CITY OF MUSKEGON

CITY COMMISSION MEETING

FEBRUARY 26, 2019 @ 5:30 P.M.

MUSKEGON CITY COMMISSION CHAMBERS

933 TERRACE STREET, MUSKEGON, MI 49440

MINUTES

The Regular Commission Meeting of the City of Muskegon was held at City Hall, 933 Terrace Street, Muskegon, MI at 5:30 p.m., Tuesday, February 26, 2019, Reverend Darrin Longmire, Forest Park Covenant Church, opened the meeting with prayer, after which the Commission and public recited the Pledge of Allegiance to the Flag.

ROLL CALL FOR THE REGULAR COMMISSION MEETING:

Present: Mayor Stephen J. Gawron, Vice Mayor Eric Hood, Commissioners Ken Johnson (arrived at 5:35 p.m.), Byron Turnquist, Debra Warren, and Dan Rinsema-Sybenga, City Manager Frank Peterson, City Attorney John Schrier, and City Clerk Ann Meisch.

Absent: Commissioner Willie German, Jr.

2019-14 CONSENT AGENDA:

A. Approval of Minutes City Clerk

SUMMARY OF REQUEST: To approve the minutes of the February 11, 2019 Worksession meeting and February 12, 2019 Regular meeting.

FINANCIAL IMPACT: None.

BUDGET ACTION REQUIRED: None.

STAFF RECOMMENDATION: Approval of the minutes.

B. Special Event Liquor License – Farmers Market for Blues & BBQ Fundraiser
City Clerk

SUMMARY OF REQUEST: The City Clerk's Office is organizing a Taste of Muskegon Fundraiser to be held on Saturday, March 23, 2019 and is seeking City Commission approval to apply for a license for beer, wine, and spirit sales for this event. The Farmer's Market does have a liquor license but the licensed area does not extend beyond the barn.

FINANCIAL IMPACT: $50 permit from the State for every date requested.

BUDGET ACTION REQUIRED: None.

STAFF RECOMMENDATION: To approve a special liquor license application for the March 23, 2019 Blues & BBQ, Taste of Muskegon Fundraiser event.

D. <u>Authorized Representative for Drinking Water Grant</u> Department of Public Works

SUMMARY OF REQUEST: Approve the resolution to designate the Public Works Director as authorized representative for the Pilot Drinking Water Community Water Supply Grant Program in all transactions with the MDEQ related to this grant.

FINANCIAL IMPACT: None

BUDGET ACTION REQUIRED: None

STAFF RECOMMENDATION: Approve the resolution.

E. <u>Street Administrator Resolution</u> Department of Public Works

SUMMARY OF REQUEST: Approve the resolution to designate the Public Works Director as the street administrator in all transactions with the Michigan Department of Transportation.

FINANCIAL IMPACT: None

BUDGET ACTION REQUIRED: None

STAFF RECOMMENDATION: Approve the resolution.

F. <u>Authorized Representative for State Revolving Fund</u> Department of Public Works

SUMMARY OF REQUEST: Approve the resolution to designate the Public Works Director as the authorized representative for the State Revolving Fund Loan Program in all transactions with the MDEQ related to this grant.

FINANCIAL IMPACT: None

BUDGET ACTION REQUIRED: None

STAFF RECOMMENDATION: Approve the resolution.

G. <u>City of Muskegon/MDOT Project Agreement – Lakeshore Drive</u> Department of Public Works

SUMMARY OF REQUEST: Approve the contract with MDOT for Lakeshore Drive construction between McCracken and Laketon and approve the resolution authorizing the Mayor and City Clerk to sign the contract.

FINANCIAL IMPACT: MDOT's participation is limited to the approved federal funds of $800,000. The estimated total construction cost is $5,700,000 plus engineering cost.

BUDGET ACTION REQUIRED: None at this time, this project is included in the 18-19 budget.

STAFF RECOMMENDATION: Approve the contract and resolution authorizing the Mayor and Clerk to sign both.

H. <u>Drinking Water Revolving Fund (DWRF) Project Plan – Amendment</u>
Department of Public Works

SUMMARY OF REQUEST: Authorize staff to sign an amendment to the engineering services agreement with Prein & Newhof Engineering to develop a Drinking Water Revolving Fund Project Plan. The value of the amendment is estimated at $10,000. The original contract was for a not to exceed amount of $15,500.

The original engineering services agreement with Prein & Newhof to develop a DWRF Project Plan was approved in December to target fiscal year 2020 dollars, in January we were made aware of left over fiscal year 2019 DWRF funds that could be partnered with already planned and underway SRF projects.

