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. <u>Balancing Change Order for the Lakefront Project.</u> 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. <u>Recommendation for Annual Renewal of Liquor Licenses.</u> CITY CLERK

SUMMARY OF REQUEST: To adopt a resolution recommending non-renewal of those liquor license establishments who are in violation of Section 50-146 and 50-147 of the Code of 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. **Create a Special Assessment District for Campus Avenue, Jefferson to Washington.** 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, MMC

City Clerk