

CITY OF MUSKEGON

CITY COMMISSION MEETING

May 27, 2025 @ 5:30 PM

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

AGENDA

- ☐ **CALL TO ORDER:**
- ☐ **PRAYER:**
- ☐ **PLEDGE OF ALLEGIANCE:**
- ☐ **ROLL CALL:**
- ☐ **HONORS, AWARDS, AND PRESENTATIONS:**
 - A. David Wendtland Proclamation Manager's Office
- ☐ **PUBLIC HEARINGS:**
 - A. FY 2025-26 Budget Manager's Office
- ☐ **FEDERAL/STATE/COUNTY OFFICIALS UPDATE:**
- ☐ **PUBLIC COMMENT ON AGENDA ITEMS:**
- ☐ **CONSENT AGENDA:**
 - A. Approval of Minutes City Clerk
 - B. Parking Enforcement Management System Public Safety
 - C. Sale of 280, 290, 300, 310, & 370 Allen Planning
 - D. Contract with Pioneer Resources for Transit Services Manager's Office
 - E. Juneteenth Resolution 2025 Manager's Office
 - F. Recognizing June as Pride Month Manager's Office
 - G. Rezoning of 236 Monroe Ave. Planning
 - H. Amendment to the zoning ordinance, definition of "family." Planning
 - I. Amendment to the zoning ordinance, creating regulations for "single-room occupancy homes" and "rooming houses." Planning

- J. **Resolution for 350 W Western Ave Social District Permit** Community Engagement
- K. **Contract Award: H92405 Sun Dolphin and Oak Resurfacing** DPW-Engineering
- L. **Lakeshore Art Festival Liquor License Application** DPW- Parks
- M. **PILOT Agreement for Park Terrace Apartments Aquisition** Economic Development
- N. **Municipal Services Agreement for Park Terrace Apartments Acquisition** Economic Development
- O. **PILOT Agreement for Village at Park Terrace Acquisition** Economic Development
- P. **Municipal Services Agreement for Village at Park Terrace Acquisition** Economic Development
- Q. **Amendment to City of Muskegon PILOT Ordinance for Definitions to Residential Housing Projects and Payment in Lieu of Taxes** Economic Development
- R. **Sale of Foreclosed Home at 1285 Langeland to Previous Owner for \$7,500** Economic Development

☐ **UNFINISHED BUSINESS:**

☐ **NEW BUSINESS:**

☐ **ANY OTHER BUSINESS:**

☐ **GENERAL 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. ► Limit of 3 minutes to address the Commission.

☐ **CLOSED SESSION:**

☐ **ADJOURNMENT:**

AMERICAN DISABILITY ACT POLICY FOR ACCESS TO OPEN MEETINGS OF THE CITY OF MUSKEGON AND ANY OF ITS COMMITTEES OR SUBCOMMITTEES

To give comment on a live-streamed meeting the city will provide a call-in telephone number to the public to be able to call and give comment. For a public meeting that is not live-streamed, and which a citizen would like to watch and give comment, they must contact the City Clerk's Office with at least a two-business day notice. The

participant will then receive a zoom link which will allow them to watch live and give comment. Contact information is below. For more details, please visit:

www.shorelinecity.com

The City of Muskegon will provide necessary reasonable auxiliary aids and services, such as signers for the hearing impaired and audio tapes of printed materials being considered at the meeting, to individuals with disabilities who want to attend the meeting with twenty-four (24) hours' notice to the City of Muskegon. Individuals with disabilities requiring auxiliary aids or services should contact the City of Muskegon by writing or by calling the following:

Ann Marie Meisch, MMC. City Clerk. 933 Terrace St. Muskegon, MI 49440. (231)724-6705.
clerk@shorelinecity.com



Agenda Item Review Form

Muskegon City Commission

Commission Meeting Date: May 27, 2025	Title: David Wendtland Proclamation															
Submitted by: Jonathan Seyferth, City Manager	Department: Manager's Office															
Brief Summary: Former City Manager Dave Wendtland passed away recently. This is a proclamation to honor his service to the City of Muskegon, which extended well beyond his time as City Manager, and to dedicate a memorial bench in his honor at Lighthouse Park near his home in the Beachwood Bluffton Neighborhood.																
Detailed Summary & Background:																
Goal/Focus Area/Action Item Addressed: <u>Key Focus Areas:</u> <u>Goal/Action Item:</u>																
Amount Requested: n/a	Budgeted Item: <table border="1" style="width: 100%; border-collapse: collapse; text-align: center;"> <tr> <td style="width: 15%;">Yes</td> <td style="width: 15%;">☐</td> <td style="width: 15%;">No</td> <td style="width: 15%;">☐</td> <td style="width: 15%;">N/A</td> <td style="width: 15%;">X</td> <td style="width: 15%;">☐</td> </tr> </table>	Yes	☐	No	☐	N/A	X	☐								
Yes	☐	No	☐	N/A	X	☐										
Fund(s) or Account(s): n/a	Budget Amendment Needed: <table border="1" style="width: 100%; border-collapse: collapse; text-align: center;"> <tr> <td style="width: 15%;">Yes</td> <td style="width: 15%;">☐</td> <td style="width: 15%;">No</td> <td style="width: 15%;">☐</td> <td style="width: 15%;">N/A</td> <td style="width: 15%;">X</td> <td style="width: 15%;">☐</td> </tr> </table>	Yes	☐	No	☐	N/A	X	☐								
Yes	☐	No	☐	N/A	X	☐										
Recommended Motion: To approve the resolution honoring former City Manager Dave Wendtland and place a memorial bench in his honor at Lighthouse Park.																
Approvals: <table border="1" style="width: 100%; border-collapse: collapse;"> <tr> <td style="width: 70%;">Immediate Division Head</td> <td style="width: 10%;">☐</td> <td style="width: 20%;"></td> </tr> <tr> <td>Information Technology</td> <td>☐</td> <td></td> </tr> <tr> <td>Other Division Heads</td> <td>☐</td> <td></td> </tr> <tr> <td>Communication</td> <td>☐</td> <td></td> </tr> <tr> <td>Legal Review</td> <td>☐</td> <td></td> </tr> </table>	Immediate Division Head	☐		Information Technology	☐		Other Division Heads	☐		Communication	☐		Legal Review	☐		Guest(s) Invited / Presenting: No
Immediate Division Head	☐															
Information Technology	☐															
Other Division Heads	☐															
Communication	☐															
Legal Review	☐															

**Proclamation Honoring David Wendtland
for His Dedicated Service to the City of Muskegon**

WHEREAS, David Wendtland brought to the City of Muskegon a distinguished career in public service, having served in multiple communities across Wisconsin and Pennsylvania before being appointed City Manager of Muskegon in February 1990; and

WHEREAS, during his tenure as City Manager from 1990 to 1994, David provided thoughtful, stable, and visionary leadership during a time of significant civic and economic transition, playing a key role in advancing development initiatives and improving city operations; and

WHEREAS, after his tenure as City Manager, David and his family chose to make Muskegon their permanent home. He continued his commitment to the greater community as President of the Muskegon Economic Growth Alliance, fostering private investment and supporting local business growth; and

WHEREAS, David's dedication to public service extended well into retirement, including 15 years of service on the City of Muskegon's Civil Service Commission beginning in 2010. Through his steadfast leadership, he championed fairness and transparency in city employment practices, serving with honor and integrity until stepping down in April 2025; and

WHEREAS, David also demonstrated a personal commitment to his neighborhood and public spaces by voluntarily maintaining and caring for Lighthouse Park, which he lived next to for many years. He played a critical role in working with the United States Coast Guard to secure the donation of the park to the City of Muskegon, ensuring public access and enjoyment for future generations; and

WHEREAS, in recognition of his deep care for the park and his legacy of stewardship, the City of Muskegon will honor David Wendtland with the installation of a memorial bench at Lighthouse Park. The bench will be placed on the hillside overlooking the channel, offering a peaceful place for visitors to rest and enjoy the scenic views that David so loved and helped preserve;

NOW, THEREFORE, BE IT RESOLVED, that the City of Muskegon extends its heartfelt gratitude and deep appreciation to David Wendtland for his outstanding service, dedication, and lasting contributions to our community.

IN WITNESS WHEREOF, I have hereunto set my hand and caused the official seal of the City of Muskegon to be affixed this 27th day of May, 2025.

I hereby set my hand and cause the Seal of
the City to be affixed on May 27, 2025.

By: _____
Kenneth D. Johnson, Mayor
City of Muskegon, MI



Agenda Item Review Form

Muskegon City Commission

Commission Meeting Date: May 27, 2025	Title: FY 2025-26 Budget							
Submitted by: Jonathan Seyferth, City Manager	Department: Manager's Office							
Brief Summary: Presenting a draft of the Fiscal Year 2026 budget - the total appropriation across all funds is \$111.9 million, with \$44.1 million appropriated from the general fund.								
Detailed Summary & Background: Staff will present the Fiscal Year 2026 budget, which was distributed to the commission on May 12, 2025. This will be a public hearing with discussion only. The budget will again be a discussion item at our June 9, 2025, work session, with action on the budget anticipated for June 10, 2026. The General Fund budget is presented with a budget surplus (in the black) of \$232,972. Because of the size of the budget document, please follow this link to the DRAFT FY 2025-26 Budget Book .								
Goal/Focus Area/Action Item Addressed: <u>Key Focus Areas:</u> <u>Goal/Action Item:</u> 2027 Goal 4: Financial Infrastructure								
Amount Requested: \$111,977,810 across all funds, \$44,102,840 in the general fund.	Budgeted Item: <table border="1" style="width: 100%; border-collapse: collapse;"> <tr> <td style="width: 15%;">Yes</td> <td style="width: 15%; text-align: center;">X</td> <td style="width: 15%;">No</td> <td style="width: 15%;"></td> <td style="width: 15%; text-align: center;">N/A</td> <td style="width: 15%;"></td> <td style="width: 15%;"></td> </tr> </table>	Yes	X	No		N/A		
Yes	X	No		N/A				
Fund(s) or Account(s): All City Funds	Budget Amendment Needed: <table border="1" style="width: 100%; border-collapse: collapse;"> <tr> <td style="width: 15%;">Yes</td> <td style="width: 15%;"></td> <td style="width: 15%;">No</td> <td style="width: 15%; text-align: center;">X</td> <td style="width: 15%; text-align: center;">N/A</td> <td style="width: 15%;"></td> <td style="width: 15%;"></td> </tr> </table>	Yes		No	X	N/A		
Yes		No	X	N/A				
Recommended Motion: none - discussion only								
Approvals: <table border="1" style="width: 100%; border-collapse: collapse;"> <tr> <td style="width: 60%;">Immediate Division Head</td> <td style="width: 10%; text-align: center;">X</td> <td style="width: 30%;"></td> </tr> <tr> <td>Information Technology</td> <td></td> <td></td> </tr> </table>	Immediate Division Head	X		Information Technology			Guest(s) Invited / Presenting: No	
Immediate Division Head	X							
Information Technology								

Other Division Heads	X	
Communication	X	
Legal Review		



Agenda Item Review Form

Muskegon City Commission

Commission Meeting Date: May 27, 2025	Title: Approval of Minutes															
Submitted by: Ann Meisch, City Clerk	Department: City Clerk															
Brief Summary: To approve minutes of the May 12, 2025, Worksession Meeting, and the May 13, 2025, City Commission Meeting.																
Detailed Summary & Background:																
Goal/Focus Area/Action Item Addressed: <u>Key Focus Areas:</u> <u>Goal/Action Item:</u>																
Amount Requested:	Budgeted Item: <table border="1" style="width: 100%; border-collapse: collapse;"> <tr> <td style="width: 15%;">Yes</td> <td style="width: 10%;"></td> <td style="width: 15%;">No</td> <td style="width: 10%;"></td> <td style="width: 15%;">N/A</td> <td style="width: 10%;">x</td> <td style="width: 15%;"></td> </tr> </table>	Yes		No		N/A	x									
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Fund(s) or Account(s):	Budget Amendment Needed: <table border="1" style="width: 100%; border-collapse: collapse;"> <tr> <td style="width: 15%;">Yes</td> <td style="width: 10%;"></td> <td style="width: 15%;">No</td> <td style="width: 10%;"></td> <td style="width: 15%;">N/A</td> <td style="width: 10%;">x</td> <td style="width: 15%;"></td> </tr> </table>	Yes		No		N/A	x									
Yes		No		N/A	x											
Recommended Motion: Approval of the minutes.																
Approvals: <table border="1" style="width: 100%; border-collapse: collapse;"> <tr> <td style="width: 70%;">Immediate Division Head</td> <td style="width: 10%;"></td> <td style="width: 20%;"></td> </tr> <tr> <td>Information Technology</td> <td></td> <td></td> </tr> <tr> <td>Other Division Heads</td> <td></td> <td></td> </tr> <tr> <td>Communication</td> <td></td> <td></td> </tr> <tr> <td>Legal Review</td> <td></td> <td></td> </tr> </table>	Immediate Division Head			Information Technology			Other Division Heads			Communication			Legal Review			Guest(s) Invited / Presenting: No
Immediate Division Head																
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CITY OF MUSKEGON

CITY COMMISSION WORKSESSION

May 12, 2025 @ 5:30 PM

MUSKEGON CITY COMMISSION CHAMBERS
933 TERRACE STREET, MUSKEGON, MI 49440

MINUTES

Present: Mayor Ken Johnson, Vice Mayor Rebecca St. Clair, Commissioners Katrina Kochin, Willie German, Jr., Destinee Keener, Jay Kilgo, and Rachel Gorman, City Manager Jonathan Seyferth, and City Clerk Ann Marie Meisch

2025-37 NEW BUSINESS

A. Apple Avenue Resolutions of Support Public Works

Dan VanderHeide, Director of Public Works, presented two resolutions for discussion, including a resolution expressing support for MDOT's design of the roadway, the City's cost share of certain items, and a resolution expressing a desire to take ownership of Apple Avenue within the City limits after the construction project is complete.

Staff presented background information and supporting documents for the Commission's consideration.

PUBLIC COMMENT

Public comments received.

ADJOURNMENT

The Commission Worksession meeting adjourned at 6:40 p.m.

Respectfully Submitted,

Ann Marie Meisch, MMC City Clerk

CITY OF MUSKEGON

CITY COMMISSION MEETING

May 13, 2025 @ 5:30 PM

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

MINUTES

The Regular Commission Meeting of the City of Muskegon was held at City Hall, 933 Terrace Street, Muskegon, Michigan at 5:30 p.m., Tuesday, May 13, 2025. Pastor E. J. Wood from All Shores Wesleyan Church, opened the meeting with prayer, after which the Commission and public recited the Pledge of Allegiance to the Flag.

ROLL CALL

Present: Vice Mayor Rebecca St. Clair, Commissioners Jay Kilgo, Destinee Keener, Willie German, Jr., Rachel Gorman, and Katrina Kochin, City Manager Jonathan Seyferth, City Attorney John Schrier, and City Clerk Ann Marie Meisch
Absent: Mayor Ken Johnson

2025-38 PUBLIC HEARINGS

A. Brownfield Plan Amendment- 351 W. Western Ave., 351 Phase II, LLC Economic Development

351 Phase II, LLC is requesting consideration of their brownfield plan amendment for the redevelopment project located at 351 West Western Avenue.

The City of Muskegon Brownfield Redevelopment Authority has received a request for approval of a Brownfield Plan Amendment under Act 381 for the 351 Phase II Redevelopment Project. The proposed amendment involves the redevelopment of approximately 0.5 acres of partially improved and vacant land located at the corner of W. Western Ave. and 2nd Street in downtown Muskegon.

The project, led by 351 Phase II, LLC, will transform the property into a mixed-use development featuring 64 new residential units (41 studios and 23 one-bedroom units), and approximately 3,112 square feet of first-floor retail space. This addition will enhance the existing Lake View Lofts project, which currently comprises 20 residential units, bringing the total to 84 units.

Approximately 50% of the new units (32 units) will be designated for tenants earning 120% of the area median income or less for a period of 30 years. The project is expected to commence in summer/fall 2025 and be completed within a 15-month construction period. The total capital investment is estimated at \$27.7 million. The amendment allows for the use of tax increment financing (TIF) to reimburse the developer for eligible activities totaling \$6,540,560. This includes baseline environmental assessment activities, housing development activities, site preparation, infrastructure improvements, and potential rent loss. The Brownfield Redevelopment Authority's administrative costs are expected to be \$384,333 and \$353,829 for the Local Brownfield Revolving Fund.

STAFF RECOMMENDATION: I move to close the public hearing and approve the Brownfield Plan Amendment for 351 Phase II, LLC.
The public hearing opened to hear and consider any comments from the public. No public comments were made.

Motion by Commissioner Keener, second by Commissioner German, to close the public hearing and approve the Brownfield Plan Amendment for 351 Phase II, LLC.

ROLL VOTE: Ayes: Kilgo, Keener, German, Gorman, Kochin, and St.Clair
Nays: None

MOTION PASSES

B. Neighborhood Enterprise Zone Certificate - 1542 Adams Ave. Economic Development

The staff are requesting the approval of a Neighborhood Enterprise Zone (NEZ) certificate for 15 years for a new construction home at 1542 Adams Ave. An application for a Neighborhood Enterprise zone (NEZ) certificate has been received from Stephens Homes and Investments for a new construction home at 1542 Adams Ave. The cost of construction is \$130,000. The applicant has met local and state requirements for the issuance of the NEZ certificate.

STAFF RECOMMENDATION: I move to close the public hearing and approve the Neighborhood Enterprise Zone (NEZ) certificate for 15 years at 1542 Adams Ave. and authorize the City Clerk and Mayor to sign the certificate and resolution. The public hearing opened to hear and consider any comments from the public. No public comments were made.

Motion by Commissioner Kilgo, second by Commissioner Gorman, to close the public hearing and approve the Neighborhood Enterprise Zone (NEZ) certificate for 15 years at 1542 Adams Ave. and authorize the City Clerk and Mayor to sign the certificate and resolution.

ROLL VOTE: Ayes: Kilgo, Keener, German, Gorman, Kochin, and St.Clair

Nays: None

MOTION PASSES

C. Neighborhood Enterprise Zone Certificate - 397 Marquette Ave. Economic Development

The staff are requesting the approval of a Neighborhood Enterprise Zone (NEZ) certificate for 15 years for a new construction home at 397 Marquette Avenue. An application for a Neighborhood Enterprise Zone (NEZ) certificate has been received from LRS Enterprises LLC for a new construction home at 397 Marquette Ave. The cost of construction is \$180,000. The applicant has met local and state requirements for the issuance of the NEZ certificate.

STAFF RECOMMENDATION: I move to close the public hearing and approve the Neighborhood Enterprise Zone (NEZ) certificate for 15 years for 397 Marquette Ave. and authorize the City Clerk and Mayor to sign the certificate and resolution. The public hearing opened to hear and consider any comments from the public. No public comments were made.

Motion by Commissioner Kochin, second by Commissioner German, to close the public hearing and approve the Neighborhood Enterprise Zone (NEZ) certificate for 15 years for 397 Marquette Ave. and authorize the City Clerk and Mayor to sign the certificate and resolution.

ROLL VOTE: Ayes: Keener, German, Gorman, Kochin, St.Clair, and Kilgo
Nays: None

MOTION PASSES

D. Neighborhood Enterprise Zone Certificate - 303 Terrace Point Circle Economic Development

Staff is requesting the approval of a Neighborhood Enterprise Zone (NEZ) certificate for 12 years for a new construction home at 303 Terrace Point Circle. An application for a Neighborhood Enterprise Zone (NEZ) certificate has been received from Greg and Karen Wing for their home located at 303 Terrace Point Circle. The estimated cost of construction exceeds \$300,000, and the home received a Certificate of Occupancy on November 11, 2019. The original NEZ application was submitted to the City of Muskegon in 2023 but was not processed or forwarded to the State due to an internal clerical error. A letter from the City acknowledging this oversight is included with this item. After consultation with the Michigan Department of Treasury, the applicants were advised to reapply. However, the State Tax Commission has noted that while reapplication is permitted, approval is not guaranteed.

STAFF RECOMMENDATION: I move to close the public hearing and approve the

Neighborhood Enterprise Zone (NEZ) certificate for 12 years at 303 Terrace Point Circle and authorize the City Clerk and Mayor to sign the certificate and resolution.

The public hearing opened to hear and consider any comments from the public. No public comments were made.

Motion by Commissioner Kilgo, second by Commissioner Kochin, to close the public hearing and approve the Neighborhood Enterprise Zone (NEZ) certificate for 12 years at 303 Terrace Point Circle and authorize the City Clerk and Mayor to sign the certificate and resolution.

**ROLL VOTE: Ayes: German, Gorman, Kochin, St.Clair, Kilgo, and Keener
Nays: None**

MOTION PASSES

PUBLIC COMMENT ON AGENDA ITEMS

Public comments received.

2025-39 CONSENT AGENDA

A. Approval of Minutes City Clerk

To approve minutes of the April 22, 2025, City Commission Meeting.

STAFF RECOMMENDATION: Approval of the minutes.

B. Sale of 283 & 287 E. Walton Planning

Staff is seeking authorization to sell the City-owned vacant lots at 283 & 287 E. Walton to Sjaarda Homes and Properties LLC (Derek Sjaarda).

Sjaarda Homes and Properties LLC (Derek Sjaarda) would like to purchase the City-owned buildable lots at 283 & 287 E. Walton for \$3,000 (75% of the True Cash Value of \$4,000) plus half of the closing costs, and the fee to register the deed. Sjaarda Homes and Properties LLC (Derek Sjaarda) will be constructing a single-family home on each of the properties.

STAFF RECOMMENDATION: Authorize staff to sell the City-owned vacant lot at 283 & 287 E. Walton to Sjaarda Homes and Properties LLC (Derek Sjaarda).

C. Sale of 1067 Sophia Planning

Staff is requesting approval of a purchase agreement for 1067 Sophia for \$125,000.

1067 Sophia was constructed through the agreement with Dave Dusendang to construct infill housing with ARPA funding. The offer (\$125,000) is under asking

price (\$129,900).

STAFF RECOMMENDATION: To approve the Purchase Agreement for 1067 Sophia for \$125,000.

D. Sale of 444 Adams Planning

Staff is seeking authorization to sell the City-owned vacant lot at 444 Adams to Ryskamp Properties LLC (Dave Ryskamp).

Ryskamp Properties LLC (Dave Ryskamp) would like to purchase the City-owned buildable lot at 444 Adams for \$3,000 (75% of the True Cash Value of \$4,000) plus half of the closing costs, and the fee to register the deed. Ryskamp Properties LLC (Dave Ryskamp) will be constructing a duplex on the property.

STAFF RECOMMENDATION: Authorize staff to sell the City-owned vacant lot at 444 Adams to Ryskamp Properties LLC (Dave Ryskamp).

E. Liquid Sodium Hypochlorite Renewal Public Works

Staff is requesting authorization to renew our purchase agreement for liquid sodium hypochlorite from Webb Chemical.

The Water Filtration Plant uses sodium hypochlorite in the production of drinking water. The application of sodium hypochlorite is one of several crucial processes used to inactivate or remove pathogens from the water. Since 1996, the Water Filtration Plant has solicited competitive bids for water treatment chemicals jointly with the cities of Grand Haven, Grand Rapids, Holland, Muskegon Heights, and Wyoming. The City of Grand Rapids manages this bidding process and holds the master agreement. Bids were solicited for a one-year contract with the option to renew for two additional one-year terms. Webb Chemical's bid has no price increases for the one-year duration of the contract and is overall the cheapest bidder. Webb Chemical is a local supplier to Muskegon County and has supplied the cooperative with liquid sodium hypochlorite in the past. Staff recommends we continue with the cooperative and renew Webb Chemical as our supplier.

	<u>1-Year</u> <u>(\$/ton)</u>	<u>2-Year</u> <u>(\$/ton)</u>
Alexander Chemical Corp	387.23	407.19
JCI Jones Chemicals Inc	374.14	374.14
Rowell Chemical	447.00	No Bid
Webb Chemical Service Corp	366.00	366.00

The Water Filtration Plant has used an average of 450 tons of liquid sodium hypochlorite in the previous three fiscal years. With this renewal, our estimated cost would remain at \$164,700.00 for the renewed one-year contract. Liquid sodium hypochlorite is included in the budget, but the actual amount spent will depend on water demand and source water quality.

STAFF RECOMMENDATION: I move to authorize staff to participate in the treatment plant purchase cooperative and renew our purchase agreement for liquid sodium hypochlorite with Webb Chemical.

F. Contractor selection- 1698 Wood St. Community & Neighborhood Services Select contractor to complete lead abatement and general contracting work. The CNS department purchased a vacant house at 1698 Wood Street for \$65,000. The purpose is to rehab the property and sell it to an income-eligible family. HOME guidelines require that a lead risk assessment be conducted. The risk assessment identified significant amounts of lead throughout the house. In January 2025, an RFP was published to request bids for the lead remediation work and general rehab work for a 4-bedroom, 2-bath accessible home. Bids were received from 3 contractors. The evaluation of the bids showed that the contractors did not submit complete bid packets. Also, the rehab amounts were much higher than anticipated. Bids were then evaluated by additional CNS staff, who also consulted with SafeBuilt for an opinion of the cost. Staff conducted an itemized cost comparison by comparing bids from other lead projects with these bids. It was determined that the line items were comparable in cost to other lead work by the same contractors. Part of the request for bids is for electrical work, plumbing and HVAC. To ease the time burden on staff, the hope was to have the general contractor hire and manage the individual trades throughout the rehab process. To determine if the bids for these parts of the project were reasonable, HVAC, plumbing and electrical contractors were invited to bid on that part of the project. The following is the breakdown:

Trade	Contractor	Type of Contractor	Cost
Plumbing	Badgerow's B&R	Lead and General	\$20,000
	Nassau	Lead and General	\$21,860
	Across the Board	Lead and General	\$18,750
	Andy's Plumbing	Plumber	\$19,000
HVAC	Badgerow's B&R	Lead and General	\$8,000
	Nassau	Lead and General	\$22,000
	Across the Board	Lead and General	\$30,000
	Jewett	Heating and Cooling	\$9,145
Electrical	Badgerow's B&R	Lead and General	\$20,000
	Nassau	Lead and General	\$22,000
	Across the Board	Lead and General	\$30,000
	Belasco Electric	Electrical	\$19,175

After reviewing the additional bids, it was determined that, while not a huge savings, it would save a few hundred dollars if CNS hires the specialized contractors directly. CNS staff also scheduled an inspection of the roof to determine its condition and need for repairs. The roofing contractor was able to confirm that the house has a fairly new roof. It was installed correctly and does not need to be replaced at this

time. A couple of repairs are needed, but this will be a cost savings of at least \$13,000.

All the existing windows have tested positive for lead, which is a very expensive part of the project. To save money, staff created a new floor plan that eliminated 10 windows. This saves about \$15,000.

Unfortunately, while doing the contractor walk-throughs, questions were raised about the height of the second-floor ceiling. Staff requested an evaluation by SafeBuilt, and they concluded that the ceiling is too low to have rooms on this floor. The scope of work had to be changed to include properly raising and insulating the ceiling. This added costs to the rehab work.

A revised RFP went out at the end of March. CNS received 3 bids. Two for the lead and general and one for just the general rehab work. The project has been awarded to Badgerow's Building and Remodeling at a total cost of \$204,150 for the general rehab and lead remediation.

While the cost of the project is significantly higher than originally expected, the revised scope of work saves a considerable amount of money.

A breakdown of the bids received in February and April is below.

Contractor	Lead Remediation	General Rehab Total	Project Total
Feb 2025 Bids			
Badgerow's B&R	\$97,200.00	\$202,150.00	\$299,350.00
Nassau Construction	\$79,980.00	\$205,444.00	\$285,424.00
Across the Board	\$82,100.00	\$232,175.00	\$314,275.00
CTI	\$0.00	\$0.00	\$0.00
April 2025 Bids			
Badgerow's B&R	\$61,250.00	\$142,900.00	\$204,150.00
Nassau Construction	\$79,980.00	\$177,084.00	\$257,064.00
Across the Board	\$0.00	\$0.00	\$0.00
CTI-submitted for general rehab only	\$0.00	\$366,030.00	

TOTAL PROJECT COSTS

TOTAL PROJECT \$251,470.00

Lead Remediation	\$61,250
General Rehab	\$142,900
HVAC	\$9,145
Electrical	\$19,175
Plumbing	\$19,000

STAFF RECOMMENDATION: To approve general and trade contractors to complete the rehabilitation of 1698 Wood St.

J. Fleet Vehicle Replacements Public Works

Staff recommends purchasing three pickup trucks to replace aging vehicles in the city's fleet.

Staff recommends purchasing two 2025 Ford Maverick pickup trucks from Great Lakes Ford at a total cost of \$59,566.00 to replace aging fleet vehicles—a 2007 Ford Ranger and a 2011 Ford F-150. Three quotes were obtained from local dealers: 2025 Ford Mavericks from Great Lakes Ford at \$29,783 each, 2025 Honda Ridgelines from Betten at \$38,592.05 each, and 2024 Chevy Colorados from Betten for \$43,078.25 each.

Additionally, staff recommends purchasing one Ford F-250 pickup truck from Gorno Ford for \$55,987.00 to replace a 2011 Ford F-250. The purchase of the Ford F-250 is being made through the MiDEAL cooperative purchasing program, which ensures competitive pricing through publicly bid contracts.

All recommended vehicle purchases are included in the FY 2024–25 Equipment Fund budget. The total cost for these acquisitions is \$115,553.00.

STAFF RECOMMENDATION: I move to authorize staff to purchase two Ford Mavericks from Great Lakes Ford and one Ford F-250 from Gorno Ford for a total cost of \$115,553.00.

K. Energy Performance Contract Consultant Public Works

Staff request approval to enter into an arrangement with Johnson Controls, Inc., an energy service company, to prepare an energy performance contract. An Energy Performance Contract (EPC), is a financing mechanism where an Energy Service Company (ESCO) installs, and in some cases maintains, energy-efficient equipment in a customer's facility and is paid for the cost of the project with a portion of the energy savings generated. The ESCO guarantees a level of energy savings over a specific period, and the customer pays for the project through those savings, often without upfront capital expenditures. EPCs are commonly used by governments to fund energy efficiency projects in their facilities.

Staff solicited a Request for Qualifications. This included reached out to Johnson Controls, Inc. (JCI), American Building Maintenance (ABM), and RWE Clean Energy to specifically solicit qualifications from those firm based on prior contacts with those firms, plus a full advertisement according to the City's standard process (on the website, etc.). Only JCI submitted to the RFQ.

Staff recommends JCI based on our interactions with them, their work with similar nearby organizations, and their RFQ submittal. JCI has worked with many

Michigan cities on projects like the one staff envisions, and JCI staff have worked with Muskegon Heights, Ottawa County, Marquette, and Lansing. On pages 47 and 48 of their submittal, you can see their commitment to using a local, diverse workforce during the construction phase. Given the nature of EPC's, if the City elects to move forward with a project in the future, Johnson Controls, Inc. (JCI) will be the City's design-build contractor and financier. Staff has brought this item forward now in transparency, since future requests may include exceptions to the purchasing policy.

Staff anticipates the DPW facility as the prime target of the work, but depending on the energy audit findings JCI may recommend projects at other facilities as well if the savings are worth the effort. JCI will guarantee a specific level of savings associated with the project(s) they recommend. The City and JCI would split the savings generated by the energy-efficient equipment, the City's portion of which is available to defray the costs of the project(s). These efforts could allow the City to engage in activities identified in a Climate Action Plan with the goal of reducing the City's carbon footprint and seeing energy savings. A Climate Action Plan is being prepared and will be presented to the Commission for review and adoption soon. Staff anticipates the Climate Action Plan will be available for JCI to use as a resource when developing potential projects.

It's important to know that at this time, staff is only asking for approval to enter into an exclusive arrangement with JCI, not for a specific project(s) or funds. JCI will work with staff to perform a detailed energy audit, and based on those results they will recommend a specific project or projects that will save the City money. Since the savings are shared, JCI has an incentive to generate as much savings as practical. Only at that time would staff come back with the particulars of the project, the financing vehicle(s), the guaranteed savings and other project information for consideration by the Commission.

STAFF RECOMMENDATION: I move to approve staff entering into an arrangement with Johnson Controls, Inc., an energy service company, to prepare an energy performance contract.

L. Sick Leave Extension for Employee Public Safety

An employee is requesting an extension of sick leave.

Officer Andrew McKee is requesting an extension of sick leave. His sick leave has currently been exhausted, but he is asking for an extension of sick leave to be able to return to duty at full health. He is requesting this per the Police Patrol Union contract Article 18.8: *In the event of a confining illness, and provided the sick leave accumulation has been exhausted, the City Commission may authorize an extension of leave to the extent of five (5) days for each year of service, not to exceed an additional sixty (60) working days. Provided, however, that, in the case of an employee who shall have been in the City service for more than fifteen (15) years, such additional leave may be extended not to exceed six (6) months, instead of sixty (60) working days.*

Officer McKee has been an employee for 7 years and is requesting a total of 35 sick days.

STAFF RECOMMENDATION: I recommend extending 35 sick days for Officer Andrew McKee per the Police Patrol Union contract.

O. Concur with CRC Recommendation City Clerk

To concur with CRC recommendation to accept the resignation of Chelsea Kelley, as Citizen At Large, from the Citizen's Police Review Board.

STAFF RECOMMENDATION: To accept the resignation of Chelsea Kelley from the Citizen's Police Review Board.

P. Resolution for Watch Muskegon Day Manager's Office

Approval of the resolution declaring May 22 as Watch Muskegon Day.

STAFF RECOMMENDATION: Approval of the resolution.

Motion by Commissioner German, second by Commissioner Gorman, to adopt the consent agenda as presented minus items G, H, I, M, and N.

