

**AGENDA
CITY COUNCIL MEETING
JUNE 13, 2022 – 7:30PM
CITY OF FARMINGTON HILLS
31555 W ELEVEN MILE ROAD
FARMINGTON HILLS, MICHIGAN
Telephone: 248-871-2410 Website: www.fhgov.com
Cable TV: Spectrum – Channel 203; AT&T – Channel 99
YouTube Channel: <https://www.youtube.com/user/FHChannel8>**

REQUESTS TO SPEAK: Anyone requesting to speak before Council on any agenda item other than an advertised public hearing issue must complete and turn in to the City Clerk a blue, Public Participation Registration Form (located in the wall rack by the south door entering the council chambers).

REGULAR SESSION MEETING BEGINS AT 7:30P.M. IN THE CITY COUNCIL CHAMBER

STUDY SESSION (No Study Session Meeting Scheduled for June 13, 2022)

REGULAR SESSION MEETING

CALL REGULAR SESSION MEETING TO ORDER

PLEDGE OF ALLEGIANCE

ROLL CALL

1. Approval of regular session meeting agenda
2. Proclamation recognizing June 2022 as [Men’s Health Month](#)
3. Proclamation recognizing June 17-20 to be a time of [Juneteenth Celebration](#)
4. Proclamation recognizing May 15 – June 15, 2022 as [Tourette Syndrome Awareness Month](#)

CORRESPONDENCE

CONSENT AGENDA - (See Items No. 8 - 14)

All items listed under Consent Agenda are considered routine by the City Council and will be enacted by one motion. There will be no separate discussion of these items, unless a Council Member or citizen so requests, in which event the items may be removed from the Consent Agenda for consideration.

CONSENT AGENDA ITEMS FOR DISCUSSION

PUBLIC QUESTIONS AND COMMENTS

Limited to five (5) minutes for any item of City business not on the agenda.

COUNCIL MEMBERS COMMENTS AND ANNOUNCEMENTS

CITY MANAGER UPDATE

PUBLIC HEARING:

5. Public hearing and consideration of adoption of the 2022/2023 Fiscal Year Budget and 2022 Property Tax Millage Rates. [CMR 6-22-53](#)

NEW BUSINESS:

6. Consideration of approval of [appointment](#) to the Commission on Children, Youth and Families.

7. Consideration of approval of request to terminate Elderly Housing Covenant relating to 25911 Middlebelt Road. [CMR 6-22-54](#)

CONSENT AGENDA:

8. Recommended adoption of a resolution regarding the potential establishment of an Innovation and Economic Development Incubator at The Hawk Facility. [CMR 6-22-55](#)
9. Recommended approval of entering into the 2022 High Intensity Drug Trafficking Area (HIDTA) Subrecipient Agreement with Oakland County. [CMR 6-22-56](#)
10. Recommended approval of [requests for employment](#) under Section 10.01A of the City Charter for two (2) Nature Camp Workers, one (1) Driving Range Attendant, one (1) Makerspace Technician, one (1) Guest Services, one (1) Camp Leader, one (1) Swim Instructor, one (1) Hawk Concessions Attendant and one (1) Hawk Concessions Leader.
11. Recommended approval of the City Council [special budget study session minutes](#) of May 16, 2022.
12. Recommended approval of the City Council [special budget study session minutes](#) of May 17, 2022.
13. Recommended approval of the City Council [study session meeting minutes](#) of May 23, 2022.
14. Recommended approval of the City Council [regular session meeting minutes](#) of May 23, 2022.

ADDITIONS TO AGENDA

15. Attorney Report

ADJOURNMENT

Respectfully submitted,

Pamela B. Smith, City Clerk

Reviewed by:

Gary Mekjian, City Manager

NOTE: Anyone planning to attend the meeting who has need of special assistance under the Americans with Disabilities Act (ADA) is asked to contact the City Clerk's Office at 248-871-2410 at least two (2) business days prior to the meeting, wherein necessary arrangements/ accommodations will be made.



PROCLAMATION
Men's Health Month – June 2022
Men's Health Week – June 13 - 19, 2022

WHEREAS, despite advances in medical technology and research, men continue to live an average of five years less than women, with Native American and African American men having the lowest life expectancies; and

WHEREAS, educating the public and health care providers about the importance of safe behaviors, a healthy lifestyle, and early detection of male health problems will result in reduced rates of mortality from disease; and

WHEREAS, men who are educated about the value that preventive health care can play in prolonging their lifespan and their role as productive family members will be more likely to participate in health screenings, and serve as better healthy role models for their children; and

WHEREAS, the Men's Health Network worked with Congress to develop a National Men's Health Awareness campaign to help educate men, boys, and their families about the importance of positive health attitudes and preventive health practices; and

WHEREAS, Men's Health Month and Men's Health Week, which ends every year on Father's Day, focus on a broad range of men's health issues including heart disease, mental health, diabetes, and cancer of the prostate, testicles, and colon.

NOW, THEREFORE, BE IT RESOLVED that I, Vicki Barnett, Mayor of the City of Farmington Hills, on behalf of the City Council, do hereby proclaim June 2022 as **Men's Health Month** and encourage all citizens to pursue preventive health care practices such as a healthy lifestyle, regular exercise, and medical check-ups, and to support early detection efforts for themselves and their loved ones.

Vicki Barnett

Vicki Barnett, Mayor



PROCLAMATION
Juneteenth Celebration
National Observance June 20, 2022

WHEREAS, the Farmington Area Juneteenth Committee convened by First AME Church of Farmington Hills will hold its fourth annual celebration of Juneteenth on June 17 – 19, 2022 in partnership with Community Equity Organization, Danika Community Development Organization, and Nardin Park UM Church with a variety of activities emphasizing a shared history, education, achievement, and unity; and

WHEREAS, Juneteenth celebrations commemorate the word of emancipation finally reaching a group of enslaved Africans in Galveston, Texas on June 19, 1865, which was two and a half years after President Abraham Lincoln issued the Emancipation Proclamation on January 1, 1863, stating that “all persons held as slaves” within the rebellious states “are, and henceforth shall be free;” and

WHEREAS, Juneteenth is a day of reflection, renewal, and pride as families and community members gather to celebrate the African American experience and to measure and appreciate the great progress and significant contributions made by African Americans in our society; and

WHEREAS, worldwide celebrations of Juneteenth are designed to acknowledge and honor history while looking toward the future with a renewed commitment to building coalitions, offering needed support, and praying for peace and liberty for all; and

WHEREAS, on June 17, 2021, President Joseph R. Biden, Jr. signed into law Senate Bill 475 (S. 475) making “Juneteenth” a federal holiday, celebrated nationally this year on Monday, June 20, 2022.

NOW, THEREFORE, BE IT RESOLVED, that I, Vicki Barnett, Mayor of the City of Farmington Hills, on behalf of the City Council, do hereby proclaim June 17 – 20, 2022 to be a time of **Juneteenth Celebration** and urge everyone to acknowledge the inspirational efforts of the African American community and all communities, and to applaud our collective commitment to family and furthering the cause of freedom.

A handwritten signature in black ink that reads "Vicki Barnett". The signature is written in a cursive style with a large, stylized initial 'V'.

Vicki Barnett, Mayor



PROCLAMATION
Tourette Syndrome Awareness Month
May 15 – June 15, 2022

WHEREAS, observances that raise awareness about serious neurological disorders, such as Tourette Syndrome, offer an opportunity to educate the public and to advocate for the needs of impacted children and their families; and

WHEREAS, Tourette Syndrome, an inherited neurological disorder that affects approximately 2% of the population in the United States, is characterized by involuntary, sudden movements and repeated vocal sounds called “tics;” and

WHEREAS, Tourette Syndrome can strike people of all racial and ethnic backgrounds with symptoms typically appearing before age 10 and sometimes requiring lifelong treatment; and

WHEREAS, as many as 1 in 100 school-age boys and 1 in 300 to 400 school-age girls may have Tourette Syndrome, but due to a lack of information and public awareness, thousands of people remain untreated and undiagnosed and there is a social stigma attached to the disorder; and

WHEREAS, there is no known cure for Tourette Syndrome, but early diagnosis and treatment can help to prevent physical and psychological harm and increase understanding and support.

NOW, THEREFORE, BE IT RESOLVED that I, Vicki Barnett, Mayor of the City of Farmington Hills, on behalf of the City Council, do hereby proclaim May 15 – June 15, 2022 as **Tourette Syndrome Awareness Month**, and urge all citizens to learn about the signs of this neurological disorder, and to show support for the children and families who live with Tourette Syndrome.

A handwritten signature in black ink that reads "Vicki Barnett".

Vicki Barnett, Mayor

CITY OF FARMINGTON HILLS, MI

FY 2022/23

PROPOSED ANNUAL BUDGET



The Budget Process

FY 2022/23 BUDGET CALENDAR

Nov-Dec 2021	Finance Department prepares budget documents and instructions for Department Directors
January 3-7, 2022	Electronic distribution of budget documents and instructions and forms to Department Directors
January 10-14, 2022	Finance Pre-submittal Meetings with Departments (optional) as requested by department heads
January 22, 2022	City Council Goal Setting Meeting
By January 28, 2022	Departmental Budget Requests submitted to Finance Department
By February 25, 2022	Major and Local Road Budgets submitted to Finance Department
March 1-4, 2022	Finance Department Budget Review Meetings with Departments
March 22-24, 2022	City Manager Budget Review meetings with Departments and District Court
March 25-May 6, 2022	Budget Document Preparation
May 6, 2022	Transmittal of FY 2022/23 draft budget document to City Council
May 16, 2022	Budget Overview presented to City Council at Study Session
May 16-17, 2022	Budget review study sessions with City Council
June 1, 2022	Public Notice of Public Hearing on FY 2022/23 proposed budget and tax rate.
June 13, 2022	Public Hearing and Adoption of FY 2022/23 budget and tax rate.

Taxable Values

- The FY 22/23 City-Wide Taxable Value is increasing by 6.62% compared to FY 21/22, which is the net of a 6.92% increase in real property taxable value and a 1.89% increase in personal property taxable value.
- The increase in Real Property taxable value is the result of a 5.97% increase in Residential values, a 9.75% increase in Commercial values, and an 9.08% increase in Industrial values.
- Personal Property accounts for 5.81% of the tax base, down slightly from 6.00% in FY 21/22.

Taxable Values

- The City will be impacted for the fourth consecutive year by a Headlee Millage Rollback in FY 22/23 in its General Operating, Road, Parks and Public Safety Millages.
- Although taxable value is projected to grow approximately 5% in FY 2023-24, and 3% annually over the ensuing few years, the limits on property tax revenue growth due to the interaction of Headlee and Proposal A, will temper this improvement going forward, with a projected continued Headlee Rollback each year.



Millage Rates

The Total Proposed Tax Rate for FY 22/23 is decreasing by 0.2878 Mills to 16.5688 Mills. This is due to the following:

- Decreases from Headlee Rollbacks:
 - General Operating Millage (0.1733 mills)
 - Road Millages (0.0989 mills)
 - Parks Millage (0.0100 mills)
 - Public Safety Millages (0.0671 mills)**
- Decrease in the Economic Development Millage (0.0001 mills)

↪ ** the reduction in the Public Safety Millages is offset by the renewal of one of the Millages by the Voters in November 2021, which increased it by 0.0813 mills, before it was subject to a Headlee Rollback of 0.0367 for 2022.

Millage Rates

Source	Purpose	Date of Election	Actual Tax Rate FY 2019/20	Actual Tax Rate FY 2020/21	Actual Tax Rate FY 2021/22	Proposed Tax Rate FY 2022/23
	Operations		5.6431	5.5514	5.4072	5.2909
	Capital		2.0285	1.8109	2.0147 	1.9714
	Debt Service		0.5216	0.7383	0.6017	0.5887
Charter	Total Charter Operating Millage		8.1932	8.1006	8.0236	7.8510
PA 298	Refuse Removal		0.7454	0.7530	0.7530	0.7333
PA 359	Economic Development		0.0144	0.0139	0.0134	0.0125
Voted	Road Millage	11/4/2014	1.9448	1.9228	1.9045	1.8635
Voted	Road Millage	11/6/2018	2.7696	2.6987	2.6730	2.6155
Voted	Parks	8/17/2018	0.4745	0.4691	0.4646	0.4546
Voted	Public Safety	11/4/2021	1.6530	1.6343	1.6187 	1.6634
Voted	Public Safety	11/3/2015	1.4356	1.4193	1.4058	1.3755
	Total Voted Millage		8.2775	8.1442	8.0666	7.9725
	Total City Millage		17.2305	17.0117	16.8566	16.5693

YOUR 2021 TAX DOLLAR

Based on Principal Residence (Homestead) Rate

<u>School District</u>	<u>County/Other</u>	<u>Education*</u>	<u>City</u>
Farmington	16.54%	45.45%	38.01%
Walled Lake	17.90%	40.96%	41.14%
Clarenceville	18.36%	39.46%	42.18%

*Local Schools (including State support) + Oakland Intermediate Schools + Community College



County/Other
16.54%

Education
45.45%

City
38.01%

Based on Principal Residence (Homestead) Rate

Revenue Assumptions

2021/22 (Amended) – 2024/25

Post-COVID-19 Recovery

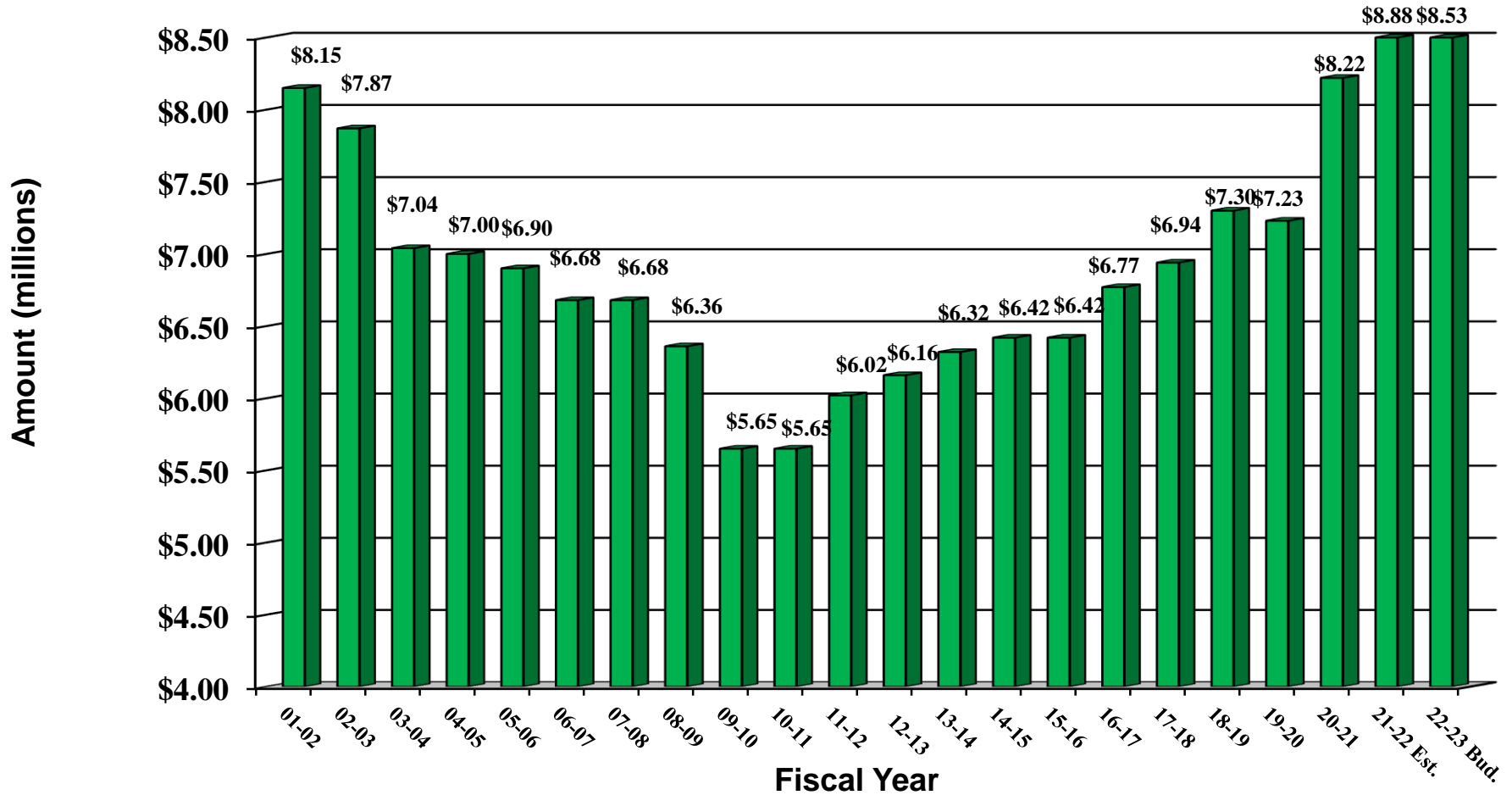
- Property Taxes
 - 2021/22: Budgeted: Increase of \$1.0 million
 - 2021/22: Proj: Increase of \$1.0 million (as Budgeted)
 - 2022/23: Budgeted: Increase of \$1.3 million vs 21/22 Proj. (one-time 2020 Census Adjustment in 21-22)
- State Shared Revenue
 - 2021/22: Budgeted: Decrease of \$0.1 million
 - 2021/22: Proj: Increase of \$0.6 million (\$0.7 million positive variance)
 - 2022/23: Budgeted: Decrease of \$0.3 million vs 21/22 Proj. (1-time 2020 Census Adj. in 21-22)
- Recreation User Charges
 - 2021/22: Budgeted: Increase of \$2.0 million (first year of Hawk operation)
 - 2021/22: Proj: Increase of \$2.0 million (as Budgeted)
 - 2022/23: Budgeted: Increase of \$1.7 million vs 21/22 Proj. (1st full year Post-COVID)
- Licenses and Permits
 - 2021/22: Budgeted: Decrease of \$0.07 million
 - 2021/22: Proj: Increase of \$0.07 million
 - 2022/23: Budgeted: Increase of \$0.15 million vs 21/22 Proj. (stabilized/positive building activity)
- ARPA Grant (1st Traunche – 21/22): \$4.45 million

General Fund Revenue

- The FY 22/23 General Fund Revenue Budget is increasing \$2.5 million or 3.7% compared to the FY 21/22 projected actual (final budget).
 - Property Taxes +\$1.3 million
 - Recreation User Fees +\$1.7 million

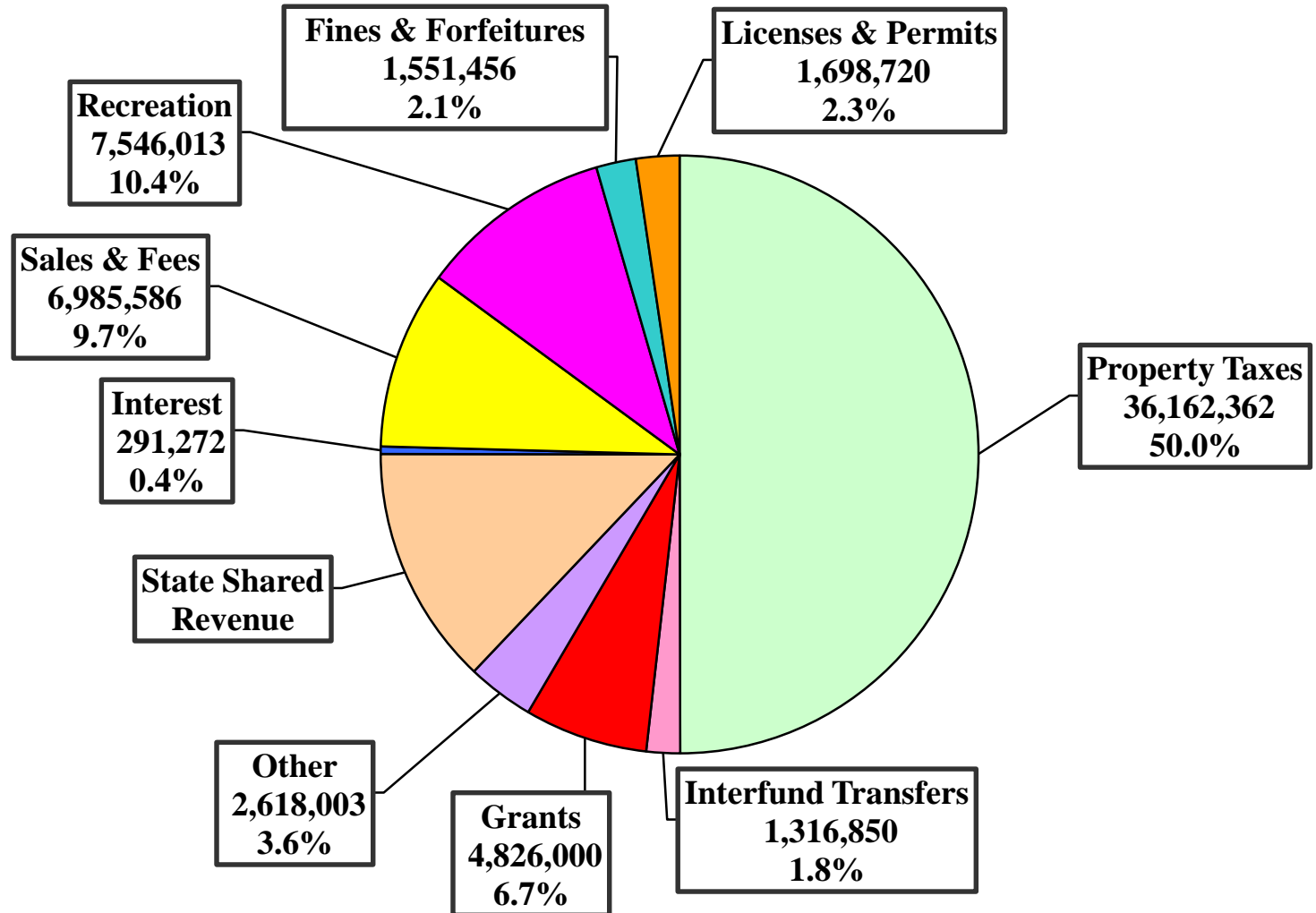
- Property Taxes and State Shared Revenue comprise 63% of the General Fund's \$72.4 million Revenue Budget. The remaining 37% is comprised of Licenses & Permits, Service/User Charges, Fines & Forfeitures, Grants, Interest Earnings, Miscellaneous Revenue and Transfers from Other Funds.

State Shared Revenue



General Fund Revenues

Budgeted \$72,369,790



Expenditure Assumptions

2022/23 – 2024/25

- Salaries & Wages:

 - Per Collective Bargaining Agreements

 - Existing: 3.0% for non-bargained, 2.0% for AFSCME

 - Expiring Contracts: steps (IAFF, COAM, Teamsters: 2022, POAM (wages): 2022-2024, AFSCME: 2023)

- Medical Insurance: +2.5% each year

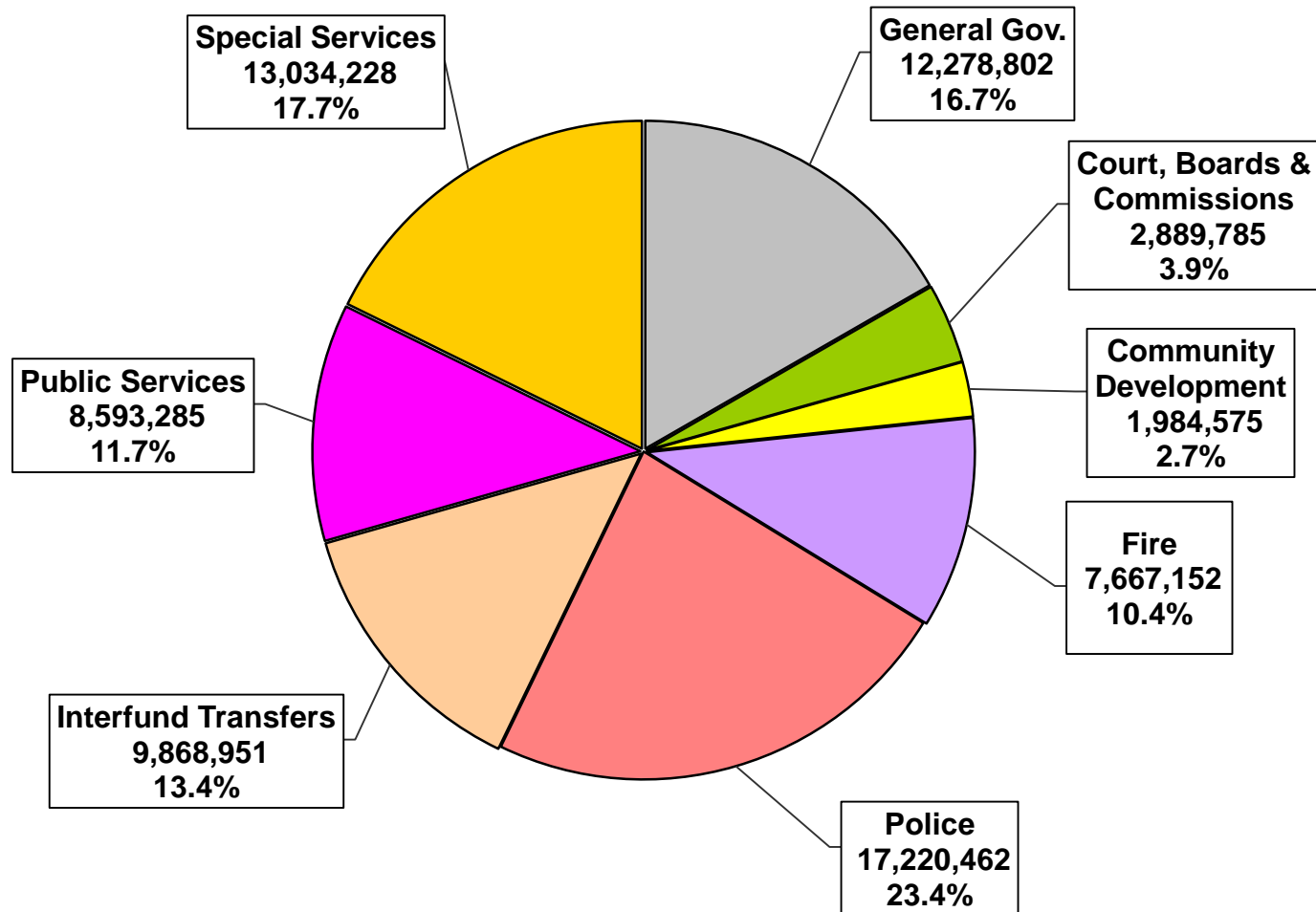
- Transfer to Capital Improvement Fund: \$7.6/\$7.6/\$7.6 million

General Fund Expenditures

- The \$73.5 million General Fund Expenditure Budget is \$7.5 million or 6.0% higher than the FY 21/22 projected actual expenditures (final budget). The proposed budget maintains City services, implements recent collective bargaining agreements, includes \$1.6 million increase to fully operate the Hawk, as well as \$600 thousand in additional expenses to meet current needs for equipment maintenance, software upgrades, and opportunities for operational efficiencies.
- Public Safety (Police & Fire) and Court Expenditures comprise 38% of the General Fund's Budget, Transfers to Other Funds (primarily for capital and debt) comprise 14% of the budget, and the remaining 48% of the budget funds public services, special services, planning & community development, and general government activities.

General Fund Expenditures

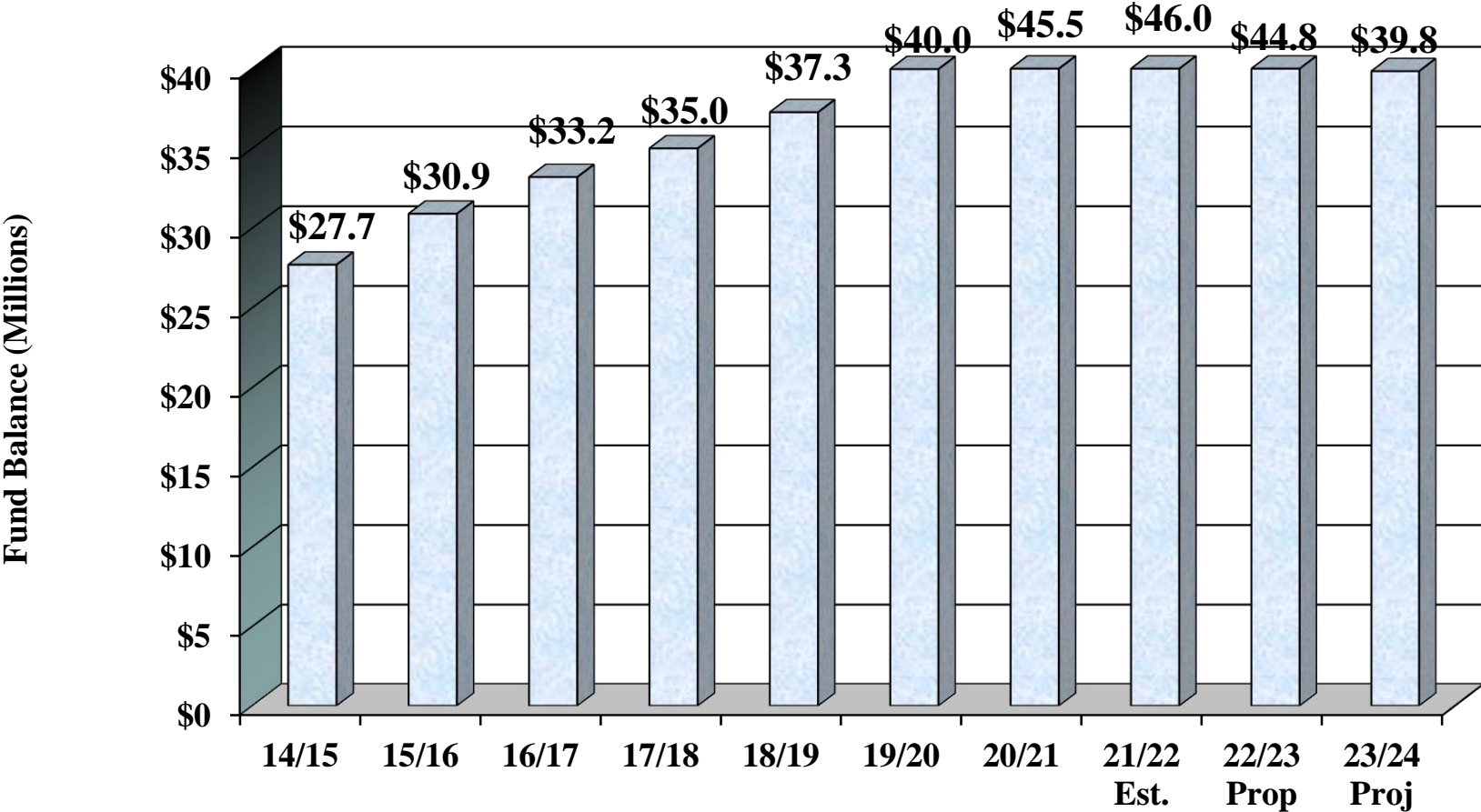
Budgeted \$73,537,240



General Fund Summary

	Revenue	Expenditures	Change in Fund Balance	Ending Fund Balance
2019/20:				
Final Actual	\$62,140,350	\$59,434,383	\$2,705,966	\$39,972,072
Fund Balance % of Expenditures				67.25%
2020/21:				
Final Actual	\$66,370,272	\$60,968,070	\$5,402,203	\$45,528,888
Fund Balance % of Expenditures				74.68%
2021/22:				
Projected	\$69,841,097	\$69,372,533	\$468,564	\$45,997,452
Fund Balance % of Expenditures				66.30%
2022/23:				
Proposed Budget	\$72,369,790	\$73,537,239	(\$1,167,449)	\$44,830,003
Fund Balance % of Expenditures				60.96%
2023/24:				
Projected Budget	\$70,679,209	\$75,668,599	(\$4,989,390)	\$39,840,613
Fund Balance % of Expenditures				52.65%
2024/25:				
Projected Budget	\$72,448,015	\$77,133,891	(\$4,685,876)	\$35,154,737
Fund Balance % of Expenditures				45.58%

General Fund Total Fund Balance



Optimizing Capital Investment

The Budget calls for the use of General Fund balance in a planned and deliberate fashion:

- § **To “catch up” with unmet capital needs over the next 5 years**, such as the City’s stormwater collection and conveyance system, sidewalks, vehicles and equipment, and public facilities, boosting capital reinvestment to catch-up on priority needs in a sustainable way.
- § **The optimal mixture of cash and debt financing to support capital projects by issuing \$5.4M of new bonds for priority storm sewer/drain projects.** This will:
 - | Improve the handling of runoff and the preservation of roads and other City infrastructure.
 - | Protect homes and other property.
 - | These facilities will be designed to last over 75 years – much longer than the 15-year bond payoff schedules, and providing a very efficient return on investment.
- § **Bottom line: the above strategies will enable the City to:**
 - | Triple our normal investment in Drains
 - | Eliminate unmet capital/infrastructure needs
 - | Maintain our commitment to facilities and other capital improvements, and
 - | We will not increase the General Fund’s support of CIP projects.

Special Services Study



The Hawk Community Center is the new focal point for recreational programming, theatre, and much more. **Special Services Revenue projections for FY 21-22 are being met, people are moving towards a post-COVID recovery.**

We anticipate hitting our post-COVID “normal” of \$7.5 million of revenue in FY 22-23. Total General Fund revenue from Special Services equals \$8.8 million, including \$1.3 million of Parks and Recreation millage revenue transferred into the General Fund. **However, Special Services revenues are still more than \$5 million short of the \$14.4 million that is required** to fund the cost of Special Services programs (\$12.3 million), facility repairs/replacement (\$0.1 million), and debt service (\$1.6 million for the Hawk + \$0.4 million for the Golf Course).

