

Source

Mike Hood



**TO:** City Council

**FROM:** City Manager and Staff



**DATE:** September 5, 2006

**RE:** March-Heibel Building Agreement

Fiscal Impact

YES

NO X

Other Info.

**Summary:** The purpose of this report is to advise the Council that the City's agreement (copy attached) with Central Missouri Community Action (CMCA) for the renovation and use of the Heibel-March Building located on the corner of Rangeline and Wilkes will officially expire on September 19, 2008. A representative of the Corner Renovation Project, as this project was known, advised the Council at the March 17<sup>th</sup> Council meeting that efforts to renovate the building were being suspended and that the recently awarded tax credits for the project were being returned to the Missouri Department of Economic Development (see attached minutes). In the absence of tax credits, the existing agreement specifies that the renovation is to be completed by September 19, 2008, or the agreement expires.

Upon expiration of the agreement, the lease of the land on which the building sits is terminated and title to the building is to be transferred back to the City. At this time, the City has not identified a specific use for the building. Renovations estimated to cost between \$200,000 and \$250,000 are needed before the building can be occupied. The City's Historic Preservation Commission has designated the building as a notable historic property. Preliminary discussions with the Historic Preservation Commission regarding the future of the building are being explored, but a specific proposal is not yet ready to come forward.

Staff is recommending that the actions necessary to transfer title of the building back to the City be initiated. Council should also direct staff as to how they wish to proceed in determining the building's future. It should be noted that the building has sustained further deterioration, no recent improvements have been made to the building, and the cost of renovation continues to increase.

**Discussion:** In September of 2000 the City entered into an agreement with Central Missouri Counties Human Development Corporation (now known as Central Missouri Community Action -CMCA) who was acting on behalf and in the interest of the North Central Neighborhood Association. This agreement allowed CMCA to acquire and renovate the old "March-Heibel Drug Store Building" located on the corner of Rangeline and Wilkes adjacent to the Field Neighborhood Park. Renovation was to be completed and a certificate of occupancy was to be issued within five years of the

signing of the agreement. The original agreement has been amended twice, extending the completion deadline to September 19, 2008. The agreement specified that once the building was renovated, it was to be used as a community center for neighborhood groups, school programs, and other public events.

Unfortunately efforts by CMCA and the Neighborhood Association to raise the necessary funds to complete the project have been unsuccessful, and in March of 2008 it was announced that renovation efforts were being suspended. With no further efforts being made in regard to the renovation, the agreement will expire on September 19, 2008. At that point, the lease of the land to CMCA will terminate, and title to the building is to be transferred back to the City.

Future use of both the building and the land on which it sits is currently undetermined. During the initial planning of Field Neighborhood Park in 1999 and 2000, Park and Recreation Department staff recommended that the building be demolished and a large attractive landscape bed be placed on the corner where the building now sits. The concept was that the park and landscape area would serve as an entryway into both the Columbia College campus and Downtown Columbia for those traveling Rangeline from the north. That recommendation was not approved when the Neighborhood Association strongly favored the concept of using the building as a neighborhood center.

In 2005, the City's Historic Preservation Commission named the building as one of that year's 10 notable historic properties within the City. Significant interest has since developed in preserving the building as an historic property, and when the CMCA announced that their efforts with regard to renovating the building were ceasing, the Commission initiated discussions as to possible alternatives for raising the necessary funds to preserve the building. The renovation costs are estimated to be between \$200,000 and \$250,000, but this is a two year old estimate.

At this time staff believes that the City should initiate the necessary actions to transfer ownership of the building back to the City. At the same time, the Council may wish to direct staff as to what, if any, further actions should be taken. Options may include the following:

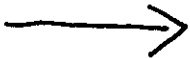
1. Demolish the building and expand park
2. Sell the building and property
3. Further explore discussions with the Historic Preservation Commission to include the possible creation of a non-for-profit entity responsible for the renovation.

