CITY OF MUSKEGON

CITY COMMISSION MEETING

October 14, 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:**

☐ **PUBLIC HEARINGS:**

A. **Establishment of a Commercial Redevelopment District — 431 E. Laketon Ave.** Economic Development

B. **Issuance of a Commercial Facilities Exemption Certificate — 431 E. Laketon Ave.** Economic Development

☐ **FEDERAL/STATE/COUNTY OFFICIALS UPDATE:**

☐ **PUBLIC COMMENT ON AGENDA ITEMS:**

☐ **CONSENT AGENDA:**

A. **Approval of Minutes** City Clerk

B. **DivDat Payment Kiosk Contract** Treasury

C. **Laketon-Lakeshore Trail Connector Engineering Change Order** Public Works

D. **Project Development Agreement with Johnson Controls, Inc.** Public Works

E. **Sale of 821/856/923 Emerald, 213/275/313 Myrtle, 480 Oak, 302 Orchard, 822/980 Williams, and 462 White.** Planning

F. **Sale of 1967 Reynolds** Planning

G. **Adelaide Point, Extension of Timeline for Park-like Improvements — Hartshorn Peninsula** Manager's Office

H. **Policy for the Use & Sale of City-Owned Residential Property: Amendment**

Planning

I. **City of Muskegon 2026 Fireworks Contract - Pyrotecnico** DPW- Parks

J. **Concession Agreement — Smith-Ryerson Vending Machine** DPW- Parks

K. **Concession Application - Pere Marquette Mobile Sauna** DPW- Parks

L. **Ordinance Adoption: Unlawful Speed Exhibition Events** Public Safety

M. **Resolution for Housing Tax Exemption for Four Properties, LLC (609,619,629 Amity)** Economic Development

N. **Workforce Housing Restrictive Covenant - Four Properties LLC** Economic Development

O. **Concur with CRC Recommendation** City Clerk

☐ **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:**

A. **CLOSED SESSION ITEM** Finance

☐ **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: October 14, 2025	**Title:** Establishment of a Commercial Redevelopment District — 431 E. Laketon Ave.
Submitted by: Jocelyn Hines, Development Analyst	**Department:** Economic Development

Brief Summary:
Pursuant to Public Act 255 of 1978, as amended, Gigi's Grill has requested the establishment of a Commercial Redevelopment District.

Detailed Summary & Background:
Gigi's Grill has requested the establishment of a Commercial Redevelopment District. Creating the district will enable the property owner to apply for a Commercial Facilities Exemption certificate. If approved, the certificate will freeze the taxable value of the building and exempt the new real property investment from local property taxes for the duration of the exemption.

The proposed redevelopment will allow a church building to be transformed into a restaurant. This will create continued investment, job creation, and economic vitality within this district.

<u>Goal/Action Item:</u>
2027 Goal 2: Economic Development Housing and Business - Progress toward new and ongoing economic development projects

Is this a repeat item?:
Explain what change has been made to justify bringing it back to Commission:

Amount Requested:
N/A

Budgeted Item:

Yes		No		N/A	■	

Fund(s) or Account(s):
N/A

Budget Amendment Needed:

Yes		No		N/A	■	

Recommended Motion:
I move to close the public hearing and approve the establishment of the Commercial Redevelopment District for 431 E. Laketon Ave. and authorize the Mayor and City Clerk to sign the attached resolution.

Approvals:

Immediate Division Head	■	

<u>Name the Policy/Ordinance Followed:</u>
Public Act 255 of 1978, as amended

Information Technology			
Other Division Heads			
Communication			
Legal Review			

Resolution No. ______________

RESOLUTION APPROVING THE ESTABLISHMENT OF A COMMERCIAL REDEVELOPMENT DISTRICT
431 E. Laketon Ave.

WHEREAS, pursuant to PA 255 of 1978, the City of Muskegon has the authority to establish “Commercial Redevelopment Districts” within the City of Muskegon at request of a commercial business enterprise or on its own initiative; and

WHEREAS, Gigi’s Grill has filed a written request with the clerk of the City of Muskegon requesting the establishment of the Commercial Redevelopment District for an area in the vicinity of 431 E. Laketon Ave. located in the City of Muskegon hereinafter described; and

WHEREAS, the City Commission of the City of Muskegon determined that the district meets the requirements set forth in section 5 of PA 255 of 1978; and

WHEREAS, written notice has been given by certified mail to all owners of real property located within the proposed district as required by section 5(3) of PA 255 of 1978; and

WHEREAS, on October 14, 2025 a public hearing was held and all residents and taxpayers of the City of Muskegon were afforded an opportunity to be heard thereon; and

WHEREAS, the City of Muskegon deems it to be in the public interest of the City of Muskegon to establish the Commercial Redevelopment District as proposed;

NOW, THEREFORE, BE IT RESOLVED by the City Commission of the City of Muskegon that the following described parcel(s) of land situated in the City of Muskegon, County of Muskegon, and State of Michigan, to wit:

CITY OF MUSKEGON BOLEMA GROVE SUB DIV PART OF BLK 2 R P EASTONS 2ND SUB-DIV PART SEC 32 T10N R16W PARCEL 1 N 86 FT OF E 20 FT LOT 3 & N 86 FT LOTS 4 & 5 PARCEL 2 S 44 FT OF E 20 FT LOT 3 & S 44 FT LOTS 4 & 5 ALSO N 1/2 E 124 FT VAC ALLEY ALSO DESC AS LOTS 4-5 & E 20 FT LOT 3 ALSO N 1/2 OF E 124 FT VAC ALLEY

Adopted this 14th Day of October 2025

AYES:

NAYS:

ABSENT:

BY: ________________________
Ken Johnson, Mayor

ATTEST: ________________________
Ann Meisch, Clerk

1/6/25

CERTIFICATION

I hereby certify that the foregoing constitutes a true and complete copy of a resolution adopted by the Muskegon City Commission of the City of Muskegon, County of Muskegon, Michigan at a regular meeting held on October 14, 2025.

____

Ann Meisch, Clerk

1/6/25

CITY OF MUSKEGON

Agenda Item Review Form

Muskegon City Commission

Commission Meeting Date: October 14, 2025	**Title:** Issuance of a Commercial Facilities Exemption Certificate — 431 E. Laketon Ave.
Submitted by: Jocelyn Hines, Development Analyst	**Department:** Economic Development

Brief Summary:
Pursuant to Public Act 255 of 1978, as amended, Gigi's Grill has requested the issuance of a Commercial Facilities Exemption Certificate. The certificate will freeze the taxable value of the building and exempt new real property investment from local taxes.

Detailed Summary & Background:
Gigi's Grill plans to rehabilitate an 18,686 sq. ft. facility beginning in November 2025. The project represents a $65,000 investment and is expected to create between seven (7) and 10 jobs.

The applicant was the Pastor of the building when it was previously a church and now wants to make it into a restaurant. They have been operating outside the building selling authentic cuisine.

A public hearing on the establishment of the Commercial Redevelopment District is scheduled for the October 14, 2025, City Commission meeting.

The internal tax committee has reviewed the application and, based on their findings and calculations, recommends approval of the attached resolution for a term of eight (8) years for real property. The applicant has submitted all required documentation.

<u>Goal/Action Item:</u>
2027 Goal 2: Economic Development Housing and Business - Progress toward new and ongoing economic development projects

Is this a repeat item?:
Explain what change has been made to justify bringing it back to Commission:

Amount Requested:
N/A

Budgeted Item:

Yes		No		N/A		

Fund(s) or Account(s):
N/A

Budget Amendment Needed:

Yes		No		N/A		

Recommended Motion:
I move to close the public hearing and approve an eight (8) year Commercial Facilities Exemption Certificate for Gigi's Grill, and authorize the Mayor and City Clerk to sign the resolution.

Approvals:

Immediate Division Head		
Information Technology		
Other Division Heads		
Communication		
Legal Review		

Name the Policy/Ordinance Followed:

Public Act 255 of 1978, as amended

Michigan Department of Treasury
4757 (Rev. 12-20)

STATE USE ONLY		
Application Number	Date Received 9/11/2025	LUCI Code

Application for Commercial Facilities Exemption Certificate

Issued under authority of Public Act 255 of 1978, as amended.

Read the instructions page before completing the application. **This application must be filed after a Commercial Redevelopment District is established.** The original application and required documents are filed with the clerk of the Local Governmental Unit (LGU).

PART 1: OWNER / APPLICANT INFORMATION (applicant must complete all fields)

Applicant (Company) Name: Gigi's Grill		NAICS or SIC Code:	
Facility's Street Address: 431 E Laketon	City: Muskegon	State: Mi	ZIP Code: 49442
Name of City, Township or Village (taxing authority): ☐ City ☐ Township ☐ Village	County: Muskegon	School District Where Facility is Located: Muskegon	
Date of Rehabilitation Commencement (mm/dd/yyyy): 11-01-25	Planned Date of Rehabilitation Completion (mm/dd/yyyy): 03-01-2026		
Estimated Cost of Rehabilitation: $ ~~[illegible]~~ 65,000.00	Number of Years Exemption Requested (1-12): 4		

Expected Project Outcomes (check all that apply)

- ☒ Increase Commercial Activity
- ☒ Retain Employment
- ☐ Revitalize Urban Areas
- ☒ Create Employment
- ☒ Prevent Loss of Employment
- ☐ Increase Number of Residents in Facility's Community

No. of perm. jobs to be created due to facility's rehab.	No. of perm. jobs to be retained due to facility's rehab.	Number of construction jobs to be created during rehabilitation
10	3	3

Each year, the State Treasurer may approve 25 additional reductions of half the state education tax for a period not to exceed six years.

☒ Check this box if you wish to be considered for this exclusion.

PART 2: APPLICATION DOCUMENTS

Prepare and attach the following items:

- ☐ General description of the facility (year built, original use, most recent use, number of stories, square footage)
- ☐ General description of the facility's proposed use
- ☐ General description of the nature and extent of the restoration, replacement, or construction to be undertaken
- ☐ Legal description of the facility
- ☐ Descriptive list of the fixed building equipment that will be a part of the facility
- ☐ Time schedule for undertaking and completing the facility's restoration, replacement or construction
- ☐ Statement of the economic advantages expected from receiving the exemption

PART 3: APPLICANT CERTIFICATION

Name of Authorized Company Officer (no authorized agents): Luis Santillanes	Telephone Number: 231-329-5909		
Fax Number:	E-mail Address: AlexRaptor660@Gmail.Com		
Mailing Address: 1986 wood st.	City: Muskegon	State: Mi	ZIP Code: 49442

I certify that, to the best of my knowledge, the information contained herein and in the attachments is truly descriptive of the property for which this application is being submitted. Further, I am familiar with the provisions of Public Act 255 of 1978, as amended, and to the best of my knowledge the company has complied or will be able to comply with all of the requirements thereof which are prerequisite to the approval of the application by the local governmental unit and the issuance of a Commercial Facilities Exemption Certificate by the State Tax Commission.

I further certify that this application relates to a program, when completed, will constitute a facility, as defined by Public Act 255 of 1978, as amended.

Signature of Authorized Company Officer (no authorized agents)	Title	Date
Luis Santillanes	Owner	9-10-25

Continue on Page 2

PART 4: LGU ASSESSOR CERTIFICATION

Provide the Taxable Value and State Equalized Value of the Commercial Property.

	Taxable Value (excluding land)	State Equalized Value (SEV) (excluding land)
Building	60,900	60,900

The property to be covered by this exemption may not be included on any other specific tax roll while receiving the Commercial Facilities Exemption. For example, property on the Eligible Tax Reverted Property (Land Bank) specific tax roll cannot be granted a Commercial Facilities Exemption that would also put the same property on the Commercial Facilities specific tax roll.

[X] By checking this box I certify that, if approved, the property to be covered by this exemption will be on the Commercial Facilities Exemption specific tax roll and not on any other specific tax roll.

Name of Assessor (first and last name): Donna VanderVries	Telephone Number: 231 750 6750		
Fax Number: 231 724-1129	E-mail Address: vandervriesdo@muskegoncounty.net		
Mailing Address: 173 E Apple Ave Ste 201	City: Muskegon	State: MI	ZIP Code: 49442

I certify that, to the best of my knowledge, the information contained in Part 4 of this application is complete and accurate.

Assessor's Signature: Donna VanderVries	Date: 10/06/2025

PART 5: LGU ACTION / CERTIFICATION (LGU Clerk must complete Part 5)

Action Taken By LGU:

[ ] Exemption approved for ______ years, ending December 30, ________ (not to exceed 12 years)

[ ] Exemption Denied

Date District Established (attach resolution for district)	Local Unit Classification Identification (LUCI) Code	School Code	
Name of Clerk (first and last name)	Telephone Number		
Fax Number	E-mail Address		
Mailing Address	City	State	ZIP Code
LGU Contact Person for Additional Information	LGU Contact Person Telephone Number	Fax Number	

I certify that, to the best of my knowledge, the information contained in this application and attachments is complete and accurate.

Clerk's Signature	Date

If you have questions, need additional information or sample documents, call 517-335-7491 or visit **www.michigan.gov/propertytaxexemptions**.

Part 2 : Aplication Documents

- 431 E Laketon Ave is a building that I occupied during my time as Pastor. Years ago, it was a restaurant. After some time, the church moved to another building and now the goal is to make it a restaurant again. The building has the capacity to be a restaurant and has 2 individual bathrooms.

- During the year 2016-2017, the building was rebuilt and remodeled inside, such as: electricity, plumbing, and all the walls and ceiling. It has 2 new furnaces that were installed at that time, along with 1 new water heater. Currently, everything remains in good condition and works as it should.

- The building has a kitchen, dining room, 2 bathrooms, a living room, and a basement.

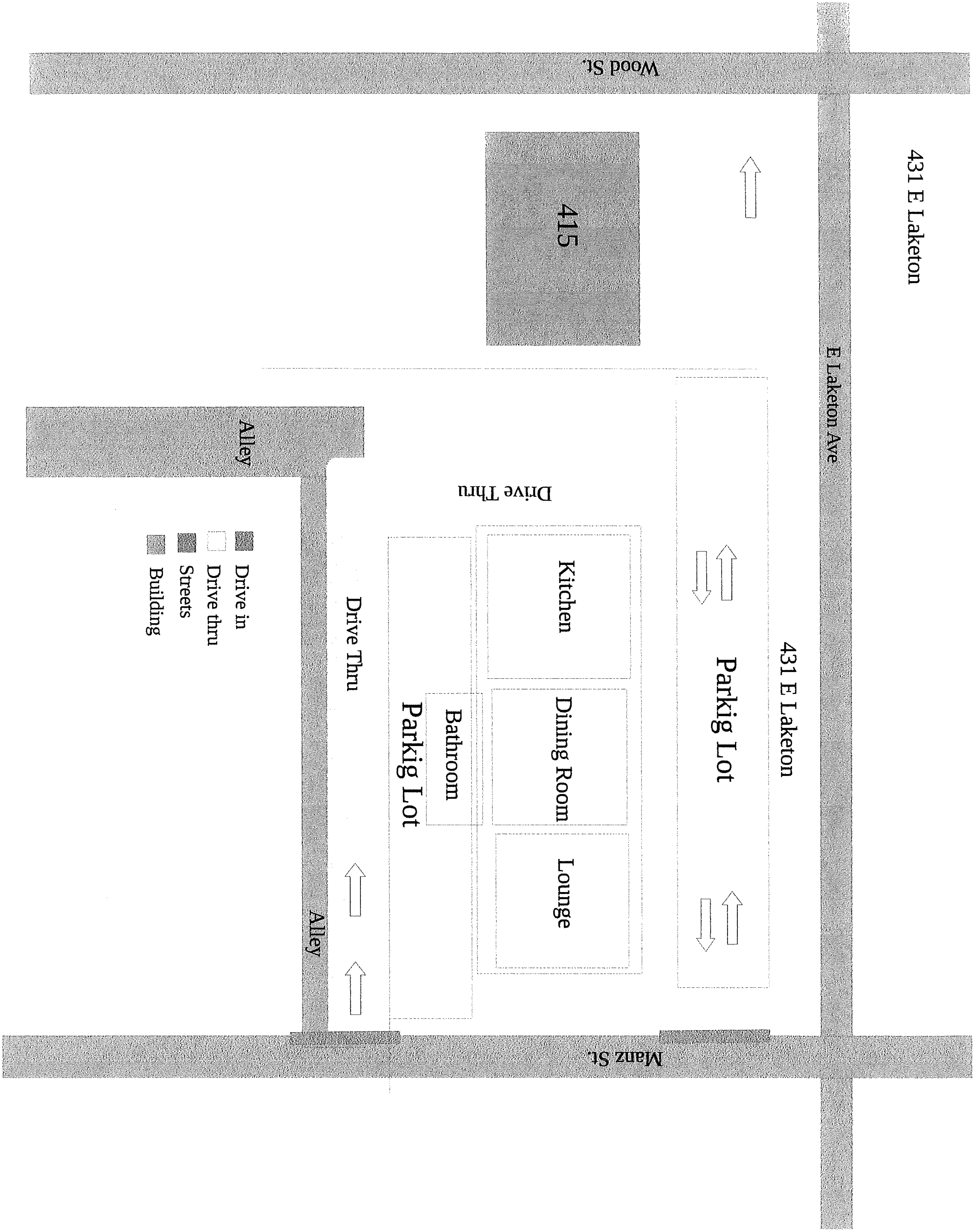
1) The purpose of the new use (new project) is to transform it into a restaurant. The biggest change would be in the kitchen since everything else doesn't require major changes.

2) The investment in the kitchen would be around $50,000 dlls That is an approximation without counting the labor.

3) Changes to the kitchen would include: kitchen extractor, plumbing, kitchen equipment such as: commercial refrigerators, a commercial stove, a commercial flat grill, commercial kitchen counters (stainless steel table), and a cooler for toppings, dining room tables and menu screens, recording cameras, and internet service. These are general guidelines.

A) I request assistance from the city, as any help from you would greatly assist in carrying out this project—a project that includes my family, my 4 children's, and an entire generation. This project would also generate jobs for the community, and we would contribute to the community by providing better service to the community itself, making it a better town for Muskegon, especially Laketon Ave.

B) Thank you very much for considering this request, without further ado, yours truly, Luis Santillanes.


Wood St.
431 E Laketon
415
E Laketon Ave
Alley
Drive Thru
Kitchen
Dining Room
Lounge
Parkig Lot
431 E Laketon
Bathroom
Parkig Lot
Drive Thru
Alley
Manz St.
Drive in
Drive thru
Streets
Building

Resolution No.__________

MUSKEGON CITY COMMISSION

RESOLUTION APPROVING APPLICATION FOR ISSUANCE OF A COMMERICAL FACILITIES EXEMPTION CERTIFICATE
Gigi's Grill

WHEREAS, the City of Muskegon legally established the Commercial Redevelopment District _____ on October 14, 2025, after a public hearing held on October 14, 2025; and

WHEREAS, the state equalized value of the property proposed to be exempt plus the aggregate state equalized value of property previously exempt and currently in force under Public Act 255 of 1978 and under Public Act 198 of 1974 (IFT's) does not exceed 5% of the total state equalized value of the City of Muskegon; and

WHEREAS, the application was approved at a public hearing as provided by section 6(2) of Public Act 255 of 1978 on October 14, 2025; and

WHEREAS, Gigi's Grill is not delinquent in any taxes related to the facility; and

WHEREAS, the application is for commercial property as defined in section 3(3) of Public Act 255 of 1978; and

WHEREAS, the applicant Gigi's Grill has provided answers to all required questions under Section 6(1) of PA 255 of 1978 to the City of Muskegon; and

WHEREAS, the City of Muskegon requires that the construction, restoration or replacement of the facility shall be completed by April 30, 2025; and

WHEREAS, the Commercial Facilities Exemption Certificate is granted for a period of eight (8) years and no extension will be allowed; and

WHEREAS, the commencement of the construction, restoration or replacement of the facility did not occur more than 45 days prior to the filing of the application for exemption; and

WHEREAS, the commencement of the construction, restoration or replacement of the facility did not occur prior to the establishment of the Commercial Redevelopment District; and

WHEREAS, the application relates to a construction, restoration or replacement program which when completed constitutes a new, replacement or restored facility within the meaning of Public Act 255 of 1978 and that is situated within a Commercial Redevelopment District established under Public Act 255 of 1978; and

WHEREAS, completion of the facility is calculated to, and will at the time of issuance of the certificate, have the reasonable likelihood to, increase commercial activity, create employment and retain employment in which the facility is situated; and

WHEREAS, the restoration includes improvements aggregating 10% or more of the true cash value of the property at commencement of the restoration as provided by section 4(6) of Public Act 255 of 1978.

NOW, THEREFORE, BE IT RESOLVED by the City Commission of the City of Muskegon

Be and hereby is granted a Commercial Facilities Exemption for the real property, excluding land, located in Commercial Redevelopment District ______ at 431 E. Laketon Ave. for a period of eight (8) years, beginning December 30, 2025, and ending December 30, 2033 pursuant to the provisions of PA 255 of 1978, as amended.

Adopted this 14th Day of October 2025.

AYES:

NAYS:

Absent:

BY: ________________________________

Ken Johnson, Mayor

ATTEST: ________________________________

Ann Meisch, Clerk

CERTIFICATION

I hereby certify that the foregoing constitutes a true and complete copy of a resolution adopted by the Muskegon City Commission of the City of Muskegon, County of Muskegon, Michigan at a regular meeting held on October 14, 2025.

____

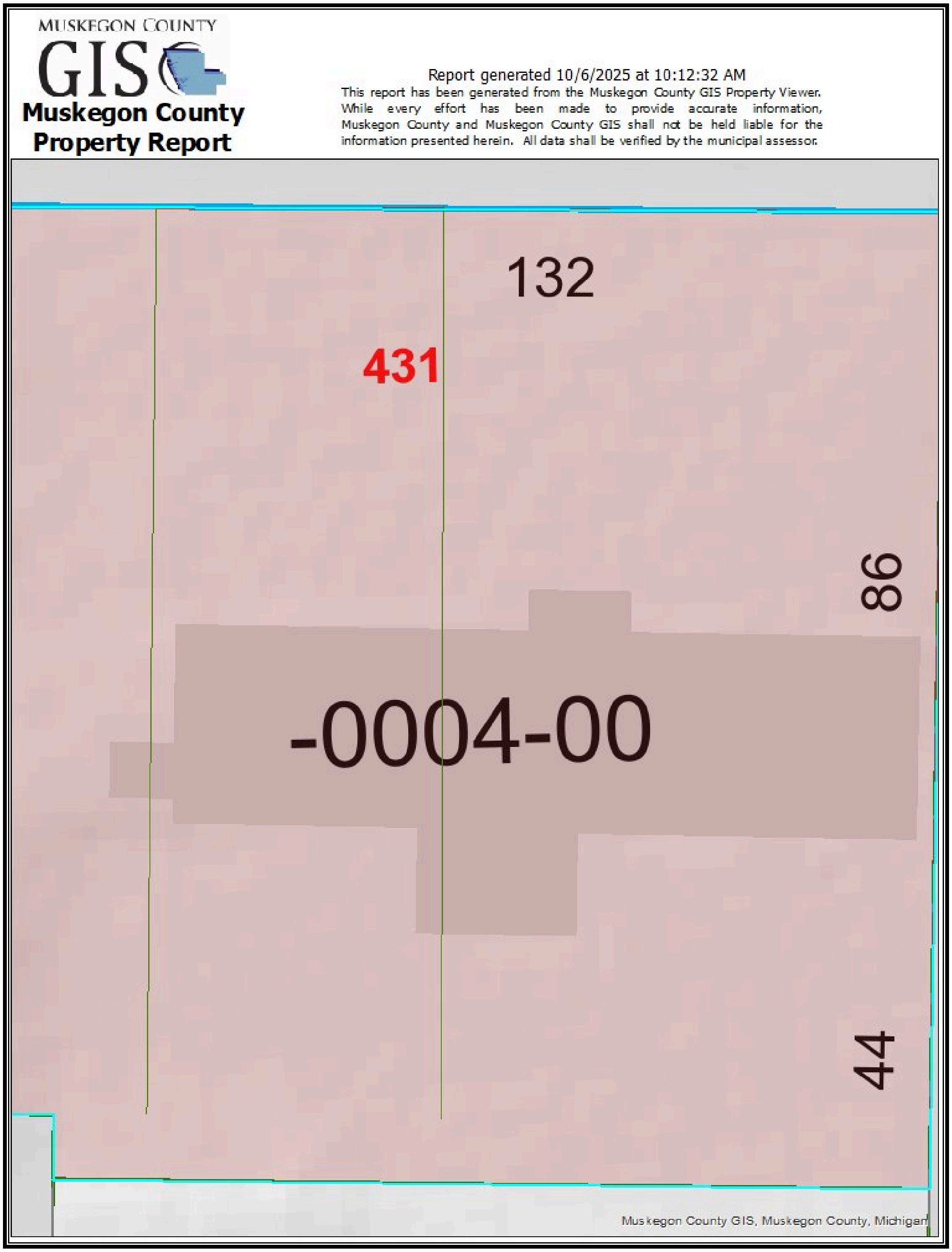
Ann Meisch, Clerk

431 E. Laketon Ave Property Report

Area of Interest (AOI) Information

Area : 18,686.11 ft²

Oct 6 2025 10:11:52 Eastern Daylight Time



Summary

Name	Count	Area(ft²)	Length(ft)
Parcels	1	18,686.11	N/A

Parcels

#	PIN	Municipality Code	Acreage per GIS	Acreage per Assessor	Property Address Number	Property Address Direction	Property Address Combined	Property Address City
1	61-24-165-000-0004-00	24	0.43	0.41	431	E	431 E LAKETON AVE	MUSKEGON

#	Property Address State	Property Address Zip Code	Owner Name 1	Owner Name 2	Owner Care Of	Owner Address	Owner Address City	Owner Address State
1	MI	49442	MINISTERIO APOSTOLICO CASA DE ORACI	*No Data*	*No Data*	431 E LAKETON AVE	MUSKEGON	MI

#	Owner Address Zip Code	Assessed Value	State Equalized Value	Taxable Value	PRE Homestead Pct	Property Class Code	Property Class Description	School District Code
1	49442	0.00	0.00	0.00	0	201	Commercial - Improved	61010

#	School District Name	Zoning per Assessor Primary	Tax Description	Area(ft²)
1	MUSKEGON CITY SCHOOL DIST	B-2	CITY OF MUSKEGON BOLEMA GROVE SUB DIV PART OF BLK 2 R P EASTONS 2ND SUB-DIV PART SEC 32 T10N R16W PARCEL 1 N 86 FT OF E 20 FT LOT 3 & N 86 FT LOTS 4 & 5 PARCEL 2 S 44 FT OF E 20 FT LOT 3 & S 44 FT LOTS 4 & 5 ALSO N 1/2 E 124 FT VAC ALLEY ALSO DESC AS LOTS 4-5 & E 20 FT LOT 3 ALSO N 1/2 OF E 124 FT VAC ALLEY	18,686.11

Agenda Item Review Form

Muskegon City Commission

Commission Meeting Date: October 14, 2025	**Title:** Approval of Minutes
Submitted by: Ann Meisch, City Clerk	**Department:** City Clerk

Brief Summary:
To approve minutes of the September 23, 2025, City Commission Meeting.