In 2022, the Administration will be presenting the results of a study from the Sports Facilities Company, which will recommend how best to utilize our Community Center facilities in the context of optimized programming and aligned funding sources. The study will include a strategic plan which will include any recommended major capital expenditures that are necessary to optimize these facilities for the current and future needs of the community, **which will not add any financial burden to the General Fund, but instead reduces/eliminates the existing annual Special Services deficit to a manageable and sustainable level.**



Major Road Fund Summary

	2019/20 Actual	2020/21 Actual	2021/22 Estimated	2022/23 Proposed	2023/24 Projected	2024/25 Projected
Beginning Fund Balance	\$6,770,763	\$3,003,878	\$9,246,238	\$8,685,727	\$4,685,193	\$3,364,362
Revenue	11,549,197	12,271,688	12,820,052	12,734,114	12,722,037	12,903,651
Expenditures:						
Operations	6,225,447	3,698,440	7,239,653	4,951,253	5,042,867	6,152,015
Road Construction	9,090,635	2,330,888	6,140,910	11,783,395	9,000,000	9,000,000
Total	15,316,082	6,029,328	13,380,563	16,734,648	14,042,867	15,152,015
Ending Fund Balance	\$3,003,878	\$9,246,238	\$8,685,727	\$4,685,193	\$3,364,362	\$1,115,998

2022/23 Major Road Projects

11 Mile, Middlebelt to Inkster (MDOT)
 Farmington, 12 to 13 Mile
 14 Mile, Farmington to Orchard Lake (MDOT)
 Orchard Lake, 13 Mile to 14 Mile (RCOC)
 Shiawassee, Hawthorne to 9 Mile
 FFIP No. 1, 2, 3 & South (Phase 1-3) - (Commerce Dr)
 Interchange Drive
 FFIP No. 1, 2, 3 (Phase 2)
 Major Road Geotech
 14 Mile, Drake to Farmington
 Farmington, 12 to 13 Mile

Local Road Fund Summary

	2019/20 Actual	2020/21 Actual	2021/22 Estimated	2022/23 Proposed	2023/24 Projected	2024/25 Projected
Beginning Fund Balance	\$6,856,705	\$5,472,890	\$1,864,010	\$3,146,851	\$1,653,974	\$397,553
Revenue	16,361,126	14,607,354	17,347,699	14,728,716	15,024,911	16,099,102
Expenditures:						
Operations	4,974,552	3,969,068	4,099,263	4,253,782	4,281,332	4,314,184
Road Construction	12,770,389	14,247,166	11,965,596	11,967,810	12,000,000	12,000,000
Total	17,744,941	18,216,235	16,064,859	16,221,592	16,281,332	16,314,184
Ending Fund Balance	\$5,472,890	\$1,864,010	\$3,146,851	\$1,653,974	\$397,553	\$182,472

2022/23 Local Road Projects

Local Road Mill & Fill 2022 - Ruth, Randall, Rivers Glen, Salisbury & Ambeth

Heritage Hills Phase 2 - Construction

Rockridge Street - Construction

Whitlock Gravel Road Conversion - Construction

Chatsworth - Construction

Residential Speed Control

Local Road Geotech

Local Road Mill & Fill - Design 22/23 (TBD)

Gravel Road Conversion Projects - Design (TBD)

Local Road Mill and Fill - Construction 22/23 (TBD)

Heritage Hills Phase 3 - Construction

City-Wide Capital Expenditures

Local Roads	\$14,247,166
Major Roads	2,330,888
Drainage & Bridges	6,694,000
Technology	2,686,550
Public Facilities	1,311,000
Special Services (Comm. Ctr. + Park Equip.)	1,013,000
Fire + Police Vehicles & Heavy Equip.	1,615,000
DPW Vehicles & Heavy Equipment	1,164,200
Sidewalks	493,000
Total	<hr/> <u>\$31,554,805</u> <hr/>

Questions?

REPORT FROM CITY MANAGER TO CITY COUNCIL – June 13, 2022

SUBJECT: Consider Holding a Public Hearing on the City’s Proposed FY 2022/23 Budget. After the Public Hearing, Consider Approving a Resolution Adopting the FY 2022/23 City Budget and 2022 City Property Tax Millage Rates

Administrative Summary

The City Manager’s Proposed FY 2022/23 Budget was transmitted to the City Council on May 9, 2022. The City Council conducted Budget Review Study Sessions on May 16, 2022 and May 17, 2022.

The Public Hearing has been properly noticed in the City’s Newspaper of Record.

Recommendation:

It is recommended that the City Council first conduct the Public Hearing on the proposed FY 2022/23 City Budget. It is further recommended that after the Public Hearing the City Council considers approval of the attached Resolution Adopting the FY 2022/23 City Budget and 2021 City Property Tax Millage Rates.

Prepared by:

Thomas Skrobola
Finance Director/Treasurer

Approved by:

Gary Mekjian
City Manager

BUDGET RESOLUTION

WHEREAS, the appropriate City Officers have submitted to the City Manager an itemized estimate of expenditures for FY 2021/22 for the respective departments and/or activities under his/her direction; and,

WHEREAS, the City Manager has prepared a complete itemized budget proposal for FY 2022/23 including the General Fund, Special Revenue Funds, Debt Service Funds, Capital Projects Funds and the Component Units, and has submitted the same to the City Council pursuant to Article VI of the City Charter; and,

WHEREAS, a Public Hearing was held on the combined budgets for FY 2022/23 on June 13, 2022 and the property tax millage rate to be levied to support the FY 2022/23 budget; and,

WHEREAS, an appropriate public notice was published on June 5, 2022, notifying citizens of the Public Hearing on the proposed FY 2022/23 Budget and the proposed property tax levy to support these budgets and the City Council's intention to adopt the budgets and establish the property tax rates on June 13, 2022 after the Public Hearing; and,

WHEREAS, all necessary proceedings have been taken by the City of Farmington Hills, Oakland County, Michigan, for the adoption of its Budget for the FY 2022/23;

THEREFORE, be it resolved by the City Council as follows:

- 1) That the City Council for the City of Farmington Hills hereby adopts the General Fund Budget for FY 2022/23 in the aggregate amount of \$73,537,240 for expenditures and transfers-out funded by \$72,369,789 in revenues and transfers-in.
- 2) That the City Council for the City of Farmington Hills hereby appropriates the sum of \$73,537,240 in expenditures and transfers-out for FY 2022/23 for General Fund purposes on a departmental and activity total basis as follows:

Boards & Commissions	\$2,889,785
General Government	\$12,278,802
Public Safety	\$24,887,614
Planning & Community Development	\$1,984,575
Public Services	\$8,593,285
Special Services	\$13,034,228
Operating Transfers Out	\$9,868,951
Total Expenditures + Transfers-out	<u>\$73,537,240</u>

- 3) That the City of Farmington Hills shall levy 5.2909 mills ad valorem tax on the Taxable Value of all Real and Personal Property subject to taxation in the City of Farmington Hills for the FY 2022/23 for general operating purposes.
- 4) That the City of Farmington Hills shall levy 0.5887 mills ad valorem tax on the Taxable Value of all Real and Personal Property subject to taxation in the City of Farmington Hills for the FY 2022/23 for general debt service requirements (all 0.5887

mills are from within the City Charter Limit) and to adopt the 2022/23 Debt Service Fund Budgets schedule as attached below.

- 5) That the City of Farmington Hills shall levy 2.4260 mills ad valorem tax on the Taxable Value of all Real and Personal Property subject to taxation in the City of Farmington Hills for the FY 2022/23 for Capital Improvements of which 0.4546 mills will be dedicated to Parks Development as approved by the electorate in August 2018 and to adopt the 2022/23 Capital Improvement Fund Budget and Parks & Recreation Capital Development Funds Budget as attached below.
- 6) That the City of Farmington Hills shall levy 3.0389 mills ad valorem (as approved by the electorate in November 2015 and November 2021) on the taxable value of all real and personal property subject to taxation in the City of Farmington Hills for the FY 2022/23 for the purposes of public safety.
- 7) That the City of Farmington Hills shall levy 0.7333 mills ad valorem tax on the Taxable Value of all Real and Personal Property subject to taxation in the City of Farmington Hills for the FY 2022/23 for refuse removal and disposal.
- 8) That the City of Farmington Hills shall levy 0.0125 mills ad valorem tax on the Taxable Value of all Real and Personal Property subject to taxation in the City of Farmington Hills for the FY 2022/23 for economic development and public information.
- 9) That the City of Farmington Hills shall levy 4.4790 mills ad valorem tax (as approved by the electorate in November 2014 and in November 2018) on the Taxable Value of all Real and Personal Property subject to taxation in the City of Farmington Hills for the FY 2022/23 for the City's local match to Major Road grant funded projects as well as preventative maintenance treatments on both Major and Local Roads.
- 10) That the City of Farmington Hills shall levy a total of 16.5693 mills ad valorem on the taxable value of all real and personal property subject to taxation in the City of Farmington Hills for FY 2022/23.
- 11) That the City of Farmington Hills estimates General Fund Revenues and transfers-in for the FY 2022/23 to total \$72,369,789, as follows:

Property Taxes	\$36,162,362
Business Licenses & Permits	\$22,953
Other Licenses & Permits	\$1,675,767
Grants	\$4,826,000
State Shared Revenues	\$9,373,527
Fees	\$6,625,531
Sales	\$360,055
Fines & Forfeitures	\$1,551,456
Interest Earnings	\$291,272
Recreation User Charges	\$7,546,013
Other Revenue	\$2,618,003
Operating Transfers In	\$1,316,850
Total Revenue + Transfers-in	<u>\$72,369,789</u>

- 12) That the City of Farmington Hills adopts the Special Revenue Funds Budgets for the FY 2022/23 as follows:

SPECIAL REVENUE FUNDS SUMMARY

	Total Infrastructure Funds	Total Recreation Funds	Total Public Safety Funds	Total Grant Funds	Total Special Revenue Funds
FUND BALANCE AT JULY 1, 2022	\$12,259,028	\$543,922	\$3,380,925	\$0	\$16,183,875
REVENUES					
Property Taxes	17,642,620	1,738,872	11,382,653	0	30,764,145
Intergovernmental	10,831,851	385,000	200,514	734,451	12,151,816
Interest Income	105,000	3,500	63,780	500	172,780
Miscellaneous	190	212,692	0	71,697	284,579
Total Revenues	28,579,661	2,340,064	11,646,946	806,648	43,373,319
EXPENDITURES					
Highways & Streets	31,939,240	0	0	0	31,939,240
Public Safety	0	0	11,798,354	0	11,798,354
Appointed Council	0	0	0	316,021	316,021
Contractual Services	0	0	0	40,560	40,560
Debt Service - Principal	750,000	0	0	0	750,000
Debt Service - Interest	138,000	0	0	0	138,000
Land Acquisition, Capital Improvements and Other	129,000	1,474,443	425,953	450,067	2,479,463
Total Expenditures	32,956,240	1,474,443	12,224,307	806,648	47,461,638
Revenues over/(under) Expenditures	(4,376,580)	865,621	(577,361)	0	(4,088,320)
OTHER FINANCING SOURCES AND USES					
Transfers In	16,751,503	68,951	0	0	16,820,454
Transfers Out	(16,751,503)	(1,307,850)	0	0	(18,059,353)
Total	0	(1,238,899)	0	0	(1,238,899)
Excess Revenues and Other Financing Sources over/(under) Expenditures and Other Uses	(4,376,580)	(373,278)	(577,361)	0	(5,327,219)
FUND BALANCE AT JUNE 30, 2023	\$7,882,447	\$170,644	\$2,803,564	\$0	\$10,856,655

SPECIAL REVENUE FUNDS INFRASTRUCTURE FUNDS SUMMARY

	Municipal Street Fund #201	Major Roads Fund #202	Local Roads Fund #203	Total Infrastructure Funds
FUND BALANCE AT JULY 1, 2022	\$426,450	\$8,685,727	\$3,146,851	\$12,259,028
REVENUES				
Property Taxes	17,642,620	0	0	17,642,620
Intergovernmental	205,714	7,689,347	2,936,790	10,831,851
Interest Income	20,000	75,000	10,000	105,000
Miscellaneous	0	190	0	190
Total Revenues	17,868,334	7,764,537	2,946,790	28,579,661
EXPENDITURES				
Highways & Streets	0	16,643,248	15,295,992	31,939,240
Debt Service - Principal	0	0	750,000	750,000
Debt Service - Interest	0	0	138,000	138,000
Other	0	91,400	37,600	129,000
Total Expenditures	0	16,734,648	16,221,592	32,956,240
Revenues over/(under) Expenditures	17,868,334	(8,970,111)	(13,274,802)	(4,376,580)
OTHER FINANCING SOURCES AND USES				
Transfers In	0	4,969,577	11,781,926	16,751,503
Transfers Out	(16,751,503)	0	0	(16,751,503)
	(16,751,503)	4,969,577	11,781,926	0
Excess Revenues and Other Financing Sources over/(under) Expenditures and Other Uses	1,116,831	(4,000,535)	(1,492,876)	(4,376,580)
FUND BALANCE AT JUNE 30, 2023	\$1,543,280	\$4,685,193	\$1,653,974	\$7,882,448

SPECIAL REVENUE FUNDS RECREATION FUNDS SUMMARY

	Nutrition Fund #281	Parks & Recreation Millage Fund #410	Total Recreation Funds
FUND BALANCE AT JULY 1, 2022	\$0	\$543,922	\$543,922
REVENUES			
Property Taxes	0	1,738,872	1,738,872
Intergovernmental	360,000	25,000	385,000
Interest Income	500	3,000	3,500
Miscellaneous	152,692	60,000	212,692
Total Revenues	513,192	1,826,872	2,340,064
EXPENDITURES			
Land Acquisition, Capital Improvements and Other	582,143	892,300	1,474,443
Total Expenditures	582,143	892,300	1,474,443
Revenues over/(under) Expenditures	(68,951)	934,572	865,621
OTHER FINANCING SOURCES AND USES			
Transfers In	68,951	0	68,951
Transfers Out	0	(1,307,850)	(1,307,850)
Total	68,951	(1,307,850)	(1,238,899)
Excess Revenues and Other Financing Sources over/(under) Expenditures and Other Uses	0	(373,278)	(373,278)
FUND BALANCE AT JUNE 30, 2023	\$0	\$170,644	\$170,644

SPECIAL REVENUE FUNDS PUBLIC SAFETY FUNDS SUMMARY
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	Public Safety Fund #205	Federal Forfeiture Fund #213	State Forfeiture Fund #214	Total Public Safety Funds
FUND BALANCE AT JULY 1, 2022	2,648,419	\$447,053	\$285,454	\$3,380,925
REVENUES				
Property Taxes	11,382,653	0	0	11,382,653
Intergovernmental	200,514	0	0	200,514
Interest Income	63,780	0	0	63,780
Miscellaneous	0	0	0	0
Total Revenues	11,646,946	0	0	11,646,946
EXPENDITURES				
Public Safety	11,660,454	129,200	8,700	11,798,354
Land Acquisition, Capital Improvements and Other	425,953	0	0	425,953
Total Expenditures	12,086,407	129,200	8,700	12,224,307
Revenues over/(under) Expenditures	(439,461)	(129,200)	(8,700)	(577,361)
Excess Revenues and Other Financing Sources over/(under) Expenditures and Other Uses	(439,461)	(129,200)	(8,700)	(577,361)
FUND BALANCE AT JUNE 30, 2023	\$2,208,958	\$317,853	\$276,754	\$2,803,564

SPECIAL REVENUE FUNDS GRANT FUNDS SUMMARY
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	C.D.B.G. Fund #275	M.I.D.C. Fund #262	Total Grant Funds
FUND BALANCE AT JULY 1, 2022	0	\$0	\$0
REVENUES			
Property Taxes	0	0	0
Intergovernmental	399,667	334,784	734,451
Interest Income	400	100	500
Miscellaneous	50,000	21,697	71,697
Total Revenues	450,067	356,581	734,951
EXPENDITURES			
Appointed Council	0	316,021	316,021
Contractual Services	0	40,560	40,560
Land Acquisition, Capital Improvements and Other	450,067	0	450,067
Total Expenditures	450,067	356,581	806,648
Revenues over/(under) Expenditures	0	0	0
Excess Revenues and Other Financing Sources over/(under) Expenditures and Other Uses	0	0	0
FUND BALANCE AT JUNE 30, 2023	\$0	\$0	\$0

- 13) That the City of Farmington Hills adopts the 2022/23 Debt Service Fund Budgets as follows:

DEBT SERVICE FUNDS SUMMARY

	General Debt Service Fund #301	Total Debt Service Funds
FUND BALANCE AT JULY 1, 2022	\$97,745	\$97,745
REVENUES		
Interest Income	200	200
Intergovernmental Revenues	50,000	50,000
Total Revenues	50,200	50,200
EXPENDITURES		
Bond Principal Payments	1,530,000	1,530,000
Interest and Fiscal Charges	684,960	684,960
Miscellaneous	2,500	2,500
Total Expenditures	2,217,460	2,217,460
Revenues over/(under) Expenditures	(2,167,260)	(2,167,260)
OTHER FINANCING SOURCES AND USES		
Transfers In -General Fund	2,200,000	2,200,000
Total Transfers In	2,200,000	2,200,000
Total Other Financing Sources and Uses	2,200,000	2,200,000
Excess Revenues and Other Financing Sources over/(under) Expenditures and Other Uses	32,740	32,740
FUND BALANCE AT JUNE 30, 2023	\$130,485	\$130,485

- 14) That the City of Farmington Hills adopts the 2022/23 Capital Projects Funds Budgets as follows:

CAPITAL PROJECTS FUNDS SUMMARY

	Capital Improvement Fund #404	Community Center Renovations Fund #406	Total Capital Project Funds
FUND BALANCE AT JULY 1, 2022	\$1,805,209	\$349,813	\$2,155,022
REVENUES			
Grants	0	0	0
Interest Income	20,000	30,000	50,000
Total Revenues	20,000	30,000	50,000
EXPENDITURES			
Public Facilities	1,061,000	130,000	1,191,000
Drainage	6,694,000	0	6,694,000
Sidewalks	493,000	0	493,000
Equipment	5,715,750	0	5,715,750
Debt Service	452,543	0	452,543
Administration & Miscellaneous	500	300	800
Total Expenditures	14,416,793	130,300	14,547,093
Revenues over/(under)			
Expenditures	(14,396,793)	(100,300)	(14,497,093)
OTHER FINANCING SOURCES AND USES			
Transfer from General Fund	7,600,000	0	7,600,000
Proceeds from Bond Sale	5,420,000	0	5,420,000
Total Other Financing Sources and Uses	13,020,000	0	13,020,000
Revenues and Other			
Financing Sources Over/(Under)			
Expenditures and Other Uses	(1,376,793)	(100,300)	(1,477,093)
FUND BALANCE AT JUNE 30, 2023	\$428,417	\$249,513	\$677,930

- 15) That the City of Farmington Hills adopts the 2022/23 Component Unit Funds Budgets as follows:

COMPONENT UNIT FUNDS SUMMARY

	Corridor Improvement Authority Fund #242	Brownfield Redevelopment Authority Fund #243	Total Component Units
FUND BALANCE AT JULY 1, 2022	\$454,828	\$1,312,152	\$1,766,979
REVENUES			
Property Taxes	205,061	380,995	586,056
Intergovernmental	0	0	0
Interest Income	306	16,640	16,946
Total Revenues	205,367	397,635	603,002
EXPENDITURES			
Audit Fees	100	0	100
Marketing	0	0	0
Business Improvement Grant	0	0	0
Miscellaneous/Others	0	5,275	5,275
Consultants	0	20,000	20,000
Total Expenditures	100	25,275	25,375
Revenues over/(under) Expenditures	205,267	372,360	577,627
OTHER FINANCING SOURCES AND USES			
Transfer to General Fund	0	(9,000)	(9,000)
Total Transfers Out	0	(9,000)	(9,000)
Total Other Financing Sources and Uses	0	(9,000)	(9,000)
Excess Revenues and Other Financing Sources over/(under) Expenditures and Other Uses	205,267	363,360	568,627
FUND BALANCE AT JUNE 30, 2023	\$660,095	\$1,675,511	\$2,335,606

- 16) That the City Council hereby authorizes the City Manager to make budgetary transfers within the appropriation centers established through the budget and that all transfers between appropriation centers may be made only by further action by the City Council, pursuant to the provisions of the Michigan Uniform Accounting and Budgeting Act.
- 17) That the FY 2022/23 Budgets of the General Fund, Special Revenue Funds and Capital Projects Funds shall be automatically amended on July 1, 2022 to re-appropriate fund balances for certain outstanding encumbrances and/or available capital project budget balances at June 30, 2022, as authorized by the City Manager.
- 18) That the City Council hereby authorizes the City Manager to assign General Fund – fund balance for future City budget amendment appropriations, which may be made only by further action by the City Council, pursuant to the provisions of the Michigan Uniform Accounting and Budgeting Act.
- 19) That the FY 2021/22 departmental and activity budget amounts for the General Fund be amended to the following estimated revenues and projected actual expenditures as reflected in the budget document submitted for FY 2022/23, as may be updated by the Finance Director:

Revenues

Property Taxes	\$34,868,499
Business Licenses & Permits	\$22,503
Other Licenses & Permits	\$1,664,478
Grants	\$5,205,604
State Shared Revenues	\$9,660,611
Fees	\$6,495,619
Sales	\$352,995
Fines & Forfeitures	\$1,521,035
Interest Earnings	\$288,388
Recreation User Charges	\$5,877,845
Other Revenue	\$2,566,670
Operating Transfers In	\$1,316,850
Total Revenue + Transfers-in	\$69,841,097

Expenditures

Boards & Commissions	\$3,018,887
General Government	\$12,445,481
Public Safety	\$23,872,989
Planning & Community Development	\$1,798,807
Public Services	\$8,400,466
Special Services	\$11,066,017
Operating Transfers Out	\$8,769,886
Total Expenditures + Transfers-out	\$69,372,533

- 20) That the FY 2021/22 Special Revenue Funds Budgets be amended to the following estimated revenues and projected actual expenditures as reflected in the budget document submitted for FY 2022/23, as may be updated by the Finance Director:

SPECIAL REVENUE FUNDS

	Total Infrastructure Funds	Total Recreation Funds	Total Public Safety Funds	Total Grant Funds	Total Special Revenue Funds
FUND BALANCE AT JULY 1, 2021	\$11,536,697	\$678,794	\$3,530,346	\$0	\$15,745,837
REVENUES					
Property Taxes	16,871,066	1,710,721	11,137,627	0	29,719,414
Intergovernmental	11,192,854	435,000	319,082	1,377,735	13,324,671
Interest Income	103,642	3,500	62,529	500	170,171
Miscellaneous	190	152,692	45,330	46,697	244,909
Total Revenues	28,167,752	2,301,913	11,564,568	1,424,932	43,459,164
EXPENDITURES					
Highways & Streets	26,406,862	0	0	0	26,406,862
Public Safety	0	0	11,455,739	0	11,455,739
Appointed Council	0	0	0	316,021	316,021
Contractual Services	0	0	0	40,560	40,560
Debt Service - Principal	745,000	0	0	0	745,000
Debt Service - Interest	166,000	0	0	0	166,000
Land Acquisition, Capital Improvements and Other	127,560	1,197,886	258,250	1,068,351	2,652,047
Total Expenditures	27,445,422	1,197,886	11,713,989	1,424,932	41,782,229
Revenues over/(under) Expenditures	722,330	1,104,027	(149,421)	(0)	1,676,936
OTHER FINANCING SOURCES AND USES					
Transfers In	19,326,248	68,951	0	0	19,395,199
Transfers Out	(19,326,248)	(1,307,850)	0	0	(20,634,098)
Total	0	(1,238,899)	0	0	(1,238,899)
Excess Revenues and Other Financing Sources over/(under) Expenditures and Other Uses	722,330	(134,872)	(149,421)	(0)	438,037
FUND BALANCE AT JUNE 30, 2022	\$12,259,027	\$543,921	\$3,380,924	(\$0)	\$16,183,873

SPECIAL REVENUE FUNDS INFRASTRUCTURE FUNDS SUMMARY

	Municipal Street Fund #201	Major Roads Fund #202	Local Roads Fund #203	Total Infrastructure Funds
FUND BALANCE AT JULY 1, 2021	\$426,450	\$9,246,238	\$1,864,010	\$11,536,697
REVENUES				
Property Taxes	16,871,066	0	0	16,871,066
Intergovernmental	434,540	7,893,513	2,864,801	11,192,854
Interest Income	20,642	75,000	8,000	103,642
Miscellaneous	0	190	0	190
Total Revenues	17,326,248	7,968,703	2,872,801	28,167,752
EXPENDITURES				
Highways & Streets	0	11,290,403	15,116,459	26,406,862
Debt Service - Principal	0	0	745,000	745,000
Debt Service - Interest	0	0	166,000	166,000
Other	0	90,160	37,400	127,560
Total Expenditures	0	11,380,563	16,064,859	27,445,422
Revenues over/(under) Expenditures	17,326,248	(3,411,860)	(13,192,058)	722,330
OTHER FINANCING SOURCES AND USES				
Transfers In	0	4,851,349	14,474,898	19,326,248
Transfers Out	(17,326,248)	(2,000,000)	0	(19,326,248)
	(17,326,248)	2,851,349	14,474,898	0
Excess Revenues and Other Financing Sources over/(under) Expenditures and Other Uses	0	(560,510)	1,282,841	722,330
FUND BALANCE AT JUNE 30, 2022	\$426,450	\$8,685,727	\$3,146,851	\$12,259,028

SPECIAL REVENUE FUNDS RECREATION FUNDS SUMMARY

	Nutrition Fund #281	Parks & Recreation Millage Fund #410	Total Recreation Funds
FUND BALANCE AT JULY 1, 2021	\$0	\$678,794	\$678,794
REVENUES			
Property Taxes	0	1,710,721	1,710,721
Intergovernmental	410,000	25,000	435,000
Interest Income	500	3,000	3,500
Miscellaneous	152,692	0	152,692
Total Revenues	563,192	1,738,721	2,301,913
EXPENDITURES			
Land Acquisition, Capital Improvements and Other	632,143	565,743	1,197,886
Total Expenditures	632,143	565,743	1,197,886
Revenues over/(under) Expenditures	(68,951)	1,172,978	1,104,027
OTHER FINANCING SOURCES AND USES			
Transfers In	68,951	0	68,951
Transfers Out	0	(1,307,850)	(1,307,850)
Total	68,951	(1,307,850)	(1,238,899)
Excess Revenues and Other Financing Sources over/(under) Expenditures and Other Uses	0	(134,872)	(134,872)
FUND BALANCE AT JUNE 30, 2022	\$0	\$543,921	\$543,921

SPECIAL REVENUE FUNDS PUBLIC SAFETY FUNDS SUMMARY
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	Public Safety Fund #205	Federal Forfeiture Fund #213	State Forfeiture Fund #214	Total Public Safety Funds
FUND BALANCE AT JULY 1, 2021	2,483,993	\$769,769	\$276,585	\$3,530,346
REVENUES				
Property Taxes	11,137,627	0	0	11,137,627
Intergovernmental	196,582	100,000	22,500	319,082
Interest Income	62,529	0	0	62,529
Miscellaneous	34,000	11,330	0	45,330
Total Revenues	11,430,738	111,330	22,500	11,519,238
EXPENDITURES				
Public Safety	11,258,062	184,046	13,631	11,455,739
Land Acquisition, Capital Improvements and Other	8,250	250,000	0	258,250
Total Expenditures	11,266,312	434,046	13,631	11,713,989
Revenues over/(under) Expenditures	164,426	(322,716)	8,869	(149,421)
Excess Revenues and Other Financing Sources over/(under) Expenditures and Other Uses	164,426	(322,716)	8,869	(149,421)
FUND BALANCE AT JUNE 30, 2022	\$2,648,419	\$447,053	\$285,454	\$3,380,924

SPECIAL REVENUE FUNDS GRANT FUNDS SUMMARY
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	C.D.B.G. Fund #275	M.I.D.C. Fund #262	Total Grant Funds
FUND BALANCE AT JULY 1, 2021	0	\$0	\$0
REVENUES			
Property Taxes	0	0	0
Intergovernmental	1,042,951	334,784	1,377,735
Interest Income	400	100	500
Miscellaneous	25,000	21,697	46,697
Total Revenues	1,068,351	356,581	1,424,932
EXPENDITURES			
Appointed Council	0	316,021	316,021
Contractual Services	0	40,560	40,560
Land Acquisition, Capital Improvements and Other	1,068,351	0	1,068,351
Total Expenditures	1,068,351	356,581	1,424,932
Revenues over/(under) Expenditures	(0)	0	(0)
Excess Revenues and Other Financing Sources over/(under) Expenditures and Other Uses	(0)	0	(0)
FUND BALANCE AT JUNE 30, 2022	(\$0)	\$0	(\$0)

- 21) That the FY 2021/22 Debt Service Funds Budgets be amended to the following estimated revenues and projected actual expenditures as reflected in the budget document submitted for FY 2022/23, as may be updated by the Finance Director:

DEBT SERVICE FUNDS SUMMARY

	General Debt Service Fund #301	Total Debt Service Funds
FUND BALANCE AT JULY 1, 2021	\$89,046	\$89,046
REVENUES		
Interest Income	200	200
Intergovernmental Revenues	50,000	50,000
Total Revenues	50,200	50,200
EXPENDITURES		
Bond Principal Payments	1,525,000	1,525,000
Interest and Fiscal Charges	714,936	714,936
Miscellaneous	2,500	2,500
Total Expenditures	2,242,436	2,242,436
Revenues over/(under)		
Expenditures	(2,192,236)	(2,192,236)
OTHER FINANCING SOURCES AND USES		
Transfers In		
-General Fund	2,200,935	2,200,935
Total Transfers In	2,200,935	2,200,935
Total Other Financing Sources and Uses	2,200,935	2,200,935
Excess Revenues and Other		
Financing Sources over/(under)		
Expenditures and Other Uses	8,699	8,699
FUND BALANCE AT JUNE 30, 2022	\$97,745	\$97,745

- 22) That the FY 2021/22 Capital Projects Funds Budgets be amended to the following estimated revenues and projected actual expenditures as reflected in the budget document submitted for FY 2022/23, as may be updated by the Finance Director:

CAPITAL PROJECTS FUNDS SUMMARY

	Capital Improvement Fund #404	Community Center Renovations Fund #406	Total Capital Project Funds
FUND BALANCE AT JULY 1, 2021	\$7,323,119	\$1,334,343	\$8,657,462
REVENUES			
Grants	101,000	0	101,000
Sidewalk Assessment	62,000	0	62,000
Interest Income	20,000	30,000	50,000
Total Revenues	183,000	30,000	213,000
EXPENDITURES			
Public Facilities	2,111,391	1,014,230	3,125,622
Drainage	3,910,468	0	3,910,468
Sidewalks	969,019	0	969,019
Equipment	5,209,532	0	5,209,532
Administration & Miscellaneous	500	300	800
Total Expenditures	12,200,910	1,014,530	13,215,440
Revenues over/(under)			
Expenditures	(12,017,910)	(984,530)	(13,002,440)
OTHER FINANCING SOURCES AND USES			
Transfer from General Fund	6,500,000	0	6,500,000
Proceeds from Bond Sale	0	0	0
Transfer to Debt Service	0	0	0
Total Other Financing Sources and Uses	6,500,000	0	6,500,000
Revenues and Other Financing Sources Over/(Under)			
Expenditures and Other Uses	(5,517,910)	(984,530)	(6,502,440)
FUND BALANCE AT JUNE 30, 2022	\$1,805,209	\$349,813	\$2,155,022

- 23) That the FY 2021/22 Component Units Funds Budgets be amended to the following estimated revenues and projected actual expenditures as reflected in the budget document submitted for FY 2022/23, as may be updated by the Finance Director:

COMPONENT UNITS FUNDS SUMMARY

	Corridor Improvement Authority Fund #242	Brownfield Redevelopment Authority Fund #243	Total Component Units
FUND BALANCE AT JULY 1, 2021	\$316,787	\$1,000,076	\$1,316,863
REVENUES			
Property Taxes	137,835	366,341	504,176
Grant	0	0	0
Interest Income	306	16,640	16,946
Total Revenues	138,141	382,981	521,122
EXPENDITURES			
Audit Fees	100	0	100
Miscellaneous	0	61,906	61,906
Total Expenditures	100	61,906	62,006
Revenues over/(under) Expenditures	138,041	321,075	459,116
OTHER FINANCING SOURCES AND USES			
Transfers Out-Community Center Ren	0	0	0
Transfers Out-General Fund	0	(9,000)	(9,000)
Total Transfers out	0	(9,000)	(9,000)
Total Other Financing Sources and Uses	0	(9,000)	(9,000)
Excess Revenues and Other Financing Sources over/(under) Expenditures and Other Uses	138,041	312,075	450,116
FUND BALANCE AT JUNE 30, 2022	\$454,828	\$1,312,152	\$1,766,979



INTEROFFICE CORRESPONDENCE

DATE: June 13, 2022
TO: City Council
FROM: Vicki Barnett, Mayor
SUBJECT: Recommendation for appointment

I would like to recommend the following appointment at the June 13, 2022 City Council meeting:

Children Youth and Families

Roderick Wallace	Length of Term: Unexpired term	Term ending: February 1, 2024
------------------	--	---

Mr. Wallace will fill the unexpired term of Jordan Scrimger who resigned in April 2022. Attached, please find Mr. Wallace's resume.

36559 W. Lyman Road
Farmington Hills, MI 48331


rwconsulting777@gmail.com

July 2, 2021

To Whom It May Concern,

After careful consideration and counsel with my family, I would like to express my interest in joining the Commission for Children, Family, and Youth for the city of Farmington Hills. Please accept this letter as official notification of my intent.

I have over 20 years of experience working with students and families in the metropolitan Detroit area. I have lived in Farmington Hills for more than a decade, and have an interest in supplying all children with the resources and opportunities that can support their lifelong growth and development.

I have attached my resume, which indicates my shared vision with the Commission to assist youth in “reaching their full potential.” I have experience in K-12 administration, higher educational affairs, grant development and compliance, and arts administration.

I look forward to supporting the area in this venture and providing our area with a new voice that promotes equity, excellence, and education.

Sincerely,

Roderick L. Wallace

R & W Consulting, LLC

Eastern Michigan University

Roderick L. Wallace
36559 W. Lyman Road
Farmington Hills, MI 48331

[REDACTED]

Professional Objective

My objective is to utilize my education, experiences, and skills to impact my community through service, scholarship, and stewardship.

