

AGENDA
CITY COUNCIL STUDY SESSION
MAY 23, 2022 – 6:00PM
CITY OF FARMINGTON HILLS
CITY HALL – COMMUNITY ROOM
31555 W ELEVEN MILE ROAD
FARMINGTON HILLS, MICHIGAN
Telephone: 248-871-2410 Website: www.fhgov.com

1. Call Study Session to Order
2. Roll Call
3. Discussion on [Water and Sewer Rates](#)
4. Update on [Business Incubator Plan at The Hawk](#)
5. Adjourn Study Session

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. Thank you.

City of Farmington Hills Water and Sewage Disposal Systems

FY 2023 Rate Proposal



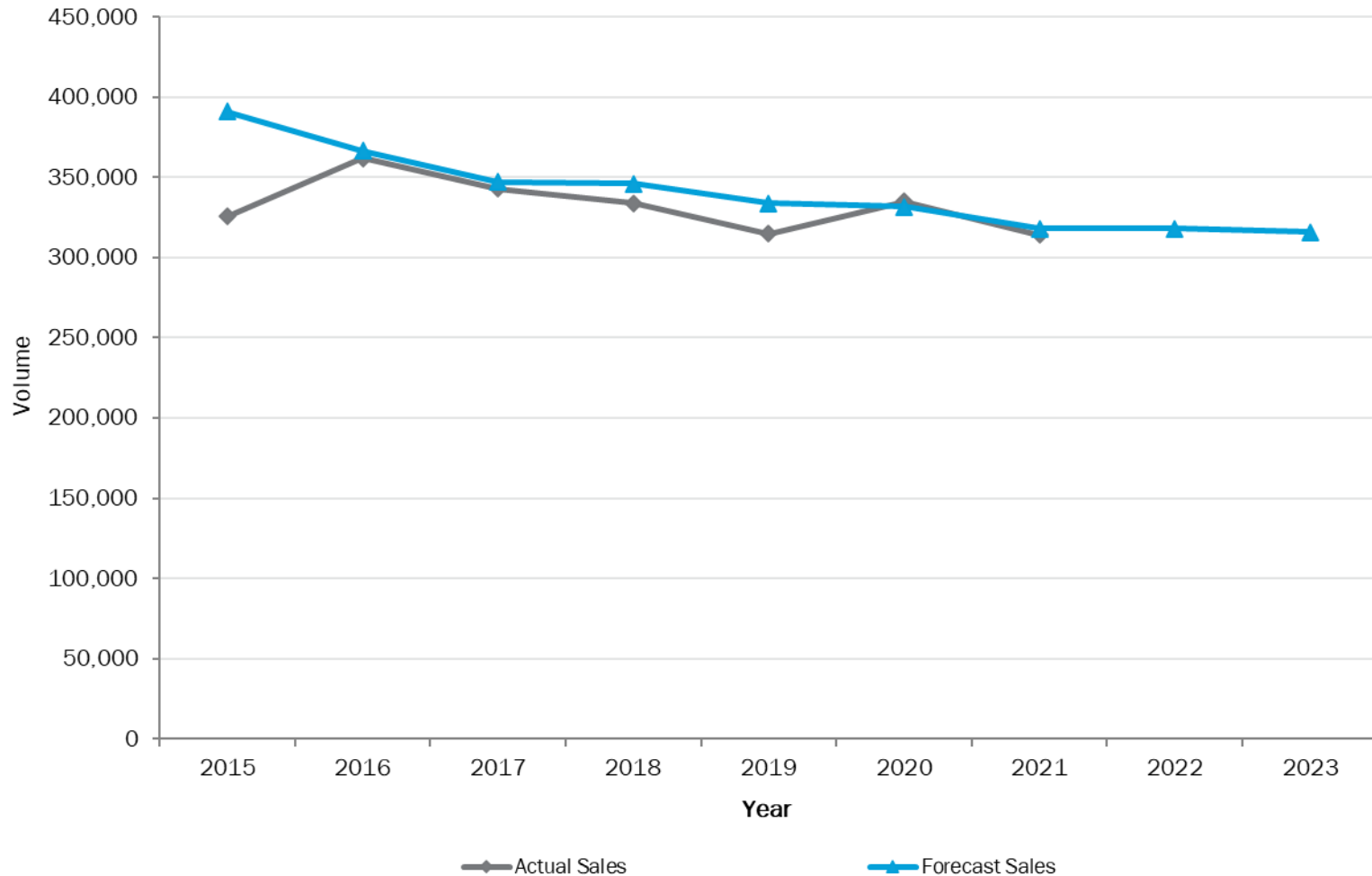
Proposed 2023 Water and Sewer Rates

Basic Rate Calculation

$$\frac{\text{Total Estimated Cost}}{\text{Estimated Sales in Mcf}} = \text{Rate (\$/Mcf)}$$

Sewer Rates

Sewer Volumes



Notes:

FY 2023 sewer sales are forecasted to decrease by 0.7% compared to the prior year (316,000 vs. 318,100)

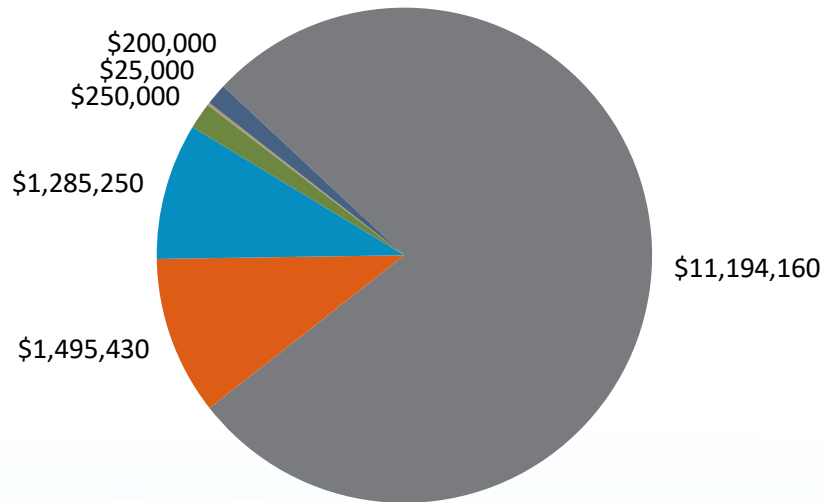
FARMINGTON HILLS SEWER SYSTEM

Description	Sales (Mcf)	Sewage Treatment (\$)	Operating Expense (\$)	Reserves (\$)	Non-Operating (Debt) (\$)	Non-Rate Revenue (\$)	Total (\$)
Fiscal Year 2021-22	318,100	\$ 11,194,160	\$ 1,495,430	\$ 475,000	\$ 1,285,250	\$ (374,930)	\$ 14,074,910
Fiscal Year 2022-23	316,000	11,987,060	1,625,590	475,000	1,289,090	(316,650)	15,060,090
Increase/(Decrease)	(2,100)	792,900	130,160	-	3,840	58,280	985,180
Increase/(Decrease) %	-0.7%	7.1%	8.7%	0.0%	0.3%	-15.5%	7.0%

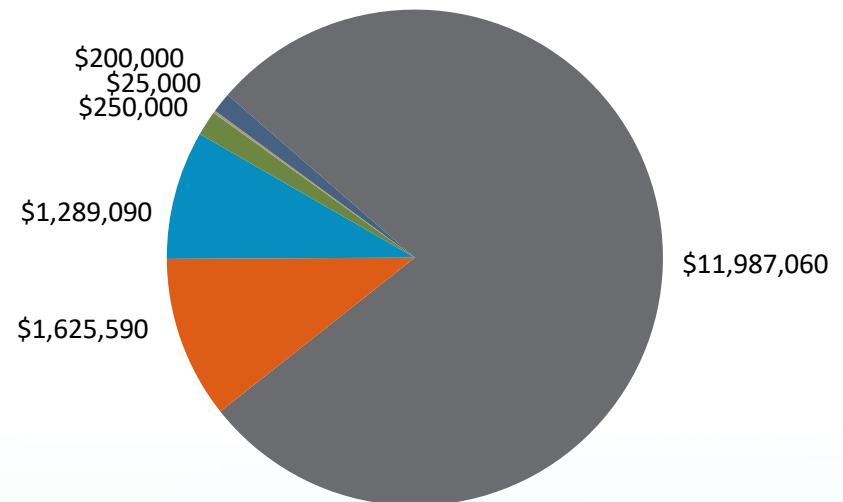
Farmington Hills Sewer

FY Rate Revenue Requirement

2022 Budget



2023 Forecast



- Sewage Treatment
- Operating
- Non-Operating
- Major Maintenance
- Emergency Maintenance
- Capital

SEWER RATE SUMMARY

Fiscal Year	(\$/MCF)												
	EFSDDD	O&M	Non-Rate Revenue	ERM Reserve	CIP Reserve	Maint Reserve	Total Reserves	Total OCWRC	Debt Service	Total	EFSDDD % Change	OCWRC % Change	Total % Change
2021	33.56	4.43	(1.44)	0.03	-	0.31	0.34	3.33	4.05	40.94	11.5%	-39.0%	4.0%
2022	35.19	4.70	(1.18)	0.08	0.63	0.79	1.50	5.02	4.04	44.25	4.9%	50.8%	8.1%
2023	37.93	5.14	(1.00)	0.08	0.63	0.79	1.50	5.64	4.08	47.65	7.8%	12.4%	7.7%

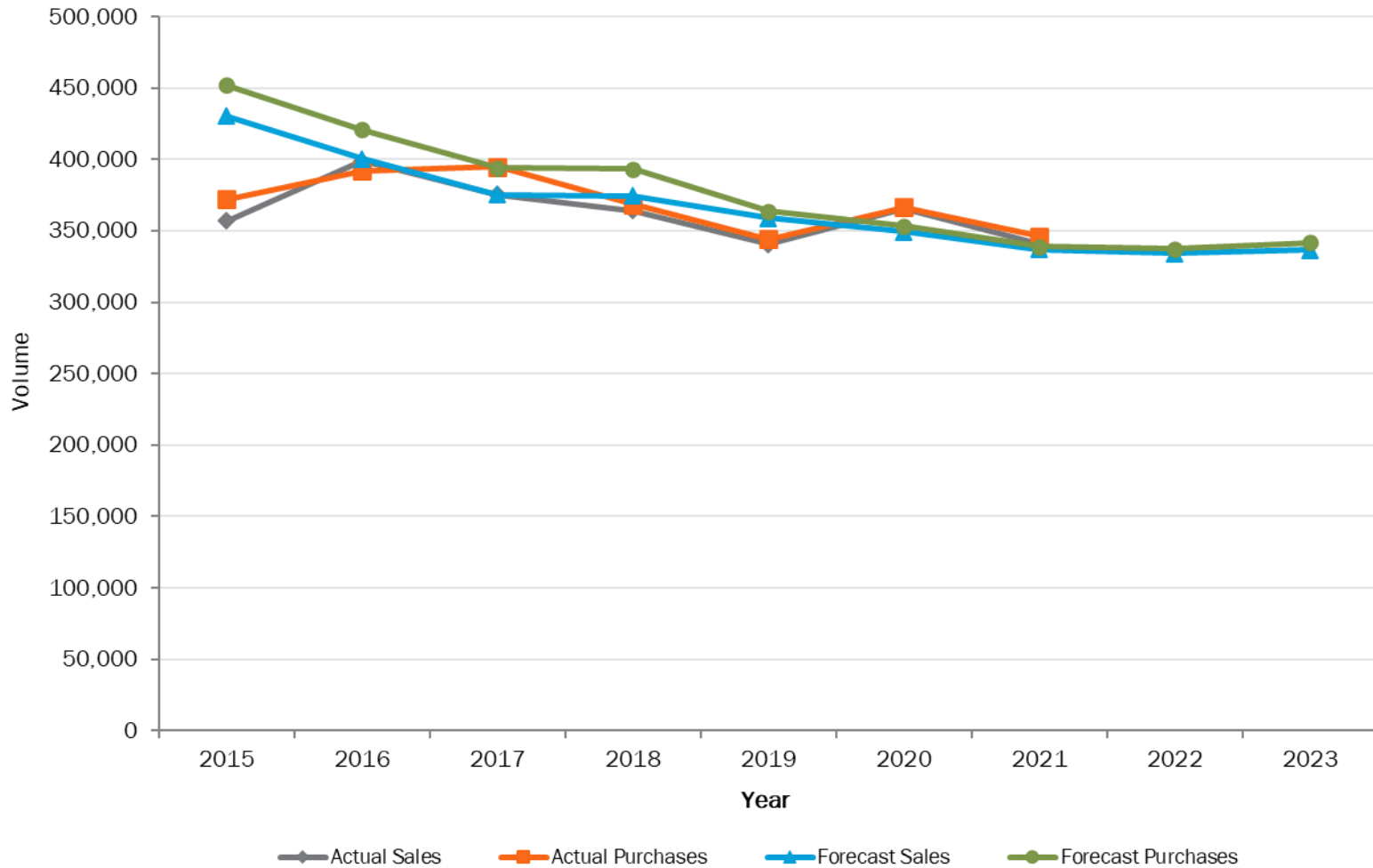
▲ **FY 2023 estimated average quarterly increase = \$13.26 per residential customer**