The amendment to the original contract would cover the increased costs necessary to pursue the additional fiscal year 2019 funding and still allow for the development of the full plan for fiscal year 2020.

FINANCIAL IMPACT: $10,000

BUDGET ACTION REQUIRED: None, this will be addressed during a future reforecasting.

STAFF RECOMMENDATION: Authorize staff to enter into the amended engineering services agreement with Prein & Newhof.

I. <u>W-91838.2 Water Service Line Replacements</u> Department of Public Works

SUMMARY OF REQUEST: To award contract (W-91838.2) for replacement of water service lines at various locations within the City of Muskegon.

Two Contractors submitted bids for this project as follows:

McCormick Sand…………31 Each

Goyette Mechanical…….23 Each

Bids were selected based on a fixed budget and variable scope. Bidders were instructed to bid based on how much work they could complete within a fixed budget with the winning bid going to the company that could complete the most work.

FINANCIAL IMPACT: $150,000

BUDGET ACTION REQUIRED: None. Funded through grant revenue from MDEQ.

STAFF RECOMMENDATION: Award the project to the low bidder, McCormick Sand.

J. W-91838.3 Water Service Line Replacements Department of Public Works

SUMMARY OF REQUEST: To award contract (W-91838.3) for replacement of water service lines at various locations within the City of Muskegon.

Two Contractors submitted bids for this project as follows:

McCormick Sand…………30 Each

Goyette Mechanical…….27 Each

Bids were selected based on a fixed budget and variable scope. Bidders were instructed to bid based on how much work they could complete within a fixed budget with the winning bid going to the company that could complete the most work.

FINANCIAL IMPACT: $150,000

BUDGET ACTION REQUIRED: None. Funded through grant revenue from MDEQ.

STAFF RECOMMENDATION: Award the project to the low bidder, McCormick Sand.

K. Legislative Consulting City Manager

SUMMARY OF REQUEST: The City has had the same legislative consultant on retainer for many years. Earlier this year, our consultant retired. Staff is requesting that Main Street Legislative Consulting be engaged to provide this service to the city at a cost of $2,000 per month.

FINANCIAL IMPACT: $24,000

BUDGET ACTION REQUIRED: None at this time.

STAFF RECOMMENDATION: To authorize the City Manager to accept a proposal from Main Street Legislative Consulting.

M. LC Walker Arena – Ironmen Lease City Manager

SUMMARY OF REQUEST: City staff is requesting approval of the lease to allow the West Michigan Ironmen to play indoor football at the LC Walker Arena in 2019. This is a one year lease.

FINANCIAL IMPACT: None.

BUDGET ACTION REQUIRED: None.

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

N. <u>LC Walker Arena Performance Agreement</u> City Manager

SUMMARY OF REQUEST: The City is working to host a concert at the LC Walker Arena. We are seeking approval of the performance agreement.

FINANCIAL IMPACT: $14,000

BUDGET ACTION REQUIRED: None at this time.

STAFF RECOMMENDATION: To authorize the City Manager to enter into the performance agreement with Pegboard Nerds to perform at the LC Walker Arena on Friday, April 5, 2019.

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

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

Nays: None

MOTION PASSES

2019-15 ITEMS REMOVED FROM CONSENT:

C. <u>Amendment to the Medical Marihuana Facilities Licensing Overlay District – 2nd Reading</u> Planning & Economic Development

SUMMARY OF REQUEST: The property owner at 185 W. Laketon Avenue is requesting to amend the Medical Marihuana Licensing Facilities Act (MMFLA) Overly District to include their property within the district.

FINANCIAL IMPACT: None

BUDGET ACTION REQUIRED: None

STAFF RECOMMENDATION: Staff does not recommend approval of the amendment.

COMMITTEE RECOMMENDATION: At the January 10, Planning Commission meeting, a motion was made to approve the amendment as presented. The Planning Commission voted 6-2 against the motion.

The item was reprised at the February 12, 2019 City Commission meeting with a motion to include the property at 185 W. Laketon into the Medical Marijuana Overlay District. The motion passed with four commissioners voting YES and three commissioners voting NO.

The motion is to amend the zoning ordinance to include 185 W. Laketon Avenue in the Medical Marihuana Facilities Licensing Act Overlay District.

Motion by Commissioner Turnquist, second by Commissioner Johnson, to amend

the zoning ordinance to include 185 W. Laketon Avenue in the Medical Marihuana Facilities Licensing Act Overlay District.