**ROLL VOTE: Ayes: Kochin, St.Clair, Kilgo, Keener, German, and Gorman
Nays: None**

MOTION PASSES

2025-40 ITEMS REMOVED FROM THE CONSENT AGENDA

G. South Breakwater Pier Gate Lease Amendment Public Works

Staff requests authority to sign the included amendment to the City's lease of U.S. Army Corps of Engineers' waterfront at Pere Marquette Beach to allow a pier gate to be installed.

About a year ago, the Public Safety Department submitted a grant to the U.S. Army Corps of Engineers (USACE, commonly referred to as "the Corps") for a pier gate to be installed on the south breakwater arm at Pere Marquette Beach. After a long deliberation, the Corps has awarded the grant to Muskegon. Before the grant agreement can be signed and the pier gate installed, the lease the City holds with the Corps that allows us to make specific improvements to property owned by the Corps (including parts of Pere Marquette, Margaret Drake Elliot and the Muskegon Lake Channel) needs to be amended to allow the gate to be installed. The attached lease amendment will make those modifications.

The Public Safety Department will work with the Corps to execute the grant, while DPW may assist with the gate installation depending on contracting method. Staff anticipates that specifically authorized Parks staff (such as a Park

Ranger) may operate the gate under the direction of Public Safety.

STAFF RECOMMENDATION: I move to approve staff to sign an amendment to the City's lease of U.S. Army Corps of Engineers' waterfront at Pere Marquette Beach to allow a pier gate to be installed.

Motion by Commissioner Kochin, second by Commissioner Kilgo, to approve staff to sign an amendment to the City's lease of U.S. Army Corps of Engineers' waterfront at Pere Marquette Beach to allow a pier gate to be installed.

ROLL VOTE: Ayes: St.Clair, Kilgo, Keener, German, Gorman, and Kochin
Nays: None

MOTION PASSES

H. Extension of Partnership Agreement: Boys & Girls Club of the Muskegon Lakeshore DPW- Parks

Staff is requesting authorization to extend our contract with the Boys & Girls Club of the Muskegon Lakeshore for temporary staffing services during the 2025 maintenance season.

DPW typically hires up to 30 seasonal employees each year from GoodTemps (Goodwill). The staffing provided by this agreement will take the place of an approximately equal number of our typical seasonal employees, helping DPW fill our roster during the labor shortage and providing employment and training for younger community members. Temporary staffing is accounted for in the annual budget of the departments that use these services. The employees under this agreement are included in the parks (general) fund budget.

The Boys & Girls Club anticipates providing approximately 8 staff split in two teams, and in consultation with DPW, identified two service areas that they would be well suited for:

1. Landscape maintenance, waste-removal and general support in the BID area downtown.
2. Restroom cleaning and waste removal at various parks.

STAFF RECOMMENDATION: Authorize staff to contract with the Boys and Girls Club of the Muskegon Lakeshore for temporary staffing services during the 2025 maintenance season.

Motion by Commissioner Kochin, second by Commissioner German, to authorize staff to contract with the Boys and Girls Club of the Muskegon Lakeshore for temporary staffing services during the 2025 maintenance season with the youth rate of \$12.34 an hour to start.

ROLL VOTE: Ayes: Kilgo, Keener, German, Gorman, Kochin, and St.Clair
Nays: None

MOTION PASSES

I. Resolution for Charitable Gaming License - Restoration Restore a Generation City Clerk

Restoration Restore a Generation is requesting a resolution recognizing them as a non-profit organization operating in the City for the purpose of obtaining a gaming license. They have been recognized as a 501(c)(3) organization by the State.

Restoration Restore a Generation provides a safe haven for all youth ages 18 and under. The center has access to a gym, commercial kitchen, cafeteria, classrooms, and an outdoor park. They offer meals, clothing, hygiene products, arts & crafts, and many other activities. They will use the gaming license to raise money for the center.

STAFF RECOMMENDATION: Approval of the resolution for a Charitable Gaming License.

Motion by Commissioner Keener, second by Commissioner German, to approve the resolution for a Charitable Gaming License.

ROLL VOTE: Ayes: Kilgo, Keener, German, Gorman, Kochin, and St.Clair
Nays: None

MOTION PASSES

M. Resolution of Support for the Design of Apple Avenue Public Works

Staff recommends adoption of the included resolution expressing support for MDOT's design of Apple Avenue and associated City costs.

As discussed at the Worksession meeting on May 12, 2025, this resolution expresses support for MDOT's design of Apple Avenue, including lane reductions to three lanes from Roberts to Terrace, and two lanes from Terrace to Webster. The City's costs associated with utility work, statutory cost share, and other improvements including a multi-use path along the south side of Apple are included in the resolution for clarity. Those costs are included in the recommended FY26 budget.

STAFF RECOMMENDATION: I move to adopt the included resolution expressing support for MDOT's design of Apple Avenue and the City's associated costs.

Motion by Commissioner Kilgo, second by Commissioner German, to adopt the resolution expressing support for MDOT's design of Apple Avenue and the City's associated costs.

ROLL VOTE: Ayes: Keener, German, Gorman, Kochin, and St.Clair
Nays: Kilgo

MOTION PASSES

N. Resolution of Support for City Ownership of Apple Avenue Public Works

Staff recommends adoption of a resolution of support for City ownership of Apple Avenue following MDOT's 2026 reconstruction project.

During design of Apple Avenue, the City heard from the community that creating a city street instead of a state highway along the Apple Avenue corridor was a priority. Many of the changes necessary were supported by MDOT and have been incorporated into the current design. Some other changes MDOT has expressed concern about, however they have made it clear that if the City were to take ownership of Apple Avenue after the reconstruction project (removing the M-46 designation and placing the City in full control of the street), the design standards the project is required to use become more flexible.

Examples of items that would be affected by the City taking ownership include the signals at Terrace Street and Pine Street. The traffic study clearly shows the signals are not needed, nor are they needed any time soon even with models that project increasing traffic in the area, a fact MDOT acknowledges. As far away as 20 years from now, the study does point out that the level of service at those two intersections would be approaching an undesirable level, assuming traffic increases at the rate the study projects. Given this, MDOT's attitude is very conservative, and their Lansing-based Signals Unit has decided that they would leave the signals in place in anticipation of the situation 20 years from now. City staff on the other hand, feel strongly that 20 years of maintaining signals together with the neighborhood character that comes with all-way stop controls is the preferred method for the next 20 years, which again is supported by the traffic study. MDOT has specifically relayed that if the City takes ownership, the signals can be removed as a part of the project. If MDOT remains in control, the signals will remain.

Other items that would be affected are less specific, but they are real. Currently, MDOT permits all activity along Apple Avenue. The City would have that right in the future. This could make it easier for residents and businesses to make small changes to Apple. If a Corridor Improvement Authority or Business Improvement District were established in the future to fund landscaping and lighting improvements (similar to Lakeside), that group would likely find it easier to work with the City than MDOT, given the difference in rules and regulations each entity is subject to. Future City-led efforts to make changes to Apple would also be simpler and potentially less costly.

The benefits of ownership do come at a cost. While the City would continue to receive the same amount of gas tax money for Apple Avenue as we do today, we would no longer be reimbursed by MDOT for the maintenance we do on Apple. The maintenance necessary would start to come from the gas tax money we receive for Apple. Staff estimates the change per year with all factors considered is approximately \$100,000 to the major street fund (202). Future

capital costs would also be on the City, although a portion of those costs would likely be recoverable through federal distributions (at an opportunity cost for other major streets).

STAFF RECOMMENDATION: I move to adopt the included resolution of support for City ownership of Apple Avenue after MDOT's 2026 reconstruction project.

Motion by Commissioner Keener, second by Commissioner German, to adopt the resolution of support for City ownership of Apple Avenue after MDOT's 2026 reconstruction project.

ROLL VOTE: Ayes: German, Gorman, St.Clair, and Keener
Nays: Kochin and Kilgo

MOTION PASSES

GENERAL PUBLIC COMMENT

Public comments received.

ADJOURNMENT

The City Commission meeting adjourned at 8:24 p.m.

Respectfully Submitted,

Ann Marie Meisch, MMC City Clerk



Agenda Item Review Form

Muskegon City Commission

Commission Meeting Date: May 27, 2025	Title: Parking Enforcement Management System
Submitted by: Timothy Kozal, Public Safety Director	Department: Public Safety
Brief Summary: The police department is looking to switch over to a new parking enforcement management system for paid parking to increase efficiency for our parking enforcement officers and a more user-friendly experience for consumers.	
Detailed Summary & Background: Parking Enforcement has a contract with Passport Inc. to provide services for people to purchase daily paid parking passes as well as pay any parking citation. Their contract expires on 07/19/2025. We are looking into a new parking enforcement system to increase efficiency and accuracy. T2 Systems came in at the lowest bid compared to Passport and Aims Parking. T2 Systems quoted \$22,126 for the first year and a \$10,764 annual cost for each year after that. T2 Systems also has a user-friendly app for customers to purchase paid parking and a responsive customer service team. Using the T2 Systems would still allow for annual parking passes to be purchased at kiosks. T2 Systems would add additional options for people to purchase daily passes using an app, pay for parking citations using an app, and parking enforcement to check parking passes by reading license plates.	
Goal/Focus Area/Action Item Addressed: <u>Key Focus Areas:</u> <u>Goal/Action Item:</u> 2027 Goal 1: Destination Community & Quality of Life	
Amount Requested: \$22,126	Budgeted Item: Yes
Fund(s) or Account(s): 101-772-801	Budget Amendment Needed: No
Recommended Motion: I move to award T2 Systems with the bid for parking enforcement's management system.	
Approvals: Immediate Division Head and Legal Review	Guest(s) Invited / Presenting:

	No
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T2 Master Customer Agreement

This Master Customer Agreement (the "Agreement") is made as a cooperative purchasing effort via Sourcewell by and between T2 Systems, Inc. ("T2 Systems") and City of Muskegon ("Customer") as of the Effective Date set forth below.

1. **BACKGROUND.** The Agreement establishes the overall contractual framework and the applicable terms and conditions. Under the Agreement, Customer may acquire or license Products and procure Services by entering into an Addenda. The following Addenda will be entered into by Customer and T2 Systems or one of its Affiliates and each will be incorporated in this Agreement herein.

-UPsafety Software Subscription Addendum

In the event of any conflicts in the terms of the applicable Addenda and the Agreement, the terms of the Addenda shall control.

2. **DEFINITIONS.** In this Agreement:

- (a) **"Addenda"** or **"Addendum"** means each document attached hereto and made part of the Agreement which may include a Quote, Order Form or Statement of Work, between Customer and T2 Systems or one of its Affiliates under this Agreement to place orders for Products and/or Services.
- (b) **"Affiliate"** means, in respect of an entity, any entity which directly or indirectly controls, is controlled by, or is under common control with such entity. "Control" for purposes of this definition, means direct or indirect ownership or control of more than 50% of the voting interests of an entity.
- (c) **"Confidential Information"** means and includes any written or orally or visually disclosed information relating to the disclosing party's business identified as "confidential" or "proprietary" or which the receiving party should reasonably know is confidential or not generally known to the public, including, without limitation:
 - (i) all know-how, technology, Documentation and other proprietary information owned, licensed, used or developed by the disclosing party, including proprietary rights protected by trade secret and other intellectual property rights, and;
 - (ii) all information relating to the disclosing party's business, the source code for the Software, the Services, and to all other aspects of the disclosing party's structure, personnel, operations, financial matters, marketing, commercial strategies, customer lists, Customer Data, contractual records, correspondence, products, programs, devices, concepts, inventions, designs, methods, data, and items provided to the disclosing party by third parties subject to restrictions on use or disclosure.
- (d) **"Customer Data"** means the data provided to T2 Systems by Customer and Customer's authorized end users who access or use Software as permitted in an Addendum.



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- (e) **"Documentation"** means the documentation, help files, user manuals, handbooks and any other written or electronic material relating to the Products and Services provided by T2 Systems to its customers from time to time.
- (f) **"Effective Date"** means the latest of the dates on which this Agreement is executed by Customer and T2 Systems as indicated in the signature block at the end of these terms and conditions.
- (g) **"Hardware"** means the T2 Systems hardware sold and provided by T2 Systems to Customer under an Addendum.
- (h) **"Products"** means the T2 Systems products licensed or sold by T2 Systems to Customer under an Addendum including Software and Hardware.
- (i) **"Quote"** or **"Order Form"** means the quote provided by T2 Systems to Customer related to the ordering of Products and/or Services as set forth in the applicable Addendum. Unless otherwise stated in the Quote, each Quote is incorporated and made part of the applicable Addendum.
- (j) **"Representatives"** means, in respect of a party, the directors, officers, employees, agents and contractors of such party.
- (k) **"Services"** means the T2 Systems services provided by T2 Systems to Customer under an Addendum.
- (l) **"Software"** means the T2 Systems Software access to which is licensed by T2 Systems to Customer under an Addendum.

All other terms defined in this Agreement shall have the meanings ascribed thereto.

3. **TERM.** This Agreement shall commence on the Effective Date and remain in full force and effect until terminated in accordance with its terms.

4. **FEES AND PAYMENT.**

- (a) Customer agrees to pay to T2 Systems the fees plus all applicable taxes as set forth in the applicable Addendum.
- (b) All fees are exclusive of all taxes, duties and levies of any kind, including any sales, use, excise, value-added and other applicable taxes, withholdings, and governmental charges (collectively, **"Taxes"**). Customer shall pay all applicable Taxes, other than taxes on T2 System's income. If T2 Systems pays any such amounts on behalf of Customer, Customer shall reimburse T2 Systems upon presentation of proof of payment.
- (c) If Customer claims an exemption from any such taxes, Customer shall provide to T2 Systems an appropriate exemption certificate. If Customer challenges the applicability of any tax, Customer shall nevertheless pay the same to T2 Systems and Customer may thereafter challenge the tax and seek a refund thereof.
- (d) **Material Adverse Change.** In the event of a material adverse change, the Parties agree to renegotiate, in good faith, pricing of the applicable Addendum and/or Quote(s) within thirty (30) days of such material adverse change. For purposes of this Section 3.4, a "material adverse change" shall mean any event, occurrence, change in facts, conditions, or effect that has been or reasonably can be expected to be adverse to the Customer or the T2, and their respective businesses, operations, or financial conditions, including, but not limited to, a change in law that affects the Services or Deliverables. If the Parties cannot reach an agreement regarding renegotiated pricing within thirty (30) days of such material adverse change, T2 shall have the exclusive option to terminate this MSA and/or any Addendum hereunder upon thirty (30) days written notice

5. **OWNERSHIP.**



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- (a) Customer agrees that the Software, Documentation and Services are proprietary products and services of T2 Systems and that all right, title and interest in and to the Software, Documentation and Services, including all associated intellectual property and other proprietary rights, are and shall at all times remain with T2 Systems and its third party licensors. The Software contains trade secret and proprietary information owned by T2 Systems or its third party licensors and is protected by copyright laws and international trade provisions and other applicable law. Customer must treat the Software like any other copyrighted material and Customer may not copy or distribute the Software or the Documentation, electronically or otherwise, for any purpose. Any Software provided under an Addendum will be licensed not sold to Customer.
- (b) Customer agrees that any copies made of the Documentation, any other T2 Systems Confidential Information and any other material obtained from T2 Systems shall preserve unaltered patent, trademark, copyright, proprietary or confidentiality notices contained therein.
- (c) Each party recognizes and acknowledges the great value of the goodwill associated with the name and trademarks of the other party, and the identification of the proprietary party's goods or services therewith. Each party agrees that it obtains no rights, title or interest of any kind in or to any of the trademarks, tradenames, logos, service marks or other markings belonging to the other party or its suppliers.

6. CONFIDENTIALITY.

- (a) Each party agrees to hold all Confidential Information of the other party in strictest confidence, not to make use thereof other than for the performance of this Agreement, to disclose such Confidential Information only to its Representatives who are under an obligation of confidentiality with respect thereto and who require such information for the performance of their duties, and not to disclose such Confidential Information to any third parties, except with the disclosing party's prior written consent; provided, however, that the foregoing restrictions shall not apply to Confidential Information of the other party:
 - (i) that is now or hereafter in the public domain through no action or failure to act on the part of the receiving party or its Representatives;
 - (ii) that was received by or was available to the receiving party from a third party without any obligation of confidentiality to the disclosing party;
 - (iii) that is independently developed by or for the receiving party by persons who have not had access to the Confidential Information of the disclosing party; or
 - (iv) that is disclosed with the written consent of the disclosing party.
- (b) Each party may disclose the other party's Confidential Information pursuant to the requirement of a governmental agency or is required by operation of law, regulation or court order, provided that, whenever possible, prompt notice is given by the receiving party to the disclosing party prior to such disclosure so that the disclosing party may seek a protective order or other remedy.
- (c) Each party agrees to protect and safeguard Confidential Information of the other party from loss, theft, destruction and inadvertent disclosure using the same degree of care as it uses to protect its own Confidential Information, but in no event less than a reasonable standard of care.
- (d) Each party shall hold the other party's Confidential Information in trust for the other party and all right, title and interest in and to such Confidential Information shall remain with the disclosing party.
- (e) Upon termination of the Agreement or an applicable Addendum, or otherwise upon the request of a disclosing party, the receiving party will promptly destroy all full and partial copies of the disclosing party's Confidential Information in its possession or control, or in the event of termination of an



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Addendum such information provided under the applicable terminated Addendum, and certify such destruction in writing; provided, however, that the receiving party may retain one (1) copy for its internal archival purposes only, which copy shall remain subject to the obligations of confidentiality set out in this Section 6.

7. CUSTOMER DATA.

- (a) Customer shall be solely responsible for, Customer's inputs, selection and use of the Services, and all data (including Customer Data), reports, statements and other content transmitted, posted, received or created on the T2 System through Customer's account, even if transmitted, posted, received or created by a third party.
- (b) The Software may create and store databases of personal information of Customer end-users and data relating to Customer on the computer system on which the Software is accessed or installed. Customer agrees to take all steps which it deems are appropriate to provide adequate security for that information.
- (c) The parties acknowledge that at all times Customer will remain the owner of Customer Data. Except as otherwise set forth herein or in the applicable Addenda, T2 Systems shall not at any time use Customer Data or disclose Customer's Data to any third parties, except that T2 Systems may use Customer Data for the purpose of meeting its obligations under an Addendum and providing the Services, and may store, back-up and archive Customer Data. Customer represents and warrants that the Customer Data does not infringe or violate the intellectual property, proprietary or personal rights of any third party and Customer has the right to grant T2 Systems the right to use the Customer Data as set forth herein.
- (d) T2 Systems will comply with all applicable laws governing the collection, access, use, disclosure of Customer Data. All Customer Data which is submitted by Customer to T2 Systems pursuant to this Agreement will be safeguarded by T2 Systems to the same extent that T2 Systems safeguards data relating to its own business; provided, however, if Customer Data is publicly available, is already in T2 System's possession from a source other than Customer or otherwise known to it, or was rightfully obtained by T2 Systems from third parties, T2 Systems shall bear no responsibility for its disclosure, inadvertent or otherwise. T2 Systems has implemented and will maintain administrative, physical and technical safeguards to protect Customer Data from unauthorized access, acquisition or disclosure, destruction, alteration, accidental loss, misuse or damage that are no less rigorous than accepted industry practices. In the event of unauthorized access to Customer Data which has been verified by T2 Systems, T2 Systems shall promptly i) take action to stop the unauthorized access, and ii) notify Customer, provide Customer with relevant details of the unauthorized access and an explanation of steps that T2 Systems took or is taking to stop the unauthorized access.
- (e) T2 Systems maintains Payment Card Industry (PCI) Level One compliance and upon request (no more than once annually), T2 Systems will provide Customer with a copy of its third-party audit certification demonstrating that appropriate information security standards to protect Customer Data are in place.

8. INDEMNITY.

- (a) T2 Systems Indemnification. Subject to the limitation of liability set out in Section 11, T2 Systems shall indemnify, defend and hold harmless Customer, its officers, directors or employees ("Indemnitees") from and against any and all direct losses, damages, costs, expenses (including reasonable attorneys' fees), (collectively "Losses"), to the extent that such Losses arise directly from any act(s) of gross negligence or willful misconduct by T2 Systems or any of its Representatives, giving rise to an accident or other occurrence resulting in bodily injury or death, to any person(s) arising out of or related to: (i) claims for loss or damage to tangible property, and (ii) claims asserted



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by third parties for loss or damage to tangible property; except to the extent that such Losses were not caused by T2 Systems .

- (b) Intellectual Property Indemnification. Subject to the limitation of liability set out in Section 11, T2 Systems shall indemnify, defend (at its expense) and hold the Indemnitees harmless in respect of any damages awarded to a third party claimant related to a determination by a court that the operation or use of any Software, or any part thereof, infringes any third party's copyright, trade mark or trade secret or any Hardware, or any part thereof, infringes any third-party's copyright, patent, trademark or trade secret.

T2 System's obligations pursuant to this Section 8(b) shall not apply to any infringement caused by or resulting from Customer modifications or attempted modifications to any relevant system, combination of T2's Product or Software with hardware or software not provided by T2 Systems, or from Customer's failure to implement changes or updates furnished by T2 Systems to Customer during the term of this Agreement.

In the event that an injunction or order is obtained against the Customer's use of any Product or Software or if, in T2 System's opinion, any Product or Software is likely to become the subject of a claim of infringement or violation of any rights in connection with any rights as noted above, T2 Systems shall, at its expense:

- (i) procure for the Customer the right to continue using the affected Product or Software; or
- (ii) modify or replace the affected Product or Software so that such Product or Software becomes non-infringing.

If neither Section 8(b)(i) nor Section 8(b)(ii) are commercially practicable, remove the affected Product or Software from the Customer and refund to the Customer all amounts paid to T2 Systems by the Customer in respect of such Product, less a reasonable amount for depreciation. The remedies in and the indemnification rights of the Customer stated in this Section 8(b) are the exclusive remedies available to the Customer at law or in equity for indemnifiable claims.

- (c) Customer Responsibility. Customer agrees to be responsible any and all liabilities, obligations, damages, claims, suits, proceedings, costs, fees and expenses, including reasonable attorneys' fees and costs, arising out of the gross negligence or willful misconduct of Customer or any of its Affiliates, or breach of the Agreement by Customer, or any claim by Customer end user related to use of end user personally identifiable information.
- (d) Defense. If a party is alleged to be obligated to indemnify the other party hereunder, the party alleged to be obligated to provide indemnification shall have the right to appoint counsel of its own choice and in all other respects control any litigation and/or settlement thereof, provided, however, that any such settlement shall not bind the non-indemnifying party or obligate it to pay any monies without its express prior written consent. The indemnified party shall cooperate in the defense of any indemnified claim. If one party is notified of any potential or actual claim or liability against the other party or named in any suit or proceeding of any kind that could give rise to an indemnification claim under this Agreement or otherwise subject the other party to a suit, proceeding or claim (or threat thereof), the notified party shall immediately inform the other party.

9. INSURANCE.

- (a) During the Term of this Agreement, T2 Systems shall maintain, at its own expense, insurance which it deems reasonable and necessary for its business and the performance of its obligations hereunder. T2 Systems will, upon reasonable advanced notice, provide Customer with a copy of its certificate(s) of insurance.



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- (b) T2 Systems will maintain at its own expense the following insurance, with companies authorized to do insurance business in the any states where work is performed or eligible surplus lines insurers having an A.M. Best Rating of A-:VII or better, and in amounts not less than the following limits of coverage:

- (i) Workers' Compensation Insurance with statutory limits, and Employer's Liability Insurance with limits of not less than \$1,000,000:

(A)	Employers Liability - Each Accident	\$1,000,000
(B)	Employers Liability - Each Employee	\$1,000,000
(C)	Employers Liability - Policy Limit	\$1,000,000

T2 Systems Workers' Compensation policy will include states appropriate for T2 Systems employees and operations.

- (ii) Commercial General Liability Insurance with limits of not less than:

(A)	Each Occurrence Limit	\$1,000,000
(B)	Personal & Advertising Injury	\$1,000,000
(C)	General Aggregate	\$2,000,000
(D)	Products - Completed Operations Aggregate	\$2,000,000

T2 System's Commercial General Liability policy will be issued on a form that, subject to its terms, conditions and exclusions insures T2 System's liability for damages on account of bodily injury (including death), property damage, and personal and advertising injury.

- (iii) Business Auto Liability Insurance covering, for liability purposes, all owned, non-owned or hired automobiles, with limits of not less than \$1,000,000 combined single limit of liability per accident for Bodily Injury and Property Damage;

- (iv) Customer shall be named as an additional insured under each policy, except for Workers Compensation and hired and non-owned auto liability policies.

- (c) The insurance coverage carried by T2 Systems as set forth herein shall not in any way expand T2 Systems liability or modify or affect the limitations of liability set forth in the Agreement or any Addenda.

10. EXCLUSION OF WARRANTIES.

- (a) EXCEPT AS EXPRESSLY PROVIDED IN THE ADDENDUM APPLICABLE TO THE PRODUCTS AND/OR SERVICES OR AS OTHERWISE EXPRESSLY CONFIRMED IN WRITING BY T2 SYSTEMS, THE PRODUCTS AND SERVICES ARE PROVIDED "AS IS" WITHOUT WARRANTY OR REPRESENTATION OF ANY KIND. WITHOUT LIMITING THE GENERALITY OF THE FOREGOING, T2 SYSTEMS AND ITS THIRD PARTY SUPPLIERS HEREBY DISCLAIM ALL OTHER REPRESENTATIONS, WARRANTIES AND CONDITIONS, EXPRESS OR IMPLIED, WHETHER ARISING UNDER STATUTE, FROM A COURSE OF DEALING, USAGE, CUSTOM OF THE TRADE OR OTHERWISE, REGARDING THE PRODUCTS OR SERVICES, THE DOCUMENTATION, OR ANY OTHER PRODUCTS OR SERVICES PROVIDED OR FAILED TO BE PROVIDED UNDER THIS AGREEMENT, INCLUDING, BUT NOT LIMITED TO, ANY IMPLIED WARRANTY OR CONDITION OF MERCHANTABLE QUALITY, MERCHANTABILITY, DURABILITY, FITNESS FOR A PARTICULAR PURPOSE, NON-INFRINGEMENT, ACCESSIBILITY, PRIVACY OF FILES OR SECURITY.

- (b) T2 SYSTEMS DOES NOT WARRANT THAT ANY PRODUCTS OR SERVICES PROVIDED HEREUNDER WILL BE UNAFFECTED BY BUGS, VIRUSES, ERRORS OR OTHER PROGRAM LIMITATIONS, NOR DOES T2 SYSTEMS WARRANT THAT CUSTOMER'S USE THEREOF WILL BE UNINTERRUPTED, ERROR-FREE OR



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WILL MEET ALL OF THE CUSTOMER'S REQUIREMENTS. FURTHER, T2 SYSTEMS DOES NOT WARRANT THAT ANY SOFTWARE WILL OPERATE ON ANY PARTICULAR CONFIGURATION OF SOFTWARE, OPERATING SYSTEM OR COMPUTER SYSTEM. ANY HARDWARE PURCHASED FROM SOURCES OUTSIDE OF T2 SYSTEMS WILL BE THE SOLE RESPONSIBILITY OF THE CUSTOMER. T2 SYSTEMS WILL NOT BE RESPONSIBLE FOR THE FAILURE OF THE SOFTWARE TO PERFORM TO THE EXTENT THAT SUCH FAILURE TO PERFORM IS DUE TO THE FAILURE OF A THIRD PARTY FUNCTION, SUCH AS INTERNET AVAILABILITY REQUIRED FOR THE CONNECTION BETWEEN THE HARDWARE AND SOFTWARE OR THE WIRELESS NETWORK AVAILABILITY REQUIRED FOR THE T2 SYSTEMS SOFTWARE TO BE ABLE TO SEND AND RECEIVE DATA. IN NO EVENT SHALL T2 SYSTEMS BE LIABLE FOR THE FAILURE OF THE SOFTWARE TO PERFORM IF SUCH FAILURE ARISES DUE TO THE COMBINATION OF THE SOFTWARE WITH THIRD PARTY HARDWARE OR SOFTWARE. T2 SYSTEMS SHALL NOT COVER REPAIR, LABOR OR REPLACEMENT OF PARTS THAT ARE BY NATURE EXPENDABLE. IN ADDITION, IF APPLICABLE, THE WIRELESS DATA SERVICES ARE NOT GUARANTEED AGAINST EAVESDROPPERS, HACKERS, DENIAL OF SERVICE ATTACKS OR INTERCEPTORS AND NEITHER T2 SYSTEMS NOR THE UNDERLYING WIRELESS DATA SERVICES CARRIER CAN GUARANTEE THE PRIVACY OR SECURITY OF WIRELESS TRANSMISSIONS.

- (c) THIS LIMITED WARRANTY GIVES THE CUSTOMER SPECIFIC LEGAL RIGHTS. THE CUSTOMER MAY HAVE OTHER RIGHTS, WHICH VARY FROM LOCATION TO LOCATION, DEPENDING UPON THE APPLICABLE LAW OF SUCH LOCATION.

11. LIMITATION OF LIABILITY AND DAMAGES.

- (a) TO THE MAXIMUM EXTENT PERMITTED BY LAW: EXCEPT FOR CLAIMS FOR DEATH OR BODILY INJURY, T2 SYSTEMS , ITS THIRD PARTY SUPPLIERS' AND THEIR RESPECTIVE REPRESENTATIVES' TOTAL AGGREGATE LIABILITY ARISING UNDER OR IN CONNECTION WITH THIS AGREEMENT, AND/OR ANY PRODUCTS OR SERVICES DELIVERED OR FAILED TO BE DELIVERED UNDER THIS AGREEMENT, SHALL BE LIMITED TO THE ACTUAL DIRECT DAMAGES SUFFERED BY CUSTOMER, NOT TO EXCEED THE AMOUNT ACTUALLY PAID BY CUSTOMER FOR THE PRODUCT OR SERVICE GIVING RISE TO THE CLAIM DURING THE SIX (6) MONTHS IMMEDIATELY PRECEDING THE CLAIM.
- (b) IN NO EVENT WILL T2 SYSTEMS OR ITS THIRD PARTY SUPPLIERS BE LIABLE IN ANY WAY FOR ANY INDIRECT, SPECIAL, CONSEQUENTIAL, INCIDENTAL, PUNITIVE, EXEMPLARY OR AGGRAVATED DAMAGES OF ANY KIND WHATSOEVER, INCLUDING, BUT NOT LIMITED TO, DAMAGES FOR LOSS OF USE, DATA, INCOME, BUSINESS, PROFIT, GOODWILL, ANTICIPATED REVENUE, FAILURE TO REALIZE EXPECTED SAVINGS, OR OTHERWISE, HOWEVER CAUSED, WHETHER BASED ON CONTRACT, TORT (INCLUDING NEGLIGENCE), STRICT LIABILITY, WARRANTY, STATUTORY RIGHTS OR ANY OTHER BASIS ARISING OUT OF CUSTOMER'S USE OF THE PRODUCTS, OR OTHERWISE ARISING PURSUANT TO THIS AGREEMENT.
- (c) WITHOUT LIMITING THE GENERALITY OF THE FOREGOING, DUE TO THE NATURE OF INTERNET AND WIRELESS TRANSMISSIONS, CUSTOMER AGREES THAT NEITHER T2 SYSTEMS NOR THE UNDERLYING WIRELESS DATA SERVICES CARRIER SHALL BE LIABLE FOR ANY LOSS, COSTS OR DAMAGES OF ANY KIND ARISING OUT OF OR IN CONNECTION WITH: ANY LACK OF PRIVACY OR SECURITY OF WIRELESS TRANSMISSIONS; SERVICES INTEROPERABILITY, ACCESS OR INTERCONNECTIONS WITH THE T2 SYSTEMS SERVICES; SERVICE DEFECTS, SERVICE LEVELS, DELAYS OR INTERRUPTIONS; ANY INTERRUPTION OR ERROR IN ROUTING OR COMPLETING CALLS OR OTHER TRANSMISSIONS; LOST OR ALTERED MESSAGES OR TRANSMISSIONS; OR UNAUTHORIZED ACCESS TO OR THEFT, ALTERATION, LOSS OR DESTRUCTION OF CUSTOMER'S CONTENT, DATA, PROGRAMS CONFIDENTIAL INFORMATION OR SYSTEMS.
- (d) NO ACTION, REGARDLESS OF FORM, ARISING OUT OF THIS AGREEMENT MAY BE BROUGHT BY CUSTOMER MORE THAN TWELVE (12) MONTHS AFTER THE FACTS GIVING RISE TO THE CAUSE OF



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ACTION HAVE OCCURRED, REGARDLESS OF WHETHER THOSE FACTS BY THAT TIME ARE KNOWN TO, OR OUGHT REASONABLY TO HAVE BEEN DISCOVERED BY, CUSTOMER.

- (e) THE FOREGOING LIMITATIONS SHALL APPLY REGARDLESS OF THE CAUSE OF ACTION, WHETHER ARISING UNDER CONTRACT, TORT (INCLUDING NEGLIGENCE), PRODUCT LIABILITY, OR OTHERWISE, AND REGARDLESS OF WHETHER T2 SYSTEMS, ITS THIRD PARTY SUPPLIERS AND/OR THEIR REPRESENTATIVES KNEW, OR SHOULD HAVE KNOWN ABOUT THE POSSIBILITY OF SUCH DAMAGES.
- (f) CUSTOMER AGREES THAT THE LIMITATIONS OF LIABILITY SET FORTH ABOVE ARE FUNDAMENTAL ELEMENTS OF THIS AGREEMENT, WITHOUT WHICH T2 SYSTEMS WOULD NOT HAVE ENTERED INTO THIS AGREEMENT AND/OR AGREED TO PROVIDE THE PRODUCTS AND/OR SERVICES UNDER THE CURRENT TERMS (INCLUDING FEES).
- (g) THIS SECTION SHALL APPLY TO ANY ACTION OR ARBITRATION HEREUNDER. BECAUSE THE LAWS OF SOME LOCATIONS DO NOT ALLOW THE LIMITATION AND/OR EXCLUSION OF LIABILITY, THE ABOVE LIMITATION OR EXCLUSION MAY NOT APPLY TO ALL CUSTOMERS.

