

## **Carnegie Building/City Assets Ad Hoc Committee**



**Friday, June 12, 2015**

**2:00 p.m.**

**Governmental Center - 400 Boardman Avenue**

**Second Floor Training Room**

**Traverse City, MI 49684**

**Posted and Published: June 11, 2015**

If you are planning to attend the meeting and you have a disability requiring any special assistance at the meeting, please notify the City Clerk, immediately.

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Penny Hill, Assistant City Manager  
400 Boardman Avenue  
Traverse City, MI 49684  
(231) 922-4440  
Email: [phill@traversecitymi.gov](mailto:phill@traversecitymi.gov)  
Web: [www.traversecitymi.gov](http://www.traversecitymi.gov)

### **Agenda**

1. Roll Call
2. Consider Approval of Minutes from April 27, 2015 meeting
3. Update on NAGPRA Compliance for the Con Foster Collection
4. Discussion regarding Fees for Building Use
  - a. Review/Recommend Draft Fee Schedule
5. Discussion on Process for Disposition of City Assets
  - a. Review Draft Policy
6. Public Comment
7. Adjournment

**City Commission Ad Hoc Committee**  
**Carnegie Building/City Asset Discussion**

**Minutes**

**Meeting of April 27, 2015**

A meeting of the City Commission Ad Hoc Committee: Carnegie Building/City Asset Discussion was called to order on Monday, April 27, 2015 at 1:30 a.m. in the 2<sup>nd</sup> Floor Committee Room, Governmental Center, Traverse City, Michigan.

The following Commissioners were present, constituting a quorum: Commissioner Easterday, Commissioner Richardson, and Commissioner Howe.

The following Commissioners were absent: None.

Staff in attendance: Penny Hill, and Dave Green

1. The first item being: "Consideration of approving the minutes from the March 23, 2015, meeting."

It was moved by Richardson, seconded by Howe, to approve the minutes from the meeting of March 23, 2015.

CARRIED unanimously.

2. Next item being, "Discussion regarding Proposal from Bernstein & Associates on the Con Foster Collection."

It was moved by Howe, seconded by Richardson to recommend to the City Commission for the City to enter into an agreement with Bernstein & Associates in the amount not to exceed \$10,000 to develop a Strategic plan and grant writing to come into compliance of NAGPRA as outlined in the proposal provided.

The following addressed the Committee.

Bruce Wiegand

CARRIED unanimously.

3. Next item, "Discussion regarding Fees for Building Use."

General discussion took place regarding a comprehensive pricing plan for other portions of the building and for consideration of half-day rates.

The following addressed the Committee.

Ann Swaney

4. Next item, "Discussion on Process for Disposition of City Assets a. Memo from Acting City Manager."

General discussion took place regarding a memo from Penny Hill to inform staff on a future draft policy, to be considered at the next meeting.

5. Next item, "Public Comment."

The following addressed the Committee.

John Noonan

There being no objection, Commissioner Easterday declared the meeting adjourned at 2:30 p.m.

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Commissioner Gary Howe  
Designated Secretary

Next meetings to be determined.

All meetings are held in the 2<sup>nd</sup> Floor Committee Room of the Governmental Center unless otherwise stated.

If interested in being on the outreach list for this ad hoc, please email:  
[kstroven@traverscitymi.gov](mailto:kstroven@traverscitymi.gov).

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# Memorandum

The City of Traverse City



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TO: Penny Hill, Acting City Manager

FROM: Benjamin Marentette, City Clerk *BM*

DATE: Thursday, June 4, 2015

SUBJECT: PROPOSED FEES – USE OF SPACES WITHIN CARNEGIE BUILDING

The purpose of this memo is to recommend fees for spaces within the Carnegie Building. Previously, I provided a fee recommendation that was solely with respect to the Reynolds-Jonkhoff Conference Room. However, I understand there are multiple spaces that may be available for daily use. I recommend the following fee structure:

Area	Full day (over 4 hours)	Half day (4 hours or less)
West Gallery including reception area	\$65	\$50
East Gallery including reception area	\$65	\$50
Rotunda, including reception area and both pie shaped rooms	\$75	\$55
Reynolds Jonkhoff Meeting Room	\$35	\$30

User fees charged by the City must be directly correlated with the City's cost in providing the service/use. My fee recommendation is based on the following:

- Anticipated cost of staff time to book requests, conduct follow-ups, room key coordination, etc. (\$30)
- For the FY 15/16 Budget, the Heritage Center Fund, which accounts for the operation of the building, has a \$5,000 shortfall (difference between lease revenues and our expenditures) – based on an estimated 60 days of room use per year and square footage of the area compared to the total area available.

