CITY OF MUSKEGON

CITY COMMISSION MEETING

MARCH 12, 2019 @ 5:30 P.M.

MUSKEGON CITY COMMISSION CHAMBERS

933 TERRACE STREET, MUSKEGON, MI 49440

The Regular Commission Meeting of the City of Muskegon was held at City Hall, 933 Terrace Street, Muskegon, MI at 5:30 p.m., Tuesday, March 12, 2019, Pastor D. W. Tolbert, New Hope Baptist Church, opened the meeting with prayer, after which the Commission and public recited the Pledge of Allegiance to the Flag.

ROLL CALL FOR THE REGULAR COMMISSION MEETING:

Present: Mayor Stephen J. Gawron, Vice Mayor Eric Hood, Commissioners Ken Johnson, Byron Turnquist, Debra Warren, and Dan Rinsema-Sybenga, City Manager Frank Peterson, City Attorney Brian Lieberman, and City Clerk Ann Meisch.

Absent: Commissioner Willie German, Jr.

INTRODUCTIONS/PRESENTATION:

A. West Michigan Lake Hawks – Team Introduction and Presentation

Mr. Ron Jenkins of the West Michigan Lake Hawks thanked the City Commission for supporting the team and updated those in attendance on the standings.

B. Delta Days at City Hall Dwana Thompson

Dwana Thompson, our Equal Employment Opportunity and Affirmative Action Director introduced her sorority sisters that will have Delta Days at City Hall.

2019-19 CONSENT AGENDA:

A. Approval of Minutes City Clerk

SUMMARY OF REQUEST: To approve minutes of the February 19, 2019 Joint Meeting with the Muskegon Public School Board, minutes of the February 26, 2019 Regular Meeting, and minutes of the March 1, 2019 Goal Setting Meeting.

FINANCIAL IMPACT: None

BUDGET ACTION REQUIRED: None

STAFF RECOMMENDATION: Approval of the minutes.

B. Fireworks Display Permit for Heritage Landing City Clerk

SUMMARY OF REQUEST: Night Magic is requesting approval of a fireworks display permit for July 4, 2019, at Heritage Landing. The fire Marshall will inspect the fireworks on the day of the event.

FINANCIAL IMPACT: None

BUDGET ACTION REQUIRED: None

STAFF RECOMMENDATION: Approval contingent on inspection of the fireworks and approval of insurance.

C. <u>Adopt a Resolution Approving On-Premises Tasting Room Permit at 794 Pine Street</u> City Clerk

SUMMARY OF REQUEST: To adopt a resolution approving a new On-Premises Tasting Room Permit application for the Rake Beer Project, LLC at 794 Pine Street.

FINANCIAL IMPACT: None

BUDGET ACTION REQUIRED: None

STAFF RECOMMENDATION: Adopt the resolution.

D. <u>Notice of Intent Resolution for Sanitary Sewer and Water Supply Revenue Bonds</u> Finance

SUMMARY OF REQUEST: The Notice of Intent Resolution is the first step in the bonding process. This resolution authorizes the publication of a Notice of Intent relating to the City's bonds issued for the purposes of paying all or part of the cost to acquire, construct, furnish and equip improvements to the Sanitary Sewer and Water Supply System, including sewer system and Water Supply System, including sewer system and water supply system rehabilitation and replacement of existing sewer and water lines, together with pump station improvements and treatment plant improvements. The notices indicate the City's intent to issue Sanitary Sewer System Revenue bonds not to exceed $8,500,000 and Water Supply System Revenue bonds not to exceed $2,000,000.

FINANCIAL IMPACT: None

BUDGET ACTION REQUIRED: None

STAFF RECOMMENDATION: Approve the Notice of Intent Resolutions for Sanitary Sewer System Revenue Bonds not to exceed $8,500,000 and Water Supply System Revenue Bonds not to exceed $2,000,000.

E. <u>Amity Bridge – Resolution of Support for Bridge Funding Application and Commitment for Matching Funds</u> Department of Public Works

SUMMARY OF REQUEST: The Engineering Department would like to apply for bridge preservation funding through the Michigan Department of Transportation. These funds would be used to remove the Amity bridge and build a new roadway on fill. The bridge was originally constructed to cross a railroad line that no longer exists.