▲ **FY 2023 estimated quarterly bill = \$185.84**

▲ **FY 2023 minimum quarterly increase = \$5.44 \$70.80 vs. \$76.24**

Water Rates

Water Volumes



Notes:

FY 2023 water sales are forecasted to increase by 0.6% compared to the prior year (336,400 vs. 334,300)

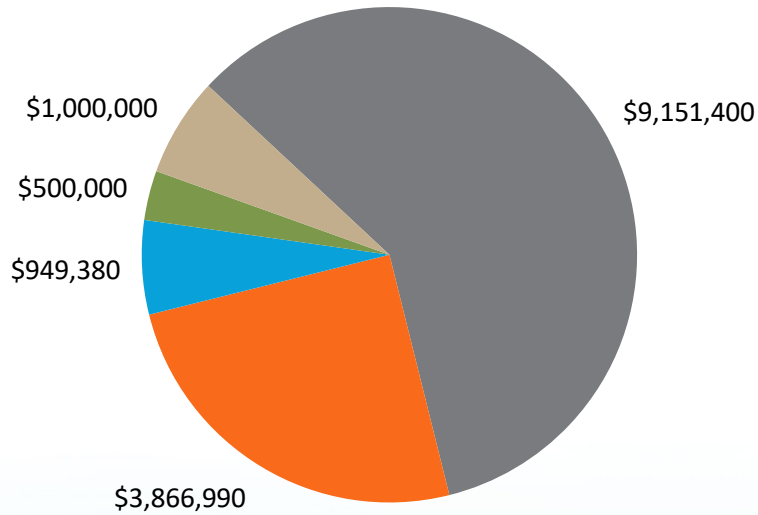
FARMINGTON HILLS WATER SYSTEM

Description	Sales (Mcf)	Purchased Water (\$)	Operating Expense (\$)	Reserves (\$)	Non-Operating (Debt) (\$)	Non-Rate Revenue (\$)	Total (\$)
Fiscal Year 2021-22	334,300	\$ 9,151,400	\$ 3,866,990	\$ 1,500,000	\$ 949,380	\$ (884,300)	\$ 14,583,470
Fiscal Year 2022-23	336,400	9,511,660	4,082,090	1,500,000	920,750	(778,030)	15,236,470
Increase/(Decrease)	2,100	360,260	215,100	-	(28,630)	106,270	653,000
Increase/(Decrease) %	0.6%	3.9%	5.6%	0.0%	-3.0%	-12.0%	4.5%

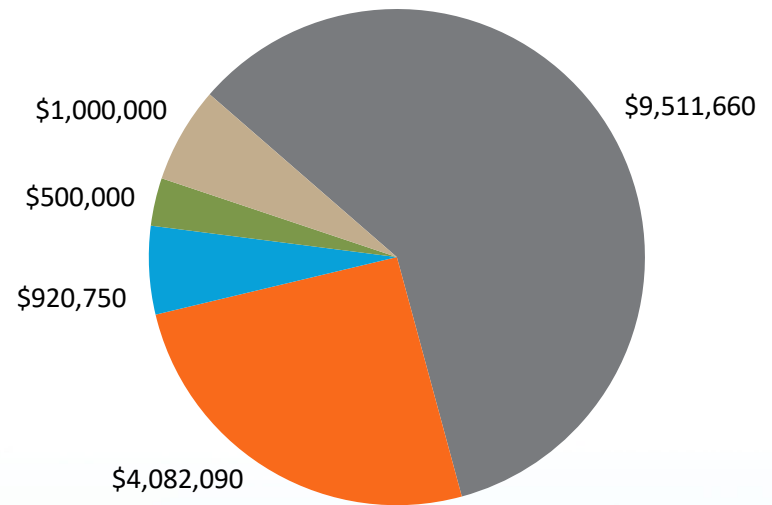
Farmington Hills Water

FY Rate Revenue Requirement

2022 Budget



2023 Forecast



- Water Purchases
- Operating
- Non-Operating
- Major Maintenance
- Capital

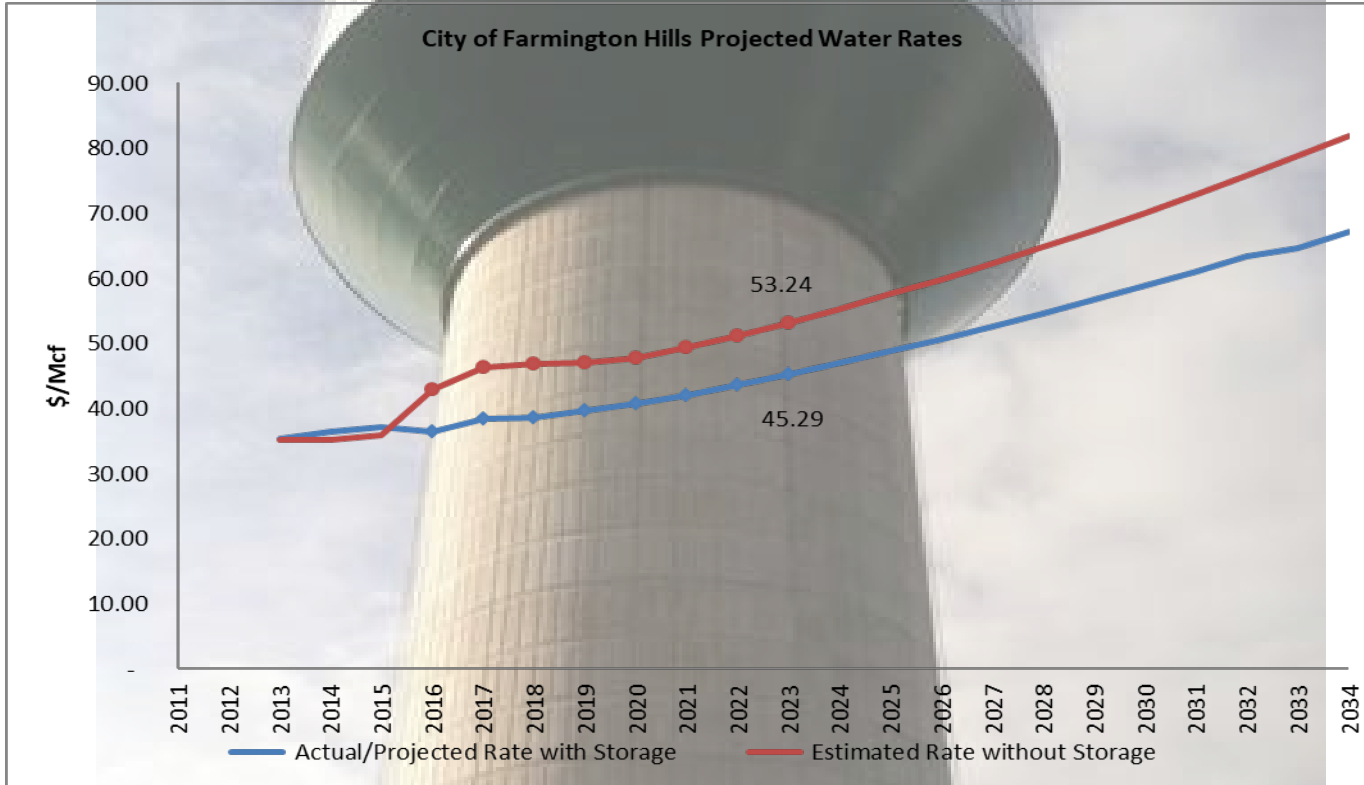
WATER RATE SUMMARY

Fiscal		(\$/Mcf)										
Year	GLWA	O&M	Debt Service	Maint Reserve	Capital Reserve	Non-Rate Revenue	Total OCWRC	Total	Change	GLWA % Change	OCWRC % Change	Total Change
2021	26.46	11.42	3.05	0.89	2.97	(2.75)	15.58	42.04	1.26	4.0%	1.3%	3.1%
2022	27.37	11.56	2.84	1.50	2.99	(2.64)	16.25	43.62	1.58	3.3%	4.3%	3.8%
2023	28.27	12.13	2.74	1.49	2.97	(2.31)	17.02	45.29	1.67	3.2%	4.7%	3.8%

▲ **FY 2023 estimated average quarterly increase = \$6.51 per residential customer**

