

CITY OF MUSKEGON

CITY COMMISSION MEETING

JANUARY 26, 2021 @ 5:30 P.M.

**MUSKEGON CITY COMMISSION CHAMBERS
933 TERRACE STREET, MUSKEGON, MI 49440
REMOTE MEETING**

AGENDA

- ☐ **CALL TO ORDER:**
- ☐ **ROLL CALL:**
- ☐ **HONORS/AWARDS/PRESENTATIONS:**
- ☐ **PUBLIC COMMENT ON AN AGENDA ITEM:**
- ☐ **CONSENT AGENDA:**
 - A. Approval of Minutes** City Clerk
 - B. Deficit Elimination Plan – Public Improvement Fund** Finance
 - C. Deficit Elimination Plan – Sewer Fund** Finance
 - D. Sale – 275 Mason Avenue** City Manager
 - E. Annex Lease Extension – Mercy Health** City Manager
 - F. Environmental Work – Former Farmers Market Site** City Manager
 - G. Management Agreement – Watermark** City Manager
 - H. City Hall Building HVAC Controls** Public Works
 - I. Social District Permit Recommendation** Economic Development
- ☐ **PUBLIC HEARINGS:**
- ☐ **UNFINISHED BUSINESS:**
 - A. Amendment to the Marihuana Facilities Overlay District – 965 W Western, 920 Washington Ave, and 1330 Division St** Planning – 2nd Reading
 - B. Amendment to the Marihuana Facilities Overlay District – 420 Harvey Street (2)** Planning – 2nd Reading
 - C. Housing Commission Ordinance Amendment** Development Services – 2nd Reading

☐ **NEW BUSINESS:**

- A. **Amendment to the Marihuana Facilities Overlay District – 885 E Apple Avenue** Planning
- B. **Harris Option – Ovals** City Manager – REMOVED PER STAFF REQUEST
- C. **Community Relations Committee – Planning Commission Appointment** City Clerk

☐ **ANY OTHER BUSINESS:**

☐ **PUBLIC COMMENT:**

- ▶ **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.)

☐ **CLOSED SESSION:**

☐ **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 ANN MARIE MEISCH, CITY CLERK, 933 TERRACE STREET, MUSKEGON, MI 49440 OR BY CALLING (231) 724-6705 OR TTY/TDD DIAL 7-1-1-22 TO REQUEST A REPRESENTATIVE TO DIAL (231) 724-6705.



Agenda Item Review Form

Muskegon City Commission

Commission Meeting Date: January 26, 2021	Title: Approval of Minutes
Submitted By: Ann Marie Meisch, MMC	Department: City Clerk
Brief Summary: To approve the minutes of the January 11, 2021 Worksession and January 12, 2021 Regular City Commission Meetings.	
Detailed Summary: N/A	
Amount Requested: N/A	Amount Budgeted: N/A
Fund(s) or Account(s): N/A	Fund(s) or Account(s): N/A
Recommended Motion: To approve the minutes.	
For City Clerk Use Only: Commission Action:	

CITY OF MUSKEGON

CITY COMMISSION MEETING

JANUARY 12, 2021 @ 5:30 P.M.

**MUSKEGON CITY COMMISSION CHAMBERS
933 TERRACE STREET, MUSKEGON, MI 49440
REMOTE MEETING**

MINUTES

The Regular Commission Meeting of the City of Muskegon was held electronically with the Vice Mayor and Commissioners participating via Zoom – a remote conferencing service, Clerk staff present at 933 Terrace Street, Muskegon, MI at 5:30 p.m., Tuesday, December 8, 2020.

ROLL CALL FOR THE REGULAR COMMISSION MEETING:

Present: Vice Mayor Eric Hood (Muskegon, MI) Commissioners Ken Johnson (Muskegon, MI), Dan Rinsema-Sybenga (Muskegon, MI), Willie German, Jr. (Muskegon, MI), Teresa Emory (Muskegon, MI), and Michael Ramsey (Muskegon, MI-arrived at 6:35 p.m.), City Manager Frank Peterson, City Attorney John Schrier, and City Clerk Ann Meisch.

Absent: Mayor Stephen J. Gawron

2021-02 HONORS/AWARDS/PRESENTATIONS:

A. Lead Grant Summary Community & Neighborhood Services

Sharonda Carson, Community Development Specialist in the Community & Neighborhood Services Department, provided a summary of the Lead Safe Muskegon Program and the \$880,000 grant awarded for services in the County of Muskegon. Approximately \$730,000 has been spent to remediate 26 homes to date, with the average remediation cost being around \$30,000.

PUBLIC COMMENT ON AN AGENDA ITEM: Public comments were received.

2021-03 CONSENT AGENDA:

A. Approval of Minutes City Clerk

SUMMARY OF REQUEST: To approve the minutes of the December 7, 2020 Worksession and December 8, 2020 Regular City Commission Meetings.

STAFF RECOMMENDATION: To approve the minutes.

C. Western Market Rent City Clerk

SUMMARY OF REQUEST: The DMDC has indicated now that the Renaissance period has ended, they need to charge rent to cover the taxes and insurance on the property where Western Market currently sits. The tax bill for the property taxes last year were approximately \$8,150. The DMDC has indicated they would like to charge the City \$5,000 per year beginning with 2019. They have invoiced the City \$10,000 for 2019 and 2020.

AMOUNT REQUESTED: \$10,000 AMOUNT BUDGETED: \$0

FUND OR ACCOUNT: General Fund

STAFF RECOMMENDATION: Authorize staff to pay 2019 and 2020 rent in the amount of \$10,000 and the annual fee of \$5,000 going forward beginning 2021.

D. Electricity Upgrade at Western Market City Clerk

SUMMARY OF REQUEST: Our electrician has indicated that we need to upgrade our power at the chalets to accommodate vendor needs. We have received a quote to install a new 100 amp weather proof service. The power source is approximately 300 feet away that the condo association behind the chalets is allowing us to continue to use.

The power that was originally installed was not intended to support heaters and air conditioners. We quickly learned it was necessary to allow both depending on the season but we are using more power than the system was designed for. We also have business interested in joining us in 2021 and, if approved by the committee, they need additional power beyond the two outlets currently offered. With this proposal, we could accommodate a business with this need now and in the future.

AMOUNT REQUESTED: \$6,500 AMOUNT BUDGETED: \$0

FUND OR ACCOUNT: General Fund

STAFF RECOMMENDATION: To authorize the City Clerk to hire Lakeshore Electric to upgrade the electricity at Western Market for a cost of \$6,500.

E. Special Event Fees City Clerk

SUMMARY OF REQUEST: Staff is requesting those events held in 2019 ONLY be allowed a 50 % discount up to the amount of their 2019 invoice for DPW Services, to waive their application fee this year, and allow the City Manager and Public Safety Director to evaluate policing services actually provided after each event and determine if a discount may be given. This waiver/reduction of fees does not apply to new events or events that did not take place in 2019 or events that are not paid up-to-date with previous events.

The City recognizes that our established events in Muskegon have been seriously impacted this past year and some may not be back. Several staff members met

with many leaders of such events to listen to their needs. Staff then met to develop ideas how we may assist understanding staff is also running with less resources. Staff's recommendation is to allow a 50% discount for DPW services (ex. If the invoice for 2019 services was \$4,000, the discount can be as much as \$2,000. If their 2021 invoice is \$5,000, they receive a \$2,000 discount). Police Department services are different because they are actual costs that the City does incur. The Public Safety Director has indicated he is willing to evaluate the services needed, if the even had a well thought out plan for safety that was implemented and followed the guidelines set by the police department. Larger events are required to have a meeting with staff to cover such details. These changes are only suggested for 2021.

STAFF RECOMMENDATION: To authorize staff to reduce 2021 fees for DPW services for special events up to 50% based on the fees billed in 2019, to waive the application fee, and allow the City Manager and Public Safety Director to evaluate each event after it has occurred and determine a discount. Any discounts/waiver of fees apply only to events held in 2019 who wish to continue in 2021.

F. Non-Union PT and LT Wage Matrix EEO & Employee Relations

SUMMARY OF REQUEST: The 2021 wage matrix will not have any changes this year other than the change to the minimum wage.

STAFF RECOMMENDATION: Approve the minimum wage change to the non-union part time limited term wage matrix for 2021.

G. Extension of Temporary Employment Services Agreement EEO & Employment Relations

SUMMARY OF REQUEST: To approve a one-year contract extension with GoodTemps Temporary Staffing Services, Inc. for temporary and seasonal employment services. The current agreement expired on December 31, 2020.

STAFF RECOMMENDATION: To approve the agreement with GoodTemps Temporary Staffing Services, Inc. and authorize the Mayor and City Clerk to sign the agreement extension.

I. Transmittal of 06/30/2020 Comprehensive Annual Financial Report
Finance

SUMMARY OF REQUEST: The City's June 30, 2020 Comprehensive Annual Financial Report (CAFR) will be distributed to the City Commissioners via email and hard copy. The CAFR will also be available on the City's website. The CAFR includes the annual independent auditor's report as required by state law. At this time the CAFR is being formally transmitted to the City Commission. The CAFR has been prepared in accordance with all current Governmental

Accounting Standards Board (GASB) pronouncements and also includes the single audit of federal grants received by the City.

STAFF RECOMMENDATION: To accept the June 30, 2020 CAFR and authorize staff to transmit the CAFR to appropriate federal, state, and private agencies.

J. Obsolete Property Rehabilitation Certificate – Chart House Energy – name change to Chart House Energy Opportunity Fund, LLC Planning

SUMMARY OF REQUEST: Request to amend the Obsolete Property Rehabilitation Certificate at 825 W. Western Avenue for Chart House Energy to recognize their name change to Chart House Energy Opportunity Fund, LLC.

The Certificate was issued for 10 years on October 23, 2018. The original resolution states that “the applicant shall have twenty-four (24) months to complete the rehabilitation. It shall be completed by October 23, 2020, or two years after the Certificate is issued, whichever occurs later.” The Certificate has not been issued by the State yet because of ownership/title issues, which have not been cleared. The State of Michigan will process the application and issue the certificate once the local unit of government provides and amended resolution. The applicant is now proposing to commence construction immediately and finish by October 1, 2021. The Certificate would expire on its originally planned date of December 31, 2028.

STAFF RECOMMENDATION: To approve the request to amend the Obsolete Property Rehabilitation Certificate at 825 W Western Avenue for Chart House Energy to recognize their name change to Chart House Energy Opportunity Fund, LLC.

K. Alley Vacation – Art Museum Planning

SUMMARY OF REQUEST: Request to vacate a portion of the alley between Clay Street and Webster Avenue between 2nd Street and 3rd Street by the Muskegon Museum of Art. The Planning Commission unanimously recommended vacation of the alley as requested.

STAFF RECOMMENDATION: To approve the request to vacate a portion of the alley between Clay Street and Webster Avenue between 2nd Street and 3rd Street, by the Muskegon Museum of Art.

L. Sale – 219 Merrill Avenue City Manager

SUMMARY OF REQUEST: City staff is seeking authorization to sell the city-owned home at 219 Merrill to Vontrese Clanton. The City constructed this house as part of the phase two of our infill housing program. Our contract to construct the home was \$197,464. We also anticipated \$11,844 in sales commissions. The accepted purchase price is \$185,000, and the incurred sales commissions are \$11,100. The City will also contribute \$5,500 toward closing costs. *Note: In*

November, the City Commission authorized a sale to another buyer at a \$190,000 purchase price with a similar commitment toward closing costs, but that buyer chose not to complete the transaction.

STAFF RECOMMENDATION: Authorize the City Manager to complete the sale of 219 Merrill Avenue, as described in the purchase agreement.

M. Sale – 275 Mason Avenue City Manager

SUMMARY OF REQUEST: City staff is seeking authorization to sell the city-owned home at 275 Mason to Alex Riensma. The City constructed the house as part of the phase two of our infill housing program. Our contract to construct the home was \$197,464. We also anticipated \$11,844 in sales commissions. The accepted purchase price is \$180,000, and the incurred sales commissions are \$10,800. The City will not contribute funds toward closing costs.

STAFF RECOMMENDATION: Authorize the City Manager to complete the sale of 275 Mason Avenue, as described in the purchase agreement.

N. Sale – 346 Mason Avenue City Manager

SUMMARY OF REQUEST: City staff is seeking authorization to sell the city-owned home at 346 Mason to Christopher and Morgan Lawson. The City constructed this house as part of the phase two of our infill housing program. Our contract to construct the home was \$197,464. We also anticipated \$11,844 in sales commissions. The accepted purchase price is \$179,900, and the incurred sales commissions are \$10,800. The City will not contribute toward closing costs.

STAFF RECOMMENDATION: Authorize the City Manager to complete the sale of 346 Mason Avenue, as described in the purchase agreement.

P. Marshall Street Elevated Tank Painting Public Works – Filtration

SUMMARY OF REQUEST: Staff is requesting authorization to contract with Dixon Engineering for professional services related to painting and repairing the Marshall Street elevated tank.

Staff has worked with Dixon Engineering on a proposal for professional services to oversee the design, bidding, construction, and post-construction phases of the Marshall Street elevated tank project. Dixon engineering has extensive knowledge of the city's elevated water tanks and has managed many of our past elevated tank projects and inspections.

Located in the Jackson Hill neighborhood, the Marshall Street tank is highly visible from the Moses J. Jones Parkway. The exterior tank coating continues to chalk, fade, and lose its gloss. More importantly, the exterior and interior coatings are beyond their expected lifetimes, and a 2019 inspection found coating deterioration with spot failures and topcoat delamination.

The largest part of this project will include repairs to the interior coating of the tank and a complete overcoat of the tank exterior. Additionally, the cathodic

protection system that prevents corrosion of the tank has failed and needs to be repaired. Other minor modifications will take place on the tank to bring it into compliance with safety standards and drinking water regulations.

Dixon engineering will prepare design plans for the project and assist the city in soliciting bids from contractors to perform the work. Bids for the contractors will be brought back to the commission for consideration after they are received.

AMOUNT REQUESTED: \$49,750 AMOUNT REQUESTED: \$325,000

FUND OUR ACCOUNT: 591-92035

STAFF RECOMMENDATION: Authorize staff to contract with Dixon Engineering in the amount of \$49,750 for professional services to oversee the painting and repairs of the Marshall Street elevation tank.

R. Police Cruiser Replacement Equipment

SUMMARY OF REQUEST: The Equipment Division is requesting permission to purchase three Chevy Tahoes from Berger Chevrolet, the State Mi-Deal contract holder. The price of this vehicle is \$38,836.00 each for a total price of \$116,508.00 coming from the Equipment budget.

AMOUNT REQUESTED: \$116,508.00 AMOUNT BUDGETED: \$120,000.00

FUND OR ACCOUNT: Equipment

STAFF RECOMMENDATION: Authorize staff to move forward with purchase.

T. Paid Parking Policy – Development Services Development Services

SUMMARY OF REQUEST: Staff are seeking approval of a policy to formalize paid parking within the city.

At the request of the City Manager, the Parking Committee has developed a Paid Parking Policy based on a review of the implementation, operation, and enforcement of the first summer of paid parking at our beaches. This policy addresses paid parking at the city owned beaches and launches and standardizes practices for selling and distributing passes, communicating with the public, and enforcement. The committee includes representatives from Public Safety, Public Works, Finance, and Development Services.

STAFF RECOMMENDATION: To approve the Paid Parking Policy.

V. Sale – 352 Mason Avenue City Manager

SUMMARY OF REQUEST: City staff is seeking authorization to sell the city-owned home at 352 Mason to Ian McDowell. The city constructed this house as part of the phase two of our infill housing program. Our contract to construct the home was \$197,464. We also anticipated \$11,844 in sales commissions. The accepted purchase price is \$189,000, and the incurred sales commissions are \$11,394. The City will not contribute funds toward closing costs.

STAFF RECOMMENDATION: Authorize the City Manager to complete the sale of 352 Mason Avenue, as described in the purchase agreement.

Motion by Commissioner Rinsema-Sybenga, second by Commissioner Johnson, to approve the consent agenda as presented, minus items B, H, O, Q, S, U, and W.

ROLL VOTE: Ayes: Emory, Johnson, Hood, German, and Rinsema-Sybenga

Nays: None

MOTION PASSES

2021-04 ITEMS REMOVED FROM CONSENT AGENDA:

B. FY2020-21 Sewer Rate Adjustment Finance

SUMMARY OF REQUEST: As the FY2019-20 Comprehensive Annual Financial Report was finalized it became evident that the Sewer Fund was in a \$3.5 Million deficit. This deficit will require an immediate rate increase of 20% effective January 1, 2021.

In FY 2018-19 the Sewer fund had a \$979,425 operating loss and in FY2019-20 had an operating loss of \$1,435,021. These losses were directly related to the high water level and infiltration into our system and have created a deficit of \$3,595,965 in the Sewer Fund.

During the calendar year 2019 the City billed about 1.7 million units of sewage usage which equals 1,271,600,000 gallons, in the same period the county treated and billed us for 2,090,510,000 gallons. This means we are paying to treat 1.64 gallons for every gallon we bill. From FY2018-19 to FY2019-20 our costs to the County for treatment increased 19.5% however during the same period of time our revenues increased only 2.2%

The sewer rate has increased by 5% in each of the last two fiscal years and as you recall staff had proposed an 8% increase for the current fiscal year however the Commission only approved a 5% increase. At this time staff is proposing a **20% increase**. For the current fiscal year this increase is expected to generate an additional \$900,000 in revenue. For the current year we are hopeful that the increase will create an operational surplus and lower the deficit in the Sewer, however there will still be a deficit in the sewer fund for the current fiscal year. We are hopeful the deficit will go away in FY21-22.

I have attached an updated budget reforecast that only includes the operational budget for the current fiscal year for the Sewer Fund. Unfortunately, our usage is down which is why the revenue reforecast increase is less than \$900,000. The 2nd Quarter Budget Reforecast will be presented to the Commission at the first meeting in February.

STAFF RECOMMENDATION: To approve the resolution to adjust the FY2020-21 Sewer Rate by 20%.

Motion by Commissioner Johnson, second by Commissioner Rinsema-Sybenga, to approve the resolution to adjust the FY2020-21 Sewer Rate by 20%

Amendment: Motion by Commissioner Johnson, second by Commissioner Emory, to place a moratorium on the waiving of sewer connection fees so long as long the sewer fund has an operating deficit and is in debt to other funds.

ROLL VOTE: Ayes: Hood, German, Rinsema-Sybenga, Emory, and Johnson
Nays: None

MOTION PASSES

Vote on Original Motion:

ROLL VOTE: Ayes: Johnson, Hood, German, Rinsema-Sybenga, and Emory
Nays: None

MOTION PASSES

H. Vinyl Siding Installer Contracts for FY 2020 CNS

SUMMARY OF REQUEST: To authorize Community and Neighborhood Services to enter a new contract with JR Tucker Construction, Badgerows Contracting, and Maintenance Unlimited to install vinyl siding at an agreed price of \$65.00 (Sixty-five dollars) per building square for the Residential Façade Program's 2020 fiscal year. Bids for Contractor Procurement was posted in September 2020.

AMOUNT REQUESTED: N/A AMOUNT BUDGETED: \$105,000

FUND OR ACCOUNT: Residential Façade allocation category of the Community Development Block Grant. CDBG 2018, 2019, 2020 Budgets.

STAFF RECOMMENDATION: To enter agreements with 3 contractors to perform Residential Façade projects to expedite a long waiting list.

Motion by Commissioner Emory, second by Commissioner Johnson, to enter into agreements with 3 contractors to perform Residential Façade projects to expedite a long waiting list.

ROLL VOTE: Ayes: Hood, German, Rinsema-Sybenga, Emory, and Johnson
Nays: None

MOTION PASSES

O. Convention Center Agreements City Manager

SUMMARY OF REQUEST: Staff is seeking approval of an updated Convention

Center Naming Rights and Sponsorship Agreement with VanDyk Mortgage Corporation.

In December, the City Commission approved a naming rights agreement with VanDyk Mortgage. As we worked toward formal implementation, a number of issues came to our attention. The items were easy to correct, but both sides felt the cleanest way to correct the agreement was to resubmit it in its entirety for commission approval. Changes of note are as follows:

1. The costs for VanDyk remain unchanged, with the exception of the rent payment for the month of January 2021. Because signage installation is not predicted to take longer than expected, we mutually agreed that their monthly payments should begin January 1. Rent payments will begin once all exterior signage is installed.
2. Mortgage-related advertising and marketing is heavily regulated to ensure fair and non-discriminatory lending practices. Accordingly, we needed to make significant changes to industry exclusivity language, marketing language, trademark usage language, and other language that gave the city permission to use the VanDyk Mortgage name on promotional materials. The changes provide more input from VanDyk's legal team throughout the process to insure compliance.
3. We recharacterized the future partnership with VanDyk because they cannot be our preferred vendor for the same reasons listed in #2, but instead, they should be listed as a strategic partner. All marketing needs to be clear that buyers may use their lender of choice.
4. We cleaned up the liability language specific to liability claims. Parkland, as the operator, will need to hold VanDyk harmless. The City will agree to work to have VanDyk released from those types of suits in the event they happen, with the understanding that the City cannot legally indemnify VanDyk or any other entity. We also increased Parkland's insurance requirements to account for this.

STAFF RECOMMENDATION: Approve the Naming Rights and Sponsorship Agreement with VanDyk Mortgage and authorize the City Manager to sign the agreements.

Motion by Commissioner Rinsema-Sybenga, second by Commissioner Johnson, to approve the Naming Rights and Sponsorship Agreement with VanDyk Mortgage and authorize the City Manager to sign with agreement of the City Attorney and without substantive changes.

ROLL VOTE: Ayes: German, Rinsema-Sybenga, Emory, Johnson, and Hood

Nays: None

MOTION PASSES

Q. As – Needed Forestry Services Public Works

SUMMARY OF REQUEST: Authorize the award of the As-Needed Forestry Services to CHOP Tree Service in the not to exceed amount of \$50,000.

Staff solicited bids for as-needed forestry services. The bid was posted publicly on our website and hosted elsewhere along with bid packets being mailed to several area tree firms. Only one bid was received at the designated time with a second bid received late and rejected.

The Bid Sheet for CHOP is included in the attachment. The bid sheet was reviewed and found to be a reasonable bid and is recommended for approval by staff. The bid received late that was rejected was higher than the accepted bid. This project was included in the most recent 20-21 budget reforecast.