Career Highlights

- Driven P20 leader with strong skill-sets in leadership, professional development, technology integration, and leveraging community resources
- Lifted schools from priority status through the use of intentional practices, progress monitoring, and by building a culture of achievement and college preparedness
- Led 1st Michigan public charter to receive distinction as a School of Excellence
- Adept at data-driven instruction, project-based learning, trauma-informed practices, and other research-based praxes
- Administered and executed professional development ventures for hundreds of staff members and
- Dynamic relationship-builder with stakeholders, business leaders, and families
- Extensive experience in culturally-fluent pedagogy, diversity, equity, and inclusion strategies, and program development processes
- Doctoral candidate whose research focuses around urban educational leadership, hip-hop pedagogy, and the development of STEM competencies

Leadership Experience

Eastern Michigan University

Program Director, TRIO Upward Bound

Ypsilanti, MI 48197

01/18- present

- Steward of \$2.5M federally-funded program in partnership with Ypsilanti Community Schools; supervisor of program, resources and cross-sector strategy
- Prepared annual performance reports for review by the Department of Education
- Developed, edited, and reviewed federal grants for clarity and purpose, aligning grant guidelines with research-based best practices
- Continued success through COVID-19 pandemic
- Wrote and successfully executed restrictive grants, including TRiO STEM Supplemental from US Department of Education for Upward Bound and TRiO STEM/Health Sciences Student Support Services grant
- Connected university resources with K-12 at-risk students and formal/informal community programs, e.g. EMU STEM Day and EMU First Generation Day
- Developed partnerships between university programs and K-12 districts

River Rouge High School

Assistant Principal

River Rouge, MI 48218

8/14-1/18

- Increased enrollment by more than 90% during tenure
- Decreased out-of-school suspensions 20%-30% yearly while school population increased
- Lifted school from priority status by developing high-interest and academically rigorous programming
- Successfully implemented trauma-informed protocols into school culture and practice
- Co-founded RRAMP (River Rouge Audio and Music Production) program, providing mentorship and after-school activity for underserved students

Westwood New Tech High School

Principal

Dearborn Heights, MI 48125

8/12-8/14

- Implemented project-based learning approach with nationwide New Tech Network
- Successfully applied for NCAA eligibility as a new high school
- Increased graduation rate by 14% in one year
- Awarded special commendations from Inkster City Council and Michigan Leukemia and Lymphoma Association for community support

YMCA Service Learning Academy/Detroit Service Learning Academy (K-8)

Teacher/Lead Teacher/Curriculum Coordinator/Assistant Principal/Principal

Detroit, MI 48219

8/00 – 8/12

Education

Eastern Michigan University

Ypsilanti, MI 48197

9/18-present

Doctoral Program, Educational Studies (Ph. D)

King/Chavez/Parks Future Fellow

Marygrove College

Detroit, MI 48221

9/02-5/06

M.Ed, Social Studies Education

Eastern Michigan University

8/95 – 4/00

BS, History/ African-American Studies

Certifications

Michigan Professional Educator Certificate
K-5, Self-contained; Social Studies (Rx) 7-12

Michigan School Administrator Certificate

Educational Leadership Activism/Ventures

Michigan Dept. of Ed Diversity and Equity in the Educator Workforce Advisory Group, 2021

Staff Sponsor, Aspiring Black Educators student organization, Eastern Michigan University

Educational Programs Coordinator, Grove Studios, Ypsilanti, MI

I Am In Demand Black Male Teacher Recruitment Initiative, Detroit, MI

Black Male Educators Alliance of Michigan

Michigan Elementary and Middle School Principals Association

National Association of Secondary School Principals

Michigan Association of Secondary School Principals

Artist In Residence, Neutral Zone, 2021

Community Organization Development and Volunteerism

Co-Founder, Amplify Fellowship (non-profit program for musicians engaged in community service)

Executive Producer, WMBK Formula 734 Media Project

Steering Committee, My Brother's Keeper of Washtenaw County

Community Engagement Committee, Ann Arbor Summer Festival

Planning Committee, MI-CAPP Leadership Conference, 2021

Member, Washtenaw County Handle With Care Trauma Initiative Team

Advisory Board, PROMISE Initiative, Robert Wood Johnson Clinical Scholars

Member, Diversity and Campus Climate Assessment Committee, EMU

Advisory Council Member, EMU TRIO McNair Scholars and EMU TRiO Student Support Services

Scholarship and Awards

Presenter, EMU MLK Academic Sessions (2019-2021)

Performer/Participant, 2020 TedxDetroit

REPORT FROM THE CITY MANAGER TO CITY COUNCIL
June 13, 2022

**SUBJECT: CONSENT JUDGEMENT IN RAINBOW REHAB CENTER V.
FARMINGTON HILLS; REQUEST TO TERMINATE ELDERLY
HOUSING COVENANT**

ADMINISTRATIVE SUMMARY

- Council recently approved a request for consent to allow Rainbow Rehabilitation Center to sell its property to new owners and operators of the facility, pursuant to the Fifth Amended Consent Judgment in the case of Rainbow Rehabilitation Centers, Inc. v City of Farmington Hills, Oakland County Circuit Court Case No. 1978-177148-CE (“Consent Judgment”).
- The new owners have approached the City with a follow-up request to re-confirm that an old recorded covenant, limiting use of the property to elderly housing, has been terminated.
- To assist the new owner and operator of this facility, this matter is being brought forward for approval of a document that confirms the old covenant has, indeed, been terminated.

RECOMMENDATION

It is recommended that City Council authorize the City Manager to sign and record the Termination of Elderly Housing Covenant relating to 25911 Middlebelt Road, Farmington Hills, Michigan

Prepared by: Gary Mekjian, City Manager

Reviewed by: Steve Joppich, City Attorney

Approved by: Gary Mekjian, City Manager

TERMINATION OF ELDERLY HOUSING COVENANT

This Termination of Elderly Housing Covenant (this “**Termination**”) is made as of _____, 2022 by the City of Farmington Hills, a Michigan Municipal Corporation (the “**City**”).

WHEREAS, that certain Elderly Housing Covenant, is dated July 6, 1987, and recorded October 7, 1987, at Liber 10142, Page 270 (the “**Covenant**”), relative to that certain parcel of real property in the City of Farmington Hills, County of Oakland, State of Michigan more particularly described on **Exhibit A**, attached hereto (the “**Property**”).

WHEREAS, the City previously entered into and the Oakland County Circuit Court entered the Second Amended Consent Judgment recorded August 20, 1996 in Liber 16532, Page 425 (the “**Second Amended Consent Judgment**”).

WHEREAS, Section 4 of the Second Amended Consent Judgment relieved the Property of the Covenant of occupancy limited to Elderly Persons and the Second Amended Consent Judgment also indicates that the use restrictions described in the Covenant are nullified and revoked, but the subsequent and current owner of the Property has requested the City to re-affirm such prior actions through this additionally recorded document.

NOW, THEREFORE, the City hereby re-affirms its prior termination of the Covenant and release of the Covenant against the Property.

SIGNED as of the date first written above.

[Signatures on following page]

IN WITNESS WHEREOF, the City of Farmington Hills has caused this Termination to be executed as of the date set forth above.

CITY OF FARMINGTON HILLS,
a Michigan Municipal Corporation

By: _____
Name: Gary Mekjian
Its: City Manager

STATE OF MICHIGAN)
) ss.
COUNTY OF OAKLAND)

The foregoing instrument was acknowledged before me this _____ day of _____, 2022, by Gary Mekjian, the City Manager of the City of Farmington Hills, a Michigan Municipal Corporation, on behalf of said entity.

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

DRAFTED BY AND
AFTER RECORDING RETURN TO:

Keith A. Ross, Esq.
Levenfeld Pearlstein, LLC
2 N. LaSalle Street, Suite 1300
Chicago, Illinois 60602

EXHIBIT A

LEGAL DESCRIPTION

A parcel of property located in the City of Farmington Hills. County of Oakland, Being more particularly described as follows:

A parcel of land being part of the Northeast 114 of Section 23. Town 1 North, Range 9 East, City of Farmington Hills, Oakland County, Michigan, being more particularly described as follows: Commencing at the Northeast corner of said Section 23; thence South 00 degrees 01 minutes 50 seconds East 380.00 feet along the East line of Section 23 to the point of beginning; thence South 00 degrees 01 minutes 50 seconds East 350.00 feet along the East line of Section 23; thence North 89 degrees 57 minutes 30 seconds West 450.00 feet along the North line of Pendleton Club Condominiums, Oakland County Condominium Plan No. 618; thence South 00 degrees 01 minutes 50 seconds East 210.00 feet along said Pendleton Club Condominium; thence North 89 degrees 57 minutes 30 seconds West 210.00 feet along said Pendleton Club Condominiums; thence North 00 degrees 01 minutes 50 seconds West 855.42 feet to a point along the centerline of a small stream of varying width; thence continuing along the centerline of said stream the following 7 courses: (1) South 88 degrees 10 minutes 20 seconds East, 102.21 feet; (2) South 72 degrees 36 minutes 27 seconds East 145.66 feet; (3) South 40 degrees 20 minutes 33 seconds East 104.94 feet; (4) South 59 degrees 49 minutes 04 seconds East 121.07 feet; (5) South 43 degrees 17 minutes 04 seconds East 55.98 feet; (6) South 11 degrees 16 minutes 50 seconds East 53.32 feet; (7) South 32 degrees 22 minutes 48 seconds East 17.82 feet; thence South 89 degrees 57 minutes 10 seconds East 188.06 feet to the point of beginning; EXCEPT the East 60 feet thereof conveyed to the City of Farmington Hills for road purposes in Quit Claim Deed recorded in Liber 25516 on Page 260, Oakland County Records.

Commonly known as: 25911 Middlebelt, Farmington Hills, Michigan 48336

Tax Parcel Number: 22-23-23-226-057

REPORT FROM THE CITY MANAGER TO CITY COUNCIL**June 13, 2021****SUBJECT: APPROVAL OF A RESOLUTION REGARDING THE POTENTIAL ESTABLISHMENT OF AN INNOVATION AND ECONOMIC DEVELOPMENT INCUBATOR AT THE HAWK FACILITY.****ADMINISTRATIVE SUMMARY**

- The Economic Development Corporation (EDC) has undertaken efforts to study and evaluate the feasibility of establishing an innovation and economic development incubator on the third floor of the Hawk facility beginning in 2019.
- In January of 2021, a preliminary feasibility study, undertaken by Dynamics, LLC, was conducted and concluded the concept had merit and recommended the City and EDC continue to explore the idea further.
- In August of 2021, the City hired Public Sector Consultants (PSC) to undertake an additional feasibility analysis and develop a business plan, which was completed in March 2022.
- In conjunction with the finalization of this report, the EDC has been approached and learned that various educational and healthcare institutions in the region may be interested in collaborating with and possibly joining with, and/or funding an innovation and economic development incubator in the City.
- The City has made application for a State grant to fund the buildout and purchase of equipment to help cover the initial costs of such a project. The outcome of this funding request should be known in the fall.
- The EDC is requesting the adoption of a resolution by City Council which will affirm the City's interest in developing an innovation and economic development incubator and authorizing the EDC and City Administration to begin discussions with interested parties to explore collaborations, joint efforts and further funding opportunities to advance the project. Upon such collaborations and funding being identified, the EDC shall report back to City Council.

RECOMMENDATION

In view of the above, it is recommended that City Council adopt a Resolution endorsing the business plan for the conceptual development of an innovation and economic development incubator center at the Hawk and authorizing the Economic Development Corporation and City Administration to initiate and engage in discussions with interested parties and report back to City Council.

Prepared by: Joseph A. Valentine, Assistant City Manager

Approved by: Gary Mekjian, City Manager

STATE OF MICHIGAN
COUNTY OF OAKLAND
CITY OF FARMINGTON HILLS

RESOLUTION REGARDING THE POTENTIAL ESTABLISHMENT OF AN
INNOVATION AND ECONOMIC DEVELOPMENT INCUBATOR
AT THE HAWK FACILITY

RESOLUTION NO. _____

At a regular meeting of the City Council of the City of Farmington Hills, County of Oakland, State of Michigan, held on _____, 2022, at 7:30 p.m., Eastern Daylight Savings Time, with those present and absent being,

PRESENT: _____

ABSENT: _____

the following preamble and resolution were offered by Council Member _____ and supported by Council Member _____:

WHEREAS, since 2019, the Farmington Hills Economic Development Corporation (EDC), City Council, and City Administration have undertaken efforts to study and evaluate the feasibility of establishing an innovation and economic development incubator on the third floor of The Hawk facility;

WHEREAS, a January, 2021 preliminary feasibility study, undertaken by Place Dynamics, LLC, concluded the concept had merit and recommended the City and EDC should continue to explore the idea further;

WHEREAS, in August 2021, the City hired Public Sector Consultants (PSC) to undertake an additional feasibility analysis and develop a business plan, and on March 10, 2022, PSC completed its work and issued a Feasibility Analysis and Business Plan to the City;

WHEREAS, from March to the present, the EDC has met to review and discuss the PSC Feasibility Analysis and Business Plan and the various findings, concepts, and recommendations contained in that Analysis and Plan, and representatives of the EDC and City Administration have met on several occasions as well;

WHEREAS, the EDC has been approached or learned that various educational and healthcare institutions in the region may be interested in collaborating with and possibly joining with, undertaking, and/or funding an innovation and economic development incubator in the City;

WHEREAS, the City has made application for a State grant to fund the buildout and purchase of equipment to help cover the initial costs of such a project; and

WHEREAS, the EDC has reported the above information and status of such matters to City Council and seeks its authorization for the EDC and City Administration to work together toward further developing, and engage in communications with any parties interested in, the concept of establishing an innovation and economic development incubator at The Hawk facility.

NOW, THEREFORE, IT IS HEREBY RESOLVED by the Farmington Hills City Council as follows:

- 1) The City Council endorses the PSC Feasibility Analysis and Business Plan and revised proformas for the conceptual development of an innovation and economic development incubator center on the third floor of The Hawk;
- 2) The City Council authorizes the EDC and City Administration to initiate and engage in discussions regarding the concept of establishing an innovation and economic development incubator on the third floor at The Hawk facility to promote economic development; and
- 3) The EDC shall report back to the City Council as 1) interested parties and further funding opportunities are identified, 2) a sustainable model is developed for further review and consideration by Council, and 3) to request any additional support that may be required.

AYES:

NAYES:

ABSENT:

ABSTENTIONS:

RESOLUTION DECLARED ADOPTED _____, 2022.

STATE OF MICHIGAN)
) ss.
COUNTY OF OAKLAND)

I, the undersigned, the duly qualified and acting as City Clerk of the City of Farmington Hills, County of Oakland, State of Michigan, do hereby certify that the foregoing is a true and complete copy of a Resolution adopted by the City Council of the City of Farmington Hills at a regular meeting held on the ____ day of _____, 2022, the original of which resolution is on file in my office.

IN WITNESS WHEREOF, I have hereunto set my official signature, this ____ day of _____, 2022.

_____, City Clerk
of the City of Farmington Hills

The Hawk Innovation Center

Feasibility Analysis and Business Plan

March 10, 2022





**PUBLIC SECTOR
CONSULTANTS**

Prepared by

Public Sector Consultants
www.publicsectorconsultants.com

Prepared for

The City of Farmington Hills
<https://fhgov.com>

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Executive Summary

Since 2019, the City of Farmington Hills and its Economic Development Corporation (EDC) have been exploring the idea of a business incubator at The Hawk, the City's community center. A 2021 preliminary feasibility study concluded the concept had merit and recommended the City and EDC should continue to explore the idea further. In August 2021, the City hired Public Sector Consultants (PSC) to undertake an additional feasibility analysis and develop a business plan.

Feasibility Analysis

PSC conducted a feasibility analysis to understand market demand and assess the facility's potential. In addition, PSC assessed the facility's strengths, weaknesses, challenges, and opportunities (SWOT), and performed an economic contribution analysis. Through this work, PSC came to the following conclusions:

- The demand for an office space incubator is limited due to excessive market supply and lack of competitive positioning for this type of space at The Hawk.
- The demand for life science laboratories in Southeast Michigan is currently not being met, which offers significant potential for an innovation center at The Hawk.
- The Hawk has many positive features for a life sciences innovation center, including a central location, easy access, facility amenities, and a footprint that can be readily modified into working laboratories.
- The long-term economic impact of growing life science businesses can be significant but is very hard to predict.

Business Plan

Based on the feasibility analysis results, PSC developed a business plan for a life science innovation center. The plan outlines a path to success but requires an innovation center that will:

- Focus on life science businesses, with development of wet labs and services that meet the needs of high-potential industry startups
- Fund facility buildout through grants and/or partnerships, avoiding debt service that would strain the operating budget
- Leverage partnerships with universities and/or private sector companies that can help with funding the extensive capital expenditures necessary to develop wet labs
- Have a long-term time horizon for achieving financial stability and business development success, at least six to ten years
- Develop and maintain a solid governance structure with clear accountability
- Be professionally managed with a dynamic and enthusiastic leader

Definitions

Throughout this feasibility analysis and business plan a variety of industry terms are used. Many of these terms have different meanings depending on the audience. To be clear and consistent, both the feasibility analysis and business plan assume the following definitions throughout:

- **Innovation Center/innovation center:** When capitalized, this term refers to the proposed incubator/accelerator facility at The Hawk. When not capitalized, this term refers to business incubators and/or accelerators in general.
- **Incubator/accelerator:** Incubators are generally facilities working to support businesses in the earliest development and startup phases that are trying to develop a proof of concept for a product or service. Accelerators are also business development centers typically supporting cohorts of entrepreneurs by quickly commercializing and scaling a validated proof of concept. However, there are many varieties of incubators and accelerators with respective services that may overlap.
- **Life science:** A broad array of science and research focused on living organisms, including microorganisms, plants, animals, and human beings. Examples of life sciences include, but are not limited to, biology, biochemistry, cytology, immunology, microbiology, and physiology. Bioscience is often used interchangeably with life science.
- **Biotechnology:** The application of life sciences in the development of specific technologies used in industries such as manufacturing, healthcare, and consumer products.
- **Technology laboratories or tech labs:** These are laboratory spaces that accommodate experimentation in a variety of science-based fields.
- **Wet labs:** A form of tech labs with amenities such as sinks, drains, vent hoods, and similar infrastructure to conduct experiments in the life sciences. Exhibit 1 provides images of wet labs.

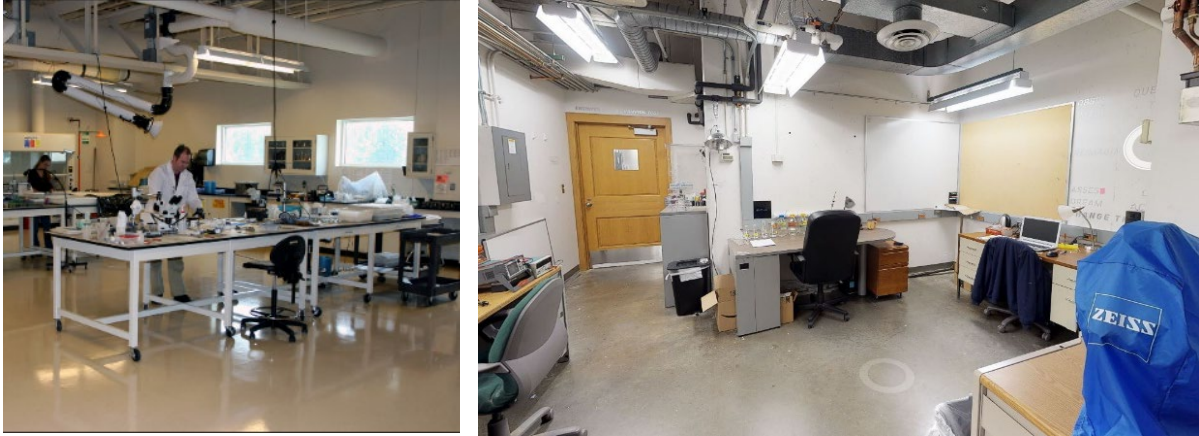
EXHIBIT 1. Images of Wet Labs



Source: NSA Architecture.

- **Dry labs:** A form of tech labs that allow for experiments and work in the physical sciences without the need for wet lab infrastructure such as sinks, drains, etc. Exhibit 2 provides images of dry labs.

EXHIBIT 2. Images of Dry Labs



Source: NSA Architecture

- **White box space:** Space within the Innovation Center that would be updated with only minor aesthetic improvements like fresh paint and new ceiling tiles, but otherwise retaining existing layouts.



Feasibility Analysis

Introduction

The City of Farmington Hills and its Economic Development Corporation began considering the concept of a business incubator at The Hawk in 2019. In 2020, the City hired Place Dynamics to do a preliminary incubator feasibility study. That study identified three incubator components that had the greatest success potential: coworking space, general light manufacturing, and a shared-use commercial kitchen. The study also recommended that business acceleration programs be offered regardless of which components were developed. In addition, the potential for biotechnology businesses was identified, but the expense of developing laboratory space was acknowledged as a significant constraint.

PSC utilized the Place Dynamics study as a starting point for an updated market potential assessment of the recommended components, including a thorough analysis of a life science focus. PSC's analysis included reviewing market data and interviews with industry experts, particularly around the life sciences sector.¹ PSC's market demand analysis was also influenced by the amount of available space within The Hawk. Since the core area under consideration is just under 14,000 square feet (s.f.), there is not sufficient space to have multiple target sectors. A lack of sector focus would limit the critical mass necessary for a successful innovation center.

Along with the market demand assessment, PSC also conducted a facility assessment with its partner NSA Architecture, a SWOT analysis, and an economic impact analysis. Collectively, these components provide a foundation for assessing the Innovation Center's viability.

Market Demand Assessment

The starting point for the market demand assessment was further evaluating the recommended components from the Market Dynamics study: coworking space, general light manufacturing, and a shared-use commercial kitchen. Since these were identified as areas with high potential, it was important to assess these further based on the ongoing pandemic economic impacts and structuring the Innovation Center to have a unique market position not currently available in the region.

Coworking Space

Coworking space was identified in the Place Dynamics study as having potential due largely to the relatively lower cost to create such space and the broad appeal to tenant types only needed traditional office space. While this is an accurate assessment, a deeper review of market data for Southeast Michigan indicates a substantial amount of existing coworking space. PSC identified over 25 different coworking facilities across the region, many with available space.² In addition, PSC conducted interviews with industry experts who indicated that traditional office space demand, particularly in an incubator setting, has declined during the pandemic as entrepreneurs have adopted a work-at-home approach.

Related to excessive market supply is competitive positioning. Entrepreneurs in tech-based startups are often attracted to urban business districts with a high density of amenities like bars and restaurants. The Hawk's lack of such a competitive position is discussed further in the SWOT analysis. For these reasons, coworking is not recommended as the Innovation Center's primary focus. Coworking space could be

¹ See Appendix A for the complete list of industry experts.

² See Appendix B for the inventory of regional coworking spaces.

developed as a future component should expansion space be available in The Hawk, sufficient demand exist, and it compliment the overall tenant mix.

General Light Manufacturing

Light manufacturing was also identified as having market potential, but facility limitations pose significant challenges. Noise created by light manufacturing operations would create significant problems for entities housed within The Hawk. Light manufacturing also frequently requires facility amenities such as high overhead clearances, cranes, lifts, and other heavy equipment not easily accommodated in a former school. In addition, the [Centrepolis Accelerator](#) located at Lawrence Technological University already has a focus on assisting companies with product development. [Automation Alley](#) and the [Michigan Manufacturing and Technology Center](#) also provide extensive entrepreneurial and business support in the manufacturing sector. It is critical that the Innovation Center not compete with existing innovation centers but complement the entrepreneurial ecosystem. The facility limitations and overlap with existing facilities severely limit the potential for focusing on light manufacturing.

Shared-use Commercial Kitchen

The third recommended component from the initial feasibility study was a commercial kitchen incubator. These incubators have seen growing demand in recent years as a potential restaurant owners and food product entrepreneurs leverage them develop their businesses. [CARES in Farmington Hills](#) has been identified as having more immediate potential for a commercial kitchen incubator due to its existing facilities. The barriers to entry are much lower when leveraging an existing facility, particularly given the high cost of commercial kitchen construction. However, any kitchen incubator operations could be supported by the entrepreneurial concierge services provided through the potential Innovation Center.

Biotechnology and Life Sciences

Biotechnology was also identified within the Place Dynamics study as having potential but also significant constraints due to the high cost of creating tech labs. Given the current space configuration under consideration, the City’s Economic Development Corporation identified tech lab development as a priority. To better understand demand in this space, PSC closely examined existing life science and biotechnology innovation centers within the region and across the state, including interviews with leadership from those organizations. Information about these facilities is summarized in Exhibit 3.

EXHIBIT 3. Life Science and Biotechnology Incubators/Accelerators

Facility Name	Location	Focus	Size (s.f.)	Rental Rates	Lab Occupancy*
Michigan Life Science and Innovation Center	46701 Commerce Dr., Plymouth, MI 48170	A publicly owned (MEDC) facility supporting life science and other high-tech, innovation-based startups.	77,000	\$46.50/s.f., labs \$25.50/s.f., office space	100%

Facility Name	Location	Focus	Size (s.f.)	Rental Rates	Lab Occupancy*
TechTown Detroit	440 Burroughs St., Detroit, MI 48202	A publicly owned (WSU) tech center supporting a wide array of entrepreneurs, including life science startups.	20,000	N/A	100%
MI-HQ	600 S. Wagner Rd., Ann Arbor, MI 48103	A privately owned facility offering space from laboratories to manufacturing space, includes startups and established companies in life sciences, product development, and other sectors.	160,000	\$8–\$50/s.f., depending on company and type of space	100%
VanCamp Incubator + Research Labs Accelerator	4942 Dawn Ave., East Lansing, MI 48823	A privately owned (MSU Foundation) facility supporting life science and biotechnology firms.	22,000	\$20–\$35/s.f.	100%
WMed Innovation Center	300 Portage St., Kalamazoo, MI 49007	A publicly owned (WMU) facility supporting life science, technology, and engineering firms.	69,000	\$25/s.f.	100%

*Some facilities consider less than 100 percent occupancy to be full occupancy, leaving some available space to accommodate tenant expansion.

Source: PSC analysis.

Interviews with leadership from these life science facilities clearly indicate a strong demand for this type of space. All the facilities are currently full and leadership from the Michigan Life Science and Innovation Center (MLSIC) indicated they are currently tuning away prospective tenants. In addition, MLSIC staff indicated their willingness to refer prospects to the Innovation Center should it be developed.

PSC did examine two facilities outside the region, the VanCamp Incubator and the WMed Innovation Center. These facilities were included to ascertain demand for life science incubator/accelerator space beyond the region. Both facilities indicated they are currently at capacity and that demand has been strong for the past several years. Some of this demand was attributed to the pandemic and the associated increase in business startups, but the state’s focus on fostering innovation and increasing visibility of these efforts was also cited as a factor.

In addition to the facilities in Exhibit 3, there are additional life science facilities at Wayne State University (WSU) and the University of Michigan. WSU has the Integrative Biosciences Center (IBio), a 200,000 s.f. facility focusing on research and programmatic initiatives involving health in urban environments. Across the street from its TechTown Detroit facility, WSU also has the Industry Innovation Center, which has 14,000 s.f. of dry labs but no wet labs. The University of Michigan has multiple life science laboratories, including the 11,000 s.f. Venture Accelerator focused on commercializing university research. PSC’s analysis excluded these campus-based facilities due to their primary focus on accommodating university researchers and excluding use by external startups.

Facility Assessment

Background

PSC partnered with NSA Architecture to conduct a facility assessment of the approximately 14,000 s.f. of former science lab space in The Hawk. This assessment also included preliminary design concepts and cost estimates for integration into the financial analysis.

NSA assembled a team of architects and engineers to perform a limited scope of services inclusive of a basic facility assessment and series of concept studies of the former science labs and support spaces for use as an innovation center. The team performed a cursory review of the original construction drawings and toured the building. Although partial sets of the original construction documents were available for review, the team was unable to locate any structural drawings or specifications for the original high school. The team performed an initial site visit on September 16, 2021, which included tours of the designated area and rooftop of the Hawk Community Center. Additional follow-up visits were made on September 22 and October 25, 2021.

Architectural Considerations

Building Code

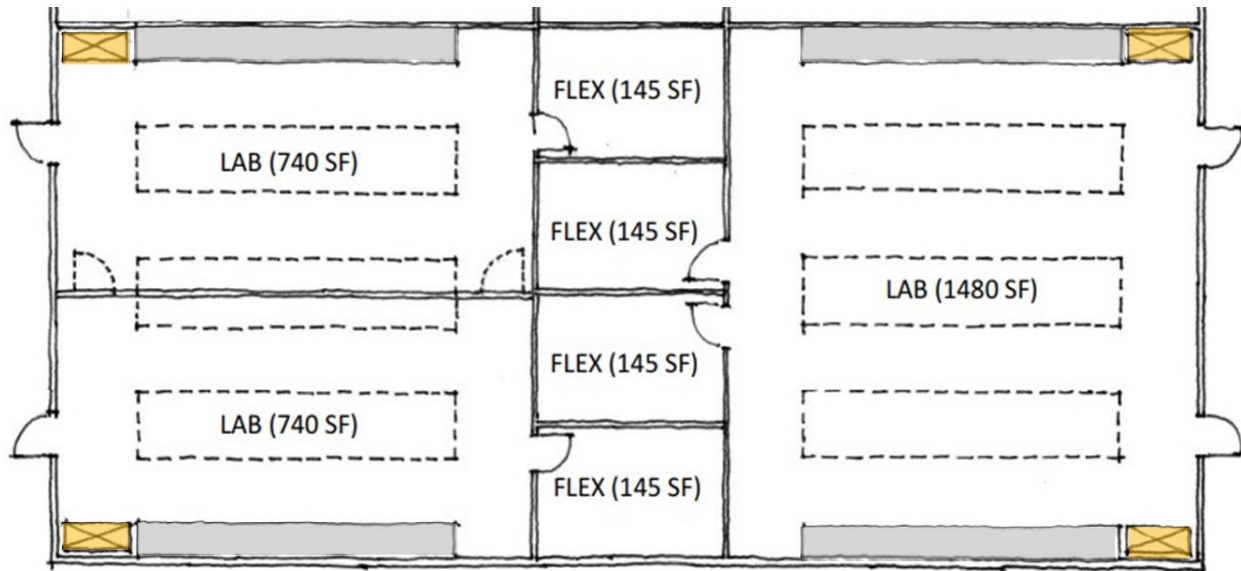
The Hawk was originally constructed between 1968 and 1970 as Harrison High School, which closed at the end of the 2018–2019 school year. The building code in place when Harrison High School was constructed was the 1965 and 1967 Building Officials and Code Administrators (BOCA) Basic Building Code. Although schools would be designated as building use group E-Education today, the E-Education building use group did not exist in 1967. The equivalent building use group classification in place in 1967 was A-4.

The building code in place today is the 2015 Michigan Building Code. Given the change in use from an educational facility to a community center, the Hawk Community Center would be considered a mixed-use facility in which multiple building use classifications would apply. For the area that would be designated as a wet-lab incubator, B-Business is the applicable use classification.

Room Sizes and Configurations

The 14,000 s.f. former science labs on the third floor contains eight large classroom labs averaging 1,480 s.f. and a block of support spaces totaling approximately 2,050 s.f. While the labs can be redeveloped and continue to function in their current configuration, consideration should be given to subdividing some spaces into smaller labs of approximately 740 s.f. to accommodate a range of potential tenants. Several concept studies were produced illustrating how the labs could be subdivided and paired with support/flex space. Exhibit 4 illustrates how two of the existing eight classrooms could be configured, one divided into two 740 s.f. labs and the other lab retaining the existing footprint. Each lab could also have access to flex/office space.

EXHIBIT 4. Proposed Lab Configuration



Source: NSA Architecture.

Room Finishes

The classroom labs and associated support spaces are mostly in fair condition. Since Harrison High School was closed several years ago, the subject spaces have largely been used for storage of furniture and equipment that is no longer in use. Although some ceiling tiles are missing, wall surfaces are damaged, and the rooms need a fresh coat of paint, there does not appear to be any significant deficiencies from an architectural perspective.³

Lab Benching

The configuration of the existing millwork and lab benches met the needs of a former high school science curriculum, but they are not well suited for modern commercial labs. While the existing lab benches can be reconfigured to some degree, it is assumed that new lab benches, either movable and/or fixed, will be required as part of the future buildout of any new lab space.

Structural Systems

Existing Conditions

Based upon a visual assessment of the building, the third-floor structural system consists of a metal and concrete composite deck over long-span metal trusses. The long-span trusses were used to create a clear-span space for a natatorium below. The roof structural system consists of metal deck over bar joists.

³ Appendix C includes photos of existing lab space.

As the 1967 BOCA Basic Building Code is no longer in print, NSA referenced the 1975 BOCA Basic Building Code as a basis for establishing the minimum live load requirements that would have been in place at that time which are as follows:

- Minimum roof live load criteria: 25 pounds per square foot (psf)
- Minimum floor live load criteria: 40 psf classrooms, 80 psf corridors

The live load criteria that would apply to use group B-Business under the current 2015 Michigan Building Code is as follows:

- Minimum roof live load criteria: 25 psf
- Minimum floor live load criteria: 40 psf office/labs, 80 psf corridors

Based upon a comparison of the 1975 and 2015 Building Codes, there are no apparent structural concerns from a floor or roof live load perspective.

Recommendations and Considerations

Floor vibration can be an issue for laboratories that use vibration-sensitive equipment. Based upon the nature and configuration of the existing third-floor assembly (composite metal deck and concrete over long-span metal trusses), there is not a cost-effective method for reinforcing the floor structure that would result in a measurable improvement to the performance of the structure relative to floor vibrations. As an alternative, tenants could consider using laboratory balance and/or antivibration tables to address vibration concerns.

The HVAC system currently serving the designated area may require modifications that could include additional rooftop equipment since labs often require enhanced environmental provisions. Depending upon the nature and configuration of the future labs, consideration must be given to the structural modifications that will be required to accommodate any new rooftop equipment.

Mechanical Systems

Existing Conditions

The subject labs and associated support spaces are served by two rooftop units, RTU3 and RTU4, that are electric cooling, multi-zone units. The labs are exhausted by the exhaust fans serving their respective spaces. Nameplates of existing exhaust fans were too weathered to read. Existing plans refer to exhaust fan numbers: EF-3, 25, 26, 27, 28, 31, 32, 41, 54 serving general exhaust from the space. Based upon the existing plans, it appears the HVAC system is configured into two zones (east and west), each of is served by one RTU. The classroom labs are being exhausted versus returned, with transfer air getting pulled to make up the negative space.