Detailed Summary & Background:

Goal/Action Item:

Is this a repeat item?:
Explain what change has been made to justify bringing it back to Commission:

Amount Requested:

Budgeted Item:

Yes		No		N/A	X	

Fund(s) or Account(s):

Budget Amendment Needed:

Yes		No		N/A	X	

Recommended Motion:
Approval of the minutes.

Approvals:

Immediate Division Head		
Information Technology		
Other Division Heads		
Communication		
Legal Review		

Name the Policy/Ordinance Followed:

CITY OF MUSKEGON

CITY COMMISSION MEETING

September 23, 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, September 23, 2025. Pastor Adam Dollar from Evanston Avenue 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, 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 and Commissioner Destinee Keener

2025-77 HONORS, AWARDS, AND PRESENTATIONS

A. Resolution Against Racial Profiling Manager's Office

Commissioner Jay Kilgo submitted a resolution reaffirming the City of Muskegon's commitment to the ideals of the United States Constitution and reaffirming its moral opposition to racial profiling in law and immigration enforcement.

Motion by Commissioner Kilgo, second by Commissioner Kochin, to adopt the Resolution Against Racial Profiling.

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

MOTION PASSES

2025-78 PUBLIC HEARINGS

A. Consolidated Annual Performance Evaluation Report FY 2024 Community & Neighborhood Services

Community and Neighborhood Services to host a hearing for the Consolidated Annual Performance Evaluation Report (CAPER) FY 2024.

The Consolidated Annual Performance Evaluation Report (CAPER) is an important and necessary communication tool between the City of Muskegon, the US Department of Housing and Urban Development (HUD) and the public. Its purpose is to inform and report on the progress the City of Muskegon's Community and Neighborhood Services Department has made toward the goals it set forth in its 2021-2026 Consolidated Plan and respective Action Plan. The CAPER is available on our website for citizen review and a comment period of 15 days from September 9–September 25, 2025.

City of Muskegon – 2024 CAPER Highlights

The City of Muskegon's 2024 CAPER outlines accomplishments under the 2021–2026 Consolidated Plan, with a focus on CDBG and HOME funds.

Funding & Resources

- **CDBG:** $1.13M expended (housing repairs, façade, fire station services, admin).
- **HOME:** $52,121 expended (admin).
- **Program Income generated from HOME:** $51,480
- **Leverage:** Senior millage, DTE programs, Lead Safe Muskegon lead program, Healthy Homes Production.

Key Accomplishments

- **Home Repairs/Rehab:** 58 households assisted.
- **Fire Station Services:** 1,123 households served.
- **Eviction Prevention:** 22 households stabilized.
- **Meals for Seniors:** 42 seniors assisted.
- **Homebuyer Assistance:** 5 families supported.
- **Housing Study:** Identified 400 substandard units and significant rent burden; informed zoning changes.

Demographics

- 124 CDBG households (66 White, 48 Black, 2 Native American, 8 Other and 4 Hispanic).
- 5 HOME households (3 White, 2 Black).
- 70% of beneficiaries were extremely low or low-income.

Other Actions

- **Zoning Reforms:** Encouraged mixed-use, ADUs, and "tiny homes."
- **Lead Remediation:** Integrated into all housing rehab programs.
- **Public Housing Support:** Backed PHA RAD conversion, tenant engagement, and affordable lot access.
- **Outreach:** Public notices, newsletters, social media, 211 resource integration, resource events.

Challenges

- Lack of measurable impact on Hispanic households.
- Persistent affordable housing shortage.

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

PUBLIC COMMENT ON AGENDA ITEMS

No public comments were made.

2025-79   CONSENT AGENDA

A. Approval of Minutes City Clerk

To approve minutes of the September 8, 2025, Commission Worksession Meeting, and the September 9, 2025, City Commission Meeting.
STAFF RECOMMENDATION: Approval of the minutes.

B. Sale of 159 E Laketon Planning

Staff is seeking authorization to sell the City-owned vacant lot at 159 E. Laketon to Arturo Ramirez.
Arturo Ramirez would like to purchase the City-owned buildable lot at 159 E. Laketon for $8,550 (75% of the True Cash Value of $11,400) plus half of the closing costs, and the fee to register the deed. The lot will be split into two 62.5' x 50' lots. Arturo will be constructing a single-family home on each of the properties.
STAFF RECOMMENDATION: Authorize staff to sell the City-owned vacant lot at 159 E. Laketon to Arturo Ramirez.

F. Amendment to Engineering Services for Lift Station Improvements Project Public Works

Staff requests approval to sign an amendment to Fleis & VandenBrink's contract in the amount of $28,000 adding engineering services for the Beach Street and Barney Avenue Lift Stations Improvements.
Fleis & VandenBrink is currently designing improvements for our Industrial Park Lift Station and Sherman Boulevard Lift Station to be bid later this year for construction in the first half of 2026. During the design process, discussion of other lift stations within the City prompted staff to have Fleis & VandenBrink evaluate the Beach Street and Barney Avenue lift stations. As a result of these evaluations, staff would like to have improvements completed at these two Lift Stations as well. Due to the similar work currently being completed by Fleis & VandenBrink, are looking to add this work to their current contract. This will allow the work to be bid as a single project for all four stations, saving time, administrative effort and dollars during the construction phase next summer. Additional lift station work was anticipated in the capital improvement plan; this work and the construction are budgeted.
STAFF RECOMMENDATION: Move to approve staff to sign an amendment to Fleis & VandenBrink's contract in the amount of $28,000 adding engineering services for the Beach Street and Barney Avenue Lift Stations Improvements.

G. **<u>Engineering Services Contract for the Rehabilitation of West Western Avenue</u>** Public Works

Staff seeks permission to enter into a contract with Land & Resource Engineering (LRE) in the amount of $82,420 for the Rehabilitation of West Western Avenue.

The portion of Western Avenue that is west of Shoreline Drive, which we'll call West Western Avenue for clarity, has watched the land uses it serves change drastically in the last 10 years. A marked shift from industry to mixed use developments has made it clear that the street no longer serves the same function. The proposed rehabilitation project includes reducing the amount of pavement (not the number of travel lanes) to right-size the street and discourage speeding, improving pedestrian spaces along the corridor, and increasing the amount of greenspace. On-street parking will be evaluated as a part of the design effort, but staff anticipates some (but not all) spaces will be found to be unnecessary and will be removed. Some areas of the pavement are still in good condition, so one goal of the project is to save as much pavement as is practical. The street will receive a completely new top layer of asphalt for safety and waterproofing. The project is budgeted and planned for construction in 2026.

The City's Engineering Department is busy designing the rehabilitation of Lakeshore Drive and other projects, but the current plan is for City Engineering staff to oversee the construction next summer. Accordingly, staff solicited proposals from interested engineering firms for only the design work this winter. The scores from the RFP process are shown below, and staff recommends award to Land and Resource Engineering (LRE), the top scoring firm. The scores are based on a combination of the firms' qualifications, approach to the project, location and pricing, and scoring is performed independently by multiple staff from DPW and Engineering and then compared.

Firm Name	**Score**
Land and Resource Engineering (LRE)	81
Prein & Newhof	78
ENG., Inc.	77
Progressive	70
Hubbell, Roth & Clark (HRC)	69
Fleis & VandenBrink	67
ROWE	63
Holland Engineering	60
Williams & Works	59

STAFF RECOMMENDATION: Move to approve staff to enter into a contract with Land & Resource Engineering (LRE) in the amount of $82,420 for the Rehabilitation of West Western Avenue.

I. **Purchase of Water and Construction Trucks** Public Works

Staff requests approval of the purchase of three (3) water department trucks and two (2) construction trucks from Gorno Ford for a total of $337,604.
The water trucks are used by our Water Department to move equipment and staff to and from job sites. Two of the trucks these are replacing are 2011's and the third was involved in an accident earlier this year and totaled by insurance. The water trucks are $63,976 each.
The construction trucks are used by both our Highway and Water Departments for moving staff and equipment to job sites. Both trucks being replaced by the new trucks are 2007's. The construction trucks are $72,838 each.
Updating these vehicles provides more reliable transportation for our staff and reduces emissions produced by our fleet. The vehicles will be purchased from Gorno Ford which is a MiDeal partner. MiDeal is a negotiated state purchasing contract that local governments can use to purchase vehicles and equipment at a discounted rate without conducting their own bidding process. These purchases are within the equipment funds budget for this fiscal year.
STAFF RECOMMENDATION: I move to approve the purchase of three (3) Water Department trucks and two (2) construction trucks from Gorno Ford totaling $337,604.

J. **Brownfield Plan Development & Reimbursement Agreement, 351 Phase II, LLC** Economic Development

City staff is seeking approval of the Development and Reimbursement Agreement (D&RA) for 351 Phase II Redevelopment Project of the brownfield plan amendment. The City Commission previously approved the Brownfield Plan Amendment for this project on May 13, 2025.
The developer, 351 Phase II LLC, has submitted a D&RA in connection with the Lakeview Lofts II project, a mixed-use development located on 0.5 acres adjacent to Lakeview Lofts I. The project consists of the construction of a new five-story building that will include approximately 3,112 square feet of first-floor retail space and 64 new residential units comprised of studio and one-bedroom apartments.
Under the terms of the agreement, the Brownfield Redevelopment Authority will reimburse the developer for eligible activities and costs through tax increment revenues for a period of up to 30 years. Reimbursement shall not exceed $6,540,560.
The project qualifies for housing development activities as 50 percent of the residential units will be designated for households with incomes at or below 120 percent of the area median income.
STAFF RECOMMENDATION: I move to approve the 351 Phase II, LLC Brownfield

Development and Reimbursement Agreement and authorize the Mayor and City Clerk to sign.

M. <u>CORRECTION: PA 210 Commercial Rehabilitation Certificate - 1700 Oak Avenue</u> Economic Development

CITY STAFF IS SEEKING APPROVAL OF A DATE CORRECTION TO THE RESOLUTION APPROVING THE CERTIFICATE.

Pursuant to Public Act 210 of 2005, as amended, Muskegon Central Park, LLC has requested the issuance of a Commercial Rehabilitation Certificate at 1700 Oak Avenue.

Muskegon Central Park, LLC is requesting a Commercial Rehabilitation Certificate for the property located at 1700 Oak Avenue. This site is the former General Hospital, which is now planned for redevelopment into six (6) three-story multifamily buildings, totaling 144 dwelling units ranging from one (1) to three (3) bedrooms.

A Commercial Rehabilitation District for this site was established following a public hearing held by the City Commission on July 22, 2025, allowing taxing jurisdictions the opportunity to provide input. Establishment of the district is a required step prior to the consideration of a certificate under Public Act 210 of 2005. In addition to the PA 210 incentive, this project also received approval for a Brownfield Plan Amendment on February 25, 2025. If approved, the Commercial Rehabilitation Certificate will freeze the taxable value of the existing building (in this case, the vacant hospital structure), and exempt the new real property investment from local property taxes for the duration of the certificate. The school operating tax and State Education Tax (SET) will continue to be levied. Land and personal property are not eligible for exemption under this act. The estimated capital investment exceeds $21 million and is expected to create approximately 100 construction jobs, and generate three (3) new permanent jobs following project completion.

The City's internal tax committee has reviewed the application and is recommending an abatement duration of ten (10) years.

STAFF RECOMMENDATION: I move to approve the Commercial Rehabilitation Certificate for 1700 Oak Avenue for a duration of ten (10) years, and authorize the Mayor and City Clerk to sign amended resolution.

Motion by Commissioner German, second by Commissioner Kilgo, to adopt the Consent Agenda as presented minus items C, D, E, H, K, and L.

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

MOTION PASSES

<u>2025-80 ITEMS REMOVED FROM THE CONSENT AGENDA</u>

C. **<u>Sale of 452 Adams</u>** Planning

Staff is seeking authorization to sell the City-owned vacant lot at 452 Adams to West Michigan Construction Exchange Company, LLC.
West Michigan Construction Exchange Company, LLC would like to purchase the City-owned buildable lot at 452 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. West Michigan Construction Exchange Company, LLC will be constructing a duplex on the property.
STAFF RECOMMENDATION: Authorize staff to sell the City-owned vacant lot at 452 Adams to West Michigan Construction Exchange Company, LLC.

Motion by Commissioner German, second by Commissioner Kilgo, to authorize staff to sell the City-owned vacant lot at 452 Adams to West Michigan Construction Exchange Company, LLC.

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

MOTION PASSES

D. **<u>Sale of 460 Adams</u>** Planning

Staff is seeking authorization to sell the City-owned vacant lot at 460 Adams to West Michigan Construction Exchange Company, LLC.
West Michigan Construction Exchange Company, LLC would like to purchase the City-owned buildable lot at 460 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. West Michigan Construction Exchange Company, LLC will be constructing a duplex on the property.
STAFF RECOMMENDATION: Authorize staff to sell the City-owned vacant lot at 460 Adams to West Michigan Construction Exchange Company, LLC.

Motion by Commissioner German, second by Commissioner Kochin, to Authorize staff to sell the City-owned vacant lot at 460 Adams to West Michigan Construction Exchange Company, LLC.

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

MOTION PASSES

E. **<u>Police Department Employment Retainer Bonus</u>** Public Safety

In recognition of the City of Muskegon Police Officer's tremendous work performed amidst extraordinary circumstances and to ensure the Muskegon Police Department continues to retain compassionate, professional, ethical and community-focused officers for the enhancement of quality of life for all residents and visitors, the City of Muskegon is proposing to give current officers a one-time $5,000 Employment Retainer Bonus.
The Muskegon Police Department, like many departments nationwide, has experienced staffing shortages. Despite these challenges, our officers and command staff have continued to provide exceptional service to the community.
To recognize their dedication, the City of Muskegon proposes providing a one-time Employment Retainer Bonus of $5,000 to all current sworn officers and command staff (66 employees total). The bonus will be distributed in two installments of $2,500 each:

- The first installment will be paid during the second pay period in October 2025.
- The second installment will be paid during the second pay period in June 2026.

Funding for this initiative will come from the Police Department's salary budget, which currently allocates for 71 sworn officers.
STAFF RECOMMENDATION: I move to approve the one-time $5,000 Employment Retainer Bonus for all eligible sworn officers of the Muskegon Police Department.

Motion by Commissioner Kochin, second by Commissioner Kilgo, to approve the one-time $5,000 Employment Retainer Bonus for all eligible sworn officers of the Muskegon Police Department.

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

MOTION PASSES

H. <u>Engineering Services Contract for the Henry Corridor Signal Improvements Project</u> Public Works

Staff seeks approval to enter into a contract with ROWE Professional Services Company in the amount of $126,616 for design and construction engineering services on the Henry Corridor Signal Improvements Project.
Repairs to the traffic signals at the intersections of Henry and Sherman, Henry and Hackley, and Henry and Laketon have been increasing. These are three of the oldest signals in the City's system, and they handle a combined 85,000 vehicles per day. The signals are in need of replacement and

modernization. Staff requested federal Congestion Mitigation and Air Quality (CMAQ) funding through the MPO (the local committee that distributes federal transportation funds), and was successful in receiving $250,000. The project budget is $500,000, with the remainder coming from the City's major streets fund. Traffic signal design is complex and not something the City has experience with, so staff solicited proposals from interested engineering firms for design and construction engineering services, and recommends award to ROWE Professional Services Company (ROWE) as the highest scored firm. The scores are based on a combination of the firms' qualifications, project approach, location and pricing. The proposals are independently scored by multiple staff from DPW and Engineering and then compared. The scores are shown below. The project will be constructed in 2027.

Firm Name	Score
ROWE	83
Spalding DeDecker	70
Hubbell, Roth & Clark (HRC)	70
DLZ	69
Fleis & VandenBrink	64
Progressive	64
Prein & Newhof	64
Spicer Group	50

STAFF RECOMMENDATION: Move to approve staff to enter into a contract with ROWE Professional Services Company in the amount of $126,616 for design and construction engineering services on the Henry Corridor Signal Improvements Project.

Motion by Commissioner Kochin, second by Commissioner German, to approve staff to enter into a contract with ROWE Professional Services Company in the amount of $126,616 for design and construction engineering services on the Henry Corridor Signal Improvements Project.

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

MOTION PASSES

K. <u>Fire Marshal Truck Purchase</u> Public Works

Staff seeks approval of the purchase of a new Fire Marshal truck from Gorno Ford for $59,690.
The Battalion Chief truck was totaled in an accident in late August. Due to this, the Fire Marshal truck was moved to the Battalion Chief truck and the Fire Marshal is driving any vehicle available. Due to the unexpected loss of an emergency response vehicle, a replacement truck was purchased with

emergency approval from the City Manager. The vehicle was budgeted to be replaced this year before the accident occurred. We are now retroactively seeking commission approval for this purchase. The total purchase price is $59,690. This vehicle was purchased from Gorno Ford which is a MiDeal dealer. MiDeal is negotiated statewide purchasing contract that local governments can use in place of their own bidding process.
STAFF RECOMMENDATION: I move to approve the purchase of a new Fire Marshal truck from Gorno Ford for $59,690.

Motion by Commissioner Kilgo, second by Commissioner Kochin, to move to approve the purchase of a new Fire Marshal truck from Gorno Ford for $59,690.

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

MOTION PASSES

L. Brownfield Plan Development and Reimbursement Agreement - Muskegon-Central Park, LLC Economic Development

City staff is seeking approval of the Development and Reimbursement Agreement (D&RA) for Muskegon-Central Park, LLC brownfield plan amendment.
City staff is requesting approval of the Development and Reimbursement Agreement (D&RA) for the Muskegon-Central Park, LLC redevelopment project. The City Commission previously approved the Brownfield Plan Amendment for this project on February 25, 2025.
The developer, Muskegon-Central Park, LLC, has submitted a D&RA for the redevelopment of the former General Hospital site, a 13.89-acre property proposed for multi-family residential use. The project consists of the construction of six new three-story buildings, which will provide a total of 144 housing units. Of these, 30 units will be income-qualified with rent rates targeted to households at 69 to 78 percent of Muskegon County's Area Median Income (AMI). Each building will contain 24 one- and two-bedroom units, ranging in size from 663 to 1,307 square feet.
Under the terms of the agreement, the Brownfield Redevelopment Authority will reimburse the developer for eligible activities and costs through tax increment revenues for a period of up to 23 years.
The project qualifies for housing development activities as 30 of the residential units will be designated for households with incomes below 120 percent of the Area Median Income.
STAFF RECOMMENDATION: I move to approve the Muskegon-Central Park, LLC Brownfield Development and Reimbursement Agreement and authorize the Mayor and City Clerk to sign.

Motion by Commissioner Kochin, second by Commissioner Kilgo, to approve the Muskegon-Central Park, LLC Brownfield Development and Reimbursement Agreement and authorize the Mayor and City Clerk to sign.

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

MOTION PASSES

GENERAL PUBLIC COMMENT

Public comments received.

ADJOURNMENT

The City Commission meeting adjourned at 6:53 p.m.

Respectfully Submitted,

Ann Marie Meisch, MMC City Clerk

Agenda Item Review Form

Muskegon City Commission

Commission Meeting Date: October 14, 2025	**Title:** DivDat Payment Kiosk Contract
Submitted by: Sarah Wilson, City Treasurer	**Department:** Treasury

Brief Summary:
In December of 2024, we entered into a contract with Diversified Data Processing & Consulting, Inc. (DivDat) to provide a payment kiosk that can be utilized to pay utility bills and property tax bills when City Hall is closed. Because there was no cost to the City, the City Manager was able to sign a one-year contract. Although the contract has an automatical renewal each year, we are looking for City Commission approval to continue this contract beyond December of 2025, when the initial year ends.

Detailed Summary & Background:
In December of 2024, we were able to negotiate a contract with DivDat that allowed the City to place a payment kiosk at City Hall that could be used to pay water/sewer bills, as well as property tax bills. The kiosk is available just inside the entrance off of Walton Avenue, and is available around the clock. Payments can be made using cash, check or credit card, and the only fee charged is a 2.49% processing fee charged to the customer, should they choose to pay by credit card. Payments made by cash or check are fee-free to both the customer and the City.

We were able to enter into the contract with no costs due to allowing the kiosk to be placed at City Hall and allowing it to accept DTE utility payments as well as City payments. We had a very short time frame to get this in place, so the initial contract was signed by the City Manager in December of 2024. It fell within his authority to do so, as the contract lasted for one year, and there was no cost to the City. Now we are asking for Commission approval to continue the contract with DivDat, and to allow the contract to automatically renew each year. There is a clause that allows us to exit the contract with 30 days notice should we have a need to do so. The contract was reviewed and approved by legal counsel in December of 2024, and no changes have been made since the initial contract was signed.

To this point, we have found that DivDat has been very easy to work with, and we haven't experienced any problems with the kiosk. DivDat also has created a mobile app that our customers can use to pay their bills from their smart phones, again with no cost other than a credit card processing fee.

Goal/Action Item:
2027 Goal 4: Financial Infrastructure

Is this a repeat item?:
Explain what change has been made to justify bringing it back to Commission:

Amount Requested:	**Budgeted Item:**

N/A	Yes | | No | | N/A | X |
Fund(s) or Account(s): N/A	**Budget Amendment Needed:** Yes | | No | | N/A | X |

Recommended Motion:
I move to approve the contract with DivDat for the bill payment kiosk with automatic renewal each year as presented.

Approvals:

Immediate Division Head	X	
Information Technology	X	
Other Division Heads		
Communication		
Legal Review	X	

<u>Name the Policy/Ordinance Followed:</u>
Sustainability in financial practices and infrastructure

DIVDAT
MASTER SERVICES AGREEMENT

This Master Services Agreement ("Agreement") is made and effective as of December 12, 2024, (the "Effective Date") between City of Muskegon, Michigan ("Customer") located at 933 Terrace Street, Muskegon, MI 49440 and Diversified Data Processing & Consulting, Inc., ("DivDat"), a Michigan corporation. The Parties agree as follows:

1. SERVICES AND LICENSE

(a) Services. DivDat will provide to Customer one or more Statements of Work (each, an "SOW"), which will set forth all pertinent data and expectations relating to DivDat's performance under this Agreement (the "Services"). DivDat is not required to provide any Services not set forth in a SOW. To the extent any conflict exists between the terms of this Agreement and any SOW, this Agreement controls, unless the SOW specifically references this Agreement and the intention to override this Agreement. Each SOW will be subject to and incorporated into the terms and conditions of this Agreement. Any provisions of any document submitted by Customer that are in addition to or in conflict with this Agreement shall be void.

The Services may include, but are not necessarily limited to, (i) DivDat providing hardware that may be necessary to perform certain Services, including but not limited to DivDat Bill Payment Kiosks ("Payment Kiosks") (collectively, "Equipment"); and (ii) DivDat providing commercially available computer programs, and any related updates, to operate the Equipment ("Software"). The Software and Equipment are collectively referred to as the "System." DivDat may also provide access to the Services through the DivDat Websites (the "Website"). Nothing in this Agreement shall prohibit or otherwise limit DivDat's right to use independent contractors to perform the Services or meet its obligations under this Agreement.

(b) License. In consideration of payment by Customer of any fees set forth in the Fee Schedule when they become due, DivDat grants to Customer, subject to the use restrictions set forth in this Agreement and any SOW, a nontransferable, nonexclusive, non-sublicensable, limited license to access and use the System and any operator and user manuals, training materials, technical materials, and other materials provided by DivDat (the "License"). The License is granted solely for the purpose of operating the System. The License terminates on the expiration or termination of this Agreement. Customer acknowledges that the License transfers neither title nor proprietary rights of any kind to Customer.