AMOUNT REQUESTED: \$50,000 AMOUNT BUDGETED: \$50,000

FUND OR ACCOUNT: 101-70771-5346

STAFF RECOMMENDATION: Approve the award of the as-needed forestry services contract to CHOP Tree Service for the not to exceed amount of \$50,000.

Motion by Commissioner Emory, second by Commissioner Rinsema-Sybenga, to approve the award of the as-needed forestry services contract to CHOP Tree Service for the not-to-exceed amount of \$50,000.

ROLL VOTE: Ayes: German, Rinsema-Sybenga, Emory, Johnson, and Hood
Nays: None

MOTION PASSES

S. PILOT Village at Jackson Hill Planning

SUMMARY OF REQUEST: Request to amend the PILOT at the Village of Jackson Hill, by General Capital. General Capital (“GCG”) is under contract to purchase the Village at Jackson Hill, a 40-unit senior tax credit apartment complex constructed about 15 years ago at 557 McLaren Avenue. GCG intends to apply to MSHDA for 9% tax credits to rehabilitate the project. In order for the project receive a high enough score to be competitive to receive an allocation of credits, they are asking that the City consider adopting a new PILOT for the program. The existing 4% PILOT terminates in 2027 and MSHDA requires a PILOT with a longer term to receive the PILOT points.

If successful in receiving a tax credit award, GCG intends to rehabilitate the project. They anticipate spending approximately \$48,000 per unit in hard construction costs. The rehabilitation will include creating visitable and truly handicap accessible units. In addition, if successful in receiving an award of the credits the Area Median Income (“AMI”) unit mix of the project will expand. Currently, the project has 2 60% AMI units 18 45% AMI units and 20 40% AMI units.

With a new tax credit award, the unit AMI mix will shift to 5 units at 30% AMI, 5 units at 40% AMI, 1 unit at 50% AMI, 16 units at 40% AMI and 13 units at 80% AMI.

With the change in unit mix the gross potential rental revenue at the project will increase from approximately \$260,000 to \$330,000. This increase will happen over time, as the current tenants will not be displaced. Rents will increase in the same manner they have in the past. As new tenants take occupancy, the rents will increase to the new AMI limits.

The current owners are paying a 4% PILOT and it expires in 2027. GCG is requesting to extend the PILOT 25 years (until 2046) and is willing to adjust the PILOT payments to include a municipal services fee.

In addition, it also appears that a corner of one of the buildings encroaches onto City ROW. The applicant is seeking an encroachment easement that will help with any liability with the building location.

STAFF RECOMMENDATION: To approve the amended PILOT, including the Municipal Services Agreement. Also, to approve the encroachment easement.

Motion by Commissioner German, second by Commissioner Emory, to approve the amended PILOT, including the Municipal Services Agreement, Also, to approve the encroachment easement.

ROLL VOTE: Ayes: Hood, Ramsey, German, Rinsema-Sybenga, Emory, and Johnson

Nays: None

MOTION PASSES

U. Changes to the Fee Schedule for Paid Parking at Beaches

Development Services

SUMMARY OF REQUEST: Staff are seeking approval of a change to the fees for parking at city beaches.

Daily rate Monday through Thursday - \$7

Daily rate Friday through Sunday - \$10

STAFF RECOMMENDATION: To approve the daily rates for paid parking at city owned beaches.

Motion by Commissioner Johnson, second by Commissioner Rinsema-Sybenga, to approve the daily rates for paid parking at city owned beaches.

ROLL VOTE: Ayes: Hood, Ramsey, Rinsema-Sybenga, and Emory

Nays: German

MOTION PASSES

W. Community Relations Committee Recommendations City Clerk

SUMMARY OF REQUEST: To accept the resignation, reappointments, and appointments for various community relations committees, boards, authorities, and commissions as follows:

- Resignation – Mary Jamieson from the Board of Review, Citizen position, term expiring 01/31/2022
- Board of Review
 - o Reappoint Jane Clingman-Scott and Ralph Burr
 - o Appoint David Mendendorp and Pamela Smith
- Business Improvement District
 - o Appoint Andy Maciejewski, Dan Castle, and Jaime Charron
- Citizen's Police Review Board
 - o Reappoint Ron Hayward, Robert Roundtree, Faye Redmond, Rozelia Patino, William Muhammad, and Ann Craig
- Civil Service
 - o Reappoint David Wendtland
- Community Development Block Grant/Citizen's District Council (CDBG/CDC)
 - o Reappoint Jeremy Lenertz
 - o Appoint Paul Kurdziel, Perry Dennie, Jennifer Ross, and Ationza Smith
- Construction Code Board of Appeals
 - o Reappoint Wade VandenBosch and Lane Bensten
 - o Appoint Joshua Ohst
- Downtown Development Authority
 - o Reappoint Don Kalisz and Mike Johnson
- Election Commission
 - o Reappoint Betty Ivory
- Equal Opportunity Committee
 - o Appoint Bennie Chambers and Tonya Pell
- Farmers Market Advisory Board
 - o Reappoint John Zandstra, Woody VanBlargan, and Kim Martens
- Historic District Commission
 - o Reappoint Steven Radtke

- o Appoint David Gregersen
- Housing Code Board of Appeals
 - o Reappoint Randy Mackie and Kirk Kolberg
- Housing Commission
 - o Appointed by City Manager – Barry Williams
- Income Tax Board of Review
 - o Appoint Patrick Kiely
- Lakeside Business Improvement District
 - o Reappoint Mark Flermoen and Dick Ghezzi
- Local Development Finance Authority
 - o Reappoint Kevin Ricco
 - o Appoint Virginia Taylor
- Local Officer's Compensation Commission
 - o Appoint Michael Hughes
- Planning Commission
 - o Reappoint Joe Doyle and Tim Michalski
- Zoning Board of Appeals
 - o Reappoint William Bowman
 - o Appoint Jill Montgomery Keast and Michele Ribesky

STAFF RECOMMENDATION: To concur with the recommendation of the Community Relations Committee and approve the resignation, reappointments, and appointments.

- 1) **Motion by Commissioner Rinsema-Sybenga, second by Commissioner German, to concur with the recommendations of the Community Relations Committee and approve the resignation, reappointments, and appointments for all except the Equal Opportunity Committee.**

ROLL VOTE: Ayes: Ramsey, German, Rinsema-Sybenga, Emory, Johnson, and Hood

Nays: None

MOTION PASSES

- 2) **Motion by Commissioner German, second by Commissioner Emory, to appoint Pell, Chambers, and Buchanan to the Equal Opportunity Committee.**

ROLL VOTE: Ayes: German, Rinsema-Sybenga, Emory, Johnson, Hood, and Ramsey

Nays: None

MOTION PASSES

2021-05 PUBLIC HEARINGS:

A. Lakeside BID Special Assessment Roll Public Hearing and Resolution
Economic Development

SUMMARY OF REQUEST: The Lakeside BID Board has voted to petition the City Commission to establish a Special Assessment District inclusive of all commercial parcels in the BID in order to raise funds for public maintenance and improvements. Tonight, a duly posted and noticed public hearing will take place to hear comment on the Special Assessment Tax Roll.

The Lakeside Business Improvement District Board has recommended a special assessment amount to fund BID improvements in the Lakeside Corridor for a period of 3 years, with potential to renew the assessment at the end of the term depending on the amount of TIF capture by their desired Corridor Improvement Authority. The attachments to this cover sheet reflect the costs per square foot of every address in the BID, as well as a map outlining the BID district approved by the Commission last year. Also attached is the resolution certifying the assessment and adding it to the roll. The total anticipated capture of this assessment is approximately \$22,000.00, which will be used by the BID Board to provide for winter maintenance of sidewalks, plowing, landscaping maintenance, and marketing materials for the district. A separate assessment bill will be sent to all affected properties this year, and in subsequent years this assessment will be included on winter tax bills. Frosty Cove was removed from the District

STAFF RECOMMENDATION: To approve the Resolution adding the Lakeside BID Special Assessment to the tax rolls for a period of three years as presented.

PUBLIC HEARING COMMENCED:

Mike Galivin – 590 W. Western - does Lakeside BID include former Sappi Property? Answer is no.

Motion by Commissioner Rinsema-Sybenga, second by Commissioner Johnson, to close the public hearing and approve the resolution adding the Lakeside BID Special Assessment to the tax rolls for a period of three years, as presented.

ROLL VOTE: Ayes: Rinsema-Sybenga, Emory, Johnson, Hood, Ramsey, and German

Nays: None

MOTION PASSES

2021-06 NEW BUSINESS:

A. Amendment to the Marihuana Facilities Overlay District – 965 W Western, 920 Washington Ave, and 1330 Division St Planning

SUMMARY OF REQUEST: Request to amend Section 2331 of the zoning ordinance to expand the marihuana facilities overlay district to allow for Growing, Processing and Provisioning/Retail license types at 965 W Western Avenue, 920 Washington Avenue and 1330 Division Street by P & G Holdings, LLC.

After discussing at the Planning Commission meeting, the applicant agreed that they did not need to include 1330 Division Street as part of the request. A motion to request to amend Section 2331 of the zoning ordinance to expand the marihuana facilities overlay district to allow for Growing, Processing and Provisioning/Retail license types at 965 W Western Avenue and 920 Washington Avenue be recommended to the City Commission for approval. The motion was amended to include a recommendation that the approval be reviewed in 24 months to allow staff or the Planning Commission to consider revocation of the zoning approval if the condo development had not proceeded as stated. The motion was approved by a 6-3 vote.

STAFF RECOMMENDATION: To approve the request to amend Section 2331 of the zoning ordinance to expand the marihuana facilities overlay district to allow for Growing, Processing and Provisioning/Retail license types at 965 W Western Avenue and 920 Washington Avenue by P & G Holdings, LLC.

Motion by Vice Mayor Hood, second by Commissioner Rinsema-Sybenga, to approve the request to amend Section 2331 of the zoning ordinance to expand the marihuana facilities overlay district to allow for Growing, Processing and Provisioning/Retail license types at 965 W Western Avenue and 920 Washington Avenue by P & G Holdings, LLC.

ROLL VOTE: Ayes: Rinsema-Sybenga, Emory, Hood, and Ramsey

Nays: German and Johnson

MOTION PASSES

***SECOND READING REQUIRED**

B. Amendment to the Marihuana Facilities Overlay District – 420 Harvey Street (1) Planning

SUMMARY OF REQUEST: Request to amend Section 2331 of the zoning ordinance to expand the marihuana facilities overlay district to allow for microbusiness, designated consumption establishment and event license types at 420 S Harvey Street, by Michigan Canna House, LLC.

This case was tabled at the October Planning Commission. It was brought back to the Planning Commission in December. A motion to approve the request

failed by a 2-7 vote.

STAFF RECOMMENDATION: To approve the request to amend Section 2331 of the zoning ordinance to expand the marihuana facilities overlay district to allow for microbusiness, designated consumption establishment use and event license types at 420 S Harvey Street, by Michigan Canna House, LLC.

Motion by Commissioner Ramsey, second by Commissioner Rinsema-Sybenga, to approve the request to amend Section 2331 of the zoning ordinance to expand the marihuana facilities overlay district to allow for microbusiness, designated consumption establishment use and event license types at 420 S. Harvey Street, by Michigan Canna House, LLC.

ROLL VOTE: Ayes: None

Nays: Rinsema-Sybenga, Emory, Johnson, Hood, and Ramsey

MOTION FAILS

C. Amendment to the Marihuana Facilities Overlay District – 420 Harvey Street (2) Planning

SUMMARY OF REQUEST: Request to amend Section 2331 of the zoning ordinance to include 420 Harvey Street in the marihuana facilities overlay district and allow class B grower, processor, retailer, designated consumption establishment and marihuana special events license types, by Michigan Canna House, LLC.

While the applicant's first case was tabled by the Planning Commission, they decided to apply for another amendment that would allow them additional license types (Class B Grower, Processor, Retailer) instead of microbusiness.

STAFF RECOMMENDATION: To approve the request to amend Section 2331 of the zoning ordinance to include 420 Harvey Street in the marihuana facilities overlay district and allow class B grower, processor, retailer, designated consumption establishment and marihuana special events license types, by Michigan Canna House, LLC.

Motion by Commissioner Johnson, second by Commissioner Ramsey, to approve the request to amend Section 2331 of the zoning ordinance to include 420 S. Harvey Street in the marihuana facilities overlay district and allow Class B grower, processor, retailer, designated consumption establishment, and marihuana special events license types by Michigan Canna House, LLC.

ROLL VOTE: Ayes: Emory, Johnson, Hood, Ramsey, and Rinsema-Sybenga

Nays: None

MOTION PASSES

***SECOND READING REQUIRED**

D. Hartford Terrace Development Agreement Development Services

SUMMARY OF REQUEST: Staff is seeking approval of the development agreement and associated PILOT and municipal services agreements with the Muskegon Housing Commission.

The proposed agreement is based on Low Income housing Tax Credits being awarded by the Michigan State Housing Development Authority for work at Hartford Terrace. If the LIHTC is not awarded by March 31, 2022, the agreement is voided. The proposed PILOT rate is 2% of contract rents with a municipal services fee of an additional 2% of contract rents. The city can expect to more than double the annual payment received from this development.

Hartford Terrace serves some of the most vulnerable of our city's population, including elderly, persons with disabilities, and those making 30% or less of the area median income. The developer is planning to invest \$18,000,000 into the property including major building systems, elevators, apartment interiors, common areas, windows, and sitework. Ten of the existing 160 apartments are currently accessible, and the renovation will add another 6 accessible units.

STAFF RECOMMENDATION: To approve the development agreement and associated PILOT and municipal services fee agreements with the Muskegon Housing Commission.

Motion by Commissioner Ramsey, second by Commissioner Rinsema-Sybenga, to approve the development agreement and associated PILOT and municipal services fee agreements with the Muskegon Housing Commission.

ROLL VOTE: Ayes: Johnson, Hood, Ramsey, Rinsema-Sybenga, and Emory

Nays: None

MOTION PASSES

E. Housing Commission Ordinance Amendment Development Services

SUMMARY OF REQUEST: Staff are seeking approval of an amendment to Chapter 18, Article IV of the Code of Ordinances in coordination with the Hartford Terrace development agreement.

The Muskegon Housing Commission proposes to rehabilitate Hartford Terrace Apartments through HUD's Rental Assistance Demonstration program. This program allows private capital to be raised for rehabilitation of low-income housing projects. The calculation of Payments In Lieu Of Taxes for this program differs from the typical public housing program, and changes to the city's ordinance for housing commission owned properties requires a change to accommodate the development.

STAFF RECOMMENDATION: To amend and adopt Chapter 18, Article IV, Section 83 and approve the resolution for Muskegon Housing Commission.

Motion by Commissioner Ramsey, second by Commissioner Johnson, to amend and adopt Chapter 18, Article IV, Section 83 and approve the resolution from Muskegon Housing Commission.

ROLL VOTE: Ayes: Hood, Ramsey, Rinsema-Sybenga, Emory, and Johnson

Nays: None

MOTION PASSES

***SECOND READING REQUIRED**

G. Amendment to the PUD at Harbor 31 Planning (F & G order switched at Commission meeting)

SUMMARY OF REQUEST: Request to amend the final Planned Unit Development at 600 Shoreline Drive (Harbor 31), by Harbor 31, LLC.

Staff consulted with the attorneys at Miller Canfield regarding the public boardwalk issue. It does not appear that Condominium documents make the Boardwalk Easement available for public use. If the easement had a public use component, the Master Deed would have had to state that expressly. The Master Deed does suggest that tenants of the units, guests, employees, and invitees are permitted to use the easement. Since the developer owns most of the land in the condo agreement, it appears that guests of future developments will be able to access the entire boardwalk.

Also, the developer proposes to develop the entire shoreline with boat slips. Units A, B, H and I have what appear to be identical riparian rights under Riparian easements recorded in 2006, which grant each unit owner the right to use the entire lakeshore "to the same extent as if the Benefitted Parcel was adjacent to the Lake," including for the installation of permanent docks and marinas. The land area described as falling with the easement area, however, is the "Common Areas" of the condominium project, an apparent (though not certain) reference to the General Common Elements, which consist of the Boardwalk Easement running along the shoreline and the Walkway Easement between units H and I. Unless Units A, B, H and I are all owned by the developer of the marina, the developer's right to develop beyond the shoreline running parallel to units owned by the developer appears to be an open question.

A motion was made to request to amend the final Planned Unit Development at 600 Shoreline Drive be recommended for approval to the City Commission, with the following conditions as listed in the staff recommendation: 1) that public easements for access to the existing boardwalk and new waterfront gathering space shall be recorded with the Register of Deeds before any building permits are issued, and 2) each separate use/building needs to individually obtain site plan approval. Any variation from the PUD, in terms of use or building placement, is acceptable as long as it meets the underlying zoning (FBC, Mainstreet Waterfront) requirements. The motion was unanimously approved.

STAFF RECOMMENDATION: To approve the amendments to the Planned Unit Development as requested.

Motion by Commissioner Rinsema-Sybenga, second by Commissioner Johnson, to approve the amendments to the Planned Unit Development as requested.

ROLL VOTE: Ayes: Hood, Ramsey, Rinsema-Sybenga, Emory, and Johnson

Nays: None

MOTION PASSES

F. Street Vacation – Harbor 31 Planning (F & G order switched at Commission meeting)

SUMMARY OF REQUEST: Request to vacate a portion of Viridian Drive, east of Terrace Street, by Harbor 31, LLC. The Planning Commission unanimously recommended vacation of the alley as requested.

STAFF RECOMMENDATION: To approve the request to vacate a portion of Viridian Drive, east of Terrace Street, by Harbor 31.

Motion by Commissioner Johnson, second by Commissioner Rinsema-Sybenga, to approve the request to vacate a portion of Viridian Drive, east of Terrace Street, by Harbor 31.

ROLL VOTE: Ayes: Ramsey, Rinsema-Sybenga, Emory, Johnson, and Hood

Nays: None

MOTION PASSES

PUBLIC COMMENT: Public comments were received.

ADJOURNMENT: The City Commission meeting adjourned at 9:55 p.m.

Respectfully Submitted,

Ann Marie Meisch, MMC – City Clerk

**CITY OF MUSKEGON
CITY COMMISSION WORKSESSION
Monday, January 11, 2021
5:30 pm
City Commission Chambers
REMOTE MEETING**

MINUTES

2021-01

Present: Vice Mayor Hood (Muskegon, MI), Commissioners Rinsema-Sybenga (Muskegon, MI), Emory (Muskegon, MI), Johnson (Muskegon, MI), Ramsey (arrived at 6:00 p.m. – Muskegon, MI), and German (Muskegon, MI).

Absent: Mayor Gawron

2020 CAFR Presentation – Eric VanDop from Brickley DeLong

The City's June 30, 2020 Comprehensive Annual Financial Report (CAFR) will be distributed to the City Commissioners via email and hard copy. The CAFR will also be available on the City's website. The CAFR includes the annual independent auditor's report as required by state law. At this time the CAFR is being formally transmitted to the City Commission. The CAFR has been prepared in accordance with all current Governmental Accounting Standards Board (GASB) pronouncements and also includes the single audit of federal grants received by the City.

Eric VanDop from Brickley DeLong presented highlights from the 2020 audit to the City Commission. Discussion took place and Commissioner comments were received.

This item will appear on the agenda for consideration at the regular meeting on Tuesday, January 12, 2021.

FY2020-21 Sewer Rate Adjustment - Finance

As the FY2019-20 Comprehensive Annual Financial Report was finalized it became evident that the Sewer Fund was in a \$3.5 Million deficit. This

deficit will require an immediate rate increase of 20% effective January 1st, 2021.

In FY 2018-19 the Sewer fund had a \$979,425 operating loss and in FY2019-20 had an operating loss of \$1,435,021. These losses were directly related to the high water level and infiltration into our system and have created a deficit of \$3,595,965 in the Sewer Fund.

During the calendar year 2019 the City billed about 1.7 million units of sewage usage which equals 1,271,600,000 gallons, in the same period the county treated and billed us for 2,090,510,000 gallons. This means we are paying to treat 1.64 gallons for every gallon we bill. From FY2018-19 to FY2019-20 our costs to the County for treatment increased 19.5% however during the same period of time our revenues increased only 2.2%

The sewer rate has increased by 5% in each of the last two fiscal years and as you recall staff had proposed an 8% increase for the current fiscal year however the Commission only approved a 5% increase. At this time staff is proposing a **20% increase**. For the current fiscal year this increase is expected to generate an additional \$900,000 in revenue. For the current year we are hopeful that the increase will create an operational surplus and lower the deficit in the Sewer, however there will still be a deficit in the sewer fund for the current fiscal year. We are hopeful the deficit will go away in FY21-22.

I have attached an updated budget reforecast that only includes the operational budget for the current fiscal year for the Sewer Fund. Unfortunately, our usage is down which is why the revenue reforecast increase is less than \$900,000. The 2nd Quarter Budget Reforecast will be presented to the Commission at the first meeting in February.

Discussion took place regarding the increase in sewer usage and the sewer rate resolution will be on the agenda for consideration on Tuesday, January 12, 2021.

Special Event Fees for 2021 – City Clerk

Staff is requesting those events held in 2019 ONLY be allowed a 50 % discount up to the amount of their 2019 invoice for DPW Services, to waive their application fee this year, and allow the City Manager and Public Safety Director to evaluate policing services actually provided after each

event and determine if a discount may be given. This waiver/reduction of fees does not apply to new events or events that did not take place in 2019 or events that are not paid up-to-date with previous events.

The City recognizes that our established events in Muskegon have been seriously impacted this past year and some may not be back. Several staff members met with many leaders of such events to listen to their needs. Staff then met to develop ideas how we may assist understanding staff is also running with less resources. Staff's recommendation is to allow a 50% discount for DPW services (ex. If the invoice for 2019 services was \$4,000, the discount can be as much as \$2,000. If their 2021 invoice is \$5,000, they receive a \$2,000 discount). Police Department services are different because they are actual costs that the City does incur. The Public Safety Director has indicated he is willing to evaluate the services needed, if the even had a well thought out plan for safety that was implemented and followed the guidelines set by the police department. Larger events are required to have a meeting with staff to cover such details. These changes are only suggested for 2021.

Discussion took place regarding this item and it will appear on the agenda for the regular meeting scheduled for January 12, 2021.

Public Comments – Public Comments were received.

