proposal, the Manager shall be paid $45,000. It is also expected that the Manager shall receive grant funds through the Community Foundation of Muskegon County in the amount of $10,000. The said management fee shall be the sole compensation to the Manager, and Manager shall pay all the expenses contemplated by this Contract without further payments from the City.

9. Records; Audit of Financial Information. The Manager shall afford the City at reasonable times every opportunity to examine its financial records, books, bank accounts, evidence of receipts and expenses, invoices, any computer records, and any other information deemed appropriate by the City in order to verify the receipts, uses and payment of funds by the Manager under this Contract. For said purpose the Manager shall provide the City with all necessary means to access any computer records, programs, systems, databases or other information. Copies of any information required by the City, whether on paper or by computer media, as requested by the City, shall be afforded the City immediately upon its request.

10. Possession; Termination. The parties agree that possession of the parks during the term of this management contract remains with the City. The Manager shall act as an agent of the City, and its presence and possession in the identified parks is carried on entirely on behalf of the City.

11. Condition of the Premises and Property. The Manager shall be responsible to keep the parks in good and useable condition, except for the effects of ordinary wear and tear.

12. Term. The term of this Contract shall be two (2) years from the effective date, provided that either party may terminate this Contract without cause, effective upon 180 days written notice to the other party.

13. Insurance. The Manager shall obtain insurances required by the City in at least the coverage amounts set forth below. In all the following coverages except workers' compensation insurance, the City shall be named as additional insured or loss payee, and each policy shall carry the commitment by the company that no cancellation shall be effective against the City without thirty (30) days written notice to the City:

> 1.1. <u>Comprehensive general liability insurance</u>. The Manager shall obtain a comprehensive liability insurance policy through a company licensed to do business in Michigan and acceptable to the City, carrying limits of at least $1,000,000, single limit.
>
> 1.2. <u>Workers' compensation insurance</u>. The Manager shall carry workers' compensation insurance in the amounts required by state law.
>
> 1.3. <u>Other insurances</u>. Any insurances which are available and which are especially appropriate for the operation of the Center, such as coverages involving professional or amateur boxing and the like, covering liability and the cost of injuries to persons and property shall be obtained by the Manager, with liability coverages carrying at least a single limit of $1,000,000.

14. Insurance Notices. Cancellation Notice: Workers' Compensation Insurance and Commercial General Liability Insurance, as described above, shall include an endorsement stating the following: "It is understood and agreed that, in order to be effective, thirty (30) days' Advance Written Notice of Cancellation, Non-Renewal, Reduction and/or Material Change shall be sent to:

City of Muskegon
Attn: City Manager
933 Terrace Street
P.O. Box 536
Muskegon, MI 49443-0536

15. Assignment. The Manager may not assign this Contract without prior approval of the City. Any attempted assignment or change in entity of the Manager shall constitute a violation of this Contract and cause immediate termination in the City's discretion.

16. Hold Harmless and Indemnity. To the fullest extent permitted by law, Manager agrees to defend, pay in behalf of, indemnify, and hold harmless the City, its elected and appointed officials, employees and volunteers and others working in behalf of it against any and all claims, demands, suits, or loss, including all costs connected therewith, and for any damages which may be asserted, claimed or recovered against or from the City, its elected and appointed officials, employees, volunteers or others working in behalf of it, by reason of personal injury, including bodily injury and death and/or property damage, including loss of use thereof, which arises out of or is in any way connected or associated with this Contract.

17. Duties of the City.

17.1 Lawn Mowing; Supplies. The City shall maintain the parks in their current condition and handle general maintenance.

18. General Provisions.

18.1 Independent Contractor. The Manager is an independent contractor and not an employee of the City. Manager is responsible for all its own personnel and all other expenses and costs as set forth in this Contract and shall not have recourse to the City for any claims involving the said expenses or costs, as defined in proposal.

18.2 Corporate Status. Manager warrants that it is a Michigan non-profit corporation in good standing and is authorized to perform this Contract.

18.3 Equal Employment Opportunity; Discrimination. The Manager shall not discriminate unlawfully against any person in violation of any law or rule of the City, the County, the State of Michigan or the federal government, in employment, services or any other respect. The Manager shall comply in each and every way with the City of Muskegon's affirmative action plans or policies, and shall never discriminate against any person based on race or any other protected status under the laws of the State or the United States.

19. Defaults. Violation of any of the provisions of this Contract by the Manager, and failure to remedy or cure such violation within thirty (30) days after written notice of such violation from the City, shall constitute default by the Manager and constitute cause for immediate termination of this Contract:

20. Non-Waiver. Failure to enforce any remedy for a breach or a violation of this Contract shall not constitute waiver of subsequent breaches or violations.

21. Remedies of the Manager. In the event the City breaches this Contract in any way, or the Manager determines that a breach or failure to observe any covenant or condition by the City has occurred, the Manager's sole remedy shall be termination of this Contract. The Manager shall not be entitled to any damages for breach of contract, or to any injunctive relief to enforce this Contract. In the event there are sums legally due to the Manager at the time of such termination they shall be paid forthwith, but no consequential damage or damages for breach shall be awarded or available to the Manager.

22. Counterparts. This Contract may be executed in counterparts, and each set of duly delivered identical counterparts that includes all signatories shall be deemed to be one original document.

23. Governing Law. This Contract shall be construed and enforced in accordance with the laws of the State of Michigan applicable to contracts made and to be performed within the State of Michigan.

24. No Third Party Beneficiary. This Contract shall benefit only the parties to this Contract, and not any third party, as defined in proposal.

25. Notices. All notices, approvals, consents and other communications required under this Contract shall be in writing and, except when receipt is required to start the running of a period of time, shall be deemed given: (i) when delivered in person; (ii) when sent by telephone facsimile or e–mail, (the sender shall also mail or send a "hard copy" following the facsimile or e-mail, however, the notice shall be effective upon the transmission of the facsimile or e-mail); (iii) one (1) day after depositing in the custody of a nationally-recognized receipted overnight delivery service with delivery fees prepaid; or, (iv) two (2) days after posting in the United States Mail, first-class. Notices shall be sent to the parties at their address stated above.

BOYS & GIRLS CLUB OF MUSKEGON

By: ______________________________
Dakota Crow, CPO

Dated:______________ ___, 2017

CITY OF MUSKEGON

By:______________________________
Frank Peterson, City Manager

Dated: ______________ ___, 2017

By:______________________________
Ann Marie Meisch, City Clerk

Dated: ______________ ___, 2017

GREAT FUTURES START HERE.

BOYS & GIRLS CLUB
OF THE MUSKEGON
LAKESHORE

A Proposal Requesting Funds from the City of Muskegon to Foster Opportunities for City Youth, through Partnership with the Boys & Girls Club of the Muskegon Lakeshore to Implement Summer Youth Park Recreation Programming.

A comprehensive, targeted youth program designed to enhance youths' engagement with learning, recreation and the arts by providing consistent support from caring and trusted adults.

MUSKEGON
West Michigan's Shoreline City
www.shorelinecity.com

2/13/2017

Table of Contents

EXECUTIVE SUMMARY

Boys & Girls Clubs of the Muskegon Lakeshore believes that every child deserves a great future. Unfortunately, today's youth face tremendous obstacles. Consider that our county of Muskegon is ranked 80 out of 83 counties in the state of Michigan for overall childhood wellbeing. And Despite significant gains in some aspects of well-being during recent years for children of all races and income levels, disparities remain deep and persistent.

BGCML is well positioned to support and prepare Muskegon's young people for 21st century success, and reach youth who need us the most, during the summer months in the City of Muskegon. During the summer of 2016, we positively changed the lives of ***thousands of*** children in ***Muskegon, Michigan*** through the ***Best Summer Ever Program.*** The ***Boys & Girls Club of the Muskegon Lakeshore*** is dedicated to making an even greater impact on youth in the summers to come.

A Boys & Girls Club experience positively impacts' youth from the moment they enter the program. What happens for Club youth– building relationships with staff, participating in fun and engaging programs, learning important skills, making new friends, developing their talents – is referred to as the *Club Experience*. This proposal details our plans **to increase the quality of the *Summer Youth Park Recreation Programming* by focusing resources on three of our historical top performing sites; *<u>Smith-Ryerson</u>*, *<u>Seyferth</u>* & *<u>Reese Park</u>*, with the ultimate goal of deepening the positive impact we make in the youth of Muskegon lives, from mid-June through mid-August**. In addition, ***BGCML*** will increase the amount of youth served daily during the ***Summer Youth Park Recreation Programming*** & Summer Enrichment Program, year over year to **<u>165 youth EVERY DAY</u> in the Muskegon Area.**

In the ***Summer Youth Park Recreation Programming***, the Club Experience exist and consists of five key elements. The first element, a *safe, positive environment*, sets the foundation for life-changing youth development work. The next key element, *fun and a sense of belonging*, keeps youth engaged. The last three elements – *supportive relationships*, *opportunities and expectations*, and *recognition* – help transform time spent at the Club Park Sites into experiences that change young lives. To increase the Club Experience, ***BGCML*** plans to **increase the operating hours at each park site to Monday-Friday, 10am to 5pm.**

These key elements are the driving force behind ***BGCML's*** research-informed theory of change, called the Formula for Impact. Our formula explains how Clubs help youth achieve critical outcomes. This connection between youth development programs and outcomes is well documented: high-quality youth programs have strong positive effects on the academic, social and emotional lives of youth. Recent research about ***BGCML*** strongly affirms this core principle: *by implementing a high-quality Club Experience, **BGCML** can increase positive impact on kids.* For example BGCA research shows that club members are 40% more likely to be on track to graduate from High School, and 19% **more** likely expect to attend college. To sum up, the better the quality of a ***Summer Youth Park Recreation Programming***, the better the outcomes of Muskegon youth participants.

We will improve the quality of our Club Park Experience by focusing City of Muskegon funding and resources on three of our historical top performing sites; Smith-Ryerson, Seyferth Park & Reese Park. This key action will help ***BGCML*** deepen and sustain our long-term impact on the youth of Muskegon, during the summer months. Continued support from the ***City of Muskegon*** will allow those who need us most to graduate from high school on time with a plan for the future; demonstrate good character and citizenship; and live a healthy lifestyle. In addition, lunch & dinner meals will be served at each site location.

Boys & Girls Club of the Muskegon Lakeshore respectfully requests ***$45,000*** from the ***City of Muskegon,*** *to offer a safe, fun & supportive* ***Summer Youth Park Recreation Programming*** to **<u>165 youth every day</u>** at ***<u>Smith Ryerson</u>, <u>Reese</u> and <u>Seyferth Park</u> Sites.*** *Note, BGCML self-funds the Muskegon based Nelson Site, which is planned to serve an additional 170 youth daily during the summer months.*

ABOUT BOYS & GIRLS CLUB OF THE MUSKEGON LAKESHORE

Boys & Girls Clubs of the Muskegon Lakeshore provides a safe, affordable place for kids and teens during critical out-of-school time. Our dedicated team offers life changing programs and services to youth across Muskegon County.

Mission

To inspire and enable all youth, especially those who need us most, to reach their full potential as productive and caring citizens.

Vision

To be the beacon of hope & light to over 1,000 youth, each day. Through teamwork, dedicated staff and volunteers cultivate a "Culture of Cool" by offering age appropriate and dynamic programming, easily accessible to any youth, ages 6-18 within the Muskegon County area. Supported by sustained funding The Boys & Girls Club will be the premier youth serving organization.

Our Scope

BGCML operates two clubs year round, in partnership with Muskegon Public Schools and Muskegon Heights Public School Academy System- Our Nelson Club and Muskegon Heights Academy Club Sites, which are open afterschool and extended times throughout the summer. BGCML extends its services to five park sites throughout the summer, made possible by the Community Foundation for Muskegon County and City of Muskegon.

Boys & Girls Clubs annually serve over **1 thousand** young people, a diverse population ranging from **ages 6 to 18.**

Over **89%** of Club members are **eligible for free- or reduced-price school lunches,** an important indicator of low-income status, compared to 52% of public school students nationally.

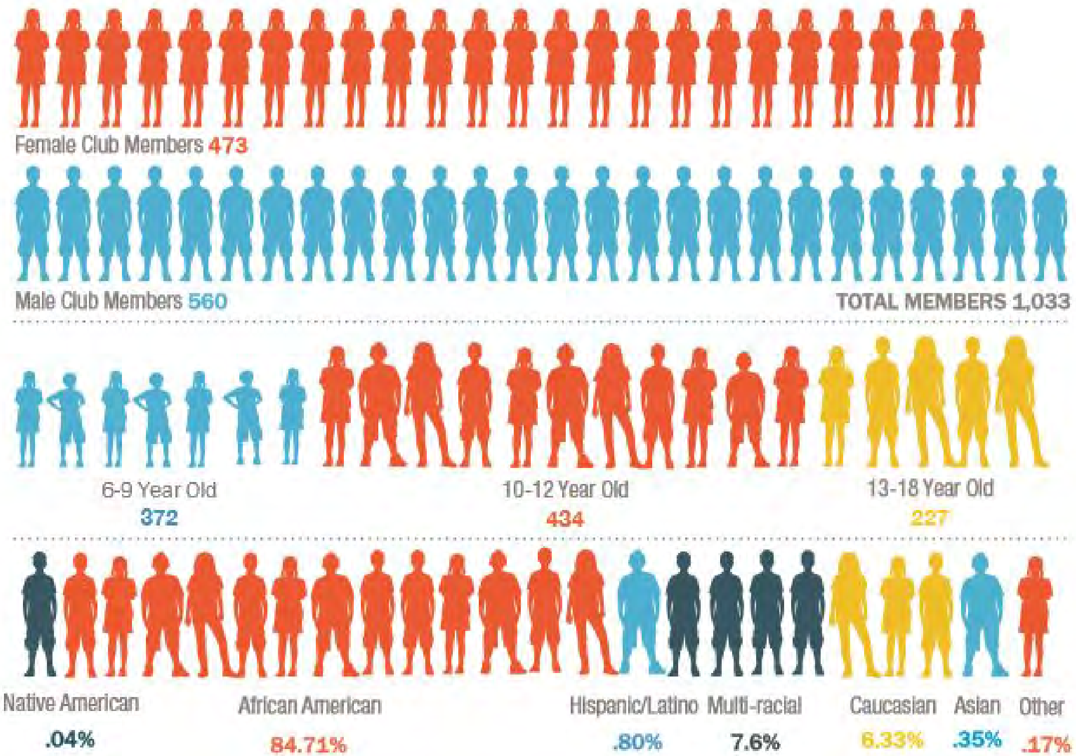
54% of Club members are boys.

On a typical day, **160** children and teens attend BGCML with more than **300** attending on an average summer day.

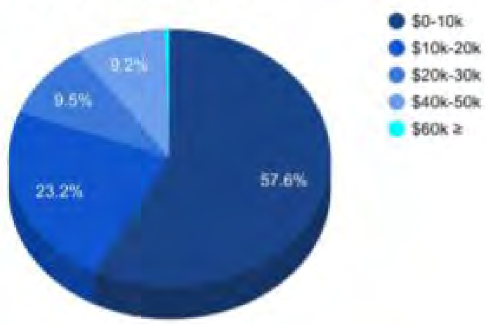
25 adult staff and over **100** volunteers work to **fulfill our youth development mission** and strengthen our ability to grow to reach more youth in Muskegon County.

WHO WE SERVE

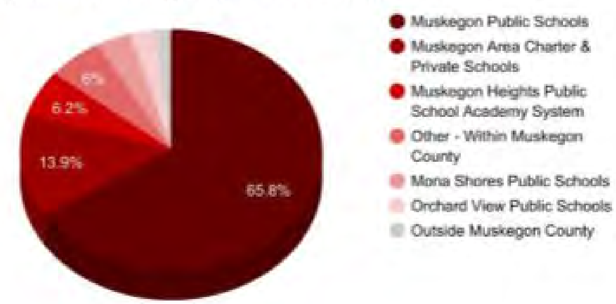
2016 Demographic Information



Annual Household Income



Organization Usage by School District



How BGCML Applies Our Youth Development Principles

The **Five Key Elements for Positive Youth Development** are crucial to an optimal Club Experience. When Clubs create an **optimal Club Experience**, they:

1 Provide a safe, positive environment

The Club sets clear boundaries and rules that provide structure for activities, define acceptable behaviors and consequences for inappropriate behavior, and are well understood and consistently reinforced by staff. Members feel **physically safe** from harm because the Club is a safe haven that minimizes risk and proactively addresses internal and external threats. Members also experience an inclusive place that is free of judgment and bullying. Youth learn to be empathetic and caring because the adults in the Club consistently model these traits. Members thus feel **emotionally safe.**

2 Provide access to fun and a sense of belonging

Clubs offer programs, activities and experiences that are engaging, build community and promote collaboration. Members have **fun** for the sake of having fun, because they are kids. Fun is a means of breaking down boundaries and building trust. Fun and play are vehicles for learning. Fun is essential to youth development work. Members experience a family-like environment, a home away from home, a community that is grounded in a shared identity and the common goals of succeeding and giving back. Thus, members develop a **sense of belonging**.

3 Provide access to supportive relationships

Staff members proactively cultivate and maintain personal relationships to ensure that every young person feels connected to one or more adult staff and forges friendships with peers. Staff members demonstrate warmth, encouragement, caring, appreciation, acceptance and proper guidance in their ongoing interactions with Club youth. Members learn how to build healthy relationships with adults and peers based on trust and mutual respect. Members thus experience **adult support**.

4 Provide meaningful opportunities and expectations

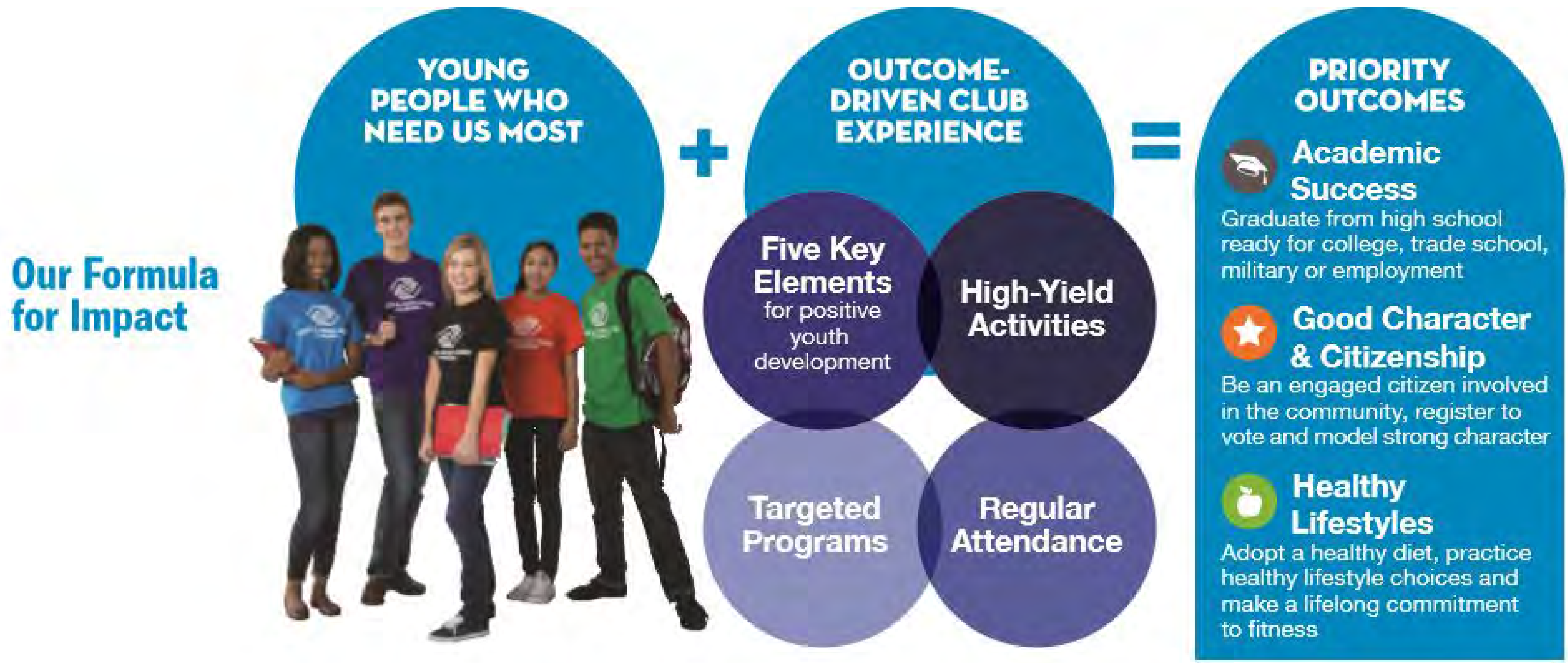
Club staff expect members to develop a strong moral compass, have concern and empathy for others, delay gratification, try new experiences, and pursue personal goals. Staff members consistently communicate and reinforce their belief in young people's potential and character. Staff also provide young people with opportunities to reflect and learn when they show a lapse in judgment. Club members in turn learn to be accountable to themselves and others. Members thus experience **high expectations**.

