

**CITY OF MONROE
COUNCIL WORK SESSION
MONDAY, OCTOBER 27, 2008**

Work Session of the City Council of the City of Monroe, Michigan held on Monday, October 27, 2008 at 7:30 p.m. in the Council Chambers.

Present: Council Members Molenda, Conner, Beneteau, Clark, Paisley, McGhee, and Mayor Worrell.

Also Present: George Brown, City Manager
 Jeff Green, Interim Director of Planning and Recreation
 Tom Krzyston John Iacoangeli
 Alisha Cooley Paul Livernois
 Joe Lark Andrew Smith
 June Coyne Frank Man
 Ken Miller

Jeff Green, Interim Director of Planning and Recreation provided an agenda and presented information, to bring council up to date, surrounding the United Way Building, the Dorsch Library, the Navarre Library, funding for the expansion of the library project and costs of the project.

Tom Krzyston, Port of Monroe presented information on the Port of Monroe expenses for the United Furniture Building:

| | | | | |
|----------------------|-------------------------------------|-----------------|----------------------------|---------------------|
| Purchase Price | \$260,000.00 | | | |
| Principal Payment | <u>(94,937.60)</u> | | | |
| Balloon Payment | \$165,062.40 | Due 6/20/2010 | | |
| | <u>Additional Expenses Incurred</u> | | <u>Total Costs Summary</u> | |
| Acquisition Costs | 2,917.32 | Paid 6/20/2010 | Principal | \$94,937.60 |
| 2005 Summer Taxes | 2,291.32 | | Acquisition Costs | 2,917.32 |
| 2005 Winter Taxes | <u>3,030.40</u> | | Taxes | 5,321.97 |
| | \$5,321.97 | | Interest | 16,202.87 |
| | | | Water | <u>635.00</u> |
| Interest Payments | 541.75 | 5/26-6/20, 2005 | | \$120,014.76 |
| | 1,603.33 | 6/21-9/2, 2005 | Interest 6/8/09-2010 | <u>10,000.00</u> |
| | 4,002.76 | 9/3/05-6/9/06 | | \$130,014.76 |
| | 5,020.64 | 6/2006-6/2007 | | |
| | <u>5,034.39</u> | 6/2007-6/2008 | Add balloon pymt. | <u>\$165,062.40</u> |
| | \$16,202.87 | | | \$295,077.16 |
| Approx. interest due | 5,000.00 | 6/2009 | | |
| | 5,000.00 | 6/2010 | | |
| Approx. water bills | 635.00 | | | |

Tom Krzyston, Port of Monroe added that maintenance costs are being handled through the Department of Public Services and the Building Department.

George Brown, City Manager stated that the building is not heated but that the electric is on and the roof has been patched temporarily at a cost of about \$4,000 with several hundred on the window replacement and cost for the burst plumbing and damage to the hardwood flooring.

Tom Krzyston, Port of Monroe stated that the building is being used occasionally for advertising purposes but being kept at a minimum and for additional information, he stated that council passed a resolution in January 2008 asking the Port of Monroe not to sell the United Furniture Building. The Port responded in April or May of 2008 with a letter listing the expenses for the building and stated that the costs were mounting with another bill coming due. He further stated that the Economic Development Director for the City and the Port is actively promoting the sale of the building rather than hiring a real estate agent so as to avoid additional expenses. The building has been shown to four individuals within the last four months, three of which were interested until they were told by their inspectors that the renovations would be too costly to create a viable business. One of the individuals however, is still interested in purchasing the property. He stated that the goal for the building was to create a multi-purpose library to be used potentially by the college, radio or television studio's, and a myriad of options discussed. The Port was asked to get involved with the process because the city was unable to be involved, under the Cool Cities Grant, in that kind of purchase and at the time the Port was led to believe, as was Mayor, Council, and Planning that the Port was the frontrunner in the Cool Cities Grant application but apparently someone else had something better to offer.

Councilman Molenda asked if at the time of the purchase was there any additional budget allocation to the Port Authority and if the building was sold, where would the revenue go.

Tom Krzyston, Port of Monroe added that there was a total of a quarter million allocated and that was to include the hiring and salary of the City-Port Economic Development Director. He continued that the revenue from the building would go to the Port but it would help to defray the costs of the ventures that the City and the Port have become involved in.