Construction is estimated at $415,000, and the city would be required to provide matching funds of approximately $90,000 plus engineering costs. Funding is available starting in 2022.

The MDOT application requires a resolution of support and commitment for the matching funds.

FINANCIAL IMPACT: $200,000 split over fiscal year 21/22 and 22/23.

BUDGET ACTION REQUIRED: None at this time

STAFF RECOMMENDATION: Approve the resolution of support for the bridge preservation fund application and commit to funding the required match and engineering costs.

F. <u>Resolution of Authority to Sign Street Lighting Contracts with Consumers Energy</u> Department of Public Works

SUMMARY OF REQUEST: Approve the resolution of authority to sign contracts with Consumers Energy to facilitate modifications to no more than 10 street lights per contract.

FINANCIAL IMPACT: None

BUDGET ACTION REQUIRED: None

STAFF RECOMMENDATION: Approve the resolution.

G. <u>Authorized Representative for County Wastewater Committee</u> Department of Public Works

SUMMARY OF REQUEST: Approve the resolution to designate the Public Works Director as the authorized representative to the Muskegon Municipal Wastewater Committee. Retain the City Manager as the alternate representative to this committee. Authorize both to vote on behalf of the city in all business related to this committee.

FINANCIAL IMPACT: None

BUDGET ACTION REQUIRED: None

STAFF RECOMMENDATION: Approve the resolution.

H. <u>Heritage Association Streetlight Easements</u> Department of Public Works

SUMMARY OF REQUEST: Authorize the mayor and clerk to sign easements with various property owners for city access to the lamp style streetlights in Heritage Village that are located on private property. Since the city will be responsible for future operation and maintenance, access to these lights is necessary.

FINANCIAL IMPACT: None

BUDGET ACTION REQUIRED: None

STAFF RECOMMENDATION: Authorize the mayor and clerk to sign the easements.

I. Heritage Village Streetlights Department of Public Works

SUMMARY OF REQUEST: Accept ownership of the 26 lamp style streetlights in Heritage Village. The city will be responsible for future operation and maintenance. All streetlights have been upgraded, are in working condition, and have been retrofitted with LED Lamps.

FINANCIAL IMPACT: Cost of future operation and maintenance.

BUDGET ACTION REQUIRED: Account for operation and maintenance in future budgets.

STAFF RECOMMENDATION: Accept ownership of the streetlights.

J. Request for Authorization to Sign Community & Neighborhood Services

SUMMARY OF REQUEST: Request to authorize Oneata Bailey, CNS Director, to sign as an authorized person on behalf of the City.

FINANCIAL IMPACT: None

BUDGET ACTION REQUIRED: None

STAFF RECOMMENDATION: To approve the authorizing resolution and direct the Mayor and Clerk to sign the resolution. Oneata Bailey has been signing agreements on behalf of the City since 2010.

Motion by Commissioner Warren, second by Vice Mayor Hood, to approve the consent agenda as presented, except item K.

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

Nays: None

MOTION PASSES

2019-20 ITEMS REMOVED FROM CONSENT AGENDA:

K. Short Term Vacation Rentals – Second Reading Public Safety

SUMMARY OF REQUEST: The Director of Public Safety requests that the Commission consider approving a stand-alone ordinance "Short Term Vacation Rentals" regulation. The City has experienced an increase in short term vacation rentals over the past couple of years. These specialty rental offerings are not regulated in our current "Housing Rental" ordinance. The ordinance will address applying and receiving a short term rental certificate and a safety inspection of the unit(s). Certificate holders will be responsible for insuring tenants are aware and complies with relevant city ordinances, with a focus on number of occupants, recreational fires, parking, fireworks, noise, and trash to name a few noted problem that staff has experienced in an attempt to regulate short term rentals. The requested ordinance will improve neighborhood relations where short term rentals are now located, create a safer and peaceful environment for short term tenants and residents. The staff recommends the annual fee of the Short Term Vacation Rentals to be $250.00 annually.