5 Provide formal and informal recognition

Staff acknowledge young people's innate strengths and talents. Through authentic gestures and words of praise, staff positively reinforce members' efforts and persistence and celebrate their progress and successes. Staff commend members' good decisions and choices. Clubs showcase members' achievements on Club walls and bulletin boards or during assemblies and special events. Members thus experience **validation and recognition.**

SUMMER YOUTH PARK RECREATION PROGRAMMING

At The Boys & Girls Club of the Muskegon Lakeshore **(BGCML)** we hold nothing back in creating a brighter future for the young people of our community, but realize it is a task that cannot be achieved alone. In partnership with the City of Muskegon, The Boys & Girls Club of the Muskegon Lakeshore **(BGCML)** proposes the continuation of the "***Summer Youth Park Recreation Programming***." This project was developed to extend education & activity in the summer, June thru August. The "Summer Youth Park Recreation Programming" will serve as a vehicle to administer National Boys & Girls Club proven programs to the youth of Muskegon. This service, in partnership with the City of Muskegon will be used to implement programs using the below ***Formula for Impact,*** to reach our ***Priority Outcomes.***



BGCML, with the assistance of BGCA, through the "***Summer Youth Park Recreation Programming***" will implement many tried and proven programs to enable all Muskegon youth, especially those who need us most, to reach their full potential, as productive, caring and responsible citizens. The emphasis of each program is to make learning fun, assist youth with Summer Learning, empower youth to envision their future, and motivate youth to obtain their High School Diploma or GED, and to prepare for college. To insure we reach those youth who need us most in the "***Summer Youth Park Recreation Programming***" participants will attend at no cost. The club will offer daily access to a broad range of programs in five core program areas, per each site. These core programs include:

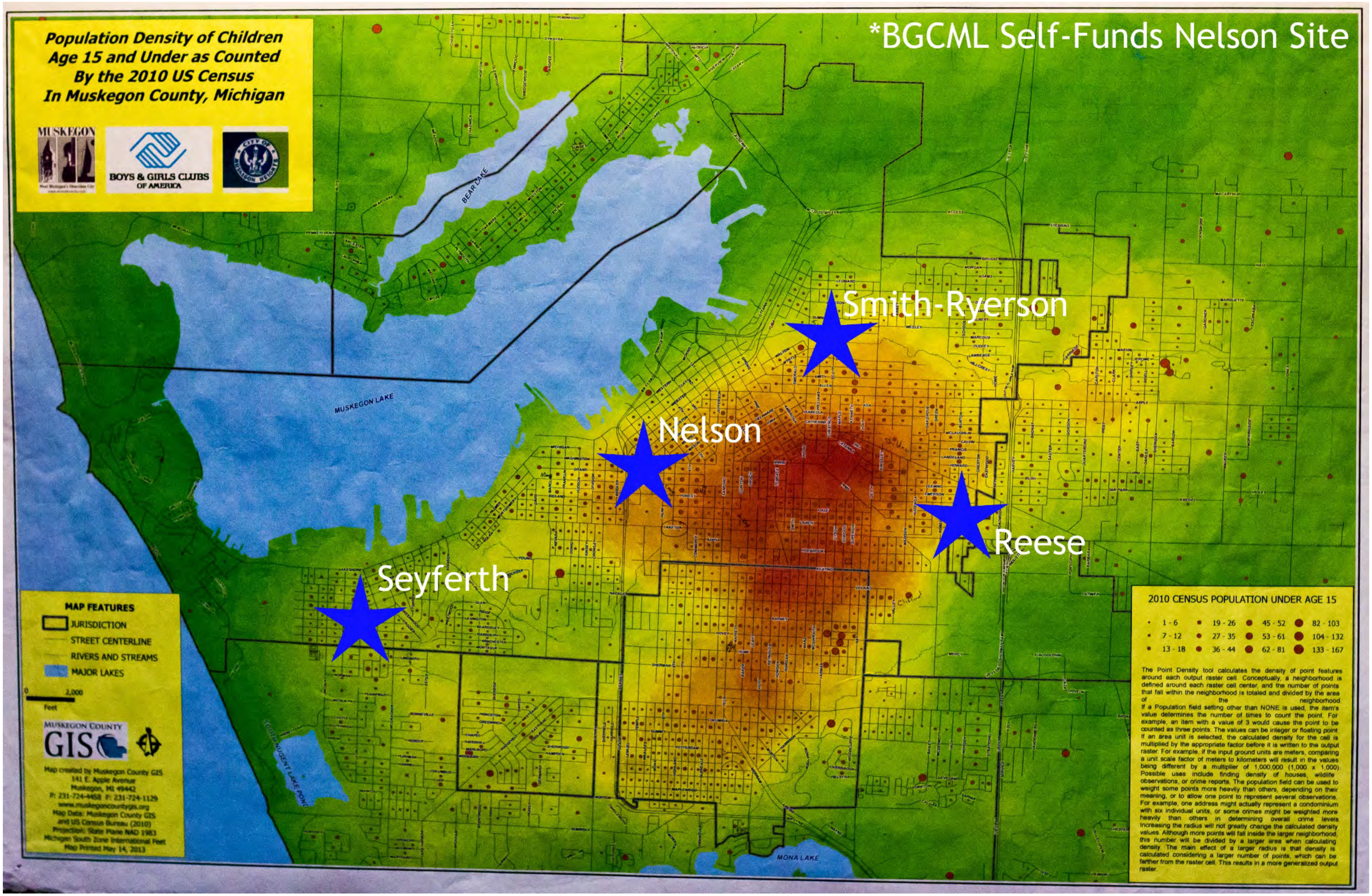
1. *Character and Leadership Development*- We empower Muskegon young people to support and influence their community, sustain meaningful relationships, develop a positive self-image, participate in the democratic process, and respect cultural identities.
2. *Education and Career Development*- We enable Muskegon young people to become proficient in basic educational disciplines, apply learning to everyday situations, and embrace technology to optimize employability.
3. *Health and Life skills*- We develop Muskegon young people's capacity to engage in positive behaviors that nurture their own well-being, set personal goals, and develop the skills to live successfully as self-sufficient, contributing adults.
4. *The Arts and Music*- We enable Muskegon young people to develop their creativity and cultural awareness through knowledge and appreciation of visual, tactile, and/or performing arts and music.
5. *Sports, Fitness, and Recreation*- We develop fitness, positive use of leisure time, skills for stress management, appreciation for the environment, and social and interpersonal skills to Muskegon area youth.

Delivering the above five program areas to Muskegon Area youth is an investment in Muskegon's future. ***BGCML*** will provide the following services as a vehicle to deliver National **BGC** proven programs, throughout the summer months to Muskegon Area Youth:

1. ***Summer Youth Park Recreation Programming*** for youth, ages 6-18 during the summer months, from mid-June thru August (3 months per year). This program would be offered Monday through Friday from 10am-5pm, at the following park sites:
   a. Seyferth Park (2250 West Sherman Avenue Muskegon, MI)
      i. Goal: To host 50 youth Average Daily, with 80 active Members.
   b. Reese Park (1345 East Forest Ave. Muskegon, MI)
      i. Goal: To host 50 youth Average Daily, with 80 active Members.
   c. Smith Ryerson Park (650 Wood Street Muskegon, MI)
      i. Goal: To host 65 youth Average Daily, with 95 active Members.
2. ***Summer Enrichment Program*** for youth, ages 6-18 during the summer break from mid-June thru August (3 months per year). This program would be offered Monday through Friday from 10am-6pm at the following sites:
   a. Nelson Elementary School (550 W. Grand Ave Muskegon, MI)
      i. Goal: To host 170 youth Average Daily, with 300 active Members.
         1. ***Note, BGCML Self Funds Nelson Site.***

The City of Muskegon will pay for Park Site expenses only (*Seyferth, Reese & Smith-Ryerson*) for the above listed "Summer Youth Park Recreation Programming"; the attached budget includes cost for park site expenses only (*Summer Youth Park Recreation Programming).

****BGCML* self-funds the Nelson Site- cost not included in attached budget.**


*BGCML Self-Funds Nelson Site
Population Density of Children
Age 15 and Under as Counted
By the 2010 US Census
In Muskegon County, Michigan
BOYS & GIRLS CLUBS OF AMERICA
Smith-Ryerson
Nelson
Reese
Seyferth
MUSKEGON LAKE
BEAR LAKE
MONA LAKE
MAP FEATURES
JURISDICTION
STREET CENTERLINE
RIVERS AND STREAMS
MAJOR LAKES
0 2,000
Feet
MUSKEGON COUNTY GIS
Map created by Muskegon County GIS
141 E. Apple Avenue
Muskegon, MI 49442
P: 231-724-4458 F: 231-724-1129
www.muskegoncountygis.org
Map Data: Muskegon County GIS
and US Census Bureau (2010)
Projection: State Plane NAD 1983
Michigan South Zone International Feet
Map Printed May 14, 2013
2010 CENSUS POPULATION UNDER AGE 15
1 - 6
7 - 12
13 - 18
19 - 26
27 - 35
36 - 44
45 - 52
53 - 61
62 - 81
82 - 103
104 - 132
133 - 167
The Point Density tool calculates the density of point features around each output raster cell. Conceptually, a neighborhood is defined around each raster cell center, and the number of points that fall within the neighborhood is totaled and divided by the area of the neighborhood.
If a Population field setting other than NONE is used, the item's value determines the number of times to count the point. For example, an item with a value of 3 would cause the point to be counted as three points. The values can be integer or floating point.
If an area unit is selected, the calculated density for the cell is multiplied by the appropriate factor before it is written to the output raster. For example, if the input ground units are meters, comparing a unit scale factor of meters to kilometers will result in the values being different by a multiplier of 1,000,000 (1,000 x 1,000).
Possible uses include finding density of houses, wildlife observations, or crime reports. The population field can be used to weight some points more heavily than others, depending on their meaning, or to allow one point to represent several observations. For example, one address might actually represent a condominium with six individual units, or some crimes might be weighted more heavily than others in determining overall crime levels.
Increasing the radius will not greatly change the calculated density values. Although more points will fall inside the larger neighborhood, this number will be divided by a larger area when calculating density. The main effect of a larger radius is that density is calculated considering a larger number of points, which can be farther from the raster cell. This results in a more generalized output raster.

KEY PROGRAM HIGHLIGHTS

Summer Brain Gain

The phenomenon called the "Summer Learning Loss," the detrimental effect of the summer months on children's learning, particularly among underserved youth, is well documented and well understood as a result of two decades of research. Because of inequities in access to summer learning opportunities, low-income youth are less likely to graduate high school and enter college. BGCML's Summer Brain Gain program is designed to promote and sustain learning in Club members of all ages during the summer months. During the Summer of 2016 BGCML, in partnership with the City of Muskegon and Muskegon Public Schools offered Summer Brain Gain to hundreds of youth across Muskegon County.

In 2015, Metis Associates conducted a *randomized control trial* of Summer Brain Gain's modules for elementary school youth with the intent to measure program effectiveness and impact. Such studies compare outcomes from control and treatment groups in an attempt to show a cause-and-effect relationship between a program and its outcomes, and are critical for establishing an evidence base for a program's effectiveness. The study found:

- Overall, Summer Brain Gain participants experienced no significant losses in early literacy, math or reading. This is encouraging, because research indicates that most youth lose about two months of grade-level equivalent in math skills over the summer months, and low-income youth lose more than two months in reading achievement.
- Summer Brain Gain participants in fourth and fifth grades had notably higher gains in math than control group youth, and participants in first through third grades had slightly greater gains in early literacy than control group youth. None of these gains, however, were statistically significant.
- The study did not find that the curriculum had a demonstrable impact on participants' 21st century skills or interest in reading.
- Prior Club experience with implementing the program appears to be associated with greater implementation fidelity, completion of program components, comfort with evaluation activities, higher youth engagement and greater growth in early literacy and math.

Money Matters: Make It Count

Club youth who completed this program, which builds the financial management skills of members ages 13 to 18, had an:

35% average increase in their saving and investing smarts

27% average increase in their credit and debt savvy

17% average increase in their budgeting and living within means know-how

16% average increase in their college planning knowledge

Participants with spending money showed significant behavior improvement upon completing the program: 79 percent (an increase of 11 percent) said they started saving money and 43 percent (an increase of eight percent) said they were sticking to a budget plan.

Triple Play: A Game Plan for the Mind, Body and Soul

Participants in the Triple Play family of programs, which strive to improve the overall health of members ages 6 to 18:

Increased time spent engaging in physical activity

35% engaged in vigorous activity for an hour or more at least five times per week by the end of the study (an increase of 10 percentage points), compared to no change among the control group youth

Improved their eating habits

51% made improvements to their eating habits, compared to only 21 percent of control group youth

52% ate breakfast more often by the end of the study, compared to 38 percent of control group youth

Improved their relationships with peers

44% improved peer interactions by the end of the study, compared with 33 percent of control group youth

Project Learn

Participants in this Club-wide program, which reinforces and enhances the skills and knowledge young people learn at school, had significantly better academic outcomes than Club youth who did not participate in Project Learn and non-Club youth:

- 11% increase in overall GPA
- 13% increase in math GPA
- 22% increase in spelling GPA
- 5% increase in reading GPA
- 66% decrease in number of days absent from school
- 87% fewer missed school days when compared with non-Club youth

SMART Leaders

This "booster" program is for teens who have completed the Stay SMART component of the risk-behavior prevention program SMART Moves. Participants demonstrated:

- Less alcohol use than their peers
- Less marijuana use than their peers
- Reduced cigarette use
- Lower overall drug use and increased drug use knowledge

Making Every Day Count: Boys & Girls Clubs' Role in Promoting Positive Outcomes for Teens

Few evaluations have examined the overall impact youth development programs have on teens, especially during their critical transition from middle to high school. This study of young teens' entire Club Experience found that youth were more likely to demonstrate greater positive outcomes when they attended the Club at least 52 times per year. The positive effects were even greater when they attended at least 104 times per year. Young teens who attended the Club more often were more likely to report the following outcomes:

Academic Success

- 100% of our Club Members have C grades or higher
- 72% of our Club Members have never skipped school
- Nelson School Moved from 1% lowest performing school in the state in 2014 to 8% lowest performing schools in the state in 2016. BGCML arrived in 2015.
- Greater expectations of graduating from high school or receiving a GED

Good Character and Citizenship

- Higher levels of community service involvement
- Member Participation in Club-Based Community Volunteering
  26% Volunteered Once Per Year
  5% Volunteered Once Per Month
  11% Volunteered Once every 2 weeks
  26% Volunteered once every week
- More positive social relationships and productive use of out-of-school time

Healthy Lifestyles

- Increased levels of future connectedness (how much youth think about their future and how their current activities help them prepare for the future)
- Decreased numbers of negative peers as friends
- Decreased number of times stopped by the police
- Lower likelihood of initiation of carrying a weapon, smoking cigarettes, drinking alcohol, smoking marijuana and sexual intercourse

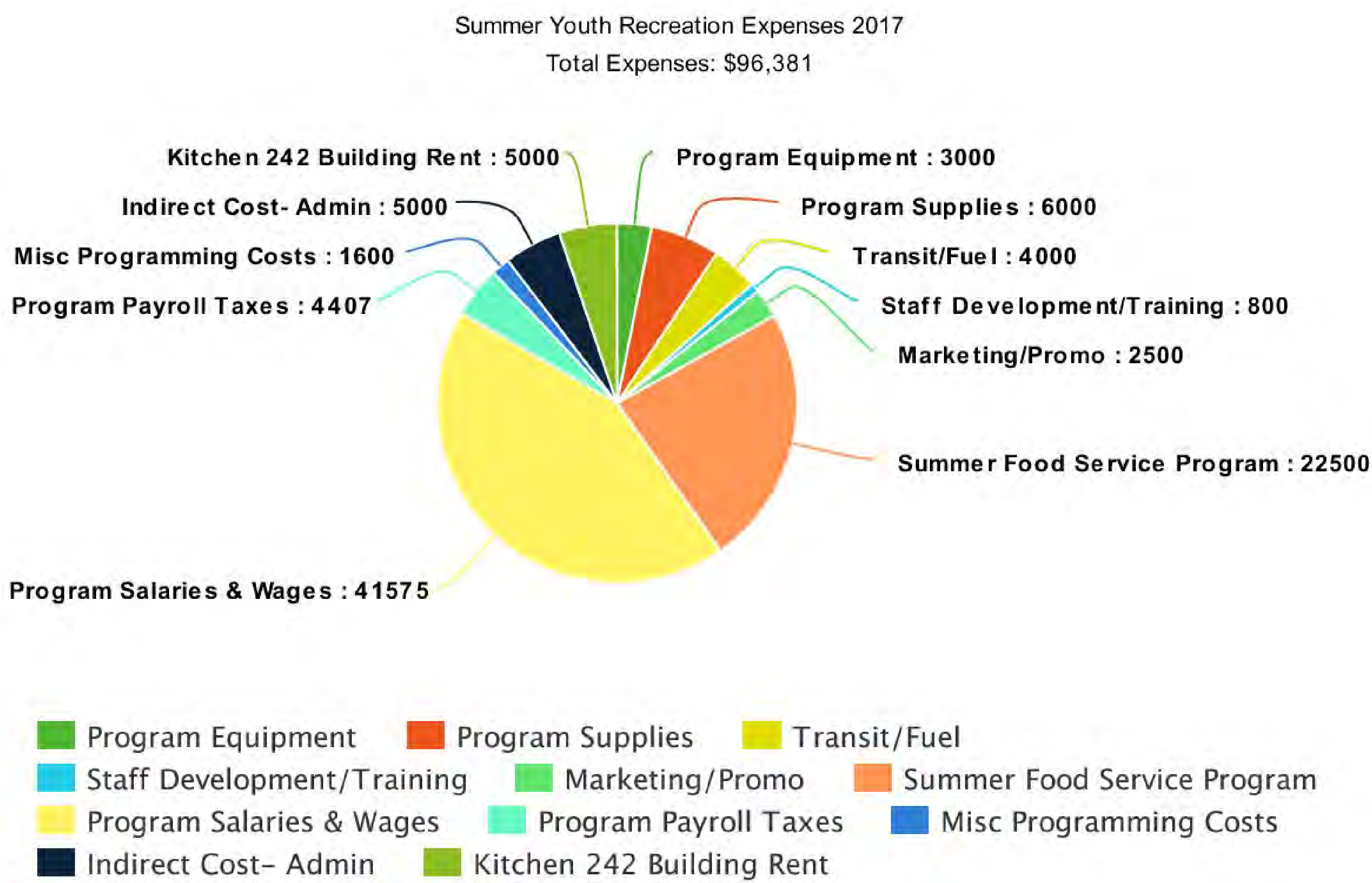
Gang Prevention/Intervention Through Targeted Outreach

