



ACTIVITIES CENTER

STRATEGIC ASSESSMENT

AGENDA

- Introduction, Background, & Process
- Community Engagement Summary & Findings
- Site Options & Assessment
- Recommended Facility Overview
- Financial Performance Projections
- Key Considerations & Next Steps



OUR MISSION

TO IMPROVE THE
HEALTH AND ECONOMIC
VITALITY OF THE
COMMUNITIES
WE SERVE

SFC BY THE NUMBERS

4,000+
TEAM
MEMBERS

100+
CORPORATE
TEAM MEMBERS

3,000+
COMMUNITIES
SERVED

\$15B
PLANNED
PROJECTS

90+
VENUES UNDER
MANAGEMENT

26+
VENUES IN
DEVELOPMENT

30M+
VISITS PER YEAR
THROUGH THE
SFNETWORK

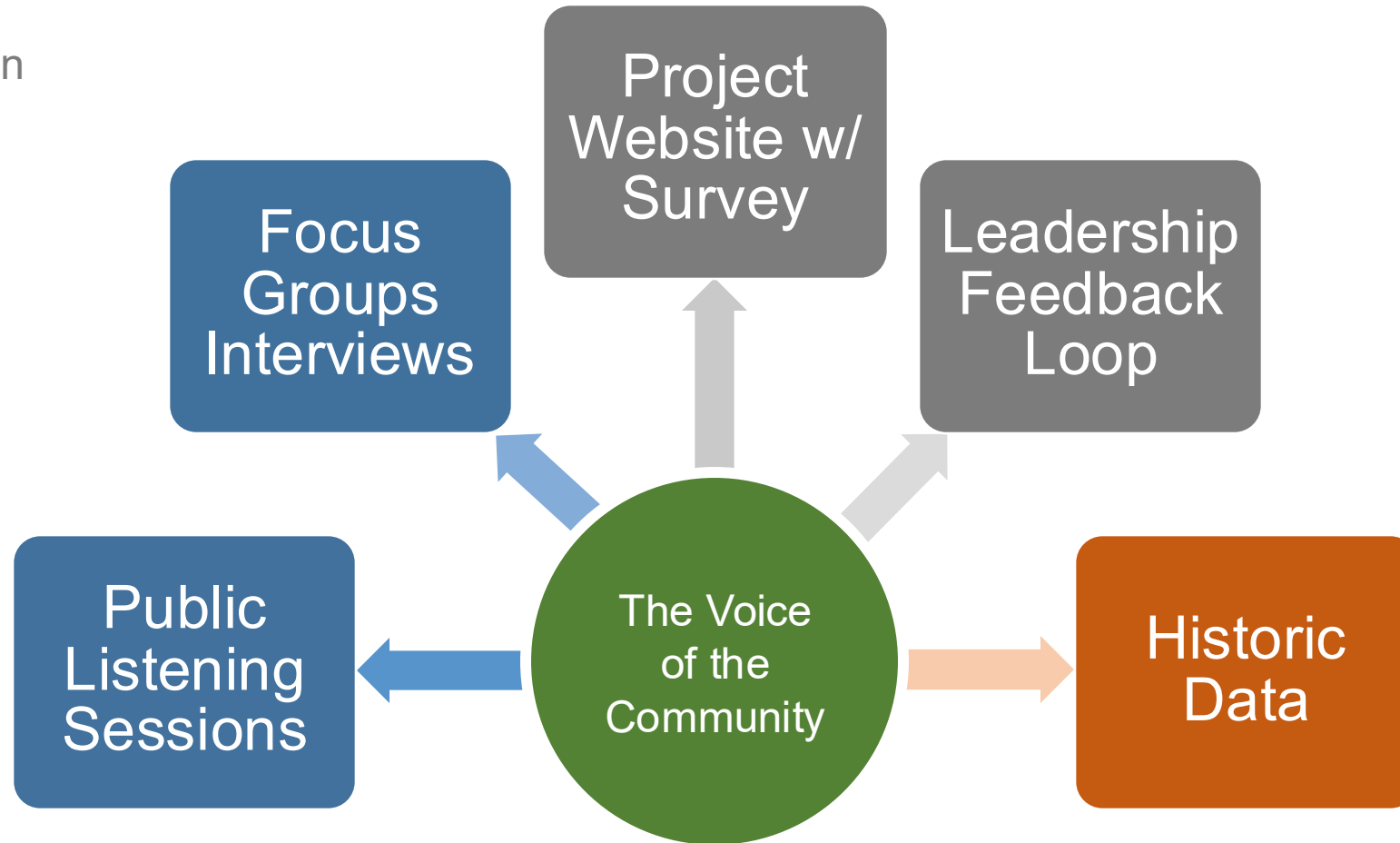
BACKGROUND & PROCESS

- Assessment of options for a **New Activities Center** is **one** key aspect of a broader initiative.
 - ***Maintain** access to high-impact programs and services*
 - ***Enhance** the City's reputation as a top-tier community*
 - ***Reduce** the financial gap of the City's Special Services Department to pre-Hawk performance levels*
- Previous studies demonstrate the **Costick Center building** is nearing the end of its operational viability (**safety, utility, and fiscal responsibility**).
 - ***\$13.5 million** to **extend** useful life and keep the building functioning safely*
 - *Future, **additional capital** replacement expenses would be required*
 - *Renovations/improvements would likely **interrupt service***
- In any scenario, SFC recommends **maintaining access** to an activities center.
 - *The **Costick Center** should **remain open until** a new building is open*
- This presentation outlines **options** and **recommendations** for **further consideration**.
 - ***Additional options** may be identified and analyzed*
 - ***Not intended** to reach **consensus or approval** tonight*

COMMUNITY ENGAGEMENT

IMMERSIVE COMMUNITY OUTREACH & ENGAGEMENT

Face-to-Face
Technology Driven
Existing Data



IMMERSIVE COMMUNITY OUTREACH & ENGAGEMENT



Touchpoints:

- Public Listening Sessions
 - December 2024
 - February 2025
 - April 2025
- Focus Group Interviews
 - Formal and Informal
 - December 2024 – April 2025
- Project Website with Survey
 - February– March 2025
- Leadership Feedback Loop
 - February – June 2025
- Historic Data
 - 2021-2025