2. FEES AND PAYMENT: Fees will be due **from the Customer** in the amount and on the schedule specified on the scheduled attached hereto as Exhibit A (the "Fee Schedule") or in any SOW, as applicable. All invoices are due within thirty (30) days from the date of DivDat's invoice and must be paid by check or ACH to DivDat at the following address:

DivDat
2111 Woodward Avenue, Suite 702
Detroit, MI 48201

For purposes of this paragraph, Customer is deemed to have received DivDat's invoice immediately if such invoice is sent electronically, or if sent by regular mail, three (3) days following such mailing's post-mark date. Customer is responsible for reviewing every invoice. Customer must inform DivDat in writing of any purported error in any invoice within thirty (30) days after the error first appears on the invoice. If Customer fails to inform DivDat of such error in writing within thirty (30) days, DivDat is not be liable to Customer for such error, and Customer must pay the invoice as submitted.

Any late payment will accrue interest at the lesser of 1.5% per month or the maximum interest rate allowable under applicable law. All amounts payable to DivDat are exclusive of any tax, levy, or similar governmental charge that may be assessed by any jurisdiction, whether based on gross revenue, the delivery, possession, or use of the Services, or otherwise. Customer will be responsible for payment of all such taxes. Unless otherwise stated, any fees attributable to Services beyond those specified set forth in in a SOW will be determined on a time and materials basis and paid monthly at DivDat's then-applicable rates.

3. CUSTOMER'S OBLIGATIONS AND AUTHORIZATION

(a) Authorization to Use Information. Customer hereby authorizes DivDat to use, reproduce, store, process, transmit and display, as part of the Services, any information and content (collectively, "Customer Content") that Customer may provide to DivDat, including without limitation, the right to publicly display Customer Content on any kiosk screens. Customer represents and warrants that, with respect to Customer Content: (i) Customer owns or has sufficient rights in and to the Customer Content to authorize DivDat to perform all of its obligations under this Agreement with respect thereto and that may be required for Customer's, DivDat's, and any Customer-designated third-party's use of the Customer Content; (ii) Customer's, DivDat's, or any Customer-designated third-party's use or delivery of such Customer Content will not violate the copyright, trade secret, trademark, or other proprietary rights (including, without limitation, any privacy rights) of any party; (iii) Customer's, DivDat's, or any Customer-designated third-party's use or delivery of such Customer Content will not violate any applicable law or regulation, and (iv) Customer's execution and performance of this Agreement will not violate any other agreement to which Customer is a party.

(b) Misuse. In no event may Customer or Customer-designated third-party post material on the Website or the System or use the Services in any manner that does or is likely to (i) violate applicable laws or regulations, (ii) violate any right of privacy or publicity, (iii) violate any non-disclosure or confidentiality obligation, (iv) be libelous, obscene, harassing, or offensive, (v) violate or infringe upon the rights of any third party, or (vi) violate the Customer's obligations under this Agreement. Should Customer or Customer-designated third party violate this paragraph, then, in addition to any other rights or remedies that DivDat may have, DivDat may, at its option, (i) remove the objectionable material or activity from the Website, the System, or the Services and/or (ii) terminate Customer's rights to continue to use the Website and the Services.

(c) Marketing. Customer must: (i) develop and implement a marketing program to drive adoption of the use of DivDat services by its customers, including but not limited to posting information on Customer's website and signage, including information on bill inserts, enclosures, and billing statement messages, issuing a press release, and posting information on social media where appropriate; (ii) create product descriptions, graphics, and other materials for communicating the benefits and features of DivDat services in connection with the Customer's marketing efforts; (iii) for as long as this Agreement is effective, allow DivDat to display Customer's name or logo on the Website, in presentations, and in other marketing materials, including use of the existence of this Agreement and the nature of the parties' relationship for purposes of marketing DivDat Services; (iv) provide written or verbal reference for DivDat's use in its sales and marketing efforts; and (v) where applicable, promote the DKN as a payment option through all of Customer's communication channels and at direct cashier window payments. Customer agrees to allow DivDat to display the appropriate biller's logo on DivDat presentations (including Customer's logo) and other marketing materials, so long as it complies with Customer's graphics and marketing standards, for the purpose of obtaining multiple billers on the DivDat Kiosk Network. Customer must provide DivDat with an electronic copy of its organizational identity/graphic standards within five (5) days of the Effective Date of this Agreement. If the Customer does not have a formal graphics program, it must provide a logo sample, PMS colors, and identity recommendations. Subject to an applicable SOW, DivDat may, at its discretion, assist Customer with promotion and public relations. Customer will participate in a press release announcing the Services and the parties' participation in the Services within thirty (30) days from the Effective Date of this Agreement.

(d) **DivDat Kiosk Network.** Payment Kiosks will carry DivDat Kiosk Network branding identification and must be referenced as the DivDat Kiosk Network ("DKN"). Customer acknowledges that DivDat may use the Equipment including the Payment Kiosk and associated TV Monitors (both within the kiosk and attached thereto), for messaging, marketing, and advertising of the DKN. DivDat Customers on the DKN will be afforded opportunities for unpaid messaging, which may be subject to modification and updates as deemed appropriate by DivDat.

(e) **Advertising Approval.** DivDat will submit to Customer all advertising, written sales promotions, press releases, and other public announcements in which the Customer's name or trademarks appear for its prior review and approval, which approval will not be unreasonably withheld or delayed.

4. DIVDAT'S RIGHTS AND RESPONSIBILITIES

(a) **Use of Information**. DivDat may post, or arrange for a third-party to post or arrange, information and content on the Equipment, including the Payment Kiosk and associated TV Monitors (both within the kiosk and attached thereto). DivDat may also refer to links to third-party web sites to provide Services. Customer acknowledges and agrees that DivDat is not responsible for (i) the content, accuracy, or information collection, use, or disclosure practices of third-party web sites, or (ii) errors, viruses, system failures, or other defects or damage that result from Customer's use of such web sites.

(b) **Information Accuracy**. Customer is solely responsible for the accuracy, completeness, and currency of any information, data, or material it provides to DivDat in connection with the Services. In the event Customer notifies DivDat that such information is inaccurate, incomplete, or improper, DivDat will take commercially reasonable steps to correct the same.

5. WARRANTIES AND REMEDIES

(a) **DivDat's Representations and Warranties**. DivDat makes the following representations and warranties as to any means and any and all computer-related components and systems (collectively "Technology") that it may provide under this Agreement: (i) all Technology provided under this Agreement will perform according to the specifications and representations set forth in the applicable SOW; (ii) DivDat will use commercially reasonable efforts to correct all errors in the DKN provided under this Agreement so that the Technology will perform according to DivDat's specifications; (iii) the Technology is free of any software, programs, or routines, commonly known as "disabling code," that are designed to cause such Technology to be destroyed, damaged, or otherwise made inoperable in the course of the use of the Technology; and (iv) to DivDat's actual knowledge, any Technology containing computer code and provided under this Agreement is free of any known or reasonably discoverable viruses. Further, DivDat represents and warrants that it has the full right and power to grant Customer the License pursuant to this Agreement.

(b) **Customer Acknowledgment**. Customer acknowledges that (i) the Services may not satisfy all of Customer's requirements, and (ii) the use of the Services may not be uninterrupted or error-free. DivDat is not responsible for any Internet-related failures or any interruptions or other shortcomings that occur as the result of any failure by DivDat or Customer's Internet service provider or for any events beyond DivDat's control, including all Force Majeure events set forth herein. Customer further acknowledges that the fees and the other charges contemplated under this Agreement are based on the warranty, disclaimers, and limitation of liability specified in this Agreement and that such charges would be substantially higher if any of these provisions were unenforceable.

(c) **Remedies**. In case of breach of warranty, DivDat or its representative will endeavor to correct or reperform the defective service, or if correction or reperformance is not practical in DivDat's reasonable judgment, DivDat may terminate its obligation to perform the Services and refund to Customer the amount actually paid to DivDat for the defective service.

(d) **Disclaimer**. Except as expressly stated in this Agreement, any and all warranties, conditions, representations, or other promises regarding or related to the Website, the System, or the Services, whether express or implied, and whether arising by law, custom, or statement by DivDat or its agents (including but not limited to any warranty of merchantability, fitness for a particular purposes, or non-infringement), are hereby disclaimed and of no force or effect.

6. INDEMNITY

(a) **Indemnity by DivDat**. If an action is brought against Customer claiming that the System, the DKN, or any Services infringe a valid patent, copyright, or trade secret, DivDat will defend Customer at DivDat's expense and, subject to the terms of this Agreement, pay damages and costs finally awarded after all appeals against Customer in such an infringement action, but only if: (i) Customer notifies DivDat promptly on learning that the claim might be asserted, (ii) DivDat has sole control over the defense of the claim and any negotiation for its settlement or compromise, and (iii) Customer fully cooperates with DivDat in its defense or settlement of the claim.

(b) **Opportunity to Cure**. If a claim described in Section 6(a) may be or has been asserted, Customer will permit DivDat, at DivDat's option, to: (i) procure any rights necessary to resolve such a claim, (ii) replace or modify the Services to eliminate the infringement, or (iii) terminate this Agreement.

(c) **Limitation**. DivDat has no indemnity obligation to Customer under Sections 6(a) or 6(b) if an infringement claim results from information provided by Customer to DivDat. These Sections 6(a), 6(b), and 6(c) set forth Customer's exclusive remedy and DivDat's sole liability in connection with any infringement claim.

7. DAMAGES LIMITATION: Under no circumstances will DivDat or its related entities be liable for any consequential, indirect, special, punitive, or incidental damages, or lost profits, whether foreseeable or unforeseeable, based on Customer's claims (including but not limited to claims for loss of data, loss of goodwill, use of money, use of customer's information and data, interruption in use or availability of data, stoppage of other work, or impairment of other assets) arising out of breach or failure of an express or implied warranty.

8. INTELLECTUAL PROPERTY

(a) **Intellectual Property Ownership.**
Customer acknowledges that all copyrights, patents, trade secrets, trademarks, service marks, trade names, industrial designs, discoveries, inventions (whether patented or not), developments, or other proprietary and/or intellectual property as defined or recognized by the laws of any country or state, created by DivDat (collectively, DivDat's "Intellectual Property") are and will be the exclusive property of DivDat. Customer further acknowledges that nothing in this Agreement in any way limits DivDat's ability to use and reuse its Intellectual Property.

(b) **No Copying**. Customer may not copy, modify, market, or distribute the System or charge fees for use of the System without DivDat's prior written consent. Customer may not disassemble, decompile, reverse engineer, or otherwise examine the code associated with the Software or Equipment, nor may it authorize or assist any third party to do so.

9. CONFIDENTIAL INFORMATION

(a) **Confidentiality**. The Parties acknowledge that each Party may have access to certain information the other Party considers to be confidential, and/or a trade secret, including, but not limited to, preexisting proprietary materials, technical know-how, technical specifications, software code, manners of conducting business and operations, strategic business plans, systems, results of testing, financial information, customer lists and other information about customers, product information, concepts, compilations of data, and system access credentials ("Confidential Information"). Confidential Information does not include any information, technical data, or know-how that: (i) is generally available to the public before its disclosure; (ii) is known to the receiving party before the disclosure thereof; (iii) through no fault of receiving party, becomes available to the public after the disclosure thereof; (iv) is disclosed to the receiving party by a third party having a bona fide right to do so; (v) is developed by the receiving party without use of the Confidential Information; or (vi) is required to be disclosed by applicable law or court order. Neither Party will use the other's Confidential Information for the benefit of a third party or for any purpose other than as necessary to effectuate this Agreement. Each Party: (a) will maintain the confidentiality of the other's Confidential Information in the same manner in which it protects its own Confidential Information, but in no event will either Party take less than reasonable precautions to prevent the unauthorized use of, access to, or disclosure of the Confidential Information; and (b) is authorized to disclose or allow access to the other's Confidential Information only to its employees, agents, contractors, consultants, auditors, and authorized subcontractors on a need to know basis, provided that all such agents, contractors, consultants, auditors, and subcontractors have written confidentiality obligations at least as restrictive as those in this Agreement. Neither party may export, disseminate, or otherwise transfer, in writing, orally and/or electronically, the other Party's Confidential Information outside of the United States. Customer agrees that nothing in this Agreement prevents DivDat from using or disclosing anonymous, aggregate, statistical information, whether or not such information is generated from Customer's data.

(b) Unauthorized Use or Disclosure. The parties acknowledge that any unauthorized use or disclosure of the disclosing party's Confidential Information may cause irreparable damage to the disclosing party. If an unauthorized use or disclosure occurs, the receiving party will immediately notify the disclosing party and take, at its expense, all steps necessary to recover the disclosing party's Confidential Information and to prevent its subsequent unauthorized use or dissemination, including availing itself of actions for seizure and injunctive relief. If the receiving party fails to take these steps in a timely and adequate manner, the disclosing party may take them at the receiving party's expense, and the receiving party will provide the disclosing party with its reasonable cooperation in such actions that the disclosing party may request.

10. DATA PRIVACY AND SECURITY:

(a) Data Privacy. The Parties acknowledge that the information provided by Customer and the Services provided by DivDat may be subject to various data-privacy laws and regulations, including but not limited to the Fair Credit Reporting Act, the Fair and Accurate Credit Transactions Act, the Gramm-Leach-Bliley Act, the California Consumer Privacy Act, the Virginia Consumer Data Protection Act, and others. The Parties agree that, where applicable, Customer is the Controller (or its equivalent) of any Personal Data and DivDat is the Processor (or its equivalent) of such data, except where Customer acts as a Processor of such data, in which case DivDat is a Sub-processor (or its equivalent). The subject-matter and duration of any processing performed by DivDat; the nature and purpose of any such processing; and the type of Personal Data collected will be determined by Customer. Customer is solely responsible for securing any consent that may be necessary for the storage, processing, or use of such Personal Data. DivDat will only use such Personal Data for the purposes set forth in this Agreement or any applicable SOW or as permissible under applicable privacy law(s).

(b) DivDat Security. DivDat uses industry-standard technical, management, and operational controls designed to help secure information within the DKN from unauthorized disclosure ("Security Standards"). Notwithstanding the foregoing, Customer acknowledges and agrees that (i) no computer, network, storage, or other security is risk free or impenetrable, (ii) other than in connection of DivDat's breach of the Security Standards, DivDat is not responsible for any unauthorized access to or the destruction of any data, and (iii) the use of the Services will not be uninterrupted or error-free.

(c) Customer Security. In connection with Customer's use of the System, Customer will use its best efforts: (a) to maintain the security of the System and any data that it directly or indirectly submits to the System, or authorizes or requests others to submit to the System; (b) to ensure that all data submitted to the System is free from viruses, malicious code, adware, spyware, or similar programming (collectively, "Malware"); and (c) to ensure that any Customer software of computer system that connects in any way to the DKN is secure and free from Malware.

(d) Data Transmissions. The Parties agree that any and all transmission or exchange of data through the DKN must take place via secure means, e.g. HTTPS, FTPS, SFTP, or equivalent means. All servers, storage, backups, and network paths used in the delivery, storage, or transmission of the data to be used pursuant to this Agreement or any applicable SOW must be contained within the United States, unless specifically agreed to in writing by the Parties.

(e) Incident Notification and Procedures. Customer will immediately (and in no case longer than 24 hours) notify DivDat of any actual or suspected breach of confidentiality, privacy, or security (including the introduction of any Malware) (collectively, a "Security Incident") that may reasonably affect DivDat data, the DivDat System, or the DKN. Client will provide DivDat with a detailed, written report regarding the extent of the Security Incident, the status of remediation efforts, and other relevant details related thereto. Client must immediately institute appropriate controls to maintain and preserve all electronic evidence relating to the Security Incident in accordance with industry best practices. Further, Customer must, at its own cost: (i) provide all necessary assistance to DivDat to minimize the effects of the Security Incident on DivDat's systems; (ii) promptly take steps necessary to eliminate any Malware from the affected system or network and prevent re-introduction of such Malware; (iii) certify, in writing, that the Security Incident has been fully resolved and that any related Malware has been removed from Customer's systems; and (iv) if the Security Incident results in a loss of data or has a negative impact on the operation of the DivDat's system, work with DivDat to mitigate the loss, restore the data, and ensure the operation of the affected system.

11. TERM AND TERMINATION

(a) Term and Termination. This Agreement will be effective on the Effective Date hereof and will remain in effect for a period of one (1) year (the "Initial Term"). Either party may terminate this agreement for convenience by providing written notice of termination to other party at least 30 days in advance of such intended termination. This Agreement will automatically renew for additional one (1) year periods (an "Additional Term") unless either party gives written notice of termination to the other not less than thirty (30) days prior to the end of the Initial Term or any Additional Term. If either party is in material breach of this Agreement, the non-breaching party may terminate this Agreement on thirty (30) days' notice, provided that the breaching party shall have thirty (30) days to cure any such breach. Notwithstanding anything in this Agreement to the contrary, if an invoice or payment due to DivDat is more than ten (10) days delinquent, DivDat may, in its sole and absolute discretion, suspend the Services, terminate the Services, or terminate this Agreement.

(b) Change in Law or Insolvency. DivDat reserves the right to terminate this Agreement upon thirty (30) days' advance notice to Customer if a change in any applicable law or regulation affects or impacts DivDat's ability to provide the Services. DivDat further reserves the right to terminate this Agreement immediately if either party becomes insolvent or enters into bankruptcy or any other proceeding or state that relates to insolvency or protection of creditors' rights.

(c) Effect of Termination. On termination of this Agreement for any reason, all rights granted to Customer hereunder will cease, all applicable SOWs will be terminated, and Customer will return to DivDat, to the extent possible, any materials or information provided to Customer during the term of this Agreement. To the extent possible, the provisions that should, by their nature, survive termination of this Agreement will survive the termination of this Agreement.

(d) Termination Assistance. At Customer's request, DivDat will provide reasonable transition assistance to Customer on the termination or expiration of this Agreement, at DivDat's then-current standard rates.

12. LOCATION OF AND ACCESS TO EQUIPMENT:

(a) **Equipment Location.** Customer agrees to provide a proper place for Payment Kiosk(s) if required in any SOW, which placement is subject to the approval of DivDat. Customer will provide (a) access to the installation location, (b) adequate and appropriate electrical and other services for the successful operation of such equipment, and (c) if placed outdoors, appropriate weather protection for the Payment Kiosks and any customers who may use the Payment Kiosk(s), all at no charge to DivDat. DivDat will not be responsible for any damage to any installation location selected by Customer.

(b) **Equipment Access.** Customer agrees to provide DivDat and its representatives, including but not limited to maintenance personnel and cash collection personnel, with immediate access to Payment Kiosks during normal business hours. Customer also agrees that to the extent a Payment Kiosk at a Customer location is not accessible during normal business hours, Customer will provide DivDat with access to any such Payment Kiosk(s) on DivDat's request.

13. FORCE MAJEURE: No failure or delay in performance of this Agreement, by either Party, shall be deemed to be a breach thereof when such failure or delay is caused by a force majeure event including, but not limited to, any Act of God, strikes, lockouts, wars, acts of terrorism, riots, epidemics, pandemics, explosions, sabotage, breakage or accident to equipment, the binding order of any court or governmental authority, or any other cause, whether of the kind herein enumerated or otherwise, not within the control of a Party.

14. MISCELLANEOUS

(a) **Entire Agreement.** This Agreement and any related SOWs contain the entire agreement between the Parties, and all prior negotiations and agreements are merged into this Agreement. Neither Party nor their agents have made any representations except those expressly set forth in this Agreement, and no rights or remedies are, or shall be, acquired by implication or otherwise unless expressly set forth in this Agreement or a SOW.

(b) **Independent Relationship.** The relationship between DivDat and Customer is that of independent contractors, and no liability or benefits arising out of or related to a contract for hire or employer/employee relationship will arise or accrue to either Party or either Party's agent, subcontractor, or employee as a result of the performance of this Agreement. No relationship other than that of independent contractors, including joint ventures, employer-employee, partners, or principal-agent shall be implied between the Parties or between either Party's agents, employees, or subcontractors. Neither Party's personnel will be entitled to participate in any employee fringe benefit of the other Party, including health insurance, dental insurance, paid vacation, or other benefits.

(c) **No Waiver.** Neither Party shall be deemed to have waived any of its rights under this Agreement unless such waiver is in writing and signed by the waiving Party.

(d) **Assignment.** Neither Party may assign their rights or obligations under this Agreement without the prior written consent of the other Party except that: (a) Customer may assign its rights under this Agreement to an entity or affiliate wholly-owned by Customer; and (b) DivDat may assign its rights and obligations under this Agreement (i) to any entity that succeeds to or acquires, in whole or in part, DivDat's operations or all or substantially all of DivDat's assets; or (ii) to an entity or affiliate wholly-owned by DivDat. DivDat may withhold its consent to Customer's assignment in its sole discretion. If assignment is permitted hereunder, any such assigned rights and obligations of the Parties will inure to the benefit of and be binding upon their respective successors and permitted assigns.

(e) **Choice of Law and Forum.** This Agreement will be governed by and interpreted in accordance with the laws of the State of Michigan. The Parties agree, consent, and submit to the exclusive jurisdiction of the Muskegon County

Circuit Court and the U.S. District Court for the Eastern District of Michigan for any action arising out of this Agreement.

(f) Severability. If any provision of this Agreement is held to be unenforceable, in whole or in part, such holding will not affect the validity of the other provisions of this Agreement.

(g) Arbitration. Any controversy or claim arising out of or relating to this contract, or breach thereof, must be settled by arbitration administered by the American Arbitration Association in accordance with its Commercial Arbitration Rules, and judgment on the award rendered by the arbitrator may be entered in any court having jurisdiction thereof.

By signing below, the parties agree to the terms and conditions of this Agreement.

DivDat		City of Muskegon, Michigan	
Signature:		Signature:	J.C. Seyfert
Name:		Name:	Jonathan Seyferth
Title:		Title:	City Manager
Date:		Date:	Dec. 19, 2024

EXHIBIT A – Fee Schedule

Pricing and Service Fees:

Each Data Integration will be quoted separately.

Technology Integration fee one-time charge for Water and Tax Payments: waived.

Kiosk Network Access: Waived

Optional Requested Kiosk: Waived

Kiosk Transaction Fees: Waived in consideration of placing kiosk on City property for DTE payments.

Merchant accounts:

All payment services require Customer to establish merchant account(s) through a DivDat approved third party processor for credit cards and ach (echeck) transactions.

ACH Fees are waived

Customer hereby authorizes DivDat to add and collect a 2.49% transaction fee to the transaction amount paid by Users making Water orTax payments to the Customer via DivDat services.

DIVDAT KIOSK NETWORK
Statement of Work

This Statement of Work ("SOW") entered into between City of Muskegon, Michigan ("Customer") and DivDat ("DivDat"), sets forth the Services to be provided by DivDat pursuant to the terms stated herein and is governed by the Master Services Agreement ("MSA") between the Parties dated December 12, 2024. Capitalized terms not defined herein shall have the meanings set forth in the MSA.

1. **GENERAL SCOPE:**

DivDat operates Payment Kiosks through the DKN that allow members of the general public ("Consumers") to pay bills associated with multiple billers ("DivDat Customers"), provided that such DivDat Customers are integrated with the DKN. DivDat also provides payment options for Consumers through web-based ("WebPay App") and mobile applications ("Mobile App") and through traditional point-of-sale ("POS") solutions.

The main features of the DKN include:

a. DivDat owns the Payment Kiosks and places them in multiple locations, including retail locations, community centers and on the premises of DivDat Customers. Electrical power for the Payment Kiosks is maintained by the owner of the site location. Telecommunication with the Payment Kiosks may be wired, wireless, or a combination thereof. The Payment Kiosks support interaction in multiple languages. DivDat may add languages as necessary to support consumers.
b. Payment Kiosks accept cash (U.S. paper currency only), credit cards (based on merchant configuration), and debit cards processed as credit cards. The Payment Kiosks also allow consumers to scan a personal check to capture account information to initiate an ACH transaction.
c. Payment Kiosks may vary in manufacture and physical appearance; however, every Payment Kiosk will be equipped with touch-screen consumer interface, cash acceptor, receipt printer, bar code scanner, credit card reader, check code line reader, video topper, and internal safe with ATM-style lock. Payment Kiosks and their components are not optional and are configured to work with the DivDat Software.
d. DivDat maintains electronic communication with Payment Kiosks.
e. DivDat will maintain site agreements with owners of all sites at which the Payment Kiosks are placed.