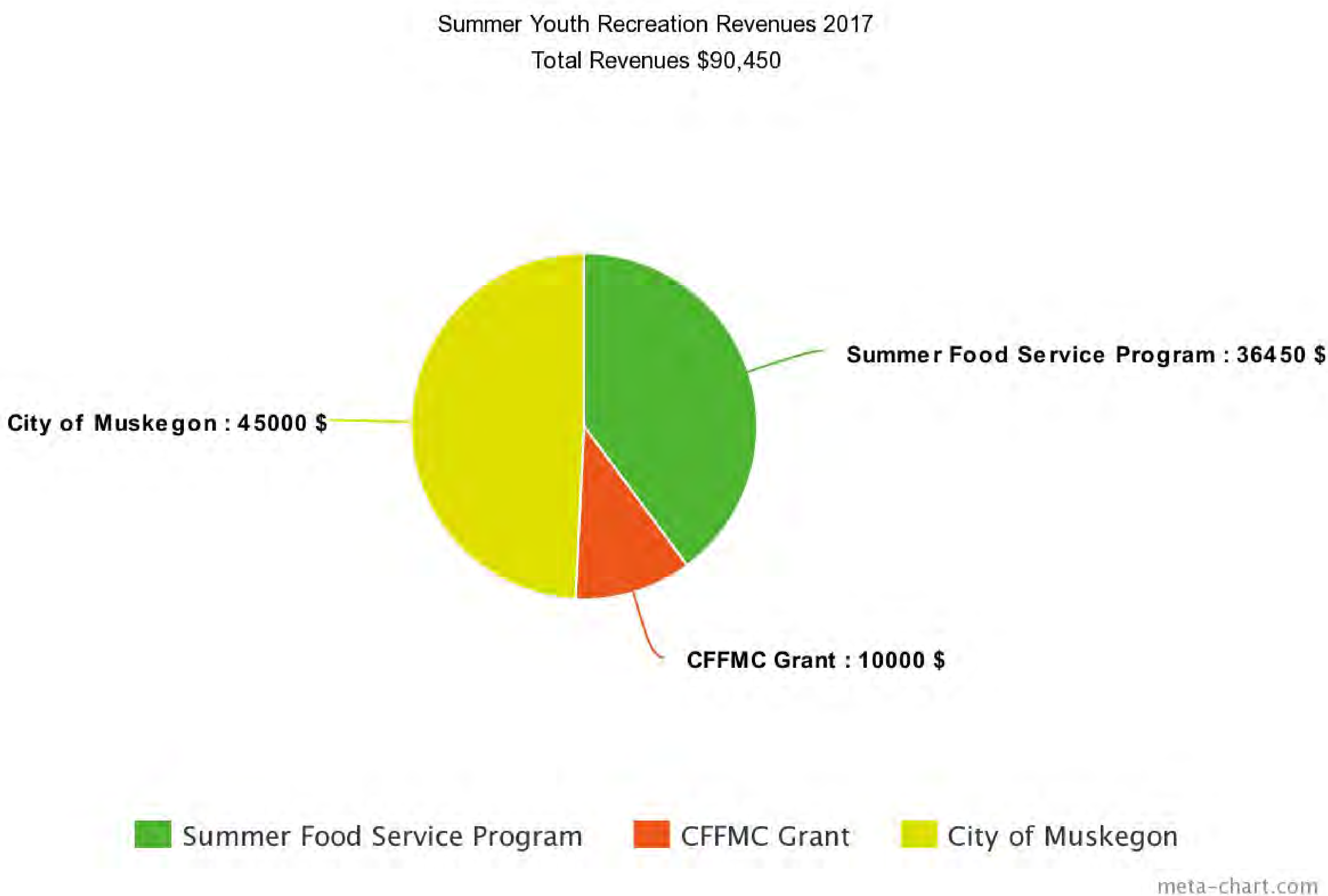
Compared to their peers, high-risk and gang-involved youth with more frequent participation in BGCA's prevention and intervention programs experienced:

- City of Muskegon data on Crime rates show that since the BGCML has been open, the Nelson Neighborhood crime rates have decreased
- Total Crimes in Nelson Neighborhood Over the Last 3 Years
  - 2014 - 727
  - 2015 - 615
  - 2016 - 607
- Only had one BGCML Club member in the juvenile system in the year of 2016.
- Fewer delinquent behaviors (stealing less, less likely to start smoking marijuana)
- Disengagement from gang-associated behaviors and peers
- Decreased number of fights.
- 67% of members were not involved nor did they witness a fight over the year of 2016.

SUMMER YOUTH PARK RECREATION PROGRAMMING BUDGET SUMMARY 2017

We expect another amazing year for the Summer Youth Park Recreation Programming! The City of Muskegon financially enabled BGCML to increase services to hundreds of Muskegon youth in 2016, allowing the opening of 5 park sites. In 2017 Summer Parks Budget total revenues & expenses will decrease, comparative to 2016 Summer Parks revenues & expenses. In 2017 ***BGCML*** expects efficiencies to increase from previous years. Increased efficiencies stem from focus on three Summer Park sites versus, the 2016 five Summer Park Sites. These improvements to service delivery will drive our cost per Summer Recreation participant down to an estimated $274 in 2017, from the 2016 cost per participant of approximately $352.




Summer Youth Recreation Revenues 2017
Total Revenues $90,450
Summer Food Service Program : 36450 $
City of Muskegon : 45000 $
CFFMC Grant : 10000 $
Summer Food Service Program
CFFMC Grant
City of Muskegon
meta-chart.com

Closing

On March 7th, 2017 Boys & Girls Club of the Muskegon Lakeshore received word from Boys & Girls Club of America that the partnership between the City of Muskegon and local Boys & Girls Club, for their 2016 Summer Parks efforts had caught the eye of top BGCA leadership. The letter acknowledged these efforts through selection as an Honor Award Winner- the highest award given to clubs for program excellence. The award will be given on May 12th, 2017 at the BGCA National Conference in Dallas, Texas.

By opening the gates to the ***"Summer Youth Park Recreation Programming,"*** Muskegon youth will be entering an extraordinary environment, where they know their City believes in them, & supports their dreams. In addition, every adult ***BGCML*** staff will be dedicated to helping them reach their full potential. Whether by providing access to new games that makes exercising fun, or empowering them to make their community better through a service project, every day at the ***"Summer Youth Park Recreation Programming"*** will offer opportunities for youth to learn something new and achieve things that they might otherwise not dreamed of.

Young people often have very different experiences when they are not active during the summer out of school time. Many of the youth we will serve do not have champions at home: often they lack caring adults who believe they can achieve academic success, make healthy choices and be leaders in the community. But every youth who enters the ***"Summer Youth Park Recreation Programming"*** receives immediate support from advocates who believe they can achieve great things regardless of their circumstances. This belief in youth stems from experience: time and time again, ***BGCML*** staff have championed a young person who excels despite tremendous odds against them.

This phenomenon, what we call the Club Experience, which will be implemented into the ***"Summer Youth Park Recreation Programming"*** has the power to change and save young lives. The quality of staff, operations and programming dictates just how powerful the Club Experience can be. Our 2017 Youth of the Year, Antonio Thomas said it best, "*It helps you out, gives you different opportunities, a career path you never thought. It might help you out when it comes to different situations you might encounter in life and that's what they show you."*

Our proposed work will reach hundreds, if not thousands during the 2017 ***"Summer Youth Park Recreation Programming"*** ensuring positive change and forward momentum for the youth of Muskegon. On behalf of the young people in ***of Muskegon, Michigan***, thank you for your thoughtful consideration of this request. With your support, we will improve the Club Experience at the ***"Summer Youth Park Recreation Programming"*** for the youth we serve to help them start great futures as productive, caring, responsible citizens.

Memorandum

To: Honorable Mayor & City Commission

Cc: Frank Peterson, City Manager

From: Cathy Brubaker-Clarke, Director of Community & Economic Development

Date: 3/9/2017

Re: Proposed Changes to Leisure Services Grant Funds- 2017

For the past several years, the City of Muskegon has provided the majority of the Leisure Services funds directly to the Boys & Girls Club or the YMCA for the Summer Parks Youth Program (approximately $48,100, which includes $10,000 from the Community Foundation Seyferth Park Fund), the YMCA for the Summer Evening Recreation Program at the Muskegon High School ($20,000) and the Muskegon Public Schools for the Youth Basketball League and Open Gym Program ($18,500). With the remaining Leisure Services funds ($19,100), the City has provided small grants ($3,000 maximum) to several youth recreation programs on a competitive basis. As the City is moving toward reorganization in several areas, it makes sense, from a financial and staff time perspective, to conclude the small grant program.

Staff has been in conversation with both the Boys & Girls Club and Muskegon Public Schools (MPS) to manage certain aspects of the City leisure services program. I expect to have formal management contracts to present to the City Commission early in 2017. The Boys & Girls Club is interested in managing the Summer Parks Recreation Program in the future, although the cost is more than they had originally anticipated. I have had meetings with the Boys & Girls Club Director, Dakota Crow, as well as Janelle Mair from the Community Foundation. I believe we will have a viable contract to present which will take much less oversight from City staff. In addition, I anticipate that we will have an agreement with MPS, where they may be able to manage funds for several existing programs, such as the Youth Basketball League & Open Gym, the Summer Evening Recreation Program and other programs related to the schools (e.g., Port City Youth Football/Cheerleading Club, Growing Goods, Winter Sports Program). The oversight for management agreements, particularly if they span two or more years, is much less staff intensive than management of the small grant process has been (which includes preparing applications, establishing a mailing list, reviewing applications, preparing them for the grant committee to review, notifying those who applied and following up with them to ensure they are doing what they included in their applications, preparing checks to mail, etc.) That has taken hours and hours of staff time for a significantly small amount of grant dollars.

I plan to notify the existing small grant recipients of this change in the near future. In the past, I have sent out applications in January and I want to notify them prior to that time. As we have consistently had to cut back on the amounts we grant to the youth organizations, I do not believe the loss of this program will greatly affect them. Please let me know if you have any questions.

Date: March 14, 2017

To: Honorable Mayor and City Commissioners

From: Water Filtration Plant

RE: Source Water Protection Plan Agreements; Grant & Engineering

SUMMARY OF REQUEST:

Authorize Staff to enter into agreements with MDEQ for a $15,000 grant which requires a 100% City match, and an engineering agreement with Tetra Tech to prepare a Source Water Protection Plan as required by MDEQ.

Tetra Tech is being recommended since they were the engineer who prepared the grant application and their familiarity with the City's filtration plant. The engineering cost is a "not to exceed" $30,000.

FINANCIAL IMPACT:

The total cost of this purchase is $30,000 for engineering of which $15,000 is grant money and the other $15,000 from the City's water fund.

BUDGET ACTION REQUIRED:

None

STAFF RECOMMENDATION:

Authorize Staff to sign both agreements; accepting the grant with MDEQ & the engineering agreement with Tetra Tech.

COMMITTEE RECOMMENDATION:

DEQ

SURFACE WATER INTAKE PROTECTION GRANT AGREEMENT
BETWEEN THE
MICHIGAN DEPARTMENT OF ENVIRONMENTAL QUALITY
AND CITY OF MUSKEGON

This Grant Agreement ("Agreement") is made between the Michigan Department of Environmental Quality, (DEQ), Office of Drinking Water and Municipal Assistance ("State"), and City of Muskegon ("Grantee").

The purpose of this Agreement is to provide funding in exchange for work to be performed for the project named below. The State is authorized to provide grant assistance pursuant Michigan Safe Drinking Water Act, 1976 PA 399, as amended, Legislative appropriation of Funds for grant assistance is set forth in Public Act 268 of 2016. This Agreement is subject to the terms and conditions specified herein.

Project Name: Surface Water Intake Protection

Amount of grant: $15,000.00

Amount of match: $15,000.00 = 50%

Start Date (date executed by DEQ): October 1, 2016

Match from Previous Expenditures: $ 0.00

% of grant state 0 / % of grant federal 100

Project Total: $30,000.00 (grant plus match includes previous expenditures)

End Date: September 30, 2017

GRANTEE CONTACT:

Mike Grenier
Name/Title

City of Muskegon
Organization

1900 Beach Street
Address

Muskegon, Michigan 49441
Address

(231) 724-4106
Telephone number

(231) 755-5290
Fax number

mike.genier@shorelinecity.com
E-mail address

Federal ID number

Grantee DUNS number

STATE'S CONTACT:

Jason Berndt, Environmental Quality Analyst
Name/Title

Community Drinking Water Unit
Division/Bureau/Office

2100 West M-32
Address

Gaylord, Michigan 49735-9282
Address

(989) 705-3420
Telephone number

(989) 731-6181
Fax number

Berndtj1@michigan.gov
E-mail address

The individuals signing below certify by their signatures that they are authorized to sign this Agreement on behalf of their agencies and that the parties will fulfill the terms of this Agreement, including any attached appendices, as set forth herein.

FOR THE GRANTEE:

Signature

Date

Name/Title

FOR THE STATE:

Signature

Date

Bryce Feighner, P.E., Chief, Office of Drinking Water and Municipal Assistance
Name/Title

I. PROJECT SCOPE

This Agreement and its appendices constitute the entire Agreement between the State and the Grantee and may be modified only by written agreement between the State and the Grantee.

(A) The scope of this project is limited to the activities specified in Appendix A and such activities as are authorized by the State under this Agreement. Any change in project scope requires prior written approval in accordance with Section III, Changes, in this Agreement.

(B) By acceptance of this Agreement, the Grantee commits to complete the project identified in Appendix A within the time period allowed for in this Agreement and in accordance with the terms and conditions of this Agreement.

II. AGREEMENT PERIOD

Upon signature by the State, the Agreement shall be effective from the Start Date until the End Date on page one. The State shall have no responsibility to provide funding to the Grantee for project work performed except between the Start Date and the End Date specified on page one. Expenditures made by the Grantee prior to the Start Date or after the End Date of this Agreement are not eligible for payment under this Agreement.

III. CHANGES

Any changes to this Agreement shall be requested by the Grantee or the State in writing and implemented only upon approval in writing by the State. The State reserves the right to deny requests for changes to the Agreement or to the appendices. No changes can be implemented without approval by the State.

IV. GRANTEE DELIVERABLES AND REPORTING REQUIREMENTS

The Grantee shall submit deliverables and follow reporting requirements specified in Appendix A of this Agreement.

(A) The Grantee must complete and submit quarterly financial and/or progress reports according to a form and format prescribed by the State and must include supporting documentation of eligible project expenses. These reports shall be due according to the following:

Reporting Period	Due Date
January 1 – March 31	April 30
April 1 – June 30	July 31
July 1 – September 30	Before October 15*
October 1 – December 31	January 31

*Due to the State's year-end closing procedures, there will be an accelerated due date for the report covering July 1 – September 30. Advance notification regarding the due date for the quarter ending September 30 will be sent to the Grantee. If the Grantee is unable to submit a report in early October for the quarter ending September 30, an estimate of expenditures through September 30 must be submitted to allow the State to complete its accounting for that fiscal year.

The forms provided by the State shall be submitted to the State's contact at the address on page one. All required supporting documentation (invoices, proof of payment, etc.) for expenses must be included with the report.

(B) The Grantee shall provide a final project report in a format prescribed by the State. The Grantee shall submit the final status report, including all supporting documentation for expenses, along with the final project report and any other outstanding products within 30 days from the End Date of the Agreement.

(C) The Grantee must provide copies of all products and deliverables in accordance with Appendix A.

(D) Where feasible, all products shall acknowledge that the project was funded wholly or in part by the United States Environmental Protection Agency (USEPA). The contents of this document d not necessarily reflect the views and policies of the USEPA, nor does the USEPA endorse trade names or recommend the use of commercial products mentioned in this document.

(E) If 15 percent (15%) or more of the grant amount is expended in a single quarter, payment requests may be submitted once monthly during that quarter.

V. GRANTEE RESPONSIBILITIES

(A) The Grantee agrees to abide by all applicable local, state, and federal laws, rules, ordinances, and regulations in the performance of this grant.

(B) All local, state, and federal permits, if required, are the responsibility of the Grantee. Award of this grant is not a guarantee of permit approval by the State.

(C) The Grantee shall be solely responsible to pay all applicable taxes and fees, if any, that arise from the Grantee's receipt or execution of this grant.

(D) The Grantee is responsible for the professional quality, technical accuracy, timely completion, and coordination of all designs, drawings, specifications, reports, and other services submitted to the State under this Agreement. The Grantee shall, without additional compensation, correct or revise any errors, omissions, or other deficiencies in drawings, designs, specifications, reports, or other services.

(E) The State's approval of drawings, designs, specifications, reports, and incidental work or materials furnished hereunder shall not in any way relieve the Grantee of responsibility for the technical adequacy of the work. The State's review, approval, acceptance, or payment for any of the services shall not be construed as a waiver of any rights under this Agreement or of any cause of action arising out of the performance of this Agreement.

(F) The Grantee acknowledges that it is a crime to knowingly and willingly file false information with the State for the purpose of obtaining this Agreement or any payment under the Agreement, and that any such filing may subject the Grantee, its agents, and/or employees to criminal and civil prosecution and/or termination of the grant.

VI. USE OF MATERIAL

Unless otherwise specified in this Agreement, the Grantee may release information or material developed under this Agreement, provided it is acknowledged that the State funded all or a portion of its development.

The State, and federal awarding agency, if applicable, retains a royalty-free, nonexclusive and irrevocable right to reproduce, publish, and use in whole or in part, and authorize others to do so, any copyrightable material or research data submitted under this grant whether or not the material is copyrighted by the Grantee or another person. The Grantee will only submit materials that the State can use in accordance with this paragraph.

VII. ASSIGNABILITY

The Grantee shall not assign this Agreement or assign or delegate any of its duties or obligations under this Agreement to any other party without the prior written consent of the State. The State does not assume responsibility regarding the contractual relationships between the Grantee and any subcontractor.

VIII. SUBCONTRACTS

The State reserves the right to deny the use of any consultant, contractor, associate, or other personnel to perform any portion of the project. The Grantee is solely responsible for all contractual activities performed under this Agreement. Further, the State will consider the Grantee to be the sole point of contact with regard to contractual matters, including payment of any and all charges resulting from the anticipated Grant. All subcontractors used by the Grantee in performing the project shall be subject to the provisions of this Agreement and shall be qualified to perform the duties required.