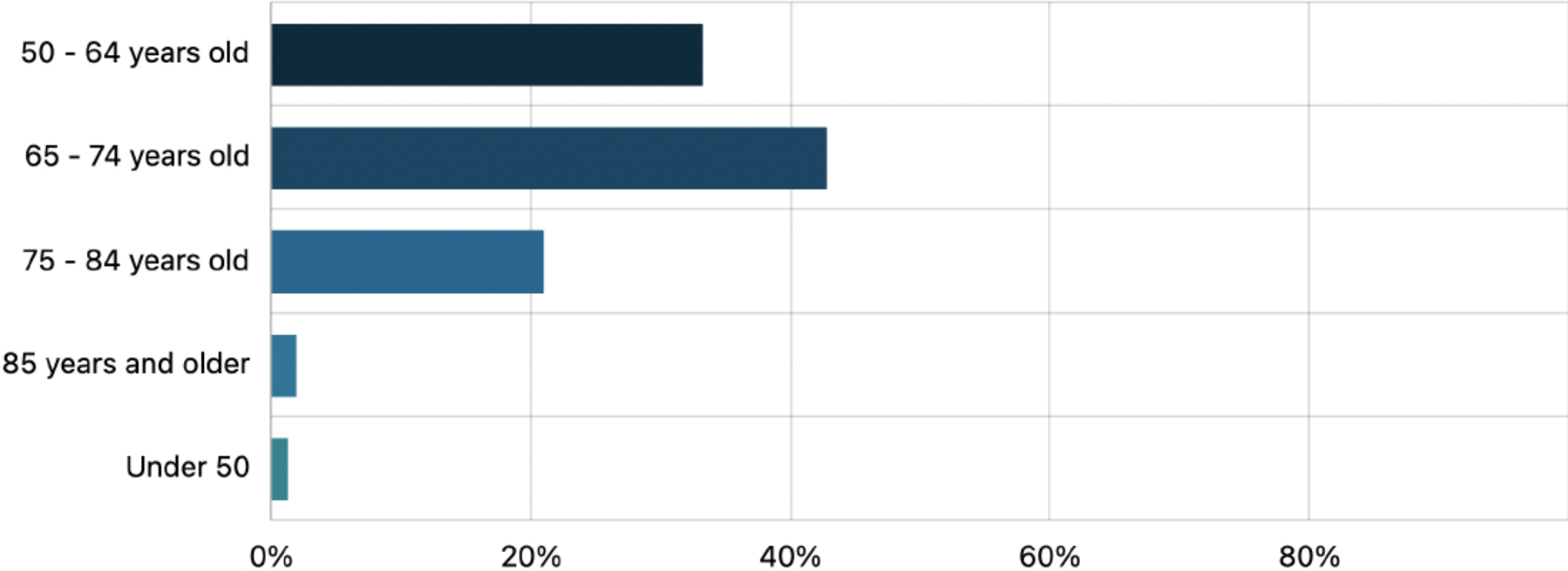
CUSTOM COMMUNITY ENGAGEMENT WEBSITE WITH SURVEY

<https://engage.sportsfacilities.com/farmington-hills-50-and-better-community-engagement>

COMMUNITY ENGAGEMENT SURVEY RESULTS

1. Please select your age.

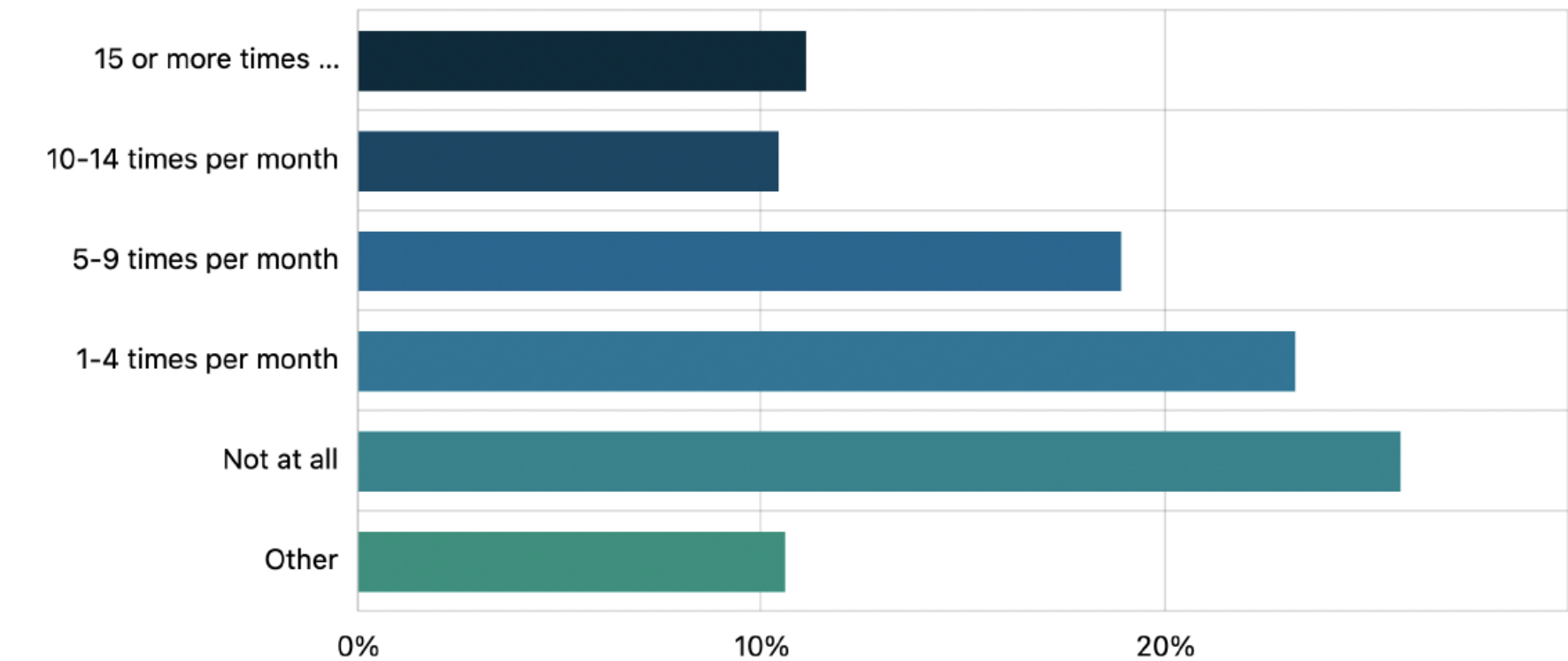
Select Box | Skipped: 104 | Answered: 482 (82.3%)



COMMUNITY ENGAGEMENT SURVEY RESULTS

2. How frequently do you visit the Costick Center?

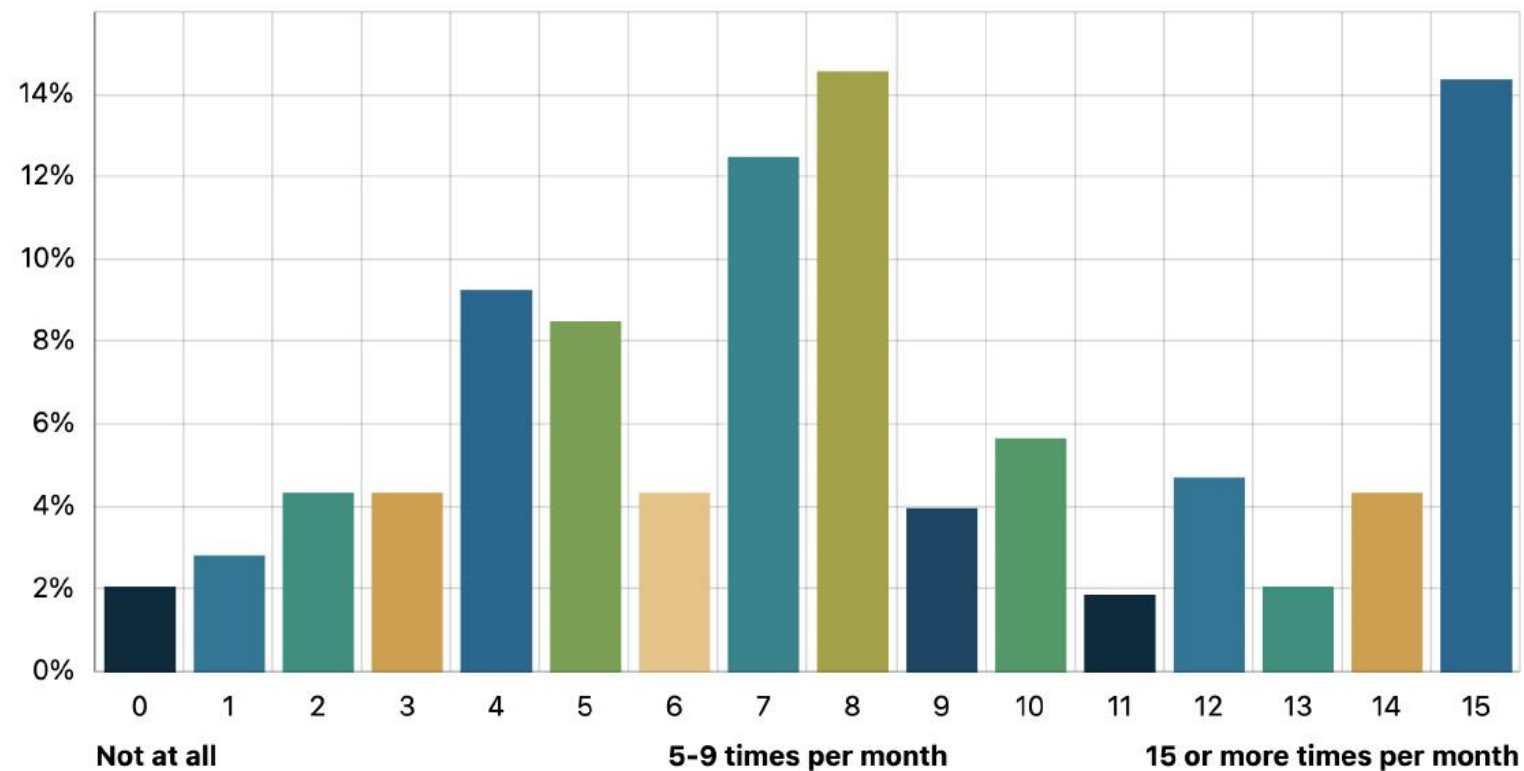
Multi Choice | Skipped: 9 | Answered: 577 (98.5%)