Each lab has a bench-mounted fume hood interlocked with a dedicated exhaust fan. Existing plans refer to fume hood exhaust fan numbers: EF-24, 29, 30, 33, 40, 51, 52, 53. Based upon the site visit, it appears that each fume hood is connected to a dedicated exhaust fan. Fan-powered variable air volume terminals serve the supply to the labs and corridor from an AHU serving the third floor. Lab support spaces are served by thermostatically controlled hydronic fan powered terminal air units. Fan powered terminal air units with hot water reheat coils serve the lab spaces.

Each lab contains an emergency shower/eyewash station that appear fully operational. The sinks distributed throughout the individual labs and support spaces are linked to the original galvanized sanitary waste system. The classroom labs and support spaces are protected by an existing fire suppression system.

Recommendations and Considerations

The HVAC ventilation distribution for the future labs would take a similar approach to the existing ventilation system configuration. RTU-4 serves the east portion of labs and support spaces whereas RTU-3 serves the west portion of the lab and supporting spaces. The rooftop units would supply air to fan-powered terminal units serving the respective space and return air would be conveyed via a ceiling return air plenum. Locations where the walls may go completely to the underside of roof deck would require transfer grills above the ceiling. Each lab would have a fume hood interlocked with a dedicated exhaust fan. Each rooftop unit would be sized to accommodate the air changes required in a laboratory space.

Although numerous sinks are distributed throughout the individual labs, they are largely located along the perimeter walls which may or may not meet the needs of prospective tenants. Given that the block of labs is located above the community center pool area, installing sinks within the interior of the labs may pose a challenge due to the logistics of installing sanitary lines above the two-story pool area. It should also be noted that the original galvanized sanitary piping should be inspected for potential deterioration and acid neutralization/dilution tanks should be installed in certain instances.

Electrical Systems

Existing Conditions

Much of the power distribution on the third floor dates to the building's original construction between 1968 and 1970, with some equipment added through later renovations. Typical lifespan of distribution equipment is about 30 years. Existing lights are fluorescent and have manual controls. There is a 480/277V 3PH 125kVA natural gas generator on site. It serves a 100A life safety automatic transfer switch (ATS) and a 150A standby ATS. The building is equipped with a National Time & Signal addressable horn and strobe fire alarm system.

Recommendations/Considerations

Typical lifespan of distribution equipment is approximately 30 years, most of the equipment on the third floor has surpassed this age. It is recommended that new panels be provided to feed the labs and supporting spaces. Recessed panels would be installed in each lab to power the lab individually or installed in the supporting space to supply power to a group of labs. Lighting and controls need to be replaced to meet local energy codes including upgrading fixtures to LED along with associated controls. Emergency egress lighting needs to be provided either by battery backup or by tying into the existing life safety ATS. For any other equipment that requires backup power, a tie-in into the standby ATS would be required, pending system capacity. The existing fire alarm system would need to be extended or reconfigured to serve the new spaces.

Each lab area should have a 100A subpanel to accommodate future tenants needs. In addition, a new standby generator is necessary to maintain power critical lab equipment, e.g., refrigerators and freezers. A standby generator will need to be sized based upon specific equipment requirements but it a 25kW generator and a 30A transfer switch for initial budgeting purposes.

Biosafety for Wet Labs

Whether performing research or production activities, when working with infectious materials, organisms or perhaps even laboratory animals, the proper degree of protection is of utmost importance. Protection for laboratory personnel, the environment and the local community must be considered and ensured. The protections required by these types of activities are defined as biosafety levels. Biological safety levels are ranked from one to four and are selected based on the agents or organisms on which the research or work is being conducted. The four biosafety levels sequentially add constraints and barriers, as outlined below:

- **BSL-1:** Biosafety level one applies to agents that usually pose a minimal potential threat to laboratory workers and the environment and do not consistently cause disease in healthy adults.
- **BSL-2:** Biosafety level two applies to agents associated with human disease—in other words, pathogenic or infectious organisms posing a moderate hazard.
- **BSL-3:** Biosafety level three applies to agents that are strictly controlled and must be registered with all appropriate government agencies. These are indigenous or exotic agents that may cause serious or lethal disease via aerosol transmission.
- **BSL-4:** Biosafety level four applies to agents that are extremely dangerous and pose a high risk of life-threatening disease.

Recommendations/Considerations

Based on the other uses within The Hawk and need to ensure user safety, it is recommended any wet lab within the proposed Innovation Center not exceed the requirements of a BSL-1 facility. All assumptions within the market assessment and business plan are based on BSL-1 labs.

Budget Considerations

To facilitate the development of the financial models for the proposed business incubator, the following conceptual unit cost scenarios were prepared for each type of space currently being considered: wet lab, dry lab, white box lab, and office/flex space.

Wet Lab Unit Cost: \$225/s.f.

- Retain existing fume hoods and eyewash/showers
- Retain existing base/wall cabinets along perimeter walls
- Includes approximately 75 linear feet of new casework/benches
- Includes new lay-in acoustic tile ceiling and lighting
- Includes limited wall modifications
- Retain existing tile flooring
- Retain existing rooftop units
- Includes limited modifications to HVAC distribution system (ducts and fan powered boxes)
- Includes new electric sub-panels and supplemental distribution
- Excludes backup/standby power
- Includes limited supplemental plumbing
- Includes new doors, frames with card access

Dry Lab Unit Cost: \$125/s.f.

- Retain existing fume hoods and eyewash/showers
- Retain existing base/wall cabinets along perimeter walls
- Includes approximately 75 linear feet of new casework/benches
- Includes new lay-in acoustic tile ceiling and lighting
- Includes limited wall modifications
- Retain existing tile flooring
- Retain existing rooftop units
- Retain existing HVAC distribution system
- Includes new electric sub-panels and supplemental distribution
- Excludes backup/standby power
- Excludes plumbing modifications
- Retain existing doors, frames, and manual keying system

White Box Lab Unit Costs: \$25/s.f.

- Retain existing fume hoods and eyewash/showers
- Retain existing base/wall cabinets along perimeter walls
- Retain existing lay-in acoustic tile ceiling and lighting
- Retain existing tile flooring
- Retain existing rooftop units
- Retain existing HVAC distribution system
- Retain existing electric distribution
- Excludes backup/standby power
- Excludes plumbing modifications
- Excludes wall modifications
- Retain existing doors, frames, and manual keying system

Office/Flex Space Unit Cost: \$75/s.f.

- Includes new lay-in acoustic tile ceiling and lighting
- Includes limited wall modifications
- Retain existing tile flooring
- Retain existing HVAC distribution system
- Retain existing doors, frames, and manual keying system

Site Assessment

Site Access

The Hawk is located on the south side of 12 Mile Rd., east of Orchard Lake Rd. and approximately three-quarters of a mile from the Orchard Lake I-696 exit. This site is centrally located within the region, providing easy access to Detroit, northern Oakland County, and Ann Arbor. There is no signal at the entryway, but the sight lines are good along this stretch of 23 Mile Rd., making egress manageable.

Parking

The facility has a total of 550 parking spaces, including 85 in the lot adjacent to the third-floor at-grade entryway. Depending on the use standard being used, approximately 40 to 55 spaces will be required to service the space. Based on current use patterns and discussions with city staff, this parking is more than adequate for current and future uses, including the Innovation Center.

Signage and Wayfinding

The facility has a large pedestal sign along 12 Mile Rd. However, because the building is set back from the road and has a separate drive for the third-floor parking, additional signage would be beneficial. Since The Hawk site is so large, it would be ideal to have uniquely branded wayfinding signage for both vehicular and pedestrian traffic. Wayfinding signage would be especially beneficial for the drive leading to the third-floor parking lot and entrance.

Zoning

The Hawk property is currently zoned RA2–Single Family Use. This zoning classification does not currently allow for innovation centers; the City will need to amend the district to make the Innovation Center an allowable accessory use. The Innovation Center use would need to be limited to public and/or nonprofit ownership with direct links to the City’s economic development activities. City staff have indicated that the required code amendment is at least a 90-day process.

SWOT Analysis

PSC conducted a strength, weaknesses, opportunities, and threats (SWOT) analysis for the proposed Innovation Center utilizing information gathered from the market demand and facility assessments, as well as the interviews with industry experts and an entrepreneurial focus group.⁴ This information has been synthesized to provide an understanding of factors that increase the likelihood of success, as well as those factors that present risk. Exhibit 5 summarizes the SWOT analysis.

⁴ See Appendix D for the complete results from the entrepreneur focus groups.

EXHIBIT 5. SWOT Analysis Summary

Strengths

- Central location
- Third-floor and at-grade entryway
- Facility amenities

Opportunities

- Synergy with makerspace
- No acquisition costs
- Focus on health and well-being

Weaknesses

- Not located in an urban business district
- Limited visibility
- Potential use conflicts

Threats

- Economy in transition
- Inflation and construction costs
- Short-term focus

Source: PSC analysis.

Strengths

Central Location

The facility is in a central location within Southeast Michigan. Its proximity to I-696 makes it equally accessible to downtown Detroit, northern Oakland County, and Ann Arbor. This was the most frequent comment from industry experts and entrepreneurs.

Third-floor and At-Grade Entryway

The third-floor and at-grade entryway make the potential space easily accessible and significantly reduces foot traffic conflicts with the other building uses. In addition, the separate parking lot adjacent to this entrance provides additional convenience and the ability to be utilize distinct signage.

Facility Amenities

The building's extensive recreational and programmatic offerings are attractive amenities for potential tenants. Providing free or reduced memberships for the workout and pool facilities would be an attractive benefit.

Weaknesses

Not in an Urban Business District

Many business incubators, particularly those using traditional office space, are often located within urban business districts. Many entrepreneurs in software, web design, media, and related industries prefer to be near cultural centers with a high density of other businesses, including bars and restaurants. To the extent that the Innovation Center would pursue these types of tenants, this is a significant shortcoming.

However, wet lab users are much less concerned with this factor due to the limited number of wet lab facilities and their frequent location in industrial parks or on college campuses.

Limited Visibility

The Innovation Center's location within a much larger facility can limit its unique identity. In addition, the building itself is set back substantially from 12 Mile Rd. However, since this is not a retail incubator with walk-in customers, visibility is less of a critical factor. Clear signage and quality wayfinding will be important in addressing this shortcoming.

Potential Use Conflicts

Concerns were expressed regarding the potential for conflicts due to the large number of visitors to The Hawk. In examining the other uses, conflicts only exist to the extent that the Innovation Center would be open to someone not authorized to be in the space. This weakness can be addressed with proper security access for the Innovation Center space.

Opportunities

Synergy with Makerspace

The makerspace would be a synergistic use with the Innovation Center. Makerspaces are often used by individuals with creative ideas and an entrepreneurial spirit. There may be entrepreneur and business development programs that tenants can utilize. In addition, Innovation Center tenants may be able to leverage the makerspace equipment.

No Acquisition Costs

Assuming the City would not charge for occupancy expenses beyond actual costs like utilities and insurance, the Innovation Center would not need to redirect any of its income to pay acquisition costs or debt service. The absence of these costs presents a significant savings to the Innovation Center operation that can be utilized for operational expenditures. Not having acquisition or buildout costs is an essential principle in the financial success of public technology incubators/accelerators, a point discussed further in the financial analysis section.

Focus on Health and Well-being

Developing life science businesses in a facility focused on health and well-being represents an opportunity to connect business research with users and programs. Businesses undertaking research or development technologies around fitness or well-being might be able to leverage these programs.

Threats

Economy in Transition

The U.S. economy continues to show signs of growth but is also currently plagued by high inflation and a reduction in the overall workforce. The conflict in Ukraine is placing pressure on oil prices and may have much broader economic implications. This unique conflagration of events presents an ongoing uncertainty to the long-term economic outlook. Any future economic shocks could impact demand for the Innovation Center but are difficult to predict.

Inflation and Construction Costs

U.S. inflation for 2021 was an astounding 7.5 percent.⁵ Inflationary increases place greater pressure on both materials and labor costs already seeing significant pressure prior to the pandemic. As a result, construction costs may exceed current estimates and increase the amount of funding needed for facility buildout.

Short-term Focus

Most incubator/accelerator managers agree that growing startup businesses takes time and patience. Historically, the failure rate for startups has been high and does not align with a short-term approach seeking to see immediate success. The optimal incubator/accelerator plan has a long-term view, both in terms of generating successful businesses and realizing the economic benefits of success for large scale players.

Economic Contribution Analysis

A primary justification for investing in an innovation center is to generate economic development in a community. In the ideal scenario, businesses will grow and thrive to a point where graduating from an innovation center becomes a reality. Communities can benefit from retaining these facilities and the jobs that they provide. In the life sciences, jobs tend to be higher paying and result in significant economic impact. PSC conducted an economic contribution study on hypothetical life science companies operating within the community to assess this potential impact, which is in Appendix E.

The contribution study results indicate a significant economic upside to life science firms. In the hypothetical example of a 25-person pharmaceutical manufacturing firm, annual labor income would be approximately \$3.1 million, and property and income taxes would be just over \$317,000. Conversely, the same-sized firm focused on general scientific research and development would generate just over \$2.8 million in labor income and just under \$20,000 in taxes. However, it is important to emphasize that these estimates are purely hypothetical. Economic contribution would depend on company size, specific industry, types of jobs, and wages. While economic contribution can be estimated under a hypothetical scenario, predicting how many companies expand within the community is difficult at best and further discussed in Appendix E.

Conclusions

Based on the market demand assessment, facility assessment, and SWOT analysis, PSC has concluded:

- **There are limited or alternative opportunities for coworking, light manufacturing, and commercial kitchen space.** The potential for coworking space is negatively impacted by current market supply and demand factors, along with limitations on competitive positioning. Light manufacturing's potential is constrained by facility limitations, while commercial kitchen space has better potential in the existing CARES Farmington facility. There may be exceptions to these potential facility components, such as limited coworking space as part of future Innovation Center expansion or a light manufacturing startup that only needs a small dry lab without heavy equipment.

⁵ U.S. Bureau of Labor Statistics, February 16, 2022. "Consumer prices up 7.5 percent over year ended January 2022." *TED: The Economics Daily*. <https://www.bls.gov/opub/ted/2022/consumer-prices-up-7-5-percent-over-year-ended-january-2022.htm>

- **The current demand for technology labs, particularly in the life sciences sector, is strong.** Life science incubators/accelerators across the region and in other parts of Michigan are at capacity. Leadership from those facilities recognize the strong demand and need for additional space. Tech labs offer strong market potential as a focus for the Innovation Center.
- **The Hawk's location and current configuration presents a unique opportunity for developing a life science Innovation Center.** The Hawk's central location and wide array of facility and programmatic amenities will have strong appeal to entrepreneurs. The facility's former science laboratory floor plan is also suited to subdividing into technology labs. In addition, the third-floor space is conveniently served by a separate entryway with nearby parking.
- **The economic upside of supporting life science businesses can be significant but is challenging to predict.** Life science companies can be significant economic contributors to a local economy in jobs, tax revenue, and other indirect ways. However, the path from innovation to profitable company is long and complex, making accurate predictions of economic impact challenging.

The market demand and facility potential create a viable opportunity for establishing a life science Innovation Center at The Hawk. However, technology laboratories require intensive capital investment that far exceed typical office or light manufacturing space. Carefully considering capital needs and associated financing is critical to managing overall financial risk.



Business Plan

The Innovation Center business plan defines the recommended target sectors, projects the financial performance, describes funding opportunities, analyzes the governance and staffing models, and outlines timing. The marketing plan will be developed when a final decision to proceed is made by the City of Farmington Hills.

Targeted Sectors

Based on the market demand assessment, facility assessment, SWOT analysis, and feedback from the City's Economic Development Corporation, PSC has developed the business plan with a focus on the life sciences sector, a very broad but innovation-rich sector where product, technology, and services are rapidly evolving.

Life Sciences Industries

As noted in the definition section, life sciences encompass a broad array of science and industry sectors such as biotechnology, pharmaceuticals, medical device technology, and more. The breadth of the life sciences sector can be understood examining a range of life science applications currently developed and/or produced within innovation centers across the state:

- COVID-19 testing technology
- Diagnostic DNA analysis for cancer treatments
- Medical device technology to warm patients in clinical settings
- Medication measurement for optimal drug efficacy
- Metabolic engineering for discovery of novel antibiotics
- Mineral-based health and wellness products
- Pharmaceutical development for oncology applications
- Rapid and noninvasive monitoring of biochemical markers
- Safe and effective bioinsecticides
- Sensor technology for sports performance and physical therapy

Life Science Focus

The Innovation Center's proposed size, at just under 14,000 s.f., provides enough space for anywhere from eight to 20 plus laboratories, depending on configuration. While the space is adequate to accommodate a critical mass of life science businesses, it is important that the entire space be dedicated for these uses for several reasons. First, developing a critical mass of users provides for a sense of community and encourages per-to-peer sharing, cross collaboration, and mutual support. There are certainly exceptions with startups that might be developing similar technology, but the colocation of entrepreneurs facing similar challenges can be beneficial. Second, since most labs will be relatively small, sharing equipment will be important to minimize the financial impact on tenants. Many startups are unable to afford investing in equipment prior to generating revenue.

Business Support and Partnerships

The life sciences sector is highly specialized and technical. Startups located within the Innovation Center will require a variety of supports that include proof of concept, legal, accounting, business plan, financing, and related services. An innovation center at this scale will not be able to provide these services directly. However, many services are available throughout the regional and state entrepreneurial ecosystem. It will

be critical for the Innovation Center staff/manager to serve as a concierge to these services. These include organizations such as the [Michigan Small Business Development Center](#), [BBC Entrepreneurial Training and Consulting](#), the [Michigan Venture Capital Association](#), and the additional resources identified in the Place Dynamics study. The Innovation Center staff can play a vital role in connecting tenants with these critical services.

Another critical partnership that should be seriously considered is a formal affiliation with a university partner. The Innovation Center may have strong appeal to universities needing to find off-campus lab space for commercialization activities, especially given the limited availability of current wet lab space. University partners can play a critical role in establishing the Innovation Center, both financially and programmatically. The City and EDC should thoroughly explore the potential of such partnerships with the goal of finding a mutually beneficial long-term arrangement that will provide the Innovation Center long-term stability and an immediate connection to life science researchers.

Financial Analysis

A solid financial model is important for the success of any incubator/accelerator, but particularly critical for technology labs with significant capital needs. PSC has developed a financial model based on assumptions around capital investment and operating costs. The assumptions used are generally conservative but are also reflective of current market conditions. Any significant changes in economic or market conditions may impact the assumptions.

Capital Investment

Capital investment for the Innovation Center falls into two critical areas, facility buildout and equipment. While buildout is necessary for any innovation center, buildout costs for tech labs are significantly higher per square foot than for offices or dry labs. The equipment needs of technology labs are also greater than typical office space given the type of scientific research typically being conducted.

Facility Buildout

Facility buildout assumptions include space allocation, renovation costs per s.f., total costs, and debt service costs. Tech labs, and more specifically wet labs, require plumbing, bench space, cabinetry for product storage, and vent hoods. These components are critical for most life science companies undertaking research and development activities. These costs are generally substantially higher than typical office space buildout costs.

Exhibit 6 includes the key buildout assumptions. These assumptions are based on two scenarios: core space and core space plus expansion area. The core space assumption only includes the former science labs. The core space plus expansion area includes the former science labs and additional classroom space across the corridor, as well as the media lab. The core space comprises 13,830 s.f., while the expansion area includes an additional 12,364 s.f., divided between 6,439 s.f. of additional classroom space and the 5,925 s.f. former media lab. Exhibit 7 provides a floorplan of the core space and expansion areas.

EXHIBIT 6. Facility Buildout Assumptions

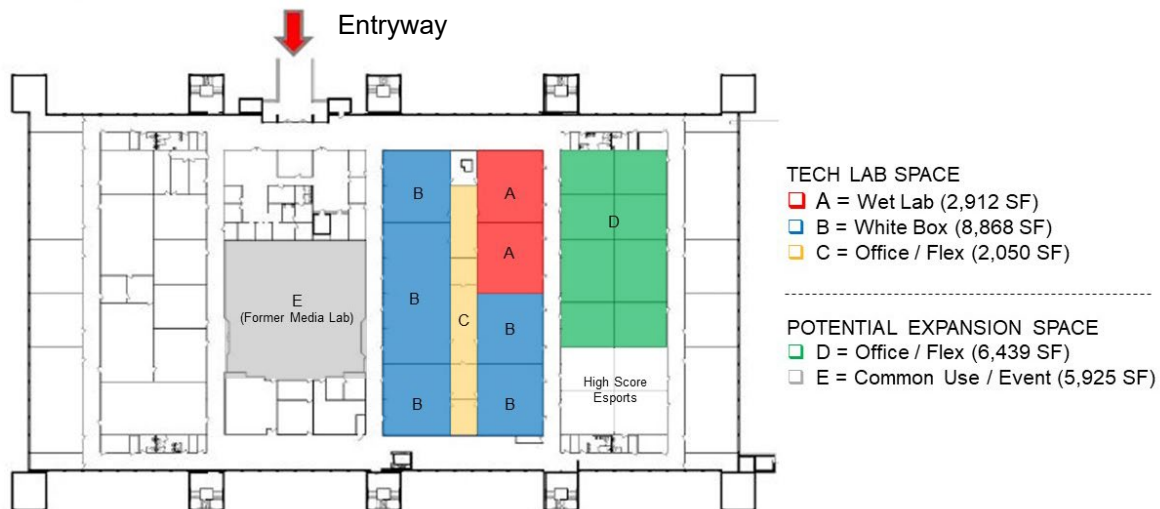
	Core Space	Expansion Area	Core + Expansion
Space Allocation	Square Feet	Square Feet	Square Feet
Wet lab	2,912	-	2,912
White box	8,868	-	8,868
Office/flex	2,050	6,439	8,489
Common area/event	-	5,925	5,925
Total	13,830	12,364	26,194
Renovation Costs	Cost per s.f.	Cost per s.f.	Cost per s.f.
Wet lab	\$225	-	\$225
White box	\$25	-	\$25
Office/flex	\$75	\$75	\$75
Common area/event	-	\$25	\$25
Initial Buildout			
Wet lab	\$655,200	-	\$655,200
White box	\$221,700	-	\$221,700
Office/flex	\$153,750	\$482,925	\$636,675
Common area/event	-	\$148,125	\$148,125
Total	\$1,030,650	\$631,050	\$1,661,700
Incremental Wet Lab			
Wet lab (white box conversion, 8,868 s.f.)	\$1,995,300	-	\$1,995,300
Total Costs	\$3,025,950	-	\$3,657,000
Buildout Debt Service (If Financed)*			
Interest rate	2.5%	2.5%	
Annual debt service, initial buildout	\$116,591		\$116,591
Annual debt service, incremental wet lab	\$225,716		\$225,716
Annual debt service, expansion area		\$71,387	\$71,387
Total	\$342,307	\$71,387	\$413,694

* Assumes ten-year AAA-rated taxable bond
Source: PSC analysis.

To accommodate an incremental approach to buildout, the model assumes an initial allocation of renovated wet labs, white box space, and office/flex. Renovations costs for these three elements range from \$25 per s.f. for white box to \$225 per s.f. for the wet lab. Total initial buildout costs are estimated to be just over \$1 million, with an additional investment of nearly \$2 million for gradual conversion of the white box space into wet labs, resulting in a total cost of just over \$3 million. Equipment and furniture costs are included in the operating pro forma, and not in the buildout assumptions.

Annual debt service for the initial \$1 million in buildout would be approximately \$117,000, plus an additional \$226,000 for incremental wet lab conversion. Converting the additional classroom space in the expansion area into office space, along with some improvements to the media lab, would add approximately \$71,000 in annual debt. Total annual debt could be around \$414,000 for all three components. Debt assumptions are based on the U.S. treasury ten-year yield curve plus 50 basis points. This is an approximate cost of funds for a AAA-rated taxable issuance. Interest rates are expected to rise in 2022 as the Federal Reserve works to control inflation, resulting in higher debt service costs.⁶

EXHIBIT 7. Innovation Center Floorplan



Source: NSA Architecture.

Equipment

Specialized equipment is critical to life science companies conducting scientific research. A shared equipment model is deemed to be the most effective approach to meeting tenants' equipment needs, given the proposed Innovation Center's size and the likelihood that most tenants would be startups. This model is utilized in the WMed Innovation Center and the VanCamp Incubator, while MLSIC does not utilize a formal shared equipment model. However, MLSIC has a larger footprint and users who frequently have high demand for equipment use. Exhibit 8 lists the shared and dedicated equipment that will most likely be needed by facility users.

⁶ Horsley, Scott. March 2, 2022. "The Federal Reserve is Ready to Raise Interest Rates Soon Despite the War in Ukraine." *All Things Considered*. <https://www.npr.org/2022/03/02/1083927329/federal-reserve-interest-rates-inflation-ukraine-russia>

EXHIBIT 8. Shared and Dedicated Lab Equipment

Shared Equipment

- -80C freezer
- Autoclave
- Biosafety cabinet
- Centrifuge
- CO2 Chamber (small)
- Compressed gases (CO2, Hydrogen, Helium, Oxygen)
- Deionized water
- Digital/analytical balance
- Flammable cabinet
- Glassware washer
- Ice machine
- Incubator
- Magnetic stirrer
- PCR workstation
- Plate readers
- Refrigerator
- Vortexer

Dedicated Equipment

- Microscopes
- pH meters
- Pipettes
- Sonic water baths

Total shared equipment is estimated to be approximately \$115,000. This estimate is based on initial purchase of each piece of equipment and does not include consumable supplies such as compressed gases and deionized water. Dedicated equipment limited to the use of a single tenant would be approximately \$8,000. The per-item estimate and general specifications are included in Appendix F.

In addition to the lab equipment, there will also be additional costs for furniture such as desks, chairs, and shelving, primarily for the office spaces. It is estimated that these will require an additional \$50,000 of investment, bringing total initial equipment investment to \$175,000. Depending on tenant operational requirements, this cost could be spread out over time if equipment purchases are delayed until the time of first need. Some purchases may also not be necessary depending on the tenant mix.

The initial equipment costs are not included in the debt financing or operating pro forma. It is assumed that this equipment will be paid for through a combination of grant funding and sponsorships. Sponsorships may include university or private sector partnerships.

Pro Formas

Two operating pro formas have been developed to understand the short- and long-term financial implications of operating the Innovation Center. The first model is based on core space utilization only and the second model includes the core space plus expansion area. These pro formas include income and expense estimates, net income from operations, and cashflow after debt service. This structure illustrates how the Innovation Center's financial trajectory is impacted with and without the burden of long-term debt. The two pro formas use the same revenue, expenditure, and occupancy rates assumptions. The difference is the core space plus expansion area model includes additional office space.

Pro Forma Assumptions

The primary source of revenue is rent. Rent is projected to range from \$13 per s.f. for white box space to \$28 per s.f. for wet lab space.⁷ The model assumes the space will be transitioned from white box to wet labs over the first three years, increasing rental rates as the space is converted. Rents are proposed to be static during the initial three years of stabilization as companies are recruited, then assumed to increase by 2 percent annually starting in year four. Occupancy rates for wet lab spaces are estimated to be 25 percent in year one, 50 percent in year two, 75 percent in year three, and 90 percent by year four, which is the assumed maximum occupancy to account for turnover in occupied space. It is quite possible that the space may be 100 percent occupied at various times. Income assumptions also include some sponsorship money. These funds are conservatively estimated but have significant potential to be much greater, especially if a significant university and/or corporate partnership materializes.

Expenses include staffing and management, marketing, insurance, legal, utilities, equipment, and facility maintenance. Staffing costs include one full-time employee or a managed services contract, which is discussed further in the governance and management section. Insurance, legal, and utility costs are based on typical expenses of similar facilities. Utilities have a high potential to fluctuate depending on rates and facility use. Marketing costs are discretionary but important to ensuring Innovation Center success. Equipment and furniture costs include the initial \$175,000 of estimated purchases spread over the first three years and replacement costs in the following years. Equipment purchases could also be funded through grants and/or sponsorships. Facility maintenance would be limited in the early years but increase over time due to wear and tear on labs and office space. Annual expenses are projected to increase at 3.5 percent which may be low if inflation continues to be at a higher rate. The pro formas do not assume any funding for programmatic support, assuming all support can be derived from existing programs or grants.⁸

The pro formas were developed using cash basis model and do not project the impacts of depreciation. The building improvements and equipment are depreciable assets. How depreciation will be handled is dependent upon the ownership, lease structure, value of improvements, and other factors. For instance, depreciation may be incorporated into the City's aggregated financial statements if the City owns and controls all the assets. Conversely, a nonprofit that funds the improvements and meets other criteria may have to report the depreciation on its financial statements. The depreciation impacts will need to be examined by legal and accounting professionals.

Core Space Pro Forma

Exhibit 9 includes the core space pro forma. This pro forma operates with a negative annual income for the first three years, with a positive net income in year four. The negative operating income in the early years is primarily due to low occupancy in the startup years and the initial equipment purchases. Quicker occupancy and funding equipment through grants or sponsorships could accelerate profitability. For example, doubling wet lab occupancy in years one and two and eliminating the initial \$175,000 of equipment and furniture costs would result in positive operating income by year three. Cumulative

⁷ All rental income assumptions are reduced \$2 per s.f., e.g., from \$30 to \$28, to accommodate property tax implications. Companies leasing space will be required to pay real property taxes which have been estimated by the City Assessor to be approximately \$1.75 per s.f. In addition, companies will need to pay personal property taxes for any equipment they own directly.

⁸ See Appendix G for detailed revenue and expense assumptions.

operating income is estimated to be negative for the first five years with positive cashflow being realized in years six through ten. Cumulative net operating income after ten years is estimated to be just under \$700,000.

Factoring in annual debt service significantly alters the model. Annual cashflow after debt service is negative for the model's entire time frame and results in a total shortfall of \$2.3 million. While debt service is presumed to be incremental based on the gradual buildout of wet lab space, this incremental approach does not help achieve positive cashflow with the total projected debt. It may be possible to allocate some operating revenue to debt in later years as there is projected positive cashflow. This illustrates the critical need to pay for buildout with upfront funding that will allow the Innovation Center to achieve operational profitability.

EXHIBIT 9. Operating Pro Forma: Core Space

	Year One	Year Two	Year Three	Year Four	Year Five	Year Six	Year Seven	Year Eight	Year Nine	Year Ten
Revenue										
Rent (core space)	\$63,600	\$130,300	\$233,700	\$355,500	\$362,600	\$369,800	\$377,200	\$384,800	\$392,500	\$400,300
Rent (expansion area)	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Annual sponsorships	\$10,000	\$12,500	\$15,000	\$17,500	\$20,000	\$22,500	\$25,000	\$27,500	\$30,000	\$32,500
Total Income	\$73,600	\$142,800	\$248,700	\$373,000	\$382,600	\$392,300	\$402,200	\$412,300	\$422,500	\$432,800
Expenses										
Staffing and management	\$100,000	\$103,500	\$107,100	\$110,800	\$114,700	\$118,700	\$122,900	\$127,200	\$131,700	\$136,300
Marketing	\$10,000	\$10,400	\$10,800	\$11,200	\$11,600	\$12,000	\$12,400	\$12,800	\$13,200	\$13,700
Insurance	\$2,500	\$2,600	\$2,700	\$2,800	\$2,900	\$3,000	\$3,100	\$3,200	\$3,300	\$3,400
Legal expenses	\$5,000	\$5,200	\$5,400	\$5,600	\$5,800	\$6,000	\$6,200	\$6,400	\$6,600	\$6,800
Utilities (e.g., electricity, water)	\$50,200	\$61,200	\$70,300	\$79,500	\$82,300	\$85,200	\$88,200	\$91,300	\$94,500	\$97,800
Equipment/furniture	\$60,000	\$60,000	\$55,000	\$10,000	\$10,000	\$10,000	\$15,000	\$15,000	\$15,000	\$15,000
Facility maintenance	\$10,000	\$10,000	\$10,000	\$10,000	\$15,000	\$15,000	\$15,000	\$20,000	\$20,000	\$20,000
Total Operating Expenses	\$237,700	\$252,900	\$261,300	\$229,900	\$242,300	\$249,900	\$262,800	\$275,900	\$284,300	\$293,000
Net Operating Income										
Net annual operating income	(\$164,100)	(\$110,100)	(\$12,600)	\$143,100	\$140,300	\$142,400	\$139,400	\$136,400	\$138,200	\$139,800
Cumulative cashflow before debt service	(\$164,100)	(\$274,200)	(\$286,800)	(\$143,700)	(\$3,400)	\$139,000	\$278,400	\$414,800	\$553,000	\$692,800
Debt Service										
Annual debt service	\$116,600	\$191,800	\$304,650	\$342,300	\$342,300	\$342,300	\$342,300	\$342,300	\$342,300	\$342,300
Net annual cashflow after debt service	(\$280,700)	(\$301,900)	(\$317,250)	(\$199,200)	(\$202,000)	(\$199,900)	(\$202,900)	(\$205,900)	(\$204,100)	(\$202,500)
Cumulative cashflow after debt service	(\$280,700)	(\$582,600)	(\$899,850)	(\$1,099,050)	(\$1,301,050)	(\$1,500,950)	(\$1,703,850)	(\$1,909,750)	(\$2,113,850)	(\$2,316,350)

Core Space Plus Expansion Area Pro Forma

Exhibit 10 includes the core space plus expansion area pro forma. The revenue and expense assumptions on a per-square-foot basis are the same as the core space model. The difference with this model is that the expanded office space area is included, adding 6,439 s.f. to both revenue and expenses. The former media lab space is not included in the model. It is assumed that use of this space would be under a shared-use model and may or may not have associated expenses and revenue.

This model does achieve net operating income sooner, in year three, as opposed to year four in the core space model. The difference is largely due the lower cost of office space buildout relative to rental income as compared to wet labs, even with lower occupancy assumptions for the office space. However, rental rates for office space users are much more sensitive to market changes with the large amounts of existing office space available in the market. Cumulative net operating income after ten years is estimated to be just over \$1.2 million.

As with the core space model, this model is significantly impacted by annual debt service. Annual cashflow after debt service is negative for the model's entire time frame, resulting in a total shortfall of nearly \$2.5 million. This larger loss compared to the core space model is due to the additional debt for office space buildout. This model also illustrates the benefit of paying for buildout with upfront funding that will free the operations from a significant cost burden.