The Worksession Meeting adjourned at 7:40 p.m.

Respectfully Submitted,

Ann Marie Meisch, MMC – City Clerk



Agenda Item Review Form

Muskegon City Commission

Commission Meeting Date: January 26, 2021	Title: Deficit Elimination Plan – Public Improvement Fund
Submitted By: Beth Lewis	Department: Finance
Brief Summary: To approve the resolution and direct staff to submit the Deficit Elimination Plan for the Public Improvement Fund to the State of Michigan.	
Detailed Summary: At June 30, 2020 the Public Improvement Fund was in a deficit of \$1,601,331. Act 275 of the Public Acts of 1980 requires the City to formulate a deficit elimination plan and file it with the Michigan Department of Treasury. The deficit elimination plan and resolution for the Public Improvement Fund is attached.	
Amount Requested: na	Amount Budgeted: na
Fund(s) or Account(s):	Fund(s) or Account(s):
Recommended Motion: To approve the deficit elimination resolution for the Public Improvement Fund.	
Check if the following Departments need to approve the item first: Police Dept. ☐ Fire Dept. ☐ IT Dept. ☐ For City Clerk Use Only: Commission Action:	

DEFICIT ELIMINATION PLAN

City of Muskegon

State ID Number 61-2020

Public Improvement Fund

January 18, 2021

At June 30, 2020 the City of Muskegon Public Improvement Fund had a deficit balance of \$1,601,331. This deficit was caused by the City's Midtown Square II Housing Development project. This project involves the building of 6 single family homes along with 10 townhouse style homes. The project was financed by a note from Fifth Third Bank. As invoices are paid to the developer the City draws down on funds from Fifth Third Bank. When posting these transactions in our accounting system the developer invoices are posted as expenditures and the Fifth Third funds are being recorded as Note Payable. No revenue is being posted until a home sells. As of June 30, 2020 no homes at been sold. Thus causing the deficit in this fund. In FY2020-21 and beyond revenue will be posted as the homes sell. As of this date the City has closed and received the funds on two homes with purchase agreements and closings set up for 3 other homes. The City believes by the end of FY2021-22 all the homes will be sold and the fund will no longer be in a deficit.

Located on the next page is a table showing the Revenue and Expenditures for FY2019-20 and proposed budget for FY2020-21 and FY2021-22.

CITY OF MUSKEGON PUBLIC IMPROVEMENT FUND			
	FY2019-2020	FY2020-21 Proposed	FY2021-22 Proposed
REVENUES			
Taxes			
Licenses and Permits			
Intergovernmental revenues			
Federal		\$ 22,000	
State	\$ 220,700	\$ 150,000	
Local	\$ 294,300		
Charges for Services	\$ 22,424		
Fees and forfeitures			
Investment earnings and rental income	\$ 569	\$ 500	\$ 500
Income from assets managed by others	\$ 8,986		
Other	\$ 790,493	\$ 3,250,000	\$ 2,252,000
Total Revenues	\$ 1,337,472	\$ 3,422,500	\$ 2,252,500

EXPENDITURES			
Current			
Debt Service			
Principal	\$ 293,586	\$ 153,250	
Interest and Fees	\$ 104,977	\$ 54,801	
Bond issuance costs			
Capital outlay	\$ 6,446,282	\$ 2,657,419	\$ 1,000,000
Total Expenditures	<u>\$ 6,844,845</u>	<u>\$ 2,865,470</u>	<u>\$ 1,000,000</u>
Excess of revenue over(under) expenditures	\$ (5,507,373)	\$ 557,030	\$ 1,252,500
Other Financing Sources (Uses)			
Proceeds from sale of capital assets	\$ 448,218		
Long-term debt issued	\$ 2,417,390		
Discount on long term debt issued			
Transfers In	\$ 881,860	\$ 218,051	
Transfers out			
Total Other Financing sources (uses)	<u>\$ 3,747,468</u>	<u>\$ 218,051</u>	<u>\$ -</u>
Net change in fund balances (deficit)	\$ (1,759,905)	\$ 775,081	\$ 1,252,500
Fund Balance at Beginning of Year	\$ 158,592	\$ (1,601,313)	\$ (826,232)
Fund Balance (deficit) at End of Year	<u>\$ (1,601,313)</u>	<u>\$ (826,232)</u>	<u>\$ 426,268</u>

**CITY OF MUSKEGON
MUSKEGON COUNTY, MICHIGAN**

RESOLUTION NO. _____

WHEREAS City of Muskegon's Public Improvement Fund had a \$1,601,331 deficit fund balance on June 30, 2020; and

WHEREAS, Act 275 of the Public Acts of 1980 requires that a Deficit Elimination Plan be formulated by the local unit of government and filed with the Michigan Department of Treasury:

NOW THEREFORE, IT IS RESOLVED that the City Commission of the City of Muskegon adopts the following as the City of Muskegon's Public Improvement Fund Deficit Elimination Plan.

CITY OF MUSKEGON PUBLIC IMPROVEMENT FUND			
	FY2019-2020	FY2020-21 Proposed	FY2021-22 Proposed
REVENUES			
Taxes			
Licenses and Permits			
Intergovernmental revenues			
Federal		\$ 22,000	
State	\$ 220,700	\$ 150,000	
Local	\$ 294,300		
Charges for Services	\$ 22,424		
Fees and forfeitures			
Investment earnings and rental income	\$ 569	\$ 500	\$ 500
Income from assets managed by others	\$ 8,986		
Other	\$ 790,493	\$ 3,250,000	\$ 2,252,000
Total Revenues	\$ 1,337,472	\$ 3,422,500	\$ 2,252,500
EXPENDITURES			
Current			
Debt Service			
Principal	\$ 293,586	\$ 153,250	
Interest and Fees	\$ 104,977	\$ 54,801	
Bond issuance costs			
Capital outlay	\$ 6,446,282	\$ 2,657,419	\$ 1,000,000
Total Expenditures	\$ 6,844,845	\$ 2,865,470	\$ 1,000,000
Excess of revenue over(under) expenditures	\$ (5,507,373)	\$ 557,030	\$ 1,252,500

Other Financing Sources (Uses)			
Proceeds from sale of capital assets	\$	448,218	
Long-term debt issued	\$	2,417,390	
Discount on long term debt issued			
Transfers In	\$	881,860	\$ 218,051
Transfers out			
Total Other Financing sources (uses)	\$	3,747,468	\$ 218,051 \$ -
Net change in fund balances (deficit)	\$	(1,759,905)	\$ 775,081 \$ 1,252,500
Fund Balance at Beginning of Year	\$	158,592	\$ (1,601,313) \$ (826,232)
Fund Balance (deficit) at End of Year	\$	(1,601,313)	\$ (826,232) \$ 426,268

Adopted this _____ day of January 2021

By: _____
Stephen J. Gawron
Its Mayor

By: _____
Ann Marie Meisch, MMC
Its Clerk

CERTIFICATION

This resolution was adopted at a regular meeting of the City commission, held on January 26, 2021. The meeting was properly held and noticed pursuant to Open Meetings Act of the State of Michigan, Act 267 of the Public Acts of 1967.

CITY OF MUSKEGON

By: _____
Ann Marie Meisch, MMC
City Clerk



Agenda Item Review Form

Muskegon City Commission

Commission Meeting Date: January 26, 2020	Title: Deficit Elimination Plan – Sewer Fund
Submitted By: Beth Lewis	Department: Finance
Brief Summary: To approve the Deficit Elimination plan and resolution for the Sewer Fund and direct staff to submit plan to the State of Michigan.	
Detailed Summary: At June 30, 2020 the Sewer Fund had a \$3,595,965 deficit unrestricted net position. Act 275 of Public Acts of 1980 requires the City to formulate a deficit elimination plan and submit it to the Michigan Department of Treasury. The deficit elimination plan and resolution for the Sewer Fund are attached.	
Amount Requested: na	Amount Budgeted: na
Fund(s) or Account(s):	Fund(s) or Account(s):
Recommended Motion: To approve the deficit elimination resolution for the Sewer Fund.	
Check if the following Departments need to approve the item first: Police Dept. ☐ Fire Dept. ☐ IT Dept. ☐ For City Clerk Use Only: Commission Action:	

DEFICIT ELIMINATION PLAN

City of Muskegon

State ID Number 61-2020

Sewer Fund

January 19, 2021

At June 30, 2020 the City of Muskegon Sewer Fund had a deficit unrestricted net position of \$3,595,965. The City has been running an operations deficit for several years in the Sewer Fund. This deficit was in part created by high water levels on our local lakes which caused infiltration into our system. We recently calculated that in calendar year 2019 for each unit of usage that we billed for we paid the County to treat 1.64 units.

The Staff proposed an immediate 20% rate increase. The City Commission concurred and approved the rate increase on January 12, 2021 with an effective date of January 1, 2021. Staff is hopeful that at June 30, 2021 the fund has an operations surplus.

Staff usually proposes rate change in conjunction with the proposed new fiscal year budget. At that time staff will evaluate and propose an additional rate increase for FY21-22. The City of Muskegon is committed to maintaining an operational surplus to bring down and then eliminate the deficit. The City will have a better time table for elimination of this deficit after June 30, 2021.

CITY OF MUSKEGON SEWER FUND		
		PROPOSED
	FY2019-20	FY2020-21
OPERATION REVENUE		
Charges for Service	\$ 8,272,639	9,561,670
Other	\$ 125,199	145,000
Total Operating Revenue	\$ 8,397,838	9,706,670
OPERATING EXPENSES		
Administration	\$ 476,958	508,522
Wastewater Treatment	\$ 6,978,294	6,800,000
Wastewater Maintenance	\$ 1,852,145	1,870,974
Depreciation	\$ 462,846	
Total Operating Expenses	\$ 9,770,243	9,179,496
NONOPERATING REVENUES (EXPENSES)		
Investment Earnings	\$ 1,209	1,209
Interest Expense	\$ (7,200)	(7,500)
Bond Issuance Costs	\$ (56,625)	(57,500)
Total Nonoperating Revenue(expense)	\$ (62,616)	(63,791)
Change in Net Position	\$ (1,435,021)	463,383

**CITY OF MUSKEGON
MUSKEGON COUNTY, MICHIGAN**

RESOLUTION NO. _____

WHEREAS City of Muskegon's Sewer Fund had a \$3,595,965 unrestricted net position deficit balance on June 30, 2020; and

WHEREAS, Act 275 of the Public Acts of 1980 requires that a Deficit Elimination Plan be formulated by the local unit of government and filed with the Michigan Department of Treasury:

NOW THEREFORE, IT IS RESOLVED that the City Commission of the City of Muskegon adopts the following as the City of Muskegon's Sewer Fund Deficit Elimination Plan:

CITY OF MUSKEGON SEWER FUND		
	FY2019-20	PROPOSED FY2020-21
OPERATION REVENUE		
Charges for Service	\$ 8,272,639	9,561,670
Other	\$ 125,199	145,000
Total Operating Revenue	\$ 8,397,838	9,706,670
OPERATING EXPENSES		
Administration	\$ 476,958	508,522
Wastewater Treatment	\$ 6,978,294	6,800,000
Wastewater Maintenance	\$ 1,852,145	1,870,974
Depreciation	\$ 462,846	
Total Operating Expenses	\$ 9,770,243	9,179,496
NONOPERATING REVENUES (EXPENSES)		
Investment Earnings	\$ 1,209	1,209
Interest Expense	\$ (7,200)	(7,500)
Bond Issuance Costs	\$ (56,625)	(57,500)
Total Nonoperating Revenue(expense)	\$ (62,616)	(63,791)
Change in Net Position	\$ (1,435,021)	463,383

Adopted this _____ day of January 2021

By: _____
Stephen J. Gawron
Its Mayor

By: _____
Ann Marie Meisch, MMC
Its Clerk

CERTIFICATION

This resolution was adopted at a regular meeting of the City commission, held on January 26, 2021. The meeting was properly held and noticed pursuant to Open Meetings Act of the State of Michigan, Act 267 of the Public Acts of 1967.

CITY OF MUSKEGON

By: _____
Ann Marie Meisch, MMC
City Clerk

WATCH MUSKEGON

Agenda Item Review Form Muskegon City Commission

Commission Meeting Date: January 12, 2021	Title: Sale – 275 Mason Ave
Submitted By: Frank Peterson	Department: City Manager
Brief Summary: City staff is seeking authorization to sell the city-owned home at 275 Mason to Chad Huisman and Alyssa Hamelin	
Detailed Summary: The city constructed this house as part of the phase two of our infill housing program. Our contract to construct the home was \$197,464. We also anticipated \$11,844 in sales commissions. The accepted purchase price is \$189,900, and the incurred sales commissions are \$10,800. The City will contribute \$5,0000 toward closing costs.	
Amount Requested: None at this time	Amount Budgeted: \$0
Fund(s) or Account(s): N/A	Fund(s) or Account(s): N/A
Recommended Motion: Authorize the City Manager to complete the sale of 275 Mason Ave, as described in the purchase agreement.	
Check if the following Departments need to approve the item first: Police Dept. ☐ Fire Dept. ☐ IT Dept. ☐ For City Clerk Use Only: Commission Action:	

WEST MICHIGAN REGIONAL PURCHASE AGREEMENT

DATE: 01/17/2021 (time) _____ MLS # 20048054 # _____
 SELLING OFFICE: Greenridge Realty BROKER LIC.#: 6505179283 REALTOR® PHONE: 616-427-6879
 LISTING OFFICE: West Urban Realty LLC REALTOR® PHONE: 616-874-7085

1. **Effective Date:** This Agreement is effective on the date of Seller's acceptance of Buyer's offer or Buyer's acceptance of any counteroffer, as the case may be, and this date shall hereafter be referred to as the "Effective Date". Further, any reference to "days" in this Agreement refers to calendar days. The first calendar day begins at 12:01 a.m. on the day after the Effective Date. Any reference to "time" refers to local time.

2. **Agency Disclosure:** The Undersigned Buyer and Seller each acknowledge that they have read and signed the Disclosure Regarding Real Estate Agency Relationships. The selling licensee is acting as (check one):
☐ Agent/Subagent of Seller ☐ Buyer's Agent ☐ Dual Agent (with written, informed consent of both Buyer and Seller)
☐ Transaction Coordinator

Primary Selling Agent Name: Kelly Stein-Lloyd Email: klloydhomes@gmail.com Lic.#: 6501402294

Alternate Selling Agent Name: David Oom Email: doom@greenridge.com Lic.#: 6505179283

3. **Seller's Disclosure Statement:** (This paragraph applies to sales of one-to-four family residential units.)

☒ Buyer has received the Seller's Disclosure Statement, dated 11/13/2020. Seller certifies to Buyer that the Property is currently in the same condition as Seller previously disclosed in that statement. Seller agrees to inform Buyer in writing of any changes in the content of the disclosure statement.

☐ Buyer has not received the Seller's Disclosure Statement. Buyer may terminate this Agreement, in writing, any time prior to receipt of the Seller's Disclosure Statement. Once Buyer has received the Seller's Disclosure Statement, Buyer may terminate this Agreement, in writing, within 72 hours of receipt if the disclosure was received in person, or within 120 hours if received by registered mail. Exceptions: _____

☐ Seller is exempt from the requirements of the Seller Disclosure Act.

4. **Lead-Based Paint Addendum:** Transactions involving homes built prior to 1978 require a written disclosure which is hereby attached and will be an integral part of this Agreement.

5. **Property Description:** Buyer offers to buy the property located in the ☐ City ☐ Village ☐ Township of Muskegon, County of Muskegon, Michigan, commonly known as (insert mailing address: street/city/state/zip code)

275 Mason ave, Muskegon, MI 49441

with the following legal description and tax parcel ID numbers:

24 SUBD:CITY OF MUSKEGON REVISED PLAT (OF 1903) SEC/TWN/RNG/MER:SEC 05 TWN 9N RNG 17W CITY OF MUSKEGON
 REVISED PLAT OF 1903 LOT 3 BLK 391

PP# 6124205391000300

The following paragraph applies only if the Premises include unplatted land:

Seller agrees to grant Buyer at closing the right to make (insert number) _____ division(s) under Section 108(2), (3), and (4) of the Michigan Land Division Act. (If no number is inserted, the right to make divisions under the sections referenced above stays with any remainder of the parent parcel retained by Seller. If a number is inserted, Seller retains all available divisions in excess of the number stated; however, Seller and/or REALTOR® do not warrant that the number of divisions stated is actually available.) If this sale will create a new division, Seller's obligations under this Agreement are contingent on Seller's receipt of municipal approval on or before _____, of the proposed division to create the Premises.

6. **Purchase Price:** Buyer offers to buy the Property for the sum of \$ 182,000
one hundred eighty-two thousand U.S. Dollars

7. **Seller Concessions**, if any: Seller to pay \$5000 towards buyer's closing cost, fees, and/or other expenses.

8. **Terms:** The Terms of Purchase will be as indicated by "X" below: (Other unmarked terms of purchase do not apply.)

SOURCE OF FUNDS TO CLOSE: Buyer represents that the funds necessary to close this transaction on the terms specified below are currently available to Buyer in cash or an equally liquid equivalent.

If the Property's value stated in an appraisal obtained by Buyer or Buyer's lender is less than the Purchase Price, Buyer shall within three (3) days after receipt of the appraisal: 1) renegotiate with the Seller, 2) terminate the transaction, in which case Buyer shall receive a refund of Buyer's Earnest Money Deposit, or 3) proceed to close the transaction at the agreed Purchase Price.

☐ **CASH.** The full Purchase Price upon execution and delivery of Warranty Deed. Buyer Agrees to provide Buyer Agent/Dual Agent verification of funds within five (5) days after the Effective Date, and consents to the disclosure of such information to Seller and/or Seller's Agent. If verification of funds is not received within 5 days after the Effective Date, Seller may terminate this Agreement at any time before verification of funds is received by giving written notice to Buyer. Any appraisal required by Buyer shall be arranged and paid for by Buyer within ten (10) days after the Effective Date of this Agreement.

☒ **NEW MORTGAGE.** The full Purchase Price upon execution and delivery of Warranty Deed, contingent upon Buyer's ability to obtain a MSHDA FHA type 30 (year) mortgage in the amount of 96.5 % of the Purchase Price bearing interest at a rate not to exceed 4 % per annum (rate at time of loan application), on or before the date the sale is to be closed. Buyer agrees to apply for a mortgage loan, and pay all fees and costs customarily charged by Buyer's lender to process the application, within 3 business days after the Effective Date, not to impair Buyers' credit after the date such loan is offered. ☐ Seller ☒ Buyer will agree to pay an amount not to exceed \$ 150 representing repairs required as a condition of financing. Buyer ☒ agrees ☐ does not agree to authorize Buyer's Agent/Dual Agent to obtain information from

Buyer's lender regarding Buyer's financing, and consents to the disclosure of this information to Seller and/or Seller's Agent.
Exceptions:

☐ SELLER FINANCING (check one of the following): ☐ CONTRACT or ☐ PURCHASE MONEY MORTGAGE

In the case of Seller financing, Buyer agrees to provide Seller with a credit report within 72 hours after the Effective Date. If the credit report is unacceptable to Seller, Seller shall have the right to terminate this offer within 48 hours of Seller's receipt, or if Buyer fails to provide said credit report to Seller within the time frame allotted, Seller shall have the right to terminate this offer within 48 hours. Seller is advised to seek professional advice regarding the credit report.

\$_____ upon execution and delivery of a _____
form (name or type of form and revision date), a copy of which is attached, wherein the balance of \$ _____
will be payable in monthly installments of \$ _____ or more including interest at _____ % per annum,
interest to start on date of closing, and first payment to become due thirty (30) days after date of closing. The entire unpaid balance
will become due and payable _____ months after closing. Any appraisal required by Buyer shall be arranged and
paid for by Buyer within ten (10) days after the Effective Date of this Agreement. Exceptions:

☐ EQUITY (check one of the following): ☐ Formal Assumption or ☐ Informal Assumption
Upon execution and delivery of: ☐ Warranty Deed subject to existing mortgage OR ☐ Assignment of Vendee Interest
in Land Contract, Buyer to pay the difference (approximately \$ _____) between the Purchase Price above
provided and the unpaid balance (approximately \$ _____) upon said mortgage or land contract, which Buyer
agrees to assume and pay. Buyer agrees to reimburse Seller for accumulated funds held in escrow, if any, for payment of future
taxes and insurance premiums, etc. Any appraisal required by Buyer shall be arranged and paid for by Buyer within ten
(10) days after the Effective Date of this Agreement. Exceptions:

☐ OTHER: _____

9. **Contingencies:** Buyer's obligation to consummate this transaction (check one):

- ☒ **IS NOT CONTINGENT** - is not contingent upon the sale or exchange of any other property by Buyer.
- ☐ **IS CONTINGENT UPON CLOSING** - is contingent upon closing of an existing sale or exchange of Buyer's property located at:

A copy of Buyer's agreement to sell or exchange that property is being delivered to Seller along with this offer. If the existing sale
or exchange terminates for any reason, Buyer will immediately notify Seller, and either party may terminate this Agreement in
writing, within 3 days of Buyer's notice to Seller. If either party terminates, Buyer shall receive a refund of any applicable Earnest
Money Deposit.