COMMUNITY ENGAGEMENT SURVEY RESULTS

3. How frequently would you visit a new Adults Ages 50 and Better community center?

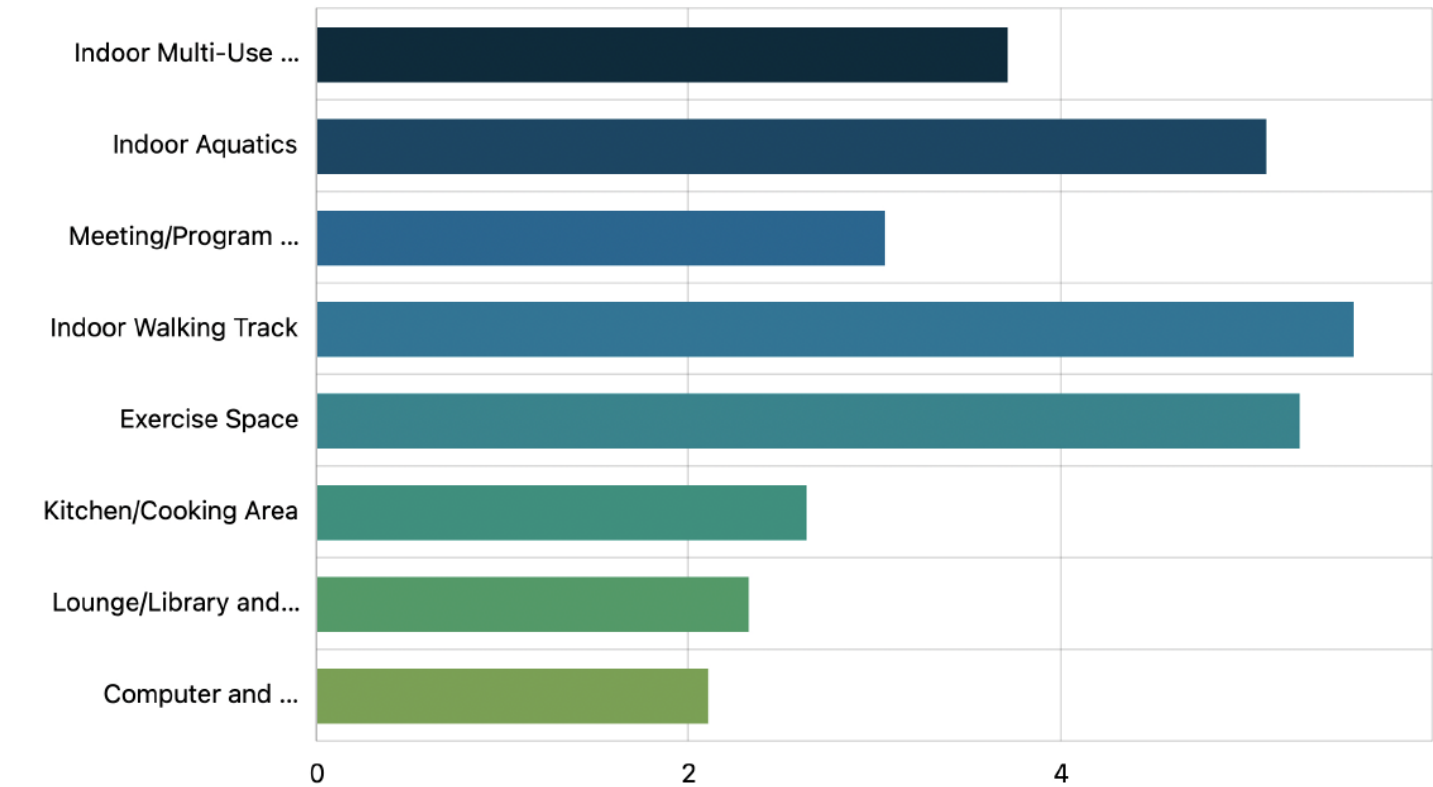
Slider | Skipped: 58 | Answered: 528 (90.1%)



COMMUNITY ENGAGEMENT SURVEY RESULTS

4. Please rank how important the following indoor recreation assets are to you.

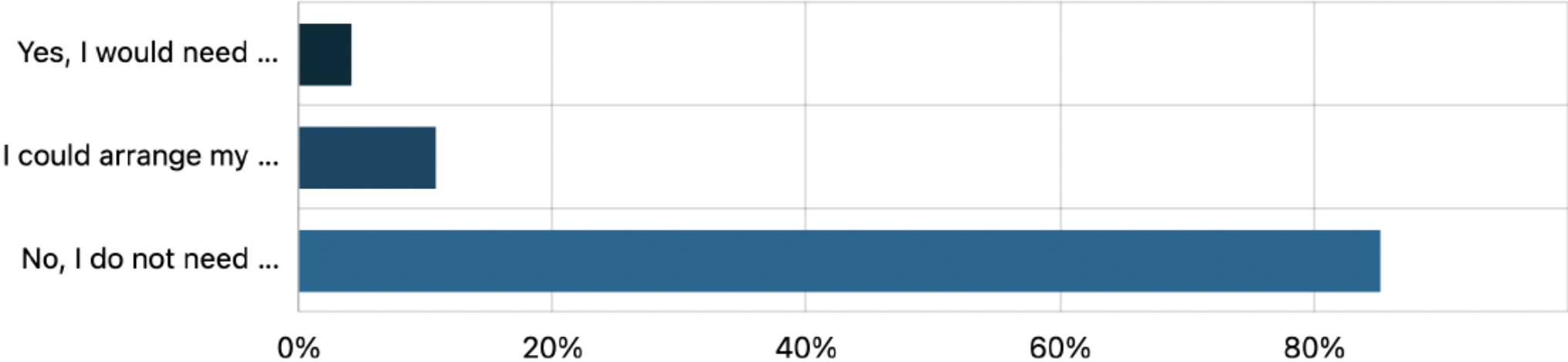
Ranking | Skipped: 44 | Answered: 542 (92.5%)