EXHIBIT 10. Operating Pro Forma: Core Space + Expansion Area

	Year One	Year Two	Year Three	Year Four	Year Five	Year Six	Year Seven	Year Eight	Year Nine	Year Ten
Revenue										
Rent (core space)	63,600	130,300	233,700	355,500	362,600	369,800	377,200	384,800	392,500	400,300
Rent (expansion area)	11,600	34,800	58,000	94,600	96,500	98,400	100,400	102,400	104,400	106,500
Annual sponsorships	\$10,000	\$12,500	\$15,000	\$17,500	\$20,000	\$22,500	\$25,000	\$27,500	\$30,000	\$32,500
Total Income	\$85,200	\$177,600	\$306,700	\$467,600	\$479,100	\$490,700	\$502,600	\$514,700	\$526,900	\$539,300
Expenses										
Staffing and management	\$100,000	\$103,500	\$107,100	\$110,800	\$114,700	\$118,700	\$122,900	\$127,200	\$131,700	\$136,300
Marketing	\$10,000	\$10,400	\$10,800	\$11,200	\$11,600	\$12,000	\$12,400	\$12,800	\$13,200	\$13,700
Insurance	\$2,500	\$2,600	\$2,700	\$2,800	\$2,900	\$3,000	\$3,100	\$3,200	\$3,300	\$3,400
Legal expenses	\$5,000	\$5,200	\$5,400	\$5,600	\$5,800	\$6,000	\$6,200	\$6,400	\$6,600	\$6,800
Utilities (e.g., electricity, water)	\$69,500	\$81,200	\$90,300	\$99,500	\$103,000	\$106,600	\$110,300	\$114,200	\$118,200	\$122,300
Equipment/furniture	\$60,000	\$60,000	\$55,000	\$10,000	\$10,000	\$10,000	\$15,000	\$15,000	\$15,000	\$15,000
Facility maintenance	\$10,000	\$10,000	\$15,000	\$15,000	\$20,000	\$20,000	\$25,000	\$25,000	\$30,000	\$30,000
Total Operating Expenses	\$257,000	\$272,900	\$286,300	\$254,900	\$268,000	\$276,300	\$294,900	\$303,800	\$318,000	\$327,500
Net Operating Income										
Net annual operating income	(\$171,800)	(\$95,300)	\$20,400	\$212,700	\$211,100	\$214,400	\$207,700	\$210,900	\$208,900	\$211,800
Cumulative cashflow before debt service	(\$171,800)	(\$267,100)	(\$246,700)	(\$34,000)	\$177,100	\$391,500	\$599,200	\$810,100	\$1,019,000	\$1,230,800
Debt Service										
Annual debt service	\$188,000	\$263,200	\$376,050	\$413,700	\$413,700	\$413,700	\$413,700	\$413,700	\$413,700	\$413,700
Net annual cashflow after debt service	(\$359,800)	(\$358,500)	(\$355,650)	(\$201,000)	(\$202,600)	(\$199,300)	(\$206,000)	(\$202,800)	(\$204,800)	(\$201,900)
Cumulative cashflow after debt service	(\$359,800)	(\$718,300)	(\$1,073,950)	(\$1,274,950)	(\$1,477,550)	(\$1,676,850)	(\$1,882,850)	(\$2,085,650)	(\$2,290,450)	(\$2,492,350)

Funding Options

Given the importance of upfront funding for the Innovation Center buildout and equipment, the City and EDC should explore available internal and external resources to support capital needs. These include federal and state programs, philanthropic resources, and private industry. Projects of this nature typically require a combination of funding from multiple sources. Many funders prefer to see projects leverage other resources, as project validity is demonstrated through broader support.

U.S. Economic Development Administration

The U.S. Economic Development Administration (EDA) has funded incubators and related infrastructure through its [Economic Adjustment Assistance \(EAA\)](#) program. The City of Farmington Hills does not typically meet the distress criteria for funding under EAA. However, the EDA has broadened program eligibility through additional funding from the American Rescue Plan Act. EDA funding does require long-term commitments to ensure the intended use, as well as other restrictions, which may or may not be deemed too restrictive for the City and EDC.

Michigan Economic Development Corporation

The Michigan Economic Development Corporation (MEDC) has provided significant support over the years to the state's [SmartZones](#). The SmartZones operate a variety of business incubators and accelerators. MEDC has been able to provide operational and other support but often subject to state appropriations and inconsistent over time. The MEDC does not have a formal program supporting the creation of new incubators and accelerators but could be a potential resource with the influx of America Rescue Plan Act funding.

State Appropriations

Various economic development projects across the state have been supported through the state appropriation process. The project should be discussed with the city's state representative and senator and to see if this is a viable approach. A one-time appropriation, if large enough, could be significant starting point for the Innovation Center's capital needs.

Public and Private Universities

Public and private higher education institutions offer tremendous potential for the Innovation Center's development. Approximately half of the state's SmartZones have close affiliations with higher education, some of which include direct investment in facilities and operations, or even outright ownership. The City of Farmington Hills and the EDC should explore the potential of these partnerships, especially Lawrence Technological University given its proximity and stated interest.⁹ However, the City and EDC should also explore the potential to partner with Wayne State University, the University of Michigan, and Michigan State University. Any institution undertaking life science research may have an interest in supporting the Innovation Center if the facility can meet their needs.

⁹ Lawrence Technological University sent a letter to the City of Farmington Hills expressing their interest in exploring a collaboration on Innovation Center.

Private Industry

There are a significant number of corporations with headquarters or substantial footprints in the City of Farmington Hills and Southeast Michigan. These corporations represent a potential group of investors for the Innovation Center. Bosch's investment in The Hawk's makerspace is an excellent example of this contribution type. The City and EDC should strategize about potential corporate sponsors and developing an arms-length approach that is appropriate for local government.

Governance and Staffing/Management Models

Governance Models

Incubator/accelerators can be governed under a variety of models. Based on conversations with City staff and the EDC, three models have emerged as the most likely to be feasible. These include oversight by the EDC with support from the city, oversight by the City with the EDC serving in an advisory capacity, and under a separate 501(c)3 model. Exhibit 11 provides a summary of how each model would be structured, finances managed, and the pros and cons of each.

EXHIBIT 11. Comparison of Governance Models

	Economic Development Corporation	City	501 (c)3
Structure	The EDC board would provide oversight and guidance on all operations and finances. This will require additional EDC activities including developing a project plan, financial management, and annual expenditure reporting, etc. (See Public Act 338 of 1974.)	The City of Farmington Hills would manage the innovation center like other City programs. The EDC could still play an advisory role.	A separate 501 (c)3 nonprofit organization would be created with its own board, bylaws, financial management, etc. The articles of incorporation could establish a connection to the City via board membership.
Financial Management	The EDC would need to develop annual budgets and establish accounts, either through the City or separately. The EDC will also need support for financial management such as accounts payable, auditing, etc.	The City would manage all the innovation center finances in the same way it does other funding under its control.	The entity would be responsible for managing its own finances, including opening accounts, accounts payable, audits, IRS reporting, etc.
Pros	<ul style="list-style-type: none"> This model provides the EDC the greatest level of control and oversight. It provides continuity with the EDC’s Innovation Center efforts to date. 	<ul style="list-style-type: none"> Provides the City direct control of all operations and management. The EDC could still serve as an advisory body. 	<ul style="list-style-type: none"> The mission would be solely focused on the innovation center. Separation from the city may appeal to some funders.
Cons	<ul style="list-style-type: none"> The EDC currently lacks funding and will need to identify and secure operational funding. 	<ul style="list-style-type: none"> The City would have additional management and financial responsibilities. 	<ul style="list-style-type: none"> Provides less day-to-day oversight by the EDC and City. Startup funding is required to secure 501 (c)3 status and put staffing in place.

Source: PSC analysis.

Each governance model offers a viable approach to Innovation Center oversight. PSC recommends that the selected model should be determined by the City with input from its legal counsel and the EDC. Since the City owns The Hawk and will bear the Innovation Center’s long-term benefits and risks, it is critical

the City is comfortable with the model that is chosen. It is also important to note that the governance models can be adjusted over time based on financial and operational needs. The model utilized at inception does not have to be permanent if changes are warranted.

Staffing/Management Models

Innovation centers typically follow one of two staffing models. The most common model is direct staffing, in which the innovation center directly hires employees. The other model is a managed services contract, in which the innovation center hires a vendor to manage and operate the facility. Exhibit 12 summarizes these two models and their respective pros and cons. Appendix H includes a detailed job description for an innovation center manager to provide greater context for the needed roles and duties. The roles and duties outlined in the job description also apply to the managed services contract.

EXHIBIT 12. Comparison of Staffing Models

	Direct Staffing	Managed Services Contract
Structure	The EDC, City, or a 501(c)3 would employ staff to manage the innovation center. Under both the EDC and City models, this could be existing staff, new staff, or a combination of both.	The EDC, City, or 501(c)3 would contract for services with a private or public entity to manage the innovation center. A request for qualifications/proposals process could be utilized to identify potential vendors.
Pros	<ul style="list-style-type: none"> • Employees serve as a dedicated resource with a sole focus on the Innovation Center. • Passionate and dedicated staff could be the difference maker in achieving success. 	<ul style="list-style-type: none"> • Avoids staff management issues • Performance-based contracting offers ability to ensure accountability • May leverage multiple staffing resources with varied skill sets
Cons	<ul style="list-style-type: none"> • It may be difficult identifying qualified staff in competitive job market • This model requires more human resource management by the City/EDC, i.e., payroll, benefits, etc. 	<ul style="list-style-type: none"> • This model requires less direct day-to-day oversight. • It may be more expensive than direct staffing.

Source: PSC analysis.

Both staffing models offer a viable approach to managing the Innovation Center’s day-to-day operations. PSC recommends that before a final decision is made, the managed service contract model be explored to understand its potential. The City and/or EDC should have conversations with universities and private firms that have expressed interest in partnering on the Innovation Center.¹⁰ If there is enough interest, crafting a request for qualifications/proposals may be merited. The final choice should fit within the selected governance model and align with the City’s and EDC’s management goals. Like governance models, staffing models can also be adjusted over time based on changing financial and operational needs.

¹⁰ [KiwiTech](#), a private company that operates innovation centers, expressed interest in any potential managed services opportunities.

Timing

The Innovation Center’s timing is highly dependent upon when the City and EDC formally approve proceeding with the project. For purposes of this business plan, approval is assumed to be no later than the second quarter of 2022. A final decision made later would require a corresponding shift in the other timing assumptions. In addition, the projected timeline assumes that the City and EDC will identify funding for the Innovation Center buildout and not issue debt. Exhibit 13 lays out the critical steps over the next two years.

After the decision to proceed, it will be critical to develop and execute the fundraising plan for facility buildout. The development of partnerships will also be critical to determine which university and/or corporate partners will play a role in facility development, including possible financial contributions. These partnerships will impact how the fundraising plan is executed.

Developing the marketing plan, organizational structure, and staffing should follow substantial progress on fundraising and partnership agreements. Once a manager is in place, facility specifications, project bidding, and construction can follow. Preconstruction activities presume that fundraising activities for buildout have been successful, defined as a high percentage of funding commitments being secured. Development of operational policies and procedures can occur simultaneously to the design and construction work. Throughout this period the staff or managed services provider should also be working to recruit the initial tenants and secure sponsorships.

EXHIBIT 13. Projected Project Timeline

	2022 Q1	2022 Q2	2022 Q3	2022 Q4	2023 Q1	2023 Q2	2023 Q3	2023 Q4
Decision to proceed								
Fundraising plan and partnership agreements								
Marketing plan								
Organizational structure								
Staffing (managed services RFP or direct hire)								
Design and specifications for initial buildout								
Facility buildout								
Operational policies and legal documents								
Tenant recruitment and leasing								
Sponsorship development								
Facility opening								

Marketing Plan

The Innovation Center marketing plan will be developed separately from this business plan. The marketing plan will be customized based on the City's decision to proceed with this project and associated timing.

Appendix A: Interviewee List

Name	Title	Organization
Aloke Dutta	Professor of Medicinal Chemistry, Department of Pharmaceutical Sciences	Wayne State University
Andy Fountain	Vice President	Plante Moran Cresa
Brad Martin	Director, Fast Forward Medical Innovation	University of Michigan Medical School
Brian Moran	Deputy Director, Special Services	City of Farmington Hills
Bryan Farmer	Deputy Director, Special Services	City of Farmington Hills
Dan Radomski	Director	Centropolis Accelerator at Lawrence Technological University
Danielle Ware	Owner	Danika Development LLC
Diane Bouis	Innovation Program Manager, Office of Innovation Partnerships Venture Accelerator	University of Michigan
Ed Gardiner	Director of Planning and Community Development	City of Farmington Hills
Edward Kim	Principal	K5 Velocity Ventures
Ellen Schnackel	Director, Special Services	City of Farmington Hills
Faris Alami	Founder and Chief Executive Officer	International Strategic Management, Inc.
Fred Earl	Managing Director	Michigan Life Science and Innovation Center
Fred Molnar	Vice President of Entrepreneurship and Innovation	Michigan Economic Development Corporation
Jeff Smith	Director of the University Corporate Research Park	Michigan State University Foundation
Jeff Wenzel	Vice President of Crowdfunding	KiwiTech
Jerry Hollister	Senior Principal Consultant	BBC Entrepreneurial Training and Consulting
Louis Starks	Economic Development Manager	Oakland County
Mark Brucki	Associate Vice President of Economic Development, Corporate and Community Partnerships	Lawrence Technological University
Mark Smith	President	Michigan Innovation Headquarters
Mark Stec	City Planner	City of Farmington Hills
Matthew Dingman	City Assessor	City of Farmington Hills
Michael Long	Executive Director, The Mobilization Zone; Research Integrity Officer	Oakland University
Mohsin Syed	President and Chief Startup Officer	KiwiTech
Phil Tepley	Director of Technology Commercialization Services	Michigan Small Business Development Center
Pria Playle	President	Axiom Development Solutions
Rakesh Gupta	Chief Executive Officer and Founder	KiwiTech

Name	Title	Organization
Rodrigo Fernandez-Valdivia	Founder	AleloPharma, Inc.
Sandra Cochrane	Assistant Dean, Innovation Center	WMed, Western Michigan University
Skip Simms	Vice President	Ann Arbor SPARK
Tom Buck	Founder	Innovate Farmington
Tony Sorgi	Vice President	Plante Moran Cresa

Appendix B: Inventory of Workshare Spaces

Note: Workshare office space are sorted by distance from The Hawk, nearest to furthest.

Organization	Website
AmeriCenter of Franklin/Southfield	https://www.americenters.com/southfield-michigan
AmeriCenter of Novi	https://www.americenters.com/novi-michigan
Centrepolis Accelerator	https://www.centrepolisaccelerator.com/Membership/
Regus—Southfield	https://www.regus.com/en-us/united-states/michigan/southfield/2000-town-center-1078?utm_source=yext_places_gmb&utm_medium=places&utm_campaign=yext_traffic&utm_content=1078
Regus—Novi, Crystal Glen	https://www.regus.com/en-us/united-states/michigan/novi/crystal-glen-1080?utm_source=yext_places_gmb&utm_medium=places&utm_campaign=yext_traffic&utm_content=1080
Coop Exchange	https://coop-exchange.business.site/
AmeriCenter of Livonia	https://www.americenters.com/livonia-michigan
AMITY Coworking	https://amitycoworking.com/
Folio—Berkley	https://www.foliooffices.com/berkley
Grand River WorkPlace	https://www.grandriverworkplace.com/?portal&
Bamboo—Royal Oak	https://www.bamboodetroit.com/locations/royal-oak
Folio—Ferndale	https://www.foliooffices.com/ferndale-2021
PatchWork Collective	http://patchworkcollective.net/
Regus—Royal Oak	https://www.regus.com/en-us/united-states/michigan/royal-oak/418-north-main-3751
Workco	https://www.workco.com/
Regus—Birmingham	https://www.regus.com/en-US/united-states/michigan/birmingham/the-ford-building-5747?utm_source=yext_places_gmb&utm_medium=places&utm_campaign=yext_traffic&utm_content=5747
AmeriCenter of Bloomfield	https://www.americenters.com/bloomfield-michigan
Incubizo	https://incubizo.com/en
Regus—Bloomfield Hills	https://www.regus.com/en-us/united-states/michigan/bloomfield-hills/stoneridge-office-park-3700?utm_source=yext_places_gmb&utm_medium=places&utm_campaign=yext_traffic&utm_content=3700
Warrior Workspace	https://www.warriorworkspace.com/
Sevenco	https://sevenco.co/troy-mi/
Regus—Columbia Center, Troy	https://www.regus.com/en-us/united-states/michigan/troy/columbia-center-387
Regus—Troy Liberty Center, Troy	https://www.regus.com/en-us/united-states/michigan/troy/troy-liberty-center-1077
AmeriCenter of Troy	https://www.americenters.com/troy-michigan
HUBworX360	https://hubworx360.com/

Organization	Website
Surge Colab	https://surgecolab.com/
Main Street MI Coworking— Clarkston	https://www.mainstreetmi.com/clarkston

Appendix C: Photos of Existing Lab Space

Cabinets and fume hood



Cabinets and benches



Emergency wash station



Fume hood



Classroom used for storage



Cabinets and benches



Appendix D: Summary of Entrepreneur Focus Group

Background

On the evening of December 7, 2021, PSC facilitated a tour and focus group of 18 individuals, the majority members of Innovate Farmington, a local entrepreneurial support and networking group. Jeff Wenzel and Tom Buck, leaders of Innovate Farmington, were instrumental in helping to organize the event. Participants were given a facility tour, provided background on the vision for the proposed Innovation Center, and then participated in brainstorming answers to a series of questions.

Focus Group Questions and Responses

1. What do you think are the strengths of this space and site?

Top responses

- Amenities
- Location
- Size for innovation

Additional responses

- Ability to build whatever you want
- Easy parking
- First and second floor amenities
- Gym space
- It is fresh, flexible
- Legacy connections (former students)
- Lots of meeting rooms
- Outside ambience
- Proximity to Big Three for next round of artificial intelligence vehicles
- Proximity to Detroit, Ann Arbor, Lansing, and Toledo

2. What do you think are the weaknesses of this space and site?

Top responses

- Rooms are not suitable for all needs
- The world is online (virtual) now
- Too early to judge with the space incomplete

Additional responses

- All rooms being a classroom (wet lab)
- Difficult to visualize space until examples are built
- Maybe too big, update a section at a time
- Random foot traffic
- This can be anything, weakness is limiting it
- Unclear vision for the space

3. What type of space and physical amenities would best meet your entrepreneurial needs?

Top responses

- Audio/video studio
- Industrial space with overhead crane and forklifts
- Very high-speed internet, including wireless

Additional responses

- Cell phone classes for seniors
- Game room
- Mental health counselor
- Metaverse of the site
- Ongoing (permanent) office space
- Plug and play setup
- Programming boot camp
- Small coworking space
- Small meeting rooms and conference room
- Video projection system

4. What types of services would best meet your entrepreneurial needs?

Top responses

- Business coaching
- Fundraising advice for startups
- Legal services

Additional responses

- Commercial kitchen
- Government licensing liaison
- Media training
- Networking
- Production rooms (audio and video)
- Professional services (accounting, intellectual property, software)
- Prospective customer data
- Temporary office space

5. What are the risks for creating an innovation center here at The Hawk?

Top responses

- Economic downturn or collapse
- Investment longevity
- People not using it, lack of understanding

Additional responses

- Change in politics
- COVID-19 or other pandemics

- Independent security
- Loss of funding
- Not letting it be organic (some self-determination is needed)
- People using the metaverse

6. What are the opportunities for creating an innovation center here at The Hawk?

Top responses

- Central hub between current incubators in the region
- Involve local businesses (e.g., sponsors, coaches, presenters, suppliers)
- Job creation with startups

Additional responses

- Electronic lab
- Funding center for startups
- Large-scale events
- Maker Faire
- New product development
- Pop-ups in the space
- Terrific accessibility

Appendix E: Economic Contribution Analysis

Consistent data on innovation center graduates is limited. An alternative proxy for survival rates is the Bureau of Labor Statistics Establishment Survival Rates for Michigan, which estimates the survival rate by private sector establishments in a year. In Michigan, the one-, five-, and ten-year survival rate for businesses that started operations in March 2010 were 78.4 percent, 54 percent, and 37.3 percent.¹¹ Even with the high failure rate of startups, it is reasonable to assume that there will be successful companies that survive and grow.

A business that becomes permanent and remains in the community may provide meaningful contributions to jobs, economic activity, and local tax revenue. Indeed, it is possible to model the economic impact of a hypothetical innovation center graduates using the IMPLAN modeling software. Exhibit E1 illustrates the example of a business in the pharmaceutical preparation manufacturing industry that has 25 direct employees. This business would support an additional 76 indirect jobs. The estimated direct labor income (salaries and benefits) of the 25 employees would be \$3.2 million, for an average of \$126,000 per person. Additionally, local direct and indirect tax revenue would increase by almost \$500,000, while estimated direct and indirect revenue would be close to \$50 million

EXHIBIT E1. Economic Contribution: Pharmaceutical Preparation Manufacturing Firm, 25 Employees

Effect	Total Employment	Labor Income	Revenue	Taxes (property, income)
Direct	25	\$3,164,200	\$30,995,000	\$317,300
Indirect and induced	76	\$6,559,900	\$18,549,000	\$168,000
Total	101	\$9,724,100	\$49,544,000	\$485,300

Note: Totals may not sum due to rounding.
Source: PSC analysis of IMPLAN economic modeling data.

Exhibit E2 presents another pharmaceutical manufacturing firm, this example with 100 direct employees. This firm would result in an additional 306 indirect jobs. The estimated direct labor income (salaries and benefits) of the 100 employees would be \$12.7 million, for an average of \$126,000 per person. Additionally, local direct and indirect tax revenue would increase by almost \$2 million, while estimated direct and indirect revenue would be close to \$200 million.

¹¹ The Bureau of Labor Statistics. n.d. "Survival of Private Sector Establishments, by Opening Year." *Bureau of Labor Statistics*. Accessed March 9, 2022. https://www.bls.gov/bdm/mi_age_total_table7.txt

EXHIBIT E2. Economic Contribution: Pharmaceutical Preparation Manufacturing Firm, 100 Employees

Effect	Total Employment	Labor Income	Revenue	Taxes (property, income)
Direct	100	\$12,656,700	\$123,979,700	\$1,269,100
Indirect and induced	306	\$26,239,500	\$74,195,600	\$672,100
Total	406	\$38,896,200	\$198,175,300	\$1,941,200

Source: PSC analysis of IMPLAN economic modeling data.

Exhibit E3 presents a scenario using the scientific research and development services industry. For the 25 new direct jobs, there would be an additional 30 indirect jobs. The estimated direct labor income (salaries and benefits) of the 25 new employees would be \$2.8 million, for an average of \$113,000 per person. Additionally, local direct and indirect tax revenue would increase by \$75,000 million, while estimated direct and indirect revenue would be close to \$12 million. This scenario yields meaningful results but are lower than the pharmaceutical preparation manufacturing industry, reflecting the economic variability of various life science and technology businesses depending on industry. In particular, manufacturing operations have much larger real estate footprints and extensive equipment which generate significant real and personal property taxes.

EXHIBIT E3. Economic Contribution: Scientific Research and Development Firm, 25 Employees

Effect	Total Employment	Labor Income	Revenue	Taxes (property, income)
Direct	25	\$2,824,000	\$6,324,300	\$19,500
Indirect and induced	30	\$2,110,700	\$5,501,300	\$55,500
Total	55	\$4,934,700	\$11,825,600	\$75,000

Source: PSC analysis of IMPLAN economic modeling data.

Exhibit E4 presents another scenario using the scientific research and development services industry with 100 direct employees. The business would support an additional 119 indirect jobs. The estimated direct labor income (salaries and benefits) of the 100 employees would be \$11.2 million, for an average of \$113,000 per person. Additionally, local direct and indirect tax revenue would increase by \$300,000 in 2022, while estimated direct and indirect revenue would be over \$47 million.

EXHIBIT E4. Economic Contribution: Scientific Research and Development Firm, 100 Employees

Effect	Total Employment	Labor Income	Revenue	Taxes (property, income)
Direct	100	\$11,295,700	\$25,297,100	\$78,000
Indirect and induced	119	\$8,442,700	\$22,005,100	\$222,000
Total	219	\$19,738,400	\$47,302,200	\$300,000

Source: PSC analysis of IMPLAN economic modeling data.

For both the pharmaceutical preparation manufacturing and scientific research and development industries, the economic impact analysis reflects the value of the hypothetical company's economic activity through direct, indirect, and induced effects. The direct effect is from any company employing people and contributing to the area's economy. The indirect effect is from the company purchasing goods and services, particularly along the supply chain, which helps stimulate job creation and economic activity. The induced effect is the result of wages being spent by direct and indirect employees in the local economy, affecting other industries such as retail, restaurants, etc.

The indirect and induced economic activity gradually declines as spending occurs outside the region (via imports from other countries, Michigan counties, or U.S. states), is placed in savings, or is paid in taxes. However, the additional indirect and induced economic activity—resulting from the company and employee spending—is known as the multiplier effect. These activities are included in the IMPLAN economic model. For simplicity, this report refers to the combination of indirect and induced economic contributions as indirect economic contributions.

For the pharmaceutical preparation company, the jobs multiplier—4.0—is sizeable and indicates that for every 1 direct job created, and additional 3.0 indirect jobs are created. This is consistent with the results from IMPLAN, which showed 100 direct jobs at the company and around 300 indirect jobs. Meanwhile, the scientific research and development industry has a much smaller jobs multiplier of 2.0, indicating that for every 1 direct job created, an additional 1 indirect job is created. The difference in job multipliers depends on a company's industry: a high jobs multiplier indicates that the industry purchases a significant amount of goods and services locally, including via the supply chain, and that its employees are well compensated and generally live near where they work. For industries with lower multipliers, it often suggests that local purchases of goods and services are relatively small, and that employees either are not as highly compensated or do not live near where they work.

Appendix F: Shared Equipment and Specifications

	Description	Cost Estimate
Shared Items		
-80C freezer	28.8 cu. ft., 600 CryoBox capacity	\$16,400
Autoclave	Benchtop 16L	\$6,400
Biosafety cabinet	BSC with stand, Class A2, 5ft	\$14,500
Centrifuge	Nonrefrigerated, keypad, includes rotor, 6X50ml	\$5,800
CO2 chamber (small)	4 shelves, 12 X 12 X 24	\$1,200
Compressed gases (CO2, Hydrogen, Helium, Oxygen)	CO2 \$48, HY \$72, OX \$48, HE \$359.67	TBD
Deionized water	Case of 4L (\$262)	TBD
Digital/analytical balance	500g capacity, with draft shield	\$2,100
Flammable cabinet	45 gallon, 2 shelves, manual close	\$2,000
Glassware washer	Freestanding with DI rinse	\$10,200
Ice machine	9-pound storage capacity, stainless steel	\$8,600
Incubator	CO2, Air Jacket, IR	\$9,600
Magnetic stirrer	7X7", 10L capacity, ceramic	\$300
PCR workstation	Twin decontamination	\$3,200
Plate readers	VICTOR Nivo 3T, absorbance, luminescence, fluorescence	\$27,800
Refrigerator	23 cu. ft., solid door	\$6,200
Vortexer	Variable speed analog mixer, 2.5 lb. capacity	\$1,100
Total		\$115,400
Dedicated Items		
Microscope	Trinocular	\$2,100
pH meter	Benchtop, pH/mV/Conductivity	\$1,800
Pipettes	100ml, sterile, individually wrapped	\$400
Sonic water bath	24L capacity, analog	\$3,700
Total		\$8,000

Appendix G: Detailed Revenue and Expense Assumptions

Assumptions	Year One	Year Two	Year Three	Year Four	Year Five	Year Six	Year Seven	Year Eight	Year Nine	Year Ten
Rental Income (per S.F.)										
Wet lab	\$28	\$28	\$28	\$29	\$29	\$30	\$30	\$31	\$32	\$32
White box	\$13	\$13	\$13	\$13	\$14	\$14	\$14	\$14	\$15	\$15
Office/flex (wet lab)	\$28	\$28	\$28	\$29	\$29	\$30	\$30	\$31	\$32	\$32
Office/flex (expansion area)	\$18	\$18	\$18	\$18	\$19	\$19	\$19	\$20	\$20	\$21
Available Space	Transition period from white box to wet lab									
Wet lab	2,912	5,890	8,802	11,780	11,780	11,780	11,780	11,780	11,780	11,780
White box	8,868	5,890	2,978	0	0	0	0	0	0	0
Office/flex (wet lab)	2,050	2,050	2,050	2,050	2,050	2,050	2,050	2,050	2,050	2,050
Office/flex (expansion area)	6,439	6,439	6,439	6,439	6,439	6,439	6,439	6,439	6,439	6,439
Occupancy										
Wet lab	25%	50%	75%	90%	90%	90%	90%	90%	90%	90%
White box	25%	25%	15%	0%	0%	0%	0%	0%	0%	0%
Office/flex (wet lab)	25%	50%	75%	90%	90%	90%	90%	90%	90%	90%
Office/flex (expansion area)	10%	30%	50%	80%	80%	80%	80%	80%	80%	80%

Annual expense inflation: 3.5%

Annual rent inflation (starting Year 4): 2.0%

Utilities:

Wet lab: \$6/s.f.

Office/other: \$3/s.f.

Appendix H: Innovation Center Manager Draft Job Description

Manager, The Hawk Innovation Center

Position Summary

The Manager is responsible for overseeing technology business incubation and acceleration efforts at the Hawk Innovation Center. The Innovation Center is focused on fostering life science companies within its technology labs by connecting startups with the region's entrepreneurial ecosystem and supporting entrepreneurs in other industries through its concierge services. The Manager will interface with leadership from the City of Farmington Hills and the Economic Development Corporation, as well as a wide array of external stakeholders and partners, to ensure the facility meets the needs of emerging life science businesses while meeting financial and operational objectives.

The ideal candidate will be a competent project and process manager with an interest in innovation ecosystems; an enthusiastic developer and manager of highly integrated networks of key people, including entrepreneurs, investors, and industry professionals; and comfortable with a wide range of duties. Industry knowledge of technology-based startups in the life sciences is a plus.

Essential Duties

- Day-to-day operational oversight of the Innovation Center, including outreach to, screening, and intake of business startups
- Manages the allocation and leasing of spaces, including the provision of utilities and shared lab equipment
- Monitors and directly promotes business growth and development by providing concierge services for startups that connect them to business support services, investors, and other resources as appropriate
- Creates and maintains networks of entrepreneurs, mentors, professionals, funders, and business-to-business contacts, and facilitating their strategic interaction with participating startup companies
- Connects and integrates incubation program participants with existing regional and state initiatives, events, and meet-ups, and developing dedicated events and meet-ups as appropriate to meet the needs of participating startups
- Manages the Innovation Center's budget and expenditures
- Oversees internal and external communications, messaging, marketing, and promotion
- In partnership with the City economic development staff, supports Innovation Center graduates in identifying and securing space for growth and expansion within the City
- Represents and promotes the Innovation Center at regional and national conferences and through membership in professional and industry organizations related to business incubation
- Other duties as assigned within the scope of position expectations

Characteristics of High Performance

- Develops, communicates, and aligns others around a vision and strategy for the future
- Builds and maintains trust with others while modeling and maintaining the values of candor, openness, and inclusiveness
- Demonstrates the ability to act in a decisive, urgent, and committed way to achieve results while remaining focused on long-term goals

- Demonstrates ability to lead and execute daily and special project goals by carefully setting priorities, meeting deadlines, and scheduling time efficiently
- Organizes multiple tasks in an efficient manner and executes follow-up and follow-through with strong attention to detail
- Demonstrates a willingness to move forward despite ambiguity and challenges
- Communicates positively, frequently, and candidly during times of change while demonstrating tolerance and adaptability when dealing with ambiguous situations
- Develops and maintains collaborative working relationships and a broad network in the entrepreneurial ecosystem, including peer-level relationships with leadership from other innovation centers
- Demonstrates ability to lead other people through a cooperative effort
- Values continuous learning by fostering a climate for the learning and development of self and others
- Communicates effectively, both verbally and in writing
- Possesses strong interpersonal skills as demonstrated by compassionate, courteous, cordial, cooperative, and professional interaction with clients, external partners, and the community

Qualifications and Experience

- At least five years of relevant experience preferred working in community or economic development, small business and entrepreneurial support, and/or real estate, preferably with small business or entrepreneurial programs
- A bachelor's degree in a related field, a master's degree preferred
- Ability to work with entrepreneurs and small businesses startups at various development stages, experience with life science entrepreneurs preferable
- Demonstrated experience performing comparable duties
- Competency using the Microsoft Office suite, including Word, PowerPoint, and Excel; experience with real estate or facility management software a plus

Work Environment

Work is primarily performed at the Innovation Center with time also spent in external meetings. Work includes extended periods (approximately eight hours or more a day) at a computer or on the telephone. The nature of the work has frequent interruptions and requires frequent contact with the tenants and prospects. While the employee may be required to work beyond traditional business hours, the Innovation Center strives for staff to maintain a healthy work-life balance.

Compensation and Benefits

- Salary commensurate with education and experience
- Competitive medical, dental, life, disability, voluntary vision, and voluntary legal insurance plans
- 401(k) contribution
- Paid time off granted upon start date
- Eleven paid holidays per year



**PUBLIC SECTOR
CONSULTANTS**

230 N. Washington Square
Suite 300
Lansing, MI 48933

Joseph Valentine

From: Tim Dempsey <tdempsey@publicsectorconsultants.com>
Sent: Friday, April 8, 2022 11:51 AM
To: Joseph Valentine
Cc: Cristia Brockway
Subject: Re: Revised ProForma
Attachments: Pro Forma analysis 04-08-2022 update.pdf

CAUTION: This email originated from outside your organization. Exercise caution when opening attachments or clicking links, especially from unknown senders.

Hi Joe and Tia,

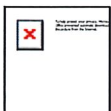
Please see the attached revised pro forma. Summary of changes:

1. The upfront buildout costs are lowered but overall costs are slightly higher. This is because the model assumes any non-wet lab space will first be white box space. That space has an initial renovation cost as white box AND later renovation costs as wet lab. If you leave those spaces as is, you reduce that additional cost.
2. Equipment cost assumptions were lowered in the first year with less lab space and pushed to years two and three.
3. Occupancy assumptions in years two and three were adjusted to reflect the change in the amount of initial lab space.
4. The interest rate was raised to 3.0 percent since the 10-year Treasury yield curve is now up 50 basis points since early March.

Overall, you save some money upfront but overall costs are slightly higher as explained in #1 above.