**Suggested Council Action:** Accept this report. Direct staff to initiate the necessary actions required to transfer title of the building back to City and continue discussions with the Historic Preservation Commission regarding further options.

eyes. She learned she had connections with a generation she thought was on an entirely different page than her. She noted one of the common ideas was having youth serve on a special advisory council or as members of already existing councils. The adults and youth both found teens had something valuable to offer to the community. She hoped the Council would help in accomplishing that goal and would be willing to listen as the group brought their ideas forward in the coming months.

Monique Evans, 5897 Kent Drive, stated she was sixteen years old and participating in this event showed her there were adults in the community who cared about what they had to say and that they could promote change. She commented that the study circle process was interesting because the different circles of adults and youth came up with the same ideas and concerns. She noted the adults indicated they were the same when they were teens. The idea of a youth summit was mentioned by a lot of people. She believed the benefit would be to provide teens with skills they could use on a daily basis. She understood some organizations, such as YC<sup>2</sup>, were already trying to plan something of this nature. The study circles helped confirm this was a strategy YC<sup>2</sup> should include in planning. She hoped the Council, as elected representatives, would see its importance by supporting something like it as it would help teens be better students, community leaders and, eventually, adults.

Dalton Calcote, 2301 Garden Drive, referred to the report provided and noted it included The Five Promises established by the committee and anyone wanting to sign up to participate could still do so. With regard to his experience, he commented that they were all just people and although they were many years apart, the different generations came together to discuss the problems facing youth. He noted there was a lot of mention of the cost-effective opportunities youth had. He hoped the Council could include a focus on youth in the next budget cycle and that they could be involved because some youth did not realize how much they could do.



**Daniel Cullimore - The Corner, Suspension of Renovation Efforts.**

Dan Cullimore, 715 Lyon Street, stated he was the Vice President of the North Central Columbia Neighborhood Association and the project manager for The Corner renovation. The Corner Action Committee from the North Central Columbia Neighborhood area was announcing the suspension of efforts to renovate the historic Heibel-March building at 900-902 Rangeline in Field Neighborhood Park for use as a local community center, but would continue to promote the three values at the core of their vision for the center, which included a provision for indoor neighborhood-sided community space, the utility of historic preservation and sustainable development and the benefits of intergenerational experiences in arts. The last few years had provided many opportunities for neighborhood collaboration and growth focused on the goal of a neighborhood gathering place. During the project's history local banks, businesses, community organizations, and many individuals had worked in providing funds, labor, materials and insight. At the beginning, when the idea was to create a neighborhood park, the Columbia Parks and Recreation Department directors stood with them as they searched for the right location. The Parks and Recreation Department staff and the Eugene Field Elementary fifth grade geography class did an excellent job involving the community in the design of Field Neighborhood Park. When preserving the building became