IX. NON-DISCRIMINATION

The Grantee shall comply with the Elliott Larsen Civil Rights Act, 1976 PA 453, as amended, MCL 37.2101 *et seq.*, the Persons with Disabilities Civil Rights Act, 1976 PA 220, as amended, MCL 37.1101 *et seq.*, and all other federal, state, and local fair employment practices and equal opportunity laws and covenants that it shall not discriminate against any employee or applicant for employment, to be employed in the performance of this Agreement, with respect to his or her hire, tenure, terms, conditions, or privileges of employment, or any matter directly or indirectly related to employment, because of his or her race, religion, color, national origin, age, sex, height, weight, marital status, or physical or mental disability that is unrelated to the individual's ability to perform the duties of a particular job or position. The Grantee agrees to include in every subcontract entered into for the performance of this Agreement this covenant not to discriminate in employment. A breach of this covenant is a material breach of this Agreement.

X. UNFAIR LABOR PRACTICES

The Grantee shall comply with the Employers Engaging in Unfair Labor Practices Act, 1980 PA 278, as amended, MCL 423.321 *et seq*.

XI. LIABILITY

(A) The Grantee, not the State, is responsible for all liabilities as a result of claims, judgments, or costs arising out of activities to be carried out by the Grantee under this Agreement, if the liability is caused by the Grantee, or any employee or agent of the Grantee acting within the scope of their employment or agency.

(B) Nothing in this Agreement should be construed as a waiver of any governmental immunity by the Grantee, the State, its agencies, or their employees as provided by statute or court decisions.

XII. CONFLICT OF INTEREST

No government employee, or member of the legislative, judicial, or executive branches, or member of the Grantee's Board of Directors, its employees, partner agencies, or their families shall benefit financially from any part of this Agreement.

XIII. ANTI-LOBBYING

If all or a portion of this Agreement is funded with federal funds, then in accordance with OMB Circular A-21, A-87, or A-122, as appropriate, the Grantee shall comply with the Anti-Lobbying Act, which prohibits the use of all project funds regardless of source, to engage in lobbying the state or federal government or in litigation against the State. Further, the Grantee shall require that the language of this assurance be included in the award documents of all subawards at all tiers.

If all or a portion of this Agreement is funded with state funds, then the Grantee shall not use any of the grant funds awarded in this Agreement for the purpose of lobbying as defined in the State of Michigan's lobbying statute, MCL 4.415(2). "'Lobbying' means communicating directly with an official of the executive branch of state government or an official in the legislative branch of state government for the purpose of influencing legislative or administrative action." The Grantee shall not use any of the grant funds awarded in this Agreement for the purpose of litigation against the State. Further, the Grantee shall require that language of this assurance be included in the award documents of all subawards at all tiers.

XIV. DEBARMENT AND SUSPENSION

By signing this Agreement, the Grantee certifies that it has checked the federal debarment/suspension list at www.SAM.gov to verify that it, its agents, and its subcontractors:

(1) Are not presently debarred, suspended, proposed for debarment, declared ineligible or voluntarily excluded from covered transactions by any federal department or the state.
(2) Have not within a three-year period preceding this Agreement been convicted of or had a civil judgment rendered against them for commission of fraud or a criminal offense in connection with obtaining, attempting to obtain, or performing a public (federal, state, or local) transaction or contract under a public transaction, as defined in 45 CFR 1185; violation of federal or state antitrust statutes or commission of embezzlement, theft, forgery, bribery, falsification or destruction of records, making false statements, or receiving stolen property.
(3) Are not presently indicted or otherwise criminally or civilly charged by a government entity (federal, state, or local) with commission of any of the offenses enumerated in subsection (2).
(4) Have not within a three-year period preceding this Agreement had one or more public transactions (federal, state, or local) terminated for cause or default.
(5) Will comply with all applicable requirements of all other state or federal laws, executive orders, regulations, and policies governing this program.

XV. AUDIT AND ACCESS TO RECORDS

The State reserves the right to conduct a programmatic and financial audit of the project, and the State may withhold payment until the audit is satisfactorily completed. The Grantee will be required to maintain all pertinent records and evidence pertaining to this Agreement, including grant and any required matching funds, in accordance with generally accepted accounting principles and other procedures specified by the State. The State or any of its duly authorized representatives must have access, upon reasonable notice, to such books, records, documents, and other evidence for the purpose of inspection, audit, and copying. The Grantee will provide proper facilities for such access and inspection. All records must be maintained for a minimum of five (5) years after the final payment has been issued to the Grantee by the State.

XVI. INSURANCE

(A) The Grantee must maintain insurance or self-insurance that will protect it from claims that may arise from the Grantee's actions under this Agreement.

(B) The Grantee must comply with applicable workers' compensation laws while engaging in activities authorized under this Agreement.

XVII. OTHER SOURCES OF FUNDING

The Grantee guarantees that any claims for reimbursement made to the State under this Agreement must not be financed by any source other than the State under the terms of this Agreement. If funding is received through any other source, the Grantee agrees to delete from Grantee's billings, or to immediately refund to the State, the total amount representing such duplication of funding.

XVIII. COMPENSATION

(A) A breakdown of costs allowed under this Agreement is identified in Appendix A. The State will pay the Grantee a total amount not to exceed the amount on page one of this Agreement, in accordance with Appendix A, and only for expenses incurred and paid. All other costs necessary to complete the project are the sole responsibility of the Grantee.

(B) Expenses incurred by the Grantee prior to the Start Date or after the End Date of this Agreement are not allowed under the Agreement.

(C) The State will approve payment requests after approval of reports and related documentation as required under this Agreement.

(D) The State reserves the right to request additional information necessary to substantiate payment requests.

(E) Payments under this Agreement may be processed by Electronic Funds Transfer (EFT). The Grantee may register to receive payments by EFT at the Contract & Payment Express Web Site (http://www.cpexpress.state.mi.us).

(F) The Grantee is committed to the match percentage on page one of the Agreement, in accordance with Appendix A. The Grantee shall expend all local match committed to the project by the End Date on page one of the Agreement.

XIX. CLOSEOUT

(A) A determination of project completion, which may include a site inspection and an audit, shall be made by the State after the Grantee has met any match obligations, satisfactorily completed the activities, and provided products and deliverables described in Appendix A.

(B) Upon issuance of final payment from the State, the Grantee releases the State of all claims against the State arising under this Agreement. Unless otherwise provided in this Agreement or by State law, final payment under this Agreement shall not constitute a waiver of the State's claims against the Grantee.

(C) The Grantee shall immediately refund to the State any payments in excess of the costs allowed by this Agreement.

XX. CANCELLATION

This Agreement may be canceled by the State, upon 30 days written notice, due to Executive Order, budgetary reduction, other lack of funding, upon request by the Grantee, or upon mutual agreement by the State and Grantee. The State may honor requests for just and equitable compensation to the Grantee for all satisfactory and eligible work completed under this Agreement up until 30 days after written notice, upon which time all outstanding reports and documents are due to the State and the State will no longer be liable to pay the grantee for any further charges to the grant.

XXI. TERMINATION

(A) This Agreement may be terminated by the State as follows.

(1) Upon 30 days written notice to the Grantee:

a. If the Grantee fails to comply with the terms and conditions of the Agreement, or with the requirements of the authorizing legislation cited on page one, or the rules promulgated thereunder, or other applicable law or rules.
b. If the Grantee knowingly and willingly presents false information to the State for the purpose of obtaining this Agreement or any payment under this Agreement.
c. If the State finds that the Grantee, or any of the Grantee's agents or representatives, offered or gave gratuities, favors, or gifts of monetary value to any official, employee, or agent of the State in an attempt to secure a subcontract or favorable treatment in awarding, amending, or making any determinations related to the performance of this Agreement.
d. If the Grantee or any subcontractor, manufacturer, or supplier of the Grantee appears in the register of persons engaging in unfair labor practices that is compiled by the Michigan Department of Licensing and Regulatory Affairs or its successor.
e. During the 30-day written notice period, the State shall withhold payment for any findings under subparagraphs a through d, above and the Grantee will immediately cease charging to the grant and stop earning match for the project (if applicable).

(2) Immediately and without further liability to the State if the Grantee, or any agent of the Grantee, or any agent of any subcontract is:

a. Convicted of a criminal offense incident to the application for or performance of a State, public, or private contract or subcontract;
b. Convicted of a criminal offense, including but not limited to any of the following: embezzlement, theft, forgery, bribery, falsification or destruction of records, receiving stolen property, or attempting to influence a public employee to breach the ethical conduct standards for State of Michigan employees;
c. Convicted under State or federal antitrust statutes; or
d. Convicted of any other criminal offense that, in the sole discretion of the State, reflects on the Grantee's business integrity.
e. Added to the federal or state Suspension and Debarment list.

(B) If a grant is terminated, the State reserves the right to require the Grantee to repay all or a portion of funds received under this Agreement.

XXII. IRAN SANCTIONS ACT

By signing this Agreement the Grantee is certifying that it is not an Iran linked business, and that its contractors are not Iran linked businesses, as defined in MCL 129.312.

XXIII. QUALITY ASSURANCE/QUALITY CONTROL

A project-specific Quality Assurance Project Plan (QAPP) must be submitted to the State in accordance with guidance provided by the DEQ project administrator. Monitoring conducted prior to final DEQ approval of the QAPP will not be reimbursed.

PROGRAM SPECIFIC SECTION

XXIV. FEDERAL FUNDING REQUIREMENTS

A maximum of 100 % of total disbursements is funded with Federal Funding. The Catalog of Federal Domestic Assistance (CFDA) title is Capitalization Grants for Safe Drinking Water Revolving Fund and the CFDA number is 66.468. The federal grant number is FS-975487-15, and this grant is funded with Federal funds from the U.S. Environmental Protection Agency. By accepting this Agreement, the Grantee shall comply with all applicable Federal statutes and regulations in effect with respect to the period during which it receives grant funding. These regulations include, but are not limited to, the following:

(A) The Grantee agrees to fulfill conditions that the Federal Government has imposed on the State as a condition of Federal funding as indicated herein and in all appendices.

(B) The Grantee will comply with the **Hatch Political Activity Act**, as amended, 5 USC §§ 1501-1508, and the Intergovernmental Personnel Act of 1970 as amended by Title (6) of the Civil Service Reform Act, 42 USC § 4728, which states that employees working in programs financed with federal grants may not be a candidate for elective public office in a partisan election, use official authority or influence to affect the result of an election, or influence a state or local officer to provide financial support for a political purpose.

(C) **Payment to Consultants.** USEPA participation in the salary rate (excluding overhead) paid to individual consultants by recipients or by a recipient's contractors or subcontractors shall be limited to the maximum daily rate for a Level IV of the Executive Schedule, to be adjusted annually. This limit applies to consultation services of designated individuals with specialized skills who are paid at a daily or hourly rate. As of January 1, 2016, the limit is $616.54 per day and $77.07 per hour. This rate does not include transportation and subsistence costs for travel performed. (The recipient will pay these in accordance with their normal travel reimbursement practices).

Subrecipients with firms for services which are awarded using the procurement requirements in Subpart D of 2 CFR 200, are not affected by this limitation unless the terms of the Agreement provided the recipient with responsibility for the selection, direction, and control of the individuals who will be providing services under the Agreement at an hourly or daily rate of compensation. See 2 CFR 1500.9

(D) **Minority Business Enterprises (MBE)/Women's Business Enterprises (WBE) Requirements and Disadvantage Business Enterprise Rule (DBE).** The Grantee agrees to make a good faith effort to include minority-owned and women-owned businesses in bidding processes.

(E) **Civil Rights.** The Grantee agrees to comply fully with applicable civil rights statues.

(F) **Subawards.** The Grantee agrees to:

(1) Establish all subaward agreements in writing;
(2) Ensure that any subawards comply with the standards in Subpart D of 2 CFR 200 and are not used to acquire commercial goods or services for the recipient;
(3) Ensure that any subawards are awarded to eligible subrecipients and that proposed subaward costs are necessary, reasonable, and allocable;
(4) Ensure that any subawards to 501(c)(4) organizations do not involve lobbying activities;
(5) Monitor the performance of their recipients and ensure that they comply with all applicable regulations, statutes, and terms and conditions which flow down in the subaward;

(6) Obtain DEQ's consent before making a subaward to a foreign or international organization, or a subaward to be performed in a foreign country; and
(7) Obtain approval from DEQ for any new subaward work that is not outlined in the approved work plan.
(8) Be responsible for selecting its subrecipients and, if applicable, for conducting subaward competitions.

(G) **Single Audit.** Grantees spending $750,000 or more in federal funds in their fiscal year shall have a single audit performed in compliance with 2 CFR 200.501(a). This audit must be performed and copies provided to the appropriate agencies within nine months from the end of the grantee's fiscal year, or 30 days after receiving the report from the auditors. The Grantee must submit a copy of the Audit Report to the Michigan Department of Environmental Quality at the following address:

Michigan Department of Environmental Quality
Administration Division-Federal Aid Section
525 West Allegan
Constitution Hall 6th Floor South Tower
Lansing, MI 48909

Or the grantee may also submit the single audit report electronically to the Michigan Department of Treasury website (http://www.michigan.gov/treasury/0,1607,7-121-1751_31038--,00.html).

It is the responsibility of the Grantee to report the expenditures related to this grant on the Grantee's annual Schedule of Expenditures of Federal Awards.

(H) **Conflict of Interest Notification.** Grantees will contact their DEQ project administrator within 5 days of becoming aware of a conflict of interest. A conflict of interest is an actual or potential situation that undermines or may undermine, the impartiality of an individual or entity because their self-interest conflicts, or may conflict, with their duty and obligations in performing a grant. The term also includes situations that create, or may create, an unfair competitive advantage, or the appearance of such, for an applicant in competing for a grant.

(I) **Copyrighted Materials.** In accordance with 2 CFR 200.315, the USEPA has the right to reproduce, publish, use, and authorize others to reproduce, publish, and use copyrighted works or other data developed under this assistance agreement for Federal purposes.

Examples of Federal purpose include but are not limited to: (1) Use by the USEPA and other Federal employees for official Government purposes; (2) Use by Federal contractors performing specific tasks for the Government; (3) Publication in USEPA documents provided the documents does not disclose trade secrets (e.g. software codes) and the work is properly attributed to the recipient through citation or otherwise; (4) Reproduction of documents for inclusion in Federal depositories; (5) Use by State, tribal and local governments that carry out delegated Federal environmental programs as "co-regulators" or act as official partners with the USEPA to carry out a national environmental program within their jurisdiction; and (6) Limited use by other grantees to carry out Federal grants provided the use is consistent with the terms of the USEPA's authorization to the other grantee to use the copyrighted works or other data.

Under Item 6, the grantee acknowledges that USEPA may authorize another grantee(s) to use the copyrighted works or other data developed under this grant as a result of:

a. the selection of another grantee by USEPA to perform a project that will involve the use of the copyrighted works or other data or;
b. termination or expiration of this agreement.

In addition, USEPA may authorize another grantee to use copyrighted works or other data developed with Agency funds provided under this grant to perform another grant when such use promotes efficient and effective use of Federal grant funds.

(J) **Electronic and Information Technology Accessibility.** Grantees developing electronic and information technology products, which includes but is not limited to information kiosks and World Wide Websites, must meet accommodation standards in Section 508 of the Rehabilitation Act, 36 CFR Part 1194, unless such causes undue hardship to the entity involved.

(K) **Drug-Free Workplace.** The recipient organization of this USEPA assistance agreement must make an ongoing, good faith effort to maintain a drug-free workplace pursuant to the specific requirements set forth in Title 2 CFR Part 1536 Subpart B. Additionally, in accordance with these regulations, the recipient organization must identify all known workplaces under its federal awards, and keep this information on file during the performance of the award.

(L) **Hotel-Motel Fire Safety**. Pursuant to 15 USC 2225a the recipient agrees to ensure that all space for conferences, meetings, conventions or training seminars funded in whole or in part with federal funds complies with the protection and control guidelines of the Hotel and Motel Fire Safety Act (PL 101-391, as amended). Recipients may search the Hotel-Motel National Master List at http://www.usfa.dhs.gov/applications/hotel to see if a property is in compliance.

(M) **Recycled Paper.** When directed to provide paper documents, the recipient agrees to use recycled paper and double sided printing for all reports which are prepared as a part of this agreement and delivered to the USEPA. This requirement does not apply to reports prepared on forms supplied by the USEPA, or to Standard Forms, which are printed o recycled paper and are available through the General Services Administration.

(N) **Procurement of Recycled Products.** Consistent with goals of section 6002 of RCRA (42 U.S.C. 6962), State and local institutions of higher education, hospitals, and non-profit organization recipients agree to give preference in procurement programs to the purchase of specific products containing recycled materials, as identified in 40 CFR Part 247.

Consistent with section 6002 of RCRA (42 U.S.C. 6962) and 2 CFR 200.322, State agencies or agencies of a political subdivision of a State and its contractors are required to purchase certain items made from recycled materials, as identified in 40 CFR Part 247, when the purchase price exceeds $10,000 during the course of a fiscal year or where the quantity of such items acquired in the course of the preceding fiscal year was $10,000 or more. Pursuant to 40 CFR 247.2 (d), the recipient may decide not to procure such items if they are not reasonably available in a reasonable period of time; fail to meet reasonable performance standards; or are only available at an unreasonable price.

(O) **Trafficking.** Grantees, contractors, and subcontractors may not engage in severe forms of trafficking in persons, procure a commercial sex act, or use forced labor in the performance of the grant or subcontracts.

PROJECT-SPECIFIC REQUIREMENTS – APPENDIX A

Responsibilities – Grantee

The Grantee, in accordance with the general purposes and objectives of this agreement, will:

A. Provide for oversight of the project.

B. Meet with the Surface Water Intake Protection (SWIP) Team quarterly as a minimum team requirement.

C. Submit a signed copy of the Quarterly Grant Team Progress Report after each quarterly WHP team meeting. Quarterly reports shall be sent to the MDEQ, Resource Management Group, Drinking Water and Environmental Health Section, Source Water Unit, Gaylord Field Office, 2100 W. M-32, Gaylord, MI 49735-9282. The contact person is the Surface Water Intake Protection Program Coordinator, Jason Berndt, who can be reached at (989) 705-3420 or by e-mail at berndtj1@michigan.gov. If a Financial Status Report form is not submitted, the quarterly report shall include a statement that the request for payment is not being made as part of the Quarterly Grant Team Progress Report.