COMMUNITY ENGAGEMENT SURVEY RESULTS

5. Do you need or prefer transportation services to and from the center?

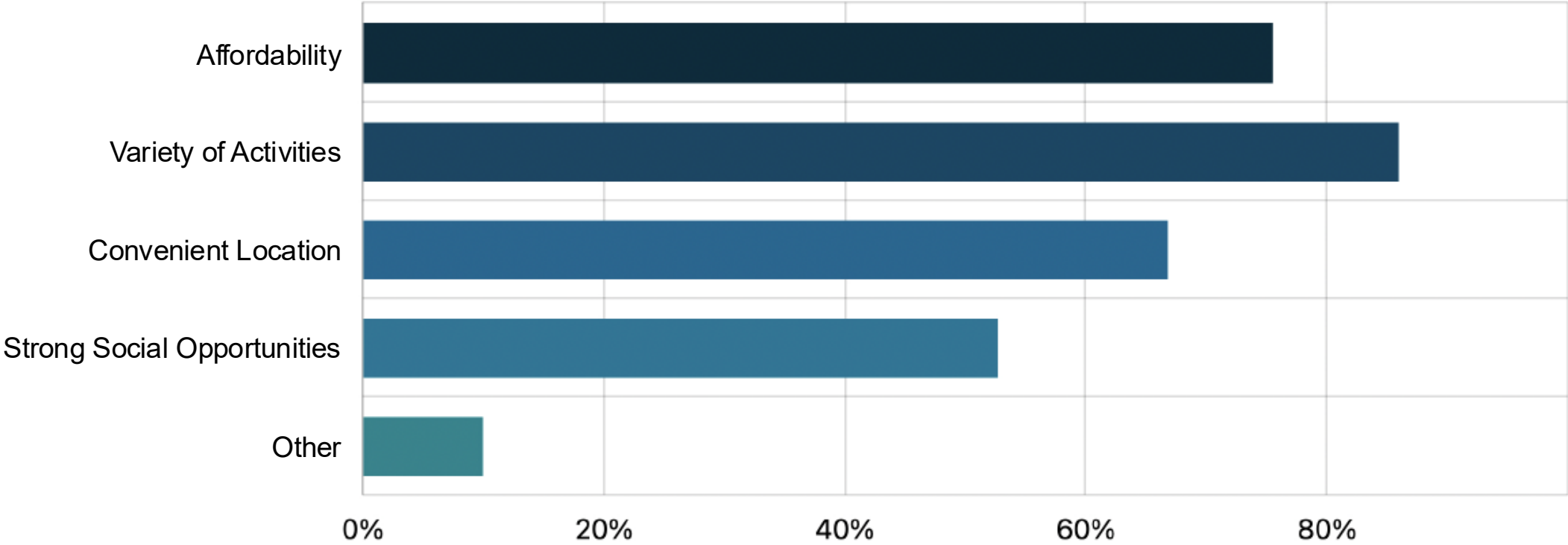
Select Box | Skipped: 28 | Answered: 558 (95.2%)



COMMUNITY ENGAGEMENT SURVEY RESULTS

6. What would make you more likely to visit an Adults Ages 50 and Better facility?

Multi Choice | Skipped: 12 | Answered: 574 (98%)



COMMUNITY ENGAGEMENT SURVEY RESULTS

What types of programs/activities would you most like to see? <u>Farmington Hills 50 and Better Community Engagement</u>	521 Contributors	588 Contributions
---	---------------------	----------------------

Contribution Summary

Summary of the activity including details of the included projects, voting results and more.

Project Details Information on the projects included for potential funding including the name, cost, voting and other details.				
Project Name	Funded (Total)	1 Point	2-9 Points	10 Points
Fitness (Weight Training and Classes for Yoga, Tai Chi, and Aerobics)	382 (64.97%)	121 (20.58%)	250 (42.52%)	11 (1.87%)
Indoor Walking Track	365 (62.07%)	106 (18.03%)	253 (43.03%)	6 (1.02%)
Aquatics (Water Fitness Classes, Lap Swimming, Adult Swim Lessons)	335 (56.97%)	114 (19.39%)	202 (34.35%)	19 (3.23%)
Educational Classes (Lifelong Learning, Continental Club, Dine & Discover)	295 (50.17%)	101 (17.18%)	189 (32.14%)	5 (0.85%)
Nutrition (Lunches, Meals on Wheels, etc.)	244 (41.5%)	102 (17.35%)	142 (24.15%)	0 (0%)
Clubs, Social, and Support Groups	233 (39.63%)	112 (19.05%)	121 (20.58%)	0 (0%)
Pickleball/Tennis Activities	185 (31.46%)	50 (8.5%)	129 (21.94%)	6 (1.02%)
Events and Parties	160 (28.74%)	85 (14.46%)	82 (14.12%)	1 (0.17%)

COMMUNITY ENGAGEMENT SURVEY RESULTS

Contribution Summary

Summary of the activity including details of the included projects, voting results and more.

<div>Project Details</div> <div>Information on the projects included for potential funding including the name, cost, voting and other details.</div>				
Project Name	Funded (Total)	Funded (Min)	Funded (Above Min.)	Funded (Max)
Fitness (Weight Training and Classes for Yoga, Tai Chi, and Aerobics)	382 (64.97%)	121 (20.58%)	250 (42.52%)	11 (1.87%)
Indoor Walking Track	365 (62.07%)	106 (18.03%)	253 (43.03%)	6 (1.02%)
Aquatics (Water Fitness Classes, Lap Swimming, Adult Swim Lessons)	335 (56.97%)	114 (19.39%)	202 (34.35%)	19 (3.23%)
Educational Classes (Lifelong Learning, Continental Club, Dine & Discover)	295 (50.17%)	101 (17.18%)	189 (32.14%)	5 (0.85%)
Nutrition (Lunches, Meals on Wheels, etc.)	244 (41.5%)	102 (17.35%)	142 (24.15%)	0 (0%)
Clubs, Social, and Support Groups	233 (39.63%)	112 (19.05%)	121 (20.58%)	0 (0%)
Pickleball/Tennis Activities	185 (31.46%)	50 (8.5%)	129 (21.94%)	6 (1.02%)
Events and Parties	169 (28.74%)	85 (14.46%)	83 (14.12%)	1 (0.17%)
Dance (Ballroom and Line)	116 (19.73%)	66 (11.22%)	48 (8.16%)	2 (0.34%)
Transportation Services	111 (18.88%)	71 (12.07%)	39 (6.63%)	1 (0.17%)

ADDITIONAL COMMUNITY ENGAGEMENT FEEDBACK



SFC DOCUMENTED MORE THAN 270 ADDITIONAL COMMENTS

Location:

- Strong affinity for **current location** (Costick Site)
- Strong **opposition** to co-location with The Hawk
- Strong desire to keep “**dedicated feel**” of Costick Center

ADDITIONAL COMMUNITY ENGAGEMENT FEEDBACK



SFC DOCUMENTED MORE THAN 270 ADDITIONAL COMMENTS

Physical Assets:

- Recognition of **declining quality/functionality** of The Costick Center
- **Most desired** assets:
 - **Pool** - differentiated from The Hawk
 - Lap lanes and therapy pool
 - **Pickleball** courts
 - Indoor **walking track**
 - **Group exercise** spaces
 - **Gathering** space/coffee bar
- Strong desire for **single story building**

ADDITIONAL COMMUNITY ENGAGEMENT FEEDBACK



SFC DOCUMENTED MORE THAN 270 ADDITIONAL COMMENTS

Programs and Services:

- Strong connection to **existing staff**
- Request for **expanded times**, particularly evenings and weekends
- Request for **more classes** and programs for both active and passive recreation

ADDITIONAL COMMUNITY ENGAGEMENT FEEDBACK



SFC DOCUMENTED MORE THAN 270 ADDITIONAL COMMENTS

Affordability:

- **Price sensitivity**, particularly relative to daily entry fees at The Hawk
- Recognition of need to focus on **fiscal responsibility**
- **Concern over increased taxes**

