CITY OF MUSKEGON

CITY COMMISSION MEETING

MARCH 9, 2004

CITY COMMISSION CHAMBERS @ 5:30 P.M.

AGENDA

- **CALL TO ORDER:**
- **PRAYER:**
- **PLEDGE OF ALLEGIANCE:**
- **ROLL CALL:**
- **HONORS AND AWARDS:**
- **INTRODUCTIONS/PRESENTATION**
- **CONSENT AGENDA:**
    a. **Approval of Minutes.** CITY CLERK
    b. **Muskegon Lake Research Endowment Fund.** CITY CLERK
    c. **Appointments to Various Boards/Committees.** CITY CLERK
    d. **Sale of Buildable Vacant Lot on James Avenue.** PLANNING & ECONOMIC DEVELOPMENT
    e. **Sale of Non-Buildable Lot at 696 Marquette Avenue.** PLANNING & ECONOMIC DEVELOPMENT
    f. **Disbursement of Surplus County Sewer Bond Funds.** FINANCE DIRECTOR
    g. **City-MDOT Agreement for Shoreline Drive.** ENGINEERING
    h. **Balancing Change Order for the Lakefront Project.** ENGINEERING
- **PUBLIC HEARINGS:**
    a. **Recommendation for Annual Renewal of Liquor Licenses.** CITY CLERK
    b. **Resolution Revoking a Personal Property Industrial Development Certificate – Burgess-Norton Mfg. Co.** PLANNING & ECONOMIC DEVELOPMENT
    c. **Create a Special Assessment District for Strong Avenue, Jefferson to Peck.** ENGINEERING
    d. **Create a Special Assessment District for Campus Avenue, Jefferson to Washington.** ENGINEERING

- **COMMUNICATIONS:**
- **CITY MANAGER'S REPORT:**
- **UNFINISHED BUSINESS:**
- **NEW BUSINESS:**
  - a. **<u>Brownfield Redevelopment Grant/Loan.</u>** PLANNING & ECONOMIC DEVELOPMENT
  - b. **<u>Approval of Contract to Market Seaway Industrial Park.</u>** PLANNING & ECONOMIC DEVELOPMENT
  - c. **<u>FIRST READING: Public Safety Administration Ordinances.</u>** CITY MANAGER
  - d. **<u>Concurrence with the Housing Board of Appeals Notice and Order to Demolish the Following:</u>** INSPECTION SERVICES
    1. **207 E. Walton – Area 11**
    2. **1785 McIlwraith**
    3. **433-435 E. Isabella – Area 11**
- **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.)

- **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 GAIL A. KUNDINGER, CITY CLERK, 933 TERRACE STREET, MUSKEGON, MI 49440 OR BY CALLING (231) 724-6705 OR TDD: (231) 724-4172.

Date: March 9, 2004

To: Honorable Mayor and City Commissioners

From: Gail A. Kundinger, City Clerk

RE: Approval of Minutes

SUMMARY OF REQUEST: To approve the minutes of the Regular Commission Meeting that was held on Tuesday, February 24, 2004.

FINANCIAL IMPACT: None.

BUDGET ACTION REQUIRED: None.

STAFF RECOMMENDATION: Approval of the minutes.

CITY OF MUSKEGON

CITY COMMISSION MEETING

MARCH 9, 2004

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, Michigan at 5:30 p.m., Tuesday, March 09, 2004.

Mayor Warmington opened the meeting with a prayer from Commissioner Gawron after which the Commission and Public recited the Pledge of Allegiance to the Flag.

ROLL CALL FOR THE REGULAR COMMISSION MEETING:

Present: Mayor Stephen Warmington, Vice Mayor Bill Larson, Commissioners Kevin Davis, Stephen Gawron, Lawrence Spataro and Chris Carter, City Manager Bryon Mazade, City Attorney John Schrier and Deputy City Clerk Linda Potter. Commissioner Clara Shepherd absent (excused).

2004-25 CONSENT AGENDA:

a. **Approval of Minutes.** CITY CLERK

SUMMARY OF REQUEST: To approve the minutes of the Regular Commission Meeting that was held on Tuesday, February 24, 2004.

FINANCIAL IMPACT: None

BUDGET ACTION REQUIRED: None

STAFF RECOMMENDATION: Approval of the minutes

b. **Muskegon Lake Research Endowment Fund.** CITY CLERK

SUMMARY OF REQUEST: To adopt the Resolution of Support for the Muskegon Lake Research Endowment Fund which has enabled an ongoing study of Muskegon Lake.

FINANCIAL IMPACT: None

BUDGET ACTION REQUIRED: None

STAFF RECOMMENDATION: Approval

c. **Appointments to Various Boards/Committees.** CITY CLERK

SUMMARY OF REQUEST: To accept the resignation of Jon Osborn from the

Citizen's Police Review Board and to appoint the following individuals to City boards/committees.

Adelia Winchel to the Citizen's Police Review Board to fill the unexpired term left by the resignation of Jon Osborn. (1/31/05)

Patsy Petty to the Board of Canvassers as a Democrat. (1/31/08)

Alan M. Majeski to the Construction Code Board of Appeals for the Architect position. (1/31/06)

Robert Lowder to the Construction Code Board of Appeals for the Electrical position. (1/31/06)

Reappointment of Tom Freye to the Construction Code Board of Appeals for the Plumbing position. (1/31/06)

Reappointment of David Glotzbach to the Construction Code Board of Appeals for the Fire position. (1/31/06)

Reappointment of Michael Kleaveland to the Downtown Development Authority/Brownfield Redevelopment Authority Board as a member who has an interest in the property in the district. (1/31/08)

Andrea Riegler to the Public Relations Committee. (1/31/05)

Cedric Jenkins to the Public Relations Committee. (1/31/06)

FINANCIAL IMPACT: None

BUDGET ACTION REQUIRED: None

STAFF RECOMMENDATION: Approve appointments as recommended.

d. Sale of Buildable Vacant Lot on James Avenue. PLANNING & ECONOMIC DEVELOPMENT

SUMMARY OF REQUEST: To approve the sale of a vacant buildable lot at 1431 James Ave. (Parcel #24-611-000-0347-00) to Galloway Homes, L.L.C., of 570 W. Broadway, Muskegon, MI. The lot is 82 x 132 ft. and is being offered to Galloway Homes for $6,750. The home will contain 3 bedrooms, a full basement, and a 2-stall attached garage. The True Cash Value (TCV) for the property listed in the Assessor's office is $9,000, so our price is set at $6,750 which is 75% of that amount.

FINANCIAL IMPACT: The sale this lot for construction of a new home will generate additional tax revenue for the City and will place the property back on the City's tax rolls thus relieving the City of continued maintenance costs.

BUDGET ACTION REQUIRED: None

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

e. Sale of Non-Buildable Lot at 696 Marquette Avenue. PLANNING &

ECONOMIC DEVELOPMENT

SUMMARY OF REQUEST: To approve the sale of a vacant non-buildable lot at 696 Marquette Ave. (Parcel #24-765-003-0051-00) to Charles & Lisa Hippchen, 686 Marquette Avenue and Patrick & Julia Stone, 704 Marquette Ave., Muskegon, MI. Approval of this sale will allow the Hippchens to have a home located on a buildable lot, as well as allowing both property owners to expand their current yards. As is required by City policy, the subject parcel is being offered for $1, and will be split between the Hippchens and the Stones under the Dollar Lot Policy.

FINANCIAL IMPACT: The sale of this lot will allow the property to be placed back on the City's tax rolls thus relieving the City of continued maintenance costs.

BUDGET ACTION REQUIRED: None

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

f. <u>Disbursement of Surplus County Sewer Bond Funds.</u> FINANCE DIRECTOR

SUMMARY OF REQUEST: Muskegon County has on hand funds (approximately $400,000) remaining from a retired wastewater system bond issue and has asked local units to submit a formal commission action electing how they wish to receive their share of these funds. The City's share of the money is approximately $123,000 and the City may elect to receive this amount either in cash or have it applied toward future sewage treatment charges. Staff recommends that the City Commission adopt a motion to receive cash payment.

FINANCIAL IMPACT: Funds will be deposited to the City's sewer fund and used to offset system operating costs.

BUDGET ACTION REQUIRED: None

STAFF RECOMMENDATION: Adopt motion to receive cash payment from the County.

g. <u>City-MDOT Agreement for Shoreline Drive.</u> ENGINEERING

SUMMARY OF REQUEST: To approve the contract with MDOT amending agreement No. 02-5019 for the Shoreline Dr. funding which was previously approved. The amendment allows for the construction of Western Ave., between Pine & Terrace to be eligible for funding from the $11,850,000 grant the City received for the Shoreline Dr. Project. Funding of the Western Ave. will be limited to the extent grant money is available. In the mean time, a special assessment district will be proposed for that street in the event grant funds are not enough.

FINANCIAL IMPACT: The estimated cost of reconstructing Western Ave., $100,000.

BUDGET ACTION REQUIRED: None

STAFF RECOMMENDATION: That the agreement and resolution be approved.

h. Balancing Change Order for the Lakefront Project. ENGINEERING

SUMMARY OF REQUEST: Approve the final estimate on the Lakefront Development project. The final cost of the contract with Jackson Merkey has reached a total of $1,657,878.45 which is $417, 720.80 over the awarded amount of $1,240,157.65. The overages are attributed to the site conditions as described in the memo.

FINANCIAL IMPACT: The total cost of the project is part of the consent special assessment between the City & Lakefront LLC and will be repaid by the developer over time.

BUDGET ACTION REQUIRED: None. The overage was taken into account when the final 2003 budget revision was adopted.

STAFF RECOMMENDATION: Approve the final estimate.

Motion by Commissioner Spataro, second by Commissioner Gawron to approve the Consent Agenda as read.

ROLL VOTE: Ayes: Gawron, Larson, Spataro, Warmington, Carter, Davis

Nays: None

Absent: Shepherd

MOTION PASSED

2004-26 PUBLIC HEARINGS:

a. Recommendation for Annual Renewal of Liquor Licenses. 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 Ordinance 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 23, 2004, 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.

The Public Hearing opened at 5:42pm to hear comments from the public. There were no comments heard at this time.

Motion by Commissioner Larson, second by Commissioner Carter to close the Public Hearing at 5:43pm and adopt the resolution recommending non-renewal

of those liquor license establishments who are in violation of Section 50-146 and 50-147 of the Code of Ordinance for the City of Muskegon and that if any of these establishment come into compliance by March 23, 2004, they will be removed from the resolution.

ROLL VOTE: Ayes: Larson, Spataro, Warmington, Carter, Davis, Gawron

Nays: None

Absent: Shepherd

MOTION PASSED

b. **Resolution Revoking a Personal Property Industrial Development Certificate – Burgess-Norton Mfg. Co.** PLANNING & ECONOMIC DEVELOPMENT

SUMMARY OF REQUEST: Pursuant to Public Act 198 of 1974 as amended, the City of Muskegon requests that the personal property component of Industrial Development Certificate No. 96-741 issued to Burgess-Norton Manufacturing, Co. be revoked. The certificate was originally requested October 22, 1996 by Burgess-Norton Manufacturing Co. Burgess-Norton ceased operations in 2003 and the building has been sold to Re-Source Industries, Inc.

FINANCIAL IMPACT: Burgess-Norton and the City came to an agreement in 2003 for reimbursement of a portion of the abated taxes.

BUDGET ACTION REQUIRED: None

STAFF RECOMMENDATION: To hold the public hearing and authorize the Mayor and Clerk to sign the resolution revoking the personal property component of IFT Certificate No. 96-741.

The Public Hearing opened at 5:44pm to hear comments from the public. There were no comments heard at this time.

Motion by Commissioner Gawron, second by Commissioner Davis to close the Public Hearing at 5:45pm and to authorize the Mayor and Clerk to sign the resolution revoking the personal property component of IFT Certificate No. 96-741 issued to Burgess-Norton Manufacturing, Co.

ROLL VOTE: Ayes: Spataro, Warmington, Carter, Davis, Gawron, Larson

Nays: None

Absent: Shepherd

MOTION PASSED

c. **Create a Special Assessment District for Strong Avenue, Jefferson to Peck.** ENGINEERING

SUMMARY OF REQUEST: To hold a public hearing on the proposed special assessment of the Strong Ave., from Jefferson St., to Peck St., and to create the special assessment district and appoint two City Commissioners to the Board of

Assessors if it is determined to proceed with the project.

FINANCIAL IMPACT: None at this time.

BUDGET ACTION REQUIRED: None at this time.

STAFF RECOMMENDATION: To create the special assessment and assign two City Commissioners to the Board of Assessors by adopting the resolution.

The Public Hearing opened at 5:46pm to hear comments from the public. Comments in opposition were heard from Jeff representing St. Jean Church at 1292 Jefferson Ave.

Motion by Commissioner Spataro, second by Commissioner Gawron to close the Public Hearing at 5:48pm and to approve the special assessment district of Strong Ave., from Jefferson St., to Peck St., and appoint two City Commissioners (Shepherd and Gawron) to the Board of Assessors.

ROLL VOTE: Ayes: Spataro, Warmington, Carter, Davis, Gawron, Larson

Nays: None

Absent: Shepherd

MOTION PASSED

d. <u>**Create a Special Assessment District for Campus Avenue, Jefferson to Washington.**</u> ENGINEERING

SUMMARY OF REQUEST: To hold a public hearing on the proposed special assessment of the Campus Ave., from Jefferson St., to Washington St., and to create the special assessment district and appoint two City Commissioners to the Board of Assessors if it is determined to proceed with the project.

FINANCIAL IMPACT: None at this time.

BUDGET ACTION REQUIRED: None at this time.

STAFF RECOMMENDATION: To create the special assessment and assign two City Commissioners to the Board of Assessors by adopting the resolution.

The Public Hearing opened at 5:50pm to hear comments from the public. Concerns of accessibility to where car was to park was heard from Victoria of 125 Campus Ave.

Motion by Commissioner Spataro, second by Commissioner Gawron to close the Public Hearing at 5:48pm and to approve the special assessment district of Campus Ave., Jefferson to Washington., and appoint two City Commissioners (Shepherd and Gawron) to the Board of Assessors.

ROLL VOTE: Ayes: Warmington, Carter, Davis, Gawron, Larson, Spataro

Nays: None

Absent: Shepherd

MOTION PASSED

2004-27 COMMUNICATIONS:

City Attorney John Schrier distributed a handout and commented on the Cable Franchise Agreement litigation decision.

2004-28 NEW BUSINESS:

a. **<u>Brownfield Redevelopment Grant/Loan.</u>** PLANNING & ECONOMIC DEVELOPMENT

SUMMARY OF REQUEST: Anne Couture, our Brownfield Consultant, is working with the City to secure a Brownfield Redevelopment Grant from the Michigan Department of Environmental Quality (MDEQ). The grant request will be for $1,000,000. It is anticipated that $500,000 will be for Environmental Site Assessments (similar to our current site assessment funds, focused along the Downtown Muskegon Shoreline, but with an expanded target area to include properties along Ottawa Street, the Lakeside Business District, Seaway Industrial Park, Port City Industrial Park and the Medendorp Industrial Center) and $500,000 will be for Due Care Response activities in these same targeted areas.

FINANCIAL IMPACT: If approved for the grant/loan, the funds will be used to perform site assessments for properties being developed, as well as due care response activities (if necessary) on those properties. The MEDQ is encouraging communities to apply for both grants and loans. However, if MDEQ offered a loan, rather than a grant, the City could determine at that time whether we want to proceed. If we do have a portion as a loan, we could consider the use of Brownfield Tax Increment Financing to reimburse the loan amount. The grant amount being applied for is up to $1 Million.

BUDGET ACTION REQUIRED: None

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

Motion by Commissioner Carter, second by Vice Mayor Larson to authorize Brownfield consultant Anne Couture to secure a Brownfield Redevelopment Grant from the Michigan Department of Environmental Quality and approve the Mayor and Clerk to sign the resolution.

ROLL VOTE: Ayes: Carter, Davis, Gawron, Larson, Spataro, Warmington

Nays: None

Absent: Shepherd

MOTION PASSED

b. **<u>Approval of Contract to Market Seaway Industrial Park.</u>** PLANNING & ECONOMIC DEVELOPMENT

SUMMARY OF REQUEST: A Request for Proposals (RFP) was recently put out by the Planning Department for marketing of the property in Seaway Industrial Park. The purpose of the RFP was to expose these properties to a wider market than is currently possible by City staff. Two real estate agencies submitted proposals, which were reviewed by City staff. The two agencies were also interviewed as part of the process. Of the two proposals, C & A Commercial Real Estate's proposal stood out with unique ideas for marketing, as well as flexibility and willingness to put City property first on their priority list when marketing. C & A Commercial Real Estate is also willing as part of this agreement to market another City-owned industrial piece of property at 1537 S. Getty St.

FINANCIAL IMPACT: The timely sale and development of these properties will bring more jobs to Muskegon in the near future, thus additional income tax being generated.

BUDGET ACTION REQUIRED: None

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

Motion by Commissioner Davis, second by Commissioner Gawron to approve the Contract to Market Seaway Industrial Park and authorize the Mayor and Clerk to sign resolution.

ROLL VOTE: Ayes: Davis, Gawron, Larson, Spataro, Warmington, Carter

Nays: None

Absent: Shepherd

MOTION PASSED

c. **FIRST READING: Public Safety Administration Ordinances.** CITY MANAGER

SUMMARY OF REQUEST: To adopt three ordinances to implement the proposed Public Safety Administrative Consolidation.

FINANCIAL IMPACT: First year savings of over $100,000.

BUDGET ACTION REQUIRED: The savings will be accounted for in a future quarterly budget update.

STAFF RECOMMENDATION: To approve the ordinances.

COMMITTEE RECOMMENDATION: The City Commission endorsed the consolidation concept on February 24, 2004.

Motion by Commissioner Spataro, second by Vice Mayor Larson to approve the three Public Safety Administration Ordinances.

ROLL VOTE: Ayes: Gawron, Larson, Spataro, Warmington, Carter, Davis

Nays: None

Absent: Shepherd

MOTION PASSED (REQUIRES SECOND READING)

d. **<u>Concurrence with the Housing Board of Appeals Notice and Order to Demolish the Following:</u>** INSPECTION SERVICES

SUMMARY OF REQUEST: This is to request City Commission concurrence with the findings of the Housing Board of Appeals that the structures at 207 E. Walton, 1785 McIlwraith, and 433-435 E. Isabella are unsafe, substandard, public nuisances and that they be demolished within thirty (30) days. It is further requested that the Mayor and City Clerk be authorized and directed to execute a contract for demolition with the lowest responsible bidder.

1. 433-435 E. Isabella

CASE # & PROJECT ADDRESS: #EN-030177 Address: 433 E. Isabella

LOCATION AND OWNERSHIP: This structure is located on E. Isabella between Wood and Williams and is owned by Tameka Scott. It was previously owned by Earl Morris, her deceased father.

STAFF CORRESPONDENCE: This case began with a police report forwarded to the Inspection Department due to conditions in the house. A dangerous building inspection was conducted 11/20/03 and Notice and Order to repair or remove issued 12/3/03. On 1/8/04 the HBA declared the structure substandard and dangerous. An interior inspection was conducted 1/16/04. A memo stating permits should be pulled within 2 weeks was sent 1/29/04 with the interior inspection report.

OWNER CONTACT: On 1/12/04 a friend of Tameka Scott called and asked about the posting on the house. An interior inspection was scheduled on that date for 1/14/04. No one showed for that inspection and it was rescheduled for 1/16/04 and was conducted on that date. There has been no contact since.

FINANCIAL IMPACT: The demolition will be paid with CDBG funds.

BUDGET ACTION REQUIRED: None

SEV: $24,300

ESTIMATED COST OF REPAIRS: $8,000

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

Motion by Commissioner Spataro, second by Commissioner Carter to concur with the Housing Board of Appeals decision to demolish 433-435 E. Isabella and authorize the Mayor and Clerk to execute a contract for demolition with the lowest responsible bidder.

ROLL VOTE: Ayes: Larson, Spataro, Warmington, Carter, Davis, Gawron

Nays: None

Absent: Shepherd

MOTION PASSED

2. 207 E. Walton

CASE # & PROJECT ADDRESS: #EN-030176 Address: 207 E. Walton

LOCATION AND OWNERSHIP: This structure is located on Walton between Murphy and Rathborne and is owned by Sidney & Patricia Norman of Muskegon Heights

STAFF CORRESPONDENCE: A dangerous building inspection report was written 11/20/03 and a Notice and Order to repair or remove was issued 12/3/03. On 2/9/04 the HBA declared the structure substandard and dangerous.

OWNER CONTACT: There has been no contact from the owners

FINANCIAL IMPACT: The demolition will be paid with CDBG funds.

BUDGET ACTION REQUIRED: None

SEV: $9,600

ESTIMATED COST OF REPAIRS: $6,000 plus the cost for interior repairs.

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

Motion by Commissioner Spataro, second by Commissioner Gawron to concur with the Housing Board of Appeals decision to demolish 207 E. Walton and authorize the Mayor and Clerk to execute a contract for demolition with the lowest responsible bidder.

ROLL VOTE: Ayes: Spataro, Warmington, Carter, Davis, Gawron, Larson

Nays: None

Absent: Shepherd

MOTION PASSED

3. 1785 McIlwraith

CASE # & PROJECT ADDRESS: #EN-030082 Address: 1785 McIlwraith

LOCATION AND OWNERSHIP: This structure is located on McIlwraith, on the NW corner of Laketon and McIlwraith. It is owned by Harold and Shelly Larabee.

STAFF CORRESPONDENCE: This case began with the garage being written as dangerous on 9/11/02 and the house was added 10/14/02. An interior inspection was conducted 1/7/03. A Notice and Order to repair or remove was issued 12/4/02 and a building permit for repair to the garage and exterior of the house was pulled by the owner on 12/19/92. The permit expired 2/19/03. On 2/6/03 the HBA heard the case and tabled it until July 2003 to give the owner time to complete the repairs. At that time Mr. Larabee stated he would be living in the house when he wasn't out of town for work. Previously, the house had been a rental. On 4/30/03 a building permit was again issued to the owner and expired 7/1/03. On 8/7/03 the case was brought back before the HBA and the structure was declared dangerous and substandard.

OWNER CONTACT: The owners have been in contact with the Inspection office throughout the process and first stated they intended to complete the repairs. In October 2003 they stated they were selling the house. They also obtained information about completing the demolition on their own in October 2003 and were given until 11/03 to complete the demolition. There has been no contact since that date.

FINANCIAL IMPACT: The demolition will be paid with CDBG funds.

BUDGET ACTION REQUIRED: None

SEV: $14,000

ESTIMATED COST OF REPAIRS: $12,000

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

Motion by Commissioner Gawron, second by Commissioner Spataro to concur with the Housing Board of Appeals decision to demolish 1785 McIlwraith and authorize the Mayor and Clerk to execute a contract for demolition with the lowest responsible bidder.

ROLL VOTE: Ayes: Spataro, Warmington, Carter, Davis, Gawron, Larson

Nays: None

Absent: Shepherd

MOTION PASSED

The Regular Commission meeting for the City of Muskegon was adjourned at 6:30pm.

Respectfully submitted,

Gail A. Kundinger

Gail A. Kundinger, MMC

City Clerk

Date: March 9, 2004

To: Honorable Mayor and City Commissioners

From: Gail A. Kundinger, City Clerk

RE: Muskegon Lake Research Endowment Fund
Resolution of Support

SUMMARY OF REQUEST: To adopt the Resolution of Support for the Muskegon Lake Research Endowment Fund which has enabled an ongoing study of Muskegon Lake.

FINANCIAL IMPACT: None.

BUDGET ACTION REQUIRED: None.

STAFF RECOMMENDATION: Approval.

ANNIS WATER RESOURCES INSTITUTE

community foundation

Muskegon County

Muskegon Lake Research Endowment Fund

Working to ensure the future of Muskegon Lake

RECEIVED
FEB 5 2004
MUSKEGON
CITY MANAGER'S OFFICE

February 2, 2004

Mr. Bryon Mazade
City Manager
City of Muskegon
PO Box 5th Street
Muskegon, MI 49443

Dear Mr. Mazade:

Recently, the *Community Foundation for Muskegon County*, in partnership with the *Grand Valley State University Annis Water Resources Institute* (AWRI), established a new fund to enable an ongoing study of Muskegon Lake. The Muskegon Lake Research Endowment Fund will be used to annually finance research designed to accomplish the following:

- Record short and long-term changes in Muskegon Lake by accumulating a continuous record of scientific data including information such as: plankton counts, nutrient levels, fish population, temperature profiles, and other indicators;
- Better understand what happens within Muskegon Lake and how processes in the watershed impact this ecosystem;
- Develop a regular "report card" on the health of Muskegon Lake and use it to inform the public and government agencies about the status of the Lake through various means including placement of monitoring information on the AWRI web site, and making information available through the GVSU / Lake Michigan Center here in Muskegon.
- Recommend clean-up, improvement, and protection strategies for Muskegon Lake and the surrounding shoreline.

For years, local governments throughout Muskegon County have played a crucial role in maintaining momentum to clean up our ecosystems and waterways. As co-chairs of the Fund's development committee, we are asking for your governmental unit's formal support of the enclosed resolution. If you have any questions regarding the Fund or the resolution, please contact AWRI Director, Dr. Alan Steinman, at 728-3601.

In addition, we'd ask you or your governing board to consider making a gift to support the Fund. Our goal is $250,000 with more than $160,000 in gifts and pledges already received to date. Your support of this important community effort would be greatly appreciated.

Sincerely,

Roger Andersen, Co-Chair

Dr. William (Bill) Schroeder, Jr., Co-Chair

enclosures

Gail: for next Community Relations or City Comm. mtg. - B

Committee Members

Roger Andersen, Co-Chair
Dr. Bill Schroeder, Co-Chair
Arn Boezaart
Dr. Mike Bozym
Dr. Mike Cerminaro
Roland Crummel
Eric Gielow
Wayne Groesbeck
Jose Infante
Dr. Bill Jackson
Roger Morgenstern
Gary Noble
Dr. Alan Steinman
Dan Weikel

Robert B. Annis Water Resources Institute

Alan D. Steinman, Director
740 W. Shoreline Dr.
Muskegon, MI 49441
728-3601
FAX (616) 331 3864

GRAND VALLEY STATE UNIVERSITY

CITY OF MUSKEGON
CITY COMMISSION

Resolution #2004-25(b)

MUSKEGON LAKE RESEARCH ENDOWMENT FUND RESOLUTION OF SUPPORT

Whereas, Muskegon Lake has been listed as one of the 42 Areas of Concern ("AOC") by the United States Environmental Protection Agency;

Whereas, Muskegon Lake is an important resource of the community of Muskegon;

Whereas, scientific data are necessary to demonstrate that Muskegon Lake meets the requirements for removal as an AOC;

Whereas, Grand Valley State University's Annis Water Research Institute ("AWRI") is uniquely qualified to carry out research to document the health of Muskegon Lake, both today and into the future, and to provide data necessary to support removal of Muskegon Lake as a AOC;

Whereas, AWRI's existing financial resources are limited, and there is a critical need for permanent funding for AWRI's on-going research concerning Muskegon Lake; and

Whereas, the Muskegon Lake Research Fund Committee is dedicated to securing the funding of a perpetual Muskegon Lake Research Fund.

NOW THEREFORE, be it resolved that the City Commission of the City of Muskegon hereby supports the efforts of the Muskegon Lake Research Fund Committee, and urges the community to endorse and support this important endeavor.

Stephen J. Warmington, Mayor

Bill Larson

Bill Larson, Vice Mayor

Chris Carter

Chris Carter

Kevin Davis

Kevin Davis

Stephen J. Gawron

Clara Shepherd

Clara Shepherd

Lawrence O. Spataro

Date: **March 9, 2004**

To: **Honorable Mayor and City Commission**

From: **City Clerk Gail Kundinger**

RE: **Appointments to Various Boards/Committees**

SUMMARY OF REQUEST: To accept the resignation of Jon Osborn from the Citizen's Police Review Board and to appointment the following individuals to City boards/committees:

Adelia Winchel to the Citizen's Police Review Board to fill the unexpired term left by the resignation of Jon Osborn. (1/31/05)

Patsy Petty to the Board of Canvassers as a Democrat. (1/31/08)

Alan M. Majeski to Construction Code Board of Appeals for the Architect position.(1/31/06)

Robert Lowder to the Construction Code Board of Appeals for the Electrical position. (1/31/06)

Reappointment of Tom Freye to the Construction Code Board of Appeals for the Plumbing position. (1/31/06)

Reappointment of David Glotzbach to the Construction Code Board of Appeals for the Fire position. (1/31/06)

Reappointment of Michael Kleaveland to the Downtown Development Authority/Brownfield Redevelopment Authority Board as a member who has an interest in the property in the district. (1/31/08)

Andrea Riegler to the Public Relations Committee. (1/31/05)

Cedric Jenkins to the Public Relations Committee. (1/31/06)

FINANCIAL IMPACT: None.

BUDGET ACTION NEEDED: None.

STAFF RECOMMENDATION: Approve appointments as recommended.

COMMITTEE RECOMMENDATION: Community Relations Committee met on March 1, 2004 and recommends the appointments.

Commission Meeting Date: March 9, 2004

Date:	**March 2, 2004**
To:	**Honorable Mayor & City Commission**
From:	**Planning & Economic Development Department** CBC
RE:	**Sale of Buildable Vacant Lot on James Avenue**

SUMMARY OF REQUEST:

To approve the sale of a vacant buildable lot at 1431 James Avenue (Parcel #24-611-000-0347-00) to Galloway Homes, L.L.C., of 570 W. Broadway, Muskegon, MI. The lot is 82 x 132 ft. and is being offered to Galloway Homes for $6,750. The homes will contain 3 bedrooms, a full basement, and a 2-stall attached garage. The True Cash Value (TCV) for the property listed in the Assessor's office is $9,000, so our price is set at $6,750 which is 75% of that amount.

FINANCIAL IMPACT:

The sale of this lot for construction of a new home will generate additional tax revenue for the City and will place the property back on the City's tax rolls thus relieving the City of continued maintenance costs.

BUDGET ACTION REQUIRED:

None

STAFF RECOMMENDATION:

To approve the attached resolution and to authorize both the Mayor and the Clerk to sign said resolution and deed.

COMMITTEE RECOMMENDATION:

Resolution No. 2004-25(d)

MUSKEGON CITY COMMISSION

RESOLUTION APPROVING THE SALE OF A BUILDABLE LOT AT 1431 JAMES AVENUE IN MARQUETTE NEIGHBORHOOD FOR $6,750.

WHEREAS, Galloway Homes, L.L.C. has placed a $400 deposit for the parcel designated as parcel number 24-611-000-0347-00, located at 1431 James Avenue; and

WHEREAS, the price for parcel number 24-611-000-0347-00 is set by the City at $6,750, which is 75% of the True Cash Value (TCV) listed in the City Assessor's Office; and

WHEREAS, the sale would generate additional tax revenue for the City and relieve the City of further maintenance costs; and

WHEREAS, the sale is consistent with City policy regarding the disposition of buildable lots.

NOW THEREFORE BE IT RESOLVED, that parcel number 24-611-000-0347-00, located at 1431 James Avenue be sold to Galloway Homes, L.L.C. for $6,750.

CITY OF MUSKEGON URBAN RENEWAL PLAT NO 2, LOT 347

Adopted this 9th day of March, 2004

Ayes: Gawron, Larson, Spataro, Warmington, Carter, Davis

Nays: None

Absent Shepherd

By: [signature]
Stephen J. Warmington
Mayor

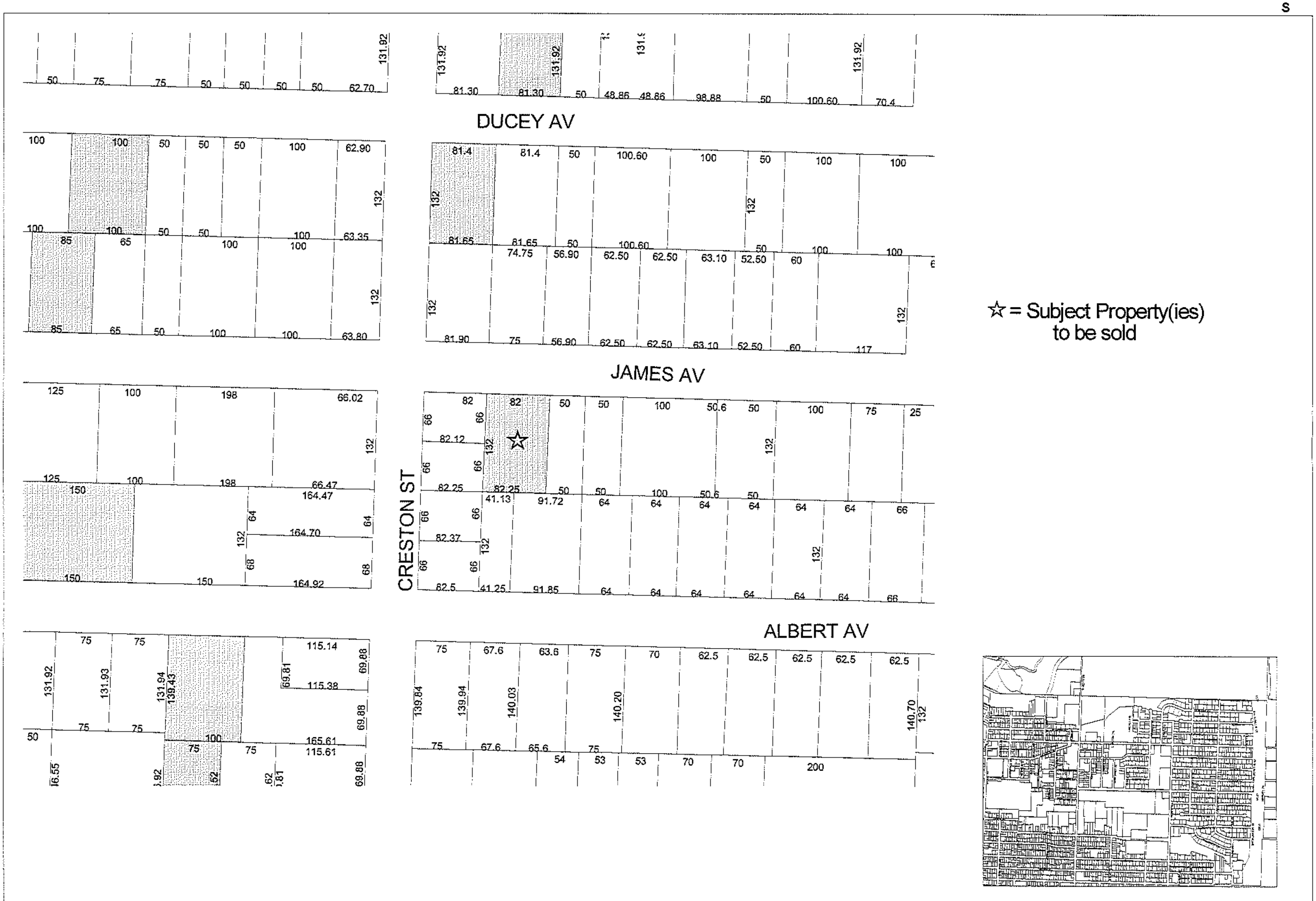
Attest: Gail Kundinger
Gail Kundinger, MMC
City Clerk

CERTIFICATION

I hearby 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 9, 2004.

By: Gail Kundinger
Gail Kundinger, MMC
City Clerk

Vacant Buildable City-Owned Lot
1431 James Avenue



REAL ESTATE PURCHASE AGREEMENT

THIS AGREEMENT is made 3/8, 2004, by and between the **CITY OF MUSKEGON**, a municipal corporation, with offices at 933 Terrace, Muskegon, Michigan 49440 ("Seller"), and **GALLOWAY HOMES, LLC**, a Michigan Limited Liability Company, of 570 W. Broadway Avenue, Muskegon, Michigan 49444 ("Buyer").

1. **General Agreement and Description of Premises.** Seller agrees to sell, and Buyer agrees to buy, marketable record title of real estate, and all improvements thereon, with all beneficial easements, and with all of Seller's right, title and interest in all adjoining public ways, the real property located in the City of Muskegon, Muskegon County, Michigan ("Premises"), and specifically described as:

CITY OF MUSKEGON URBAN RENEWAL PLAT NO. 2, Lot 347

Subject to the reservations, restrictions and easements of record, provided said reservations, restrictions and easements of record are acceptable to Buyer upon disclosure and review of the same, and subject to any governmental inspections required by law.