D. Utilize all report forms and reporting formats required by the State.

E. Complete for State approval the items listed in "Table 2: Grant Tabulation 2017."

Project Specific Requirements – Appendix A Continued
Michigan Department of Environmental Quality
Office of Drinking Water and Municipal Assistance
Drinking Water and Environmental Health Section
Source Water Unit

SURFACE WATER INTAKE PROTECTION GRANT PROGRAM
PROGRAM BUDGET – COST DETAIL SCHEDULE

Program	**Budget Period**	**Date Prepared**
Surface Water Intake Protection Grant Assistance	October 1, 2016 to September 30, 2017	11/14/2016

Local Agency
City of Muskegon

Description	Grant Assistance	Local Funds	Previous Expenditures
See attached "Table 2: Grant Tabulation 2017" for City of Muskegon	$15,000.00	$15,000.00	$ 0.00

Completion is a Condition of Funding
Authority: 1976 PA 399

Project Specific Requirements – Appendix A Continued
Michigan Department of Environmental Quality
Office of Drinking Water and Municipal Assistance
Drinking Water and Environmental Health Section
Source Water Unit

SURFACE WATER INTAKE PROTECTION GRANT PROGRAM
PROGRAM BUDGET SUMMARY

Program	**Budget Period**			**Date Prepared**
Surface Water Intake Protection Grant Assistance	October 1, 2016 to September 30, 2017			11/14/2016
Local Agency City of Muskegon				
Address 1900 Beach St.	**City** Muskegon	**State** MI	**Zip Code** 49441	**Federal Identification No.**

	SOURCE OF FUNDS	TOTAL BUDGET
1.	State Agreement	$15,000.00
2.	Local Match	$15,000.00
3.	Local Previous Expenditures	$ 0.00
4.	TOTAL FUNDING	$30,000.00

Completion is a Condition of Funding
Authority: 1976 PA 399

The Department, under the terms of this agreement, will provide funding not to exceed ***$15,000.00.***

Expenditures must be grant eligible in accordance with Rules 325.12812 through 325.12820, Part 28 of the Michigan Safe Drinking Water Act, 1976 PA 399, as amended

TABLE 2: Grant Assistance Tabulation 2017

Contract Period October 1, 2016 to September 30, 2017

City of Muskegon

Water Supply Name

DEQ USE ONLY

Previous Expenditures: $0.00

Previous Expenditures to be used this contract period: $0.00

Remaining Previous Expenditures for use as future local match: $0.00

(A)	(B)	(C)	(D)	(E)	
Grant Eligible Activities	**Deliverable**	**Activity Cost**	**Requested Grant Assistance**	**Local Match**	
				Local Funds	Previous Expend.
Previous Expenditures To Be Used This Contract Period	**DEQ Approved Previous Expenditures**	$0.00	**$0**	**$0**	$0.00
Public Water Supply Contingency Planning, including document preparation of procedures for staff training	Copy of procedural documents such as standard operating procedures (SOP's)	$5,000.00	$2,500.00	$2,500.00	**$0**
Updating the Contaminant Source database	Report containing updated contaminant source update	$5,000.00	$2,500.00	$2,500.00	**$0**
Meetings and Administration	Agenda and WHP team meeting notes	$3,000.00	$1,500.00	$1,500.00	**$0**
Write SWIP Plan	Report containing contingency plans, the updated contaminant sources, alternate sources, new sources, and a public education plant	$17,000.00	$8,500.00	$8,500.00	**$0**
	Total	*$30,000.00*	*$15,000.00*	*$15,000.00*	*$0.00*

Attention: Amendments to this table must be requested in writing at least 2 months prior to contract expiration and cannot increase the total contract amount.

Rev. 8-23-2006

TETRA TECH

March 6, 2017

Mr. Dave Baker, Superintendent
Muskegon Water Filtration Plant
City of Muskegon
1900 Beach Street
Muskegon, MI 49441

Re: Surface Water Intake Protection Plan Proposal

Dear Mr. Baker:

The approximately 80,000 sewer customers you serve expect the Muskegon water filtration plant to not only provide potable water, but also be economical in the process. In this time of shrinking governmental financial support and difficult local economic times, your water treatment process should give you the best value for each dollar, and the best way to do that is to ensure that your source water is as free from contaminants as is practicable.

Thank you for the opportunity to provide this proposal to assist you with creating the Surface Water Intake Protection Plan for the City of Muskegon based on your MDEQ Grant requirements. We are confident that Tetra Tech offers unsurpassed value with our water resource planning and assessment services. Attachment A details our proposed scope of services to assist you with the activities associated with and development of a Surface Water Intake Protection Plan for the area contributing to the Muskegon Water Treatment Plant.

We propose a lump sum compensation amount of $30,000 for this work.

If you concur with our proposal, please sign in the space provided below and return one original signed copy of this proposal to indicate your authorization to proceed. The agreement for this project is comprised of this letter, Attachment A, and the accompanying Standard Terms and Conditions.

We appreciate the opportunity to be of service to the City of Muskegon. Please feel free to call if you have any questions.

Sincerely,

Gary Markstrom, P.E.
Unit Vice President

Stephen Pennington

Steve Pennington, Ph.D.
Project Manager

Encl.: Scope of Services
Standard Terms and Conditions

PROPOSAL ACCEPTED BY CITY OF MUSKEGON

BY: ______________________________

TITLE: ____________________ **DATE:** ______________

Tetra Tech
401 South Washington Square, Suite 100, Lansing, MI 48933
Tel 517.316.3930 Fax 517.484.8140 www.tetratech.com

Attachment A - Scope of Work

SURFACE WATER INTAKE PROTECTION PLAN – MUSKEGON, MICHIGAN

March 6, 2017

INTRODUCTION

Tetra Tech understands the goal of the City of Muskegon Water Filtration Plant management is to produce abundant, clean, safe, and aesthetically pleasing water for its customers. To effectively and efficiently do so, it is imperative that the source water being withdrawn is of the highest quality feasible before it is treated, polished, and eventually distributed.

Tetra Tech is the right choice to develop a surface water protection plan for the City of Muskegon. Tetra Tech will provide a team of water resource and land use management experts that will work with you to identify both real and potential threats to the area source water supply. The intent is to produce a plan that contains policies, procedures, and action items designed to ensure the safety of your water supply, now and in the future.

BACKGROUND

The Muskegon Water Filtration Plant is a conventional water treatment plant with a capacity of 40 million gallons per day. Customers include not only the City of Muskegon, but also North Muskegon, Muskegon Township, Roosevelt Park, County Northside, Fruitport, and Norton Shores. Water is withdrawn from Lake Michigan.

The state performed an assessment of the City's source water in 2003 to determine the susceptibility to or the relative potential of contamination. The susceptibility rating is on a six-tiered scale from very low to high and is based primarily on geologic sensitivity, water chemistry, and contaminant sources. The susceptibility of the source water is *moderately high.*

DESCRIPTION OF APPROACH AND SCOPE OF SERVICES

Tetra Tech anticipates the following as goals of the Surface Water Intake Protection Plan (SWIPP):

- ***To focus limited resources to protect the drinking water source(s).*** The SWIPP will provide your community with recommendations for actions within the **source water area (SWA)** that potentially can directly affect your water supply. It is within this SWA that a spill or improper use of **potential contaminants** may cause these contaminants to migrate toward the water **intake.** By addressing where the source waters are most susceptible to contaminants, and where potential contaminants are located, the SWIPP will clearly identify the potential risks and actions that should be undertaken to mitigate the introduction of contaminants.
- ***To form the basis for informed decision-making regarding land use within the community.*** Recommendations in the SWIPP will guide the City planning authorities to make informed decisions regarding proposed land uses within the SWA that are compatible with both your drinking water resource and the ***vision*** of growth embraced by the city and neighboring communities.
- ***To form the basis for dealing with future regulations.*** The SWIPP will be designed to functionally meet proposed requirements for your surface-water supply. Actions needed to address the City's needs and requirements will be made through this report.
- ***To produce an approvable report with all seven MDEQ elements*** including: Defining responsible agency roles, designating a source water protection area (completed by MDEQ in 2003 assessment), contingency plans, the updated contaminant sources, alternate sources, new sources, and a public education plan.

The following proposed scope of work reflects Tetra Tech's understanding of the MDEQ requirements.

TASK 1: DEVELOP A SURFACE WATER INTAKE PROTECTION PLAN (SWIPP)

1.1: Document Review and Planning Meeting

Tetra Tech will review the Source Water Assessment and will meet with the City of Muskegon to refine the scope for this project.

1.2: Update MDEQ Source Water Assessment (2003)

The current assumption is that little has changed regarding the identified land use threats in the 2003 Susceptibility Determination. Essentially, the first four elements of an approvable SWIPP are covered by the assessment, so it will need to be updated. Tetra Tech will update the assessment information as agreed upon during the implementation of Task 1.1. Based on our preliminary review of the existing assessment, it is anticipated that the following plan updates will be necessary:

- Contact List for SWIPP

  The City of Muskegon will provide contact names for the SWPP team and Tetra Tech will update the plan (from the assessment information) to reflect current team members.

- The Assessment Inventory

  Tetra Tech will search the government environmental databases and update the assessment information for other land uses to be considered for inclusion in the SWIPP. It is anticipated that the following databases will be reviewed:

  - MDEQ leaking underground storage tank (LUST) sites;
  - MDEQ registered underground storage tank (UST) sites;
  - MDEQ Environmental Cleanup Site Information System (ECSI) sites;
  - MDEQ Source Information System (for water discharge permit sites including National Pollutant Discharge Elimination System (NPDES) permits, Water Pollution Control Facility (WPCF) permits, storm water discharge permits, and on-site sewage (septic) system permits);
  - MDEQ Underground Injection Control (UIC) database;
  - MDEQ Active Solid Waste Disposal Permits list;
  - Michigan Department of Transportation (MDOT) - Hazardous Materials database;
  - State Fire Marshall registry of above-ground fuel storage tank sites;
  - State Fire Marshall Hazardous Material Handlers and Hazardous Material Incidents (HAZMAT) sites;
  - U.S. EPA BASINS software, version 2.1;
  - U.S. EPA Envirofacts database;
  - U.S. EPA Resource Conservation Recovery Act (RCRA) generators or notifiers list;
  - U.S. EPA RCRA Treatment, Storage, and Disposal Facility (TSDF) Permits list;
  - U.S. EPA National Priorities List (NPL);
  - U.S. EPA Comprehensive Environmental Response, Compensation and Liability Information System (CERCLA) List;
  - U.S. EPA RCRA Corrective Action Activity List (CORRACTS);
  - U.S. Department of Transportation (DOT) Hazardous Materials Information Reporting System (HMIRS).

In addition to the database review results, Tetra Tech will review the following:

- Aerial photographs taken after the year 2003;
- If needed, Tetra Tech will verify the database search results using windshield surveys and interviews with City officials. Tetra Tech will update the Potential Contaminant Source Inventory Map that is provided in the assessment with the current potential contaminant sources.

1.3: Recommendations/Response Plan and Timeline

Based on discussions with the City, and Tetra Tech's expertise, a list of recommendations will be developed and prioritized. A timeline for the implementation of the recommendations will also be developed. Tetra Tech will review the existing emergency response and make additional recommendations for the most likely contaminants that might occur.

1.4: Cost Estimates and Alternative Funding Sources

Cost estimates for implementing the recommendations will be developed. Where applicable, alternative funding sources will be presented for which the City may consider applying to offset the cost of implementing the recommendations.

1.5: Perpetuating the Plan

The MDEQ has a new requirement that all SWIPPs be updated every six years. Tetra Tech will recommend steps the City can take to ensure the plan data is being continually updated, thus ensuring that if future policy changes are required they are based on the best available information.

TASK 2.0 PUBLIC ENGAGEMENT PLAN (PEP)

In partnership with the City, Tetra Tech proposes to design a community engagement process that will support the Surface Water Intake Protection (SWIP) planning effort. The PEP team will ensure seamless alignment of public engagement activities and ongoing communication through participation in select meetings with the project team (City staff, the West Michigan Shoreline Regional Development Commission, and others).

It is anticipated that the following tasks will be part of the PEP.

Task 2.1: Public Meetings:

Host three public meetings, to be staged at logical intervals throughout the project, as follows:

1. An initial public meeting to announce the launch of the SWIPP project, sharing a high-level orientation that includes project goals, timeline, and public engagement opportunities;
2. A second public meeting to present the early findings from the project team's benchmarking of peer communities; feedback will be welcomed and collected in the interest of forming the plan's final content; and
3. Finally, a third public meeting will share the SWIPP in its final form, including a description of the prioritization process as well as the context of how the SWIPP reflects feedback gathered through the public engagement process and the work of the SWIPP Team, with anticipated next steps and implications.

One consultant will be present at each of the public meetings. Each meeting is anticipated to require 90 minutes.

Task 2.3: Progress Meetings

Lead by Tetra Tech, the PEP team will participate in progress meetings with the City of Muskegon and project team. Project progress meetings are in the Project Management Task outlined below. It is not anticipated that all personnel will be physically present and that some people may phone or video cast into the meetings.

Task 2.4: Meeting Minutes and Content

The PEP Team will review all existing documentation from previous public engagement efforts as well as prepare, refine, and finalize supporting documentation (e.g., meeting agendas/summaries; presentation materials) and other content (e.g., to be used for the project website, press releases, social media, mailings) as needed to advance the work.

Additionally, this proposal reflects a modest accommodation for the necessary project-related email and phone communication to occur throughout the course of the project.

TASK 3.0 PROJECT MANAGEMENT AND DELIVERABLES

Project management will consist of weekly internal monitoring of the project status and budget. Progress with the City's SWIPP steering committee are also important and we propose three meetings occurring at the following times:

- Kickoff
- An intermediate meeting to review progress and interim deliverables.
- A meeting to review the draft report and plan for the first public presentation.

We anticipate delivering three hard copies of the draft SWIPP. Upon receiving the City's final comments, we will update the SWIPP and deliver three copies of the final report and a PDF copy. We anticipate the final SWIPP to be a 10- to 20-page document inclusive of figures.

We suggest that the SWIPP be structured as per the MDEQ guidance with the following program headings:

- Basic Information
- Defining roles and duties of government units and water supply agencies
- Designating the source water protection area (SWP)
- Identification of potential sources of contaminants within the SWP area
- Identifying available management approaches for protection of the source water
- Contingency plans and alternative drinking water sources
- Assuring proper siting of new water sources
- Encouraging public participation

ASSUMPTIONS

The following assumptions were considered in developing a scope of work and pricing for this proposal:

- The current water production is the same as it was when the existing assessment was completed.
- Original assessment information (in electronic format) from 2003 will be provided to Tetra Tech.
- City staff will complete the grant application and all subsequent grant paperwork.
- The SWIPP will be delivered in PDF format and three hard copies.
- Presentations to the City Council are not included.
- Meeting room costs will be borne by the City of Muskegon.
- There will be no more than three progress meetings with the City team.
- No water quality monitoring or modeling will be done on this assignment.
- Implementation and development of recommendations (e.g., writing model zoning ordinances for upstream communities) are not included in the scope.

IMPLEMENTATION SCHEDULE

Based on the above Scope of Services, Tetra Tech anticipates the date for completion of the Source Water Intake Protection Plan to be September 30, 2017. The following timeline will be used for milestones:

	SWIPP Elements	Targeted Completion Date
1	Defining roles and duties of government units and water supply agencies.	May 2017
2	Designating a source water protection area for each water supply source based on the state's defined source water area.	April 2017
3	Identifying potential contaminant sources within each source water protection area.	May 2017
4	Utilizing management approaches for protection of source water, including but not limited to education and regulatory approaches.	Jul 2017
5	Creating contingency plans for public water supply sources including the location of alternate drinking water sources.	Aug 2017
6	Assuring proper siting on new water sources to minimize potential contamination.	Mar 2017
7	Encouraging public participation.	Sept 2017
	Completion and Submittal of SWIPP	Sept 30, 2017

Tetra Tech of Michigan, PC
Engineering Services Standard Terms & Conditions

Services Consultant will perform services for the Project as set forth in the provisions for Scope of Work/Fee/Schedule in the proposal and in accordance with these Terms & Conditions. Consultant has developed the Project scope of service, schedule, and compensation based on available information and various assumptions. The Client acknowledges that adjustments to the schedule and compensation may be necessary based on the actual circumstances encountered by Consultant in performing their services. Consultant is authorized to proceed with services upon receipt of an executed Agreement.

Compensation In consideration of the services performed by Consultant, the Client shall pay Consultant in the manner set forth above. The parties acknowledge that terms of compensation are based on an orderly and continuous progress of the Project. Compensation shall be equitably adjusted for delays or extensions of time beyond the control of Consultant. Where total project compensation has been separately identified for various tasks, Consultant may adjust the amounts allocated between tasks as the work progresses so long as the total compensation amount for the project is not exceeded.

Fee Definitions The following fee types shall apply to methods of payment:

- **Salary Cost** is defined as the individual's base salary plus customary and statutory benefits. Statutory benefits shall be as prescribed by law and customary benefits shall be as established by Consultant employment policy.
- **Cost Plus** is defined as the individual's base salary plus actual overhead plus professional fee. Overhead shall include customary and statutory benefits, administrative expense, and non-project operating costs.
- **Lump Sum** is defined as a fixed price amount for the scope of services described.
- **Standard Rates** is defined as individual time multiplied by standard billing rates for that individual.
- **Subcontracted Services** are defined as Project-related services provided by other parties to Consultant.
- **Reimbursable Expenses** are defined as actual expenses incurred in connection with the Project.

Payment Terms Consultant shall submit invoices at least once per month for services performed and Client shall pay the full invoice amount within 30 days of the invoice date. Invoices will be considered correct if not questioned in writing within 10 days of the invoice date. Client payment to Consultant is not contingent on arrangement of project financing or receipt of funds from a third party. In the event the Client disputes the invoice or any portion thereof, the undisputed portion shall be paid to Consultant based on terms of this Agreement. Invoices not in dispute and unpaid after 30 days shall accrue interest at the rate of one and one-half percent per month (or the maximum percentage allowed by law, whichever is the lesser). Invoice payment delayed beyond 60 days shall give Consultant the right to stop work until payments are current. Non-payment beyond 70 days shall be just cause for termination by Consultant.

Additional Services The Client and Consultant acknowledge that additional services may be necessary for the Project to address issues that may not be known at Project initiation or that may be required to address circumstances that were not foreseen. In that event, Consultant shall notify the Client of the need for additional services and the Client shall pay for such additional services in an amount and manner as the parties may subsequently agree.

Site Access The Client shall obtain all necessary approvals for Consultant to access the Project site(s).

Underground Facilities Consultant and/or its authorized subcontractor will conduct research and perform site reconnaissance in an effort to discover the location of existing underground facilities prior to developing boring plans, conducting borings, or undertaking invasive subsurface investigations. Client recognizes that accurate drawings or knowledge of the location of such facilities may not exist, or that research may reveal as-built drawings or other documents that may inaccurately show, or not show, the location of existing underground facilities. In such events, except for the sole negligence, willful misconduct, or practice not conforming to the Standard of Care cited in this Agreement, Client agrees to indemnify and hold Consultant and/or its Subcontractor harmless from any and all property damage, injury, or economic loss arising or allegedly arising from borings or other subsurface penetrations.

Regulated Wastes Client is responsible for the disposal of all regulated wastes generated as a result of services provided under this Agreement. Consultant and Client mutually agree that Consultant assumes no responsibility for the waste or disposal thereof.

Contractor Selection Consultant may make recommendations concerning award of construction contracts and products. The Client acknowledges that the final selection of construction contractors and products is the Client's sole responsibility.

Ownership of Documents Drawings, specifications, reports, programs, manuals, or other documents, including all documents on electronic media, prepared under this Agreement are instruments of service and are, and shall remain, the property of Consultant. Record documents of service shall be based on the printed copy. Consultant will retain all common law, statutory, and other reserved rights, including the copyright thereto. Consultant will furnish documents electronically; however, the Client releases Consultant from any liability that may result from documents used in this form. Consultant shall not be held liable for reuse of documents or modifications thereof by the Client or its representatives for any purpose other than the original intent of this Agreement, without written authorization of and appropriate compensation to Consultant.

Standard of Care Services provided by Consultant under this Agreement will be performed in a manner consistent with that degree of care and skill ordinarily exercised by members of the same profession currently practicing under similar circumstances. Consultant makes no warranty or guaranty, either express or implied. Consultant will not be liable for the cost of any omission that adds value to the Project.

Period of Service Consultant shall perform the services for the Project in a timely manner consistent with sound professional practice. Consultant will strive to perform its services according to the Project schedule set forth in the provisions for Scope of Work/Fee/Schedule above. The services of each task shall be considered complete when deliverables for the task have been presented to the Client. Consultant shall be entitled to an extension of time and compensation adjustment for any delay beyond Consultant control.