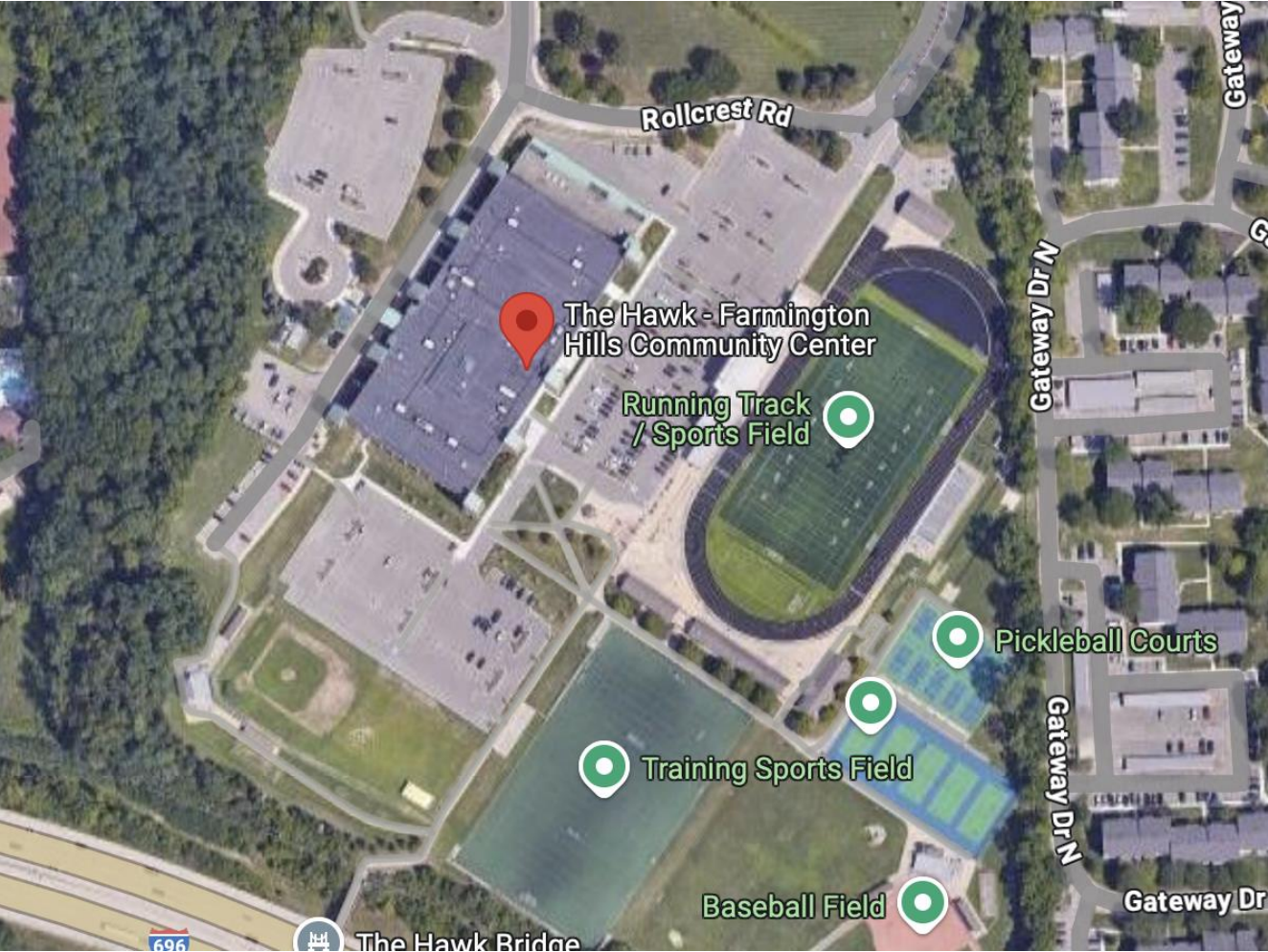
SITE OPTIONS

SITE OPTIONS & ASSESSMENT: COSTICK CENTER SITE



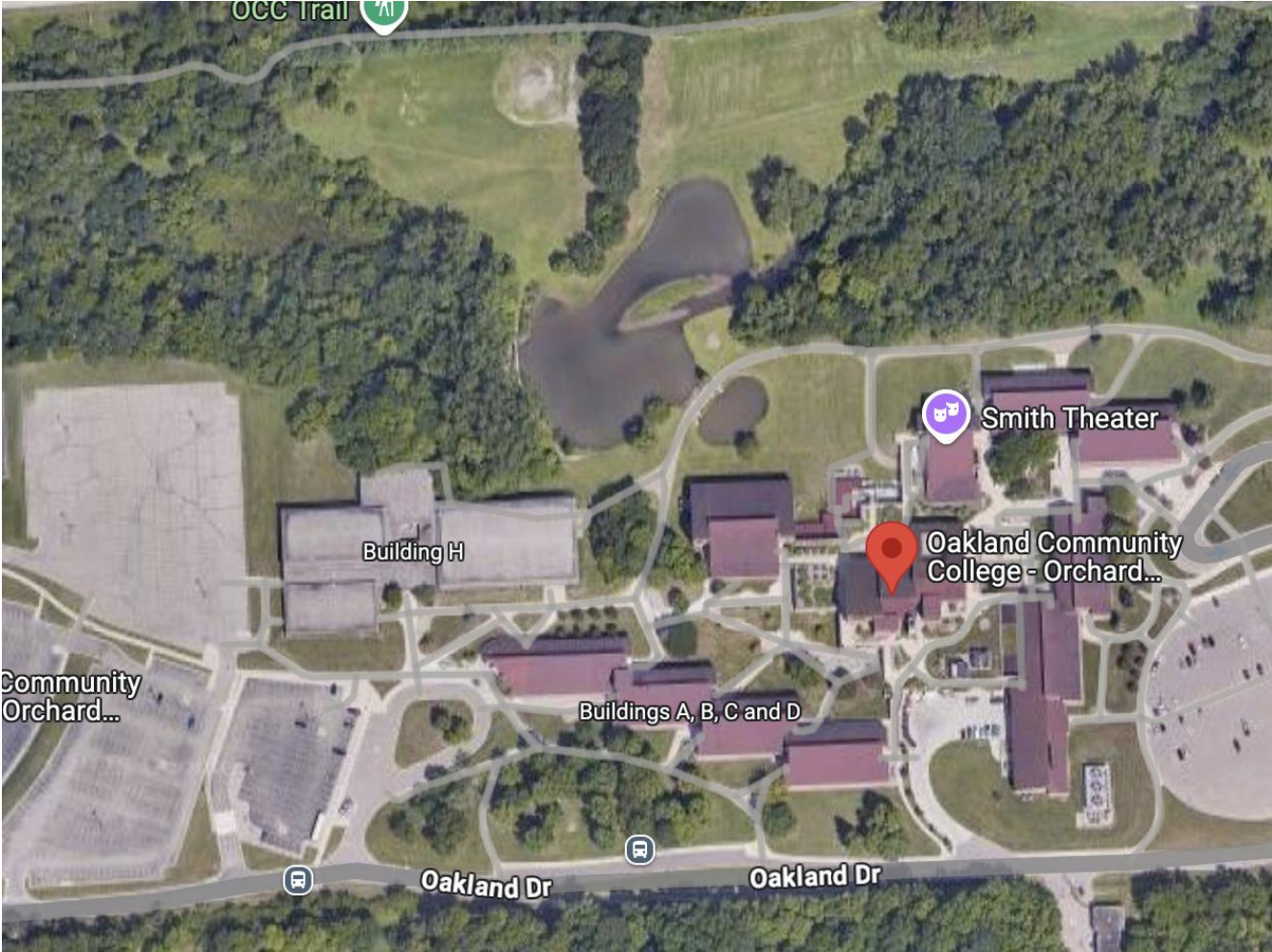
Key Market Stats: 10-Minute Drive Time	
Population Size	62,709
Children/Teens	11,538
50+	27,285
Median Age	44.2
Median Household Income	\$74,082
Memberships/Clubs	\$293
Participative Sports	\$126
Recreation Lessons	\$149