After we have had experience renting this room, we can re-evaluate our fees based on actual experience. I hope this is helpful; and as always, please feel free to contact me with any questions.

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Carnegie Side

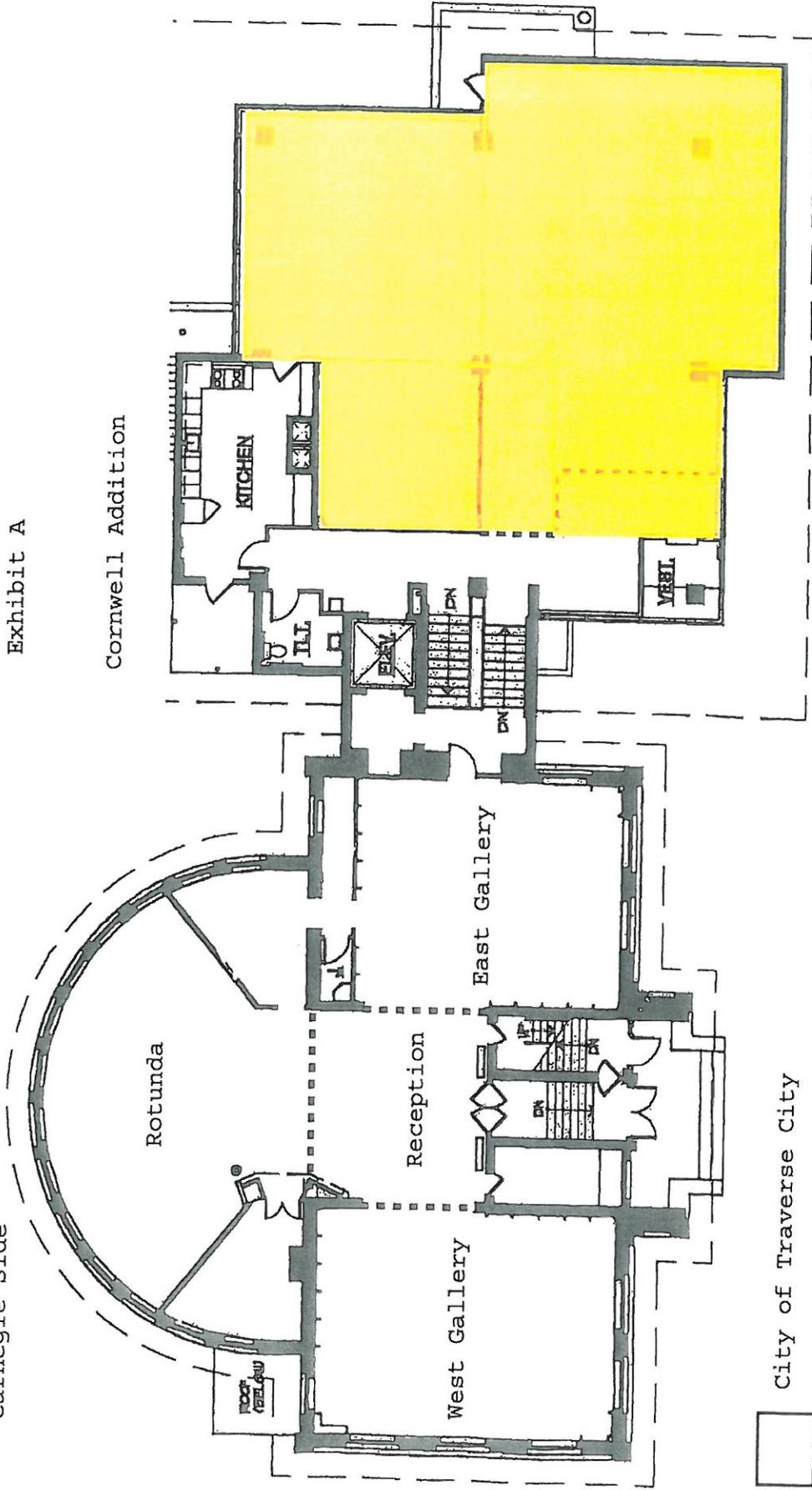


Exhibit A

Cornwell Addition

Rotunda

ROCK VESTIBULE

KITCHEN

VEST.