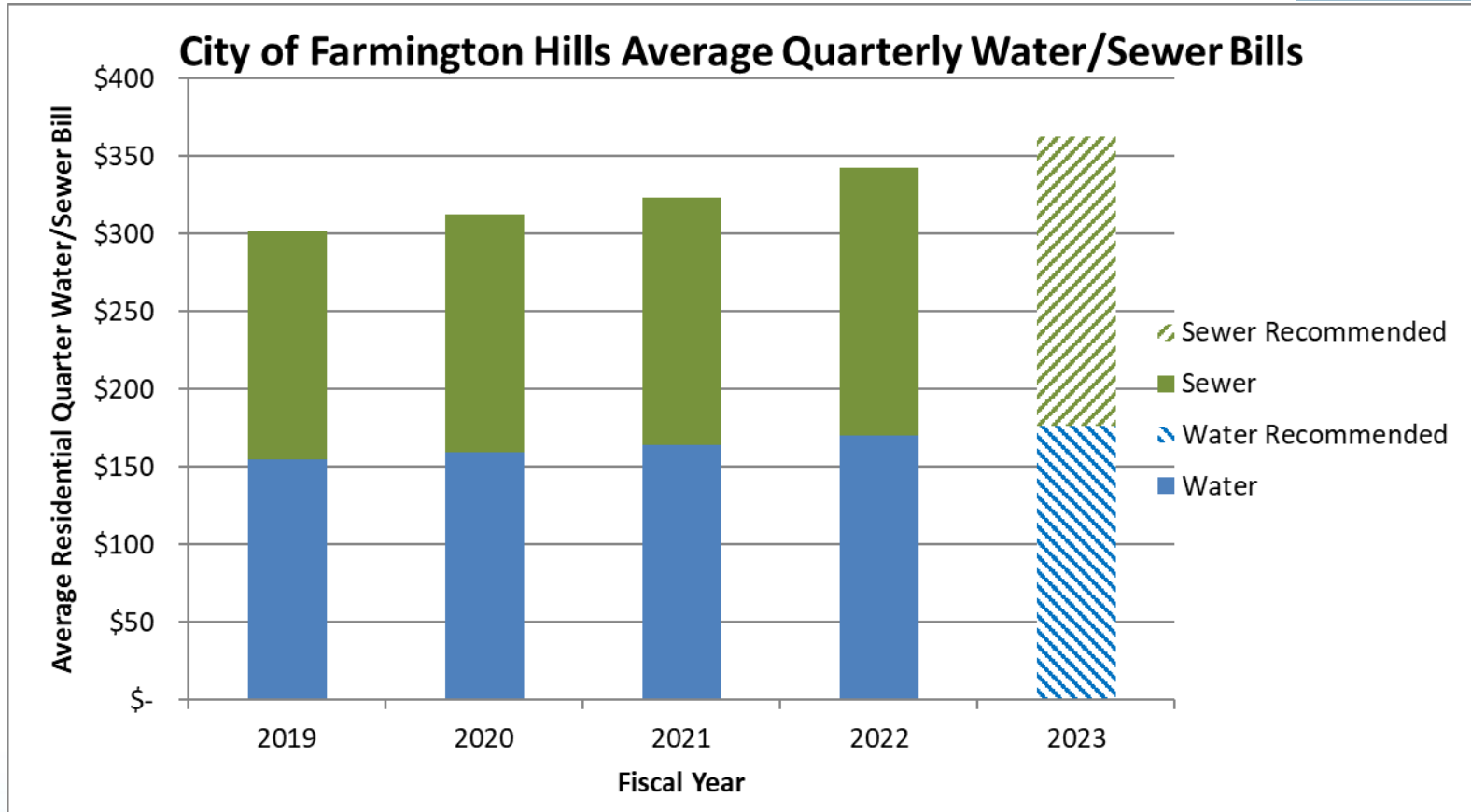
▲ **FY 2023 estimated quarterly bill = \$176.63**

▲ **FY 2023 minimum quarterly increase = \$2.67 \$69.79 vs. \$72.46**



- ▲ **FY 2023 estimated GLWA annual charges using PRE-storage demands = \$12,186,000**
- ▲ **FY 2023 GLWA projected annual charges using POST-storage demands = \$9,512,000**
- ▲ **FY 2023 estimated savings = \$2,674,000**
- ▲ **Estimated total savings thru FY 2023 = \$20,055,000**

Water and Sewer Combined Rates



	GLWA Fiscal Year				
	2019	2020	2021	2022	2023
Water	\$ 154.87	\$ 159.04	\$ 163.96	\$ 170.12	
Water Recommended					\$ 176.63
Sewer	146.68	153.54	159.67	172.58	
Sewer Recommended					185.84
Total	\$ 301.55	\$ 312.58	\$ 323.63	\$ 342.70	\$ 362.47
% Change		3.7%	3.5%	5.9%	5.8%

Based on consumption of 3.9 thousand cubic feet per quarter

MAJOR CAPITAL EXPENSES

Water System (through 2030):

Kimberly Subdivision	\$6M
Kendallwood Subdivisions 1-4	\$19M
Westbrook Manor Subdivisions 1-4	\$16M
Old Homestead Subdivision	\$5M

Sanitary Sewer System (through 2030):

EFSD CAP (FH Share)	\$37M
Annual System Renewal	\$2.5M-\$4M/year

Q & A

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.

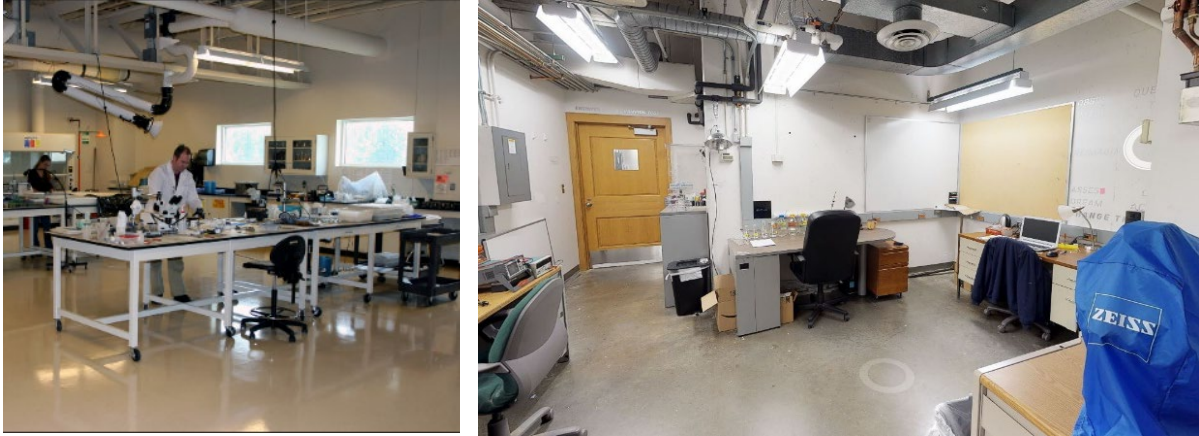
EXHIBIT 1. Images of Wet Labs



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

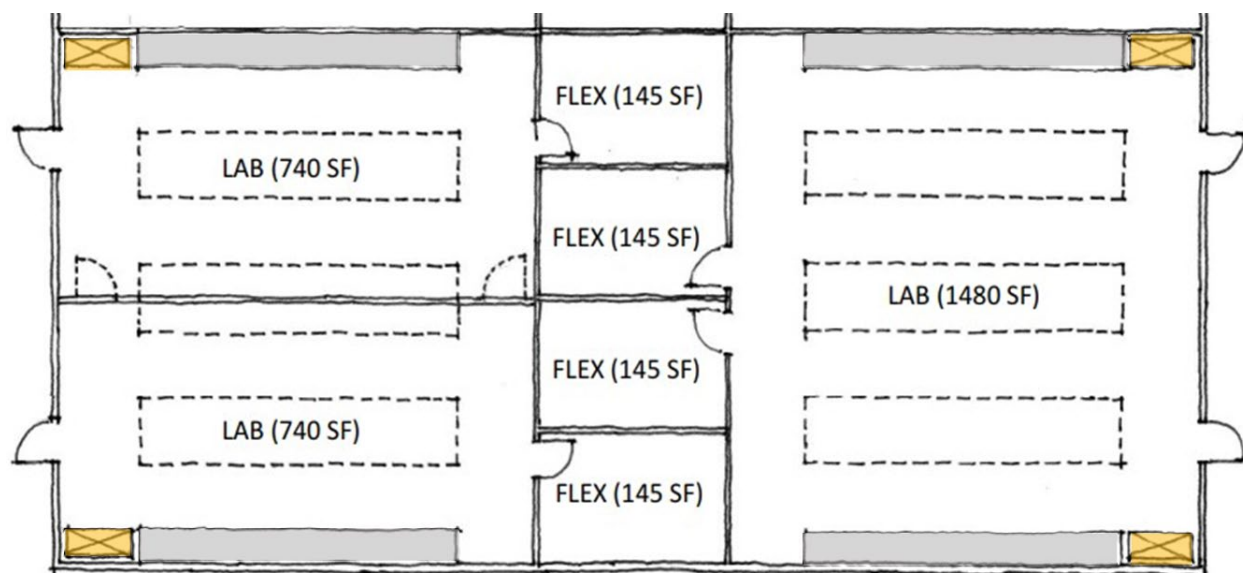
The Hawk was originally constructed between 1968 and 1970 as Harrison High School, which closed at the end of the 2018–2019 school year. The building code in place when Harrison High School was constructed was the 1965 and 1967 Building Officials and Code Administrators (BOCA) Basic Building Code. Although 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

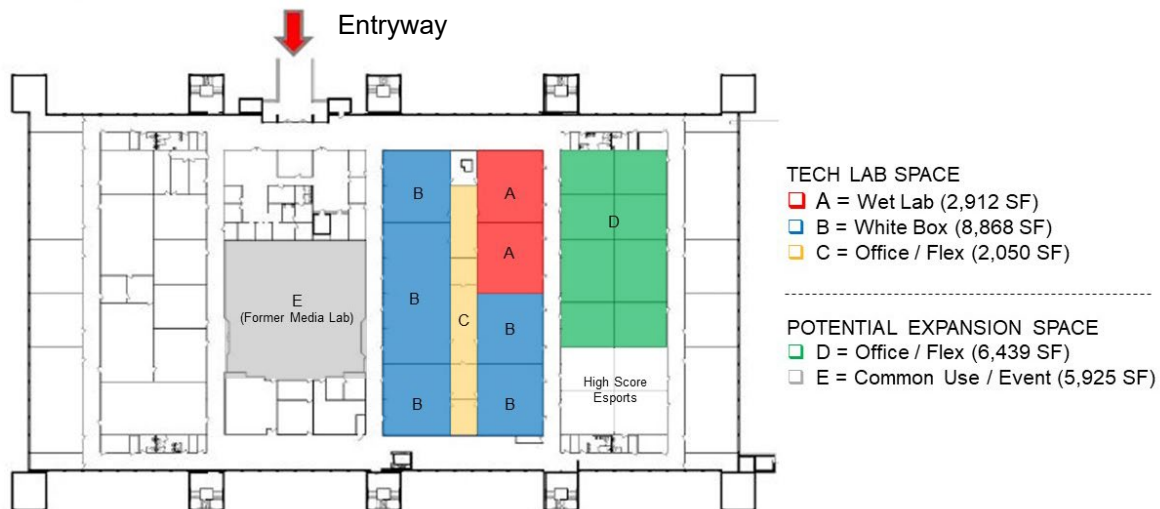
	Core Space	Expansion Area	Core + Expansion
Space Allocation	Square Feet	Square Feet	Square Feet
Wet lab	2,912	-	2,912
White box	8,868	-	8,868
Office/flex	2,050	6,439	8,489
Common area/event	-	5,925	5,925
Total	13,830	12,364	26,194
Renovation Costs	Cost per s.f.	Cost per s.f.	Cost per s.f.
Wet lab	\$225	-	\$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 and 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



Women owned and [widely recognized](#) for our work and culture.

On Wed, Apr 6, 2022 at 4:39 PM Joseph Valentine <JValentine@fhgov.com> wrote:

Tim,

Based on some recent conversations on the Business Incubator can you update the proforma for the Incubator to reflect having only one Wet Lab built out instead of 2 as an initial step? The second Wet Lab would be white boxed for now. If you have any questions, or require anything further, please let me know.