☐ **IS CONTINGENT UPON THE SALE AND CLOSING** - is contingent upon the execution of a binding agreement and the closing
of a sale or exchange of Buyer's property located at _____
_____ on or before _____. Seller will have the right to continue to
market Seller's Property until Buyer enters into a binding agreement to sell or exchange Buyer's property and delivers a copy
thereof to Seller. During such marketing period, Seller may enter into a binding contract for sale to another purchaser on such
price and terms as the Seller deems appropriate. In such event, this Agreement will automatically terminate, Buyer will be notified
promptly, and Buyer's Earnest Money Deposit will be refunded. Exceptions:

10. **Fixtures & Improvements:** The following is not intended to be an all-inclusive list of items included with the Property. All
improvements and appurtenances are included in the Purchase Price, if now in or on the Property, unless rented, including the
following: all buildings; landscaping; attached smart home devices; attached security systems; lighting fixtures and their shades and
bulbs; ceiling fans; hardware for draperies and curtains; window shades and blinds; built-in kitchen appliances, including garbage
disposal and drop-in ranges; wall to wall carpeting, if attached; all attached mirrors; all attached TV mounting brackets; all attached
shelving; attached work benches; stationary laundry tubs; water softener; water heater; incinerator; sump pump; water pump and
pressure tank; heating and air conditioning equipment (window units excluded); attached humidifiers; heating units, including add-on
heating stoves and heating stoves connected by flue pipe; fireplace screens, inserts, and grates; fireplace doors, if attached; liquid
heating and cooking fuel tanks; TV antenna and complete rotor equipment; satellite dish and necessary accessories and complete
rotor equipment; all support equipment for inground pools; screens and storm windows and doors; awnings; installed basketball
backboard, pole and goal; mailbox; flagpole(s); fencing, invisible inground fencing and all related equipment, including collars;
detached storage buildings; underground sprinkling, including the pump; installed outdoor grills; all plantings and bulbs; garage door
opener and control(s); and any and all items and fixtures permanently affixed to the Property; **and also includes:**

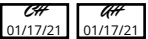
Appliances: Dishwasher; Garbage Disposal; Microwave; Oven; Range; Refrigerator Additional Items: Ceiling Fans; Garage Door Opener; Home
Warranty; Laminate Floor

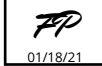
but does not include:

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 Buyer's Initials
4:26 PM EST 4:31 PM EST
dotloop verified dotloop verified

Date Time
 Seller's Initials
01/18/21
12:51 PM EST
dotloop verified

11. Heating and Cooking Fuels: Liquid heating and cooking fuels in tanks are included in the sale and will transfer to Buyer at time of possession unless usage is metered (in which case it is not included in the sale). Sellers are responsible for maintaining heating and cooking liquid fuels at an operational level and shall not permit fuels to fall below 10% in the tank(s) at the time of possession, except that the tank(s) may be empty only if now empty. Further, Seller is precluded from removing fuel from tank(s) other than what is expended through normal use. Exceptions:

12. Assessments (choose one):

If the Property is subject to any assessments,

- ☒ Seller shall pay the entire balance of any such assessments that are due and payable on or before the day of closing (regardless of any installment arrangements), except for any fees that are required to connect to public utilities.
- ☐ Seller shall pay all installments of such assessments that become due and payable on or before day of closing. Buyer shall assume and pay all other installments of such assessments.

13. Property Taxes: Seller will be responsible for any taxes billed prior to those addressed below. Buyer will be responsible for all taxes billed after those addressed below.

Buyer is also advised that the state equalized value of the Property, principal residence exemption information and other real property tax information is available from the appropriate local assessor's office. Buyer should not assume that Buyer's future tax bills on the Property will be the same as Seller's present tax bills. Under Michigan law, real property tax obligations can change significantly when property is transferred.

- ☐ No proration. (Choose one):
- ☐ Buyer ☐ Seller will pay taxes billed summer _____(year);
- ☐ Buyer ☐ Seller will pay taxes billed winter _____(year);
- ☒ Calendar Year Proration (all taxes billed or to be billed in the year of the closing). Calendar year tax levies will be estimated, if necessary, using the taxable value and the millage rate(s) in effect on the day of closing, broken down to a per diem tax payment and prorated to the date of closing with Seller paying for January 1 through the day before closing.
- ☐ Fiscal Year Proration - Taxes will be prorated as though they are paid in (choose one): ☐ advance. ☐ arrears.
- Fiscal Year will be assumed to cover a 12-month period from date billed, and taxes will be prorated to the date of closing. Fiscal year tax levies will be estimated, if necessary, using the taxable value and millage rate(s) in effect on the day of closing, broken down to a per diem tax payment and prorated to the date of closing with Seller paying through the day before closing. Exceptions:

14. Well/Septic: Within ten (10) days after the Effective Date, Seller will arrange for, at Seller's expense, an inspection of the primary well used for human consumption (including a water quality test for coliform bacteria and nitrates) and septic systems in use on the Property. The inspection will be performed by a qualified inspector in a manner that meets county (or other local governmental authority, if applicable) protocol. Seller will also follow any governmental rules regarding pumping of tanks.

Where no county or government protocol is in place, Seller will arrange for, at Seller's expense, well and septic inspections (as referenced above) by a qualified inspector. Seller will have tanks pumped, unless a qualified inspector determines, in writing, that pumping is not necessary.

If any report discloses a condition unsatisfactory to Buyer, or doesn't meet county standards that are a condition of sale, Buyer may, within three (3) days after Buyer has received the report, by written notice to Seller, either terminate this Agreement and receive a refund of Buyer's Earnest Money Deposit, or make a written proposal to Seller to correct those unsatisfactory conditions. If Buyer fails to make a written proposal within the above referenced time period, then Buyer will be deemed to have accepted the well/septic as-is. Seller will respond in writing within three (3) days to Buyer's request. If Seller fails to respond or to arrive at a mutually agreeable resolution within three (3) days after Seller's receipt of Buyer's proposal, Buyer will have three (3) days to provide written notice of termination of this Agreement and receive a refund of any applicable Earnest Money Deposit. If Buyer fails to terminate the contract, Buyer will proceed to closing according to the terms and conditions of this Agreement. Exceptions:

na

15. Inspections & Investigations:

Inspections: Buyer, or someone selected by Buyer, has the right to inspect the buildings, premises, components and systems, at Buyer's expense. Any damage, misuse, abuse, or neglect of any portion of the Property or premises as a result of inspections will be Buyer's responsibility and expense. **In the event of VA financing, Seller will pay for the inspection for termites and other wood destroying insects.**

Investigations: It is Buyer's responsibility to investigate (i) whether the Property complies with applicable codes and local ordinances and whether the Property is zoned for Buyer's intended use; (ii) whether Buyer can obtain a homeowner's insurance policy for the Property at price and terms acceptable to Buyer; (iii) and whether or not the Property is in a flood zone.

All inspections and investigations will be completed within ten (10) days after the Effective Date. If the results of Buyer's inspections and investigations are not acceptable to Buyer, Buyer may, within the above referenced period, by written notice to Seller, either terminate this Agreement and receive a refund of Buyer's Earnest Money Deposit, or make a written proposal to Seller to correct those unsatisfactory conditions. If Buyer fails to make a written proposal within the above referenced time period, then Buyer will be

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deemed to have accepted the Property as-is. Seller may negotiate with Buyer, or by written notice to Buyer, accept Buyer's proposal or terminate this Agreement. If Seller fails to respond, or to arrive at a mutually agreeable resolution within three (3) days after Seller's receipt of Buyer's proposal, Buyer shall have three (3) days to provide written notice of termination of this Agreement and receive a refund of any applicable Earnest Money Deposit. If Buyer fails to terminate this Agreement within said three (3) day period, Buyer will be deemed to accept the Inspections & Investigations and will proceed to closing according to the terms and conditions of this Agreement.

☐ Buyer has waived all rights under this Inspections & Investigations paragraph.

16. **Municipal Compliances:** Seller will arrange and pay for current certificates of occupancy, sidewalk compliance, and smoke detector ordinances, if applicable.

17. **Title Insurance:** Seller agrees to convey marketable title to the Property subject to conditions, limitations, reservation of oil, gas and other mineral rights, existing zoning ordinances, and building and use restrictions and easements of record. An **expanded coverage** ALTA Homeowner's Policy of Title Insurance in the amount of the Purchase Price shall be ordered by Seller and furnished to Buyer at Seller's expense, and a commitment to issue a policy insuring marketable title vested in Buyer, including a real estate tax status report, will be made available to Buyer within **ten (10) days** after the Effective Date. If Buyer so chooses, or if an expanded policy is not applicable, then a **standard** ALTA Owners' Policy of Title Insurance shall be provided.

If Buyer objects to any conditions, Buyer may, within three (3) days of receipt of the Title Commitment, by written notice to Seller, either terminate this Agreement and receive a refund of Buyer's Earnest Money Deposit, or make a written proposal to Seller to correct those unsatisfactory conditions. If Buyer fails to make a written proposal within the above referenced time period, then Buyer will be deemed to have accepted the Title Commitment as-is. Seller may negotiate with Buyer, or by written notice to Buyer, accept Buyer's proposal or terminate this Agreement. If Seller fails to respond, or to arrive at a mutually agreeable resolution within three (3) days after Seller's receipt of Buyer's proposal, Buyer shall have three (3) days to provide written notice of termination of this Agreement and shall receive a refund of any applicable Earnest Money Deposit. If Buyer fails to terminate this Agreement within said three (3) day period, Buyer will be deemed to accept the Title Commitment as-is and will proceed to closing according to the terms and conditions of this Agreement. Exceptions:

18. **Property Survey:** Broker advises that Buyer should have a survey performed to satisfy Buyer as to the boundaries of the Property and the location of improvements thereon.

☐ Buyer or ☐ Seller (check one) shall within ten (10) days of the Effective Date, order, at their expense, a boundary survey with iron corner stakes showing the location of the boundaries, improvements and easements in connection with the Property. Upon receipt of the survey, Buyer will have three (3) days to review the survey. If the survey shows any condition, in Buyer's sole discretion, which would interfere with Buyer's intended use of the Property, the marketability of the title, or zoning non-compliance, then Buyer may, within said three (3) day period, terminate this Agreement, in writing, and Buyer will receive a full refund of Buyer's Earnest Money Deposit.

☒ No survey. Buyer has waived all rights under this paragraph.

When closing occurs, Buyer shall be deemed to have accepted the boundaries of the Property and the location of such improvements thereon. Exceptions:

19. **Home Protection Plan:** Buyer and Seller have been informed that home protection plans may be available. Such plans may provide additional protection and benefit to the parties. Exceptions:

As listed on MSL Listing Card

20. **Prorations:** Rent; association dues/fees, if any; insurance, if assigned; interest on any existing land contract, mortgage or lien assumed by Buyer; will all be adjusted to the date of closing.

21. **Closing:** If agreeable to Buyer and Seller, the sale will be closed as soon as closing documents are ready, but not later than 02/23/2021. An additional period of fifteen (15) days will be allowed for closing to accommodate the correction of title defects or survey problems which can be readily corrected, or for delays in obtaining any lender required inspections/repairs. During this additional period, the closing will be held within 5 days after all parties have been notified that all necessary documents have been prepared. Buyer and Seller will each pay their title company closing fee, if applicable, **except in the case of VA financing where Seller will pay the entire closing fee.** Exceptions:

22. **Possession:** Seller will maintain the Property in its present condition until the completion of the closing of the sale. Possession to be delivered to Buyer, subject to rights of present tenants, if any.

☒ At the completion of the closing of the sale.

☐ At ☐ a.m. ☐ p.m. on the day **after** completion of the closing of the sale, during which time Seller will have the privilege to occupy the Property and hereby agrees to pay Buyer \$ as an occupancy fee for this period payable at closing, WITHOUT PRORATION. Payment shall be made in the form of cash or certified funds.

If Seller fails to deliver possession to Buyer on the agreed date, Seller shall become a tenant at sufferance and shall pay to Buyer as liquidated damages \$ per day plus all of the Buyer's actual reasonable attorney's fees incurred in removing the Seller from the Property.

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If Seller occupies the Property after closing, Seller will pay all utilities during such occupancy. Buyer will maintain the structure and mechanical systems at the Property. However, any repairs or replacements necessitated by Seller's misuse, abuse, or neglect of any portion of the Property will be Seller's responsibility and expense.

On the agreed delivery date, Seller shall deliver the Property free of trash and debris and in broom-clean condition, shall remove all personal property (unless otherwise stated in this or an additional written agreement), shall make arrangements for final payment on all utilities, and shall deliver all keys to Buyer. Exceptions:

23. **Earnest Money Deposit:** For valuable consideration, Buyer gives Seller until 12 pm (time) on January 18, 2021 (date), to deliver the written acceptance of this offer and agrees that this offer, when accepted by Seller, will constitute a binding Agreement between Buyer and Seller. An Earnest Money Deposit in the amount of \$ 1000 to be mailed within 24 hours shall be submitted to Greenridge Realty, Caledonia (insert name of broker, title company, other) within 72 hours of the Effective Date of this Agreement, and shall be applied against the Purchase Price. If the Earnest Money Deposit is not received within 72 hours of the Effective Date or is returned for insufficient funds, Seller may terminate this Agreement until such time as the Earnest Money Deposit is received. If Seller terminates this Agreement under this provision, Seller waives any claim to the Earnest Money Deposit. If the sale is not closed due to a failure to satisfy a contingency for a reason other than the fault of Buyer, the Earnest Money Deposit shall be refunded to Buyer. If the sale is not closed as provided in this Agreement and Buyer and Seller do not agree to the disposition of the Earnest Money Deposit, then Buyer and Seller agree that the Broker holding the Earnest Money Deposit may notify Buyer and Seller, in writing, of Broker's intended disposition of the Earnest Money Deposit. If Buyer and Seller do not object to such disposition in writing within fifteen (15) days after the date of Broker's notice, they will be deemed to have agreed to Broker's proposed disposition; if either Buyer or Seller object and no mutually agreeable disposition can be negotiated, Broker may deposit the funds by interpleader with a court of proper jurisdiction or await further actions by Buyer and Seller. In the event of litigation involving the deposit, in whole or in part, either the Seller or the Buyer that is not the prevailing party, as determined by the court, will reimburse the other for reasonable attorneys' fees and expenses incurred in connection with the litigation, and will reimburse the Broker for any reasonable attorneys' fees and expenses incurred in connection with any interpleader action instituted. If the entity holding the Earnest Money Deposit is not the Broker, then to the extent that the terms of any escrow agreement conflict with this paragraph, then the terms and conditions of the escrow agreement shall control.

24. **Professional Advice:** Broker hereby advises Buyer and Seller to seek legal, tax, environmental and other appropriate professional advice relating to this transaction. Broker does not make any representations or warranties with respect to the advisability of, or the legal effect of this transaction. Buyer further acknowledges that REALTOR® above named in the Agreement hereby recommends to Buyer that an attorney be retained by Buyer to pass upon the marketability of the title and to ascertain that the required details of the sale are adhered to before the transaction is consummated. Buyer agrees that Buyer is not relying on any representation or statement made by Seller or any real estate salesperson (whether intentionally or negligently) regarding any aspect of the Property or this sale transaction, except as may be expressly set forth in this Agreement, a written amendment to this Agreement, or a disclosure statement separately signed by Seller.

25. **Disclosure of Information:** Buyer and Seller acknowledge and agree that the Purchase Price, terms, and other details with respect to this transaction (when closed) are not confidential, will be disclosed to REALTORS® who participate in the applicable Multiple Listing Service, and may otherwise be used and/or published by that Multiple Listing Service in the ordinary course of its business.

26. **Other Provisions:**

#15 - Inspection and investigation period to be 5 days instead of 10 days.

27. **Mergers and Integrations:** This Agreement is the final expression of the complete agreement of Buyer and Seller, and there are no oral agreements existing between Buyer and Seller relating to this transaction. This Agreement may be amended only in writing signed by Buyer and Seller and attached to this Agreement.

28. **Fax/Electronic Distribution and Electronic Signatures:** Buyer and Seller agree that any signed copy of this Agreement, and any amendments or addendums related to this transaction, transmitted by facsimile or other electronic means shall be competent evidence of its contents to the same effect as an original signed copy. Buyer and Seller further agree that an electronic signature is the legal equivalent of a manual or handwritten signature, and consent to use of electronic signatures. Buyer and Seller agree that any notice(s) required or permitted under this Agreement may also be transmitted by facsimile or other electronic means.

29. **Wire Fraud:** Seller and Buyer are advised that wire fraud is an increasingly common problem. If you receive any electronic communication directing you to transfer funds or provide nonpublic personal information (such as social security numbers, drivers' license numbers, wire instructions, bank account numbers, etc.), **even if that electronic communication appears to be from the Broker, Title Company, or Lender, DO NOT** reply until you have verified the authenticity of the email by direct communication with Broker, Title Company, or Lender. **DO NOT** use telephone numbers provided in the email. Such requests may be part of a scheme to steal funds or use your identity.

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Date	Time
	

WATCH MUSKEGON

Agenda Item Review Form Muskegon City Commission

Commission Meeting Date: January 26, 2021	Title: Annex Lease Extension – Mercy Health
Submitted By: Frank Peterson	Department: City Manager
Brief Summary: City staff is seeking authorization extend the lease agreement with Mercy Health at the Arena Annex Building for one additional year.	
Detailed Summary: Mercy Health currently leases space for a sports rehabilitation and physical therapy office. Mercy Health has occupied the space for five years. The city assumed the lease in 2018 when Ima Jam, Inc. terminated their master lease with the City. Mercy is seeking to extend their lease for an additional year. The lease agreement, in combination with a licensing agreement allowing Mercy staff to train patients in the facility, generates between \$50,000 and \$75,000 annually for the facility.	
Amount Requested: None at this time	Amount Budgeted: \$0
Fund(s) or Account(s): N/A	Fund(s) or Account(s): N/A
Recommended Motion: Approve the lease extension and authorize the City Manager to sign	
Check if the following Departments need to approve the item first: Police Dept. ☐ Fire Dept. ☐ IT Dept. ☐ For City Clerk Use Only: Commission Action:	

FIRST AMENDMENT TO TENANT LEASE AGREEMENT

This First Amendment to Tenant Lease Agreement (the “Amendment”) is made and entered into as of this ____ day of January 2021 (such date, the “**Effective Date**”), by and between City of Muskegon, a Michigan municipal corporation whose address is 933 Terrace Street, Muskegon, Michigan 49443 (“**Landlord**”), and Mercy Health Partners, a Michigan nonprofit corporation, whose address is 200 Jefferson SE, Grand Rapids, Michigan, Attention: Real Estate (“**Tenant**”).

RECITALS:

A. Imajam, Inc. as Landlord and Mercy Health Partners as Tenant entered in that certain Sublease Agreement, dated December 21, 2015 as assigned to City of Muskegon as Landlord by that certain Assignment of Lease dated September 1, 2018 (together the “**Lease**”), regarding the lease by Landlord to Tenant of certain 1,155 useable square foot Premises located in the building having a common address of 955 4th Street, Muskegon, Michigan 49440, as such Premises is more particularly described in the Lease.

B. Landlord and Tenant acknowledge that a lease amendment must have a term length of a not less than one (1) year.

C. Landlord and Tenant desire to modify the Lease, as hereinafter set forth.

AGREEMENTS:

NOW, THEREFORE, for good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, Landlord and Tenant agree as follows:

1. **Extension of Term.** The term of this Lease is hereby extended as follows: for one (1) year through January 31, 2022. Tenant has four (4) successive options to extend the term of this Lease for additional periods of one (1) year each (individually an “**Extension Period**,” and collectively “**Extension Periods**”), each such Extension Period to begin, respectively, upon the expiration of the term of this Lease as it may have been extended, and the same terms and conditions as set forth in this Lease will apply to each such Extension Period.

2. **Landlord Disclosure.** Landlord hereby represents and warrants to Tenant that, in **Exhibit 1** attached hereto and incorporated herein by reference, Landlord has fully and completely disclosed to Tenant whether any physician or immediate family member of a physician has an ownership interest in Landlord and, if so, the full name and address of any such physician(s) and any such immediate family member(s) and their relationship to such physician(s), as such terms are defined, from time to time, by the physician self-referral law commonly referred to as the Stark Law. Within ten (10) days following any occurrence that causes Landlord's disclosure in **Exhibit 1** to become inaccurate, Landlord shall provide to Tenant notice of such change, which such notice shall identify any such changes and contain the information required under this **Section 2.**

3. **Miscellaneous.**

a. All capitalized terms not defined in this Amendment shall have the same meaning ascribed to those terms in this Lease.

b. Except as specifically modified hereby, the Lease shall continue in full force and effect and is hereby ratified and confirmed as amended by this Amendment. In the event of any

conflict between the terms of this Amendment and the terms of the Lease, the terms of this Amendment shall govern and control.

c. This Amendment may be executed in one or more counterparts by the different parties to this Amendment, each of which shall be deemed an original, and all of which together shall constitute one and the same document. Signatures to this Amendment that are transmitted via facsimile, electronically, or by PDF shall be deemed to constitute original signatures.

4. Authority. Landlord and Tenant each hereby represents to the other that it is an entity duly formed and validly existing and in good standing under the laws of its State of organization and qualified to do business in the state in which the Premises are located, and that the execution this Amendment will not result in or constitute a default or event that would be, or with notice or the lapse of time would be, a default, breach, or violation of the organizational instruments governing it or any agreement or any order or decree of any court or other governmental authority to which it is a party or to which it is subject, and that the individuals executing this Amendment on its behalf have the authority to do so.

IN WITNESS WHEREOF, the parties hereto have executed this Amendment as of the day and year first above written.

[END OF TEXT]

SIGNATURE PAGE TO AMENDMENT TO TENANT LEASE AGREEMENT

BY AND BETWEEN

City of Muskegon, AS LANDLORD

AND

Mercy Health Partners, AS TENANT

LANDLORD:

City of Muskegon
a Michigan municipal corporation

By: _____
Frank Peterson
City Manager

SIGNATURE PAGE TO AMENDMENT TO TENANT LEASE AGREEMENT

BY AND BETWEEN

City of Muskegon, AS LANDLORD

AND

Mercy Health Partners, AS TENANT

TENANT:

Mercy Health Partners
A Michigan nonprofit corporation

Its Chief Financial Officer

EXHIBIT 1

**DISCLOSURE OF PHYSICIAN AND PHYSICIAN
IMMEDIATE FAMILY MEMBER INTERESTS**

None

WATCH MUSKEGON

Agenda Item Review Form Muskegon City Commission

Commission Meeting Date: January 26, 2021	Title: Environmental Work – Former Farmers Market Site
Submitted By: Frank Peterson	Department: City Manager
Brief Summary: Staff is seeking approval to hire Soils and Structures to provide geotechnical investigation services at the former farmers markets site.	
Detailed Summary. This site was originally included in a city pilot program to build a mix of housing types to attract residents at various income levels. The original plan called for 53+ rental units – some single-family structures and some multi-family structures. In an effort to meet the community's goal of focusing on single family houses in lieu of duplexes and multiplexes, the proposed program has been scaled back to include a total of 21 single family houses and no duplexes or multiplexes. As part of this change, we are focusing greater attention on the soil quality of the remaining building sites before moving forward with the project. Staff has received pricing from two well-qualified environmental service providers that have significant history working on the site. The lowest responsible bidder was Soils and Structures at \$15,890.00. The work will be qualified for reimbursement in the scattered site brownfield program.	
Amount Requested: \$15,890.00	Amount Budgeted: \$0
Fund(s) or Account(s): Brownfield	Fund(s) or Account(s): N/A
Recommended Motion: Approve the expense of \$15,890 to complete geotechnical investigation services at the former farmers market site.	



