

January 16, 2006

To: John Szerlag , City Manager

From: Brian Murphy, Assistant City Manager/Services
Brian Stoutenburg, Library Director

Subject: **Agenda Item** - Troy Historical Society Agreement

RECOMMENDATION

It is the recommendation of staff that the City of Troy enter into this agreement with the Troy Historical Society concerning the efforts to expand the Troy Museum and Historic Village through the Society's Troy Heritage Campaign.

SUMMARY

The Troy Historical Society's Heritage Campaign has developed a detailed business plan to raise funds for the expansion of the Troy Museum and Historic Village through five distinct projects. These projects include the move of the Niles/Barnard House to the Village Green, the acquisition and relocation of an historic barn to the Village Green, the adaptive re-use of the Museum's main building, the creation of a permanent endowment fund to support the Museum, and the creation of a suitable gateway to the Museum.

This agreement is intended to delineate the processes that the Troy Historical Society and the City of Troy intend to work through during the five-year fund raising campaign. The Historical Society intends to use this document to provide assurance to prospective donors that their financial contributions will be used on the five projects and that the City of Troy will own the completed projects at the Troy Museum and Historic Village.

Reviewed for form and legality

Lori Grigg Bluhm
City Attorney

**AGREEMENT BY AND BETWEEN
THE TROY HISTORICAL SOCIETY AND THE CITY OF TROY
TO EXPAND THE TROY MUSEUM & HISTORIC VILLAGE**

This agreement is made this _____ day of _____, 2006 by and between The Troy Historical Society, hereafter referred to as "THS", a Michigan non-profit corporation, the address of which is 60 W. Wattles, Troy, Michigan 48098, and the City of Troy, hereafter referred to as "TROY", a Michigan municipal corporation, the address of which is 500 W. Big Beaver, Troy, Michigan 48084.

RECITALS

- A. Harriet Barnard has donated her historic house, located at 5945 Livernois Rd. in the City of Troy, to TROY, so that it can be moved to the Troy Museum & Historic Village, hereafter referred to as "MUSEUM", a municipal facility owned and operated by TROY, located at 60 W. Wattles Road, Troy, Michigan. Under her gift agreement with TROY, Mrs. Barnard will allow a five-year period to secure funding from public and private sources to pay the costs of relocating the house to the MUSEUM and to pay the costs of acquiring additional land as needed to accomplish such relocation in accordance with all applicable statutes, codes and ordinances.

- B. The City Council of TROY has by appropriate resolutions accepted Mrs. Barnard's gift and the terms of her gift agreement with TROY, including Mrs. Barnard's and TROY's respective responsibilities for maintaining the historic house until it has been relocated to the MUSEUM, and the use of portions of TROY's MUSEUM "barn fund" as needed for carrying out TROY's part, if any, of such maintenance responsibilities.

- C. The THS has by resolutions unanimously adopted by its Board of Trustees agreed to raise the funds to pay the costs of relocating Mrs. Barnard's historic house to the MUSEUM within the five-year period specified in her gift agreement with TROY.

- D. The THS has by resolutions unanimously adopted by its Board of Trustees agreed to raise the funds to pay the costs of TROY's acquisition of the two parcels of land adjoining the western boundary of the MUSEUM, pursuant to the terms of purchase agreements negotiated by TROY with the owners of said parcels and signed by the owners and TROY.

- E. The City Council of TROY has by appropriate resolutions approved the purchase agreements to acquire for TROY the two parcels of land adjoining the western boundary of the MUSEUM. Upon

completion of the purchases, TROY intends that the parcels will be used for the expansion of the MUSEUM and the siting of Mrs. Barnard's historic house at the MUSEUM.

F. Mrs. Barnard's gift of her historic house to TROY has served as a catalyst for capital fund raising by the THS to expand the MUSEUM in a public-private partnership with TROY, without further significant cost to TROY. In addition to raising the funds to carry out the intent of Mrs. Barnard's gift to TROY and to purchase suitable land for it, the THS proposes to raise funds for the adaptive re-use by the MUSEUM of Mrs. Barnard's historic house contemplated by her gift agreement with TROY, and for four other major joint TROY-THS MUSEUM projects to be hereafter referred to, together with the total Barnard house project, as the "THS HERITAGE CAMPAIGN".

G. The four other projects to be funded by the THS HERITAGE CAMPAIGN, in addition to carrying out Mrs. Barnard's gift to TROY, are the acquisition and relocation to the MUSEUM of a historic barn, the adaptive re-use of the MUSEUM's main building for principal use as permanent exhibit galleries for the MUSEUM, the creation of a permanent endowment fund to assist TROY with the expenses of maintaining the MUSEUM's buildings, and the creation of a suitable gateway to the MUSEUM.

- H. The THS has calculated the projected costs of each of the projects based on the actual costs of the recent relocation to the MUSEUM of the Old Troy Church and its parsonage and of their restoration.

- I. The THS has created a detailed business plan that describes all five of these major projects. It is estimated that their total cost will be \$7.7 million dollars. The THS will ask corporations, individuals, foundations and governmental agencies for cash and in-kind contributions to the THS HERITAGE CAMPAIGN. The THS anticipates that many of the contributors will want assurances that the funds they give to the THS HERITAGE CAMPAIGN will be used for the expansion and adaptive re-use, and as a supplement to the operation of the MUSEUM through the five major projects of the THS HERITAGE CAMPAIGN, and that TROY and the THS are in full accord as to the completion of those projects.

- J. This agreement is intended to set forth the terms of that accord, to delineate the respective responsibilities of the THS and TROY, and for the reassurance of major contributors to the THS HERITAGE CAMPAIGN.