Thank you,

Joseph A. Valentine

Assistant City Manager

City of Farmington Hills

31555 West Eleven Mile Road

Farmington Hills, MI 48336

248.871-2500

jvalentine@fhgov.com

www.fhgov.com

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 areas)	\$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	\$2,500	\$2,600	\$2,700	\$2,800	\$2,900	\$3,000	\$3,100	\$3,200	\$3,300	\$3,400
Insurance	\$5,000	\$5,200	\$5,400	\$5,600	\$5,800	\$6,000	\$6,200	\$6,400	\$6,600	\$6,800
Legal Expenses	\$45,900	\$55,700	\$70,400	\$79,500	\$82,300	\$85,200	\$88,200	\$91,300	\$94,500	\$97,800
Utilities (electricity, water, internet)	\$40,000	\$60,000	\$75,000	\$10,000	\$10,000	\$10,000	\$15,000	\$15,000	\$15,000	\$15,000
Equipment/furniture	\$10,000	\$10,000	\$10,000	\$10,000	\$15,000	\$15,000	\$15,000	\$20,000	\$20,000	\$20,000
Facility maintenance	\$213,400	\$247,400	\$281,400	\$229,900	\$242,300	\$249,900	\$262,800	\$275,900	\$284,300	\$293,000
Total Operating Expenses										
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:												
Rent Inflation (starting Year 4)											3.5%	
											2.0%	
Rental Income Per S.F.												
Wet lab	\$28	\$28	\$28	\$29	\$29	\$30	\$30	\$30	\$31	\$32	\$32	\$32
White box	\$13	\$13	\$13	\$14	\$14	\$14	\$14	\$14	\$14	\$15	\$15	\$15
Office/flex (wet lab)	\$28	\$28	\$28	\$29	\$29	\$30	\$30	\$30	\$31	\$32	\$32	\$32
Office/flex (expansion area)	\$18	\$18	\$18	\$19	\$19	\$19	\$19	\$19	\$20	\$20	\$20	\$21
Available Space												
Wet lab	1,456	4,123	8,835	11,780	11,780	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	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	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	6,439	6,439
Occupancy												
Wet lab	25%	50%	75%	90%	90%	90%	90%	90%	90%	90%	90%	90%
White box	25%	25%	15%	0%	0%	0%	0%	0%	0%	0%	0%	0%
Office/flex (wet lab)	25%	50%	75%	90%	90%	90%	90%	90%	90%	90%	90%	90%
Office/flex (expansion area)	10%	30%	50%	80%	80%	80%	80%	80%	80%	80%	80%	80%
Expenses												
Utilities/s.f. - Wet Lab	\$6											
Utilities/ s.f. - Office/Other	\$3											
Taxes	\$1.76											

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

of the City of Farmington Hills

DRAFT

**AGENDA
CITY COUNCIL MEETING
MAY 23, 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 (6:00 P.M. Community Room – See Separate Agenda)

REGULAR SESSION MEETING

CALL REGULAR SESSION MEETING TO ORDER

PLEDGE OF ALLEGIANCE

ROLL CALL

1. Approval of regular session meeting agenda
2. Proclamation recognizing May 2022 as [National Nurse’s Month](#)
3. Proclamation recognizing June 2022 as [Scleroderma Awareness Month](#)
4. Proclamation recognizing June 2022 as [LGBTQ Pride Month](#)

CORRESPONDENCE

CONSENT AGENDA - (See Items No. 6 - 12)

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

UNFINISHED BUSINESS:

5. 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.

CONSENT AGENDA:

6. Recommended approval of a Michigan Economic Development Grant Project for the Fire Department. [CMR 5-22-52](#).
7. Recommended approval of a [Special Event Permit](#) for the Farmington Area Juneteenth Celebration to be held on Friday, June 17, 2022.
8. 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.
9. Recommended approval of a [request for employment](#) under Section 10.01A of the City Charter for a Camp Instructor at The Hawk.
10. 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.
11. Recommended approval of City Council [study session meeting minutes](#) of May 9, 2022.
12. Recommended approval of the City Council [regular session meeting minutes](#) of May 9, 2022.

ADDITIONS TO AGENDA

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
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, the year that 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.

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

Vicki Barnett, Mayor



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.

A handwritten signature in black ink that reads "Vicki Barnett". The signature is fluid and cursive, with a large initial "V".

Vicki Barnett, Mayor



**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.

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

Vicki Barnett, Mayor

ORDINANCE NO. C-3-2022

**CITY OF FARMINGTON HILLS
OAKLAND COUNTY, MICHIGAN**

AN ORDINANCE 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 LICENSES AND SPECIAL PERMITS, STANDARDS OF CONDUCT, HOURS OF OPERATION, AND TEMPORARY CLOSURES IN THE INTEREST OF THE PUBLIC HEALTH, SAFETY, AND WELFARE.

THE CITY OF FARMINGTON HILLS ORDAINS:

Section 1 of Ordinance. Ordinance Amendment.

The Farmington Hills City Code, Chapter 8, "Business Licenses," Article II, "Smoking Lounges," is hereby amended to read as follows:

ARTICLE II. SMOKING LOUNGES

DIVISION 1. – GENERALLY.

Section. 8–41. – Purpose and intent.

In 2008, the Public Health Code was amended to prohibit smoking in public places. Since that time, smoking establishments have become increasingly popular. Cigar bars and tobacco specialty retail stores that meet certain qualifications and were in existence on May 1, 2010, are exempt from the prohibition on smoking in public places, and state-issued exemption certificates may be transferred and granted by the State of Michigan. Since 2010, the City has experienced an increase in the number of various types of smoking lounges in the City raising public health, safety, and welfare concerns. More recently, the City has also experienced a number of incidents—involving homicides, shootings, fighting, illegal drugs, and other serious criminal and life-threatening incidents—requiring police responses at hookah smoking lounges that is disproportionately higher than for other types of businesses in the community raising significant public safety and welfare concerns. The City has also studied other communities and notes high levels of such incidents elsewhere throughout southeast Michigan and

other urban areas in the nation. Based on a study of incidents in the City, reviewed by City Council, there have been over 100 police incidents involving five hookah smoking lounges since 2014, including homicides, shootings, stabbings, fleeing and eluding, assault on police officers and others, weapons offenses, narcotics possession and trafficking, fighting, drunk driving, and stolen vehicles. 26% of these incidents occurred before 10:00 p.m., 21% occurred between 10:00 p.m. and 12:00 a.m., and 53% occurred after 12:00 a.m. Based on its review and studies of the incidents and experiences involving hookah smoking lounges within the City of Farmington Hills and various types of smoking lounges in other communities (including both hookah and non-hookah smoking lounges), this Article is intended to establish tailored and reasonable regulations to promote proper and responsible management and operation of the various types of smoking lounge establishments, prevent potential adverse public safety, security, and welfare impacts that have been experienced in the City relating to the operation of the various types of smoking lounge establishments, and generally protect the public health, safety and welfare.

Section. 8-42. – Definitions.

The following words, terms and phrases, when used in this Article, shall have the following meanings:

(a) "Cigar" means any roll of tobacco wrapped in leaf tobacco or in any substance containing tobacco. Cigar does not include a cigarette.

(b) "Cigarette" means a roll for smoking made wholly or in part of tobacco, irrespective of size or shape and irrespective of the tobacco being flavored, adulterated, or mixed with any other ingredient, which roll has a wrapper or cover made of paper or any other material. Cigarette does not include cigars.

(c) "Cigar bar" shall mean an establishment or area within an establishment that is open to the public and is designated for the smoking of cigars, purchased on the premises or elsewhere.

(d) "Hookah" means a device, including a waterpipe, used for smoking hookah tobacco that consists of a tube connected to a chamber where the smoke is cooled passing through water.

(e) "Hookah smoking lounge" shall mean a smoking lounge that provides or allows use of hookahs in a designated area within or throughout the establishment.

(f) "Hookah tobacco" means tobacco that is designed, manufactured, or otherwise intended for consumption by smoking in a hookah and that is flavored with honey, molasses, fruit, or other natural or artificial flavors. Hookah tobacco includes those

products commonly known or referred to as narghile, argileh, shisha, hubble-bubble, molasses tobacco, waterpipe tobacco, maassel, or goza.

(g) "Noncigarette smoking tobacco" means tobacco sold in loose or bulk form that is intended for consumption by smoking and also includes roll-your-own cigarette tobacco, hookah tobacco, pipe tobacco, or a wrap.

(h) "Non-tobacco products" shall include any product or substance that is not a tobacco product but may be consumed by smoking, including, but not limited to, e-cigarettes, bidis, kreteks, clover cigarettes, herbal cigarettes, electronic and herbal hookah, steam stones, and smoking gels.

(i) "Smoking lounge" shall mean an establishment which allows use of tobacco products, non-tobacco products, or other similar legal substances on its premises, including, but not limited to, cigar bars and lounges, hookah smoking lounges, tobacco bars and lounges, tobacco clubs, and similar types of establishments.

(j) "Smokeless tobacco" means snuff, snus, chewing tobacco, moist snuff, and any other tobacco that is intended to be used or consumed, whether heated, chewed, absorbed, dissolved, inhaled, snorted, sniffed, or ingested, by any means other than smoking or combustion.

(k) "State of Michigan Exemption Certificate" shall mean the exemption certificate required under Part 126 of the Michigan Public Health Code (MCL 333.12601, *et seq.*), being Public Act 368 of 1978, as amended from time to time.

(l) "Tobacco bar" shall mean an establishment or area within an establishment that is open to the public and is designated for the smoking of tobacco products, purchased on the premises or elsewhere.

(m) "Tobacco product" shall mean a product containing any amount of tobacco regardless of form including, but not limited to, cigarettes, cigars, noncigarette smoking tobacco, or smokeless tobacco.

DIVISION 2 – LICENSE.

Section 8–45 – License required.

A person shall not operate a smoking lounge in the City without a valid and effective smoking lounge license and any applicable special permits issued pursuant to the provisions of this Chapter.

Section 8-46 – Chapter 8 applicability.

Smoking lounges shall be subject to the provisions of this Article and Article I of this Chapter.

Section 8-47 – License application.

To apply for a smoking lounge license, the owner(s) of the proposed smoking lounge shall submit to the City Clerk a fully completed application on a form that is prepared and furnished by the City Clerk. The application shall include at least the following information:

(a) The full legal name, telephone number, and current address of all owner(s) of the proposed smoking lounge, who, together, shall be referred to in this Article as the "applicant," and:

- (1) If the applicant involves a partnership, the name and address of each person who is a partner shall be listed, and a copy of any partnership agreement shall be included as part of the application.
- (2) If the applicant involves a privately held corporation, the name and address of each corporate officer, member of board of directors and stockholder shall be listed, and a copy of the articles of incorporation shall be included as part of the application.
- (3) If the applicant involves a publicly held corporation, the name and address of each corporate officer, member of the board of directors and each stockholder who owns ten percent (10%) or more of the corporate stock shall be listed on the application.
- (4) If the applicant involves a limited liability company, the name and address of each person who is a member, manager and assignee of a membership interest shall be listed, and the articles of organization shall be included as part of the application.

(b) If the name of the smoking lounge is or will be different than the name of the applicant, then the smoking lounge business name must be registered with the State of Michigan as the applicant "doing-business-as" that business at the location proposed to be licensed, and the applicant must provide the City with a copy of all such DBA registration paperwork filed with the state and the doing business as name, address, and telephone number. Any license issued under this Article will be in the name of the applicant followed by applicant's doing-business-as name, if any.

(c) The address and phone number of the location at which the smoking lounge is proposed to be licensed to operate in the City.

(d) A written statement as to the applicant's experience in operating a smoking lounge or a similar business.

(e) The legal name and any aliases; home address; telephone numbers; date of birth; and driver's license number of all persons who will serve as a manager or agent or who will operate the proposed licensed premises, and the experience of each such person in operating a smoking lounge or a similar business.

(f) A concise statement as to the prior and current employment of each individual identified on the application pursuant to subsections (a) through (e) above.

(g) With respect to each individual identified on the application pursuant to subsections (a) through (e) above, a statement identifying and describing each and every charge and conviction or finding of responsibility of each such individual for a violation of any federal, state, or local law involving moral turpitude, dishonesty, fraud, violence, criminal sexual conduct, controlled substances, the sale, distribution, or furnishing of tobacco, or the sale, distribution, or furnishing of alcoholic liquors.