As always, let me know if you have any questions. I'm happy to discuss if needed.

Tim



Tim Dempsey Vice President
Direct: 517-371-7454
Cell: 517-285-5580



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EXHIBIT 6. Facility Buildout Assumptions

Space Allocation	Core Space Square Feet	Expansion Area Square Feet	Core + Expansion Square Feet
Wet lab	1,456	-	1,456
White box	10,324	-	10,324
Office/flex	2,050	6,439	8,489
Common area/event	-	5,925	5,925
Total	13,830	12,364	26,194

Renovation Costs Per S.F.	Cost per s.f.	Cost per s.f.	Cost per s.f.
Wet lab	\$225	-	\$225
White box	\$25	-	\$25
Office/flex	\$75	\$75	\$75
Common area/event	-	\$25	\$25

Initial Buildout			
Wet lab	\$327,600	-	\$327,600
White box	\$258,100	-	\$258,100
Office/flex	\$153,750	\$482,925	\$636,675
Common area/event	-	\$148,125	\$148,125
Total Initial Buildout	\$739,450	\$631,050	\$1,370,500

Incremental Wet Lab			
Wet lab (former White Box, 10,324)	\$2,322,900	-	\$2,322,900
Total	\$3,062,350	-	\$3,693,400

Buildout Debt Service (If Financed)*			
Interest rate	3.0%	3.0%	
Annual debt service, initial buildout	\$85,682		\$85,682
Annual debt service, incremental wet lab	\$269,161		\$269,161
Annual debt service, expansion area		\$73,122	\$73,122
Total	\$354,843	\$73,122	\$427,965

*Assumes 10-year AAA-rated taxable bond

EXHIBIT 9. Operating Pro Forma: Core Space

	Year 1 2023	Year 2 2024	Year 3 2025	Year 4 2026	Year 5 2027	Year 6 2023	Year 7 2024	Year 8 2025	Year 9 2026	Year 10 2027
Revenue										
Rent (core space)	\$58,100	\$111,300	\$234,300	\$355,500	\$362,600	\$369,800	\$377,200	\$384,800	\$392,500	\$400,300
Rent (expansion area)	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Annual Sponsorships	\$10,000	\$12,500	\$15,000	\$17,500	\$20,000	\$22,500	\$25,000	\$27,500	\$30,000	\$32,500
Total Income	\$68,100	\$123,800	\$249,300	\$373,000	\$382,600	\$392,300	\$402,200	\$412,300	\$422,500	\$432,800
Operating Expenses										
Staffing and Management	\$100,000	\$103,500	\$107,100	\$110,800	\$114,700	\$118,700	\$122,900	\$127,200	\$131,700	\$136,300
Marketing	\$10,000	\$10,400	\$10,800	\$11,200	\$11,600	\$12,000	\$12,400	\$12,800	\$13,200	\$13,700
Insurance	\$2,500	\$2,600	\$2,700	\$2,800	\$2,900	\$3,000	\$3,100	\$3,200	\$3,300	\$3,400
Legal Expenses	\$5,000	\$5,200	\$5,400	\$5,600	\$5,800	\$6,000	\$6,200	\$6,400	\$6,600	\$6,800
Utilities (electricity, water, internet)	\$45,900	\$55,700	\$70,400	\$79,500	\$82,300	\$85,200	\$88,200	\$91,300	\$94,500	\$97,800
Equipment/furniture	\$40,000	\$60,000	\$75,000	\$10,000	\$10,000	\$10,000	\$15,000	\$15,000	\$15,000	\$15,000
Facility maintenance	\$10,000	\$10,000	\$10,000	\$10,000	\$15,000	\$15,000	\$15,000	\$20,000	\$20,000	\$20,000
Total Operating Expenses	\$213,400	\$247,400	\$281,400	\$229,900	\$242,300	\$249,900	\$262,800	\$275,900	\$284,300	\$293,000
Net Operating Income										
Net Annual Operating Income	(\$145,300)	(\$123,600)	(\$32,100)	\$143,100	\$140,300	\$142,400	\$139,400	\$136,400	\$138,200	\$139,800
Cumulative Cash Flow Before Debt Service	(\$145,300)	(\$268,900)	(\$301,000)	(\$157,900)	(\$17,600)	\$124,800	\$264,200	\$400,600	\$538,800	\$678,600
Debt Service										
Annual Debt Service	\$85,700	\$175,400	\$310,000	\$354,900	\$354,900	\$354,900	\$354,900	\$354,900	\$354,900	\$354,900
Net Annual Cash Flow After Debt Service	(\$231,000)	(\$299,000)	(\$342,100)	(\$211,800)	(\$214,600)	(\$212,500)	(\$215,500)	(\$218,500)	(\$216,700)	(\$215,100)
Cumulative Cash Flow After Debt Service	(\$231,000)	(\$530,000)	(\$872,100)	(\$1,083,900)	(\$1,298,500)	(\$1,511,000)	(\$1,726,500)	(\$1,945,000)	(\$2,161,700)	(\$2,376,800)

EXHIBIT 10. Operating Pro Forma: Core Space + Expansion Area

	Year 1 2023	Year 2 2024	Year 3 2025	Year 4 2026	Year 5 2027	Year 6 2023	Year 7 2024	Year 8 2025	Year 9 2026	Year 10 2027
Revenue										
Rent (core space)	58,100	111,300	234,300	355,500	362,600	369,800	377,200	384,800	392,500	400,300
Rent (expansion area)	11,600	34,800	58,000	94,600	96,500	98,400	100,400	102,400	104,400	106,500
Annual Sponsorships	\$10,000	\$12,500	\$15,000	\$17,500	\$20,000	\$22,500	\$25,000	\$27,500	\$30,000	\$32,500
Total Income	\$79,700	\$158,600	\$307,300	\$467,600	\$479,100	\$490,700	\$502,600	\$514,700	\$526,900	\$539,300
Operating Expenses										
Staffing and Management	\$100,000	\$103,500	\$107,100	\$110,800	\$114,700	\$118,700	\$122,900	\$127,200	\$131,700	\$136,300
Marketing	\$10,000	\$10,400	\$10,800	\$11,200	\$11,600	\$12,000	\$12,400	\$12,800	\$13,200	\$13,700
Insurance	\$2,500	\$2,600	\$2,700	\$2,800	\$2,900	\$3,000	\$3,100	\$3,200	\$3,300	\$3,400
Legal Expenses	\$5,000	\$5,200	\$5,400	\$5,600	\$5,800	\$6,000	\$6,200	\$6,400	\$6,600	\$6,800
Utilities (electricity, water, internet)	\$65,200	\$75,700	\$90,400	\$99,500	\$103,000	\$106,600	\$110,300	\$114,200	\$118,200	\$122,300
Equipment/furniture	\$40,000	\$60,000	\$75,000	\$10,000	\$10,000	\$10,000	\$15,000	\$15,000	\$15,000	\$15,000
Facility maintenance	\$10,000	\$10,000	\$15,000	\$15,000	\$20,000	\$20,000	\$25,000	\$25,000	\$30,000	\$30,000
Total Operating Expenses	\$232,700	\$267,400	\$306,400	\$254,900	\$268,000	\$276,300	\$294,900	\$303,800	\$318,000	\$327,500
Net Operating Income										
Net Annual Operating Income	(\$153,000)	(\$108,800)	\$900	\$212,700	\$211,100	\$214,400	\$207,700	\$210,900	\$208,900	\$211,800
Cumulative Cash Flow Before Debt Service	(\$153,000)	(\$261,800)	(\$260,900)	(\$48,200)	\$162,900	\$377,300	\$585,000	\$795,900	\$1,004,800	\$1,216,600
Debt Service										
Annual Debt Service	\$158,800	\$248,500	\$383,100	\$428,000	\$428,000	\$428,000	\$428,000	\$428,000	\$428,000	\$428,000
Net Annual Cash Flow After Debt Service	(\$311,800)	(\$357,300)	(\$382,200)	(\$215,300)	(\$216,900)	(\$213,600)	(\$220,300)	(\$217,100)	(\$219,100)	(\$216,200)
Cumulative Cash Flow After Debt Service	(\$311,800)	(\$669,100)	(\$1,051,300)	(\$1,266,600)	(\$1,483,500)	(\$1,697,100)	(\$1,917,400)	(\$2,134,500)	(\$2,353,600)	(\$2,569,800)

Appendix G: Detailed Revenue and Expense Assumptions

Assumptions

Expenses Inflation:	3.5%									
Rent Inflation (starting Year 4)	2.0%									
Rental Income Per S.F.										
Wet lab	\$28	\$28	\$28	\$29	\$29	\$30	\$30	\$31	\$32	\$32
White box	\$13	\$13	\$13	\$13	\$14	\$14	\$14	\$14	\$15	\$15
Office/flex (wet lab)	\$28	\$28	\$28	\$29	\$29	\$30	\$30	\$31	\$32	\$32
Office/flex (expansion area)	\$18	\$18	\$18	\$18	\$19	\$19	\$19	\$20	\$20	\$21
Available Space										
	Transition period from white box to wet lab									
Wet lab	1,456	4,123	8,835	11,780	11,780	11,780	11,780	11,780	11,780	11,780
White box	10,324	7,657	2,945	0	0	0	0	0	0	0
Office/flex (wet lab)	2,050	2,050	2,050	2,050	2,050	2,050	2,050	2,050	2,050	2,050
Office/flex (expansion area)	6,439	6,439	6,439	6,439	6,439	6,439	6,439	6,439	6,439	6,439
Occupancy										
Wet lab	25%	50%	75%	90%	90%	90%	90%	90%	90%	90%
White box	25%	25%	15%	0%	0%	0%	0%	0%	0%	0%
Office/flex (wet lab)	25%	50%	75%	90%	90%	90%	90%	90%	90%	90%
Office/flex (expansion area)	10%	30%	50%	80%	80%	80%	80%	80%	80%	80%
Expenses										
Utilities/s.f - Wet Lab	\$6									
Utilities/ s.f. - Office/Other	\$3									
Taxes	\$1.76									

REPORT TO THE CITY COUNCIL FROM THE CITY MANAGER – MAY 31, 2022

Subject: Approval to execute the 2022 High Intensity Drug Trafficking Area (HIDTA) Oakland County Subrecipient Agreement between the City of Farmington Hills and the Oakland County Sheriff's Office.

ADMINISTRATIVE SUMMARY

- The City's Police Department participates in the Oakland County Narcotics Enforcement Team Program (NET), a multijurisdictional task force operating under the direction of the Oakland County Sheriff's Office (OCSO).
- Oakland County has entered into a Grant agreement with the High Intensity Drug Trafficking Area (HIDTA), where it is eligible to receive reimbursement of overtime for HIDTA/NET related initiatives.
- Oakland County intends to use Grant Funds to reimburse the City's Police Department for qualifying overtime expenses up to \$5000.00 annually.
- To receive reimbursement, the City must execute the 2022 High Intensity Drug Trafficking Area (HIDTA) Subrecipient Agreement with Oakland County.
- City Attorney Joellen Shortley has reviewed the agreement.

RECOMMENDATION

IT IS RESOLVED THAT the City Council approve that the City Manager be authorized to execute the High Intensity Drug Trafficking Area (HIDTA) Oakland County Subrecipient Agreement and any associated documents or agreements.

Prepared/Authorized by: Chief Jeff King
Police Department

Approved by: Gary Mekjian
City Manager

**PROGRAM YEAR 2022
HIGH INTENSITY DRUG TRAFFICKING AREA (HIDTA)
SUBRECIPIENT AGREEMENT BETWEEN
THE COUNTY OF OAKLAND AND CITY OF FARMINGTON HILLS
Data Universal Numbering System (DUNS) #: 085031201**

This Agreement is made between Oakland County, a Constitutional Corporation, 1200 North Telegraph, Pontiac, Michigan 48341 ("County") and City of Farmington Hills, 31555 W. Eleven Mile Rd., Farmington Hills, MI 48336, a Michigan Municipal Corporation ("Municipality"). The County and Municipality shall be collectively referred to as the "Parties."

PURPOSE OF AGREEMENT.

The Parties enter into this Agreement for the purpose of delineating their relationship and responsibilities regarding the County's use of Grant funds (defined below) to reimburse the Municipality for overtime expenses that it incurred related to its participation in the Oakland County Narcotic Enforcement Team ("N.E.T."), a multijurisdictional drug enforcement task force under the direction and supervision of the Oakland County Sheriff's Office ("OCSO").

Under the Parties' separate N.E.T. agreement, the Municipality is responsible for providing a full-time employee for participation in N.E.T. and for all costs associated with that employment, including overtime.

The County, as the legal entity that administers N.E.T., submitted an Initiative Description and Budget Proposal (Exhibit A) to the Executive Board for Michigan HIDTA requesting the United States Office of National Drug Control Policy ("ONDCP") to grant N.E.T. an award for program year (PY) 2022 to reimburse N.E.T. participating agencies for eligible law enforcement officer overtime. PY 2022 begins January 1, 2022 and ends December 31, 2022.

If ONDCP grants N.E.T. an award for PY 2022, the ONDCP disburses the HIDTA grant funds to the Michigan State Police ("MSP"). To receive the Grant funds for overtime costs, N.E.T. must submit requests for reimbursement with the required supporting documentation to Michigan HIDTA. If Michigan HIDTA approves the N.E.T. overtime reimbursement requests, the MSP should distribute the Grant funds to County on behalf of N.E.T. The County has the authority to allocate a portion of the Grant funds to reimburse the Municipality for qualifying overtime costs subject to the terms and conditions of this Agreement.

In consideration of the mutual promises, obligations, representations, and assurances in this Agreement, the Parties agree to the following:

- DEFINITIONS.** The following terms, whether used in the singular or plural, within or without quotation marks, or possessive or nonpossessive, shall be defined, read, and interpreted as follows.

- 1.1. **Claim** means any alleged loss, claim, complaint, demand for relief or damages, cause of action, proceeding, judgment, deficiency, liability, penalty, fine, litigation, costs, and/or expenses, including, but not limited to, reimbursement for attorney fees, witness fees, court costs, investigation expenses, litigation expenses, and amounts paid in settlement, which are imposed on, incurred by, or asserted against the County or Municipality, or the County's or Municipality's agents or employees, whether such claim is brought in law or equity, tort, contract, or otherwise.
- 1.2. **Grant funds** mean the funds that may be awarded to the County and the other participating agencies in N.E.T. pursuant to Michigan HIDTA Initiative Description and Budget Proposal Version 2022 (Exhibit A) submitted to Michigan HIDTA by County on behalf of itself and the other participating agencies in N.E.T.

2. **EXHIBITS**. The Exhibits listed below are incorporated and are part of this Agreement.

- 2.1. **Exhibit A** – Michigan HIDTA Initiative Description and Budget Proposal Version 2022.
- 2.2. **Exhibit B** - Template Request for HIDTA Overtime Reimbursement (Locals to County).
- 2.3. **Exhibit C** – Sample letter regarding notification of current overtime pay rate.
- 2.4. **Exhibit D** – Sample overtime slip, signed by the officer's supervisor that supports each Request for HIDTA Overtime Reimbursement.
- 2.5. **Exhibit E** – Sample paystub or payroll report that supports each Request for HIDTA Overtime Reimbursement.

3. **FEDERAL AWARD PROJECT DESCRIPTION**.

- 3.1. Catalog of Federal Domestic Assistance (“CFDA”) #: 95.001
- 3.2. Federal Awarding Agency: United States Office of National Drug Control Policy (“ONDCP”)
- 3.3. Program: High Intensity Drug Trafficking Areas (HIDTA)
 - 3.3.1. HIDTA Objective: To reduce drug trafficking and drug production in the United States by: (A) facilitating cooperation among Federal, State, local, and tribal law enforcement agencies to share information and implement coordinated enforcement activities; (B) enhancing law enforcement intelligence sharing among Federal, State, local, and tribal law enforcement agencies; (C) providing reliable law enforcement intelligence to law enforcement agencies needed to design effective enforcement strategies and operations; and (D) supporting coordinated law enforcement strategies which maximize use of available resources to reduce the supply of illegal drugs in designated areas and in the United States as a whole.
- 3.4. Period of Performance: January 1, 2022 through December 31, 2022.

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3.5. The Federal Award Identification Number (FAIN) is provided in the HIDTA Grant Agreement between ONDCP and MSP, which is incorporated into this Agreement by reference.

4. USE OF HIDTA FUNDS.

4.1. The total amount of the federal award for overtime costs committed to the Municipality and obligated by this action by the County to the Municipality is not to exceed **\$5,000.00** for each participating law enforcement officer unless otherwise provided herein. That amount is based on the number of N.E.T participating agencies and eligible law enforcement officers at the time this Agreement was executed by both Parties. If the number of N.E.T participating agencies and/or eligible law enforcement officers changes during the term of this Agreement, the total amount of the federal award for overtime costs committed to the Municipality and obligated by this action by the County to the Municipality amount may change as funds are available on a pro rata basis. Such commitment and obligation for overtime costs is contingent upon the ONDCP awarding the Grant funds to N.E.T and the MSP reimbursing the County.

4.2. The County will reimburse the Municipality up to **\$5,000.00** for each participating law enforcement officer for qualifying N.E.T.-related overtime unless otherwise provided herein. That amount is based on the number of N.E.T participating agencies and eligible law enforcement officers at the time this Agreement was executed by both Parties. If the number of N.E.T participating agencies and/or eligible law enforcement officers changes during the term of this Agreement, the maximum reimbursement amount may change as funds are available on a pro rata basis. Such reimbursement shall only be made after the supporting documentation is submitted by the Municipality and approved by the County, as described in Paragraph 5.1. Such reimbursement is contingent upon the ONDCP awarding the grant funds to N.E.T and the MSP reimbursing the County.

4.2.1. HIDTA funds shall be used to pay overtime only if the overtime was performed in support of a HIDTA-designated Enforcement initiative or Intelligence and information Sharing Initiative. HIDTA funds shall not be used to pay overtime related to training attendance, financial management, drug treatment, drug demand reduction or prevention, or non-investigative related administrative work.

4.2.2. No HIDTA funds shall be used to supplant the Municipality's funds that would otherwise be made available for the same purposes.

4.3. There is no research and development performed pursuant to this Agreement.

4.4. No indirect costs shall be charged or reimbursed under performance of this Agreement.

5. REIMBURSEMENT OF ELIGIBLE NET OVERTIME.

5.1. To request reimbursement for eligible N.E.T. overtime costs, the Municipality shall submit to the County the documentation described in the following subparagraphs no later than thirty (30) days after PY 2022 has expired. If the County, in its sole discretion, determines that the

documentation submitted by the Municipality does not reconcile, then the Municipality shall provide any additional documentation requested by the County in order to process payment.

- 5.1.1. A fully completed and signed Request for HIDTA Overtime Reimbursement attached as Exhibit B.
- 5.1.2. A letter substantively similar to the sample letter regarding notification of current overtime pay rate attached as Exhibit C.
- 5.1.3. Overtime slips, signed by the officer's supervisor, that support each Request for HIDTA Overtime Reimbursement. The overtime slips shall be substantively similar to the sample overtime slip attached as Exhibit D.
- 5.1.4. The paystub or payroll report that supports each Request for HIDTA Overtime Reimbursement. The paystub or payroll report shall be substantively similar to the sample paystub attached as Exhibit E.
- 5.2. County will only reimburse Municipality for approved overtime costs after County has received the Grant funds from MSP for that particular reimbursement request.

6. GENERAL COMPLIANCE.

- 6.1. The Municipality shall comply with to 28 C.F.R. Part 69 (New Restrictions on Lobbying) and 2 C.F.R. Part 25 (Universal Identifier and System of Award Management).
- 6.2. The Municipality shall comply with the Government-wide Suspension and Debarment provision set forth at 2 CFR Part 180.
- 6.3. The Municipality shall perform all activities in accordance with The Uniform Administrative Requirements, Cost Principles, and Audit Requirements in 2 C.F.R. Part 200 (the "Part 200 Uniform Requirements"), as adopted and implemented by the Office of National Drug Control Policy (ONDCP) in 2 C.F.R. Part 3603. For this award, the Part 200 Uniform Requirements supersede, among other things, the provisions of 28 C.F.R. Parts 66 and 70, as well as those of 2 C.F.R. Parts 215, 220, 225, and 230.
- 6.4. The Municipality shall comply with ONDCP's HIDTA Program Policy and Budget Guidance, all other applicable Federal, state, and local laws and regulations, and the terms and conditions contained in this Agreement.
- 6.5. The Municipality shall comply with all applicable requirements for subrecipients that are provided in the HIDTA Grant Agreement between ONDCP and MSP. The HIDTA Grant Agreement between ONDCP and MSP will be provided to the Municipality within a reasonable time after the County receives a copy of it.
- 6.6. As specified in the HIDTA Program Policy and Budget Guidance, the Municipality must:

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- 6.6.1. Establish and maintain effective internal controls over the Federal award that provides reasonable assurance that Federal award funds are managed in compliance with Federal statutes, regulations and award terms and conditions. These internal controls should be in compliance with the guidance in “Standards for Internal Control in the Federal Government,” issued by the Comptroller General of the United States and the “Internal Control Integrated Framework,” issued by the Committee of Sponsoring Organizations of the Treadway Commission (COSO).
- 6.6.2. Comply with Federal statutes, regulations, and the terms and conditions of the Federal awards.
- 6.6.3. Evaluate and monitor compliance with applicable statute and regulations, and the terms and conditions of the Federal award.
- 6.6.4. Take prompt action when instances of noncompliance are identified, including noncompliance identified in audit findings.
- 6.6.5. Take reasonable measures to safeguard protected personally identified information (PII) and other information ONDCP or the Municipality designates consistent with applicable Federal, state, and local laws regarding privacy and obligations of confidentiality.

7. FINANCIAL ACCOUNTABILITY AND AUDIT REQUIREMENTS.

- 7.1. The Municipality shall maintain standards of financial accountability that conform to 2 C.F.R. §200.302 (Financial Management) and 2 C.F.R. §200.303 (Internal Controls).
- 7.2. The Municipality shall comply with audit requirements contained in 2 C.F.R. Part 200, Subpart F, which requires the Municipality to have an annual audit conducted within nine (9) months of the end of their fiscal year, if the Municipality has an aggregate expenditure of more than \$750,000 in federal funds in a fiscal year. Any deficiencies noted in audit reports must be fully cleared by the Municipality within thirty (30) days after receipt of same. The Grant funds spent by the County on behalf of the Municipality for training expenses shall be included on the Schedule of Expenditures of Federal Awards if the Municipality is required to have a single audit performed. Municipalities that are exempt from the Single Audit requirements that receive less than \$750,000 of total Federal funding must submit a Financial Statement Audit prepared in accordance with Generally Accepted Auditing Standards (“GAAS”) if the audit includes disclosures that may negatively impact the HIDTA program including, but not limited to fraud, financial misstatements, and violations of any contract or grant provisions. The County shall have the right to review and audit all records of the Municipality pertaining to any payment by the County.

8. CONFLICT OF INTEREST.

- 8.1. The Municipality shall comply with the following ONDCP conflict of interest policies:

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- 8.1.1. As a non-Federal entity, you must maintain written standards of conduct covering conflicts of interest and governing the performance of your employees engaged in the selection, award, and administration of subawards and contracts.
- 8.1.2. None of your employees may participate in the selection, award, or administration of a subaward or contract supported by a Federal award if he or she has a real or apparent conflict of interest. Such a conflict of interest would arise when the employee, officer, or agent, any member of his or her immediate family, his or her partner, or an organization which employs or is about to employ any of the parties indicated herein, has a financial or other interest in or a tangible personal benefit from an organization considered for a subaward or contract. The officers, employees, and agents of the non-Federal entity must neither solicit nor accept gratuities, favors, or anything of monetary value from subrecipients or contractors or parties to subawards or contracts.
- 8.1.3. If you have a parent, affiliate, or subsidiary organization that is not a State, local government, or Indian tribe, you must also maintain written standards of conduct covering organizational conflicts of interest. Organizational conflicts of interest means that because of relationships with a parent company, affiliate, or subsidiary organization, you are unable or appear to be unable to be impartial in conducting a sub-award or procurement action involving a related organization.

9. MANDATORY DISCLOSURE.

- 9.1. As a non-Federal entity, the Municipality must disclose, in a timely manner, in writing to ONDCP all violations of Federal criminal law involving fraud, bribery or gratuity violations potentially affecting the Federal award. Non-Federal entities that have received a Federal award that includes the term and condition outlined in 200 CFR Part 200, Appendix XII “Award Term and Condition for Recipient Integrity and Performance Matters,” are required to report certain civil, criminal, or administrative proceedings to System for Award Management (SAM). Failure to make required disclosures can result in remedies such as: temporary withholding of payments pending correction of the deficiency, disallowance of all or part of the costs associated with noncompliance, suspension, termination of award, debarment, or other legally available remedies outlined in 2 CFR 200.338 “Remedies for Noncompliance”.

10. RECORD RETENTION.

- 10.1. The Municipality shall comply with the record retention provisions of 2 C.F.R. 200.333 (Retention requirements for records).
- 10.2. The Municipality should, whenever practicable, collect, transmit, and store Federal award-related information in open and machine readable formats rather than in closed formats or on paper in accordance with 2 C.F.R. 200.335 (Methods for collection, transmission and storage of information).

11. ACCESS TO RECORDS.

- 11.1. The Federal awarding agency, Inspectors General, the Comptroller General of the United States, and the County, or any of their authorized representatives, have the right of access to any documents, papers, or other records of the Municipal entity which are pertinent to the Federal award, in order to make audits, examinations, excerpts, and transcripts. The right also includes timely and reasonable access to the Municipality's personnel for the purpose of interview and discussion related to such documents. The right of access to the Municipality's records is not limited to the required retention period but last as long as the records are retained.
- 11.2. The Municipality shall permit the County and auditors to have access to the Municipality's records and financial statements as necessary for the County to meet the requirements of 2 C.F.R. Part 200.

12. TERM.

- 12.1. This Agreement and any amendments hereto shall be effective when executed by both Parties with concurrent resolutions passed by the governing bodies of each Party, and when the Agreement is filed according to MCL 124.510. The approval and terms of this Agreement and any amendments hereto shall be entered in the official minutes of the governing bodies of each Party. This Agreement shall end on December 31, 2022.

13. ASSURANCES.

- 13.1. Each Party shall be responsible for its own acts and the acts of its employees and agents, the costs associated with those acts, and the defense of those acts.
- 13.2. The Parties have taken all actions and secured all approvals necessary to authorize and complete this Agreement. The persons signing this Agreement on behalf of each Party have legal authority to sign this Agreement and bind the Parties to the terms and conditions contained herein.
- 13.3. Each Party shall comply with all federal, state, and local ordinances, regulations, administrative rules, laws, and requirements applicable to its activities performed under this Agreement.

14. TERMINATION OF AGREEMENT.

- 14.1. This Agreement may be terminated in whole or in part as follows:
 - 14.1.1. by the County, if the Municipality fails to comply with the terms and conditions of this Agreement;
 - 14.1.2. by the County for cause;

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14.1.3. by the County with the consent of the Municipality, in which case the two parties must agree upon the termination conditions, including the effective date and, in the case of partial termination, the portion to be terminated;

14.1.4. by the Municipality upon sending to the County written notification setting forth the reasons for such termination, the effective date, and, in the case of partial termination, the portion to be terminated. However, if the County determines in the case of partial termination that the reduced or modified portion of the subaward will not accomplish the purpose for which this Agreement was made, the County may terminate the Agreement in its entirety.

14.2. The County must provide to the Municipality a notice of termination. Written suspension or notice of termination will be sent to the Municipality's business address. If this Agreement is terminated or partially terminated, both the County and the Municipality remain responsible for compliance with the requirements at 2 CFR 200.343 Closeout and 2 CFR 200.344 Post-closeout Adjustments and Continuing Responsibilities.

15. CLOSEOUT.

15.1. The County shall close-out this Agreement when it determines that all applicable administrative actions and all required work under this Agreement have been completed by Municipality.

15.2. The Municipality shall comply with the closeout provisions of 2 C.F.R. 200.343 (Closeout).

16. POST-CLOSEOUT ADJUSTMENTS AND CONTINUING RESPONSIBILITIES.

16.1. The closeout of this Agreement does not affect any of the following:

16.1.1. The right of County to disallow costs and recover funds on the basis of a later audit or other review. The County must make any cost disallowance determination and notify the Municipality within the record retention period;

16.1.2. The obligation of the Municipality to return any funds due as a result of later refunds, corrections, or other transactions including final indirect cost rate adjustments;

16.1.3. Audit requirements in Subpart F—Audit Requirements of 2 C.F.R. Part 200.

16.1.4. Records retention as required in Subpart D—Post Federal Award Requirements of this part, §200.333 Retention requirements for records through §200.337 Restrictions on public access to records.

17. REMEDIES FOR NONCOMPLIANCE.

17.1. If the Municipality fails to comply with federal statutes, regulations, or the terms and conditions of this Agreement, the County may impose additional conditions, as described in 2 CFR §200.207 Specific Conditions. If the County determines that noncompliance cannot be

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remedied by imposing additional conditions, the County may take one or more of the following actions, as appropriate in the circumstances:

- 17.1.1. temporarily withhold cash payments pending correction of the deficiency by the Municipality or more severe enforcement action by the County;
- 17.1.2. disallow (that is, deny both use of funds and any applicable matching credit for) all or part of the cost of the activity or action not in compliance;
- 17.1.3. wholly or partly suspend or terminate the Agreement;
- 17.1.4. recommend that the Federal awarding agency initiate suspension or debarment proceedings as authorized under 2 CFR Part 180 and Federal awarding agency regulations;
- 17.1.5. withhold further funds for the project or program;
- 17.1.6. take other remedies that may be legally available.

18. NO THIRD-PARTY BENEFICIARIES. Except as provided for the benefit of the Parties, this Agreement does not and is not intended to create any obligation, duty, promise, contractual right or benefit, right to indemnification, right to subrogation, and/or any other right, in favor of any other person or entity.

19. DISCRIMINATION. The Parties shall not discriminate against their employees, agents, applicants for employment, or another persons or entities with respect to hire, tenure, terms, conditions, and privileges of employment, or any matter directly or indirectly related to employment in violation of any federal, state or local law.

20. PERMITS AND LICENSES. Each Party shall be responsible for obtaining and maintaining, throughout the term of this Agreement, all licenses, permits, certificates, and governmental authorizations necessary to carry out its obligations and duties pursuant to this Agreement.

21. RESERVATION OF RIGHTS. This Agreement does not, and is not intended to waive, impair, divest, delegate, or contravene any constitutional, statutory, and/or other legal right, privilege, power, obligation, duty, or immunity of the Parties.

22. DELEGATION/SUBCONTRACT/ASSIGNMENT. Neither Party shall delegate, subcontract, and/or assign any obligations or rights under this Agreement without the prior written consent of the other Party.

23. NO IMPLIED WAIVER. Absent a written waiver, no act, failure, or delay by a Party to pursue or enforce any rights or remedies under this Agreement shall constitute a waiver of those rights with regard to any existing or subsequent breach of this Agreement. No waiver of any term, condition, or provision of this Agreement, whether by conduct or otherwise, in one or more instances, shall be deemed or construed as a continuing waiver of any term, condition, or provision of this Agreement.

No waiver by either Party shall subsequently affect its right to require strict performance of this Agreement.

24. SEVERABILITY. If a court of competent jurisdiction finds a term, or condition, of this Agreement to be illegal or invalid, then the term, or condition, shall be deemed severed from this Agreement. All other terms, conditions, and provisions of this Agreement shall remain in full force.

25. CAPTIONS. The section and subsection numbers and captions in this Agreement are intended for the convenience of the reader and are not intended to have any substantive meaning. The numbers and captions shall not be interpreted or be considered as part of this Agreement. Any use of the singular or plural number, any reference to the male, female, or neuter genders, and any possessive or nonpossessive use in this Agreement shall be deemed the appropriate plurality, gender or possession as the context requires.

26. NOTICES. Notices given under this Agreement shall be in writing and shall be personally delivered, sent by express delivery service, certified mail, or first-class U.S. mail postage prepaid, and addressed to the person listed below. Notice will be deemed given on the date when one of the following first occur: (1) the date of actual receipt; (2) the next business day when notice is sent express delivery service or personal delivery; or (3) three days after mailing first class or certified U.S. mail.

26.1. If Notice is sent to the County, it shall be addressed and sent to: Oakland County Board of Commissioners Chairperson, 1200 North Telegraph, Pontiac, Michigan 48341, with a copy to Oakland County Sheriff's Office, Sheriff Fiscal Officer, 1200 N. Telegraph, Bldg. 38E, Pontiac, Michigan 48341.

26.2. If Notice is sent to the Political Subdivision, it shall be addressed to: City of Farmington Hills.

26.3. Either Party may change the address and/or individual to which Notice is sent by notifying the other Party in writing of the change.

27. CONTACT INFORMATION.

<p><u>County of Oakland</u> Lieutenant Sean Jennings Investigative & Forensic Services Division Narcotics Enforcement Team Office: 248-858-1722 Fax: 248-858-1754 Email: jennings@oakgov.com</p>	<p><u>City of Farmington Hills</u> Chief Jeff King Farmington Hills Police Department Office: 248-871-2702 Fax: 248-871-2701 Email: jking@fhgov.com</p>
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28. GOVERNING LAW. This Agreement shall be governed, interpreted, and enforced by the laws of the State of Michigan, without regard to Michigan’s conflict of laws provisions.

29. AGREEMENT MODIFICATIONS OR AMENDMENTS. Any modifications, amendments, rescissions, waivers, or releases to this Agreement must be in writing and executed by both Parties.

30. ENTIRE AGREEMENT. This Agreement represents the entire agreement and understanding between the Parties. This Agreement supersedes all other oral or written agreements between the Parties. The language of this Agreement shall be construed as a whole according to its fair meaning, and not construed strictly for or against any Party.

IN WITNESS WHEREOF, David T. Woodward, Chairperson, Oakland County Board of Commissioners, acknowledges that he has been authorized by a resolution of the Oakland County Board of Commissioners, a certified copy of which is attached, to execute this Agreement, and hereby accepts and binds the County to the terms and conditions of this Agreement.

EXECUTED: _____
David T. Woodward, Chairperson
Oakland County Board of Commissioners

DATE: _____

WITNESSED: _____
Printed Name:
Title:

DATE: _____

IN WITNESS WHEREOF, _____, acknowledges that he/she has been authorized by a resolution of the Municipality’s governing body, a certified copy of which is attached, to execute this Agreement, and hereby accepts and binds the Municipality to the terms and conditions of this Agreement.