George Brown, City Manager gave a brief background on Cool Cities Grant.

Mayor Worrell asked if the building was inspected before purchase.

Tom Krzyston, Port of Monroe indicated that he did not think anyone with qualification had inspected the building aside from the Building Department.

Alisha Cooley, Chairperson of the Library Advisory Board read the Library Feasibility Study done by TMP & Associates in November, 2006, and the addendum to the Feasibility Study, she also explained what the original plans were for the building. She provided figures and statistics from the study surrounding the current needs and usages of the Dorsch Library and said that TMP estimated that renovations costs would be around 2 million dollars.

George Brown, City Manager quoted the estimated costs for the project were, \$2,454,934 for the general renovations, \$118,000-\$335,000 for furnishings, \$17,000-\$95,000 for technology, \$20,000-\$65,000 for landscaping and for alley closure and utility relocation the cost was unknown.

Joe Lark, Chairman of the Library Service Advisory Team (LSAT) Committee stated that the committee was charged to look at the library service in the City of Monroe.

John Iacoangeli, Former Mayor stated that the Cool Cities Grant was started before council had interest in buying the United Furniture Building and that the grant was a Community Development initiative, and they tried to pull some partners together in the community to buy the building for a multi-purpose cultural facility and at that point the grant application failed. He continued that several months after the grant failure he was contacted by Chris

Floraday, Library Chairman at that time, asking if he could bring the matter of the acquisition of the building before the City Council, for further expansion of the library, which he did and council met in a closed session. He stated that the discussion issue was very simple, that the community was endeared to the Dorsch Memorial Library and that council felt it would be inappropriate action on their part to not use that facility as a library since the library has served many generations in this community with library services, so the proposal was advanced to council asking if they would be interested in buying the United Furniture Building for the expansion of Dorsch Library. He continued that the way the deal came down was that yes they were interested in acquiring the building; however, they asked if the Port of Monroe would be the Holding Agency instead of the City advancing the money. The Port would basically finance the building and give the City enough time to do a feasibility study to determine what the cost would be for renovation and put the proposal before the community as a general operation ballot. That was done, the building was purchased, the Port has acted as the facilitator and during his time as Mayor he did issue an RFP and they hired TMP & Associates. The study was started before he left office and was completed shortly into Al Cappuccilli's term which was presented in the council chambers. But the intent was to buy the building for expansion of the library, no retail, no apartments, and no mixed use cultural; it was purely for expansion of the library because we knew without going into any detailed studies that the City of Monroe was really underserved in libraries. He further stated the other part of council discussion was demographics, a lot of kids in this community are at poverty level and go to Monroe Public Schools, a lot of them do not have access to media services so the idea was to build a new facility with new technology to basically bring our kids into the 21st Century and keep it downtown. Council was not concerned about parking because the library has always functioned without parking. There is plenty of parking downtown on Saturday's when the Library is at optimal use and it is walkable from all the neighborhoods, a lot of kids ride their bikes and walk to the library so parking was not an issue. He stated that council did not anticipate when they got into this that it was going to take four or five years; that the Port would serve as the Holding Agency for four years and their balloon note will come due in a year. They looked at this with the feasibility study and putting it on the ballot as taking no more than a year or two so the project is way behind schedule based on council's plan.

Mayor Worrell stated that he can see how the delay has happened because the action was in executive session and we don't know when it became public as to the purpose for that building. It is understandable that council can go into executive session to purchase land, that is legal but he asked if the Port's budget was increased to do it.

John Iacoangeli, Former Mayor stated that the purpose was pretty clear when council approved the proposal to enter into a contract with the architectural services to evaluate the building for expansion of the library. The Port's millage was increased to .45 mils and they were paying interest only on the contract. He further stated that as part of council's deliberations, council asked what we thought the costs of the renovation would be, at that time, without doing an engineering study and an architectural study and just looking at the square footage, the number was 3.5 million dollars and that's why we needed to go to a G.O. Bond and put it on the ballot to see if the community wanted to do it. He continued that if the ballot did not go through, the Port would then in turn sell the building in the private market. He stated it was that simple, pretty much nuts and bolts, and matter of fact. You buy the building, the Port holds it, do feasibility study, determine costs, and put it on the ballot; yes or no; if it is yes, you renovate it and no reason to sell it.