The main features of the WebPay App include:

a. Web Based Consumer Payment Portal
b. Mobile Responsive Design for Smaller Phone Screens
c. No Consumer Account Setup Required
d. Standardized, Fast and Simple Payment Workflow
e. Payment Workflow Similar to Kiosk & Mobile App
f. Accept Credit Cards, PIN-less Debit Cards & Personal/Business Checks
g. Industry Standard Payment Rules; Overpay, Underpay, Fixed Value, Restrictions, etc.
h. Paper Checks Convert into ACH Payments
i. Multiple Search Options to Find Customer, Account or Statement Records
j. Display Account & Payment Details in Real-Time or Daily Batch
k. Post Payment Information in Real-Time or Daily Batch
l. Send Daily Remittance Files or Payment Summary Emails to Treasury and Operations Teams
m. Email or Text Message Receipt Options

The main features of the Mobile App include:

a. Native iOS & Android Version
b. Consumers Establish Access with Mobile Phone Number
c. Consumers Can Setup Multiple Billers on DKN Network
d. Consumer Information is Cloud Based for Quick Access
e. Accepts Credit Cards, PIN-less Debit Cards, Personal/Business Checks
f. Scan Credit Card or Paper Check for Convenience
g. Paper Checks Convert into ACH Payments
h. Scannable QR Code for Account Access at a Kiosk
i. Historical Payment Receipts Viewable
j. Email or Text Message Receipt Option
k. Kiosk Locator Map and Turn-by-Turn Directions
l. Standardized, Fast and Simple Payment Workflow

m. Industry Standard Payment Rules; Overpay, Underpay, Fixed Value, Restrictions, etc.
n. Four Look Up Options to Find Consumer Accounts
o. Display Account & Payment Details in Real-Time or Daily Batch
p. Post Payment Information in Real-Time or Daily Batch
q. Send Daily Remittance Files or Payment Summary Emails to Treasury and Operations Teams
r. Access to Real-Time Transaction Reporting Details

2. **COMMON FEATURES FOR ALL DIVDAT CUSTOMERS.**

Unless otherwise agreed to by DivDat and Customer, any Payment Kiosks, WebPay App, or Mobile App services provided under this SOW will:

a. Feature multiple DivDat Customers, including governmental entities, utilities, and commercial customers, that have contracted with DivDat to allow DivDat to accept bill payments on their behalf and to allow inquiries into related Consumer account records.
b. Allow Consumers to make inquiries into their DivDat Customer accounts via account number or address look-up, by scanning a bill or invoice, or by scanning their account barcode generated by the DivDat Mobile App.
c. Allows Consumers to make payments to their DivDat Customer accounts by inserting cash into the Payment Kiosk, inserting a personal check for scanning and then retrieving it, by swiping or inserting a credit card or debit card, or by entering credit card or debit card information into the Web App or the Mobile App.
d. Generate a printed receipt and/or transmit a SMS Text receipt or emailed receipt to the Consumer, depending on the option chosen by the Consumer at the end of the inquiry or payment transaction.
e. Provide reporting to the Customer via DivDat's suite of inquiry and reporting applications, which are available through secure web interface, and detail individual and summary Payment Kiosk transactions. This tool is for inquiry only and does not provide any ability for the Customer to change or modify data.
f. Post payments to the Consumer's DivDat Customer accounts in the following manner:

   i. Credit card and debit card transactions: Credit card transactions will process and settle to DivDat Customer accounts according to the terms and conditions of each Customers' merchant account agreement and/or compatibility of the DivDat payment gateway, the Customer's treasury business rules, and available transmission technology. PIN-less debit cards will be processed as credit cards.
   ii. Personal check transactions: Personal checks are processed as ACH transactions. ACH transactions will post and settle to DivDat Customer accounts according to the terms and conditions of each Customer's merchant account and/or compatibility of the DivDat payment gateway, the Customer's treasury business rules, and available transmission technology.
   iii. Cash Transactions: DivDat will manage the collection of cash from the kiosks. Pick-up schedules will vary based on location and usage. DivDat will use armored car services of its choice. DivDat will not have access to the contents of the safe once the lock is initialized by the armored carrier and maintenance provider. DivDat electronically transfers applicable funds to DivDat Customers' bank accounts within three (3) business days of when the transaction occurred on the Payment Kiosk. The amount of the funds transfer(s) will be based on the daily remittance file sent to the DivDat Customer. The amount of the funds transfer will match the amount of cash collected from Consumers for each DivDat Customer.

3. **DIVDAT SERVICES AND FEES**

The Services provided under this SOW include all planning, execution, implementation, and training as described in the project timeline set forth below. DivDat will maintain any Payment Kiosks associated with this SOW at the rate(s) set forth in the Fee Schedule attached to the MSA.

4. **CUSTOMER RESPONSIBILITIES:**

a. Merchant Account: To facilitate the posting of Credit Card, Debit Card, or Personal Check/ACH transactions as set forth above, Customer is required to maintain a merchant account with a DivDat authorized merchant processor.

b. Approval to Access JIS data for the Customer: Customer must provide separate authorization for DivDat to access JIS data to facilitate payment transactions.

c. Customer-Selected Kiosk Location: If Customer requests a Payment Kiosk at a Customer-selected location, DivDat or DivDat's agent will complete a site survey to determine an appropriate location. Criteria for a suitable location include but are not limited to: (i) physical security for Payment Kiosk; (ii) safety for consumers, repair personnel, and armored car personnel; (iii) cellular network access and/or electrical/communication access; and (iv) adequate access for maintenance and armored car personnel. If DivDat agrees to place a Payment Kiosk at Customer's requested location, Customer agrees to accept all responsibility for access compliance and conformance to all applicable building and safety codes and all applicable laws and regulations, including but not limited to the Americans with Disabilities Act. Customer agrees to procure any applicable licenses, consents, or permissions from landlords or others to install and locate the Payment Kiosk at the selected site. Customer grants DivDat and its agents' permission to access the Payment Kiosk location to support and service the Payment Kiosk as set forth in the MSA. Customer agrees to provide available personnel to assist in the support of any Payment Kiosks at Customer's requested locations. If practicable, DivDat will secure Payment Kiosks to the floor at applicable locations.

d. Greeters: From time to time, DivDat and Customer may agree that DivDat will provide a Greeter at the Payment Kiosks. If so, Customer grants DivDat and its agents permission to be present and approach prospective Consumers to use the Payment Kiosk and to help such Consumers perform transactions. Customer agrees to provide a safe and commercially hospitable environment for the Greeter(s).

5. SELECTION OF SERVICES

Customer hereby requests the following at the rate set forth in the Fee Schedule attached to the MSA:

☒Configuration of the DivDat Kiosk Network, including the following Payment Kiosks at Customer locations:
- ☒Indoor Payment Kiosks 1
- ☐Outdoor Payment Kiosks ___
- ☐Through-the-Wall Payment Kiosks ___

☐Configuration of the WebPay Application

☐Configuration of the MobilePay Application

6. TERM

The Term of this SOW will commence on the Effective Date of the MSA and will run concurrently with the MSA. Termination of this SOW is governed by Paragraph 11 of the MSA.

7. IMPLEMENTATION AND TIMELINE

a. Generally: The scope of work for this SOW includes all planning, execution, implementation, and training as described below. Each stage of the project will require approval from Customer before moving on to the next stage.

b. Period of Performance and Customer Assistance: The period of performance for the implementation is typically six (6) to nine (9) weeks. However, the integration and implementation process requires the cooperation of and collaboration with Customer, including its internal or external Information Technology personnel as well as designated Customer representatives that can conveying business rules necessary for incorporation in the appropriate payment channel(s). the projected timeline set forth herein is an estimate only. Any delay or deviation caused by Customer may require contract modifications and an increase in the cost of the project.

c. Place of Performance: Unless otherwise stated, DivDat will perform the work under this SOW at its own facility. DivDat will have a scheduled call with Customer once per week (day and time TBD) for a weekly status meeting. Additionally, all testing (including testing by Customer) will be conducted at DivDat or a production-ready test environment as determined by DivDat.

d. Requirements for Initiation: DivDat will begin implementation of the Payment Kiosk Network Services of the following, which DivDat will work with Customer to secure:
   i. Defined Payment Kiosk types and locations (if applicable);
   ii. Fully defined API or file layouts for (1) Account Look Up Details, and (2) Payment Posting Details;
   iii. Test account data for validation of all Customer-defined business rules;
   iv. Sample production bill payment coupons for the bill scan;

v. Customer branding elements including (1) Logo Graphic File (preferably in .png format), (2) Background Image (1280 x 1024 in .png format), (3) Color Codes, (4) Payment Terms and Conditions, and (5) Payment methods accepted; and

vi. Merchant IDs for credit card and check/ACH processing.

e. Work Requirements: DivDat will be responsible for performing tasks throughout various stages of this project. The following is an example of the tasks that may be performed by DivDat through the implementation process, along with related assumptions:

Stage 1 – Define Business Rules for the following:

- Account look-up methods
- Payment Methods established
- Account return object
- Payment update return object
- Remittance file processing

  DivDat Assumptions for Stage 1:
  - Customer API can support look up by Key field, Name and Address, and Scan Bill – OCR line
  - Customer API account return object will contain all required account display fields and account message flags
  - Customer API can support a payment update post for cash, credit card, and check/ach payments
  - Customer API will return a successful payment post status flag and Client defined display fields
  - Customer will provide a defined file format for a batch remittance file
  - Customer will provide production bill payment coupons for configuring bill scan functionality based on OCR line format

Stage 2 – System Integration/Development Effort

- Kiosk Application:
- Payment Post Application:
- Remittance File Application:

  DivDat Assumptions for Customer Solution for Stage 2:
  - DivDat will integrate to the customer API using a SOAP based web service
  - The Customer API will be fully defined and ready to integrate to the DivDat kiosk service
  - Customer will provide a test environment for the API
  - Customer will retrieve batch remittance files from the DivDat secure FTP
  - Transient data will be encrypted by the x509 certificate or message level security
  - There are no hidden issues/complications implementing the x509 certificate
  - DivDat is PCI DSS v3.2 compliant

Stage 3 – Application Configuration/Database Setup

- Configure Customer merchant ID in DivDat payment gateway
- Configure Customer branding screen elements
- Configure screen content
- Configure for multi-language
- Configure DivDat kiosk application report
- Setup Customer-specific data elements in the kiosk database

  DivDat Assumptions for Customer Solution for Stage 3:
  - Customer will establish merchant IDs with DivDat-approved merchant processer
  - Customer will provide all required branding elements

Stage 4 – System Testing and UAT

- Manual unit testing
- Kiosk unit testing
- End–to-End system testing
- UAT

DivDat Assumptions for Customer Solution for Stage 4:

- Customer will provide a test environment and accounts for validation of all business rules and account types
- Customer will participate in defining the Consumer stories to validate defined business rules
- Customer will assign resources to conduct End-to-End and UAT testing

Stage 5 – Kiosk Delivery & Installation

- Site Survey
- Configure Client Network Environment (if required for wired kiosk)
- Kiosk Staging / Pre-Packaging
- Kiosk Delivery & Installation

DivDat Assumptions for Customer Solution for Stage 5

- Customer preferred wireless installation is dependent on location signal strength
- A new kiosk installation may require network configuration

Stage 6 - Training

- Application Business Rules & Reconciliation Processes
- Key-Op Training (changing receipt paper, if required)

DivDat Assumptions for Customer Solution for Stage 6

- Training will be conducted by DivDat via webinar

Stage 7 – Go-Live / Customer Launch

- Complete End-to-End Go-Live Check List

DivDat Assumptions for Customer Solution for Stage 7

- Customer will provide a production API a minimum of 2 weeks prior to scheduled go-live
- Customer will provide designated account(s) for processing payments to confirm settlement of funds

8. IMPLEMENTATION COMPLETION

The following Acceptance Criteria will be used to determine completion of all deliverables for this SOW.

For the DivDat Kiosk Network

- Consumer can look-up their account by entering a Key Field (i.e. Account Number, Customer Number).
- Consumer can look-up their account by entering a combination of Name and Address.
- Consumer can look-up their account by scanning their bill payment coupon.
- Kiosk will display Consumer account detail.
- Kiosk will display Consumer account message(s).
- Kiosk will allow Consumer to enter payment amount based on business rules.
- Kiosk will display payment methods allowed on the Consumer account.
- Kiosk will allow Consumer to pay by Cash.
- Kiosk will allow Consumer to pay by Credit Card.
- Kiosk will allow Consumer to pay by Check.
- Kiosk will not allow Consumer to pay by Check if account is ACH Restricted.
- Kiosk will display receipt delivery methods.
- Kiosk will allow Consumer to print receipt.
- Kiosk will allow Consumer to email receipt.
- Kiosk will process payment and display either Approve or Decline response.
- Kiosk will allow Consumer to reattempt payment for a Decline response.
- Kiosk will deliver payment receipt based on selected delivery method.
- Kiosk will send payment post update.
- Kiosk will reattempt payment post update until successful.

For the WebPay App

- *User can look-up their account by entering an Account Number.*
- *User can validate amount due.*
- *Application will provide account balance.*
- *Application will allow User to enter payment amount based on business rules.*
- *Application will allow User to pay with payment methods defined in business rules*
- *Application will not allow user to pay by check if ACH restriction flag is set.*
- *Application will process payment and provide either an Approve or Decline response.*
- *Application will allow for text or email delivery of payment receipt (based on client rules)*
- *DivDat will post payment details to Customer system or provide remittance file.*
- *DivDat will reattempt payment post update until successful.*
- *Customer will have access to transaction report to view historical transactions.*

For the MobilePay App

- User can look-up their account by entering an Account Number.
- User can validate amount due.
- Application will provide account balance.
- Application will allow User to enter payment amount based on business rules.
- Application will allow User to pay with payment methods defined in business rules
- Application will not allow user to pay by check if ACH restriction flag is set.
- Application will process payment and provide either an Approve or Decline response.
- Application will allow for text or email delivery of payment receipt (based on client rules)
- DivDat will post payment details to Customer system or provide remittance file.
- DivDat will reattempt payment post update until successful.
- Customer will have access to transaction report to view historical transactions.

9. ONGOING SERVICES

After successful implementation of the WebPay App and/or the Mobile App, DivDat will provide the following Services to Customer:

a. Daily remittance files or real time payment updates
b. Transaction Reporting
c. WebPay App payment detail updated in real time to Treasury Management Dashboard (optional service)
d. Telephone Support (M-F 9am – 5pm EST)
e. Email Support
f. Remote Technical Support

<u>DivDat Assumptions</u>

- Customer will provide necessary system communication for the transmission of relevant data.
- Customer will support DivDat's recommended or best-in-practice security practices to comply with all necessary security and PCI requirements.

By signing below, the parties agree to the terms and conditions of this SOW.

DivDat		City of Muskegon, Michigan	
Signature:		Signature:	J. C. Seyfarth
Name:		Name:	Jonathan Seyfarth
Title:		Title:	City Manager
Date:		Date:	Dec. 18, 2024

Agenda Item Review Form

Muskegon City Commission

Commission Meeting Date: October 14, 2025	**Title:** Laketon-Lakeshore Trail Connector Engineering Change Order
Submitted by: Dan VanderHeide, Public Works Director	**Department:** Public Works

Brief Summary:
Staff requests approval to enter into an amended Professional Services Agreement with Prein & Newhof in the amount of $69,590 for final design and construction services related to the Laketon-Lakeshore Trail Connector.

Detailed Summary & Background:
The Lakeston-Lakeshore Trail Connector is the final piece in a trail system that runs from Hart to Muskegon, on to Grand Rapids and beyond. It will sit along the east side of Sanford Street and the west side of Terrace Street from Laketon Avenue to Shoreline Drive, connecting the Laketon Trail and the Lakeshore Trail. It represents both a connection of two major trail systems as well as a new non-motorized corridor through, near and to the Marsh Field, McLaughlin, Nelson and Jackson Hill neighborhoods.

Prein & Newhof was hired in 2021 to help the City obtain funding for and to design the trail. After advocacy efforts by many in the community, the City was informed in 2023 that the project was expected to receive about two-thirds of the needed funding from the Transportation Alternatives Program (TAP) funding through a competitive Michigan Department of Transportation (MDOT) grant program. Since then, staff and Prein & Newhof have been working hard to meet all the requirements of that funding program, as well as seeking additional funding to help cover the City's $940,000 match. While none of those additional funding efforts were successful, the City is in a position to cover the match using funds on hand, and with program requirements met the project is proceeding to construction in the summer of 2026.

The efforts to meet all requirements of the TAP program, apply for additional funding sources, and make changes to the preliminary design needed to accommodate future land use changes along Terrace have effectively used up Prein & Newhof's original contract. While the proposal from Prein & Newhof details what efforts have been made to date outside the initial scope of their contract, this amendment will actually provide funds for final design and construction services needed to bring the project to completion going forward. This project is closely coordinated with the reconstruction of Apple Avenue, and staff looks forward to Prein & Newhof being able to complete this project next year using these requested funds.

<u>Goal/Action Item:</u>
2027 Goal 1: Destination Community & Quality of Life - Improved transportation connections throughout the community

Is this a repeat item?: **Explain what change has been made to justify bringing it back to Commission:**	
Amount Requested: $69,590	**Budgeted Item:** Yes [ ] No [x] N/A [ ]
Fund(s) or Account(s): Major Streets (202)	**Budget Amendment Needed:** Yes [x] No [ ] N/A [ ]

Recommended Motion:
Move approval for staff to enter into an amended Professional Services Agreement with Prein & Newhof in the amount of $69,590 for final design and construction services related to the Laketon-Lakeshore Trail Connector.

Approvals:

Immediate Division Head	x	
Information Technology		
Other Division Heads		
Communication		
Legal Review		

Name the Policy/Ordinance Followed:

Prein&Newhof
Engineers ▪ Surveyors ▪ Environmental ▪ Laboratory

September 10, 2025

Mr. Dan VanderHeide, P.E.
City of Muskegon
Department of Public Works
1350 Keating Avenue
Muskegon, MI 49442

Re: Professional Engineering Services Amendment for Laketon to Lakeshore Trail NMP

Dear Mr. VanderHeide:

We are submitting this amendment request to cover the additional work scope requested by the City, and to adjust our contract to better align with the final design scope of the project. As you are aware, the original contract was signed back in December 2021 prior to final scope development.

Significant work outside the original scope related to SHPO clearances and a very lengthy process for the TAP application resulted in additional work than was in the original scope. The City also requested assistance with submitting an MDNR Trust Fund Application and an MEDC RAP Grant application. The RAP grant application required significant work to develop a preliminary design of Robert C. Lighton Park improvements. Changes were made to the original alignment along Terrace Street resulting in additional design and survey work. The original scope of the project included only a limited survey of Terrace Street with the assumption that the City's Terrace Street design documents would suffice for the plan development. With the significant realignment of the pathway from the original concept, additional topographic survey was required to make sure the grades worked at all crosswalk locations. The breakdown of the additional costs are as follows:

TAP Application assistance and additional SHPO review	$11,980.00
RAP Grant Application and Park Preliminary Design	$17,340.00
MDNR Trust Fund Application	$10,270.00
Terrace Street Topographic Survey	$6,500.00
Design Modifications for new alignment	$10,000.00
Construction Phase Scope adjustment	$13,500.00
Total	$69,590.00

We appreciate your consideration of this amendment and are looking forward to the successful completion of this project. Please contact us if you have any questions.

Sincerely,

Prein&Newhof

Matthew R. Hulst, P.E.

Enclosures: Professional Services Amendment

Prein&Newhof
Engineers ▪ Surveyors ▪ Environmental ▪ Laboratory

Project No. 2220254

Professional Services Agreement Amendment

Amendment Number : 2

Project Name: Laketon Lakeshore Trail Connector

P&N Representative: Matt Hulst

Client: City of Muskegon

Client Representative: Dan VanderHeide

AGREEMENT: The Agreement Amendment modifies the original agreement for professional services dated: December 23, 2021

Client hereby requests and authorizes a change in services in accordance with the following:

SCOPE OF SERVICES MODIFICATION:

Provide assistance for application of MDNR Trust Fund and MEDC RAP Grant and park preliminary design. Additional fee for revising trail alignment. Revised construction phase services to match revised project scope and fiscal year for construction. See enclosed September 10, 2025 letter.

SCHEDULE OF SERVICES MODIFICATION:

NA

BUDGET MODIFICATION:

$69,590

METHOD OF COMPENSATION:

- ☐ **Lump Sum for Defined Scope of Services**
- ☒ **Hourly Billing Rates plus Reimbursable Expenses**
- ☐ **Other:**

ADDITIONAL PROVISIONS (IF ANY):

None

Prepared by:		**Accepted for:**	
Prein&Newhof, Inc.		**City of Muskegon**	
By:	Jason Washler Digitally signed by Jason Washler DN: C=US, E=jwashler@preinnewhof.com, OU=Prein&Newhof, CN=Jason Washler Date: 2025.09.10 10:44:13-04'00'	**By:**	
Print Name:	**Jason Washler, P.E.**	**Print Name:**	**Dan VanderHeide, P.E.**
Title:	**Vice President**	**Title:**	**Director of Public Works**
Date:		**Date:**	

Agenda Item Review Form

Muskegon City Commission

Commission Meeting Date: October 14, 2025	**Title:** Project Development Agreement with Johnson Controls, Inc.
Submitted by: Dan VanderHeide, Public Works Director	**Department:** Public Works

Brief Summary:
Staff requests approval to enter into a contract with Johnson Controls, Inc. in the amount of $554,104, payment deferred, for engineering and project development services as described in the Project Development Agreement.

Detailed Summary & Background:
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 partially 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 in part through those savings, typically without upfront expenditures. EPCs are commonly used by governments to fund energy efficiency and improvement projects in their facilities, and there are laws in place in Michigan that regulate these activities.

In May of this year, staff issued an RFQ for an Energy Performance Contract Consultant, and the Commission agreed with staff's recommendation and awarded to Johnson Controls, Inc. (JCI). Staff recommended entering into this arrangement with goals of improving the DPW facility and making energy-saving improvements to that facility and others throughout the City. JCI has spent the last 6 months or so working with staff to identify a scope of work that fits well within the framework of an EPC, as well as makes progress on the City's needs and goals. The specific items of work proposed to be included in this Project Development Agreement (PDA), a precursor to the EPC itself, are shown on the included summary document, and are detailed in the agreement as well. One notable item is preparing for the replacement of all residential water meters in the City (that have not recently been replaced for other reasons), which is anticipated to increase water system revenue by several percent by reducing errors.

It's important to know that at this time, staff is asking for approval to enter into a Project Development Agreement (PDA), not the EPC itself. This agreement will include testing of equipment and meters, preparation of plans for the improvements, and finalizing the details of the EPC and financing. During the PDA process, staff will be asked to make a "go/no-go" decision about each scope item depending on the improvements and finances that are developed for each scope item. The final EPC may look slightly different than the scope items in the PDA, but staff and JCI anticipate they will be similar in large part. These efforts are anticipated to include activities identified in the recently adopted Climate Action Plan, with the goal of reducing the City's carbon footprint and seeing energy savings.

While the specific ask is for $554,104, as broken down by fund on the attached summary, it's important to note that amount is not actually due during the life of this agreement. The costs associated with the PDA are deferred by JCI until the time the Energy Performance Contract is entered into, likely late in the Spring of 2026. At that time, these engineering costs will be rolled into the EPC and paid via the tax-free municipal lease (also known as a lease-purchase) that EPC's are funded by.

Goal/Action Item:
2027 GOAL 4: FINANCIAL INFRASTRUCTURE - Maximized efficient use of existing infrastructure

Is this a repeat item?:
Explain what change has been made to justify bringing it back to Commission:

Amount Requested:
$554,104 (Deferred)

Budgeted Item:

Yes		No	x	N/A		

Fund(s) or Account(s):
101, 590, 591 and 594 (See breakdown)

Budget Amendment Needed:

Yes		No	x	N/A		

Recommended Motion:
Move to approve staff to enter into a contract with Johnson Controls, Inc. in the amount of $554,104, payment deferred, for engineering and project development services as described in the Project Development Agreement.

Approvals:

Immediate Division Head	x	
Information Technology		
Other Division Heads	x	
Communication		
Legal Review	x	

Name the Policy/Ordinance Followed:

JCI Project Development Agreement

Total Deferred Cost: $554,104

Summary and Cost Breakdown

Water & Sewer (Funds 590, 591): $311,781

- Test approximately 60 large meters (≥3”), evaluating for repair or replacement
- Gather data and prepare for system-wide residential meter replacement
- Design the replacement of several AC units and one boiler at the Filtration Plant
- Perform remote leak detection, identifying potential locations for further investigation
- Analyze sewer manholes for inflow/infiltration, prepare for manhole lining project

DPW Facility (Fund 642): $163,034

- Design replacement of HVAC, electric & lighting, and building envelope review
- Space planning, with preliminary design of building renovations & façade improvements
- Evaluate replacement of existing emergency backup generator

City Hall and Other (Funds 101, 594): $79,289

- Design replacement of existing chiller plant and associated pumping at City Hall
- Perform City Hall building envelope review (windows, doors, insulation, etc.)
- At Hartshorn Marina and select parks, evaluate lighting systems for LED conversion
- At City Hall, Central Fire, cemeteries and select parks:
    - Evaluate plumbing fixtures for water-saving replacements
    - Evaluate irrigation controllers and systems for smart, water-saving designs

PROJECT DEVELOPMENT AGREEMENT
BETWEEN

City of Muskegon (Customer)		**Johnson Controls, Inc. (JCI)**
1350 E. Keating Ave.	**AND**	**3312 Lousma Drive SE**
Muskegon, MI 49442		**Grand Rapids, MI 49548**

The purpose of this Project Development Agreement (PDA) is to confirm the intent of Johnson Controls, Inc. (JCI) and the City of Muskegon (Customer) to develop an energy performance contract in accordance with Michigan enabling legislation Public Act 625 of 2012. This agreement will provide the basis of the scope of the PDA, the obligations of both parties, and the intended outcomes and timeline.

1. Scope of Services

It is the Parties' mutual understanding this Project Development Agreement will:

a) Provide for the development of Business Improvement Measures (BIMs) addressing the Customer's infrastructure that will generate economic benefit in the form, not limited to, utility savings, operational savings, additional unbilled revenue and avoided capital expenditures. Where possible, JCI will assist the Customer by providing additional improvements to reduce such items as deferred maintenance backlog or desired City improvement measures not affordable otherwise. Listed herein is a list of Customer Priority BIMs. The Customer Priority BIMs are listed in priority order in terms of importance to the Customer achieving their objectives. The Customer acknowledges that the project may or may not include all the Customer Priority BIMs listed.