2. **Purchase Price and Manner of Payment.** The purchase price for the Premises shall be Six Thousand Seven Hundred Fifty Dollars ($6,750.00).

3. **Taxes and Assessments.** All taxes and assessments that are due and payable at the time of Closing shall be paid by Seller prior to or at Closing. All taxes and special assessments that become due and payable after Closing shall be the responsibility of Buyer.

4. **Title Insurance.** Seller agrees to deliver to Buyer's attorney, ten (10) days prior to closing, a commitment for title insurance, issued by Transnation Title Insurance Company, for an amount not less than the purchase price stated in this Agreement, guaranteeing title on the conditions required herein. In the event the reservations, restrictions or easements of record disclosed by said title commitment is, in the sole discretion of Buyer, deemed unreasonable, Seller shall have forty-five (45) days from the date Seller is notified in writing of such unreasonableness of restriction and such unmarketability of title, to remedy such objections. If Seller resolves such restrictions and remedies the title (by obtaining satisfactory title insurance or otherwise) within the time specified, Buyer agrees to complete this sale as herein provided, within ten (10) days of written notification thereof. If Seller fails to resolve such restrictions or remedy the title within the time above specified or fails to obtain satisfactory title insurance, this Agreement will be terminated at Buyer's option. The premium for the owner's title policy shall be paid by Seller.

5. **Covenant to Construct Improvements and Use.** Buyer acknowledges that, as part of the consideration inuring to the City, Buyer covenants and agrees to construct on the premises a single-family home, up to all codes, within eighteen (18) months of the closing of this transaction. Buyer may only remove those trees necessary for construction of the home and

driveway. The home shall be substantially completed within eighteen (18) months and, in the event said substantial completion has not occurred, or the restriction of this paragraph relating to tree removal is violated, in the sole judgment of the City, the property and all improvements then installed shall revert in title to the City, without any compensation or credit to Buyer. Buyer further covenants that the home shall be owner occupied for five (5) years after the closing. The covenants in this paragraph shall survive the closing and run with the land.

6. **Survey.** Buyer at its own expense may obtain a survey of the Premises, and Buyer or its surveyor or other agents may enter the Premises for that purpose prior to Closing. If no survey is obtained, Buyer agrees that Buyer is relying solely upon Buyer's own judgment as to the location, boundaries and area of the Premises and improvements thereon without regard to any representations that may have been made by Seller or any other person. In the event that a survey by a registered land surveyor made prior to closing discloses an encroachment or substantial variation from the presumed land boundaries or area, Seller shall have the option of effecting a remedy within thirty (30) days after disclosure, or tendering Buyer's deposit in full termination of this Purchase Agreement, and paying the cost of such survey. Buyer may elect to purchase the Premises subject to said encroachment or variation.

7. **Condition of Premises and Examination by Buyer.** NO IMPLIED WARRANTIES OF HABITABILITY, QUALITY, CONDITION, FITNESS FOR A PARTICULAR PURPOSE, OR ANY OTHER IMPLIED WARRANTIES SHALL OPERATE BETWEEN SELLER AND BUYER, AND BUYER EXPRESSLY WAIVES ANY AND ALL SUCH IMPLIED WARRANTIES. BUYER UNDERSTANDS AND AGREES THAT THE PREMISES ARE TAKEN "AS IS," SUBJECT TO THE EXPRESS COVENANTS, CONDITIONS AND/OR EXPRESS WARRANTIES CONTAINED IN THIS PURCHASE AGREEMENT. BUYER FURTHER SAYS THAT HE HAS PERSONALLY INSPECTED THE PREMISES AND IS SATISFIED WITH THE CONDITION OF THE LAND, AND THE BUILDINGS AND IMPROVEMENTS THEREON, AND THAT THE PROPERTY IS BEING PURCHASED AS A RESULT OF SUCH INSPECTION AND INVESTIGATION AND NOT DUE TO ANY REPRESENTATIONS MADE BY OR ON BEHALF OF SELLER. SELLER KNOWS OF NO HAZARDOUS SUBSTANCES OR CONTAMINATION, AND BUYER WAIVES ANY CLAIM AGAINST SELLER IN THE EVENT SUCH STUBSTANCES ARE FOUND.

8. **Real Estate Commission.** Buyer and Seller both acknowledge and agree that neither has dealt with any real estate agents, brokers or salespersons regarding this sale, and that no agent, broker, salesperson or other party is entitled to a real estate commission upon the closing of this sale. Buyer and Seller both agree to indemnify and hold the other harmless from any liability, including reasonable attorney fees, occasioned by reason of any person or entity asserting a claim for a real estate commission arising from actions taken by the other party.

9. **Closing.** The closing date of this sale shall be on or before 4/8/04, 2004 ("Closing"). The Closing shall be conducted at Transnation Title Insurance Company, 570 Seminole Road, Ste. 102, Muskegon, MI 49444. If necessary, the parties shall execute an IRS closing report at the Closing.

10. **Delivery of Deed.** Seller shall execute and deliver a Quit Claim deed to Buyer at Closing for the Premises.

11. **Affidavit of Title.** At the Closing, Seller shall deliver to Buyer an executed Affidavit of Title.

12. **Date of Possession.** Possession of Premises is to be delivered to Buyer by Seller on the date of Closing.

13. **Costs.** Seller shall be responsible to pay the Michigan transfer tax, if any, in the amount required by law. In addition, Seller shall be responsible to pay for the recording of any instrument that must be recorded to clear title to the Premises, to the extent required by this Agreement.

Buyer shall pay for the cost of recording the deed to be delivered at Closing.

14. **General Provisions.**

a. **Paragraph Headings.** The paragraph headings are inserted in this Agreement only for convenience.

b. **Pronouns.** When applicable, pronouns and relative words shall be read as plural, feminine or neuter.

c. **Merger.** It is understood and agreed that all understandings and agreements previously made between Buyer and Seller are merged into this Agreement, which alone fully and completely expresses the agreement of the parties.

d. **Governing Law.** This Agreement shall be interpreted and enforced pursuant to the laws of the State of Michigan.

e **Successors.** All terms and conditions of this Agreement shall be binding upon the parties, their successors and assigns.

f. **Severability.** In case any one or more of the provisions contained in this Agreement shall for any reason be held to be invalid, illegal, or unenforceable in any respect, such invalidity, illegality, or unenforceability shall not affect any other provision of this Agreement, and this Agreement shall be construed as if such invalid, illegal, or unenforceable provision(s) had never been contained herein.

g. **Survival of Representations and Warranties.** The representations, warranties, covenants and agreements contained in this Agreement and in any instrument provided for herein shall survive the Closing and continue in full force and effect after the consummation of this purchase and sale.

h. **Modification of the Agreement.** This Agreement shall not be amended except by a writing signed by Seller and Buyer.

The parties have executed this Real Estate Purchase Agreement the day and year first above written.

WITNESSES:

Linda Potter
Linda Potter

JoAnn Krukowski
JoAnn Krukowski

Lonna Anguilm
Lonna Anguilm

Brian C. Lazo

SELLER: CITY OF MUSKEGON

By
Stephen J. Warmington, Mayor

Gail A. Kundinger
Gail A. Kundinger, MMC, Clerk

BUYER: GALLOWAY HOMES, LLC,
a Michigan Limited Liability Company

By:
Its: Member, Galloway Homes, LLC

Tax ID#: 38-3629098

QUIT-CLAIM DEED

KNOW ALL MEN BY THESE PRESENTS: That the **CITY OF MUSKEGON**, a municipal corporation, of 933 Terrace Street, Muskegon, Michigan 49440,

QUIT CLAIMS to **GALLOWAY HOMES, LLC**, a Michigan Limited Liability Company, of 570 W. Broadway Avenue, Muskegon, Michigan 49444,

the following described premises situated in the City of Muskegon, County of Muskegon, State of Michigan, to wit:

CITY OF MUSKEGON URBAN RENEWAL PLAT NO. 2, Lot 347

for the sum of Six Thousand Seven Hundred Fifty Dollars ($6,750.00)

PROVIDED, HOWEVER, Grantee, or its assigns, shall complete construction of one (1) single family home on the premises herein conveyed within eighteen (18) months after the date hereof. In default of such construction, title to the premises shall revert to the City of Muskegon free and clear of any claim of Grantee or its assigns. In addition, the City of Muskegon may retain the consideration for this conveyance free and clear of any claim of Grantee or its assigns. Buyer shall remove only those trees necessary for construction of the home and driveway. "Complete construction" means: (1) issuance of a residential building permit by the City of Muskegon; and, (2) in the sole opinion of the City of Muskegon's Director of Inspections, substantial completion of the dwelling described in the said building permit. In the event of reversion of title of the above-described premises, improvements made thereon shall become the property of Grantor. Provided, further, that Grantee covenants that the parcel described above shall be improved with not more than one (1) single family home, and it shall be owner-occupied for five (5) years after the date of this deed. These covenants and conditions shall run with the land.

This deed is exempt from real estate transfer tax pursuant to the provisions of MCLA 207.505(h)(i) and MCLA 207.526 Sec. 6(h)(i).

Dated this 12th day of March, 2004.

Signed in the presence of:

Linda S. Potter
Linda S Potter

JoAnn Krukowski
JoAnn Krukowski

CITY OF MUSKEGON

By
Stephen J. Warmington, Its Mayor

and Gail A. Kundinger
Gail A. Kundinger, MMC, Its Clerk

STATE OF MICHIGAN
COUNTY OF MUSKEGON

The foregoing instrument was acknowledged before me this 12th day of March, 2004, by STEPHEN J. WARMINGTON and GAIL A. KUNDINGER, MMC, the Mayor and Clerk, respectively, of the CITY OF MUSKEGON, a municipal corporation, on behalf of the City.

Linda S. Potter
Linda S Potter, Notary Public
Muskegon County, Michigan
My Comm. Expires: 9-25-06

PREPARED BY: John C. Schrier
Parmenter O'Toole
175 W. Apple Avenue/P.O. Box 786
Muskegon, MI 49443-0786
Telephone: 231/722-1621

Clerk

LANDAMERICA TRANSNATION TITLE INSURANCE

Date: April 16, 2004
Escrow Number: 427868

Property Address: 1431 James
Muskegon, MI

PURCHASER'S STATEMENT	DEBIT	CREDIT
Purchaser Price	$ 6,750.00	$
Rent Adjustment		
CLOSING FEES	100.00	
OWNERS PREMIUM		
Recording Fees	17.00	
Real Estate Commission		
Sub Total	$ 6,867.00	$
Total Deposits to date		
Due from Purchaser		$ 6,867.00
TOTALS	$ 6,867.00	$ 6,867.00

SELLER'S STATEMENT	DEBIT	CREDIT
Purchase Price	$	$ 6,750.00
Rent Adjustment		
Deposit of earnest money		
CLOSING FEES	100.00	
OWNERS PREMIUM	190.00	
Recording Fees		
Real Estate Commission		
Sub Total	$ 290.00	$ 6,750.00
Amount due Seller	$ 6,460.00	
TOTALS	$ 6,750.00	$ 6,750.00

****

The undersigned Purchasers acknowledge Receipt of a copy of this statement and agree to the correctness thereof, and authorizes and ratifies the disbursement of the funds as stated therein.

Purchaser(s) Signature(s):

Galloway Homes, LLC
a Michigan limited liability company

BY
Donald Galloway, Member

The undersigned Sellers acknowledge Receipt of a copy of this statement and agree to the correctness thereof, and ratifies the disbursement of the funds as stated therein.

Seller(s) Signature(s):

The City of Muskegon
a Municipal Corporation

BY
Lonna Anguilun

SURVEY WAIVER

Date: April 16, 2004

RE: 427868

To: LANDAMERICA TRANSNATION TITLE INSURANCE

Property Address:

1431 James

Muskegon, MI

County: Muskegon

We, the undersigned, purchasers and sellers, of the above captioned property, acknowledge we have been strongly advised by you to obtain a land survey showing the dimensions of the property and the location of all buildings situated thereon.

We have decided, completely of our own volition, not to obtain a survey and wish to complete the transaction without the recommended survey.

We hereby release LANDAMERICA TRANSNATION TITLE INSURANCE, its employees and/or agents, from any responsibility and/or liability concerning or pertaining to survey matters, including, but not limited to size of lot or land, location of boundary line, location of building and encroachments.

PURCHASER(S):

Galloway Homes, LLC
a Michigan limited liability company

BY ______________________
Donald Galloway, Member

SELLER(S):

The City of Muskegon
a Municipal Corporation

BY ______________________
Lonna Anguilun

AFFIDAVIT OF TITLE

STATE OF MICHIGAN }
}SS
COUNTY OF Muskegon }

Title Commitment # 427868

That The City of Muskegon, a Municipal Corporation being first duly sworn on oath says that they are the true and lawful owner(s) of the premises located at:

1431 James
Muskegon, MI

AND

1. That on this date hereof there is no mechanic's lien on the property and that no work has been done, or materials furnished, out of which a mechanic's lien could ripen.

2. That no agreement is in effect which would adversely affect the title to the property such as a purchase agreement, lease, land contract, option, etc. other than the contract with the grantees in a certain deed of even date hereof.

3. That the parties in possession other than the affiant(s) are bona fide tenants only and have no other interest in the premises whatsoever.

4. That there are no judgments or liens against affiant(s), including income tax liens, adversely affecting the title to said property.

5. That there are no unpaid taxes, special assessments or water bills outstanding other than those shown on the closing statement.

6. That any overlooked, unknown, or misquoted taxes, special assessments, water bills, mortgage deficiencies, etc. shall be immediately paid by affiant(s) as soon as informed of such.

Seller(s):

The City of Muskegon
a Municipal Corporation

BY ______________________
Lonna Anguilun

Subscribed and sworn to, before me a Notary Public, this 16th day of April, 2004

____
Notary Public ______________ County

My Commission Expires: ____________

L-4260

Michigan Department of Treasury
2766 (Rev. 7-00)

This form is issued under authority of P.A. 415 of 1994. Filing is mandatory.

PROPERTY TRANSFER AFFIDAVIT

This form must be filed whenever real estate or some types of personal property are transferred (even if you are not recording a deed). It is used by the assessor to ensure the property is assessed properly and receives the correct taxable value. It must be filed by the new owner with the assessor for the city or township where the property is located within 45 days of the transfer. If it is not filed timely, a penalty of $5/day (maximum $200) applies. The information on this form is NOT CONFIDENTIAL.

1. Street Address of Property: 1431 James, Muskegon, MI

2. County: Muskegon

4. Date of Transfer (or land contract was signed): 04/16/04

3. City/Township/Village of Real Estate: Muskegon — [X] City [ ] Township [ ] Village

5. Purchase Price of Real Estate: $6,750.00

6. Property Identification Number (PIN) If you don't have a PIN, attach legal description. 61-24-611-000-0347-00

PIN. This number ranges from 10 to 25 digits. It usually includes hyphens and sometimes includes letters. It is on the property tax bill and on the assessment notice.

7. Seller's (Transferor) Name: The City of Muskegon

8. Buyer's (Transferee) Name and Mailing Address: Galloway Homes, LLC, 570 W. Broadway, Muskegon MI 49441

Items 9 - 13 are optional. However, by completing them you may avoid further correspondence.

Transfers include deeds, land contracts, transfers involving trusts or wills, certain long-term leases and interest in a business. See the back for a complete list.

9. Type of Transfer
[ ] Land Contract [ ] Lease
[ ] Deed [ ] Other (specify) ______

10. Is the transfer between related persons? [ ] Yes [ ] No

11. Amount of Down Payment ______

12. If you financed the purchase, did you pay market rate of interest? [ ] Yes [ ] No

13. Amount Financed (Borrowed) ______

Exemptions

The Michigan Constitution limits how much a property's taxable value can increase while it is owned by the same person. Once the property is transferred, the taxable value must be adjusted by the assessor in the following year to 50 percent of the property's usual selling price. Certain types of transfers are exempt from adjustment. Below are brief descriptions of the types of exempt transfers; full descriptions are in MCL Section 211.27a(7)(a-n). If you believe this transfer is exempt, indicate below the type of exemption you are claiming. If you claim an exemption, your assessor may request more information to support your claim.

- [ ] transfer from one spouse to the other spouse
- [ ] change in ownership solely to exclude or include a spouse
- [ ] transfer of that portion of a property subject to a life lease or life estate (until the life lease or life estate expires)
- [ ] transfer to effect the foreclosure or forfeiture of real property
- [ ] transfer by redemption from a tax sale
- [ ] transfer into a trust where the settlor or the settlor's spouse conveys property to the trust and is also the sole beneficiary of the trust
- [ ] transfer resulting from a court order unless the order specifies a monetary payment
- [ ] transfer creating or ending a joint ownership if at least one person is an original owner of the property (or his/her spouse)
- [ ] transfer to establish or release a security interest (collateral)
- [ ] transfer of real estate through normal public trading of stocks
- [ ] transfer between entities under common control or among members of an affiliated group
- [ ] transfer resulting from transactions that qualify as a tax-free reorganization
- [ ] transfer of qualified agricultural property when the property remains qualified agricultural property and affidavit has been filed.
- [ ] other, specify:

Certification

I certify that the information above is true and complete to the best of my knowledge.

Owner's Signature: [signature]

Date: 4/16/04

If signer is other than the owner, print name and title.

ACKNOWLEDGEMENT OF HOMESTEAD EXEMPTION AFFIDAVIT
AND REQUEST TO RESCIND/WITHDRAW HOMESTEAD EXEMPTION
AND PROPERTY TRANSFER AFFIDAVIT

FILE # 427868
DATE: April 16th 2004

The undersigned acknowledges receipt of the Property Transfer Affidavit form (Michigan Department of Treasury form No. L-4260) as same is required by Public Act 415 of 1994 which imposes obligations on purchasers/transferees to file said form within 45 days of the date of transfer. The undersigned further acknowledges that Transnation Title Insurance Company is under no obligation to provide said form but does so as an accommodation to the undersigned. The undersigned assume(s) all liability relative to compliance with the Act and, accordingly, holds the Company harmless from and against any liability relative thereto.

Please check one of the following:

___ The undersigned do not request Transnation Title Insurance Company to file the form on their behalf.

X The undersigned request that the Company mail the form by first class mail and acknowledges that the Company shall not be liable in the event that any of the information provided on said form is inaccurate or incomplete, or in the event said form is not received or properly processed by the local tax collecting unit.

The undersigned acknowledges receipt of the Homestead Exemption Affidavit form (Michigan Department of Treasury Form No. 2368) as same is required by Public Act 415 of 1994 which imposes obligations on purchasers/ transferees to file said form within 45 days of the date of transfer. The undersigned further acknowledges that Transnation Title Insurance Company is under no obligation to provide said form but does so as an accommodation to the undersigned. The undersigned assume(s) all liability relative to compliance with the Act and, accordingly, holds the Company harmless from and against any liability relative thereto.

Please check one of the following:

X The undersigned do not request Transnation Title Insurance Company to file the form on their behalf.

___ The undersigned request that the Company mail the form by first class mail and acknowledges that the Company shall not be liable in the event that any of the information provided on said form is inaccurate or incomplete, or in the event said form is not received or properly processed by the local tax collecting unit.

PURCHASER(S):

Galloway Homes, LLC
a Michigan limited liability company

BY ____________________
Donald Galloway, Member

FILE # 427868
DATE: April 16th 2004
PROPERTY ADDRESS: 1431 James

The undersigned hereby acknowledge receipt of a Request to Rescind/Withdraw Homestead Exemption form (Michigan Department of Treasury Form No. 2602) as same is required by Public Act 237 of 1994.

Please check one of the following:

X The undersigned do not request Transnation Title Insurance Company to file the form on their behalf.

___ The undersigned have fully and properly completed the forms and request that Transnation Title Insurance Company file the form with the appropriate local tax collecting unit. The undersigned acknowledge and agree that the Company will mail the form by first class mail, and that the Company shall not be liable in the event that any of the information provided on said form is inaccurate or incomplete, or in the event that said form is not received or properly processed by the local tax collecting unit.

SELLER(S):

The City of Muskegon
a Municipal Corporation

BY Lonna Anguilun
Lonna Anguilun

Commission Meeting Date: March 9, 2004

Date:	**February 24, 2004**
To:	**Honorable Mayor and City Commissioners**
From:	**Planning & Economic Development** CBC
RE:	**Sale of Non-Buildable Lot at 696 Marquette Avenue**

SUMMARY OF REQUEST:

To approve the sale of a vacant non-buildable lot (Parcel #24-765-003-0051-00) at 696 Marquette Avenue to Charles & Lisa Hippchen, 686 Marquette Avenue and Patrick & Julia Stone, 704 Marquette Avenue, Muskegon, MI 49442. Approval of this sale will allow the Hippchens to have a home located on a buildable lot, as well as allowing both property owners to expand their current yards. As is required by City policy, the subject parcel is being offered for $1, and will be split between the Hippchens and the Stones under the Dollar Lot Policy.

FINANCIAL IMPACT:

The sale of this lot will allow the property to be placed back on the City's tax rolls thus relieving the City of continued maintenance costs.

BUDGET ACTION REQUIRED:

None.

STAFF RECOMMENDATION:

To approve the attached resolution and to authorize both the Mayor and the Clerk to sign the resolution and deed.

COMMITTEE RECOMMENDATION:

CITY OF MUSKEGON

RESOLUTION #2004-25(e)

RESOLUTION APPROVING THE SALE OF A CITY-OWNED NON-BUILDABLE LOT

WHEREAS, the City of Muskegon has received $1 each from Charles & Lisa Hippchen, 686 Marquette Avenue, Muskegon, MI 49442 and Patrick & Julia Stone, 704 Marquette Avenue, Muskegon, MI 49442 for the purchase of a vacant, City-owned lot located adjacent to their properties at 696 Marquette Avenue (parcel #24-765-003-0051-00); and

WHEREAS, this lot is not considered buildable under the City's Zoning Ordinance; and

WHEREAS, the sale would enable the City to place this property back on the tax rolls, and would relieve the City of further maintenance; and

WHEREAS, the sale of this property would be in accordance with property disposition goals and policies of the City.

NOW, THEREFORE BE IT RESOLVED, CITY OF MUSKEGON SUB DIV OF BLK 3 LOT 51 be sold to Charles & Lisa Hippchen and Patrick & Julia Stone for $1 each.

Resolution adopted this 9th day of March, 2004.

Ayes: Gawron, Larson, Spataro, Warmington, Carter, Davis

Nays: None

Absent: Shepherd

By: [signature]
Stephen J. Warmington
Mayor

Attest: Gail A. Kundinger
Gail A. Kundinger, MMC
Clerk

2004-25(e)

CERTIFICATION

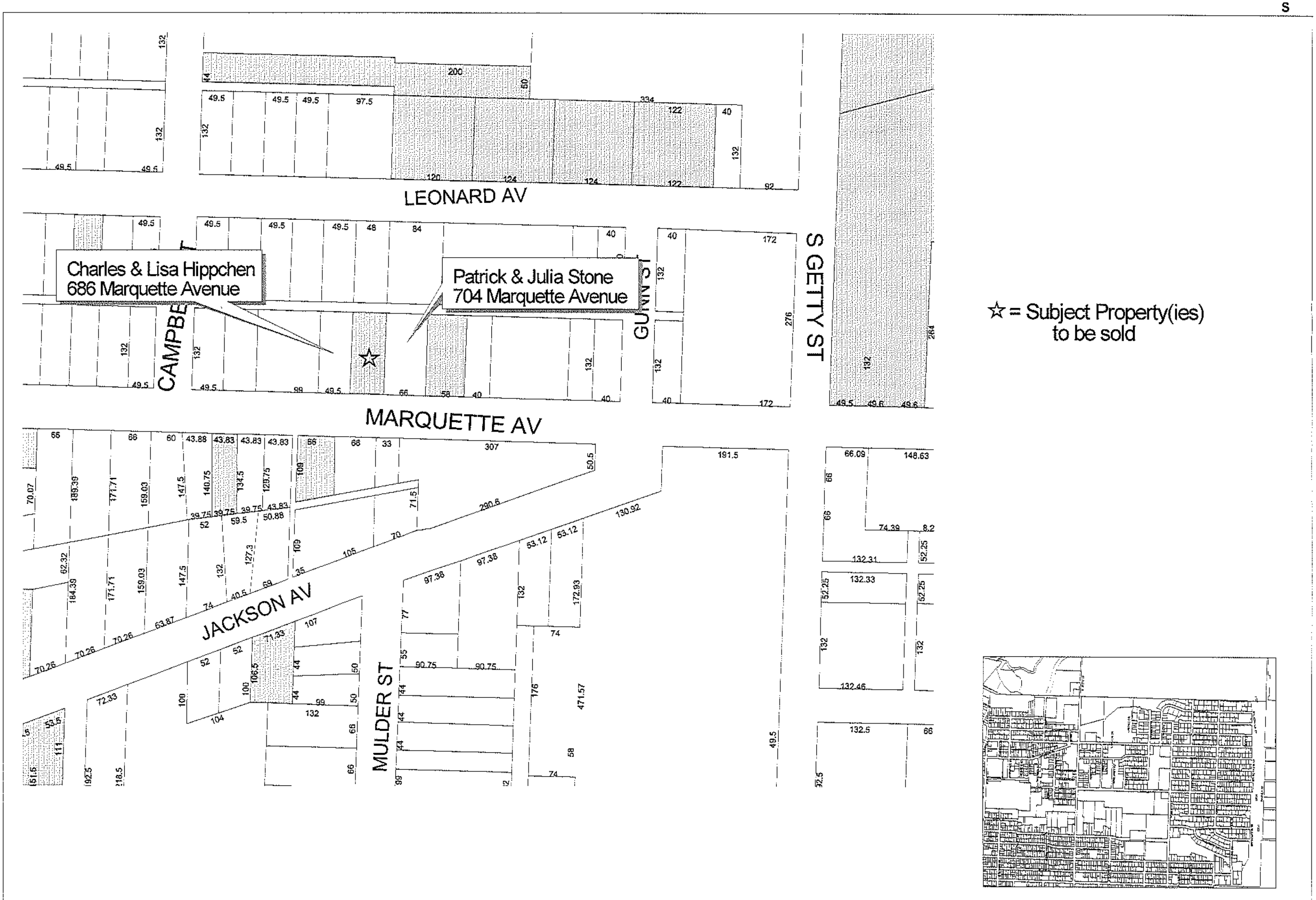
This resolution was adopted at a regular meeting of the City Commission, held on March 9, 2004. The meeting was properly held and noticed pursuant to the Open Meetings Act of the State of Michigan, Act 267 of the Public Acts of 1976.

CITY OF MUSKEGON

By Gail A. Kundinger

Gail A. Kundinger, MMC
Clerk

Vacant Non-Buildable City-Owned Lot
686 Marquette Avenue



<u>QUIT-CLAIM DEED</u>

KNOW ALL MEN BY THESE PRESENTS: That the **CITY OF MUSKEGON**, a municipal corporation, of 933 Terrace Street, Muskegon, Michigan 49440,

QUIT CLAIMS to **CHARLES G. HIPPCHEN and LISA M. HIPPCHEN**, husband and wife, of 686 Marquette Avenue, Muskegon, Michigan 49442,

the following described premises situated in the City of Muskegon, County of Muskegon, State of Michigan, to wit:

CITY OF MUSKEGON SUBDIVISION OF BLOCK 3, REVISED PLAT OF 1903, WEST ½ OF LOT 51

for the sum of: One Dollar ($1.00).

PROVIDED, HOWEVER, If the Grantee or adjoining property owner loses the adjoining property due to foreclosure or non-payment of taxes, the non-buildable lot shall revert to the Grantor. At that point in time when any lien covers both parcels or there are no liens on either parcel, the property owner may request and the Grantor shall agree to waive and terminate the reverter clause.

This deed is exempt from real estate transfer tax pursuant to the provisions of MCLA 207.505(h)(i) and MCLA 207.526 Sec. 6(h)(i).

Dated this 12th day of March, 2004.

Signed in the presence of:

Linda Potter
Linda Potter

JoAnn Krukowski
JoAnn Krukowski

CITY OF MUSKEGON

By ______________________
Stephen J. Warmington, Its Mayor

and Gail A. Kundinger
Gail A. Kundinger, MMC, Its Clerk

STATE OF MICHIGAN
COUNTY OF MUSKEGON

The foregoing instrument was acknowledged before me this 12th day of March, 2004, by STEPHEN J. WARMINGTON and GAIL A. KUNDINGER, MMC, the Mayor and Clerk, respectively, of the CITY OF MUSKEGON, a municipal corporation, on behalf of the City.

Linda S. Potter
Linda S. Potter, Notary Public
Muskegon County, Michigan
My Comm. Expires: 9-25-06

PREPARED BY: John C. Schrier
Parmenter O'Toole
175 W. Apple Avenue/P.O. Box 786
Muskegon, MI 49443-0786
Telephone: 231/722-1621

WHEN RECORDED RETURN TO: Grantee

SEND SUBSEQUENT TAX BILLS TO: Grantee

C:\DOCUME~1\anguilm\LOCALS~1\Temp\BE9236.doc

QUIT-CLAIM DEED

KNOW ALL MEN BY THESE PRESENTS: That the **CITY OF MUSKEGON**, a municipal corporation, of 933 Terrace Street, Muskegon, Michigan 49440,

QUIT CLAIMS to **PATRICK STONE and JULIA STONE**, husband and wife, of 704 Marquette Avenue, Muskegon, Michigan 49442,

the following described premises situated in the City of Muskegon, County of Muskegon, State of Michigan, to wit:

CITY OF MUSKEGON SUBDIVISION OF BLOCK 3, REVISED PLAT OF 1903, EAST ½ OF LOT 51

for the sum of: One Dollar ($1.00).

PROVIDED, HOWEVER, If the Grantee or adjoining property owner loses the adjoining property due to foreclosure or non-payment of taxes, the non-buildable lot shall revert to the Grantor. At that point in time when any lien covers both parcels or there are no liens on either parcel, the property owner may request and the Grantor shall agree to waive and terminate the reverter clause.

This deed is exempt from real estate transfer tax pursuant to the provisions of MCLA 207.505(h)(i) and MCLA 207.526 Sec. 6(h)(i).

Dated this 12th day of March, 2004.

Signed in the presence of:

Linda S. Potter
Linda S Potter

JoAnn Krukowski
JoAnn Krukowski

CITY OF MUSKEGON

By
Stephen J. Warmington, Its Mayor

and Gail A. Kundinger
Gail A. Kundinger, MMC, Its Clerk

STATE OF MICHIGAN
COUNTY OF MUSKEGON

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My Comm. Expires: 9-25-06

PREPARED BY: John C. Schrier
Parmenter O'Toole
175 W. Apple Avenue/P.O. Box 786
Muskegon, MI 49443-0786
Telephone: 231/722-1621

WHEN RECORDED RETURN TO: Grantee

SEND SUBSEQUENT TAX BILLS TO: Grantee

Date: March 9, 2004

To: Honorable Mayor and City Commissioners

From: Finance Director

RE: Disbursement of Surplus County Sewer Bond Funds

SUMMARY OF REQUEST: Muskegon County has on hand funds (approximately $400,000) remaining from a retired wastewater system bond issue and has asked local units to submit a formal commission action electing how they wish to receive their share of these funds. The city's share of the money is approximately $123,000 and the city may elect to receive this amount either in cash or have it applied toward future sewage treatment charges. Staff recommends the that the City Commission adopt a motion to receive cash payment.

FINANCIAL IMPACT: Funds will be deposited to the city's sewer fund and used to offset system operating costs.

BUDGET ACTION REQUIRED: None.

STAFF RECOMMENDATION: Adopt motion to receive cash payment from the county.

COMMITTEE RECOMMENDATION: None.

Tim Paul

LEWIS REED & ALLEN P.C.

Attorneys

W. Fred Allen, Jr.
Stephen M. Denenfeld
Robert C. Engels
Anne M. Fries
David A. Lewis
Dean S. Lewis
James M. Marquardt
Michael B. Ortega
William A. Redmond
Richard D. Reed
Thomas C. Richardson
Michael A. Shields
Barry R. Smith
Gregory G. St. Arnauld

136 East Michigan Avenue, Suite 800
Kalamazoo, Michigan 49007-3975

Telephone 269-388-7600 • 269-381-3600
Fax 269-349-3831

Of Counsel
Willy Nordwind, Jr.

Gould Fox
(1905-2002)

Winfield J. Hollander
(1906-1996)

February 26, 2004

TO: MANAGEMENT COMMITTEE MEMBERS

Re: Disbursement of Surplus Bond Funds

Dear Management Committee Members:

The County informs us that only four of the thirteen affected municipalities have advised the County as to their preference for receipting the surplus proceeds. Please Mr. Corwin's February 25, 2004 memorandum attached.

For your convenience, I am enclosing a copy of my July 31, 2003 letter to you and the July 23, 2003 Resolution as passed by the Management Committee. I am also attaching a copy of Mr. Corwin's November 25, 2002 letter which offers some background.

Please contact me with any questions. We can also discuss this at the next Management Committee Meeting.

Sincerely,

LEWIS REED & ALLEN P.C.

Michael B. Ortega (KLD)

Michael B. Ortega

MBO:kld

Enclosures
cc: Mr. Corwin (via facsimile)

MUSKEGON County
catch the wave!

OFFICE OF CORPORATE COUNSEL

MEMORANDUM

TO: Joe Siedenstrang, Accounting Manager
Dave Kendrick, Public Works Director

FROM: Stephen C. Corwin, Corporate Counsel

RE: Surplus Bond Funds from 1970's Wastewater Issue

DATE: February 25, 2004

This memo is in follow up to Joe Siedenstrang's inquiry regarding disbursement and/or application of surplus revenues to continuing obligations of municipalities.

I had previously issued a memo advising that municipalities could elect either to receive surplus proceeds from this fund, or, in the alternative, could elect to supply such surplus proceeds as against other indebtedness. To date, it is my understanding that 4 of the 13 municipalities have advised Mr. Siedenstrang, and/or the system, advising as to their preference.

As Joe points out, however, because interest continues to be accrued on these funds, he is reluctant to disburse any fund in "piecemeal" fashion, preferring instead to receive notification from each and every Local Unit as to their preference in order to ensure that they are not short-changed on interest earnings.

By copy of this memo, I am requesting that Mr. Ortega bring the matter up at the Wastewater Management Committee meeting, requesting that Local Units communicate their preference to Joe at 724-6206, or Dave at Wastewater headquarters. Please advise if there are any problems regarding this matter.

SCC:kl

cc: Michael Ortega

LEWIS REED & ALLEN P.C.
Attorneys

W. Fred Allen, Jr.
Stephen M. Denenfeld
Robert C. Engels
Anne M. Fries
David A. Lewis
Dean S. Lewis
James M. Marquardt
Michael B. Ortega
William A. Redmond
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Of Counsel
Richard H. Morris
Willy Nordwind, Jr.
Edward P. Thompson

Gould Fox
(1905-2002)

Winfield J. Hollander
(1906-1996)

July 31, 2003

TO: MUSKEGON MUNICIPAL WASTEWATER MANAGEMENT COMMITTEE MEMBERS

Dear Management Committee Members:

Enclosed is a copy of the Resolution as executed following the Management Committee's action at the July 23 regular meeting.

As we discussed at the meeting, you should now consider taking this to your board for individual action, as specified in Paragraph No. 2 of the Resolution.

Please call if you have any questions.

Sincerely,

LEWIS REED & ALLEN P.C.

Michael B Ortega/kjn

Michael B. Ortega

MBO:kjn

Enclosure

cc: Mr. Corwin w/enclosure

RESOLUTION

MUSKEGON MUNICIPAL WASTEWATER MANAGEMENT COMMITTEE

WHEREAS, the County of Muskegon has informed the Management Committee regarding the status of the "close-out" of the $16 million wastewater bond issue, which dates back to the early 1970s; and

WHEREAS, the County has informed the Management Committee that the subject bonds have been fully paid, and that approximately $400,000 remain in a fund as a result of charges imposed by the County to retire the subject debt; and

WHEREAS, the County has inquired as to the Management Committee's preferred mechanism for refunding or crediting the current funds back to the Local Units; and

WHEREAS, Muskegon County Corporate Counsel, Steve Corwin, has issued an opinion letter dated November 25, 2002, copy attached.