12. TERMINATION.

- (a) Each Addendum may be terminated according to its terms and the terms of this Agreement.
- (b) In the event that there are no Addenda in effect, either party may terminate this Agreement without cause by written notice to the other party, which termination shall be effective as of the last day of the calendar month following the month in which notice of termination is received.
- (c) Either party may terminate this Agreement or any Addendum if the other party breaches any of its representations or warranties, or any other material obligation under this Agreement or the applicable Addendum, and fails to remedy such breach with thirty (30) days of receipt of notice from the non-breaching party. T2 Systems shall also have the right to suspend performance of all or any of the Services under an Addendum, without liability, pending the rectification of any breach by Customer.
- (d) Either party may terminate this Agreement or any Addendum, immediately upon written notice, if the other party makes an assignment for the benefit of its creditors or becomes bankrupt or makes an application for relief under the provisions of any statute now or hereafter in force concerning bankrupt or insolvent debtors, or if a receiving order or receivership order is made against the other party, or any action whatsoever, legislative or otherwise be taken to effect the winding up, dissolution, suspension of operations or liquidation of the other party. Notwithstanding the foregoing, the Customer shall not be entitled to terminate this Agreement under this Section if T2 Systems, or its creditors, or some other party makes suitable provisions for the performance of its obligations hereunder.
- (e) Without limiting any other remedies available under this Agreement, at law or in equity, in the event of the termination of this Agreement or any applicable Addendum for any reason:
 - (i) T2 System's obligation to provide the affected Products and Services will terminate;
 - (ii) All unpaid amounts due in respect of the terminated Services up to and including the effective date of termination shall, at T2 System's option, become immediately due and payable;
 - (iii) Customer is not entitled to a refund for any affected Products and Services that are in process or not completed, including labor and any expenses T2 Systems may have incurred up to the effective date of termination;
 - (iv) Customer must destroy any copies of the Documentation in Customer's possession in any form and on any media, and certify to T2 Systems in writing that it has done so;



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- (v) Sections 4, 5, 6, 7, 8, 9, 10, 11, 12(e), and 13 shall survive the expiration or termination of this Agreement until such time as the parties may agree to the release of the obligations contained therein.
- (f) No Limitation of Remedies. Any termination of the Agreement shall not in any respect limit any of either party's rights or remedies either in law or in equity or relieve either party of any obligation incurred prior to the effective date of such termination.

13. DISPUTE RESOLUTION.

- (a) Dispute Resolution. In the event of any dispute arising out of this Agreement (including all Addenda), the parties shall use commercially reasonable efforts to negotiate a settlement in good faith satisfactory to both parties. If they do not reach a solution within a period of sixty (60) days (or such other longer period as the parties may agree), then either party may, on written notice to the other party, refer the dispute for settlement by arbitration before a single arbitrator in accordance with the rules of the American Arbitration Association. The costs of the arbitrator will be borne equally by the parties, but they will otherwise bear their respective costs incurred in connection with the arbitration. The parties shall select the arbitrator promptly and use commercially reasonable efforts to conduct the arbitration hearing no later than three (3) months after the arbitrator is selected. The arbitrator may not award punitive or exemplary damages against either party or any other relief in excess of the limitations set forth herein. The judgment and award of the arbitrator will be final and binding on each party. Judgment upon the award may be entered in any court having jurisdiction, or application may be made to such court for judicial acceptance of the award and/or an order of enforcement as the case may be.
- (b) Injunctive Relief. Each party acknowledges and agrees that a breach of the obligations under Section 5 ("Ownership") and Section 6 ("Confidentiality") may cause irreparable harm and significant injury to the affected party that would not be adequately compensated by an award of money damages and, in addition to any other remedy available at law or in equity, and notwithstanding the provisions of Section 13(a), the affected party will be entitled to seek temporary and permanent injunctive relief from any court of competent jurisdiction to prevent breaches hereunder, without showing or proving any actual or threatened damage.
- (c) Choice of Law. This Agreement and all Addenda are governed by the laws of the State of Indiana.

14. GENERAL PROVISIONS.

- (a) Assignment. T2 Systems may assign its rights and obligations under this Agreement. Customer may not assign or transfer any of its rights or obligations under this Agreement to any person without the express prior written consent of T2 Systems.
- (b) Entire Agreement. Customer acknowledges that this Agreement including all Addenda, SOW's, Quotes and other attachments referencing this Agreement, comprise the entire understanding and agreement between parties regarding the Products and Services to be provided hereunder and supersedes all prior written and oral agreements, purchase orders, proposals, representations, understandings, promises, descriptions or other communications between the parties regarding the same. If Customer submits an order form with contrary terms or conditions, such order form shall be considered only as confirmation of the order and shall in no way amend, prevail over, supplement, or supersede any of the provisions of this Agreement or any Addenda.
- (c) Piggyback Cooperative Purchasing. It is understood and agreed by Customer that a third party may purchase the goods and services specified herein in accordance with the terms and conditions of this Agreement for the purposes of piggyback purchasing. It is also mutually understood and agreed the third party will issue its own purchasing documents for the goods and services, be invoiced therefrom and make its own payments to T2 Systems in accordance with the terms of the contract



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established between the third party and T2 Systems. T2 Systems and the third party will agree separately on scope and pricing for the goods and services. Customer shall bear no responsibility or liability to any contractual agreement made between T2 Systems and any other third party.

- (d) Enurement. This Agreement shall be binding upon and enure to the benefit of T2 Systems, Customer and their respective successors and permitted assigns.
- (e) Force Majeure. Neither party shall be liable for delay or failure in performance (other than the making of payments) directly or indirectly resulting from acts beyond the control of such party, including, but not limited to acts of God, acts of war or terrorism, civil commotion, riot, fire, flood, pandemic or other disaster, acts of government, strike, work stoppages, lockout, power failures, inability to secure or delay in securing transportation, inability to obtain or delays in obtaining goods, materials, or qualified labor, or the inability to use or the failure of any third party telecommunications carrier or other services, which events or conditions prevent in whole or in part the performance by such party of its obligations hereunder or which renders the performance of such obligations so difficult or costly as to make performance commercially unreasonable. In such event, the party affected shall be excused from performance on a day-to-day basis to the extent of the delay, and the other party shall likewise be excused from the performance of its obligations on a day-to-day basis to the extent such party's obligations related to the performance are so delayed. Where an Event of Force Majeure occurs, the party who is delayed or fails to perform shall give prompt notice to the other party. In the event such inability to perform shall continue longer than sixty (60) Days, the party which has received or which was entitled to receive notice may terminate the Agreement by notice to the other party without further liability, expense, or cost of any kind. Force Majeure events do not include any failure as a result of political or social pressure, general economic or market factors, and/or fear of or threat of a Force Majeure Event or other circumstance.
- (f) Tariff Surcharge
 - (i) Tariff Surcharge Implementation: If, after the Effective Date of this Agreement, any governmental authority enacts or imposes new or additional tariffs, import/export duties, surcharges, taxes, or similar fees ("Tariff Surcharges") that increases the costs of goods, materials, and/or services provided for under this Agreement or any product specific addendum, T2 shall have the right to pass through such costs to Customer. Tariff Surcharges shall be calculated as either (1) a percentage-based fee applied to the total cost of applicable good or services, or (2) a fixed fee per affected order, shipment, or service. The Tariff Surcharge shall remain in effect for as long as the applicable tariffs remain in place. If tariffs are reduced or eliminated, T2 will evaluate and adjust or remove the surcharge accordingly.
 - (ii) Adjustment of Tariffs: The Tariff Surcharge is subject to change in response to government-imposed tariff rate changes, exemptions, or other regulatory modifications. T2 will provide 30 days' written notice of any surcharge adjustments.
 - (iii) Transparency and Customer Acknowledgment: The Tariff Surcharge shall be separately itemized on Order Forms and shall not be considered part of the base price of goods or services. This surcharge is implemented solely to recover tariff-related costs and does not reflect an increase in profit margins. By entering into this agreement, the Customer acknowledges and agrees to the application of the Tariff Surcharge as outlined in this section and agrees to remit payment accordingly.
- (g) Independent Contractors. The parties are independent contractors. Nothing herein shall be construed to create any legal partnership, joint venture, agency or any other relationship between the parties.



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- (h) Notices. All communications and notices provided for herein shall be in writing and shall be deemed to have been given when delivered personally to the recipient, by email, or by registered or certified mail with return receipt requested, postage prepaid, and addressed to the Customer at the address appearing on the Addenda or Quote(s), as applicable, or at such other address as either party may designate by notice to the other. T2 Systems, from time to time may send general communications and/or notices to all its customers and such notices shall be deemed to have been given when delivered by email.
- (i) No Waiver. No delay or failure to take any action or exercise any rights under this Agreement shall constitute a waiver or consent unless expressly waived or consented to in writing. A waiver of any event does not apply to any other or subsequent event, even if in relation to the same subject-matter.
- (j) Publicity. Except as expressly agreed in writing, neither party shall issue any press release, or otherwise publicly identify the other as a customer or supplier, in any marketing materials or otherwise, without the express prior authorization of the other party.
- (k) Severability. If any provision contained in this Agreement is found by a court of competent jurisdiction to be invalid, illegal or unenforceable in any respect, it shall be deemed severed from this Agreement and the remaining provisions of this Agreement shall not be in any way affected or impaired thereby and shall continue in full force and effect.
- (l) Amendment. This Agreement may be modified or amended only if the amendment is made in writing and is signed by both parties.
- (m) Counterparts. This Agreement and each Addenda may be executed by the parties in counterparts with the same effect as if they had signed the same document and all counterparts shall be construed together and shall constitute one and the same agreement. This Agreement and any Addenda may be executed by the parties and transmitted by electronic transmission, with the same effect as if the parties had delivered an executed original.
- (n) International. The United Nations Convention on Contracts for the International Sale of Goods shall not apply to this Agreement or any Products or Services ordered or provided under this Agreement.
- (o) Compliance with Laws. Each party agrees to comply with all applicable federal, state, provincial and local laws, regulations, and orders in fulfilling its obligations under the Agreement, including as applicable laws relating to anticorruption of public officials and anti-bribery laws and regulations and the Federal Fair Debt Collection Practices Act.
- (p) Authorization. Both parties represent and warrant that they have the authority to bind their respective agency, institution, or company, and that they are authorized to sign this Agreement and any Addenda hereto.
- (q) Captions. The captions and section headings included in this Agreement and any Addenda are for convenience only and shall not affect the scope, intent, meaning or function of any provision of this Agreement or the applicable Addenda.

IN WITNESS WHEREOF, the parties have executed this Agreement by a duly authorized representative thereof.



T2 SYSTEMS, INC.

Per: _____
Name: Mindy Powers
Title: Head of Commercial Sales
Date: _____

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CITY OF MUSKEGON

Per: _____
Name: _____
Title: _____
Date: _____



UPSAFETY SOFTWARE SUBSCRIPTION ADDENDUM

THIS UPSAFETY SOFTWARE SUBSCRIPTION ADDENDUM ("ADDENDUM") GOVERNS THE PROVISION AND USE OF THE SOFTWARE SOLUTION AND SERVICES PURCHASED BY CITY OF MUSKEGON ("CUSTOMER") FROM T2 SYSTEMS, INC. ("T2 SYSTEMS").

The parties have entered into a Master Customer Agreement ("Agreement"). This Addendum is incorporated into and subject to the terms of the Agreement and the terms of the Agreement are incorporated herein. To the extent of any conflict between the terms of this Addendum and the Agreement, the terms of the Addendum shall control.

1 Definitions

The following terms shall have their meanings defined below.

- a. "Customer Data" means any data, databases, information, trademarks, service marks, logos, files, images, text, files, records or other content that may be provided by or on behalf of Customer or its authorized users for use in conjunction with the Software or Services.
- b. "Documentation" means the T2 Systems user documentation provided to the Customer relating to the Software and Services.
- c. "Professional Services" means any additional technical, development or installation services in association with this Addendum, a description of which shall be set out in a Statement of Work, executed by T2 Systems and the Customer which is incorporated and referenced hereto.
- d. "SaaS Term" means the period during which the Services and access to the Software will be provided by T2 Systems to Customer, including the Initial Term and any Renewal Term(s).
- e. "Services" means the hosting, maintenance, support and other services provided by T2 Systems pursuant to this Addendum.
- f. "Software" means the "Citation Management Program" referring to the internet accessible management portal, Customer facing websites, and "Mobile Software" referring to the Android based data collection software.
- g. "T2 Systems Content" means any information, documentation or other materials provided to Customer by T2 Systems relating to the Software, including, without limitation, the Documentation.
- h. "Web Sites" means the web sites of T2 Systems, including the web sites that provide access to the Software.

All terms defined in this Addendum shall have the meanings ascribed thereto. Capitalized terms used in this Addendum that are not otherwise defined in this Addendum have the meaning set forth in the Agreement.

2 Appendices.

The Appendices below are hereby incorporated into and made a part of this Addendum. In interpreting this Addendum and resolving any ambiguities, the main body of this Addendum shall control over the



Appendices. Each reference to T2 in the Appendices shall be deemed to mean T2 Systems, Inc.

Appendix A – Cost Proposal and Quote

Appendix B – Merchant Services Addendum for Sub-Merchants

Appendix C - Scope of Work (If applicable)

3 General Terms

T2 Systems will provide services (the "Services") and license all software, including all web and LPR applications and related Documentation (the "Software"), necessary for Customer to operate a Citation Management Program ("CMP") to allow the Customer's parking enforcement officers to issue parking citations, accept payment for parking citations and perform citation adjudication tasks.

This Addendum (including the Quote and applicable SOW) and the Agreement constitute the entire agreement between the parties hereto with regard to the Software, Services, any technical support and supersedes all prior written and oral agreements, purchase orders, representations, understandings, promises, descriptions or other communications between the parties regarding the Addendum Services.

4 Term and Termination

The ("Term") of the Addendum is effective from the date on which T2 Systems signs this Addendum (the "Effective Date") and will remain in effect for three (3) years ("Initial Term") from the date on which the Customer is trained and the Software is deployed to Customer (the "Training Date"). On the third anniversary of the Training Date, and on each annual anniversary date thereafter, this Addendum will automatically renew for a one (1) year period upon the same terms and conditions ("Renewal Term"). If either the Customer or T2 Systems does not wish to renew this Addendum, or provide notice for early termination, a party must notify the other party in writing of its intention not to renew no later than sixty (60) days prior to the annual anniversary Training Date.

If Equipment and training costs have been paid in full, either party may terminate this Addendum for convenience with sixty (60) days' written notice, or terminate for cause in the event that a party provides written notice to the other party of a material breach and the breaching party fails to cure the breach within fifteen (15) days after receiving written notice of the breach from the non-breaching party.

In the event of a termination, with written notice from the Customer, T2 Systems shall supply a CSV file which contains all the Customers textual ticket and permit data (if applicable) at no cost. Any special requests for a different format will be scoped by T2 Systems with an estimate provided to the Customer on a time and material basis.

Reengagement. When a project does not stay on the agreed upon schedule as defined in a mutually agreed upon project plan because the Customer did not meet its deliverables, or if the Customer requests a new date after a committed date has been scheduled, the Customer will be responsible for the payment of:

- a. All Professional Services Fees completed to date.
- b. All hard costs, including incurred travel and travel expenses.
- c. Any rebooking fees.
- d. A reengagement fee of twenty percent (20%) of the originally quoted Professional Services Fees.

A reengaged project will not begin until the above amounts are paid by the Customer. Any necessary rework (repeat of training, additional data samples, additional project management hours) would be billed at the



reengaged project.

Upon written notice to T2 Systems, if the Customer does not reengage the project, this Addendum shall terminate in accordance with this Section.

5 CityCite™ Platform Component Terms

T2 Systems will provide the Services as specified in Exhibit A: Agreement to Purchase with the following terms:

I. Physical Equipment

T2 Systems will supply Equipment to Customer in the models and quantities set forth in Exhibit A: Agreement to Purchase, and under the T2 Systems limited warranty.

All Equipment provided by T2 Systems will be new and unused of the latest model available. Where any standard part or accessory of such Equipment is not described, it shall be understood that all Equipment and accessories that are provided standard with such Equipment shall be furnished.

Customer acknowledges that the title to the Equipment shall remain with T2 Systems until such Equipment has been paid for in full. Until Equipment has been paid in full, Customer agrees to exercise reasonable care of Equipment while in its possession.

Leased Equipment that becomes lost or stolen will be the sole responsibility of the Customer, and will be billed to the Customer at the then current price. If the exact Equipment is not available, T2 Systems will provide a similar unit that is compatible with solution at the then current price.

II. Data Plans

T2 Systems will provide a data plan for each device requiring one, allowing unlimited data usage for the handheld devices covered by these plans, pursuant to the pricing in Exhibit A: Agreement to Purchase. T2 Systems expressly disclaims all warranties as to the network's reliability, fitness for a particular purpose or uptime.

III. Paper and Physical Consumables

Paper, permits and other physical consumables will be provided in the configurations and quantities identified in Exhibit A: Agreement to Purchase. Additional paper can be purchased for the same terms for up to (1) year from Effective Date, after which paper can be purchased at T2 System's then current price list.

If Customer orders custom printer paper not quoted in Exhibit A: Agreement to Purchase, T2 Systems will provide a separate Agreement to Purchase to Customer detailing those costs.

IV. Public Citation Management Portal

T2 Systems will provide an online payment portal and an interactive voice recognition (IVR) system through which patrons may view, pay and dispute outstanding parking citations, as well as view, purchase and apply for permits.

V. Automated Notice Generation, Owner Lookups & Collections

T2 Systems will prepare all Delinquent Notices and Notice of Violations for outstanding tickets issued to vehicles bearing [ENTER STATE] plates and out-of-State plates (to the extent allowed by each State's DMV and T2 Systems existing integrations) to the last known registered owner(s). State agency approval will also be obtained where applicable with assistance from the Customer. Such notices shall comply



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with State rules and regulations in all material respects.

- a. **Collections.** Should the Customer request for a further collections process, Customer and T2 Systems will execute a separate addendum identifying the specific terms for referred collection accounts.

VI. Custom Software Development

Upon T2 Systems receiving a signed purchase order from Customer, T2 Systems may perform custom software development to customize the CityCite™, CodeCite™ or ForCite™ platforms to meet the Customer's needs. Work will be performed in accordance with an executed Statement of Work ("SOW"), and will be performed in a professional and workmanlike manner in accordance with recognized industry standards and other specifications as outlined in the project specific SOW. All custom software development is owned exclusively by T2 Systems.

VII. Support & Issue Resolution

T2 Systems will provide online, telephone and email support to Customer during the Term, providing live, direct T2 Systems product support from 8:00 a.m. to 5 p.m. EST, Monday through Friday, excluding nationally observed federal holidays. Additionally, voicemail will be made available 24/7 and a reply will be generated by T2 Systems initiating the support call within one (1) hour.

T2 Systems product support will assist Customers relating to, but not limited to:

- Recommendations for optimal use of CMP
- Problems with or questions pertaining to the operation of CMP
- Problems with interfaces between CMP & other systems
- Error messages from CMP
- Printing issues related to CMP Mobile Software
- Questions about CMP customizable reporting tool

VIII. Shipping Costs

Customer will be responsible all shipping costs to its facility incurred by T2 Systems for the shipment of paper, Equipment, permits and all other physical components required to operate the CMP.

IX. Acceptance of Equipment

Customer shall inspect or test Equipment upon receipt. Customer shall be deemed to have affected final acceptance of the Equipment at the earliest of: (a) the fifteenth (15th) day after the date of shipment, unless written notice is received by T2 Systems before such day; or, (b) the date when the Equipment is used or otherwise placed in commercial operation.

X. Out of Scope Services and Change Order Requests

Additional services or changes may be requested by the Customer must be submitted in writing by the Customer. T2 Systems will prepare a separate statement of work along with a detailed cost estimate to be approved in writing by the Customer prior to the implementation of any changes or additions. This includes, but is not limited to, requests for additional Equipment, installation of additional sessions, Customer requested software modifications and/ or relocation of Equipment.



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In performing T2 System's obligations in connection with the maintenance of the Public Citation Management Portal ("PCMP"), T2 Systems will serve as the merchant of record for all PCMP transactions and will supply a payment gateway for all such transactions.

Except for chargeback fees and any other transaction exception fees from T2 System's merchant bank, T2 Systems will be responsible for all merchant processing costs associated with citation payments made online through the payment portal, including, without limitation, settlement fees, payment gateway fees, and interchange reimbursement fees. Chargeback fees from T2 System's merchant bank will be passed through directly to Customer with no markup.

T2 Systems will remit all fees and fines to Customer, less T2 System's per transaction fees, refunded transactions and associated fees, merchant processing fees and chargeback and refund fees as applicable based on the pricing set forth in the Quote.

- a. Payment Processing. Should the Customer request for payment processing, Customer and T2 Systems will execute a separate addendum identifying the specific terms for payment processing.

7 Fees

Customer agrees to the fee schedule outlined in Exhibit A: Agreement to Purchase. Invoices will be submitted on a monthly basis, payable within thirty (30) days upon its transmittal.

Fees may increase after the initial term at every term renewal as set forth in the quote. If not defined in the quote, renewals may increase by an amount not to exceed five percent (5%) per year.

8 Payment

Payment for Software Licensing, Data Plans and CiteGuardPlus™ warranties are invoiced one (1) year in advance. Payment for purchased Equipment and CiteGuard™ warranties are due prior to installation. If Equipment and other upfront costs have been amortized over a three (3) year term, the lump sum payment outlined in Exhibit A: Agreement to Purchase will be invoiced one (1) year in advance.

Payments for any Revenue Share, Owner Lookups, Data Entry, Automated Notices and Call Center Support, as applicable, are invoiced monthly on an as-used basis pursuant to Exhibit A: Agreement to Purchase or other Exhibits.

T2 Systems shall keep accurate records of all Services performed under this Addendum and shall submit such information to the Customer with each invoice.

9 Web-Based License

T2 Systems grants to Customer, and Customer accepts, a nontransferable, nonexclusive license and right to access the Citation Management Program via the Internet, and to the Mobile Software through mobile devices on which T2 Systems has installed its software. Customer agrees to use the Software and the Documentation only as authorized in this Addendum, for its own internal purpose and operations, during the SaaS Term. Customer acknowledges that its access to and use of the back end Citation Management Program Software will be web-based only. The Citation Management Program will be hosted by T2 Systems and accessed and used by Customer through the use of the Internet and Customer's computers, while Mobile Software will be installed on Customer mobile devices exclusively by T2 Systems.



10 T2 Systems Limitations

The maximum number of Customer's employees, contractors, volunteers, and other agents that are simultaneously accessing or using the Software at any given time shall not exceed the number of users specified in Exhibit A: Agreement to Purchase. Customer's use of the Software may not exceed the number of users specified without the express written agreement of T2 Systems.

11 Permitted Uses

Subject to T2 System's database permissions and limitations, users shall be permitted access to the T2 Systems CityCite® products for the following uses (but only such uses) as described below:

By users as permitted and authorized by Customer within the terms and features of this Addendum:

- a. Issuance & Management of Citations, Tickets & Permits
- b. Customization & Management of Settings, Rules, Reporting and User Permissions
- c. Customization & Management of Public Citation Management Portal

The permitted uses described herein shall only be permitted during the SaaS Term. Customer agrees that upon expiration or termination of the SaaS Term, all rights granted to Customer shall immediately terminate. T2 Systems Customer shall certify in writing to T2 Systems that all copies of T2 Systems Content in any form, including partial copies, and shall erase all computer, electronic, or other storage devices have been destroyed.

12 Upgrades

T2 Systems will install upgrades/releases of the Software which are generally made available to its other subscribers, including patches and/or fixes, as they are made available, at no charge during the SaaS Term.

13 Customer Responsibilities

Customer is responsible for administering security within the T2 Systems applications (e.g., the granting of rights to a user for a specific form in the application), including maintaining the secrecy and protection of all usernames and passwords provided to Customer. Customer is responsible for maintaining its user desktops and other devices and providing users network and internet access to the Software. Customer is also responsible for ensuring that its users comply with these terms and conditions with respect to use of the Software and Services. Customer shall provide secure connectivity to the Internet for its location(s) for purposes of providing adequate access to Software hosted at the Customers hosting site.

T2 Systems shall not be responsible for the reliability or continued availability of the communications lines, or the corresponding security configurations, used by Customer in accessing the Software via the Internet. Customer shall provide adequate industry "best practice" standards to ensure reasonable security for integration between applications at the Customer site and Software hosted by T2 Systems. Customer shall provide accurate input information in the manner T2 Systems in connection with the Software and Services. Customer shall advise T2 Systems of any changes to Customer's operations, banking relationships, Primary Contact, or other information that would require a change in the support, operation, or configuration of the hosted Software. Customer shall configure necessary user accounts via the administrator account provided by T2 Systems. Customer shall be responsible for ensuring that any Customer Data is accurate, not corrupt in any way, and does not contain any viruses.



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Customer shall be solely responsible for, and shall hold T2 Systems, its third party suppliers, and their respective Representatives harmless from any loss, damage or liability arising in connection with Customer's inputs, selection and use of the Services, and all data (including Customer Data), reports, statements and other content transmitted, posted, received or created on the T2 Systems system through Customer's account, even if transmitted, posted, received or created by a third party

14 Other Restrictions

Use of the Software and Services is restricted to use by the specific licensing entity only, and only for Customer's internal business purposes. Customer may not use the Software or Services for the benefit of any third parties or provide service bureau or other access or use of the Software or Services to third parties. Customer may not, directly or indirectly, sublicense, assign, transfer, sell, rent, lend, lease or otherwise provide the Software, Services (or any portion thereof, including without limitation any capacity) or the User Documentation, or any portions thereof, to any third party, and shall be deemed a material breach. Customer may not reverse engineer, disassemble, decompile or make any attempt to ascertain, derive or obtain the source code for the Software. Customer shall not use the Software for any commercial purpose beyond the functionality for which the Software is intended. Customer hereby agrees, represents and warrants to T2 Systems that Customer will not access or use the Software or the Web Sites for any purpose that is unlawful or prohibited by these terms and conditions.

Customer will not use the Software, Services or T2 Systems CityCite, CodeCite and ForCite cloud product to take any actions that (i) infringe on any third party's copyright, patent, trademark, trade secret or other proprietary rights or rights of publicity or privacy; (ii) violate any applicable law, statute, ordinance or regulation (including those regarding export control); (iii) are defamatory, trade libelous, threatening, harassing, or obscene; (iv) constitute unauthorized entry to any machine accessible via the network; (v) create or build any derivative works from any information, content, software, products or services obtained from or otherwise connected to T2 System's Software or Web Sites, including appending such information or content to Customer's internal database for distribution to multiple nonprofits as a donor database product or service; or (vi) distribute, transfer or resell the results of Customer's use of the Software, Services or Web Sites.

Customer shall not interfere with or disrupt network users, services or equipment with the intent to cause an excessive or disproportionate load on T2 System's or its suppliers' infrastructure by means of (but not limited to) distribution of unsolicited bulk emails or chain letters, viruses, Trojan horses, worms, or other similar harmful or deleterious programming routines. Customer further agrees to cooperate with T2 Systems in causing any unauthorized use (including but not limited to co-branding, framing or hyper-linking) and to immediately cease.

15 Location, Audio, Image and Video Services

Customer acknowledges and consents to the automated and manual creation and/or collection of Location-Based, Audio, Image, and/or Video Services information in the Software and/or device through interaction between the devices where the Software is installed, T2 System's servers, and third party applications and systems. T2 Systems will use commercially reasonable efforts to ensure the accuracy of Location-Based, Audio, Image, and/or Video Services; however, T2 Systems assumes no liability or responsibility in the event of inaccuracies in such information. While T2 Systems uses commercially reasonable efforts to safeguard such information, T2 Systems assumes no liability or responsibility for losses resulting from illegal or fraudulent access to Location-Based, Audio, Image, and/or Video Services related information. T2 Systems



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also reserves the right to make such information available to auditors, police and other governmental agencies as permitted or required by law.

16 Software Modifications

Customer shall not make any modifications to the Software. Any modifications that Customer makes to the Software will void any warranty obligations contained in this Addendum and T2 Systems in its sole discretion, may terminate this Addendum.

17 Warranties

T2 Systems Limited Warranty. Each party warrants that (i) it has the right and power to enter into these Terms and Conditions, and (ii) it will comply with all applicable laws and regulations. T2 Systems warrants that the Services will be performed in a professional and workmanlike manner in accordance with recognized industry standards and other specifications as outlined in this Addendum.

Exclusive Remedies. If, during the warranty period the Software fails to comply with the specifications, T2 System's entire liability and Customer's exclusive remedy will be either to (a) repair or replacement of the Software, or (b) if in T2 System's opinion such repair or replacement is not possible, termination of the SaaS Term and a refund of the Subscription Fees paid for the Software of the current annual Term. This limited warranty is void if failure of the Software has resulted from accident, abuse, misuse or negligence of any kind in the use, handling or operation of the Software, including any use not consistent with the Documentation or T2 Systems training. T2 System's entire liability and Customer's exclusive remedy for any breach of warranty with respect to the Services as described above shall be T2 Systems re-performing the Services performed.



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Appendix A:

Cost Proposal / Quote



APPENDIX B: MERCHANT SERVICES ADDENDUM FOR SUB-MERCHANTS

This MERCHANT SERVICES ADDENDUM FOR SUB-MERCHANTS ("Agreement") is made with City of Muskegon ("Sub-merchant") in connection with the agreement between Sub-merchant and T2 Systems, Inc. ("T2"). T2's designated financial institution ("Bank") and payment processor ("Processor") that T2 has contracted with to support the Services and are members of the Associations providing sponsorship services in connection with this Agreement, will provide Sub-merchant with certain payment processing services ("Services") in accordance with the terms of this Agreement. In consideration of Sub-merchant's receipt of credit or debit card funded payments, and participation in programs affiliated with MasterCard International Inc. ("MasterCard"), VISA U.S.A. Inc. ("VISA"), Discover ("Discover"), American Express ("Amex") and certain similar entities (collectively, "Associations"), Sub-merchant is required to comply with the Operating Regulations (defined below) as they pertain to applicable credit and debit card payments. In addition, if Sub-merchant meets certain requirements under the Operating Regulations or an Association or the Operating Regulations otherwise require, Sub-merchant may be required to enter into a direct relationship with an entity that is a member of the Associations. By executing this Agreement, Sub-merchant has fulfilled such requirement. However, Processor understands that Sub-merchant may have contracted with T2 to obtain certain processing services and that T2 may have agreed to be responsible to Sub-merchant for all or part of Sub-merchant's obligations contained herein. Bank and Processor may be changed at any time without prior notice.

NOW, THEREFORE, in consideration of the foregoing recitals and of the mutual promises contained herein, the parties agree as follows:

1. Certain Sub-merchant Responsibilities. Sub-merchant agrees to comply, and to cause third parties acting as Sub-merchant's agent ("Agents") to comply, with the Association's and other payment network's by-laws, operating regulations and/or all other rules, policies and procedures, including but not limited to the Payment Card Industry Data Security Standard, the VISA Cardholder Information Security Program, the MasterCard Site Data Protection Program, and any other program or requirement that may be published and/or mandated by the Associations or payment networks (collectively "Operating Regulations"). Sub-merchant may review the VISA, MasterCard, Discover and Amex websites for a copy of the Visa, MasterCard, American Express and Discover regulations. Sub-merchant also agrees to comply with all applicable state, federal, and local laws, rules, and regulations ("Laws"). Without limiting the foregoing, Sub-merchant agrees that it will fully comply with any and all anti-money laundering laws and regulations, including but not limited to the Bank Secrecy Act, the US Treasury's Office of Foreign Assets Control (OFAC) and the Federal Trade Commission. For purposes of this section, Agents include, but are not limited to, Sub-merchant's software providers and/or equipment providers. T2 may suspend or terminate the Services at any time if Sub-Merchant is not eligible under Law or Operating Regulations to use the Services, and T2 reserves the right to establish certain limits on Sub-Merchant's processing volume at any time in its reasonable discretion

If appropriately indicated in Sub-merchant's agreement with T2, Sub-merchant may be a limited-acceptance merchant, which means that Sub-merchant has elected to accept only certain Visa and MasterCard card types (i.e., consumer credit, consumer debit, and commercial cards) and must display appropriate signage to indicate the same. Processor has no obligation other than those expressly provided under the Operating Regulations and applicable law as they may relate to limited acceptance. Sub-merchant, and not Processor, will be solely responsible for the implementation of its decision for limited acceptance, including but not limited to policing the card type(s) accepted at the point of sale.

Sub-merchant shall only complete sales transactions produced as the direct result of bona fide sales made by Sub-merchant to cardholders, and is expressly prohibited from presenting sales transactions which are produced as a result of sales made by any person or entity other than Sub-merchant, or for any purposes related to any illegal or prohibited activity, including but not limited to money-laundering or financing of terrorist activities.



Sub-merchant may set a minimum transaction amount to accept a card that provides access to a credit account, under the following conditions: i) the minimum transaction amount does not differentiate between card issuers; ii) the minimum transaction amount does not differentiate between MasterCard, Visa, or any other acceptance brand; and iii) the minimum transaction amount does not exceed ten dollars (or any higher amount established by the Federal Reserve). Sub-merchant may set a maximum transaction amount to accept a card that provides access to a credit account, under the following conditions: Sub-merchant is a i) department, agency or instrumentality of the U.S. government; ii) corporation owned or controlled by the U.S. government; or iii) Sub-merchant whose primary business is reflected by one of the following MCCs: 8220, 8244, 8249 –Schools, Trade or Vocational; and the maximum transaction amount does not differentiate between MasterCard, Visa, or any other acceptance brand.