FINANCIAL IMPACT: Revenue generated will be put into a separate account to be used for expenses and purchasing amenities for parks.

BUDGET ACTION REQUIRED: None

STAFF RECOMMENDATION: Staff recommends approval of the short term vacation rentals ordinance.

Motion by Commissioner Turnquist, second by Commissioner Johnson, to approve the short term vacation rentals ordinance.

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

Nays: None

MOTION PASSES

2019-21 PUBLIC HEARINGS:

A. <u>Public Hearing for DWRF Project Plan</u> Department of Public Works

SUMMARY OF REQUEST: Conduct a public hearing related to the DWRF Project Plan that was posted for public comment on February 10, 2019 and approve the Resolution to adopt the plan.

FINANCIAL IMPACT:

BUDGET ACTION REQUIRED:

STAFF RECOMMENDATION: Conduct public hearing and approve the resolution.

PUBLIC HEARING COMMENCED: No public input was received.

Motion by Commissioner Rinsema-Sybenga, second by Commissioner Johnson, to close the public hearing and approve the resolution to adopt the plan.

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

Nays: None

MOTION PASSES

B. **Public Hearing – Request to Establish an Obsolete Property District – 1937 Lakeshore Drive** Planning & Economic Development

SUMMARY OF REQUEST: Pursuant to Public Act 146 of the Michigan Public Acts of 2000, Ghezzi Investments, LLC has requested the establishment of an Obsolete Property District for their property at 1937 Lakeshore Drive. The establishment of the Obsolete Property District would allow them to apply for an Obsolete Property Rehabilitation Exemption Certificate.

FINANCIAL IMPACT:

BUDGET ACTION REQUIRED:

STAFF RECOMMENDATION: Staff recommends approval of the creation of the district.

PUBLIC HEARING COMMENCED: Dick Ghezzi, 2017 Lakeshore Drive provided input.

Motion by Commissioner Warren, second by Vice Mayor Hood, to close the public hearing and approve the creation of the district.

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

Nays: None

MOTION PASSES

C. **Public Hearing – Request to Issue an Obsolete Property Certificate – Ghezzi Investments, LLC** Planning & Economic Development

SUMMARY OF REQUEST: Pursuant to Public Act 146 of the Michigan Public Acts of 2000, Ghezzi Investments, LLC has requested the issuance of an Obsolete Property Certificate for their property located at 1937 Lakeshore Drive. Total capital investment for this project is estimated to be $1,100,000 and will include the addition of nine apartments and four commercial spaces. The applicant is eligible for a 12-year abatement because of the amount of investment.

FINANCIAL IMPACT:

BUDGET ACTION REQUIRED:

STAFF RECOMMENDATION: Staff recommends approval of the Obsolete Property Rehabilitation Exemption Certificate.

PUBLIC HEARING COMMENCED: No public input was received.

Motion by Commissioner Rinsema-Sybenga, second by Commissioner Johnson, to close the public hearing and approve the Obsolete Property Rehabilitation Exemption Certificate.

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

Nays: None

MOTION PASSES

D. <u>Recommendation for Annual Renewal of Liquor Licenses</u> City Clerk

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 12, 2019, they will be removed from this resolution.

FINANCIAL IMPACT:

BUDGET ACTION REQUIRED:

STAFF RECOMMENDATION: Adoption of the resolution.

PUBLIC HEARING COMMENCED: No public input was received.

Motion by Commissioner Rinsema-Sybenga, second by Commissioner Johnson, to close the public hearing and approve the resolution.

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

Nays: None

MOTION PASSES

E. <u>Marsh Field Passport Grant Application</u> City Manager

SUMMARY OF REQUEST: Marsh Field is need of a number of improvements. Muskegon Baseball has asked that the City submit a passport grant application to address some of those needs, including: universally-accessible dugouts, play equipment, walkway improvements, accessible picnic seating, and drinking fountains. The total cost of the improvements are estimated at $300,000. The City's match would be $150,000.

This request is being filed under public hearing to allow for public comment/input, although there is not a formal public hearing requirement in the grant process.