1. Public works building:
    i. Space planning & remodeling of office area
    ii. HVAC system redesigned in office area
    iii. HVAC equipment replacement
    iv. HVAC equipment controls, setback office area
    v. Lighting retro/ replace to LED
    vi. Lighting controls / sensors
    vii. Building Envelope OHD seals, sweeps, etc.
    viii. Vending machine control
    ix. Domestic water retrofits
    x. Replace the emergency backup generator
2. City Hall:
    i. HVAC – Chiller & Pump replacement
    ii. Rebalance HHW system at VFD
    iii. Building Envelope door seals, sweeps, etc.
    iv. Irrigation updates to controller
    v. Domestic water retrofits
3. Water Filtration Plant:

i. Replace 1 Boilers & pumps with high eff. & Controls update
ii. Replace lab AC - undersized
iii. Replace IT closet AC
iv. Replace older R-22 AC units

4. Water Distribution:
   i. Water Meter Replacement
   ii. Potential right sizing/right-typing of existing meters
   iii. Other potential usage of the AMI network (remote shut-off valves)
   iv. Customer Portal for end-users
   v. Inventory of Lead Service Lines
   vi. Leak detection solution
5. Sewage Collection:
   i. Select Manholes to be rehabilitated for Inflow & Infiltration (I/I) reduction.
6. Central Fire Station #3:
   i. Irrigation updates to controller
7. Cemeteries:
   i. Irrigation updates to controller
8. Hartshorn Marina:
   i. Lighting retro/ replace to LED
   ii. Domestic water retrofits
   iii. DHW heaters replacement
9. Select Parks in the City:
   i. Domestic water retrofits
   ii. Irrigation updates to controller

b) Assist the Customer in arranging for project financing.

c) Provide details for a comprehensive water meter replacement program to include the following:

   i. Utility Billing Extract used to create the water model and determine project benefits.

      1. Data will be used to identify accounts that may be billed incorrectly for further investigation.
      2. Identify possible meter right typing candidates.
      3. Generate anticipated project benefits based on the billing system extract and mutually agreed-upon meter accuracy expectations for meter sizes 2" and smaller. JCI will not test any meters which are 2" or smaller in size for the purposes of determining the accuracy of existing meters.

   ii. Large Meter Survey

      1. Survey and audit large water meters and settings to determine which large water meters may be tested, which large water meters are correctly typed for the current application, and which large meter settings need improvement. For the purpose of this Agreement, large water meters are defined as 1.5 or 2" compound, 1.5" or 2" turbine, 3" and larger meters. Fire line meters (meters which only serve fire services and do not provide domestic water supply) shall be excluded from the survey. The quantities to be surveyed are as follows per information that was received from the customer during our preliminary analysis:

         Meters size, Known quantity

a. 1.5” (0)
b. 2” (0)
c. 3" (37)
d. 4" (38)
e. 6" (12)
f. 8" (1)
g. 10" and larger (1)

If additional quantities of large water meters are found, JCI may request a change order to this Agreement.

2. JCI may request that the Customer’s staff to provide and install water isolation valves at certain locations for the purpose of testing the water meter at that facility.
3. JCI requires that the Customer provide an escort during the large meter survey and testing.

iii. Large Meter Testing

1. JCI shall attempt to test up to sixty (60) large water meters in the Customer’s system assuming that the large meter survey finds sixty (60) meters that are able to be tested. In order for a large meter to be a candidate for large meter testing, the following criteria must be met:
   a. A working inlet valve
   b. A working outlet valve
   c. An accessible test port or backflow device
   d. The ability to isolate the meter so that no flow shall pass through the meter during large meter testing efforts
   e. The ability to temporarily shut down water service to the existing customer unless there is an existing bypass which can be opened and utilized during our large meter testing efforts

   If JCI does not find sixty (60) large meters that are able to be tested during the large meter survey, JCI shall test the maximum number of large meters that are possible to test.
2. Large water meter testing requires coordination with both the Customer and the end user. Customer shall be responsible for scheduling large meter tests with the owners of meters which are selected for testing.
3. If a water meter isolation valve has failed, JCI may request the Customer to replace that valve. **JCI requests that the Customer exercise the large water meter isolation valves prior to the start of large water meter testing.**
4. If a large water meter is tested and found not to meet the AWWA M6 Manual New Meter Accuracy Standard of 100% +/- 1.5%, and if repair parts for this meter are readily available, JCI will inform the Customer and request permission to repair the meter while the large meter testing crew is on site. JCI will provide the Customer with an estimate of the cost to repair the meter (parts and labor) at that time. Once the repairs have been completed, JCI will re-test the water meter to verify that the accuracy of the meter has been restored. At the end of the meter testing effort, JCI will submit a detailed change order to the existing Project Development Agreement (PDA) between the Customer and JCI for the cost of repairing any inaccurate large water meters.

iv. Customer shall furnish to JCI, upon its request, the following information:

1. A billing system data extract. Billing and consumption information shall be provided for each account and shall be in a Tab or pipe delimited format with the first line of the file being a header line to denote the data in each column. Comma delimited can be used if commas are not used in the Actual Field Data as this causes import issues. JCI requires a minimum 24 months of data which shall include the Customer's preferred base year for the project (i.e. a year that is considered by the Customer to demonstrate "typical" and "repeatable" consumption). This file should include Water, Sewer, Reclaim, and Irrigation accounts. If any meters are non-revenue meters and do not have a separate rate code, please identify them in a separate list. Also, please identify any Sewer Only Accounts.

   Note: The script or report used to provide this data extract should be available on an ongoing basis, so that this data format can be requested and delivered for monthly/quarterly analysis, for whatever period the data is needed.

   See Appendix A for detailed Information that is requested for each account

2. Descriptions of any changes in the utility infrastructure or any of its operating systems.
3. Water quality test results.
4. All operational cost records for relevant (Customer) infrastructure and services that will be impacted by the project.
5. Descriptions of relevant operational or maintenance procedures utilized by (Customer).
6. Copies of available historical water audits.
7. List and location of manholes rated as Risk of Failure 5-Highest per the 2017 Manhole Condition (Customer) Survey , clarifying any manholes that should be removed from the audit and reason (e.g. already rehabilitation, demolition scheduled)
8. Traffic control as needed for I&I survey
9. Any other pertinent information as requested by JCI, if any.

2. Development Schedule

It is the intent and commitment of all parties identified in this Agreement to work diligently, and cause others to work diligently under their direction to achieve the Milestone Schedule identified herein:

Milestone*	Completion Date
JCI provides PDA	09.11.25
Execution of PDA	09.19.25
JCI Commences on-site work	09.22.25
JCI performs M&V workshop #1	09.22.25
Water Meter Workshop, portal, remote disconnect	09.22.25
JCI Receives complete database extract	09.26.25
JCI detailed site surveys commence	09.29.25

Manhole Rehab kick off	10.01.25
Lighting Survey	10.03.25
Manhole Rehab survey	10.06.25
A&E workshop on refurbishment scope	10.06.25
Onsite Large Meter Audit	10.07.25
On site measurements & loggers data gathering for HVAC	10.10.25
Mechanical, controls scope surveys, building envelope & water retrofit surveys onsite	10.17.25
JCI Present Preliminary go/no go scope review	11.07.25
JCI to complete meter testing program	12.8-19.25
JCI perform M&V workshop #2	01.16.26
Workshop with City to discuss final project	02.13.26
Legal Review of City Completion	02.20.26
Presentation to City Officials	02.27.26
Contract Approval and execution	March 2026

**These milestones may be modified by subsequent work plans mutually agreed upon by both parties.*

3. Deliverables

Upon completion of the project development, JCI shall deliver to the Customer:

a) A written description of each BIM proposed to be implemented. A list of the specific improvements and operational efficiency measures that JCI proposes.
   i. A projection of potential cost savings
   ii. An estimate of the inflow and infiltration reduction resulting from manhole rehabilitation project; (for purposes of this study, we will use an agreed upon infiltration rate). Parties will mutually agree to baseline. Inflow and infiltration flow into manholes will not be tested pre and post retrofit.
   iii. An estimate of the improved system accuracy and resulting increased billable revenues; (for purposes of this study, we will use an agreed upon, meter accuracy, baseline, and tier structure). Parties will mutually agree to small and intermediate meter baseline and accuracy gains. These will not be sampled or tested.
   iv. A projection of improved system accuracy and resulting billable revenues for large water meters that are tested as part of project development along with accuracy results from those testing efforts.
   v. A summary of the cost required to realize the proposed improvements.

b) A formal offer in the form of a guaranteed savings contract to execute the project (see Paragraph 6: Implementation Agreement).

c) A financial pro forma cash flow documenting the proposed project. The pro forma will include applicable annual costs and benefits that affect the project outcome such as financing, energy, water, sewer, labor, maintenance, and any added capital contributions.

d) A preliminary schedule for implementation of the project.

e) A summary of the Measurement & Verification plan, including proposed IPMV protocols, such as Option A, B, C, or D that will be used for each BIM.

JCI in its Scope of Services under this Agreement takes no responsibility for: (i) increasing the capacity of backup or emergency power supplies; (ii) identification or remedy of any existing noncompliance; (iii) evaluation and/or design of improvements necessary to address (A) conditions not identified or accounted, or (B) emerging contaminants in solids, including but not limited to, pharmaceuticals, microplastics, and per- and polyfluoralky substances (PFAS) ("Emerging Contaminants"); and (iv) the handling, disposal or removal of hazardous substances or Emerging Contaminants in equipment, materials, or the environment, provided, however, that nothing in this paragraph shall limit JCI's liability for its negligence or willful misconduct, or failure to perform its expressly assumed obligations under this Agreement in accordance with applicable professional standards.

4. Customer Priority BIMs

This section left blank intentionally.

5. Records and Data

During the project development, the Customer will furnish to JCI upon its request, accurate and complete data concerning current: system performance data if available; costs; budgets; facilities requirements; future projected loads; system operating requirements; collective bargaining agreements; etc.

JCI will provide a separate document with a formal request for the required information shortly commencing onsite activities. The Customer shall make every effort to provide that information within 5 days of request.

6. Preparation of Implementation Agreement

JCI will develop the framework of the subsequent Implementation Agreement and the Financing Agreement if applicable. JCI and Customer shall work diligently during the project development to complete and populate contract documents. The form of the documents will vary depending on Customer requirements, state statute where applicable and JCI requirements, but where prudent shall utilize JCI standard documents.

7. Project Development Cost and Payment Terms

Customer agrees to the cost for JCI to provide project development services identified here in is **$554,104** (Five hundred fifty-four thousand, one hundred and four dollars) and is payable within 60 days after JCI provides the Deliverables identified herein.

Commented [DV1]: To match 60 day decision timeframe in next paragraph.

However, Customer will have no obligation to pay this amount if JCI and the Customer enter into the Implementation Agreement (outlined in Paragraph 6) within 60 days after JCI provides the Deliverables. Costs for project development will be transferred to the total cost of the implementation Contract and be subject to the payment terms outlined in the Contract.

Obligation to pay if JCI satisfies requirements - Customer shall pay the amount indicated if JCI satisfies the requirements set forth in Paragraph 3 "Deliverables" and the Customer elects not to implement a project with JCI.

Obligations of Customer - To work with JCI in a diligent and timely manner according to the co-authored Timeline to develop the engineering study. Provide open disclosure of information required to do an accurate assessment and properly position JCI with any other pertinent data to insure a cooperative and successful effort. Failure of the Customer to meet the agreed upon milestones in Section 2 “Development Schedule” does not void JCI’s claim on the PDA cost.

8. Insurance and Indemnity

JCI shall maintain insurance in the amounts set forth below in full force and effect at all times until the PDA scope of work has been completed and shall provide a certificate evidencing such coverage promptly following Customer’s request therefor. Customer shall be named an additional insured as to the CGL coverage.

COVERAGES	LIMITS OF LIABILITY
Workmen's Compensation Insurance or self-insurance, including Employer's Liability	Statutory
Commercial General Liability Insurance	$5,000,000 Per Occurrence $5,000,000 Aggregate
Comprehensive Automobile Liability Insurance	$5,000,000 Combined Single Limit
The above limits may be obtained through primary and excess policies and may be subject to self-insured retentions.	

Neither JCI nor the Customer will be responsible to the other for any special, indirect, or consequential damages. JCI’s liability under this agreement, regardless of the form of action, shall in no event exceed the amount of JCI’s cost to provide project development services under Paragraph 7 (Project Development Cost and Payment Terms).

9. Disputes

If a dispute arises under this Agreement, the parties shall promptly attempt in good faith to resolve the dispute by negotiation. All disputes not resolved by negotiation shall be resolved in accordance with the Commercial Rules of the American Arbitration Association in effect at the time, except as modified herein. All disputes shall be decided by a single arbitrator. A decision shall be rendered by the arbitrator no later than nine months after the demand for arbitration is filed, and the arbitrator shall state in writing the factual and legal basis for the award. The arbitrator shall issue a scheduling order that shall not be modified except by the mutual agreement of the parties. Judgment may be entered upon the award in the highest State or Federal court having jurisdiction over the matter. The prevailing party shall recover all costs, including attorney’s fees, incurred as a result of this dispute.

10. Confidentiality

This agreement creates a confidential relationship between JCI and Customer. Both parties acknowledge that while performing this Agreement, each will have access to confidential information, including but not limited to systems, services or planned services, suppliers, data, financial information, computer software, processes, methods, knowledge, ideas, marketing promotions, current or planned activities, research, development, and other information relating to the other party (“Proprietary Information”). Except as authorized in writing both parties agree to keep all Proprietary Information confidential. JCI may only make copies of Proprietary Information necessary for performing its services. Upon cessation of services, termination, or expiration of this Agreement, or upon either party’s request, whichever is earlier, both parties will return all such information and all documents, data and other materials in their control that contain or relate to such Proprietary Information. The parties stipulate that this agreement does not supersede laws and regulations that require the Customer to maintain or disclose certain information due to the Customer’s status as a municipal corporation incorporated in the state of Michigan.

JCI and Customer understand that this is a confidential project and agree to keep and maintain confidentiality regarding its undertaking of this project. JCI shall coordinate its services only through the designated Customer representative and shall provide information regarding this project to only those persons approved by Customer. JCI will be notified in writing of any changes in the designated Customer representative.

11. Miscellaneous Provisions

Any evaluation or implementation of disinfection or related technology is intended to be used as a tool for helping Customer manage its response to the unknown and challenging environment in which Customer is working to address the unprecedented COVID-19 pandemic, or to be prepared for future outbreaks of COVID-19 or other pandemics. JCI cannot guarantee that the products provided will prevent the spread of COVID-19 or any other disease or keep any person safe. JCI EXPRESSLY DISCLAIMS ANY WARRANTY THAT THE PRODUCTS WILL ELIMINATE, PREVENT, TREAT OR MITIGATE THE SPREAD, TRANSMISSION, OR OUTBREAK OF COVID-19 OR ANY OTHER PATHODEN, DISEASE, VIRUS, OR OTHER CONTAGION.

This Agreement cannot be assigned by either party without the prior written consent of the other party. This Agreement is the entire Agreement between JCI and the Customer and supersedes any prior oral understandings, written agreements, proposals, or other communications between JCI and the Customer. Any change or modification to this Agreement will not be effective unless made in writing. This written instrument must specifically indicate that it is an amendment, change, or modification to this Agreement.

This document represents the business intent of both parties and should be executed by the parties who would ultimately be signatory to a final agreement.

JOHNSON CONTROLS, INC.	CITY OF MUSKEGON
By Bradford G. Estadt	**By**
Signature	**Signature**
Title General Manager – Sustainable Infrastructure	**Title**
Date	**Date**

Appendix A:

Information requested for each account:

- Municipality
- Account Number
- Account Sequence - (optional and if applicable)
- Meter Sequence - (optional and if applicable)
- Cycle Code - (optional and if applicable)
- Route Code - (optional and if applicable)
- Sequence - (optional and if applicable)
- Latitude - (optional and if applicable)
- Longitude - (optional and if applicable)
- Customer Name (optional but highly recommended)
- Service Address (location of the Meter)
- Billing Address (if different than the Service Address)
- Zip Code
- Account Status (Active, Inactive, etc.)
- Date of last Status Change (when account become inactive. If Possible)
- Service Class (Water, Irrigation, Sewer)
- Rate Code (Assigns Rate Structure to the Account' s Service Class) - (Please provide one line of data per rate code)
  - Water, Sewer, Irrigation
- County Code Indicator (Inside/Outside) -If this exists
- Service Classification (Water, Sewer, etc.)
- Meter Size (0.625, 0.5,0.75, 1,1.25,1.5,2, or 5/8,1/2,3/4,1,1 1/2, etc.)
- Meter Manufacturer (optional but highly recommended)
- Meter Serial Number ((for water meter and associated sewer account))
- Register ID #
- Radio ID # (ERT, SmartPoint, MIU, etc.)
- Install Date (preferred format mm/dd/yyyy)
- Meter Location Information (optional)
- Meter Read Date - (preferred format mm/dd/yyyy)
- Current Register reading (Need to know meter registration; gals, kgals, cu.ft., etc)
- Bill Units (gals, kgals, cu. ft., etc)
- Billed Consumption
- Multiplier (if used)
- Usage / Billed consumption (Need to know billed units; gals, kgals, cu.ft., etc)
- Bill Amount (For each rate code item - only include direct charges for amount consumed and do not include taxes, late charges, fees, etc.)
- Reading Type (estimated or actual, if available)
- Multi-Units -the number of units served by one meter on an individual account, if used to calculate either water or sewer billing revenue (if applicable). Ex: 150 units served by one 2" meter supplying a condominium complex.

CITY OF MUSKEGON

Agenda Item Review Form

Muskegon City Commission

Commission Meeting Date: October 14, 2025	**Title:** Sale of 821/856/923 Emerald, 213/275/313 Myrtle, 480 Oak, 302 Orchard, 822/980 Williams, and 462 White.
Submitted by: Samantha Pulos, Code Coordinator	**Department:** Planning

Brief Summary:
Staff is seeking authorization to sell the City-owned vacant lots at 821/856/923 Emerald, 213/275/313 Myrtle, 480 Oak, 302 Orchard, 822/980 Williams, and 462 White to CSM PROPERTIES OF WEST MICHIGAN, LLC (Chris McAuley).

Detailed Summary & Background:
CSM PROPERTIES OF WEST MICHIGAN, LLC (Chris McAuley) would like to purchase the City-owned buildable lots at 821/856/923 Emerald, 213/275/313 Myrtle, 480 Oak, 302 Orchard, 822/980 Williams, and 462 White to build single family homes. 313 and 275 Myrtle will be split into two buildable lots each, and 822 Williams will be split into three buildable lots.

Goal/Action Item:
2027 Goal 2: Economic Development Housing and Business

Is this a repeat item?:
Explain what change has been made to justify bringing it back to Commission:

Amount Requested:
N/A

Budgeted Item:

Yes		No		N/A	x	

Fund(s) or Account(s):
N/A

Budget Amendment Needed:

Yes		No		N/A	x	

Recommended Motion:
To authorize the Code Coordinator to complete the sale of 821/856/923 Emerald, 213/275/313 Myrtle, 480 Oak, 302 Orchard, 822/980 Williams, and 462 White, as described in the attached purchase agreement and to have the Mayor and Clerk sign the purchase agreement.

Approvals:

Immediate Division Head	x	
Information		

Name the Policy/Ordinance Followed:
Master Plan, Zoning Ordinance, Policy for the Use & Sale of City-Owned Residential Property

Technology		
Other Division Heads	x	
Communication		
Legal Review	x	

PURCHASE AND DEVELOPMENT AGREEMENT

This Purchase and Development Agreement ("Agreement") is made **October 14th, 2025** ("Effective Date"), between the **City of Muskegon**, a Michigan municipal corporation, of 933 Terrace Street, Muskegon, Michigan 49440 ("City"), and **CSM PROPERTIES OF WEST MICHIGAN, LLC**, a Michigan limited liability company, of P.O. BOX 1811, Holland, MI, 49422, ("Developer"), with reference to the following facts:

Background

A. City is the owner of eleven (11) buildable lots, being 821 Emerald, 856 Emerald, 923 Emerald, 213 Myrtle, 313 Myrtle, 275 Myrtle, 480 Oak, 302 Orchard, 822 Williams, 980 Williams and 462 White, more specifically described in attached **Exhibit A**. Prior to closing, City shall split one or more of the lots into fifteen (15) lots, more specifically described in attached Exhibit B.

B. Developer proposes to purchase and develop the fifteen (15) vacant lots owned by City, which are all located in the City of Muskegon, Muskegon County, Michigan, and each commonly known and legally described on the attached **Exhibit B** (each property individually, a "Parcel" and collectively "Project Properties").

C. City and Developer desire to establish the terms, covenants, and conditions upon which City will sell and Developer will purchase and develop the Project Properties. Developer intends to develop on each of the Project Properties a <u>single-family house</u> (the "Project").

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

1. **Sale and Purchase of Project Properties.** 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 **$28,200.00**, 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 Properties, 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 Properties 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 Properties. 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 980 Williams, Developer would be reimbursed $1,440.00, which is 60% of the $2,400.00 purchase price for this Parcel. If Developer completes all five design standards, Developer would be reimbursed the entire 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 <u>single-family house on each</u> of the Project Properties, the quit claim deed conveying the Project Properties to Developer shall contain a right of reversion in all of the Project Properties ("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 Properties 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 <u>single-family home</u>.

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 Properties 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 Properties. 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 properties, 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 Properties 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: **CSM PROPERTIES OF WEST MICHIGAN, LLC**
P.O. BOX 1811
Holland, MI, 49422
Email: chris@chrismcauley.com

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:

CITY OF MUSKEGON

By: ______________________________
Name: Ken Johnson
Title: Mayor
Dated: __________________

By: ______________________________
Name: Ann Marie Meisch
Title: City Clerk
Dated: __________________

DEVELOPER:

CSM PROPERTIES OF WEST MICHIGAN, LLC

By: ______________________________
Name: Chris McAuley
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 LOT 12 BLK 43
Address: 462 WHITE AVE, MUSKEGON, MI 49442
Parcel #: 61-24-205-043-0012-00
Price: $2,400.00

Legal Description: CITY OF MUSKEGON REVISED PLAT OF 1903 LOTS 7-9 BLK 48 EXC N 33 FT OF LOTS 7 & 9 ALSO EXC E 30 FT OF LOT 9
Address: 822 WILLIAMS ST, MUSKEGON, MI 49442
Parcel #: 61-24-205-048-0007-00
Price: $3,000.00
(TO BE SPLIT INTO THREE BUILD-ABLE LOTS)

Legal Description: CITY OF MUSKEGON REVISED PLAT OF 1903 LOT 7 & N 41 FT LOT 8 BLK 57
Address: 980 WILLIAMS ST, MUSKEGON, MI 49442
Parcel #: 61-24-205-057-0007-00
Price: $2,400.00

Legal Description: CITY OF MUSKEGON REVISED PLAT OF 1903 S 6 FT OF W 1/2 LOT 8 & W 1/2 LOT 9 BLK 41
Address: 480 OAK AVE, MUSKEGON, MI 49442
Parcel #: 61-24-205-041-0008-10
Price: $2,400.00

Legal Description: CITY OF MUSKEGON REVISED PLAT OF 1903 E 62 FT LOT 9 BLK 201
Address: 302 ORCHARD AVE, MUSKEGON, MI 49442
Parcel #: 61-24-205-201-0009-00
Price: $2,400.00

Legal Description: CITY OF MUSKEGON REVISED PLAT 1903 LOT 4 BLK 205
Address: 213 MYRTLE AVE, MUSKEGON, MI 49442
Parcel #: 61-24-205-205-0004-00
Price: $2,400.00

Legal Description: CITY OF MUSKEGON REVISED PLAT 1903 N 86 FT LOT 1 ON EMERALD ST & 48 1/2 FT ON WLY SIDE BLK 201 ALSO PART OF LOTS 2 & 3 COM AT NE COR LOT 2 TH SWLY ALONG SLY LN MYRTLE AVE 53.5 FT TH SELY @ RT ANGLES TO MYRTLE AVE 66.9 FT TH E 8.15 FT TO E LN OF LOTS 2 & 3
Address: 313 MYRTLE, MUSKEGON, MI 49442
Parcel #: 61-24-205-201-0001-00
Price: $3,000.00
(TO BE SPLIT INTO TWO BUILD-ABLE LOTS)

Legal Description: CITY OF MUSKEGON REVISED PLAT 1903 LOTS 5 & 6 & THAT PART OF LOT 4 DESC AS COM @ NW COR LOT 9 TH E 8 FT TH N 12.5 FT TH NWLY 14FT TH S 25 FT TO BEG BLK 201
Address: 275 MYRTLE, MUSKEGON, MI 49442
Parcel #: 61-24-205-201-0005-00
Price: $3,000.00
(TO BE SPLIT INTO TWO BUILD-ABLE LOTS)

Legal Description: CITY OF MUSKEGON REVISED PLAT 1903 LOT 12 AND S 16 1/2 FT LOT 1 AND N 49 1/2 FT OF S 115 1/2 FT LOT 3 BLK 201
Address: 821 EMERALD ST, MUSKEGON, MI 49442
Parcel #: 61-24-205-201-0012-00
Price: $2,400.00

Legal Description: CITY OF MUSKEGON REVISED PLAT OF 1903 E 9.4 FT OF N 44 FT LOT 4 & S 22 FT OF E 40.4 FT LOT 4 & S 3 FT OF E 25.6 FT OF W 91.6 FT LOT 4 & S 2 FT OF W 66 FT LOT 4 & N 1/2 LOT 5 BLK 203
Address: 856 EMERALD ST, MUSKEGON, MI 49442
Parcel #: 61-24-205-203-0005-00
Price: $2,400.00