NOW THEREFORE the Muskegon Municipal Wastewater Management Committee resolves:

1. The County of Muskegon is requested to return the surplus funds to the respective individual Local Units, in proportion to their benefits and interests in the system, as specified in Exhibit C to the 1970 Access Rights Agreement, or apply the amount of surplus funds returnable to said Local Unit as a credit against future wastewater charges.

2. Each such Local Unit should pass a Resolution specifying its choice for the return of surplus funds or a credit, and deliver a copy to the County Accounting Director, Mr. Joe Siedenstrang.

Roland Crummel, Chairman
ACTING CHAIR

CERTIFICATE

I, Connie Smith, the duly appointed and acting Secretary of the Muskegon Municipal Wastewater Management Committee, hereby certify that the foregoing resolution was adopted by the Committee at a ~~special~~ meeting held on July 23 2003, at which meeting a quorum was present, by a vote of said members as hereinbefore set forth; that said resolution was ordered to take effect immediately.

Connie Smith, Secretary

G:\M B O\M M W M C\Resolution of June 2003 re wastewater bond issue and holding surplus for future application.wpd

W|H
C|S

WILLIAMS, HUGHES, CORWIN & SININGER, P.C.

ATTORNEYS AT LAW
www.whcslaw.com

Stephen C. Corwin
Douglas M. Hughes
William R. Sininger*
Theodore N. Williams, Jr.

*Also Admitted in Ohio
**Also Admitted in Colorado

Enrika L. F. McGahan

of Counsel
**L. James Lemmen, M.D.
David B. Merwin

November 25, 2002

Joe Siedenstrang,
Accounting Director
County of Muskegon
Hall of Justice
Muskegon, MI 49442

SUBJECT: $16 Million Wastewater Bond Issue

Dear Mr. Siedenstrang:

You have requested an opinion from this office as to the "close-out" of the $16 million wastewater bond issue, which dates back to the early 1970's.

It is my understanding that those bonds have been fully paid and that several hundred thousand dollars remain in a fund as a result of charges imposed by the County in its effort to retire such debt. It is furthermore my understanding, based upon our discussion, that some, but not all of such "surplus" funds were generated by "special millages" issued by one or another of the Local Unit participants of the wastewater system.

The question, of course, which has been posed is what should be the disposition of such surplus funds, both in general terms, and more specifically, in light of the fact that a portion of such funds may have been generated through such "special millages".

As you know, the $16 bond was based upon an Access Rights Agreement executed by the County by participating Local Units in 1970.

That Agreement, while making provision for collection of deficiencies and utilization of surplus bond proceeds, does not explicitly address the question of what to do with surplus payments made on account of such bonds. Nonetheless, Section 17, which addresses the issue of surplus bond funds, at least by way of analogy, would seem to be helpful. That Section provides:

"17. After completion of the System and payment of all costs thereof, any surplus remaining from the proceeds of sale of bonds shall be allocated to the Local Unit in proportion to its benefits and interests in the System as specified in Exhibit C hereto and used by the Board in the Local Unit for either of the following

120 West Apple Avenue · P.O. Box 599 · Muskegon, Michigan 49443-0599
231-726-4857 · Fax 231-727-2130 · Email lawyers@whcspc.com

> purposes, at the option of and upon request made by resolution of the legislative body of the Local Unit, to-wit: (a) for additional sanitary sewer improvements in the Local Unit, subject to approval of the Board, or (b) credited by the Board toward the next payments due the Board by the Local Unit hereunder."

Assuming that the "surplus" generated in satisfaction of the $16 million bond can be allocated back to the Local Units in accordance with the Access Rights formulas which last governed, it would appear appropriate to individually credit such surpluses back to each Local Unit as against future bond payment obligations, say under the 1989 bonds, or alternately, at a Local Unit request, to return individual Local Unit surpluses.

While Local Units may individually desire action from their individual legislative bodies, my suspicion would be that because of the relatively small amounts involved that the Wastewater Management Committee might be able to advise the County as to their collective desire. To such end, I will be copying their attorney, Mr. Ortega, for his review and input.

In conclusion, while it appears that individual crediting of surplus to individual Local Units will be needed, rather than "banking" such funds into a capital replacement reserve, I would recommend, subject to Mr. Ortega's input, that surplus be credited as against future Local Unit cost obligations, with crediting done in accordance with the last governing Access Rights formula.

Finally, inasmuch as no distinction can be made by the County as between Local Units based upon sources of funds utilized by such Local Units in payment of such amounts, I do not believe that the question of whether such funds were based upon special millage or not can be a relevant consideration from the County's perspective.

Very truly yours,

Stephen C. Corwin
Muskegon County Corporate Counsel

SCC:kl

cc: Timothy Westman, Director Wastewater
Michael Ortega, Attorney for Wastewater Management Committee
James Borushko, County Administrator

U:\Wastewater\LTRS\2002\Siedenstrang-bond-11-25.doc

Date: March 9, 2004

To: Honorable Mayor and City Commissioners

From: Engineering

RE: City - MDOT Agreement for: Shoreline Dr.

SUMMARY OF REQUEST:

To approve the attached contract with MDOT amending agreement no. 02-5019 for the Shoreline Dr. funding which was previously approved. The amendment allows for the construction of Western Ave. between Pine & Terrace to be eligible for funding from the $11,850,000 grant the City received for the Shoreline Dr. Project. Funding of the Western Ave. will be limited to the extent grant money is available. In the mean time, a special assessment district will be proposed for that street in the event grant funds are not enough.

FINANCIAL IMPACT:

The estimated cost of reconstructing Western Ave., $100,000

BUDGET ACTION REQUIRED:

None at this time.

STAFF RECOMMENDATION:

That the attached agreement and resolution be approved.

COMMITTEE RECOMMENDATION:

CITY OF MUSKEGON
RESOLUTION NO. 2004-25(g)

RESOLUTION FOR APPROVAL OF A CONTRACT AGREEMENT BETWEEN THE MICHIGAN DEPARTMENT OF TRANSPORTATION AND THE CITY OF MUSKEGON AMMENDING CONTRACT NO. 02-5019 DATED JULY 23, 2002 FOR THE CONSTRUCTION OF SHORELINE DR. WITH THE NECESSARY RELATED WORK AND AUTHORIZATION FOR MAYOR STEPHEN J. WARMINGTON AND CITY CLERK GAIL A KUNDINGER TO EXECUTE SAID CONTRACT

Moved by Commissioner Spataro and supported by Commissioner Gawron that the following Resolution be adopted:

WHEREAS, entry by the City of Muskegon into Contract no. **03-5643** between the Michigan Department of Transportation and the City of Muskegon for the **construction of Shoreline Dr.** within the City is in the best interests of the City of Muskegon.

RESOLVED, that entry by the City into Contract Agreement Number **03-5643** be and the same is hereby authorized and approved and the Mayor and Clerk are authorized to execute said contract for and on behalf of the City of Muskegon.

Adopted this 9th day of March, 2004.

BY ____________________
Stephen J. Warmington, Mayor

ATTEST Gail A. Kundinger
Gail A. Kundinger, City Clerk

CERTIFICATION

This resolution was adopted at a meeting of the City Commission, held on March 9, 2004. The meeting was properly held and noticed pursuant to the Open Meetings Act of the State of Michigan, Act 267 of the Public Acts of 1976.

CITY OF MUSKEGON

By Gail A. Kundinger
Gail A. Kundinger, City Clerk

STATE OF MICHIGAN
DEPARTMENT OF TRANSPORTATION
LANSING

JENNIFER M. GRANHOLM
GOVERNOR

GLORIA J. JEFF
DIRECTOR

March 25, 2004

RECEIVED
MAR 29 2004
City Clerks Office

Ms. Gail Kundinger, Clerk
City of Muskegon
933 Terrace Street, P.O. Box 536
Muskegon, MI 49443-0536

Dear Ms. Kundinger:

RE:	MDOT Contract Number:	03-5643
	Control Section:	MBS 61153; MBS 61151
	Job Number:	56028; 59527

Enclosed is a fully executed copy of the above noted agreement.

Sincerely,

Jackie Burch

Jackie Burch
Contract Processing Specialist
Design Division

Enclosure

cc: D. Finch, Economic Development
Project Accounting, Financial Operations Division
Grand Region Engineer

cc: Engineering

CAB

AMENDMENT TO CONTRACT 02-5019

Control Section MBS 61153; MBS 61151
Job Number 56028; 59527
Contract No. 03-5643

THIS AMENDATORY CONTRACT is made and entered into this date of MAR 17 2004, by and between the MICHIGAN DEPARTMENT OF TRANSPORTATION, hereinafter referred to as the "DEPARTMENT"; and the CITY OF MUSKEGON, a Michigan municipal corporation, hereinafter referred to as the "REQUESTING PARTY"; for the purpose of fixing the rights and obligations of the parties in agreeing to this Amendment to CONTRACT #02-5019.

WITNESSETH:

WHEREAS, the parties to the Amendment have heretofore, by a Contract dated July 23, 2002, hereinafter referred to as "CONTRACT 02-5019" provided for the construction and financing of that which is hereinafter referred to as the "PROJECT" and is described as follows:

PART A - MBS 61153; JOB# 56028
New construction work for the Shoreline Drive Connector from Highway US-31BR to the existing Shoreline Drive at Terrace Street; and all together with necessary related work.

PART B - MBS 61151; JOB# 59527
Coldmilling and bituminous resurfacing work along Shoreline Drive from the existing Highway US-31BR northerly to Fourth Street and Pavement and removal and replacement work along Shoreline Drive from Fourth Street northerly to Terrace Street; and all together with necessary related work.

WHEREAS, the DEPARTMENT and the REQUESTING PARTY having appropriate authority desire to amend CONTRACT 02-5019 to replace the individual capped amount of State Build Michigan III Funds for each PART with a total capped amount of State Build Michigan III Funds for the combined PARTS A and B and to include reconstruction work along Western Avenue in the PART B portion of the PROJECT work.

NOW, THEREFORE, it is hereby agreed by and between the parties hereto that:

1. The PART B portion of the project description of CONTRACT 02-5019 is revised to read as follows:

PART B - MBS 61151; JOB# 59527

Coldmilling and bituminous resurfacing work along Shoreline Drive from the existing Highway US-31BR northerly to Fourth Street and Pavement, removal and replacement work along Shoreline Drive from Fourth Street northerly to Terrace Street, and reconstruction work along Western Avenue from Pine Street to Terrace Street; and all together with necessary related work.

2. Section 5 of CONTRACT 02-5019 is revised to read as follows:

5. The PART A and B portions of the PROJECT COST shall be met by contributions by State Build Michigan III Funds. State Build Michigan III Funds shall be applied to the eligible items of the combined PART A and B portions of the PROJECT COST up to an amount not to exceed the total of $11,850,000, the grant amount. The balance, if any, of the PART A and B portions of the PROJECT COST, after deduction of State Build Michigan III Funds, is the sole responsibility of the REQUESTING PARTY.

Costs for PROJECT work performed by the REQUESTING PARTY that are eligible for payment under this contract will be based on the actual labor, material, and equipment supplied by the REQUESTING PARTY for the PROJECT and under the REQUESTING PARTY'S direct control. Costs for PROJECT work performed under subcontract with the REQUESTING PARTY that are eligible for payment under this contract will be based on the terms and conditions set forth in the formal written agreement between the REQUESTING PARTY and the subcontractor and approved by the DEPARTMENT as applicable.

It is understood that payment of costs is subject to cost criteria set forth in Section 4C and any changes in the scope of work for the PROJECT will require approval by the DEPARTMENT.

Upon receipt of the "Request for Payment Form" from the REQUESTING PARTY, the DEPARTMENT will authorize payment to the REQUESTING PARTY for one half of the eligible grant amount upon execution of this contract and the balance of the eligible grant amount six (6) months after execution of this contract.

3. EXHIBIT I of CONTRACT 02-5019 is superseded by EXHIBIT I REVISED, dated December 18, 2003, attached hereto and made a part hereof. Any references to EXHIBIT I in CONTRACT 02-5019 shall be construed to mean EXHIBIT I REVISED.

4. Except as amended by the provisions herein, all of the provisions, covenants, and obligations of the parties contained in CONTRACT 02-5019 shall remain in full force and effect.

5. The REQUESTING PARTY waives any and all claims it has or may have against the DEPARTMENT which arise out of the need to amend CONTRACT 02-5019.

6. This Amendatory contract shall become binding on the parties hereto and of full force and effect upon the signing thereof by the duly authorized officials for the parties hereto; upon the adoption of the necessary resolution approving said contract and authorizing the signatures thereto of the respective officials of the REQUESTING PARTY, a certified copy of which resolution shall be attached to this contract.

IN WITNESS WHEREOF, the parties hereto have caused this contract to be executed the day and year first above written.

CITY OF MUSKEGON	MICHIGAN DEPARTMENT OF TRANSPORTATION
By ______	By ______
Title: Stephen J. Warmington Mayor	Department Director MDOT
By Gail A. Kundinger	
Title: Gail A. Kundinger City Clerk	

FORM APPROVED
1/9/04
ASSISTANT ATTORNEY GENERAL

REVIEWED
-7-04
CONTRACT/ADMIN

2/4/87 amend.for 12/18/03

December 18, 2003

EXHIBIT I REVISED

CONTROL SECTION MBS 61153; MBS 61151
JOB NUMBER 56028; 59527

ESTIMATED COST

CONTRACTED WORK

	PART A	PART B	TOTAL
Estimated Cost	$8,800,000	$3,050,000	$11,850,000

COST PARTICIPATION

GRAND TOTAL ESTIMATED COST	$8,800,000	$3,050,000	$11,850,000
Less State Build Michigan III Funds*	$8,800,000	$3,050,000	$11,850,000
BALANCE (REQUESTING PARTY'S SHARE)	$ -0-	$ -0-	$ -0-

*State Build Michigan III Funds shall be applied to the eligible items of the PART A and B portions of the PROJECT COST up to a total amount not to exceed $11,850,000 for the combined PARTS A and B.

NO DEPOSIT

Date: March 9, 2004

To: Honorable Mayor and City Commissioners

From: Engineering

RE: Balancing Change Order for the Lakefront Project

SUMMARY OF REQUEST:

Approve the final estimate on the Lakefront Development project. The final cost of the contract with Jackson Merkey has reached a total of $1,657,878.45 which is $417,720.8 over the awarded amount of $1,240,157.65. The overages are attributed to the site conditions as described in the attached memo.

FINANCIAL IMPACT:

The total cost of the project is part of the consent special assessment between the City & Lakefront LLC and will be repaid by the developer over time.

BUDGET ACTION REQUIRED:

None. The overage was taken into account when the final 2003 budget revision was adopted.

STAFF RECOMMENDATION:

Approve the final estimate.

COMMITTEE RECOMMENDATION:

MEMORANDUM

To: Mayor and City Commissioners

From: Mohammed Al-Shatel, City Engineer

Date: March 3, 2004

Re: Balancing Change Order for the Lakefront Project

The Lakefront construction contract with Jackson Merkey has been completed and a final estimate has been prepared, however before payment is made, I must make you aware of the following:

The contract was awarded to Jackson Merkey for a price of $1,240,157.65 however; the final cost has reached $1,657,878.45. The overruns are attributed to the site conditions. As you may recall, the site had a lot more buried concrete and undesirable materials than anyone had anticipated. In fact, in some areas we had to cut trenches through the old cooling tunnel and intake pipes for the old power plant.

The overruns are of two categories, the first one is in the form of change orders (4) that included payments for removal of 5' concrete foundations, additional dewatering for the construction of sanitary sewer line that was added after the bids to accommodate the proposed Gallispie development, concrete crushing which ended up saving additional sand fill, increased the thickness of the concrete from 6" to 8" (sub-base materials are less than ideal), 4 & 6" conduits for future electrical & telephone placed under the roadway, irrigation system for the boulevard section.

The second category of overrun was mostly due increase in the bid quantities for bid items such as sand fill, top soil & seed. Those increases were the result of the site condition as well.

In conclusion, while I understand that the increase is substantial, the results are worth it. As a matter of fact, while I was writing this memo I was informed by the concrete association representative that the City has received to excellence award one of which was for this project.

Date: **March 9, 2004**

To: **Honorable Mayor and City Commissioners**

From: **Gail A. Kundinger, 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 Ordinance 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 23, 2004, 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 No. 2004-26(a)

THE CITY COMMISSION OF THE CITY OF MUSKEGON DO RESOLVE, that whereas, the following 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:

SEE ATTACHED LIST OF VIOLATIONS

AND WHEREAS, a hearing was held on March 9, 2004, 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 <u>not</u> 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 before March 23, 2004, they will be removed from this Resolution.

Approved and adopted this 9th day of March, 2004.

AYES: Larson, Spataro, Warmington, Carter, Davis, Gawron

NAYS: None

ABSENT: Shepherd

By: Gail A. Kundinger

Gail A. Kundinger, MMC
City Clerk

LIST OF VIOLATIONS

Name	Address	Clerk	Inspection	Treasurer
Applebee's	1825 E Sherman		NO	
Clover Bar	817 Forest		NO	NO
Cuti's Sports Bar	677 W Laketon		NO	NO
Docker's Waterfront Café	3505 Marina View		NO	NO
Elks Lodge	149 Ottawa		NO	NO
Muskegon Rec. Club	1763 Lakeshore		NO	
Muskegon Yacht Club	3198 Edgewater		NO	
Polish Roman Cath Union	1890 Henry		NO	
Porthole Bar	1300 W Sherman		NO	
Rafferty's Restaurant	601 Terrace Point		NO	
Sherm's Saloon	1934 Peck		NO	
Someplace Else III	1508 W Sherman		NO	
Wesco Inc	1075 W Laketon	NO		

CERTIFICATION
2004-26(a)

This resolution was adopted at a regular meeting of the City Commission, held on March 9, 2004. The meeting was properly held and noticed pursuant to the Open Meetings Act of the State of Michigan, Act 267 of the Public Acts of 1976.

CITY OF MUSKEGON

By Gail A. Kundinger
Gail A. Kundinger, MMC, City Clerk

Commission Meeting Date: March 9, 2004

Date: **February 26, 2004**

To: **Honorable Mayor and City Commissioners**

From: **Planning & Economic Development**

RE: **Public Hearing and Resolution Revoking a Personal Property Industrial Development Certificate – Burgess-Norton Mfg. Co.**

SUMMARY OF REQUEST:

Pursuant to Public Act 198 of 1974, as amended, the City of Muskegon requests that the personal property component of Industrial Development Certificate No. 96-741 issued to Burgess-Norton Manufacturing, Co. be revoked. The certificate was originally requested October 22, 1996 by Burgess-Norton Manufacturing Co. Burgess-Norton ceased operations in 2003 and the building has been sold to Re-Source Industries, Inc.

FINANCIAL IMPACT:

Burgess-Norton and the City came to an agreement in 2003 for reimbursement of a portion of the abated taxes.

BUDGET ACTION REQUIRED:

None

STAFF RECOMMENDATION:

To hold the public hearing and authorize the Mayor and Clerk to sign the resolution revoking the personal property component of IFT certificate No. 96-741.

COMMITTEE RECOMMENDATION:

None

Resolution No. 2004-26(b)

MUSKEGON CITY COMMISSION

RESOLUTION REVOKING THE PERSONAL PROPERTY COMPONENT OF INDUSTRIAL FACILITIES EXEMPTION CERTIFICATE NO. 96-741
BURGESS NORTON MANUFACTURING, CO.

WHEREAS, the City of Muskegon issued an Industrial Facilities Exemption Certificate to Burgess-Norton Manufacturing, Co. in 1996; and

WHEREAS, a signed Tax Abatement Contract between Burgess Norton Manufacturing, Co., and the City of Muskegon took effect on October 22, 1996, with Burgess Norton Manufacturing, Co., agreeing to install $4,396,000 in machinery and equipment; and

WHEREAS, the Industrial Facilities Exemption Certificate is scheduled to expire in 2008; and

WHEREAS, Burgess Norton Manufacturing, Co. has sold it's assets at auction and has eliminated the jobs created or retained; and

WHEREAS, Section Three of the Tax Abatement Contract states that "the closing of the Company's facilities in the City" shall be considered an event of default; and

WHEREAS, accoring to Section Four of the Tax Abatement Contract, in instances of default Burgess Norton Manufacturing, Co., consents to the immediate revocation of the IFT Certificate; and

WHEREAS, appropriate certified notice has been sent to Amsted Industries, parent company of Burgess Norton Manufacturing, Co. on February 24, 2004, notifying the company of the intent to revoke the personal property component of Industrial Facilities Exemption Certificate No. 96-741.

NOW THEREFORE BE IT RESOLVED by the Muskegon City Commission that the personal property component of Industrial Facilities Exemption Certificate No. 96-741, Burgess Norton Manufacturing Co., is revoked.

Adopted this 9th day of March, 2004.

Ayes: Spataro, Warmington, Carter, Davis, Gawron, Larson

Nays: None

Absent: None

By: ______________________
Stephen J. Warmington
Mayor

Attest: Gail A. Kundinger
Gail A. Kundinger
Clerk, MMC

CERTIFICATION
2004-26(b)

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 9, 2004.

Gail A. Kundinger

Gail A. Kundinger
Clerk, MMC

Date: March 9, 2004

To: Honorable Mayor and City Commissioners

From: Engineering

RE: Public Hearing
Create Special Assessment District for:
Strong Ave. from Jefferson St. to Peck St.

SUMMARY OF REQUEST:

To hold a public hearing on the proposed special assessment of the **Strong Ave. from Jefferson St. to Peck St.**, and to create the special assessment district and appoint two City Commissioners to the Board of Assessors if it is determined to proceed with the project

FINANCIAL IMPACT:

None at this time.

BUDGET ACTION REQUIRED:

None at this time.

STAFF RECOMMENDATION:

To create the special assessment and assign two City Commissioners to the Board of Assessors by adopting the attached resolution

COMMITTEE RECOMMENDATION:

CITY OF MUSKEGON

Resolution No. 2004-26(c)

Resolution At First Hearing Creating Special Assessment District
For **Strong Ave. from Jefferson St. to Peck St.**
Location and Description of Properties to be Assessed:
See Exhibit A attached to this resolution

RECITALS:

1. A hearing has been held on **March 9, 2004** at 5:30 o'clock p.m. at the City Commission Chambers. Notice was given by mail and publication as required by law.

2. That estimates of costs of the project, a feasibility report and valuation and benefit information are on file with the City and have been reviewed for this hearing.

3. At the hearing held **March 9, 2004,** there were 46.06% objections by the owners of the property in the district registered at the hearing either in writing received before or at the hearing or by owners or agents present at the hearing, and the Commission has considered the advisability of proceeding with the project.

FINDINGS:

1. The City Commission has examined the estimates of cost to construct the project including all assessable expenses and determines them to be reasonable.

2. The City Commission has considered the value of the property to be assessed and the value of the benefit to be received by each property proposed to be assessed in the district after the improvements have been made. The City Commission determines that the assessments of costs of the City project will enhance the value of the properties to be assessed in an amount at least equivalent to the assessment and that the improvement thereby constitutes a benefit to the property.

THEREFORE, BE IT RESOLVED:

1. The City Commission hereby declares a special assessment district to include the property set forth in Exhibit A attached to this resolution.

2. The City Commission determines to proceed with the improvements as set forth in the feasibility study and estimates of costs, and directs the City Engineer to proceed with project design, preparation of specifications and the bidding process. If appropriate and if bonds are to be sold for the purposes of financing the improvements, the Finance Department shall prepare plans for financing including submission of application to the Michigan Department of Treasury and the beginning of bond proceedings.
3. The City Commission hereby appoints a Board of Assessors consisting of City

Commissioners Shepherd and Gawron and the City Assessor who are hereby directed to prepare an assessment roll. Assessments shall be made upon front foot basis.

4. Based on the City's Special Assessment policy and preliminary estimates it is expected that approximately **27.81%** of the cost of the street improvement will be paid by special assessments.

5. Upon submission of the special assessment roll, the City staff is hereby directed to notify all owners and persons interested in properties to be assessed of the hearing at which the City Commission will consider confirmation of the special assessment roll.

This resolution adopted.

Ayes: Spataro, Warmington, Carter, Davis, Gawron, Larson

Nays: None

CITY OF MUSKEGON

By Gail A. Kundinger
Gail A. Kundinger, Clerk

ACKNOWLEDGMENT

This resolution was adopted at a meeting of the City Commission, held on **March 9, 2004**. The meeting was properly held and noticed pursuant to the Open Meetings Act of the State of Michigan, Act 267 of the Public Acts of 1976.

CITY OF MUSKEGON

By Gail A. Kundinger
Gail A. Kundinger, Clerk

EXHIBIT A

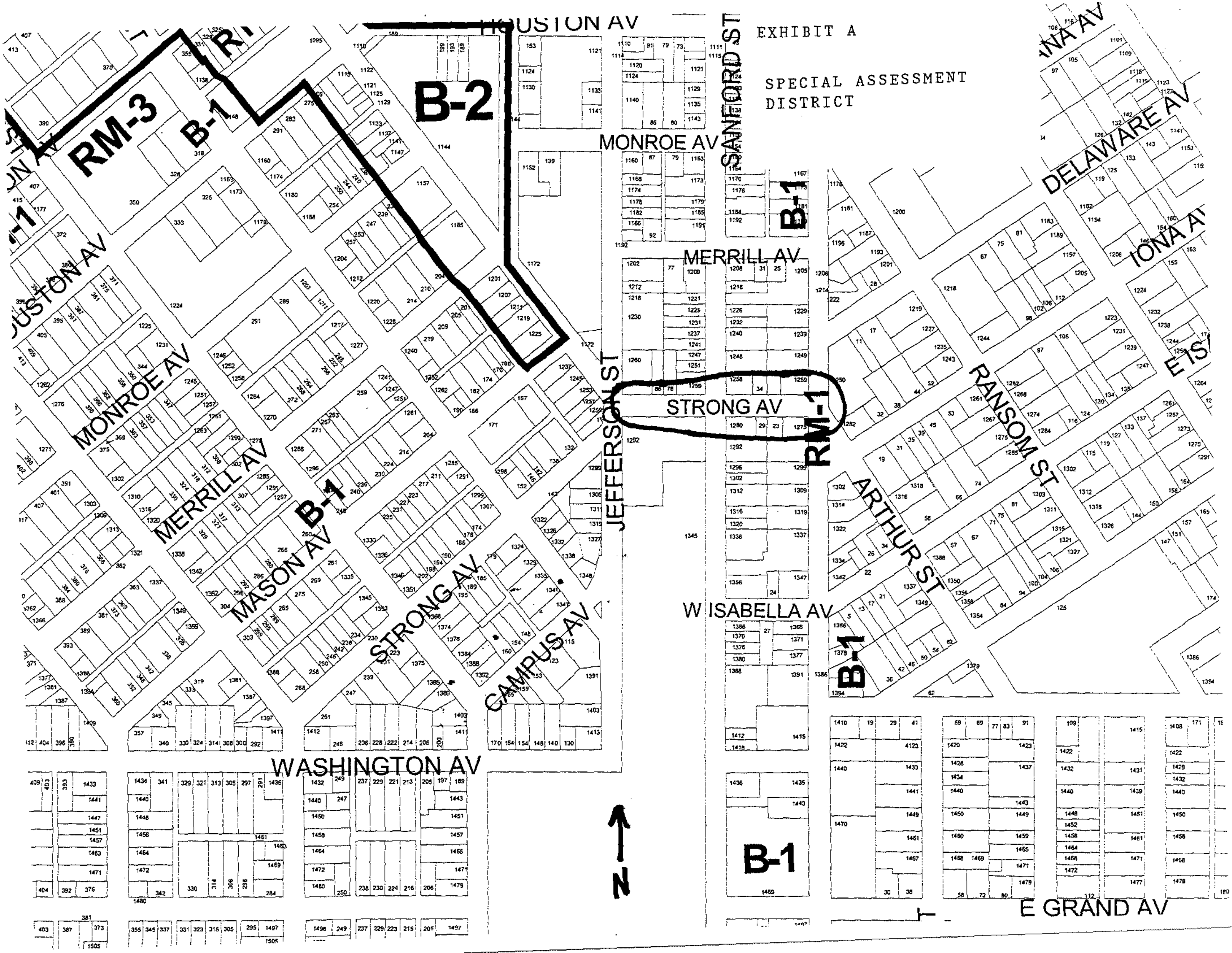
Strong Ave. from Jefferson St. to Peck St.

SPECIAL ASSESSMENT DISTRICT

All properties abutting that section of Strong Ave. from Jefferson St. to Peck St.

EXHIBIT A

SPECIAL ASSESSMENT DISTRICT



AFFIDAVIT OF MAILING

STATE OF MICHIGAN)
) SS
COUNTY OF MUSKEGON)

TO CREATE A SPECIAL ASSESSMENT DISTRICT FOR THE FOLLOWING:

Strong Ave. Jefferson St. to Peck St.

THE DEPONENT SAYS THAT THE NOTICE OF HEARING WAS SERVED UPON EACH OWNER OF OR PARTY IN INTEREST IN PROPERTY TO BE ASSESSED IN THE SPECIAL ASSESSMENT DISTRICT WHOSE NAME APPEARS UPON THE LAST TAX ASSESSMENT RECORDS OF THE CITY OF MUSKEGON BY MAILING SUCH NOTICE IN A SEALED ENVELOPE BY FIRST CLASS UNITED STATES MAIL, WITH POSTAGE PREPAID, ADDRESSED TO EACH SUCH OWNER OR PARTY IN INTEREST AT THE ADDRESS SHOWN ON SAID LAST TAX ASSESSMENT RECORDS BY DEPOSITING THEM IN AN OFFICIAL UNITED STATES MAIL RECEPTACLE ON THE 27TH DAY OF FEBRUARY, 2004.

Gail A. Kundinger
GAIL A. KUNDINGER, CITY CLERK

SUBSCRIBED AND SWORN TO BEFORE ME THIS
11th DAY OF March, 2004.

Linda S. Potter
NOTARY PUBLIC, MUSKEGON COUNTY, MICHIGAN
MY COMMISSION EXPIRES 9-25-06

ENGINEERING FEASIBILITY STUDY

For

STRONG AVE. FROM JEFFERSON ST. TO PECK ST.

The proposed reconstruction of Strong between Jefferson & Peck was initiated by the city due to the pavement conditions and the lack of drainage. The proposed reconstruction of this section of Strong will enhance the curb appeal of the immediate area in particular and the entire neighborhood in general. The proposed reconstruction is necessary to improve the ride quality and also will facilitate the construction of a new 8" water main along with services to adjacent parcel. The proposed project consist of complete removal of existing pavement along with curbs & gutter and the construction of a new 28' back to back curb & gutter street along with all necessary drainage facilities.

The proposed improvements will address at least two of the established goals, those are;

- Improve the City's infrastructure
- Enhance the appearance of that area.

A memorandum from the Assessor's office, which addresses appraisal and benefits to abutting properties, is attached.

The preliminary cost estimate for the work associated with paving is approximately $101,000 with the length of the project being approximately 650 lineal feet or 799 of assessable footage. This translates into an estimated improvement cost of $126 per assessable foot. The assessment figure will be at a cost not to exceed $35.15 per assessable foot as established in the 2004 Special Assessment for this type of improvement

MUSKEGON COUNTY
M I C H I G A N

February 25, 2004

Mohammed Al-Shatel, City Engineer
City of Muskegon
933 Terrace Street
Muskegon, MI 49443

Mr. Al-Shatel:

In accordance with your request, I have examined the proposed special assessment district entailing the reconstruction of Strong Avenue between Jefferson Street and Peck Street. The purpose of this analysis is to document the reasonableness of this special assessment district by identifying and quantifying any accrued benefits. It is subject to the normal governmental restrictions of escheat, taxation, police power and eminent domain. The effective date is February 25, 2004.

In conclusion, it is my opinion that the special assessment amounts justly and reasonably represents the accrued benefits to the properties encompassed by this project. The amounts reflect the sum of the immediate estimated value enhancement and the intrinsic value that will accrue from an overall increase in property values due to an improved quality of life created by the proposed project. As previously presented, the proposed special assessment district encompasses primarily residential properties. The front foot rate of $35.15 for the reconstruction of the above mentioned project area appears reasonable in light of an analysis that indicates a possible enhancement of $35.78. The conclusions are based upon the data presented within this limited analysis in restricted format, and on supporting information in my files.

Sincerely,

Vicki A. Emery

Vicki A Emery, CMAE 3

Senior Appraiser

EQUALIZATION DEPARTMENT • 173 E. APPLE AVE., BUILDING C • MUSKEGON, MI 49442
(231) 724-6386 • FAX (231) 724-1129

February 27, 2004

Dear :OWNERS NAME
OWNERS ADDRESS
OWNERS CITY , OWNERS STATE, OWNERS ZIPCODE 1

The City of Muskegon is asking for your support for improvement of the street adjoining your property located at PROPERTY ADDRESS & STREET.

The City of Muskegon believes that by making the proposed street improvements you will have less road noise, dust, and wear and tear on your vehicle. In addition, street improvements provide easier access for delivery of services such as snow plowing, mail delivery, and bus service.

Called a special assessment district, the largest percentage of the proposed street improvement will be paid for by the City of Muskegon (via local funds and or grants); however, it will be necessary for you to cover a share of the cost (which you can spread over a period of ten years) based on the amount of property you own bordering the street. A description of the project, including the associated cost to you and the City, is located in the documents attached to this letter.

While the City of Muskegon believes that the proposed improvements will result in a safer and cleaner street while adding curb appeal to your property, you do have the right to ask further questions, decline, or protest participation in this particular project. Please carefully review the enclosed materials and call the City's Engineering Department at 724-6707 or your ward commissioner if you require more information.

A public hearing is also scheduled for this project on MARCH 9, 2004. If you attend this public hearing you will be given an opportunity to present your questions and potential concerns on the proposed special assessment district to the commission.

Also located in this packet of materials is a Special Assessment Hearing Response Card. If mailed back to the City of Muskegon City Clerk's Office before the scheduled public hearing your vote will be added to the tabulation of votes during the public hearing. If you do not send in this form your vote counts as "in favor" of the project.

Thank you for your participation in improving the quality of life in the Muskegon community.

February 27, 2004

OWNERS NAME
OWNERS ADDRESS
OWNERS CITY, OWNERS STATE   OWNERS ZIPCODE 1

Parcel Number 24-XXX-XXX-XXXX-XX: at PROPERTY ADDRESS & STREET

NOTICE OF HEARING ON SPECIAL ASSESSMENT

Dear Property Owner:

The Muskegon City Commission is considering whether or not to create a special assessment district which would assess your property for the following paving project:

STRONG AVE., JEFFERSON ST. TO PECK ST.

The proposed special assessment district will be located as follows:

All parcels abutting Strong Ave. from Jefferson St. to Peck St.

It is proposed that a portion of the above improvement will be paid by special assessment against properties in the aforementioned district. Following are conditions of the proposed special assessment which are important to you.

Public Hearings

An initial public hearing to consider the creation of a special assessment district will be held at the City of Muskegon City Commission Chambers on MARCH 9, 2004 at 5:30 P.M. You are encouraged to appear at this hearing, either in person, by agent or in writing to express your opinion, approval, or objection concerning the proposed special assessment. We are enclosing a Hearing Response Card for you to indicate your agreement or opposition to the special assessment. This card includes the property identification and description, assessable footage per City policy, and the estimated cost of the assessment. You may also appear, as above, in lieu of, or in addition to mailing your response card to the City Clerk. Written objections or appearances must be made at or prior to the hearing. NOTE: THE SPECIAL ASSESSMENT WILL BE CREATED OR NULLIFIED AT THIS HEARING. IT IS IMPORTANT FOR YOU TO COMMENT AT THIS HEARING IF YOU WANT YOUR OPINION COUNTED FOR THE SPECIAL ASSESSMENT.

A second public hearing will be held, if the district is created, to confirm the special assessment roll after the project is completed. You will be mailed a separate notice for the second hearing. At this second hearing the special assessment costs will be spread on the affected properties accordingly. YOU ARE HEREBY NOTIFIED THAT YOU HAVE A RIGHT TO PROTEST YOUR ASSESSMENT AMOUNT AGAINST YOUR PARCEL EITHER IN WRITING OR IN PERSON AT THIS HEARING. IF THE SPECIAL ASSESSMENT ROLL IS CONFIRMED AT THE SECOND HEARING, YOU WILL HAVE THIRTY (30) DAYS FROM THE DATE OF CONFIRMATION OF THE ROLL TO FILE A WRITTEN APPEAL WITH THE MICHIGAN STATE TAX TRIBUNAL. HOWEVER, UNLESS YOU PROTEST AT THE INITIAL HEARING OR AT THE SECOND HEARING CONFIRMING THE ROLL, EITHER IN PERSON, BY AGENT, OR IN WRITING BEFORE OR AT THE HEARING, YOUR RIGHT TO APPEAL TO THE MICHIGAN TAX TRIBUNAL WILL BE LOST.

