

Carnegie Building/City Assets Ad Hoc Committee



8:30 a.m.

Wednesday, December 17, 2014

Governmental Center - 400 Boardman Avenue

Second Floor Committee Room

Recess, then Reconvening at Crooked Tree Art Center

461 E. Mitchell Street, Petoskey, MI

Traverse City, MI 49684

Posted and Published: December 15, 2014

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 November 19, 2014 meeting
3. Discussion regarding proposed lease terms with Crooked Tree Arts Center and the History Center
4. Recess for travel to Petoskey
5. Reconvene, Site visit to Crooked Tree Arts Center, Petoskey
6. Public Comment
7. Adjournment

**City Commission Ad Hoc Committee
Carnegie Building/City Asset Discussion
Minutes
Meeting of November 19, 2014**

A meeting of the City Commission Ad Hoc Committee: Carnegie Building/City Asset Discussion was called to order on Monday, November 19, 2014 at 10:00 a.m. in the 2nd 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: Jered Ottenwess, Penny Hill, David Green, Lauren Vaughn, and Rob Bacigalupi.

1. The first item being: "Consideration of approving the minutes from the meeting of November 3, 2014."

It was moved by Howe, seconded by Easterday, to approve the minutes from the meeting of November 3, 2014."

CARRIED unanimously.

2. Next item being, "Update on Status of Leases/Agreements."

A general update was given by City Manager Jered Ottenwess regarding various proposed leases for use of the History Center/Carnegie Building.

3. Next item being, "Update on site visit meetings."

By consensus, City staff would seek direction on this.

4. Next item being, "Consider making recommendations regarding proposals from Crooked Tree Art Center and History Center."

General discussion took place regarding a recommendation of proposals.

5. Next item, "Public Comment."

- Bruce Wiggen - Peninsula Township, Board Chair of History Center
- Liz Ahrens - Petoskey, Crooked Tree Art Center
- Maddie Lundy - Executive Director of History Center
- Dick Teubert - 4586 Paper Birch Lane
- T. Michael Jackson - 217 6th Street
- Paul LaPorte - Peninsula Township, Crooked Tree Art Center
- Richard Fidler - 525 Riverine Dr.

- Rob Bacigalupi - DDA Executive Director
- John Noonan - 908 S. Union St.
- Mary Gillett - 1800 Wayne St.
- Carol Hale - 240 Washington #12
- Robin Fraser - Indian Blvd. East Bay Township
- Marlis Hason - Long Lake Township

It was moved by Howe, seconded by Richardson to move forward within a broad framework base on the City Manager's memo dated November 17, 2014.

CARRIED unanimously.

It was moved by Richardson, seconded by Howe to authorize the City Manager to extended the History Center Access Agreement for 60 days beyond January 1, with 30 days renewal option.

CARRIED Unanimously.

6. Next item being "Discussion regarding building disposition/asset management policy."

By consensus this item would be tabled for a future meeting.

There being no objection, Commissioner Easterday declared the meeting adjourned at 11:31 a.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.

Memorandum

The City of Traverse City

Office of the City Manager



TO: CARNEGIE BUILDING/CITY ASSETS AD HOC COMMITTEE

FROM: ⁵⁹JERED OTTENWESS, CITY MANAGER

DATE: DECEMBER 8, 2014

SUBJECT: OUTLINE OF LEASE TERMS WITH HISTORY CENTER AND CROOKED TREE

The City Commission passed a motion on December 1, 2014 to authorize me to move forward with developing non-exclusive lease agreements for use of the Carnegie Building with the History Center and Crooked Tree based on my proposal that was reviewed and forwarded to the City Commission by the Ad Hoc.