Legal Description: CITY OF MUSKEGON REVISED PLAT 1903 S 1/2 LOT 1 BLK 210
Address: 923 EMERALD ST, MUSKEGON, MI 49442
Parcel #: 61-24-205-210-0001-00
Price: $2,400.00

Exhibit B

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 LOT 12 BLK 43
Address: 462 WHITE AVE, MUSKEGON, MI 49442
Parcel #: 61-24-205-043-0012-00
Price: $2,400.00

Legal Description: CITY OF MUSKEGON REVISED PLAT OF 1903 S ½ LOT 8 & S 33 FT EXC E 30 FT LOT 9 BLK 48
Address: 822 WILLIAMS ST, MUSKEGON, MI 49442
Parcel #: TBD
Price: $1,000.00 (TO BE SPLIT INTO THREE BUILD-ABLE LOTS)

Legal Description: CITY OF MUSKEGON REVISED PLAT OF 1903 N ½ LOT 8 & N 33 FT OF THE S 66 FT EXC E 30 FT LOT 9 BLK 48
Address: 818 WILLIAMS ST, MUSKEGON, MI 49442
Parcel #: TBD
Price: $1,000.00 (SPLIT FROM 822 WILLIAMS)

Legal Description: CITY OF MUSKEGON REVISED PLAT OF 1903 S ½ LOT 7 & N 33 FT OF THE S 99 FT EXC E 30 FT LOT 9 BLK 48
Address: 814 WILLIAMS ST, MUSKEGON, MI 49442
Parcel #: TBD
Price: $1,000.00 (SPLIT FROM 822 WILLIAMS)

Legal Description: CITY OF MUSKEGON REVISED PLAT OF 1903 LOT 7 & N 41 FT LOT 8 BLK 57
Address: 980 WILLIAMS ST, MUSKEGON, MI 49442
Parcel #: 61-24-205-057-0007-00
Price: $2,400.00

Legal Description: CITY OF MUSKEGON REVISED PLAT OF 1903 S 6 FT OF W 1/2 LOT 8 & W 1/2 LOT 9 BLK 41
Address: 480 OAK AVE, MUSKEGON, MI 49442
Parcel #: 61-24-205-041-0008-10
Price: $2,400.00

Legal Description: CITY OF MUSKEGON REVISED PLAT OF 1903 E 62 FT LOT 9 BLK 201
Address: 302 ORCHARD AVE, MUSKEGON, MI 49442
Parcel #: 61-24-205-201-0009-00
Price: $2,400.00

Legal Description: CITY OF MUSKEGON REVISED PLAT 1903 LOT 4 BLK 205
Address: 213 MYRTLE AVE, MUSKEGON, MI 49442
Parcel #: 61-24-205-205-0004-00
Price: $2,400.00

Legal Description: CITY OF MUSKEGON REVISED PLAT 1903 N 86 FT LOT 1 ON EMERALD ST & 48 1/2 FT ON WLY SIDE EXC W 19 FT BLK 201
Address: 313 MYRTLE, MUSKEGON, MI 49442
Parcel #: TBD
Price: $1,500.00 (TO BE SPLIT INTO TWO BUILD-ABLE LOTS)

Legal Description: CITY OF MUSKEGON REVISED PLAT 1903 W 19 FT OF N 86 FT LOT 1 ON EMERALD ST & 48 1/2 FT ON WLY SIDE BLK 201 ALSO PART OF LOTS 2 & 3 COM AT NE COR LOT 2 TH SWLY ALONG SLY LN MYRTLE AVE 53.5 FT TH SELY @ RT ANGLES TO MYRTLE AVE 66.9 FT TH E 8.15 FT TO E LN OF LOTS 2 & 3
Address: 311 MYRTLE, MUSKEGON, MI 49442
Parcel #: TBD
Price: $1,500.00 (SPLIT FROM 313 MYRTLE)

Legal Description: CITY OF MUSKEGON REVISED PLAT 1903 LOTS 5 & THAT PART OF LOT 4 DESC AS COM @ NW COR LOT 9 TH E 8 FT TH N 12.5 FT TH NWLY 14FT TH S 25 FT TO BEG BLK 201
Address: 285 MYRTLE, MUSKEGON, MI 49442
Parcel #: TBD
Price: $1,500.00 (TO BE SPLIT INTO TWO BUILD-ABLE LOTS)

Legal Description: CITY OF MUSKEGON REVISED PLAT 1903 LOTS 6 BLK 201
Address: 275 MYRTLE, MUSKEGON, MI 49442
Parcel #: TBD
Price: $1,500.00 (SPLIT FROM 275 MYRTLE)

Legal Description: CITY OF MUSKEGON REVISED PLAT 1903 LOT 12 AND S 16 1/2 FT LOT 1 AND N 49 1/2 FT OF S 115 1/2 FT LOT 3 BLK 201
Address: 821 EMERALD ST, MUSKEGON, MI 49442
Parcel #: 61-24-205-201-0012-00
Price: $2,400.00

Legal Description: CITY OF MUSKEGON REVISED PLAT OF 1903 E 9.4 FT OF N 44 FT LOT 4 & S 22 FT OF E 40.4 FT LOT 4 & S 3 FT OF E 25.6 FT OF W 91.6 FT LOT 4 & S 2 FT OF W 66 FT LOT 4 & N 1/2 LOT 5 BLK 203
Address: 856 EMERALD ST, MUSKEGON, MI 49442
Parcel #: 61-24-205-203-0005-00
Price: $2,400.00

Legal Description: CITY OF MUSKEGON REVISED PLAT 1903 S 1/2 LOT 1 BLK 210
Address: 923 EMERALD ST, MUSKEGON, MI 49442
Parcel #: 61-24-205-210-0001-00
Price: $2,400.00

CITY OF MUSKEGON

Agenda Item Review Form

Muskegon City Commission

Commission Meeting Date: October 14, 2025	**Title:** Sale of 1967 Reynolds
Submitted by: Samantha Pulos, Code Coordinator	**Department:** Planning

Brief Summary:
Staff is seeking authorization to sell the City-owned vacant lot at 1967 Reynolds to Shequita Brown.

Detailed Summary & Background:
Shequita Brown would like to purchase the City-owned buildable lots at 1967 Reynolds to build a triplex. She is the owner of an adjacent property. The lot is 50' x 125' with an alley, and meets the Zoning Ordinance size requirements for a triplex. The purchase price is $4,275.00, which is 75% of the True Cash Value ($5,700).

Goal/Action Item:
2027 Goal 2: Economic Development Housing and Business

Is this a repeat item?:
Explain what change has been made to justify bringing it back to Commission:

Amount Requested:
N/A

Budgeted Item:

Yes		No		N/A	x	

Fund(s) or Account(s):
N/A

Budget Amendment Needed:

Yes		No		N/A	x	

Recommended Motion:
To authorize the Code Coordinator to complete the sale of 1967 Reynolds, as described in the attached purchase agreement and to have the Mayor and Clerk sign the purchase agreement.

Approvals:

Immediate Division Head	x	
Information Technology		
Other Division Heads	x	
Communication		
Legal Review	x	

Name the Policy/Ordinance Followed:
Master Plan, Zoning Ordinance, Policy for the Use & Sale of City-Owned Residential Property

PURCHASE AND DEVELOPMENT AGREEMENT

This Purchase and Development Agreement ("Agreement") is made **October 14th, 2025** ("Effective Date"), between the **City of Muskegon**, a Michigan municipal corporation, of 933 Terrace Street, Muskegon, Michigan 49440 ("City"), and **Shequita Brown**, 1961 Reynolds St, Muskegon, MI 49442 ("Developer"), with reference to the following facts:

Background

A. Developer proposes to purchase and develop one (1) vacant property owned by City which is 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 the Project Property one (1) triplex. (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 **$4,275.00**, which shall be paid in cash or other immediately available funds at Closing (defined below) less the $400 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 eighteen (18) 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 1967 Reynolds, Developer would be reimbursed $2,565.00, which is 60% of the $4,725.00 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 triplex on each of the Project Property, 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 triplex.

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: Shequita Brown
1961 Reynolds St
Muskegon, MI 49442
Email: sheq2788@icloud.com

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:

CITY OF MUSKEGON

By: ________________________________
Name: Ken Johnson
Title: Mayor
Dated: ___________________

By: ________________________________
Name: Ann Marie Meisch
Title: City Clerk
Dated: ___________________

DEVELOPER:

Shequita Brown

By: ________________________________
Name: Shequita Brown
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 TERRACE ST ADD BLK 3 LOT 9
Address: 1967 REYNOLDS ST , MUSKEGON, MI 49442
Parcel #: 61- 24-796-003-0009-00
Price: $4,275.00

Agenda Item Review Form

Muskegon City Commission

Commission Meeting Date: October 14, 2025	**Title:** Adelaide Point, Extension of Timeline for Park-like Improvements — Hartshorn Peninsula
Submitted by: Jonathan Seyferth, City Manager	**Department:** Manager's Office

Brief Summary:
In May 2025, the City Commission set a deadline for the developer of Adelaide Point to have park improvements on the Hartshorn Peninsula completed by November 1, 2025. This action would provide additional time until May 1, 2026, if additional specific steps are met.

Detailed Summary & Background:
The May 2025 letter (attached for reference) was sent by city staff at the direction of the City Commission. There were two primary deadlines in the agreement: improvements were required to commence by July 1, 2025 (which they did), and the improvements were required to be completed by November 1, 2025. At the time of this meeting, the bike trail has been completed. However, improvements to Hartshorn Peninsula have not been completed and will not be completed by the November 1, 2025, deadline.

As the bike trail has been completed, city staff is proposing that the completion deadline for the Hartshorn Peninsula improvements be extended until May 1, 2026, with the condition that updated surveys, legal descriptions, and (if needed) easements for the completed bike trail be recorded with the County Register of Deeds by December 1, 2025. Recording of the deed will show city ownership and clarify who owns what in that area. The city is currently contracting with Westshore for the survey work on the bike trail. If this work is not completed by the specified date or if Adelaide Point does not sign off on the required paperwork, the city may take action in December as outlined in the attached letter.

It's important to note that the May 1, 2026, deadline would allow the public to use the improvements for the 2026 season. Additionally, Independent Bank has taken steps to appoint a receiver to finish the condo project. Any stability the city can provide to partner with the bank as it navigates this process is in the best interest of the community to see the project completed.

<u>Goal/Action Item:</u>
2027 Goal 1: Destination Community & Quality of Life

Is this a repeat item?:
Explain what change has been made to justify bringing it back to Commission:

Amount Requested:
n/a

Budgeted Item:

Yes		No		N/A	X

Fund(s) or Account(s): n/a	**Budget Amendment Needed:** Yes [ ] No [ ] N/A [X]

Recommended Motion:
To extend the deadline for park improvements at Hartshorn Park and Launch ramp until May 1, 2026.

Approvals:

Immediate Division Head	X	
Information Technology		
Other Division Heads	X	
Communication		
Legal Review	X	

<u>Name the Policy/Ordinance Followed:</u>

Adelaide Pointe
1204 W. Western Avenue
Muskegon, MI 49441

City of Muskegon
933 Terrace Street
Muskegon, MI 49441

September 30, 2025

Dear Commissioners,

We are grateful for the City's ongoing partnership in the Adelaide Pointe project and for your commitment to making Muskegon a vibrant, welcoming community. Our shared goal has always been to create lasting prosperity through new jobs, economic activity, and public access to the waterfront.

As you know, the original vision for Adelaide Pointe was structured as a 10-year project. In response to strong demand, we accelerated that timeline to just five years. While construction is now largely complete, the project is still in a critical "stabilization" phase. Many of the businesses and assets are only partially occupied, and it will take time for revenues to reach their full potential. This period is normal for large-scale developments, but it places significant short-term strain on available cash flow.

We have also faced unexpected hurdles that have intensified this pressure, including delayed condo construction that lowered appraisal value, regulatory hurdles that required costly expert work, and higher-than-expected startup expenses across multiple business units. Most recently, Independent Bank's decision to restrict access to $600,000 of our project funds, while unilaterally deciding not to renew our condo line that has been properly serviced has created additional strain and drawn unnecessary negative press. These actions are not reflective of the project's strong fundamentals or our consistent record of meeting obligations. We are actively working with new equity and financing partners who recognize the value of Adelaide Pointe, and we are confident this situation will be resolved in a way that strengthens the project going forward.

Because of these realities, we are not in a position to move forward immediately with certain city improvements that were originally expected to happen alongside development. We want to assure you this is a matter of timing, not intent. Our proposal is to complete the requested parking lot and bike path improvements by May 1, 2026, once operations have stabilized and cash flow has balanced.

We care deeply about Muskegon and remain confident in the long-term success of Adelaide Pointe. With your continued partnership, we will continue to deliver on our promises while also protecting the stability of the project so that it can thrive for decades to come.

Thank you for your understanding and support.

Sincerely,

Aubrey Glick

Adelaide Pointe CEO

May 14, 2025

Adelaide Pointe QOZB, LLC
Attn: Ryan Leestma
1204 West Western Ave.
Muskegon, MI 49441

Re: Adelaide Pointe PUD

Dear Mr. Leestma,

The Cooperative Use Agreement dated September 13, 2022 (“Agreement”) between the City of Muskegon (“City”) and Adelaide Pointe QOZB, LLC (“APQ”) requires APQ to comply with the approved Adelaide Pointe PUD (“APQ PUD”). We reviewed the final APQ PUD and all the amendments. While APQ’s focus has been primarily on the first condominium building, the commercial buildings, and the marina, many of the improvements required by the APQ PUD remain incomplete.

The following table provides the level of completion of each improvement required by the APQ PUD as of the date of this letter.

Type of Improvement	Required PUD Improvements	# Completed
Commercial Buildings	8 Buildings	7 Buildings
Residential Buildings	4 Buildings	1 Building (core and shell)
Mixed Use Buildings	4 Buildings	4 Buildings
Marina / Marina Services	10 Improvements	6 Improvements
Public Amenities	9 Improvements	3 Improvements
Street Lights	84 Street Lights	5 Street Lights
Pedestrian Lights	65 Lights	0 Lights
Tilt Bollard Lights	36 Bollard Lights	0 Bollard Lights
Streets	4 Streets	2 Partially completed
Landscape Plan	475 Landscape Plantings	51 Plantings
Park Type Improvements	3 Peninsulas	2 Peninsulas
Bike Path	1	Not Complete
East Basin Parking Lot	1	Not Commenced

Violation of PUD Zoning Ordinance

The final APQ PUD was approved by the City Commission on September 28, 2021.

Section 2101 of the Zoning Ordinance describes the “Regulations, Standards and Requirements” for Planned Unit Developments. Section 2101, paragraph 5 provides:

> a. Construction of the Improvements shown on the approved final PUD plan with all proposed buildings, parking areas, landscaping and infrastructure must commence within one year of approval by the City Commission.
>
> b. *Construction must be continued in a reasonable, diligent manner* and be completed within five (5) years.

Many of the APQ PUD improvements, including the improvements to be made on the City Property ("City Property Improvements"), did not commence within one year of approval of either the final APQ PUD or the latest amendment. Additionally, construction of the City Property Improvements has not continued in a reasonable, diligent manner.

Cooperative Use Agreement

The Agreement provides that APQ shall comply with the APQ PUD and make all improvements consistent with all laws, statutes, ordinances, orders, rules, regulations, permits, licenses, authorizations, directives, and requirements of all governments and governmental authorities.

Additionally, under the Agreement APQ agreed to, "…complete the City Property Improvements contemporaneously with the completion of the APQ Property Improvements." APQ has completed its improvements to the peninsulas owned by APQ and has provided public access to both. However, the City Property Improvements remain incomplete. Portions of the bike trail are finished but the bike trail is not complete. No improvements have been made to East Basin Park and the parking lot for the East Basin has not commenced.

Compliance with APQ PUD and Agreement.

There is much to be done to come into compliance with both the APQ PUD and the Agreement. Most important to the City and the minimum requirements for APQ to complete are:

1. Completion of the Bike Path;
2. Completion of the East Basin Park; and,
3. Completion of the parking lot for the East Basin Park.
   (together, the "Minimum Requirements")

The City recognizes that APQ has entered into a Settlement Agreement with EGLE to resolve several violations of EGLE regulations, but we believe that none of the EGLE restrictions will have an impact on the completion of the Minimum Requirements.

The construction of the non-permitted Minimum Requirements must commence by July 1, 2025, and be completed by November 1, 2025. A permit determination must be made by June 15, 2025, for all other Minimum Requirements. Applications must be submitted within 30 days of this determination, and construction must commence within 30 days of permit issuance. Failure to meet these deadlines will result in enforcement action by the City of both its Zoning Ordinance and for breach of the Agreement.

If further discussion is needed, please contact me.

Jonathan C Seyferth, ICMA-CM

J. C. Seyferth

City Manager

Agenda Item Review Form
Muskegon City Commission

Commission Meeting Date: October 14, 2025	**Title:** Policy for the Use & Sale of City-Owned Residential Property: Amendment
Submitted by: Samantha Pulos, Code Coordinator	**Department:** Planning

Brief Summary:
The current Policy for the Use & Sale of City-Owned Residential Property was last updated in 2022. This amendment makes minor changes to the policy without changing the essence. There have been changes to purchase prices, reimbursement amounts, and the removal of the language of a landscaping grant that is no longer offered.

Detailed Summary & Background:
Last updated in 2022, the Policy for the Use & Sale of City-Owned Residential Property has been changed as follows:

- "Lot Use: Permanent Use Options", the "Public Space" bullet point, has been removed.
- "Lot Use: Temporary Use Options", language has been added to the "Adopt-a-Lot" bullet point clarifying that infill housing on lots will supersede the Adopt-a-Lot designation.
- "Buildable Lot Sales", the lot pricing, has changed the reimbursement amount for all lots built on to 80%. The purchase price of lots for single-family homes remains the same at 75% of the True Cash Value of the property. The purchase price of lots for single-family homes plus accessory dwelling units, duplexes, or small multiplexes is changed to be 50% of the True Cash Value of the property.
- "Development Incentives", all housing types will now receive a 100% reduction in water/sewer connection fees if the address is included in the City's Brownfield Plan Amendment or if a developer completes construction of three of any type of housing units.
- "Non-Buildable Lot Sales", the Landscaping Incentive, has been removed. This has not been budgeted for or administered in recent years.

Goal/Action Item:
2027 Goal 2: Economic Development Housing and Business

Is this a repeat item?:
Explain what change has been made to justify bringing it back to Commission:
n/a

Amount Requested: n/a	**Budgeted Item:** n/a
Fund(s) or Account(s):	**Budget Amendment Needed:**

<table>
<tr><td>n/a</td><td>n/a</td></tr>
<tr><td colspan="2">Recommended Motion:
To approve and accept the amended Policy for the Use & Sale of City-Owned Residential Property.</td></tr>
<tr><td>Approvals:
Immediate Division Head, Other Division Head, Legal Review</td><td><u>Name the Policy/Ordinance Followed:</u>
Policy for the Use & Sale of City-Owned Residential Property</td></tr>
</table>

City of Muskegon
Policy for the Use & Sale of City-Owned Residential Property

Objective

The City of Muskegon owns a significant number of vacant lots throughout the city. These lots cost money to maintain and do not generate taxes, but they do offer opportunities for infill housing development and public use. Selling vacant lots for residential development will create much needed housing options, expand the residential tax base, and alleviate the City of maintenance costs. Citizen-lead initiatives like urban farms, community gardens and the Adopt-A-Lot Program (part of the Neighborhood Empowerment Grant) are all resources the City can utilize to defer maintenance costs and reduce blight, while the lots are being marketed for sale. There are also instances in which the City may wish to hold on to a vacant lot, or acquire additional land, to combine with an existing property. Vacant lots can also be valuable to complete existing/planned projects, or to offer easements to essential/recreation services. In order to utilize City-owned vacant lots to their fullest potential, the City has developed this policy for their use and sale to private ownership.

Lot Types

Buildable Lots – Buildable lots are defined as lots suitable in size and configuration, under Zoning Ordinance regulations for the construction of housing units. Some City-owned lots are much larger than needed to construct various housing types. As a condition of sale, the buyer must commence construction [1] within 18 months of the date of purchase of the property, or it will revert back to the City's ownership - free and clear of any claim of the buyer. Some exceptions to this time period will be made, at the City's discretion, for the purchase of multiple lots by a single buyer.

Non-Buildable Lots – Non-buildable lots are defined as lots that are insufficient in size or configuration, for new construction, under Zoning Ordinance regulations. These lots may only be sold to adjacent property owners, neighborhood associations, or valid non-profit agencies to expand, improve, or beautify the property. In the event that multiple adjacent owners seek to purchase a property, the City shall divide the property in the most equitable manner.

*Lot Splits and Combinations - Where applicable, staff will split or combine lots to create the best potential for future development. Staff may also recommend that only a portion of a buildable lot be sold, if it is in the best interest for future development, and if the remaining portion is also a buildable lot.

[1] "Commence Construction" means that a buyer has furnished labor and materials to the parcel of the project property, and has begun the installation of the approved new construction, as defined in the purchase and development agreement.

Lot Use

The following is a list of potential uses for City-owned vacant lots.

Buildable Lots and Large Blocks of Land (listed in order of highest priority)

Permanent Use Options:

- New Housing Development – All buildable lots will be marketed for sale for residential development. If multiple parties are interested, preference will be given to projects with higher density and, where applicable, staff reserves the right to split or combine lots to create the best potential for future development.

Temporary Use Options:

- Community Garden – Groups that agree to maintain the lot may use it for gardening. Please see Section 2313 of the Zoning Ordinance for guidelines on community gardens. Lots will remain for sale by the City, however, lots will not transfer ownership during the growing season.
- Adopt-A-Lot – Neighborhood Associations may adopt lots as part of the Neighborhood Empowerment Program. Please see the Neighborhood Empowerment Program guidelines document. Lots will remain for sale by the City, and sales for infill housing will supersede Adopt-A-Lot designation.

Non-Buildable Lots (listed in order of highest priority)

Permanent Use Options:

- Yard Addition –Non-buildable lots should be sold to an adjacent property owner whenever possible. Additional yard space may also be used for anything allowed by the zoning ordinance; such as house/garage/shed/pool additions, etc.
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Temporary Use Options:

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Lot Sales

Buildable Lot Sales

Pricing – Lot pricing is dependent on the final housing product. The policy incentivizes the production of multiple housing units. All lot purchase prices will be 80% reimbursed, if the housing unit completes construction [2], within the specified time-frame outlined in the purchase and development agreement for the lot.

- Lot for a Single-Family House – 75% of True Cash Value.
- Lot for a Single-Family House plus an Accessory Dwelling Unit – 50% of True Cash Value.
- Lots for Duplex or Small Multiplex development (where permitted by zoning) – 50% of True Cash Value per lot.

Development Incentives – In addition to discounted lot pricing and purchase price reimbursement, additional incentives include:

- Water/Sewer Connection Discount – All housing types will receive a 100% reduction in water/sewer connection fees, so long as the City of Muskegon is the beneficiary of an infill housing Brownfield Plan Amendment on said lot, or developer completes 3 or more housing units of any type. City staff will inform a developer before closing, in the event a lot may be subject to water/sewer connection fees.
- Neighborhood Enterprise Zone (NEZ) Certificate – For those properties already located in a NEZ District, NEZ certificates are available by applying through the City of Muskegon Economic Development Department. Approval of NEZ certificates is subject to vote by the City Commission.

How to Purchase -- All buildable lots sales must be approved by the City Commission. The Planning Department may approve the sale of non-buildable lots. Properties will be sold to qualifying parties on a first come, first serve basis. All parties must be current on local taxes.

Lot Deposit Policy – There will be a $400 deposit collected for the purchase of 1 buildable lot. A deposit of $1000 will be collected for 5 or more buildable lots, purchased at the same time. The deposit is non-refundable, unless there is a reason that the City cannot sell the lot (i.e., no water/sewer hookup or the City Commission denies the sale). Otherwise, the deposit will be applied to the purchase price at the closing.

The deposit is non-refundable if the individual/company changes their mind about the purchase.

The deposit is paid prior to taking the sale for approval to the City Commission.

Non-Buildable Lot Sales

Lot Price – $1

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Lot Sale Terms

Applicability/Appeal Process
All sales must be approved by the City Commission. Initial offers will be reviewed by the Development Services Department. If agreeable, the Development Services Department will present the offer to the City Commission. If the offer is not agreeable and the Development Services Department chooses not to present the offer to the City Commission, the offer may be reviewed by the City Manager's Office. The City Manager's Office may or may not choose to present the offer to the City Commission. In the event of denial of sale, the City may consider other proposals from developers. Any denial of a sale can be appealed to the City Commission.

Closing Costs
All closing costs will be split between the buyer and the seller.

Deeds
All sales will be handled as quit claim deeds.

Design
Development of multiple lots purchased by a single buyer will require variation in the design style, all to be approved by City Staff.

Environmental
Properties will be sold as is. Any environmental analysis is the sole responsibility of the buyer.

Financing
Financing the acquisition of City-owned property and subsequent construction (if applicable) is the sole responsibility of the buyer. Failure to provide proof of adequate financing may be used as a basis for denial of a sale.

Property Survey
All costs and activities associated with a survey are the sole responsibility of the buyer.

Title Evidence/Insurance
Quieting title of tax reverted properties sold and properties split for minimal amounts such as non-buildable lots, shall be the responsibility of the buyer. City staff may choose to quiet title on certain lots deemed necessary for development plans.