Insurance and Liability Consultant shall maintain the following insurance and coverage limits during the period of service. The Client will be named as an additional insured on the Commercial General Liability and Automobile Liability insurance policies.

Worker's Compensation – as required by applicable state statute
Commercial General Liability - $1,000,000 per occurrence for bodily injury, including death and property damage, and $2,000,000 in the aggregate
Automobile Liability –$1,000,000 combined single limit for bodily injury and property damage
Professional Liability (E&O) - $1,000,000 each claim and in the aggregate

The Client shall make arrangements for Builder's Risk, Protective Liability, Pollution Prevention, and other specific insurance coverage warranted for the Project in amounts appropriate to the Project value and risks. Consultant shall be a named insured on those policies where Consultant may be at risk. The Client shall obtain the counsel of others in setting insurance limits for construction contracts.

Indemnification Consultant shall indemnify and hold harmless the Client and its employees from any liability, settlements, loss, or costs (including reasonable attorneys' fees and costs of defense) to the extent caused solely by the negligent act, error, or omission of Consultant in the performance of services under this Agreement. If such damage results in part by the negligence of another party, Consultant shall be liable only to the extent of Consultant's proportional negligence.

Dispute Resolution The Client and Consultant agree that they shall diligently pursue resolution of all disagreements within 45 days of either party's written notice using a mutually acceptable form of mediated dispute resolution prior to exercising their rights under law. Consultant shall continue to perform services for the Project and the Client shall pay for such services during the dispute resolution process unless the Client issues a written notice to suspend work.

Suspension of Work The Client may suspend services performed by Consultant with cause upon fourteen (14) days written notice. Consultant shall submit an invoice for services performed up to the effective date of the work suspension and the Client shall pay Consultant all outstanding invoices within fourteen (14) days. If the work suspension exceeds thirty (30) days from the effective work suspension date, Consultant shall be entitled to renegotiate the Project schedule and the compensation terms for the Project.

Termination The Client or Consultant may terminate services on the Project upon seven (7) days written notice without cause or in the event of substantial failure by the other party to fulfill its obligations of the terms hereunder. Consultant shall submit an invoice for services performed up to the effective date of termination and the Client shall pay Consultant all outstanding invoices within fourteen (14) days. The Client may withhold an amount for services that may be in dispute provided that the Client furnishes a written notice of the basis for their dispute and that the amount withheld represents a reasonable value.

Authorized Representative The Project Manager assigned to the Project by Consultant is authorized to make decisions or commitments related to the project on behalf of Consultant. Only authorized representatives of Consultant are authorized to execute contracts and/or work orders on behalf of Consultant. The Client shall designate a representative with similar authority.

Project Requirements The Client shall confirm the objectives, requirements, constraints, and criteria for the Project at its inception. If the Client has established design standards, they shall be furnished to Consultant at Project inception. Consultant will review the Client design standards and may recommend alternate standards considering the standard of care provision.

Independent Consultant Consultant is and shall be at all times during the term of this Agreement an independent consultant and not an employee or agent of the Client. Consultant shall retain control over the means and methods used in performing Consultant's services and may retain subconsultants to perform certain services as determined by Consultant.

Compliance with Laws Consultant shall perform its services consistent with sound professional practice and endeavor to incorporate laws, regulations, codes, and standards applicable at the time the work is performed. In the event that standards of practice change during the Project, Consultant shall be entitled to additional compensation where additional services are needed to conform to the standard of practice.

Permits and Approvals Consultant will assist the Client in preparing applications and supporting documents for the Client to secure permits and approvals from agencies having jurisdiction over the Project. The Client agrees to pay all application and review fees.

Limitation of Liability In recognition of the relative risks and benefits of the project to both the Client and Consultant, the risks have been allocated such that the Client agrees, to the fullest extent permitted by law, to limit the liability of Consultant and its subconsultants to the Client and to all construction contractors and subcontractors on the project for any and all claims, losses, costs, damages of any nature whatsoever or claims expenses from any cause or causes, so that the total aggregate liability of Consultant and its subconsultants to all those named shall not exceed $50,000 or the amount of Consultant's total fee paid by the Client for services under this Agreement, whichever is the greater. Such claims and causes include, but are not limited to negligence, professional errors or omissions, strict liability, breach of contract or warranty.

Consequential Damages Neither the Client nor Consultant shall be liable to the other for any consequential damages regardless of the nature or fault.

Waiver of Subrogation Consultant shall endeavor to obtain a waiver of subrogation against the Client, if requested in writing by the Client, provided that Consultant will not increase its exposure to risk and Client will pay the cost associated with any premium increase or special fees.

Environmental Matters The Client warrants that they have disclosed all potential hazardous materials that may be encountered on the Project. In the event unknown hazardous materials are encountered, Consultant shall be entitled to additional compensation for appropriate actions to protect the health and safety of its personnel, and for additional services required to comply with applicable laws. The Client shall indemnify Consultant from any claim related to hazardous materials encountered on the Project except for those events caused by negligent acts of Consultant.

Cost Opinions Consultant shall prepare cost opinions for the Project based on historical information that represents the judgment of a qualified professional. The Client and Consultant acknowledge that actual costs may vary from the cost opinions prepared and that Consultant offers no guarantee related to the Project cost.

Contingency Fund The Client acknowledges the potential for changes in the work during construction and the Client agrees to include a contingency fund in the Project budget appropriate to the potential risks and uncertainties associated with the Project. Consultant may offer advice concerning the value of the contingency fund; however, Consultant shall not be liable for additional costs that the Client may incur beyond the contingency fund they select unless such additional cost results from a negligent act, error, or omission related to services performed by Consultant.

Safety Consultant shall be responsible solely for the safety precautions or programs of its employees and no other party.

Information from Other Parties The Client and Consultant acknowledge that Consultant will rely on information furnished by other parties in performing its services under the Project. Consultant shall not be liable for any damages that may be incurred by the Client in the use of third party information.

Force Majeure Consultant shall not be liable for any damages caused by any delay that is beyond Consultant's reasonable control.

Waiver of Rights The failure of either party to enforce any provision of these terms and conditions shall not constitute a waiver of such provision nor diminish the right of either party to the remedies of such provision.

Warranty Consultant warrants that it will deliver services under the Agreement within the standard of care. No other expressed or implied warranty is provided by Consultant.

Severability Any provision of these terms later held to violate any law shall be deemed void and all remaining provisions shall continue in force. In such event, the Client and Consultant will work in good faith to replace an invalid provision with one that is valid with as close to the original meaning as possible.

Survival All provisions of these terms that allocate responsibility or liability between the Client and Consultant shall survive the completion or termination of services for the Project.

Assignments Neither party shall assign its rights, interests, or obligations under the Agreement without the express written consent of the other party.

Governing Law The terms of agreement shall be governed by the laws of the state where the services are performed provided that nothing contained herein shall be interpreted in such a manner as to render it unenforceable under the laws of the state in which the Project resides.

Collection Costs In the event that legal action is necessary to enforce the payment provisions of this Agreement if Client fails to make payment within sixty (60) days of the invoice date, Consultant shall be entitled to collect from the Client any judgment or settlement sums due, reasonable attorneys' fees, court costs, and expenses incurred by Consultant in connection therewith and, in addition, the reasonable value of Consultant's time and expenses spent in connection with such collection action, computed at Consultant's prevailing fee schedule and expense policies.

Equal Employment Opportunity Consultant will comply with federal regulations pertaining to Equal Employment Opportunity. Consultant is in compliance with applicable local, state, and federal regulations concerning minority hiring. It is Consultant's policy to ensure that applicants and employees are treated equally without regard to race, creed, sex, color, religion, veteran status, ancestry, citizenship status, national origin, marital status, sexual orientation, or disability. Consultant expressly assures all employees, applicants for employment, and the community of its continuous commitment to equal opportunity and fair employment practices.

Attorney Fees Should there be any suit or action instituted to enforce any right granted in this contract, the substantially prevailing party shall be entitled to recover its costs, disbursements, and reasonable attorney fees from the other party. The party that is awarded a net recovery against the other party shall be deemed the substantially prevailing party unless such other party has previously made a bona fide offer of payment in settlement and the amount of recovery is the same or less than the amount offered in settlement. Reasonable attorney fees may be recovered regardless of the forum in which the dispute is heard, including an appeal.

Third Party Beneficiaries Nothing in this Agreement shall create a contractual relationship with or a cause of action in favor of a third party against either the Client or the Consultant. The Consultant's services under this Agreement are being performed solely for the Client's benefit, and no other entity shall have any claim against the Consultant because of this Agreement or the performance or nonperformance of services hereunder. The Client agrees to include a provision in all contracts with contractors and other entities involved in this project to carry out the intent of this paragraph.

Captions The captions herein are for convenience only and are not to be construed as part of this Agreement, nor shall the same be construed as defining or limiting in any way the scope or intent of the provisions hereof.

Commission Meeting Date: March 14, 2017

Date: March 7, 2017

To: Honorable Mayor & City Commission

From: Planning & Economic Development Department

RE: PILOT Ordinance Amendment- Amazon

SUMMARY OF REQUEST: Muskegon Redevelopment Limited Housing Authority purchased the Amazon property in 2016. There is currently no PILOT for the property, although it is a Low Income Housing Tax Credit (LIHTC) project. In order to obtain the financing necessary to make additional capital improvements to the Amazon, a PILOT is required. Since the property is within the City's Downtown Development Authority (DDA), the PILOT will result in a decrease of taxes being paid into the DDA. An amendment to the current PILOT Ordinance (#2303) is being recommended for Section 82-51 (1), changing the service charge for the PILOT from 4 percent minimum to 3 percent minimum. The City is able to capture an additional percentage for the City service fee.

FINANCIAL IMPACT: The Ordinance amendment would allow for a lower minimum percent of service charge.

BUDGET ACTION REQUIRED: None.

STAFF RECOMMENDATION: If the City Commission agrees that the PILOT is necessary for this property, staff recommends that the attached Ordinance amendment be approved and the Clerk be authorized to sign the necessary documents.

CITY OF MUSKEGON
MUSKEGON COUNTY, MICHIGAN
ORDINANCE NO. ____

THE CITY COMMISSION OF THE CITY OF MUSKEGON HEREBY ORDAINS:

1. Chapter 82, Article II of the Code of Ordinances of the City of Muskegon, Michigan, Section 82-51 are amended to read as follows:

Section 82-51. Payment in lieu of taxes; amount; standards for determination.

The payments in lieu of taxes to be made by housing projects exempt from ad valorem taxes under this division are hereby established by the city pursuant to Section 15a of Public Act No. 346 of 1966 (MCL 125.1415a), without regard to the amounts otherwise set forth in such section of this act. The service charge to be paid in lieu of taxes by any housing project exempt under this division shall be determined as follows:

(1) *Amount*. Except as provided in subsection (2)(h) of this section, the service charge shall be in an amount no less than 3 percent nor more than 20 percent of the contract rents charged for the total of all units in the exempt housing project, whether the units are occupied or not and whether or not the rents are paid. In no event shall the service charge exceed the ad valorem real property taxes which would be paid for the housing project if it were not exempt.

(2) *Standards for determining the amount of the payment in lieu of taxes*. In determining the amount of service charge (not less than the minimum) which will be paid the city for a housing project exempt under this division the following standards shall guide the city. All criteria which apply shall be considered to arrive at the service charge:

a. In the event the housing project or a substantial part thereof is located in a rehabilitated structure, for that portion of the project found in the rehabilitated structure the city shall establish a lower service charge.

b. In the event the housing project is located in an area of the city which is part of a tax increment district and removes taxable property from the tax roll, the city shall establish a higher service charge.

c. The city shall consider the number of exempt units as compared to nonexempt units which are attached or contiguous to the housing project, but which are developed simultaneously with it by the same developer. To the extent that nonexempt units, including units calling for market rents, are included in the development, the city shall consider lowering the rate of the service charge on the exempt units.

d. In the event the housing project is proximate to nonsubsidized and nonexempt housing which is not part of any project for which the developer of the exempt housing project is responsible, the city shall establish a higher service charge.

e. In the event the housing project is eligible for other property tax abatements or reductions of any kind, or municipal benefits not generally available to residential properties, the city shall establish a higher service charge.

f. In the event the housing project results in an increase in the need for public services such as water or sewer extensions, public transportation services, additional snow plowing, police and fire services, or increased school populations, the city shall establish a higher service charge.

g. In the event the city determines that the housing project will result in significantly increased traffic generation or street or highway safety problems, the city shall establish a higher service charge.

h. For a project which meets the criteria of section 82-50(4), the service charge may be continued in the amount the city had previously determined.

(3) *Property or unit becoming ineligible*. In the event any residential unit is found to be occupied by persons who are not eligible to occupy exempt units under this division, the service charge for that unit, prorated, shall equal the general property taxes which would be payable (prorata) for that unit. In the event the city determines that more than 50 percent of the units in the housing project are occupied by such ineligible persons, then the entire housing project shall be immediately liable for a service charge in an amount equal to the ad valorem property taxes which would otherwise be charged by tax bills normally issuing in the year of the city's determination.

2. This Ordinance is to become effective ten (10) days after adoption.

Ayes:

Nays:

First Reading:

Second Reading:

CERTIFICATE

The undersigned, being the duly qualified Clerk of the City of Muskegon, Muskegon County, Michigan, does hereby certify that the foregoing is a true and complete copy of an ordinance adopted by the City Commission of the City of Muskegon, at a regular meeting of the City Commission on the ____ day of ________________, 2017, at which meeting a quorum was present and remained throughout, and that the meeting was conducted and public notice was given pursuant to and in full compliance with Act No. 267, Public Acts of Michigan of 1976, as amended, and that minutes were kept and will be or have been made available as required thereby.

Date:________________________, 2017

____
Ann Marie Meisch, MMC
City Clerk

Publish: Notice of Adoption to be published once within ten (10) days of final adoption.

CITY OF MUSKEGON
NOTICE OF ADOPTION

TO: ALL PERSONS INTERESTED

Please take notice that on ___________________, 2017, the City Commission of the City of Muskegon amended Chapter 82, Article II of the Muskegon City Code, summarized as follows:

> 1. Section 82-51 is amended to provide that the combination of the service charge, which means the payment in lieu of taxes, and the essential services fee shall be not less than 3% nor more than 20% of the contract rents charged for the total of all units in the project, whether the units are occupied or not and whether or not the rents are paid.

Copies of the ordinance may be viewed and purchased at reasonable cost at the Office of the City Clerk in the City Hall, 933 Terrace Street, Muskegon, Michigan, during regular business hours.

This ordinance amendment is effective ten (10) days from the date of this publication.

Published: _________________, 2017

CITY OF MUSKEGON

By________________________
Ann Marie Meisch, MMC
City Clerk

PUBLISH ONCE WITHIN TEN (10) DAYS OF FINAL PASSAGE

Commission Meeting Date: March 14, 2017

Date: March 7, 2017

To: Honorable Mayor & City Commission

From: Planning & Economic Development Department

RE: PILOT- Muskegon Redevelopment Limited Dividend Housing Authority (Amazon)

SUMMARY OF REQUEST: Mr. Back of Muskegon Redevelopment Limited Dividend Housing Authority is requesting a Payment in Lieu of Taxes (PILOT) for the Amazon property (550 W. Western). The property is currently a MSHDA LIHTC (Low Income Housing Tax Credit) project. Normally, LIHTC properties also have PILOT Agreements, which allow them to make improvements over time, despite restricted rents. Since the Amazon was originally in a Renaissance Zone, a PILOT was not initially received. The property is no longer in a Renaissance Zone. Muskegon Redevelopment Limited Dividend Housing Authority purchased the building out of bankruptcy in 2016 and they have put a significant amount of investment into the property. However, additional major capital improvements are necessary, and the only way the funds will be available is through a PILOT designation. Fortunately, Muskegon Redevelopment Limited Dividend Housing Authority is only requesting a five year PILOT for the Amazon. This will enable the owner to make the necessary improvements, while providing additional market-rate units in the facility. The long-term goal is to increase the number of these market-rate units. Currently, the development includes 49 units (60% Area Median Income), 61 units (50% Area Median Income) and 12 units (Market-Rate); as well as five commercial units (with plans to convert some of these to market-rate apartments). The Amazon Apartments contain both 1-, 2, and 3-bedroom units, common area, a community room, and outdoor courtyard. The minimum service charge of 3% will be imposed (assuming the PILOT Ordinance Amendment is first approved by City Commission), as well as an essential service fee to the City of 3% (see “Contract for Housing Exemption” attached).

FINANCIAL IMPACT: The loss of the taxes to the DDA will be substantial. However, the taxing jurisdictions will benefit from the 3% PILOT and the City will benefit from the 3% essential service fee. In addition, the PILOT is only approved for five years. Meanwhile, Muskegon Redevelopment Limited Dividend Housing Authority partners are involved in several other projects downtown which have, and will, increase the tax base for the DDA.

BUDGET ACTION REQUIRED: None, at this time.

STAFF RECOMMENDATION: To approve the attached “Contract for Housing Exemption” and “Development Agreement” and authorize the Mayor and Clerk to sign.

CITY OF MUSKEGON

CONTRACT FOR HOUSING EXEMPTION

This Agreement between **MUSKEGON REDEVELOPMENT LIMITED DIVIDEND HOUSING ASSOCIATION, a** Michigan limited partnership (the "Developer") and **CITY OF MUSKEGON**, 933 Terrace Street, Muskegon, Michigan (the "City") is made pursuant to the following terms:

RECITALS

A. The City has adopted Chapter 82, Article II "Taxation" of the City Code of Ordinances, providing for tax exemption (the "Ordinance").

B. It is acknowledged that it is a proper public purpose of the State of Michigan and its political subdivisions to provide housing for its low-income senior persons and families and to encourage the development of such housing by providing for a service charge in lieu of property taxes in accordance with Act 346 of 1966, as amended, the State Housing Development Authority Act (the "Act"). The City is authorized by the Act and Ordinance to establish or charge the service charge to be paid in lieu of taxes by any or all classes of housing exempt from taxation under this Act at any amount it chooses, not to exceed the taxes that would be paid but for this Act. It is further acknowledged that such housing for low income persons and families is a public necessity, and as the City will be benefited and improved by such housing, the encouragement of the same by providing real estate tax exemption for such housing is a valid public purpose. It is further acknowledged that the continuance of the provisions of this Ordinance for tax exemption and the service charge in lieu of all *ad valorem* taxes during the period contemplated in this Ordinance are essential to the determination of economic feasibility of the housing projects that is constructed or rehabilitated with financing extended in reliance on such tax exemption.

C. Developer is the owner and operator of the Amazon Apartments located at 550 West Western Avenue, Muskegon, MI 49440 (the "Property") and is legally described on attached Exhibit A.

D. The Amazon Apartments consist of 126 units of affordable family housing initially financed under the Low Income Housing Tax Credit Program of IRC §42 and is subject to a Regulatory Agreement dated November 6, 2003 and recorded in Liber 3583, Page 415 of the Muskegon County Records (the "Regulatory Agreement").

E. The Property is eligible for the tax exemption pursuant to Section 82-50(3) of the Ordinance.

F. The City encourages the operation, rehabilitation and financing of the said low-income housing project which is identified by the working name of Amazon Apartments.

G. To further enable and encourage the operation and rehabilitation of the housing project, Developer and the City enter into this Agreement.