(h) A security plan for maintaining the premises as a safe and secure environment for patrons and employees and to ensure that the smoking lounge, including interior and external areas, is maintained and operated, at all times, in such a manner as not to result in breaches of the peace or a menace to the health, safety, or welfare of the public.

(i) A valid and effective State of Michigan Exemption Certificate and any other state or county permits, if required to operate the smoking lounge at the proposed licensed premises. The State of Michigan Exemption Certificate and all other state and county permits must be issued to and in the name of the applicant for the smoking lounge business to be licensed or its doing-business-as name.

(j) A complete copy of a fully executed deed, lease, or rental agreement, including any amendments, addendums, exhibits and other materials attached thereto, providing the applicant the exclusive right of use, occupancy, and possession of the proposed licensed premises as a smoking lounge, including use as a hookah lounge and for dancing and/or live entertainment if applicable.

(k) A fully executed indemnification agreement in a form approved by the City Attorney, in which the applicant agrees to indemnify and hold harmless the City and its officers, employees, agents, and representatives from any and all damages, injuries,

adverse health impacts, liability, claims, actions, losses, demands and/or lawsuits, including attorney fees and costs, that arise out of the applicant's operation of the smoking lounge, including use as a hookah lounge and for dancing and/or live entertainment if applicable.

(l) Proof of insurance in the amounts and types of coverage established by resolution of City Council naming the City as an additional insured and evidencing that the applicant, as well as each person that will be employed by the applicant, is covered by such insurance policy for any and all damages, injuries, adverse health impacts, liability, claims, actions, losses, demands and/or lawsuits that arise out of the applicant's operation of the smoking lounge, including use as a hookah lounge and for dancing and live entertainment if applicable, and the actions and inactions of its employees.

(m) If the applicant is seeking a special permit to allow live entertainment and/or dancing at the proposed licensed premises, the application shall include a floor plan of the entire premises that is drawn to scale showing the following information: the proposed size and dimensions of the designated dance-entertainment area that will be utilized for the live entertainment and/or dancing, the floor area of which shall be no less than 100 square feet; (ii) the proposed location of the designated dance-entertainment area in relation to all walls, doors, windows, areas, rooms, seats, tables, chairs, and other furniture and installations within the premises; (iii) the materials that will be used to construct the designated dance-entertainment area; (iv) how the designated dance-entertainment area will be well defined and clearly marked; and (v) how the designated dance-entertainment area will comply with all other requirements of this Article.

(n) If the applicant is seeking a special hookah smoking lounge permit at the proposed licensed premises, the application shall include the following information: (i) a floor plan of the entire premises that is drawn to scale and identifies all areas that will be designated and utilized for the use of hookahs and the consumption of hookah tobacco, the location of all interior and exterior security video cameras and the recording equipment for such cameras, and the primary locations at which security personnel shall be posted during business hours; (ii) a written plan establishing that security cameras will be installed in locations and sufficient quantity to ensure that all doors, interior areas (except restrooms), and exterior areas of the smoking lounge and the parking lot will be video-taped at all times the smoking lounge is open for business or occupied by personnel or others; (iii) a written plan stating the number of security personnel that will be on hand during and after business hours and committing that such security personnel will monitor and maintain security of all interior areas and at all ingress-egress points of the smoking lounge while the smoking lounge is open for business; and (iv) how the smoking lounge will comply with all other requirements of this Article.

(o) The proposed hours of operation.

(p) Payment of the correct license fee and any special permit fees to the City in the amounts established by resolution of the City Council.

(q) Any other information reasonably determined by the City Clerk to be pertinent to the applicant and the operation of the proposed licensed business.

In the event of a change in any of the data or information required or furnished to the City under this section after a smoking lounge license has been issued, the holder of the license shall notify the city clerk of each such change within ten (10) days after such change occurs.

Section 8-48 – Investigation and approval.

Upon receipt of a completed application, the City Clerk shall, at a minimum, forward the application materials to the Police Department, Fire Department, Building Division, and Planning and Community Development Department for review, investigation, and certification. During business hours or at another mutually agreeable time, the applicant shall allow representatives of these departments and division onto the property and into the proposed licensed premises as part of their investigation, review, and certification. If, after review, all City departments and divisions certify and recommend approval of the application and unless the Clerk finds that one or more of the reasons for denial under Section 8-49 applies, the City Clerk shall approve and issue a smoking lounge license to the applicant, including a special dance-entertainment permit and special hookah smoking lounge permit if applied for.

Section 8-49 – Basis for denial.

An application for a smoking lounge license, and any special permits requested thereunder, may be denied upon a non-certification or recommendation for denial by any of the departments or divisions to which the application was submitted for review or for one or more of the following reasons:

(a) An applicant has previously had a license to operate a smoking lounge revoked for cause in any other community or under this Chapter.

(b) An applicant has had an exemption certificate suspended or revoked by the State of Michigan.

(c) If any of the individuals required to be identified on the application have been convicted or found responsible for a violation of any federal, state, or local law involving moral turpitude, dishonesty, fraud, violence, criminal sexual conduct, controlled

substances, the sale, distribution, or furnishing of tobacco, or the sale, distribution, or furnishing of alcoholic liquors.

(d) If an applicant does not own, lease, or have some other exclusive right of possession of the proposed licensed premises.

(e) If there is an existing violation of any applicable building, electrical, mechanical, plumbing or fire prevention code, zoning regulation, or public health code on or with respect to the proposed licensed premises.

(f) The applicant does not possess a valid and effective State of Michigan Exemption Certificate and any other state or county permits, if required to operate the smoking lounge at the proposed licensed premises.

(g) Any false, incomplete, or inaccurate statement on or in the application submitted to the City under this Article.

(h) If, within a twelve-month period preceding the date of the application, a smoking lounge was operated at the same location and a patron, owner, or employee of the former smoking lounge business were involved in any incidents, within the interior or exterior areas or parking lot of the former smoking lounge, relating to or involving illegal drugs, the illegal possession or use of drugs, the illegal possession or use of alcohol, the illegal use or possession of tobacco by a minor, the illegal possession or discharge of a firearm, an assault or battery, or any felony criminal activity, in the event there is a continuing concern for the public health, safety and welfare in connection with issuance or renewal of the license.

Section 8-50 – State and county permits.

Approval of the issuance or transfer of a State of Michigan Exemption Certificate or other state or county permit shall not abrogate the requirement to apply for and obtain a smoking lounge license pursuant to this Chapter.

Section 8-51 – Expiration and renewal of licenses and special permits.

Every license and special permit issued pursuant to this article will terminate December thirty-first of each year unless sooner suspended or revoked. A smoking lounge license and special permit can be renewed in accordance with Article I of this Chapter, provided a completed renewal application is submitted and all renewal fees in the amounts established by resolution of the City Council are paid to the City at least thirty days prior to expiration of a license. The city may, but is in no way obligated to, consider a renewal

application submitted late, if the city clerk determines in her or his discretion that exceptional circumstances exist.

DIVISION 3 – OPERATION.

Section 8–60 – Hours of operation.

A smoking lounge shall not be open to the public after 11:00 p.m. and before 8:00 a.m. on any day. No one other than the owners and current employees of the smoking lounge shall be on the premises of a smoking lounge after 11:00 p.m. and before 8:00 a.m. on any day. Each manager and employee of a smoking lounge shall carry proof of employment, such as an identification badge, at all times while working at the smoking lounge. A manager and employees of a smoking lounge, while on the smoking lounge premises, shall provide proof of employment when requested to do so by a member of the police department or fire department.

Section 8–61 – Manager.

At least one manager, who must be an individual identified on the license application submitted under this Article, shall be on the premises of a smoking lounge at all times that the licensed premises is open to the public. It shall be unlawful for any person not identified on the smoking lounge license application to work as a manager of a smoking lounge business, unless the proposed manager or operator has submitted a registration form with the individual's legal name and any aliases; home address; telephone numbers; date of birth; and driver's license number; and, is determined qualified to serve as a manager by the city clerk, using the criteria, as set forth in this article. All managers must be over the age of twenty-one (21) years old. The licensee shall be responsible for notifying the city of any proposed change in management and ensuring that the proposed new manager has obtained the required approval before working or serving as a manager of the licensed establishment.

Section 8–62 – Age restrictions.

No person under the age of eighteen (18) years old shall be allowed in a smoking lounge at any time. The manager and/or employees shall ensure that identifications of individuals on the premises have been checked to determine that every individual is over the age of eighteen (18) years of age or older before entry into the premises. The manager and/or employees shall secure exit doors to ensure that no one has or is attempting to gain secret entry into the premises.

Section 8–63 – Standards of conduct & special permits.

A smoking lounge licensed under this Article and the licensee, including its owners, operators, managers, agents, and employees, shall comply with and shall be responsible for ensuring that patrons, owners, and employees comply with this City Code, applicable state laws, and all of the following, at all times:

(a) The consumption of alcoholic beverages and use of marijuana products, of any kind, shall not be allowed.

(b) The unlawful possession, use, or delivery of any controlled substance shall not be allowed.

(c) Persons visibly under the influence of, or intoxicated from, the use of any substance under (a) or (b) of this section shall not be permitted to remain or loiter on the premises.

(d) There shall be no live entertainment or dancing, unless a special dance-entertainment permit has been applied for and approved as part of a smoking lounge license pursuant to this Article. If a special dance-entertainment permit has been issued, then any live entertainment and dancing on the licensed premises shall comply with this Article.

(e) There shall be no use of hookahs or consumption of hookah tobacco, unless a special hookah lounge permit has been applied for and approved as part of a smoking lounge license pursuant to this Article. If a special hookah lounge permit has been issued, then any use of hookahs or consumption of hookah tobacco on the licensed premises shall comply with this Article.

(f) There shall be no gambling.

(g) Patrons shall not loiter in the parking lot and immediately leave the parking area upon exiting the licensed premises.

(h) Patrons shall immediately exit the premises upon the close of business.

(i) The licensee shall, at all times, maintain the premises as a safe and secure environment for patrons and employees and shall ensure that the smoking lounge, including interior and external areas, is maintained and operated, at all times, in such a manner as not to result in breaches of the peace or a menace to the health, safety, or welfare of the public.

Section 8-64 – Dancing & Live Entertainment.

A licensee who is the holder of a dance-entertainment permit shall not allow dancing or live entertainment on the licensed premises, except in the designated dance-entertainment area that is the size, dimensions, and location indicated in the licensee's approved application. The designated dance-entertainment area shall be flush with the floor (not on a raised platform of any kind), shall be well defined and clearly marked, and shall be located at least eight feet away from any tables, chairs, and other obstacles while customers are dancing or the live entertainment is occurring.

Section 8-65 – Hookah Lounge.

A licensee who is the holder of a special hookah lounge permit shall not allow the use of hookahs or the consumption of hookah tobacco on the licensed premises, unless:

- (a) the use of hookahs and the consumption of hookah tobacco is restricted to and only occurs the areas of the smoking lounge that have been designated for such use and consumption on the plans submitted with the license application under subsection 8-47(m) of this Article;
- (b) all interior and exterior security video cameras and the recording equipment for such cameras have been installed and are maintained in working order in the locations designated on the plan submitted with the license application under subsection 8-47(m) of this Code, and all such security cameras are video recording all doors, interior areas (except restrooms), and exterior areas of the smoking lounge and the parking lot, at all times the smoking lounge is open for business or occupied by personnel or others;
- (a) all video recordings from the cameras installed on the interior and exterior of the premises are maintained on the premises in an uninterrupted, undamaged, and unaltered condition for a period of at least 30 days after the date of recording, and all recordings and recording equipment are made available to the City upon request for inspection and verification of compliance with the requirements of this subsection and subsection 8-64(b) above;
- (b) the locations and number of security personnel on hand during and after business hours are at all times in accordance with the plans submitted with the license application under subsection 8-47(m) of this Article, and such security personnel monitor and maintain security of all interior areas and at all ingress-egress points of the smoking lounge while the smoking lounge is open for business; and
- (c) the smoking lounge complies with all requirements of this Article.