a vision, the Columbia Boone County Community Partnership and the Field School Caring Communities Site Council helped develop the concept and survey the need for a publicly accessible meeting and classroom space. In addition, the Central Missouri Community Action (CMCA) stepped up to act as its fiscal agent and held title to the Heibel-March building when the City Council agreed to give the neighborhood residents an opportunity to save the building. He commented that Progressive Artists Incorporated opened their eyes to how new artistic ventures with youth could strengthen and build communities. Columbia Builds Youth provided young workers for major reconstruction of a part of the roof using materials provided by businesses and individuals from all over Columbia. Service learning students from the University of Missouri helped them learn about grant writing and research. The Voices from The Corner project, with a grant from Boone Electric Trust, engaged neighborhood children and families in documenting the culture that had been the glue for the neighborhood's past. KOPN Radio facilitated the recording of oral histories from neighborhood elders. These documents preserved in the State Historical Society archives provided the sources for a mural designed by Field Elementary students, which was documented by New Media Network youth photographers. He stated that since they had started the campaign to honor the present by preserving the past, historic preservation had taken root in Columbia. The Heibel-March building was designated as a notable historic property in 2005. Art as an economical development tool found fertile soil in Columbia, especially in the North Central Neighborhood, and they believed their goals helped to inspire or further these efforts. Unfortunately, the leaders of CMCA were no longer in a position to support the renovation of the Heibel-March building, though they continued to believe in the core mission of the Committee. Their preferred choice was to return the recently awarded Missouri Department of Economic Development NAP tax credits to the State and relinquish the land lease to the City meant the project could not continue without major rethinking and restructuring. This was a hard and sad moment for those who had worked so hard toward transforming this former corner store into a neighborhood gathering place. He noted that absent CMCA or another champion, there was no future for this project. As they looked toward the future, they saw that the need for accessible neighborhood-sided resources remained high. Lorah Steiner, Director of the Convention and Visitors Bureau, and David White, Director of the Missouri Theatre Center for the Arts, urged him to remind the Council of the need for locations in which youth intervention programs could function. Programs such as the Boys and Girls Clubs, C.A.R.E., etc. needed space from which to positively influence the lives and prospects of youth. He urged the Council to consider this as they pondered the future of this building.

## **PUBLIC HEARINGS**

### **B51-08 Approving the O-P development plan of The Blum Law Firm; approving less stringent yard, parking and screening requirements.**

The bill was given second reading by the Clerk.

Mr. Watkins stated this was a proposed O-P development plan at the corner of Ninth and Park that would allow for the conversion of a residential structure to office space use. The Planning and Zoning Commission recommended approval of the plan subject to some

## AMENDMENT TO AGREEMENT

On this 16<sup>th</sup> day of October, 2006, the City of Columbia, Missouri, a municipal corporation ("City") and the Central Missouri Community Action (formerly Central Missouri Counties Human Development Corporation), a Missouri corporation ("Agency") amend their agreement of September 19, 2000 as follows:

1. The first two sentences of section 8 (b) are amended to read as follows:


City and Agency agree that renovation of the building should be completed and a certificate of occupancy issued no later than September 19, 2012 if agency is awarded Neighborhood Assistance Program tax credits or no later than September 19, 2008 if Agency is not awarded Neighborhood Assistance Program tax credits. Agency shall submit to the Council an annual report on the progress in planning, funding, and completing renovation of the building.

2. All other provisions of the September 19, 2000 agreement consistent with these changes shall remain in effect.

IN WITNESS WHEREOF, the parties have caused this amendment to be executed by their duly authorized agents on the day and year first above written.

CITY OF COLUMBIA, MISSOURI


By:

  
H. William Watkins, City Manager

ATTEST:

  
Sheela Amin, City Clerk

APPROVED AS TO FORM:

  
Fred Boeckmann, City Counselor

CENTRAL MISSOURI COMMUNITY ACTION

By: Don Pen

Title: Executive Director

ATTEST:

Gloria Ann Hoene

## AMENDMENT TO AGREEMENT

On this 19<sup>th</sup> day of September, 2005, the City of Columbia, Missouri, a municipal corporation ("City") and the Central Missouri Counties Human Development Corporation, a Missouri corporation ("Agency") amend their agreement of September 19, 2000 as follows:

1. The first two sentences of section 8 (b) are amended to read as follows:

City and Agency agree that renovation of the building should be completed and a certificate of occupancy issued no later than September 19, 2006. Agency shall submit to the Council a six month report on the progress in planning, funding, and completing renovation of the building by March 27, 2006.

2. All other provisions of the September 19, 2000 agreement consistent with these changes shall remain in effect.

IN WITNESS WHEREOF, the parties have caused this amendment to be executed by their duly authorized agents on the day and year first above written.