By City Charter, if the owners of more than one-half of the properties to be assessed shall object to the assessment in writing at or before the hearing, the improvement shall not be made unless the City Commission determines by affirmative vote of all its members that the safety or health of the public necessitates the improvement.

Estimated Costs

The total estimated cost of the street portion of the project is $101,000.00 of which approximately 27.81% ($28,084.85) will be paid by special assessment to property owners. Your property's estimated share of the special assessment is shown on the attached hearing response card. The remaining costs will be paid by the City.

The street assessment, which covers improvements to the roadway, may be paid in installments over a period of up to ten (10) years. Any work on drive approaches or sidewalks will be assessed to the property at actual contract prices and these costs may also be paid in installments over ten (10) years. Please note this work is in addition to the street special assessment.

Please refer to the enclosed sheet entitled Special Assessment Payment Options for more information on the payment options and financial assistance programs available.

I urge you to return the enclosed hearing response card indicating your preference and to attend the scheduled public hearing. Your views are important to the City and to your neighbors. Additional information, including preliminary project plans and cost estimates is available in the Engineering Department located on the second floor of City Hall. Regular business hours are from 8:00 A.M. to 5:00 P.M. Monday through Friday except holidays.

Sincerely,

Mohammed alshatel

Mohammed Al-Shatel, P.E.
City Engineer

SPECIAL ASSESSMENT

HEARING RESPONSE CARD

NO RESPONSE COUNTS AS "IN FAVOR" OF PROJECT-To have your vote count, please

Return This Card By MARCH 9, 2004

Project Number:	H 1578
Project Title:	STRONG AVE., JEFFERSON ST. TO PECK ST.
Project Description	RECONSTRUCTION

INSTRUCTIONS

If you wish to have your written vote included as part of the tabulation of votes forwarded to the City Commission for the scheduled public hearing, please return this card by the date indicated above. To use this response card please indicate whether you Oppose or Favor this special assessment project, sign the form and return it to the City Clerk's Office. To return this card by mail, simply fold on the dotted lines so the address on the reverse side is showing. Be sure to seal the form with a small piece of tape or staple prior to mailing. IF YOU DO NOT SEND IN THIS FORM YOUR VOTE COUNTS AS "IN FAVOR" OF PROJECT.

Assessment Information

Property Address:	PROPERTY ADDRESS & STREET	
Parcel Number	24-XXX-XXX-XXXX-XX	
Assessable Frontage:	92	Feet
Estimated Front Foot Cost:	$35.15	per Foot
ESTIMATED TOTAL COST	**$3,233.80**	

Property Description

CITY OF MUSKEGON
REVISED PLAT OF 1903
W 92 FT OF S 66 FT OF LOT 5 &
W 92 FT OF LOT 6 BLK 384

Your vote COUNTS!

Please vote either in favor or opposed to the Special Assessment Street Paving Project.

I AM IN FAVOR ☐ I AM OPPOSED ☐

Owner	______	CoOwner/Spouse	______
Signature	______	Signature	______
Address	______	Address	______

Thank you for taking the time to vote on this important issue.

Special Assessment Payment Options

Property owners in the City of Muskegon who are being specially assessed for street, sidewalk or other public improvements may pay their assessment in the following ways:

I. Lump Sum Payment in Full

Assessments may be paid in full within sixty (60) days of the confirmation of the special assessment roll *without interest.*

II. Installment Payments

Assessments not paid within the first sixty (60) days may be paid in installments over several years as follows:

Street and Alley Assessments – Ten (10) years equal annual principal payments. For example, if the amount of your assessment is $850.00, you will be billed $85.00 per year plus applicable interest as described below.

Driveway, Sidewalk, and Approach Assessments - Ten (10) years equal annual principal payments plus applicable interest as described below.

Interest – Simple interest is charged at the rate of 5.00% per year *unless* the City has borrowed money to complete the project for which you are assessed and has pledged you assessments for repayment of the borrowed money. In such cases, the interest you are charged is equal to the interest rate the City must pay on the borrowed money plus 1.00%.

III. Special Assessment Deferral (Low Income Seniors and Disabled Persons)

To qualify for a special assessment deferral you or your spouse (if jointly owned) must:

- Be 65 years or older or be totally or permanently disabled.
- Have been a Michigan resident for five (5) years or more and have owned and occupied the homestead being assessed for five (5) years or more.
- Be a citizen of the U.S.
- Have a total household income not in excess of $16,823.00
- Have a special assessment of $300.00 or more.

Under this program the State of Michigan will pay the entire balance owing of the special assessment, including delinquent, current, and further installments. At the time of payment a lien will be recorded on your property in favor of the State of Michigan. Repayment to the State must be made at the time the property is sold or transferred or after the death of the owner(s). During the time the special assessment is deferred interest is accrued at the rate of 6.00% per year.

IV. Further Information About the Above Programs

Further information about any of the above payment options may be obtained by calling either the ***City Assessor's Office* at 724-6708** or **the *City Treasurer's Office* at 724-6720.** *Applications may be obtained at the Muskegon County Equalization Office in the Muskegon County building or City of Muskegon Assessor's Office in City Hall.*

V. Additional Special Assessment Payment Assistance

Qualified low and moderate income homeowners who are being assessed may be eligible for payment assistance through the City of Muskegon Community Development Block Grant (CDBG) Program. Assistance from this program will be available to the extent that funds are available. To obtain further information and determine whether you are eligible, contact the ***Community and Neighborhood Services Department* at 724-6717**.

CITY OF MUSKEGON
STREET H-1578
STRONG AVE., JEFFERSON ST.. TO PECK ST.
CDBG APPLICATION FOR WAIVER OF SPECIAL ASSESSMENT

HOUSEHOLD INFORMATION

Name: ______________________ **Birthdate:**______________ **Social Security #** ____-____-____

Spouse:______________________ **Birthdate:**______________ **Social Security #** ____-____-____

Address: ______________________ **Phone:**______________ **Race:**

Parcel # ______________________ **Owner/Spouse Legally Handicapped Or Disabled?** ( )Yes ( ) No

(Please refer to your assessment letter for this information)

Number Living in Household:________ List information for household members besides owner/spouse here.

Name______________________ **Birthdate**______________ **Social Security #** ____-____-____

Name______________________ **Birthdate**______________ **Social Security #** ____-____-____

Name______________________ **Birthdate**______________ **Social Security #** ____-____-____

Name______________________ **Birthdate**______________ **Social Security #** ____-____-____

INCOME INFORMATION

ANNUAL Household Income: $__________ **Wage earner:**
(Must include all household income)

__________ **Wage earner:**

__________ **Wage earner:**

__________ **Wage earner:**

Total: $__________

PROPERTY INFORMATION

Proof Of Ownership: ( ) Deed ( ) Mortgage ( ) Land Contract

Homeowner's Insurance Co: ______________________ **Expiration Date:**

Property Taxes: ( ) Current ( ) Delinquent Year(s) Due
(Property taxes must be current to qualify and will be verified by CDBG staff)

OWNER'S SIGNATURE

Owner's Signature:______________________ **Date:**

By signing this application, the applicant verifies he/she **owns and occupies** the dwelling. The Applicant/Owner certifies that all information in this application, and all information furnished in support of this application, is true and complete to the best of the Applicant/Owner's knowledge and belief. The property owner's signature will be required prior to the application being processed. **NO APPLICATION WILL BE ACCEPTED AFTER APRIL 15, 2004**

FOR OFFICE USE ONLY

APPROVED ( ) DENIED ( ) DATE ________ CENSUS TRACT NO.

SIGNATURE ______________________ TITLE

COMMENTS/REMARKS

****ATTENTION APPLICANT****

Please see reverse side for instructions on providing proof of income, ownership, and property insurance.

CITY OF MUSKEGON
NOTICE OF PUBLIC HEARINGS
SPECIAL ASSESSMENT DISTRICTS

IN AN EFFORT TOWARDS NEIGHBORHOOD IMPROVEMENT, the Muskegon City Commission is proposing that special assessment districts be created for the following projects:

CAMPUS ST., JEFFERSON ST. TO WASHINGTON AVE.
AND
STRONG AVE., JEFFERSON ST. TO PECK ST.

The specific locations of the special assessment districts and the properties proposed to be assessed are:

All parcels abutting Campus Ave. from Jefferson St. to Washington Ave.

And
All parcels abutting Strong Ave. from Jefferson St. to Peck St.

The City Commission proposes that the City and property owners by means of special assessments will share the cost of improvement. You may examine preliminary plans and cost estimates in the City Hall's Engineering Department during regular business hours - between 8:00 A.M. and 5:00 P.M. on weekdays, except holidays.

PLEASE TAKE NOTICE: A PUBLIC HEARING WILL BE HELD IN THE MUSKEGON CITY COMMISSION CHAMBERS ON ***MARCH 9, 2004 AT 5:30 O'CLOCK P.M***

PLEASE UNDERSTAND THAT YOU HAVE A RIGHT TO PROTEST YOUR ASSESSMENT EITHER IN WRITING OR IN PERSON AT THE HEARING. IF THE SPECIAL ASSESSMENT ROLL IS CONFIRMED (AT A LATER HEARING) YOU WILL HAVE THIRTY (30) DAYS FROM THE DATE OF THE ROLL'S CONFIRMATION TO FILE A WRITTEN APPEAL WITH THE MICHIGAN STATE TAX TRIBUNAL. HOWEVER, UNLESS YOU PROTEST AT THIS HEARING OR AT THE HEARING CONFIRMING THE ROLL, EITHER IN PERSON, BY YOUR AGENT OR REPRESENTATIVE, OR IN WRITING BEFORE OR AT THE HEARING, YOUR RIGHT TO APPEAL TO THE MICHIGAN TAX TRIBUNAL WILL BE LOST.

By City Charter, if the owners of more than one-half of the property to be assessed shall object to the assessment in writing at or before the hearing, the improvement shall not be made unless the City Commission determines by affirmative vote of all its members that the safety or health of the public necessitates the improvement.

PUBLISH: **February 28, 2004** Gail Kundinger, City Clerk

ADA POLICY

The City will provide necessary appropriate auxiliary aids and services, for example, signers for the hearing impaired, audiotapes for the visually impaired, etc., for disabled persons who want to attend the meeting, upon twenty-four hours notice to the City. Contact:

Gail A. Kundinger, City Clerk
933 Terrace Street, Muskegon, MI 49440
(231) 724-6705 or TDD (231) 724-6773

SPECIAL ASSESSMENT

H 1578

RECONSTRUCTION HEARING DATE MARCH 9, 2004

STRONG AVE., JEFFERSON ST. TO PECK ST.

1		PUFFER RONALD/MARIAN	ASSESSABLE FEET:	92
24-205-384-0006-00		8509 S SURFSIDE DR	COST PER FOOT:	$35.15
@ 1260.	JEFFERSON	MONTAGUE MI 49437	ESTIMATED P.O. COST:	$3,233.80
2		MAY PROPERTY MANAGEMENT	ASSESSABLE FEET:	40
24-205-384-0006-10		3947 NORTON HILLS RD	COST PER FOOT:	$35.15
@ 86.0	STRONG AV	MUSKEGON MI 49441	ESTIMATED P.O. COST:	$1,406.00
3		GODBOLD ANISSA	ASSESSABLE FEET:	38
24-205-384-0007-00		744 MOULTON AVE	COST PER FOOT:	$35.15
@ 78.0	STRONG AV	N MUSKEGON MI 49445	ESTIMATED P.O. COST:	$1,335.70
4		ASBELCO PROPERTY CO	ASSESSABLE FEET:	47
24-205-384-0007-20		830 TOSTENABE LN	COST PER FOOT:	$35.15
@ 1259.	SANFORD S	MUSKEGON MI 49445	ESTIMATED P.O. COST:	$1,652.05
5		ASBELCO PROPERTY CO	ASSESSABLE FEET:	41
24-205-383-0006-00		830 TOSTENABE LN	COST PER FOOT:	$35.15
@ 1258.	SANFORD S	MUSKEGON MI 49445	ESTIMATED P.O. COST:	$1,441.15
6		ASBELCO PROPERTY CO	ASSESSABLE FEET:	50
24-205-383-0006-10		830 TOSTENABE LN	COST PER FOOT:	$35.15
@ 34.0	STRONG AV	MUSKEGON MI 49445	ESTIMATED P.O. COST:	$1,757.50
7		LIVINGSTON JASON F/SCOTT W	ASSESSABLE FEET:	42
24-205-383-0007-00		712 MOULTON AVE	COST PER FOOT:	$35.15
@ 1249.	PECK ST	NORTH MUSKE MI 49445	ESTIMATED P.O. COST:	$1,476.30

STRONG AVE., JEFFERSON ST. TO PECK ST.

8	QUALITY COMMUNICATIONS OF	ASSESSABLE FEET:	45
24-205-383-0007-10	1240 4TH ST	COST PER FOOT:	$35.15
@ 1259. PECK ST	MUSKEGON MI 49441	ESTIMATED P.O. COST:	$1,581.75
9	ST JEAN'S CATHOLIC CHURCH	ASSESSABLE FEET:	189
24-205-395-0001-00	1292 JEFFERSON	COST PER FOOT:	$35.15
@ 1292. JEFFERSON	MUSKEGON MI 49441	ESTIMATED P.O. COST:	$6,643.35
10	BECKMAN FLOYD	ASSESSABLE FEET:	49
24-205-394-0001-00	4106 FENNER	COST PER FOOT:	$35.15
@ 1280. SANFORD S	MUSKEGON MI 49445	ESTIMATED P.O. COST:	$1,722.35
11	CLOETINGH RUSSELL JR TRUS	ASSESSABLE FEET:	34
24-205-394-0001-10	1275 PECK ST	COST PER FOOT:	$35.15
@ 29.0 STRONG AV	MUSKEGON MI 49441	ESTIMATED P.O. COST:	$1,195.10
12	CLOETINGH RUSSELL JR TRUS	ASSESSABLE FEET:	50
24-205-394-0016-00	1275 PECK ST	COST PER FOOT:	$35.15
@ 23.0 STRONG AV	MUSKEGON MI 49441	ESTIMATED P.O. COST:	$1,757.50
13	CLOETINGH JR TRUST	ASSESSABLE FEET:	82
24-205-394-0015-00	1275 PECK ST	COST PER FOOT:	$35.15
@ 1275. PECK ST	MUSKEGON MI 49441	ESTIMATED P.O. COST:	$2,882.30

SUM OF ASSESSABLE FOOTAGE: 799.00 **SUM OF ESTIMATED P.O. COST:** $28,084.85

TOTAL NUMBER OF ASSESSABLE PARCELS 13.00

SPECIAL ASSESSMENT
HEARING RESPONSE CARD

NO RESPONSE COUNTS AS "IN FAVOR" OF PROJECT-To have your vote count, please Return This Card By MARCH 9, 2004

Project Number:	H 1578
Project Title:	STRONG AVE., JEFFERSON ST. TO PECK ST.
Project Description	RECONSTRUCTION

INSTRUCTIONS

If you wish to have your written vote included as part of the tabulation of votes forwarded to the City Commission for the scheduled public hearing, please return this card by the date indicated above. To use this response card please indicate whether you Oppose or Favor this special assessment project, sign the form and return it to the City Clerk's Office. To return this card by mail, simply fold on the dotted lines so the address on the reverse side is showing. Be sure to seal the form with a small piece of tape or staple prior to mailing. IF YOU DO NOT SEND IN THIS FORM YOUR VOTE COUNTS AS "IN FAVOR" OF PROJECT.

Assessment Information

Property Address:	1260 JEFFERSON ST	
Parcel Number	24-205-384-0006-00	
Assessable Frontage:	92	Feet
Estimated Front Foot Cost:	$35.15	per Foot
ESTIMATED TOTAL COST	**$3,233.80**	

RECEIVED
MAR 04 2004
City Clerks Office

Property Description

CITY OF MUSKEGON
REVISED PLAT OF 1903
W 92 FT OF S 66 FT OF LOT 5 &
W 92 FT OF LOT 6 BLK 384

Your vote COUNTS!

Please vote either in favor or opposed to the Special Assessment Street Paving Project.

I AM IN FAVOR ☐ I AM OPPOSED ☒

Owner RONALD PUFFER CoOwner/Spouse Marian Puffer

Signature Ronald Puffer Signature Marian Puffer

Address 5879 S. SURFSIDE MONTAGUE MI 49437 Address 5879 S. Surfside Dr. Montague

Thank you for taking the time to vote on this important issue.

SPECIAL ASSESSMENT

HEARING RESPONSE CARD

NO RESPONSE COUNTS AS "IN FAVOR" OF PROJECT-To have your vote count, please Return This Card By MARCH 9, 2004

Project Number:	H 1578
Project Title:	STRONG AVE., JEFFERSON ST. TO PECK ST.
Project Description	RECONSTRUCTION

INSTRUCTIONS

If you wish to have your written vote included as part of the tabulation of votes forwarded to the City Commission for the scheduled public hearing, please return this card by the date indicated above. To use this response card please indicate whether you Oppose or Favor this special assessment project, sign the form and return it to the City Clerk's Office. To return this card by mail, simply fold on the dotted lines so the address on the reverse side is showing. Be sure to seal the form with a small piece of tape or staple prior to mailing. IF YOU DO NOT SEND IN THIS FORM YOUR VOTE COUNTS AS "IN FAVOR" OF PROJECT.

RECEIVED
MAR 0 2004
City Clerks Office

Assessment Information

Property Address:	1280 SANFORD ST	
Parcel Number	24-205-394-0001-00	
Assessable Frontage:	49	Feet
Estimated Front Foot Cost:	$35.15	per Foot
ESTIMATED TOTAL COST	**$1,722.35**	

RECEIVED
MAR 0 2004
City Clerks Office

Property Description

CITY OF MUSKEGON
REVISED PLAT OF 1903
W 98 FT LOT 1 BLK 394

Your vote COUNTS!

Please vote either in favor or opposed to the Special Assessment Street Paving Project.

I AM IN FAVOR ☐ I AM OPPOSED ☒

Owner	Floyd M. Beckman	CoOwner/Spouse	
Signature	Floyd M. Beckman	Signature	
Address	4106 Fenner Rd	Address	

Thank you for taking the time to vote on this important issue.

10

H-1578 - STRONG AVE., JEFFERSON ST. TO PECK ST.

PROPERTY OWNER SPECIAL ASSESSMENT RESPONSE TABULATION

	FEET	PERCENTAGE
OTAL ASSESSABLE FRONT FOOTAGE	799.000 ***	
RONT FEET OPPOSED	141.000	17.65% ~~22.7%~~ 46.06%
ESPONDING FRONT FEET IN FAVOR	0.000	0.00%
OT RESPONDING - FRONT FEET IN FAVOR	658.000	~~82.35%~~
OTAL FRONT FEET IN FAVOR	658.000	~~82.35%~~

TOTAL NUMBER OF PARCELS - 13

FOR					OPPOSE				
LETTER#	ST#	ST NAME	PARCEL#	FEET	LETTER#	ST#	ST NAME	PARCEL#	FEET
					1	1260	JEFFERSON	24-205-384-0006-00	92.00
					10	1280	SANFORD	24-205-394-0001-00	49.00
						78	Strong		
						1292	Jefferson		
TOTALS				0.00					141.00

TABULATED AS OF: 05:02 PM

3/9/20045:02 PMTABULATION OF THE RESPONSES TO THE SP. ASS. HEARING ON STRONG

Date: March 9, 2004

To: Honorable Mayor and City Commissioners

From: Engineering

RE: Public Hearing
Create Special Assessment District for:
Campus Ave. from Jefferson St. to Washington Ave.

SUMMARY OF REQUEST:

To hold a public hearing on the proposed special assessment of the **Campus Ave. from Jefferson St. to Washington Ave.**, and to create the special assessment district and appoint two City Commissioners to the Board of Assessors if it is determined to proceed with the project

FINANCIAL IMPACT:

None at this time.

BUDGET ACTION REQUIRED:

None at this time.

STAFF RECOMMENDATION:

To create the special assessment and assign two City Commissioners to the Board of Assessors by adopting the attached resolution

COMMITTEE RECOMMENDATION:

CITY OF MUSKEGON

Resolution No. 2004-26(d)

Resolution At First Hearing Creating Special Assessment District
For **Campus Ave. from Washington to approximately 100' north of Fourth St.**
Location and Description of Properties to be Assessed:
See Exhibit A attached to this resolution

RECITALS:

1. A hearing has been held on **March 9, 2004** at 5:30 o'clock p.m. at the City Commission Chambers. Notice was given by mail and publication as required by law.

2. That estimates of costs of the project, a feasibility report and valuation and benefit information are on file with the City and have been reviewed for this hearing.

3. At the hearing held **March 9, 2004,** there were 31.35% objections by the owners of the property in the district registered at the hearing either in writing received before or at the hearing or by owners or agents present at the hearing, and the Commission has considered the advisability of proceeding with the project.

FINDINGS:

1. The City Commission has examined the estimates of cost to construct the project including all assessable expenses and determines them to be reasonable.

2. The City Commission has considered the value of the property to be assessed and the value of the benefit to be received by each property proposed to be assessed in the district after the improvements have been made. The City Commission determines that the assessments of costs of the City project will enhance the value of the properties to be assessed in an amount at least equivalent to the assessment and that the improvement thereby constitutes a benefit to the property.

THEREFORE, BE IT RESOLVED:

1. The City Commission hereby declares a special assessment district to include the property set forth in Exhibit A attached to this resolution.

2. The City Commission determines to proceed with the improvements as set forth in the feasibility study and estimates of costs, and directs the City Engineer to proceed with project design, preparation of specifications and the bidding process. If appropriate and if bonds are to be sold for the purposes of financing the improvements, the Finance Department shall prepare plans for financing including submission of application to the Michigan Department of Treasury and the beginning of bond proceedings.
3. The City Commission hereby appoints a Board of Assessors consisting of City

Commissioners Shepherd and Gawron and the City Assessor who are hereby directed to prepare an assessment roll. Assessments shall be made upon front foot basis.

4. Based on the City's Special Assessment policy and preliminary estimates it is expected that approximately **19.86%** of the cost of the street improvement will be paid by special assessments.

5. Upon submission of the special assessment roll, the City staff is hereby directed to notify all owners and persons interested in properties to be assessed of the hearing at which the City Commission will consider confirmation of the special assessment roll.

This resolution adopted.

Ayes: Warmington, Carter, Davis, Gawron, Larson, Spataro

Nays: None

CITY OF MUSKEGON

By Gail A. Kundinger

Gail A. Kundinger, Clerk

ACKNOWLEDGMENT

This resolution was adopted at a meeting of the City Commission, held on **March 9, 2004**. The meeting was properly held and noticed pursuant to the Open Meetings Act of the State of Michigan, Act 267 of the Public Acts of 1976.

CITY OF MUSKEGON

By Gail A. Kundinger

Gail A. Kundinger, Clerk

EXHIBIT A

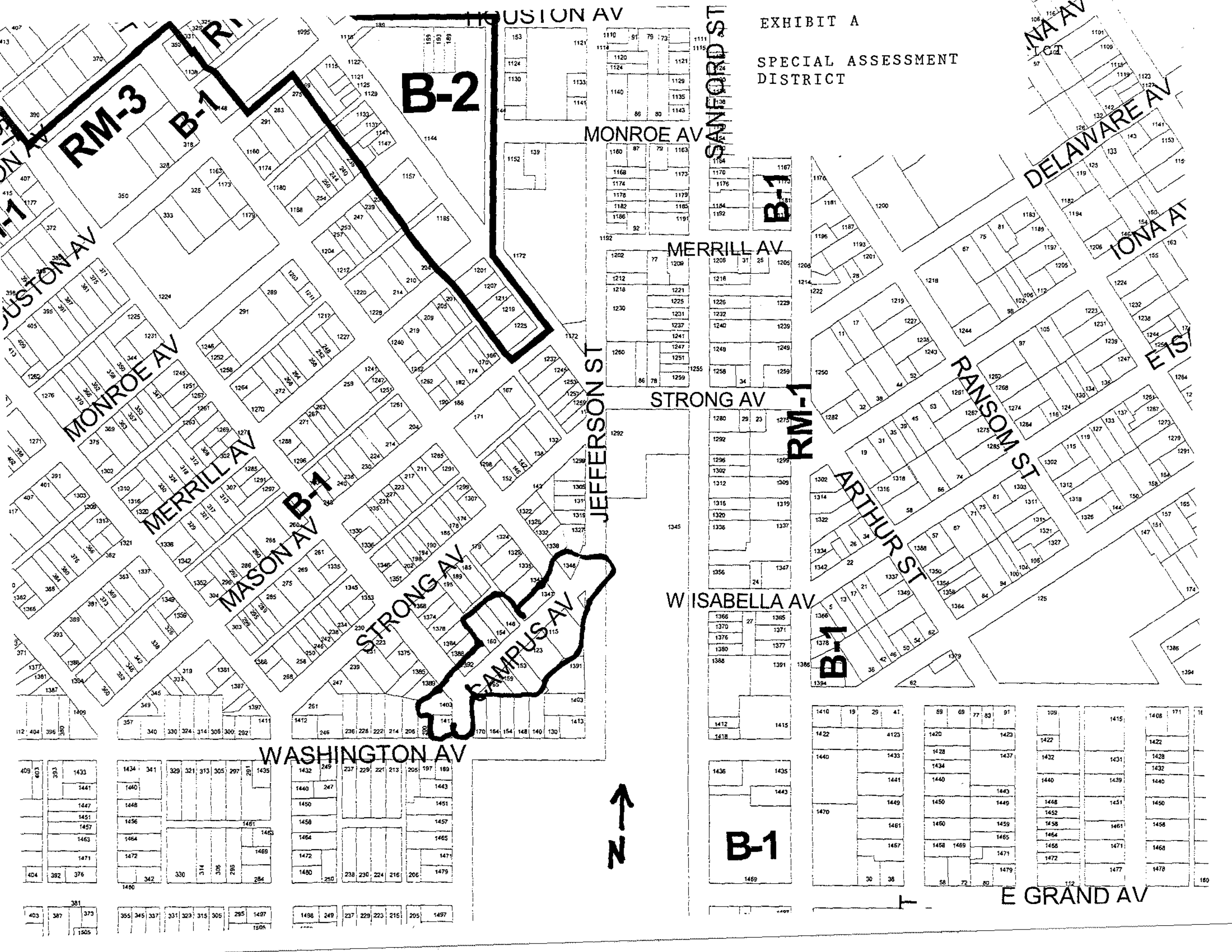
CAMPUS AVE. FROM JEFFERSON ST. TO WASHINGTON AVE.

SPECIAL ASSESSMENT DISTRICT

All properties abutting that section of Campus Ave. from Washington to approximately 100' north of Fourth St.

EXHIBIT A

SPECIAL ASSESSMENT DISTRICT



AFFIDAVIT OF MAILING

STATE OF MICHIGAN)
) SS
COUNTY OF MUSKEGON)

TO CREATE A SPECIAL ASSESSMENT DISTRICT FOR THE FOLLOWING:

Campus Ave. Jefferson St. to Wahington Ave.

THE DEPONENT SAYS THAT THE NOTICE OF HEARING WAS SERVED UPON EACH OWNER OF OR PARTY IN INTEREST IN PROPERTY TO BE ASSESSED IN THE SPECIAL ASSESSMENT DISTRICT WHOSE NAME APPEARS UPON THE LAST TAX ASSESSMENT RECORDS OF THE CITY OF MUSKEGON BY MAILING SUCH NOTICE IN A SEALED ENVELOPE BY FIRST CLASS UNITED STATES MAIL, WITH POSTAGE PREPAID, ADDRESSED TO EACH SUCH OWNER OR PARTY IN INTEREST AT THE ADDRESS SHOWN ON SAID LAST TAX ASSESSMENT RECORDS BY DEPOSITING THEM IN AN OFFICIAL UNITED STATES MAIL RECEPTACLE ON THE 27TH DAY OF FEBRUARY, 2004.

Gail A. Kundinger
GAIL A. KUNDINGER, CITY CLERK

SUBSCRIBED AND SWORN TO BEFORE ME THIS
11th DAY OF March, 2004.

Linda S. Potter
NOTARY PUBLIC, MUSKEGON COUNTY, MICHIGAN
MY COMMISSION EXPIRES 9-25-06

ENGINEERING FEASIBILITY STUDY

For

CAMPUS AVE. FROM JEFFERSON ST. TO WASHINGTON AVE.

The proposed reconstruction of Campus between Jefferson & Washington was initiated by the city due to the pavement conditions and the lack of drainage. The proposed reconstruction of this section of Campus will enhance the curb appeal of the immediate area in particular and the entire neighborhood in general. The proposed reconstruction is necessary to improve the ride quality and also will facilitate the construction of a new 8" sanitary seer line along with services to adjacent parcel. The proposed project consist of complete removal of existing pavement along with curbs & gutter and the construction of a new 34' back to back curb & gutter street along with all necessary drainage facilities.

The proposed improvements will address at least two of the established goals, those are;

- Improve the City's infrastructure
- Enhance the appearance of that area.

A memorandum from the Assessor's office, which addresses appraisal and benefits to abutting properties, is attached.

The preliminary cost estimate for the work associated with paving is approximately $148,000 with the length of the project being approximately 800 lineal feet or 799 of assessable footage. This translates into an estimated improvement cost of $126 per assessable foot. The assessment figure will be at a cost not to exceed $35.15 per assessable foot as established in the 2004 Special Assessment for this type of improvement

MUSKEGON COUNTY
M I C H I G A N

February 25, 2004

Mohammed Al-Shatel, City Engineer
City of Muskegon
933 Terrace Street
Muskegon, MI 49443

Mr. Al-Shatel:

In accordance with your request, I have examined the proposed special assessment district entailing the reconstruction of Campus Street between Jefferson Street and Washington Avenue. The purpose of this analysis is to document the reasonableness of this special assessment district by identifying and quantifying any accrued benefits. It is subject to the normal governmental restrictions of escheat, taxation, police power and eminent domain. The effective date is February 25, 2004.

In conclusion, it is my opinion that the special assessment amounts justly and reasonably represents the accrued benefits to the properties encompassed by this project. The amounts reflect the sum of the immediate estimated value enhancement and the intrinsic value that will accrue from an overall increase in property values due to an improved quality of life created by the proposed project. As previously presented, the proposed special assessment district encompasses primarily residential properties. The front foot rate of $35.15 for the paving of the above mentioned project area appears reasonable in light of an analysis that indicates a possible enhancement of $36.66. The conclusions are based upon the data presented within this limited analysis in restricted format, and on supporting information in my files.

Sincerely,

Vicki A. Emery

Vicki A Emery, CMAE 3

Senior Appraiser

EQUALIZATION DEPARTMENT • 173 E. APPLE AVE., BUILDING C • MUSKEGON, MI 49442
(231) 724-6386 • FAX (231) 724-1129

February 27, 2004

Dear :OWNERS NAME
OWNERS ADDRESS
OWNERS CITY , OWNERS STATE, OWNERS ZIPCODE 1

The City of Muskegon is asking for your support for improvement of the street adjoining your property located at PROPERTY ADDRESS & STREET.

The City of Muskegon believes that by making the proposed street improvements you will have less road noise, dust, and wear and tear on your vehicle. In addition, street improvements provide easier access for delivery of services such as snow plowing, mail delivery, and bus service.

Called a special assessment district, the largest percentage of the proposed street improvement will be paid for by the City of Muskegon (via local funds and or grants); however, it will be necessary for you to cover a share of the cost (which you can spread over a period of ten years) based on the amount of property you own bordering the street. A description of the project, including the associated cost to you and the City, is located in the documents attached to this letter.

While the City of Muskegon believes that the proposed improvements will result in a safer and cleaner street while adding curb appeal to your property, you do have the right to ask further questions, decline, or protest participation in this particular project. Please carefully review the enclosed materials and call the City's Engineering Department at 724-6707 or your ward commissioner if you require more information.

A public hearing is also scheduled for this project on MARCH 9, 2004. If you attend this public hearing you will be given an opportunity to present your questions and potential concerns on the proposed special assessment district to the commission.

Also located in this packet of materials is a Special Assessment Hearing Response Card. If mailed back to the City of Muskegon City Clerk's Office before the scheduled public hearing your vote will be added to the tabulation of votes during the public hearing. If you do not send in this form your vote counts as "in favor" of the project.

Thank you for your participation in improving the quality of life in the Muskegon community.

February 27, 2004

OWNERS NAME
OWNERS ADDRESS
OWNERS CITY, OWNERS STATE OWNERS ZIPCODE 1

Parcel Number 24-XXX-XXX-XXXX-XX: at PROPERTY ADDRESS & STREET

NOTICE OF HEARING ON SPECIAL ASSESSMENT

Dear Property Owner:

The Muskegon City Commission is considering whether or not to create a special assessment district which would assess your property for the following paving project:

CAMPUS ST., JEFFERSON ST. TO WASHINGTON AVE.

The proposed special assessment district will be located as follows:

All parcels abutting Campus Ave. from Jefferson St. to Washington Ave.

It is proposed that a portion of the above improvement will be paid by special assessment against properties in the aforementioned district. Following are conditions of the proposed special assessment which are important to you.

Public Hearings

An initial public hearing to consider the creation of a special assessment district will be held at the City of Muskegon City Commission Chambers on MARCH 9, 2004 at 5:30 P.M. You are encouraged to appear at this hearing, either in person, by agent or in writing to express your opinion, approval, or objection concerning the proposed special assessment. We are enclosing a Hearing Response Card for you to indicate your agreement or opposition to the special assessment. This card includes the property identification and description, assessable footage per City policy, and the estimated cost of the assessment. You may also appear, as above, in lieu of, or in addition to mailing your response card to the City Clerk. Written objections or appearances must be made at or prior to the hearing. NOTE: THE SPECIAL ASSESSMENT WILL BE CREATED OR NULLIFIED AT THIS HEARING. IT IS IMPORTANT FOR YOU TO COMMENT AT THIS HEARING IF YOU WANT YOUR OPINION COUNTED FOR THE SPECIAL ASSESSMENT.

A second public hearing will be held, if the district is created, to confirm the special assessment roll after the project is completed. You will be mailed a separate notice for the second hearing. At this second hearing the special assessment costs will be spread on the affected properties accordingly. YOU ARE HEREBY NOTIFIED THAT YOU HAVE A RIGHT TO PROTEST YOUR ASSESSMENT AMOUNT AGAINST YOUR PARCEL EITHER IN WRITING OR IN PERSON AT THIS HEARING. IF THE SPECIAL ASSESSMENT ROLL IS CONFIRMED AT THE SECOND HEARING, YOU WILL HAVE THIRTY (30) DAYS FROM THE DATE OF CONFIRMATION OF THE ROLL TO FILE A WRITTEN APPEAL WITH THE MICHIGAN STATE TAX TRIBUNAL. HOWEVER, UNLESS YOU PROTEST AT THE INITIAL HEARING OR AT THE SECOND HEARING CONFIRMING THE ROLL, EITHER IN PERSON, BY AGENT, OR IN WRITING BEFORE OR AT THE HEARING, YOUR RIGHT TO APPEAL TO THE MICHIGAN TAX TRIBUNAL WILL BE LOST.

By City Charter, if the owners of more than one-half of the properties to be assessed shall object to the assessment in writing at or before the hearing, the improvement shall not be made unless the City Commission determines by affirmative vote of all its members that the safety or health of the public necessitates the improvement.

Estimated Costs

The total estimated cost of the street portion of the project is $148,000.00 of which approximately 19.86% ($29,390.32) will be paid by special assessment to property owners. Your property's estimated share of the special assessment is shown on the attached hearing response card. The remaining costs will be paid by the City.

The street assessment, which covers improvements to the roadway, may be paid in installments over a period of up to ten (10) years. Any work on drive approaches or sidewalks will be assessed to the property at actual contract prices and these costs may also be paid in installments over ten (10) years. Please note this work is in addition to the street special assessment.

Please refer to the enclosed sheet entitled Special Assessment Payment Options for more information on the payment options and financial assistance programs available.