2. Sub-merchant Prohibitions. Sub-merchant must not (i) require a cardholder to complete a postcard or similar device that includes the cardholder's account number, card expiration date, signature, or any other card account data in plain view when mailed; (ii) add any tax to transactions, unless applicable law expressly requires that a Sub-merchant impose a tax (any tax amount, if allowed, must be included in the transaction amount and not collected separately); (iii) request or use an account number for any purpose other than as payment for its goods or services; (iv) disburse funds in the form of travelers checks if the sole purpose is to allow the cardholder to make a cash purchase of goods or services from Sub-merchant; (v) disburse funds in the form of cash unless Sub-merchant is dispensing funds in the form of travelers checks, TravelMoney cards, or foreign currency (in such case, the transaction amount is limited to the value of the travelers checks, TravelMoney cards, or foreign currency, plus any commission or fee charged by the Sub-merchant), or Sub-merchant is participating in a cash back service; (vi) submit any transaction receipt for a transaction that was previously charged back to the Processor and subsequently returned to Sub-merchant, irrespective of cardholder approval; (vii) accept a Visa consumer credit card or commercial Visa product issued by a U.S. issuer to collect or refinance an existing debt; (viii) accept a card to collect or refinance an existing debt that has been deemed uncollectable; or (ix) submit a transaction that represents collection of a dishonored check. Sub-merchant further agrees that, under no circumstance, will Sub-merchant store cardholder data in violation of the Laws or the Operating Regulations including but not limited to the storage of track-2 data. Neither Sub-merchant nor its Agent shall retain or store magnetic-stripe data subsequent to the authorization of a sales transaction.

3. Settlement. Upon receipt of Sub-merchant's sales data for card transactions, Processor will process Sub-merchant's sales data to facilitate the funds transfer between the various Associations and Sub-merchant. After Processor receives credit for such sales data, subject to the terms set forth herein, Processor will fund Sub-merchant, either directly to the Sub-merchant -Owned Designated Account or through T2 to an account designated by T2 ("T2Designated Account"), at Processor's discretion, for such card transactions. Sub-merchant agrees that the deposit of funds to the T2 Designated Account, if applicable, shall discharge Processor of its settlement obligation to Sub-merchant, and that any dispute regarding the receipt or amount of settlement shall be between T2 and Sub-merchant. Processor will debit the T2Designated Account for funds owed to Processor as a result of the Services provided hereunder, provided that Processor may also debit Sub-merchant's designated demand deposit account ("Sub-merchant -Owned Designated Account") upon receipt of such account information from Sub-merchant or T2, or if Processor deposits settlement funds into the Sub-merchant -Owned Designated Account. Further, if a cardholder disputes a transaction, if a transaction is charged back for any reason, or if Processor reasonably believes a transaction is unauthorized or otherwise unacceptable, the amount of such transaction may be charged back and debited from Sub-merchant or T2.

4. Term and Termination. This Agreement shall be binding upon Sub-merchant's execution. The term of this Agreement shall begin, and the terms of the Agreement shall be deemed accepted and binding upon Processor, on the date Processor accepts this Agreement by issuing a merchant identification number, and shall be coterminous with T2's agreement with Sub-merchant.

Notwithstanding the foregoing, Processor may immediately cease providing Services and/or terminate this Agreement without notice if (i) Sub-merchant or T2 fails to pay any amount to Processor when due, (ii) in Processor's



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opinion, provision of a service to Sub-merchant or T2 may be a violation of the Operating Regulations or any Laws, (iii) Processor believes that Sub-merchant has violated or is likely to violate the Operating Regulations or the Laws, (iv) Processor determines Sub-merchant poses a financial or regulatory risk to Processor or an Association, (v) Processor's agreement with T2 terminates, (vi) any Association deregisters T2, (vii) Processor ceases to be a member of the Associations or fails to have the required licenses, or (viii) Processor is required to do so by any of the Associations.

5. Customer Responsibility. Sub-Merchant agrees to be responsible for any and all proceedings, losses, costs, expenses, claims, demands, damages, and liabilities (including attorneys' fees and costs, and collections costs) resulting from or otherwise arising out of (i) Sub-Merchant's or its directors', officers', employees', affiliates', and Agents' use of the Services or acts or omissions in connection with the Services; (ii) any infiltration, hack, breach, or access violation of Sub-Merchant's systems, including any access to Card, Cardholder, or transaction data; and (iii) Sub-Merchant's or its directors', officers', employees', affiliates', and Agents' breach of this Agreement or violation of Law or the Operating Regulations. This indemnification will survive the termination of this Agreement.

6. Limits of Liability. Sub-merchant agrees to provide Processor, via communication with T2, with written notice of any alleged breach by Processor of this Agreement, which notice will specifically detail such alleged breach, within thirty (30) days of the date on which the alleged breach first occurred. Failure to so provide notice shall be deemed an acceptance by Sub-merchant and a waiver of any and all rights to dispute such breach.

EXCEPT FOR THOSE EXPRESS WARRANTIES MADE IN THIS AGREEMENT, PROCESSOR DISCLAIMS ALL WARRANTIES, INCLUDING, WITHOUT LIMITATION, ANY EXPRESS OR IMPLIED WARRANTIES OF MERCHANTABILITY OR FITNESS FOR A PARTICULAR PURPOSE. Sub-merchant's sole and exclusive remedy for any and all claims against Processor arising out of or in any way related to the transactions contemplated herein shall be termination of this Agreement. In the event that Sub-merchant has any claim arising in connection with the Services, rights, and/or obligations defined in this Agreement, Sub-merchant shall proceed against T2 and not against Processor, unless otherwise specifically set forth in the Operating Regulations. In no event Processor shall have any liability to Sub-merchant with respect to this Agreement or the Services. Sub-merchant acknowledges Processor is only providing this Agreement to assist in T2's processing relationship with Sub-merchant, that Processor is not liable for any action or failure to act by T2, and that Processor shall have no liability whatsoever in connection with any products or services provided to Sub-merchant by T2. If T2 is unable to provide its services to Sub-merchant in connection with this Agreement and Processor elects to provide those services directly, Sub-merchant acknowledges and agrees that the provisions of this Agreement will no longer apply and the terms of Processor's then current Bank Card Merchant Agreement, which would be provided to Sub-merchant, will govern Processor's relationship with Sub-merchant. If T2 subsequently provides its services to Sub-merchant in connection with this Agreement, Processor will cease to provide such services after receipt of notice from T2 and this Agreement will govern Processor's relationship with Sub-merchant.

7. Miscellaneous. This Agreement may not be assigned by Sub-merchant without the prior written consent of Processor. This Agreement shall be binding upon and inure to the benefit of the parties hereto and their respective successors, transferees and assignees. This Agreement is for the benefit of, and may be enforced only by, Processor and Sub-merchant and is not for the benefit of, and may not be enforced by, any other party. Processor may amend this Agreement upon notice to Sub-merchant in accordance with Processor's standard operating procedure. If any provision of this Agreement is determined to be illegal or invalid, such illegality or invalidity of that provision will not affect any of the remaining provisions and this Agreement will be construed as if such provision is not contained in the Agreement "Bank" as used in this Agreement shall mean a member of VISA, MasterCard and/or Discover, as applicable, that provides sponsorship services in connection with this Agreement. The Bank is a party to this Agreement. The Bank may be changed, and its rights and obligations assigned to another party by Processor at any time without notice to Sub-merchant.



EXHIBIT 1 – ADDITIONAL SUPPLEMENTAL TERMS

1. Transaction Processing and Reporting. Subject to the terms of this Agreement, T2 or Processor will initiate payment to Sub-Merchant of the total face amount of each transaction less any fees or other amounts T2 or Processor are authorized to deduct or withhold under this Agreement. The deposit of transaction funds to the Sub-merchant -Owned Designated Account discharges T2 and Processor of any settlement obligation to Sub-Merchant. Sub-Merchant agrees that T2 and Processor have no obligation to settle funds that are the proceeds of a purported transaction that violates Law. Unless otherwise agreed to in writing by the parties, Sub-Merchant shall electronically deliver to T2 or Processor (as agreed among the parties) all transaction records at least every business day. The preparation and delivery of transaction records shall constitute an endorsement by Sub-Merchant of each transaction, and Sub-Merchant authorizes T2 or Processor to place Sub-Merchant's endorsement on any transaction at any time. T2 or Processor shall provide transaction information and reports to Sub-Merchant on a daily basis or as otherwise agreed by the parties. Sub-Merchant agrees to review all such information and reports. Sub-Merchant agrees that its failure to report any errors in such information and reports or to notify T2 that Sub-Merchant has not received any amounts owed to Sub-Merchant within thirty (30) business days from the date the report or invoice is made available to Sub-Merchant or that receipt of such funds was due to occur shall constitute Sub-Merchant's acceptance of the same.

2. Third Party Assessments. Notwithstanding any other provision of this Agreement, Sub-Merchant shall be responsible for all fees, fines, assessments, penalties, loss allocations, or other amounts imposed or assessed to Sub-Merchant, T2, Processor or Bank in connection with this Agreement by the Associations or other third parties to the extent that such amounts are not the direct result of the gross negligence or willful misconduct of T2, Processor, or Bank, as applicable. In the event that Processor or any third party assesses T2 a cost of funds associated with a circumstance where Processor, for whatever reason, advances settlement or any amounts and/or delays the assessment of any fees, Sub-Merchant shall be fully responsible for any portion of such assessment that is attributable to the Services for Sub-Merchant.

3. T2 Fees. Sub-Merchant agrees to pay T2 the fees, expenses, and all other amounts set forth in this Agreement ("**Fees**"), which is referenced and incorporated in the Quote. All amounts owed under this Agreement, are due when invoiced or as otherwise directed. Any such amounts not paid when due shall be charged interest at 1% per month but in no event more than the highest rate permitted by Law. Unless otherwise mutually agreed in writing by the parties, T2 agrees not to change any of its Fees for one (1) year after the Effective Date. Notwithstanding the foregoing, Sub-Merchant is responsible for payment of any changes or increases in Fees by Processor, Bank, the Associations, or other third parties ("**Pass Through Fees**"). In the event that T2 exercises its right to increase any Fees under this Section (exclusive of any changes in Pass Through Fees), T2 will provide Sub-Merchant thirty (30) days' advance written notice. An increase of T2 Fees will be based on the annual transaction volume tiers, which will be no greater than five cents (\$0.05) per transaction. Review of the annual transaction volume tiers will take place upon the anniversary of each Term of the Effective Date of this Agreement. If Sub-Merchant does not agree to any such increases in Fees during this notice period, Sub-Merchant may terminate this Agreement with thirty (30) days' written notice to T2, during which period T2 shall continue to charge the existing Fees during the termination and wind-down period. T2, Processor, and Bank may refuse to provide the Services in the event any of the parties have not been paid by Sub-Merchant for the Services contemplated herein.

4. Right of Offset. Sub-Merchant has no right of offset regarding any amounts Sub-Merchant may owe T2. T2 may setoff any amounts owed by Sub-Merchant under this Agreement against (i) any amounts, including transactions, which T2 would otherwise deposit to the Sub-merchant -Owned Designated Account; (ii) any other amounts T2 may owe Sub-Merchant under this Agreement; or (iii) against any property of Sub-Merchant in the possession or control of T2. This right of offset covers, but is not limited to, chargebacks, disputes, fees, or any amounts Sub-Merchant owes T2 under this Agreement. Sub-Merchant is responsible for any costs T2 incurs in connection with collection, in addition to any amounts owed, including attorneys' fees and expenses, collection agency fees, and any applicable interest on unpaid amounts.

Move Forward.



Prepared for

City of Muskegon, MI



CITY OF
MUSKEGON

CityCite® Parking Enforcement & Permit Management Software



UPSAFETY®

a **T2**SYSTEMS company

Prepared by

Joe Weiler
678-525-7243
Joe.Weiler@T2Systems.com

8900 Keystone Crossing #700,
Indianapolis, IN 46240, United
States

T2 Permits and Enforcement

UPsafety Solution | Cost Proposal

Hardware

Unlike many enforcement providers, we provide full, in-house support for the hardware we resell to you. That means that instead of calling the manufacturer's technical support hotline, you're calling our fully US-based staff under the same one-hour Service Level Agreement we maintain for our software. We believe anything less is not supporting the whole solution.

UPsafety/Flex XF Print All-in-One Enforcement Handheld Package - \$2,695 per device

We recommend this one-piece device as the workhorse for your enforcement personnel. The hardware package includes the XF Rugged handheld device with a built-in printer, Samsung Note 20, two hot-swappable external battery packs, which allow both the device and a supplemental battery to be charged in tandem, a charging dock, power supply/charging cable, strap, carrying case and vehicle charger.

Data Plan Option

UPsafety Verizon LTE Data Plan - \$420 Per Year

We resell data plans from Verizon exclusively because their network and speed are uncompromising. This plan includes mobile data for one device.

Platform Products (includes 24/7 Software Support)

CityCite™ Platform

UPsafety Subscription Service - PE Mobile License(s) - \$2748 per year per license

We sell our cloud-hosted software suite at a recurring license fee per device based on the functionality utilized.

This fee includes:

- 1) A license for (1) mobile user and (1) cloud user to use our front-end data entry software and cloud-based back-end management software. This includes access to all software features, **including the iPermit permitting module.**
- 2) 24/7/365 in-house help desk support for all software and hardware issues.

- 3) Access to our *Client Resource Center*, which provides in-depth details of the functionality within our mobile and back-end software, including video demonstrations and guided walk-throughs.
- 4) All software updates, including product enhancements, issue resolutions, and new feature releases as they become available. Since its inception, we have been releasing new software to clients rapidly.

Major upgrades in 2024, provided at no additional cost to ALL current subscribers.

To ensure these features are fully utilized, we regularly hold *UPsafety User Webinars*, at no additional cost to subscribers, before each major update to identify, train, and answer all customer questions and concerns. Users who cannot make the webinar can request a recorded copy to view anytime.

Patron Payment Portal – Greater of 4.00% or \$3.00 per Citation or Permit Paid Online

We can fully customize an e-commerce site to meet your needs, including branding, adding customized dispute fields, and developing lookup logic. Through the portal, patrons can:

Review photo evidence, as well as all ticket data recorded at the time of issuance
Pay tickets online, from the moment a ticket is issued, via QR code on the ticket, the website printed on the ticket, or, through the Interactive Voice Response (IVR) phone number

Dispute and inquire as to ticket status, including the upload documents to be viewed by enforcement or administrative staff

When a violator pays a \$30.00 citation, they will pay the citation amount, plus the service fee, and we will remit the full \$30.00 citation value to you next day.

UPsafety Personalized Webinar Training \$895.00 one-time fee per training Training and Implementation

This fee is for online training of your officers and administrators on how to use the system inside and out and training managers to a Train the Trainer standard.

UPsafety Cloud Set Up and Customization \$1,875.00 one-time fee

We charge this fee to fully customize the cloud to your department, including setting permissions for each individual employee, implementing ticket lifecycle business logic, creating report templates specified by managers, importing common street names to optimize officer drop-down lists, and more.

Our project managers work quickly, and with your help, we can implement your perfect solution within 90 days of contract signing. For projects that cannot be implemented by T2 within 90 days of the contract execution date due to factors within your control, an extended project management fee of \$500 per week will apply.

Factors within your control include but are not limited to your failure to provide appropriate information, resources, or personnel reasonably necessary to complete implementation. Any delays caused by third parties or events outside the control of either T2 or you would not be applicable.

Programmatic Data Conversion – *Fee waived for standard data conversions*

Assuming cooperation from the incumbent vendor, we will migrate all records from the current system to CityCite.

Optional Products, Processing Services & Other per Item Services

UPsafety Hardware Care Program \$420.00 per year

In the case of hardware damage or failure, this warranty fully covers:

- 1) Immediate shipment of a no-cost Loaner device to replace the affected device
- 2) A call tag for the affected device for shipment to our offices for repair
- 3) Shipping for the repaired device back to your offices
- 4) A call tag for the Loaner device

This provides for instant remediation of hardware issues and keeps officers enforcing.

UPsafety Automated Lookups - DMV Research (dependent on state regulations)

DMV research for violators, we charge Per Successful Plate Lookup, which means that a charge is only incurred if a valid address has been found for the requested plate.

In State

For DMV research for in-state violators, we only charge for lookups when the state levies a fee to conduct a lookup.

Out of State

For DMV research for out-of-state violators, we charge Per Successful Plate Lookup, which means that a charge is only incurred if a valid address has been found for the requested plate.

UPsafety Automated Delinquent Notices – *\$1.00 per Automated Notification*

The cost of customizing physical notices, which will be mailed to violators as warnings and requests for payment or for any other automated correspondence on behalf of your organization, is fully included in the setup process. This fee is for the printing, stamping, and mailing physical notices to violators.

UPsafety Paper 3in Plain Polyvinyl Thermal - \$169 per case

We provide top-quality water and tear-resistant polyvinyl paper. There are 50 rolls per case, and clients see anywhere between 60-70 tickets per roll.

T2 Systems, Inc. - Confidential Quotation
a Verra Mobility Company
8900 Keystone Xing, Suite 700
Indianapolis, IN 46240-4697



Bill To:
City of Muskegon - MI
933 Terrace Street
Muskegon, Michigan 49440
United States

Prepared By:
Bal Sidhu

Prepared For:
Julie Parisian

For: City of Muskegon - MI
Quote ID: Q-42230
Date Issued: 4/10/2024
Expires: 3/31/2025

Ship To:
City of Muskegon
933 Terrace Street
Muskegon, MI 49440
United States

Debra Matz
(231) 724-6903
debra.matz@shorelinecity.com
EIN: TBD

Subscriptions

Product Name	Product Code	Quantity	Sales Price	Total
UPsafety Subscription Service - PE Mobile License(s)		9.00	USD 8,244.00	USD 24,732.00
Year 1	100.5000	3.00	USD 2,748.00	USD 8,244.00
Year 2	100.5000	3.00	USD 2,748.00	USD 8,244.00
Year 3	100.5000	3.00	USD 2,748.00	USD 8,244.00
UPsafety/Flex Verizon LTE Data Plan		9.00	USD 1,260.00	USD 3,780.00
Year 1	100.5003	3.00	USD 420.00	USD 1,260.00
Year 2	100.5003	3.00	USD 420.00	USD 1,260.00
Year 3	100.5003	3.00	USD 420.00	USD 1,260.00
UPsafety Hardware Care Program		9.00	USD 1,260.00	USD 3,780.00
Year 1	100.5006	3.00	USD 420.00	USD 1,260.00
Year 2	100.5006	3.00	USD 420.00	USD 1,260.00
Year 3	100.5006	3.00	USD 420.00	USD 1,260.00
TOTAL:				USD 32,292.00

Services

Product Code	Product Name	Quantity	Sales Price	Total
100.5014	UPsafety Client Cloud Setup & Customization	1.00	USD 1,875.00	USD 1,875.00
100.5029	UPsafety Personalized Webinar Training	1.00	USD 895.00	USD 895.00
TOTAL:				USD 2,770.00

Hardware

Product Code	Product Name	Quantity	Sales Price	Total
105.0765	UPsafety/Flex XF Print All-in-One Enforcement Handheld Package	3.00	USD 2,695.00	USD 8,085.00
663.1000	UPsafety Paper 3in Plain Polyvinyl Thermal, 200 3.2 Appleton, 80mm- Hgp-3 (50 rolls)	3.00	USD 169.00	USD 507.00
TOTAL:				USD 8,592.00

Year 1 Total: USD 22,126.00

Year 2 Total: USD 10,764.00

Year 3 Total: USD 10,764.00

Net Total: USD 43,654.00

Tax Amount: USD 0.00

Tax Comments: N/A

Total: USD 43,654.00

Additional Information:

Freight Term:

Payment Terms:

IRIS Profile:

End User: City of Muskegon - MI

GP Customer Number:

Billing Terms

Additional fees for variable cost services utilized.

Hardware, including subcontractor hardware, and shipping invoiced per Agreement.

Subscriptions are invoiced upon receiving access to licensed product.

Professional Services invoiced on Project Go-Live.

Travel invoiced as incurred.

Tax rate, if applicable, will be finalized for calculation at time of invoicing.

Invoices paid via credit card will incur a 2.5% convenience fee.

Purchase orders can be forwarded to purchaseorders@t2systems.com

Quote is developed in conjunction with Statement of Work, if applicable. If any billing term language conflicts occur, Standard Billing Terms section of Statement of Work document takes precedence.

Quote Number: Q-42230

Customer

Signature

Print Name

Title

Date

PO #



Agenda Item Review Form

Muskegon City Commission

Commission Meeting Date: May 27, 2025	Title: Sale of 280, 290, 300, 310, & 370 Allen				
Submitted by: Samantha Pulos, Code Coordinator	Department: Planning				
Brief Summary: Staff is seeking authorization to sell the City-owned vacant lots at 280, 290, 300, 310, & 370 Allen to Sjaarda Homes and Properties LLC (Derek Sjaarda).					
Detailed Summary & Background: Sjaarda Homes and Properties LLC (Derek Sjaarda) would like to purchase the City-owned buildable lots at 280, 290, 300, 310, & 370 Allen for \$15,000 (75% of the True Cash Value of \$20,000) plus half of the closing costs, and the fee to register the deed. Sjaarda Homes and Properties LLC (Derek Sjaarda) will be constructing a duplex on each property.					
Goal/Focus Area/Action Item Addressed: Key Focus Areas: Goal/Focus Area/Action Item Addressed: Create an environment that effectively attracts new residents and retains existing residents by filling existing employment gaps, attracting new and diverse businesses to the city, and expanding access to a variety of high-quality housing options in Muskegon. Diverse housing types.					
Goal/Action Item: 2027 Goal 2: Economic Development Housing and Business					
Amount Requested: n/a	Budgeted Item: <table border="1" style="width: 100%; border-collapse: collapse; text-align: center;"> <tr> <td style="width: 25%;">Yes</td> <td style="width: 25%;">No</td> <td style="width: 25%;">N/A</td> <td style="width: 25%;">x</td> </tr> </table>	Yes	No	N/A	x
Yes	No	N/A	x		
Fund(s) or Account(s): n/a	Budget Amendment Needed: <table border="1" style="width: 100%; border-collapse: collapse; text-align: center;"> <tr> <td style="width: 25%;">Yes</td> <td style="width: 25%;">No</td> <td style="width: 25%;">N/A</td> <td style="width: 25%;">x</td> </tr> </table>	Yes	No	N/A	x
Yes	No	N/A	x		
Recommended Motion: Authorize staff to sell the City-owned vacant lots at 280, 290, 300, 310, & 370 Allen to Sjaarda Homes and Properties LLC (Derek Sjaarda).					
Approvals:	Guest(s) Invited / Presenting:				

Immediate Division Head	x		No
Information Technology			
Other Division Heads	x		
Communication			
Legal Review	x		

PURCHASE AND DEVELOPMENT AGREEMENT

This Purchase and Development Agreement (“Agreement”) is made **May 27, 2025** (“Effective Date”), between the **City of Muskegon**, a Michigan municipal corporation, of 933 Terrace Street, Muskegon, Michigan 49440 (“City”), and Sjaarda Homes and Properties LLC, Derek Sjaarda, 15131 Blueberry Ct, West Olive MI, 49460 (“Developer”), with reference to the following facts:

Background

A. Developer proposes to purchase and develop five (5) vacant properties owned by City which are located in the City of Muskegon, Muskegon County, Michigan, and each commonly known and legally described on the attached **Exhibit A** (each property individually, a “Parcel” and collectively “Project Property”).

B. City and Developer desire to establish the terms, covenants, and conditions upon which City will sell and Developer will purchase and develop the Project Property. Developer intends to develop on each of the Project Properties one (1) duplex, for a total of five (5) duplexes. (the “Project”).

Therefore, for good and valuable consideration, the parties agree as follows:

1. **Sale and Purchase of Project Property.** City agrees to sell to Developer, and Developer agrees to purchase from City, on the terms and subject to the conditions set forth in this Agreement, the Project Property, subject to reservations, restrictions, and easements of record.

2. **Purchase Price.** The total purchase price for the Project Property shall be \$15,000.00, which shall be paid in cash or other immediately available funds at Closing (defined below) less the \$1000 deposit that the Developer has paid to the City of Muskegon.

Pursuant to Paragraph 3(b) below, the parties acknowledge and agree that Developer shall be eligible to be reimbursed all or a portion of the purchase price for the Parcel upon the completion of certain design standards as further described herein.

3. **Construction and Development Requirements.**

a. **Construction Dates.** The parties acknowledge and agree that Developer shall have a period of Twenty-Four (24) months from the date of Closing to complete the Project (“Construction Period”), except as otherwise provided in this Agreement or as otherwise mutually agreed upon by the parties in writing.

b. **Construction Details; Purchase Price Reimbursement.** Developer’s construction and development of the Project Property, including single-family homes, duplexes, triplexes, and accessory dwelling units, shall be in substantial conformance with its plans and specifications provided to City by Developer or as otherwise agreed upon in writing between City and Developer. As referenced above, Developer shall be eligible for reimbursement of all or a portion of the purchase price for the Project Property upon Developer’s satisfaction of the following design standards for each single-family home, duplex, triplex, and accessory dwelling unit it constructs on the Project Property. If the Project includes an accessory dwelling unit, both the primary dwelling unit (single-family home, duplex, triplex) and the accessory dwelling unit must meet the design standards outlined below to be eligible for reimbursement.

Design Standard	Purchase Price Reimbursement for Parcel
Open front porch of at least 60 sq. ft.	20%
Picture or bay window	20%
Alley-loaded parcel	20%
Shutter or other acceptable window treatments	20%
Underground Sprinkling	20%

(By way of example only: If Developer completes three of the design standards listed above for the construction at the Parcel located at 280 Allen, Developer would be reimbursed \$1,800.00, which is 60% of the \$3,000.00 purchase price for this Parcel. If Developer completes all five design standards, Developer would be reimbursed the entire purchase price for this Parcel. If Developer builds a duplex or small multiplex, Developer would be reimbursed 100% of the purchase price for this Parcel.)

4. **Right of Reversion.** Notwithstanding anything herein to the contrary, and as security for Developer's obligation to commence and complete construction of a duplex on each of the Project Properties, the quit claim deed conveying the Project Property to Developer shall contain a right of reversion in all of the Project Property ("City's Reversionary Right"), which may be exercised by City, in its sole and absolute discretion, if any of the following conditions occur:

a. Developer does not commence construction within sixty (60) days after the date of Closing, in which case title to all of the Project Property shall automatically revert to City upon the terms and conditions further provided in this Paragraph 4 below. For purposes of this Paragraph 4(a), commencing construction means furnishing labor and materials to the Parcel of the Project Property and beginning installation of the approved duplex.

b. Developer does not complete construction of the Project Property prior to expiration of the Construction Period, in which case title to any of the Project Property that are not complete by the end of the Construction Period shall automatically revert to City upon the terms and conditions further provided in this Paragraph 4 below. For purposes of this Paragraph 4(b), completing construction means the issuance of an occupancy permit by City for the Project Property. Provided, however, the parties agree to reasonably negotiate an extension of the Construction Period up to a period of six (6) months for the Project Property that have a completed foundation before the expiration of the initial Construction Period.

If any of the above conditions occur, City shall automatically have City's Reversionary Right to reacquire title to the Project Property, as the case may be. To exercise City's Reversionary Right described herein, City must provide written notice to Developer (or its permitted successors, assigns, or transferees) within thirty (30) days of Developer's failure under this Agreement, but in any event prior to Developer satisfying the conditions set forth in Paragraph 4(a) or Paragraph 4(b) above, as the case may be, and record such notice with the Muskegon County Register of Deeds. Upon request of City, Developer shall take all reasonable steps to ensure City acquires marketable title to the Project Property, as the case may be, through its exercise of its rights under this Paragraph within thirty (30) days of City's demand, including without limitation, the execution of appropriate deeds and other documents.

In addition, if the Project Property revert to City, City may retain the purchase price for such Project Property free and clear of any claim of Developer or its assigns. In the event of reversion of title of the Project Property, improvements made on such Project Property shall become the property of City. In no event shall the Project Property be in a worse condition than upon the date of Closing. These covenants and conditions shall run with the land and be recorded in the quit claim deed from City to Developer.

5. **Title Insurance.** Within five (5) days after the Effective Date, Developer shall order a title commitment for an extended coverage ALTA owner's policy of title insurance issued by Transnation Title Agency (the "Title Company") for the Project Property in the amount of the total purchase price for the Project Property and bearing a date later than the Effective Date, along with copies of all of the underlying documents referenced therein (the "Title Commitment"). Developer shall cause the Title Company to issue a marked-up commitment or *pro forma* owner's policy with respect to the Project Property at the Closing naming Developer as the insured and in form and substance reasonably satisfactory to Developer, but subject to Permitted Exceptions (defined below). As soon as possible after the Closing, Developer shall cause the Title Company to furnish to Developer an extended coverage ALTA owner's policy of title insurance with respect to the Project Property (the "Title Policy"). City shall be responsible for the cost of the Title Policy; provided, however, Developer shall be solely responsible for the cost of any endorsements to the Title Policy that Developer desires.

6. **Title Objections.** Developer shall have until the end of the Inspection Period (as defined below) within which to raise objections to the status of City's title to the Project Property. If objection to the title is made, City shall have seven (7) days from the date it is notified in writing of the particular defects claimed to either (a) remedy the objections, or (b) notify Developer that it will not remedy the objections. If Developer does not notify City in writing as to any title or survey objections, then Developer will be deemed to have accepted the condition of title as set forth in the Title Commitment. If City is unwilling or unable to remedy the title or obtain title insurance over such defects within the time period specified, then notwithstanding anything contained herein to the contrary, Developer may, at its option, upon written notice to City, either (i) terminate this Agreement and neither City nor Developer shall have any further obligation to the other pursuant to this Agreement, except as otherwise provided herein, or (ii) waive such objection, in which case such objection shall become a Permitted Exception, and thereafter proceed to the Closing according to the terms of this Agreement. Any matter disclosed on the Title Commitment that is waived or not objected to by Developer shall be deemed a "Permitted Exception."

7. **Property Taxes and Assessments.** City shall be responsible for the payment of all real estate taxes and assessments that become due and payable prior to Closing, without proration. Developer shall be responsible for the payment of all real estate taxes and assessments that become due and payable after Closing, without proration.

8. **Survey.** Developer at its own expense may obtain a survey of any or all of the Project Property, and Buyer or its surveyor or other agents may enter any of the Project Property for that purpose prior to Closing. If no survey is obtained, Developer agrees that Developer is relying solely upon Developer's own judgment as to the location, boundaries, and area of the Project Property and improvements thereon without regard to any representations that may have been made by City or any other person. In the event that a survey by a registered land surveyor made prior to Closing discloses an encroachment or substantial variation from the presumed land boundaries or area, City shall have the option of affecting a remedy within seven (7) days after disclosure, or terminate this Agreement. Developer may elect to purchase the Project Property subject to said encroachment or variation.

9. **Inspection Period.** At Developer's sole option and expense, Developer and Developer's agents may conduct inspections of each of the Project Property within thirty (30) days after the Effective Date ("Inspection Period"). Developer's inspection under this Paragraph may include, by way of example

but not limitation, inspections of any existing improvements to each Parcel, other systems servicing the Parcel, zoning, and the suitability for Developer's intended purposes for each Parcel. If Developer, in Developer's reasonable discretion, is not satisfied with the results of the inspections for any reason, Developer shall notify City in writing of Developer's prior to expiration of the 30-day Inspection Period. If Developer so notifies City, this Agreement shall be terminated and have no further force and effect. If no written objection is made by Developer within the stated period, this inspection contingency shall be deemed to be waived by Developer and the parties shall proceed to Closing in accordance with the terms of this Agreement.

10. **Condition of Project Property.** City and Developer acknowledge and agree that the Parcel in the Project Property is being sold and delivered "**AS IS**", "**WHERE IS**" in its present condition. Except as specifically set forth in this Agreement or any written disclosure statements, City has not made, does not make, and specifically disclaims any and all representations, warranties, or covenants of any kind or character whatsoever, whether implied or express, oral or written, as to or with respect to (i) the value, nature, quality, or condition of any of the Project Property, including without limitation, soil conditions, and any environmental conditions; (ii) the suitability of the Project Property for any or all of Developer's activities and uses; (iii) the compliance of or by the Project Property with any laws, codes, or ordinances; (iv) the habitability, marketability, profitability, or fitness for a particular purpose of the Project Property; (v) existence in, on, under, or over the Project Property of any hazardous substances; or (vi) any other matter with respect to the Project Property. Developer acknowledges and agrees that Developer has or will have the opportunity to perform inspections of the Project Property pursuant to this Agreement and that Developer is relying solely on Developer's own investigation of the Project Property and not on any information provided to or to be provided by City (except as specifically provided in this Agreement). If the transaction contemplated herein closes, Developer agrees to accept the respective Project Property acquired by Developer and waive all objections or claims against City arising from or related to such Project Property and any improvements thereon except for a breach of any representations or warranties or covenants specifically set forth in this Agreement. In the event this transaction closes, then subject to City's express representations, warranties, and covenants in this Agreement, Developer acknowledges and agrees that it has determined that the respective Project Property it has acquired and all improvements thereon are in a condition satisfactory to Developer based on Developer's own inspections and due diligence, and Developer has accepted such Project Property in their present condition and subject to ordinary wear and tear up to the date of Closing. The terms of this Paragraph shall survive the Closing and/or the delivery of the deed.

11. **Developer's Representations and Warranties of Developer.** Developer represents, covenants, and warrants the following to be true:

a. **Authority.** Developer has the power and authority to enter into and perform Developer's obligations under this Agreement.

b. **Litigation.** No judgment is outstanding against Developer and no litigation, action, suit, judgment, proceeding, or investigation is pending or outstanding before any forum, court, or governmental body, department or agency or, to the knowledge of Developer, threatened, that has the stated purpose or the probable effect of enjoining or preventing the Closing.

c. **Bankruptcy.** No insolvency proceeding, including, without limitation, bankruptcy, receivership, reorganization, composition, or arrangement with creditors, voluntary or involuntary, affecting Developer or any of Developer's assets or property, is now or on the Closing Date will be pending or, to the knowledge of Developer, threatened.