Councilman Molenda asked if it was ever suggested that the funding of this project would come out of the general fund without additional revenue through an increased millage voted on by the voters.

John Iacoangeli, Former Mayor stated that back when council discussed it they thought it would be an appropriate time to not only have the millage from the capital costs but also advanced from the idea that the

community would handle the millage for the maintenance and operations for both the new expanded library and the Navarre Library.

Mayor Worrell clarified if they would actually have a permanent millage added and go beyond 15 mills in order to operate the libraries, and how much was that amount.

John Iacoangeli, Former Mayor stated they were looking at a tenth of a mil, .12 mills.

Mayor Worrell stated that he and staff were of the impression that it was to be a multi-purpose building.

Jeff Green, Interim Director of Planning and Recreation stated that during discussions with the consultants after the Cool Cities Grant failure it was understood that part of the renovation would include library facilities, that may be all or in part but that was what was communicated.

Mayor Worrell stated that the recommendation from the Port is to put the building on the market and a recommendation from the Library Advisory Board to have a study defining what library services are needed and what services would be offered and that a decision is imperative. He continued that it was his understanding that Former Mayor, John Iacoangeli and Council were not all that happy with TMP & Associates and asked what the problems were with their work.

John Iacoangeli, Former Mayor stated that he did not think TMP did a thorough analysis of the superstructure of the building and they indicated that the building was concrete but the folks that he actually ran into at the city council meeting that said they had looked at the building when they were thinking about buying it and their architecture determined that it was a steel structure, and the other part of it was that they didn't show the community what they identified as deficiencies and how the deficiencies could be corrected. He further stated that the city has a good code evaluation of the building but not as thorough as it could be. He continued that if he were to do a study, the study would include taking up where TMP left off in terms of looking at codes and doing a more thorough investigation of the structure and then take a look at part of the professional services that would actually be the programming because library services have changed dramatically in the last 15 years so you would have to take a look at what the programming requirements would be for today's technology. He continued that TMP had some graphics in their study about the connection of the buildings and cautioned that it is important as part of the project that there be a building in the alley that connects to the Dorsch Library so that there would be one point of entry. He also stated that if council, in good faith, would want to proceed in taking this to the next step he thinks there are funds out in the community that could be raised to do the study without having to obligate the city to do the funding.

Paul Livernois stated that when he first was asked to be on the LSAT Committee in 2005 the city seemed to have no financial problem at the time, the building was already purchased and at that time he thought the purchase and project plans were a real vision. After looking at the building, he decided the building was structurally weak and in terrible shape. He continued that at one of the last meetings of the LSAT Committee the general consensus of the group was that the City of Monroe does not need another library but the two libraries the city does have, need help.

Councilman Paisley stated that he thought the biggest need we have within the city limits is at the Navarre Library because in the area surrounding that library there are more people that do not have computer services and other things that are available to other homes in the community. He further stated that during the work session at the Navarre Library, the group that he was in listed technology as their number one need.

Paul Livernois stated that Michigan Gas Utilities gave five computers to Navarre Library.

John Iacoangeli, Former Mayor stated, when we tell our children and our families to go to Bedford Library if you want library services, we are telling them that this community is not worth living in and further stated that we need to reinvest in this town. He continued that it is facilities like parks and libraries that make us a desirable community to live in, to attract families to move here. He further stated that he and his daughter went to the library on Saturday and there were 30 people there, 1 person in Jones for Men, two people at Monroe Evening News, 4 teenagers in the coffee shop, 3 people eating pizza at Mancino's and 1 person buying shoes at Martins; the library had more people than there were downtown on a Saturday.

Andrew Smith, CPC spokesperson communicated they all agreed that if the region built a library it should be downtown and that the three surrounding townships should be involved with the City of Monroe in paying an increased millage rate to build the library because it will be used by them also and this should be a regional endeavor. He further stated that books, like 8-track tapes, cds, etc... are going by the wayside because anything you need to know can be found on the internet. He stated that he thinks Dorsch should be used as a children's library and a technology center.