SITE OPTIONS & ASSESSMENT: THE HAWK SITE



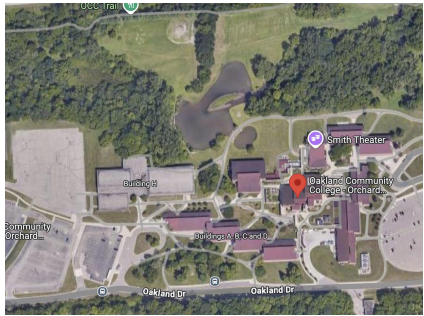
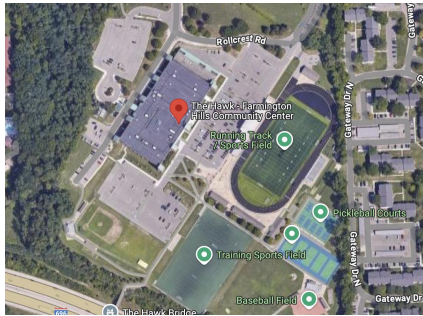
Key Market Stats: 10-Minute Drive Time	
Population Size	80,643
Children/Teens	15,362
50+	36,055
Median Age	45.2
Median Household Income	\$87,046
Memberships/Clubs	\$349
Participative Sports	\$151
Recreation Lessons	\$184

SITE OPTIONS & ASSESSMENT: OAKLAND COMMUNITY COLLEGE SITE



Key Market Stats: 10-Minute Drive Time	
Population Size	90,894
Children/Teens	17,115
50+	38,703
Median Age	43.3
Median Household Income	\$93,479
Memberships/Clubs	\$354
Participative Sports	\$154
Recreation Lessons	\$193

SITE OPTIONS & ASSESSMENT: SERVICE AREA COMPARISON



Key Market Stats: 10-Minute Drive Time			
Key Stat Category	Costick Center Site	The Hawk Site	OCC Site
Population Size	62,709	80,643	90,894
Children/Teens	11,538	15,362	17,115
50+	27,285	36,055	38,703
Median Age	44.2	45.2	43.3
Median Household Income	\$74,082	\$87,046	\$93,479
Memberships/Clubs	\$293	\$349	\$354
Participative Sports	\$126	\$151	\$154
Recreation Lessons	\$149	\$184	\$193

SITE OPTIONS & ASSESSMENT: SITE BENEFITS AND CHALLENGES



COSTICK CENTER SITE

Key Benefits:

- Established, **preferred location** for 50 & Better participants
- Creates **partnership opportunities** with Rose Senior Living
 - Potential for **unit-based income** stream
 - Potential for **shared use of space**
- Can utilize **existing infrastructure** (parking and utilities)
- Maintains “**dedicated space**” feel during peak 50 & Better program times

Key Challenges:

- **Smallest population, lowest median household income** within 10-minute service area of the three sites
- Reduction of **land sale** income opportunity
- Reduction of **property tax** income opportunity



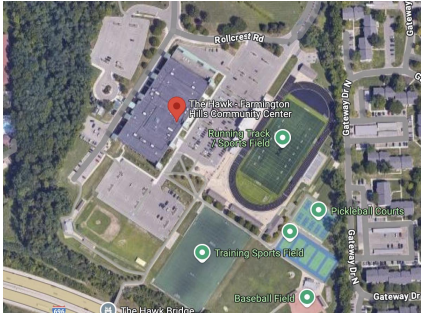
SITE OPTIONS & ASSESSMENT: SITE BENEFITS AND CHALLENGES



THE HAWK SITE

Key Benefits:

- Creates opportunity for **operational efficiencies** (staffing and programming)
- Creates a **hub for active recreation** and service offerings
- Maximizes opportunity for **land sale** and **property tax** income



Key Challenges:

- Reduces “**dedicated space**” feel during peak 50 & Better program times (primarily when school is out of session)
- Requires **additional parking**
- Would likely **reduce outdoor program** opportunities



SITE OPTIONS & ASSESSMENT: SITE BENEFITS AND CHALLENGES



OCC SITE

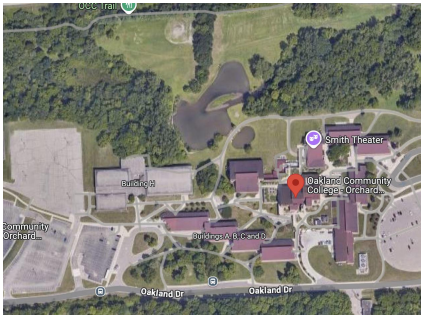
Key Benefits:

- **Largest population, highest median household income** within 10-minute service area of the three sites
- **Low or no cost land** option has been discussed
- Creates opportunity for **integrated education** initiatives (e.g., health sciences)
- Can utilize **existing infrastructure** (traffic signal, parking, and utilities)
- Maximizes opportunity for **land sale** and **property tax** income
- Offers “**dedicated space**” feel during peak 50 & Better program times



Key Challenges:

- Reduces FHSS **operational efficiency** opportunities
- Will require brief **adjustment period** for new location



RECOMMENDED FACILITY OVERVIEW

RECOMMENDED FACILITY PROGRAM

Multi-Function Space: 10,752 SF

- Full area available for events, meals, and large group programming
- Lined for 6 pickleball courts / 2 basketball courts / 2 volleyball courts

Aquatics: 8,872 SF

- 25-yard, 6-lane lap pool
- Wet/dry programming room, admin., storage, and mech. spaces

Flex Space: 14,212 SF

- Integrated walking track
- Commercial kitchen
- Gathering/affinity spaces
- 2 dividable activity rooms = 4 spaces
- Admin. and office space
- 2 group restroom/locker room areas + 3 individual restrooms/changing rooms

Space	Indoor Programming Product/Service	Count	Dimensions L (') W (')	Approx. SF each	Total SF	% of Footprint
Multi-Function Space	Active Recreation & Large Group Gathering Space	1	168 64	10,752	10,752	26.8%
	Pickleball Courts	6	44 20	Over Multi-Function Space		0.0%
	Volleyball Courts	2	60 30	Over Multi-Function Space		0.0%
	Youth Basketball Courts	2	74 42	Over Multi-Function Space		0.0%
	Total Multi-Function Space Sq. Ft.				10,752	26.8%
Aquatics	Pool Natatorium/Deck Space	1	Variable	6,750	6,750	16.8%
	Lap Lane Pool (25 Yard, 6 Lane)	1	- -	Inside Natatorium		0.0%
	Wet/Dry Classrooms/Party Rooms	1	25 20	500	500	1.2%
	Operator & Lifeguard Office Area	1	20 12	240	240	0.6%
	Pool Storage	1	- -	600	600	1.5%
	Pool Mechanical Room	1	- -	782	782	2.0%
	Total Aquatics Sq. Ft.				8,872	22.1%
Flex Space	Lobby/Welcome Area	1	- -	900	900	2.2%
	Manager's Offices	2	10 10	100	200	0.5%
	Office Area	1	- -	600	600	1.5%
	Commercial Kitchen	1	100 30	3,000	3,000	7.5%
	Casual Meeting/Coffee Bar Area	1	30 20	600	600	1.5%
	Meeting/Activity Rooms (dividable)	2	50 40	2,000	4,000	10.0%
	Restrooms/Locker Rooms	2	35 25	875	1,750	4.4%
	Individual Restrooms/Changing Rooms	3	8 8	64	192	0.5%
	Integrated Walking Track (1/16 mile)	1	330 9	2,970	2,970	7.4%
	Total Flex Space Sq. Ft.				14,212	35.5%
	Required SF for Products and Services				33,836	84.4%
	Mechanical, Electrical, Storage, etc.	10% of P&S SF (Excl. Aqua Space)			2,496	6.2%
	Common Area, Stairs, Circulation, etc.	15% of P&S SF (Excl. Aqua Space)			3,745	9.3%
	Total Estimated Indoor Athletic Facility SF				40,077	100%
	Estimated Building Footprint				40,077	
	Total Building Acreage				0.92	