12. **Conditions Precedent.** This Agreement and all of the obligations of Developer under this Agreement are, at Developer's option, subject to the fulfillment, before or at the time of the Closing, of each of the following conditions:

a. **Performance.** The obligations, agreements, documents, and conditions required to be signed and performed by City shall have been performed and complied with before or at the date of the Closing.

b. **City Commission Approval.** This Agreement is approved by the Muskegon City Commission.

13. **Default.**

a. **By Developer.** In the event Developer fails to comply with any or all of the obligations, covenants, warranties, or agreements under this Agreement and such default is not cured within ten (10) days after receipt of notice (other than Developer's failure to tender the purchase price in full at Closing, a default for which no notice is required), then City may terminate this Agreement.

b. **By City.** In the event City fails to comply with any or all of the obligations, covenants, warranties or agreements under this Agreement, and such default is not cured within ten (10) days after receipt of notice, then Developer may either terminate this Agreement or Developer may pursue its legal and/or equitable remedies against City including, without limitation, specific performance.

14. **Closing.**

a. **Date of Closing.** The closing date of this sale shall be as mutually agreed by the parties, but in no event later than 60 days from the City Commission's approval of the sale ("Closing"), unless this Agreement is terminated in accordance with its provisions. The Closing shall be conducted at such time and location as the parties mutually agree.

b. **Costs.** The costs associated with this Agreement and the Closing shall be paid as follows: (i) Developer shall pay any state and county transfer taxes in the amount required by law; (ii) City shall pay the premium for the owner's Title Policy, provided that Developer shall pay for any and all endorsements to the Title Policy that Developer desires; (iii) City shall be responsible to pay for the recording of any instrument that must be recorded to clear title to the extent required by this Agreement; (iv) Developer shall pay for the cost of recording the deed; and (v) Developer and City shall each pay one-half of any closing fees charged by the Title Company.

c. **Deliveries.** At Closing, City shall deliver a quit claim deed for the Project Property and Developer shall pay the purchase price. The quit claim deed to be delivered by City at closing shall include the City Right of Reversion described in Paragraph 4 above. The parties shall execute and deliver such other documents reasonably required to effectuate the transaction contemplated by this Agreement.

15. **Real Estate Commission.** Developer and City shall each be responsible for any fees for any real estate agents, brokers, or salespersons regarding this sale that it has hired, but shall have no obligation as to any fees for any real estate agents, brokers, or salespersons regarding this sale that the other party has hired.

16. **Notices.** All notices, approvals, consents and other communications required under this Agreement shall be in writing and shall be deemed given: (i) when delivered in person; (ii) when sent by fax or email; (iii) when sent by a nationally-recognized receipted overnight delivery service with delivery fees prepaid; or (iv) when sent by United States first-class, registered, or certified mail, postage prepaid. The notice shall be effective immediately upon personal delivery or upon transmission of the fax or email; one day after depositing with a nationally recognized overnight delivery service; and five (5) days after sending by first class, registered, or certified mail.

Notices shall be sent to the parties as follows:

To City: City of Muskegon
Attn.: Samantha Pulos, Code Coordinator
933 Terrace Street
Muskegon, MI 49440

To Developer: Sjaarda Homes and Properties LLC
Derek Sjaarda
15131 Blueberry Ct
West Olive MI 49460
Email: dlsjaarda@gmail.com
Cell: 616-723-7130

17. **Miscellaneous.**

a. **Governing Law.** This Agreement will be governed by and interpreted in accordance with the laws of the state of Michigan.

b. **Entire Agreement.** This Agreement constitutes the entire agreement of the parties and supersedes any other agreements, written or oral, that may have been made by and between the parties with respect to the subject matter of this Agreement. All contemporaneous or prior negotiations and representations have been merged into this Agreement.

c. **Amendment.** This Agreement shall not be modified or amended except in a subsequent writing signed by all parties.

d. **Binding Effect.** This Agreement shall be binding upon and enforceable by the parties and their respective legal representatives, permitted successors, and assigns.

e. **Counterparts.** This Agreement may be executed in counterparts, and each set of duly delivered identical counterparts which includes all signatories, shall be deemed to be one original document.

f. **Full Execution.** This Agreement requires the signature of all parties. Until fully executed, on a single copy or in counterparts, this Agreement is of no binding force or effect and if not fully executed, this Agreement is void.

g. **Non-Waiver.** No waiver by any party of any provision of this Agreement shall constitute a waiver by such party of any other provision of this Agreement.

h. **Severability.** Should any one or more of the provisions of this Agreement be determined to be invalid, unlawful, or unenforceable in any respect, the validity, legality, and enforceability of the remaining provisions of this Agreement shall not in any way be impaired or affected.

i. **No Reliance.** Each party acknowledges that it has had full opportunity to consult with legal and financial advisors as it has been deemed necessary or advisable in connection with its decision to knowingly enter into this Agreement. Neither party has executed this Agreement in reliance on any representations, warranties, or statements made by the other party other than those expressly set forth in this Agreement.

j. **Assignment or Delegation.** Except as otherwise specifically set forth in this Agreement, neither party shall assign all or any portion of its rights and obligations contained in this Agreement without the express or prior written approval of the other party, in which approval may be withheld in the other party's sole discretion.

k. **Venue and Jurisdiction.** The parties agree that for purposes of any dispute in connection with this Agreement, the Muskegon County Circuit Court shall have exclusive personal and subject matter jurisdiction and that Muskegon County is the exclusive venue.

This Agreement is executed effective as of the Effective Date set forth above.

CITY:

DEVELOPER:

CITY OF MUSKEGON

Sjaarda Homes and Properties LLC

By: _____
Name: Ken Johnson
Title: Mayor
Dated: _____

By: _____
Name: Derek Sjaarda
Dated: _____

By: _____
Name: Ann Marie Meisch
Title: City Clerk
Dated: _____

Exhibit A

The following described premises located in the City of Muskegon, County of Muskegon, State of Michigan, and legally described as follows:

**Legal Description: CITY OF MUSKEGON REVISED PLAT OF 1903 WEST 49.5 FEET LOT 9
BLOCK 210**

Address: 280 ALLEN AVE, MUSKEGON, MI 49442

Parcel #: 61-24-205-210-0009-01

Price: \$3,000.00

**Legal Description: CITY OF MUSKEGON REVISED PLAT OF 1903 EAST 16.5 FEET LOT 9
WEST 33 FEET LOT 10 BLOCK 210**

Address: 290 ALLEN AVE, MUSKEGON, MI 49442

Parcel #: 61-24-205-210-0010-01

Price: \$3,000.00

**Legal Description: CITY OF MUSKEGON REVISED PLAT OF 1903 EAST 33 FEET LOT 10
WEST 16.5 FEET LOT 11 BLOCK 210**

Address: 300 ALLEN AVE, MUSKEGON, MI 49442

Parcel #: 61-24-205-210-0010-10

Price: \$3,000.00

**Legal Description: CITY OF MUSKEGON REVISED PLAT OF 1903 EAST 49.5 FEET LOT 11
BLOCK 210**

Address: 310 ALLEN AVE, MUSKEGON, MI 49442

Parcel #: 61-24-205-210-0011-01

Price: \$3,000.00

**Legal Description: CITY OF MUSKEGON
REVISED PLAT 1903 LOT 10 BLK 211**

Address: 370 ALLEN AVE, MUSKEGON, MI 49442

Parcel #: 61-24-205-211-0010-00

Price: \$3,000.00



Agenda Item Review Form

Muskegon City Commission

Commission Meeting Date: May 27, 2025	Title: Contract with Pioneer Resources for Transit Services							
Submitted by: LeighAnn Mikesell, Deputy City Manager	Department: Manager's Office							
Brief Summary: Staff is seeking approval for the contract with Pioneer Resources for transit service to the city beaches.								
Detailed Summary & Background: At the April 8, 2025 meeting, the commission approved the beach shuttle service proposal. Staff is now seeking approval of the contract with Pioneer Resources to provide transit service from various neighborhoods to Pere Marquette Park. The agreement includes two buses servicing stops from Smith Ryerson Park to Pere Marquette Park on weekends only from May 23 to August 31. The amount requested is only for May 23 to June 30 and requires a budget amendment.								
Goal/Focus Area/Action Item Addressed: Key Focus Areas: Goal/Action Item: 2027 Goal 1: Destination Community & Quality of Life - Improved access to waterways								
Amount Requested: \$20,720	Budgeted Item: <table border="1" style="width: 100%; border-collapse: collapse; text-align: center;"> <tr> <td style="width: 12.5%;">Yes</td> <td style="width: 12.5%;"></td> <td style="width: 12.5%;">No</td> <td style="width: 12.5%;">X</td> <td style="width: 12.5%;">N/A</td> <td style="width: 12.5%;"></td> <td style="width: 12.5%;"></td> </tr> </table>	Yes		No	X	N/A		
Yes		No	X	N/A				
Fund(s) or Account(s): 101-772-801	Budget Amendment Needed: <table border="1" style="width: 100%; border-collapse: collapse; text-align: center;"> <tr> <td style="width: 12.5%;">Yes</td> <td style="width: 12.5%;">X</td> <td style="width: 12.5%;">No</td> <td style="width: 12.5%;"></td> <td style="width: 12.5%;">N/A</td> <td style="width: 12.5%;"></td> <td style="width: 12.5%;"></td> </tr> </table>	Yes	X	No		N/A		
Yes	X	No		N/A				
Recommended Motion: To approve the contract with Pioneer Resources and authorize the mayor and clerk to sign.								
Approvals: <table border="1" style="width: 100%; border-collapse: collapse;"> <tr> <td style="width: 60%;">Immediate Division Head</td> <td style="width: 10%;"></td> <td style="width: 30%;"></td> </tr> <tr> <td>Information Technology</td> <td></td> <td></td> </tr> </table>	Immediate Division Head			Information Technology			Guest(s) Invited / Presenting: No	
Immediate Division Head								
Information Technology								

Other Division Heads			
Communication			
Legal Review	X		

**AGREEMENT BETWEEN THE CITY OF MUSKEGON
AND PIONEER RESOURCES: BEACH TRANSIT**

THE AGREEMENT made effective May 23, 2025 between the City of Muskegon, located at 933 Terrace Street, Muskegon, Michigan 49443-0536 (hereinafter referred to as “Muskegon”) and Pioneer Resources, Inc., located at 1145 Wesley, Muskegon, Michigan 49444 (hereinafter referred to as “Pioneer”).

RECITALS

- A. Muskegon owns and operates a number of parks and recreational facilities in the City of Muskegon, including a beach at Pere Marquette Park.
- B. Muskegon believes that it would be of benefit to offer transportation between Pere Marquette Park (at the intersection of Indiana Street and Beach Street), Smith Ryerson Park, the intersection of Morris Street and Second Street, Campbell Field Park, and Grand Trunk Launch.
- C. Pioneer, as part of its mission, operates various transportation services designed to serve individuals with disabilities, older adults, and persons facing barriers to reliable transportation access.
- D. In consideration of the matters described above and of the mutual benefits set forth in this Agreement, the parties agree as follows:

Section 1 Recitals

The parties agree that the Recitals provided above are true and correct and are incorporated into the body of this Agreement.

Section 2 Services Provided by Muskegon

- A. Muskegon shall design and install signage at Pere Marquette Park (at the intersection of Indiana Street and Beach Street), Smith Ryerson Park, the intersection of Morris Street and Second Street, Campbell Field Park, and Grand Trunk Launch advertising the beach transit.
- B. Muskegon shall pay Pioneer \$12,950.00 upon execution of this Agreement, subsequent \$12,950 payments to be made on June 30, 2025, on July 31, 2025, and on September 13, 2025, for a total of \$51,800.00.
- C. The September 13, 2025 payment of \$12,950.00 may be modified as follows:
 - 1. Decreased due to any mutually agreeable cancellations;
 - 2. Increased due to providing services on Monday, September 1, 2025 (Labor Day); and
 - 3. Increase or decrease based upon a mutually agreeable change in services.

Section 3 Services Provided by Pioneer

- A. Pioneer shall provide transportation services on Fridays, Saturdays and Sundays commencing on Friday, May 23, 2025, and ending on Sunday August 31, 2025. On Fridays and Saturdays, the hours of operation shall be from 11:00 a.m. through 9:00 p.m. On Sundays, the hours of operations shall be from 11:00 a.m. through 6:00 p.m.
- B. Pioneer shall provide two (2) handicapped accessible buses. Each bus shall have a minimum of sixteen (16) seats accommodating up to three (3) wheelchair.
- C. Pioneer shall use its employees, with proper licenses, to operate the buses. The operator shall drive the buses and provide assistance in entering and exiting the bus. The operator shall be responsible to securing all wheelchairs in a safe and secure manner.

Section 4 Relationship Between the Parties

Pioneer shall perform and provide services under this Agreement as an independent contractor and the individual or individuals designated by Pioneer shall remain for all purposes employees of Pioneer. Pioneer understands that it will remain responsible for any and all wages and benefits due to said employee. That employee shall not be entitled to any benefits from Muskegon, including, but not limited to, vacation leave, sick leave, health insurance, disability insurance, unemployment insurance, and workers' compensation benefits.

Section 5 Assignment

Neither Muskegon nor Pioneer shall assign any of its rights nor transfer any of its obligations under this Agreement to another party without the prior written consent of the other, which shall not be unreasonably withheld.

Section 6 Severability

If any one or more of the provisions contained herein shall for any reason be held to be invalid, illegal, or unenforceable in any respect, then such provision or provisions shall be deemed severable from the remaining provisions hereof, and such invalidity, illegality or unenforceability shall not affect any other provision hereof, and this Agreement shall be construed as if such invalid, illegal or unenforceable provision and never been contained herein.

Section 7 Notice

Notices shall be given by personal service, fax, e-mail, or United States pre-paid postage for first class, registered or certified mail. Notices of termination shall be sent as follows:

To: Muskegon

933 Terrace Street
Muskegon, MI 49440
Attn: Jonathan Seyferth, City Manager

To: Pioneer

1145 Wesley Ave
Muskegon, MI 49442
Attn: Jill Bonthuis, Chief Executive Officer

Section 8 Entire Agreement and Amendment

In conjunction with the matters considered herein, this Agreement contains the entire understanding and agreement of the parties and there have been no promises, representations, agreements, warranties, or undertakings by any of the parties, either oral or written, of any character or nature hereafter binding except as set forth herein. This Agreement may be altered, amended, or modified only by an instrument in writing, executed by City Manager for Muskegon and Chief Executive Officer for Pioneer and by no other means. Each party waives their future right to claim, contest or assert that this Agreement was modified, canceled, superseded, or changed by any oral agreements, course of conduct waiver or estoppel.

Section 9 No Third-Party Beneficiary

No person dealing with Muskegon or Pioneer shall be, nor shall any of them be deemed to be, third-party beneficiaries of this Agreement. This Agreement is not intended to, nor shall it be interpreted to create a special relationship between Muskegon and Pioneer and any staff, visitors, residents, or other individuals who may have business through Muskegon or Pioneer.

Section 10 Insurance and Waiver of Claims

Muskegon will submit to Pioneer and Pioneer shall submit to Muskegon a Certificate of Insurance certifying that for the period covered by this Agreement, each party carries and has added the other party to the following insurance policies:

A. Worker's compensation insurance including Employer's Liability Coverage in accordance with all applicable statutes of the State of Michigan.

B. General Liability insurance, including a Broad Form General Liability Endorsement or equivalent, with minimum aggregate limits of \$1,000,000 to protect the other party against claims for damage to property of others or for injury to or death of one more than one person due to accidents which may occur or result from the Subrecipient's performance under this Agreement.

C. Motor vehicle liability insurance including Michigan No-Fault Coverage, with limits of Liability not less than \$1,000,000 per occurrence for personal injury and for property damage. Coverage shall include all owned vehicles, all non-owned vehicles, and all hired vehicles.

D. Any and all additional insurance required by the laws of the State of Michigan.

The insurance certificates required under this Agreement shall name Muskegon and Pioneer as an additional insured party and shall obligate the insurer to provide a defense against all claims brought against either party by virtue of this Agreement. Documentation shall include evidence of coverage as it applies to the specific delivery of services as outlined by the Agreement herein. The certificate shall provide that they cannot be canceled or modified without sixty (60) days advance written notice to the other party by the insurance company. Either party may waive subrogation on its policy(ies).

Section 11 Terms and Conditions

The terms and conditions used in this Agreement shall be given their common and ordinary definition and will not be construed against either party.

Section 12 Execution of Counterparts

This Agreement may be executed in any number of counterparts and each such counterparts shall for all purposes be deemed to be an original; and all such counterparts, or as many of them as the parties shall preserve undestroyed, shall together constitute one and the same instrument.

Section 13 Authority

All parties to this Agreement warrant and represent that they have the power and authority to enter into this Agreement in the names, titles, and capacities herein stated and on behalf of any entities, person, or firms represented or purported to be represented by such entity(ies), person(s), or firm(s) and that all formal requirements necessary or required by any State and/or Federal law in order to enter into this Agreement have been fully complied with.

In Witness Whereof the parties have executed this Agreement in their respective cities.

Pioneer Resources, Inc.

By: Joe R. Bonhuis

Name: Jill Bonthuis

Its: Chief Executive Officer

Date: 5/20/2025

City of Muskegon

By: _____

Name: Jonathan Seyferth

Its: Manager

Date: _____

By: _____

Name: Ann Meisch

Its: Clerk

Date: _____



Agenda Item Review Form

Muskegon City Commission

Commission Meeting Date: May 27, 2025	Title: Juneteenth Resolution 2025															
Submitted by: Jonathan Seyferth, City Manager	Department: Manager's Office															
Brief Summary: Resolution to recognize Thursday, June 19, 2025, as Juneteenth National Independence Day and to authorize the flying of the Juneteenth Flag at City Hall and Hackely Park.																
Detailed Summary & Background:																
Goal/Focus Area/Action Item Addressed: <u>Key Focus Areas:</u> <u>Goal/Action Item:</u> 2027 Goal 3: Community Connection																
Amount Requested:	Budgeted Item: <table border="1"> <tr> <td>Yes</td> <td></td> <td>No</td> <td></td> <td>N/A</td> <td></td> <td></td> </tr> </table>	Yes		No		N/A										
Yes		No		N/A												
Fund(s) or Account(s):	Budget Amendment Needed: <table border="1"> <tr> <td>Yes</td> <td></td> <td>No</td> <td></td> <td>N/A</td> <td></td> <td></td> </tr> </table>	Yes		No		N/A										
Yes		No		N/A												
Recommended Motion:																
Approvals: <table border="1"> <tr> <td>Immediate Division Head</td> <td></td> <td></td> </tr> <tr> <td>Information Technology</td> <td></td> <td></td> </tr> <tr> <td>Other Division Heads</td> <td></td> <td></td> </tr> <tr> <td>Communication</td> <td></td> <td></td> </tr> <tr> <td>Legal Review</td> <td></td> <td></td> </tr> </table>	Immediate Division Head			Information Technology			Other Division Heads			Communication			Legal Review			Guest(s) Invited / Presenting: No
Immediate Division Head																
Information Technology																
Other Division Heads																
Communication																
Legal Review																

**CITY OF MUSKEGON
RESOLUTION HONORING
JUNETEENTH NATIONAL INDEPENDENCE DAY**

WHEREAS, the United State of America formally recognized Juneteenth, celebrated on June 19, as a federal holiday with the signing of the Juneteenth National Independence Day Act on June 17, 2021, commemorating the emancipation of enslaved African Americans; and

WHEREAS, news of the end of slavery did not reach the frontier areas of the United States, in particular the State of Texas and the other southwestern states, until months after the conclusion of the Civil War, more than 2 ½ years after President Abraham Lincoln issued the Emancipation Proclamation on January 1, 1863; and

WHEREAS, on June 19, 1865, Union soldiers, led by Major General Gordon Granger, arrived in Galveston, Texas, with news that the Civil War had ended and that more than 200,000 enslaved African Americans were finally free; and

WHEREAS, African Americans who had been slaves in the Southwest celebrated June 19, commonly known as Juneteenth Independence Day, as inspiration and encouragement for future generations; and

WHEREAS, African Americans from the Southwest have continued the tradition of observing Juneteenth Independence Day for over 150 years; and

WHEREAS, 45 States and the District of Columbia have designated Juneteenth Independence Day as a special day of observance in recognition of the emancipation of all slaves in the United States; and

WHEREAS, Juneteenth Independence Day celebrations have been held to honor African American freedom while encouraging self-development and respect for all cultures; and

WHEREAS, the faith and strength of character demonstrated by former slaves and the descendants of former slaves, along with their great many contributions to America, remain an example for all people of the United States and around the world, regardless of background, religion, or race; and

WHEREAS, slavery was not officially abolished until the ratification of the 13th Amendment to the Constitution of the United States in December 1865; and

WHEREAS, over the course of its history, the United States has grown into a symbol of democracy and freedom around the world; and

WHEREAS, Juneteenth Independence Day provides an opportunity for Muskegon residents and all Americans to learn more about the past and to better understand the experiences that have shaped the United States.

NOW, THEREFORE, BE IT RESOLVED that the City Commission for the City of Muskegon respectfully honors, acknowledges and reaffirms the 19th day of June as Juneteenth National Independence Day; and that in recognition, honor, and acknowledgement of the official federal holiday, Juneteenth National Independence Day, the City of Muskegon will fly the Juneteenth Flag at Muskegon City Hall and at Hackley Park in Muskegon on Thursday, June 19, 2025.

The foregoing Resolution was offered by _____ and supported by _____ and same was duly passed at a general session of the City of Muskegon City Commission, with the vote as follows:

Yeas:

Nays:

Absent:

CERTIFICATION

I hereby certify that the foregoing constitutes a true and complete copy of a resolution adopted by the City Commission of the City of Muskegon, County of Muskegon, Michigan at a regular meeting held on May 27, 2025.

By: _____
Kenneth D. Johnson, Mayor

By: _____
Ann Marie Meisch, MMC – City Clerk



Agenda Item Review Form

Muskegon City Commission

Commission Meeting Date: May 27, 2025	Title: Recognizing June as Pride Month															
Submitted by: Ken Johnson, Mayor	Department: Manager's Office															
Brief Summary: June is Pride Month; the following resolution is offered as a way to acknowledge Pride Month and the LGBTQ+ community. The resolution notes that the Pride Flag will be flown at Hackley Park during Pride Month and that a Pride Display can be done at City Hall.																
Detailed Summary & Background:																
Goal/Focus Area/Action Item Addressed: Key Focus Areas: More integrated community Goal/Action Item: 2027 Goal 3: Community Connection																
Amount Requested: n/a	Budgeted Item: <table border="1"> <tr> <td>Yes</td> <td></td> <td>No</td> <td></td> <td>N/A</td> <td>X</td> <td></td> </tr> </table>	Yes		No		N/A	X									
Yes		No		N/A	X											
Fund(s) or Account(s):	Budget Amendment Needed: <table border="1"> <tr> <td>Yes</td> <td></td> <td>No</td> <td></td> <td>N/A</td> <td>X</td> <td></td> </tr> </table>	Yes		No		N/A	X									
Yes		No		N/A	X											
Recommended Motion:																
Approvals: <table border="1"> <tr> <td>Immediate Division Head</td> <td></td> <td></td> </tr> <tr> <td>Information Technology</td> <td></td> <td></td> </tr> <tr> <td>Other Division Heads</td> <td></td> <td></td> </tr> <tr> <td>Communication</td> <td></td> <td></td> </tr> <tr> <td>Legal Review</td> <td></td> <td></td> </tr> </table>	Immediate Division Head			Information Technology			Other Division Heads			Communication			Legal Review			Guest(s) Invited / Presenting: No
Immediate Division Head																
Information Technology																
Other Division Heads																
Communication																
Legal Review																

RESOLUTION No. _____
City of Muskegon Resolution Honoring Pride Month

WHEREAS, the City of Muskegon is home to a diverse and vibrant Lesbian, Gay, Bisexual, Transgender, Queer, Intersex, and Asexual (LGBTQIA) community, and is committed to supporting their visibility, dignity, and inclusion; and

WHEREAS, LGBTQIA folx contribute meaningfully to every aspect of civic life, including education, public health, business, government, sports, technology, literature, civil rights, and the arts; and

WHEREAS, each June, communities across the country commemorate Pride Month in honor of the 1969 Stonewall Uprising, a pivotal moment in the struggle for LGBTQIA rights and justice; and

WHEREAS, Pride Month is a time to honor the resilience, contributions, and advocacy of LGBTQIA people, to recognize the progress that has been made, and to reaffirm the City's steadfast commitment to equality and respect for all residents, employees, and visitors; and

WHEREAS, despite advancements, LGBTQIA individuals continue to face discrimination and marginalization, underscoring the importance of solidarity, public recognition, and active support from communities like Muskegon; and

WHEREAS, symbols such as the Pride Flag represent diversity, inclusion, and joy, with their public display promoting awareness and acceptance; and

WHEREAS, the City of Muskegon is proud to host the Muskegon Pride Festival in Downtown Muskegon, drawing thousands of people from throughout West Michigan and beyond.

NOW, THEREFORE, BE IT RESOLVED, that the City Commission of the City of Muskegon hereby proclaims June as *Pride Month* in the City of Muskegon; and

BE IT FURTHER RESOLVED that, in celebration of Pride Month, the City of Muskegon will fly the Pride Flag at Hackley Park throughout the month of June 2025, save for June 16-19 when the Juneteenth Flag will be flown, and will also host a Pride-themed garden display at City Hall as a visible expression of support, respect, and unity.

The foregoing Resolution was presented by Mayor Johnson, acted upon by Commissioner _____ for adoption, which was supported by Commissioner _____, and was duly passed at a general session of the City of Muskegon City Commission.

IN WITNESS WHEREOF, I hereunto set my hand and cause the seal of the City to be affixed this 27th day of May, 2025.

Kenneth D. Johnson, Mayor



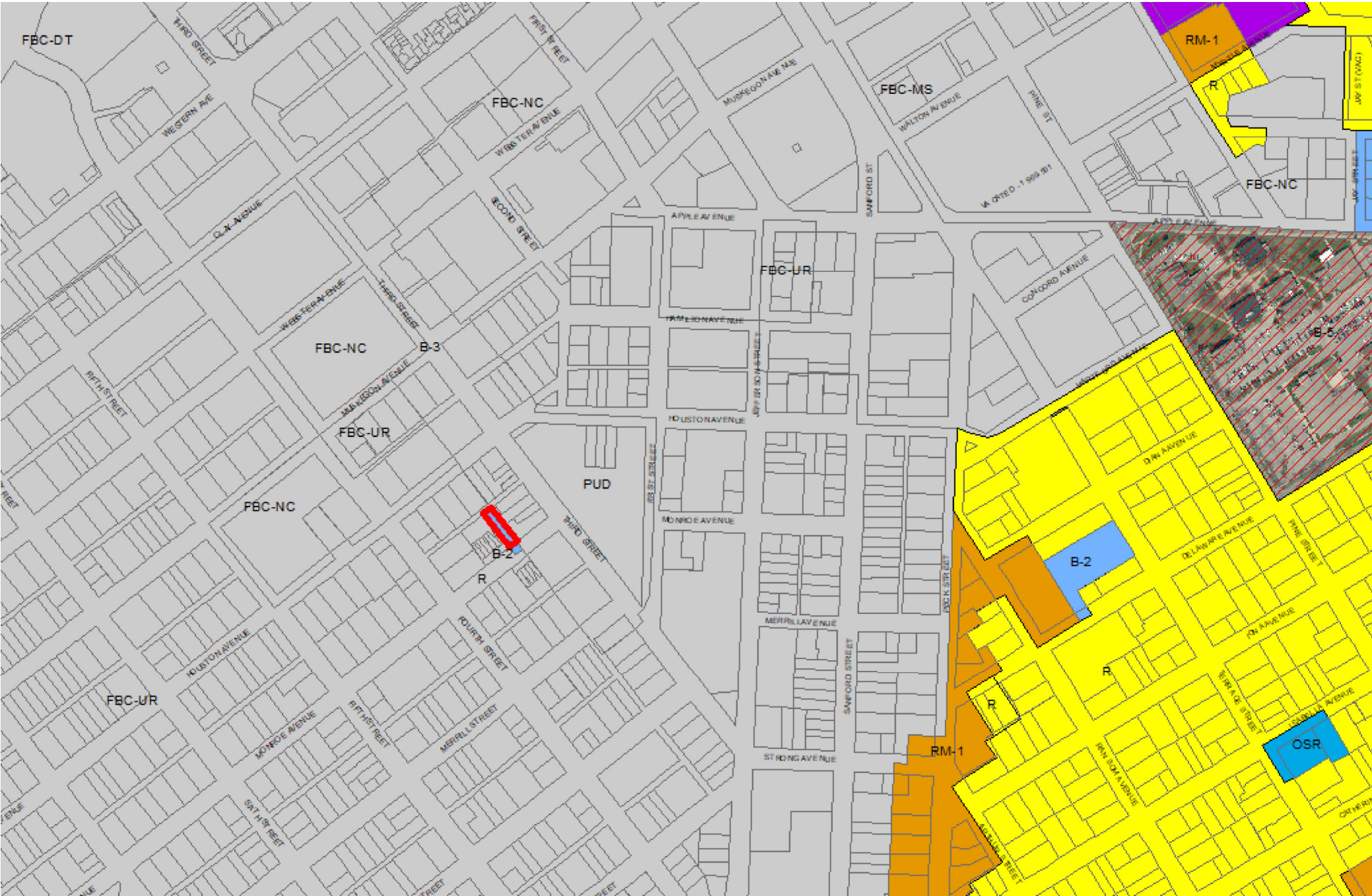
Agenda Item Review Form

Muskegon City Commission

Commission Meeting Date: May 27, 2025	Title: Rezoning of 236 Monroe Ave.								
Submitted by: Mike Franzak, Planning Director	Department: Planning								
Brief Summary: Staff-initiated request to rezone the property at 236 Monroe Ave from B-2, Convenience & Comparison Business to Form Based Code, Urban Residential.									
Detailed Summary & Background: At the April Planning Commission meeting, this property was recommended to be rezoned to FBC-MS along with the property to the east. However, a neighbor at the Public Hearing noted that this designation would allow for a parking lot to be built next to their townhouse. After further examination, staff recommended that this property be rezoned to FBC-UR, which would allow for a narrow housing unit, but not a parking lot. The request to rezone the parcel to FBC-UR returned to the May Planning Commission meeting, where it was unanimously recommended for approval.									
Goal/Focus Area/Action Item Addressed: Key Focus Areas: Goal/Action Item: 2027 Goal 2: Economic Development Housing and Business									
Amount Requested: N/A	Budgeted Item: <table border="1" style="width: 100%; border-collapse: collapse;"> <tr> <td style="width: 25%;">Yes</td> <td style="width: 25%;"></td> <td style="width: 25%;">No</td> <td style="width: 25%;"></td> <td style="width: 25%;">N/A</td> <td style="width: 25%;"></td> <td style="width: 25%;">X</td> <td style="width: 25%;"></td> </tr> </table>	Yes		No		N/A		X	
Yes		No		N/A		X			
Fund(s) or Account(s): N/A	Budget Amendment Needed: <table border="1" style="width: 100%; border-collapse: collapse;"> <tr> <td style="width: 25%;">Yes</td> <td style="width: 25%;"></td> <td style="width: 25%;">No</td> <td style="width: 25%;"></td> <td style="width: 25%;">N/A</td> <td style="width: 25%;"></td> <td style="width: 25%;">X</td> <td style="width: 25%;"></td> </tr> </table>	Yes		No		N/A		X	
Yes		No		N/A		X			
Recommended Motion: I move that the request to rezone the property at 236 Monroe Ave from B-2, Convenience & Comparison Business to Form Based Code, Urban Residential be approved.									
Approvals: <table border="1" style="width: 100%; border-collapse: collapse;"> <tr> <td style="width: 70%;">Immediate Division Head</td> <td style="width: 10%; text-align: center;">X</td> <td style="width: 20%;"></td> </tr> <tr> <td>Information Technology</td> <td></td> <td></td> </tr> </table>	Immediate Division Head	X		Information Technology			Guest(s) Invited / Presenting: No		
Immediate Division Head	X								
Information Technology									

Other Division Heads			
Communication			
Legal Review			







CITY OF MUSKEGON
MUSKEGON COUNTY, MICHIGAN
ORDINANCE NO. _____

An ordinance to amend the zoning map of the City to provide for a zone change for 236 Monroe Ave from B-2 to Form Based Code, UR.

THE CITY COMMISSION OF THE CITY OF MUSKEGON HEREBY ORDAINS:

The zoning map of the City of Muskegon is hereby amended to change the zoning from B-2 to FBC, UR.

This ordinance adopted:

Ayes: _____

Nayes: _____

Adoption Date: _____

Effective Date: _____

First Reading: _____

Second Reading: _____

CITY OF MUSKEGON

By: _____

Ann Meisch, MMC

City Clerk

CERTIFICATE

(Rezoning of 236 Monroe to FBC, UR)

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 27th day of May, 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: _____, 2025 _____

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 May 27, 2025, the City Commission of the City of Muskegon adopted an ordinance amending the zoning map to provide for the change of zoning for 236 Monroe Ave to FBC, UR.

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 _____, 2025

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: May 27, 2025	Title: Amendment to the zoning ordinance, definition of "family."
Submitted by: Mike Franzak, Planning Director	Department: Planning

Brief Summary:
Staff-initiated request to amend Article II of the zoning ordinance to amend the definition of "family." The Planning Commission unanimously voted to recommend approval of the amendment at their May meeting.

