



The City of Traverse City

Communication to the City Commission

FOR THE CITY COMMISSION MEETING OF JANUARY 17, 2017

DATE: JANUARY 12, 2017

FROM: *mc*
MARTY COLBURN, CITY MANAGER

SUBJECT: LEASE AGREEMENT WITH CROOKED TREE ARTS COUNCIL –
FOR SPACE IN CARNEGIE BUILDING

The City has a lease agreement with Crooked Tree Arts Council for it to utilize space within the City-owned Carnegie Building. Two years ago, when the Commission was discussing utilization of this City asset, this lease was originally negotiated through an ad hoc committee of the City Commission.

Attached is a memo from Assistant City Manager Penny Hill with a recommendation that the lease be extended for two years from its current expiration, which would bring the new expiration date to March 14, 2020. Other clarifications are outlined in the attached memo.

I recommend the following motion (5 affirmative votes required):

that the Mayor and City Clerk execute an amendment to the lease with Crooked Tree Arts Council (originally authorized March 2, 2015, and amended April 18, 2016), for lease of space in the City-owned Carnegie Building at 322 Sixth Street, which extends the lease to March 14, 2020, and makes other modifications as outlined in the January 9, 2017, communication from the Assistant City Manager, such amendment subject to approval as to its substance by the City Manager and its form by the City Attorney.

MC/bcm

K:\tcclerk\city commission\agreements\carnegie bldg. lease amendment 20170117

Memorandum

The City of Traverse City
City Manager's Office



TO: Martin Colburn, City Manager

COPY: Lauren Tribble-Laucht, City Attorney
Benjamin Marentette, City Clerk
Dave Green, DPS Director

FROM: Penny Hill, Assistant City Manager

A handwritten signature in black ink, appearing to read "Penny Hill".

DATE: January 9, 2017

RE: Amendment No. 1 to Lease of Space in Carnegie Building
Crooked Tree Arts Council, Inc.

Background:

The City has received a request from the Crooked Tree Arts Council, Inc. (CTAC) for a two (2) year extension of their existing lease, which currently expires on March 14, 2018, and for some minor amendments to the lease. If approved, the amended lease would expire on March 14, 2020. The reason for the extension is to enable CTAC to schedule out and commit to future exhibits for 2018, 2019, and 2020.

Recommended changes to current lease provisions include:

1. Term: **extend** for an additional two years, expiring March 14, 2020
2. Use of Premises:
 - a) **change to clarify** that the polling location/precinct days of use by the City will commence from 12:00 noon the day before election day to 12:00 noon the day following election day
 - b) **change to clarify** that, during the Festival of Trains event, only the Rotunda and Reception area are available for use by CTAC, and not the entire upper level of the Carnegie Building that is outlined in the current lease agreement. (The West Gallery has displays and cabinets from the Con Foster collection in it, so it is not available for use by CTAC, and the East Gallery is used by the Festival of Trains for its displays during the event, so it is not available for use by CTAC.)

c) *for 2017 only and on a trial basis*, allow CTAC to utilize the Rotunda, Reception Area and East Gallery on the dates and times on the attached list in lieu of utilizing the entire upper Carnegie during the Festival of Trains event. It is recommended that the City Manager be authorized to extend the arrangement (for the substitution of days) for two (2) one year periods, with mutually agreed upon dates for substitution rather than the dates that the Festival of Trains event is held if this trial arrangement works out for both the City and CTAC. In any event, the number of dates for substitution will not exceed the number of dates that the Festival of Trains event is held. Under this provision, in addition to providing a list of dates, CTAC will still need to follow the Carnegie Building Room Use Policy and apply individually for the requested dates.

All other provisions of the current lease are to remain the same.

Recommendation:

It is recommended that the terms of the lease as outlined above be incorporated into Amendment No. 1 to the Lease Agreement between the City of Traverse City and the Crooked Tree Arts Council, Inc., and be considered for approval at the next available Regular City Commission Meeting, currently scheduled for January 17, 2017.



Katelynne Garavaglia <kgaravaglia@traversecitymi.gov>

Amendment to Lease Agreement w/ Crooked Tree Arts Council for Carnegie Building

Katelynne Garavaglia <kgaravaglia@traversecitymi.gov>

Thu, Jan 19, 2017 at 10:56 AM

Draft To: Penny Hill <phill@traversecitymi.gov>, Julie Dalton <jdalton@traversecitymi.gov>

Cc: Benjamin Marentette <bmarente@traversecitymi.gov>

Hello,

As you are probably aware, on Tuesday night, the City Commission executed an amendment to the lease with Crooked Tree Arts Council for space leased in the City-owned Carnegie Building. Below is the motion passed:

"that the Mayor and City Clerk execute an amendment to the lease with Crooked Tree Arts Council (originally authorized March 2, 2015, and amended April 18, 2016), for lease of space in the City-owned Carnegie Building at 322 Sixth Street, which extends the lease to March 14, 2020, and makes other modifications as outlined in the January 9, 2017, communication from the Assistant City Manager, such amendment subject to approval as to its substance by the City Manager and its form by the City attorney."