Section 8-66 – Temporary Closures.

In the event of a police response to an incident at the location of a smoking lounge, which the chief of police determines to involve a continuing or likely imminent threat to the public peace or the safety and welfare of the employees and patrons of the smoking lounge, the owner, manager, and all agents and employees of the smoking lounge shall comply with a request of the police chief to temporarily close the business for the period of time the police chief deems necessary to eradicate the threat, but not to exceed seventy-two hours. This section does not apply to, supersede, or abrogate police or city authority under any other law to order the business closed.

Section 2 of Ordinance. Grace Period for Existing Smoking Lounges.

The City Clerk shall provide notice of the adoption of this ordinance to any holders of a smoking lounge license issued prior to the effective date of this ordinance and to any applicants for a smoking lounge license whose applications are pending on the effective date of this ordinance. For a period of sixty days after the date of the Clerk's above notice, the requirement for a special hookah lounge permit under this ordinance shall not apply to a holder of a smoking lounge license that was issued prior to the effective date of this ordinance, provided such license holder shall submit to the City Clerk a supplement to its prior application that requests and provides all information and fees required under section 8-47 for a special hookah lounge permit within a period of thirty days after the Clerk's notice. Additionally, an applicant for a smoking lounge license, whose application is pending on the effective date of this ordinance and who seeks to allow the use of hookahs in the establishment, shall be provided a period of thirty days from the date of the City Clerk's notice to submit to the Clerk a supplement to its pending application that requests and provides all information and fees required under section 8-47 for a special hookah lounge permit.

Section 3 of Ordinance. Repealer.

All ordinances, parts of ordinances, or sections of the City Code in conflict with this ordinance are repealed only to the extent necessary to give this ordinance full force and effect, and the Farmington Hills Ordinance Code shall remain in full force and effect, amended only as specified above.

Section 4 of Ordinance. Savings.

The amendments of the Farmington Hills Code of Ordinances set forth in this Ordinance do not affect or impair any act done, offense committed, or right accruing, accrued, or acquired or liability, penalty, forfeiture or punishment, pending or incurred prior to the amendment of the Farmington Hills Code of Ordinances set forth in this Ordinance.

Section 5 of Ordinance. Severability.

If any section, clause or provision of this Ordinance shall be declared to be unconstitutional, void, illegal or ineffective by any Court of competent jurisdiction, the validity of the Ordinance as a whole, or in part, shall not be affected other than the part invalidated, and such section, clause or provision declared to be unconstitutional, void or illegal shall thereby cease to be a part of this Ordinance, but the remainder of this Ordinance shall stand and be in full force and effect.

Section 6 of Ordinance. Effective Date.

The provisions of this ordinance are ordered to take effect twenty-one (21) days after enactment.

Section 7 of Ordinance. Date and Publication.

This ordinance is declared to have been enacted by the City Council of the City of Farmington Hills at a meeting called and held on the ___ day of _____, 2022, and ordered to be given publication in the manner prescribed by law.

Ayes:
Nays:
Abstentions:
Absent:

STATE OF MICHIGAN)
) ss.
COUNTY OF OAKLAND)

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

PAMELA B. SMITH, City Clerk
City of Farmington Hills

SUMMARY
ORDINANCE NO. C-3-2022
CITY OF FARMINGTON HILLS
OAKLAND COUNTY, MICHIGAN

NOTICE OF AN ORDINANCE 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 LICENSES AND SPECIAL PERMITS, STANDARDS OF CONDUCT, HOURS OF OPERATION, AND TEMPORARY CLOSURES IN THE INTEREST OF THE PUBLIC HEALTH, SAFETY, AND WELFARE.

A full copy of the Ordinance is on file in the Clerk's Office for public review between the hours of 8:30am and 4:30pm Monday through Friday.

Section 1, Ordinance Amendment

Section 2, Grace Period

Section 3, Repealer

Section 4, Savings

Section 5, Severability

Section 6, Effective Date

The provisions of this Ordinance are ordered to take effect twenty-one (21) days after enactment.

Section 7, Date and Publication

PAMELA B. SMITH, City Clerk

Publish: Farmington Observer 6/2/2022

REPORT FROM THE CITY MANAGER TO CITY COUNCIL
May 23, 2022

SUBJECT: Fire Department request to approve Michigan Economic Development Grant Project

ADMINISTRATIVE SUMMARY

- Farmington Hills Fire Department has been notified of the successful award of a Michigan Economic Development Grant sponsored by State representative Samantha Steckloff and Senator Jeremy Moss. The Fire Department applied for the replacement of its smoke house/education trailer.
- Fire Prevention and community outreach continues to be a top priority for the Farmington Hills Fire Department. One of the tools utilized to educate the public is the smoke house/education trailer. This is a trailer that resembles a home and is utilized to teach people of all ages and abilities the dangers of fire, what to do when a smoke alarm goes off, and how to escape through smoke safely. The current trailer that the City of Farmington Hills owns was purchased in 2007. It has been documented that since 2007, approximately 14,000 people a year have been impacted by the smoke house/education trailer. The trailer has met the end of its service life due to the amount of use it has received. One of the examples of the outdated technologies on the current trailer is a tube style combination VCR television which makes it difficult to deliver current messages in a digital format.
- A new smoke house/education trailer aligns with the City's mission to provide inclusive safety messages. In doing so, the trailer has been designed to reach those with disabilities who missed out on messages utilizing the old trailer. The new trailer will have the capabilities to reach the hearing impaired and provides a wheelchair lift to those who have decreased mobility. 31% of the fire victims reported during 2021 in the State of Michigan were reported as disabled.
- The grant funding awarded to the City for this project is \$100,000.00. The total cost of the project is \$118,336.00. The 18% cost share was designed to improve the grant award's consideration. The locally funded portion of this project is in the amount of \$18,336.00.
- The City Charter requires sealed competitive bidding of commodities that individually or aggregately exceed \$10,000 in one fiscal year. The Charter also requires a waiver if it is in the best interest of the City to forgo competitively bidding of a product or service. Bid waivers are requested for various reasons. In this case, the waiver is requested because the vendor that provides this trailer is the sole provider (as noted in the attached letter). The vendor, Mobile Concepts Specialty Vehicles, has provided a sole source provider letter and can complete this project in its entirety within a time frame of 180 days based on material availability.

RECOMMENDATION

In view of the above, it is recommended that City Council formally waive formal bid requirements and authorize the City Manager to approve the purchase orders of the grant funded fire safety trailer project to Mobile Concepts in its entirety; the \$18,336.00 will come from the Fire Department's 2021/2022 capital budget.

Attachment A: Sole Source Provider Letter

Prepared by: Jason Baloga, Fire Marshal
Reviewed by: Jon Unruh, Fire Chief
Reviewed by: Joseph Valentine, Assistant City Manager
Approved by: Gary Mekjian, City Manager



*Mobile
Concepts*
Specialty Vehicles

(724)542-7640
480 Bessemer Rd
Mt Pleasant, PA 15666

March 21, 2022

Jason Baloga
City of Farmington Hills Fire Department
31455 West Eleven Mile Rd
Farmington Hills, MI 48336

Dear Mr. Baloga-

As of today's date, Mobile Concepts Specialty Vehicles, is the sole designer, manufacturer and distributor of a mobile training vehicle known as the Mobile Concepts Safety House #NextGen 35iBed

We are not aware of any company that is designing, manufacturing and distributing a self-contained trailer, with all working components built-in, that is used for teaching fire safety/home escape techniques.

For this reason, Mobile Concepts Specialty Vehicles is considered a sole source for the purchase of a fire safety house vehicle known as the Safety House #NextGen 35iBed.

We will honor the price quote that was given to you on January 6, 2022 of \$118,336.00.

Mobile Concepts Specialty Vehicles has been manufacturing commercial and recreational trailers for over 60 years and owns and operates a manufacturing, design and sales facility in Mount Pleasant, Pennsylvania.

No subcontractors are employed in the construction and manufacturing of this product. All interior and exterior structural components are manufactured by our team of production members.

Also, Mobile Concepts Specialty Vehicles. builds the vehicle per the National Electric Codes. If you have any questions, please contact me at 724-542-7640.

Sincerely,
Melissa Marks
Sales Specialist

REPORT TO THE CITY COUNCIL FROM THE CITY CLERK – MAY 23, 2022

SUBJECT: Consideration of approval of Special Event Permit for the Farmington Area Juneteenth Celebration to be held on Friday, June 17th and Saturday, June 18th

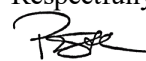
ADMINISTRATIVE SUMMARY:

- The City received a formal application from Patricia Coleman-Burns, representing First AME Church of Farmington Hills, for a Special Event Permit in order to hold the Farmington Area Juneteenth Celebration Friday, June 18, 2022 from 8:00pm-11:00pm and Saturday, June 19, 2022 from 12:00pm-6:00pm at Nardin Park Church located at 29887 W. 11 Mile Road, Farmington Hills.
- The event is a celebration of health, play and history commemorating the end of slavery in the United States. They are anticipating approximately 50 families in attendance on Friday, June 17th and up to 300 people in attendance on Saturday, June 18th.
- The event will consist of a movie night outdoors, outdoor shop vendors, community award presentation, and potentially a volleyball game with first responders and bounce house for the kids.
- The required insurance and/or indemnification agreement was received by the City.
- The application was reviewed by all appropriate Departments. There were no objections to the event, subject to the following conditions and details as verified by the applicant:
 - 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

RECOMMENDATION:

IT IS RESOLVED, that City Council 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 terms and conditions outlined in the City Clerk report dated May 23, 2022.

Respectfully submitted,



Pamela B. Smith, City Clerk

APPLICATION FOR SPECIAL EVENT/TEMPORARY OUTDOOR SALES

CITY OF FARMINGTON HILLS
31555 ELEVEN MILE ROAD, FARMINGTON HILLS MI 48336
(248) 871-2410 FAX (248) 871-2411

ALL FEES ARE NON-REFUNDABLE

Fees: \$50 Application Review Fee (fee is waived for non profit companies) Carnivals are \$150

A Clean Up Deposit of \$300 is required for special events and temporary outdoor sales (involving the use of any temporary outdoor structures or equipment – tents, tables, etc.). This deposit is refundable when the site is cleared.

A Liability Insurance Certificate naming the City as an additional insured in the amount of \$1,000,000 is required for special events or temporary outdoor sales as determined by the City.

Temporary Outdoor Sales: (Sales event held on the same property as the business and accessory to the use of the business)
Temporary Outdoor Sales are limited to 14 consecutive days and a total of 28 days in any 12 month period.