Detailed Summary & Background:
Staff is proposing to amend the definition of "family" in the zoning ordinance to better reflect the current living situations of many homes in the community. There are many homes throughout the city that exceed the number of people allowed under the current definition of family, although it is rarely enforced - mostly because there are not any complaints that would warrant investigation. Increasing the number of unrelated people allowed in a house would better reflect many living situations already present in the community. However, staff from various city departments have noted issues with too many adults living within the same dwelling unit. These issues include stress on aging houses, overcrowding, over-use of amenities/utilities, potential for emergency service calls, and storage of materials. Staff agree that a couple more adults allowed in a housing unit should not warrant too much concern on these issues, but any household larger than that should be situated in a group home or single room-occupancy type building, which are better equipped to host these types of living situations.

Please see the existing definition of Family in the zoning ordinance:

Family: means one of the following:
Family, Domestic: One or more persons living together and related by the bonds of blood, marriage, guardianship, foster relation, or adoption, and not more than two additional unrelated persons, with all such individuals being domiciled together as a single, domestic, housekeeping unit in the dwelling.
Functional Family: The following persons shall be considered a functional family: Persons living together in a dwelling unit whose relationship is of a permanent and distinct character and is the functional equivalent of a domestic family, with a demonstrable and recognizable bond which constitutes the functional equivalent of the bonds which render the domestic family a cohesive unit. All persons of the functional family must be cooking and otherwise housekeeping as a single, nonprofit unit. At least one person in the functional family must be the record or equitable owner of the property or dwelling unit, or the primary tenant under a written lease having a least one year's duration. This definition shall not include any society, club, fraternity, sorority, association, lodge, coterie, organization, rooming house, rooming units, or group where the common living arrangement and/or the basis for the establishment of the functional equivalency of the domestic family is likely or contemplated to exist for a limited or temporary duration. The definition of functional family shall not include a living arrangement where there exists less than 225 square feet of living space in the

dwelling unit per person residing therein, or insufficient off-street parking located entirely on the property for all vehicles used by the said residents.

Applicability: Living arrangements which would otherwise comply with the description of a family shall not constitute a family if the said arrangements have occurred as a result of commercial or other advertising, or the offering of rooms for rent. Any financial arrangement, except a true sharing of the expenses of all the facilities in the single household unit shall be presumed to constitute renting a room or rooms, and to have resulted from the offering of rooms for rent or commercial or other advertising. Where rooms have been rented, or persons live in the house in response to commercial advertising or the offering of rooms for rent, the living arrangement shall be presumed to constitute a rooming house and not a family. A person claiming the status of family shall have the burden of proof of each of the elements set forth in the relevant definitions of this ordinance.

The current definition of domestic family would allow up to three unrelated adults to live in a single housing unit.

The current definition of a functional family would allow an unlimited amount of unrelated people to share a home (as long as they function as a family as described by the ordinance and its not commercially advertised), with the only restriction being a minimum of 225 sf of space per person. A 4,000 sf house would allow up to 17 people.

Staff is proposing to amend the definition of family to the following:

Family: One or more persons living together and related by the bonds of blood, marriage, guardianship, foster relation, or adoption, and not more than four additional unrelated persons, with all such individuals being domiciled together as a single, domestic, housekeeping unit in the dwelling.

This definition would increase the number of unrelated people allowed in a house from three to five.

Looking forward to the following case, rooming houses would allow opportunities for households between 6-8 unrelated people and single-room occupancy homes would allow up to 25 unrelated people.

Goal/Focus Area/Action Item Addressed:

Key Focus Areas:

Goal/Action Item:

2027 Goal 2: Economic Development Housing and Business

Amount Requested:

N/A

Budgeted Item:

Yes		No		N/A	X	
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Fund(s) or Account(s):

N/A

Budget Amendment Needed:

Yes		No		N/A	X	
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Recommended Motion:

I move that the request to amend Section II of the zoning ordinance to amend the definition of family be approved as presented.

Approvals:

Guest(s) Invited / Presenting:

Immediate Division Head	X		No
Information Technology			
Other Division Heads			
Communication			
Legal Review			

CITY OF MUSKEGON
MUSKEGON COUNTY, MICHIGAN

ORDINANCE NO. _____

An ordinance to amend Article II of the zoning ordinance to amend the definition of family.

THE CITY COMMISSION OF THE CITY OF MUSKEGON HEREBY ORDAINS:

Article II

Family: One or more persons living together and related by the bonds of blood, marriage, guardianship, foster relation, or adoption, and not more than four additional unrelated persons, with all such individuals being domiciled together as a single, domestic, housekeeping unit in the dwelling.

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 27th day of May, 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: _____, 2025.

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 May 27, 2025, the City Commission of the City of Muskegon adopted an ordinance to amend Article II of the zoning ordinance to amend the definition of family.

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 _____, 2025.

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: May 27, 2025	Title: Amendment to the zoning ordinance, creating regulations for "single-room occupancy homes" and "rooming houses."
Submitted by: Mike Franzak, Planning Director	Department: Planning
Brief Summary: Staff-initiated request to amend the zoning ordinance to create a section that allows for single-room occupancy homes and rooming house uses. The Planning Commission unanimously recommended approval of the amendment at their May meeting.	
Detailed Summary & Background: Staff had been asked by the City Commission to explore the option of allowing Single-Room Occupancy homes in the City. A Single-Room Occupancy is a dwelling unit within a housing structure that does not have its own kitchen, or usually even a bathroom, where the tenants share common amenities like kitchens, bathrooms, laundry facilities, etc. This type of use actually happens under the radar quite often, with inspectors finding them periodically in the City. Sometimes these non-permitted uses have the owner living on-site, sometimes they do not. Through research, staff have discovered that the term "boarding house" is often associated with a use where the owner or manager lives on-site and rents out rooms with common amenities. The term "single-room occupancy" is often associated with a use where neither the owner nor a manager resides on site and rents out rooms with common amenities. Our current zoning ordinance does not have a definition for single-room occupancy, but it does have a definition for "rooming house", although they are only allowed in RM-2 and RM-3 zoning districts and only up to five people are allowed in the house. It also does not require the owner or manager to live on site. See definition below. Rooming House: A dwelling structure having single rooms for rent and having no common areas except common places for the taking of meals, or baths, or laundry facilities, and not defined as a tourist home, or state-licensed residential facility. Staff recommend amending this definition to require the owner or manager to reside on-site, to distinguish it from the proposed single-occupancy ordinance. Staff also recommend creating a new section in the ordinance that regulates both "rooming houses" and "SRO's." Most requests for SRO buildings will likely be for former assembly buildings, such as schools and churches, or potentially commercial/office buildings. Most schools and churches have an R, Neighborhood Residential zoning. The master plan recommends allowing higher density for adaptive reuse of these types of buildings. Staff recommend that SRO's be allowed in RM-1, Low Density Multi-Family districts. This would require rezoning most of these types of buildings, but would be supported by the master plan because it allows different types of residential uses, so they would not be considered spot zones. The density requirement proposed for these SRO's also closely resembles that of the RM-1 districts. Staff also recommend that we amend the ordinance at a later date to allow "rooming houses," where the owner lives on site, in the R, Neighborhood Residential and FBC, Urban Residential districts, with stricter guidelines on spacing and fewer allowed roomers, so that traditional houses do not become overcrowded and	

stressed. A "rooming house" would be for fewer people and be allowed in more traditional houses while an "SRO" would be for more people and be required to be in larger buildings more equipped for density.

Proposed definitions:

Rooming House: A dwelling structure having single rooms for rent and having no common areas except common places for the taking of meals, or baths, or laundry facilities, and not defined as a tourist home, or state-licensed residential facility. The owner or manager of the property must live on-site.

Single Room Occupancy (SRO) Home: A dwelling structure having single bedrooms for rent by tenants and having common areas such as kitchens, bathrooms, or laundry facilities available to all tenants. The owner of the property or manager may or may not live on-site. This does not include uses defined as a tourist home, or state-licensed residential facility.

Proposed ordinance:

Section 2318: Single-Use Occupancies & Rooming Houses

Rooming Houses are allowed as a principal use permitted in R, Neighborhood Residential, FBC, Urban Residential and RM-1 districts under the following conditions:

1. The owner or property manager must live on site.
2. There may be up to two people per bedroom. A bedroom must have at least 100 sf of space for a single tenant and at least 200 sf of space for two tenants.
3. Houses at least 2,000 sf in size may allow up to six people to live on-site. Houses at least 2,500 sf may allow up to eight people to live on-site.
4. Parking requirements of the zoning district must be followed.

Single-Room Occupancy Homes are allowed as a special use permitted in RM-1 districts under the following conditions:

1. The property owner or manager may or may not live on site.
2. There may be up to two people per bedroom. A bedroom must have at least 100 sf of space for a single tenant and at least 200 sf of space for two tenants.
3. There shall not be more than 20 bedrooms per building.
4. There shall not be more than 25 people per building, regardless of the number of two-bedrooms available.
5. There shall only be one building that houses people per parcel.
4. All bedroom occupants shall have access to common areas and amenities such as kitchen, bathrooms, laundry, etc.
5. At least 90% of the SRO units shall be occupied by the same tenants for a continuous period of at least 90 days.
6. One parking space is required for every 3 bedrooms.

Goal/Focus Area/Action Item Addressed:

Key Focus Areas:

Diverse housing types

Goal/Action Item:

2027 Goal 2: Economic Development Housing and Business

Amount Requested:

N/A

Budgeted Item:

		<table border="1"> <tr> <td>Yes</td> <td></td> <td>No</td> <td></td> <td>N/A</td> <td>X</td> <td></td> </tr> </table>						Yes		No		N/A	X									
Yes		No		N/A	X																	
Fund(s) or Account(s): N/A		Budget Amendment Needed: <table border="1"> <tr> <td>Yes</td> <td></td> <td>No</td> <td></td> <td>N/A</td> <td>X</td> <td></td> </tr> </table>						Yes		No		N/A	X									
Yes		No		N/A	X																	
Recommended Motion: I move that the request to amend Section 2318 of the zoning ordinance to create regulations for single-room occupancy and rooming houses be approved as presented.																						
Approvals: <table border="1"> <tr> <td>Immediate Division Head</td> <td>X</td> <td></td> </tr> <tr> <td>Information Technology</td> <td></td> <td></td> </tr> <tr> <td>Other Division Heads</td> <td></td> <td></td> </tr> <tr> <td>Communication</td> <td></td> <td></td> </tr> <tr> <td>Legal Review</td> <td></td> <td></td> </tr> </table>				Immediate Division Head	X		Information Technology			Other Division Heads			Communication			Legal Review			Guest(s) Invited / Presenting: No			
Immediate Division Head	X																					
Information Technology																						
Other Division Heads																						
Communication																						
Legal Review																						

CITY OF MUSKEGON
MUSKEGON COUNTY, MICHIGAN

ORDINANCE NO. _____

An ordinance to amend Section 2318 of the zoning ordinance to create regulations for single-room occupancies.

THE CITY COMMISSION OF THE CITY OF MUSKEGON HEREBY ORDAINS:

Definitions:

Rooming House: A dwelling structure having single rooms for rent and having no common areas except common places for the taking of meals, or baths, or laundry facilities, and not defined as a tourist home, or state-licensed residential facility. The owner or manager of the property must live on-site.

Single Room Occupancy (SRO) Home: A dwelling structure having single bedrooms for rent by tenants and having common areas such as kitchens, bathrooms, or laundry facilities available to all tenants. The owner of the property or manager may or may not live on-site. This does not include uses defined as a tourist home, or state-licensed residential facility.

Section 2318: Single-Use Occupancies & Rooming Houses:

Rooming Houses are allowed as a principal use permitted in R, Neighborhood Residential, FBC, Urban Residential and RM-1 districts under the following conditions:

1. The owner or property manager must live on site.
2. There may be up to two people per bedroom. A bedroom must have at least 100 sf of space for a single tenant and at least 200 sf of space for two tenants.
3. Houses at least 2,000 sf in size may allow up to six people to live on-site. Houses at least 2,500 sf may allow up to eight people to live on-site.
4. Parking requirements of the zoning district must be followed.

Single-Room Occupancy Homes are allowed as a special use permitted in RM-1 districts under the following conditions:

1. The property owner or manager may or may not live on site.
2. There may be up to two people per bedroom. A bedroom must have at least 100 sf of space for a single tenant and at least 200 sf of space for two tenants.
3. There shall not be more than 20 bedrooms per building.
4. There shall not be more than 25 people per building, regardless of the number of two-bedrooms available.
5. There shall only be one building that houses people per parcel.
4. All bedroom occupants shall have access to common areas and amenities such as kitchen, bathrooms, laundry, etc.
5. At least 90% of the SRO units shall be occupied by the same tenants for a continuous period of at least 90

days.

6. One parking space is required for every 3 bedrooms.

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 27th day of May, 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: _____, 2025.

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 May 27, 2025, the City Commission of the City of Muskegon adopted an ordinance to amend Section 2101 of the zoning ordinance to create regulations for single-room occupancies.

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 _____, 2025.

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: May 27, 2025	Title: Resolution for 350 W Western Ave Social District Permit							
Submitted by: Deborah Sweet, Community Engagement Manager	Department: Community Engagement							
Brief Summary: Pavlik Muskegon Investments, LLC is requesting to join the Downtown Muskegon Social District for their new restaurant, The Western Reserve, located at 350 W Western Ave.								
Detailed Summary & Background: Pavlik Muskegon Investments, LLC is requesting to join the Downtown Muskegon Social District for their new restaurant, The Western Reserve, located at 350 W Western Ave—the former site of 18th Amendment. The Michigan Liquor Control Commission (MLCC) has approved their license, and a conditional license has already been issued, with the final license expected next week. To meet state requirements under MCL 436.1551, the business must now receive approval from the City Commission in order to apply for a Social District Permit. The Western Reserve plans to offer steaks, smash burgers, and wood-fired pizza, with a targeted opening by Memorial Day. Upon approval, staff will coordinate with the business to provide training on social district rules as outlined in our social district processes.								
Goal/Focus Area/Action Item Addressed: <u>Key Focus Areas:</u> <u>Goal/Action Item:</u> 2027 Goal 2: Economic Development Housing and Business								
Amount Requested: N/A	Budgeted Item: <table border="1" style="width: 100%; border-collapse: collapse; text-align: center;"> <tr> <td style="width: 12.5%;">Yes</td> <td style="width: 12.5%;"></td> <td style="width: 12.5%;">No</td> <td style="width: 12.5%;"></td> <td style="width: 12.5%;">N/A</td> <td style="width: 12.5%;">x</td> <td style="width: 12.5%;"></td> </tr> </table>	Yes		No		N/A	x	
Yes		No		N/A	x			
Fund(s) or Account(s): N/A	Budget Amendment Needed: <table border="1" style="width: 100%; border-collapse: collapse; text-align: center;"> <tr> <td style="width: 12.5%;">Yes</td> <td style="width: 12.5%;"></td> <td style="width: 12.5%;">No</td> <td style="width: 12.5%;"></td> <td style="width: 12.5%;">N/A</td> <td style="width: 12.5%;">x</td> <td style="width: 12.5%;"></td> </tr> </table>	Yes		No		N/A	x	
Yes		No		N/A	x			
Recommended Motion: to approve the Social District Permit for Pavlik Muskegon Investments, LLC at 350 W Western Ave, Muskegon, MI 49440 for consideration by the Michigan Liquor Control Commission.								
Approvals:	Guest(s) Invited / Presenting:							

Immediate Division Head			No
Information Technology			
Other Division Heads			
Communication	x		
Legal Review			



Social District Permit Application

Part 1 - Licensee Information

Individuals, please state your legal name. Corporations or Limited Liability Companies, please state your name as it appears on your Articles of Incorporation / Organization.

Licensee name:		
Address:		
City:	State:	Zip Code:
Contact Name:	Phone:	Email:

Part 2 - Required Documents & Fees

☐ Local Governmental Unit Approval <i>Approval from the local governmental unit (city council, township board, village council) is required to be submitted with this application (See page 2 for approval form)</i>	
☐ \$70.00 Inspection Fee (MLCC Fee Code 4036) ☐ \$250.00 Social District Permit Fee (MLCC Fee Code 4081)	TOTAL DUE: Make checks payable to State of Michigan

Leave Blank - MLCC Use Only

Part 3 - Signature of Licensee

Under administrative rule R 436.1003, the licensee shall comply with all state and local building, plumbing, zoning, sanitation, and health laws, rules, and ordinances as determined by the state and local law enforcements officials who have jurisdiction over the licensee. Approval of this application by the Michigan Liquor Control Commission does not waive any of these requirements. The licensee must obtain all other required state and local licenses, permits, and approvals for this business before using this permit for the sale of alcoholic liquor on the licensed premises.

I certify that the information contained in this form is true and accurate to the best of my knowledge and belief. I agree to comply with all requirements of the Michigan Liquor Control Code and Administrative Rules. I also understand that providing **false** or **fraudulent** information is a violation of the Liquor Control Code pursuant to MCL 436.2003.

The person signing this form has demonstrated that they have authorization to do so and have attached appropriate documentation as proof.

_____ Print Name of Licensee & Title	 ID gWDMawMrSpNQovbuEtmao5m2 Signature of Licensee	5/15/2025 Date
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Please return this completed form and fees to:
Michigan Liquor Control Commission
Mailing address: P.O. Box 30005, Lansing, MI 48909
Overnight deliveries: 2407 N. Grand River Avenue, Lansing, MI 48906
Fax with Credit Card Authorization to: 517-284-8557



Local Governmental Unit Approval For Social District Permit

Instructions for Governing Body of Local Governmental Unit:

A qualified licensee that wishes to apply for a Social District Permit must first obtain approval from the governing body of the local governmental unit where the licensee is located and for which the local governmental unit has designated a social district with a commons area that is clearly marked and shared by and contiguous to the licensed premises of at least two (2) qualified licensees, pursuant to MCL 436.1551. Complete this resolution or provide a resolution, along with certification from the clerk or adopted minutes from the meeting at which this request was considered.

At a _____ meeting of the _____ council/board
(regular or special) (name of city, township, or village)

called to order by _____ on _____ at _____
(date) (time)

the following resolution was offered:

Moved by _____ and supported by _____

that the application from _____
(name of licensee - if a corporation or limited liability company, please state the company name)

for a **Social District Permit** is _____ by this body for consideration for approval by the
(recommended/not recommended)

Michigan Liquor Control Commission.

If not recommended, state the reason: _____

Vote

Yeas: _____

Nays: _____

Absent: _____

I hereby certify that the foregoing is true and is a complete copy of the resolution offered and adopted by the _____
council/board at a _____ meeting held on _____
(regular or special) (date) (name of city, township, or village)

I further certify that the licensed premises of the aforementioned licensee are contiguous to the commons area designated by the council/board as part of a social district pursuant to MCL 436.1551.

Print Name of Clerk

Signature of Clerk

Date

Under Article IV, Section 40, of the Constitution of Michigan (1963), the Commission shall exercise complete control of the alcoholic beverage traffic within this state, including the retail sales thereof, subject to statutory limitations. Further, the Commission shall have the sole right, power, and duty to control the alcoholic beverage traffic and traffic in other alcoholic liquor within this state, including the licensure of businesses and individuals.

eSignature Details

Signer ID:	gWDMAwMrSpNQovbuEtmao5m2
Signed by:	Tyler Pavlik
Sent to email:	tyler3559@gmail.com
IP Address:	174.174.171.73
Signed at:	May 15 2025, 7:52 am EDT



Agenda Item Review Form

Muskegon City Commission

Commission Meeting Date: May 27, 2025	Title: Contract Award: H92405 Sun Dolphin and Oak Resurfacing									
Submitted by: Dan VanderHeide, Public Works Director, Joel Brookens, Engineer	Department: DPW- Engineering									
Brief Summary: Staff is requesting authorization to approve a contract with McCormick Sand, Inc. in the amount of \$345,519.50 for road resurfacing work on Sun Dolphin and Oak Ave.										
Detailed Summary & Background: Bids were solicited for a construction project to resurface Sun Dolphin from Sherman to Harris and Oak Ave from Harvey east to the City Limits. McCormick Sand provided the low bid. Bid tabulation is attached. The bids came in under budget and engineers estimate.										
Goal/Focus Area/Action Item Addressed: Key Focus Areas: Goal/Action Item: 2027 GOAL 4: FINANCIAL INFRASTRUCTURE - Maximized efficient use of existing infrastructure										
Amount Requested: \$345,519.50	Budgeted Item: <table border="1" style="width: 100%; border-collapse: collapse;"> <tr> <td style="width: 15%;">Yes</td> <td style="width: 10%; text-align: center;">x</td> <td style="width: 15%;">No</td> <td style="width: 10%;"></td> <td style="width: 15%;">N/A</td> <td style="width: 10%;"></td> <td style="width: 10%;"></td> </tr> </table>	Yes	x	No		N/A				
Yes	x	No		N/A						
Fund(s) or Account(s): 202-901-801-92405 (Major Streets)	Budget Amendment Needed: <table border="1" style="width: 100%; border-collapse: collapse;"> <tr> <td style="width: 15%;">Yes</td> <td style="width: 10%;"></td> <td style="width: 15%;">No</td> <td style="width: 10%; text-align: center;">x</td> <td style="width: 15%;">N/A</td> <td style="width: 10%;"></td> <td style="width: 10%;"></td> </tr> </table>	Yes		No	x	N/A				
Yes		No	x	N/A						
Recommended Motion: Move to authorize staff to enter into a contract with McCormick Sand, Inc. in the amount of \$345,519.50 for the resurfacing of Sun Dolphin and Oak according to the construction plans.										
Approvals: <table border="1" style="width: 100%; border-collapse: collapse;"> <tr> <td style="width: 60%;">Immediate Division Head</td> <td style="width: 10%; text-align: center;">x</td> <td style="width: 30%;"></td> </tr> <tr> <td>Information Technology</td> <td></td> <td></td> </tr> <tr> <td>Other Division Heads</td> <td></td> <td></td> </tr> </table>	Immediate Division Head	x		Information Technology			Other Division Heads			Guest(s) Invited / Presenting: No
Immediate Division Head	x									
Information Technology										
Other Division Heads										

Communication			
Legal Review			

BID TABULATION																
City of Muskegon Engineering Department			Project Engineer: JB		Date: 5/15/2025											
			Project Number: H92405													
			Project description: Sun Dolphin and Oak Resurfacing													
					Engineers Estimate		McCormick Sand		Asphalt Paving Inc.		Rieth-Riley		Wyoming Excavators		Michigan Paving & Matrls	
Line Item	Pay Code	Description	Units	Quantity	Unit Price	Total	Unit Price	Total	Unit Price	Total	Unit Price	Total	Unit Price	Total	Unit Price	Total
SUN DOLPHIN																
1	1100001	Mobilization, Max 10%	LSUM	1	\$ 25,000.00	\$ 25,000.00	\$ 17,670.00	\$ 17,670.00	\$ 20,000.00	\$ 20,000.00	\$ 11,500.00	\$ 11,500.00	\$ 23,000.00	\$ 23,000.00	\$ 18,394.94	\$ 18,394.94
2	2040020	Curb and Gutter, Rem	Ft	59	\$ 20.00	\$ 1,180.00	\$ 10.00	\$ 590.00	\$ 10.00	\$ 590.00	\$ 20.00	\$ 1,180.00	\$ 19.00	\$ 1,121.00	\$ 20.00	\$ 1,180.00
3	2040055	Sidewalk, Rem	Syd	15	\$ 12.50	\$ 187.50	\$ 10.00	\$ 150.00	\$ 10.00	\$ 150.00	\$ 30.00	\$ 450.00	\$ 23.00	\$ 345.00	\$ 30.00	\$ 450.00
4	2057002	Machine Grading, Modified	Sta	14.53	\$ 1,353.00	\$ 19,659.09	\$ 500.00	\$ 7,265.00	\$ 500.00	\$ 7,265.00	\$ 550.00	\$ 7,991.50	\$ 2,750.00	\$ 39,957.50	\$ 550.00	\$ 7,991.50
5	2080020	Erosion Control, Inlet Protection, Fabric Drop	Ea	8	\$ 117.00	\$ 936.00	\$ 60.00	\$ 480.00	\$ 60.00	\$ 480.00	\$ 150.00	\$ 1,200.00	\$ 155.00	\$ 1,240.00	\$ 175.00	\$ 1,400.00
6	3062000	Driveway Maintenance, Commercial	Ea	15	\$ 1,000.00	\$ 15,000.00	\$ 250.00	\$ 3,750.00	\$ 250.00	\$ 3,750.00	\$ 800.00	\$ 12,000.00	\$ 226.00	\$ 3,390.00	\$ 175.00	\$ 2,625.00
7	3062002	Intersection Maintenance	Ea	4	\$ 1,200.00	\$ 4,800.00	\$ 500.00	\$ 2,000.00	\$ 500.00	\$ 2,000.00	\$ 800.00	\$ 3,200.00	\$ 640.00	\$ 2,560.00	\$ 500.00	\$ 2,000.00
8	4030004	Dr Structure Cover, Adj, Case 1, Modified	Ea	10	\$ 500.00	\$ 5,000.00	\$ 1,200.00	\$ 12,000.00	\$ 1,200.00	\$ 12,000.00	\$ 885.00	\$ 8,850.00	\$ 1,126.00	\$ 11,260.00	\$ 885.00	\$ 8,850.00
9	4037050	Dr Structure Cover, Type B, Modified	Ea	9	\$ 540.00	\$ 4,860.00	\$ 600.00	\$ 5,400.00	\$ 600.00	\$ 5,400.00	\$ 600.00	\$ 5,400.00	\$ 615.00	\$ 5,535.00	\$ 600.00	\$ 5,400.00
10	4037050	Dr Structure Cover, Type D, Modified	Ea	1	\$ 740.00	\$ 740.00	\$ 750.00	\$ 750.00	\$ 750.00	\$ 750.00	\$ 650.00	\$ 650.00	\$ 771.00	\$ 771.00	\$ 650.00	\$ 650.00
11	5010005	HMA Surface, Rem	Syd	5335	\$ 5.30	\$ 28,275.50	\$ 1.50	\$ 8,002.50	\$ 1.50	\$ 8,002.50	\$ 3.51	\$ 18,725.85	\$ 1.00	\$ 5,335.00	\$ 2.50	\$ 13,337.50
12	5010025	Hand Patching	Ton	10	\$ 200.00	\$ 2,000.00	\$ 150.00	\$ 1,500.00	\$ 150.00	\$ 1,500.00	\$ 280.00	\$ 2,800.00	\$ 150.00	\$ 1,500.00	\$ 350.00	\$ 3,500.00
13	5012025	HMA, 4EML	Ton	1174	\$ 100.00	\$ 117,400.00	\$ 87.25	\$ 102,431.50	\$ 87.72	\$ 102,983.28	\$ 104.30	\$ 122,448.20	\$ 91.00	\$ 106,834.00	\$ 118.00	\$ 138,532.00
14	8010007	Driveway, Nonreinf Conc, 8 inch	Syd	48	\$ 63.00	\$ 3,024.00	\$ 75.00	\$ 3,600.00	\$ 80.00	\$ 3,840.00	\$ 97.08	\$ 4,659.84	\$ 108.00	\$ 5,184.00	\$ 107.50	\$ 5,160.00
15	8020038	Curb and Gutter, Conc, Det F4	Ft	59	\$ 21.30	\$ 1,256.70	\$ 50.00	\$ 2,950.00	\$ 50.00	\$ 2,950.00	\$ 62.13	\$ 3,665.67	\$ 61.00	\$ 3,599.00	\$ 61.00	\$ 3,599.00
16	8120012	Barricade, Type III, High Intensity, Double Sided, Lighted, Furn	Ea	6	\$ 97.00	\$ 582.00	\$ 75.00	\$ 450.00	\$ 75.00	\$ 450.00	\$ 75.00	\$ 450.00	\$ 75.00	\$ 450.00	\$ 75.00	\$ 450.00
17	8120013	Barricade, Type III, High Intensity, Double Sided, Lighted, Oper	Ea	6	\$ 1.00	\$ 6.00	\$ 5.00	\$ 30.00	\$ 5.00	\$ 30.00	\$ 5.00	\$ 30.00	\$ 5.00	\$ 30.00	\$ 5.00	\$ 30.00
18	8120170	Minor Traf Devices	LSUM	1	\$ 1,000.00	\$ 1,000.00	\$ 3,800.00	\$ 3,800.00	\$ 9,000.00	\$ 9,000.00	\$ 4,800.00	\$ 4,800.00	\$ 18,000.00	\$ 18,000.00	\$ 9,500.00	\$ 9,500.00
19	8120252	Plastic Drum, Fluorescent, Furn	Ea	130	\$ 38.00	\$ 4,940.00	\$ 17.00	\$ 2,210.00	\$ 17.00	\$ 2,210.00	\$ 17.00	\$ 2,210.00	\$ 17.00	\$ 2,210.00	\$ 17.00	\$ 2,210.00
20	8120253	Plastic Drum, Fluorescent, Oper	Ea	130	\$ 1.00	\$ 130.00	\$ 1.00	\$ 130.00	\$ 1.00	\$ 130.00	\$ 1.00	\$ 130.00	\$ 1.00	\$ 130.00	\$ 1.00	\$ 130.00
21	8120350	Sign, Type B, Temp, Prismatic, Furn	Sft	255	\$ 6.00	\$ 1,530.00	\$ 4.00	\$ 1,020.00	\$ 4.00	\$ 1,020.00	\$ 4.00	\$ 1,020.00	\$ 4.00	\$ 1,020.00	\$ 4.00	\$ 1,020.00
22	8120351	Sign, Type B, Temp, Prismatic, Oper	Sft	255	\$ 1.00	\$ 255.00	\$ 1.00	\$ 255.00	\$ 1.00	\$ 255.00	\$ 1.00	\$ 255.00	\$ 1.00	\$ 255.00	\$ 1.00	\$ 255.00
23	8120352	Sign, Type B, Temp, Prismatic, Spec, Furn	Sft	12	\$ 8.00	\$ 96.00	\$ 8.00	\$ 96.00	\$ 8.00	\$ 96.00	\$ 8.00	\$ 96.00	\$ 8.00	\$ 96.00	\$ 8.00	\$ 96.00
24	8120353	Sign, Type B, Temp, Prismatic, Spec, Oper	Sft	12	\$ 1.00	\$ 12.00	\$ 1.00	\$ 12.00	\$ 1.00	\$ 12.00	\$ 1.00	\$ 12.00	\$ 1.00	\$ 12.00	\$ 1.00	\$ 12.00
25	8160062	Topsoil Surface, Furn, 4 inch	Syd	10	\$ 3.50	\$ 35.00	\$ 25.00	\$ 250.00	\$ 20.00	\$ 200.00	\$ 50.00	\$ 500.00	\$ 16.00	\$ 160.00	\$ 50.00	\$ 500.00
26	8167011	Hydroseeding	Syd	10	\$ 0.85	\$ 8.50	\$ 5.00	\$ 50.00	\$ 4.00	\$ 40.00	\$ 50.00	\$ 500.00	\$ 6.00	\$ 60.00	\$ 50.00	\$ 500.00
27	8237050	Water Valve Box and Cover, Complete	Ea	12	\$ 1,100.00	\$ 13,200.00	\$ 1,200.00	\$ 14,400.00	\$ 1,200.00	\$ 14,400.00	\$ 750.00	\$ 9,000.00	\$ 1,126.00	\$ 13,512.00	\$ 750.00	\$ 9,000.00
OAK AVE.																
1	1100001	Mobilization, Max 10%	LSUM	1	\$ 20,000.00	\$ 20,000.00	\$ 7,500.00	\$ 7,500.00	\$ 16,000.00	\$ 16,000.00	\$ 8,100.00	\$ 8,100.00	\$ 17,000.00	\$ 17,000.00	\$ 18,000.00	\$ 18,000.00
2	2080020	Erosion Control, Inlet Protection, Fabric Drop	Ea	11	\$ 117.00	\$ 1,287.00	\$ 60.00	\$ 660.00	\$ 60.00	\$ 660.00	\$ 150.00	\$ 1,650.00	\$ 155.00	\$ 1,705.00	\$ 150.00	\$ 1,650.00
3	3062000	Driveway Maintenance, Commercial	Ea	7	\$ 1,000.00	\$ 7,000.00	\$ 250.00	\$ 1,750.00	\$ 250.00	\$ 1,750.00	\$ 800.00	\$ 5,600.00	\$ 226.00	\$ 1,582.00	\$ 225.00	\$ 1,575.00
4	3062001	Driveway Maintenance, Residential	Ea	4	\$ 500.00	\$ 2,000.00	\$ 200.00	\$ 800.00	\$ 200.00	\$ 800.00	\$ 700.00	\$ 2,800.00	\$ 226.00	\$ 904.00	\$ 300.00	\$ 1,200.00
5	3062002	Intersection Maintenance	Ea	2	\$ 1,200.00	\$ 2,400.00	\$ 500.00	\$ 1,000.00	\$ 500.00	\$ 1,000.00	\$ 1,000.00	\$ 2,000.00	\$ 640.00	\$ 1,280.00	\$ 500.00	\$ 1,000.00
6	4030004	Dr Structure Cover, Adj, Case 1, Modified	Ea	8	\$ 500.00	\$ 4,000.00	\$ 1,200.00	\$ 9,600.00	\$ 1,200.00	\$ 9,600.00	\$ 885.00	\$ 7,080.00	\$ 1,126.00	\$ 9,008.00	\$ 885.00	\$ 7,080.00
7	4037050	Dr Structure Cover, Type B, Modified	Ea	8	\$ 540.00	\$ 4,320.00	\$ 600.00	\$ 4,800.00	\$ 600.00	\$ 4,800.00	\$ 600.00	\$ 4,800.00	\$ 615.00	\$ 4,920.00	\$ 600.00	\$ 4,800.00
8	5010002	Cold Milling HMA Surface	Syd	5575	\$ 8.50	\$ 47,387.50	\$ 2.50	\$ 13,937.50	\$ 2.50	\$ 13,937.50	\$ 4.80	\$ 26,760.00	\$ 1.00	\$ 5,575.00	\$ 2.50	\$ 13,937.50
9	5010025	Hand Patching	Ton	10	\$ 200.00	\$ 2,000.00	\$ 150.00	\$ 1,500.00	\$ 150.00	\$ 1,500.00	\$ 263.96	\$ 2,639.60	\$ 150.00	\$ 1,500.00	\$ 350.00	\$ 3,500.00
10	5012025	HMA, 4EML	Ton	1228	\$ 100.00	\$ 122,800.00	\$ 87.75	\$ 107,757.00	\$ 87.22	\$ 107,106.16	\$ 99.65	\$ 122,370.20	\$ 91.00	\$ 111,748.00	\$ 117.00	\$ 143,676.00
11	8120012	Barricade, Type III, High Intensity, Double Sided, Lighted, Furn	Ea	2	\$ 97.00	\$ 194.00	\$ 75.00	\$ 150.00	\$ 75.00	\$ 150.00	\$ 75.00	\$ 150.00	\$ 75.00	\$ 150.00	\$ 75.00	\$ 150.00
12	8120013	Barricade, Type III, High Intensity, Double Sided, Lighted, Oper	Ea	2	\$ 1.00	\$ 2.00	\$ 5.00	\$ 10.00	\$ 5.00	\$ 10.00	\$ 5.00	\$ 10.00	\$ 5.00	\$ 10.00	\$ 5.00	\$ 10.00
13	8120170	Minor Traf Devices	LSUM	1	\$ 1,000.00	\$ 1,000.00	\$ 3,220.00	\$ 3,220.00	\$ 8,000.00	\$ 8,000.00	\$ 4,100.00	\$ 4,100.00	\$ 16,000.00	\$ 16,000.00	\$ 9,500.00	\$ 9,500.00
14	8120252	Plastic Drum, Fluorescent, Furn	Ea	38	\$ 38.00	\$ 1,444.00	\$ 17.00	\$ 646.00	\$ 17.00	\$ 646.00	\$ 17.00	\$ 646.00	\$ 17.00	\$ 646.00	\$ 17.00	\$ 646.00
15	8120253	Plastic Drum, Fluorescent, Oper	Ea	38	\$ 1.00	\$ 38.00	\$ 1.00	\$ 38.00	\$ 1.00	\$ 38.00	\$ 1.00	\$ 38.00	\$ 1.00	\$ 38.00	\$ 1.00	\$ 38.00
16	8120350	Sign, Type B, Temp, Prismatic, Furn	Sft	153	\$ 6.00	\$ 918.00	\$ 4.00	\$ 612.00	\$ 4.00	\$ 612.00	\$ 4.00	\$ 612.00	\$ 4.00	\$ 612.00	\$ 4.00	\$ 612.00
17	8120351	Sign, Type B, Temp, Prismatic, Oper	Sft	153	\$ 1.00	\$ 153.00	\$ 1.00	\$ 153.00	\$ 1.00	\$ 153.00	\$ 1.00	\$ 153.00	\$ 1.00	\$ 153.00	\$ 1.00	\$ 153.00
18	8120352	Sign, Type B, Temp, Prismatic, Spec, Furn	Sft	16	\$ 8.00	\$ 128.00	\$ 8.00	\$ 128.00	\$ 8.00	\$ 128.00	\$ 8.00	\$ 128.00	\$ 8.00	\$ 128.00	\$ 8.00	\$ 128.00
19	8120353	Sign, Type B, Temp, Prismatic, Spec, Oper	Sft	16	\$ 1.00	\$ 16.00	\$ 1.00	\$ 16.00	\$ 1.00	\$ 16.00	\$ 1.00	\$ 16.00	\$ 1.00	\$ 16.00	\$ 1.00	\$ 16.00
						\$ -		\$ -		\$ -		\$ -		\$ -		\$ -

