

AGENDA REPORT

To: Mayor Pat Humphrey and the Clare City Commission
From: Ken Hibl, City Manager
Date: December 17, 2015
Regarding: Clare Depot Fire Suppression System

For the Agenda of December 21, 2015

Background To date the Clare Depot Committee has raised in excess of \$260,000 to move and rehabilitate the historic railroad depot; in-kind trade and volunteer labor amounts to more than \$86,000 since we commenced the project. The only significant cost borne by the City to date has been the purchase and demolition of the former CarQuest site – and even those funds were loaned to us by the MidMichigan Community Action Agency with a generous ten-year repayment schedule.

We are in the final two weeks of reconstructing the basement of the depot to accommodate the Clare County Arts Council. Heat, plumbing and electric are all functioning; the elevator is installed; the entire basement has been insulated, dry-walled, mudded and painted; and the grid for the drop ceiling is in place. Barring any major, unplanned challenges, the site will be move-in ready as the new Clare County Arts Council home by December 30th – our mandatory deadline to complete all this work to qualify for our last payment from the Michigan Arts Council grant.

One of the tasks completed to facilitate occupancy of the depot was the installation of a fire suppressions system at a cost of \$19K. Grant funds were not available for this portion of the project as the approved grant amount was approximately \$20K less than requested. A significant portion (\$8.5K) of the fire suppression costs will be paid by a depot supporter who desires to remain anonymous/without recognition. We ask that the City Commission approve the expenditure of funds to cover the rest (\$10.5K) of these costs.

The primary reason for this recommendation is this is a City-owned building/asset. And the primary reason for and function of the fire suppression system is to protect this City structure.

Issues & Questions Should the City Commission approve the expenditure of funds to defray a portion of the cost of installing the fire suppression system in the Clare Depot Building?

Alternatives

1. Approve the expenditure of \$10.5K to defray the remaining balance of costs for the fire suppression system.
2. Approve an amount less than \$10.5K to defray a portion of the remaining balance of costs for the fire suppression system.
3. Do not approve the expenditure of any funds for this purpose.
4. Set the decision aside to a subsequently scheduled public meeting.

Financial Impact The balance of the cost for the fire suppression system is \$10.5K.

Recommendation I recommend that the City Commission approve the recommended expenditure of \$10.5K by adoption of Resolutions 2015-145. As an alternate recommendation, I ask that the City Commission approve the loan of \$10.5K for this purpose with the caveat that the Depot Committee repay this loan from additional fund-raising efforts within the next six months. *Note:* the City Commission previously approved a \$25K loan “bank” for depot rehabilitation expenditures in the event they were needed throughout the project period. We have not asked to use or used any of these funds.

Attachment Resolution 2015-145.

RESOLUTION 2015-145

A RESOLUTION OF THE CLARE CITY COMMISSION APPROVING THE EXPENDITURE OF FUNDS TO DEFRAY A PORTION OF THE COSTS OF A FIRE SUPPRESSION SYSTEM FOR THE HISTORIC CLARE RAILROAD DEPOT.

WHEREAS, the City purchased the privately-owned, historic Clare Railroad Depot approximately twelve years ago to save the building from further deterioration and scheduled demolition; and

WHEREAS, the City did not have the funds to move the depot, which was a condition of the sale of the building, and to rehabilitate said building; and

WHEREAS, the City formed a partnership with the MidMichigan Community Action Agency (MMCAA) to assist with moving and rehabilitating said depot; and

WHEREAS, a volunteer committee was concurrently formed with oversight by the City Planning Commission to rehabilitate the depot; and

WHEREAS, said committee of volunteers, with the assistance of MMCAA and the support of the City, has raised in excess of \$260,000 in cash and has been able to generate in excess of \$86,000 of in-kind donations during the past ten-year period, thus enabling the relocation of the depot and major commencement in rehabilitating the historic building; and

WHEREAS, to protect the investment of the efforts of the rehabilitation efforts and better ensure the life of the historic building, a fire suppression system has been installed at a cost of \$19,000; and

WHEREAS, a donor who desires to remain anonymous/receive no recognition, has offered to contribute \$8,500 to defray a portion of the cost of the fire suppression, and the City Staff has recommended that the City pay the balance of said costs as the depot is a City-owned asset, and the City has not contributed any of the \$260,000 raised to rehabilitate the building.

WHEREAS, the City Commission has considered said recommendation and deems it to be prudent and appropriate.

NOW THEREFORE BE IT RESOLVED THAT the City Commission hereby approves the disbursement of \$10,500 to contribute to the cost of the fire suppression system installed in the Clare Railroad Depot.

ALL RESOLUTIONS AND PARTS OF RESOLUTIONS INsofar AS THEY CONFLICT WITH THE PROVISIONS OF THIS RESOLUTION BE AND THE SAME ARE HEREBY RESCINDED.

The Resolution was introduced by Commissioner _____ and supported by Commissioner _____. The Resolution declared adopted by the following roll call vote:

YEAS:

NAYS:

ABSENT:

Resolution approved for adoption on this 21st day of December 2015.

Diane Lyon, City Clerk