I urge you to return the enclosed hearing response card indicating your preference and to attend the scheduled public hearing. Your views are important to the City and to your neighbors. Additional information, including preliminary project plans and cost estimates is available in the Engineering Department located on the second floor of City Hall. Regular business hours are from 8:00 A.M. to 5:00 P.M. Monday through Friday except holidays.

Sincerely,

Mohammed AlShatel

Mohammed Al-Shatel, P.E.
City Engineer

SPECIAL ASSESSMENT
HEARING RESPONSE CARD

NO RESPONSE COUNTS AS "IN FAVOR" OF PROJECT-To have your vote count, please

Return This Card By MARCH 9, 2004

Project Number:	H 1579
Project Title:	CAMPUS ST., JEFFERSON ST. TO WASHINGTON AVE.
Project Description	RECONSTRUCTION

INSTRUCTIONS

If you wish to have your written vote included as part of the tabulation of votes forwarded to the City Commission for the scheduled public hearing, please return this card by the date indicated above. To use this response card please indicate whether you Oppose or Favor this special assessment project, sign the form and return it to the City Clerk's Office. To return this card by mail, simply fold on the dotted lines so the address on the reverse side is showing. Be sure to seal the form with a small piece of tape or staple prior to mailing. IF YOU DO NOT SEND IN THIS FORM YOUR VOTE COUNTS AS "IN FAVOR" OF PROJECT.

Assessment Information

Property Address:	PROPERTY ADDRESS & STREET	
Parcel Number	24-XXX-XXX-XXXX-XX	
Assessable Frontage:	66	Feet
Estimated Front Foot Cost:	$35.15	per Foot
ESTIMATED TOTAL COST	**$2,319.90**	

Property Description

CITY OF MUSKEGON
REVISED PLAT OF 1903
LOT 12 EX W 33 FT BLK 398

Your vote COUNTS!

Please vote either in favor or opposed to the Special Assessment Street Paving Project.

I AM IN FAVOR ☐ I AM OPPOSED ☐

Owner	____________	CoOwner/Spouse	____________
Signature	____________	Signature	____________
Address	____________	Address	____________

Thank you for taking the time to vote on this important issue. OWNERS NAME 1

Special Assessment Payment Options

Property owners in the City of Muskegon who are being specially assessed for street, sidewalk or other public improvements may pay their assessment in the following ways:

I. Lump Sum Payment in Full

Assessments may be paid in full within sixty (60) days of the confirmation of the special assessment roll *without interest.*

II. Installment Payments

Assessments not paid within the first sixty (60) days may be paid in installments over several years as follows:

> ***Street and Alley Assessments*** – Ten (10) years equal annual principal payments. For example, if the amount of your assessment is $850.00, you will be billed $85.00 per year plus applicable interest as described below.
>
> ***Driveway, Sidewalk, and Approach Assessments*** - Ten (10) years equal annual principal payments plus applicable interest as described below.
>
> ***Interest*** – Simple interest is charged at the rate of 5.00% per year *unless* the City has borrowed money to complete the project for which you are assessed and has pledged you assessments for repayment of the borrowed money. In such cases, the interest you are charged is equal to the interest rate the City must pay on the borrowed money plus 1.00%.

III. Special Assessment Deferral (Low Income Seniors and Disabled Persons)

To qualify for a special assessment deferral you or your spouse (if jointly owned) must:

- Be 65 years or older or be totally or permanently disabled.
- Have been a Michigan resident for five (5) years or more and have owned and occupied the homestead being assessed for five (5) years or more.
- Be a citizen of the U.S.
- Have a total household income not in excess of $16,823.00
- Have a special assessment of $300.00 or more.

Under this program the State of Michigan will pay the entire balance owing of the special assessment, including delinquent, current, and further installments. At the time of payment a lien will be recorded on your property in favor of the State of Michigan. Repayment to the State must be made at the time the property is sold or transferred or after the death of the owner(s). During the time the special assessment is deferred interest is accrued at the rate of 6.00% per year.

IV. Further Information About the Above Programs

Further information about any of the above payment options may be obtained by calling either the ***City Assessor's Office* at 724-6708** or **the *City Treasurer's Office* at 724-6720.** *Applications may be obtained at the Muskegon County Equalization Office in the Muskegon County building or City of Muskegon Assessor's Office in City Hall.*

V. Additional Special Assessment Payment Assistance

Qualified low and moderate income homeowners who are being assessed may be eligible for payment assistance through the City of Muskegon Community Development Block Grant (CDBG) Program. Assistance from this program will be available to the extent that funds are available. To obtain further information and determine whether you are eligible, contact the ***Community and Neighborhood Services Department* at 724-6717**.

CITY OF MUSKEGON
STREET H-1579
CAMPUS AVE., JEFFERSON ST. TO WASHINGTON AVE.
CDBG APPLICATION FOR WAIVER OF SPECIAL ASSESSMENT

HOUSEHOLD INFORMATION

Name: ______________________ **Birthdate:**____________ **Social Security #** ____-____-____

Spouse:______________________ **Birthdate:**____________ **Social Security #** ____-____-____

Address: ______________________ **Phone:**______________ **Race:**

Parcel # ______________________ **Owner/Spouse Legally Handicapped Or Disabled?** ( )Yes ( ) No

(Please refer to your assessment letter for this information)

Number Living in Household:________ List information for household members besides owner/spouse here.

Name______________________ **Birthdate**____________ **Social Security #** ____-____-____

Name______________________ **Birthdate**____________ **Social Security #** ____-____-____

Name______________________ **Birthdate**____________ **Social Security #** ____-____-____

Name______________________ **Birthdate**____________ **Social Security #** ____-____-____

INCOME INFORMATION

ANNUAL Household Income: $__________ **Wage earner:**
(Must include all household income)

__________ **Wage earner:**

__________ **Wage earner:**

__________ **Wage earner:**

Total: $__________

PROPERTY INFORMATION

Proof Of Ownership: ( ) Deed ( ) Mortgage ( ) Land Contract

Homeowner's Insurance Co: ______________________ **Expiration Date:**

Property Taxes: ( ) Current ( ) Delinquent Year(s) Due

(Property taxes must be current to qualify and will be verified by CDBG staff)

OWNER'S SIGNATURE

Owner's Signature:______________________________ **Date:**

By signing this application, the applicant verifies he/she **owns and occupies** the dwelling. The Applicant/Owner certifies that all information in this application, and all information furnished in support of this application, is true and complete to the best of the Applicant/Owner's knowledge and belief. The property owner's signature will be required prior to the application being processed. **NO APPLICATION WILL BE ACCEPTED AFTER APRIL 15, 2004**

FOR OFFICE USE ONLY

APPROVED ( ) DENIED ( ) DATE __________ CENSUS TRACT NO.

SIGNATURE ______________________ TITLE

COMMENTS/REMARKS

****ATTENTION APPLICANT****

Please see reverse side for instructions on providing proof of income, ownership, and property insurance.

CITY OF MUSKEGON
STREET- H-1579
CAMPUS AVE., JEFFERSON ST. TO WASHINGTON AVE.
REQUEST FOR WAIVER OF SPECIAL ASSESSMENT

Note: You may receive this application several times – If you have already applied, please discard.

Dear Resident:

The City of Muskegon has selected the street abutting your property for repairs. To assist homeowners, who may have difficulty paying the cost of street repairs, the City offers assessment waivers through the Community Development Block Grant (CDBG) Program for eligible households and families. If you meet the CDBG program qualifications, the City may pay the street assessment for you to the extent that funds are available.

Application Requirements:

✓ **Applicants must submit proof that their total household income does not exceed 65% of Area Median Income** (see chart below); Proof of income may include copies of Wage & Tax Statement (W-2's) from the year 2003, pension or other benefit checks, bank statements for direct deposits or agency statements for all household income.

2003

65% MEDIAN HOUSEHOLD INCOME CHART

FAMILY SIZE	INCOME LIMIT
1	$27,885
2	31,850
3	35,880
4	39,845
5	43,030
6	46,326
7	49,400
8	52,585
For each extra, add	3,185

✓ **Applicants must submit proof that they both own and occupy property at the time of application**; Land Contract purchasers must obtain approval of titleholder prior to receiving assistance. Proof of ownership should be a deed, mortgage, or land contract; proof of occupancy can be a copy of a driver's license or other official document showing both your name and address.

✓ **Applicants must submit proof of current property insurance.**

Please complete the first four (4) sections of the application on the reverse side of this notice, and return it, along with supporting documentation, to:

City of Muskegon
Community & Neighborhood Services
933 Terrace Street, 2nd Floor
Muskegon, MI 49440

For further information, please contact this office by calling 724-6717, weekdays from 8:30 a.m. and 5:00 p.m.

The City reserves the right to verify all application information, and to reject any applications that contain falsified information or insufficient documentation.

CITY OF MUSKEGON
NOTICE OF PUBLIC HEARINGS
SPECIAL ASSESSMENT DISTRICTS

IN AN EFFORT TOWARDS NEIGHBORHOOD IMPROVEMENT, the Muskegon City Commission is proposing that special assessment districts be created for the following projects:

CAMPUS ST., JEFFERSON ST. TO WASHINGTON AVE.
AND
STRONG AVE., JEFFERSON ST. TO PECK ST.

The specific locations of the special assessment districts and the properties proposed to be assessed are:

All parcels abutting Campus Ave. from Jefferson St. to Washington Ave.

And
All parcels abutting Strong Ave. from Jefferson St. to Peck St.

The City Commission proposes that the City and property owners by means of special assessments will share the cost of improvement. You may examine preliminary plans and cost estimates in the City Hall's Engineering Department during regular business hours - between 8:00 A.M. and 5:00 P.M. on weekdays, except holidays.

PLEASE TAKE NOTICE: A PUBLIC HEARING WILL BE HELD IN THE MUSKEGON CITY COMMISSION CHAMBERS ON ***MARCH 9, 2004 AT 5:30 O'CLOCK P.M***

PLEASE UNDERSTAND THAT YOU HAVE A RIGHT TO PROTEST YOUR ASSESSMENT EITHER IN WRITING OR IN PERSON AT THE HEARING. IF THE SPECIAL ASSESSMENT ROLL IS CONFIRMED (AT A LATER HEARING) YOU WILL HAVE THIRTY (30) DAYS FROM THE DATE OF THE ROLL'S CONFIRMATION TO FILE A WRITTEN APPEAL WITH THE MICHIGAN STATE TAX TRIBUNAL. HOWEVER, UNLESS YOU PROTEST AT THIS HEARING OR AT THE HEARING CONFIRMING THE ROLL, EITHER IN PERSON, BY YOUR AGENT OR REPRESENTATIVE, OR IN WRITING BEFORE OR AT THE HEARING, YOUR RIGHT TO APPEAL TO THE MICHIGAN TAX TRIBUNAL WILL BE LOST.

By City Charter, if the owners of more than one-half of the property to be assessed shall object to the assessment in writing at or before the hearing, the improvement shall not be made unless the City Commission determines by affirmative vote of all its members that the safety or health of the public necessitates the improvement.

PUBLISH: **February 28, 2004** Gail Kundinger, City Clerk

ADA POLICY

The City will provide necessary appropriate auxiliary aids and services, for example, signers for the hearing impaired, audiotapes for the visually impaired, etc., for disabled persons who want to attend the meeting, upon twenty-four hours notice to the City. Contact:

Gail A. Kundinger, City Clerk
933 Terrace Street, Muskegon, MI 49440
(231) 724-6705 or TDD (231) 724-6773

SPECIAL ASSESSMENT

H 1579

RECONSTRUCTION HEARING DATE MARCH 9, 2004

CAMPUS ST., JEFFERSON ST. TO WASHINGTON AVE.

1	THOMAS EDNA J	ASSESSABLE FEET:	66
24-205-398-0012-10	190 WASHINGTON AVE	COST PER FOOT:	$35.15
@ 1411. 5TH ST	MUSKEGON MI 49441	ESTIMATED P.O. COST:	$2,319.90
2	CROCKER JAMES D/KRISTY R	ASSESSABLE FEET:	27.3
24-205-398-0013-00	1403 5TH ST	COST PER FOOT:	$35.15
@ 1403. 5TH ST	MUSKEGON MI 49441	ESTIMATED P.O. COST:	$959.60
3	BISSON RICHARD E	ASSESSABLE FEET:	60
24-205-397-0009-20	1392 5TH ST	COST PER FOOT:	$35.15
@ 1392. 5TH ST	MUSKEGON MI 49441	ESTIMATED P.O. COST:	$2,109.00
4	THURSTON ARTHUR	ASSESSABLE FEET:	43
24-205-397-0007-00	3164 DUNE ST	COST PER FOOT:	$35.15
@ 160.0 CAMPUS AV	MUSKEGON MI 49441	ESTIMATED P.O. COST:	$1,511.45
5	FETTIG TODD M/ERIN J	ASSESSABLE FEET:	43.16
24-205-397-0006-00	154 CAMPUS AVE	COST PER FOOT:	$35.15
@ 154.0 CAMPUS AV	MUSKEGON MI 49441	ESTIMATED P.O. COST:	$1,517.07
6	WINEGAR R/KLINGEMAIER B	ASSESSABLE FEET:	42.75
24-205-397-0006-10	148 CAMPUS AVE	COST PER FOOT:	$35.15
@ 148.0 CAMPUS AV	MUSKEGON MI 49441	ESTIMATED P.O. COST:	$1,502.66
7	ERICKSON DAVID/JANE	ASSESSABLE FEET:	66
24-205-397-0005-00	1347 4TH	COST PER FOOT:	$35.15
@ 1347. 4TH ST	MUSKEGON MI 49441	ESTIMATED P.O. COST:	$2,319.90

CAMPUS ST., JEFFERSON ST. TO WASHINGTON AVE.

8		DORSEY PAMELA J	ASSESSABLE FEET:	77
24-205-399-0006-00		170 WASHINGTON AVE	COST PER FOOT:	$35.15
@ 170.0	WASHINGT	MUSKEGON MI 49441	ESTIMATED P.O. COST:	$2,706.55
9		PASTOOR TODD J	ASSESSABLE FEET:	83
24-205-399-0008-00		165 CAMPUS AVE	COST PER FOOT:	$35.15
@ 165.0	CAMPUS AV	MUSKEGON MI 49441	ESTIMATED P.O. COST:	$2,917.45
10		WINEGAR PHYLLIS C	ASSESSABLE FEET:	38
24-205-399-0009-00		159 CAMPUS AVE	COST PER FOOT:	$35.15
@ 159.0	CAMPUS AV	MUSKEGON MI 49441	ESTIMATED P.O. COST:	$1,335.70
11		STEIN JEAN M	ASSESSABLE FEET:	56
24-205-399-0001-00		153 CAMPUS AVE	COST PER FOOT:	$35.15
@ 153.0	CAMPUS AV	MUSKEGON MI 49441	ESTIMATED P.O. COST:	$1,968.40
12		NEAL PATRICIA L	ASSESSABLE FEET:	88.93
24-205-399-0001-10		123 CAMPUS	COST PER FOOT:	$35.15
@ 123.0	CAMPUS AV	MUSKEGON MI 49441	ESTIMATED P.O. COST:	$3,125.89
13		ROZYSKI STEPHEN C	ASSESSABLE FEET:	43.5
24-205-399-0001-20		115 CAMPUS	COST PER FOOT:	$35.15
@ 115.0	CAMPUS AV	MUSKEGON MI 49441	ESTIMATED P.O. COST:	$1,529.03
14		SCOTT PERCY	ASSESSABLE FEET:	64.4
24-205-396-0004-20		1338 4TH ST	COST PER FOOT:	$35.15
@ 1348.	4TH ST	MUSKEGON MI 49441	ESTIMATED P.O. COST:	$2,263.66

RECONSTRUCTION HEARING DATE MARCH 9, 2004

CAMPUS ST., JEFFERSON ST. TO WASHINGTON AVE.

SUM OF ASSESSABLE FOOTAGE: 799.04 **SUM OF ESTIMATED P.O. COST:** $\boxed{\$28,086.26}$

TOTAL NUMBER OF ASSESSABLE PARCELS 14.00

SPECIAL ASSESSMENT
HEARING RESPONSE CARD

NO RESPONSE COUNTS AS "IN FAVOR" OF PROJECT-To have your vote count, please
Return This Card By MARCH 9, 2004

Project Number:	H 1579
Project Title:	CAMPUS ST., JEFFERSON ST. TO WASHINGTON AVE.
Project Description	RECONSTRUCTION

INSTRUCTIONS

If you wish to have your written vote included as part of the tabulation of votes forwarded to the City Commission for the scheduled public hearing, please return this card by the date indicated above. To use this response card please indicate whether you Oppose or Favor this special assessment project, sign the form and return it to the City Clerk's Office. To return this card by mail, simply fold on the dotted lines so the address on the reverse side is showing. Be sure to seal the form with a small piece of tape or staple prior to mailing. IF YOU DO NOT SEND IN THIS FORM YOUR VOTE COUNTS AS "IN FAVOR" OF PROJECT.

Assessment Information

Property Address:	1392 5TH ST	
Parcel Number	24-205-397-0009-20	
Assessable Frontage:	60	Feet
Estimated Front Foot Cost:	$35.15	per Foot
ESTIMATED TOTAL COST	**$2,109.00**	

RECEIVED
MAR 08 2004
City Clerks Office

Property Description

CITY OF MUSKEGON
REVISED PLAT OF 1903
SELY 47 2/3 FT OF SWLY 57 3/4 FT LOT 8 &
SELY 47 2/3 FT LOT 9 BLK 397

Your vote COUNTS!

Please vote either in favor or opposed to the Special Assessment Street Paving Project.

I AM IN FAVOR ☐ I AM OPPOSED ☒

Owner RICHARD E BISSON CoOwner/Spouse MARY A BISSON

Signature Richard E Bisson Signature Mary A Bisson

Address 1392 5th Address 1392 5th

Thank you for taking the time to vote on this important issue.

SPECIAL ASSESSMENT

HEARING RESPONSE CARD

NO RESPONSE COUNTS AS "IN FAVOR" OF PROJECT-To have your vote count, please Return This Card By MARCH 9, 2004

Project Number:	H 1579
Project Title:	CAMPUS ST., JEFFERSON ST. TO WASHINGTON AVE.
Project Description	RECONSTRUCTION

RECEIVED
MAR 0 - 2004
City Clerks Office

INSTRUCTIONS

If you wish to have your written vote included as part of the tabulation of votes forwarded to the City Commission for the scheduled public hearing, please return this card by the date indicated above. To use this response card please indicate whether you Oppose or Favor this special assessment project, sign the form and return it to the City Clerk's Office. To return this card by mail, simply fold on the dotted lines so the address on the reverse side is showing. Be sure to seal the form with a small piece of tape or staple prior to mailing. IF YOU DO NOT SEND IN THIS FORM YOUR VOTE COUNTS AS "IN FAVOR" OF PROJECT.

Assessment Information

RECEIVED
MAR 05 2004
City Clerks Office

Property Address:	160 CAMPUS AVE	
Parcel Number	24-205-397-0007-00	
Assessable Frontage:	43	Feet
Estimated Front Foot Cost:	$35.15	per Foot
ESTIMATED TOTAL COST	**$1,511.45**	

Property Description

CITY OF MUSKEGON
REVISED PLAT OF 1903
SWLY 38 FT 6 IN LOT 7 &
NELY 4 FT 6 IN LOT 8 BLK 397
ALSO THAT PORTION SE 1/2 ALLEY
ADJ TO NELY 4 FT 6 IN LOT 8 BLK 397

Your vote COUNTS!

Please vote either in favor or opposed to the Special Assessment Street Paving Project.

I AM IN FAVOR ☐ I AM OPPOSED ☒

Owner Arthur Thurston CoOwner/Spouse Barbara Thurston

Signature Arthur Thurston Signature Barbara Thurston

Address 3164 Dune ST Address 3164 Dune ST.

Thank you for taking the time to vote on this important issue. THURSTON ARTHUR 4

There is nothing wrong with the road in front of my house.

SPECIAL ASSESSMENT

HEARING RESPONSE CARD

NO RESPONSE COUNTS AS "IN FAVOR" OF PROJECT-To have your vote count, please

Return This Card By MARCH 9, 2004

Project Number:	H 1579
Project Title:	CAMPUS ST., JEFFERSON ST. TO WASHINGTON AVE.
Project Description	RECONSTRUCTION

INSTRUCTIONS

If you wish to have your written vote included as part of the tabulation of votes forwarded to the City Commission for the scheduled public hearing, please return this card by the date indicated above. To use this response card please indicate whether you Oppose or Favor this special assessment project, sign the form and return it to the City Clerk's Office. To return this card by mail, simply fold on the dotted lines so the address on the reverse side is showing. Be sure to seal the form with a small piece of tape or staple prior to mailing. IF YOU DO NOT SEND IN THIS FORM YOUR VOTE COUNTS AS "IN FAVOR" OF PROJECT.

Assessment Information

Property Address:	1403 5TH ST	
Parcel Number	24-205-398-0013-00	
Assessable Frontage:	27.3	Feet
Estimated Front Foot Cost:	$35.15	per Foot
ESTIMATED TOTAL COST	**$959.60**	

RECEIVED
MAR 05 2004
City Clerks Office

Property Description

CITY OF MUSKEGON
REVISED PLAT OF 1903
LOT 13 BLK 398 &
COM AT NE COR LOT 11
TH S ALG E LN LOT 11 6 FT TO POB
TH CON'T S ALG E LN LOT 11 10 FT NWLY 9 FT TO A PT 4 FT SWLY OF POB TH NELY 4 FT TO POB

Your vote COUNTS!

Please vote either in favor or opposed to the Special Assessment Street Paving Project.

I AM IN FAVOR ☐ I AM OPPOSED ☒

Owner	James Crocker	CoOwner/Spouse	Kristy Crocker
Signature	James Crocker	Signature	Kristy Crocker
Address	1403 Fifth St.	Address	1403 Fifth St.

Thank you for taking the time to vote on this important issue. 2

SPECIAL ASSESSMENT
HEARING RESPONSE CARD

NO RESPONSE COUNTS AS "IN FAVOR" OF PROJECT-To have your vote count, please Return This Card By MARCH 9, 2004

Project Number:	H 1579
Project Title:	CAMPUS ST., JEFFERSON ST. TO WASHINGTON AVE.
Project Description	RECONSTRUCTION

INSTRUCTIONS

If you wish to have your written vote included as part of the tabulation of votes forwarded to the City Commission for the scheduled public hearing, please return this card by the date indicated above. To use this response card please indicate whether you Oppose or Favor this special assessment project, sign the form and return it to the City Clerk's Office. To return this card by mail, simply fold on the dotted lines so the address on the reverse side is showing. Be sure to seal the form with a small piece of tape or staple prior to mailing. IF YOU DO NOT SEND IN THIS FORM YOUR VOTE COUNTS AS "IN FAVOR" OF PROJECT.

Assessment Information

Property Address:	170 WASHINGTON AVE	
Parcel Number	24-205-399-0006-00	
Assessable Frontage:	77	Feet
Estimated Front Foot Cost:	$35.15	per Foot
ESTIMATED TOTAL COST	**$2,706.55**	

RECEIVED
MAR 0 2004
City Clerks Office

Property Description

CITY OF MUSKGON
REVISED PLAT OF 1903
W 1/3 LOTS 6-7 BLK 399

RECEIVED
MAR 0 2004
City Clerks O

Your vote COUNTS!

Please vote either in favor or opposed to the Special Assessment Street Paving Project.

I AM IN FAVOR ☐ I AM OPPOSED ☑

Owner	Pamela J Dorsey	CoOwner/Spouse	Joe P Dorsey
Signature	Pamela J. Dorsey	Signature	Joe P Dorsey
Address	170 Washington Ave.	Address	170 WASHINGTON AVE

Thank you for taking the time to vote on this important issue.

SPECIAL ASSESSMENT
HEARING RESPONSE CARD

NO RESPONSE COUNTS AS "IN FAVOR" OF PROJECT-To have your vote count, please Return This Card By MARCH 9, 2004

Project Number:	H 1579
Project Title:	CAMPUS ST., JEFFERSON ST. TO WASHINGTON AVE.
Project Description	RECONSTRUCTION

INSTRUCTIONS

If you wish to have your written vote included as part of the tabulation of votes forwarded to the City Commission for the scheduled public hearing, please return this card by the date indicated above. To use this response card please indicate whether you Oppose or Favor this special assessment project, sign the form and return it to the City Clerk's Office. To return this card by mail, simply fold on the dotted lines so the address on the reverse side is showing. Be sure to seal the form with a small piece of tape or staple prior to mailing. IF YOU DO NOT SEND IN THIS FORM YOUR VOTE COUNTS AS "IN FAVOR" OF PROJECT.

Assessment Information

Property Address:	154 CAMPUS AVE	
Parcel Number	24-205-397-0006-00	
Assessable Frontage:	43.16	Feet
Estimated Front Foot Cost:	$35.15	per Foot
ESTIMATED TOTAL COST	**$1,517.07**	

RECEIVED
MAR 09 2004
City Clerks Office

Property Description

CITY OF MUSKEGON
REVISED PLAT OF 1903
W 21 FT 7 IN LOT 6
EX NWLY 17 FT OF SWLY 1.33 FT OF NELY 44 FT TH'OF
ALSO INCL E 21 FT 7 IN LOT 7 BLK 397

Your vote COUNTS!

Please vote either in favor or opposed to the Special Assessment Street Paving Project.

I AM IN FAVOR ☐ I AM OPPOSED ☒

Owner	Todd Fettig	CoOwner/Spouse	Erin J Fettig
Signature	Todd Fettig	Signature	Erin J Fettig
Address	154 Campus	Address	154 Campus

Thank you for taking the time to vote on this important issue.

March 9, 2004

Dear Commissioners:

We support improvements to City infrastructure and efforts to strengthen our neighborhood. However, we cannot support the current proposal to repave Campus Avenue, Jefferson Street to Washington Avenue.

For nearly six years we have lived at 154 Campus and have seen, heard and felt several buses and trucks zoom past our home every day. Without doubt, these heavy vehicles contribute to the wear and tear of Campus Avenue. We embrace public transportation and its benefits to the community, but we are not sure that Campus Avenue was ever intended or designed to carry such a heavy load of traffic. Therefore, we encourage further studying of traffic patterns along this stretch of road before rushing into the repaving project. Such a study should explore usage and weight restrictions. It also should take into account safety concerns and recommend new traffic calming initiatives. Two areas of particular concern are the Fourth/ Jefferson/Campus intersection and the Campus/Fifth intersection. Both areas have completely inadequate signage.

Another concern is the financial burden imposed by the proposed repaving project. In 2001, the City replaced damaged sidewalks throughout much of the Nelson Neighborhood, including the area targeted for the street repaving proposal. Many residents still are paying off the sidewalk assessment and cannot take on added financial stress. We also fear the new sidewalks could be damaged during the repaving process, as indicated in the letter from the City notifying us of the latest proposal. We would object to paying twice to replace the same stretch of sidewalk.

We unfortunately are unable to attend the March 9, 2004, hearing on the special assessment, but we hope this letter will be considered in your discussion. Please feel free to call us at 727-8120 with any questions or concerns regarding this matter.

Sincerely,

Todd Fettig
Erin Fettig

Todd Fettig
and Erin Fettig

H-1579 CAMPUS AVE., JEFFERSON ST. TO WASHINGTON AVE.

PROPERTY OWNER SPECIAL ASSESSMENT RESPONSE TABULATION

	FEET	PERCENTAGE
TOTAL ASSESSABLE FRONT FOOTAGE	799.040 ***	
FRONT FEET OPPOSED	250.460	31.35%
RESPONDING FRONT FEET IN FAVOR	0.000	0.00%
NOT RESPONDING - FRONT FEET IN FAVOR	548.580	68.65%
TOTAL FRONT FEET IN FAVOR	548.580	68.65%

TOTAL NUMBER OF PARCELS - 14

FOR					OPPOSE				
LETTER#	ST#	ST NAME	PARCEL#	FEET	LETTER#	ST#	ST NAME	PARCEL#	FEET
					5	154	CAMPUS	24-205-397-0006-00	43.16
					4	160	CAMPUS	24-205-397-0007-00	43.00
					3	1392	FIFTH	24-205-397-0009-20	60.00
					2	1403	FIFTH	24-205-398-0013-00	27.30
					8	170	WASHINGTON	24-205-399-0006-00	77.00
TOTALS				0.00					250.46

TABULATED AS OF: 05:01 PM

STATE OF MICHIGAN

MUSKEGON COUNTY CIRCUIT COURT

MARCELLA SIEGEL on behalf of
herself and all others similarly situated,

Plaintiffs,

v

THE CITY OF MUSKEGON,
a municipal corporation,

Defendant,

File No. 03-42792-CZ

OPINION and ORDER

At a session of court held at the courthouse
in Muskegon, Michigan, on
March 9, 2004.

PRESENT: Honorable James M. Graves, Jr., Circuit Judge

Plaintiff, Marcella Siegel, on behalf of herself and others similarly situated, files suit against defendant, City of Muskegon, and alleges the following: Defendant City of Muskegon entered into a franchise agreement with a cable television provider (now Comcast); the agreement provided that defendant would charge Comcast a franchise fee of 5% of gross revenues; Comcast then elected to add the franchise fee to the monthly cable bills of its subscribers in the City of Muskegon; Comcast would collect the bills, including the franchise fee, and pay the 5% franchise fee to defendant; that although the revenue thus collected is supposedly a user fee, it is in actuality a tax because the amount of money collected as franchise fees greatly exceeds the amount spent by the City to provide its citizens with cable television related services; and that such franchise fees, which are in actuality a tax, were enacted without a vote of approval by the voters of the City of Muskegon in violation of the Headlee Amendment, Mich Const 1963, Article 9, Sect 31. Plaintiff further avers that she and other members of the class are entitled to a refund of that part of the franchise fees paid to

Comcast, and in turn to defendant, which are used by defendant for public purposes unrelated to the cable television system.

Defendant moves the Court for summary disposition pursuant to MCR 2.116(C)(5), (7), and (8). Defendant first argues that plaintiff lacks standing and is not the real party in interest. The issue of "standing" under the Headlee Amendment is addressed by the Amendment itself at Mich Const 1963, Article 9, Sect 32: "Any taxpayer of the state shall have standing to bring suit in the Michigan State Court of Appeals to enforce the provisions of sections 25 through 31, inclusive, of this Article ...". In interpreting the language "any taxpayer", the appellate courts have determined that the case law and statutory principles for "standing" would apply to the provisions of Section 32. In Waterford Schools v State Bd of Ed, 98 Mich App 658, 662 (1980), the court noted that, in construing constitutional provisions, "the framers of a provision must be presumed to have been aware of existing laws and court decisions and to have drafted accordingly." (See also Saginaw Council v Bd of Trustees, 321 Mich 641, 647-648 (1948) in which the court further noted that the people who adopted the amendment are presumed to have been aware of prior and existing law and sought to frame the amendment in light of those conditions). The Waterford court also noted at page 663 that under the RJA a taxpayer lacks standing unless the taxpayer can demonstrate that the taxpayer "will sustain substantial injury or suffer loss or damage as taxpayers [emphasis added] through increased taxation and the consequences thereof." See also Menendez v Detroit, 337 Mich 476, 482 (1953).

In Lee v Macomb Bd of Comm'rs, 464 Mich 726, 729, 739 (2001), the court stated the following three constitutional elements of standing: "First, the plaintiff must have suffered an 'injury in fact' - an invasion of a legally protected interest which is (a) concrete and particularized, and (b) 'actual or imminent, not conjectural or hypothetical'. Second, there must be a causal connection between the injury and the conduct complained of - the injury has to be 'fairly traceable to the challenged action of the defendant, and not the result of the independent action of some third party not before the court.' Thus, it must be 'likely', as opposed to merely 'speculative', that the injury will be 'redressed by a favorable decision.'" In Kalamazoo v Richland Twp, 221 Mich App 531, 534 (1997), the court observed that the "real party in interest" requirement of MCR 2.201(B) is actually a standing doctrine. "A real party in interest is the one who is vested with the right of action on a given claim, although the beneficial interest may be in another." Ibid.

In the case at bar, defendant has submitted as part of the record a copy of the "Cable Television Franchise Agreement" between defendant and Muskegon Cable TV (a predecessor of Comcast) which was adopted by the City on December 8, 1987. 47 USC 542(a) permits, but does not require, a municipality to charge a cable operator a franchise fee. Paragraph 9 of the agreement states that the cable television provider would pay to the City an annual license fee "as described in the ordinance" of five percent. City of Muskegon Ordinance 955 states at Sec. 8 - 39(a): "Fee. The Licensee shall pay to the City, for the privilege of operating a CATV system under this ordinance, a sum equivalent to five percent (5%) of the annual gross operating revenues taken in and received by it on all retail sales of television signals within the City, for all service installations and reconnects." 47 USC 542(F) permits, but does not require, a cable operator to pass on the franchise fee to the subscriber by designating the franchise fee as a separate item on the bill.

After a review of the briefs, record, and oral arguments, and after applying the principles for adjudication of a section (8) motion as summarized in Lepp v Cheboygan Area Schools, 190 Mich App 726, 728 (1991), the Court grants defendant's motion under section (8) on the grounds that plaintiff does not have standing and is not the real party in interest. In applying the rules stated in Waterford Schools, supra, to the uncontroverted record, the Court notes that the framers of the Headlee Amendment must have been aware of previous statutory standing provisions in the RJA and previous court decisions, including Menendez, supra. Consequently, the Court finds that the term "any taxpayer" in Section 32 of the Headlee Amendment is a taxpayer who "will sustain substantial injury or suffer loss or damage [as a taxpayer] [emphasis added], through increased taxation and the consequences thereof." Even if the Court were to construe a part of the franchise fee to be a tax, plaintiff is not the taxpayer. Pursuant to the terms of the federal statute, the franchise agreement, and the City of Muskegon ordinance, it is the cable company which has the obligation to pay the franchise fee, not plaintiff. The cable operator may pass the franchise fee cost on to the subscriber, just as the cable operator may pass on all other costs of doing business to the subscribers in the price charged for the cable service; however, the cable operator is not required to do so. By analogy, a cable company which owned the building in which it operated would be required by law to pay real property taxes on land and buildings. Generally, cost accounting principles would mandate that all costs of doing business, including real property taxes, be recovered from the ultimate consumer of the product in the price paid by the consumer for the product or service. In this hypothetical example, every cable bill paid by every cable subscriber would have buried within the total to be paid a portion of the cable company's property taxes. Yet nothing in law or logic would suggest that each subscriber of the cable company is a "taxpayer" of the cable company's real property taxes. Indeed, in City of Dallas v FCC, 118 F 3d 393, 398 (1997), the court noted that under federal law a cable operator may designate that portion of a subscriber's bill attributable to the franchise fee as a separate item on the bill, but that this format "does not, however, transform a cost imposed on cable operators into a cost imposed on cable subscribers." In Sims v Firestone, 397 Mich 469, 473 (1976), the court held that under Michigan statutes, the sales tax was imposed upon the retailer, not the consumer, and that the retailer had the discretion to pass the cost of the tax on to the consumer as part of the price of the product. Thus, for purposes of the sales tax, "the retailer, not the consumer, is the taxpayer." In the case at bar, the franchise fee, by both law and contract, is assessed against the cable operator, not the subscribers, and the cable operator has the discretion to pass the cost of the franchise fee on to the subscriber as part of the total price of the service. Thus, for purposes of the franchise fee (tax), the cable operator, not the subscriber, is the (tax) payer. In sum, plaintiff is not a "taxpayer" as to the franchise fees within the meaning of Section 32 as to an action filed under Section 31. Plaintiff has no standing in this case because she cannot demonstrate that she "will sustain substantial injury or suffer loss or damage as a taxpayer [emphasis added], through increased taxation and the consequences thereof." Because plaintiff is not a "taxpayer" as to the franchise fee, she is not "legally vested with the right of action" as to this claim, and is not a real party in interest.

The Court also **grants** the motion for summary disposition because plaintiff does not satisfy the second constitutional element for standing as stated in Lee, supra. The injury of which she complains, the payment of a 5% franchise fee on her monthly cable bill, is not "fairly traceable to the challenged action" of the City of Muskegon. The City may have required the cable company to pay to the City a 5% franchise fee, but the City had no authority either to mandate the cable company to pass the charge on to subscribers or simply absorb the fee charge as a reduction in profit. Rather than demonstrating a causal connection between the 5% increase in plaintiff's cable bill and the execution of the franchise agreement by the City, the record establishes that plaintiff's 5% increase "is the result of the independent action of some third party not before the court", i.e., the cable company which exercised its discretion and made the decision to pass on the 5% franchise fee to the subscribers as part of the total purchase price.