Please proceed accordingly with this agreement. Once it is ready, please give it to the Clerk's Office for final review and signature.

Let me know if you have any questions.

Thank you,

Katy Garavaglia

Administrative Specialist | City Clerk's Office | City of Traverse City

400 Boardman Ave. | Traverse City, Michigan 49684

kgaravaglia@traversecitymi.gov | www.traversecitymi.gov/city-clerk

O: 231.922.4480 | F: 231.922.4485

FOLLOW TRAVERSE CITY!



FIRST AMENDMENT TO LEASE AGREEMENT

This First Amendment ("Amendment") to the Lease Agreement dated March 2, 2015 (the "Agreement") by and between the CITY OF TRAVERSE CITY, a Michigan municipal corporation, whose address is 400 Boardman Avenue, Traverse City, Michigan 49684 (the "City") and CROOKED TREE ARTS COUNCIL, INC., a Michigan Nonprofit corporation, of 461 East Mitchell, Petoskey, Michigan 49770 (the "Tenant"), is made this 17 day of January, 2017.

The parties hereby agree to amend the Agreement in the following manner:

2. Term. The term of this Lease shall commence on March 15, 2015 and continue through March 14, 2020.

6. Use of Premises.

a. Tenant shall use and occupy the Premises for a community arts center offering services including exhibits, concerts, classes, lectures, and special events, and shall not use the Premises for any other purpose without the prior written consent of the Landlord. The Premises shall be open to the public during all hours of operation; generally public hours of operation shall be Monday through Saturday, 10:00am through 5:00pm. In general tickets for any ticketed events shall be made available to the general public for purchase.

b. Tenant acknowledges that it has made its own determination as to the suitability of the Premises for this use, and that the Landlord has made no representations with respect thereto. Tenant agrees that its use and occupancy shall conform in all respects to all applicable statutes, ordinances, rules, regulations and orders. Tenant shall not cause or permit any unsafe, offensive or obnoxious activity or public nuisance on the Premises.

c. Tenant hereby expressly agrees that the Building will continue to serve as a polling location/precinct for elections. Elections will be held as required by applicable law, which is currently every year on the Tuesday following the first Monday of the month of November; and in even years, the first Tuesday following the first Monday of the month of August; and it is possible an election may be held on this day in odd years. The Tuesday following the first Monday in May each year is a possible special election date. Should the State of Michigan prescribe an alternative election day(s) the Building shall serve as a polling location/precinct for such election(s). Use as a polling location/precinct by the Landlord shall commence on 12:00pm the day preceding the election and continue until 12:00pm the day following the election. Whenever the Building is serving as a polling location/precinct for elections Landlord's use for that purpose shall take precedence over any rights or interests of the Tenant under this Lease.

d. During the annual Festival of Trains event Landlord shall have use of the Carnegie Side of the Building except for the Rotunda and Reception area (as depicted in **Exhibit B**, attached hereto and made a part hereof). The Reception and Rotunda areas may continue to be used by the Tenant during the Festival of Trains event, which has traditionally been held in December and January each year. During the Festival of Trains event Tenant may use the Rotunda and Reception areas of the Carnegie portion of the

Building in the same manner as it would otherwise be entitled to use the Premises according to the terms of this Lease. During the run of the Festival of Trains, Tenant will not be responsible for cleaning the bathrooms, hallways, kitchen or Upper Cornwell spaces.

e. On the following listed dates (the "Alternative-Use Dates") the Tenant may use the Rotunda, Reception and East Gallery areas identified on **Exhibit B** in lieu of utilizing the entire upper Carnegie area during the Festival of Trains event.

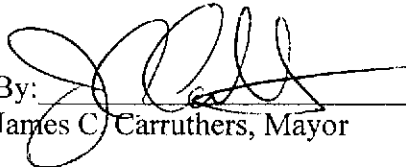
Tuesday, January 24, 2017
Friday, February 17, 2017
Saturday, February 18, 2017
Tuesday, February 21, 2017
Monday, March 13, 2017
Tuesday, March 21, 2017
Friday, April 7, 2017
Saturday, April 8, 2017
Tuesday, April 25, 2017
Tuesday, May 23, 2017
Tuesday, June 20, 2017
Tuesday, July 25, 2017
Saturday, August 19, 2017
Tuesday, August 22, 2017
Tuesday, September 19, 2017
Tuesday, October 24, 2017
Tuesday, November 14, 2017
Friday, November 17, 2017
Saturday, November 18, 2017

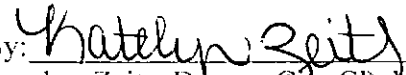
This Alternative-Use Dates arrangement shall be on a trial basis for the 2017 year. Upon mutual agreement of the parties, the Alternative-Use Dates arrangement may be extended by the City Manager in his sole discretion for two(2) one-year periods, with specific dates for alternative-use to be determined prior to January 1 of the applicable year. The number of Alternative-Use Dates shall not exceed the number of dates that the Festival of Trains occupies the Building. In addition to providing the list of requested Alternative-Use Dates to Landlord, Tenant shall comply with the Carnegie Building Room Use Policy and apply for each individually requested Alternative-Use Dates pursuant to that Policy.