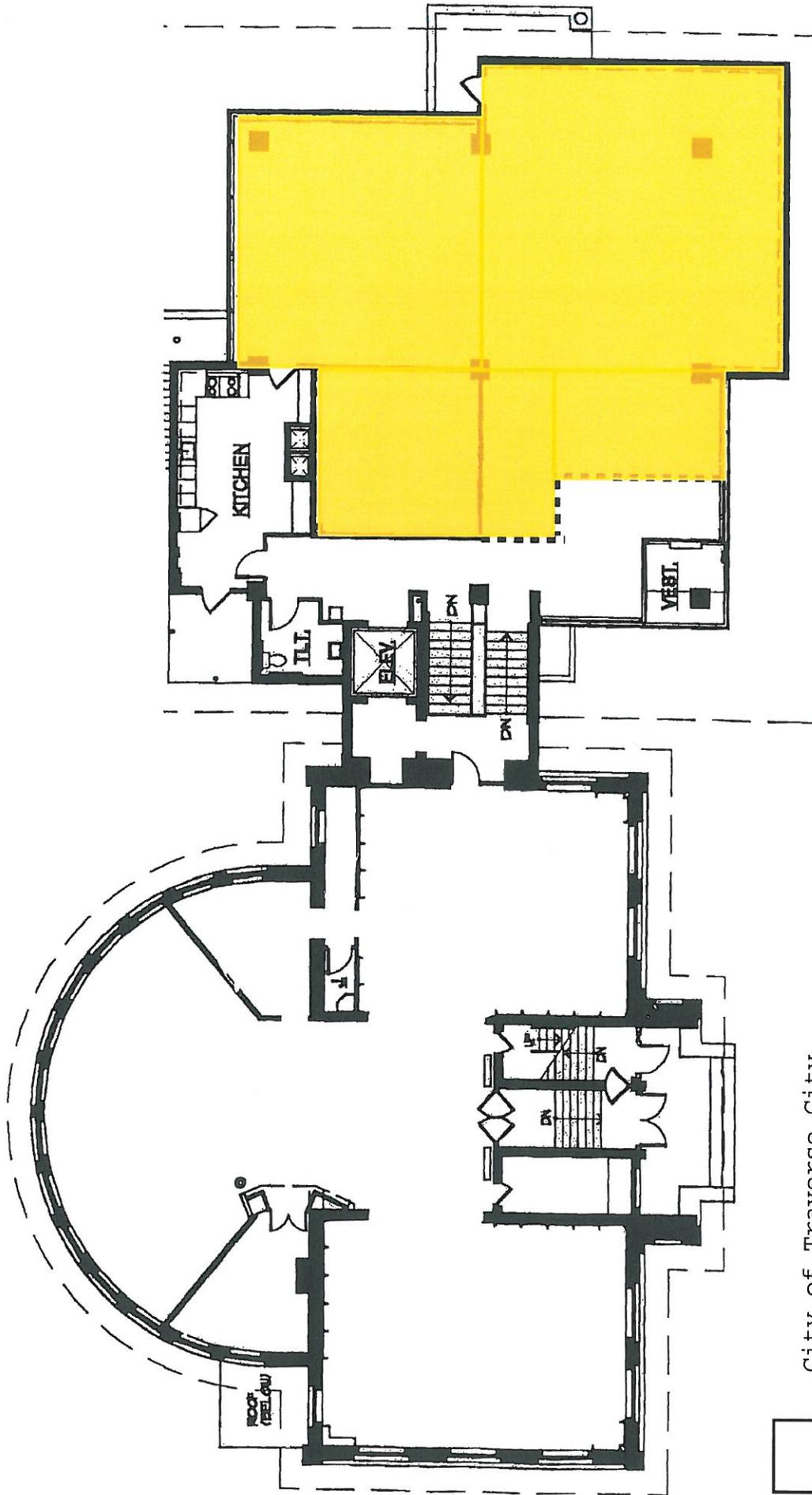
City staff met recently with representatives from the History Center and Crooked Tree, Maddie Lundy and Liz Ahrens, to discuss these terms. We agreed to several primary points that I would like the Ad Hoc to discuss and provide feedback:

- The use of the building would be split into three areas as depicted on the attached floor plan: (1) City-controlled and common areas, (2) History Center, and (3) Crooked Tree.
- City would maintain control of the upper level of the older, Carnegie portion of building with uses yet to be determined. Special events or exhibits could be held by the History Center, Crooked Tree, or other third parties in the City-controlled portion of the building, which would be governed by separate agreements. The City should consider an event management agreement and policy for use of the space moving forward. Specific functions or events that could be held in the City-controlled portion of the building are still open questions.
- Annual lease payments would be \$25,000 for Crooked Tree and \$9,000 for the History Center, totaling \$34,000 annually to the City. Utilities would be included in the lease amount. These lease payments represent the maximum amount that History Center and Crooked Tree would agree to pay.
- City to pay for all utilities and building maintenance including HVAC and other building systems (i.e. utilities would remain in City's name). City would be responsible for cleaning common areas only.
- History Center and Crooked Tree would pay for all improvements to the building such as signage, painting, special lighting, etc. which may be required to serve their specific use of the building.

- Deaccession and/or management of the Con Foster Collection for the purposes of historical exhibits would be handled through separate agreements. The History Center has proposed (in their June 2014 proposal) a \$26,000 fee for management of the Con Foster collection to inventory, accession, and display. The History Center recently submitted a proposal to deaccession and manage the collection for a cost of \$62,500 per contracted year.
- The building would no longer be able to accommodate organizations that have previously had leases with the History Center: Railroad Historical Society, Rock and Mineral Club, Women's History Project, University Women. The areas leased by these organizations would be under lease with Crooked Tree.
- Carnegie Building will still serve as polling location for Precinct 3.
- Festival of Trains would still be held in their current location in 2015 and the City would work with FOT to hold the event in the Carnegie portion of the building in future years pursuant to an agreement between the FOT and the City, with a portion of revenue from the event accruing to the City.