In light of the fact that the Court has granted defendant summary disposition as to the issues of standing and real party in interest, the other issues raised by defendant are rendered moot, and the Court will not adjudicate them. See Mich Soft Drink v Tres Dep't, 206 Mich App 392, 408 (1994).

It Is So Ordered.

Dated: March 9, 2004.

James M. Graves, Jr.

Hon. James M. Graves, Jr., (P24233)
14th Circuit Judge

cc. Jason J. Thompson, 5510 Woodward, Detroit, MI 48202
Joshua M. Wallish, P.O. Box 352, Grand Rapids, MI 49501

PROOF OF SERVICE
Service of a copy of this document was made this date upon all parties who have appeared or their attorneys of record by delivery or mail pursuant to MCR 2.107(C). I declare that the statements above are true to the best of my information and belief.

Dated: 3/9/04 Signed: [illegible]
via: first class mail __ hand delivery __ fax
__ other ________

Commission Meeting Date: March 9, 2004

Date: **March 1, 2004**

To: **Honorable Mayor & City Commission**

From: **Planning & Economic Development Department** CBC

RE: **Brownfield Redevelopment Grant/Loan**

SUMMARY OF REQUEST: Anne Couture, our Brownfield Consultant, is working with the City to secure a Brownfield Redevelopment Grant from the Michigan Department of Environmental Quality (MDEQ). The grant request will be for $1,000,000. It is anticipated that $500,000 will be for Environmental Site Assessments (similar to our current site assessment funds, focused along the Downtown Muskegon Shoreline, but with an expanded target area to include properties along Ottawa Street, the Lakeside Business District, Seaway Industrial Park, Port City Industrial Park and the Medendorp Industrial Center) and $500,000 will be for Due Care Response activities in these same targeted areas.

FINANCIAL IMPACT: If approved for the grant/loan, the funds will be used to perform site assessments for properties being developed, as well as due care response activities (if necessary) on those properties. The MEDQ is encouraging communities to apply for both grants and loans. However, if MDEQ offered a loan, rather than a grant, the City could determine at that time whether we want to proceed. If we do have a portion as a loan, we could consider the use of Brownfield Tax Increment Financing to reimburse the loan amount. The grant amount being applied for is up to $1 Million.

BUDGET ACTION REQUIRED: None.

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

COMMITTEE RECOMMENDATION: None.

Resolution No. 2004-28(a)

MUSKEGON CITY COMMISSION

RESOLUTION AUTHORIZING THE SUBMITTAL OF A
DEPARTMENT OF ENVIRONMENTAL QUALITY
BROWNFIELD REDEVELOPMENT GRANT/LOAN

WHEREAS, The Michigan Department of Environmental Quality (MDEQ) provides grants and loans to communities through its Brownfield Redevelopment Grant program to fund environmental response activities necessary to facilitate brownfield projects; and

WHEREAS the City of Muskegon has been utilizing a $1 million MDEQ Site Assessment Fund (SAF) grant since 1996 to stimulate investment in several properties along the Muskegon Shoreline, resulting in private/public investment of approximately $26.8 million, an increase of over $5.9 million in the SEV of these properties, and creation of 84 jobs. SAF Projects currently underway are expected to result in $131 million in capital investment, over $2.3 million in increased SEV, and creation of over 310 jobs; and

WHEREAS funding from the current SAF grant is almost depleted, despite the continuing need to provide environmental assessment funds as an incentive to redevelop brownfield sites in the City of Muskegon; and

WHEREAS projects selected by the City to receive MDEQ funding for environmental assessments are evaluated to assure that they are consistent with the City of Muskegon's Master Land Use Plan; and

WHEREAS it is the intention of the City that a Site Assessment program will be undertaken if a Brownfield Grant or Loan is awarded; and

WHEREAS if the MDEQ chooses to award a loan rather than a grant, that the City commits to repay the loan through Brownfield Tax Increment Financing, or other such repayment mechanism as determined to be appropriate by the City;

NOW, THEREFORE, BE IT RESOLVED, THAT the City Commission authorizes the City Manager to apply for and secure a grant/loan, and enter into a grant/loan agreement with, the Michigan Department of Environmental Quality.

Adopted this 9th day of March, 2004.

AYES: Carter, Davis, Gawron, Larson, Spataro, Warmington
NAYS: None
ABSTAIN: None

By: ______________
Mayor

Attest: Gail A. Kundinger
City Clerk

CERTIFICATION
2004-28(a)

This resolution was adopted at a regular meeting of the City Commission, held on March 9, 2004. The meeting was properly held and noticed pursuant to the Open Meetings Act of the State of Michigan, Act 267 of the Public Acts of 1976.

CITY OF MUSKEGON

By Gail A. Kundinger
Gail A. Kundinger, MMC, City Clerk

STATE OF MICHIGAN
DEPARTMENT OF ENVIRONMENTAL QUALITY
LANSING

JENNIFER M. GRANHOLM
GOVERNOR

STEVEN E. CHESTER
DIRECTOR

March 30, 2005

Ms. Cathy Brubaker-Clarke, Director
Community and Economic Development
City of Muskegon
933 Terrace Street
P.O. Box 536
Muskegon, Michigan 49443

Dear Ms. Brubaker-Clarke:

SUBJECT: Clean Michigan Brownfield Redevelopment Loan Agreement
Muskegon Environmental Assessment Project, Project #430823-00

Enclosed for your records is a signed Brownfield Redevelopment Loan Agreement for the *Muskegon Environmental Assessment Project*. The Loan Agreement was signed by Mr. Steven E. Chester, Director, Department of Environmental Quality (DEQ).

As a reminder, prior approval of loan-funded expenses is required in order to remain in compliance with the Loan Agreement. Eligible expenses incurred without prior approval may be nonreimbursable.

When you are ready to request payment of eligible expenses, please use the Payment Request Form and submit it according to the instructions. If you have questions about your loan, or to request approval of loan-funded activities, please contact your project manager, Ms. Susan Sandell, Environmental Stewardship Grants and Loans Unit, ESSD, Cadillac District Office, at 231-775-3960, extension 6312.

Sincerely,

Susan J. Ericks

Susan J. Erickson, Chief
Environmental Stewardship Grants and Loans Unit
Environmental Science and Services Division
517-241-8707

Enclosure
cc: Ms. Amy A. Butler, DEQ
Ms. Susan Sandell, DEQ
Tracking Code #2004-1008

DEQ

CMI BROWNFIELD LOAN AGREEMENT
BETWEEN THE
MICHIGAN DEPARTMENT OF ENVIRONMENTAL QUALITY
AND THE CITY OF MUSKEGON

This Loan Agreement ("Agreement") is made between the Michigan Department of Environmental Quality, Environmental Science and Services Division (hereafter "State") and the City of Muskegon (hereafter "Borrower").

The purpose of this Agreement is to provide funding for the project named below. The State is authorized to provide Loan funding pursuant to Part 196, Clean Michigan Initiative Implementation, of the Natural Resources and Environmental Protection Act, 1994 PA 451 as amended (NREPA). Legislative appropriation of funds for the loan program is set forth in PA 309 of 2004. This Agreement is subject to the terms and conditions specified herein.

Project Name: Muskegon Environmental Assessment Project #: 430823-00 Tracking Code: 2004-1008
Amount of Loan: $500,000 Loan Rate: 2 %
Project End Date: 3-18-07 First Payment Due: 3-18-10
Interest Start Date: 3-18-10 Loan Payoff Date: 3-18-19

BORROWER'S REPRESENTATIVE:

Bryon Mazade, City Manager
Name/Title

Cathy Brubaker-Clarke, Director
Project Contact
Community & Econ. Development
Address
933 Terrace St., PO Box 536
Address
Muskegon, MI 49443
City, State, ZIP
231-724-6702 231-724-6790
Telephone number Fax number
cathy.brubaker-clark@postman.org
E-mail address
38-6004522
Federal ID number

STATE'S REPRESENTATIVE:

Steven E. Chester
Director

Susan Sandell
State Project Administrator
DEQ-120 West Chapin Street
Address
Cadillac, MI 49601
City, State, ZIP
231-775-3960 extension 6312
Telephone number
231-775-1511
Fax number
sandells@michigan.gov
E-mail address

The individuals signing below certify by their signatures that they are authorized to sign this Loan Agreement on behalf of their respective organizations, and that the parties will fulfill the terms of this Agreement, including the attached Appendices.

Signature of authorized official

Date 3-8-05

Stephen J. Warmington, Mayor
Name and title (typed or printed)

AUTHORIZED BY:

Steven E. Chester, Director
Michigan Department of Environmental Quality

3-18-05
Loan Execution Date

I. PROJECT SCOPE

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

(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 Borrower commits to complete the project identified in Appendix A within the time period allowed for in this Agreement.

II. AGREEMENT PERIOD

This Agreement shall take effect on the date of signature by the State (the Loan Execution Date). The Borrower shall complete the project specified in Appendix A in accordance with all the terms and conditions specified in this Agreement no later than the Project Ending Date shown on page one. The State shall have no obligation to provide financial assistance to the Borrower for project work performed except between the Loan Execution Date and the Project End Date specified on page one.

III. CHANGES

Any changes to the Agreement or to its appendices, including any increase or decrease in the amount of the Borrower's loan, changes to the Project Scope, or extension of the project deadline, which are mutually agreed upon by and between the State and the Borrower, shall be requested by the Borrower in writing, and approved in writing by the State. Changes to the Agreement or appendices must be approved in advance. The State reserves the right to deny requests for changes to the Agreement or to the appendices made without 30 days notice.

IV. BORROWER RESPONSIBILITIES

(A) The Borrower understands that it is a crime to knowingly and willfully file false information with the State for the purpose of obtaining this Agreement or any disbursement under the Agreement, and that any such filing may subject the Borrower, its agents, and/or employees to criminal and civil prosecution and/or termination of the Loan.

(B) The Borrower agrees to abide by all local, State, and federal laws and regulations in the performance of this Agreement, including Parts 196, 201, 211, 213, and 215 of the NREPA, the administrative rules promulgated pursuant to these acts, and any other State or federal law, rule, or regulation that applies to the project, including local ordinances.

(C) All local, State, and federal permits, if required, are the responsibility of the Borrower. Award of this Loan is not a guarantee of a permit approval by the State.

(D) The Borrower shall secure all personnel necessary to complete the project. All personnel shall be under the direct supervision of the Borrower. The Borrower shall make all payments required by law for workers' compensation insurance, social security, income tax, unemployment compensation, and all other taxes or payroll deductions as required by law.

(E) The Borrower shall be solely responsible to pay all taxes, if any, that arise from the Borrower's receipt of this loan.

(F) The Borrower shall purchase and use recycled materials and products to the maximum extent possible in performing the project. At the Borrower's request, the State will provide information and assistance to the Borrower regarding the use of recycled products in the project. The Borrower shall document any use of recycled materials and/or green building materials in the quarterly progress reports.

(G) The Borrower is responsible for the professional quality, technical accuracy, timely completion, and coordination of all designs, drawings, specifications, reports, and other services furnished by the Borrower or its subcontractor under this Agreement. The Borrower or its subcontractor shall, without additional compensation, correct or revise any errors, omissions, or other deficiencies in designs, drawings, specifications, reports, or other services as required by the State.

(H) The State's approval of drawings, designs, specifications, reports, and incidental work or materials furnished hereunder shall not in any way relieve the Borrower 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.

V. BORROWER DELIVERABLES AND REPORTING REQUIREMENTS

(A) The Borrower must complete and submit quarterly progress reports during the Project Implementation Period, defined as the time between the Loan Execution Date and the project end date on page one of this Agreement, according to a form prescribed by the State. Progress reports shall be due on April 30 for the period between January 1 and March 30; July 31 for the period between April 1 and June 30; early October for the period between July 1 and September 30; and January 31 for the period between October 1 and December 31. Progress reports shall include documentation of project costs and expenditures, including invoices and proof of payment for all project work completed during the reporting period.

The forms provided by the State include instructions on their use and shall be submitted to the State's Project Administrator at the address on page 1.

(B) The Borrower shall provide a final project report in a format described in Appendix A of this Agreement no later than three (3) months after the project end date. At the same time, the Borrower shall provide a project fact sheet and project summary in a format provided by the State. The Borrower shall provide three (3) copies of these documents, one of which shall be in an electronic format.

(C) The Borrower must provide all deliverables and reports required in Appendix A of this Agreement.

(D) All correspondence to the State regarding this Agreement or this project shall be addressed to the State's Project Administrator listed on page 1 of this agreement. All formal notices and other formal communications concerning this Agreement shall be in writing, containing project number and tracking code, and shall be considered given when delivered in person or mailed by first class registered or certified mail or received by an overnight delivery service and addressed to the State or Borrower at the addresses specified on page 1 of this Agreement. Informal correspondence may be sent by regular mail, facsimile, or electronic mail. Each party will provide changes of address or project management personnel in writing.

VI. LOAN TERMS

(A) Loans are required to be secured by a commitment of the local government's full faith and credit, through submission of a resolution with the loan application, and attached to this agreement as Appendix C. If the Borrower is a Brownfield Redevelopment Authority established pursuant to the Brownfield Redevelopment Financing Act, 1996 PA 381, MCL 125.2651 to 125.2672, the commitment shall come from the entity that created the authority. Payments on loans in default may be withheld from the local government's state revenue sharing payment.

(B) Loan repayments are made in equal annual installments of principal and interest beginning not later than five (5) years after execution of this Agreement and concluding not later than 15 years after the Loan Execution Date. Appendix B contains the amortization schedule for this Loan.

(C) Interest rates will not exceed 50 percent of the Federal Reserve's Prime Lending Rate. The interest rate established when the loan is executed will remain in effect throughout the term of the loan.

(D) Interest on approved loans is fixed and is calculated under simple interest terms, based on a 360-day year. The first five (5) years of this Loan are interest free. Interest is charged on the remaining principle beginning on the first day of the sixth year from the Loan Execution Date. See attached amortization schedule in Appendix B of this Agreement.

VII. <u>DISBURSEMENTS:</u>

(A) The State shall disburse to the Borrower a total amount not to exceed the amount on page 1 of this Agreement, in accordance with Appendix A of this Agreement.

(B) A breakdown of eligible project costs funded by the loan and covered under this Loan is identified in Appendix A. All other costs necessary to complete the project are the sole responsibility of the Borrower.

(C) Loan funds will only be released based on the State's receipt and approval of work plans and budgets. See Section VIII, Project Implementation/Work Plans. The entire loan amount will not be disbursed at one time unless a single work plan for the full loan amount is approved. After the work plan and budget are approved, the Borrower will receive payment for the amount of the approved budget only. Each payment is called a "draw."

(D) Loan funds remaining at the end of a phase of work (for example, an investigation) may be carried over to the next phase of State-approved project activities (for example, a due care plan) when the final costs for that phase come in under budget. Any remaining funds in the Borrower's account at the completion of all project work must be returned to the State immediately upon the project completion or 30 days of the project end date, whichever comes first.

(E) All draws must be completed within the first two (2) years of the Loan period.

1. If the entire amount of the approved Loan is not drawn after two (2) years and project work remains, the Borrower may request in writing an extension to the project period so that work may be completed and the remaining loan funds used. Any request must be received by the State's Project Administrator within 30 days of the project end date.
2. If the entire amount of the approved loan is not drawn after two (2) years and the project work is completed, a new amortization schedule will be prepared reflecting the total amount drawn. The loan agreement will be amended to incorporate the new repayment schedule.

3. If no draws are made within two (2) years of the Loan Execution Date, the Loan is automatically cancelled on the project end date.

VIII. PROJECT IMPLEMENTATION AND WORK PLANS

(A) Prior to conducting any activities under this Agreement, the Borrower or its contractor, shall submit a work plan to the State for its approval, including a detailed description of the proposed activities, a budget and schedule for conducting the activities under Appendix A. The Borrower and its contractor shall not proceed with Loan-funded activities until the State approves the work plan, budget, and schedule in writing. The State may approve, modify and approve, or require amendments to the work plan. For projects using a phased approach, the Borrower shall submit a work plan for the first phase with a schedule for the remaining phases. A work plan, budget, and schedule are required for each subsequent phase of work.

(B) All work plans or submittals of any type requiring State approval pursuant to this project, including schedules and budgets, shall be incorporated into Appendix A of this Agreement and subject to the terms of this Agreement, upon written approval by the State.

(C) The Borrower or its contractor shall implement the work plan upon the State's written approval in accordance with the schedules contained therein. Changes or additions to the work plan must be submitted in writing and are subject to written approval by the State prior to implementation. Changes to the work plan without prior written approval from the State, or performance of activities that are not part of an approved work plan, amendment to a work plan or budget are considered ineligible expenses and may result in the Borrower being responsible for payment of unapproved activities.

IX. BIDS, CONTRACTORS

(A) For loan projects over $20,000 the Borrower shall provide, or cause to be provided, the qualifications of the selected contractor(s) to the State. The State reserves the right to object to the selected contractor(s) or their qualifications. If the State has objections, it will inform the Borrower in writing within thirty (30) days of receipt of the selected contractor's qualifications.

(B) For any contract over $5,0000, the Borrower shall solicit, or cause to be solicited, bids from at least three (3) qualified vendors. Professional services, e.g., environmental consultants, do not need to be bid out. The Borrower shall provide copies of all bids received to the State. If the contractor that submitted the lowest bid is not the contractor selected, the Borrower must submit written justification for the selection.

(C) Any contractor(s) retained for corrective action on regulated underground storage tanks shall be approved in accordance with Part 213, Leaking Underground Storage Tanks, and Part 215, Underground Storage Tank Financial Assurance, of the NREPA.

(D) The Borrower assumes responsibility for all contractual activities described in Appendix A of this Agreement whether or not the Borrower performs them. Further, the State will consider the Borrower to be the sole point of contact with regard to contractual matters, including payment of any and all charges resulting from the anticipated Loan project. All contractors used by the Borrower to implement the project shall be subject to the provisions of this Agreement.

X. ACCESS AGREEMENT

Borrower is the owner of the property or in possession of an enforceable agreement between the property owner and the Borrower that commits the property owner to cooperate with the Borrower, including a commitment to allow access to the property to complete the eligible activities approved under Appendix A to this Agreement.

XI. ELIGIBLE EXPENSES

(A) Loan funds may be used for costs associated with environmental response activities as identified in Appendix A and defined in Part 201 of the NREPA.

(B) Loan funds may not be used for the following expenses: office equipment; software; insurance, except liability insurance required pursuant to this Agreement; taxes, except sales taxes; registrations, including registration of an underground storage tank; replacement or purchase of equipment; fees, including late fees and permit fees; drinking water supply replacement, as defined in 1990 AACS Rule 299.5401; operation and maintenance, as defined in 1990 AACS Rule 299.5103(a); restoration of property, unless included in Appendix A; fees for attorneys or legal advice; Borrower staff time for application submittal and Loan administration; costs incurred for environmental activities under a local Brownfield Redevelopment Authority Plan; costs incurred for activities outside a State-approved work plan; labor overtime; and training. Other expenses may be determined ineligible in the course of invoice reviews.

(C) Unless otherwise approved by the director, only activities carried out and costs incurred after execution of a Loan Agreement are eligible.

XII. PROJECT CLOSEOUT

(A) A determination of project completion shall be made by the State upon satisfactory completion of the activities, and submission of all deliverables and reports described in Appendix A of this Agreement, and a site inspection conducted by the State.

(B) The Borrower shall provide the State, within 90 days of the Project End Date, with all financial, performance, and other reports available and required in Section V and Appendix A of this Agreement.

(C) The Borrower shall immediately refund to the State any funds disbursed to the Borrower in excess of approved project work or funds disbursed for activities deemed to be ineligible upon invoice review, according to Section VII (D) of this Agreement.

XIII. REPAYMENTS/DELINQUENCY/DEFAULTS

(A) A Borrower may pay off a portion or the entire amount of the Loan within the first five (5) years without interest or penalty. Any partial payments made during the first five (5) years of the term of the loan will reduce the principal amount of the loan subject to interest beginning in year six. If partial repayments are made during the first five (5) years, a new amortization schedule will be provided by the State to the Borrower reflecting those transactions and the new balance no later than 60 days prior to the sixth year anniversary of the Loan Agreement. No prepayment shall relieve the Borrower's obligation to make subsequent scheduled annual payments when due.

(B) The Borrower shall remit annual payments by check made payable to: "State of Michigan." Checks shall be mailed to: **Department of Environmental Quality, Office of Financial Management, Cashier's Office, P.O. Box 30657, Lansing, MI 48909**. Checks shall be identified by project number and tracking code.

(C) Annual payments unpaid 30 days after the annual due date shall be considered delinquent.

(D) A loan shall be considered in default when the annual payment remains unpaid 90 days after the annual due date.

(E) Upon default, the Department of Treasury shall withhold from the Borrower state payments in amounts consistent with the repayment schedule of the Loan Agreement until the Loan is repaid. If the amount of the delinquent payment exceeds the quarterly revenue sharing payment, the Department of Treasury will be asked to reduce subsequent revenue sharing payments until the annual payment is paid in full.

XIV. <u>ASSIGNABILITY</u>

The Borrower shall not assign this Agreement or assign or delegate any of its duties or obligations under this Agreement to any other party. The State does not assume responsibility regarding the contractual relationships between the Borrower and any consultant or contractor.

XV. <u>SEVERABILITY</u>

If any provision of this Agreement shall be held invalid by any court of competent jurisdiction, the invalidity of that provision shall not affect the validity of the remaining provision of this Agreement.

XVI. <u>SECTION HEADINGS</u>

Section headings are for convenience only and shall not define or limit the interpretation of this Agreement.

XVII. <u>GOVERNING LAW</u>

This Agreement shall be governed by, and construed in accordance with, the laws of the State of Michigan.

XVIII. <u>SUCCESSOR PARTIES</u>

At any time, the Borrower may substitute any affiliate or successor in interest after a merger or consolidation or other legal act that transfers fiduciary responsibility of the Borrower through receivership, etc. for this Agreement and all other documents related to the Loan. Similarly, any statutory successor or successor agency named in an Executive Order of the Governor may be substituted for the DEQ in this Agreement and all other documents related to the Loan. Each party shall notify the other in writing of a substitution under this section.

XIX. <u>NON-DISCRIMINATION</u>

The Borrower shall not discriminate against an employee or applicant for employment with respect to their hire, tenure, terms, conditions, or privileges of employment, or any matter directly or indirectly related to employment, because of race, color, religion, national origin, ancestry, age, sex, height, weight, marital status, physical or mental disability unrelated to the individual's ability to perform the duties of the particular job or position. The Borrower further agrees that any sub-agreement shall contain a nondiscrimination provision identical to this provision and binding upon any and all subcontractors. This covenant is required pursuant to the Elliott Larsen Civil Rights Act, 1976 Public Act 453, as amended, MCL 37.2201, *et seq*, and the Persons with Disabilities Civil Rights Act, 1976 Public Act 220, as amended, MCL 37.1101, *et seq*, and any breach thereof may be regarded as a material breach of the contract or purchase order.

XX. <u>UNFAIR LABOR PRACTICES</u>

Pursuant to 1980 Public Act 278, as amended, MCL 423.231, *et seq*, the State shall not award a contract or subcontract to an employer whose name appears in the current register of employers failing to correct an unfair labor practice compiled pursuant to Section 2 of the Act. The Borrower shall not enter into a contract with a subcontractor, manufacturer, or supplier whose name appears in this register. Pursuant to Section 4 of 1980 Public Act 278, MCL 423.324, the State may void any contract if, subsequent to award of the contract, the name of the Borrower as an employer, or the name of the subcontractor, manufacturer, or supplier of the Borrower appears in this register.

XXI. LIABILITY

(A) All liability, loss, or damage as a result of claims, demands, costs, or judgments arising out of activities to be carried out pursuant to the obligations of the Borrower under this Agreement shall be the responsibility of the Borrower, and not the responsibility of the State, if the liability, loss, or damage is caused by, or arises out of, the actions or failure to act on the part of the Borrower, any subcontractor, anyone directly or indirectly employed by the Borrower, provided that nothing herein shall be construed as a waiver of any governmental immunity the Borrower has as provided by statute or modified by court decisions.

(B) All liability, loss, or damage as a result of claims, demands, costs, or judgments arising out of activities to be carried out by the State in the performance of this agreement shall be the responsibility of the State and not the responsibility of the Borrower if the liability, loss, or damage is caused by or arises out of, the action or failure to act on the part of any State employee or agent, provided that nothing herein shall be construed as a waiver of any governmental immunity by the State, its agencies or employees as provided by statute or court decisions.

(C) In the event that liability, loss, or damage arises as a result of activities conducted jointly by the Borrower and the State in fulfillment of their responsibilities under this Agreement, such liability, loss, or damage shall be borne by the Borrower and the State in relation to each party's responsibilities under these joint activities, provided that nothing herein shall be construed as a waiver of any governmental immunity by the Borrower, the State, its agencies, or their employees, respectively as provided by statute or court decisions.

XXII. GRATUITIES

If the State finds, after a notice and hearing, that the Borrower or any of the Borrower'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 sub-agreement or favorable treatment in awarding, amending, or making any determinations related to the performance of this Agreement, the State may, by written notice to the Borrower, terminate this Agreement.

XXIII. CONFLICT OF INTEREST

No government employee or member of the legislative, judiciary, or executive branches of local, State, or federal government shall benefit from any part of this Agreement.

XXIV. AUDIT AND ACCESS TO RECORDS

The Borrower will be required to maintain all pertinent financial and accounting records and evidence pertaining to the Loan project in accordance with generally accepted accounting principles and other procedures specified by the State. The State or any of their duly authorized representatives shall have access, upon reasonable notice, to such books, records, documents, and other evidence for the purpose of inspection, audit, and copying. The Borrower will provide proper facilities for such access and inspection. All records shall be maintained by the Borrower for a minimum of three (3) years after the Loan Payoff Date.

XXV. INSURANCE

(A) The Borrower shall maintain insurance that will protect it from claims that may arise from the Borrower's actions under this Agreement or from the actions of others for whom the Borrower may be held liable.

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

XXVI. FEES AND OTHER SOURCES OF FUNDING

The Borrower guarantees that any claims made to the State under this Agreement shall 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 Borrower agrees to immediately refund to the State the total amount representing such duplication of funding.

XXII. CANCELLATION

This Agreement may be cancelled by the State, upon 30 days written notice, due to Executive order, budgetary reduction, or other lack of funding.

XXIII. TERMINATION

(A) This Agreement may also be terminated by the State for any of the following reasons upon 30 days written notice to the Borrower:

1. The State may terminate a Loan or withhold a draw if the Borrower fails to comply with the terms and conditions of this Agreement. If a Loan is terminated, the State may recover all funds awarded.
2. The State will terminate a Loan if the recipient fails to draw on the loan within the first two (2) years after the Loan Execution Date.
3. If the Borrower knowingly and willfully presents false information to the State for the purpose of obtaining this Agreement or any payment under this Agreement, the State may terminate this Agreement with no further penalty whatsoever to the Borrower, and the Borrower, upon demand by the State, shall reimburse the State for all money received under this Agreement.
4. If the Borrower uses the Loan for any purpose other than those described in Appendix A or otherwise approved by the State, the State may terminate the Loan and require immediate repayment from the Borrower of all disbursed funds.

(B) The State may immediately terminate this Agreement without further liability if the Borrower, or any agent of the Borrower, or any agent of any sub-agreement, is:

1. Convicted of a criminal offense incident to the application for or performance of a State, public, or private contract or subcontract;
2. 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;
3. Convicted under State or federal antitrust statutes; or
4. Convicted of any other criminal offense which, in the sole discretion of the State, compromises the Borrower's ability to implement the project or repay the loan.

In the event this Agreement is terminated under this subsection (B), the Borrower or its contractor may be compensated for all satisfactorily completed documents, data, studies, surveys, drawings, maps, models, photographs, and reports, or reasonable compensation for unfinished work products.

APPENDIX A

SITE NAME: Muskegon Environmental Assessment
Grantee: City of Muskegon
County: Muskegon
Project #: 430823-68 (Site Assessment Fund Grant)
430823-00 (CMI Brownfield Redevelopment Loan)

Funding Type and Amount:
Site Assessment Fund Grant $500,000;
CMI Brownfield Redevelopment Loan $500,000

Funding Source: Part 195, Environmental Protection Bond Implementation, of the Natural Resources and Environmental Protection Act, 1994 PA 451, as amended (NREPA); and Part 196, Clean Michigan Initiative Implementation, of the NREPA. Legislative appropriation of funds for funding assistance is set forth in 2004 PA 309 (CMI Brownfield Redevelopment Loan) and 1996 PA 353 (Site Assessment Fund Grant).

LOCATION: Areawide investigation will include the Muskegon Lake shoreline, Seaway Industrial Park, Port City Industrial Park, Medendorp Center Industrial Park, and the Lakeside Area, as identified in the attached map. Other priority projects outside of these areas may be proposed and will be considered individually for addition to the project area.

SITE HISTORY AND OWNERSHIP: Individual properties within targeted areas will be proposed to the State's Representative when development potential is identified. Site history and ownership will be identified at that time.

PROJECT SCOPE: Conduct environmental assessments, due care, and interim response actions pursuant to the NREPA at properties within the designated areas to reuse individual properties and revitalize the designated areas.

PROJECT DESCRIPTION: The $500,000 **Site Assessment Fund Grant** may be used for investigations and Baseline Environmental Assessments (BEAs) and due care plans at properties in the project area proposed for redevelopment or otherwise prioritized by the Grantee, and approved by both the city of Muskegon and the State.

The $500,000 **CMI Brownfield Loan** may be used to pay for interim response actions and implementation of the BEA or due care response activities at properties in the project area proposed for redevelopment or otherwise prioritized by the Grantee, and approved by both the city of Muskegon and the State.

Projects will be selected and screened by representatives of the city of Muskegon, which will review proposals for investment, job creation/retention, increase in tax base, consistency with the city's master plan, and other criteria. Proposals approved by the city will be submitted to the State in writing. Proposals will include the location of the property at which grant or loan funds will be spent; a description of the proposed development; a proposed budget; a description of the known environmental condition of the property; a description of the known historic uses of the property; the current and proposed owners of the site; any legal, access, or title issues that may affect redevelopment of the property;

and information regarding pre-existing relationships the Grantee or developer and any current or prior owners or operators of the property being proposed for funding.

Projects proposed for due care response activities must have an identified developer or be owned by the city of Muskegon.

Projects submitted to the State by the Grantee will be reviewed for funding eligibility. Written approval and comments will be provided for each qualified project.

REDEVELOPMENT: Development for individual parcels that will be described as projects are proposed for approval under the area-wide grant and loan.

PROJECT BUDGET: In addition to the broad budget items listed below, grant and loan funds may be used for work plan and budget development, bid solicitation, and technical specifications.

Task Number	Task	Site Assessment Fund	Clean Michigan Initiative Brownfield Redevelopment Loan
1	Phase I and II investigations, BEAs, Due Care Planning	$450,000	
2	Grant administration	$50,000	
3	Due Care Implementation		$225,000
4	Interim Response Activities		$225,000
5	Loan administration		$50,000
	TOTAL	$500,000	$500,000

Project Total: $1,000,000

A budget of up to $1,000 for each work plan is approved. Any work plan cost in excess of $1,000 must receive specific approval from the State.

DELIVERABLES: For each approved project, the Grantee will provide a detailed work plan and budget describing the proposed response activities. Any data collected as a result of the grant will be provided to the State. Quarterly reports will show the progress of the investigation and due care activities, and will describe other response actions taken. A BEA, if required, will be produced for the proposed developer for each property prior to the developer's purchase of the property.

The Grantee will provide two copies of a final report to the State by the end date. The report should include a description of the work completed under the grant and match and photographs of the completed project; the number of permanent jobs created; the amount of private investment; the number of acres improved; the final total project cost; and a project fact sheet in a format provided by the State.

Any data collected as a result of the grant will be provided to the State. The Grantee will provide two copies of any document produced using grant funds, including plans, bids, proposals, advertisements, and progress reports, unless provided electronically.

SCHEDULE: Work will be initiated on approved projects within two weeks of State approval unless another schedule is approved by the State.

APPEDIX B
AMORTIZATION SCHEDULE

Muskegon Environmental Assessment 2004-1008

Compound Period ....: Annual

Nominal Annual Rate ....: 2.000 %
Effective Annual Rate ...: Undefined
Periodic Rate ....: 2.0000 %
Daily Rate ....: 0.00556 %

CASH FLOW DATA

	Event	Start Date	Amount	Number	Period	End Date
1	Loan	03/18/2010	500,000.00	1		
2	Payment	03/18/2010	54,571.83	10	Annual	03/18/2019

AMORTIZATION SCHEDULE - US Rule, 360 Day Year

	Date	Payment	Interest	Principal	Balance
Loan	03/18/2010				500,000.00
1	03/18/2010	54,571.83	0.00	54,571.83	445,428.17
2010	Totals	54,571.83	0.00	54,571.83	
2	03/18/2011	54,571.83	8,908.56	45,663.27	399,764.90
2011	Totals	54,571.83	8,908.56	45,663.27	
3	03/18/2012	54,571.83	7,995.30	46,576.53	353,188.37
2012	Totals	54,571.83	7,995.30	46,576.53	
4	03/18/2013	54,571.83	7,063.77	47,508.06	305,680.31
2013	Totals	54,571.83	7,063.77	47,508.06	
5	03/18/2014	54,571.83	6,113.61	48,458.22	257,222.09
2014	Totals	54,571.83	6,113.61	48,458.22	
6	03/18/2015	54,571.83	5,144.44	49,427.39	207,794.70
2015	Totals	54,571.83	5,144.44	49,427.39	
7	03/18/2016	54,571.83	4,155.89	50,415.94	157,378.76
2016	Totals	54,571.83	4,155.89	50,415.94	
8	03/18/2017	54,571.83	3,147.58	51,424.25	105,954.51
2017	Totals	54,571.83	3,147.58	51,424.25	
9	03/18/2018	54,571.83	2,119.09	52,452.74	53,501.77
2018	Totals	54,571.83	2,119.09	52,452.74	
10	03/18/2019	54,571.83	1,070.06	53,501.77	0.00
2019	Totals	54,571.83	1,070.06	53,501.77	
Grand Totals		545,718.30	45,718.30	500,000.00	

Last interest amount increased by 0.02 due to rounding.

APPENDIX C
LOCAL UNIT OF GOVERNEMENT RESOLUTION

Resolution No. 2004-28(a)

MUSKEGON CITY COMMISSION

RESOLUTION AUTHORIZING THE SUBMITTAL OF A
DEPARTMENT OF ENVIRONMENTAL QUALITY
BROWNFIELD REDEVELOPMENT GRANT/LOAN

WHEREAS, The Michigan Department of Environmental Quality (MDEQ) provides grants and loans to communities through its Brownfield Redevelopment Grant program to fund environmental response activities necessary to facilitate brownfield projects; and

WHEREAS the City of Muskegon has been utilizing a $1 million MDEQ Site Assessment Fund (SAF) grant since 1996 to stimulate investment in several properties along the Muskegon Shoreline, resulting in private/public investment of approximately $26.8 million, an increase of over $5.9 million in the SEV of these properties, and creation of 84 jobs. SAF Projects currently underway are expected to result in $131 million in capital investment, over $2.3 million in increased SEV, and creation of over 310 jobs; and

WHEREAS funding from the current SAF grant is almost depleted, despite the continuing need to provide environmental assessment funds as an incentive to redevelop brownfield sites in the City of Muskegon; and

WHEREAS projects selected by the City to receive MDEQ funding for environmental assessments are evaluated to assure that they are consistent with the City of Muskegon's Master Land Use Plan; and

WHEREAS it is the intention of the City that a Site Assessment program will be undertaken if a Brownfield Grant or Loan is awarded; and

WHEREAS if the MDEQ chooses to award a loan rather than a grant, that the City commits to repay the loan through Brownfield Tax Increment Financing, or other such repayment mechanism as determined to be appropriate by the City;

NOW, THEREFORE, BE IT RESOLVED, THAT the City Commission authorizes the City Manager to apply for and secure a grant/loan, and enter into a grant/loan agreement with, the Michigan Department of Environmental Quality.