CITY OF COLUMBIA, MISSOURI

By:   
Raymond A. Beck, City Manager

ATTEST:

  
Sheela Amin, City Clerk

APPROVED AS TO FORM:

  
Fred Boeckmann, City Counselor

CENTRAL MISSOURI COUNTIES  
HUMAN DEVELOPMENT  
CORPORATION

By: Arita Sanderson

Title: Executive Director

ATTEST:

Karen Cline



AGREEMENT

This agreement is entered into on this 19th day of September, 2000, between the City of Columbia, Missouri, a municipal corporation ("City") and the Central Missouri Counties' Human Development Corporation, a Missouri corporation ("Agency").

WHEREAS, City purchased certain property adjacent to Field School for the purpose of developing a neighborhood park; and

WHEREAS, it had been City's intent to raze the building located on part of that property; and

WHEREAS, Agency desires to purchase the building and renovate it for operation as a community center, the renovation and operation of the building as a community center to be accomplished at no expense to the Columbia Parks and Recreation Department; and

WHEREAS, City is willing to sell the building and to lease the property where it is situated to Agency to renovate for operation as a community center,

NOW, THEREFORE, the parties agree as follows:

City and Agency agree as follows:

I. Sale of Building and Land Lease.

1. City agrees to sell and Agency agrees to purchase the building located at 900-902 Range Line Street ("building") under the following terms and conditions:

- a. The building is being sold in its "as is" condition. City makes no warranties as to the condition or habitability of the building.
- b. The sale of this building is exclusive of the real property ("the property") on which it is located.
- c. This sale is to allow Agency to renovate and improve the building for use as a community center.
- d. The renovation and operation of the building as a community center shall be accomplished at no expense to the Columbia Parks and Recreation Department.
- e. The price for the building shall be \$10.

2. City agrees to lease the property on which the building is located, known as 900-902 Range Line Street and described as Lot 3 of Sarah H. Hamilton Place Addition to the City of Columbia, Missouri, as shown by plat recorded in Plat Book 2, Page 38, Records of Boone County, Missouri, to Agency for a term of twenty-five (25) years. At its option, the Agency may renew this lease under the same terms for two additional ten (10) year terms. The City Council may, in its sole discretion, agree to extend the term of this lease beyond forty-five (45) years. The Agency may seek the

permission of the City Council to replace the building at the end of this lease and any renewals. This lease is subject to following additional terms:

- a. Rental shall be \$10 per year, payable in advance.
- b. Agency recognizes that this lease is only for the property on which the building is located. It does not include parking area.
- c. Agency agrees to renovate or reconstruct the building in compliance with and to comply with all City codes, regulations and rules. In renovating the building, Agency agrees to comply with all applicable federal, state and City laws and regulations.

Agency agrees that the building will not be used as a community center until the building has been inspected and a certificate of occupancy issued.

- d. Agency agrees that it shall maintain the exterior of the building and surrounding area in a neat and orderly manner, keeping the leased area free of trash, broken glass or other nuisance.
- e. When renovated, Agency shall operate the building as a community center, making space available for community activities including neighborhood group meetings, school-linked programs, and occasional day rental to the public. Agency further agrees:
  - i) to use the property only for operation of a community center;
  - ii) to operate the community center in accordance with all applicable City ordinances, rules and regulations;
  - iii) to maintain the community center in good repair and condition.
  - iv) to keep the premises free of all liens and encumbrances except as approved by the Columbia City Council.
  - v) not to sublease any portion of the premises without the written consent of City.
- f. Agency agrees to keep in effect at all times public liability insurance sufficient to protect City from liability for damage to persons or property directly or indirectly caused by Agency's possession of the leased premises and ownership of the building in an amount not less than the limitations on awards for liability provided in Section 537.610 RSMo or any successor statute. This insurance policy shall name City as an additional insured. Agency shall provide City with a current certificate of insurance evidencing the existence of the required coverage.

Agency agrees to obtain, if required by law, and to require all subcontractors or entities performing renovation work on Agency's behalf to carry adequate workers compensation insurance.