Total: \$ 468,200.79 \$ 345,519.50 \$ 366,410.44 \$ 413,376.86 \$ 420,541.50 \$ 444,444.44



Agenda Item Review Form

Muskegon City Commission

Commission Meeting Date: May 27, 2025	Title: Lakeshore Art Festival Liquor License Application									
Submitted by: Kyle Karczewski, Parks and Recreation Director	Department: DPW- Parks									
Brief Summary: The Parks & Recreation Department is seeking commission approval to apply for a special liquor license for beer and wine at Lakeshore Art Festival. The fee for this temporary license is \$50.										
Detailed Summary & Background: The Parks & Recreation Department is seeking commission approval to apply for a special liquor license for beer and wine service for the Lakeshore Art Festival Artist Reception on June 28, 2025. The temporary license fee for this event is \$50.										
Goal/Focus Area/Action Item Addressed: Key Focus Areas: Enhanced Parks and Recreation Department and Services, Events and activities Goal/Action Item: 2027 Goal 1: Destination Community & Quality of Life										
Amount Requested: \$50	Budgeted Item: <table border="1" style="width: 100%; border-collapse: collapse; text-align: center;"> <tr> <td style="width: 15%;">Yes</td> <td style="width: 10%;">x</td> <td style="width: 15%;">No</td> <td style="width: 10%;"></td> <td style="width: 15%;">N/A</td> <td style="width: 10%;"></td> <td style="width: 10%;"></td> </tr> </table>	Yes	x	No		N/A				
Yes	x	No		N/A						
Fund(s) or Account(s): 394-778-801	Budget Amendment Needed: <table border="1" style="width: 100%; border-collapse: collapse; text-align: center;"> <tr> <td style="width: 15%;">Yes</td> <td style="width: 10%;"></td> <td style="width: 15%;">No</td> <td style="width: 10%;">x</td> <td style="width: 15%;">N/A</td> <td style="width: 10%;"></td> <td style="width: 10%;"></td> </tr> </table>	Yes		No	x	N/A				
Yes		No	x	N/A						
Recommended Motion: Authorize staff to apply for a special liquor license for the Lakeshore Art Festival.										
Approvals: <table border="1" style="width: 100%; border-collapse: collapse;"> <tr> <td style="width: 60%;">Immediate Division Head</td> <td style="width: 10%; text-align: center;">x</td> <td style="width: 30%;"></td> </tr> <tr> <td>Information Technology</td> <td></td> <td></td> </tr> <tr> <td>Other Division Heads</td> <td></td> <td></td> </tr> </table>	Immediate Division Head	x		Information Technology			Other Division Heads			Guest(s) Invited / Presenting: No
Immediate Division Head	x									
Information Technology										
Other Division Heads										

Communication			
Legal Review			



Agenda Item Review Form

Muskegon City Commission

Commission Meeting Date: May 27, 2025	Title: PILOT Agreement for Park Terrace Apartments Acquisition						
Submitted by: Jake Eckholm, Development Services Director	Department: Economic Development						
Brief Summary: The existing ownership of Park Terrace Apartments and Village at Park Terrace Senior Apartments is seeking to sell the portfolio to new ownership. In order to preserve and lengthen the affordability period, a new Contract for Housing Exemption is required for both projects.							
Detailed Summary & Background: Staff and the City Attorney's office have been working to finalize the draft agreements before you related to this project with the new owner. They hope to put significant capital investment into the facilities in the coming years, and in order to finance the project and make that possible they are requesting an updated and restated PILOT on both Park Terrace as well as the senior living component Village at Park Terrace. The agreement reflects a slight reduction in the PILOT rate to 4% of annual shelter rents but establishes a Municipal Services charge in a separate agreement. This is to our advantage because the total MSA revenue stays with the City, rather than being split between the taxing jurisdictions like the PILOT payment. This document is the contract for housing exemption for up to 25 years, which will require adherence to MSHDA regulated rents per requirements in our local ordinance.							
Goal/Focus Area/Action Item Addressed: Key Focus Areas: Diverse housing types Retain youth within the city Goal/Action Item: 2027 Goal 2: Economic Development Housing and Business							
Amount Requested: N/A	Budgeted Item: <table border="1"><tr><td>Yes</td><td></td><td>No</td><td></td><td>N/A</td><td>☒</td></tr></table>	Yes		No		N/A	☒
Yes		No		N/A	☒		
Fund(s) or Account(s): N/A	Budget Amendment Needed: <table border="1"><tr><td>Yes</td><td></td><td>No</td><td></td><td>N/A</td><td>☒</td></tr></table>	Yes		No		N/A	☒
Yes		No		N/A	☒		
Recommended Motion: Motion to accept the Amended and Restated Contract for Housing Exemption for Park Terrace Apartments as presented, and to authorize the Mayor and Clerk to sign.							

Approvals:

Immediate Division Head		
Information Technology		
Other Division Heads		
Communication		
Legal Review		

Guest(s) Invited / Presenting:

No

CITY OF MUSKEGON
AMENDED AND RESTATED CONTRACT FOR HOUSING EXEMPTION

This Agreement (the “Agreement”) between **Park Terrace Limited Dividend Housing Association, LLC** a Michigan limited liability company whose address is 7451 N 63rd St., Longmont, Colorado 80503 (the “Owner”) and CITY OF MUSKEGON, whose address is 933 Terrace Street, Muskegon, Michigan (the “City”) is made pursuant to the following terms:

RECITALS

- A. Owner will acquire property in the City of Muskegon more particularly described on Exhibit A attached hereto and intends to operate the project thereon (the “Project”) as a low-income housing project.
- B. As part of the transaction, Hackley Limited Dividend Housing Association, L.L.C. (“Hackley”) will assign its rights and obligations under that certain Contract for Housing Exemption, executed by Hackley and the City as of April 1, 2002, as amended by that certain First Amendment to Contract for Housing Exemption dated effective November 12, 2002 (collectively, the “Contract for Housing Exemption”) to Owner.
- C. The Owner and the City desire to amend and restate the Contract for Housing Exemption as set forth herein so as to: (i) memorialize the service charge and term of the amended Contract for Housing Exemption, (ii) memorialize the assignment and assumption of the Contract for Housing Exemption from Hackley to Owner, and (iii) add a reference to Owner’s obligations under that certain Municipal Services Agreement (hereinafter defined) executed approximately as of the date hereof between Owner and the City. Except as expressly set forth herein, the parties do not intend to make any other substantive changes to the terms of the existing Contract for Housing Exemption.
- D. The City Code of Ordinances shall be referred to herein as the “Ordinance.”
- E. It is acknowledged that it is a proper public purpose of the State of Michigan and its political subdivisions to provide housing for its low income persons and families or as Workforce Housing and to encourage the development of such housing by providing for a service charge in lieu of property taxes in accordance with the Act. The City is authorized by this Act to establish or change the service charge to be paid in lieu of taxes by any or all classes of housing exempt from taxation under this Act at any amount it chooses, not to exceed the taxes that would be paid but for this Act. It is further acknowledged that such housing for low income persons and families or Workforce Housing is a public necessity, and as the City will be benefited and improved by such housing, the encouragement of the same by providing real estate tax exemption for such housing is a valid public purpose. It is further acknowledged that the continuance of the provisions of this Ordinance for tax exemption and the service charge in lieu of all *ad valorem* taxes during the period contemplated in this Ordinance are essential to the determination of economic feasibility of the housing projects that is constructed or rehabilitated with financing extended in reliance on such tax exemption.

NOW, THEREFORE, THE PARTIES AGREE AS FOLLOWS:

I. Grant of Exemption. As contemplated and pursuant to Act 346 of the Public Acts of 1966, the State Housing Development Act (the “Act”), the City hereby grants an exemption from all *ad valorem* property taxes attributable to any units of the building, provided such building contains 151 rental units offered to “low-income persons and families” or as “Workforce Housing,” each as defined by MCL 125.1415a of the Michigan State Housing Development Authority Act of 1966 (the “Authority”). This exemption is contingent upon Owner acquiring the real property described in Exhibit A by September 1, 2025. If Owner fails to acquire the real property by this date, this Agreement will become null and void and have no further effect.

2. Term of Exemption. This exemption shall continue until December 31, 2050 (the “Termination Date”). The City agrees to be contractually bound by this agreement to honor the exemption status of the Project as provided in this agreement until the Termination Date, subject to the Ordinance.

3. Responsibilities of the Owner. The Owner agrees to perform the following:

3.1 The Owner shall pay the service charge and payment in lieu of taxes set forth in Section 82-51 and 82-54 of the Ordinance in a timely manner (on or before July 1 of each year during the time the exemption is in effect). For said purposes, the Owner recognizes and will abide by all of the collection provisions of the Ordinance, including without limitation, the acceptance of the lien provisions status of the payment in lieu of taxes in the event of default as set forth in 82-53 of the Ordinance. As of the Effective Date, the service charge shall equal four (4%) percent of all collected rents on the subject Project accounting for point-in-time vacancies.

3.2 The Owner agrees to comply with its obligations under that certain Municipal Services Agreement, executed by and between Owner and the City approximately as of the date hereof (the “Municipal Services Agreement”), including payment of the Municipal Service Fee defined therein (“Municipal Service Fee”).

3.3 The Owner agrees to file all information required by the Ordinance and further to meet its obligations to the Authority in connection with the Authority's administration of the low-income housing tax credit program.

4. Term. This agreement shall continue in effect until the Termination Date, not to exceed 25 years. The City considers itself bound by this agreement for the entire term hereof.

5. Interpretation of Financing. The City agrees that the financing of the Project by the use of tax credits as well as the Project’s mortgage, which satisfies the eligibility requirements of the Ordinance.

6. Limitation on the Payment of Annual Service Charge. Notwithstanding Section 3, the service charge to be paid each year in lieu of taxes for the part of the Project that is tax exempt but which is occupied by other than low income persons or families or as Workforce Housing shall be

equal to the full amount of the taxes which would be paid on that portion of the Project if the Project were not tax exempt

7. Third Party Beneficiary. This agreement shall benefit the Owner and the Authority, or such other mortgagee as may have financed the Project which may enforce this agreement, both as its interest may appear, and on behalf of the Owner and its successors and assigns. No other party is a beneficiary under this agreement.

8. Counterparts. This Agreement may be executed in several counterparts and an executed copy hereof may be relied upon as an original.

9. Binding and Benefit. This Agreement shall be binding upon the parties hereto and their respective heirs, administrators, personal representatives, successors and assigns.

10. Severability. The various sections and provisions of this Agreement shall be deemed to be severable, and should any section or provision of this Agreement be declared by any court of competent jurisdiction to be unconstitutional or invalid the same shall not affect the validity of this Agreement as a whole or any section or provision of this Agreement, other than the section or provision so declared to be unconstitutional or invalid.

12. Choice of Law; Venue. This Agreement is executed in accordance with, shall be governed by, and construed and interpreted in accordance with the laws of the State of Michigan. The parties agree that for purposes of any dispute in connection with this Agreement, the Muskegon County Circuit Court shall have exclusive personal and subject matter jurisdiction and venue.

13. Payment of Service Charge. The annual service charge in lieu of taxes as established by this Agreement shall be payable in the same manner as general property taxes are payable to the City and distributed to the several units levying the general property tax in the same proportion as prevailed with the general property tax in the previous calendar year. The annual payment for each operating year shall be paid on or before July 1st of the following year. Collection procedures shall be in accordance with the provisions of the General Property Tax Act (1893 PA 206, as amended; MCL 211.1, et seq.).

14. Contractual Effect of Ordinance. Notwithstanding the provisions of section 15(a)(5) of the Act to the contrary, a contract between the City and the Owner with the Authority as third party beneficiary under the contract, to provide tax exemption and accept payments in lieu of taxes, as previously described, is effectuated by enactment of this Ordinance.

15. Effective Date. This Agreement shall become effective on the last date as of which all Parties as shown below have signed this Agreement ("Effective Date").

[Signatures Follow]

IN WITNESS WHEREOF, the parties have signed this Agreement on the following page, on the dates indicated.

CITY:

CITY OF MUSKEGON

By: _____
Ken Johnson
Its: Mayor
Dated: _____

By: _____
Ann Meisch
Its: City Clerk
Dated: _____

OWNER:

Park Terrace Limited Dividend Housing Association, LLC

By: _____
Its: _____
Dated: _____

EXHIBIT A

LEGAL DESCRIPTION

That part of RUDDIMAN TERRACE, Section 36, Town 10 North, Range 17 West, as recorded in Liber 12 of Plats on Pages 33 and 34, described as beginning at a point on the North line of Hackley Avenue which is North 00 degrees 00 minutes 00 seconds East 33.00 feet along the North-South 1/4 line of said Section 36 and South 89 degrees 58 minutes 00 seconds West 31.30 feet from the central 1/4 corner of said Section 36; thence South 89 degrees 58 minutes 00 seconds West 352.45 feet along the North line of Hackley Avenue; thence North 00 degrees 00 minutes 00 seconds East 210.93 feet; thence North 90 degrees 00 minutes 00 seconds West 64.57 feet; thence North 09 degrees 34 minutes 32 seconds West 186.05 feet; thence Southwesterly 844.98 feet along the arc of a 890.90 foot radius curve to the left said curve having a central angle of 54 degrees 20 minutes 33 seconds, and the chord of which bears South 60 degrees 50 minutes 17 seconds West 813.66 feet; thence South 33 degrees 40 minutes 00 seconds West 15.07 feet; thence North 56 degrees 20 minutes 00 seconds West 314.57 feet; thence Northeasterly 15.29 feet along the arc of a 81.19 foot radius curve to the right, said curve having a central angle of 10 degrees 47 minutes 21 seconds, the chord of which bears North 28 degrees 16 minutes 41 seconds East 15.27 feet; thence Northeasterly 1186.50 feet along the arc of a 1206.90 foot radius curve to the right, said curve having a central angle of 56 degrees 19 minutes 39 seconds, and the chord of which bears North 61 degrees 50 minutes 11 seconds East 1139.30 feet; thence North 90 degrees 00 minutes 00 seconds East 253.42 feet; thence Southeasterly 111.52 feet along the arc of a 83.00 foot radius curve to the right, said curve having a central angle of 76 degrees 58 minutes 52 seconds, and the chord of which bears South 51 degrees 30 minutes 34 seconds East 103.32 feet; thence North 89 degrees 46 minutes 46 seconds East 82.83 feet; thence South 00 degrees 00 minutes 00 seconds East 646.74 feet along the West line of Parslow Street to the Point of Beginning.



Agenda Item Review Form

Muskegon City Commission

Commission Meeting Date: May 27, 2025	Title: Municipal Services Agreement for Park Terrace Apartments Acquisition						
Submitted by: Jake Eckholm, Development Services Director	Department: Economic Development						
Brief Summary: The existing ownership of Park Terrace Apartments and Village at Park Terrace Senior Apartments is seeking to sell the portfolio to new ownership. In order to preserve and lengthen the affordability period, a new Municipal Services Agreement is required for both projects.							
Detailed Summary & Background: Staff and the City Attorney's office have been working to finalize the draft agreements before you related to this project with the new owner. They hope to put significant capital investment into the facilities in the coming years, and in order to finance the project and make that possible they are requesting an updated and restated Municipal Services Agreement on both Park Terrace as well as the senior living component Village at Park Terrace. The agreement establishes a new Municipal Services Agreement of 2% of the annual shelter rent. This is to our advantage because the total MSA revenue stays with the City, rather than being split between the taxing jurisdictions like the PILOT payment. This document is the contract for housing exemption for up to 25 years, which will require adherence to MSHDA regulated rents per requirements in our local ordinance.							
Goal/Focus Area/Action Item Addressed: <u>Key Focus Areas:</u> Diverse housing types Retain youth within the city <u>Goal/Action Item:</u> 2027 Goal 2: Economic Development Housing and Business							
Amount Requested: NA	Budgeted Item: <table border="1"><tr><td>Yes</td><td></td><td>No</td><td></td><td>N/A</td><td>☒</td></tr></table>	Yes		No		N/A	☒
Yes		No		N/A	☒		
Fund(s) or Account(s): NA	Budget Amendment Needed: <table border="1"><tr><td>Yes</td><td></td><td>No</td><td></td><td>N/A</td><td>☒</td></tr></table>	Yes		No		N/A	☒
Yes		No		N/A	☒		
Recommended Motion: Motion to accept the Municipal Services Agreement for Park Terrace Apartments as presented, and							

to authorize the Mayor and Clerk to sign.

Approvals:

Immediate Division Head		
Information Technology		
Other Division Heads		
Communication		
Legal Review		

Guest(s) Invited / Presenting:

No

MUNICIPAL SERVICES AGREEMENT

THIS MUNICIPAL SERVICES AGREEMENT (“Agreement”) is entered into on this day of May 27, 2025 (the “Effective Date”) between **Park Terrace Limited Dividend Housing Association, LLC**, a Michigan limited liability company, its successors and/or assigns, whose address is 7451 N 63rd St., Longmont, Colorado 80503 (the “Owner”) and the CITY OF MUSKEGON, 933 Terrace Street, Muskegon, MI 49440 (the “City”) is made pursuant to the following terms:

RECITALS

- A. Owner will acquire property in the City of Muskegon more particularly described on Exhibit A attached hereto and intends to continue operating the project thereon (the “Project”) as a low-income housing project.
- B. The parties recognize that due to the high concentration of persons residing at the Project that the City will be providing a higher level and greater amount of Municipal Services (as defined in this Agreement) to the Project.
- C. The City, through its Police and Fire Departments and otherwise, provides Municipal Services within the City. The Project will have special needs for these types of Municipal Services and Owner acknowledges that such needs may be greater than typically situated residential developments.
- D. The Owner desires to guarantee that certain Municipal Services will be provided to the Project until the term of the Amended and Restated Contract for Housing Exemption (hereinafter referred to as the “Contract for Housing Exemption”) for this Project expires, such Municipal Services to include, but not be limited to:
 - 1. Emergency services, including police and fire services specifically administered through the City, and, on public streets and sidewalks, maintenance, repair, snow removal, and street lighting; also to include other matters as the City deems necessary;
 - 2. Other miscellaneous services as may, from time to time, be mutually agreed to for the benefit of the Project;
 - 3. Said municipal services shall be provided in the customary way and in accordance with all laws, rules and regulations of the United States of America, State of Michigan, County of Muskegon and City of Muskegon or other applicable jurisdictions or bodies.

(All of the above collectively referred to as “Municipal Services”)

- 4. Nothing in this Agreement shall be deemed to waive any defense to claims based on sovereign or governmental immunity.

AGREEMENT

The parties agree as follows:

1. Provision of Services. The City will provide the Municipal Services to the Project.
2. Payment. The Owner shall pay a service charge on or before July 1, of each year following the Effective Date, during the time the Contract for Housing Exemption is in effect (the “Municipal Service Fee”). The Municipal Service Fee shall be two (2%) percent of the net rent adjusted for vacancies received annually, excluding project paid utilities, starting during the calendar year of the Effective Date. For the initial year and final years of the Term (hereinafter defined), the Municipal Service Fee shall be pro-rated based on the portion of the City’s fiscal year (July 1 – June 30) that falls on or after the Effective Date or on or before the Termination Date (hereinafter defined), as applicable.
3. Term. The obligation for payment for Municipal Services shall commence as of the Effective Date and continue until the date that the Contract for Housing Exemption terminates (the “Termination Date”), not to exceed 25 years. The period from the Effective Date until Termination Date shall be referred to as the “Term.” This Agreement is contingent upon Owner acquiring the real property described in Exhibit A by September 1, 2025. If Owner fails to acquire the real property by this date, this Agreement will become null and void and have no further effect.
4. Audit. Owner shall submit, upon request by the City, a copy of the annual audit of the Project prepared by an independent CPA along with the payment of the Municipal Service Fee.
5. Exclusive Benefit. The obligations of the Owner hereunder are imposed solely and exclusively for the benefit of the City and no other person or entity shall have the standing to enforce such obligations or be deemed to be beneficiaries of such obligations.
6. Remedies. The Owner agrees that if it does not perform its obligations under this Agreement the City is entitled to pursue any and all remedies legal or equitable that it is entitled to under Michigan law. The Owner agrees to be liable for all costs of collection including reasonable attorney's fees and costs incurred by the City in the enforcement of the terms of this Agreement, if Owner is found to be in default of this Agreement by a court of competent jurisdiction.
7. Assignment. Upon the written consent of the City, the Owner may transfer or assign its rights and obligations under this Agreement to a buyer (“Transferee”) of the Project. The Transferee must agree to assume the Owner’s obligations under this Agreement. Upon assignment and assumption of this Agreement by the Transferee (or an affiliate, as provided below), the Owner shall be relieved of any further liabilities or obligations accruing under this Agreement. Notwithstanding the foregoing, the Owner may assign this Agreement, without the written consent of the City, to an affiliate of Owner (provided that such affiliate agrees to assume the Owner’s obligations hereunder and provided that the

Owner and assignee give prior notice of the assignment to the City with evidence that the assignee has agreed to assume the obligations of the Owner).

8. Severability. If any term or condition of this Agreement is found to be void, invalid, or unenforceable, the validity or enforceability of the remaining terms and conditions shall not be affected or impaired and will continue in full force and effect.
9. Notices. All notices under this Agreement must be in writing and sent to the respective parties as follows:

If to Owner:

Liam Moor LLC
Attention: Michael Dalen
7451 N 63rd St.
Longmont, CO 80503

If to the City:

City of Muskegon
Attn: City Manager
933 Terrace Street
Muskegon, MI 49440

With copy to:

Parmenter Law
Attn: City Attorney
601 Terrace St.
Muskegon, MI 49440

Every notice must be in writing and sent by one of the following methods:

- a. Personal delivery, in which case delivery shall be deemed to occur the day of the delivery.
- b. Certified or registered mail, postage prepaid, return receipt requested, in which case delivery shall be deemed to occur the day it is officially recorded by the U.S. Postal Service that it has delivered it to the intended recipient; or
- c. Next day delivery by a recognized private delivery service such as Federal Express, providing proof of mailing and delivery comparable to certified or registered mail, return receipt requested, in which case delivery shall be deemed to occur upon delivery as recorded by the delivery service. Either party may change the address provided in this paragraph for itself or its attorney by providing notice of such change to the other party as required in this paragraph.

10. No Waiver. No delay, omission, or failure of the City to act under this Agreement or to insist upon strict compliance with any term and condition of this Agreement, and no custom or practice of the parties at variance with the terms and conditions of this Agreement shall constitute a waiver of City's right to demand exact compliance with this Agreement. No waiver of any right or remedy of City shall be construed as a bar to or a waiver of any such right or remedy on any future occasion.
11. Headings. The headings in this Agreement have only been inserted for convenience and shall not affect the meaning or interpretation of this Agreement. No heading shall have any legal significance of any nature whatsoever.
12. Binding Effect. This Agreement shall be binding on the parties, their heirs, successors, and assigns.
13. Amendments. There shall be no modification or amendments to this Agreement, including this section, unless they are in writing and signed by all the parties to this Agreement.
14. Governing Law. This Agreement has been executed in the State of Michigan, and shall be governed by Michigan law.
15. Complete Agreement. This Agreement contains the entire agreement between the parties and supersedes all prior oral or written representations, negotiations and agreement on the subject matter stated herein.

{Signatures on next page}

Municipal Services
Agreement Signature Page

IN WITNESS WHEREOF, this Municipal Services Agreement is executed as
of the day and year first written above.

CITY:

CITY OF MUSKEGON

Dated: _____, 2025

By: _____
Ken Johnson, Mayor

Dated: _____, 2025

By: _____
Ann Meisch, City Clerk

OWNER:

**Park Terrace Limited Dividend Housing
Association, LLC** a Michigan limited
liability company

By: _____
Name: _____
Its: _____

EXHIBIT A

LEGAL DESCRIPTION

[See Attached]

That part of RUDDIMAN TERRACE, Section 36, Town 10 North, Range 17 West, as recorded in Liber 12 of Plats on Pages 33 and 34, described as beginning at a point on the North line of Hackley Avenue which is North 00 degrees 00 minutes 00 seconds East 33.00 feet along the North-South 1/4 line of said Section 36 and South 89 degrees 58 minutes 00 seconds West 31.30 feet from the central 1/4 corner of said Section 36; thence South 89 degrees 58 minutes 00 seconds West 352.45 feet along the North line of Hackley Avenue; thence North 00 degrees 00 minutes 00 seconds East 210.93 feet; thence North 90 degrees 00 minutes 00 seconds West 64.57 feet; thence North 09 degrees 34 minutes 32 seconds West 186.05 feet; thence Southwesterly 844.98 feet along the arc of a 890.90 foot radius curve to the left said curve having a central angle of 54 degrees 20 minutes 33 seconds, and the chord of which bears South 60 degrees 50 minutes 17 seconds West 813.66 feet; thence South 33 degrees 40 minutes 00 seconds West 15.07 feet; thence North 56 degrees 20 minutes 00 seconds West 314.57 feet; thence Northeasterly 15.29 feet along the arc of a 81.19 foot radius curve to the right, said curve having a central angle of 10 degrees 47 minutes 21 seconds, the chord of which bears North 28 degrees 16 minutes 41 seconds East 15.27 feet; thence Northeasterly 1186.50 feet along the arc of a 1206.90 foot radius curve to the right, said curve having a central angle of 56 degrees 19 minutes 39 seconds, and the chord of which bears North 61 degrees 50 minutes 11 seconds East 1139.30 feet; thence North 90 degrees 00 minutes 00 seconds East 253.42 feet; thence Southeasterly 111.52 feet along the arc of a 83.00 foot radius curve to the right, said curve having a central angle of 76 degrees 58 minutes 52 seconds, and the chord of which bears South 51 degrees 30 minutes 34 seconds East 103.32 feet; thence North 89 degrees 46 minutes 46 seconds East 82.83 feet; thence South 00 degrees 00 minutes 00 seconds East 646.74 feet along the West line of Parslow Street to the Point of Beginning.



Agenda Item Review Form

Muskegon City Commission

Commission Meeting Date: May 27, 2025	Title: PILOT Agreement for Village at Park Terrace Acquisition						
Submitted by: Jake Eckholm, Development Services Director	Department: Economic Development						
Brief Summary: The existing ownership of Park Terrace Apartments and Village at Park Terrace Senior Apartments is seeking to sell the portfolio to new ownership. In order to preserve and lengthen the affordability period, a new Contract for Housing Exemption is required for both projects.							
Detailed Summary & Background: Staff and the City Attorney's office have been working to finalize the draft agreements before you related to this project with the new owner. They hope to put significant capital investment into the facilities in the coming years, and in order to finance the project and make that possible they are requesting an updated and restated PILOT on both Park Terrace as well as the senior living component Village at Park Terrace. The agreement reflects a slight reduction in the PILOT rate to 4% of annual shelter rents but establishes a Municipal Services charge in a separate agreement. This is to our advantage because the total MSA revenue stays with the City, rather than being split between the taxing jurisdictions like the PILOT payment. This document is the contract for housing exemption for up to 25 years, which will require adherence to MSHDA regulated rents per requirements in our local ordinance.							
Goal/Focus Area/Action Item Addressed: Key Focus Areas: Diverse housing types Retain youth within the city Goal/Action Item: 2027 Goal 2: Economic Development Housing and Business							
Amount Requested: NA	Budgeted Item: <table border="1"> <tr> <td>Yes</td> <td></td> <td>No</td> <td></td> <td>N/A</td> <td>☒</td> </tr> </table>	Yes		No		N/A	☒
Yes		No		N/A	☒		
Fund(s) or Account(s): NA	Budget Amendment Needed: <table border="1"> <tr> <td>Yes</td> <td></td> <td>No</td> <td></td> <td>N/A</td> <td>☒</td> </tr> </table>	Yes		No		N/A	☒
Yes		No		N/A	☒		
Recommended Motion:							

Motion to approve the Amended and Restated Contract for Housing Exemption for Village at Park Terrace Apartments, and to authorize the Mayor and Clerk to sign.

Approvals:

Immediate Division Head		
Information Technology		
Other Division Heads		
Communication		
Legal Review		

Guest(s) Invited / Presenting:

No

CITY OF MUSKEGON
AMENDED AND RESTATED CONTRACT FOR HOUSING EXEMPTION

This Agreement (the “Agreement”) between **Village at Park Terrace Limited Dividend Housing Association, LLC** a Michigan limited liability company whose address is 7451 N 63rd St., Longmont, Colorado 80503 (the “Owner”) and **City of Muskegon**, whose address is 933 Terrace Street, Muskegon, Michigan (the “City”) is made pursuant to the following terms:

RECITALS

- A. Owner will acquire property in the City of Muskegon more particularly described on Exhibit A attached hereto and intends to operate the project thereon (the “Project”) as a low-income housing project.
- B. As part of the transaction, Hackley Limited Dividend Housing Association II, L.L.C. (“Hackley”) will assign its rights and obligations under that certain Contract for Housing Exemption, executed by Hackley and the City as of April 1, 2002 (collectively, the “Contract for Housing Exemption”) to Owner.
- C. The Owner and the City desire to amend and restate the Contract for Housing Exemption as set forth herein so as to: (i) memorialize the service charge and term of the amended Contract for Housing Exemption, (ii) memorialize the assignment and assumption of the Contract for Housing Exemption from Hackley to Owner, and (iii) add a reference to Owner’s obligations under that certain Municipal Services Agreement (hereinafter defined) executed approximately as of the date hereof between Owner and the City. Except as expressly set forth herein, the parties do not intend to make any other substantive changes to the terms of the existing Contract for Housing Exemption.
- D. The City Code of Ordinances shall be referred to herein as the “Ordinance.”
- E. It is acknowledged that it is a proper public purpose of the State of Michigan and its political subdivisions to provide housing for its low income persons and families or as Workforce Housing and to encourage the development of such housing by providing for a service charge in lieu of property taxes in accordance with the Act. The City is authorized by this Act to establish or change the service charge to be paid in lieu of taxes by any or all classes of housing exempt from taxation under this Act at any amount it chooses, not to exceed the taxes that would be paid but for this Act. It is further acknowledged that such housing for low income persons and families or Workforce Housing is a public necessity, and as the City will be benefited and improved by such housing, the encouragement of the same by providing real estate tax exemption for such housing is a valid public purpose. It is further acknowledged that the continuance of the provisions of this Ordinance for tax exemption and the service charge in lieu of all *ad valorem* taxes during the period contemplated in this Ordinance are essential to the determination of economic feasibility of the housing projects that is constructed or rehabilitated with financing extended in reliance on such tax exemption.

NOW, THEREFORE, THE PARTIES AGREE AS FOLLOWS:

- I. Grant of Exemption. As contemplated and pursuant to Act 346 of the Public Acts of 1966, the State Housing Development Act (the “Act”), the City hereby grants an exemption from all *ad valorem* property taxes attributable to any units of the building, provided such building contains 122 rental units offered to “low-income persons and families” or as “Workforce Housing,” each as defined by MCL 125.1415a of the Michigan State Housing Development Authority Act of 1966 (the “Authority”). This exemption is contingent upon Owner acquiring the real property described in Exhibit A by September 1, 2025. If Owner fails to acquire the real property by this date, this Agreement will become null and void and have no further effect.
2. Term of Exemption. This exemption shall continue until December 31, 2050 (the “Termination Date”). The City agrees to be contractually bound by this agreement to honor the exemption status of the Project as provided in this agreement until the Termination Date, subject to the Ordinance.
3. Responsibilities of the Owner. The Owner agrees to perform the following:
 - 3.1 The Owner shall pay the service charge and payment in lieu of taxes set forth in Section 82-51 and 82-54 of the Ordinance in a timely manner (on or before July 1 of each year during the time the exemption is in effect). For said purposes, the Owner recognizes and will abide by all of the collection provisions of the Ordinance, including without limitation, the acceptance of the lien provisions status of the payment in lieu of taxes in the event of default as set forth in 82-53 of the Ordinance. As of the Effective Date, the service charge shall equal four (4%) percent of all collected rents on the subject Project accounting for point-in-time vacancies.
 - 3.2 The Owner agrees to comply with its obligations under that certain Municipal Services Agreement, executed by and between Owner and the City approximately as of the date hereof (the “Municipal Services Agreement”), including payment of the Municipal Service Fee defined therein (“Municipal Service Fee”).
 - 3.3 The Owner agrees to file all information required by the Ordinance and further to meet its obligations to the Authority in connection with the Authority's administration of the low-income housing tax credit program.
4. Term. This agreement shall continue in effect until the Termination Date, not to exceed 25 years. The City considers itself bound by this agreement for the entire term hereof.
5. Interpretation of Financing. The City agrees that the financing of the Project by the use of tax credits as well as the Project’s mortgage, which satisfies the eligibility requirements of the Ordinance.
6. Limitation on the Payment of Annual Service Charge. Notwithstanding Section 3, the service charge to be paid each year in lieu of taxes for the part of the Project that is tax exempt but which is occupied by other than low income persons or families or as Workforce Housing shall be

equal to the full amount of the taxes which would be paid on that portion of the Project if the Project were not tax exempt

7. Third Party Beneficiary. This agreement shall benefit the Owner and the Authority, or such other mortgagee as may have financed the Project which may enforce this agreement, both as its interest may appear, and on behalf of the Owner and its successors and assigns. No other party is a beneficiary under this agreement.

8. Counterparts. This Agreement may be executed in several counterparts and an executed copy hereof may be relied upon as an original.

9. Binding and Benefit. This Agreement shall be binding upon the parties hereto and their respective heirs, administrators, personal representatives, successors and assigns.

10. Severability. The various sections and provisions of this Agreement shall be deemed to be severable, and should any section or provision of this Agreement be declared by any court of competent jurisdiction to be unconstitutional or invalid the same shall not affect the validity of this Agreement as a whole or any section or provision of this Agreement, other than the section or provision so declared to be unconstitutional or invalid.

12. Choice of Law; Venue. This Agreement is executed in accordance with, shall be governed by, and construed and interpreted in accordance with the laws of the State of Michigan. The parties agree that for purposes of any dispute in connection with this Agreement, the Muskegon County Circuit Court shall have exclusive personal and subject matter jurisdiction and venue.

13. Payment of Service Charge. The annual service charge in lieu of taxes as established by this Agreement shall be payable in the same manner as general property taxes are payable to the City and distributed to the several units levying the general property tax in the same proportion as prevailed with the general property tax in the previous calendar year. The annual payment for each operating year shall be paid on or before July 1st of the following year. Collection procedures shall be in accordance with the provisions of the General Property Tax Act (1893 PA 206, as amended; MCL 211.1, et seq.).

14. Contractual Effect of Ordinance. Notwithstanding the provisions of section 15(a)(5) of the Act to the contrary, a contract between the City and the Owner with the Authority as third party beneficiary under the contract, to provide tax exemption and accept payments in lieu of taxes, as previously described, is effectuated by enactment of this Ordinance.

15. Effective Date. This Agreement shall become effective on the last date as of which all Parties as shown below have signed this Agreement ("Effective Date").

[Signatures Follow]

IN WITNESS WHEREOF, the parties have signed this Agreement on the following page, on the dates indicated.

CITY:

CITY OF MUSKEGON

By: _____
Ken Johnson
Its: Mayor
Dated: _____

By: _____
Ann Meisch
Its: City Clerk
Dated: _____

OWNER:

**Village at Park Terrace Limited Dividend
Housing Association, LLC**

By: _____
Its: _____
Dated: _____

EXHIBIT A

LEGAL DESCRIPTION

That part of RUDDIMAN TERRACE, Section 36, Town 10 North, Range 17 West, as recorded in Liber 12 of Plats on Pages 33 and 34, described as beginning at a point on the North line of Hackley Avenue which is North 00 degrees 00 minutes 00 seconds East 33.00 feet along the North-South 1/4 line of said Section 36 and South 89 degrees 58 minutes 00 seconds West 383.75 feet from the Central 1/4 corner of said Section 36; thence South 89 degrees 58 minutes 00 seconds West 60.67 feet; thence Southwesterly 506.96 feet along the arc of a 510.50 foot radius curve to the left said curve having a central angle of 56 degrees 53 minutes 54 seconds, and the chord of which bears South 61 degrees 31 minutes 01 seconds West 486.38 feet; thence North 56 degrees 20 minutes 00 seconds West 392.08 feet; thence North 33 degrees 40 minutes 00 seconds East 15.07 feet; thence Northeasterly 844.98 feet along the arc of a 890.90 foot radius curve to the right, said curve having a central angle of 54 degrees 20 minutes 33 seconds, and the chord of which bears North 60 degrees 50 minutes 17 seconds East 813.66 feet; thence South 09 degrees 34 minutes 32 seconds East 186.05 feet; thence North 90 degrees 00 minutes 00 seconds East 64.57 feet; thence South 00 degrees 00 minutes 00 seconds East 210.93 feet to the Point of Beginning.



Agenda Item Review Form

Muskegon City Commission

Commission Meeting Date: May 27, 2025	Title: Municipal Services Agreement for Village at Park Terrace Acquisition							
Submitted by: Jake Eckholm, Development Services Director	Department: Economic Development							
Brief Summary: The existing ownership of Park Terrace Apartments and Village at Park Terrace Senior Apartments is seeking to sell the portfolio to new ownership. In order to preserve and lengthen the affordability period, a new Municipal Services Agreement is required for both projects.								
Detailed Summary & Background: Staff and the City Attorney's office have been working to finalize the draft agreements before you related to this project with the new owner. They hope to put significant capital investment into the facilities in the coming years, and in order to finance the project and make that possible they are requesting an updated and restated Municipal Services Agreement on both Park Terrace as well as the senior living component Village at Park Terrace. The agreement establishes a new Municipal Services Agreement of 2% of the annual shelter rent. This is to our advantage because the total MSA revenue stays with the City, rather than being split between the taxing jurisdictions like the PILOT payment. This document is the contract for housing exemption for up to 25 years, which will require adherence to MSHDA regulated rents per requirements in our local ordinance.								
Goal/Focus Area/Action Item Addressed: <u>Key Focus Areas:</u> Diverse housing types <u>Goal/Action Item:</u> 2027 Goal 2: Economic Development Housing and Business								
Amount Requested: NA	Budgeted Item: <table border="1"><tr><td>Yes</td><td></td><td>No</td><td></td><td>N/A</td><td>☒</td><td></td></tr></table>	Yes		No		N/A	☒	
Yes		No		N/A	☒			
Fund(s) or Account(s): NA	Budget Amendment Needed: <table border="1"><tr><td>Yes</td><td></td><td>No</td><td></td><td>N/A</td><td>☒</td><td></td></tr></table>	Yes		No		N/A	☒	
Yes		No		N/A	☒			
Recommended Motion: Motion to accept the Municipal Services Agreement for Village at Park Terrace Apartments as presented, and to authorize the Mayor and Clerk to sign.								
Approvals:	Guest(s) Invited / Presenting:							

Immediate Division Head			No
Information Technology			
Other Division Heads			
Communication			
Legal Review			

MUNICIPAL SERVICES AGREEMENT

THIS MUNICIPAL SERVICES AGREEMENT (“Agreement”) is entered into on this day of May 27, 2025 (the “Effective Date”) between **Village at Park Terrace Limited Dividend Housing Association, LLC**, a Michigan limited liability company, its successors and/or assigns, whose address is 7451 N 63rd St., Longmont, Colorado 80503 (the “Owner”) and the CITY OF MUSKEGON, 933 Terrace Street, Muskegon, MI 49440 (the “City”) is made pursuant to the following terms:

RECITALS

- A. Owner will acquire property in the City of Muskegon more particularly described on Exhibit A attached hereto and intends to continue operating the project thereon (the “Project”) as a low-income housing project.
- B. The parties recognize that due to the high concentration of persons residing at the Project that the City will be providing a higher level and greater amount of Municipal Services (as defined in this Agreement) to the Project.
- C. The City, through its Police and Fire Departments and otherwise, provides Municipal Services within the City. The Project will have special needs for these types of Municipal Services and Owner acknowledges that such needs may be greater than typically situated residential developments.
- D. The Owner desires to guarantee that certain Municipal Services will be provided to the Project until the term of the Amended and Restated Contract for Housing Exemption (hereinafter referred to as the “Contract for Housing Exemption”) for this Project expires, such Municipal Services to include, but not be limited to:
 - 1. Emergency services, including police and fire services specifically administered through the City, and, on public streets and sidewalks, maintenance, repair, snow removal, and street lighting; also to include other matters as the City deems necessary;
 - 2. Other miscellaneous services as may, from time to time, be mutually agreed to for the benefit of the Project;
 - 3. Said municipal services shall be provided in the customary way and in accordance with all laws, rules and regulations of the United States of America, State of Michigan, County of Muskegon and City of Muskegon or other applicable jurisdictions or bodies.

(All of the above collectively referred to as “Municipal Services”)

- 4. Nothing in this Agreement shall be deemed to waive any defense to claims based on sovereign or governmental immunity.

AGREEMENT

The parties agree as follows:

1. Provision of Services. The City will provide the Municipal Services to the Project.
2. Payment. The Owner shall pay a service charge on or before July 1, of each year following the Effective Date, during the time the Contract for Housing Exemption is in effect (the "Municipal Service Fee"). The Municipal Service Fee shall be two (2%) percent of the net rent adjusted for vacancies received annually, excluding project paid utilities, starting during the calendar year of the Effective Date. For the initial year and final years of the Term (hereinafter defined), the Municipal Service Fee shall be pro-rated based on the portion of the City's fiscal year (July 1 – June 30) that falls on or after the Effective Date or on or before the Termination Date (hereinafter defined), as applicable.
3. Term. The obligation for payment for Municipal Services shall commence as of the Effective Date and continue until the date that the Contract for Housing Exemption terminates (the "Termination Date"), not to exceed 25 years. The period from the Effective Date until Termination Date shall be referred to as the "Term." This Agreement is contingent upon Owner acquiring the real property described in Exhibit A by September 1, 2025. If Owner fails to acquire the real property by this date, this Agreement will become null and void and have no further effect.
4. Audit. Owner shall submit, upon request by the City, a copy of the annual audit of the Project prepared by an independent CPA along with the payment of the Municipal Service Fee.
5. Exclusive Benefit. The obligations of the Owner hereunder are imposed solely and exclusively for the benefit of the City and no other person or entity shall have the standing to enforce such obligations or be deemed to be beneficiaries of such obligations.
6. Remedies. The Owner agrees that if it does not perform its obligations under this Agreement the City is entitled to pursue any and all remedies legal or equitable that it is entitled to under Michigan law. The Owner agrees to be liable for all costs of collection including reasonable attorney's fees and costs incurred by the City in the enforcement of the terms of this Agreement, if Owner is found to be in default of this Agreement by a court of competent jurisdiction.
7. Assignment. Upon the written consent of the City, the Owner may transfer or assign its rights and obligations under this Agreement to a buyer ("Transferee") of the Project. The Transferee must agree to assume the Owner's obligations under this Agreement. Upon assignment and assumption of this Agreement by the Transferee (or an affiliate, as provided below), the Owner shall be relieved of any further liabilities or obligations accruing under this Agreement. Notwithstanding the foregoing, the Owner may assign this Agreement, without the written consent of the City, to an affiliate of Owner (provided that

such affiliate agrees to assume the Owner's obligations hereunder and provided that the Owner and assignee give prior notice of the assignment to the City with evidence that the assignee has agreed to assume the obligations of the Owner).

8. Severability. If any term or condition of this Agreement is found to be void, invalid, or unenforceable, the validity or enforceability of the remaining terms and conditions shall not be affected or impaired and will continue in full force and effect.
9. Notices. All notices under this Agreement must be in writing and sent to the respective parties as follows:

If to Owner:

Liam Moor LLC
Attention: Michael Dalen
7451 N 63rd St.
Longmont, CO 80503

If to the City:

City of Muskegon
Attn: City Manager
933 Terrace Street
Muskegon, MI 49440

With copy to:

Parmenter Law
Attn: City Attorney
601 Terrace St.
Muskegon, MI 49440

Every notice must be in writing and sent by one of the following methods:

- a. Personal delivery, in which case delivery shall be deemed to occur the day of the delivery.
- b. Certified or registered mail, postage prepaid, return receipt requested, in which case delivery shall be deemed to occur the day it is officially recorded by the U.S. Postal Service that it has delivered it to the intended recipient; or
- c. Next day delivery by a recognized private delivery service such as Federal Express, providing proof of mailing and delivery comparable to certified or registered mail, return receipt requested, in which case delivery shall be deemed to occur upon delivery as recorded by the delivery service. Either party may change the address provided in this paragraph for itself or its attorney by providing notice of such change to the other party as required in this paragraph.

10. No Waiver. No delay, omission, or failure of the City to act under this Agreement or to insist upon strict compliance with any term and condition of this Agreement, and no custom or practice of the parties at variance with the terms and conditions of this Agreement shall constitute a waiver of City's right to demand exact compliance with this Agreement. No waiver of any right or remedy of City shall be construed as a bar to or a waiver of any such right or remedy on any future occasion.
11. Headings. The headings in this Agreement have only been inserted for convenience and shall not affect the meaning or interpretation of this Agreement. No heading shall have any legal significance of any nature whatsoever.
12. Binding Effect. This Agreement shall be binding on the parties, their heirs, successors, and assigns.
13. Amendments. There shall be no modification or amendments to this Agreement, including this section, unless they are in writing and signed by all the parties to this Agreement.
14. Governing Law. This Agreement has been executed in the State of Michigan, and shall be governed by Michigan law.
15. Complete Agreement. This Agreement contains the entire agreement between the parties and supersedes all prior oral or written representations, negotiations and agreement on the subject matter stated herein.

{Signatures on next page}

Municipal Services
Agreement Signature Page

IN WITNESS WHEREOF, this Municipal Services Agreement is executed as
of the day and year first written above.

CITY:

CITY OF MUSKEGON

Dated: _____, 2025

By: _____
Ken Johnson, Mayor

Dated: _____, 2025

By: _____
Ann Meisch, City Clerk

OWNER:

**Village at Park Terrace Limited Dividend
Housing Association, LLC** a Michigan
limited liability company

By: _____
Name: _____
Its: _____

EXHIBIT A

LEGAL DESCRIPTION

[See Attached]

That part of RUDDIMAN TERRACE, Section 36, Town 10 North, Range 17 West, as recorded in Liber 12 of Plats on Pages 33 and 34, described as beginning at a point on the North line of Hackley Avenue which is North 00 degrees 00 minutes 00 seconds East 33.00 feet along the North-South 1/4 line of said Section 36 and South 89 degrees 58 minutes 00 seconds West 383.75 feet from the Central 1/4 corner of said Section 36; thence South 89 degrees 58 minutes 00 seconds West 60.67 feet; thence Southwesterly 506.96 feet along the arc of a 510.50 foot radius curve to the left said curve having a central angle of 56 degrees 53 minutes 54 seconds, and the chord of which bears South 61 degrees 31 minutes 01 seconds West 486.38 feet; thence North 56 degrees 20 minutes 00 seconds West 392.08 feet; thence North 33 degrees 40 minutes 00 seconds East 15.07 feet; thence Northeasterly 844.98 feet along the arc of a 890.90 foot radius curve to the right, said curve having a central angle of 54 degrees 20 minutes 33 seconds, and the chord of which bears North 60 degrees 50 minutes 17 seconds East 813.66 feet; thence South 09 degrees 34 minutes 32 seconds East 186.05 feet; thence North 90 degrees 00 minutes 00 seconds East 64.57 feet; thence South 00 degrees 00 minutes 00 seconds East 210.93 feet to the Point of Beginning.



Agenda Item Review Form

Muskegon City Commission

Commission Meeting Date: May 27, 2025	Title: Amendment to City of Muskegon PILOT Ordinance for Definitions to Residential Housing Projects and Payment in Lieu of Taxes							
Submitted by: Jake Eckholm, Development Services Director	Department: Economic Development							
Brief Summary: Updates to our Affordable Housing Ordinance to align with the latest language in the MSHDA Act								
Detailed Summary & Background: When working on various PILOTS and MSA's we have determined that our code of ordinances, which adopts the MSHDA Act of 1966 and its various definitions by reference, did not directly reflect the language in the act and is at times contradictory. By adding this amendment to define terms more specifically, it firms up our legal agreements required for LIHTC projects, as we pass them under the auspices of this ordinance. Namely, we are creating a more precise definition of "Contract Rents" which helps determined what we are paid in PILOT and MSA contracts, and also broadening the definition of "Housing Project" as the language in our ordinance was more restrictive than what the state allows.								
Goal/Focus Area/Action Item Addressed: Key Focus Areas: Diverse housing types Retain youth within the city Progress toward completion of ongoing economic development projects Goal/Action Item: 2027 Goal 2: Economic Development Housing and Business								
Amount Requested: NA	Budgeted Item: <table border="1"><tr><td>Yes</td><td></td><td>No</td><td></td><td>N/A</td><td>☒</td><td></td></tr></table>	Yes		No		N/A	☒	
Yes		No		N/A	☒			
Fund(s) or Account(s): NA	Budget Amendment Needed: <table border="1"><tr><td>Yes</td><td></td><td>No</td><td></td><td>N/A</td><td>☒</td><td></td></tr></table>	Yes		No		N/A	☒	
Yes		No		N/A	☒			
Recommended Motion: Motion to amend and adopt Chapter 82, Article II, Section 46 for Definitions to Residential Housing Projects and Payments in Lieu of Taxes as presented.								
Approvals:	Guest(s) Invited / Presenting:							

Immediate Division Head			No
Information Technology			
Other Division Heads			
Communication			
Legal Review			

**City of Muskegon
Muskegon County, Michigan
Ordinance Amendment No. _____**

THE CITY OF MUSKEGON HEREBY ORDAINS:

Section 82-46 of Chapter 82 of the Code of Ordinances of the City of Muskegon, Michigan, concerning definitions related to Residential Housing Projects and Payments in Lieu of Taxes (PILOT) is amended to read as follows:

Sec. 82-46. Definitions.

The following words, terms and phrases, when used in this division, shall have the meanings ascribed to them in this section, except where the context clearly indicates a different meaning:

Authority means the state housing development authority.

Contract rents mean all rents in the housing project expected either directly from a tenant or by subsidy, vendor payments or paid by a government or other assisting entity on behalf of a tenant to the owner or owner's designee or agent of a housing project. Contract rents include the rental amounts to be currently charged for units in the housing project, whether a unit is vacant or not, and whether or not the rent is actually paid. Contract rents also include the rentals to be paid for additional facilities by tenants, such as carports or garages, and further include miscellaneous income, such as income from vending machines or laundry equipment. The portion of additional facility rents and miscellaneous income to be attributed to contract rents shall be determined by reference to the floor plan of the facility which includes and clearly exhibits the housing project (therefore the exempt portion of the facility), and the portion of contract rents shall be determined by the ratio of the housing project square footage to the entire square footage of the facility. The term "contract rents" does not include charges for utilities.

Elderly persons mean persons determined by authority guidelines, rules, and practices to have attained the age and have the status to constitute them as elderly persons

Housing project means a residential facility consisting of rental units offered to the following persons; it does not mean the portion of any facility which is not so occupied by:

- (1) Elderly persons as defined in this section.
- (2) Low income persons and families as defined by the authority.
- (3) Workforce Housing as defined by in this section.

HUD means the United States Department of Housing and Urban Development.

Low income persons and families mean all low income persons and families included in the definitions found at Section 15a(8) of Public Act No. 346 of 1966 (MCL 125.1415a(8)).

Mortgage loan means a loan made by the authority or insured by HUD to the sponsor for the construction and/or permanent financing of a housing project.

Service charge means the same as payment in lieu of taxes.

Sponsor means a developer of a housing project. The term "sponsor" includes an applicant for exemption under this division.

Utilities mean public water, public sanitary sewer, gas or electric service. The term "utilities" does not include cable or other television services, telephone or communication utilities or solid waste services.

Workforce Housing means rental units or other housing options included in the definitions found at Section 15a(10)(d) of Public Act No. 346 of 1966 (MCL 125.1415a(10)(d)).

This Ordinance Adopted:

Ayes: _____

Nays: _____

Adoption Date: _____

Effective Date: _____

First Reading: _____

Second Reading: _____

CITY OF MUSKEGON

By: _____

Ann Marie Meisch, MMC
Clerk, City of Muskegon

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 _____ day of _____, 2025 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 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.

CITY OF MUSKEGON

Published: _____, 2025

By: _____
Ann Marie Meisch, MCC
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**

TO: ALL PERSONS INTERESTED

Please take notice that on May ___, 2025 the City Commission of the City of Muskegon adopted an amendment to Section 82-46, summarized as follows:

Section 82-46 amends several definitions related to Residential Housing Projects and Payments in Lieu of Taxes (PILOT), more specifically:

Housing project means a residential facility consisting of rental units offered to the following persons; it does not mean the portion of any facility which is not so occupied by:

- (1) Elderly persons as defined in this section.
- (2) Low income persons and families as defined by the authority.
- (3) Workforce Housing as defined by in this section.

Low income persons and families mean all low income persons and families included in the definitions found at Section 15a(8) of Public Act No. 346 of 1966 (MCL 125.1415a(8)).

Workforce Housing means rental units or other housing options included in the definitions found at Section 15a(10)(d) of Public Act No. 346 of 1966 (MCL 125.1415a(10)(d)).

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, 49440 during regular business hours.

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

CITY OF MUSKEGON

Published: _____, 2025

By: _____
Ann Marie Meisch, MCC
Clerk, City of Muskegon

PUBLISH ONCE WITHIN TEN (10) DAYS OF FINAL PASSAGE



Agenda Item Review Form

Muskegon City Commission

Commission Meeting Date: May 27, 2025	Title: Sale of Foreclosed Home at 1285 Langeland to Previous Owner for \$7,500						
Submitted by: Jake Eckholm, Development Services Director	Department: Economic Development						
Brief Summary: The CNS Department purchased a home with commission approval on the most recent tax auction for rehab, but it was not disclosed to staff that the foreclosed owner was still living in the domicile. We wish to sell to them to keep them in their home for costs incurred.							
Detailed Summary & Background: CNS received the foreclosed properties list with instructions from the Director of Development Services to seek potential single-family homes for rehab with CDBG or HOME dollars to either sell to a low-income buyer or retain as an affordable rental unit. They acquired two houses from the list that they had reviewed and on which they had conducted windshield surveys. They appeared vacant as per usual, and the homes were bought from the County Treasurer for back taxes. However, it soon became evident that the home at 1285 Langeland was occupied and the department staff suspected that folks had entered it illegally and needed to be evicted. As the matter was investigated, the family living there was the previous owner and includes multiple generations including children. It is not in our interests to evict anyone from their home, these sites are typically empty failed investment properties or vacant blighted structures so this caught us unaware. We are proposing to the family to quit claim the home back to them for our incurred costs inclusive of filing fees. We have also given guidance to the family on pursuing the homeowner's poverty exemption moving forward in the event the Commission accepts staff proposal to convey the home back to these owners. We have received a consent judgment to proceed with eviction in the event the owners refused the offer to buy the site, but so long as commission agrees to the sale we have no reason to enforce the eviction and everyone can move forward.							
Goal/Focus Area/Action Item Addressed: <u>Key Focus Areas:</u> Diverse housing types Retain youth within the city <u>Goal/Action Item:</u> 2027 Goal 2: Economic Development Housing and Business							
Amount Requested: \$7,500 returned to CNS	Budgeted Item: <table border="1"><tr><td>Yes</td><td></td><td>No</td><td></td><td>N/A</td><td></td></tr></table>	Yes		No		N/A	
Yes		No		N/A			

Fund(s) or Account(s): HOME Fund Account	Budget Amendment Needed: <table border="1" style="width: 100%; border-collapse: collapse;"> <tr> <td style="width: 15%; text-align: center;">Yes</td> <td style="width: 15%;"></td> <td style="width: 15%; text-align: center;">No</td> <td style="width: 15%;"></td> <td style="width: 15%; text-align: center;">N/A</td> <td style="width: 15%;"></td> </tr> </table>	Yes		No		N/A										
Yes		No		N/A												
Recommended Motion: Motion to approve the sale of the property at 1285 Langeland to Anthony Henry or his assign for \$7,500, and to authorize staff to close on the transaction with a quit claim deed.																
Approvals: <table border="1" style="width: 100%; border-collapse: collapse;"> <tr> <td style="width: 70%;">Immediate Division Head</td> <td style="width: 10%;"></td> <td style="width: 20%;"></td> </tr> <tr> <td>Information Technology</td> <td></td> <td></td> </tr> <tr> <td>Other Division Heads</td> <td></td> <td></td> </tr> <tr> <td>Communication</td> <td></td> <td></td> </tr> <tr> <td>Legal Review</td> <td></td> <td></td> </tr> </table>	Immediate Division Head			Information Technology			Other Division Heads			Communication			Legal Review			Guest(s) Invited / Presenting: No
Immediate Division Head																
Information Technology																
Other Division Heads																
Communication																
Legal Review																



May 6, 2025

Mr. Anthony Henry
1285 Langeland Avenue
Muskegon, MI 49442

Re: Purchase Price for Sale of 1285 Langeland Avenue

Dear Mr. Henry:

As you know, I represent the City of Muskegon as it relates to the eviction action filed with the Muskegon County District Court Case No. 25-25062012-LT (the "Litigation"). The parties came to an agreement to resolve the Litigation and entered into a Consent Judgment whereby the parties agreed to negotiations for the sale of 1285 Langeland Avenue, Muskegon, MI 49442 (the "Property"). A copy of the signed Consent Judgment is enclosed.

Pursuant to the Consent Judgment, the City was to provide you with a purchase price for the Property. **The purchase price is: \$7,500.** The purchase price was conveyed to you via telephone on May 6, 2025, and you requested a written letter evidencing the same. This letter serves as a fulfilment of that request.

The Consent Judgment requires that you provide the City with full and complete proof of funds by June 30, 2025.

Should you have any questions regarding the purchase price or otherwise, please feel free to contact our office. Thank you.

Sincerely,

Kennedy N. Potts
Attorney



Direct P: (231) 722-5421

Email: Kennedy@parmenterlaw.com

Enclosure

CC. Sharonda Carson, Jake Eckholm

STATE OF MICHIGAN
IN THE DISTRICT COURT – 60TH JUDICIAL DISTRICT

* * *

CITY OF MUSKEGON,

Case No. 25-2506201²LT

Plaintiff,

Hon. Raymond J. Kostrzewa, Jr.
District Court Judge

vs.

Anthony Henry
~~Henry Anthony~~ and
All Other Occupants,

Defendants.

John C. Schrier (P36702)
Kennedy N. Potts (P86991)
Parmenter Law
Attorney for Plaintiff
601 Terrace Street
Muskegon, MI 49440
(231) 722-1621

Henry Anthony
and All Other Occupants
Defendant, In Pro Per
1285 Langeland Avenue
Muskegon, MI 49442

CONSENT JUDGMENT

At a session of said Court held on the 30th day of April, 2025
In the City of Muskegon, County of Muskegon, State of Michigan

PRESENT: HONORABLE RAYMOND J. KOSTRZEWA, JR.

The parties having entered into this Consent Judgment, representing their agreement to resolve landlord-tenant eviction matter relating to real property known as 1285 Langeland Avenue, Muskegon, MI, 49442 (the "Property");

IT IS HEREBY ORDERED AND ADJUDGED that the parties have agreed to enter into negotiations whereby Defendants, Henry Anthony and All Other Occupants ("Defendants") intend to purchase and Plaintiff, the City of Muskegon (the "City") intends to sell the Property for a purchase price that encompasses the unpaid taxes on the Property, the City's recording fee,

and the City's expenses related to services provided by the title company in the City's purchase of the Property in June 2024.

IT IS FURTHER ORDERED that this Consent Judgment shall be carried out in compliance with Michigan Court Rule 4.201(J), which is incorporated in this Consent Judgment by reference; that this Consent Judgment shall be carried out in compliance with MCR 4.201(M)(3) which provides that the Court may issue and enter this Consent Judgment immediately and that the Court may condition the Consent Judgment to protect the Defendants' interests and that the City expressly consents to the same; and that the City waives the limitations provided in MCR 4.201(4)(b).

IT IS FURTHER ORDERED that the City shall provide Defendants with a purchase price for the Property by May 14, 2025.

IT IS FURTHER ORDERED that Defendants have until June 30, 2025, to obtain and provide proof of full and complete funding for the purchase price of the Property to the City by way of email or mail to the City's attorneys.

IT IS FURTHER ORDERED that the City shall not accept partial proof of funding or partial payment as to the purchase price for the Defendants' purchase of the Property.

IT IS FURTHER ORDERED that should Defendants fail to obtain and provide proof of full and complete funding for the purchase of the Property by June 30, 2025, that Defendants agree to vacate the Property by July 7, 2025.

IT IS FURTHER ORDERED that upon the City's receipt of Defendants proof of funding for the purchase of Property, the City and Defendants shall close on the Property no later than thirty (30) days from receipt of Defendants' proof of funding for the Purchase of the Property, which shall be no later than July 30, 2025.

IT IS FURTHER ORDERED that should Defendants and the City fail to close by July 30, 2025, that Defendants shall vacate the Property by July 31, 2025.

IT IS FURTHER ORDERED that the parties shall cooperate and act in good faith in completing the transfer of Property.

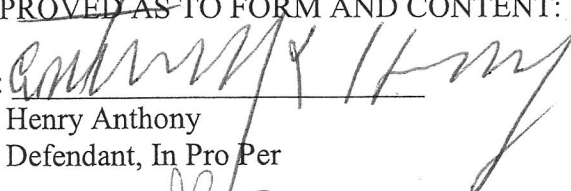
IT IS FURTHER ORDERED that the City shall provide the Court with a Consent Order for Conditional Dismissal (SCAO Form DC 508), which is attached to this Consent Judgment as **Exhibit 1**, which provides that the City has a right to recover possession of the Property in the event that Defendants fail to provide the City with proof of funding for the purchase of the Property by June 30, 2025 and fail to vacate the Property by July 7, 2025 or that the City has a right to recover possession of the Property in the event that the parties fail to close on the Property within 30 days after the City's receipt of Defendants' proof of funding and Defendants fail to vacate the premises by July 31, 2025. If the parties close on the Property timely, the eviction action shall be dismissed.

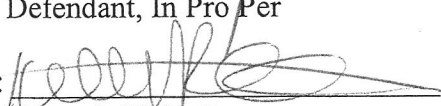
THIS IS THE FINAL ORDER AND CLOSES THIS FILE.

Dated: 4/30/25, 2025


Hon. Raymond J. Kostrzewa, Jr.
District Court Judge

APPROVED AS TO FORM AND CONTENT:

By: 
Henry Anthony
Defendant, In Pro Per

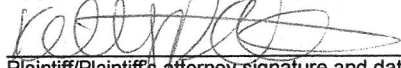
By: 
Kennedy N. Potts
Attorney for City of Muskegon

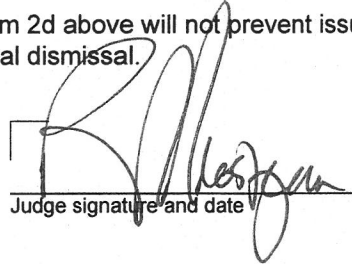
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5. Defendant remains responsible for paying the entire amount as stated in this order that is not paid by Michigan Department of Health and Human Services (MDHHS) or any other third party within the time period provided by this order.
6. The defendant may be liable for money damages if additional rent is owed or if there is damage to the property.
- ☐ 7. Partial payment by defendant of the amount due in item 2d above will not prevent issuance of an order of eviction should a judgment enter after default on this conditional dismissal.

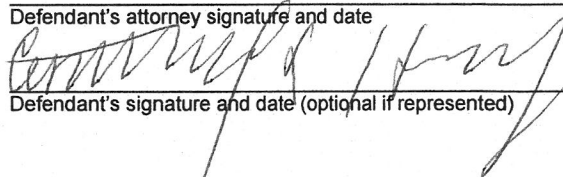
☒ MCR 4.201(J) was explained to the parties.

Approved as to form and content.

 (P80991) 4/30/25
Plaintiff/Plaintiff's attorney signature and date

 4/30/25
Judge signature and date

Defendant's attorney signature and date


Defendant's signature and date (optional if represented)