August 28, 2020

City of Muskegon
933 Terrace Street
Muskegon, Michigan 49440

Attention: Mr. Frank Peterson

Regarding: Market Square Muskegon
Geotechnical Investigation
Muskegon, Michigan

Dear Mr. Peterson:

Soils & Structures, Inc. is pleased to present a quotation for geotechnical engineering services for the above referenced project.

Geotechnical Services

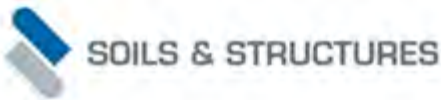
A total of twenty two (22) test borings are proposed to evaluate the underlying soil conditions for the development of the proposed Market Square Muskegon located at the former Farmer's Market site in Muskegon, Michigan. Tentatively, test boring depths of twenty (20.0) feet is proposed for a total of four hundred forty (440.0) feet of drilling and testing. The test boring locations are anticipated to be accessible.

Soil borings will be backfilled with cuttings and/or bentonite chips. Soil borings performed in asphalt or concrete will be patched with appropriate material. Excess cuttings will be disposed on site. We assume no other restoration will be necessary.

Laboratory tests will be performed, as appropriate, on representative samples of the soil. The anticipated laboratory tests include classification, water content, and sieve tests.

The report will be prepared by a registered geotechnical engineer and will include the following information.

- ❖ A description of the tests performed
- ❖ Discussion of the surface and subsurface conditions including groundwater conditions
- ❖ Recommendations for site and pad preparation
- ❖ Recommendations for foundations formed / earth formed / foam formed
- ❖ Provide foundation designs for i1440 and v2260 plans
- ❖ Recommendations for quality control testing



Quotation

The proposed fees for the above scope of services are:

❖ Mobilization of Drill Rig	\$	950.00
❖ Drilling, Sampling, & Testing per ASTM D 1586		
- Initial 440.0 feet of drilling	\$	6,820.00
- Added drilling per foot	\$	15.50
❖ Engineering Letter & Foundation Designs	\$	5,000.00
❖ Field Engineering & Miss Dig	\$	550.00
❖ Laboratory Testing	\$	2,570.00

Total	\$	15,890.00
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Based on the above scope of services the estimated cost of the investigation is **Fifteen Thousand Eight Hundred Ninety Dollars (\$ 15,890.00)**.

Soils & Structures will contact Miss Dig utility locate service to identify any public utilities in the vicinity prior to mobilizing to the site. The owner is responsible for locating their private utilities. We request that you coordinate with the owner to locate any private utilities on site that are not part of the Miss Dig system. Soils & Structures will not be responsible for damage to unmarked private utilities.

If requested Soils & Structures will contract ground penetrating radar (GPR) service for an additional cost not included in the proposal, to locate private utilities.

We look forward to being of service to you. Please contact our office with any questions you may have.

Sincerely,
Soils & Structures, Inc.

A handwritten signature in black ink, appearing to read "Jon K. Erickson", written in a cursive style.

Jon K. Erickson
Director of Field Operations
JKE/je

**CONFIRMATION OF AND AGREEMENT FOR THE PROVISION OF
LIMITED PROFESSIONAL SERVICES
(Notice of Furnishing)**

Design Professional Firm:	Soils & Structures, Inc. 6480 Grand Haven Road Muskegon, Michigan 49441	Client:	City of Muskegon 933 Terrace Street Muskegon, Michigan 49440
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Agreement Date: August 28, 2020

Project Name: Market Square Muskegon

Project Location: Muskegon, Michigan

Scope and Limit of Services:

Soil Borings & Engineering Report including Foundation Designs

Fee Arrangement: Work to be invoiced according to the proposal dated August 28, 2020.

ESTIMATED COST OF TESTING = \$ 15,890.00

Special Conditions: None

Prepared By:

David W. Hohmeyer, P.E. / President
(printed name/title)

The **Terms and Conditions** form is part of the Agreement

Offered By:

Soils & Structures, Inc.
(Professional Firm)

Accepted By:**

(Client/Company)

Jon K. Erickson / Director of Field Operations
(printed name/title)

(printed name/title)



(signature)

8/28/20

(date)

(signature)

(date)

**Due to time constraints imposed on Soils & Structures, Inc. to begin or complete portions of the work this agreement is assumed to be accepted without a signature based on verbal instructions to proceed with the work. The agreement is also assumed to have been accepted based acceptance of the work product and its use for design, financing, permits and /or construction. Terms and Conditions may be negotiated prior to submission or use of the work product.

TERMS and CONDITIONS

Project: Market Square Muskegon

Agreement Date: August 28, 2020

The Firm shall perform the services outlined in this agreement for the stated fee arrangement.

Site Access:

Unless otherwise stated, the Firm will have access to the site for activities necessary for the performance of the services. The Firm will take precautions to minimize damage due to these activities, but have not included in the fee the cost of restoration of any resulting damage.

Dispute Resolution:

Any claims or disputes made during design, construction or post-construction between the Client and Firm shall be submitted to binding arbitration in accordance with the Construction Industry rules of the American Arbitration Association and any arbitration award so granted shall be specifically enforced by any Circuit Court in Michigan. Client and Firm agree to include a similar arbitration agreement with all contracts, subcontractors, sub-consultants, suppliers or fabricators, thereby providing for binding arbitration as the primary method for dispute resolution between all parties.

Billings & Payments:

Invoices for the Firm's services shall be submitted, at the Firm's option, either upon completion of such services or on a monthly basis. Invoices shall be payable within 15 days after client's receipt from its client's payment for the firm's services. If the invoice has not been paid within 15 days of when payment is due, the Firm may, without waiving any claim or right against the Client, and without liability whatsoever to the Client, terminate the performance of the service. Retainers shall be credited on the final invoice.

Late Payments:

Accounts unpaid 30 days after the invoice date may be subject to a monthly service charge of 1.5% (or the legal rate) on the then unpaid balance. In the event any portion or all of an account remains unpaid 90 days after billing, the Client shall pay all costs of collection, including reasonable attorney's fees.

Indemnification:

The Firm shall, to the fullest extent permitted by law, indemnify and hold harmless the Client, his or her officers, directors, employees, agents and sub-consultants from and against all damage, liability and cost, including reasonable attorney's fees and defense costs, arising out of the negligent performance by any of the parties previously named of the services under this agreement.

Certification, Guarantees and Warranties:

The Firm shall not be required to execute any document that would result in their certifying, guaranteeing or warranting the existence of conditions whose existence the Firm cannot ascertain.

Limitation of Liability:

In recognition of the relative risks, rewards and benefits of the project to both the Client and the Firm, the risks have been allocated such that the Client agrees that, to the fullest extent permitted by law, the Firm's total liability to the Client for any and all injuries, claims, losses, expenses, damages or claim expenses arising out of this agreement from any cause or causes, shall not exceed the lesser of 10 x Soils & Structure's fee or \$10,000. Such causes include, but are not limited to; the Firm's negligence, errors, omissions, strict liability, breach of contract or breach of warranty.

Termination of Services:

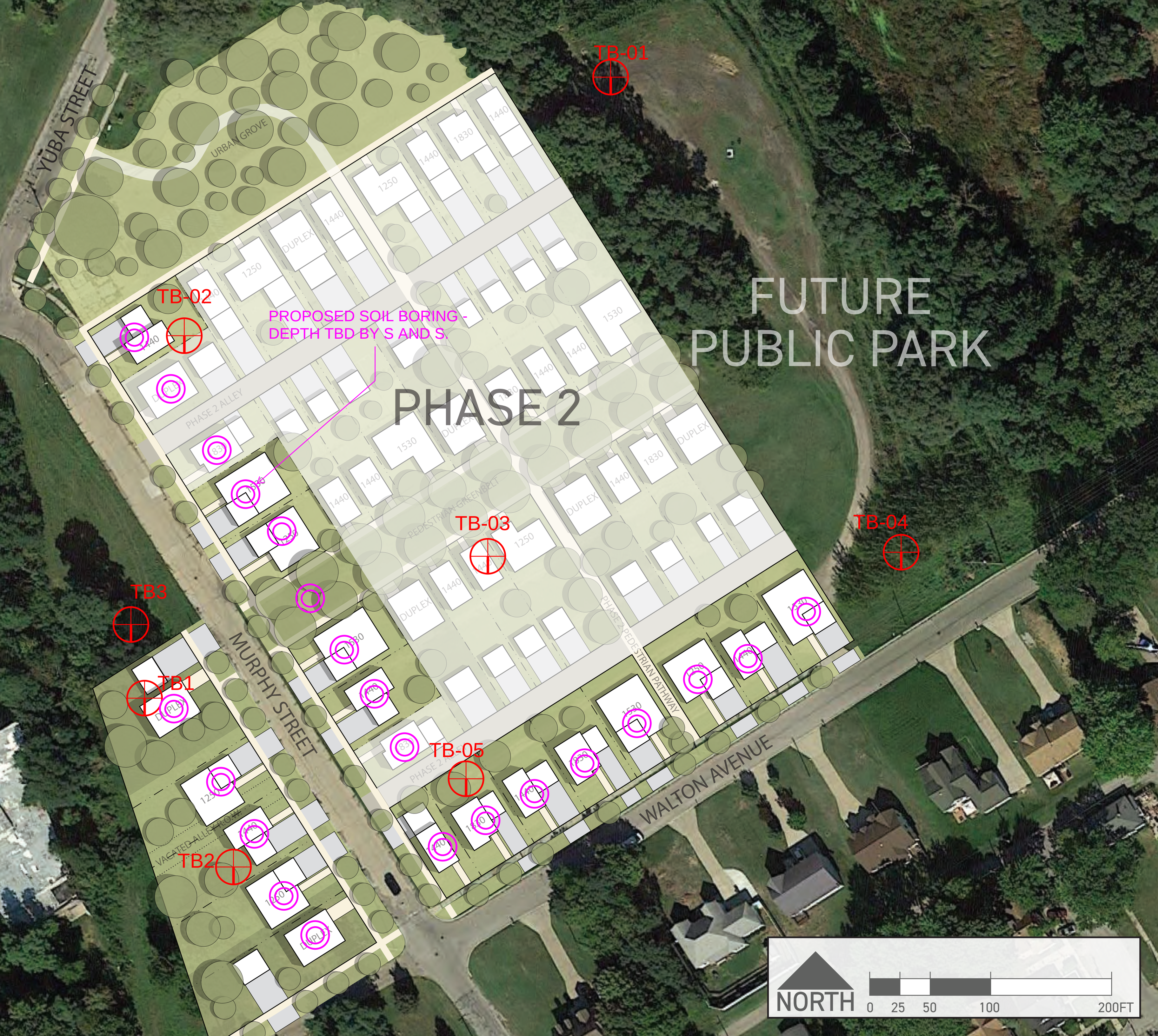
This agreement may be terminated by the Client or the Firm should the other fail to perform its obligations hereunder. In the event of termination, the Client shall pay the Firm for all services rendered to the date of termination, all reimbursable expenses, and reimbursable termination expenses.

Ownership of Documents:

All documents produced by the Firm under this agreement shall be the property of the Client.

Insurance:

During the performance of its services, the Firm shall maintain Commercial General Liability insurance, Automobile Liability Insurance, and Workers Compensation insurance with the limits set out of the certificate of Insurance attached hereto.



YUBA STREET

URBAN GROVE

TB-02

PROPOSED SOIL BORING -
DEPTH TBD BY S AND S.

PHASE 2

FUTURE
PUBLIC PARK

TB-01

PHASE 2 ALLEY

TB-03

TB-04

TB3

TB1

MURPHY STREET

TB-05

WALTON AVENUE

TB2



NORTH



200FT



Agenda Item Review Form

Muskegon City Commission

Commission Meeting Date: January 26, 2021	Title: Management Agreement- Watermark
Submitted By: Frank Peterson	Department: City Manager
Brief Summary: City Staff is proposing the attached development agreement with the developers of the Watermark Center.	
Detailed Summary: The developer is seeking to add additional marijuana-related uses to the three-parcel development site. The goal of addition the marijuana uses is to attract an anchor tenant for the industrial components of the building and leverage funding for the renovation of the mixed-use residential portions of the property. Staff feels that this is the best opportunity to ensure redevelopment of the site. The proposed development agreement sets timelines for redevelopment of the site, standards for job creation, and minimums for investment value. The project is expected to generate a \$40 Million investment and save the structures from further decline. The City will have the ability to impose a consent special assessment on the property in the event that the develop fails to meet the terms of the agreement.	
Amount Requested: N/A	Amount Budgeted: \$0
Fund(s) or Account(s): N/A	Fund(s) or Account(s): N/A
Recommended Motion: Authorize the City Manager sign the development agreement.	
Check if the following Departments need to approve the item first: Police Dept. ☐ Fire Dept. ☐ IT Dept. ☐ For City Clerk Use Only: Commission Action:	

DEVELOPMENT AGREEMENT
WATERMARK CENTER

THIS DEVELOPMENT AGREEMENT ("Agreement") is made on _____, 2021, by and between the CITY OF MUSKEGON, a municipal corporation, whose address is 933 Terrace Street, Muskegon, Michigan 49441 ("City") and P&G HOLDINGS NY, LLC, a New York limited liability company, whose address is 3811 13th Avenue, Brooklyn, New York 11218 ("Company").

Recitals:

- A. The City has established a Marijuana Overlay District. The Company desires to expand the overlay district to include 965 West Western Avenue, 920 Washington Avenue, and 1330 Division Street (collectively, the "Property"), with the expanded area to be known as the "Watermark Center Marijuana Overlay District."
- B. The Company seeks to develop property within the Watermark Center Marijuana Overlay District. The City deems this Agreement to constitute a necessary element in the City's determination regarding the creation of the Watermark Center Marijuana Overlay District.
- C. The Company intends to develop the Property by constructing or renovate multiple buildings to accommodate marijuana growing, processing, and provisioning, as well as other non-marijuana retail spaces and approximately 150 market rate residential units. The Company understands that the City relies upon the assurances of the Company in this Agreement as an inducement to develop the Property as described herein.

NOW THEREFORE THE PARTIES, INCORPORATING THE ABOVE RECITALS, AGREE:

1. DOCUMENTS ATTACHED. Included in this Agreement are the following documents which have been collected and relied upon by the parties:

- 1.1 Exhibit A containing a detailed Site Plan for this project.
- 1.2 Exhibit B containing a Consent Special Assessment for this project.

2. COMPANY AGREEMENT. The Company agrees to the following commitments which it shall perform in a timely and reasonably acceptable manner:

- 2.1 Execution of the Consent Special Assessment attached as Exhibit B, simultaneously with execution of this Agreement, and delivery of both to the City.
- 2.2 Construction or renovation of buildings as indicated in Exhibit A subject to review and modification by the City Planning Commission or City Commission. The

design and landscaping of the site shall be subject to the approval of the City and in compliance with the City's Marijuana Overlay District requirements.

2.3 The completion of new investment after January 1, 2021 in the amount of approximately Twenty-Five to Thirty Million Dollars (\$25,000,000 to \$30,000,000) (the "Investment Objective") by no later than April 30, 2024.

2.4 The completion of new creation or cause to create at least fifty (50) new jobs at the Property after January 1, 2021 (the "Employment Objective") by no later than April 30, 2024. This number will include the transfer of jobs from other municipalities. Transferred jobs from another location in the City will be counted, but limited to one transferred job within the City per one newly created job.

2.5 The construction of approximately One-Hundred Fifty (150) new market rate housing units (the "Housing Objective") no later than April 30, 2024, subject to any revisions approved under Section 2.2 above.

2.6 Cooperation with City representatives to supply all requested and required documentation necessary in the City's reasonable judgment to determine compliance with the undertakings set forth in this Agreement and its attachments.

2.7 The Company shall take all required precautions to avoid the release of any hazardous substance in violation of any environmental law on its premises, and shall report any releases to the appropriate authority in a timely and complete manner as required by law, providing copies of said documentation to the City. Subject to its rights to contest any proposed orders and actions, the Company shall comply with all orders and actions of any governmental agency having authority.

2.8 During the Term of this Agreement, the Company shall use best efforts to maintain the improvements at the Property in a manner that will minimize physical or functional obsolescence.

3. CITY AGREEMENT. The City agrees to the following commitments which it shall perform in a timely and reasonably acceptable manner:

3.1 Release of the Consent Special Assessment attached as Exhibit B following the expiration of the Term of the Agreement.

3.2 Support by way of expediting reviews and consideration for any necessary site plan modifications required to be reviewed by the City Planning Commission or City Commission.

3.3 Support by way of expediting all necessary and applicable permitting of the project.

4. EVENTS OF DEFAULT. The following actions or failures to comply, subject to events of force majeure, shall be considered events of default by the Company or City unless otherwise waived by the parties or cured within thirty (30) days after receipt of written notice from the notifying party of such act or failure to comply, and after any appeals thereafter have been exhausted.

4.1 Company or City's failure to meet one or more of the commitments set forth above.

4.2 Company's failure to redevelop the Property in accordance with the Site Plan attached as Exhibit A, subject to any approved modifications pursuant to Section 2.2.

4.3 Company's failure to deliver to the City the documentation and reporting reasonably required.

4.4 City's failure to expedite reviews and consideration for Site Plan modifications.

4.5 Company's failure to satisfy the Investment Objective, or the Employment Objective, or the Housing Objective, or expend the funds on improvements as represented in the attachments within the timelines outlined herein.

4.6 During the Term of this Agreement, Company's closing, or substantial closing, of operations within the Watermark Center Marijuana Overlay District. Without limitation, closing includes removing operations to a location or locations outside the City, abandonment of the buildings, or other actions which result in a substantial loss of residents, jobs, or production in the Watermark Center Marijuana Overlay District.

4.7 The bankruptcy or insolvency of the Company.

4.8 Subject to the Company's right to contest any taxes or special assessments, the failure to pay any taxes other than those exempted by formal action of the Muskegon City Commission, and the failure to timely pay any special assessments levied on the Company's property after levy or final appeal.

4.9 The City's failure to release the Consent Special Assessment following expiration of the Term of this Agreement.

5. REMEDIES ON DEFAULT.

5.1 Company. In the event of a default by Company as specified in Section 4 above and after investigation of the facts and a public hearing, if appropriate, the Company agrees that the City may impose a Consent Special Assessment, as attached as Exhibit B, on the Property equal to \$150,000. The Exhibit B will be executed at the same time as this Agreement and recorded against the Property but will not be imposed unless there is a default by the Company.

5.2 City. In the event of a default by City as specified in Section 3 above and after investigation of the facts and a public hearing, if appropriate, the City agrees to release the Consent Special Assessment, as attached as Exhibit B, on the Property.

6. Term. This Agreement shall become effective upon the full execution and expire forty-eight (48) months after the formal creation and authorization of the Watermark Center Marijuana Overlay District.

7. Governing Law. This Agreement shall be construed and enforced in accordance with the Laws of the State of Michigan applicable to contracts made and to be performed within the State of Michigan.

8. Counterparts. This Agreement may be executed in one or more counterparts. Notwithstanding such execution all such counterparts shall constitute one and the same Agreement.

9. Benefit. This Agreement shall be binding upon and inure to the benefit of the respective parties, their successors and personal representatives. Except as so provided, there is no third-party beneficiary intended upon the execution of this Agreement.

10. Effective Date. This Agreement shall be effective on the date this Development Agreement is fully executed.

11. Invalidity. In the event any provision of this agreement is declared invalid by a court or tribunal having competent jurisdiction, the remainder of the agreement shall remain in full force and effect.

CITY OF MUSKEGON,
a municipal corporation

By _____
Stephen Gawron, Mayor

and _____
Ann Meisch, MMC, Clerk

Dated: _____, 2004

P&G HOLDINGS NY, LLC
a New York limited liability company

By _____
Moses Gross, Its Manager

Dated: _____, 2021

DRAFT
01/26/2021

CITY OF MUSKEGON
SPECIAL ASSESSMENT ROLL

P & G Holdings NY, LLC Special Assessment District

The undersigned, pursuant to the direction of the City Commission, and based upon the request and consent of P & G Holdings NY, LLC, hereby levies a special assessment on the property described in Schedule A attached hereto, commonly referred to as the Watermark Buildings, formerly the Shaw Walker Building. The following properties are hereby assessed for the said costs:

OWNER	PROPERTY NO.	ASSESSMENT (Total)
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Payment of the Special Assessment. The Special Assessment shall become due and payable if P & G Holdings NY, LLC fails to comply with its obligations pursuant to the Development Agreement between it and the City, executed on or about January ____, 2021.

Acceleration. The entire balance of the assessment shall become due and payable upon the City declaring a Default of the Development Agreement between it and the City, executed on or about January ____, 2021, with interest to accrue thereafter at the amount set by the City's Charter.

Deposit and Investment of Assessment Payments. Assessment payment(s) received shall be held and used by the City in such funds as it may so choose.

Certification
Board of Assessors

Donna VanderVries, Assessor for the City of Muskegon, does hereby certify that a majority of the Board of Assessors has met and approved the above special assessment roll.

Donna VanderVries, Assessor
City of Muskegon

Certification

The above special assessment roll was confirmed on _____, 2021, at a regular meeting held at the City Hall. 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.

Date: _____, 2021

CITY OF MUSKEGON

By _____
Ann Marie Meisch, Its Clerk

Endorsement and Warrant

The above special assessment roll was confirmed on _____, 2021, and is hereby endorsed. Warrant is hereby issued to the City Treasurer to collect same in accordance with its terms.

Date: _____, 2021

CITY OF MUSKEGON

By _____
Stephen Gawron, Its Mayor

Consent to Special Assessment

The Special Assessment approved by the City Commission for the City of Muskegon is being done based upon the request of P & G Holdings NY, LLC, owner of all property described in Schedule A.

By _____

Its _____

SCHEDULE "A"

Property Description

WATERMARK MASTERPLAN





The former Shaw Walker Furniture Factory is now the Watermark Center. Situated on approximately 23 acres and built in 1912, the Watermark is a million square-foot, mixed-use development in Muskegon, Michigan.





In 2017, sections of the property that were not salvageable were demolished. The demolition included the abatement of such hazards as asbestos and lead, in order to make the remainder of the site a safe environment. These areas will make way for some of the development project's future phases.