All other terms and conditions of the Agreement shall remain unchanged and in full force and effect.

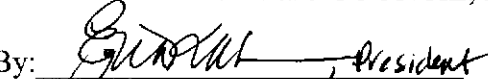
IN WITNESS WHEREOF, the parties hereto have executed this Amendment on the date and year first above written.

THE CITY OF TRAVERSE CITY

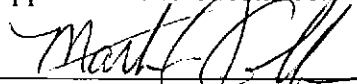
By: 
James C. Carruthers, Mayor

By: 
Katelyn Zeits, Deputy City Clerk

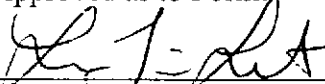
CROOKED TREE ARTS COUNCIL, INC.

By: , President
Its: President

Approved as to Substance:


Martin A. Colburn, City Manager

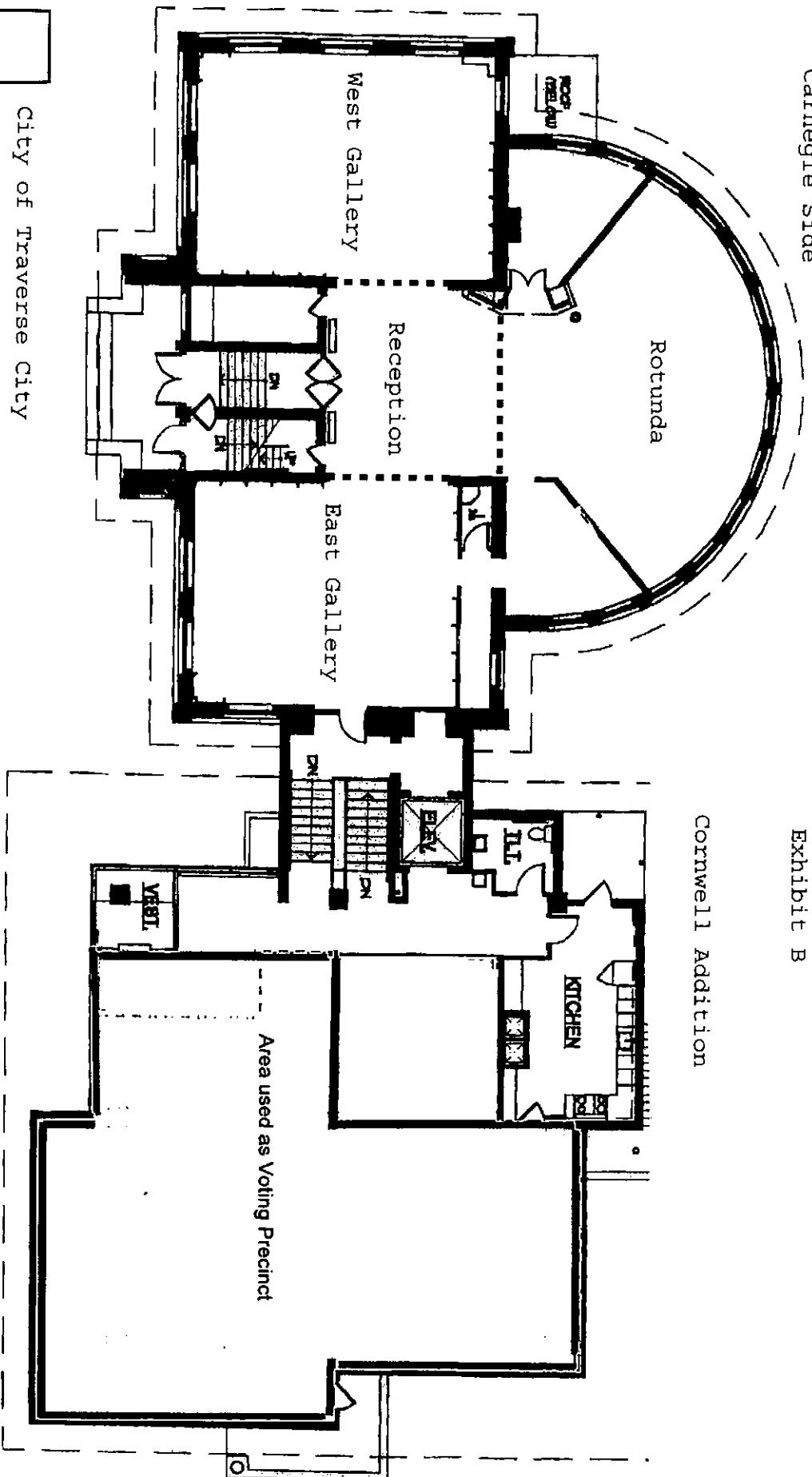
Approved as to Form:


Lauren Frible-Laucht, City Attorney

Carnegie Side

Exhibit B

Cornwell Addition



- City of Traverse City
- Crooked Tree Arts Center
- Area Used As Voting Precinct

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



Memorandum

The City of Traverse City



TO: Deputy City Clerk Procedure Manual
FROM: Benjamin Marentette, City Clerk
DATE: Revised 12/18/14 & 12/27/2016
SUBJECT: DEPUTY CITY CLERK PROCEDURE AGREEMENTS, CONTRACTS,
LEASES AUTHORIZED BY CITY COMMISSION

Prior to City Clerk signature:

- Review the Outstanding Contracts/Agreements checklist to see if there are any special things to handle/note before City Clerk signs.
- Complete *Contract Examination Checklist*.

Recommended for signature by: Yvonne Zeitl

Before filing:

- Review contract for any unique terms which may need to be calendared or require any other special attention that our office needs to track – update contract calendar file spreadsheet (i.e. Term/Renewal Dates) K:\tcclerk\contract calendarfile_insurance_depcityclerk
- For property acquisitions or sales, confer with the City Clerk on any items (financial or other performance requirements) that need to be tracked and how he would like that handled.
- If another party is supposed to pay us a certain sum, send email to City Treasurer/Finance Director, cc City Clerk, for Treasurer's Office to bill.
- If applicable, update spreadsheet to remove reference to earlier document that was superseded which no longer needs to be tracked on contract calendar file. (K:\tcclerk\contract calendarfile_insurance_depcityclerk)
- Review contract to see if city needs to add as Additional Insured on city's insurance coverage. If yes, send a copy of executed contract to Ellen Skender at MML. Also add to spreadsheet: k:\tcclerk\insurance\MML Liability and Property Pool (Additional Insured tab)

- Review contract and determine whether or not item should be added to our insurance policy for property reason, i.e. the new cemetery building being added to property coverage.
- Add to insurance portion of spreadsheet to track insurance expirations. Obtain requirements from contract. Insurance.
(K:\tcclerk\contract calendarfile_insurance_depcityclerk)
- Update Deputy City Clerk outstanding contracts spreadsheet on google – Outstanding Items to indicate that City Clerk has signed and completed (i.e. BCM signed, dated, completed)
- If an agreement is amended, go to original agreement (and amendments if applicable) in Onbase – insert sticky note stating “SEE CC ACTION [Insert Date of Agreement]”
- For an Encroachment Agreement have the following?
 - Prepared by: Include Name/Address?
 - When recorded return to: City Clerk’s Office Address? Or other?
- Executed Encroachment Agreements to the Register of Deeds. Give to Administrative Specialist for submission to Register of Deeds. Calendar for receipt and provide copy to initiating department.

For filing

- Place checklist and the document signed in the OnBase “To Be Scanned bin” with sticky note indicating the CC Packet date and agenda item. Remind Administrative Specialist to send digital copy to staff person facilitating after she has scanned.
- Send remaining two copies to the staff person facilitating.

k:\tcclerk\procedures\deputy city clerk\contracts

CONTRACT EXAMINATION CHECKLIST 2

(For Construction Contracts and Agrmts where insurance is required, see Contract Examination Checklist)

Contract

- x Name of Contract 1st amendment - Lease Agrmt - Crooked Tree Arts
- x Term of Contract 3/14/20
- x Correct City name
- x Correct Contractor name
- x Correct amount: \$ see original (conforms to minutes)
- x Date Motion Was Carried In Minutes 1/17/17

Signature Page

- x Correct City name
- x Signed by corporation/partnership
- x Verify in Motion the staff signatures required
 - x Mayor x City Clerk
 - x City Manager x City Attorney

Attachments/Specifications

- x Required attachments are attached

Other

- x There are no provisions which waive city's subrogation rights
- x Check for any special provisions (typically at back of contract).
- x Contract contains language that contractor will not discriminate against classes protected in city's non-discrimination ordinance
- x The default status of the contractor has been verified

****For a Memorandum of Agreement or Court related documents, review for issues such as spelling, wrong dates, and accuracy substantive information that is clearly stated in Commission documents** The majority of these types of documents have no formal review and do not require insurances, bonds, and general specs.**