



The City of Traverse City

## Communication to the City Commission

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FOR THE CITY COMMISSION MEETING OF SEPTEMBER 15, 2014

DATE: SEPTEMBER 15, 2014

FROM: City Commission Ad Hoc Committee for Carnegie Building:  
Commissioner Jeanine Easterday, Chair   
Commissioner Gary Howe  
Commissioner Ross Richardson

SUBJECT: RECOMMENDATION – CITY COMMISSION AD HOC  
COMMITTEE FOR CARNEGIE BUILDING

In light of the financial problems facing the History Center and their Board of Directors' recent decision to terminate the Management and Lease Agreement for the Carnegie Building, the Carnegie Building Ad Hoc Committee addressed the immediate needs of the Building at our September 12, 2014 meeting. After thorough discussion, which included representatives from the History Center – Steve Morris, Treasurer and Maddie Lundy, Acting Executive Director – the Ad Hoc Committee passed a motion to assume direct costs of maintaining the Building not to exceed \$12,250 for the remainder of the year, 2014.

The \$12,250 figure represents anticipated fourth quarter costs of utilities and direct costs for maintaining the Building and Con Foster Collection. The City would be responsible for paying the bulk of these costs if the Management and Lease Agreement is terminated. In addition, staff time and resources would be required for management and direct oversight of the Building and Collection.

The discussion at the Ad Hoc Committee meeting focused on several key points that led to the motion:

- The City would be responsible for direct costs to maintain the building and collection if the Management and Lease Agreement is terminated.
- Other organizations that utilize and rent the building may be negatively impacted if the Management and Lease Agreement is terminated. These

organizations included the Railroad Historical Society of Northwest Michigan, Grand Traverse Area Rock and Mineral Club, Women's History Project of Northwest Michigan, and the American Association of University Women. The Railroad Historical Society works in collaboration with the Northern Michigan Railroad Club to display historical documents during the Festival of Trains in December. The City would be in a position of having to coordinate/negotiate use directly with these organizations.

- The City paying direct costs to maintain the building and collection will give the Ad Hoc Committee more time to make a recommendation regarding future use of the Carnegie Building while the current function and use of the Building can continue without interruption or direct oversight by City staff.

If the City Commission as a whole agrees with the Ad Hoc recommendation the following motion would be in order (5 affirmative votes required):

**that the City Manager be authorized to pay direct costs incurred by the History Center for elevator maintenance and inspections, safety and security system, cleaning and janitorial services, landscaping and irrigation, natural gas and electric utilities, and storage and transportation costs related to operations and maintenance for the City-owned Carnegie Building and Con Foster Collection for the period October 1, 2014 through December 31, 2014 with a cost not to exceed \$12,250 with funds available in the General Fund.**