Adopted this 9th day of March, 2004.

AYES: Carter, Davis, Gawron, Larson, Spataro, Warmington
NAYS: None
ABSTAIN: None

By: ____________________
Mayor

Attest: Gail A. Kundinger
City Clerk

CERTIFICATION
2004-28(a)

This resolution was adopted at a regular meeting of the City Commission, held on March 9, 2004. The meeting was properly held and noticed pursuant to the Open Meetings Act of the State of Michigan, Act 267 of the Public Acts of 1976.

CITY OF MUSKEGON

By Gail A. Kundinger
Gail A. Kundinger, MMC, City Clerk

BROWNFIELD GRANT AGREEMENT
BETWEEN THE
MICHIGAN DEPARTMENT OF ENVIRONMENTAL QUALITY
AND THE CITY OF MUSKEGON

This Grant Agreement ("Agreement") is made between the Michigan Department of Environmental Quality, Environmental Science and Services Division (hereafter "State") and the City of Muskegon (hereafter "Grantee").

The purpose of this Agreement is to provide funding for the project named below. The State is authorized to provide grant assistance pursuant to the Natural Resources and Environmental Protection Act, 1994 PA 451, as amended, Part 195. Legislative appropriation of funds for grant assistance is set forth in 1996 PA 353. This Agreement is subject to the terms and conditions specified herein.

Project Name: Muskegon Environmental Assessment   Project #: 430823-68

Amount of grant: $500,000

Start Date: September 15, 2004   End Date: September 15, 2006

GRANTEE REMITTANCE INFORMATION:

Cathy Brubaker-Clarke, Director
Name/Title
Community & Econ. Development
Address
933 Terrace St., PO Box 536
Address
Muskegon, MI 49443
Address
231-724-6702   231-724-6790
Telephone number   Fax number
Cathy.brubaker-clarke@postman.org
E-mail address
38-6004522
Federal ID number

STATE'S REPRESENTATIVE:

Susan Sandell, Grant Administrator
Name/Title
DEQ-ESSD, 120 West Chapin Street
Address
Cadillac, MI 49651
Address
231-775-3960, extension 6312
Telephone number
231-775-1511
Fax number
sandells@michigan.gov
E-mail address

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

Signature of authorized official   9-6-04
Date

Bryon L. Mazade, City Manager
Name and title (typed or printed)

AUTHORIZED BY:

Amy A. Butler   9-9-04
~~Steven E. Chester, Director~~ Amy A. Butler   Effective Date
Michigan Department of Environmental Quality

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.

II. AGREEMENT PERIOD

This Agreement shall take effect on the date of signature by the State (the Effective Date). The Grantee shall complete the project specified in Appendix A in accordance with all the terms and conditions specified in this Agreement no later than the ending date shown on page one. The State shall have no responsibility to provide financial assistance to the Grantee for project work performed except between the Start Date and the End Date specified on page one.

III. CHANGES

Any changes to the Agreement or to its appendices, including any increase or decrease in the amount of the Grantee's compensation, changes to the Project Scope, or extension of the project deadline, which are mutually agreed upon by and between the State and the Grantee, shall be requested by the Grantee in writing, and approved in writing by the State. Changes to the Agreement or appendices must be approved in advance. The State reserves the right to deny requests for changes to the Agreement or to the appendices made without 30 days notice.

IV. GRANTEE DELIVERABLES AND REPORTING REQUIREMENTS

(A) The Grantee must complete and submit quarterly progress reports according to a form prescribed by the State. Progress reports shall be due on April 30 for the period between January 1 and March 30; July 31 for the period between April 1 and June 30; early October [pursuant to Section XVI (D)] for the period between July 1 and September 30; and January 31 for the period between October 1 and December 31.

The forms provided by the State will include instructions on their use and shall be submitted to the State's representative at the address on page 1.

(B) The Grantee shall provide a final project report in a format prescribed by the State.

(C) The Grantee must provide all deliverables in accordance with Appendix A.

V. GRANTEE RESPONSIBILITIES

(A) The Grantee understands that it is a crime to knowingly and willfully 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.

(B) The grantee agrees to abide by all local, state, and federal laws and regulations in the performance of this grant.

(C) 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.

(D) The Grantee shall secure all personnel necessary to complete the project. All personnel shall be under the direct supervision of the Grantee. The Grantee shall make all payments required by law for workers' compensation insurance, social security, income tax, unemployment compensation, and all other taxes or payroll deductions as required by law.

(E) The Grantee shall be solely responsible to pay all taxes, if any, that arise from the Grantee's receipt of this grant.

(F) The Grantee shall purchase and use recycled materials and products to the maximum extent possible in performing the project. At the Grantee's request, the State shall provide information and assistance to the Grantee regarding the use of recycled products in the project.

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

(H) 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.

VI. 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 sub-grantee.

VII. SUBAGREEMENTS

The Grantee shall not use any consultant or subcontractor to perform the project unless specifically authorized by the State. The Grantee will be required to assume responsibility for all contractual activities offered in this proposal whether or not the Grantee performs them. 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 professionally qualified to perform the duties required.

VIII. NON-DISCRIMINATION

The Grantee shall not discriminate against an employee or applicant for employment with respect to their hire, tenure, terms, conditions, or privileges of employment, or any matter directly or indirectly related to employment, because of race, color, religion, national origin, ancestry, age, sex, height, weight, marital status, physical or mental disability unrelated to the individual's ability to perform the duties of the particular job or position. The Grantee further agrees that any sub-agreement shall contain a nondiscrimination provision identical to this provision and binding upon any and all subcontractors. This covenant is required pursuant to the Elliott Larsen Civil Rights Act, 1976 Public Act 453, as amended, MCL 37.2201, *et seq*, and the Persons with Disabilities Civil Rights Act, 1976 Public Act 220, as amended, MCL 37.1101, *et seq*, and any breach thereof may be regarded as a material breach of the contract or purchase order.

IX. UNFAIR LABOR PRACTICES

Pursuant to 1980 Public Act 278, as amended, MCL 423.231, *et seq*, the State shall not award a contract or subcontract to an employer whose name appears in the current register of employers failing to correct an unfair labor practice compiled pursuant to Section 2 of the Act. The Grantee shall not enter into a contract with a subcontractor, manufacturer, or supplier whose name appears in this register. Pursuant to Section 4 of 1980 Public Act 278, MCL 423.324, the State may void any contract if, subsequent to award of the contract, the name of the grantee as an employer, or the name of the subcontractor, manufacturer, or supplier of the grantee appears in this register.

X. LIABILITY

(A) All liability, loss, or damage as a result of claims, demands, costs, or judgments arising out of activities to be carried out pursuant to the obligations of the Grantee under this Agreement shall be the responsibility of the Grantee, and not the responsibility of the State, if the liability, loss, or damage is caused by, or arises out of, the actions or failure to act on the part of the Grantee, any subcontractor, anyone directly or indirectly employed by the Grantee, provided that nothing herein shall be construed as a waiver of any governmental immunity the Grantee has as provided by statute or modified by court decisions.

(B) All liability, loss, or damage as a result of claims, demands, costs, or judgments arising out of activities to be carried out by the State in the performance of this agreement shall be the responsibility of the State and not the responsibility of the Grantee if the liability, loss, or damage is caused by or arises out of, the action or failure to act on the part of any State employee or agent, provided that nothing herein shall be construed as a waiver of any governmental immunity by the State, its agencies or employees as provided by statute or court decisions.

(C) In the event that liability, loss, or damage arises as a result of activities conducted jointly by the Grantee and the State in fulfillment of their responsibilities under this Agreement, such liability, loss, or damage shall be borne by the Grantee and the State in relation to each party's responsibilities under these joint activities, provided that nothing herein shall be construed as a waiver of any governmental immunity by the Grantee, the State, its agencies, or their employees, respectively as provided by statute or court decisions.

XI. GRATUITIES

If the State finds, after a notice and hearing, 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 sub-agreement or favorable treatment in awarding, amending, or making any determinations related to the performance of this Agreement, the State may, by written notice to the Grantee, terminate this Agreement.

XII. CONFLICT OF INTEREST

No government employee or member of the legislative, judicia, or executive branches of local, State, or federal government shall benefit from any part of this agreement.

XIII. AUDIT AND ACCESS TO RECORDS

The Grantee will be required to maintain all pertinent financial and accounting records and evidence pertaining to the Grant in accordance with generally accepted principles of accounting and other procedures specified by the State. The State or any of their duly authorized representatives shall 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 shall be maintained for a minimum of three years after the End Date.

XIV. INSURANCE

(A) The Grantee shall maintain insurance that will protect it from claims that may arise from the Grantee's actions under this Agreement or from the actions of others for whom the Grantee may be held liable.

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

XV. FEES AND OTHER SOURCES OF FUNDING

The Grantee shall not seek nor obtain funding through fees or charges to any client receiving services for which the State reimburses the Grantee under this Agreement. The Grantee guarantees that any claims made to the State under this Agreement shall 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.

XVI. COMPENSATION

(A) The State shall pay the Grantee a total amount not to exceed the amount on page one of this Agreement, in accordance with Appendix A.

(B) A breakdown of project costs covered under this Agreement is identified in Appendix A. All other costs necessary to complete the project are the sole responsibility of the Grantee.

(C) Expenditures made by the Grantee prior to the Start Date or after the End Date of this Agreement are not eligible for payment under the Agreement.

(D) Payment Requests submitted by the Grantee must be approved by the State prior to payment. The State reserves the right to request additional information before approving a Payment Request.

Payment Requests shall be submitted with progress reports for the same period and must include supporting documentation of eligible project expenses incurred during the payment request and progress report period. 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.

If the Grantee is unable to submit a payment request 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 Grantee shall be notified by the State by September 1 of the annual due date for expenditures through September 30.

(E) The State may hold back 10 percent (10%) of the grant amount or the final invoice until the project is completed in accordance with Section XVII, Closeout, and audited by the State.

XVII. CLOSEOUT

(A) A determination of project completion shall be made by the State upon satisfactory completion of the activities and deliverables described in Appendix A and a site inspection, if applicable.

(B) The Grantee shall provide the State, within 60 days of the End Date, with all financial, performance, and other reports available and required as a condition of the Agreement.

The Grantee shall submit a request for final payment within 60 days from the End Date of the Grant.

(C) As a condition of final payment, the Grantee shall deliver to the State a release 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.

(D) The Grantee shall immediately refund to the State any payments or funds advanced to the Grantee in excess of allowable reimbursable billings.

(E) Grants may be audited by the State. In the event a grant project is required to be audited, the amount held back under Section XVI (E) may be retained by the State until the audit is completed.

XVIII. CANCELLATION

This Agreement may be cancelled, upon 30 days written notice, due to Executive order, budgetary reduction, or other lack of funding.

XIX. TERMINATION

(A) This Agreement may also be terminated by the State for any of the following reasons upon 30 days written notice to the Grantee:

1. The State may terminate a grant made with money from the fund or withhold payment if the recipient fails to comply with the terms and conditions of the grant agreement or with the requirements of the authorizing legislation cited on page 1 or the rules promulgated thereunder, or with other applicable law or rules. If a grant is terminated, the State may recover all funds awarded.
2. If the Grantee knowingly and willfully presents false information to the state for the purpose of obtaining this Agreement or any payment under this Agreement, the State may terminate this Agreement with no further penalty whatsoever to the Grantee, and the Grantee, upon demand by the State, shall reimburse the State for all money received under this Agreement.

3. If the Grantee uses the Grant for any purpose other than those described in Appendix A or otherwise approved by the State, the State may terminate the Grant and require immediate repayment from the Grantee of disbursed funds for the misused portion of the Grant.

(B) The State may immediately terminate this Agreement without further liability if the Grantee, or any agent of the Grantee, or any agent of any subagreement, is:

1. Convicted of a criminal offense incident to the application for or performance of a State, public, or private contract or subcontract;
2. 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;
3. Convicted under State or federal antitrust statutes; or
4. Convicted of any other criminal offense which, in the sole discretion of the State, reflects on the Grantee's business integrity.

(C) In the event the agreement is terminated, the Grantee or its contractor may be compensated for all satisfactorily completed documents, data, studies, surveys, drawings, maps, models, photographs, and reports, or reasonable compensation for unfinished work products.

XX. ACCESS AGREEMENT

A voluntary access agreement or court-ordered access must be secured by the Grantee prior to performance of the scope of work described in Appendix A for any portion of the project area or property where grant activities will be undertaken and that is not owned by the Grantee. Evidence of access must be provided to the State at its request.

XXI. MATCH

The Grantee agrees to provide local match to the project as described in Appendix A of the Agreement. The Grantee shall expend all local match committed to the project by the End Date on page 1 of the Agreement.

If real or personal property will be donated as the match or a portion of the match required, the Grantee shall submit to the State documentation of an appraisal performed by a state-certified property appraiser. For property valued at or in excess of $500,000, the Grantee shall submit documentation of a second appraisal.

For real property donated as match, the Grantee shall submit documentation, before or within sixty (60) days of the End Date, of a marketable record title free of liens and encumbrances, and proof of title insurance.

In the event the local match expended or donated by the End Date is less than the amount in Appendix A of the Agreement, the amount of the grant shall be reduced at the discretion of the State so that the local match percentage remains the same as described in Appendix A. The Grantee may be required to reimburse the State for any funds disbursed to the Grantee over the amount of the reduced grant.

XXII. BIDS, CONTRACTORS

(A) For contracts over $20,000 the Grantee shall provide, or cause to be provided, the qualifications of the selected contractor(s) to the State. The State reserves the right to object to the selected contractor(s) or their qualifications. If the State has objections, it will inform the Grantee in writing within thirty (30) days of receipt of the selected contractor's qualifications.

(B) For any contract except professional services, the Grantee shall solicit, or cause to be solicited, bids from at least three qualified contractors. The Grantee shall provide copies of all bids received to the State. If the contractor that submitted the lowest bid is not the contractor selected, the Grantee must submit written justification for the selection.

(C) Any contractor(s) retained for corrective action on regulated underground storage tanks shall be approved in accordance with Part 213, Leaking Underground Storage Tanks, and Part 215, Underground Storage Tank Financial Assurance, of the Natural Resources and Environmental Protection Act, 1994 PA 451, as amended.

(D) Any contractor(s) retained for asbestos abatement shall possess appropriate qualifications to perform asbestos abatement.

XXIII. PROJECT IMPLEMENTATION

Prior to conducting any activities except property acquisition under the Agreement, the Grantee or its contractor shall submit a detailed work plan to the State for its approval. Work plans must include a description of the proposed activities, a budget, and a schedule for conducting the activities under Appendix A. A supplementary work plan, budget, and schedule are required for each subsequent phase of work. The Grantee and its contractor shall not proceed with grant-funded activities until the State approves the work plan, budget, and schedule in writing. The State may approve, modify and approve, or require amendments to the work plan.

The Grantee or its contractor shall implement the work plan upon the State's written approval and according to the schedules contained therein. Changes or additions to the work plan may be submitted in writing and are subject to approval by the State. Changes to the work plan without prior approval from the State, or performance of activities that are not part of an approved work plan or amendment to a work plan, are considered ineligible expenses and may result in the Grantee being responsible for payment of unapproved activities.

XXIV. OTHER TERMS AND CONDITIONS

(A) Although the following costs may be related to the scope of work described in Appendix A, the following are ineligible for reimbursement under the grant:

Office equipment; software; insurance, except liability insurance required pursuant to this Agreement; taxes, except sales taxes; registrations, including registration of an underground storage tank; replacement or purchase of equipment; fees, including Baseline Environmental Assessment petition fees, late fees and permit fees; drinking water supply replacement, as defined in 1990 AACS Rule 299.5401; operation and maintenance, as defined in 1990 AACS Rule 299.5103(a); restoration of property or infrastructure, unless included in Appendix A; fees for attorneys or legal advice; grant recipient staff time for application submittal and grant administration; costs incurred for environmental activities under a local Brownfield Redevelopment Authority Plan; costs incurred for activities outside a State-approved work plan; labor overtime; and training. Travel costs for either vehicle use or vehicle mileage will be reimbursed, but not both. Contractor markup on subcontractors and equipment is limited to 10% of the original cost. Other expenses may be determined ineligible in the course of invoice reviews.

The use of a Grant Administrator to review work plans, reports and other documents prepared by the Contractor(s), review invoices, write project status reports, and coordinate project activities and communications is eligible for reimbursement conditional upon the State's approval of a scope of work and budget prior to incurring grant administration costs.

(B) The State may withhold the Grant until the State determines that the Grant Recipient is able to proceed with the project scope described in Appendix A, pursuant to Part 196, Section 19612(3).

(C) Following completion of the Project, the State may conduct annual compliance inspections for two (2) years to determine whether the Project is being maintained for the use specified in this Agreement.

(D) The Grant Recipient acknowledges, by signature of this Agreement, that the State is not obligated to provide additional funding for this project. In the event that Grant funds provided pursuant to this Agreement are not sufficient to complete the Environmental Activities for which grant funds were approved, the Grantee may make a written request for additional grant funds. If no additional grant funds are approved by the State, the Grantee shall assume responsibility for any additional Environmental Activity costs necessary to complete the Project and in excess of the approved Grant.

(E) The Grant Recipient acknowledges by its signature of this Agreement that there have been no material changes in the economic development proposal, property ownership, or other conditions of the Property or Project since the date the grant funds were awarded. If the proposed development changes, the Grantee shall immediately notify the State in writing. In the event the proposed development is not implemented, the Grantee shall immediately notify the State in writing and shall secure a new development project for the Property within six (6) months after such notification. The Grantee shall then notify the State in writing of the proposed development. The alternate development project is also subject to approval by the State.

XXV. ACKNOWLEDGEMENT

All deliverables shall acknowledge that the project was supported in whole or in part by the Brownfield Grant and Loan Program, Department of Environmental Quality.

APPENDIX A

SITE NAME: Muskegon Environmental Assessment **Tracking code:** 2004-1008

Grantee: City of Muskegon
County: Muskegon
Project #: 430823-68 Site Assessment Fund Grant
__________ CMI Brownfield Redevelopment Loan

Funding Type and Amount:
$500,000 Site Assessment Fund Grant
$500,000 CMI Brownfield Redevelopment Loan

Funding source: Part 195, Environmental Protection Bond Implementation, of the Natural Resources and Environmental Protection Act, 1994 PA 451, as amended (NREPA); and Part 196, Clean Michigan Initiative Implementation, of the NREPA. Legislative appropriation of funds for funding assistance is set forth in 2004 PA 309 (CMI Brownfield Redevelopment Loan) and 1996 PA 353 (Site Assessment Fund Grant).

LOCATION: Areawide investigation will include the Muskegon Lake shoreline, Seaway Industrial Park, Port City Industrial Park, Medendorp Center Industrial Park, and the Lakeside Area, as identified in the attached map. Other priority projects outside of these areas may be proposed and will be considered individually for addition to the project area.

SITE HISTORY AND OWNERSHIP: Individual properties within targeted areas will be proposed to the State's Representative when development potential is identified. Site history and ownership will be identified at that time.

PROJECT SCOPE: Conduct environmental assessments, due care, and interim response actions pursuant to the NREPA at properties within the designated areas to reuse individual properties and revitalize the designated areas.

PROJECT DESCRIPTION: The $500,000 **Site Assessment Fund Grant** may be used for investigations and Baseline Environmental Assessments (BEAs) and due care plans at properties in the project area proposed for redevelopment or otherwise prioritized by the Grantee, and approved by both the City of Muskegon and the State.

The $500,000 **CMI Brownfield Loan** may be used to pay for interim response actions and implementation of BEA or due care response activities at properties in the project area proposed for redevelopment or otherwise prioritized by the Grantee, and approved by both the City of Muskegon and the State.

Projects will be selected and screened by representatives of the City of Muskegon, which will review proposals for investment, job creation/retention, increase in tax base, consistency with the city's master plan, and other criteria. Proposals approved by the city will be submitted to the State in writing. Proposals will include the location of the property at which grant or loan funds will be spent; a description of the proposed development; a proposed budget; a description of the known environmental condition of the property; a description of the known historic uses of the property; the current and proposed owners of the site; any legal, access, or title issues that may affect redevelopment of the property; and information regarding pre-existing relationships the Grantee or developer and any current or prior owners or operators of the property being proposed for funding.

Projects proposed for due care response activities must have an identified developer or be owned by the City of Muskegon.

Projects submitted to the State by the Grantee will be reviewed for funding eligibility. Written approval and comments will be provided for each qualified project.

REDEVELOPMENT: Development for individual parcels will be described as projects are proposed for approval under the areawide grant and loan.

PROJECT BUDGET: In addition to the broad budget items listed below, grant and loan funds may be used for work plan and budget development, bid solicitation, and technical specifications.

Task Number	Task	Site Assessment Fund	Clean Michigan Initiative Brownfield Redevelopment Loan
1	Phase I and II investigations, BEAs, Due Care Planning	$450,000	
2	Grant administration	$50,000	
3	Due Care Implementation		$225,000
4	Interim Response Activities		$225,000
5	Loan administration		$50,000
	TOTAL	$500,000	$500,000

Project Total: $1,000,000

A budget of up to $1,000 for each work plan is approved. Any work plan cost in excess of $1,000 must receive specific approval from the State.

DELIVERABLES: For each approved project, the Grantee will provide a detailed work plan and budget describing the proposed response activities. Any data collected as a result of the grant will be provided to the State's representative. Quarterly reports will show the progress of the investigation and due care activities, and will describe other response actions taken. A BEA, if required, will be produced for the proposed developer for each property prior to the developer's purchase of the property.
The Grantee will provide two copies of a final report to the State by the end date. The report should include a description of the work completed under the grant and match and photographs of the completed project; the number of permanent jobs created; the amount of private investment; the number of acres improved; the final total project cost; and a project fact sheet in a format provided by the State.

Any data collected as a result of the grant will be provided to the State's Representative. The Grantee will provide two copies of any document produced using grant funds, including plans, bids, proposals, advertisements, and progress reports, unless provided electronically.

SCHEDULE: Work will be initiated on approved projects within two weeks of State approval unless another schedule is approved by the State.

Commission Meeting Date: March 9, 2004

Date: **March 2, 2004**

To: **Honorable Mayor and City Commissioners**

From: **Planning & Economic Development**

RE: **Approval of Contract to Market Seaway Industrial Park**

SUMMARY OF REQUEST:

A Request for Proposals (RFP) was recently put out by the Planning Department for marketing of the property in Seaway Industrial Park. The purpose of the RFP was to expose these properties to a wider market than is currently possible by City staff. Two real estate agencies submitted proposals, which were reviewed by City staff. The two agencies were also interviewed as part of the process. Of the two proposals, C & A Commercial Real Estate's proposal stood out with unique ideas for marketing, as well as flexibility and willingness to put City property first on their priority list when marketing. C & A Commercial Real Estate is also willing, as part of this agreement, to market another City-owned industrial piece of property at 1537 S. Getty Street.

FINANCIAL IMPACT:

The timely sale and development of these properties will bring more jobs to Muskegon in the near future, thus additional income tax being generated.

BUDGET ACTION REQUIRED:

None.

STAFF RECOMMENDATION:

To approve the attached resolution and authorize the Mayor and Clerk to sign said resolution.

COMMITTEE RECOMMENDATION:

Resolution No. 2004-28(b)

MUSKEGON CITY COMMISSION

RESOLUTION APPROVING MARKETING CONTRACT FOR SEAWAY INDUSTRIAL PARK

WHEREAS, the City of Muskegon has completed the development of Seaway Industrial Park; and

WHEREAS, the City of Muskegon believes it is important that the property within the park be sold in a timely manner; and

WHEREAS, a Request for Proposals (RFP) was solicited from area commercial real estate agencies for the purpose of marketing Seaway Industrial Park to a wider area; and

WHEREAS, C & A Commercial Real Estate submitted the proposal that reflects the best interests of the City.

NOW THEREFORE BE IT RESOLVED that the Muskegon City Commission does authorize the Mayor to sign on behalf of the City, a real estate agreement with C & A Commercial Realtors for the purpose of marketing industrial property in Seaway Industrial Park, as well as a parcel located at 1537 S. Getty Street.

Adopted this 9th day of March 2004.

AYES: Davis, Gawron, Larson, Spataro, Warmington, Carter

NAYS: None

ABSENT: Shepherd

BY: Stephen J. Warmington
Mayor

ATTEST: Gail A. Kundinger
Gail A. Kundinger, MMC
City Clerk

CERTIFICATION
2004-28(b)

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 9, 2004.

Gail Kundinger

Gail Kundinger, MMC
City Ckerk

AGENDA ITEM NO. ____________

CITY COMMISSION MEETING 3/9/04

Needs 2nd Reading

TO: Honorable Mayor and City Commissioners

FROM: Bryon L. Mazade, City Manager

DATE: March 2, 2004

RE: Public Safety Administration Ordinances

SUMMARY OF REQUEST:

To adopt three ordinances to implement the proposed Public Safety Administrative Consolidation.

FINANCIAL IMPACT:

First year savings of over $100,000.

BUDGET ACTION REQUIRED:

The savings will be accounted for in a future quarterly budget update.

STAFF RECOMMENDATION:

To approve the attached ordinances.

COMMITTEE RECOMMENDATION:

The City Commission endorsed the consolidation concept on February 24, 2004.

DATE: March 1, 2004

TO: Honorable Mayor and City Commissioners

FROM: Robert B. Grabinski, Director of Inspections

Re: Concurrence with the Housing Board of Appeals Notice & Order to Demolish. Dangerous building case #EN-030177 Address: 433 E. Isabella.

SUMMARY OF REQUEST: This is to request City Commission concurrence with the findings of the Housing Board of Appeals that the structure located at **433 E. Isabella – Area 11** is unsafe, substandard, a public nuisance and that it be demolished within thirty (30) days.

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.

Case # & Project Address: #EN-030177 Address: 433 E. Isabella.

Location and ownership: This structure is located on E. Isabella between Wood and Williams and is owned by Tamkea Scott. It was previously owned by Earl Morris, her deceased father.

Staff Correspondence: This case began with a police report forwarded to the Inspection Department due to conditions in the house. A dangerous building inspection was conducted 11/20/03 and notice and order to repair or remove issued 12/3/03. On 1/8/04 the HBA declared the structure substandard and dangerous. An interior inspection was conducted 1/16/04. A memo stating permits should be pulled within 2 weeks was sent 1/29/04 with the interior inspection report.

Owner Contact: On 1/12/04 a friend of Tameka Scott called and asked about the posting on the house. An interior inspection was scheduled on that date for 1/14/04. No one showed for that inspection and it was rescheduled for 1/16/04 and was conducted on that date. There has been no contact since.

Financial Impact: The demolition will be paid with CDBG funds.

Budget Action Required: None

SEV: $24,300

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

Estimated Cost of Repairs: $8,000

City Commission Recommendation: The Commission will consider this item at it's meeting on Tuesday, March 9, 2004.

CITY OF MUSKEGON
DANGEROUS BUILDING INSPECTION REPORT
433 Isabella
Interior Inspection
1/16/04

Inspection noted:

1. Romex exposed in closet.
2. Closet light is incomplete.
3. Washer/dryer not grounded.
4. Bonding jumper missing on water heater.
5. Exterior lights incomplete.
6. Entry porch collapsing – sections of frame deteriorated. Remove or rebuild to code.
7. Doors on home have been damaged. Repair or replace.
8. Repair all damaged siding.
9. Window frames on home need scraping and painting.
10. Provide secure crawl space access panel. Must be able to be approved for ground contact.
11. Patch and paint all interior wall and ceiling damage.

BASED UPON MY RECENT INSPECTION OF THE ABOVE PROPERTY, I HAVE DETERMINED THAT THE STRUCTURE MEETS THE DEFINITION OF A DANGEROUS AND/OR SUBSTANDARD BUILDING AS SET FORTH IN SECTION 4-23 OF THE MUSKEGON CITY CODE.

HENRY FALTINOWSKI, BUILDING INSPECTOR   DATE

CITY OF MUSKEGON

DANGEROUS BUILDING INSPECTION REPORT

433 E. Isabella

11/20/03

Inspection noted:

1. Garage roof is deteriorated.

2. Garage vehicle door needs repair.

3. Residence – Rear apartment has broken windows.

4. Residence – Rear apartment has fascia & soffitt damage.

5. Residence – Siding needs paint & minor repair.

6. Property maintenance items have not been corrected.

7. Interior inspection with building, plumbing, mechanical, and electrical inspectors required.

8. All work requires construction permits. These permits must be obtained prior to work beginning.

Please contact Inspection Services with any questions at 231-724-6715.

BASED UPON MY RECENT INSPECTION OF THE ABOVE PROPERTY, I HAVE DETERMINED THAT THE STRUCTURE MEETS THE DEFINITION OF A DANGEROUS AND/OR SUBSTANDARD BUILDING AS SET FORTH IN SECTION 4-23 OF THE MUSKEGON CITY CODE.

HENRY FALTINOWSKI, BUILDING INSPECTOR | DATE

435 -433
E. Isabella

DATE: March 1, 2004

TO: Honorable Mayor and City Commissioners

FROM: Robert B. Grabinski, Director of Inspections

Re: Concurrence with the Housing Board of Appeals Notice & Order to Demolish. Dangerous building case #EN-030176 Address: 207 E. Walton.

SUMMARY OF REQUEST: This is to request City Commission concurrence with the findings of the Housing Board of Appeals that the structure located at **207 E. Walton – Area 11** is unsafe, substandard, a public nuisance and that it be demolished within thirty (30) days.

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.

Case # & Project Address: #EN-030176 Address: 207 E. Walton.

Location and ownership: This structure is located on Walton between Murphy and Rathborne and is owned by Sidney & Patricia Norman of Muskegon Heights.

Staff Correspondence: A dangerous building inspection report was written 11/20/03 and notice and order to repair or remove was issued 12/3/03. On 2/9/04 the HBA declared the structure substandard and dangerous.

Owner Contact: There has been no contact from the owners.

Financial Impact: The demolition will be paid with CDBG funds.

Budget Action Required: None

SEV: $9,600

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

Estimated Cost of Repairs: $6,000 plus the cost for interior repairs

City Commission Recommendation: The Commission will consider this item at it's meeting on Tuesday, March 9, 2004.

CITY OF MUSKEGON

DANGEROUS BUILDING INSPECTION REPORT

207 E. Walton

11/20/03

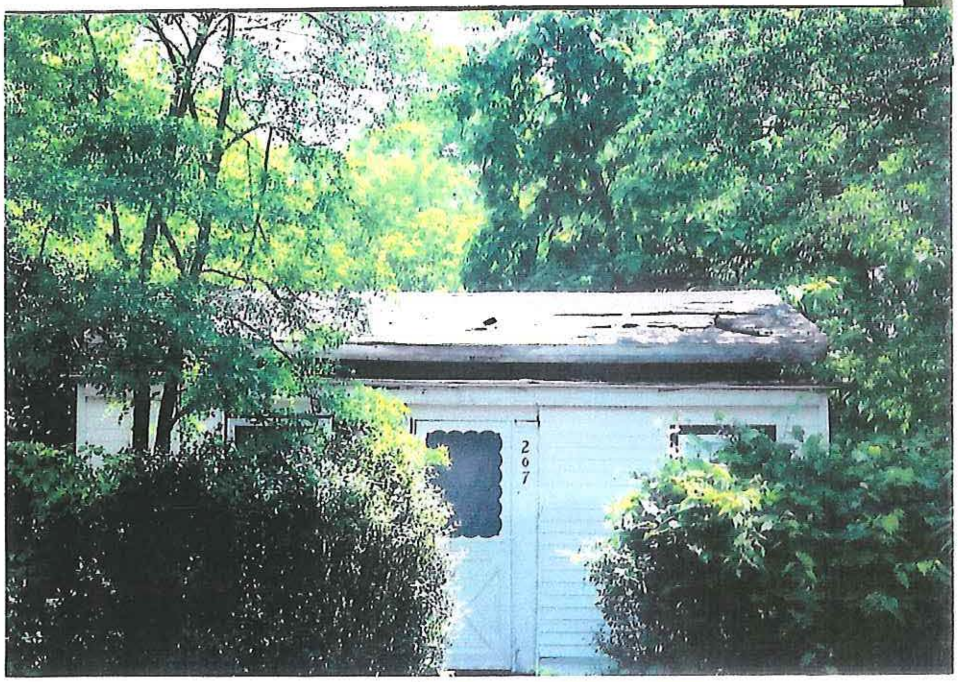
Inspection noted:

1. Roof deteriorated, missing material.
2. Soffitt & fascia damaged.
3. Windows broken & boarded.
4. Siding is lifting from structure.
5. Foundation open to varmints.
6. Interior inspection with building, plumbing, mechanical, and electrical inspectors required.
7. All work requires construction permits. These permits must be obtained prior to work beginning.

Please contact Inspection Services with any questions at 231-724-6715.

BASED UPON MY RECENT INSPECTION OF THE ABOVE PROPERTY, I HAVE DETERMINED THAT THE STRUCTURE MEETS THE DEFINITION OF A DANGEROUS AND/OR SUBSTANDARD BUILDING AS SET FORTH IN SECTION 4-23 OF THE MUSKEGON CITY CODE.

HENRY FALTINOWSKI, BUILDING INSPECTOR DATE



207 WALTON

3-9-04

AGREEMENT

THIS AGREEMENT, made this July 13, 2004 by and between:
Press's LLC

(a corporation organized and existing under the law of the State of Michigan); (partnership consisting of _______________); (an individual trading as _______________); hereinafter called the "Contractor," and the City of Muskegon, Michigan, hereinafter called the "City".

WITNESSTH, that the Contractor and the City, for the consideration stated herein, mutually agree as follows:

ARTICLE 1. Statement of Work. The Contractor shall furnish all supervision, technical personnel, labor, materials, machinery, tools, equipment, and services, including utility and transportation services, and perform and complete all work required for the demolition and clearance of **207 Walton** as well as required supplemental work for the completion of this project, all in strict accordance with the Contract, including all Addenda.

ARTICLE 2. Contract Price. The City will pay the Contractor for the performance of this Contract and the completion of the work covered therein an amount not to exceed **$2900**

ARTICLE 3. CONTRACT: The executed contract shall consist of, but not be limited to, the following:

Invitation for Bids
Instructions to Bidders
Bid Proposal
Agreement
General Specifications for Project Performance
Equal Opportunity and Employment Specifications
Demolition and Site Clearance Specifications

This Agreement, together with other documents listed in Article 3, which said other documents are as fully a part of the Contract as if attached hereto or repeated herein, form the contract between the parties hereto.

In the event any provision in any component part of this Contract conflicts with any provision of any other component part, the Contractor shall contact the City immediately in writing for a determination, interpretation, and/or classification of conflicting parts and priority of same. Said determination from the City shall be in writing and shall become an Addendum to this Contract.

IN WITNESS WHEREOF, the parties hereto have caused this AGREEMENT to be executed on the day and year first written above.

ATTEST:

CONTRACTOR:

BY: Alan Jager - Pres.
Printed name and title

ATTEST:
Linda Potter

CITY OF MUSKEGON

BY:
Mayor

Gail A. Kundinger
City Clerk

(SEAL)

CERTIFICATION (IF APPLICABLE)

I, Tammy Jager, certify that I am the owner

of the Corporation named as contractor herein;

That Alan Jager, who signed this Agreement on behalf of the

Contractor, was then Pres. of said Corporation:

That said Agreement was duly signed for and in behalf of said Corporation by authority of its governing body, and is within the scope of its corporate powers.

Signed:

Tammy Jager - president

(CORPORATE SEAL)

Tammy Jager - [illegible]
Printed Name and Title

DATE: March 1, 2004

TO: Honorable Mayor and City Commissioners

FROM: Robert B. Grabinski, Director of Inspections

Re: Concurrence with the Housing Board of Appeals Notice & Order to Demolish. Dangerous building case #EN-030082 Address: 1785 McIllwraith.

SUMMARY OF REQUEST: This is to request City Commission concurrence with the findings of the Housing Board of Appeals that the structure located at **1785 McIllwraith** is unsafe, substandard, a public nuisance and that it be demolished within thirty (30) days.

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.

Case # & Project Address: #EN-030082 Address: 1785 McIllwraith.

Location and ownership: This structure is located on McIllwraith, on the NW corner of Laketon and McIllwraith. It is owned by Harold and Shelly Larabee.