WATERMARK MASTERPLAN
PHASE 1 - COMPLETE - WATERMARK LOFT CONDOMINIUMS

53 market-rate residential 1, 2, & 3 bedroom units. Two Commercial spaces occupied by Watermark Offices and The Coffee Factory. The Watermark Lofts represent a \$12 million investment.



The Watermark Lofts are market rate residential condominium units. All 53 units are currently occupied with a waiting list. The Watermark Lofts feature grand, interior columns, 8' wall to wall windows, 12' ceilings, hardwood floors and open floor plans.



WATERMARK MASTERPLAN
PHASE 2 - COMPLETE - WATERMARK 920 EVENT AND CONFERENCE CENTER

Watermark 920 represents a \$1.2 million investment in the property.



Watermark 920 is an event venue specializing in private events, weddings, fundraisers, concerts and corporate events. We are currently booking in excess of 100 major events a year.

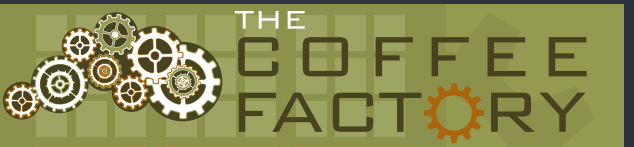


WATERMARK MASTERPLAN

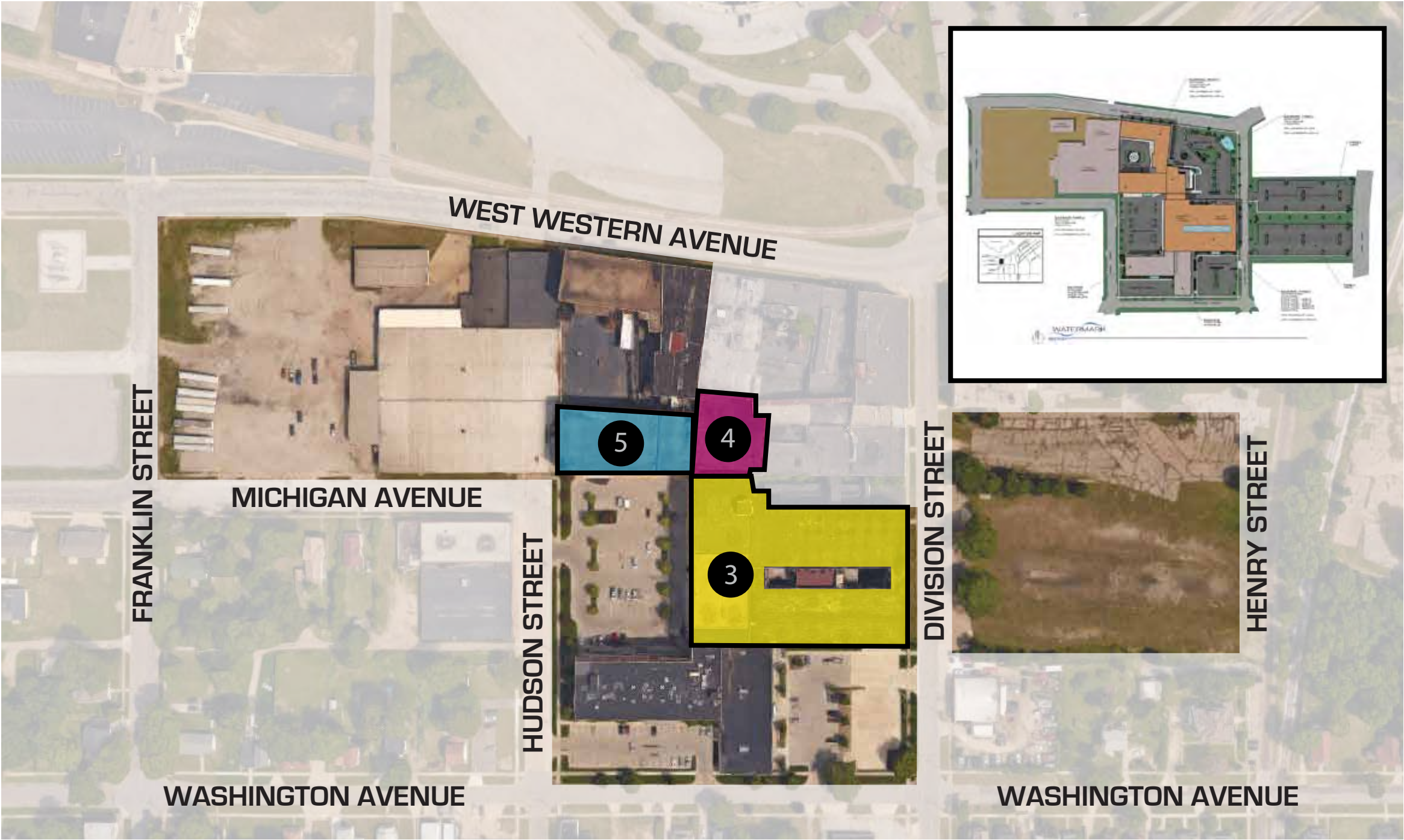
The Coffee Factory represents another \$150,000 investment in the project.



Housed in the Watermark Lofts, The Coffee Factory proudly represents and serves MadCap Coffee alongside a scrumptious menu of specialty drinks, baked goods and house made deli items.



WATERMARK MASTERPLAN
PHASE 3, 4, 5 - FUTURE DEVELOPMENT

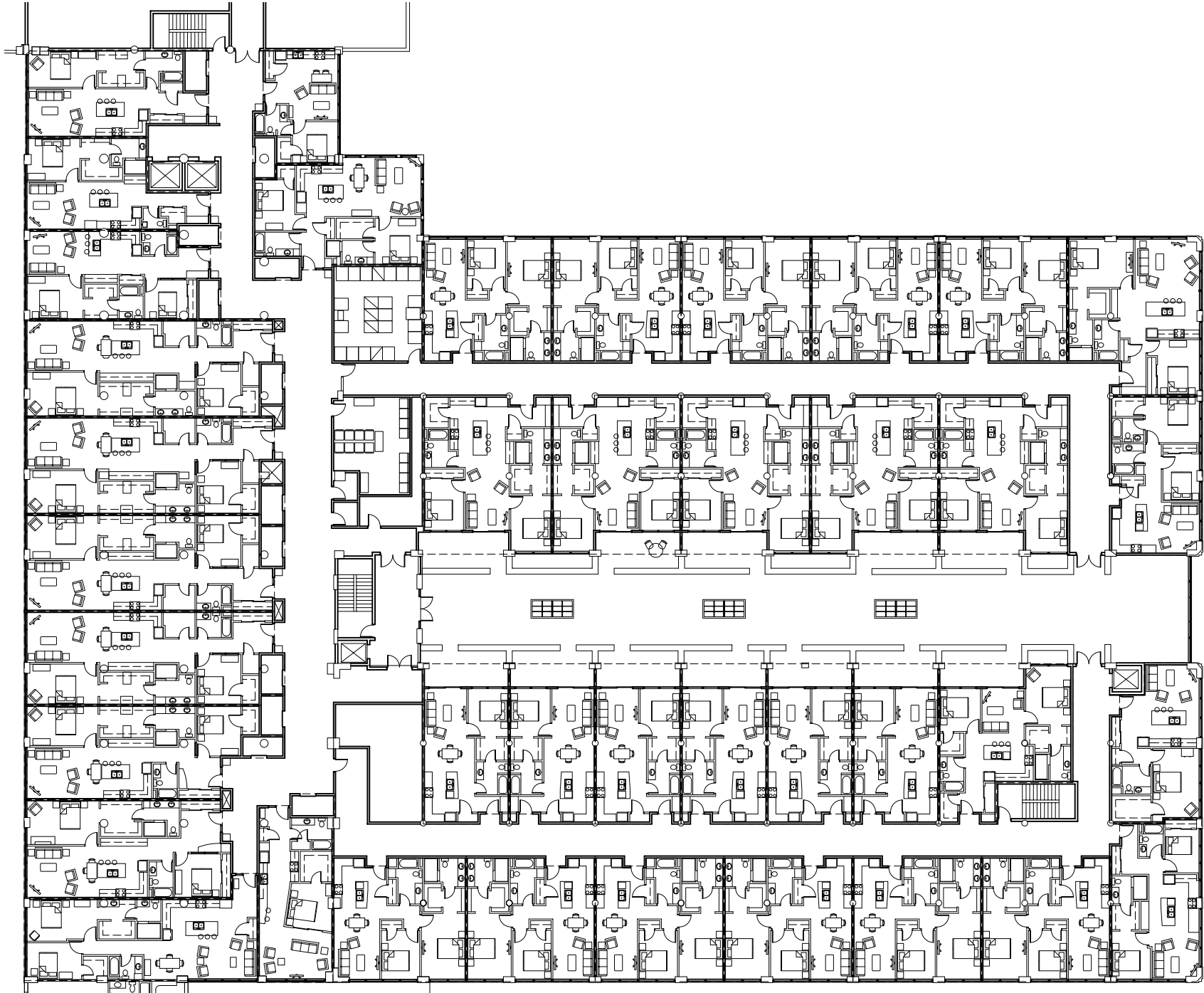


The future phases of the project will bring the remainder of Watermark Living to fruition. Buildings 3, 4, and 5 have been earmarked to complete our vision.

The Southern and Northern portions of Building 3 will be, approximately, another one-hundred units on floors three through five with additional retail amenities on the first two floors. The completion of Building 3 provides for a beautifully manicured courtyard space that will be exclusive for the Watermark Living residents to enjoy.

Building 4 is Watermark Living's "Hub". The Hub will be the connection point between Buildings 3 and 5 and will contain many of the exclusive communal amenities we will be offering to the residents of Watermark Living. The first floor will be reserved for retail while the upper three floors accommodate a communal living experience complete with a game room, library, theater and a gathering/meeting area, followed by a rooftop lounge with gorgeous views of Muskegon Lake.

Building 5 rounds out the balance of the Watermark Living residences. Floors two through five will be solely for residential units.



BUILDING 3
TYPICAL FLOORPLAN

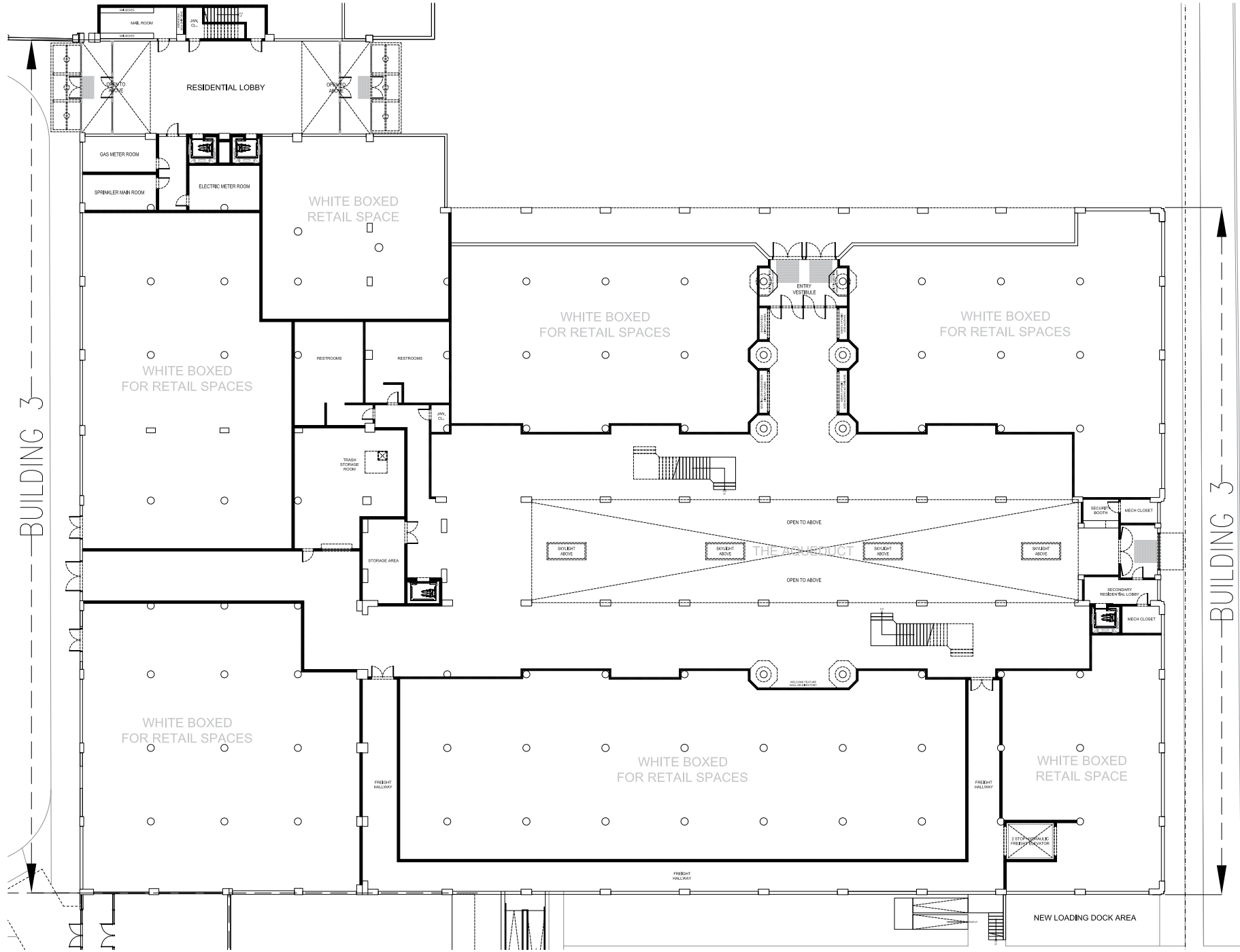
BUILDING 3
NORTH ELEVATION



NORTH ELEVATION (BUILDING 3)

SCALE: 1/16" = 1'-0"

WATERMARK MASTERPLAN
PHASE 3



BUILDING 3
1ST FLOOR - COMMERCIAL



BUILDING 6

In 2005, Tikun Olam was born as a philanthropic venture for Israeli cancer patients and PTSD sufferers to experience the benefits of cannabis. In 2015, Tikun brought their brand to the US markets and in 2020 targeted Watermark as a possible site.

Learn more about Tikun Olam here:
www.tikunolam.com



**WATERMARK MASTERPLAN
CONTACT INFORMATION**



New York Office

Moses Gross, CEO

ANM Group

3811 13th Avenue

Brooklyn NY 11218

Tel: 888-750-6100

Direct: 718-907-4100

moses@anmrealestate.com

www.anmgroup.com

Michigan Office

Sarah Sass, President

Watermark Center

930 Washington Avenue Suite 1A

Muskegon, MI 49441

Tel: 231-727-0805x4206

Cell: 231-736-4467

sarah@watermarkcenter.com

www.watermark center.com

WATCH MUSKEGON

Agenda Item Review Form Muskegon City Commission

Commission Meeting Date: January 26 th , 2021	Title: City Hall Building HVAC Controls						
Submitted By: Leo Evans	Department: Public Works						
Brief Summary: Authorize staff to approve a contract with Smart Building Services (SBS) to replace and upgrade the failing City Hall HVAC control system.							
Detailed Summary: The existing heating and cooling control system for City Hall is old, obsolete, and becoming unreliable. Parts are no longer readily available for it and it does not allow newer technologies to be utilized, like texting and emailing alarms. Three proposals were collected by staff for a budgeted upgrade to the system. The proposal from SBS though not the low bidder is being recommended by staff as the best value system. The proposal from SBS includes open source software, and a non-proprietary control system, which is preferred by staff. In addition the SBS proposal includes the work to apply for and work on the City's behalf for rebates from DTE and Consumers Energy. The SBS proposal also includes training and warranty allocations not mentioned in the other proposals. In addition SBS included Alternate #1, which includes a Smart Energy Management System (EMS) Server. This server could be used in the future as a central location for monitoring and controlling other city owned buildings allowing for further improvements. Staff is also recommending acceptance of the Alternate bid item. Base Bid Quotes were received as follows: <table><tr><td>Smart Building Services:</td><td>\$39,764.00 – REBATE (\$21,482) = NET \$18,282</td></tr><tr><td>Johnson Controls:</td><td>\$32,379.00 – REBATE (\$17,610) = NET \$14,769</td></tr><tr><td>Control Resource</td><td>\$84,400.00 – REBATE (\$21,400) = NET \$63,000</td></tr></table>		Smart Building Services:	\$39,764.00 – REBATE (\$21,482) = NET \$18,282	Johnson Controls:	\$32,379.00 – REBATE (\$17,610) = NET \$14,769	Control Resource	\$84,400.00 – REBATE (\$21,400) = NET \$63,000
Smart Building Services:	\$39,764.00 – REBATE (\$21,482) = NET \$18,282						
Johnson Controls:	\$32,379.00 – REBATE (\$17,610) = NET \$14,769						
Control Resource	\$84,400.00 – REBATE (\$21,400) = NET \$63,000						
Amount Requested: \$ 42,264.00	Amount Budgeted: \$60,000						
Fund(s) or Account(s): 101-92019-5346	Fund(s) or Account(s): 101-92019-5346						
Recommended Motion: Authorize staff to approve the proposal from SBS inclusive of Alternate #001 for removal, purchase and installation of new HVAC control system for City Hall building, provided that no contract will be signed or paid until SBS has secured applicable rebates from Consumers Energy and DTE Energy on behalf of the City.							

Check if the following Departments need to approve the item first:

Police Dept. ☐

Fire Dept. ☐

IT Dept. ☐

For City Clerk Use Only:

Commission Action:



PROPOSAL

Date: 12/11/2020

Project: City of Muskegon – City Hall HVAC Controls & Web Based Energy Management System (EMS) Upgrade

Smart Building Services (SBS) is pleased to provide a proposal based on a site visit with City of Muskegon personal on 12/8/2020.

SCOPE OF WORK:

Web Based Energy Management System (EMS) – Tridium Niagara 4

- Provide and install (1) new JACE-8000 Energy Management System panel in the basement maintenance room and develop new EMS graphics for control, monitoring and alarming of the existing HVAC systems.
 - o City of Muskegon to furnish LAN network connection and static IP address to accommodate new JACE-8000 controller for web access. SBS will coordinate requirements with City of Muskegon IT.
 - o Includes Integration of the following HVAC Systems:
 - Retrofit all existing Johnson Controls Companion and DX-9100 Controllers to new open-source, non-proprietary BACnet Controls including:
 - Boiler & Chiller Systems
 - Air Handling Unit #1
 - Air Handling Unit #2
 - All Zone Controllers / Temperature Controls fed from panels in the Police Department Closet and Tax / Accounting Department Closet
 - All Misc. Points currently monitored by the Companion system
 - For all system above new open-source BACnet controller mounted and terminated in existing enclosure panels.
 - o Existing power source and wiring to sensors/relays to be re-used.
 - o Existing pneumatic transducers to be re-used.
 - o Existing temperature sensors in spaces to be re-used.
- Proposal includes all necessary material, electrical installation, programming and re-commissioning for a fully functional system.
 - o **Any mechanical failed components or defects identified but outside of this scope of work will be reported to City of Muskegon.**

EMS User Interface

- Provide new web-based BMS User Interface that is intuitive and easy to use for staff and service personnel including scheduling, temperature setpoint adjustments, temperature and equipment monitoring, and alarming (text, e-mail, etc)
- **Program all new color system graphics for the HVAC Systems, including Graphical Floorplans, alarms and schedules in a web-based user interface that is compatible with desktop PC's, laptops and mobile devices.** User interface will be completely web-based with no need for special software.

General

- Installation – Provide professional electrical installation of all components and cabling. All labor shall be electricians and technicians employed by SBS.
- Training - Provide (4) hours of user training
- Warranty – Provide (1) year parts and labor warranty on all systems and components.
- Tax – Sales tax is included.

PAYMENT TERMS

Net 30 upon completion

EXCLUSIONS

Additional engineering, programming, or technical labor requested beyond this scope of work will be quoted on an as-needed basis, including all system repairs.

City of Muskegon – City Hall HVAC Controls & Web Based Energy Management System (EMS) Upgrade

BASE PROPOSAL PRICE -\$39,764.00

(THIRTY-NINE THOUSAND SEVEN HUNDRED SIXTY-FOUR Dollars)

Potential Energy Rebates / Incentives.....\$21,482.00 (54% of project cost)

Upon acceptance of this proposal, SBS will work on behalf of City of Muskegon to apply for pre-approval and reservation of funds for energy rebates with both Consumers Energy (Electric) and DTE (gas). SBS has identified up to \$21,482.00 in potential rebates based 58,736 square feet of facility space as communicated by city personnel. This is not a guaranteed amount until the rebate applications have been submitted, approved, and reservation letter has been received from the utility providers. The amount could be less if all rebate items are not accepted. SBS is willing to engage in this rebate process on behalf of City of Muskegon and will not proceed with material procurement or installation work until those funds are reserved, if desired by City of Muskegon.

This proposal is hereby accepted and Smart Building Services LLC is authorized to proceed with the work.

Purchaser's Company Name _____

Signature_____ Date_____

Printed Name_____ Title_____

Proposal by: Joe Napieralski, General Manager
Smart Building Services LLC (616)822-6299, joen@sbsmi.com

Alternate #1 – Smart Energy Management System (EMS) Server

Furnish and install Niagara EMS Server Software on a virtual server provided by City of Muskegon IT that will be capable of monitoring and controlling buildings city-wide.

All monitoring and control for City Hall will be deployed on this server and the "template" city-wide user interface will be setup as part of the City Hall project.

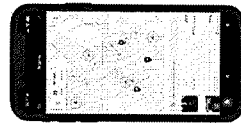
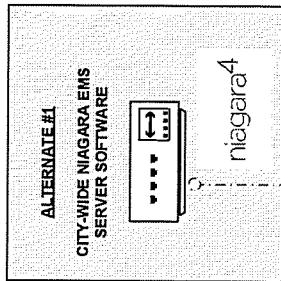
Cost includes a 5-year software subscription to keep Niagara EMS software eligible for latest revision for 5 years at no additional cost.

ALTERNATE #1 PRICE -ADD.....\$2,500.00

(TWO THOUSAND FIVE HUNDRED Dollars)

Notes:

1. The BMS Riser is intended only to provide an overview of the system architecture. DDC devices are not intended to be wired in exactly the order shown. Optimal wiring runs to be determined in field.
2. BACnet MS/TP devices are to be wired in a daisy-chain configuration.
3. BACnet IP Field Controllers are to be wired in a Star or Ring Network.