NOTE: A COMPLETE AND DETAILED SITE PLAN/SITE MAP OF THE PROPERTY SHOWING THE EVENT AREA IS REQUIRED. PLAN MUST SHOW LOCATIONS OF SIGNS, TENTS OR ANY STRUCTURES, AMUSEMENT RIDES, FOOD SERVICES, PARKING AREA, THE LOCATION OF EXISTING BUILDINGS, ETC. REQUEST WILL NOT BE REVIEWED UNTIL THIS PLAN IS RECEIVED. IF A TENT IS TO BE ERECTED, SPECIFICATIONS ARE REQUIRED - SEE page 2)

APPLICANT'S NAME: (If partnership or corporation, please include all names & residential address of officers on separate sheet)

First AME Church - Dr. Patricia Coleman-Burns
(CCDI) Danika Community Dev. Inc. - Danielle Ware

APPLICANT'S RESIDENTIAL ADDRESS:

30992 Country Ridge Cir Farmington Hills MI 48331
CITY ST ZIP

APPLICANT'S PHONE: Office: _____

Cell: 7347302310

RELATION OF APPLICANT TO BUSINESS/EVENT: ___ Owner ___ Manager Representative ___ Other

IS ORGANIZATION A FOR PROFIT OR NON PROFIT BUSINESS: ___ PROFIT NON-PROFIT

ADDRESS OF THE PROPERTY AT WHICH THE EVENT WILL BE CONDUCTED:

29887 W-Eleven Mile Rd, Farmington Hills, MI 48336

DOES APPLICANT OWN OR OCCUPY THE PROPERTY AT WHICH THE EVENT IS TO BE HELD?

YES ___ NO IF NO, WRITTEN CONSENT FROM THE PROPERTY OWNER FOR THE EVENT IS REQUIRED WITHIN SEVEN (7) DAYS OF THE DATE OF SUBMISSION OF APPLICATION TO THE CITY AND TO ALL OTHER TENANTS ON THE PROPERTY OF THE PROPOSED EVENT. PLEASE ATTACH.

GIVE A DETAILED DESCRIPTION OF THE EVENT PROPOSED:

2 Day Celebration - Movie Night Outdoors, outdoor shop vendors,
community award presentation, volleyball w/ first responders, Bounce Houses
face painting, etc.

DATE OF THE EVENT: June 17th & 18th TIME OF YOUR EVENT: 17th 8pm-11pm & 18th 12pm-6pm

NOTE: Special events/temporary outdoor sales are permitted by ordinance ONLY between 9am and 10pm

IS THE EVENT OPEN TO THE GENERAL PUBLIC? YES ___ NO

WILL ANY GOODS OR MERCHANDISE BE OFFERED FOR SALE TO THOSE ATTENDING?

YES ___ NO

MAXIMUM NUMBER OF PEOPLE PROPOSED TO ATTEND OR PARTICIPATE EACH DAY: 17th - 50 families

18th - 300 people

HAS THE APPLICANT, PARTNERS, OFFICERS OR DIRECTORS EVER BEEN CONVICTED OF A FELONY?

NO

YES NO IF YES, ON SEPARATE SHEET PROVIDE DESCRIPTION OF CONVICTION – INCLUDING WHAT FOR, DATE OF INCIDENT, DATE OF CONVICTION, ETC.

PERMANENT STRUCTURES ARE **NOT ALLOWED** TO BE ERECTED. DO YOU PLAN ANY TEMPORARY STRUCTURES (TENT, TRAILER, STAGE, ETC)? YES _____ NO IF YES, PLEASE DESCRIBE
WHAT THOSE ARE AND INCLUDE ON MAP: Possible city stage, Bounce House, tables & chairs

IF A TENT IS PROPOSED, INDICATE THE SIZE AND NAME AND ADDRESS OF THE COMPANY PROVIDING THE TENT: _____

NOTE: A certificate of Flame Resistance for the Tent must be provided 10 days prior to the date of event/sales.

IF THE REQUEST IS TO HOLD A BLOCK PARTY, ARE YOU REQUESTING TO CLOSE ANY ROADS FOR THE EVENT? _____ YES
 NO (If yes, please submit signatures of abutting property owners who would be directly affected by the road closure indicating that they have no objections-form attached).

WILL ELECTRICAL EQUIPMENT BE USED FOR THIS EVENT? YES _____ NO
IF YES, DESCRIBE IN DETAIL WHAT TYPE OF ELECTRICAL EQUIPMENT WILL BE USED. CONTACT BUILDING DEPARTMENT AT 248.871-2450 TO DETERMINE IF A PERMIT IS REQUIRED.

Bounce House, PA system

IS ANY SIGNAGE PROPOSED? YES _____ NO IF YES, NOTE SIZE AND LOCATIONS OF ANY SIGNS PROPOSED ON THE PLAN PROVIDED WITH THIS APPLICATION.

IS THE EVENT FOR PROFIT? _____ NON-PROFIT

IS THIS EVENT TO TAKE PLACE IN A CITY OWNED PARK _____ YES NO

IF YES, DO YOU AGREE TO ABIDE BY THE CITY'S PARKS AND RECREATION RULES AND REGULATIONS? _____ YES _____ NO ANY DEVIATIONS REQUESTED? N/A

DATE: 4/21/2023 Patricia K. Coleman - Burns
Applicant's Signature
PATRICIA K-COLEMAN - BURNS
Printed Name of Applicant

Note: Section 22-119 of the City Code stipulates that other permits and/or inspections **MAY** be required along with permission to conduct the special event. This could be for health facilities (food), electric services, fire issues, or a certificate of use from the city's Building Department

FOR OFFICE USE ONLY:
 Application and fee
 Complete Site Plan/Map

APPROVALS:
 Police
 Fire
 Planning/Bld/Zoning
 Engineering

IF APPLICABLE:
 Liability Insurance Certificate
N/A Clean Up Deposit (if required by city)
N/A Tent Certificate of Flame Resistance-not required for tents smaller than 12' X 12'
N/A Tent Co. Information (see above)
N/A Names/Addresses of Corporation
N/A Property owner letter if applicable
N/A Neighborhood Signatures (block parties closing a road)
N/A Carnivals Only (State of MI Certificate)

REPORT TO THE CITY COUNCIL FROM THE CITY CLERK – May 23, 2022

SUBJECT: Consideration of approval of Special Event Permit for the Amelia’s Little Bike-a-Thon for MS to be held on Saturday, June 4, 2022.

ADMINISTRATIVE SUMMARY:

- On April 12, 2022, the City received an application from Tanya Nordhaus, for a Special Event Permit in order to hold the Amelia’s Little Bike-a-Thon for MS on Saturday, June 4, 2022 from 9:15am-11:15am.
- This is a children’s charity bike ride to raise money for the National Multiple Sclerosis Society. It is anticipated that there will be 60 guests for the event. There will be a small 10x10 tent in the Kenbrook parking lot for awards and pizza. The applicant has received approvals from the Homeowner’s Association and Farmington Public Schools.
- The route is proposed to start at Kenbrook Elementary School at 32130 Bonnet Hill with a little kid route in the parking lot and a big kid route going from Bonnet Hill to Hearthstone Rd back to Kenbrook Elementary. A route map is provided with this report.
- The application and proposed route were reviewed by all appropriate Departments and the following conditions were noted:
 - 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

RECOMMENDATION:

IT IS RESOLVED, that City Council 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 conditions outlined in the City Clerk’s report of May 23, 2022.

Respectfully submitted,



Pamela B. Smith, City Clerk

APPLICATION FOR SPECIAL EVENT/TEMPORARY OUTDOOR SALES

CITY OF FARMINGTON HILLS
31555 ELEVEN MILE ROAD, FARMINGTON HILLS MI 48336
(248) 871-2410 FAX (248) 871-2411

ALL FEES ARE NON-REFUNDABLE

Fees: \$50 Application Review Fee (fee is waived for non profit companies) Carnivals are \$150

A **Clean Up Deposit** of \$300 is required for special events and temporary outdoor sales (involving the use of any temporary outdoor structures or equipment – tents, tables, etc.). This deposit is refundable when the site is cleared.

A **Liability Insurance Certificate** naming the City as an additional insured in the amount of \$1,000,000 is required for special events or temporary outdoor sales as determined by the City.

Temporary Outdoor Sales: (Sales event held on the same property as the business and accessory to the use of the business)
Temporary Outdoor Sales are limited to 14 consecutive days and a total of 28 days in any 12 month period.

NOTE: A COMPLETE AND DETAILED SITE PLAN/SITE MAP OF THE PROPERTY SHOWING THE EVENT AREA IS REQUIRED. PLAN MUST SHOW LOCATIONS OF SIGNS, TENTS OR ANY STRUCTURES, AMUSEMENT RIDES, FOOD SERVICES, PARKING AREA, THE LOCATION OF EXISTING BUILDINGS, ETC. REQUEST WILL NOT BE REVIEWED UNTIL THIS PLAN IS RECEIVED. IF A TENT IS TO BE ERECTED, SPECIFICATIONS ARE REQUIRED - SEE page 2)

APPLICANT'S NAME: (If partnership or corporation, please include all names & residential address of officers on separate sheet)

Tanya Nordhaus

APPLICANT'S RESIDENTIAL ADDRESS:

32133 Bonnet Hill, Farmington Hills 48334
CITY ST ZIP

APPLICANT'S PHONE: Office: _____ Cell: 248.259.3587

RELATION OF APPLICANT TO BUSINESS/EVENT: ___ Owner ___ Manager Representative ___ Other

IS ORGANIZATION A FOR PROFIT OR NON PROFIT BUSINESS: ___ PROFIT NON-PROFIT

ADDRESS OF THE PROPERTY AT WHICH THE EVENT WILL BE CONDUCTED:

32130 Bonnet Hill, Farmington Hills 48334

DOES APPLICANT OWN OR OCCUPY THE PROPERTY AT WHICH THE EVENT IS TO BE HELD?

___ YES NO IF NO, WRITTEN CONSENT FROM THE PROPERTY OWNER FOR THE EVENT IS REQUIRED WITHIN SEVEN (7) DAYS OF THE DATE OF SUBMISSION OF APPLICATION TO THE CITY AND TO ALL OTHER TENANTS ON THE PROPERTY OF THE PROPOSED EVENT. PLEASE ATTACH.

GIVE A DETAILED DESCRIPTION OF THE EVENT PROPOSED:

(MS SOCIETY)
Children's charity bike ride. Kenbrook parking lot for gathering + little kids ride. Block in front of Kenbrook for older kids.

DATE OF THE EVENT: June 4, 2022 TIME OF YOUR EVENT: 9:15a-11:15a 10a-10:30a (ride)

NOTE: Special events/temporary outdoor sales are permitted by ordinance ONLY between 9am and 10pm

IS THE EVENT OPEN TO THE GENERAL PUBLIC? YES ___ NO

WILL ANY GOODS OR MERCHANDISE BE OFFERED FOR SALE TO THOSE ATTENDING? ___ YES NO

MAXIMUM NUMBER OF PEOPLE PROPOSED TO ATTEND OR PARTICIPATE EACH DAY: 60

HAS THE APPLICANT, PARTNERS, OFFICERS OR DIRECTORS EVER BEEN CONVICTED OF A FELONY? no

_____ YES NO IF YES, ON SEPARATE SHEET PROVIDE DESCRIPTION OF CONVICTION -- INCLUDING WHAT FOR, DATE OF INCIDENT, DATE OF CONVICTION, ETC.

PERMANENT STRUCTURES ARE **NOT ALLOWED** TO BE ERECTED. DO YOU PLAN ANY TEMPORARY STRUCTURES (TENT, TRAILER, STAGE, ETC)? YES _____ NO IF YES, PLEASE DESCRIBE

WHAT THOSE ARE AND INCLUDE ON MAP: 10x10 tent in kenbrook parking lot

IF A TENT IS PROPOSED, INDICATE THE SIZE AND NAME AND ADDRESS OF THE COMPANY PROVIDING THE

TENT: 10x10 personal canopy

NOTE: A certificate of Flame Resistance for the Tent must be provided 10 days prior to the date of event/sales.

IF THE REQUEST IS TO HOLD A BLOCK PARTY, ARE YOU REQUESTING TO CLOSE ANY ROADS FOR THE EVENT? _____ YES

NO (If yes, please submit signatures of abutting property owners who would be directly affected by the road closure indicating that they have no objections-form attached).