Reception

West Gallery

East Gallery

City of Traverse City

Crooked Tree Arts Center

**GRAND TRAVERSE HERITAGE CENTER**  
**MAIN LEVEL FLOOR PLAN**



## CITY COMMISSION POLICIES

### DISPOSITION OF CITY PROPERTY

**SUBJECT:** Sale of City Property Policy No. 2015-001  
**APPROVAL DATE:**  
**POLICY:** It shall be the policy of City Commission to consider sale of City property when requests are received or when property is no longer required for a City purpose. A Portfolio Plan shall be maintained for all

#### **PORTFOLIO PLAN:**

Each portfolio shall include the following information.

1. Classification-Each property shall be classified as
  - Corporate/Operational: Used to house City functions (fire, administrative offices, service yards)
  - Public Purpose: For profit (Opera House, Marina) leased at market rate
  - Non-profit (Bijou, Carnegie) leased at lower than market based on public benefit
  - Investment: Purchased as part of strategic or master plan for future development (trail, park, right of way).
  - Surplus: Properties no longer in use for their originally intended purpose that are vacant or have been declared surplus.
2. The most recent real estate appraisal of the property if available.
3. Additional detail pertinent to any use of the property. This should include
  - Current zoning and property type (TCL&P, administrative offices)
  - Lease status
  - Leasehold conditions and/or deed restrictions, park land or charter restrictions

#### **PROCEDURE:**

##### **1. Request to Purchase Property**

- a. Upon receipt of the appropriate "Expression of Interest" form<sup>1</sup> (Appendix A) and a deposit of \$ \_\_\_\_\_, City Staff will prepare a report and recommendation to be presented to City Commission for consideration.

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<sup>1</sup> NOTE: Include all information in Section 2.b. as required information in the "Expression of Interest" form

- b. The deposit shall be held by the City as a form of security until the decision is made whether to sell the property so requested.
- c. If a decision is made not to sell the property in question, the deposit shall be refunded in its entirety.
- d. If the applicant is the successful bidder for the property or a decision is reached to waive policy and sell directly to the applicant the deposit shall be applied to the cost of the lands and expenses so incurred by the City.
- e. If the applicant is not the successful bidder for the property the entire deposit will be returned along with any bid deposit remitted.
- f. If the applicant does not bid on the property as advertised, and no other bids are received or accepted by the City Commission, the deposit, or that portion required to cover the expenses incurred to date, shall be applied to those expenses and the balance, if any, shall be returned to the applicant.

**2. Request for Proposals**

- a. City Commission may consider, from time to time, the sale of certain strategic parcels of City lands by way of a “Request for Proposals” which shall be advertised in a local paper for a period of not less than 2 weeks.
- b. Proposals submitted to the City for the purchase of City land shall include the following information:
  - i. detailed description of the development proposed;
  - ii. detailed plot plan showing specific location of any buildings, structures or developments (including parking areas) within the site;
  - iii. schedule for the construction of all components of the proposed development;
  - iv. detailed description of the building design and other components such as exterior building materials, facade, signage, landscape and other aesthetics impacting on the area where the development will occur;
  - v. amount offered for land on a per acre basis and an estimate of total value of project when complete; and,
  - vi. detailed description of economic impact of project including number of jobs created both part-time and full-time.

c. Criteria for rating proposals shall be as follows:

<ul style="list-style-type: none"> <li>i. Suitability of Development           <ul style="list-style-type: none"> <li>• Compatibility with City’s Mission, Vision, Strategic Plan</li> <li>• Compatibility with Master Plan and other Land Use Plans</li> <li>• Accessibility</li> </ul> </li> </ul>	Rating	20 pts.
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- Complementary to existing uses in the area
  - Aesthetic impact (i.e.: structure, landscape, signage, etc.)
  - Utilization of “Green Building” practices
- ii. Economic Development Impact Rating 20 pts.
- Employment opportunities
  - Tax base impact
  - Need for service (addresses an identified unmet community need)
  - Competitiveness to Community
- iii. Infrastructure Benefits Rating 20 pts.
- Potential to improve sewer service
  - Potential to improve road/access service, including utilization of complete streets concepts, where applicable
  - Potential for improved walkability/bikeability
  - Potential to improve other regional or City services
  - Potential to allow for improved communication services
- iv. Community Benefits Rating 40 pts.
- Provides for needs of local residents
  - Reduces need to seek services outside local area
  - Enhances the placemaking elements in the area
  - Supports or encourages tourism
- v. Direct Impact to City Rating 40 pts.
- Property taxation
  - Cost to provide infrastructure services
  - Highest and Best/Efficient use of City land
  - Price paid for City land
  - Leverage public and/or private funding
  - Sustainable, financially sound business model

d. City Commission is not bound to accept any proposal; and, may accept a proposal in whole or in part.

e. Transfer of the land will be made contingent on project implementation and construction as per proposal.

f. Provision for transfer of the land back to the City based upon project timelines not being met will be considered.

g. In accordance with the **Home Rule City Act** (?) the City must receive market value for land sales.