BROWSER / MOBILE BASED - GRAPHICAL USER INTERFACE / APPLICATION DESIGNED SPECIFICALLY TO GROUPS OF STAKEHOLDERS:

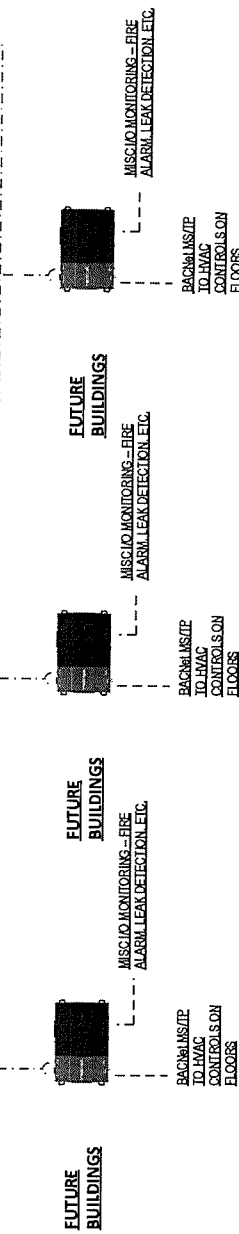
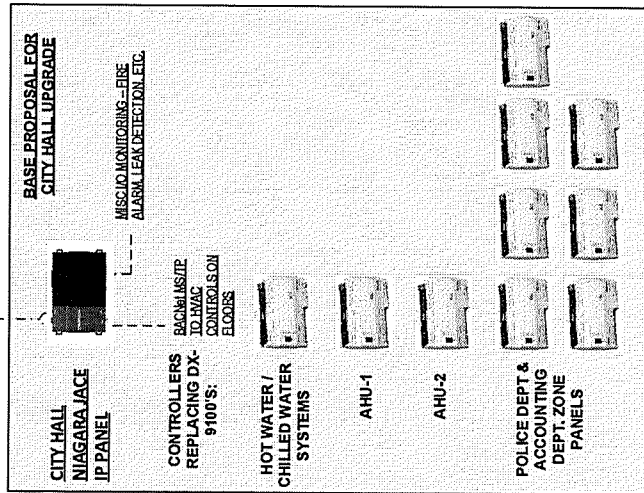
- CITY OPERATIONS
 - CITY MANAGEMENT
- APPLICATIONS INCLUDING:
- MOBILE REPORTING & CONTROL
 - BUILDING ANALYTICS & OPTIMIZATION
 - BUILDING ALERTS / ALARMS
 - KEY METRIC / KPI DASHBOARDS

- Cable References**
- Ethernet (Cat 6 RJ45 Cable)
 - Fiber Optic Cable
 - Modbus
 - BACnet MS/TP
 - Cat 5e Coaxial Cabling

CITY OF MUSKEGON SMART ENERGY MANAGEMENT SYSTEM (EMS) NETWORK CONCEPT DIAGRAM



CITY OF MUSKEGON SMART ENVIRONMENT VIAN - Virtual Local Area Network





Proposal

Kalamazoo Grand Rapids MI Common Branch
5164 SPRINKLE RD
PORTAGE, MI 49002-2055
Phone: 269-226-8571
Fax: 866-862-0460

TO: City of Muskegon
933 Terrace Street

Muskegon, MI 49440
Terry Spyke

Date: January 7, 2021
Project: City of Muskegon Controls
Upgrade
Proposal Ref: 2020-1.0

We propose to furnish the materials and/or perform the work described below for the net price of:
\$32,379.00

THIRTY-TWO THOUSAND, THREE HUNDRED SEVENTY-NINE DOLLARS

Johnson Controls is pleased to provide you with this quote to replace the old obsolete JCI Companion control system with a new Johnson Controls Metasys Extended Architecture system. The Companion controller would be removed and a new SNE controller would be installed to control the system. JCI will replace the (10) obsolete DX-9100 field controllers with new BACnet field controllers. This would get the system up to current technology and allow you to receive text messages and e-mails with alarms that are generated by the new system.

This controls upgrade with optimal start stop logic should be eligible for a 30 cent per square foot rebate from Consumers Energy if you get your electric and natural gas through them. So with your building being 58,700 square feet **your rebate should be approximately \$17,610**. This is an estimated rebate from Consumers Energy and not from JCI.

This proposal and alternates listed below are hereby accepted and Johnson Controls is authorized to proceed with work; subject, however to credit approval by Johnson Controls, Inc., Milwaukee, Wisconsin.

This proposal is valid until: Feb. 04, 2021

City of Muskegon

Johnson Controls, Inc.

Name: _____

Name: James Mallory _____

Title: _____

Title: Account Executive _____

Date: _____

Date: _____

PO: _____

TERMS AND CONDITIONS

By accepting this proposal, Purchaser agrees to be bound by the following terms and conditions:

1. **SCOPE OF WORK.** This proposal is based upon the use of straight time labor only. Plastering, patching and painting are excluded. "In-line" duct and piping devices, including, but not limited to, valves, dampers, humidifiers, wells, taps, flow meters, orifices, etc., if required hereunder to be furnished by Johnson Controls, Inc. (hereinafter referred to as JCI), shall be distributed and installed by others under JCI's supervision but at no additional cost to JCI. Purchaser agrees to provide JCI with required field utilities (electricity, toilets, drinking water, project hoist, elevator service, etc.) without charge. JCI agrees to keep the job site clean of debris arising out of its own operations. Purchaser shall not back charge JCI for any costs or expenses without JCI's written consent unless specifically noted in the statement of the scope of work or services undertaken by JCI under this agreement. JCI's obligations under this agreement expressly exclude any work or service of any nature associated or connected with the identification, abatement, clean up, control, removal, or disposal of environment Hazards or dangerous substances, to include but not be limited to asbestos or PCSs, discovered in or on the premises. Any language or provision of the agreement elsewhere contained which may authorize or empower the Purchaser to change, modify, or alter the scope of work or services to be performed by JCI shall not operate to compel JCI to perform any work relating to Hazards without JCI's express written consent.
2. **INVOICING & PAYMENTS.** JCI may invoice Purchaser monthly for all materials delivered to the job site or to an off-site storage facility and for all work performed on-site and off-site. Ten percent (10%) of the contract price is for engineering, drafting and other mobilization costs incurred prior to installation. This 10% shall be included in JCI's initial invoice. Purchaser agrees to pay JCI the amount invoiced upon receipt of the invoice. Waivers of lien will be furnished upon request as the work progresses to the extent payments are received. If JCI's invoice is not paid within 30 days of its issuance, it is delinquent.
3. **MATERIALS.** If the materials or equipment included in this proposal become temporarily or permanently unavailable for reasons beyond the control and without the fault of JCI, then in the case of such temporary unavailability, the time for performance of the work shall be extended to the extent thereof, and in the case of permanent unavailability, JCI shall (a) be excused from furnishing said materials or equipment, and (b) be reimbursed for the difference between the cost of the materials or equipment permanently unavailable and the cost of a reasonably available substitute therefore.
4. **WARRANTY.** JCI warrants that the equipment manufactured by it shall be free from defects in material and workmanship arising from normal usage for a period of one (1) year from delivery of said equipment, or if installed by JCI, for a period of one (1) year from installation. JCI warrants that for equipment furnished and/or installed but not manufactured by JCI, JCI will extend the same warranty terms and conditions which JCI receives from the manufacturer of said equipment. For equipment installed by JCI, if Purchaser provides written notice to JCI of any such defect within thirty (30) days after the appearance or discovery of such defect, JCI shall, at its option, repair or replace the defective equipment. For equipment not installed by JCI, if Purchaser returns the defective equipment to JCI within thirty (30) days after appearance or discovery of such defect, JCI shall, at its option, repair or replace the defective equipment and return said equipment to Purchaser. All transportation charges incurred in connection with the warranty for equipment not installed by JCI shall be borne by Purchaser. These warranties do not extend to any equipment which has been repaired by others, abused, altered or misused, or which has not been properly and reasonably maintained. THESE WARRANTIES ARE IN LIEU OF ALL OTHER WARRANTIES, EXPRESS OR IMPLIED, INCLUDING, BUT NOT LIMITED TO, THOSE OF MERCHANTABILITY AND FITNESS FOR A SPECIFIC PURPOSE.
5. **LIABILITY.** JCI shall not be liable for any special, indirect or consequential damages arising in any manner from the equipment or material furnished or the work performed pursuant to this agreement.
6. **TAXES.** The price of this proposal does not include duties, sales, use, excise, or other similar taxes, unless required by federal, state or local law. In addition to the stated price, purchaser shall pay all taxes not legally required to be paid by JCI or, alternatively, shall provide JCI with acceptable tax exemption certificates. JCI shall provide Purchaser with any tax payment certificate upon request and after completion and acceptance of the work.
7. **DELAYS.** JCI shall not be liable for any delay in the performance of the work resulting from or attributed to acts or circumstances beyond JCI's control, including, but not limited to, acts of God, fire, riots, labor disputes, conditions of the premises, acts or omissions of the Purchaser, Owner or other Contractors or delays caused by suppliers or subcontractors of JCI, etc.
8. **SCHEDULE.** JCI and Purchaser shall mutually agree upon a schedule for completion of the work. In the event Purchaser desires to change or accelerate the schedule or the schedule is otherwise accelerated, delayed, or impacted for reasons beyond the control of JCI, JCI shall be entitled to a change order equitably adjusting the compensation of JCI to account for the increased costs associated with such schedule changes.
9. **DISPUTES.** All disputes involving more than \$15,000 shall be resolved by arbitration in accordance with the rules of the American Arbitration Association. The prevailing party shall recover all legal costs and attorney's fees incurred as a result. Nothing here shall limit any rights under construction lien laws.
10. **INSURANCE.** Insurance coverage in excess of JCI's standard limits will be furnished when requested and required. No credit will be given or premium paid by JCI for insurance afforded by others.

11. INDEMNITY. The Parties hereto agree to indemnify each other from any and all liabilities, claims, expenses, losses or damages, including attorneys' fees, which may arise in connection with the execution of the work herein specified and which are caused, in whole or in part, by the negligent act or omission of the Indemnifying Party.

12. OCCUPATIONAL SAFETY AND HEALTH. The Parties hereto agree to notify each other immediately upon becoming aware of an inspection under, or any alleged violation of, the Occupational Safety and Health Act relating in any way to the project or project site.

13. LEGAL FEES. Purchaser agrees to pay and reimburse JCI for any and all reasonable legal fees which are incurred by JCI in the collection of amounts due and payable under this Agreement.

14. ENTIRE AGREEMENT. This proposal, upon acceptance, shall constitute the entire agreement between the parties and supersedes any prior representations or understandings.

15. CHANGES. No change or modification of any of the terms and conditions stated herein shall be binding upon Johnson unless accepted by Johnson in writing.



(616) 784-2227
Fax (616) 785-7900
5800 Safety Drive
Belmont, MI 49306

Your Tridium Open Systems, Honeywell & Johnson Controls Solutions Provider
Exclusively Commercial & Industrial

January 13, 2021

Quote#2020-0113

Attn: Terry Spyke
Muskegon City Hall
933 Terrace St
Muskegon, MI 49440

Project: Remove existing JCI Metasys system and replace with nonproprietary controls

Replacement of the existing proprietary controls system. The current system is a Johnson Controls Metasys system. Control Resource plans to replace the existing controls with a non-proprietary Honeywell Spyder controls system. The new system will consist of a JACE that will supervise the field controllers and provide remote and local access to the system and graphics.

The intention of this project is to provide the City of Muskegon with the ability to control all their HVAC equipment from any web enable device. The new system will be HTML5 based so that the operator will be able to access the system from a computer, tablet, or phone without additional applications. A floor plan will be developed from the existing building drawings. From the floor plan the user will have the ability to drill down to each unitary piece of equipment and adjust setpoints. The JACE also allows for future expansion into other building systems such as lighting and card key access.

In addition, there are rebates available from the local utility providers. Assuming the gas provider is DTE and the electrical provider is Consumers Energy the approximate combined rebate for a failed BMS system is **\$0.368/sqft**. The approximate sqft of City Hall **58,736 sqft**. The total possible incentive for this project is **\$21,614.00**. This is subject to review by the utilities. Control Resource will assist with the completion of all necessary paperwork.

Assumptions and/or Exceptions:

1. Customer will assist in providing an IT drop to the JACE for web-based access.
2. Our price assumes existing wiring, actuators, sensors, variable frequency drives, and valves are good working order. We are planning to re-use. If any are found to be inoperable, a replacement will be quoted as an extra to this project.

Our price for this project is:	\$84,400.00
Utility incentives for this project:	\$21,614.00
Total cost after rebate:	\$62,786.00

Thank you for the opportunity to be of assistance. Feel free to call with any questions or concerns.

Respectfully,

Kurt Charles

Mobile # 616-970-5315
Email: kcharles@hurstind.com



(616) 784-2227
Fax (616) 785-7900
5800 Safety Drive
Belmont, MI 49306

Your Tridium Open Systems, Honeywell & Johnson Controls Solutions Provider
Exclusively Commercial & Industrial

Project: Demand Control Ventilation (Voluntary Alternate)

When Control Resource looks at adding or updating controls, we look for ways the customer can save energy. One easy solution is Demand Control Ventilation. The basic idea here is to bring in less fresh air to the building in times of lower occupancy. Control Resource would monitor the RA for CO2 levels. High levels suggest that there are more people breathing in the space. So, on an increase in CO2 more outdoor air is introduced to the building. When CO2 is low the outdoor air damper is closed reducing the energy required to heat or cool the incoming air.

For this project there is also incentive available from the utilities based on the sqft of the building. In this case the combined incentive for DCV is **\$0.06/sqft**. Using the approximate sqft of the building **58,736 sqft** the incentive would be **\$3,524.00**. The utilities will only pay up to 75% of the total project cost.

Our price for this project is:	\$2,700.00
Utility incentives for this project (only pay up to 75%):	\$2,025.00
Total cost after rebate:	\$675.00

WATCH MUSKEGON

Agenda Item Review Form Muskegon City Commission

Commission Meeting Date: 1-26-2021	Title: Social District Permit recommendation
Submitted By: Dave Alexander	Department: Economic Development
Brief Summary: The City Commission must recommend approval of the Michigan Liquor Control Commission permits of participating licensed establishments in the Downtown Muskegon Social District.	
Detailed Summary: With the establishment of the Downtown Muskegon Social District, participating licensed establishments must receive a Social District permit from the Michigan Liquor Control Commission. The MLCC must first receive a recommendation for approval from the City Commission before granting the permits. You handled the initial eight such requests at your Aug. 25 and Sept. 8 meetings and added others as they have been since. The attached resolution is for the city's Muskegon Farmers Market and Mercy Health Arena which are also seeking a Social District permit from the state and seeking City Commission recommended approval. The Social District plan identifies 22 potential participating licensees within the district. Other licensed establishments may file a Social District permit application in the future.	
Amount Requested: None	Amount Budgeted:
Fund(s) or Account(s):	Fund(s) or Account(s):
Recommended Motion: To approve the resolution recommending Michigan Liquor Control Commission approval of Social District permits in the Downtown Muskegon Social District and to direct the City Clerk to certify the City Commission action with the MLCC.	
Check if the following Departments need to approve the item first: Police Dept. ☐ Fire Dept. ☐ IT Dept. ☐ For City Clerk Use Only: Commission Action:	

RESOLUTION RECOMMENDING DOWNTOWN MUSKEGON SOCIAL DISTRICT

PERMIT APPLICATION APPROVAL

City of Muskegon

County of Muskegon, Michigan

Minutes of a Regular Meeting of the City Commission of the City of Muskegon, County of Muskegon, Michigan (the "City"), held virtually and at Muskegon City Hall, 933 Terrace, Muskegon, MI 49440 on the 26th day of January, 2021 at 5:30 p.m., prevailing Eastern Time.

PRESENT:

ABSENT:

The following preamble and resolution were offered by Commissioner _____ and supported by Commissioner _____.

WHEREAS, in accordance with Public Act 124 of 2020 on the establishment of Social Districts within a Michigan city; and

WHEREAS, COVID-19 pandemic has caused unprecedented economic disruption worldwide and within our local business community; and

WHEREAS, restaurants and bars, which have been key contributors to the historic redevelopment of Downtown Muskegon, have been and will continue to be hard hit by the economic impact of the pandemic; and

WHEREAS, increasing availability of outdoor spaces for dining and drinking will help downtown and its businesses recover; and

WHEREAS, Public Act 124 of 2020 empowers local governments like the City of Muskegon to enhance its downtowns with Social Districts and accompanying Common Areas where purchasers may consume and possess alcoholic beverages sold by multiple qualified Michigan Liquor Commission licensees who obtain Social District Permits; and

WHEREAS, the City Commission has designated a Downtown Muskegon Social District and Common Area, and

WHEREAS, the city has received requests from multiple qualified licensees to recommend approval of their Social District Permit applications by the Michigan Liquor Control Commission, and

WHEREAS, the licensed establishments are contiguous to the Common Area within the Social District, and

WHEREAS, the City Commission desires to recommend approval of the Social District Permit applications,

NOW, THEREFORE, BE IT RESOLVED THAT:

1. The Social District Permit Applications from the following licensees are recommended by the City Commission to consideration and approval by the Michigan Liquor Control Commission:
 - a. Muskegon Farmer's Market, 242 W. Western Ave, Muskegon, MI 49440.
 - b. Mercy Health Arena, 470 W. Western, Muskegon, MI 49440
2. The City Clerk is authorized and directed to provide each applicant with a certification of this action in the form specified by the Michigan Liquor Control Commission.

AYES:

NAYS:

RESOLUTION DECLARED APPROVED.

Stephen J Gawron, Mayor

Ann Marie Meisch, City Clerk

I hereby certify that the foregoing is a true and complete copy of a resolution adopted by the City Commission of the City of Muskegon, County of Muskegon, State of Michigan, at a regular meeting held on Jan. 26, 2021 and that said meeting was conducted and public notice of said meeting was given pursuant to and in full compliance with the Open Meetings Act, being Act 267, Public Acts of Michigan, 1976, in addition to Public Act 228 of 2020, and that the minutes of said meeting were kept and will be or have been made available as required by said Acts.

Ann Marie Meisch, City Clerk



Agenda Item Review Form

Muskegon City Commission

Commission Meeting Date: January 26, 2021	Title: Amendment to the Marihuana Facilities Overlay District – 965 W Western Ave, 920 Washington Ave and 1330 Division St – 2 nd Reading
Submitted By: Mike Franzak	Department: Planning
Brief Summary: Request to amend Section 2331 of the zoning ordinance to expand the marihuana facilities overlay district to allow for Growing, Processing and Provisioning/Retail license types at 965 W Western Ave, 920 Washington Ave and 1330 Division St by P & G Holdings, LLC.	
Detailed Summary: After discussing at the Planning Commission meeting, the applicant agreed that they did not need to include 1330 Division St as part of the request. A motion that that request to amend Section 2331 of the zoning ordinance to expand the marihuana facilities overlay district to allow for Growing, Processing and Provisioning/Retail license types at 965 W Western Ave and 920 Washington Ave be recommended to the City Commission for approval. The motion was amended to include a recommendation that the approval be reviewed in 24 months to allow staff or the Planning Commission to consider revocation of the zoning approval if the condo development had not proceeded as stated. The motion was approved by a 6-3 vote.	
Amount Requested:	Amount Budgeted:
Fund(s) or Account(s):	Fund(s) or Account(s):
Recommended Motion: To approve the request to amend Section 2331 of the zoning ordinance to expand the marihuana facilities overlay district to allow for Growing, Processing and Provisioning/Retail license types at 965 W Western Ave and 920 Washington Ave by P & G Holdings, LLC.	

Planning Commission Excerpt

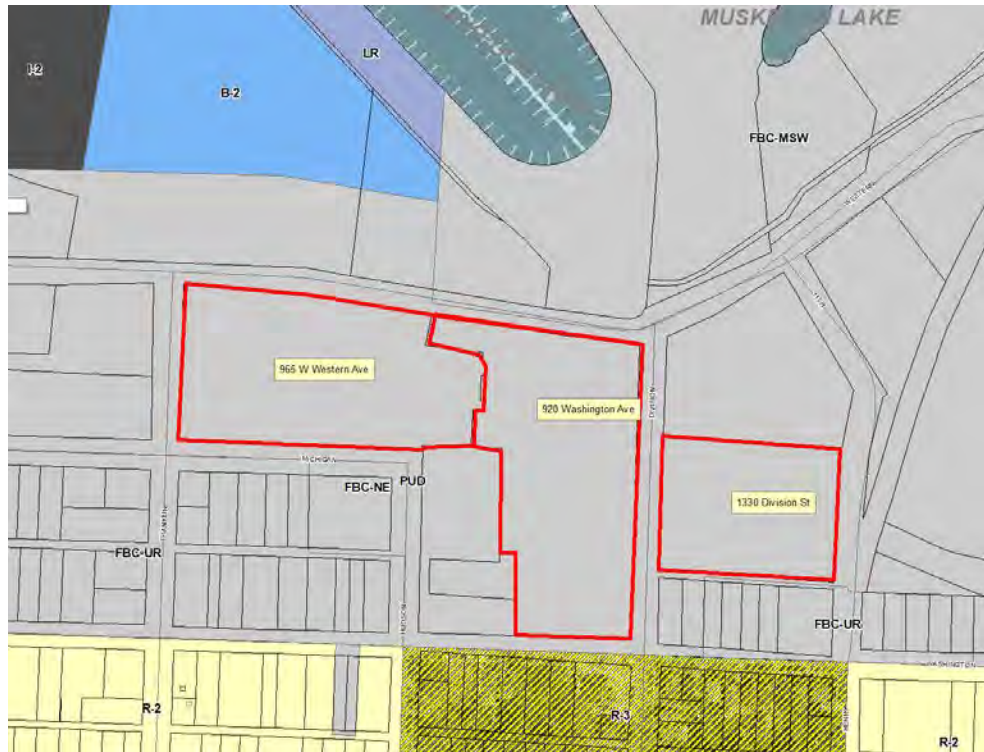
Case 2020-20: Request to amend Section 2331 of the zoning ordinance to expand the marihuana facilities overlay district to allow for MMFLA and MRMTA Growing, Processing and Provisioning/Retail license types at 965 W Western Ave, 920 Washington Ave and 1330 Division St by P & G Holdings, LLC.