- g. Agency agrees to keep in effect at all times a policy of fire and extended coverage insurance upon the building in an amount not less than the

replacement value of the building. City, as well as Agency, shall be named as insured on the policy. Agency shall provide City with a current certificate of insurance evidencing the existence of the required coverage.

- i. During the period of renovation, if the building is completely destroyed or so substantially damaged, in whole or in part, that completion of renovation will be delayed (as mutually determined by the City and the Agency), beyond five (5) years from the signing of this lease, this lease shall terminate. In such case, any insurance proceeds shall first be applied to remove the building and all remaining proceeds shall be the property of the Agency. Following any razing of the building, the Agency may seek permission from the City Council to rebuild.
  - ii. During the period of the renovation, if damage to the building is less substantial than described in i, 2,g,i above, (as mutually determined by the City and Agency), Agency may use applicable insurance proceeds to complete renovation of the building. If Agency is unable financially to complete renovation the building using insurance proceeds plus other funds available to Agency, or if Agency chooses, for whatever reason, not to complete renovation of the building, this lease shall terminate. In such case, any insurance proceeds shall first be applied to remove the building and all remaining proceeds shall be the property of the Agency.
  - iii. After the period of renovation, if the building is destroyed or so substantially damaged so that it will be untenable, in whole or in part, for more than six months (as mutually determined by the City and the Agency), this lease shall terminate. In such case, any insurance proceeds shall first be applied to remove the building and all remaining proceeds shall be the property of the Agency. Following any razing of the building, the Agency may seek permission from the City Council to rebuild.
  - iv. After the period of renovation, if damage to the building is less substantial than described in i,2,g (iii) above, (as mutually determined by the City and Agency), Agency may use applicable insurance proceeds to repair or restore the building. If Agency is unable financially to repair and restore the building using insurance proceeds plus other funds available to Agency, or if Agency chooses, for whatever reason, not to repair or restore the building, this lease shall terminate. In such case, any insurance proceeds shall first be applied to remove the building and all remaining proceeds shall be the property of the Agency.
3. Nothing in this agreement guarantees that the building or property is zoned appropriately for a community center or that adequate parking is available to meet minimum parking requirements for a community center. However, Agency is granted standing to apply to the Board of Adjustment and/or Planning and Zoning Commission, at its discretion, for either variances or rezoning. Should relief not be granted, the sale and lease described in this agreement shall be null and void with

no compensation due Agency.

4. City hereby agrees to allow this lease to be assigned to a 501(c)(3) corporation formed or empowered to provide the services contemplated in this agreement. No other assignment of this lease shall be permitted without the written consent of City.
5. Agency agrees to indemnify and hold harmless the City, its officers, agents and employees from and against all loss of or damage to property belonging to City or third parties or injuries to or death of any person. Agency shall defend, indemnify and hold harmless the City, its officers, agents, and employees from any and all claims or damages, suits, costs, liabilities, actions or proceedings of any nature whatsoever in any way resulting from or arising out of, directly or indirectly, Agency's operation and function under this lease, or its use or occupancy of any portion of the leased premises, including acts of commission or omission of employees, representatives or agents of Agency.
6. Agency agrees not to interfere with the City's development of, access to, or use of the public park contemplated to be developed on property adjacent to the leased premises. Nothing in this lease shall preclude Agency requesting or the City granting right-of-use permits necessary to perform necessary maintenance or repair of the building located at 900-902 Range Line Street.
7. City has the right to enter upon the leased premises at any reasonable time to determine the conditions of the building and the activities being conducted on the premises.
8. A) Default and Termination - General. If Agency defaults in the performance or observation of any of the covenants, agreements or conditions set forth in this lease, City may give a written notice of default to Agency. If Agency remains in default 60 days after receiving notice of default or if Agency is dispossessed or abandons or vacates the leased premises, becomes bankrupt or makes a general assignment for the benefit of creditors, City shall have the right to terminate this lease. Upon such termination, Agency shall transfer title to the building to City.  
  