EXECUTED: _____
Printed Name:
Title:

DATE: _____

WITNESSED: _____
Printed Name:
Title:

DATE: _____



Michigan HIDTA

Initiative Description and Budget Proposal

All Initiatives which seek HIDTA funding must complete this proposal and return to Michigan HIDTA via e-mail by the announced deadline. Completion of all sections of this proposal is required. The Office of National Drug Control Policy examines these submissions very closely. Your proposal must be clear, concise and complete. **A complete proposal consists of this form AND the Michigan HIDTA FMS Budget Sheet.**

Program Year: Initiative Title:

Submitter's Rank/Name: Submitter's Telephone #:

Submitter's E-mail Address:

SECTION 1: INITIATIVES

Level of Activity - Check all that apply

Local DTO Focus Multi-State DTO Focus International DTO Focus Interdiction Focus

Does this Initiative Routinely Provide Information to the HIDTA Investigative Support Center (ISDC)?

YES NO

SECTION 2: PROFILEInitiative Description

Enter Lead Agency:

Enter Location of Initiative (City):

Check All That Apply

- Initiative is Collocated with other HIDTA Initiatives
- Initiative is Staffed with Full-Time Federal and Full-Time State/Local Personnel
- Full-Time Members of Initiative are Collocated and Commingled with Federal and State/Local Personnel

Initiative Description and Budget Proposal Instructions

Enter your initiative description and budget detail in the text box on the following page. The text box is not character limited, nor is it limited to the visible field on the page. It works best to compose the narrative in Word and copy into the text field on the following page. Please use narrative only to complete this section. The PMP software will not accept graphs, tables, charts, images, etc.

The narrative section is intended to describe the mission and proposed activities for your initiative (dismantling DTOs, meth labs, interdicting drugs/money, apprehending fugitives, etc.) and detail your initiative's funding request. This description should indicate when the initiative was first funded by HIDTA.

Your narrative must be clear, concise and complete. Do not include a long narrative detailing the history or accomplishments of your initiative. Please **limit** your initiative description to several short paragraphs.

The first paragraph should clearly **identify the threat** (drug problem, violent crime, money laundering) in your area. ONDCP expects detailed information regarding the threat in the **HIDTA county/counties which your initiative serves**. Describe the types of drugs being trafficked, the presence/activities of gangs and drug-related violent crime. Include information on DTOs and MLOs operating in your area. DO NOT use specific names/addresses for any organizations or provide any information which is law enforcement sensitive or classified. Referring to the Michigan HIDTA Annual Threat Assessment/Drug Market Analysis is essential when describing the threat in your region.

In the next paragraph **discuss your plan to attack the threat** in your region. Describe your initiative and detail your plan to address the specific threats/problems in your area and achieve your performance targets. If your initiative consists of multiple teams, explain how each team's activities attack the drug threat in your HIDTA county. Detail how you will work more efficiently and effectively by conducting intelligence-driven investigations and sharing information (leads).

The next paragraph(s) should **present your budget request**. Remember that HIDTA funding is added-value funding and cannot be used to supplant normal operating budget items. Each budget line item (overtime, equipment, supplies, vehicles, phones, services, etc.) must be detailed in narrative form, specifying the amount requested and how each line item amount will be utilized. It is important to relate why each line item is needed and how it fits into your plan to attack the threat in your region and attain your performance targets. Provide a clear, concise and complete explanation of all items in your budget request. The budget narrative will be reviewed by the Michigan HIDTA Steering Committee and Executive Board before being sent to ONDCP for review and approval.

ONDCP closely examines **vehicle expenditures**. Lease costs and other vehicle-related expenses must be detailed. Ensure the number of vehicles and expenses match the number of eligible officers in your initiative. Examples: "6 vehicles @ \$500/month x 12 months = \$36,000; Gasoline Expense, 6 officers @ \$200/month x 12 months = \$14,400 .

ONDCP also scrutinizes **overtime expenses**. Ensure these expenses line-up with eligible officers in your initiative. ONDCP caps overtime for individual officers at \$9,500 annually. The Michigan HIDTA limits the cap to \$6,500 per officer annually. Each initiative is required to maintain documentation/spreadsheet to ensure these limits are not exceeded. Example: 10 task force officers x \$3,000/annually = \$30,000 annual overtime.

PLEASE NOTE: Equipment vs. Supplies - There has been a change in how these items are categorized. All items purchased for **\$5,000 or more per item** are categorized as **Equipment**. All items purchased for **\$4,999 or less per item** are categorized as **Supplies**.

Equipment expenses must be detailed. Provide specifics for what will be purchased, the cost, and how it relates to your plan to address the threat. Example: 10 ballistic shields @ \$6,000 each = \$60,000.

Supplies expenses must be detailed. Provide specifics for what will be purchased, the cost, and how it relates to your plan to address the threat. Example: 12 laptop computers @ \$1,000 each = \$12,000.

Service expenses must also be detailed. Example: Monthly cell phone service for 12 officers @ \$100/monthly x 12 months = \$14,400.

The total of all items must match the total entered in the **"Total Dollar Amount Requested"** field at the top of the next page.

A complete proposal consists of this form AND the Michigan HIDTA FMS Budget Sheet.

Enter Initiative Description and Budget Proposal Detail Below

Total Dollar Amount Requested: \$135,000

Explain the mission of the initiative and provide a detailed explanation of the specific threat(s) identified in the HIDTA Annual Threat Assessment that this initiative is designed to address. ALL SECTIONS MUST BE COMPLETED.

INITIATIVE PURPOSE:

The Oakland County Narcotic Enforcement Team (NET) is a cooperative partnership of Federal, County and local law enforcement agencies in Oakland County located in Southeastern District of Michigan. The task force is located at the Oakland County Sheriff Office in Pontiac, and focuses on mid to upper level drug trafficking organizations (DTOs) and criminal groups operating in Oakland County. The task force also supports street level investigative operations targeting smaller quantities of cocaine, crack cocaine, methamphetamine, fentanyl and controlled prescription drugs.

THREAT FOCUS:

Fentanyl and fentanyl mixed with other narcotics continue to be the most lethal category of illicit substances misused in Oakland County. Heroin-related overdose deaths remain at high levels in the county. The task force has observed a substantial increase in methamphetamine distribution and use. Cocaine has become a resurgent threat and is widely available throughout the county. Controlled prescription drugs remain an area of concern.

Regional and local DTOs are the primary drug trafficking threats in the NET AOR. These DTOs transport cocaine, heroin, fentanyl, and methamphetamine into Oakland County. Most of the illegal narcotics remain and are distributed by local DTOs and criminal groups and eventually consumed by users.

PERSONNEL STRUCTURE AND PARTICIPATING AGENCIES:

NET is led by the Oakland County Sheriff Office and supported by the Drug Enforcement Administration (DEA), Homeland Security (HSI), Oakland County Prosecutors Office, Auburn Hills Police Department, Birmingham Police Department, Bloomfield Township Police Department, Farmington Hills Police Department, Ferndale Police Department, Franklin Police Department, Hazel Park Police Department, Madison Heights Police Department, Rochester City Police Department, Royal Oak Police Department, Troy Police Department, Waterford Police Department, West Bloomfield Police Department in a full time capacity. The multi-agency approach brings local law enforcement officers from each designated area, and combines their local investigative capacities as a means to dismantle and disrupt large and mid-level DTOs and criminal groups in Oakland County.

INVESTIGATIVE APPROACH:

NET will leverage HIDTA funds to support investigative overtime and communication services for investigators. Drug seizures will be thoroughly investigated by NET investigators in order to (1) trace these seizures back to the source(s) of supply, (2) assist investigators in ultimately disrupting and dismantling DTOs and seizures back to the source(s) of supply, and (3) assist investigators in ultimately disrupting and dismantling DTOs and criminal groups. NET investigators monitor DTO trafficking patterns and share the information with our federal partners. The NET task force initiates investigations into upper and mid-level DTOs and criminal groups. The main goal of the task force is to identify disrupt, and dismantle local DTO's and criminal groups. If the DTO is identified as a multi-state or international organization then this intelligence is passed on to the DEA for investigation and federal prosecution. In addition to DEA participation in NET, NET further assigns two investigators to work closely and coordinate with two other DEA groups. This

Predicting Expected Outputs: When developing your expected outputs for the Program Year, please ensure you take into consideration your past 2-3 year performance averages. ONDCP frequently refers to these averages when evaluating future performance target numbers.

SECTION 3: DTOs

DTO Expected Outputs:

Predict the number of DTOs and MLOs you expect to disrupt and/or dismantle during the Program Year. Your performance targets should be aggressive but reasonably attainable, considering expected staffing and funding. Remember that your initiative's performance is compared to how successfully it attained its predicted totals. Please note Initiative's performance is not compared to the performance of other initiatives. Include pertinent notes in the Notes/Additional Information box.

DISRUPTED Defined

DISMANTLED Defined

Enter Number of **DTOs** Expected to be Disrupted or Dismantled This Program Year:

Notes/Additional Information:

Enter Number of **MLOs** Expected to be Disrupted or Dismantled This Program Year:

Notes/Additional Information:

SECTION 4: CLANDESTINE LABS

Predict the number of each of the following items which you expect to seize during the Program Year. Include pertinent notes in the Notes/Additional Information box.

Enter the Number of Lab Dump Sites Expected to be Seized

Enter the Number of Chemical/Glassware/Equipment Expected to be Seized

Enter the Number of Children Expected to be Affected

Enter the Number of **Meth Labs** Expected to be Dismantled

Enter the Number of **Other Clan Labs** (Production/Conversion) Expected to be Dismantled

Notes/Additional Information:

SECTION 5: ACTIVITIES

Predict the number of each of the following items for the Program Year. Include pertinent notes in the Notes/Additional Information box.

New HIDTA Cases:

Enter the Number of New HIDTA Initiative Cases Expected to be Opened This Program Year:

Notes/Additional Information:

Case Support:

Enter the Number of Cases Expected to be Provided Analytical Support This Program Year:

Refer to definition of Analytical Support (AS). Project only number of cases which will receive AS from an analyst embedded with your TF or the DSEMIIC/MIOC. Do not include cases which will receive AS from an analyst seated at the HIDTA. A case can be reported receiving AS only ***ONCE IN A CALENDAR YEAR*** but can be counted each calendar year it receives AS. Project the number of separate cases to receive AS in the year, not the number of times AS is received on all cases. ***Important: Remember to submit a completed survey with your quarterly report for each case receiving AS.***

Enter the Number of Event Deconflictions Expected to be Submitted This Program Year:

Enter the Number of Case Matching Requests Expected to be Submitted This Program Year:

Notes/Additional Information:

SECTION 6: FUGITIVES

Predict the number of fugitives you expect to apprehend for the Program Year. A *Fugitive* is defined as an apprehension made pursuant to some type of court-issued pick-up order, such as an arrest warrant, a writ, etc. An *Arrest* is defined as any apprehension made absent any type of court-issued pick-up order, primarily arrests made on probable cause. Initiative plans to make *Arrests* during the year are indicated by selecting *Arrests* from the *Other Outputs* pick list in Section 7.

Enter the Number of Fugitives Expected to be Arrested This Program Year:

Notes/Additional Information:



Michigan HIDTA

Request for HIDTA **Overtime** Reimbursement

ONE FORM PER OFFICER

REGULAR OVERTIME

Exhibit B

Michigan HIDTA
 Mary Szymanski - Financial Manager
 FAX: 248.356.6513
 mszymanski@mi.hidta.net

OFFICER'S NAME AND RANK

HOME DEPARTMENT NAME

PHONE NUMBER

MAILING ADDRESS

FEDERAL TAX ID OR MSP INDEX/PCA

REQUESTING OFFICER IS REQUIRED TO TYPE HIS/HER NAME IN THE BLUE BORDERED BOX BELOW. By typing my name in the box below, I certify that this overtime was incurred pursuant to HIDTA-related investigations on the dates and in the amounts listed.

APPROVING TASK FORCE COMMANDER IS REQUIRED TO TYPE HIS/HER NAME IN THE RED BORDERED BOX BELOW: By typing my name in the box below, I certify I received this overtime request from the Requesting Officer, and have reviewed and approved after determining it to be in compliance with ONDCP Program Policy as previously provided to me.

ITEM #	COMPLAINT #	DATE OT WORKED	# OT HOURS WORKED	OT HOURLY RATE	TOTAL ENTRY COST	LOCATION: Address, City/Township/County
OVERTIME APPROVED FOR STATE/LOCAL OFFICERS ONLY. LIMIT PER OFFICER IS \$8,000 ANNUALLY AS PER MICHIGAN HIDTA PROGRAM POLICY.						
FEDERAL PARTICIPANTS ARE NOT ELIGIBLE TO RECEIVE HIDTA OVERTIME.						
1					\$0.0000	
2					\$0.0000	
3					\$0.0000	
4					\$0.0000	
5					\$0.0000	
6					\$0.0000	
					\$0.0000	

ITEM #	PROVIDE A BRIEF DETAIL OF THE CORRESPONDING ITEM # FROM THE TABLE ABOVE.
1	
2	
3	
4	
5	
6	

THIS INFORMATION IS CONFIDENTIAL. DISCLOSURE OF CONFIDENTIAL INFORMATION IS PROTECTED BY THE FEDERAL PRIVACY ACT.

YOUR AGENCY LETTERHEAD

CLASSIFICATION: UNCLASSIFIED
AUTHORITY: 28 CFR 162.103
DATE: 01/17/2018
BY: [illegible]

January 17, 2018

Director Craig Summers
Michigan HIDTA
28 W. Adams
Suite 400
Detroit, MI 48226

Dear Director Summers:

Please accept this correspondence as notification of the current pay rate for the listed **ADD YOUR AGENCY NAME** police officer assigned to the Oakland County Narcotic Enforcement Team (NET). The rate became effective **July 1, 2017**.

Parent Agency:	ADD YOUR AGENCY NAME
Employee Name/Rank:	ADD OFFICER'S NAME AND RANK
Regular Pay Rate:	OFFICER'S REGULAR HOURLY RATE
Overtime Pay Rate:	OFFICER'S OVERTIME HOURLY RATE

As requested, the overtime rate listed does not include any fringe benefits, such as retirement, FICA, etc. Please contact my office if additional information is required.

Sincerely,

[Faint signature and header information]

[Large faint watermark or logo]

Please Note: This document is used for illustrative purposes only and the required documentation does not have to be the same, but must contain the same elements.

Required: Overtime slip signed by officer's supervisor. This item should include name, date, and overtime hours associated with HIDTA. The overtime rate should also be included unless provided in the paystub or payroll report.



[Redacted header text]



[Redacted] TIME SHEET

DATE	HOURS	OVERTIME	NET#
07/11/2016	08:30-16:30		
07/12/2016	08:30-16:30		
07/13/2016	08:30-16:30		
07/14/2016	08:30-16:30		
07/15/2016	08:30-16:30		
		APPROVED <i>8/16/16</i> [Redacted Signature]	
08/01/2016	15:00-23:00		
08/02/2016	15:00-23:00		
08/03/2016	14:00-00:00	2hour	16-net-419
08/04/2016	14:00-23:00	1hour	IR-16-263
08/05/2016	03:00-07:00	4hour	IR-16-264
08/05/2016	15:00-23:00		

APPROVING SIGNATURE: [Redacted Signature]

OVERTIME IN RED HAS BEEN TAKEN AS NET TIME (COMP)
OVERTIME IN GREEN HAS BEEN SUBMITTED FOR MJ OT GRAMP

Please sign and return.

Please Note: This document is used for illustrative purposes only and the required documentation does not have to be the same, but must contain the same elements. **Exhibit E**

Required: Pay stub or payroll report containing the same information as pay stub. If the paystub does not indicate the overtime rate of pay, then please include with the overtime slip.

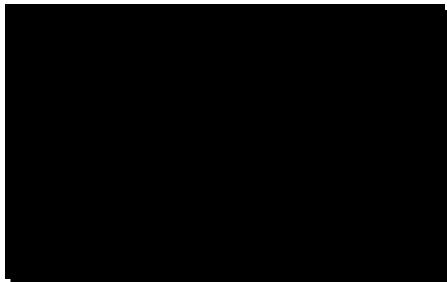


Pay Period Ending On: 08/07/2016
 Check #: [REDACTED]
 Check Date: 08/12/2016
 Primary Rate: 31.2962
 Withholding Rate: 00
 Federal Allowances: 0

PAYCODE ID	HOURS	OT HOURS	GROSS	YTD	DEDUCTION ID	AMOUNT	YTD
LONGEVITY_PS	0.00	0.00	0.00	350.00	FITW	475.02	8,268.40
SALARY	80.00	7.00	2,832.31	41,498.79	SITW	112.08	1,906.87
TRAINING_PS	0.00	0.00	0.00	876.28	SOCSEC_EE	176.08	2,991.56
SICK_PS_07/01	0.00	0.00	0.00	625.92	MEDICARE_EE	41.18	699.64
F/Y SICK PAYOUT	0.00	0.00	0.00	594.63	DUES_PSO	29.63	444.38
PS SCK GAP	0.00	0.00	0.00	2,879.25	PS_HBL VISION	9.13	104.73
IN_LIEU_MED_P_S	0.00	0.00	115.38	1,846.08	RETIRE_PS_OFF	84.97	1,424.49
LIFE_INS	0.00	0.00	0.00	8.96	ICMA_PCNT	117.91	1,959.14
HOLIDAY	0.00	0.00	0.00	1,251.85	FLEX_PLAN	98.50	1,576.00
					SAVINGS_PSO	5.60	84.00
					PNC	647.59	11,474.94
					PNC	1,000.00	16,588.65
					ALLY	150.00	2,400.00
TOTALS:	80.00	7.00	2,947.69	49,931.76	TOTALS:	2,947.69	49,922.80

Net Pay This Period: 1,797.59

LEAVE BANK	PRIOR BALANCE	HOURS ACCRUED	HOURS LOST	HOURS TAKEN	NEW BALANCE
COMP_PS	7.50	0.00	0.00	0.00	7.50
F/Y SICK PAYOUT	0.00	0.00	0.00	0.00	0.00
PS KELLY BANK	0.00	0.00	0.00	0.00	0.00
SICK_PS_07/01	96.00	0.00	0.00	0.00	96.00
SICK_PS_GAP	41.00	0.00	0.00	0.00	41.00
VAC_PS	124.00	0.00	0.00	0.00	124.00

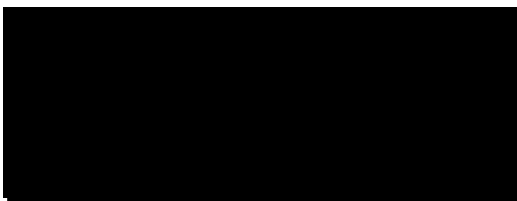


08/12/2016



1,797.59

VOID**VOID*****VOID*****CHECK STUB REPRINT*****





INTEROFFICE CORRESPONDENCE

To: Gary Mekjian, City Manager
From: Ellen Schnackel, Director of Special Services
Subject: Consideration of Employment for **Eleanor Luttman**
Date: June 13, 2022

In compliance with the City Charter Article X, Section 10.01 A, we are requesting from the City Council approval to consider for employment the following individual: **Eleanor Luttman**, who is related to an employee of the City, **Eliza Luttman**, who works for the Recreation Division as a Camp Worker for Summer Camps

The Department of Special Services has followed all City policies and procedures in establishing an eligibility list of qualified candidates. This includes advertising in the local newspapers, posting on websites and on social media, distribution of job announcements at Farmington Public Schools and Oakland County Community College. A thorough investigation of the applicant's credentials and a personal interview were conducted. Providing applicants are equally qualified, residents receive preference for employment opportunities.

Occasionally we have some difficulty finding qualified applicants for part-time positions because they may require certain qualifications or specialized training/certification and the work hours typically include nights and/or weekends. Therefore, in view of meeting the established criteria and being the most qualified applicant, the Department of Special Services respectfully requests the City Council's approval of **Eleanor Luttman**

Name: **Eleanor Luttman**

Position Applied For: Nature Camp Worker

Number of Employees Needed in this Position: 10

Date Position Posted: 3/22/22 Open Until: Filled

Number of Applicants for this position: 6 Number of Applicants Interviewed: 6

Salary: \$12.50/hr

Relationship: Eleanor Luttman is the sister of Eliza Luttman who works for the Recreation Division as a Camp Worker for Summer Camps

Justification: Eleanor Luttman is the most qualified applicant and is available to begin work immediately

Prepared by:

Ashlie Smith (Nature Center Supervisor)

Name & Title

Authorized by:

Approved by:

/S/ Ellen Schnackel

Ellen Schnackel
Director of Special Services

Gary Mekjian
City Manager



INTEROFFICE CORRESPONDENCE

To: Gary Mekjian, City Manager
From: Ellen Schnackel, Director of Special Services
Subject: Consideration of Employment for **William Weaks**
Date: June 13, 2022

In compliance with the City Charter Article X, Section 10.01 A, we are requesting from the City Council approval to consider for employment the following individual: **William Weaks**, who is related to an employee of the City, **Chris Weaks**, who works for the Parks & Golf Department as the Custodian.

The Department of Special Services has followed all City policies and procedures in establishing an eligibility list of qualified candidates. This includes advertising in the local newspapers, posting on websites and on social media, distribution of job announcements at Farmington Public Schools and Oakland County Community College. A thorough investigation of the applicant's credentials and a personal interview were conducted. Providing applicants are equally qualified, residents receive preference for employment opportunities.

Occasionally we have some difficulty finding qualified applicants for part-time positions because they may require certain qualifications or specialized training/certification and the work hours typically include nights and/or weekends. Therefore, in view of meeting the established criteria and being the most qualified applicant, the Department of Special Services respectfully requests the City Council's approval of **William Weaks**.

Name: **William Weaks**

Position Applied For: Nature Camp Worker

Number of Employees Needed in this Position: 10

Date Position Posted: 3/22/22

Open Until: Filled

Number of Applicants for this position: 6

Number of Applicants Interviewed: 6

Salary: \$12.50/hr

Relationship: William Weaks is the son of Chris Weaks who works for the Parks and Golf Department as the Custodian

Justification: William Weaks is the most qualified applicant and is available to begin work immediately

Prepared by:

Ashlie Smith (Nature Center Supervisor)

Name & Title

Authorized by:

Approved by:

/S/ Ellen Schnackel

Ellen Schnackel
Director of Special Services

Gary Mekjian
City Manager



INTEROFFICE CORRESPONDENCE

To: Gary Mekjian, City Manager
From: Ellen Schnackel, Director of Special Services
Subject: Consideration of Employment for Nico Manzo
Date: June 13, 2022

In compliance with the City Charter Article X, Section 10.01 A, we are requesting from the City Council approval to consider for employment the following individual: Nico Manzo, who is related to an employee of the City, Jack and Chris Manzo, who are Golf Cart Attendants.

The Department of Special Services has followed all City policies and procedures in establishing an eligibility list of qualified candidates. This includes advertising in the local newspapers, posting on websites and on social media, distribution of job announcements at Farmington Public Schools and Oakland County Community College. A thorough investigation of the applicant's credentials and a personal interview were conducted. Providing applicants are equally qualified, residents receive preference for employment opportunities.

Occasionally we have some difficulty finding qualified applicants for part-time positions because they may require certain qualifications or specialized training/certification and the work hours typically include nights and/or weekends. Therefore, in view of meeting the established criteria and being the most qualified applicant, the Department of Special Services respectfully requests the City Council's approval of Nico Manzo.

Name: Nico Manzo

Position Applied For: Driving Range Attendant

Number of Employees Needed in this Position: 4

Date Position Posted: 4/1/2022

Open Until: Filled

Number of Applicants for this position: 2

Number of Applicants Interviewed: 2

Salary: \$11.00

Relationship: Nico Manzo is the son of Chris Manzo and brother of Jack Manzo-both Cart Attendants

Justification: Nico Manzo is the most qualified applicant and is available to begin work immediately.

Prepared by:

/S/ Jim Priebe Golf Course Supervisor

Name & Title

Authorized by:

Approved by:

/S/ Ellen Schnackel

Ellen Schnackel
Director of Special Services

Gary Mekjian
City Manager



INTEROFFICE CORRESPONDENCE

To: Gary Mekjian, City Manager
From: Ellen Schnackel, Director of Special Services
Subject: Consideration of Employment for Celia Mann
Date: June 13, 2022

In compliance with the City Charter Article X, Section 10.01 A, we are requesting from the City Council approval to consider for employment the following individual: Celia Mann. Celia is related to an employee of the City, Casey Borden, who is a Camp Coordinator with the Department of Special Services and Andrea Borden, who is a Traffic Clerk with the 47th District Court.

The Department of Special Services has followed all City policies and procedures in establishing an eligibility list of qualified candidates. This includes advertising in the local newspapers, posting on websites and on social media, distribution of job announcements at Farmington Public Schools and Oakland County Community College. A thorough investigation of the applicant's credentials and a personal interview were conducted. Providing applicants are equally qualified, residents receive preference for employment opportunities.

Occasionally we have some difficulty finding qualified applicants for part-time positions because they may require certain qualifications or specialized training/certification and the work hours typically include nights and/or weekends. Therefore, in view of meeting the established criteria and being the most qualified applicant, the Department of Special Services respectfully requests the City Council's approval of Celia Mann.

Name: Celia Mann

Position Applied For: Camp Leader

Number of Employees Needed in this Position: 15

Date Position Posted: 3/21/2022

Open Until: Filled

Number of Applicants for this position: 11

Number of Applicants Interviewed: 11

Salary: \$11.00

Relationship: Celia Mann is the cousin of Casey Borden who is a Camp Coordinator and the niece of Andrea Borden who is a Traffic Clerk.

Justification: Celia Mann is the most qualified applicant and is available to begin work immediately.

Prepared by:

Hannah Fogarty Recreation Specialist

Name & Title

Authorized by:

Approved by:

/S/ Ellen Schnackel

Ellen Schnackel
Director of Special Services

Gary Mekjian
City Manager



INTEROFFICE CORRESPONDENCE

To: Gary Mekjian, City Manager
From: Ellen Schnackel, Director of Special Services
Subject: Consideration of Employment for Isabella Rond
Date: June 13, 2022

In compliance with the City Charter Article X, Section 10.01 A, we are requesting from the City Council approval to consider for employment the following individual: Isabella Rond, who is related to an employee of the City, Jacob Rond who is a Swim Instructor for the Department of Special Services.

The Department of Special Services has followed all City policies and procedures in establishing an eligibility list of qualified candidates. This includes advertising in the local newspapers, posting on websites and on social media, distribution of job announcements at Farmington Public Schools and Oakland County Community College. A thorough investigation of the applicant's credentials and a personal interview were conducted. Providing applicants are equally qualified, residents receive preference for employment opportunities.

Occasionally we have some difficulty finding qualified applicants for part-time positions because they may require certain qualifications or specialized training/certification and the work hours typically include nights and/or weekends. Therefore, in view of meeting the established criteria and being the most qualified applicant, the Department of Special Services respectfully requests the City Council's approval of Isabella Rond.

Name: Isabella Rond

Position Applied For: Swim Instructor

Number of Employees Needed in this Position: 10

Date Position Posted: 4/12/21

Open Until: Filled

Number of Applicants for this position: 3

Number of Applicants Interviewed: 2

Salary: \$13.00/hour

Relationship: Isabella Rond is the sister of Jacob Rond who is a Swim Instructor for the Department of Special Services.

Justification: Isabella Rond is a qualified applicant and is available to begin work immediately.

Prepared by:

Warren Richardson Recreation Supervisor (Aquatics & Facilities)

Name & Title

Authorized by:

Approved by:

/S/ Ellen Schnackel

Ellen Schnackel
Director of Special Services

Gary Mekjian
City Manager



INTEROFFICE CORRESPONDENCE

To: Gary Mekjian, City Manager
From: Ellen Schnackel, Director of Special Services
Subject: Consideration of Employment for Tamiyah Conley
Date: June 13, 2022

In compliance with the City Charter Article X, Section 10.01 A, we are requesting from the City Council approval to consider for employment the following individual: Tamiyah Conley, who is related to an employee of the City, Natalie Conley, who is a Concessions Attendant for the Department of Special Services.

The Department of Special Services has followed all City policies and procedures in establishing an eligibility list of qualified candidates. This includes advertising in the local newspapers, posting on websites and on social media, distribution of job announcements at Farmington Public Schools and Oakland County Community College. A thorough investigation of the applicant's credentials and a personal interview were conducted. Providing applicants are equally qualified, residents receive preference for employment opportunities.

Occasionally we have some difficulty finding qualified applicants for part-time positions because they may require certain qualifications or specialized training/certification and the work hours typically include nights and/or weekends. Therefore, in view of meeting the established criteria and being the most qualified applicant, the Department of Special Services respectfully requests the City Council's approval of Tamiyah Conley.

Name: Tamiyah Conley
Position Applied For: Hawk Concessions Attendant
Number of Employees Needed in this Position: 10
Date Position Posted: 4/21/22 Open Until: Filled
Number of Applicants for this position: 10 Number of Applicants Interviewed: 10
Salary: \$10.30/hour
Relationship: Tamiyah Conley is the sister of Natalie Conley who is a Concessions Attendant.
Justification: Tamiyah Conley is the most qualified applicant and is available to begin work immediately.

Prepared by:

/S/ James Vayis

James Vayis
Facilities Supervisor

Authorized by:

/S/ Ellen Schnackel

Ellen Schnackel
Director of Special Services

Approved by:

Gary Mekjian
City Manager



INTEROFFICE CORRESPONDENCE

To: Gary Mekjian, City Manager
From: Ellen Schnackel, Director of Special Services
Subject: Consideration of Employment for Angel Conley
Date: June 13, 2022

In compliance with the City Charter Article X, Section 10.01 A, we are requesting from the City Council approval to consider for employment the following individual: Angel Conley, who is related to an employee of the City, Natalie Conley, who is a Concessions Attendant at The Hawk.

The Department of Special Services has followed all City policies and procedures in establishing an eligibility list of qualified candidates. This includes advertising in the local newspapers, posting on websites and on social media, distribution of job announcements at Farmington Public Schools and Oakland County Community College. A thorough investigation of the applicant's credentials and a personal interview were conducted. Providing applicants are equally qualified, residents receive preference for employment opportunities.

Occasionally we have some difficulty finding qualified applicants for part-time positions because they may require certain qualifications or specialized training/certification and the work hours typically include nights and/or weekends. Therefore, in view of meeting the established criteria and being the most qualified applicant, the Department of Special Services respectfully requests the City Council's approval of Angel Conley.

Name: Angel Conley

Position Applied For: Hawk Concessions Leader

Number of Employees Needed in this Position: 2

Date Position Posted: 5/25/22

Open Until: Filled

Number of Applicants for this position: 1

Number of Applicants Interviewed: 1

Salary: \$11.00/hour

Relationship: Angel Conley is the sister of Natalie Conley who is a Concessions Attendant.

Justification: Angel Conley is the most qualified applicant and is available to begin work immediately.

Prepared by:

/S/ James Vayis

James Vayis
Facilities Supervisor

Authorized by:

Approved by:

/S/ Ellen Schnackel

Ellen Schnackel
Director of Special Services

Gary Mekjian
City Manager

MINUTES
CITY OF FARMINGTON HILLS
CITY COUNCIL SPECIAL BUDGET STUDY SESSION MEETING
CITY HALL – COMMUNITY ROOM
MAY 16, 2022 – 6:00PM

The special budget study session meeting of the Farmington Hills City Council was called to order by Mayor Barnett at 6:12pm.

Council Members Present: Barnett, Boleware, Bridges, Bruce, Knol Massey and Newlin

Council Members Absent: None

Others Present: City Manager Mekjian, City Clerk Smith, Assistant City Manager Valentine, Directors Schnackel and Skrobola and Fire Chief Unruh, Police Chief King and City Attorney Joppich

Gary Mekjian, City Manager, commented that the unique items in this budget include requests for additional staffing, which will be discussed as those departments present and a different approach the city is taking to pay off capital projects specifically storm drainage projects.

Tom Skrobola, Finance Director, commented that City Council was provided a presentation prior to the meeting that will also be presented at the public hearing when the budget is presented at the public hearing meeting. He discussed how the city planned to optimize capital investments to catch up with unmet capital needs over the next 5 years, using the optimal mixture of cash and debt financing to support capital projects and prioritize storm sewer/drain projects

City manager Mekjian recognized that this work would be integrated with major road construction and culverts.

Director Skrobola stated the strategies outlined would tripe the normal investment in drains, eliminate unmet capital/infrastructure needs, maintain the city's commitment to facilities and other capital improvements without increasing the General Fund's support of Capital Improvement Plan (CIP) projects.

Discussion was held on bonding projects and the possibility of creating a storm utility fund to be used for bond payments or repairs. Director Skrobola responded that the city would have to review that option and how those monies could be utilized. Attorney Joppich added that currently by law you cannot use utility fees to pay off bond debt but legislation is being proposed to address this issue.

In response to Council's inquiry about bonding more projects affecting the city's bond rating, Director Skrobola stated that the city has very low debt and its bond rating would not be affected.

There was a request to increase funding for the Economic Development Corporation. Director Skrobola stated that he would look into the reasoning as to why this funding was capped at \$50,000 and the possibility of increasing that amount.

Director Skrobola next reviewed the Special Services facilities study that would include a strategic plan to optimize facilities investments and maintenance without adding additional financial burden to the city. The strategic plan will address unmet needs and priority needs as identified by the Special Services department. He noted that the city wide capital expenditures were mentioned and would be addressed further during departmental reviews.

City Council reviewed the following budgets with the City Attorney and respective Department Directors and the following highlights, significant changes in budgets, requests, or amendments were noted:

City Attorney

Costs have increased for the firm but the requested budget is consistent with no significant changes or requests being made.