NOW, THEREFORE, THE PARTIES AGREE AS FOLLOWS:

1. Grant of Exemption. As contemplated and pursuant to the Act and Ordinance, the City hereby grants an exemption from all ad valorem property taxes attributable to the buildings which consist of rental units offered to eligible low income senior persons and families as defined by the Michigan State Housing Development Authority (the “Authority”).

2. Term of Exemption. This exemption shall continue for the period of time the housing units remain subject to income and rent restrictions pursuant to Section 42 of Internal Revenue Service Codes of 1986, as amended (IRS Codes), or the Regulatory Agreement not to exceed five (5) years. The City agrees to be contractually bound by this Agreement to honor the exemption status of the proposed project as provided herein and in this Agreement for the entire period during which the Project is subject to the Regulatory Agreement or receives low income housing tax credits under Section 42 of the IRS Codes, provided that the said loan or a loan originally financed by the low income housing tax credits continues outstanding and not in default as more particularly set forth in Section 82-50(3)of the Ordinance.

3. Responsibilities of the Developer. The Developer agrees to perform the following:

3.1 The Developer shall pay the service charge and payment in lieu of taxes on or before July 1, of each year during the time the exemption is in effect. The service charge shall equal three percent (3%) of the rents charged for the total of all units in the exempt housing project, whether the units are occupied or not and whether or not the rents are paid.

3.2 The Developer agrees to file all information required by the Ordinance and further to meet its obligations to the Authority in connection with the Authority’s administration of the low income housing tax credit program and Regulatory Agreement.

3.3 In lieu of the requirement to submit a statement of contract rents within 30 days after December 31, as required by the Ordinance, Developer shall submit an annual audit by April 1^{st}. If not timely filed, and 30 days after notice to Developer of said delinquency, a penalty of 1.25% of the service charge shall be imposed. This penalty shall be collectible in the same manner provided in Section 82-54 of the Ordinance.

4. Interpretation of Financing. The City agrees that the existence of the Regulatory Agreement and use of low income housing tax credits constitutes financing of the loan by the Authority in fulfillment of the requirements of Section 82-50(3) of the Ordinance.

5. Third Party Beneficiary. This Agreement shall benefit the parties named, including any limited dividend housing association to be formed, and further shall benefit the Authority, or such other mortgagee as may have financed the housing project, which may enforce this Agreement, both as its interest may appear, and on behalf of the Developer and its successors and assigns. No other party is a beneficiary of this Agreement.

6. Limitation on the Payment of Annual Service Charge. Notwithstanding Section 3, the service charge to be paid each year in lieu of taxes for the part of the housing project that is tax exempt but which is occupied by other than low income persons or families shall be equal to the full amount of the taxes which would be paid on that portion of the housing project if the housing project were not tax exempt.

7. Counterparts. This Agreement may be executed in several counterparts and an executed copy hereof may be relied upon as an original.

8. Binding and Benefit. This Agreement shall be binding upon and inure to the benefit of the parties hereto and their respective heirs, administrators, personal representatives, successors and assigns.

9. Effective Date. This Agreement shall be effective as of the date it is executed by the parties.

10. Severability. The various sections and provisions of this Agreement shall be deemed to be severable, and should any section or provision of this Agreement be declared by any court of competent jurisdiction to be unconstitutional or invalid the same shall not affect the validity of this Agreement as a whole or any section or provision of this Agreement, other than the section or provision so declared to be unconstitutional or invalid.

11. Inconsistent Ordinances. All ordinances or parts of ordinances inconsistent or in conflict with the provisions of this Agreement are of no effect to the extent of such inconsistency or conflict.

12. Choice of Law; Venue. This Agreement is executed in accordance with, shall be governed by, and construed and interpreted in accordance with the laws of the State of Michigan. The parties agree that for purposes of any dispute in connection with this Agreement, the Muskegon County Circuit Court shall have exclusive personal and subject matter jurisdiction and venue.

IN WITNESS WHEREOF, the parties have signed this Agreement on the following page, on the dates indicated.

City of Muskegon

Dated: ____________________, 2017 By: __________________________
Steve Gawron, Mayor

Dated: ____________________, 2017 By: __________________________
Ann Meisch, Clerk

MUSKEGON REDEVELOPMENT LIMITED DIVIDEND HOUSING ASSOCIATION LIMITED PARTNERSHIP, a Michigan limited partnership

By: Corepark Amazon, GP, LLC., a Delaware LLC , its General Partner

Dated: ____________________, 2017

By: ___________________________
Harold S. Back, Chief Operating Officer

EXHIBIT A

LEGAL DESCRIPTION

THAT PART OF BLOCKS 567, 568, 570, VACATED MART STREET (AS RECORDED IN LIBER 3058, PAGE 430) AND THE ADJACENT RAILROAD RIGHT OF WAY THERETO OF THE REVISED PLAT OF 1903 OF THE CITY OF MUSKEGON, MUSKEGON COUNTY, MICHIGAN, DESCRIBED AST FOLLOWS: COMMENCING AT THE SOUTHEAST CORNER OF SAID BLOCK 568 FOR POINT OF BEGINNING; THENCE NORTH 50 DEGREES 57 MINUTES 04 SECONDS EAST ALONG THE NORTHERLY LINE OF WESTERN AVENUE 20.00 FEET TO THE WESTERLY LINE OF FIFTH STREET; THENCE NORTH 39 DEGREES 04 MINUTES 13 SECONDS WEST ALONG SAID WESTERLY LINES 351.52 FEET TO THE SOUTHERLY LINE OF SHORELINE DRIVE; THENCE SOUTHWESTERLY ALONG SAID SOUTHERLY LINE ON THE ARC OF 5187.69 FOOT RADIUS CURVE TO THE LEFT A DISTANCE OF 165.51 FEET (THE LONG CHORD OF SAID CURVE BEARS SOUTH 36 DEGREES 54 MINUTES 53 SECONDS WEST 165.51 FEET); THENCE SOUTH 36 DEGREES 00 MINUTES 03 SECONDS WEST ALONG SAID SOUTHERLY LINE OF SHORELINE DRIVE 329.65 FEET TO A POINT ON WHICH IS 63.00 FEET, MEASURED AT RIGHT ANGLES, WESTERLY OF THE EASTERLY LINE OF SAID BLOCK 570; THENCE SOUTH 39 DEGREES 05 MINUTES 00 SECONDS EAST, PARALLEL TO SAID EASTERLY BLOCK LINE, 226.26 FEET TO THE NORTHERLY LINE OF WESTERN AVENUE; THENCE NORTH 50 DEGREES 52 MINUTES 45 SECONDS EAST ALONG SAID NORTHERLY LINE 63.00 FEET TO THE SOUTHEAST CORNER OF SAID BLOCK 570; THENCE NORTH 51 DEGREES 04 MINUTES 36 SECONDS EAST 66 FEET TO THE SOUTHWEST CORNER OF SAID BLOCK 568; THENCE NORTH 50 DEGREES 57 MINUTES 04 SECONDS EAST ALONG THE NORTHERLY LINE OF WESTERN AVENUE 350.05 FEET TO POINT OF BEGINNING.

DEVELOPMENT AGREEMENT

This Agreement between **MUSKEGON REDEVELOPMENT LIMITED DIVIDEND HOUSING ASSOCIATION**, a Michigan limited partnership (the "Developer") and **CITY OF MUSKEGON**, 933 Terrace Street, Muskegon, Michigan (the "City") is made pursuant to the following terms:

RECITALS

A. Concurrent with this Agreement, Developer and City have entered into a Contract for Housing Exemption (the "Exemption Agreement"), an executed copy of which is attached hereto as Exhibit 1, for the operation and redevelopment of a low-income housing project for families, known as the Amazon Apartments located at 550 West Western Avenue, Muskegon MI (the "Development"); and

B. The City has granted an exemption from all ad valorem property taxes for the affordable housing units within the Development; and

C. In addition to the terms of the Exemption Agreement regarding the Development's tax exempt status, the parties wish to memorialize additional details herein.

Now, therefore, for good and valuable consideration, the parties agree as follows:

1. The Developer agrees to diligently pursue with the Michigan State Housing Development Authority ("MSHDA") certain changes to the unit mix and amendments to the Regulatory Agreement. Developer shall use its best efforts with MSHDA to:

(i) provide for the allowance of certain units to allow occupation by residents at or under the 80% AMI;

(ii) to cap the affordable units under the current Regulatory Agreement to 105 units; and

(iii) to convert the existing commercial space into no more than six (6) market rate units.

2. In addition to imposition of the minimum service charge of three percent (3%) of contract rents, as outlined in the Exemption Agreement"), Developer shall pay to the City an essential services fee of three percent (3%) of contract rents, for the provision of essential services such as police and fire protection, pursuant to the same timeline as that of the service charge.

IN WITNESS WHEREOF, the parties have signed this Agreement on the dates indicated below.

CITY OF MUSKEGON

Dated: ___________________, 2017 By: ____________________________
Steve Gawron, Mayor

Dated: ___________________, 2017 By: ____________________________
Ann Cummings, Clerk

MUSKEGON REDEVELOPMENT LIMITED DIVIDEND HOUSING ASSOCIATION LIMITED PARTNERSHIP, a Michigan limited partnership

By: Core Financial Corporation, a Michigan corporation, its General Partner

Dated: ____________________, 2017 By: _________________________
Harold S. Back, President

Date: March 7, 2017

To: Honorable Mayor and City Commissioners

From: Ann Marie Meisch, City Clerk

RE: Recommendation for Annual Renewal of Liquor Licenses

SUMMARY OF REQUEST: To adopt a resolution recommending non-renewal of those liquor license establishments who are in violation of Section 50-146 and 50-147 of the Code of Ordinances for the City of Muskegon. These establishments have been found to be in non-compliance with the City Code of Ordinances and renewal of their liquor licenses should not be recommended by the City Commission. If any of these establishments come into compliance by March 14, 2017, they will be removed from this resolution, and recommendation for their renewal will be forwarded to the Liquor Control Commission.

FINANCIAL IMPACT: None.

BUDGET ACTION REQUIRED: None.

STAFF RECOMMENDATION: Adoption of the resolution.

RESOLUTION RECOMMENDING STATE WITHHOLD RENEWAL OF LIQUOR LICENSES FOR CODE VIOLATIONS

Resolution # 2017- _____

THE CITY COMMISSION OF THE CITY OF MUSKEGON DO RESOLVE, that whereas, the attached business establishments in the City of Muskegon have liquor licenses and are found to be in violation of Article V, Section 50-146 and 50-147 of the Code of Ordinances of the City of Muskegon.

AND WHEREAS, a hearing was held on March 14, 2017, before the City Commission to allow such licensees an opportunity to refute the determination of the City Commission that such establishments are in non-compliance with the City Code of Ordinances and renewal of their liquor licenses should not be recommended by the City Commission; and

WHEREAS, an affidavit of mailing of Notices of Hearing and Notification of Non-Compliance to City Standards to the licensees has been filed;

NOW, THEREFORE, BE IT RESOLVED, that the City Commission of the City of Muskegon hereby recommends that these liquor licenses not be approved for renewal, and a copy of this Resolution be sent to the State Liquor Control Commission. If any of these establishments come into compliance by March 14, 2017, they will be removed from this Resolution.

Approved and adopted this 14th day of March, 2017.

AYES:

NAYS:

By:_________________________________

Ann Marie Meisch, MMC
City Clerk

2017 Liquor License Renewals

Establishments not in Compliance

DBA	Address	Clerk	Income Tax/ Treasurer	Inspections
Express Lane	1992 Getty St.		X	

Commission Meeting Date: March 14, 2017

Date: March 9, 2017

To: Honorable Mayor and City Commissioners

From: Planning & Economic Development

RE: Public Hearing – Establishment of a Commercial Redevelopment District –1205 Peck St.

SUMMARY OF REQUEST:

Pursuant to Public Act 255 of 1978, as amended, 1205 Peck 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 freeze the taxable value of the building and exempt the new real property investment from local taxes.

FINANCIAL IMPACT:

None

BUDGET ACTION REQUIRED:

None

STAFF RECOMMENDATION:

Establishment of the Commercial Redevelopment District.

COMMITTEE RECOMMENDATION:

None

Resolution No. _______

MUSKEGON CITY COMMISSION

RESOLUTION APPROVING THE CREATION OF A COMMERCIAL REDEVELOPMENT DISTRICT
1205 Peck St

WHEREAS, pursuant to PA 255 of 1978, the City of Muskegon has the authority to establish "Commercial Redevelopment Districts" within the City of Muskegon at request of a commercial business enterprise or on its own initiative; and

WHEREAS, 1205 Peck LLC has filed a written request with the clerk of the City of Muskegon requesting the establishment of the Commercial Redevelopment District for an area in the vicinity of 1205 Peck St located in the City of Muskegon hereinafter described; and

WHEREAS, the City Commission of the City of Muskegon determined that the district meets the requirements set forth in section 5 of PA 255 of 1978; and

WHEREAS, written notice has been given by certified mail to all owners of real property located within the proposed district as required by section 5(3) of PA 255 of 1978; and

WHEREAS, on March 14, 2017 a public hearing was held and all residents and taxpayers of the City of Muskegon were afforded an opportunity to be heard thereon; and

WHEREAS, the City of Muskegon deems it to be in the public interest of the City of Muskegon to establish the Commercial Redevelopment District as proposed;

NOW, THEREFORE, BE IT RESOLVED by the City Commission of the City of Muskegon that the following described parcel(s) of land situated in the City of Muskegon, County of Muskegon, and State of Michigan, to wit:

CITY OF MUSKEGON REVISED PLAT OF 1903 LOT 8 & SLY 2 FT LOT 7 BLK 330

Adopted this 14th Day of March 2017

Ayes:

Nays:

Absent:

BY: ________________________________
Stephen J. Gawron
Mayor

ATTEST: ________________________________
Ann Meisch
Clerk

CERTIFICATION

I hereby certify that the foregoing constitutes a true and complete copy of a resolution adopted by the Muskegon City Commission, County of Muskegon, Michigan, at a regular meeting held on March 14, 2017.

____

Ann Meisch
Clerk

Commission Meeting Date: March 14, 2017

Date: March 9, 2017

To: Honorable Mayor and City Commissioners

From: Planning & Economic Development

RE: Public Hearing – Issuance of a Commercial Facilities Exemption Certificate – 1205 Peck LLC

SUMMARY OF REQUEST:

Pursuant to Public Act 255 of 1978, as amended, 1205 Peck LLC has requested the issuance of a Commercial Facilities Exemption Certificate. The certificate will freeze the taxable value of the building and exempt the new real property investment from local taxes. The company will be investing $70,000 in the building and will create 12 new jobs, which qualifies them for an abatement of 10 years.

FINANCIAL IMPACT:

The real property taxes would be frozen at their pre-rehabilitated rate for the duration of the certificate

BUDGET ACTION REQUIRED:

None

STAFF RECOMMENDATION:

Issuance of the Commercial Facilities Exemption Certificate

COMMITTEE RECOMMENDATION:

None

Resolution No. _______

MUSKEGON CITY COMMISSION

RESOLUTION APPROVING APPLICATION FOR ISSUANCE
OF A COMMERCIAL FACILITIES EXEMPTION CERTIFICATE
1205 Peck LLC

WHEREAS, the City of Muskegon legally established the Commercial Redevelopment District, 1205 Peck St District, on March 15, 2017, after a public hearing held on March 14, 2017; and

WHEREAS, the state equalized value of the property proposed to be exempt plus the aggregate state equalized value of property previously exempt and currently in force under Public Act 255 of 1978 and under Public Act 198 of 1974 (IFT's) does not exceed 5% of the total state equalized value of the City of Muskegon; and

WHEREAS, the application was approved at a public hearing as provided by section 6(2) of Public Act 255 of 1978 on March 14, 2017; and

WHEREAS, the certificate was approved for a period of 10 years and no extensions will be granted; and

WHEREAS, 1205 Peck LLC is not delinquent in any taxes related to the facility; and

WHEREAS, the application is for commercial property as defined in section 3(3) of Public Act 255 of 1978; and

WHEREAS, 1205 Peck LLC had provided answers to all required questions under Section 6(1) of PA 255 of 1978 to the City of Muskegon; and

WHEREAS, the City of Muskegon requires that the construction, restoration or replacement of the facility shall be completed by March 14, 2019; and

WHEREAS, the commencement of the construction, restoration or replacement of the facility did not occur more than 45 days prior to the filing of the application for exemption; and
WHEREAS, the commencement of the construction, restoration or replacement of the facility did not occur prior to the establishment of the Commercial Redevelopment District; and

WHEREAS, the application relates to a construction, restoration or replacement program which when completed constitutes a new, replacement or restored facility within the meaning of Public Act 255 of 1978 and that is situated within a Commercial Redevelopment District established under Public Act 255 of 1978; and

WHEREAS, completion of the facility is calculated to, and will at the time of issuance of the certificate, have the reasonable likelihood to increase commercial activity, create employment, retain employment and prevent a loss of employment in the community in which the facility is situated; and

WHEREAS, the restoration includes improvements aggregating 10% or more of the true cash value of the property at commencement of the restoration as provided by section 4(6) of Public Act 255 of 1978.

NOW, THEREFORE, BE IT RESOLVED by the City Commission of the City Commission
Be and hereby is granted a Commercial Facilities Exemption for the real property, excluding land, located in Commercial Redevelopment District, 1205 Peck District at 1205 Peck St for a period of 10 years, beginning December 31, 2017, and ending December 30, 2027, pursuant to the provisions of PA 255 of 1978, as amended.

Adopted this 14th Day of March, 2017.

Ayes:

Nays:

Absent:

BY: ______________________________

Stephen J. Gawron
Mayor

ATTEST: ______________________________

Ann Meisch
Clerk

CERTIFICATION

I hereby certify that the foregoing constitutes a true and complete copy of a resolution adopted by the Muskegon City Commission, County of Muskegon, Michigan, at a regular meeting held on March 14, 2017.

____

Ann Meisch
Clerk

1205 Peck LLC
Description of Facility

1205 Peck Street is a one (1) story 2,303 square foot commercial structure with a full basement located on the southwest corner of Peck Street and Merrill Avenue in the City of Muskegon, County of Muskegon, Michigan. The building sits on an L-shaped parcel of land approximately 13,865 square feet in size. The parcel is identified as 24-205-383-0011-00 by Muskegon County Assessor's Office (see Legal Description and Survey attached for more information).

Built originally in 1950, the facility served for many years as a dentist office, part of a traditional mixed use corridor along Peck Street stretching from Laketon Avenue to Apple Avenue that continues to serve as a home for both residential uses and low-impact commercial facilities such as doctor's offices, funeral homes, insurance agencies and other health facilities. On September 7, 2001 the facility was purchased by West Michigan Facilities Corporation, a fixed asset holding corporation which operated the facility on behalf of Planned Parenthood of West and Northern Michigan, a non-profit organization headquartered in Grand Rapids, Michigan. Sadly, Planned Parenthood ceased operations at this location several years ago and the building has been on the market since then.

The building itself also follows an L-shaped with the main entrance sitting in the crook of the L. The northern length of the L contains a handicap accessible bathroom, a large open conference area with a vaulted ceiling and a reception area with some smaller offices behind the reception desk. The eastern section of the L running the length of Peck Street, on the other hand, contains a smaller, low-ceilinged conference room, a small kitchen and bathroom that is non-handicap accessible as well as four (4) small offices. The basement is unfinished and houses two (2) furnaces, a hot water heater and laboratory presumably used at one point for tests or the creation of dental prosthetics.