B) Termination - Failure to complete renovation. City and Agency agree that renovation of the building should be completed and a certificate of occupancy issued within five (5) years of the signing of this agreement. Until the renovation is complete and a certificate of occupancy issued, Agency shall annually submit to the Council a report on the progress in planning, funding, and completing renovation of the building. Failure to make reasonable progress on planning, funding, and renovating the building may constitute default by Agency in performance of the terms of this agreement. If the City Council finds Agency in default of the duty to make reasonable progress on planning, funding, and renovating the building, it shall follow the procedures set out in 8,A (Default and Termination - General) of this agreement. The City Council shall not unreasonably find Agency in default of the duty to make reasonable progress.

If the City terminates this lease under the provisions set out in I,8,B (Termination - Failure to complete renovation), Agency shall remove the building at its expense or allow City to demolish the building.

C) Termination in case of fire or other catastrophe. See 2,g.

9. If Agency ceases to exist, this lease shall immediately terminate and the leased property, including all improvements, shall revert to City.
10. Any notice given under this lease shall be delivered in person or by certified or registered mail to City or Agency at the following addresses:

**City of Columbia**

c/o Director of Parks and Recreation  
PO Box 6015  
Columbia, MO 65205

**Agency**

Central MO Counties' Human  
Development. Corporation  
Attn: David Thayer, Exec. Dir.  
807B N. Providence Road  
Columbia, MO 65203

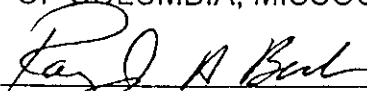
Each party shall have the right to change the place to which and the person to whom notice shall be sent or delivered by giving notice to the other party.

II. Definitions


"Agency" - The term "agency," wherever it occurs, shall include its assignees or transferees.

IN WITNESS WHEREOF, the parties have executed this lease on the day and year first above written.


CITY OF COLUMBIA, MISSOURI

By:   
Raymond A. Beck, City Manager

ATTEST:

  
Penny St. Romaine, City Clerk

APPROVED AS TO FORM:

  
Fred Boeckmann, City Counselor

CENTRAL MISSOURI COUNTIES' HUMAN DEVELOPMENT CORPORATION

By: [Signature]

Title: EXECUTIVE DIRECTOR

ATTEST: [Signature]

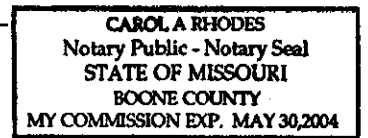
STATE OF MISSOURI )  
                                  )ss.  
COUNTY OF BOONE )

On this 19 day of September, 2000, before me appeared Raymond A. Beck, to me personally known, who, being by me duly sworn, did say that he is the City Manager of the City of Columbia, Missouri, and that the seal affixed to the foregoing instrument is the corporate seal of the City and that this instrument was signed and sealed on behalf of the City by authority of its City Council and the City Manager acknowledged this instrument to be the free act and deed of the City.

IN TESTIMONY WHEREOF, I have hereunto set by hand and affixed my official seal, at my office in Columbia, Boone County, Missouri, the day and year first above written.

[Signature]  
Notary Public

My commission expires: 5/31/04



STATE OF MISSOURI )  
                                  ) ss  
COUNTY OF BOONE )

On this 18 day of October, 2000, before me appeared David F. Thayer to me personally known, who, being by me duly sworn, did say that he is the Executive Director of the Central Missouri Counties' Human Development Corporation and that the seal affixed to the foregoing instrument is the corporate seal of the corporation and that the instrument was signed and sealed in behalf of the corporation by authority of its board of directors and acknowledged the instrument to be the free act and deed of the corporation.

IN TESTIMONY WHEREOF, I have hereunto set by hand and affixed my official seal, at my office in Columbia, Boone County, Missouri, the day and year first above written.

[Signature]  
Notary Public

My commission expires: 12-11-02