### **3. Eligibility of Property for Sale**

a. City Commission shall investigate and verify ownership and eligibility of property before offering land

or other property for sale. Ownership and eligibility will be determined by the completion of a title search where possible, or through the purchase of title insurance. A survey may be required to complete this process.

b. City Commission shall request a valuation of the property to be sold which may be based on the assessed or appraised value of the property. However if the property is to be sold without bidding, City Commission shall request a written appraisal of the property, the same to be prepared by a qualified land appraiser.

c. All sales of City property shall be in accordance with the provisions set out in **the Home Rule City Act** (?) for the sale of City land.

#### **4. Terms of Sale**

a. All deeds for the sale of City lands shall be Quit Claim or Warranty Deed subject to any easements, recorded deed restrictions, rights-of-ways, and public roads on or over the lands.

b. In addition to the purchase price, the purchaser shall pay the City on or before the closing date the following:

- i. the expenses of the City in searching the title of the subject property and/or purchase of title insurance;
- ii. the expenses of the City in surveying the property, when required;
- iii. the deed transfer tax on the sale;
- iv. any property taxes owed on the parcel
- v. the recording fees for the deed;
- vi. the postage expenses; and,
- vii. the expenses of the City in arriving at the valuation of the property.

c. The purchaser must, prior to the sale, agree to comply with all the Federal, State and Local Laws, including City Ordinances and regulations in his/her use of the lands purchased.

d. Closing date for the sale shall be within thirty (30) days of the date of notification of final City expenses of sale.

#### **5. Procedures on Bidding**

a. All bids for the purchase of property shall be accompanied by a deposit equal to ten percent (10%) of the bid price, or such other amount as the City Commission may have determined. The deposit shall be in the form of a certified check, cash or money order. Failure to enclose the required deposit will result in rejection of the bid.

b. The City reserves the right to reject any or all bids received. Should the City Commission decide that it is in the best interest of the City to retain the subject property, the bidders shall have no claim against the City.

c. Only those bids received on or before the deadline date advertised for the submission of bids will be considered by City Commission or its authorized representative.

d. If a bid is withdrawn following acceptance by City Commission or its authorized representative, the accepted bidder's deposit shall be forfeited to and retained by the City as liquidated damages, with the City Commission reserving the right to proceed against the bidder for additional expenses and damages incurred and the bid being deemed as having not been received.

e. The City accepts no responsibility for damage to the subject property after the date of notification of acceptance of bid to the successful bidder.

## 6. Waiver of Policy

a. This policy may be waived by a majority vote of City Commission if:

i. A request is received to purchase the land by family members of the last known owner of the property prior to its acquisition by the City.

ii. A request is received from an adjacent landowner and the size of the subject property is less than \_\_\_\_\_ acre.

iii. The City Commission deems that the public interest appears to be better served accepting the initial offer without bidding.

iv. A fair and reasonable price is received in accordance with the Terms of Sale for City property.

v. The valuation received shall be in accordance with the Eligibility of Property for Sale section of this policy when determining the price of the property to be sold.

vi. All sales of City property shall be in accordance with the provisions set out in the **Home Rule City** (?) Act for the sale of City land.

vii. A request is received for the purchase of a parcel of City land and upon review the parcel requested is not required for a City purpose but is considered to be strategic in location for economic development purposes then City Commission may, by majority vote, waive this policy to sell by public bid. In lieu of the public bid process City Commission may instead request proposals in accordance with the Request for Proposals section of this policy which establishes the requirements of the proposal and criteria for evaluation.

## 7. Limits of Responsibility

a. The sale of City property shall be without warranty as to its completeness or condition, its accessibility

or its suitability for intended use of the purchaser. This shall apply to land, equipment, vehicles, buildings or any other property offered for sale by the City of Traverse City.

a. All property to be sold, shall be sold **“AS IS, WHERE IS”**.

DRAFT