

CITY OF MUSKEGON
CITY COMMISSION WORKSESSION

Monday, March 13, 2017
5:30 p.m.
Muskegon City Commission Chambers
933 Terrace Street, Muskegon, MI 49440

MINUTES

2017-18

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

Absent: None

Designation of Pine Street From Apple to Muskegon Avenue

The section of Pine Street between Apple Avenue and Muskegon Avenue will be designated as **Bill Gill Way** in recognition of his years of dedicated service on the Muskegon County Board of Commissioners and in the community. The sign designation will be placed on top of existing street name signs, not impacting any addresses. A presentation will be made and a Resolution will be adopted at the March 14, 2017 Regular Commission Meeting.

Unit 7 – Loan

A six story mixed-use building is being proposed at 351 W. Western Avenue. There would be retail space, office space, and living space in the building. Staff has been working with 351 W. Western LLC on a potential loan from the revolving loan fund for their project at 351 W. Western Avenue, also known as Unit 7. This item will be placed on the March 14, 2017 Regular Meeting Agenda.

PILOT – Amazon Building

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 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.

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 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%.

This item will be on the March 14, 2017 Regular Meeting Agenda.

Walker Arena Lease

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. This could create approximately 20 jobs. This item will be on the March 14, 2017 Regular Meeting Agenda.

Election Polling Locations

The City Clerk explained the obstacles the Clerk's office has been running into while attempting to make several polling place changes. The Clerk explained some of the options that are currently being considered for moving certain polling places. This is something that the Clerk will continue working on.

Farmer's Market Update

The City Clerk discussed several suggestions for fee structure changes and for rule changes. The market is currently operating at a loss and the goal is to get closer to a break-even position. Some rules for the Farmer's Market also need to be modified.

Any Other Business

CDBG Funds

There was discussion about the use of Community Development Block Grant Funds and how they should be used. It is being suggested that neighborhoods choose what projects should be funded.

Adjournment

Moved by Hood, second by Johnson, to adjourn the meeting at 8:50 p.m.

Respectfully Submitted,

Ann Marie Meisch, MMC
City Clerk