Site Development

		Quantity	Dimensions L (') W (')		Approx. SF each	Total SF	% of Total
Parking Spaces Total	Parking Spaces Total (10'x18' actual, 20' x 20' inc. aisles)	300	20	20	400	120,000	75.0%
	Setbacks, Green Space, Trails, etc.	25% Indoor/Parking, 50% Outdoor				40,019	25.0%
Total Estimated Site Development SF						160,019	100%
Total Site Development Acreage						3.67	
Total Complex Acreage						4.59	

RECOMMENDED FACILITY PROGRAM

Total Building Size: 40,077 SF

- Multi-function space: 10,752 SF
- Aquatics: 8,872 SF
- Flex space: 14,212
- Mech., elec., storage: 2,496 SF
- Common areas & circulation: 3,745 SF

Total Complex Size: 4.59 Acres

- Building: 0.92 Acres
- Parking lot: 2.75 Acres
- Setbacks/green spaces: 0.92 Acres

Space	Indoor Programming Product/Service	Count	Dimensions L (') W (')	Approx. SF each	Total SF	% of Footprint
Multi-Function Space	Active Recreation & Large Group Gathering Space	1	168 64	10,752	10,752	26.8%
	Pickleball Courts	6	44 20	Over Multi-Function Space		0.0%
	Volleyball Courts	2	60 30	Over Multi-Function Space		0.0%
	Youth Basketball Courts	2	74 42	Over Multi-Function Space		0.0%
	Total Multi-Function Space Sq. Ft.				10,752	26.8%
Aquatics	Pool Natatorium/Deck Space	1	Variable	6,750	6,750	16.8%
	Lap Lane Pool (25 Yard, 6 Lane)	1	- -	Inside Natatorium		0.0%
	Wet/Dry Classrooms/Party Rooms	1	25 20	500	500	1.2%
	Operator & Lifeguard Office Area	1	20 12	240	240	0.6%
	Pool Storage	1	- -	600	600	1.5%
	Pool Mechanical Room	1	- -	782	782	2.0%
	Total Aquatics Sq. Ft.				8,872	22.1%
Flex Space	Lobby/Welcome Area	1	- -	900	900	2.2%
	Manager's Offices	2	10 10	100	200	0.5%
	Office Area	1	- -	600	600	1.5%
	Commercial Kitchen	1	100 30	3,000	3,000	7.5%
	Casual Meeting/Coffee Bar Area	1	30 20	600	600	1.5%
	Meeting/Activity Rooms (dividable)	2	50 40	2,000	4,000	10.0%
	Restrooms/Locker Rooms	2	35 25	875	1,750	4.4%
	Individual Restrooms/Changing Rooms	3	8 8	64	192	0.5%
	Integrated Walking Track (1/16 mile)	1	330 9	2,970	2,970	7.4%
	Total Flex Space Sq. Ft.				14,212	35.5%
Required SF for Products and Services					33,836	84.4%
Mechanical, Electrical, Storage, etc. 10% of P&S SF (Excl. Aqua Space)					2,496	6.2%
Common Area, Stairs, Circulation, etc. 15% of P&S SF (Excl. Aqua Space)					3,745	9.3%
Total Estimated Indoor Athletic Facility SF					40,077	100%
Estimated Building Footprint					40,077	
Total Building Acreage					0.92	

Site Development

	Quantity	Dimensions L (') W (')	Approx. SF each	Total SF	% of Total
Parking Spaces Total	Parking Spaces Total (10'x18' actual, 20' x 20' inc. aisles)	300 20 20	400	120,000	75.0%
	Setbacks, Green Space, Trails, etc.	25% Indoor/Parking, 50% Outdoor		40,019	25.0%
Total Estimated Site Development SF				160,019	100%
Total Site Development Acreage				3.67	
Total Complex Acreage				4.59	

OPINION OF PROBABLE COST

USES OF FUNDS	LOW	MID	HIGH
Land Cost	TBD	TBD	TBD
Hard Cost *	\$14,507,361	\$16,119,290	\$17,731,219
Field and Sport Equipment Cost *	\$330,567	\$367,297	\$404,027
Furniture, Fixtures, and Equipment *	\$873,230	\$970,255	\$1,067,281
Soft Costs Construction **	\$2,166,557	\$2,407,286	\$2,648,015
Soft Costs Operations *	TBD	TBD	TBD
Escalation ***	\$1,366,024	\$1,517,804	\$1,669,584
Working Capital Reserve	TBD	TBD	TBD
Total Uses of Funds	\$19,243,739	\$21,381,933	\$23,520,126

**Includes 10% contingency*

*** Architecture, engineering, construction, and related fees*

****9% addition to cover anticipated inflation*

FINANCIAL PERFORMANCE

SUMMARY OF FINANCIAL FORECAST

Revenue	Actuals	Year 1	Year 2	Year 3	Year 4	Year 5
Room/Court Rentals		\$52,800	\$54,384	\$58,816	\$60,581	\$65,518
Senior Center	\$278,358	\$286,709	\$291,009	\$295,374	\$299,805	\$304,302
Senior Nutrition and SMART Grants		<i>Grant Funding</i>				
Aquatics	\$458,355	\$626,012	\$706,382	\$815,871	\$856,665	\$944,473
Sponsorship/Advertisement Revenue		\$37,500	\$45,000	\$50,000	\$50,000	\$50,000
Total Revenue	\$736,712	\$1,003,020	\$1,096,775	\$1,220,062	\$1,267,051	\$1,364,293

SUMMARY OF FINANCIAL FORECAST

Revenue	Actuals	Year 1	Year 2	Year 3	Year 4	Year 5
Room/Court Rentals		\$52,800	\$54,384	\$58,816	\$60,581	\$65,518
Senior Center	\$278,358	\$286,709	\$291,009	\$295,374	\$299,805	\$304,302
Senior Nutrition and SMART Grants		<i>Grant Funding</i>				
Aquatics	\$458,355	\$626,012	\$706,382	\$815,871	\$856,665	\$944,473
Sponsorship/Advertisement Revenue		\$37,500	\$45,000	\$50,000	\$50,000	\$50,000
Total Revenue	\$736,712	\$1,003,020	\$1,096,775	\$1,220,062	\$1,267,051	\$1,364,293
Cost of Goods Sold	Actuals	Year 1	Year 2	Year 3	Year 4	Year 5
Room/Court Rentals		\$2,640	\$2,719	\$2,941	\$3,029	\$3,276
Senior Center		\$157,690	\$160,055	\$162,456	\$164,893	\$167,366
Senior Nutrition and SMART Grants		\$69,000	\$70,035	\$71,086	\$72,152	\$73,234
Aquatics		\$376,369	\$404,379	\$442,678	\$459,056	\$490,556
Sponsorship/Advertisement Expense		\$9,375	\$11,250	\$12,500	\$12,500	\$12,500
Total Cost of Goods Sold		\$615,074	\$648,438	\$691,660	\$711,629	\$746,932
Gross Margin	N/A	\$387,947	\$448,337	\$528,402	\$555,421	\$617,362
<i>% of Revenue</i>		39%	41%	43%	44%	45%