To the south and west of the building is an asphalt paved parking lot capable of accommodating approximately a dozen vehicles. This lot is primarily accessed via a driveway running south of Merrill Avenue between the building and a house located to the west of the lot. This parking lot can also be accessed from Peck Street via a narrower driveway at the extreme southeast corner of the lot. There is some landscaping and a small grass strip running along Peck Street between the sidewalk and the building as well as between the north side of the building and Merrill street. For further description, please see attached photos and survey.

1205 Peck LLC
Description of Proposed Use

On January 31, 2017, 1205 Peck LLC, a Michigan Limited Liability Corporation established in November 2016. This LLC is entirely owned in equal measure by the following individuals:

1) Debra Tober of 283 Houston Avenue – Muskegon, MI 49441 (President)
2) David Betlejewski of 1672 Hendrick Road – Norton Shores, MI 49441 (Treasurer)
3) Samantha Scott of 3280 Johnson Drive – North Muskegon, MI 49445 (Secretary)

These individuals—along with Eric Seifert of 297 Clay Avenue in Muskegon, MI 49440—also entirely own Preferred Employment and Living Supports (Preferred) a Michigan C Corporation established in May 2013 and currently located at 1735 Peck Street in Muskegon. Preferred Employment and Living Supports provides direct assistance to individuals with physical and mental disabilities in activities of daily living such as budgeting, chores, health maintenance and employment. This company has outgrown the space it leases at 1735 Peck Street and wishes to invest in the community that they call home whereby they have sought out and acquired the property in question. To protect the 44 individuals they employ and the 163 clients they serve, three of the owners formed 1205 Peck LLC as a fixed asset holding corporation for the property located at 1205 Peck Street.

At the same time, 1205 Peck LLC secured a 25 year lease on the property from Preferred Employment and Living Supports so that this entity could carry on its work in a facility that could accommodate Preferred's continued growth. Specifically, the larger conference area will allow Preferred to engage in work with groups of individuals in skill building exercises that will permit clients with physical and/or mental disabilities become competitively employed. These activities are very difficult for the company to carry out currently at its existing location due to its smaller size. In addition, the new facility will allow for an expanded custodial and maintenance program for its clients and also contains a larger kitchen which will permit Preferred to teach cooking skills for those individuals wishing to pursue employment in the culinary field. Likewise, the offices behind the reception area will permit a more functional space for teaching job readiness skills and job searching and placement functions. Finally, the new building will provide a greater deal of confidentiality when working with its clients, a critical factor given the nature of its work.

Altogether, 1205 Peck LLC and its partner organization, Preferred Employment and Living Supports, foresees that the new building will accommodate nearly twice as many clients at one time versus their current location as well as perhaps 3-4 additional staff members. It's important to note that the vast majority of Preferred's workforce engages in their work outside of this facility, primarily out in the community as well as at their client's homes. In addition, Preferred also maintains staff at another location it leases at 665 136th Avenue in Holland, MI where its serves a large number of clients as well. Nonetheless, this location will serve as Preferred's headquarters and is absolutely critical for the management and maintenance of its programs. Additional information on Preferred as well as a copy o the signed lease between Preferred and 1205 Peck LLC can be found attached to this application.

1205 Peck LLC
Description of the Nature and Extent of Restoration

As of this date, three (3) bids have been received from local contractors which indicate a renovation cost of approximately $70,000 for the following items:

- Patch walls and paint, keeping and painting the lower textured wallpaper
- Repair cracks in popcorn ceiling
- Upgrade all lights to LED
- Replace baseboard vents throughout building or re-powder coat
- Paint/repair counter tops in reception area
- Grounded outlets throughout building
- Fix all electrical and plumbing to code – with special emphasis on insuring proper exit signage (must be perfect)
- Repaint small ceiling tiles, replace larger ceiling tiles with recessed tiles, reuse ceiling tiles to repair any damaged in the offices behind reception area.
- New carpet throughout, covering tile in entrance area with the exception of bathrooms.
- LVT flooring in kitchen and small bathroom
- Remove upper cabinets where refrigerator is to go. Move lower cabinets to the space adjacent to dishwasher
- One sink to stay in kitchen, the other water and piping to be used for dishwasher
- Install dishwasher, stove (electric ceramic top with 220 power source), microwave and refrigerator
- Keep upper glass cabinetry in kitchen
- Repair / replace under-counter lights
- Adjust cabinetry to account for stove and dishwasher
- Install new backsplash, paint/refinish counter tops in the kitchen.
- Demolish and remove sinks in offices
- Repaint and repair all windows
- Install new wood baseboards throughout building
- Add insulation to attic space
- Install new roof with architectural shingle
- Upgrade and repair both furnaces
- Remove laundry chute
- Install new toilet and sink in small office bathroom
- Clean front toilet, repair and paint closets
- Fix padded pipes under handicap accessible sink
- Take wallpaper out of bathrooms and one (1) office, repair and paint
- Remove all wallpaper (aside from textured kind under wainscoting)
- Install wired-in coffee maker
- Install rock around both chimneys
- Patch DEIFS (exterior stucco)
- Keep intercom same as existing, no need to repair
- Remove sink in basement
- Install new hot water heater
- Re-install air conditioning or replace if necessary

- Install new handicap ramp if current ramp not to code

1205 Peck LLC
Legal Description of Property

Lot 11 and the easterly 75 feet of Lot 12, Block 383, Revised plat (of 1903), City of Muskegon, as recorded in Liber 3 of Plats, Page 71, Muskegon County of Records, City of Muskegon, County of Muskegon, State of Michigan.

(see attached survey)

COMMISSION MEETING DATE: March 14, 2017

TO: Honorable Mayor and Commissioners

FROM: Jeffrey Lewis, Director of Public Safety

RE: Concurrence with the Housing Board of Appeals Notice and Order to Demolish. Dangerous Building Case #: EN140138 – 1153 Pine.

SUMMARY OF REQUEST: This is to request that the City Commission Concur with the findings of the Housing Board of Appeals that the structure located at **1153 Pine St.** is unsafe, substandard, a public nuisance and that it be demolished within thirty (30) days or infraction tickets may be issued. It is further requested that administration be directed to obtain bids for the demolition of the structure and that the Mayor and City Clerk be authorized and directed to execute a contract for demolition with the lowest responsible bidder or staff may issue infraction tickets to the owner, agent or responsible party if they do not demolish the structure (they currently have obtained a demolition permit to complete the demolition) the City would like to be able to follow through with the demolition bidding process.

Location and ownership: This structure is located on Pine St. between Delaware Ave. and Iona Ave. and is owned by Brenda Daniels.

Staff Correspondence: The Notice and Order to Repair was issued on 3/19/2014. On 2/2/2017 HBA declared the structure substandard and dangerous.

Financial Impact: General Funds

Budget action required: None

State Equalized value: $ 20,100.

Estimated cost to repair: $ 50,000

Staff Recommendation: To concur with the Housing Board of Appeals decision to demolish.

Notification procedures:

1) Title search is performed so all interested parties are notified.
2) All notifications are posted on the structure.
3) All notifications are mailed by certified mail with a return card for signature.

Owner Contact: The owner had only missed attending a couple of meetings before the HBA. The owner has made a couple of timetables that were not kept and the garage was never included in the timeline.

Permits obtained: There are no active permits. The last one was to roof the home & replace the siding in the back of the home. The only portion of the permit that was approved was the siding replacement on the rear of the home. The permit has since expired 10/22/2016.

If you disagree with the decision of the City Commission, you have the right to file a petition for superintending control in Circuit Court for the County of Muskegon within 21 days after the City Commission concurs.

Pictures from 1/20/2017:

Garage pictures from 1/20/2017:

North side.

Rear side.

South Side.

CITY OF MUSKEGON
CODE COMPLIANCE DEPARTMENT
933 TERRACE ST STE 202; MUSKEGON, MI 49440
(231) 724-6702 (Office) (231) 724-6790 (Fax)

DANGEROUS BUILDING REPORT

1153 PINE ST
10/22/2013

Inspection noted:

Exterior Home:
1) Broken/Boarded Windows
2) Boarded up doors
3) Storm door is broken
4) Windows have peeling paint
5) Windows have deteriorated glazing
6) No globes on the light fixtures
7) All wood has peeling paint
8) Roof is deteriorated
9) Missing siding
10) Missing screens

Garage Exterior:
1) Whole Garage has peeling paint
2) Roof is deteriorated
3) Front of garage has siding & the rest is wood
4) Broken/boarded window
5) South eave is deteriorated

BASED UPON A RECENT INSPECTION OF THE ABOVE PROPERTY, IT HAS BEEN DETERMINED THAT THE STRUCTURE MEETS THE DEFINITION OF A DANGEROUS AND/OR SUBSTANDARD BUILDING AS SET FORTH IN SECTION 10-61 OF THE MUSKEGON CITY CODE.

DANGEROUS BUILDING INSPECTION REPORT
04/08/2014

Owner DANIELS BRENDA
944 E SEXTANT RD
MUSKEGON, MI 49441

Enforcement # EN140138
Property Address: 1153 PINE ST
Parcel # 24-205-238-0009-00

Date completed: 4/7/14

DEFICENCIES:

- **THIS BUILDING NEEDS A ROOF AND SIDING**
- **THIS BUILDING HAS LEAD PAINT THROUGHTOUT**
- **THE FOUNDATION IS BAD AND NEEDS TO BE REPAIRED**
- **THERE IS ABESTOES IN THE BASEMENT**
- **MUCH OF THE PLASTER NEEDS TO BE REPAIRED**
- **THE HOUSE NEEDS NEW WINDOWS**
- **THE HOUSE NEEDS NEW DOORS**
- **THE FRONT PORCH NEEDS TO BE REPAIRED**
- **TO A PERMIT WE WILL NEED PROPER AND COMPLETE DRAWINGS**
- **HOUSE TO BE REWIRED TO CODE.**
- **ELECTRIC SERVICE TO BE REPLACED TO CODE.**
- **SMOKE ALARMS TO BE INSTALLED TO CODE.**
- **INSURE PROPER HEAT TO UPSTAIRS.**
- **INSPECT AND CERTIFY ALL HOUSE PLUMBING, INCLUDE BUILDING SEWER AND WATER SERVICE.**
- **PROVIDE MIXING VALVE FOR TUB/SHOWER; A ONE HANDLE SCALD-FREE IS OPTIONAL**
- **PROVIDE DRYER VENT TO CODE.**
- **INSPECT AND CERTIFY FURNACE, WATER HEATER AND CHIMNEY.**
- **REPAIR DUCTWORK (SUSPECTED ASBESTOS)**
- **CUT DOORS DOWN FOR BEDROOMS, WITHOUT RETURN.**
- **PRESSURE TEST GAS LINE.**

____________________________ ______________
Kirk Briggs, Building Official Date

COMMISSION MEETING DATE: March 14, 2017

TO: Honorable Mayor and Commissioners

FROM: Jeffrey Lewis, Director of Public Safety

RE: Concurrence with the Housing Board of Appeals Notice and Order to Demolish. Dangerous Building Case #: EN157069 – 1451 Park St.

SUMMARY OF REQUEST: This is to request that the City Commission Concur with the findings of the Housing Board of Appeals that the structure located at **1451 Park St.** is unsafe, substandard, a public nuisance and that it be demolished within thirty (30) days or infraction tickets may be issued. It is further requested that administration be directed to obtain bids for the demolition of the structure and that the Mayor and City Clerk be authorized and directed to execute a contract for demolition with the lowest responsible bidder or staff may issue infraction tickets to the owner, agent or responsible party if they do not demolish the structure (they currently have obtained a demolition permit to complete the demolition) the City would like to be able to follow through with the demolition bidding process.

Location and ownership: This structure is located on Park St. between Washington Ave. and West Grand Ave. and is owned by Antwan Bruce.

Staff Correspondence: The Notice and Order to Repair was issued on 7/31/2015. On 2/2/2017 the HBA declared the structure substandard and dangerous.

Financial Impact: General Funds

Budget action required: None

State Equalized value: $ 11,100

Estimated cost to repair: $ 15,000

Staff Recommendation: To concur with the Housing Board of Appeals decision to demolish.

Notification procedures:

1) Title search is performed so all interested parties are notified.
2) All notifications are posted on the structure.
3) All notifications are mailed by certified mail with a return card for signature.

Owner Contact: The owner or his father attended the meetings of the HBA excluding the 1st meeting where the HBA declared the structure. It then went before the City Commission where this case was sent back to the HBA to review it again.

Permits obtained: Multiple with many having been closed/cancelled/expired. There are 3 permits that are currently open. There was supposed to be an inspection to finalize them on 2/28/2017 but the inspection had been cancelled on all of them due to the work not having been completed.

This case had been tabled by the HBA, in order to work with the owner; eight times with the ninth time having the HBA declaring this case.

If you disagree with the decision of the City Commission, you have the right to file a petition for superintending control in Circuit Court for the County of Muskegon within 21 days after the City Commission concurs.

Pictures from 1/20/2017:

CITY OF MUSKEGON
CODE COMPLIANCE DEPARTMENT
933 TERRACE ST STE 202
MUSKEGON, MI 49440
(231) 724-6702 (Office) (231) 724-6790 (Fax)

DANGEROUS BUILDING REPORT

1451 PARK ST

Inspection noted:

1. Roof flashing is missing or incorrectly installed. Aluminum flashing is loose or missing.
2. Where repairs to existing roof are made, materials and color must blend with balance of roof. Roof has some shingles or parts of shingles missing.
3. Side of the roof has rotted or missing roof boards.
4. Have eave boards that are rotted or missing.
5. Is not protected from weather by a properly applied water-resistant paint or waterproof finish. Surface must be scraped prior to applying any water -resistant paint or waterproof finish.
6. Foundation walls have peeling paint. Paint must be properly scraped prior to painting.
7. Siding has holes in it or is rotted or missing. Siding corners are missing.
8. Siding has peeling paint--and is not protected from weather by a properly applied water resistant paint or finish. This must be properly scraped before painting.
9. Opening in the wall has been closed off with material that does not blend with the rest of the structure.
10. Window(s) has/have broken or cracked glass.
11. Window sill is broken, missing or rotted.
12. Window frame is rotted.
13. Window has glazing that is missing or deteriorated.
14. Many windows are boarded.

This listing is a list of exterior items. An interior inspection had not been completed. You would need to contact SAFEbuilt for a trades inspection to get a complete listing of any additional items that need to be completed.

BASED UPON A RECENT INSPECTION OF THE ABOVE PROPERTY, IT HAS BEEN DETERMINED THAT THE STRUCTURE MEETS THE DEFINITION OF A DANGEROUS AND/OR SUBSTANDARD BUILDING AS SET FORTH IN SECTION 10-61 OF THE MUSKEGON CITY CODE.

Dangerous Building Inspection
Building Inspector Report
1451 Park
Muskegon, MI 49441
8-14-2015

1. **Roof**-structure appears to be in decent shape and weather tight.

2. **Exterior surfaces** require compliance, including but not limited to, doors, door and window frames, cornices, porches, trim, balconies, decks and steps, shall be maintained in good condition. Exterior surfaces shall be protected from the elements by painting or other protective coverings. Peeling, flaking and chipped paint shall be eliminated and surfaces repainted. All Windows shall be repaired or replaced to be in sound condition, good repair and weather tight. Windows shall be easily openable and capable of being held in position by window hardware. Windows that are replace shall meet energy code. All exterior doors, door assemblies and hardware shall be in good condition and weather tight. Locks at all entrances to dwelling unit shall be tightly secure the door

3. **Interior of Structure.** All interior surfaces shall be repaired to be in good, clean and sanitary condition. Damaged plaster or drywall shall be repaired or replaced and peeling, chipping, flaking or abraded paint shall be repaired. Any decade wood or other defective surface condition shall be corrected. Most damaged to ceiling and walls that have been opened up to expose framing shall be insulated to code.

4. **Structural Floor Members.** All floor joist members that have Rot or been cut, notched, or bored are required to be fixed. Including the addition of any joist hangers were needed. Surrounding foundation shall be free from open cracks and breaks. Crawl spaces in basement will require to be capped with vapor barrier per code, because non treated floor joist above are within 30” of bare soil.

5. **Kitchen Facilities**. Dwelling unit shall contain its own bathtub or shower, lavatory, water closet and kitchen sink which shall be maintained in a sanitary, safe working condition. The lavatory shall be place in the same room as the water closet or located in a close proximity to the door leading directly into the room in which such water closet is located. Every bathroom and toilet room shall comply with the ventilation requirements, except that a window shall not be required in such spaces equipped with a mechanical ventilation system. A kitchen sink shall not be used as a substitute for the required lavatory.

6. **Plumbing System.** All plumbing fixtures shall be properly installed and maintained in working order, and shall be kept free from obstructions, leaks, and defects and be capable of performing the function for which such plumbing fixtures are designed. All plumbing fixtures shall be maintained in a safe, sanitary and functional condition. Every sink, lavatory, bathtub or shower, drinking fountain, water closet or other plumbing fixture shall be properly connected to public water system. All kitchen sinks, lavatories, laundry facilities, bathtubs and showers shall be supplied with hot or tempered and cold running water. All plumbing fixtures shall be properly connected to the public sewer system.

7. **Mechanical System**. Dwelling shall be provided with heating facilities capable of maintaining a room temperature of 65 F in all habitable rooms, bathrooms and toilet rooms.

8. **Habitable Spaces.** Every habitable space shall have at least one window of approved size facing directly to the outdoors. Every habitable space shall have at least one openable window. Habitable rooms shall not be less than 7 feet in any plan dimension. Habitable rooms shall not have a ceiling height of less than 7 feet. Every bedroom shall not be less than 70 square feet.

9. **Structure must meet all Electrical, Plumbing, and Mechanical Codes before the issue of a Certificate of Occupancy. All permits for work required shall be performed by licensed contractors.**

AGENDA ITEM NO. _______________

CITY COMMISSION MEETING ___________________________

TO: Honorable Mayor and City Commissioners

FROM: Frank Peterson, City Manager

DATE: March 6, 2017

RE: Arena Proposal – Rad Dad's

SUMMARY OF REQUEST:

City Staff has been working with a group of local business owners interested in creating a restaurant and bar to service the LC Walker Arena and also provide more daily food/beverage options to the downtown community. ***Rad Dad's Taco and Tequila Bar*** is proposing to lease approximately 3,500 square feet of concourse space in the arena and 500 square feet of outdoor space to provide outdoor dining space at the corner of Western Avenue and 4th Street. In addition to operating Rad Dad's Taco and Tequila Bar, the ownership group is interested in entering into a management agreement to operate the arena's numerous concession stands during event days.

The owners would like to open by June 1, 2017. Staff would like to begin implementation of the concession management contract in August, with the expectation that full implementation will take place prior to the beginning of the Lumberjacks' 2017-18 hockey season.

FINANCIAL IMPACT:

Build-out costs are expected to be less than $350,000. If build out costs are at $350,000, the tenant's initial lease rate will be $43,750 annually for both interior and outdoor space. In the event that costs fall below or exceed $350,000, any amount over or under $350,000 will be added to or subtracted from the tenant's lease rate as follows: for every dollar of variance, the tenant's annual rent will increase/decrease by 12.5 cents. Regardless of savings, rent will be no less than $35,000 annually.

BUDGET ACTION REQUIRED:

$350,000 Capital Improvement is expected; the budget will be included as part of the 3rd Quarter Budget Reforecast.

STAFF RECOMMENDATION:

To approve the request and authorize the City Manager to negotiate final lease and management terms.

COMMITTEE RECOMMENDATION:

None.