Staff has been exploring the possibility of entering into separate agreements for event and facility management. Those efforts are preliminary, but represent the opportunity to generate additional revenue through special events as well as provide professional facilities management where staff does not currently have the time or expertise for that function.

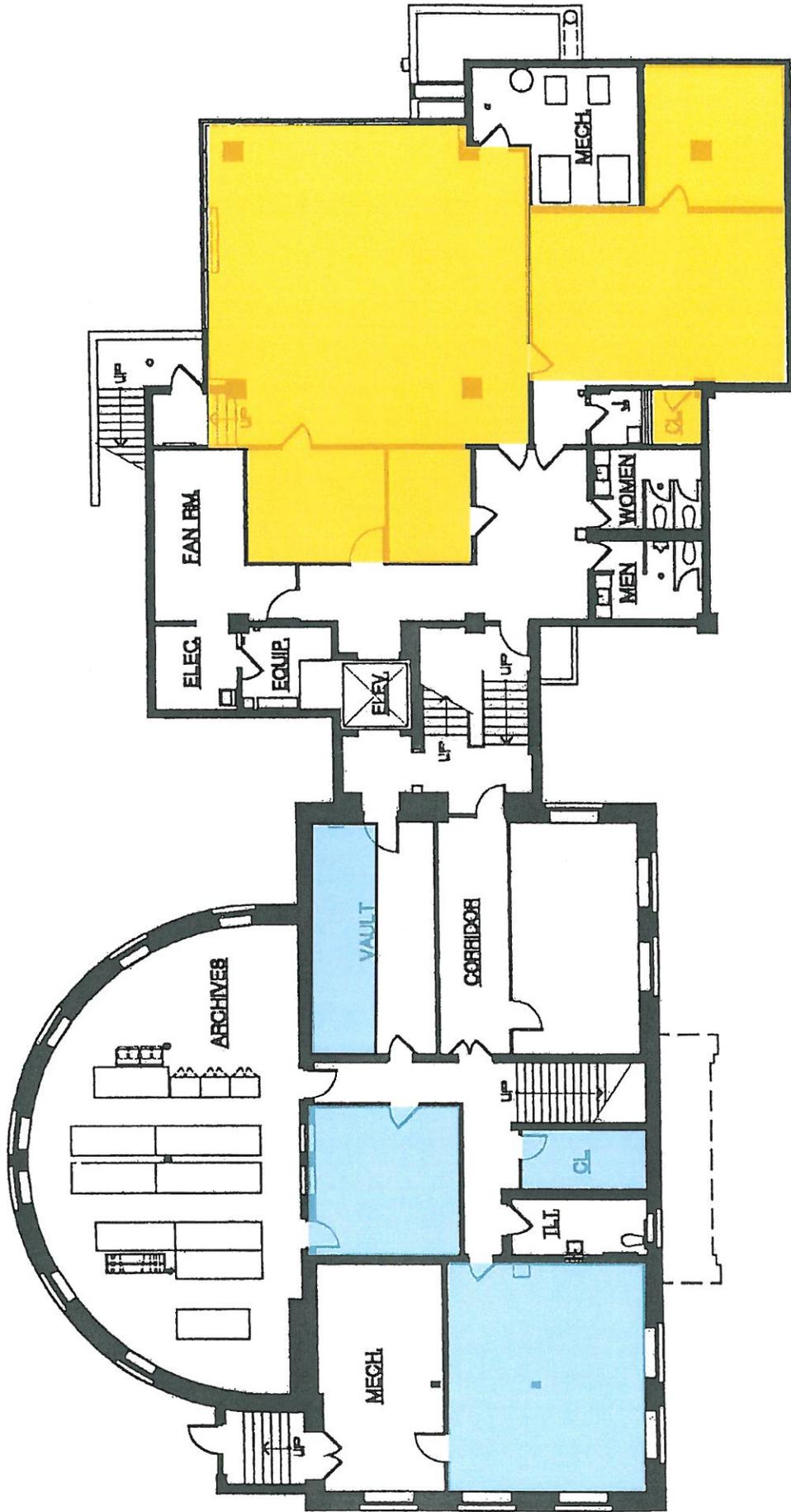
Once the Carnegie Ad Hoc Committee has discussed the proposed lease terms and comes to a consensus regarding the proposed terms, I suggest the next step would be to bring the concepts forward to the City Commission for its review and discussion. After the City Commission comes to a consensus regarding the proposed terms, a lease incorporating those terms would be drafted by City staff for final approval by the City Commission, the Crooked Tree Arts Center Board of Directors, and the History Center Board of Directors.



-  City of Traverse City
-  Crooked Tree Arts Center
-  History Center

GRAND TRAVERSE HERITAGE CENTER
MAIN LEVEL FLOOR PLAN





City of Traverse City

Crooked Tree Arts Center

History Center

GRAND TRAVERSE HERITAGE CENTER
LOWER LEVEL FLOOR PLAN