COVENANTS

In consideration of the mutual covenants set forth herein, it is mutually agreed by the parties as follows:

1. As soon as practicable after the execution of this agreement, TROY intends to initiate the process of rezoning of the two parcels of land adjoining the western boundary of the MUSEUM to allow for the properties to be used for MUSEUM purposes. TROY also intends to initiate the process to include the two parcels, once acquired by TROY, as a part of a designated historic district, so that they can be used for MUSEUM purposes. These processes will involve public hearings, and THS representatives agree to attend these public hearings, as long as THS receives notification of the public hearings in advance.

2. As soon as practicable after the execution of this agreement, TROY intends to initiate the process of issuing a Request for Qualification ("RFQ") and then a Request for Proposal ("RFP") for a site planner/architect to advise TROY and THS regarding a preliminary site plan for the Barnard historic house and historic barn projects of the THS HERITAGE CAMPAIGN.

3. The issuance of RFQ's and RFP's for other providers to carry out the work of the THS HERITAGE CAMPAIGN, including but not limited to a construction manager for its projects, will be the undertaking of TROY, as requested from time to time by the THS, or as deemed necessary by the City Manager of TROY.

4. The THS will assist TROY in the drafting and writing of RFQs and RFPs and selection of sources of supply and services from issuing each such RFQ and RFP, to be approved by the THS before issuance. The THS will be responsible for paying the costs of these supplies and services selected from the responses to such RFQs and RFPs.

5. The THS will be responsible for selecting the site planner/architect pursuant to paragraph 2, and the construction manager pursuant to paragraph 3, guided by TROY guidelines and best value selection procedures, from the respondents to their RFQ's and RFP's. TROY will be responsible for selecting all other providers from the respondents to their RFQ's and RFP's. TROY will be the contracting party with all selected providers including the site planner/architect and the construction manager.

6. The City Manager of TROY will be responsible for selecting the project manager for the four projects of the THS HERITAGE CAMPAIGN other than the permanent endowment fund. The responsibilities and duties of the project manager are set forth in Appendix A of this agreement.

7. TROY intends to provide suitable in-kind TROY staff support and reasonable TROY staff time towards the THS HERITAGE CAMPAIGN projects.

8. The THS will continue in its efforts to raise the funds to pay the costs of relocating Mrs. Barnard's historic house to the MUSEUM and the costs to acquire the parcels of land adjoining the MUSEUM property, to raise the funds for the adaptive re-use by the MUSEUM of Mrs. Barnard's historic house, and to raise the funds for the other four projects of the THS HERITAGE CAMPAIGN, as long as this agreement remains in effect.

9. The THS will manage and invest the permanent endowment fund and will control all disbursements from the fund. TROY may request disbursements from the fund for direct payments to contractors designated by TROY for maintaining the MUSEUM's buildings, and for amounts charged by other TROY departments to the MUSEUM for maintaining its buildings.

10. All restorations and adaptive re-use involved in the projects of the THS HERITAGE CAMPAIGN will follow National Park Service Guidelines where feasible, and will follow all codes and ordinances of TROY. TROY in consultation with the THS will be responsible for the management and direction of any and all restorations, adaptive re-use and construction involved in the projects.

11. TROY will designate special accounts for projects relating to development of the MUSEUM. These special accounts will be used as the conduit for deposit and expenditure of funds by the THS for work completed by contractors on all projects of the THS HERITAGE CAMPAIGN except the permanent endowment fund. The THS will raise funds and transfer them into the designated special account used by TROY to pay for supplies and services as they are approved by the project manager designated pursuant to paragraph 6, and the construction manager designated pursuant to paragraph 5.

12. After completion and acceptance, TROY will be the recipient of and own all work completed for the four projects of the THS HERITAGE CAMPAIGN other than the permanent endowment fund.

13. All inspections of the completed work on the said four projects will be the responsibility of TROY.

14. The THS will be responsible for the form of recognition of donors to the THS HERITAGE CAMPAIGN at the MUSEUM, in accordance with applicable codes and ordinances of TROY.

15. This agreement may be amended at any time by written agreement between the THS and TROY.

ACKNOWLEDGED:

TROY HISTORICAL SOCIETY,
a Michigan non-profit corporation

By: _____

By: _____

Its: _____

Its: _____

_____ acknowledged the foregoing instrument before me on this _____ day of _____, 2006.

Notary Public
_____ County, Michigan
My Commission Expires:

CITY OF TROY,
a Michigan municipal corporation

By: _____
Louise E. Schilling, Mayor

By: _____
Tonni Bartholomew, City Clerk

Louise E. Schilling, Mayor of the City of Troy, and Tonni L. Bartholomew, Troy City Clerk, acknowledged the foregoing instrument before me on this _____ day of _____, 2006.

Notary Public
_____ County, Michigan
Acting in Oakland County, Michigan
My Commission Expires:

AGREEMENT BETWEEN THE THS AND TROY TO EXPAND THE MUSEUM

Appendix A Project Manager

The Project Manager will:

1. Be an employee of TROY selected by its City Manager for the duration of the four capital projects.
2. Approve payments to the architect, site planner, construction manager, and subcontractors.
3. Act as a liaison between TROY, the THS, the Troy Historical Commission, Troy Historic District Commission and other agencies as necessary.
4. Oversee appropriate approval processes for the four capital projects of the HERITAGE CAMPAIGN by the Troy Historical Commission, Troy Historic District Commission, and City Council.
5. Participate in all pre-construction and construction meetings .
6. Work with the THS to implement the THS deposit schedule to the designated special city account and appropriate expenditures of THS funds.
7. Report project status to the City Manager as required.
8. Perform other duties as required.