FINANCIAL IMPACT:

BUDGET ACTION REQUIRED:

STAFF RECOMMENDATION: To approve the resolution authorizing the submission of the grant application and the financial commitment of $150,000 to match the funds received; local funds to be expensed from the Public Improvement Fund in FY 2019-20.

PUBLIC HEARING COMMENCED:

Tiffany Smith, Representing Muskegon Baseball - 529 Greenwood, Grand Rapids, Presented an overview of proposed improvements that the grant would be used for.

Mike Haueisen, 903 Turner, asked about fees through the passport.

Ken Johnson, City Commissioner, asked if we received input from the disability community – yes, Disability Advocates of West Michigan will review.

Motion by Commissioner Johnson, second by Commissioner Rinsema-Sybenga, to approve the resolution authorizing the submission of the grant application and the financial commitment of $150,000 to match the funds received; local funds to be expensed from the Public Improvement Fund in FY 2019-20.

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

Nays: None

MOTION PASSES

2019-22 NEW BUSINESS:

A. <u>LC Walker Arena – Lumberjacks Lease</u> City Manager

SUMMARY OF REQUEST: City staff is requesting approval of the lease with the Muskegon Lumberjacks. This is a long-term lease with multiple extension opportunities. A financial analysis sheet is attached to the lease to assist commissioners in quickly identifying the key financial changes in the new agreement.

FINANCIAL IMPACT:

BUDGET ACTION REQUIRED:

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

Motion by Commissioner Rinsema-Sybenga, second by Johnson, to authorize the Clerk and Mayor to sign the lease.

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

Nays: None

MOTION PASSES

B. <u>Purchase Agreement – 880 First Street, 731 Yuba Street, 205 East Muskegon Avenue, 287 East Muskegon Avenue, and 225 Eastern Avenue</u> City Manager

SUMMARY OF REQUEST: City staff is seeking permission to enter into a new purchase agreement with Core Development, as follows:

1. Acquisition of the structure at 880 First Street for $150,000
2. Acquisition of the former farmers market site for $50,000
3. Closing on both parcels must take place on or before June 15, 2019
4. Closing is contingent on buyers receipt of the following incentives:
    a. City-approved Commercial Rehabilitation Certificate for 10 years
    b. State-issued Community Revitalization Program incentive equal to 20% of eligible expenses.
    c. City-approved Brownfield Reimbursement Plan to reimburse 100% of eligible expenses after City's eligible expenses are fully reimbursed.
    d. Deployment of at least $1,850,000 for the development of a food and manufacturing incubation center on the ground floor of the building.

FINANCIAL IMPACT:

BUDGET ACTION REQUIRED:

STAFF RECOMMENDATION: To authorize the clerk and mayor to sign a purchase agreement with the approved terms for city-owned properties located at 880 First Street and 731 Yuba Street.

Motion by Commissioner Turnquist, second by Rinsema-Sybenga, to authorize the Clerk and Mayor to sign a purchase agreement with the approved terms form city-owned properties located at 880 First Street and 731 Yuba Street.

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

Nays: None

MOTION PASSES

C. Purchase Agreement and Grant Agreement – West Shoreline Correctional Facility City Manager

SUMMARY OF REQUEST: As part of the City's effort to expand job-creation opportunities, staff is recommending purchase of approximately 60 acres from the State Land Bank. The site formerly housed the West Shoreline Correctional Facility. The funds necessary to satisfy the purchase agreement will be drawn from the Public Improvement Fund. Staff is also seeking approval of a $4 Million enhancement grant from the State of Michigan prior to closing to offset the purchase costs; these funds will be deposited into the Public Improvement Fund.

FINANCIAL IMPACT:

BUDGET ACTION REQUIRED:

STAFF RECOMMENDATION: To approve the purchase agreement and grant agreement, and authorize the City Clerk and Mayor to sign.

Motion by Vice Mayor Hood, second Warren, to approve the purchase agreement and grant agreement, and authorize the City Clerk and Mayor to sign.

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

Nays: None

MOTION PASSES

PUBLIC PARTICIPATION: Public Comments were received.

ADJOURNMENT: The City Commission meeting adjourned at 7:47 p.m.

Respectfully Submitted,

Ann Marie Meisch, MMC – City Clerk