SUMMARY

1. This case was tabled in November. The public hearing was closed.
2. The property at 920 Washington Ave was recently approved as part of the marihuana facilities overlay district for retail/provisioning license types.
3. The property owner would now like to expand the types of marihuana licenses allowed on site, which also includes 965 W Western Ave and 1330 Division St.
4. This request would allow all growing licenses types, processing licenses and provisioning/retail licenses at 965 W Western, 920 Washington Ave and 1330 Division St.



Zoning Map



Aerial Map



CITY OF MUSKEGON
MUSKEGON COUNTY, MICHIGAN

ORDINANCE NO. _____

An ordinance to amend Section 2331 of the zoning ordinance to expand the marihuana facilities overlay district to allow for Growing, Processing and Provisioning/Retail license types at 965 W Western Ave and 920 Washington Ave.

THE CITY COMMISSION OF THE CITY OF MUSKEGON HEREBY ORDAINS:

965 W Western Ave and 920 Washington Ave will be added to the Marihuana Facilities Overlay District as a location allowed for Growing, Processing and Provisioning/Retail license types.

CITY OF MUSKEGON REVISED PLAT 1903 BLK 468 AND PT OF BLK 467 VAC ALLEY IN BLK 468 PART OF FORMER C & O RAILROAD R/W IN BLK 467 & 468 AND VAC HUDSON ST BET BLK 467 AND 468 AND ALL BEING DESC AS BEG AT THE SW COR OF SAID BLK 468 TH N 00D 19M 25S W 351.64 FT ALG E R/W LN OF FRANKLIN ST TH N 89D 58M 00S E 278.5 FT ALG THE S R/W LN OF WESTERN AVE TH S 82D 42M 42S E 284.66 FT ALG SD R/W LN TH S 07D 28M 33S W 75.55 FT ALG THE WLY LN & EXTENSION TH'OF OF A 5 STORY BRICK BLDG TH S 82D 30M 04S E 112.12 FT ALG SD BLDG LN & THE EXTENSION TH'OF TH S 09D 23M 07S W 9.68 FT ALG SD BLDG LN TH S 83D 24M 04S E 13.72 FT ALG SD BLDG LN TH N 00D 30M 04S E 8.71 FT TH S 00D 30M 20S W 24.63 FT TH S 88D 25M 41S E 8.72 FT ALG SD BLDG LN TH S 01D 34M 19S W 0.30 FT ALG SD BLDG LN TH S 88D 25M 41S E 0.40 FT ALG SD BLDG LN TH S 00D 42M 58S W 29.45 FT ALG SD BLDG LN TH N 88D 25M 41S W 8.43 FT ALG SD BLDG LN TH S 00D 42M 58S W 57.92 FT ALG SD BLDG LN TH S 88D 38M 32S E 12.93 FT ALG SD BLDG LN TH S 02D 11M 01S W 21.28 FT ALG SD BLDG LN TH N 87D 48M 59S W 28.01 FT ALG SD BLDG LN TH S 02D 23M 08S W 85.09 FT ALG E SIDE OF A 4 IN WALL TH N 87D 51M 37S W 111.67 FT ALG SLY SIDE OF SD 5 STY B

CITY OF MUSKEGON REVISED PLAT 1903 PT OF BLKS 467 AND 468 AND ENTIRE BLK 474 TOGETHER WITH PT OF THE C & O RR R/W IN SD BLK 467 VAC MICHIGAN AVE BET SD BLKS 467 & 474 THE 2 VAC ALLEYS IN SD BLK 474 DESC AS BEG ON THE N R/W LN OF MICHIGAN AVE AT A POINT BEING N 89D 48M 11S E 549.04 FT FROM THE SW COR OF SD BLK 468 TH N 02D 11M 01S E 7.87 FT TH S 87D 51M 37S E 111.67 FT ALG SLY LN OF A 5 STY BLDG TH N 02D 23M 08S E 85.09 FT ALG E SIDE OF A 4 IN WALL TH S 87D 48M 59S E 28.01 FT ALG NLY LN OF SD 5 STY BLDG TH N 02D 11M 01S E 21.28 FT ALG SD BLDG TH N 88D 38M 32S W 12.93 FT ALG SD BLDG LN TH N 00D 42M 58S E 57.92 FT ALG SD BLDG LN TH S 88D 25M 41S E 8.43 FT ALG SD BLDG LN TH N 88D 25M 41S W 0.40 FT ALG SD BLDG LN TH N 01D 34M 19S E 0.30 FT ALG SD BLDG LN TH N 88D 25M 41S W 8.72 FT ALG SD BLDG LN TH N 00D 30M 20S E 24.63 FT TH N 82D 30M 04S W 8.71 FT TH S 00D 30M 20S W 9.53 FT TH N 83D 24M 04S W 13.72 FT ALG SD 5 STY BLDG LN TH N 09D 23M 07S E 9.68 FT ALG SD 5 STY BLDG LN TH N 82D 30M 04S W 112.12 FT ALG SD BLDG LN & THE EXTENSION TH'OF TH N 07D 28M 33S E 75.55 FT ALG SD BLDG LN & THE EXTENSION TH'OF TH S 82D 42M 42S E 474.11 FT ALG THE SLY R/W LN OF WESTERN AVE

This ordinance adopted:

Ayes: _____

Nays: _____

Adoption Date: _____

Effective Date: _____

First Reading: _____

Second Reading: _____

CITY OF MUSKEGON

By: _____
Ann Meisch, MMC, City Clerk

CERTIFICATE

The undersigned, being the duly qualified clerk of the City of Muskegon, Muskegon County, Michigan, does hereby certify that the foregoing is a true and complete copy of an ordinance adopted by the City Commission of the City of Muskegon, at a regular meeting of the City Commission on the 26th day of January 2021, at which meeting a quorum was present and remained throughout, and that the original of said ordinance is on file in the records of the City of Muskegon. I further certify that the meeting was conducted and public notice was given pursuant to and in full compliance with the Michigan Zoning Enabling Act, Public Acts of Michigan No. 33 of 2006, and that minutes were kept and will be or have been made available as required thereby.

DATED: _____, 2020.

Ann Meisch, MMC

Clerk, City of Muskegon

Publish: Notice of Adoption to be published once within ten (10) days of final adoption.

CITY OF MUSKEGON
NOTICE OF ADOPTION

Please take notice that on January 26, 2021, the City Commission of the City of Muskegon adopted an ordinance to amend Section 2331 of the zoning ordinance to expand the marihuana facilities overlay district to allow for Growing, Processing and Provisioning/Retail license types at 965 W Western Ave and 920 Washington Ave.

Copies of the ordinance may be viewed and purchased at reasonable cost at the Office of the City Clerk in the City Hall, 933 Terrace Street, Muskegon, Michigan, during regular business hours.

This ordinance amendment is effective ten days from the date of this publication.

Published _____, 2021.

CITY OF MUSKEGON

By _____

Ann Meisch, MMC

City Clerk

PUBLISH ONCE WITHIN TEN (10) DAYS OF FINAL PASSAGE.

Account No. 101-80400-5354



Agenda Item Review Form

Muskegon City Commission

Commission Meeting Date: January 26, 2021	Title: Amendment to the Marihuana Facilities Overlay District – 420 S Harvey St (2) – 2 nd Reading
Submitted By: Mike Franzak	Department: Planning
Brief Summary: Request to amend Section 2331 of the zoning ordinance to include 420 Harvey St in the marihuana facilities overlay district and allow class B grower, processor, retailer, designated consumption establishment and marihuana special events license types, by Michigan CannaHouse, LLC.	
Detailed Summary: While the applicant's first case was tabled by the Planning Commission, they decided to apply for another amendment that would allow them additional license types (Class B Grower, Processor, Retailer) instead of microbusiness.	
Amount Requested:	Amount Budgeted:
Fund(s) or Account(s):	Fund(s) or Account(s):
Recommended Motion: To approve the request to amend Section 2331 of the zoning ordinance to include 420 Harvey St in the marihuana facilities overlay district and allow class B grower, processor, retailer, designated consumption establishment and marihuana special events license types, by Michigan CannaHouse, LLC.	
Check if the following Departments need to approve the item first: Police Dept. ☐ Fire Dept. ☐ IT Dept. ☐ For City Clerk Use Only: Commission Action:	

CITY OF MUSKEGON
MUSKEGON COUNTY, MICHIGAN

ORDINANCE NO. _____

An ordinance to amend the Marihuana Facilities Overlay District to include 420 S Harvey St as a location allowed for class B grower, processor, retailer, designated consumption establishment and marihuana special events license types.

THE CITY COMMISSION OF THE CITY OF MUSKEGON HEREBY ORDAINS:

420 S Harvey St will be added to the Marihuana Facilities Overlay District as a location allowed for class B grower, processor, retailer, designated consumption establishment and marihuana special events license types.

CITY OF MUSKEGON W 436 FT OF N 436 FT OF SW 1/4 OF NW 1/4 SEC 22 T10N R16W EXC N 33 FT & W 33 FT FOR ROAD (DESCR FOR ASSESSMENTS - DEED CLAIMS ONLY N 400 FT)

This ordinance adopted:

Ayes: _____

Nayes: _____

Adoption Date: _____

Effective Date: _____

First Reading: _____

Second Reading: _____

CITY OF MUSKEGON

By: _____
Ann Meisch, MMC, City Clerk

CERTIFICATE

The undersigned, being the duly qualified clerk of the City of Muskegon, Muskegon County, Michigan, does hereby certify that the foregoing is a true and complete copy of an ordinance adopted by the City Commission of the City of Muskegon, at a regular meeting of the City Commission on the 26th day of January 2021, at which meeting a quorum was present and remained throughout, and that the original of said ordinance is on file in the records of the City of Muskegon. I further certify that the meeting was conducted and public notice was given pursuant to and in full compliance with the Michigan Zoning Enabling Act, Public Acts of Michigan No. 33 of 2006, and that minutes were kept and will be or have been made available as required thereby.

DATED: _____, 2020.

Ann Meisch, MMC

Clerk, City of Muskegon

Publish: Notice of Adoption to be published once within ten (10) days of final adoption.

CITY OF MUSKEGON
NOTICE OF ADOPTION

Please take notice that on January 26, 2021, the City Commission of the City of Muskegon adopted an ordinance to amend the Marihuana Facilities Overlay District to include 420 S Harvey St as a location allowed for class B grower, processor, retailer, designated consumption establishment and marihuana special events license types license types.

Copies of the ordinance may be viewed and purchased at reasonable cost at the Office of the City Clerk in the City Hall, 933 Terrace Street, Muskegon, Michigan, during regular business hours.

This ordinance amendment is effective ten days from the date of this publication.

Published _____, 2021.

CITY OF MUSKEGON

By _____

Ann Meisch, MMC

City Clerk

PUBLISH ONCE WITHIN TEN (10) DAYS OF FINAL PASSAGE.

Account No. 101-80400-5354

WATCH MUSKEGON

Agenda Item Review Form Muskegon City Commission

Commission Meeting Date: 1/26/2021	Title: Housing Commission Ordinance Amendment – 2 nd Reading
Submitted By: LeighAnn Mikesell	Department: Development Services
Brief Summary: Staff are seeking approval of an amendment to Chapter 18, Article IV of the Code of Ordinances in coordination with the Hartford Terrace development agreement.	
Detailed Summary: The Muskegon Housing Commission proposes to rehabilitate Hartford Terrace Apartments through HUD's Rental Assistance Demonstration program. This program allows private capital to be raised for rehabilitation of low income housing projects. The calculation of Payments In Lieu Of Taxes for this program differs from the typical public housing program, and changes to the city's ordinance for housing commission owned properties requires a change to accommodate the development.	
Amount Requested: None	Amount Budgeted: N/A
Fund(s) or Account(s): N/A	Fund(s) or Account(s): N/A
Recommended Motion: To amend and adopt Chapter 18, Article IV, Section 83 for Muskegon Housing Commission.	
Check if the following Departments need to approve the item first: Police Dept. ☐ Fire Dept. ☐ IT Dept. ☐ For City Clerk Use Only: Commission Action:	

**CITY OF MUSKEGON
MUSKEGON COUNTY, MICHIGAN
ORDINANCE NO. ____**

THE CITY COMMISSION OF THE CITY OF MUSKEGON HEREBY ORDAINS:

1. Chapter 18, Article IV of the Code of Ordinances of the City of Muskegon, Michigan, Section 18-83 is amended by adding subpart (d) to read as follows:

Section 18-83. Payment of annual service fee in lieu of taxes; amount.

(d) Upon the awarding of approximately \$1,440,000.00 in low income housing tax credits by the Michigan State Housing Development Authority to the Muskegon Housing Commission and/or Hartford Terrace Limited Dividend Housing Association Limited Partnership, of which the Muskegon Housing Commission is the sole member of its General Partner, the annual shelter rents attributable to Hartford Terrace, located at 1080 Hartford Street in the City of Muskegon, shall no longer be included in “annual shelter rents” required above and in lieu shall be required to make a payment in lieu of taxes pursuant to Muskegon Code Section 82-46, et. seq., of 2% of the “contract rents” less “utilities” and a municipal service fee of 2% of “contract rents” less “utilities”. If the award from the Michigan State Housing Development Authority does not occur by March 31, 2022, Muskegon Code Section 18-83(d) shall become automatically rescinded, with no further action by the City Commission.

2. This Ordinance is to become effective ten (10) days after adoption.

Ayes:

Nays:

First Reading:

Second Reading:

CERTIFICATE

The undersigned, being the duly qualified Clerk of the City of Muskegon, Muskegon County, Michigan, does hereby certify that the foregoing is a true and complete copy of an ordinance adopted by the City Commission of the City of Muskegon, at a regular meeting of the City Commission on the 26th day of January, 2021, at which meeting a quorum was present and remained throughout, and that the meeting was conducted and public notice was given pursuant to and in full compliance with Act No. 267, Public Acts of Michigan of 1976, as amended, and that minutes were kept and will be or have been made available as required thereby.

Date: _____, 2021

Ann Marie Meisch, MMC
City Clerk

Publish: Notice of Adoption to be published once within ten (10) days of final adoption.

**CITY OF MUSKEGON
NOTICE OF ADOPTION**

TO: ALL PERSONS INTERESTED

Please take notice that on January 26, 2021, the City Commission of the City of Muskegon amended Chapter 18, Article IV of the Muskegon City Code, summarized as follows:

1. Section 18-83(d) is added to exclude the Muskegon Housing Commission's Hartford Terrace from calculating the annual service fee paid by the Muskegon Housing Commission upon an award of low income tax credits and to pay a payment in lieu of taxes and a municipal service fee pursuant to Muskegon Code Section 82-46, et.

Copies of the ordinance may be viewed and purchased at reasonable cost at the Office of the City Clerk in the City Hall, 933 Terrace Street, Muskegon, Michigan, during regular business hours.

This ordinance amendment is effective ten (10) days from the date of this publication.

Published: _____, 2021

CITY OF MUSKEGON

By _____
Ann Marie Meisch, MMC
City Clerk

PUBLISH ONCE WITHIN TEN (10) DAYS OF FINAL PASSAGE



Agenda Item Review Form

Muskegon City Commission

Commission Meeting Date: January 19, 2021	Title: Amendment to the Marihuana Facilities Overlay District – 885 E Apple Ave
Submitted By: Mike Franzak	Department: Planning
Brief Summary: Request to amend section 2331 of the zoning ordinance to include 885 E Apple Ave in the marihuana facilities overlay district, by Khi Guy.	
Detailed Summary: A motion was made that that request to amend Section 2331 of the zoning ordinance to expand the marihuana facilities overlay district to allow for Retail license types at 885 E Apple Ave be recommended to the City Commission for approval. The motion passed by a 5-1 vote.	
Amount Requested:	Amount Budgeted:
Fund(s) or Account(s):	Fund(s) or Account(s):
Recommended Motion: To approve the request to amend Section 2331 of the zoning ordinance to expand the marihuana facilities overlay district to allow for retail and provisioning license types at 885 E Apple Ave.	

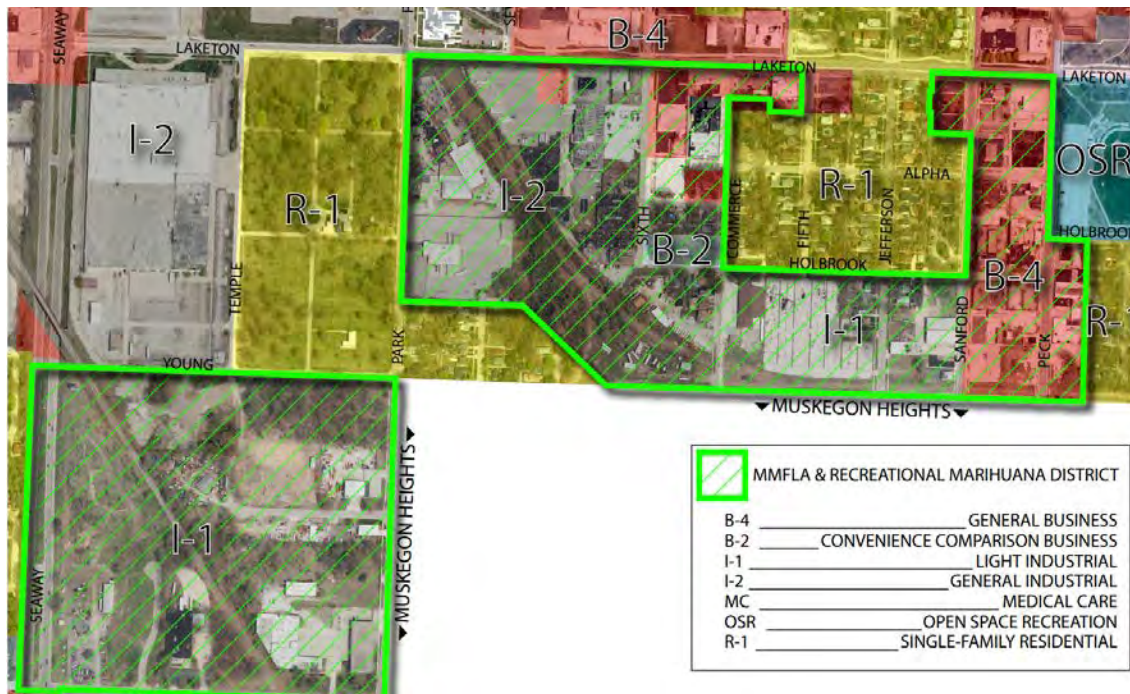
Planning Commission Excerpt

Hearing, Case 2021-02: Request to amend section 2331 of the zoning ordinance to include 885 E Apple Ave in the marihuana facilities overlay district, by Khi Guy.

SUMMARY

1. The applicant is requesting to amend the Marihuana Facilities ordinance to be included into the overlay district. They are seeking approval to be allowed to have a retail license type.
2. This property was recently denied inclusion into the overlay district as a staff requested initiative. This request is from the property owner and potential business partner.
3. Please see the maps below depicting the current overlay districts.
4. Notice was sent to everyone within 300 feet of this property.

Original Overlay District



Expanded Overlay Districts



Zoning Map



Aerial Map



CITY OF MUSKEGON
MUSKEGON COUNTY, MICHIGAN

ORDINANCE NO. _____

An ordinance to amend Section 2331 of the zoning ordinance to expand the marihuana facilities overlay district to allow for Provisioning/Retail license types at 885 E Apple Ave.

THE CITY COMMISSION OF THE CITY OF MUSKEGON HEREBY ORDAINS:

885 E Apple Ave will be added to the Marihuana Facilities Overlay District as a location allowed for Provisioning/Retail license types.

CITY OF MUSKEGON EASTGATE ADD LOTS 39-42 INCLUSIVE

This ordinance adopted:

Ayes: _____

Nayes: _____

Adoption Date: _____

Effective Date: _____

First Reading: _____

Second Reading: _____

CITY OF MUSKEGON

By: _____
Ann Meisch, MMC, City Clerk

CERTIFICATE

The undersigned, being the duly qualified clerk of the City of Muskegon, Muskegon County, Michigan, does hereby certify that the foregoing is a true and complete copy of an ordinance adopted by the City Commission of the City of Muskegon, at a regular meeting of the City Commission on the 26th day of January 2021, at which meeting a quorum was present and remained throughout, and that the original of said ordinance is on file in the records of the City of Muskegon. I further certify that the meeting was conducted and public notice was given pursuant to and in full compliance with the Michigan Zoning Enabling Act, Public Acts of Michigan No. 33 of 2006, and that minutes were kept and will be or have been made available as required thereby.

DATED: _____, 2020.

Ann Meisch, MMC

Clerk, City of Muskegon

Publish: Notice of Adoption to be published once within ten (10) days of final adoption.

CITY OF MUSKEGON
NOTICE OF ADOPTION

Please take notice that on January 26, 2021, the City Commission of the City of Muskegon adopted an ordinance to amend Section 2331 of the zoning ordinance to expand the marihuana facilities overlay district to allow for Provisioning/Retail license types at 885 E Apple Ave.

Copies of the ordinance may be viewed and purchased at reasonable cost at the Office of the City Clerk in the City Hall, 933 Terrace Street, Muskegon, Michigan, during regular business hours.

This ordinance amendment is effective ten days from the date of this publication.

Published _____, 2021.

CITY OF MUSKEGON

By _____

Ann Meisch, MMC

City Clerk

PUBLISH ONCE WITHIN TEN (10) DAYS OF FINAL PASSAGE.

Account No. 101-80400-5354



Agenda Item Review Form

Muskegon City Commission

Commission Meeting Date: January 26, 2021	Title: Community Relations Committee - Planning Commission Appointment
Submitted By: Ann Marie Meisch	Department: Clerk
Brief Summary: To select and appoint a new member to the Planning Commission. Interested in serving on the Planning Commission: • Michael Haueisen* • Bryan Pereira • William Snyder • Corey Bickford • Michael Hughes* • Christopher Carskadon • David Mendendorp* • Jane Clingman Scott* • Roberta King • Destinee Keener Willing to serve on any board: • Brianna MacPherson • Deondrea Cooper • Faye Redmond* • Johna Willis • Shundrice Brown *Already serves on a board.	
Amount Requested: N/A	Amount Budgeted: N/A
Fund(s) or Account(s): N/A	Fund(s) or Account(s): N/A
Recommended Motion: To appoint (name) to the Planning Commission.	
For City Clerk Use Only: Commission Action:	