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

Nays: Turnquist and Gawron

MOTION PASSES

L. <u>Fertilizer</u> DPW/Parks & Cemetery

SUMMARY OF REQUEST: The Park Supervisor requests that the Commission authorize the amount of $18,612.00 for two applications of fertilizer for the parks and cemeteries from Harrell's, the only available supplier. Bids were submitted to two other companies: Siteone and Advance Turf Solutions. Neither of them was able to supply the product.

FINANCIAL IMPACT: $18,612.00

BUDGET ACTION REQUIRED: None

STAFF RECOMMENDATION: Approval of the request.

Motion by Commissioner Warren, second by Commissioner Rinsema-Sybenga, to approve the request.

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

Nays: None

MOTION PASSES

2019-16 NEW BUSINESS:

A. <u>Approval of a Neighborhood Enterprise Zone Certificate – 351 W Western</u> Planning & Economic Development

SUMMARY OF REQUEST: An application for a Neighborhood Enterprise Zone Certificate has been received from 351 Phase II, LLC for the construction of 15 market-rate apartments as part of Phase II of their mixed-use development project. The estimated project cost is $210,000 per unit. The property was approved as a Neighborhood Enterprise Zone District on May 9, 2017. The applicant has met local and state requirements for the issuance of the NEZ certificate. They have requested the maximum 15 years for the exemption.

FINANCIAL IMPACT: One-half of the previous year's state average principal millage rate will be applied to the value of the facility for a duration of 15 years, with a three-year phase out (they will receive 75% of the abatement in year 13, 50% in year 14 and 25% in year 15).

BUDGET ACTION REQUIRED: None.

STAFF RECOMMENDATION: Approval of the NEZ certificate for 15 years.

Motion by Commissioner Rinsema-Sybenga, second by Vice Mayor Hood, to approve NEZ Certificate for 15 years.

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

Nays: None

MOTION PASSES

B. <u>Request for Final Planned Unit Development (PUD) Approval – Hartshorn Village</u> Planning & Economic Development

SUMMARY OF REQUEST: Request for final PUD approval for a mixed-use development at 920,1000, 1010, 1050 and 1060 W. Western Avenue. The development will include 55 single family homes, a clubhouse, and improvements to the Hartshorn Marina and Fricano's Place.

FINANCIAL IMPACT: None.

BUDGET ACTION REQUIRED: None.

STAFF RECOMMENDATION: Staff recommends approval of the PUD with some minor conditions listed in the staff report.

COMMITTEE RECOMMENDATION: The Planning Commission approved a motion to recommend approval of the PUD, with the staff recommended conditions by a 7-0 vote, with two members absent.

Motion by Commissioner Johnson, second by Commissioner Warren, to approve the PUD with minor conditions listed in the staff report.

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

Nays: None

MOTION PASSES

C. <u>Land Swap – Damfino Development</u> City Manager

SUMMARY OF REQUEST: Staff previously proposed selling approximately .63 acres of property to Damfino Development after receiving a purchase offer from the group. Commissioners recommended that staff pursue a land swap for a similarly-sized parcel as an alternative. Staff is recommending that the revised offer be considered for approval. The revised offer provides the City of Muskegon with .63 acres of dune land along Lakeshore Drive – this property is adjacent to the city owned parcel located at 2275 Beach Street. In addition to the .63 acres of land, Damfino Development is proposing to contribute $25,000 to the City's upcoming 150th Anniversary Celebration.

FINANCIAL IMPACT: None

BUDGET ACTION REQUIRED: None

STAFF RECOMMENDATION: To accept the proposal from Damfino Development and authorize staff to complete the transaction.

Motion by Vice Mayor Hood, second by Commissioner Turnquist, to accept the proposal from Damfino Development and authorize staff to complete the transaction contingent upon adding additional access through an easement, giving access to charter park, and the PUD has to be approved.

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

Nays: None

MOTION PASSES

D. <u>Short Term Vacation Rentals</u> Public Safety

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

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

BUDGET ACTION REQUIRED: None.

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

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

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

Nays: None

MOTION PASSES

SECOND READING REQUIRED

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

1874 Jarman

REMOVED PER STAFF REQUEST

ANY OTHER BUSINESS: Commissioner Warren reminded everyone of the Resident Appreciation Event coming up on March, 11, 2019 and asked for an update on the parking ordinance amendments for winter which the Chief provided. Commissioner Johnson has requested the City NOT move forward with his previous request of moving forward with special assessment proceedings for burying utility lines on Lakeshore Drive and asked that letters be sent to all interested parties.

PUBLIC PARTICIPATION: Comments were received from the public.

ADJOURNMENT: The City Commission meeting adjourned at 7:57 p.m.

Respectfully Submitted,

Ann Marie Meisch, MMC - City Clerk