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Objective

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Lot Types

Buildable Lots – Buildable lots are defined as lots suitable in size and configuration under Zoning Ordinance regulations for the construction of housing units. Some City-owned lots are much larger than needed to construct various housing types. As a condition of sale, the buyer must commence construction [1] within 18 months of the date of purchase of the property or it will revert back to the City's ownership, free and clear of any claim of the buyer. Some exceptions to this time period will be made, at the City's discretion, for purchase of multiples lots by a single buyer.

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[1] "Commence Construction" means that a buyer has been issued a residential building permit by the City of Muskegon and also (in the sole opinion of the City of Muskegon's Building Official) that at least seventy-five percent (75%) of the dwelling has been completed.

Lot Use

The following is a list of potential uses for City-owned vacant lots.

Buildable Lots and Large Blocks of Land

Permanent Use Options (listed in order of highest priority):

- New Housing Development – All buildable lots will be marketed for sale for residential development. If multiple parties are interested, preference will be given to projects with higher density and, where applicable, staff reserves the right to split or combine lots to create the best potential for future development.
- Public Space – The use of the lot for a park or other type of community gathering place. Most lots may not be appropriate for public spaces, such as those located in close proximity to existing public parks or neighboring houses.

Temporary Use Options (listed in order of highest priority):

- Community Garden – Groups that agree to maintain the lot may use it for gardening. Please see Section 2313 of the Zoning Ordinance for guidelines on community gardens. Lots will remain for sale by the City, however, lots will not transfer ownership during the growing season.
- Adopt-A-Lot – Neighborhood Associations may adopt lots as part of the Neighborhood Empowerment Program. Please see the Neighborhood Empowerment Program document.

Non-Buildable Lots

Permanent Use Options (listed in order of highest priority):

- Yard Addition –Non-buildable lots should be sold to an adjacent property owner who may take advantage of the landscaping grant (see below). Additional yard space may also be used for anything allowed by the zoning ordinance; such as house/garage/shed/pool additions, etc.
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- Adopt-A-Lot – Neighborhood Associations may adopt lots as part of the Neighborhood Empowerment Program. Please see the Neighborhood Empowerment Program document.

Lot Sales

Buildable Lot Sales
Lot Price – 75% of the True Cash Value. Sale price reimbursements are available for the following:

- Duplex or Small Multiplex Development (where permitted by zoning) – 100% price reimbursement
- Single-Family House that meets the following design standards[2]:
  - Open front porch of at least 60 sf – 20% price reimbursement
  - Picture or bay window - 20% price reimbursement
  - Alley-loaded parcel – 20% price reimbursement
  - Shutters or other acceptable window treatments – 20% price reimbursement
  - Underground sprinkling – 20% price reimbursement

Development Incentives – In addition to price reimbursements, additional incentives include:

- Neighborhood Enterprise Zone (NEZ) Certificate – For those properties already located in a NEZ District, NEZ certificates will be offered using the following scale:
  - Single-family house: 3 years
  - Single-family house that incorporates three of the five above listed Design Standards: 6 years
  - Duplex: 12 years (owner-occupied unit only)
  - Small Multiplex: 15 years (owner-occupied unit only)
- Water/Sewer Connection Discount – Discounted water/sewer connection fees will be given for the following housing developments:
  - Duplex – 50% reduction
  - Small Multiplex – 100% reduction
  - Three or more single-family houses (all built within 18 months) – 100% reduction

How to Purchase – The Planning Department may approve the sale of non-buildable lots. All buildable lots sales must be approved by the City Commission. All parties must be current on local taxes.

Lot Deposit Policy – There will be a $400 deposit collected for the purchase of 1 buildable lot. A deposit of $1000 will be collected for 5 or more buildable lots purchased at the same time. The deposit is non-refundable unless there is a reason that the City cannot sell the lot (i.e. no water/sewer hookup or the City Commission denies the sale). Otherwise, the deposit will be applied to the purchase price at the closing.

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The deposit is paid prior to taking the sale for approval to the City Commission.

[2] Price reimbursements will be awarded to approved projects after verification of project completion.

Non-Buildable Lot Sales

Lot Price – $1

Landscaping Incentive – Non-buildable lots that are used for beautification or creation of natural habitat may be eligible for a landscaping grant.

- Landscaping Grant – This grant is intended to assist in the beautification of neighborhoods by transforming underutilized land into attractive landscapes and/or natural habitats. Natural landscaping projects with a mixture of native species as well as animal/pollinator habitat improvements are eligible for support. For every $1,500 an applicant spends on landscaping, they will be reimbursed $250 (up to $1,000). Applicants must submit a landscaping plan with estimates to the Planning Department. Approved applicants will complete the project as described in the application and submit receipts to the Planning Department in order to receive the grant funds.
    - Grant Requirements – Decorative/natural landscaping projects must include the following elements:
        - A mixture of at least three different decorative plant species.
        - Decorative ground substrate such as woodchips or landscaping rocks.
        - Landscaping area must be at least 100 square feet total and be located within 20 feet of the front property line.
        - Landscaping must be a focal point and not solely used as a buffer between properties.
        - Landscaping may not interfere with zoning ordinance requirements for clear vision at intersections, alleys, and driveways.
        - Watering/maintenance plan and/or drainage pipes where rain gardens are created.

How to Purchase: The Planning Department may approve the sale of non-buildable lots to adjacent property owners, neighborhood organizations and non-profit agencies. Properties will be sold to qualifying parties on a first come, first serve basis. All parties must be current on local taxes. Once payment is received (lot price plus cost of deed registration) the City will register the deed with the Muskegon County Register of Deeds.

Lot Sale Terms

Appeal Procedure

Any denial of a sale can be appealed to the City Commission.

Applicability

Pursuant to the above, the City will periodically implement neighborhood marketing strategies. Elements of this policy may be superseded by a marketing strategy, if said strategy is approved by the City Commission as an exception to this policy, and only while said strategy is being utilized to market properties identified by the strategy.

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All costs and activities associated with a survey are the sole responsibility of the buyer.

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Non-Buildable Lots (listed in order of highest priority)

Permanent Use Options:

- ~~Yard addition - Non-buildable lots should be sold to an adjacent property owner who may take advantage of the landscaping grant (see below). Additional yard space may also be used for anything allowed by the zoning ordinance; such as house/garage/shed/pool additions, etc.~~
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Document edit notes

Action	Person	Date	Change
New	S. Pulos	10/7/25	Policy Amendment

CITY OF MUSKEGON

Agenda Item Review Form

Muskegon City Commission

Commission Meeting Date: October 14, 2025	**Title:** City of Muskegon 2026 Fireworks Contract - Pyrotecnico
Submitted by: Kyle Karczewski, Parks and Recreation Director	**Department:** DPW- Parks

Brief Summary:
Staff requests authorization to enter into a Fireworks Agreement with Pyrotecnico for $40,000 for a fireworks show on July 4th at Heritage Landing, and approval of the fireworks display permit for Pyrotecnico.

Detailed Summary & Background:
Staff is requesting authorization to enter into an agreement with Pyrotecnico Fireworks for $40,000 for the annual fireworks show in Muskegon, and approval of the fireworks display permit for Pyrotecnico contingent upon inspection of the fireworks and approval of the insurance. The annual Fireworks contract of $40,000 will be scheduled for July 4, 2026. The agreement is of the standard form with Pyrotecnico that the City has entered into for the past several years. The contract is included in this item.

Goal/Action Item:
2027 Goal 1: Destination Community & Quality of Life

Is this a repeat item?:
Explain what change has been made to justify bringing it back to Commission:

Amount Requested:
$40,000

Budgeted Item:

Yes	x	No		N/A		

Fund(s) or Account(s):
101-770-801

Budget Amendment Needed:

Yes		No	x	N/A		

Recommended Motion:
I move to authorize staff to enter into a Fireworks Agreement with Pyrotecnico Fireworks for $40,000 for a fireworks show iat Heritage Landing, and approval of the fireworks display permit for Pyrotecnico.

Approvals:

Immediate Division Head	x	

Name the Policy/Ordinance Followed:

Information Technology		
Other Division Heads		
Communication		
Legal Review	x	

PYROTECNICO FIREWORKS, INC.

This Fireworks Display Agreement ("Agreement") entered into this on **September 16, 2025** by and between PYROTECNICO FIREWORKS, INC. ("Pyrotecnico") and **City of Muskegon** (CUSTOMER).

Pyrotecnico, for and in consideration of the terms hereinafter mentioned, agrees to furnish to the CUSTOMER _Fireworks Display(s) and related services ("Fireworks Display"), including the services of Pyrotecnico's on-site representative to take charge of and perform the Fireworks Display under the supervision and direction of the CUSTOMER. The Firework Display to be given on **July 4, 2026.** (the "Display Date"), weather permitting.

The offer contained in this Agreement is only valid if it is signed and returned to Pyrotecnico by **October 9, 2025** ("Expiration Date"). Pricing and availability are only guaranteed as long as Pyrotecnico receives the signed Agreement by the Expiration Date. Customer agrees to pay Pyrotecnico the sum of **$40,000.00 (Forty thousand and 00/100 dollars)** (the "Contract Price"). Pyrotecnico will invoice CUSTOMER a deposit of **$20,000.00** is due **April 4, 2026** and the final balance shall be due **Net 10** from the Display Date. A service fee of 1 ½% per month shall be added if the account is not paid in full within 30 days of the Display Date. CUSTOMER agrees to pay any and all collection costs, including reasonable attorney's fees and court costs incurred by Pyrotecnico for any amount due under this Agreement. The Contract Price is based on the regulations and laws in effect at the time of execution of this Agreement. If any change in law (including, but not limited to, new or increased tariffs, duties, taxes, import restrictions, or other governmental regulations) materially increases the cost of the Fireworks Display, Pyrotecnico shall have the right to adjust the Contract Price to reflect such increased costs. Pyrotecnico shall provide CUSTOMER with written notice of any such adjustment, including reasonable documentation supporting the increased costs. CUSTOMER shall have five (5) days from receipt of such notice to accept the revised Contract Price. If CUSTOMER does not accept the revised Contract Price within this period, Pyrotecnico may, at its sole discretion, suspend performance of the Fireworks Display until the parties negotiate, in good faith, reasonable adjustments to the Contract Price or or revise the Fireworks Display to account for the increased costs. Nothing in this provision shall obligate Pyrotecnico to absorb any increased costs resulting from changes in law, tariffs, or other governmental actions beyond its control.

Pyrotecnico and CUSTOMER agree that should inclement weather prevent the performance of the Fireworks Display on the Display Date, the parties shall agree to a mutually convenient alternate date, within three (3) months of the Display Date. If the show is rescheduled prior to Pyrotecnico's truck leaving the facility, CUSTOMER shall remit to Pyrotecnico an additional **$6,000.00** for additional expenses in presenting the Fireworks Display on an alternate date. If the show is rescheduled after Pyrotecnico's truck leaves the facility, CUSTOMER shall remit to Pyrotecnico an additional **$16,000.00** for additional expenses incurred. The determination to cancel the show because of inclement or unsafe weather conditions shall rest within the sole discretion of Pyrotecnico. In the event the CUSTOMER does not choose to reschedule another date or cannot agree to a mutually convenient date, Pyrotecnico shall be entitled to **$20,000.00.**

Pyrotecnico agrees to furnish all necessary fireworks display materials and personnel for fireworks display in accordance with the program approved by the parties. Quantities and varieties of products in the program are approximate. After final design, exact specifications will be supplied upon request. Should this display require any Union, permit, or fire department related costs; their fees are not included in the Contract Price.

CUSTOMER will timely secure and provide the following: (a) Sufficient area for the display, including a minimum spectator set back distance of **350 FEET** at all points from the discharge area, as reflected in the attached site plan, and that this discharge area shall not have any unauthorized personnel or vehicles; (b) Funds for all permits, licenses, and approvals as required by local, state and federal laws for the Fireworks Display; (c) Protection of the display area by roping-off or similar facility; (d) Adequate police protection to prevent spectators from entering display area; (e) Search of the fallout area at first light following a nighttime display; and (f) Provide credit as "Fireworks by Pyrotecnico" in all advertising and marketing materials.

Pyrotecnico will maintain general liability, property damage, transportation and workers compensation insurance. All those entities/individuals who are listed on the certificate of insurance, provided by Pyrotecnico, will be deemed to be an additional insured on such policy. This insurance coverage specifically does not include coverage for any independent acts of negligence of any additional insured.

PYROTECNICO :

By *(sign)*: ______________________
Name: Lynn Ann Hamed
Title: Corporate Secretary
Date: ______________________
Address: 299 WIlson Road
New Castle PA 16101
Phone: (724) 652-9555
Email: contracts@pyrotecnico.com

CUSTOMER:

By *(sign)* _: ______________________
Name: ______________________
Title: ______________________
Date: ______________________
Address: ______________________
____
Phone: ______________________
Email: : ______________________

Customer Initials: ______________________

PYROTECNICO™
VITALE FAMILY FIREWORKS • 1889

CONTACT/INSURANCE INFORMATION FORM

You must return this form with your signed Agreement for the Certificate of Insurance to be issued, and for the permit application to be completed and submitted. If information isn't applicable, please state such by indicating "N/A".

Customer Name (Entity Contracting Pyrotecnico): ____

Primary Point of Contact Name: ____

Phone: ______________________ Email: ______________________

Billing Address:____

City, State & Zip: ____

Accounts Payable Contact: ____

Accounts Payable Email: ____

Display Date(s): ______________________ Display Start Time(s): ______________________

Rain Date(s): ______________________

Day-of-Display Contact Name:____

Day-of-Display Mobile Phone Number:____

Day-of-Display Email:____

Display Site Location(s) and
Address(es):____

____.

If Pyrotecnico has produced a show at this site, has the geography changed (i.e, new structures, new terrain, etc.)? If yes, please describe:

____

____

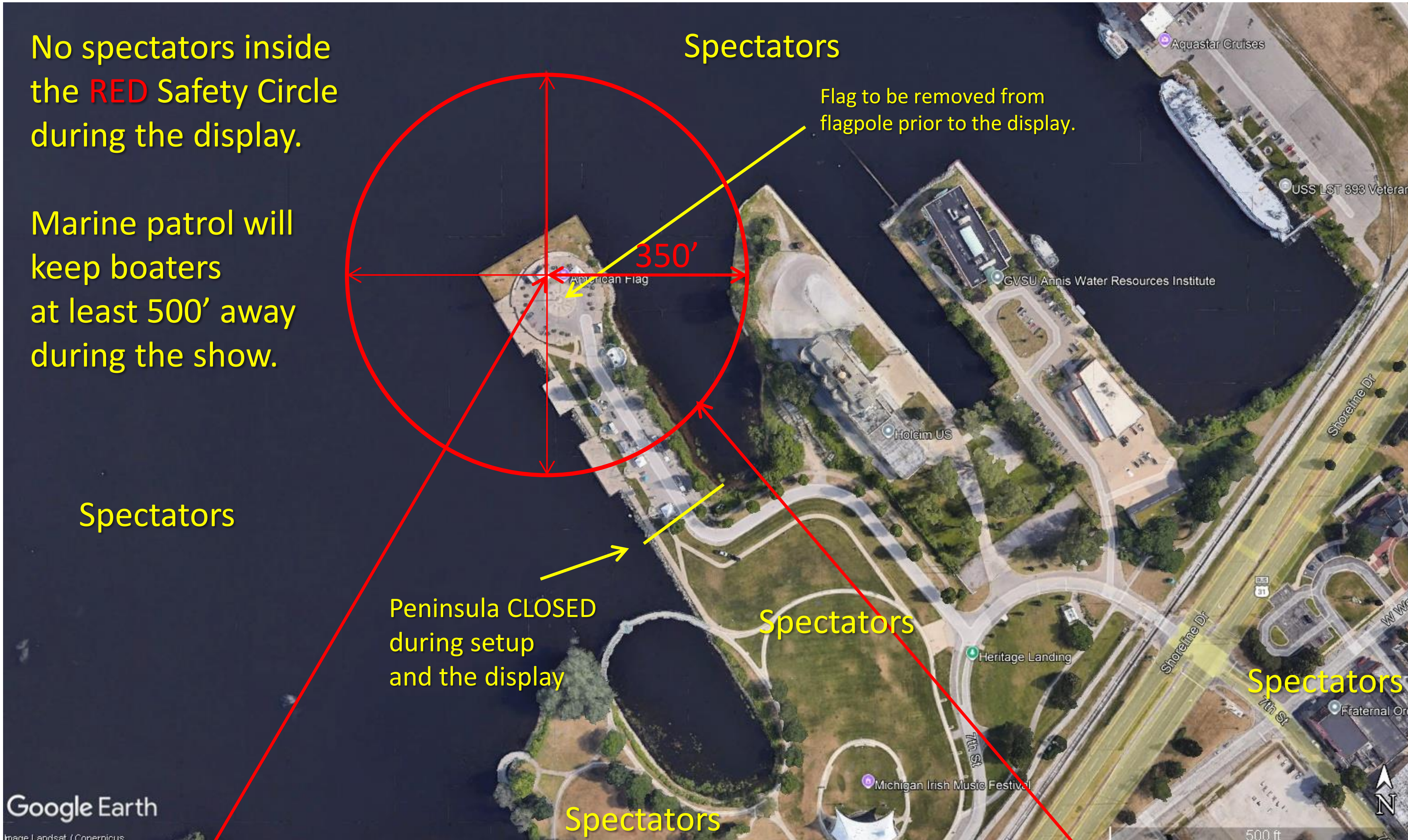
Additionally Insured Entities (The "Customer Name" shall automatically be listed as an Additional Insured), if applicable:

____

____

City of Muskegon, MI / Heritage Landing
1050 – 7th Street, Muskegon MI 49441

Pyrotecnico Fireworks Inc.
11/7/2024 Michael Falk



Launch Location

Setup area: 42'x30' x3

Radius from setup area: 350'

PYROTECNICO™

Deposit Invoice

Pyrotecnico Fireworks Inc.
Bin : 10
PO Box 14470
St. Louis MO 63178-4470
United States

Date: 09/09/2025

INV#: SO-C60832

Sold To:

City of Muskegon, MI
Muskegon City Hall
933 Terrace Street
Muskegon MI 49440
United States

Description	Amount
Firework Display Date - 7/4/2026	$ 40,000.00
Pre-Show Advance Due 04/04/2026	$ 20,000.00

We accept WIRE, ACH, and Check Payments.
Wire Remit To:
Busey Bank 100 W University Ave. Champaign IL 61820
ABA: 071102568
Account Number: 130586822088
SWIFT/BIC Code: BUYEUS44

ACH Remit to:
Busey Bank
ACH Account: 130586822088
Routing: 071102568

Check Remit to:
Pyrotecnico Fireworks, Inc
Bin : 10
PO Box 14470
St. Louis, MO 63178-4470

CITY OF MUSKEGON

Agenda Item Review Form

Muskegon City Commission

Commission Meeting Date: October 14, 2025	**Title:** Concession Agreement — Smith-Ryerson Vending Machine
Submitted by: Kyle Karczewski, Parks and Recreation Director	**Department:** DPW- Parks

Brief Summary:
The parks department has received a concession application for a vending machine at Smith Ryerson park in the Sim Ray center. This particular vending machine will be for snacks (non-refrigerated items) and the machine will be available when the building is open and for any rentals.

Detailed Summary & Background:
The parks department has received a concession application for a vending machine at Smith Ryerson park in the Sim Ray center. This particular vending machine will be for snacks (non-refrigerated items) and the machine will be available when the building is open and for any rentals. The applicant, Nefiteria Ray, is a local resident who reached out as she heard this as a community request from neighbors and friends. As stated in the City of Muskegon park concession policy, the fee for this agreement will be $250 annually + 5% of gross receipts.

Goal/Action Item:
2027 Goal 1: Destination Community & Quality of Life

Is this a repeat item?:
Explain what change has been made to justify bringing it back to Commission:

Amount Requested:
n/a

Budgeted Item:

Yes		No		N/A	x	

Fund(s) or Account(s):
n/a

Budget Amendment Needed:

Yes		No		N/A	x	

Recommended Motion:
I Authorize staff to enter into an agreement with Threes Company LLC for concession services at Smith Ryerson Park.

Approvals:

Immediate Division Head	x	
Information		

Name the Policy/Ordinance Followed:
Concessionaire Policy

Technology			
Other Division Heads			
Communication			
Legal Review			

Return completed application to the following:
City of Muskegon Public Works Department
1350 East Keating Avenue
Muskegon, MI 49442

► I. CONCESSIONAIRE

BUSINESS / NON-PROFIT	Threes Company
CONTACT	Nefiteria Ray
ADDRESS	1324 E. Forest ave.
PHONE	616-773-1941
EMAIL	Nefieray@Gmail.com

► II. OPERATIONAL DESCRIPTION

ACTIVITIES CONDUCTED (ATTACH PICTURES IF NEEDED)	Vending Machines
EQUIPMENT USED (ATTACH PICTURES IF NEEDED)	Please see attach proposal letter. ~~Sim Ray Community Building~~
REQUESTED LOCATION(S)	Sim Ray Community Building

► IV. LIABILITY WAIVER

APPLICANT(S) voluntarily agree, understand and recognize that participants will have no right to make a claim or file a lawsuit against the City.

► V. REQUIREMENTS OF CONCESSIONAIRES

1. Applicant shall comply with all City of Muskegon Policies.
2. Applicant shall comply with all City of Muskegon Ordinances.
3. Applicant shall save the City of Muskegon harmless from all claims.
4. The appointed fees must be paid in full to the City prior to commencement of operations.
5. All required licenses and an insurance certificate listing the City as an additional insured party must be submitted before the agreement is signed and before commencing operations.
6. Applications denied by staff may be appealed to the City Commission for consideration.

With my signature, I certify that I have read and agree to the City of Muskegon Park Concession Policy and all items listed on this application.

I agree to abide by all applicable ordinances & regulations.

Nefiterin Ray　　　　　　　　7-26-2025

Signature of Applicant　　　　　　　　**Date**

CITY STAFF USE ONLY: APPROVED / DENIED

NAME/TITLE: ______________________

DATE: ____________　　　　FEE: ____________

NOTES: ______________________

CITY OF MUSKEGON

Agenda Item Review Form

Muskegon City Commission

Commission Meeting Date: October 14, 2025	**Title:** Concession Application - Pere Marquette Mobile Sauna
Submitted by: Kyle Karczewski, Parks and Recreation Director	**Department:** DPW- Parks

Brief Summary:
The Parks Department has received an application for a concessionaire "Saunaty" to run a mobile sauna at Pere Marquette. The request is for 2-3 Saturdays per month October - December near the MacKite building.

Detailed Summary & Background:
The Parks Department has received an application for a concessionaire "Saunaty" to run a mobile sauna at Pere Marquette. The request is for 2-3 Saturdays per month October - December near the MacKite building. The applicant has requested the $1,000 concession (fee for a PM vendor) to be waived. This is an option in the contract which staff interprets as commissions discretion. Due to the cost of maintaining Pere Marquette and the exposure it brings, the parks department does not prefer to waive fees.

Activities Conducted:
Community sauna sessions and cold plunging/swimming.

Equipment Used:
Two 6' x 14' wood-fired sauna trailers manufactured by NorthUp Saunas Minneapolis, MN. Each sauna fits in a single parking space. Both units have been inspected by City of Norton Shores Fire Department (contact: Joe Munson) and both are equipped with fire extinguishers & carbon monoxide detectors. In addition to the trailer, there are a few folding benches, tables, and a 3' x 7' pop-up changing tent for people to change into/out of swimwear.

Setup Location:
Pere Marquette - near MACkiteboarding, in parking spaces nearest the lake.

Liability/Insurance:
Liability Waivers signed by all participants.
Sauna-specific liability insurance (4mil/2mil) through Alternative Balance.
City of Muskegon will be listed as an additional insured on the policy.

Dates:
2-3 Saturdays per month from October-End of December
Saunaty typically operates for 8-10 hours between 9am - 9pm.
Setup time as early as 7:30am - out of the parking lot by 10pm.

Sauna Fees:
60 Minutes: $25
120 Minutes: $35

Each sauna fits 6 guests. A typical day could range from 24-72 guests.

The applicant is asking for the $1,000 annual fee to be waived and to pay 10% of gross receipts instead of the current fee structure of 5% + $1,000.

Goal/Action Item:
2027 Goal 1: Destination Community & Quality of Life

Is this a repeat item?:
Explain what change has been made to justify bringing it back to Commission:

Amount Requested:
N/A

Budgeted Item:

Yes		No		N/A	x	

Fund(s) or Account(s):
N/A

Budget Amendment Needed:

Yes		No		N/A	x	

Recommended Motion:
Authorize staff to enter into an agreement with Saunaty for concession services at Pere Marquette Park.

Approvals:

Immediate Division Head	x	
Information Technology		
Other Division Heads		
Communication		
Legal Review		

Name the Policy/Ordinance Followed:
Concessionaire Policy

PARK CONCESSION POLICY

EFFECTIVE: **July 26th, 2022**

PURPOSE

To formalize the process and procedures related to concession operations within the City of Muskegon Park System.

GOALS

The City of Muskegon maintains this policy with the goals of:

- Providing a variety of services to park visitors that could not be provided by other means
- Meet the needs and wants of park users
- Activate and engage our park spaces
- Offer opportunities for small business to start and grow

COVERED AREAS & APPLICABILITY

This policy applies to any concession proposing to operate in the traditionally recognized city park system, with the following exceptions:

- Hackley Park is excluded from this agreement and no concessions outside of approved special events are permitted to operate within Hackley Park.

- This policy does not apply to Western Market, Muskegon Farmers Market, Trinity Health Arena, or any other areas which may contain similar operations but are not a part of the traditionally recognized city park system.