SUMMARY OF FINANCIAL FORECAST

Revenue	Actuals	Year 1	Year 2	Year 3	Year 4	Year 5
Room/Court Rentals		\$52,800	\$54,384	\$58,816	\$60,581	\$65,518
Senior Center	\$278,358	\$286,709	\$291,009	\$295,374	\$299,805	\$304,302
Senior Nutrition and SMART Grants		<i>Grant Funding</i>				
Aquatics	\$458,355	\$626,012	\$706,382	\$815,871	\$856,665	\$944,473
Sponsorship/Advertisement Revenue		\$37,500	\$45,000	\$50,000	\$50,000	\$50,000
Total Revenue	\$736,712	\$1,003,020	\$1,096,775	\$1,220,062	\$1,267,051	\$1,364,293
Cost of Goods Sold	Actuals	Year 1	Year 2	Year 3	Year 4	Year 5
Room/Court Rentals		\$2,640	\$2,719	\$2,941	\$3,029	\$3,276
Senior Center		\$157,690	\$160,055	\$162,456	\$164,893	\$167,366
Senior Nutrition and SMART Grants		\$69,000	\$70,035	\$71,086	\$72,152	\$73,234
Aquatics		\$376,369	\$404,379	\$442,678	\$459,056	\$490,556
Sponsorship/Advertisement Expense		\$9,375	\$11,250	\$12,500	\$12,500	\$12,500
Total Cost of Goods Sold		\$615,074	\$648,438	\$691,660	\$711,629	\$746,932
Gross Margin	N/A	\$387,947	\$448,337	\$528,402	\$555,421	\$617,362
<i>% of Revenue</i>		39%	41%	43%	44%	45%
Facility Expenses		\$202,710	\$203,599	\$206,653	\$209,752	\$212,899
Operating Expense		\$145,492	\$148,365	\$153,497	\$156,635	\$161,214
Management Payroll		\$495,000	\$504,900	\$514,998	\$525,298	\$535,804
Payroll Taxes/Benefits		\$320,201	\$329,996	\$343,067	\$351,452	\$363,240
Total Operating Expenses		\$1,163,403	\$1,186,860	\$1,218,214	\$1,243,137	\$1,273,157
Net Operating Income	N/A	(\$775,456)	(\$738,522)	(\$689,812)	(\$687,716)	(\$655,795)
Cost Recovery		56%	60%	64%	65%	68%

SUMMARY OF FINANCIAL FORECAST

Net Operating Income	N/A	(\$775,456)	(\$738,522)	(\$689,812)	(\$687,716)	(\$655,795)
Cost Recovery	56%	60%	64%	65%	68%	
Debt Service	(\$2,138,193)	(\$2,138,193)	(\$2,138,193)	(\$2,138,193)	(\$2,138,193)	
Existing City Millage - Activities Center Allocation	\$400,000	\$400,000	\$400,000	\$400,000	\$400,000	
Allocation of New City Millage	\$2,713,650	\$2,781,491	\$2,851,028	\$2,922,304	\$2,995,362	
Capital Improvement Fund	(\$200,000)	(\$200,000)	(\$200,000)	(\$200,000)	(\$200,000)	
Total Net Income	\$0	\$104,775	\$223,023	\$296,395	\$401,373	
Cost Recovery (Net Income)	100%	103%	105%	107%	109%	

SUMMARY OF FINANCIAL FORECAST

Net Operating Income	N/A	(\$775,456)	(\$738,522)	(\$689,812)
Cost Recovery		56%	60%	64%
Debt Service		(\$2,138,193)	(\$2,138,193)	(\$2,138,193)
Existing City Millage - Activities Center Allocation		\$400,000	\$400,000	\$400,000
Allocation of New City Millage		\$2,713,650	\$2,781,491	\$2,851,028
Capital Improvement Fund		(\$200,000)	(\$200,000)	(\$200,000)
Total Net Income		\$0	\$104,775	\$223,023
Cost Recovery (Net Income)		100%	103%	105%

KEY CONSIDERATIONS & NEXT STEPS

KEY CONSIDERATIONS & NEXT STEPS

- The City recognizes the **need** and **support** for a **New Activities Center** to replace the Costick Center, which is nearing the end of its operational viability (**safety, utility, and fiscal responsibility**).
- The City recognizes that a **New Activities Center** is **one** key aspect of a broader initiative.
 - ***Maintain*** access to high-impact programs and services
 - ***Enhance*** Farmington Hills' reputation as a top-tier community
 - ***Reduce*** the financial gap of the City's Special Services Department to pre-Hawk performance levels
- SFC's analysis demonstrates an opportunity for a **New Activities Center** to **support those goals**.
- To maximize the opportunity presented by a **New Activities Center** to support the City's goals, the **proposed facility** should be thoughtfully planned, designed, and operated to offer a wide range of activities for residents of all ages. While the **primary focus will be on 50 & Better** programs, the facility should also host **youth and adult programs** and activities during **available times**.
- SFC affirms that each of the **three identified site options** offers both **benefits** and **challenges** for the City, its Special Services department, and community members.
 - SFC is committed to working with City Council, City staff, Special Services Department leadership, and residents to **refine, implement, and execute** the plan for a **New Activities Center**

KEY CONSIDERATIONS & NEXT STEPS

- Related to the broader initiative to reduce the financial gap, SFC recommends **continuing to evaluate and execute the following strategies**:
 - Continue to **expand existing partnerships and establish new partnerships** with service providers and organizations that align with the City's goals for service and performance
 - Continue to **execute operational strategies** to improve performance through fee-based activities and cost mitigation/operational efficiencies
 - Continue to **evaluate services and programs** that do not support the goal of closing the financial gap
 - Continue to **develop strategic action plan** to achieve the Special Services Department's financial targets (Fall 2025)
 - **Expand the parks millage** to support new and improved facilities, programs, and operations
- Given the current financial position of the City, SFC recommends **seeking a new parks millage** that – in part – covers the debt service of a New Activities Center.

KEY CONSIDERATIONS & NEXT STEPS

Existing Parks Millage	Millage by Category	Annual Cost per Household
Parks Maint/Operations	0.0819	
Nature Center	0.0161	
Youth Services	0.0321	
Activities Center/Seniors	0.0856	
Facility/Programs	0.0321	
Cultural Arts	0.0321	
Vehicles/Equipment/Infrastructure	0.1711	
SUBTOTAL	0.4511	\$ 55.95

New Activities Center Parks Millage	Millage (Range)		Annual Cost per Household (Range)	
	Low End	High End	Low End	High End
New Activities Center Debt Service	0.3943	0.4821	\$ 48.90	\$ 59.79

KEY CONSIDERATIONS & NEXT STEPS

Preliminary Expectations for Future Millage	Millage (Range)		Annual Cost per Household (Range)	
	Low End	High End	Low End	High End
Existing Millage	0.4511	0.4511	\$ 55.95	\$ 55.95
New Activities Center Debt Service Millage	0.3943	0.4821	\$ 48.90	\$ 59.79
Parks & Playgrounds Capital Improvement Fund	TBD	TBD	TBD	TBD
Facilities Capital Improvement Fund	TBD	TBD	TBD	TBD
SUBTOTAL	0.8454 + TBD	0.9332 + TBD	\$104.85 + TBD	\$115.74 + TBD
TOTAL FUTURE MILLAGE	TBD	TBD	TBD	TBD



Q&A

THE SPORTS FACILITIES
COMPANIES