Staff Correspondence: This case began with the garage being written as dangerous on 9/11/02 and the house was added 10/14/02. An interior inspection was conducted 1/7/03. A notice and order to repair or remove was issued 12/4/02 and a building permit for repair to the garage and exterior of the house was pulled by the owner on 12/19/02. The permit expired 2/19/03. On 2/6/03 the HBA heard the case and tabled it until July 2003 to give the owner time to complete the repairs. At that time Mr. Larabee stated he would be living in the house when he wasn't out of town for work. Previously, the house had been a rental. On 4/30/03 a building permit was again issued to the owner and expired 7/1/03. On 8/7/03 the case was brought back before the HBA and the structure was declared dangerous and substandard.

Owner Contact: The owners have been in contact with the Inspection office throughout the process and first stated they intended to complete the repairs. In October 2003 they stated they were selling the house. They also obtained information about completing the demolition on their own in October 2003 and were given until 11/03 to complete the demolition. There has been no contact since that date.

Financial Impact: The demolition will be paid with CDBG funds.

Budget Action Required: None

SEV: $14,000

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

Estimated Cost of Repairs: $12,000

City Commission Recommendation: The Commission will consider this item at it's meeting on Tuesday, March 9, 2004.

CITY OF MUSKEGON

DANGEROUS BUILDING INSPECTION REPORT

1785 McIlwraith
(INTERIOR INSPECTION)

Inspection noted:

1. Repair/replace all fixtures as needed.

2. Furnace to be tested and certified by licensed contractor.

3. Pressurize and repair all water waste & venting.

4. All duct work to be repaired/replaced as needed.

5. Garage wiring to be in compliance with 1999 MICH Electrical code.

6. Garage must be separated from home by not less ½ inch drywall applied to garage side. Door openings: must be solid wood not less than 1 3/8 solid core steel 1 3/8 or 20 min. fire door.

7. Handrail, guardrail to basement must meet MRC 2000 requirements.

8. Tuck point all wall block missing mortar.

9. Change bottom plate on garage.

10. Patch all wall damage.

BASED UPON MY RECENT INSPECTION OF THE ABOVE PROPERTY, I HAVE 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.

HENRY FALTINOWSKI, BUILDING INSPECTOR ________ DATE

C:\WINDOWS\TEMP\1785 McIlwraith interior.doc

CITY OF MUSKEGON

DANGEROUS BUILDING INSPECTION REPORT

1785 McIllwraith

10/14/02

Inspection noted:

1. An interior inspection is required by all trade inspectors (plumbing, mechanical, electrical and building).

2. Foundation wall repair needed. Broken block, missing mortar, rotted basement window frames.

3. Missing siding.

4. Back section of home (old garage) has illegal framing, rotted, structurally and is not to code.

5. Roof system on home needs to be replaced. There is a large hole in sheathing, shingles failing, fascia-soffit missing or incomplete. (inspection required when stripped – rafters – sheathing)

6. Front porch landing to steps needs to be replaced, badly deteriorated.

BASED UPON MY RECENT INSPECTION OF THE ABOVE PROPERTY, I HAVE 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.

HENRY FALTINOWSKI, BUILDING INSPECTOR DATE

CITY OF MUSKEGON
DANGEROUS BUILDING INSPECTION REPORT

1785 McIlwraith
(GARAGE)

9/11/02

Inspection noted:

1. Siding missing – must be replaced.

2. Roof covering deteriorated – must be repaired or replaced.

3. Structural engineer to evaluate structure for integrity and stability. Repair per engineer's requirements.

4. Garage full of debris – must be cleaned out.

5. Soffitt requires repair.

BASED UPON MY RECENT INSPECTION OF THE ABOVE PROPERTY, I HAVE 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.

HENRY FALTINOWSKI, BUILDING INSPECTOR DATE

1785 McIllwraith

3-9-04

AGREEMENT

THIS AGREEMENT, made this July 13, 2004 by and between:
Press's LLC

(a corporation organized and existing under the law of the State of Michigan); (partnership consisting of ________________); (an individual trading as ______ ________________); hereinafter called the "Contractor," and the City of Muskegon, Michigan, hereinafter called the "City".

WITNESSTH, that the Contractor and the City, for the consideration stated herein, mutually agree as follows:

ARTICLE 1. Statement of Work. The Contractor shall furnish all supervision, technical personnel, labor, materials, machinery, tools, equipment, and services, including utility and transportation services, and perform and complete all work required for the demolition and clearance of **1785 McIlwraith** as well as required supplemental work for the completion of this project, all in strict accordance with the Contract, including all Addenda.

ARTICLE 2. Contract Price. The City will pay the Contractor for the performance of this Contract and the completion of the work covered therein an amount not to exceed **$2400**

ARTICLE 3. CONTRACT: The executed contract shall consist of, but not be limited to, the following:

Invitation for Bids
Instructions to Bidders
Bid Proposal
Agreement
General Specifications for Project Performance
Equal Opportunity and Employment Specifications
Demolition and Site Clearance Specifications

This Agreement, together with other documents listed in Article 3, which said other documents are as fully a part of the Contract as if attached hereto or repeated herein, form the contract between the parties hereto.

In the event any provision in any component part of this Contract conflicts with any provision of any other component part, the Contractor shall contact the City immediately in writing for a determination, interpretation, and/or classification of conflicting parts and priority of same. Said determination from the City shall be in writing and shall become an Addendum to this Contract.

IN WITNESS WHEREOF, the parties hereto have caused this AGREEMENT to be executed on the day and year first written above.

ATTEST:

____

CONTRACTOR:

BY: Alan Jager - Pres
Printed name and title

ATTEST:

Linda Potter

CITY OF MUSKEGON

BY: ______________________
Mayor

Gail A. Kundinger
City Clerk

(SEAL)

CERTIFICATION (IF APPLICABLE)

I, Tammy Jager, certify that I am the owner

of the Corporation named as contractor herein;

That Alan Jager, who signed this Agreement on behalf of the

Contractor, was then Pres of said Corporation:

That said Agreement was duly signed for and in behalf of said Corporation by authority of its governing body, and is within the scope of its corporate powers.

Signed:

Tammy Jager / owner Jess's LLC

(CORPORATE SEAL)

Tammy Jager - owner
Printed Name and Title

Housing Survey

Location	Vacancy	Waiting list	Unit Cost	Utilities	Sec. 8	Dis.- W/S	Comments
Little Blue lake Coop	No	No	30%	Yes	Yes	Yes	
Channel View II							
Harbour Point	No	Yes	$500 - $700.	Heat	Yes	Yes	
Shawl II	Yes	No	$624	Yes	Yes	Sen/Mob.	Seniors & Mobility Imp. Only
Amazon Apt.	Yes	No	$440	N/Elec.	Yes	Yes	
Barclay Sr. Citizen	Yes	Yes	30%	N/Elec.	Yes	Yes	1bed/first Fl. 1 - 2 years
Bayview Towers	No	Yes	30%	N/Elec.	Yes	Yes	
Carriage House	Yes	Yes	$372	N/Elec.	Yes	Yes	
Hickory Village	Yes	No	30%	N/Elec.	Yes	Yes	
COGIC Village	Yes	No	$485	w/s	Yes	Yes	
Hackley Village	Yes	Yes	$440	N/Elec.	Yes	Yes	
Nelson Place	Yes	Yes	$500	N/Elec.	Yes	No	Seniors only
Oakwood Village	Yes	No	$420	N/Elec.	Yes	Yes	
Opportunity Homes	Yes	No	varies	No	Yes	Yes	5 remaing Units Purchase only
Park Terrace					Yes	Yes	
Pioneer Arbor	No	Yes	30%	Yes	Yes	Yes	2-3 years
Royale Glen T/H	No	Yes*	$510	Yes	Yes	Yes	Just ex. w/l new one started
Trinity Village I	Yes	Yes	$91/$409	w/s	Yes	Yes	2-3 years
Trinity Village II	Yes	Yes	$92/$375	w/s	Yes	Yes	2-3 years
Village of Park Terr II						Yes	
Columbia Court	Yes	Yes	30%	Yes	Yes	Yes	min. $50. max $270.
East Park Manor	Yes	Yes	30%	Yes	Yes	Yes	min. $50. max $270.
M.A. Houston Apt.	Yes	No	$346	Yes	Yes	Yes	
Woodcliff****	Yes	****			Yes	Yes	Being remodeled off till Spring
Arbor Crossing	Yes	No	$485	w/s	Yes	Yes	
Pinegrove Manor	Yes	Yes	$320 -$403	Yes	Yes	No	Seniors only
Pioneer House	No	No	SSI rate	Yes	Yes	Yes	
Quail Meadows	No	Yes	30%	w/only	Yes	Yes	
Creekside					Yes	Yes	
Shawl Apt.	No	No	$577	Yes	Yes	Yes	
Whitehall Apt I	No	Yes	30%	No	Yes	Yes	3-months

B. Project Description

Project Name:	**Arbors at Jackson Hill Apartments**
Project Location:	Seaway Drive and Bayou Street, City of Muskegon, MI
Type of Project:	New Construction, Conventional (9%) Tax Credit
Owner:	Arbors at Jackson Hill Limited Dividend Housing Association Limited Partnership, a Michigan limited partnership ("Owner")
Total Project Costs:	$9,013,854
Type of Financing:	Equity: Conventional 9% Tax Credit (MSHDA)
Property Tax Concession:	PILOT Real Estate Tax Rate at 8% of Adjusted Gross Income
TOTAL:	104 apartment units
Tenants Served:	88 units family tax credit (all at or below 60% AMI)
Special Set-Asides:	**16 units for the Seriously Mentally Ill and/or Developmentally Disabled (Special Needs Residents at or below 30% AMI)**
Total Unit Mix:	104 units; 16 One-Beds; 52 Two-Beds; 36-Three Beds
Building Type:	Two-story, Garden-Style Buildings Three basic building types: 8, 12 and 16-unit buildings
Total Rent Mix:	16 units (15.38%) at 30% AMI (State Median 35%) 16 units (15.38%) at 40% AMI (State Median 45%) 52 units (50.00%) at 45% AMI (State Median 50%) 20 units (19.23%) at 60% AMI

The site for Arbors at Jackson Hill Apartments is located just off of Seaway Drive BUS 31, a busy thoroughfare leading out of downtown Muskegon, Michigan to the north. The site is very convenient to shopping, businesses, schools, and medical facilities.

Arbors at Jackson Hill will include 16 one-bedroom apartments ranging from 691 to 710 square feet each (first floor and second floor respectively), 52 two-bedroom apartments ranging are 952 square feet each, and 36 three-bedroom apartments ranging from 1123 to 1145 square feet each. The one-bedroom and two-bedroom apartments will each have one full bathroom, and the three bedroom apartments will feature two full bathrooms. Each apartment will feature gas forced heat, central air conditioning, gas hot water heater and appliances such as dishwasher, range, refrigerator, garbage disposal, range hood, and full-size washer/dryer hookups. Each apartment will also have an outside patio and/or balcony (first and second floor respectively) with enclosed outside storage area.

On site, Arbors at the Jackson Hill will feature an abundance of amenities for the benefit of the residents. A beautiful, very large, all-brick 3,760 square-foot clubhouse facility will house the leasing and management offices, community/gathering room with kitchenette, common laundry, maintenance room, and interior space to be used for social service programs, education, and entertainment. Attached to the rear of the clubhouse will be a deck area with barbecue grills for summer cookouts and recreation. A playground area with modern play equipment and plenty of open green space to add to the family atmosphere of Arbors at the Jackson Hill.

Arbors at Jackson Hill will reserve 16 units for individuals that are mentally and/or developmentally disabled, and Community Mental Health Services of Muskegon and Sterling Management Ltd. (the property manager) will work together for the referral of these special needs populations and for the provision of substantial services to these respective individuals. All 16 of these set-aside units will be reserved at 30% AMI and scattered throughout the development.

All of the first-floor units will be handicap adaptable, and the Owner will modify any first-floor unit, at the cost of the Owner, to meet Michigan State barrier-free code and ADA requirements. During the latter part of construction and pre-lease stage of development, the Owner will work closely with Community Mental Health to construct barrier-free units as needed based on the need at that time, and will implement more as needed in the future.

Sterling Management Ltd. Inc. has over 17 years successful experience in the management of affordable housing. The Arbors at the Jackson Hill Apartments has received significant support from the City of Muskegon, including the approval of the appropriate zoning and site plan as well as granting a PILOT tax abatement ordinance.

C. Proposed Rents

The following rent table indicates the unit and rent mix for 104-unit Arbors at Jackson Hill Apartments, with rents reflective of the Muskegon County HUD 2004 Area Median Income (AMI) Rent limits minus applicable local public housing authority utility allowances (all subject to annual adjustment):

1. <u>15.38% of the units (16 units) will be reserved for Special Needs Residents at 30% AMI</u>
   (5) one-bedroom units at $342 per month (includes $74 utility allowance)
   (11) two-bedroom units at $412 per month (includes $91 utility allowance)
   (0) Three-bedroom units at $476 per month (includes $112 utility allowance)

2. <u>15.38% of the units (16units) will be reserved for families at 40% AMI:</u>
   (3) one-bedroom units at $457 per month (includes $74 utility allowance)
   (8) two-bedroom units at $550 per month (includes $91 utility allowance)
   (5) three-bedroom units at $635 per month (includes $112 utility allowance)

3. <u>50.00 % of the units (52 units) will be reserved for families at 45% AMI:</u>
   (8) one-bedroom units at $514 per month (includes $74 utility allowance)
   (26) two-bedroom units at $619 per month (includes $91 utility allowance)
   (18) three-bedroom units at $715 per month (includes $112 utility allowance)

4. <u>19.24% of the units (20 units) will be reserved for families at 60% AMI</u>:
   (0) one-bedroom units at $619 per month (includes $74 utility allowance)
   (7) two-bedroom units at $671 per month (includes $91 utility allowance)
   (13) three-bedroom units at $787 per month (includes $112 utility allowance)

The sixteen (16) special needs units will be reserved at the 30% AMI rent for any qualified Special Needs Resident that meets the income guidelines and Management's resident selection criteria. These rent levels will be guaranteed for the term of the Low-Income Tax Credit Compliance Period, which in the case of Arbors at Jackson Hill, the Owner has committed to for perpetuity. Please see attached to this Plan page 10 of the respective MSHDA Low-Income Housing Tax Credit Application that confirms the unit income and rent restrictions relative to the Arbors at Jackson Hill.

D. Service Partner

1. Identify the supportive service provider involved.

Community Mental Health Services of Muskegon

Contact Information:

- Address: 376 Apple Avenue, Muskegon, MI 49442
- Contact Person: John North, Assistant Director
- Executive Director: Jim Elwell
- Telephone: (231) 724-1104
- Fax: (231) 724-1300
- E-mail address: (John North): North@cmhs.co.muskegon.mi.us

2. Describe the Organization's History

- ***Prior experience with the targeted special needs population***

CMHS of Muskegon County will be responsible for coordinating the supportive services required by tenants with special needs. Created in 1966, CMHS is a Community Mental Health Agency operating under the provisions of Public Act 258 of 1974 as modified by Pubic Act 290 of 1996 of the State of Michigan, Department of Community Health. The agency is a Department of the County of Muskegon. Under a contract with the Michigan Department of Community Health, CMHS serves as a managed care organization for Medicaid and uninsured residents of Muskegon County.

Through its own services and using a network of community behavioral health providers, CMHS provides specialty services to adults with mental illness, children with severe emotional disturbance, and adults/children with developmental disabilities to promote optimum functioning and to maximize self sufficiency.

The agency has grown rapidly throughout the 35 years of its existence. The primary impetus is state initiatives to transfer control and operation of services for the target population from state facilities to community programs. Over the years the entire funding for services has been transferred to community control under the CMHS. This has allowed the development of community supported innovations in the care of people with mental health and developmental disabilities.

- ***Past experience with delivering the services to be provided***

The services described in "Section E, Supportive Service Plan", have been established through years of development evaluation and quality improvement. Crucial to this development is the involvement of service consumers themselves in establishing goals, designing strategies, reviewing outcomes, and planning change. Throughout this process, state and federal reviews and audits have confirmed the excellence of services and the dedication of agency and staff.

In early years, CMHS focused on outpatient services. In subsequent years, as funding transferred from the State, CMHS opened community skills building and vocational services. Later phases added treatment and residential services necessary to enable people with severe mental illnesses and developmental disabilities to exit state institutions. In 1995, CMHS assumed responsibility for the entire continuum of mental health services with the transfer of state funding for Community Psychiatric Inpatient Units. The most recent phase of development is to wrap the entire package into a shared risk Managed Care Contract using a capitated lives formula. CMHS now stands as the community's resource for services to people with severe mental illness or developmental disability.

In 1997, CMHS was awarded full accreditation under JCAHO's standards for Behavioral Health Organizations. This provides a national confirmation of the management, treatment and service operations of the agency.

The agency supports consumers living in several existing HUD and MSHDA financed housing projects. These include two apartment settings, Pioneer Arbor (16 units) and Whispering Timbers (12 units), as well as a large number of scattered site Section 8 homes and apartments. The agency delivers on-site assistance with home care and personal assistance, and other services directed to community integration and employment.

- ***Sources of funding dedicated to the services outlined in this Plan (Same as E.2.c.)***

CMHS brings considerable financial and management strength to this project. With an overall annual budget of approximately $38 million, CMHS maintains approximately $7 million in cash reserves held by the County of Muskegon and has approximately $2 million in risk reserve.

CMHS will use its Medicaid and Indigent funds to support the provision of the services outlined in this plan. CMHS is a governmental agency created and regulated under the provisions of the Michigan Mental Health Code. This status assures that the agency will remain an integral part of the community and will continue to coordinate supportive services for special needs tenants for years to come.

The agency has available Federal PATH funds and a State Grant for Homeless Services to help homeless consumers transition to permanent housing. These grants fund initial utility deposits, down-payments, and minor improvements necessary prior to moving in. Approximately $50,000 is budgeted annually for this program. These grants are enhanced by State General funds when necessary which can bring a wide range of supports and services prior to occupation as well as for permanent support of consumers requiring ongoing services.

In addition to these Housing Assistance funds, CMH provides other treatment and support services to its consumers. The average annual cost of these services to a person with mental illness served by CMHS is $4,268. Costs vary substantially among consumers in accordance with service need. The typical consumer for this program would be enrolled in our Case Management or Assertive Community Treatment programs. The average cost of services for individuals in these programs is $9,548 and $34,162 respectively. We estimate that the dollars directed towards services for individuals in this program would be between $50,000 and $100,000.

- ***Specify the relationship of the supportive services plan to other current or potential grants (HUD, foundations, CDBG, etc.,)***

CMHS or its sub-contractors will provide the supportive services proposed. Mental Health and Substance Abuse Block Grants are used for housing support, respite and for other minor services.

The agency has contractual relationships with other HUD, and MSHDA developers for supportive services in existing developments entirely devoted to providing housing for CMHS consumers. These contracts, with Pioneer Resources and Hope Network ensure that the existing 40 individuals live in a healthy environment, that they have support services necessary to maintain their home in good condition, and that they foster and preserve healthy relationships with other community members and neighbors.

In addition to the developments devoted solely to units reserved for CMHS consumers, the agency supports a large number of people living in Section 8 housing in mixed population developments (such as Hartford Terrace) and other independent living settings.

The Arbors at Jackson Hill development will be incorporated into this program. One FTE Housing Assistance Manager is currently in place and capacity is adequate to accommodate the Arbors development. This individual provides some services directly, but is chiefly responsible to link, coordinate and monitor services from other CMHS programs as well as other community resources, as detailed below.

E. Supportive Services Plan ("Plan")

Community Mental Health Services of Muskegon County offers an array of services to meet the needs of individuals with mental illness and development disabilities – the target special needs population. CMHS of Muskegon County will be the provider for the supportive housing for the Arbors at Jackson Hill Apartments. Below please find a description of the support services that will be provided to the tenants.

1. Description of Special Needs Targeted

A. ***Describe "special need condition"***

The special needs populations targeted for this project is as follows:

I. Individuals with a **Development Disability**.

For the purposes of this project, an individual with a Development Disability is defined as an individual who is older than 5 years of age with a severe, chronic condition who meets all of the following requirements:

a. Is attributable to a mental or physical impairment.
b. Is manifested before the individual is 22 years old.
c. Is likely to continue indefinitely.
d. Results in substantial functional limitations in three or more of the following areas of major

life activity:
1. Self-care
2. Receptive and expressive language
3. Learning
4. Mobility
5. Self-direction
6. Capacity for independent living and
7. Economic self-sufficiency

e. Reflects the individual's need for a combination and sequence of special, interdisciplinary, or generic care, treatment or other services that of lifelong or extended duration and are individually planned and treated.

II. Individuals with a **Mental Illness.**

For the purposes of this project, mental illness means a diagnosable mental, behavioral, or emotional disorder affecting an adult that exists or has existed within the past year for a period of time sufficient to meet diagnostic criteria specified in the most recent diagnostic and statistical manual of mental disorders published by the American Psychiatric Association and approved by the Michigan Department of Community Health and that has resulted in functional impairment that substantially interferes with or limits one (1) or more major life activities. Serious mental illness includes dementia with delusions, dementia with depressed mood, and dementia with behavioral disturbance but does not include any other dementia unless the dementia occurs in conjunction with another diagnosable serious mental illness. The following disorders also are included only if they occur in conjunction with another diagnosable serious mental illness:

1. A substance abuse disorder;
2. A developmental disorder;
3. A "V" code in the diagnostic and statistical manual of mental disorder.

B. Special need must be continuing or long term duration and substantially impede the person's ability to live independently without supports and be improved by access to more suitable housing conditions.

As indicated in the definitions of the special needs population, a tenant must meet the first two criteria in order to meet the diagnosis. Therefore, long term duration and the inability to live independently without supports is already addressed. The access to more suitable housing conditions is addressed by the stated need in the Gaps Analysis of the Muskegon Continuum of Care study in which the population that we are targeting is not served by housing. This population continues to have significant problems related to finding medical care, employment and other stabilizing factors in their environment without affordable housing.

C. Substantial and sustained need for supportive services to live independently.

The tenants that are selected for the project using the criteria for both developmental disability and mental illness will require a substantial and sustained need for supportive services in order to live independently. Community Mental Health Services of Muskegon County will provide a series of services that will address the special needs of the individuals to be served. These services may include: (a) case management; (b) development of independent living and basic life skills; (c) benefits advocacy and income support assistance such as SSI, Food Assistance. Social Security; (d) money management/payee services; (e) nutritional counseling; and (f) assistance in obtaining other resources and support for the Individuals such as child care, transportation, job training and job placement.

Case Management services (also known as supports coordination or independent brokering) contains the following elements:

1. An assessment to be completed for each individual.
2. Planning, using person-centered principles. The plan will include long range goals and specific outcomes to achieve the goals.
3. Linking to, coordination with, follow up of, advocacy with, and monitoring of other community services/supports.
4. Brokering of providers of services/supports.
5. Assistance with access to entitlements, and/or legal representation
6. Monitoring of services.
7. Reassessment with possible revisions of the plan on at least an annual basis.
8. A single case manager for each individual.
9. Emphasis on empowerment and development of natural/ community supports.

1. Describe the proposed services including:

a. Service activity, frequency and duration.

The supportive service needs of the tenant will be dictated by the Plan of Service that is based on Person Centered Planning. At a minimum, each tenant will receive case management services that provide an assessment of the needs of the tenant using the principles of Person Centered Planning. The case manager will advocate for the needs of the tenants. They will link the Special Needs Resident (tenant) to the services that they desire, and all services to the Special Needs Resident will be voluntary. The case manager will broker and coordinate the services with and for the tenant. After the Person Centered Plan is completed, the CMH Access program will authorize the services. Service activity, frequency and duration will therefore, be dictated by the Person Centered Plan and authorized by the Access program.

b. How services will respond to the major life-skill need areas.

Life-skill assessments are a critical part of the Person Centered Planning process. Each tenant's Person Centered Plan will include the need for affordable housing along with the life skills that the tenant will require in order to live in the units. The case manager will coordinate the services to the tenants. Please note in Section 1.C. above we list the services that we anticipate providing through our provider, Community Mental Health Services of Muskegon County.

c. How services will be funded

Community Mental Health Services brings considerable financial and management strength to this project. With an overall annual budget of approximately $38 million, CMH maintains approximately $7 million in cash reserves held by the County of Muskegon and has approximately $2 million in risk reserve.

Community Mental Health of Muskegon County will use its Medicaid and Indigent funds to support the provision of the services outlined in this plan. Community Mental Health Services of Muskegon County is a governmental agency created and regulated under the provisions of the Michigan Mental Health Code. This status assures that the agency will remain an integral part of the community and will continue to coordinate supportive services for special needs tenants in future years.

In addition, Community Mental Health Services of Muskegon County has available Federal PATH funds and a State Grant for Homeless Services to help homeless mentally ill consumers transition to permanent housing. The grants fund initial utility deposits, down payments, and minor improvements needed prior to residency. Approximately $50,000 is budgeted annually for this program. These grants are enhanced by State General funds when necessary, which can bring a wide range of supports and services prior to occupation as well as for permanent support of consumers requiring ongoing services.

In addition to the Housing Assistance Funds, Community Mental Health Services of Muskegon County provides other treatment and support services to its consumers. The average annual cost of these services to a person with mental illness served by CMH is $4,268. Costs vary substantially among consumers in accordance with service need. The typical consumer for this program would be enrolled in our Case Management or Assertive Community Treatment programs. The average cost of services for an individual's program ranges from $9,458 and $34,161 respectively. We estimate that the dollars directed towards services for individuals in this program would be between $50,000 and $100,000.

d. Service Location

Again, service location will be dependent upon the Person Centered Plan of the tenant. In addition, the sponsor is providing space in the clubhouse facility for the use of provider. Therefore, the options for location of service provision would be as follows: clubhouse facility, tenant's apartment, provider sites for services, employment site, and recreational site or family or friends' homes.

e. Transportation and other related needs

The Person Centered Plan will indicate the transportation and other related needs of the tenant. The case manager/supports coordinator will link the tenant with appropriate transportation and other related needs.

2. Service Coordination and Referrals

Community Mental Health Services of Muskegon County has a long history in providing support services to consumers living in affordable housing and therefore, a strong commitment to supportive housing. Currently, CMHS of Muskegon County is providing support services in HUD and MSHDA financed developments, including Pioneer House, Pioneer Arbor, Whispering Timbers and Hartford Terrace (for those consumers using Section 8 vouchers). CMHS of Muskegon County therefore has extensive experience in working with project developers and management to ensure that support services are provided to tenants so they can live independently. The Arbors development will be incorporated into the existing supportive services program serving the above referenced sites. A Housing Specialist is currently in place and capacity is adequate to accommodate the Arbors development. This Housing Specialist will provide some services directly, but is chiefly responsible to secure housing and obtain long term service through Person Centered Planning and the assignment of a Case Manager. The Case Manager will link, coordinate and monitor services from other CMHS of Muskegon County programs as well as other community resources.

All services delivered in community settings, such as the Arbor apartments are voluntary and the process for planning services ensures that they are designed for the consumer/tenant and specifically tailored to his/her wants and desires.

Once assigned, Case Management is the primary service to tenants of the Arbor development. Community Mental Health Services of Muskegon County delivers this service directly through its own staff. Services include development of the person-centered plan, obtaining consumer entitlements, requesting other supportive services from the CMH service array, and identifying and linking the consumer with other community resources as identified in the person centered planning process.

In addition to the primary service, the service array may also include the following as required by the Medicaid State Plan and our contract with the Michigan Department of Community Health.

1. For all populations:
   a. Crisis Stabilization and Response
   b. Emergency Services
   c. Prevention Services
   d. Psychiatric Inpatient

2. For People with Developmental Disabilities:
   a. Community Living (In-Home and Out-of-Home Support Staff, Adaptive Equipment, Environmental Modifications
   b. Housing Assistance
   c. Skill Building Assistance (Integrated Employment, Day Programs)
   d. Family Support Services (Respite Care, Family Skills Development)
   e. Enhanced Health Care
   f. Assistance with Challenging Behaviors

3. For Adults with Mental Illness and Children with Severe Emotional Disturbance
   a. Outpatient Hospital Services
   b. Housing Services (Specialized Residential, Supported Independent Housing, Crisis Residential)

c. Intensive Community Support Services (Assertive Community Treatment, Home Based Services)

d. Targeted Support Services (Skill Building Assistance, Integrated Employment Services, Family Skills Development, Respite Care, Housing Assistance)

e. Intensive Rehabilitation and Recovery Services (Day Programs, Clubhouse Programs, Peer-Delivered or Operated Services)

f. Mental Health Clinic Services (Screening, Assessment, Diagnosis, Evaluation, and Treatment Planning; Medication Assessment Prescription, Administration, Review and Management; Psychiatric Evaluation; Psychological Testing; Individual Group and Family Therapy; Applied Behavioral Services; Nursing Home Mental Health Monitoring; Health Assessment, Health Services and Enhanced Health Services; Physical, Occupational and Speech, Language and Hearing Evaluation and Therapy)

The Case Manager is responsible to identify additional community resources that are needed to support the individual in achieving their desired outcomes. These can include transportation; child care; legal services; pastoral services; medical and dental care; substance abuse services; domestic violence services; public health services, and ongoing support groups for parents, children, and families. Services can be delivered in the consumer's home, in community settings, and at CMH offices as specified by the consumer. The Case Manager is also responsible for monitoring and adjusting, as necessary or as requested, the person centered plan. Finally, each SM must ensure the availability of 24-hour emergency coverage for each consumer served.

As soon as the Owner receives a tax credit reservation, CMHS of Muskegon County will inform the provider network of the availability of eleven units for families with a family member who has a mental illness or developmental disability, including eligibility criteria and the process for referral. Referrals may come from any provider in our network or any agency in the community that has identified a potential special needs tenant that meets eligibility requirements.

CMHS of Muskegon County is the coordinator of services for individuals with mental illness or developmental disabilities and is the clearinghouse for services to these individuals. This means that CMHS of Muskegon County has access to all persons who qualify to the 11 units set aside in this project. However, CMHS of Muskegon County will work with the Muskegon County Continuum of Care Network (MCCCN) and the Muskegon Family Coordinating Council (FCC) to advertise the availability if the units and generate additional applications. These groups involve most of the human service agencies in the county and act as a clearinghouse for numerous community projects and developments.

The CMHS of Muskegon County will work with the consumer/family to clarify the potential tenant's needs and desires. Next the CMHS of Muskegon County Access Program will confirm eligibility for support services and prioritize need, making the decision regarding services to take place at the designated apartments. Prioritization will be based on the following factors: level of care determination, availability of natural supports, consumer's desire to live independently, health and safety issues, and history of treatment compliance.

Following screening and planning for Prospective Special Needs Residents CMHS of Muskegon County will complete a "Special Needs Resident Certification Form" ("Certification") and forward to Property Management for their files. This Certification will ensure that the Special Needs Resident will have service needs in at least two (2) life skills areas. Please see a copy of said Certification attached as Exhibit A. A procedure for completing the Certification form ("Procedures for Referring Special Needs Residents") is attached as Exhibit B.

Once eligible tenants have been identified, CMHS of Muskegon County will notify persons selected for the project. We anticipate that many applicants will already be receiving services in other settings. The Case Manager will coordinate planning for delivery of services in the new setting and secure assistance necessary for the move. The Housing Specialist will maintain contact for 30 to 90 days as the individual settles. After this period the consumer's assigned permanent Case Manager will maintain contact as required (usually several times per month) to ensure that the setting is stable and that treatment, employment and other services meet the individuals needs.

The Case Manager will help the tenant resolve disputes with the Owner and its representatives or with neighbors and others who may destabilize the setting. In addition to staff resources, CMHS of Muskegon County has a contract with Westshore Dispute Resolution Center for mediation services that will be made available as necessary. The tenant will also have access to the CMHS of Muskegon County Recipient Rights process and to a Local Grievance Process coordinated by CMHS of Muskegon County staff.

Ongoing contact with the SM will help ensure that interventions are in place well before eviction becomes a consideration. Access to the CMHS of Muskegon County Housing Assistance fund as well as treatment, support and other services will help bring stability to the project and to the residents.

4. ***Describe Tenant Landlord Relations***

Sterling Management Ltd. Inc ("Management") has a long history of successful management of affordable rental housing and successful management of housing where special needs residents reside. Management will be primarily responsible for:

- Monitoring occupancy of Special Needs set-aside units
- Processing Special Needs Certifications from the Service Provider
- Processing Special Needs Resident rental applications for approval at the Management corporate office level
- Serving as liaison, as necessary, between the Service Provider and the Owner
- Resolving disputes, as necessary, between Special Needs Residents, the Owner and/or Service Provider through organized meetings and/or phone conferencing
- Communicating issues involving Special Needs Residents in a timely matter to Service Provider (especially issues that need immediate attention)

Prospective Special Needs Residents will be screened first by the Service Provider prior to referring to Management. A "Special Needs Resident Certification Form" ("Certification") will be completed by the Service Provider and forwarded to Management for their files. Please see a copy of said Certification attached as Exhibit A. A procedure for completing the

Certification form ("Procedures for Referring Special Needs Residents") is attached as Exhibit B.

Once Management has received said Certification from Service Provider, then Management will work with Service Provider (as needed) to complete the necessary paperwork for the processing of Management's selection criteria (application, income verification, etc.,). Service Provider will cooperate with Management to provide the necessary materials (other than those deemed to be confidential by Service Provider) to complete Management's paperwork. Once all of the paperwork has been completed, Management will notify the Service Provider of the approval or denial of said Special Needs Resident for occupancy at Arbors at Jackson Hill.

Management will cause to accommodate the needs of a particular Special Needs Resident to the best of its capacity. However, Management understands that there are needs of each Special Need Resident that only the Service Provider can meet, and it will be the goal of Management to train their staff to understand this fact. Management and Service Provider will formally meet periodically throughout the year to discuss all of the above listed Management processes, and will maintain an "open mind" regarding the improvement of procedures so as to facilitate a positive working relationship with Service Provider.

The Owner, Management, and Service Provider agree that a strong working relationship must exist between the Management and the Service Provider. Should issues occur that could lead to the eviction of a Special Needs Resident occupying a set-aside unit, all parties agree to discuss and mediate the situation in an effort to resolve the situation prior to the eviction of any Special Needs Resident.

In the event of a default situation by a Special Needs Resident, the Management will send by mail, the standard Michigan 7-day Notice To Quit to the respective Special Needs Resident, and copies will simultaneously be sent to the Service Provider. However, prior to Management sending out any respective notice, Management will attempt to contact by phone the Service Provider to let them know of the default situation. The goal of Management is to provide adequate communication with the Service Provider allowing the opportunity to resolve disputes, misunderstandings, and default situations in a timely manner.

F. Memorandum of Understanding

(Please see attached MOU)

G. Summary of How the Project is Grounded in Community-Based Planning and Collaboration

The Muskegon County Continuum of Care Network (MCCCN) for 2002-2003 focuses on a variety of special needs populations, particularly homeless families and individuals. According to Andrea Cordle, Chair of the MCCCN, states that "...over 20,000 people in Muskegon County are at risk of entering into the realm of homelessness. The community recognizes that well-documented factors that contribute to homelessness, namely mental illness, substance abuse, domestic violence, poor living conditions, disability, education and economic opportunity." Thus, realizing that mental illness and disability are common factors leading to homelessness, any effort to provide permanent housing for clients serviced by CMHS will assist in meeting the goals of the 2002-2003 MCCCN. The MCCCN confirms that "Finally, to assure home permanency, MCCCN members will define a long-term plan for permanent housing by striving to provide affordable housing units by administering adequate Section 8 vouchers, providing a referral network coordinating both private and public housing authority apartments, scattered site rental homes and home-ownership activities." The Arbors at Jackson Hill Apartments will provide a convenient, affordable, quality residence for those individuals serviced by CMHS.

Finally, the 2003 Continuum of Care Gaps Analysis reveals that "Individuals" and "Persons in Families with Children", under the category of "Seriously Mentally Ill", reveals a gap of at least 20 housing units for these people. Again, The Arbors at Jackson Hill Apartments will provide a convenient, affordable, quality residence for those individuals.

H. Other Information

The Owner and Management will encourage and promote the use of the meeting areas within the project's 3,421 square-foot clubhouse. The Owner will not charge any rent or utilities for the use of this space. The Owner will provide tables and chairs and a grease board at no cost to the Service Provider for the use of the clubhouse as a meeting room. This will allow educational meetings and other recreational programs to be made available to the Special Needs Resident at the discretion of the Service Provider.