- This policy also does not apply to “The Deck” restaurant which operates within Pere Marquette Park, to “Fisherman’s Landing” campground and boat launch, nor to the “Clippers” baseball facility that operates within Marsh Field, as all are under specific lease agreements and terms.

- Concessions operating as a part of an approved special event or an approved sports league are exempt from this policy.

This policy does apply to the few brick and mortar concession spaces located within the City Parks; currently the list of brick and mortar spaces is as follows, with future changes possible:

- The designated concession space within the Pere Marquette Park Bathhouse

- The Pere Marquette Park secondary building located south of the bathhouse

- The Pere Marquette Park Chalet at the north end of the park

APPLICATION & AGREEMENT PROCESS

Applications will be accepted year-round on the attached form.

There is no fee associated with applying to be a concessionaire within the City Parks. If the application is approved, fees will be charged for the right to operate within the city park system as outlined below.

Staff will review applications in accordance with this policy. Applications approved by staff will be presented to the Commission for consideration before adoption of the agreement.

Once an application is approved by the City Commission, city and the concessionaire will enter into a formal agreement. General agreement terms attached to each agreement will be specifically crafted to match the agreed upon activities, fees, and services as allowable in this policy.

Agreements shall be renewed annually, except that agreements within a designated brick and mortar space may be proposed for an extended duration, with the maximum length not to exceed 5 years.

Returning operations for brick and mortar facilities in good standing shall be offered first right of refusal to renew their agreement for up to one renewal term of the same duration as the original term. When brick and mortar spaces become available or at the end of a renewal term the brick and mortar spaces will be offered as available through a request for proposal process.

FEES & WAIVERS

Concessionaire shall be obligated to pay the fees outlined in the agreement.

The standard fee to operate a concession shall be set at $1,000/Year + 5% of gross receipts for any operation conducted within Kruse Park, Pere Marquette Park, Margaret Drake Elliot Park or Harbor Towne Beach, and $250/Year + 5% of gross receipts for any concession operating in any other park.

Concession agreements proposed for a brick and mortar location as described above shall be set at $1,000/Year + 10% of gross receipts or $2,500/Year, whichever is expected to be more.

Revenue generated from concession operations shall be deposited in the City General Fund for support of park and recreation operations in the City.

Fees for concessions may be waived by staff upon receipt of a “Concession Fee Waiver Application” at the same time as a concession application. Fee waivers will be evaluated according to the point system described on that form.

Return completed application to the following:
City of Muskegon Public Works Department
1350 East Keating Avenue
Muskegon, MI 49442

► I. CONCESSIONAIRE

BUSINESS / NON-PROFIT	SAUNATY, LLC
CONTACT	MICHAEL JENSEN
ADDRESS	18075 MOHAWK DR SPRING LAKE, MI 49456
PHONE	616-502-3575
EMAIL	MIKE@SAUNATY.COM

► II. OPERATIONAL DESCRIPTION

ACTIVITIES CONDUCTED **(ATTACH PICTURES IF NEEDED)**	Community sauna sessions (& cold plunging/swimming)
EQUIPMENT USED **(ATTACH PICTURES IF NEEDED)**	Two 6' x 14' wood-fired sauna trailers manufactured by NorthUp Saunas Minneapolis, MN. Each sauna fits in a single parking space. Both units have been inspected by City of Norton Shores Fire Department (contact: Joe Munson) and both are equipped with fire extinguishers & carbon monoxide detectors. In addition to the trailer we have a few folding benches, tables, and a 3' x 7' pop-up changing tent for people to change into/out of swimwear.
REQUESTED LOCATION(S)	Pere Marquette - near MACkiteboarding, in the parking spaces nearest the lake.

► IV. LIABILITY WAIVER

APPLICANT(S) voluntarily agree, understand and recognize that participants will have no right to make a claim or file a lawsuit against the City.

► V. REQUIREMENTS OF CONCESSIONAIRES

1. Applicant shall comply with all City of Muskegon Policies.
2. Applicant shall comply with all City of Muskegon Ordinances.
3. Applicant shall save the City of Muskegon harmless from all claims.
4. The appointed fees must be paid in full to the City prior to commencement of operations.
5. All required licenses and an insurance certificate listing the City as an additional insured party must be submitted before the agreement is signed and before commencing operations.
6. Applications denied by staff may be appealed to the City Commission for consideration.

With my signature, I certify that I have read and agree to the City of Muskegon Park Concession Policy and all items listed on this application.

I agree to abide by all applicable ordinances & regulations.

10/6/25

Signature of Applicant **Date**

CITY STAFF USE ONLY: APPROVED / DENIED

NAME/TITLE:____

DATE:_____________ FEE:_________________

NOTES:____


saunaty.com
SAUNATY!

Agenda Item Review Form

Muskegon City Commission

Commission Meeting Date: October 14, 2025	**Title:** Ordinance Adoption: Unlawful Speed Exhibition Events
Submitted by: Timothy Kozal, Public Safety Director	**Department:** Public Safety

Brief Summary:
The City of Muskegon Police Department requests consideration to adopt an ordinance to address the rise in unauthorized vehicle speed exhibitions—commonly known as "street takeovers"—which threaten public safety, disrupt neighborhoods, and damage infrastructure, by enhancing enforcement and providing progressive responses such as impoundment authority and advance notice procedures.

Detailed Summary & Background:
The City of Muskegon finds that unauthorized motor vehicle speed exhibition events—commonly known as "street takeovers," "sideshows," or "slideshows"—pose a serious threat to public safety, disrupt neighborhoods, damage infrastructure, and endanger motorists, pedestrians, and first responders. Events like these have been an issue in other communities, like Grand Rapids and Kalamazoo, and the police department has seen an uptick in these events in Muskegon. This ordinance is adopted to deter such behavior, enhance enforcement options, and provide for progressive administrative response through impoundment authority and advance notice procedures.

<u>Goal/Action Item:</u>
2027 Goal 1: Destination Community & Quality of Life

Is this a repeat item?:
Explain what change has been made to justify bringing it back to Commission:

Amount Requested:
N/A

Budgeted Item:

Yes		No		N/A	■	

Fund(s) or Account(s):
N/A

Budget Amendment Needed:

Yes		No		N/A	■	

Recommended Motion:
I move to adopt Chapter 92, Article VIII, Sections 92-500 through 92- 504 of the Code of Ordinances of the City of Muskegon, Michigan to deter unauthorized speed exhibitions.

Approvals:	**<u>Name the Policy/Ordinance Followed:</u>**

Immediate Division Head		
Information Technology		
Other Division Heads		
Communication		
Legal Review		

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

THE CITY OF MUSKEGON HEREBY ORDAINS:

1. Chapter 92, Article VIII, Sections 92-500 through 92- 504 of the Code of Ordinances of the City of Muskegon, Michigan, is adopted as follows:

Sec. 92-500. Purpose.

The City of Muskegon finds that unauthorized motor vehicle speed exhibition events—commonly known as "street takeovers," "sideshows," or "slideshows"—pose a serious threat to public safety, disrupt neighborhoods, damage infrastructure, and endanger motorists, pedestrians, and first responders. This ordinance is adopted to deter such behavior, enhance enforcement options, and provide for progressive administrative response through impoundment authority and advance notice procedures.

Sec. 92- 501 Definitions.

For purposes of this Article:

(a) *Unlawful Speed Exhibition Event* means any unpermitted motor vehicle activity on a public roadway, highway, alley, bridge, parking lot, or other publicly accessible space that:

(1) May be preplanned or contemporaneously coordinated by two or more persons;
(2) Involves spinning of tires, burnouts, "donuts," drifting, or the creation of tire smoke;
(3) Involves rapid acceleration or deceleration intended to create noise, disruptions to traffic operations, nuisance to the public, and/or attention;
(4) Involves excessive speed or street racing;
(5) Involves any other motor vehicle maneuvers performed recklessly or for the purpose of entertainment, stunt driving, or show; or
(6) Involves a person knowingly using or aiding a motor vehicle or other obstacle to create a physical barrier that impedes or blocks an intersection, bridge, public right-of-way, or other public place or highway, thereby creating a location or opportunity for a speed exhibition event to occur.

(b) *Unpermitted* means without the express written permission of the owner of private property on which the activity occurs or without prior authorization from the City of Muskegon for use of public property or right-of-way.

(c) *Warning Letter* means a written notice issued to the registered owner of a vehicle, advising that the vehicle was observed to be involved in or aiding in an unlawful speed exhibition event.

Sec. 92 502. Prohibited Conduct.

No person shall engage in, participate in, aid in, coordinate, or facilitate an unlawful speed exhibition event as defined in this Article.

Sec. 92- 503. Vehicle Impoundment and Warning Procedure.

(a) A law enforcement officer who has reasonable suspicion to believe a motor vehicle is actively participating in or aiding in an unlawful speed exhibition event may issue a Warning Letter to the vehicle's registered owner within seven days of the event. The letter shall:

(1) State that the vehicle was identified in or aiding in an unlawful speed exhibition event. The Warning Letter shall identify the location, date and time, of the event. The letter shall provide the process to appeal the Notice to the Director of Public Safety;

(2) Serve as notice that any future involvement or assistance in an unlawful speed exhibit may result in immediate impoundment of the vehicle; and

(3) Remain valid for a period of one (1) year from the date of issuance.

(b) The owner of the vehicle may file a written appeal to the issuance of the Warning Letter to the Director of Public Safety. The written appeal must be submitted within 10 business days to the Director of Public Safety, along with any evidence or written statements that relate to the Warning Letter. The Director of Public Safety's decision shall be in writing and shall be final.

(c) If a vehicle is subsequently involved in or aiding in another unlawful speed exhibition event within one (1) year of a prior Warning Letter, and a law enforcement officer has probable cause to believe the vehicle was used in or aiding in the event, the law enforcement officer may cause the vehicle to be impounded.

(d) If a law enforcement officer is required to enter private property to search for and impound a vehicle that is in violation of this section, the law enforcement officer must submit a request to the district court for an order authorizing the law enforcement officer to enter said private property, unless the law enforcement officer has other legal justification for entering the property and impounding the vehicle or obtains consent from the property owner and vehicle owner.

(e) If an owner's vehicle is impounded, the owner may take ownership of the vehicle at any time so long that all towing and storage fees associated with an impoundment are paid in full. The owner of the vehicle is fully responsible for all fees associated with impoundment and storage of the vehicle.

Sec. 92- 504. Penalties.

(a) Any person who owns a vehicle used in an unlawful speed exhibition event in violation of this ordinance, or any person who knowingly allowed a vehicle to be used in an unlawful speed exhibition event in violation of this ordinance, or any person who failed to exercise reasonable control over the use of a vehicle involved in an unlawful speed exhibition shall be guilty of a misdemeanor, punishable by a term of imprisonment of not more than 90 days and a fine of not more than $500.00, or both.

(b) Nothing in this Article shall be construed to impose liability or penalties on individuals who are solely spectators or bystanders.

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 _______________ of ___, 2025, the City Commission of the City of Muskegon adopted an amendment to Section 92-__, summarized as follows:

1. Section 92- 500 provides the purpose for the Unlawful Speed Exhibit Events Ordinance.
2. Section 92- 501 provides the definitions for the Unlawful Speed Exhibition Event Ordinance.
3. Section 92- 502 prohibits Unlawful Speed Exhibition Event.
4. Section 92 – 503 provides a warning procedure and impoundment of vehicles involved in an Unlawful Speed Exhibition Event.
5. Section 92-504 provides the penalties for violating the Unlawful Speed Exhibition Event Ordinance.

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: October 14, 2025	**Title:** Resolution for Housing Tax Exemption for Four Properties, LLC (609,619,629 Amity)
Submitted by: Jake Eckholm, Development Services Director	**Department:** Economic Development

Brief Summary:
Tyce VanNoord, doing business as Four Properties LLC, desires to construct 8 units of workforce housing (3 duplexes and 2 ADUs)

Detailed Summary & Background:
As with other properties we have approved for workforce housing, this development will utilize the new scattered-site PILOT we have done with Allen Edwin and other smaller-scale builders. All three parcels in this item would include a two-story duplex with both upper and lower units offering 3-beds/3-baths. On 609 & 629 Amity (2 parcels), there will be an ADU that is 1bed/1bath. The center parcel will feature a shared backyard with mature trees and comfortable parking/turnaround to support the parcels.

These will all be listed under MSHDA HUD rent requirements for 120%AMI. ADU 1-bed/1-bath target rent will be $785, and the 3-bed/3-bath Duplex has a target rent between $1400 and $1500 per month. As with the other projects approved under this statute, the payment in lieu of taxes is equal to 10% of the annual shelter rent.

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:
NA

Budgeted Item:

Yes		No		N/A	■	

Fund(s) or Account(s):
NA

Budget Amendment Needed:

Yes		No		N/A	■	

Recommended Motion:
Motion to approve the Resolution for Housing Tax Exemption 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:
Yes

Resolution Setting Annual Service Fee
for the Workforce Housing Development
by Four Properties, LLC

Whereas, Four Properties, LLC (the "Sponsor"), has applied to the City of Muskegon for a determination that a proposed workforce housing project sponsored by it at 300 Allen Street, 310 Allen Street, and 370 Allen Street is entitled to the exemption from taxes authorized by Chapter 82 of the City of Muskegon Code of Ordinances; now therefore, be it

Resolved, that the proposed workforce housing project is within the class of housing developments entitled to an exemption under Chapter 82, if it meets the following contingencies:

a. Sponsor shall provide documentation to the City substantiating ownership of the subject properties.
b. Construction of at least 3 units of the proposed workforce housing project shall be commenced within twelve (12) months from the date of the Michigan State Housing Development Authority's ("MSHDA") notification of exemption, or this resolution shall be void and of no effect.
c. For the life of the this Workforce Housing Resolution, 100% of the dwelling units in the proposed workforce housing project will be restricted to rental units or other housing options that are reasonably affordable to, and occupied by, a household whose total household income is not greater than 120% of the area median income published by the United States Department of Housing and Urban Development.
d. The Sponsor shall submit an affidavit to MSHDA in the form required by MSHDA for certification that the workforce housing project is eligible for the workforce housing exemption.
e. Upon receipt of notification from MSHDA that the workforce housing project is eligible for a workforce housing exemption, the Sponsor shall file the certified notification of exemption with the City Assessor before November 1 of the year preceding the tax year in which the exemption is to be effective; and,
f. Sponsor shall record a restrictive covenant in a form acceptable to the City Attorney. The restrictive covenant shall be recorded in the register of deeds for the county in which the workforce housing project is located and shall comply with the requirements of Chapter 82; and, further be it

Resolved, that in lieu of ad valorem property taxes, the Sponsor shall pay an annual service charge equal to ten percent (10%) of the "Annual Shelter Rents" as defined in Section 82-52 for that portion of the workforce housing project occupied for Workforce Housing; and, further be it

Resolved, that annually, no later than April 29, the Sponsor shall provide the City Assessor the Sponsor's budget for Annual Shelter Rent for the current calendar year and a copy of Sponsor's financial statements for the preceding calendar year, prepared in accordance with generally accepted auditing standards or, if Sponsor is not subject to an audit requirement, Sponsor's compiled financial statements for the preceding calendar year prepared in accordance with generally accepted accounting principles and certified by Sponsor; and, further be it

Resolved, that the tax exempt status granted by this Resolution shall remain in effect for 15 years, unless otherwise terminated pursuant to Chapter 82 or this Resolution; and, further be it

Resolved, that all portions of Chapter 82 are hereby incorporated by reference; and, further be it

Resolved, that this Resolution may be assigned by the Sponsor only to subsequent owners of the workforce housing project who shall agree to abide to its terms. If not assigned, to and accepted by subsequent owners of the workforce housing project, it shall automatically terminate; and further be it

Resolved, that the Mayor and City Clerk execute a contract with the Sponsor providing the tax exemption and acceptance of payments in lieu of taxes as defined within this resolution and its application, such contract subject to approval as to substance by the City Manager and as to form by the City Attorney.

YEAS: _______

NAYS: _______

I hereby certify that the above Resolution was adopted by the City Commission of the City of Muskegon at its regular meeting held on ________, in the Commission Chambers, City Hall, 933 Terrace, Muskegon, Michigan.

____

Ann Meisch, City Clerk

CITY OF MUSKEGON

Agenda Item Review Form
Muskegon City Commission

Commission Meeting Date: October 14, 2025	**Title:** Workforce Housing Restrictive Covenant - Four Properties LLC
Submitted by: Jake Eckholm, Development Services Director	**Department:** Economic Development

Brief Summary:
Tyce VanNoord, doing business as Four Properties LLC, desires to construct 8 units of workforce housing (3 duplexes and 2 ADUs)

Detailed Summary & Background:
As with other properties we have approved for workforce housing, this development will utilize the new scattered site PILOT we have used with Allen Edwin and other smaller-scale builders. All three parcels in this item would include a two-story duplex with both upper and lower units offering 3-beds/3-baths each. At 609 & 629 Amity (2 parcels), there will be an ADU that is 1bed/1bath. The center parcel will feature a shared backyard with mature trees and comfortable parking/turnaround to support the parcels.

These will all be listed under MSHDA HUD rent requirements for 120%AMI. ADU 1-bed/1-bath target rent will be $785, and the 3-bed/3-bath Duplex has a target rent between $1400 and $1500 per month. As with the other projects approved under this statute, the payment in lieu of taxes is equal to 10% of the annual shelter rent.

Goal/Focus Area/Action Item Addressed:

Key Focus Areas:

Goal/Action Item:
2027 Goal 2: Economic Development Housing and Business

Amount Requested:
NA

Budgeted Item:

Yes		No		N/A	■	

Fund(s) or Account(s):
NA

Budget Amendment Needed:

Yes		No		N/A	■	

Recommended Motion:
Motion to Approve the Workforce Housing Restrictive Covenant 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:
Yes

WORKFORCE HOUSING RESTRICTIVE COVENANT

This Workforce Housing Restrictive Covenant ("Restrictive Covenant") is made by and between the City of Muskegon, Michigan ("Municipality") and Four Properties, LLC, a Michigan limited liability company, presently of 6049 Clyde Park Ave, SW, Byron Center MI 49315(the "Sponsor") as of June 24th, 2025.

R E C I T A L S:

A. Sponsor is the owner of certain real property located in the City of Muskegon, County of Muskegon, State of Michigan, and more particularly described on the attached Exhibit A (the "Property"), which is attached hereto and incorporated by reference into this Agreement.

B. Sponsor has offered to provide nine "Workforce housing" units as defined by MCL 125.1415a(10)(d) on the Property (the "Project") and has applied to Municipality for a workforce housing exemption from *ad valorem* property taxes under Section 15a of the State Housing Development Authority Act, being Public Act 346 of 1966, as amended (the "Act").

C. In consideration of Sponsor's offer to undertake the Project, Municipality has agreed to exempt the Property from all *ad valorem* property taxes imposed by any taxing jurisdiction and to accept in lieu thereof payment of an annual service charge for a period of 15-years as provided by Chapter 82 of the City Code of Ordinances, as amended (the "Ordinance").

D. Upon completion of the Project, the annual service charge paid in lieu of all *ad valorem* property taxes shall be equal to ten percent (10%) of the annual shelter rents collected from the Project and shall be paid as provided in the Ordinance.

E. Sponsor and Municipality agree that the economic feasibility of the Project depends upon the continuing effect of the annual service charge in lieu of all *ad valorem* taxes approved by Municipality for the 15-year exemption period.

F. Accordingly, upon recording with the Muskegon County Register of Deeds, this Restrictive Covenant will restrict use of the Property to Workforce housing for the 15-year exemption period.

NOW, THEREFORE, in consideration of Municipality's acceptance of payment of the annual service charge in lieu of all *ad valorem* property taxes and Sponsor's commitment to construct or rehabilitate the Project, Sponsor and Municipality hereby covenant as follows:

1. **Recitals.** The above recitals are acknowledged as true and correct and are incorporated by reference into this paragraph.

2. **Definitions**. All words and phrases used in this Restrictive Covenant have the same meaning as defined in the Act or the Ordinance.

3. **Workforce Housing Covenant**. The Project will, upon completion of the proposed construction or rehabilitation, constitute workforce housing for households for persons and families whose household income is not greater than 120% of the area median income, as published by the Michigan State Housing Development Authority ("the Authority) for Muskegon County, adjusted for family size. All of the housing units in the Project will be rented, or available for rental, on a continuous basis to members of the general public throughout the term of this Restrictive Covenant.

4. **Term of Exemption**. The exemption from *ad valorem* property taxes approved by Municipality shall remain in effect in accordance with this Restrictive Covenant restricting use of the Project to workforce housing for a period of 15-years, ending on December 31, 2040, or so long as the Project is used as workforce housing, whichever is less.

5. **No Violation**. Sponsor agrees that it will not knowingly take or permit any action that would result in a violation of the requirements of this Restrictive Covenant or the Ordinance, which is incorporated herein as if a part of this Restrictive Covenant. Further, Sponsor agrees to take any required action, including the amendment of this Restrictive Covenant, as may be necessary, in the determination of the Municipality or of the Authority, to comply with the Ordinance. If Municipality determines that the Project is not in compliance with the requirements of this Restrictive Covenant, and Sponsor, after receiving written notice of the non-compliance from Municipality, does not correct such non-compliance within thirty (30) days, Municipality shall be entitled to take such actions as it deems necessary to enforce the provisions of this Restrictive Covenant.

6. **Sponsor to Demonstrate Compliance**. Sponsor will provide Municipality with such certifications, reports and other information as are required by Municipality to demonstrate compliance with the Ordinance. Sponsor will provide Municipality and Authority with an annual verification of compliance with this Restrictive Covenant, in a form specified by the Authority.

7. **Transfer of Ownership**. Sponsor will, prior to a sale or other voluntary transfer of ownership of the Project or any part thereof, notify Municipality in writing, and will enter into any agreements with the purchaser or transferee as may be prescribed by Municipality to ensure such purchaser's or transferee's compliance with this Restrictive Covenant and Michigan law.

8. **Enforceability**. This Restrictive Covenant is enforceable in any court in the State of Michigan having jurisdiction thereof, by Municipality, and to the extent required by the Ordinance, by any individuals who are tenants of the Project.

9. **Covenant Running with the Land; Binding Effect**. The foregoing covenant shall constitute and be enforced as a covenant running with the land under Michigan law and shall be binding on all successors or assigns of Sponsor or Municipality and any future owner or operator of the Project for the full 15-year exemption period.

10. **Miscellaneous**. In the event of any conflict between the terms of this Restrictive Covenant and the requirements of the Ordinance the requirements of the Ordinance shall prevail. This Restrictive Covenant may only be amended or terminated by a writing signed by both Sponsor and Municipality. The invalidity of any clause or provision of this Restrictive Covenant shall not affect the validity of the remaining portions thereof.

IN WITNESS WHEREOF, is this Covenant is effective as of December 1st, 2025.

[Signature Pages Follow]

CITY OF MUSKEGON

By: ____

Its: ____

STATE OF MICHIGAN)
) ss
COUNTY OF MUSKEGON)

The foregoing instrument was acknowledged before me this day of June 24th, 2025 by Kenneth Johnson, as Mayor of the City of Muskegon, a municipal corporation of the State of Michigan.

____

Notary Public, ________________County, MI
My Commission Expires: _____
Acting in ________________ County, MI

SPONSOR
Four Properties, LLC

By: ______________________________________

Its:

STATE OF MICHIGAN)
) ss
COUNTY OF MUSKEGON)

The foregoing instrument was acknowledged before me this ____ day of __________, by ______________________, as the manager/authorized member of Four Properties, LLC, a Michigan limited liability company, on behalf of said Company.

____

Notary Public, __________County, MI
My Commission Expires: ____________
Acting in ________________County, MI

DRAFTED BY:

WHEN RECORDED RETURN TO:

EXHIBIT A

Legal Description of Property

CITY OF MUSKEGON REVISED PLAT 1903 W 13.5FT LOT 3 & E 36.5FT LOT 4 BLK 52;
Address: 619 AMITY AVE (#24-205-052-0004-01).

CITY OF MUSKEGON REVISED PLAT 1903 W 28 FT LOT 4 & E ¼ LOT 5 BLK 52;
Address: 609 AMITY AVE (#24-205-052-0004-10).

CITY OF MUSKEGON REVISED PLAT 1903 E 50 FT LOT 3 BLK 52;
Address: 629 AMITY AVE (#24-205-052-0003-01).

Agenda Item Review Form

Muskegon City Commission

Commission Meeting Date: October 14, 2025	**Title:** Concur with CRC Recommendation
Submitted by: Ann Meisch, City Clerk	**Department:** City Clerk

Brief Summary:
To concur with CRC recommendation to accept resignations and make appointments.

Detailed Summary & Background:
To accept the resignations of Steven Frantz from the Housing Code Board of Appeals and Jay Wallace from the Downtown Development Authority. To appoint James Curtis to the Downtown Development Authority as member with a term ending 1-31-27; and appoint David England to the Farmers Market Advisory Board as a seasonal farmer with a term ending 1-31-28.

Goal/Action Item:

Is this a repeat item?:
Explain what change has been made to justify bringing it back to Commission:

Amount Requested:

Budgeted Item:

Yes		No		N/A	x	

Fund(s) or Account(s):

Budget Amendment Needed:

Yes		No		N/A	x	

Recommended Motion:
To accept the resignations of Steven Frantz and Jay Wallace and appoint James Curtis to the Downtown Development Authority and David England to the Farmers Market Advisory Board.

Approvals:

Immediate Division Head		
Information Technology		
Other Division Heads		
Communication		
Legal Review		

Name the Policy/Ordinance Followed: