

Carnegie Building/City Assets Ad Hoc Committee



Monday, July 27, 2015

10:00 a.m.

Governmental Center - 400 Boardman Avenue

Second Floor Committee Room

Traverse City, MI 49684

Posted and Published: July 23, 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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Agenda

1. Roll Call
2. Consider Approval of Minutes from June 30, 2015 meeting
3. Discussion on Status of Carnegie Building Property
4. Consider Recommendation to City Commission for Extension of Ad Hoc (expires August 18, 2015)
5. Update on NAGPRA Compliance for the Con Foster Collection
6. Discussion on Process for Disposition of City Assets
 - a. Review Draft Policy
7. Public Comment
8. Adjournment

Next Meeting Date:

City Commission Ad Hoc Committee
Carnegie Building/City Asset Discussion

Minutes

Meeting of June 30, 2015

A meeting of the City Commission Ad Hoc Committee: Carnegie Building/City Asset Discussion was called to order on Friday, June 30, 2015 at 2:31 p.m. in the 2nd Floor Training 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, Assistant City Manager

1. The first item being: "Consideration of approving the minutes from the June 12, 2015, meeting."

It was moved by Richardson, seconded by Howe, to approve the minutes from the meeting of June 12, 2015.

CARRIED unanimously.

2. Next item being, "Update on NAGPRA Compliance of Con Foster Collection."

General discussion took place with an update by Penny Hill regarding a suggested process of the NAGPRA Compliance.

3. Next item, "Discussion of process for disposition of City assets."

General discussion took place of the review draft policy and suggested revisions.

4. Next item, "Discussion on Process for Disposition of City Assets (a) Review draft policy."

General discussion took place regarding the draft policy and process for the disposition of City assets. Ad hoc members will send in suggestions to be considered at the next meeting.

5. Next item, "Public Comment."

None.

There being no objection, Commissioner Easterday declared the meeting adjourned at 4:03 p.m.

Commissioner Gary Howe
Designated Secretary

Next meetings to be determined.

All meetings are held in the 2nd 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@traversecitymi.gov.

PROPOSAL FOR INVENTORY, USE, AND DISPOSAL OF CITY-OWNED PROPERTY

WORKING DRAFT

~~07-02-2015~~07/27/2015

MISSION:

City-owned real property should be necessary for the functioning of City Government, in that it enables that government to serve the collective needs of the citizens of Traverse City. If City-owned property is not necessary for the functioning of City Government, it should serve a public purpose benefitting the citizens of the City.

INTENT AND PURPOSE:

- To coordinate asset management across multiple citywide uses that *sustainably* meet the needs of the community. ~~in a sustainable and long term manner~~
- To implement long term *needs and community planning recommendations of approved Planning documents (Master Plan, Bayfront Plan, Corridor Plan, Parks & Recreation Plan, etc.)*
- To ~~develop~~*provide* a consistent approach and ~~guide~~ decision making *process towards for the City's* asset management

HIERARCHY OF USES OF CITY PROPERTY:

The best possible use for surplus or under-utilized city-owned property is achieved by evaluating options for their economic, social, and environmental public benefit. This is achieved by evaluating against a prioritization of needs that fall within the overarching responsibility of protecting and improving "public health, safety, and welfare".

1. Necessary for the functioning of City Government
 - a) Emergency Services *Public Safety* use – police, fire, medical response
 - b) General government use – ~~offices~~ *Operations* (City Clerk, City Treasurer, etc.), meeting rooms, areas reserved for necessary direct public interaction
 - c) General government use – ~~necessary for the placement of p~~*Public i*nfrastucture (water, sewer, storm, streets, etc.)
 - d) General governmental use - ~~support for p~~*Public s*ervices (workshops, garages, warehouses, storage yards, etc.)
2. Property that serves a public purpose (administered by government)
 - a) Transportation facilities – streets, sidewalks, ~~recreation trails~~
 - b) Parks/Recreational facilities
 - c) Parking ~~structures, parking lots, public parking spaces~~ *facilities*
 - d) Historic and cultural sites & facilities
 - e) Environmentally sensitive areas (*steep slopes, riverbanks, wetlands, coastline*)

3. Property that serves a public purpose (administered by others – usually a non-profit organization)

- a) Historic and cultural sites & facilities
- b) Recreational programming
- c) Property Repurposed by others
- ↔d) *Housing/Shelter*

4. Property that could serve a non-public purpose

- a) Property available for redevelopment that could serve a public goal
- b) Property available for redevelopment that could be sold for private use

GOALS FOR PROPERTY DEEMED SURPLUS OR EXPENDABLE:

1. If city-owned property is available for disposition, the first choice for redevelopment should serve a public purpose benefitting the citizens of the City, such as
 - Other governmental unit purposes (*i.e.*, County, Townships), *an affordable housing program, or use by a non-profit for a public or quasi-public purpose.*
 - ~~Affordable housing~~
 - ~~Use by a non-profit for a public or quasi-public purpose~~
2. If ~~this a public purpose~~ is not feasible or suitable for a subject property, then the property should be sold *for a market use*. In the instance of a sale, proceeds of the sale could be sequestered and used for future projects.

~~All of this~~ *Consideration of property transfer* would be after a thorough vetting and analysis of the City's needs for the property. If no such need (current or future) exists, then a disposition scenario should be activated, rooted firmly in *eCity* goals.

PORTFOLIO PLAN:

A Portfolio Plan shall be maintained for all City-owned property. Each portfolio shall include the following information.

1. **Classification**-Each property shall be classified as
 - a) Governmental: Necessary for the function of City government or to meet City Charter requirements (fire, administrative offices, parkland, service yards)
 - b) Public Purpose- Administered by City: Used to provide service directly to the public (Carnegie Building, Parks, Marina). These properties could be
 - leased at market rate or comparable leasehold investment OR
 - leased at lower than market based on public benefit

- c) **Public Purpose- Administered by Others:** Used to provide service directly to the public and/or would otherwise require investment of City resources (Senior Center, Clinch Park Concessions, Hickory Hills Concessions, Opera House, Bijou). These properties could be
 - leased at market rate or comparable leasehold investment OR
 - leased at lower than market based on public benefit
- d) **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. **Condition**-Scaled as follows:

- Excellent – in “like new” condition and/or high quality materials used
- Good – no remedial work is ~~recommended~~*required*
- Average – system is aging, but building services are functional and no remedial work is recommended
- Fair – system is aging and/or minor remedial work is recommended
- Poor – replacement or major remedial work is recommended

The most recent real estate appraisal of the property will be included.

3. **Status**-Additional detail pertinent to any use of the property. This should include

- a) Current zoning and property type (TCL&P, administrative offices)
- b) Lease status
- c) Leasehold conditions and/or deed restrictions, park land or charter restrictions
- d) Details of any financial arrangements such as funding/construction agreements, management agreements, etc.
- e) Details of any known environmental conditions/concerns, such as wetlands, environmental contamination, sensitive shoreline, protected habitat, etc.

4. **Public/Private Partnership**-this includes properties that may be physically and/or financially difficult to (re)develop, but that have been identified as important for overall community improvement. A public/private partnership may provide additional financial resources and/or alternatives for (re)development.

5. **Not-for-Profit Plan**-This includes any properties leased to a non-profit ~~at lower than market based on public benefit~~. This should include

- 1. Value of property and type of contract (lease, management agreement)
- 2. *SAny* services provided by the City as part of the lease agreement (Maintenance, parking patrol, utilities)
- 3. Summary of business case for each agreement (Bijou, Carnegie, TCOH)

When a request for proposal is received or inquiry made, the interested party shall be directed to the City Manager. The City Manager will utilize the Portfolio Plan to refer the inquiry as appropriate.

The status of the property shall direct next steps in the process. The applicant will also be made aware of the potential steps in the process that should be addressed in the proposal. This may or may not include items such as zoning/ordinance requirements, financial statements, bidding process, and contract requirements (bonds, insurance, professional services required for engineer, architect, contractor).

Based on portfolio plan the following questions will be addressed

Need-

- Does the program address a substantiated community need?
- Does the program have the potential to provide community benefit?
- Does the program address an unmet community need?
- Are similar services currently provided?

Community Support/Partners-

- Does the program have the support of actual/potential community partners?

Organizational Documents-

- Does the program meet City Charter requirements?
- Will the program advance the City's Master Plan? Related planning documents?
- Does the program meet the City's mission, vision, strategic plan?

Organizational Capacity-

- Does the City have the human and material resources to deliver the program?
- How will the program affect the City's financial position?
- If pursued, how will other activities or priorities be affected?

All submitted proposals shall be fully vetted by the appropriate City Committee or City Staff before any presentation to the City Commission. This information will be provided the Commission at the time of the presentation. Additional consideration that may be addressed in deliberations by the Committee/Commission should include

What is the best public benefit this property can provide our citizens?

Does the proposed use

- Are there competing public benefits?
- Provide public access?
- Leverage public and/or private funding?
- Provide quantifiable economic impact? Public benefit?
- Provide a financially stable model?
- Require additional public funding or subsidy?