June Coyne, Chairman of Friends of Dorsch Committee, stated that a study from 2006 revealed that fourteen hundred people go into Dorsch in a week and that a year ago Friends of Dorsch opened an account at the Monroe Community Foundation as a fundraising tool. She further stated that the Friends of Dorsch can not ask people for money until they get a political go ahead from this council for anything that would be needed for the library project. She continued that in the 1980's the commission was at that time in a quandary as to what to do with Dorsch and that in 1955 the librarian at that time predicted this problem.

Mayor Worrell asked if the Dorsch Library deed indicates that the library is restricted to be a library and nothing else and asked if June was favorable to the rehabbing of the building adjacent to Dorsch for library expansion purposes.

June Coyne, Chairman of Friends of Dorsch Committee, stated that the deed has wording to the affect of the purpose of the library and that she is in favor of the expansion into the adjacent building and that there are options for creative financing through a private developer.

Frank Mantei, 511 St. Mary's Avenue said he was invited last year to be a member of the LSAT Committee and that the committee was charged to look 40-50 years into the future at all perspectives of the library. He continued that through the process of looking into other communities and their library system he became convinced that although the United Furniture building was an attractive possibility, it would not be an adequate choice to invest in for the future, that even if you put several million dollars into the building, what will you have in 50 years; it will be much older and may not even be around. We did not consider new construction fully because of the financial aspect but that would be a more viable avenue for longevity and addition of services.

Ken Miller, 306 Godfroy Avenue stated that he is a new resident of about 4 months and will be moving his business here in mid December so he has a reason to believe in the development of Monroe. He stated that he was on the Library Board in Ferndale and that the population there is about 22,000 and about 10 square miles which is a mirror image to the City of Monroe. He continued that there were four libraries within a mile and a half of the City of Ferndale Library, two of which had major renovations done over the last three years. The Ferndale Library was established in 1957 with no work on the building since it was built so we asked the voters, in November 2003 for a solid mil on 20 years and it passed three to one. He also stated that the library rents from the City of Ferndale on a 99 year lease and that they pay for their own maintenance and to staff the library and

that Ferndale is breaking ground on January 1st to double the size of the library but that the City of Ferndale owns the building.

Paul Livernois, LSAT Committee stated he is not against the library and suggested that council could speak with about ten people in their precinct that are not associated with the library about this issue and see where they stand and save the expense of a survey.

Councilman Molenda said it boils down to two questions, is it a good idea and how to get it done if it is a good idea. He stated that he thinks that the United Furniture building is our only opportunity to expand the Dorsch Library and that he is in favor of the project.

Councilwoman Conner stated that it is clear that we have analysis paralysis, that it has been studied it many ways and she is convinced that we should not throw anymore good money into a bad idea but if the citizens are in favor of the project the citizens could come forward and include the Navarre Branch also.

Councilman Beneteau stated that he thinks the biggest hurdle either way is funding, and he is in favor of putting it on a ballot. He stated that the age of the United Furniture building and lack of parking are big issues. He further stated that he is not in favor of the United Furniture building expansion. He also said that he thinks the Library should provide the city a study of their needs.

Councilman Clark said he thinks that the United Furniture building is driving council's decision and he has a lot of trouble with that and he is not in favor of spending more money on another study. He further stated that if we move forward with anything we need to look at the project collectively with Dorsch and Navarre, and that on should not be done without the other.

Councilman Paisley stated that in order to balance our budget we have to look at increasing revenues and decreasing costs and if we hang on to the building we have the worst of both worlds in that we loose out on tax dollars and we incur maintenance costs because we are maintaining that facility. He further stated that with the decline in need for books for reference materials, he does not think the need for expansion of the library is as great as it was in the past. He also said that he can not see any reason to invest more money in another study.

Councilman McGhee stated he does not want to go to the taxpayers and ask for more money and he is not in favor of more studies.

Mayor Worrell stated that council will prioritize what the needs are for Dorsch and Navarre and rehabilitation or rebuilding of them and look at the Port's recommendation.

It was moved by Councilman Paisley and supported by Councilman McGhee that the meeting adjourn at 9:57 p.m.

Charles D. Evans
City Clerk, Clerk's Office

Mark G. Worrell
Mayor