Planning & Community Development/CDBG Fund

- The department is working on filling vacancies, including that of the Director position
- There was a request from council to be more proactive on enforcement rather than enforcing based on complaints
- It was noted that contractual fees had increased as the City's Planning Consultant was hired to assist the department in the absence of a Director and for as-needed building services. Some of these costs would be recoupled through permit fees
- Council expressed concern with the turn-around time for permits and this was noted as due to the lack of staffing and that the new Building Official has a goal of a 10-day turn-around time for permits going forward
- Council suggested a line graph for the history of building permits at market value rather than just raw numbers (Page 138 of budget document)
- Council liked the performance indicator for inspections performed within 24 hours and felt that was good data to track but suggested that there is a good metric used to accurately track that percentage (Page 137 of budget document)

Special Services/Parks Millage Fund/Nutrition Grand Fund/Community Center Renovations Fund/Related Capital/Public Information

- The department has sold 6,500 annual passes and 22,000 daily passes over the past year for the HAWK; staff is considering increasing daily pass rates to encourage annual passes
- The Youth Theater has been successful and has brought in approximately \$250,000 in revenue
- It was suggested that programming for the seniors is kept as a priority for the city in light of so much funding going into the HAWK for other programming
- Discussion was held on credit card fees and exploring options to reduce those fees

- There was an increase in telephone services due to additional full-time staff hired for the HAWK as well as additional cell phones for certain staff members
- The scholarship funding was sufficient but Director Schnackel said they could always provide more funding and they really work with other organizations to target those in need
- Playground equipment improvements and adaptive playground equipment was discussed with the facilities consultants as requested by Council
- Council commented on the need to clean some city road signage, particularly the signs at 14 Mile and Drake and 12 Mile and Inkster. Special Services is only in charge of park signage but this would be passed on to the correct department

City Council took a 10 minute break at 7:52pm.

Fire/Public Safety Millage Fund/Related Capital

- 2021/22 was the busiest year in the history of the department. Runs increased by 20% since 2018
- Equipment needs for the past budget and proposed budget were discussed
- Retention of Paid on Call (POC) firefighters has been better in the last 18 months than the last 6 years as the program was revised to have POC sign up for shifts which has been well received
- Increase in runs attributed to aging population and response to assisted living centers
- Four of the five stations are 24 hour stations and Station #3 closes at midnight as it received the least amount of runs and the city is best responded to by the other three surrounding stations and headquarters.
- An additional two full-time firefighters were included in the proposed 2022/23 budget
- Discussion was held on the need for more full-time firefighters due to the run volume and to reduce over time. Chief Unruh stated that he has asked for six additional full-time staff to phase in over the next couple of years. City Manager Mekjian added that the administration would make sure staff is not burned out and additional staffing would be included in future years as needed
- Council requested a break down of runs per station

Police/Public Safety Millage Fund/Federal Forfeiture Fund/State Forfeiture Fund/Related Capital

- A member of Council expressed concern with the dashboard data for the percentage of African Americans arrests and citations versus the percentage the city's African American population. It was noted that this data includes non-residents.
- City Manager Mekjian suggested a study session with Council to explain the dashboard data
- 2021 was the busiest year in the department's history with a 20% increase in calls for service and expansion of the community policing program
- Two additional police officers and one lieutenant are included in the proposed budget as well as one department technician due to the increased demands on the records department with Freedom of Information Act (FOIA) requests

- It was confirmed that the Chief originally requested eight additional police officers and one lieutenant due to increased calls for services and the difficulty in recruiting and retaining officers and other staffing issues such as FMLA and military leave.
- Discussion was held on staffing and need for more officers and Council suggested amending the proposed FY 2022/23 budget to include the hiring of four police officers rather than two. It was discussed that if this proves to be a financial burden going forward, the city will be losing other Police staff due to attrition and the Council could chose to not back-fill additional officer position at that time

Public Comment

There were no public comments.

Adjournment

The special budget study session adjourned at 9:40pm.

Respectfully submitted,



Pamela B. Smith, City Clerk

MINUTES
 CITY OF FARMINGTON HILLS
 CITY COUNCIL SPECIAL BUDGET STUDY SESSION MEETING
 CITY HALL – COMMUNITY ROOM
 MAY 17, 2022 – 6:00PM

The special budget study session meeting of the Farmington Hills City Council was called to order by Mayor Barnett at 6:05pm.

Council Members Present: Barnett, Boleware, Bridges, Bruce, Knol Massey and Newlin

Council Members Absent: None

Others Present: City Manager Mekjian, City Clerk Smith, Assistant City Manager Valentine, Directors Mondora, Monico, Randle and Skrobola.

Mayor Barnett requested moving the Public Services budget up on the agenda as Councilmember Knol had to leave the meeting early and this was one of the largest budgets for the city.

City Council reviewed the following budgets with the City Attorney and respective Department Directors and the following highlights, significant changes in budgets, requests, or amendments were noted:

Public Services/Municipal Street Fund/Major Road Fund/Local Road Fund/Major and Local Road Funds Summary/Related Capital

- The budget increased due to the summer storms and staffing and clean-up associated with those storms; however, there was some reimbursement
- Major projects in the budget were discussed including a robust major and local road program, Asset Management Plan, two large water main replacements, and a long list of needs for drainage system improvements
- The sick and vacation line item for administration increased for FY 2022/23 due to a potential retirement
- In response to Council, it was noted that maps of the roads and who has jurisdiction over the roads is on the city website.
- Contracts significantly increased and that was due to a couple of large road projects
- The city’s recycling contractor was changing over to GFL and they have worked with the previous contractor Waste Management to keep their bins and will replace them as needed with like-colored bins. The program itself is unchanged from the previous program other than it is a different vendor
- Request to coordinate projects with the state and county as much as possible
- Suggestion to monitor oil and gas prices that may impact the budget for construction projects
- Suggested that if the Engineering interns have time, they could potentially assist the city with rewriting summaries for the historic district homes.

Central Services/Related Capital

- Discusses IT support for offices but also the pilot “work from home” program that was implemented during the pandemic and going forward for certain positions

- Working to limit the city's vulnerabilities to the "bad actors" trying to access city email servers
- GIS activities include assisting departments with creating maps for elections, sidewalks, invasive species,
- The city is a leader in cooperative purchasing and works with other agencies to match them with minority vendors – **Council suggested that this is included in the budget as one of the formal goals for this department**
- Citizen reporting module will be rolled out soon so residents could report issues in real time to the city – this is not for general information but to report blight, down trees or wires, etc.
- Future projects highlighted included another phase of disaster recovery, cameras for various city buildings and locations, enhanced safety and security features for city hall, replacement of over 100 desktop computers, SMART digital signage, text security measures, the new ERP and website updates
- The city renewed the agreement with the City of Farmington for IT support
- Suggestion by Council for a study session on SMART City initiatives. City Manager Mekjian stated that staff may be ready to provide more information on this by August
- The increase in education and training is for city-wide DEI training and more software training as needed for new hires
- Emergency contracted services line item increased due to the storm damage experienced this past year
- Security Mentor used to education staff on suspicious emails has been working well

Human Resources

- The department has been busy managing the increase in retirements and anticipated retirements going forward and working with departments on hiring people for those positions
- Hiring in general has increased significantly due to the HAWK and number of seasonal hires required
- Anticipate the new human resource information system that is part of the ERP will help to decrease some of this workload once fully implemented
- Spoke to the cost-effective benefits offered to employees
- The department hired a new benefits coordinator to replace a long-term employee this year
- A grant was received through Municipal Risk Management Authority (MRMA) to reconstruct the entrance to the department for added security
- Employee consultations are up due to COVID, retirements and job postings
- A salary survey was completed where the city had 40+ positions reviewed to retrieve compensation data and the salary for some positions were increased in the proposed budget based on this survey
- Labor grievances are low. The city is currently in negotiations with 5 out of 6 of the bargaining units

- The proposed budget includes the addition of one Human Resource Analyst that will focus on training/development and areas of compensation
- Comment on the need to continue to work to diversify the work force.
- Request for review and update of job descriptions

City Clerk

- Staffing changes included a retirement in 2021/22 budget that affected the sick and vacation line item and subsequent promotions were made within the office due to that retirement
- A new staff person was hired in August 2021 for the vacant Clerk I position
- Deputy Clerk Carly Lindahl received her next level certification in planning for office succession
- The Clerk's budget fluctuates based on election cycles and the FY 22/23 budget included two major elections.
- One correction to the budget was noted – Election Workers for the requested FY 22/23 budget should be \$170,470; not \$229,540. The budget for Election Workers was based on two days for absent voter processing in the event the legislation allowed for this
- There are increases in equipment maintenance costs going forward as the election equipment when purchased through state contract included 5 years of maintenance and that 5 years is up and the maintenance is now the city's responsibility
- Other items mentioned included the installation of a new absent voter drop box and mailing of new Voter ID cards to all voters due to redistricting

Boards & Commissions/City Council/City Administration/Brownfield Redevelopment Authority/Corridor Improvement Authority

- Discussion was held on funding for boards and commissions and it was suggested changing the budget to \$2500 for each board and commission with exception of Farmington Area Youth Assistance, 47th District Court, ZBA, Assessment Board of Review and Planning Commission – keep as is in budget) and have \$40,000 unallocated that could be used for any board and commission
- Changes in the budget for City Council included adding funding for Council to attend the National League of Cities conferences in the future and U.S. Conference of Mayors - It was suggested that the city book the hotel for Council members for these conferences and that flights would be booked by the members to allow for more flexibility
- The City Administration budget changes include money for an EDC Consultant as well as a placeholder for an Assistant to the City Manager (DEI position)
- Director Skrobola explained the fund balance and how funds could be utilized for both the Brownfield Authority and Corridor Improvement Authority
- The Mayor inquired about the use of brownfield funding to remediate the Costick Center; staff indicated they would look into this option

Finance/Post-Employment Benefits/Inter-fund Transfers/Debt Funds

- The FY 2022/23 budget includes one additional full-time staff person

- The line item for consultants in the Assessing Division is increasing as appraisers are used for large appeals and the city will maintain that budget figure going forward in the event appraisers are required
- Training and education are proposed to increase based on an effort to have all staff trained to earn their Green Belt Certification
- A Request for Proposal is going out for the city to review payment options to make payments cheaper and easier for users and to try and tie all payments into one system – The ability to use e-checks was suggested
- It was noted that the new ERP system would assist with two gaps that the current system has which is integrating human resources and budget modules.
- A new drop box will be installed soon for the collection of tax payments and inside safes installed
- In response to Council, it was noted that the city has a very healthy reserve with and the goal is to get to where the debt is sustainable. The city has plans in place to do this so the city's financial state is good
- The banking fees and books/subscription line items have increased due to the cost of the remote safe and subscriptions to keep up on property values and commercial real estate
- The city has been paying down the debt service so most of that is projected to decrease; the HAWK was constructed so that is new debt but overall debt is minimal; the city is not raising taxes
- The effects of Headlee rollback cost the city \$1 million this year

City Manager Wrap-Up

City Manager Mekjian thanked all of staff for their efforts in putting together the budget and City Council for their patience in going through the process over the past couple of days.

Public Comment

There were no public comments

Adjournment

The special budget study session adjourned at 9:58pm.

MINUTES
CITY OF FARMINGTON HILLS
FARMINGTON HILLS CITY COUNCIL
CITY HALL - COMMUNITY ROOM
MAY 23, 2022 – 6:00PM

The study session meeting of the Farmington Hills City Council was called to order by Mayor Barnett at 6:06pm.

Council Members Present: Barnett, Boleware, Bridges, Bruce, Knol Massey and Newlin

Council Members Absent: None

Others Present: Assistant City Manager Valentine, City Clerk Smith, Assistant City Manager Valentine, Directors Brockway and Mondora and City Attorney Joppich

DISCUSSION ON WATER AND SEWER RATES

Karen Mondora, Director of Public Services, stated that before City Council are the 2022/23 water and sewer rate recommendations. She introduced Raphael Chirolla, Drew Sandahl and Amy Ploof from WRC who were present to discuss the proposed rates.

Mr. Chirolla reviewed the basic rate calculation used to determine the rates. He reviewed the projected sewer and water sales for the city's system and noted that for FY 2023 they are estimating an average quarterly increase of \$13.26 in sewer rates and an average quarterly increase of \$6.51 in water rates per the average residential customer. This results in a combined average quarterly bill for both water and sewer in the amount of \$362.47.

Discussion was held on how rates are calculated and how water usage effects the rates.

Mr. Chirolla stated that the water tower is still paying off for the city and the estimated savings to the city through 2023 is \$20 million.

Director Mondora explained that the tower includes three million gallons of water reserve in the event of a major fire. This also helped the Fire Department's ISO rating, which affects homeowners insurance.

Director Mondora reviewed the city's major capital expenses for the water and sewer systems through 2030. She explained that the city has good water quality but there are some 50-60 year old cast iron water mains that need to be replaced.

In response to Council, Assistant City Manager Valentine stated that the city expects to receive some federal infrastructure funding but how much and what exactly it can be used for is yet to be determined.

Information on minimum billing and average use was requested so that rate payers are not being charged more than necessary and Council also inquired about hardship programs.

Director Mondora noted that there are multiple programs through which a couple hundred Farmington Hills rate payers have been assisted.

Mayor Barnett commented that she does not want to approve any water or sewer rates until she knows that Highland Park's costs are not included as it is not fair for Farmington Hills rate payers or other communities to pay for their portion. She also requested a link on the city's website to the assistance programs available.

Council requested receiving the data on minimum billing and the portion owed by Highland Park to City Council by June 13th prior to the water and sewer rates coming before City Council for approval on June 27, 2022.

Mayor Barnett stated that she wants full restitution for payments made for Highland Park's portion of the rates and expressed concern with sprawl and GLWA extending new lines and neglecting existing infrastructure.

Attorney Joppich stated that his office has been working to get more information on the status of the Highland Park debt and agreements in place and will report back to City Council on their findings.

Assistant City Manager Valentine suggested a meeting with representatives from GLWA and WRC to further discuss the issue of infrastructure needs.

In response to City Council, Mr. Chirolla reported that approximately \$170,000 or 1.2% of the overall sewer rate increase and approximately .2% or \$31,000 of the overall water increase is related to the Highland Park debt.

Council also requested data on the number of people taking advantage of the assistance programs and trends.

Assistant City Manager Valentine stated that the city's current position would be to recommend approving the rates as proposed and reviewing any recourse with regard to the Highland Park debt once the city receives the report from the City Attorney's Office.

UPDATE ON BUSINESS INCUBATOR PLAN AT THE HAWK

Tim Dempsey, Vice President of Public Sector Consultants, stated that they were before City Council previously to discuss the feasibility study for the Innovation Center at the HAWK and tonight's discussion will focus on the feasibility analysis and proposed business plan.

He explained the feasibility study was conducted to understand the market demand and he summarized uses they would not recommend that included stand-alone office space due to the low demand and a kitchen incubator since there are alternate facilities in the city. Mr. Dempsey outlined the business plan that focused on life science businesses, with development of wet labs and services; configuration of the site, funding the facility build out through grants and/or partnerships and having a long term horizon to achieve financial stability over 6-10 years focusing on the core space only and basing that on industry standards. Other recommendations included up front funding of debt service through grants, strong partnerships with colleges and universities and the need for robust managers with clear roles and accountability.

The potential for partnerships with universities and state funding was discussed.

A proposed resolution was presented that staff would like to put before City Council at their next meeting asking City Council to endorse the project so that staff and the Economic Development Corporation members could pursue conversations with other entities for potential partnerships and create a synergy for additional state and county funding.

In response to Council, Attorney Joppich stated that any agreements for partnerships or tenants would be reviewed by his office.

ADJOURNMENT:

The study session meeting adjourned at 7:29pm.

Respectfully submitted,

A handwritten signature in black ink, appearing to read 'P. Smith', written over a horizontal line.

Pamela B. Smith, City Clerk

MINUTES
CITY OF FARMINGTON HILLS
CITY COUNCIL MEETING
CITY HALL – COUNCIL CHAMBER
MAY 23, 2022 – 7:30 PM

The regular session meeting of the Farmington Hills City Council was called to order by Mayor Barnett at 7:38pm.

Council Members Present: Barnett, Boleware, Bridges, Bruce, Knol, Massey and Newlin

Council Members Absent: None

Others Present: Assistant City Manager Valentine, City Clerk Smith, Police Chief King, Fire Chief Unruh and City Attorney Joppich

PLEDGE OF ALLEGIANCE

Mayor Barnett led the pledge of allegiance.

APPROVAL OF REGULAR SESSION MEETING AGENDA

MOTION by Massey, support by Knol, to approve the agenda as amended with the addition of item #13, Award of Purchase Order for the Harrison Legacy Sculpture, to the Consent Agenda.

MOTION CARRIED 7-0.

PROCLAMATION RECOGNIZING MAY 2022 AS NATIONAL NURSE’S MONTH

The following proclamation was read by Council Member Newlin and accepted by Cheryl Discher, Beaumont of Farmington Hills Nursing Professional Development Specialist:

**PROCLAMATION
National Nurses Month
May 2022**

WHEREAS, the profession of nursing was begun by Florence Nightingale, the Lady with the Lamp, in 1854 when the role was basic caretaking and domestic tasks. The profession was influenced by the accomplishments of Clara Barton, Mary Eliza Mahoney, and Dorothea Dix, all nursing pioneers. Now over four million registered, practical, and advance practice nurses represent the largest health care profession in our nation; and

WHEREAS, skills required of the nurse are no longer basic caretaking advancing from using a second hand of a wristwatch to take a pulse, writing in pencil on a Kardex wearing white dresses and nursing caps, to now wearing scrubs, lab coats or street clothes while recording in electronic medical records, understanding life sustaining technology and science while being the never changing constant at the bedside; and

WHEREAS, nurses are leaders in quality healthcare and the health of our nation relies on nurses to deliver primary and preventative care and health education in the acute hospital, chronic care settings, primary care clinics, the public health care

agency, doing research, minute clinics, mental health settings, schools, where our military serves, hospices, and our homes or wherever people need care; and

WHEREAS, nurses have been the cornerstone in the care of our nation during the continued pandemic. A nurse has immense responsibility stepping into people's lives when life begins, when life ends and everything in between. Nurses make a difference on life's journey. Our nurses have given to our nation unending dedication, empathy, courage, endurance, sacrifice, and love; and

WHEREAS, the recognition of the profession of nursing began in 1982, and this year the American Nurses Association selected the theme "Nurses Make a Difference" to honor the roles and positive impact nurses make in our lives; and

WHEREAS, this quote by Rawsi Williams, an inspiring nurse leader, quantifies the profession of nursing: "To do what nobody else will do, in a way that nobody else can do, in spite of it all; that is to be a nurse."

NOW, THEREFORE, BE IT RESOLVED, that I, Vicki Barnett, Mayor of the City of Farmington Hills, on behalf of the City Council, do hereby proclaim May 2022 as **National Nurses Month** and call upon the citizens of Farmington Hills to honor registered nurses and to recognize the indispensable role these dedicated professionals play in keeping our community safe and healthy.

PROCLAMATION RECOGNIZING JUNE 2022 AS SCLERODERMA AWARENESS MONTH

The following proclamation was read by Council Member Boleware and accepted by Pamela Pour, Member of the Scleroderma Foundation and parent of a Scleroderma patient:

**PROCLAMATION
Scleroderma Awareness Month
June 2022**

WHEREAS, scleroderma is a chronic, degenerative autoimmune disease in which the connective tissues suffer from an overproduction of collagen that can affect many parts of the body such as skin, blood vessels, and internal organs; and

WHEREAS, an estimated 300,000 Americans have scleroderma, which is frequently misdiagnosed and affects approximately three to four times more women than men with an onset most commonly between the ages of 25 and 55; and

WHEREAS, since researchers have yet to identify the exact cause of scleroderma, there is a significant need for further research to increase understanding of the disease and its treatment; and

WHEREAS, addressing the complex health needs of people with scleroderma through comprehensive and coordinated health services is critically important to achieving positive patient outcomes; and

WHEREAS, through public awareness, the City of Farmington Hills seeks to focus on the needs of people living with scleroderma and the continuing improvement of services to those people and their families.

NOW, THEREFORE, BE IT RESOLVED that I, Vicki Barnett, Mayor of the City of Farmington Hills, on behalf of the City Council, do hereby proclaim June 2022 as **Scleroderma Awareness Month** in the City of Farmington Hills and call upon our citizens to become better educated about scleroderma and the need for increased research and more effective treatments for this disease.

PROCLAMATION RECOGNIZING JUNE 2022 AS LGBTQ PRIDE MONTH

The following proclamation was read by Council Member Bruce:

**PROCLAMATION
LGBTQ Pride Month
June 2022**

WHEREAS, the struggle for dignity and equality for lesbian, gay, bisexual, transgender, and questioning (LGBTQ) people is reflected in the tireless dedication of advocates and allies who strive to forge a more inclusive society; and

WHEREAS, June is declared as Pride Month to commemorate the June 1969 Stonewall Uprising in Lower Manhattan targeting LGBTQ patrons and other marginalized people, in violation of their civil rights, leading to the birth of the Gay Rights Movement; and

WHEREAS, LGBTQ Americans, including our neighbors, coworkers, friends, and family members, face discrimination simply for being who they are and there remains much work to do to extend the promise of our country to every person; and

WHEREAS, the landmark Supreme Court decision of 2015 guaranteeing marriage equality in all 50 States was a historic victory for LGBTQ Americans which affirmed our belief that we all deserve to be treated as equals; and

WHEREAS, in 2015, the City of Farmington Hills enacted a Human Rights Ordinance stating the City's intent that no person be denied equal protection of the laws, nor shall any person be denied the enjoyment of his or her civil or political rights or be discriminated against because of actual or perceived race, color, religion, national origin, sex, age, height, weight, condition of pregnancy, marital status, physical or mental limitation, source of income, family status, sexual orientation or gender identity.

NOW, THEREFORE, BE IT RESOLVED that I, Vicki Barnett, Mayor of the City of Farmington Hills, on behalf of the City Council, do hereby proclaim June 2022 as **LGBTQ Pride Month** and encourage our community to eliminate prejudice wherever it exists and to celebrate our great diversity by taking part in community events throughout June that focus on and celebrate our LGBTQ neighbors.

CORRESPONDENCE

Councilmembers acknowledged the following correspondence received:

- Letter regarding concerns and suggestions with the panhandling issues in the city
- Emails in support of the Juneteenth Celebration to be held on June 17, 2022 at Nardin Park Church.

CONSENT AGENDA

MOTION by Bridges, support by Massey, to approve consent agenda as read.

Roll Call Vote:

Yeas: BARNETT, BOLEWARE, BRIDGES, BRUCE, KNOL, MASSEY AND NEWLIN
Nays: NONE
Absent: NONE
Abstentions: NONE

MOTION CARRIED 7-0.

PUBLIC QUESTIONS AND COMMENTS

There were no public questions or comments.

COUNCIL MEMBERS COMMENTS AND ANNOUNCEMENTS

Council Member made the following comments and/or announcements:

- Children, Youth and Families held a successful career and tech night last Thursday
- American Legion in conjunction with the Exemplar Club will be hosting the Memorial Day Parade event on Monday, May 30, 2022
- City of Farmington hung pennants off light poles in their downtown memorializing Farmington residents who have served in past wars
- Clerk's office announcements: Absent voter ballot applications have been mailed out to those voters on the permanent absent voter list, the drive up drop box in front of the Police Department has been replaced, new Voter ID Cards are being mailed to all registered voters due to redistricting, several polling locations will be relocated for the August State Primary Election due to building construction

CITY MANAGER UPDATE

Assistant City Manager Valentine made the following comments:

- Waste collection will not take place on Monday, May 30th due to the Memorial Day holiday, all collections will be delayed one day
- Provided an update on major road construction projects

UNFINISHED BUSINESS

CONSIDERATION OF APPROVAL OF THE ENACTMENT OF ORDINANCE C-3-2022 TO AMEND THE FARMINGTON HILLS CODE OF ORDINANCES AT CHAPTER 8, "BUSINESS LICENSING" ARTICLE II, "SMOKING LOUNGES," TO ESTABLISH A SPECIAL PERMIT FOR HOOKAH SMOKING AREAS IN SMOKING LOUNGES AND TO AMEND PROVISIONS RELATING TO THE PURPOSE AND INTENT OF THE ORDINANCE, DEFINITIONS, APPLICATIONS FOR LICENSES, BASIS FOR APPROVAL AND DENIAL OF LICENSE AND SPECIAL PERMITS, STANDARDS OF CONDUCT, HOURS OF OPERATION, AND TEMPORARY CLOSURES IN THE INTEREST OF THE PUBLIC HEALTH, SAFETY, AND WELFARE; AND APPROVAL OF SUMMARY FOR PUBLICATION.

City Attorney Joppich explained that the ordinance amendment was discussed by City Council at previous study sessions and was before City Council at their last regular meeting for the first reading. The ordinance has not been revised since that time and is now before City Council for the second reading and enactment. He noted the following significant amendments from the original ordinance: Requirement of special permit for smoking lounges to include hookah, the hours of operation were amended to close all smoking lounges at 11pm and temporary closures were permitted for up to 72 hours.

Mayor Barnett acknowledged that she had a request from a member of the public wishing to speak on this issue and called upon Ray Ohara to speak at this time.

Ray Ohara, Lush Hookah, expressed concern with the requirement in the ordinance amendment for smoking lounges to close at 11pm. He commented on the amount of funding he has put into his business and that they had lost money during Covid; and to require them to close at 11pm would essentially close their business. He is willing to work with the city and keep the business safe but requested that the Council not require closing businesses at 11pm.

Council cited various incidents at the Lush Hookah establishment over the past several years that included a shooting in the parking lot and nobody from the business had called 911. The Police Department heard of the shooting through contact by a local hospital as a woman had been shot.

Wisam Khumar, owner of Lush Hookah, described what had occurred prior to that incident at his location and stated that his lounge was closed at the time the shooting took place in the parking lot, which was the reason nobody called 911.

Discussion was held on this incident and any outreach from the city to the business prior to the incident or following the incident. Mr. Khumar stated that there was no outreach from the city prior to or after the incident occurred.

Police Chief King explained the multiple incidents that have occurred at that location but refrained from further comments pending further information received recently.

It was discussed by Council that this ordinance was passed due to issues at not only Lush but other similar businesses as well and at the request of the Chief is now revisiting the ordinance to add further limitations due to continued incidents at these locations.

Council expressed concern with regard to the shooting incident discussed in the parking lot of Lush and the fact that nobody called 911 and for the safety of area businesses and residents.

Mayor Barnett commented that the Council is charged with protecting the health, safety and welfare of the residents and that the ordinance is crucial at this time. She suggested the option of revisiting the ordinance in a year to determine if there have been improvements with regard to the owners and landlords responsibility for keeping the people safe in their business. She called for a motion.

MOTION by Bridges, support by Massey, that the City Council of Farmington Hills hereby approves the ENACTMENT of Ordinance C-3-2022 to amend the Farmington Hills Code of Ordinances at Chapter 8, "Business Licensing" Article II, "Smoking Lounges," to establish a special permit for hookah smoking areas in smoking lounges and to amend provisions relating to the purpose and intent of the ordinance, definitions, applications for licenses, basis for approval and denial of license and special permits, standards of conduct, hours of operation, and temporary closures in the interest of the public health, safety, and welfare; and approval of summary for publication.

MOTION CARRIED 7-0.

Mayor Barnett invited the owners of Lush to meet with city staff to ensure a safe business going forward and suggested revisiting the ordinance in a year to determine if there have been improvements. She also acknowledged letters received by the city in support of Lush Hookah.

CONSENT AGENDA

RECOMMENDED APPROVAL OF A MICHIGAN ECONOMIC DEVELOPMENT GRANT PROJECT FOR THE FIRE DEPARTMENT. CMR 5-22-52.

MOTION by Bridges, support by Massey, that the City Council of Farmington Hills hereby approves waiving formal bid requirements and authorizing the City Manager to approve the purchase orders of the grant funded fire safety trailer project to Mobile Concepts in its entirety; the \$18,336 will come from the Fire Department's 2021/2022 capital budget.

Roll Call Vote:

Yeas: BARNETT, BOLEWARE, BRIDGES, BRUCE, KNOL, MASSEY AND NEWLIN
Nays: NONE
Absent: NONE
Abstentions: NONE

MOTION CARRIED 7-0.

RECOMMENDED APPROVAL OF A SPECIAL EVENT PERMIT FOR THE FARMINGTON AREA JUNETEENTH CELEBRATION TO BE HELD ON FRIDAY, JUNE 17, 2022.

MOTION by Bridges, support by Massey, that the City Council of Farmington Hills hereby approves a Special Event Permit for Farmington Area Juneteenth Celebration to be held on Friday, June 17, 2022 from 8:00pm to 11:00pm and Saturday, June 18, 2022 from 12:00pm-6:00pm, subject to the following terms and conditions:

- There will be live music, with a public address system at the event and the applicant was advised of the noise ordinance
- There is ample on-site parking for attendees of the event
- The location will be free of obstacles that would inhibit emergency police and fire response
- The applicant has not requested police assistance for this event
- There shall be no parking within 20' of any tent
- Egress shall be maintained throughout the building
- Fire lanes shall not be blocked or restricted
- Cooking/open flame devices shall not be used under tents and shall be at least 20' away
- Food trucks shall operate according to NFPA and Fire Prevention Code Standards, and specifically:
 - Ensure that fuel tanks are filled to the capacity needed for uninterrupted operation for the duration of the event
 - All connections/piping shall be checked for leaks prior to operation
 - Any cooking system which produced grease laden vapors shall be protected by listed fire extinguishing equipment
 - Fire extinguishers shall be installed and maintained according to NFPA 10
- Any bounce house, if used, shall be properly anchored according to manufacturer's recommendation to prevent movement during unexpected winds
- Proponent must contact Fire Prevention to schedule an inspection prior to beginning the event
- Event shall comply with minimum Fire Prevention requirements
- Any signs used for the event shall be placed such that they allow for adequate sight distance and do not cause a safety concern

Roll Call Vote:

Yeas: BARNETT, BOLEWARE, BRIDGES, BRUCE, KNOL, MASSEY AND NEWLIN
Nays: NONE
Absent: NONE
Abstentions: NONE

MOTION CARRIED 7-0.

RECOMMENDED APPROVAL OF A SPECIAL EVENT PERMIT FOR THE AMELIA'S LITTLE BIKE-A-THON FOR MS EVENT TO BE HELD ON SATURDAY, JUNE 4, 2022.

MOTION by Bridges, support by Massey, that the City Council of Farmington Hills hereby approves a Special Event Permit for Amelia's Little Bike-a-Thon for MS to be held on Saturday, June 4, 2022 from 9:15am-11:15am, subject to the following terms and conditions:

- Emergency vehicle access shall not be restricted
- Applicant has received permission from Farmington Public Schools to utilize the parking lot of Kenbrook Elementary for a staging area
- There will be approximately 60 guests for the event
- There will be a bike ride in the lot of Kenbrook Elementary for the younger kids and a ride around the subdivision for the older kids
- There is ample on-site parking for attendees of the event
- The location will be free of obstacles that would inhibit emergency police and fire response
- The applicant has received permission from the homeowner's association to host the event

Roll Call Vote:

Yeas: BARNETT, BOLEWARE, BRIDGES, BRUCE, KNOL, MASSEY AND NEWLIN
Nays: NONE
Absent: NONE
Abstentions: NONE

MOTION CARRIED 7-0.

RECOMMENDED APPROVAL OF A REQUEST FOR EMPLOYMENT UNDER SECTION 10.01A OF THE CITY CHARTER FOR A CAMP INSTRUCTOR AT THE HAWK.

MOTION by Bridges, support by Massey, that the City Council of Farmington Hills hereby approves the request for employment under Section 10.01A of the City Charter for Janelle Lavaud as a Camp Instructor at The Hawk in the Special Services Department. Janelle is the mother of Alexia Lavaud, who is a Camp Leader at the Nature Center in the Special Services Department.

Roll Call Vote:

Yeas: BARNETT, BOLEWARE, BRIDGES, BRUCE, KNOL, MASSEY AND NEWLIN
Nays: NONE
Absent: NONE
Abstentions: NONE

MOTION CARRIED 7-0.

RECOMMENDED APPROVAL OF A REQUEST FOR EMPLOYMENT UNDER SECTION 10.01A OF THE CITY CHARTER FOR AN ARTS AND MUSIC CAMP SPECIALIST AT THE HAWK.

MOTION by Bridges, support by Massey, that the City Council of Farmington Hills hereby approves the request for employment under Section 10.01A of the City Charter for Matthew Ellison as an Art and Music Camp Specialist, PT Seasonal in the Special Services Department. Matthew is the spouse of Jacinta Ellison, who is a Camp Theatre Camp Specialist in the Special Services Department.

Roll Call Vote:

Yeas: BARNETT, BOLEWARE, BRIDGES, BRUCE, KNOL, MASSEY AND NEWLIN
Nays: NONE
Absent: NONE
Abstentions: NONE

MOTION CARRIED 7-0.

RECOMMENDED APPROVAL OF CITY COUNCIL STUDY SESSION MEETING MINUTES OF MAY 9, 2022.

MOTION by Bridges, support by Massey, that the City Council of Farmington Hills hereby approves the City Council study session meeting minutes of May 9, 2022.

Roll Call Vote:

Yeas: BARNETT, BOLEWARE, BRIDGES, BRUCE, KNOL, MASSEY AND NEWLIN
Nays: NONE
Absent: NONE
Abstentions: NONE

MOTION CARRIED 7-0.

RECOMMENDED APPROVAL OF THE CITY COUNCIL REGULAR SESSION MEETING MINUTES OF MAY 9, 2022.

MOTION by Bridges, support by Massey, that the City Council of Farmington Hills hereby approves the City Council regular session meeting minutes of May 9, 2022.

Roll Call Vote:

Yeas: BARNETT, BOLEWARE, BRIDGES, BRUCE, KNOL, MASSEY AND NEWLIN
Nays: NONE
Absent: NONE
Abstentions: NONE

MOTION CARRIED 7-0.

RECOMMENDED APPROVAL OF A PURCHASE ORDER FOR THE HARRISON LEGACY SCULPTURE

MOTION by Bridges, support by Massey, that the City Council of Farmington Hills hereby authorizes the City Manager to sign an agreement and issue a purchase order for the Harrison Legacy Sculpture project to NTG Enterprises in an amount not to exceed \$14,965 (\$12,965 + \$2,000 contingency).

Roll Call Vote:

Yeas: BARNETT, BOLEWARE, BRIDGES, BRUCE, KNOL, MASSEY AND NEWLIN
Nays: NONE
Absent: NONE
Abstentions: NONE

MOTION CARRIED 7-0.

ADDITIONS TO AGENDA

There were no additions to the agenda.

ADJOURNMENT

MOTION by Bridges, support by Bruce, to adjourn the regular session City Council meeting at 9:03pm.

MOTION CARRIED 7-0.

Respectfully submitted,



Pamela B. Smith, City Clerk