WILL ELECTRICAL EQUIPMENT BE USED FOR THIS EVENT? _____ YES NO

IF YES, DESCRIBE IN DETAIL WHAT TYPE OF ELECTRICAL EQUIPMENT WILL BE USED. CONTACT BUILDING DEPARTMENT at 248.871-2450 TO DETERMINE IF A PERMIT IS REQUIRED.

IS ANY SIGNAGE PROPOSED? YES _____ NO

PROPOSED ON THE PLAN PROVIDED WITH THIS APPLICATION.

IF YES, NOTE SIZE AND LOCATIONS OF ANY SIGNS

2'x4' banner on tent

IS THE EVENT FOR PROFIT? _____ NON- PROFIT

IS THIS EVENT TO TAKE PLACE IN A CITY OWNED PARK _____ YES NO

IF YES, DO YOU AGREE TO ABIDE BY THE CITY'S PARKS AND RECREATION RULES AND REGULATIONS? _____ YES _____ NO ANY DEVIATIONS REQUESTED? _____

Tanya Nordhaus
Applicant's Signature

DATE: 4.12.22

Tanya Nordhaus
Printed Name of Applicant

Note: Section 22-119 of the City Code stipulates that other permits and/or inspections **MAY** be required along with permission to conduct the special event. This could be for health facilities (food), electric services, fire issues, or a certificate of use from the city's Building Department

FOR OFFICE USE ONLY:

- Application and fee
- Complete Site Plan/Map

APPROVALS:

- Police
- Fire
- Planning/Bld/Zoning
- Engineering

IF APPLICABLE:

- Indemnification Agreement Will sign when picking up cert.
- N/A Clean Up Deposit (if required by city)
- N/A Tent Certificate of Flame Resistance-not required for tents smaller than 12' X 12'
- N/A Tent Co. Information (see above)
- N/A Names/Addresses of Corporation
- Property owner letter if applicable
- Neighborhood Signatures (block parties closing a road) H/OA approval
- N/A Carnivals Only (State of MI Certificate)





No. _____

- copy to:
- Applicant
 - Facility Coordinator
 - Building Custodian
 - Building Secretary
 - Billing

REQUEST FOR SCHOOL FACILITIES USE (Form 1)

April 12, 2022

Date: Sat, June 4, 2022 Building: Kenbrook parking lots

Organization: Amelia's Little Bike-a-Thon for MS (National MS Society)

Date(s) Requested: Sat, June 4, 2022

Time Enter/Exit: 9:15a-11:15a Time of Event: 9:45a-11a Number of People: 40

Purpose: raising money for National Multiple Sclerosis Society

Billing Address: 32133 Bonnet Hill, FH 48334

Requirements (check)		Equipment Needs (Indicate number)	
Classroom(s)	<input type="checkbox"/>	Gym(s)	<input type="checkbox"/>
Media Center	<input checked="" type="checkbox"/>	Halls/Toilets	<input type="checkbox"/>
Cafeteria	<input checked="" type="checkbox"/>	Playground	<input type="checkbox"/>
Kitchen	<input checked="" type="checkbox"/>	Pool	<input type="checkbox"/>
		Chairs	<input type="checkbox"/>
		Tables	<input type="checkbox"/>
		Lectern	<input checked="" type="checkbox"/>
		Microphone	<input type="checkbox"/>
		AV Equipment	<input type="checkbox"/>
		Chalkboard	<input type="checkbox"/>
		Other	<input type="checkbox"/>
		Pool Locker Rm.	<input type="checkbox"/>

Special Set-Up: Explain and/or draw diagram and attach. They just use the parking lot. No building entry is needed.

Certificate of Insurance

each parent signs a waiver

Cancellation Notice must be given to issuing office at least 24 hours in advance of the date to be canceled except Saturday or Sunday, when a 48 hour notice will be required. If proper notice of cancellation is not given, permit holders will be responsible for all charges.

Rental and Service Charges:
Balance to be billed following event.

Rental Fees/Charges _____
 Personnel Costs _____
 Cafeteria Fee _____
 Other _____

The driver's license number and home address of the applicant and the person signing the check will be required.

Total Estimated Cost: _____
 50% Deposit Received: _____
 Balance Due: _____

I/we hereby agree that I/we have read and will abide by the attached rules and regulations for building and facilities use. Any organization which fails to follow regulations herein will forfeit the privilege of future use of school facilities and equipment.

Authorized Representatives - Two (2) Signatures Required - (please type/print)

<u>Tanya Nordhaus</u>	<u>Mark Nordhaus</u>
Name	Name
<u>32133 Bonnet Hill, FH 48334</u>	<u>32133 Bonnet Hill Rd, FH 48334</u>
Address	Address
<u>248.259.3587</u>	<u>248.470.9043</u>
Telephone	Telephone
<u>Tanya Nordhaus</u>	<u>Mark J. Nordhaus</u>
Signature	Signature

Approvals: (To be completed by Facilities Coordinator)

Gina Kohls 4/12/22
 Building Contact Date

Aina Kohls 4/12/22
 EPS Authorization Date

User Classification:

- Group I
- Group II
- Group III
- Group IV

1/12/2010

From: Tanya Nordhaus nordhaust@gmail.com
Subject: Amelia's Little Bike-a-Thon for MS
Date: April 12, 2022 at 7:48 AM
To: Domenic Lauria dlauria@fhgov.com

Good morning. Amelia finally got approval from our HOA to go forward with **Amelia's Little Bike-a-Thon for MS**. We have two dates we are looking at. Our preference at this point is Saturday, June 4, so that we have more time to gather folks and for them to collect donations. Our second choice is Saturday, May 21. I'm throwing both dates out there just in case there is a conflict for you guys on June 4th. We are going to have everyone gather at 9:30-9:45 in the Kenbrook parking lot. We will get our annual approval from them as soon as we have a set date. The ride will go from 10am to 10:30am. Again, it will go around the block right in front of Kenbrook.

Please let me know how you would like us to proceed and what date works best for you guys.

Thank you.

Tanya Nordhaus
adoring mom to Amelia and wife to Mark
fundraiser for the National MS Society
doctoral student in Curriculum, Instruction, and Assessment

Begin forwarded message:

From: Sandra Groves <sanfaye@sbcglobal.net>
Subject: Re: Kids Bike-A-Thon Inquiry
Date: April 11, 2022 at 11:06:58 PM EDT
To: Adam Specht <adam_specht@sbcglobal.net>, Tanya Nordhaus <nordhaust@gmail.com>
Cc: Norma Greeley <greeleyn@juno.com>, Patricia Buskey <patbuskey@gmail.com>, Dayna <dayna.menken@yahoo.com>

Hello Tanya,

We apologize for the delay in responding. We are supportive of the event and have no objections to the fund raiser taking place as described and hope it is fun filled and successful..

Sandra Groves

approval from
HOA



INTEROFFICE CORRESPONDENCE

To: Gary Mekjian, City Manager
From: Ellen Schnackel, Director of Special Services
Subject: Consideration of Employment for Janelle Lavaud
Date: May 23, 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: Janelle Lavaud, who is related to an employee of the City, Alexia Lavaud, who is a Camp Leader at the Farmington Hills Nature Center.

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 Janelle Lavaud.

Name: Janelle Lavaud
Position Applied For: Camp Instructor – The Hawk
Number of Employees Needed in this Position: 5
Date Position Posted: 3/21/22 Open Until: Filled
Number of Applicants for this position: 10 Number of Applicants Interviewed: 5
Salary: \$13.00/hr
Relationship: Janelle Lavaud is the mother of Alexia Lavaud who is a Camp Leader at the Farmington Hills Nature Center.
Justification: Janelle Lavaud is the most qualified applicant and is available to begin work immediately.
Prepared by:

/s/Hannah Fogarty

Hannah Fogarty, Recreation Specialist

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 Matthew Ellison
Date: May 23, 2022

In compliance with the City Charter Article X, Section 10.01 A, we are requesting from City Council, the approval to consider for employment, the following individual: Matthew Ellison. Matthew is related to an employee of the City, Jacinta Ellison, who is a summer Theatre Camp Specialist with the Cultural Arts Division.

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 it is seasonal. 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 Matthew Ellison as an Art and Music Camp Specialist.

Name: Matthew Ellison

Position Applied For: Art and Music Camp Specialist, PT Seasonal

Number of Employees Needed in this Position: 8

Date Position Posted: 3/7/22 Open Until: Filled

Number of Applicants for this Position: 62 Number of Applicants Interviewed: 20

Salary: \$25.00/hour

Relationship: Matthew Ellison is the spouse of Jacinta Ellison who is a Theatre Camp Specialist.

Justification: Matthew Ellison is the most qualified applicant as he is a K-12 Art Educator and a professional musician. His abilities will make for exciting art and music camps. Although both Jacinta and Matthew will often work the same weeks of camp, their specialties and expertise vary meaning they will never be assigned to work within the same camp and neither will be supervising the other. We anticipate Matthew working 10 weeks of camp. Jacinta was hired to work a minimum of two summer camp weeks while also acting as a substitute theatre specialist and/or theatre assistant for other weeks not currently scheduled.

Prepared by:

/s/ Rachel Timlin
Rachel Timlin
Cultural Arts Supervisor

Authorized by:

/s/ Ellen Schnackel
Ellen Schnackel
Director of Special Services

Approved by:

Gary Mekjian
City Manager

MINUTES
CITY OF FARMINGTON HILLS
CITY COUNCIL STUDY SESSION
CITY HALL - COMMUNITY ROOM
MAY 9, 2022 – 6:00PM

The study session meeting of the Farmington Hills City Council was called to order by Mayor Barnett at 6:03pm.

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, and City Attorney Joppich

Mayor Barnett stated that she wanted to add to the agenda discussion on the smoking lounge ordinance that is before City Council this evening. There were no objections.

DISCUSSION ON RENTAL DWELLING UNIT REGISTRATION AND INSPECTIONS

Charmaine Kettler-Schmult, Interim Director of Planning and Community Development, stated that the rental inspection ordinance was approved by Council in 2014 and the program implemented in 2015. She noted that there was an amendment to the ordinance to clarify the inspection process. She explained that the current program is focused on the maintenance and upkeep of single-family dwellings and property and inspections are conducted every 3 years. The department initially contacted non-homestead properties notifying them of the new ordinance requirements and current notifications generally come through code enforcement efforts.

City Manager Mekjian stated that City Council had requested expanding the rental inspection ordinance to multi-family dwelling so he asked staff to explain where the city was to date with the current ordinance and discuss the possibility of expanding the program.

Scott Lenhart, Building Official, stated that he has reviewed ordinances and program from comparable communities and there is a wide range of ordinances and how this is handled in other communities; but he believes that if this is the direction City Council wants to take, the current ordinance could be amended to include a more comprehensive program that would include multi-family dwellings.

Interim Director Kettler-Schmult clarified that the current inspection includes the exterior of the dwelling only and property unless the homeowner requests an inspection of the interior or if there is something visible from the outside such as a broken window or hole in the roof that could deem the dwelling not in compliance with the code.

Building Official Lenhart reported that there are approximately 11,000 dwellings that would be involved if multi-family inspections were included as part of the rental inspection program. He discussed with Council what constitutes a rental and costs to the city for these changes in the program.

Comments and concerns of City Council members included:

- Adequate staffing to add multi-family dwellings to the program and scheduling inspections
- Obtaining permission from owners for access to the interior of dwellings
- Decline of some apartment buildings and the effect on the entire City with regard to health, safety and welfare

Suggestions of Council included:

- Conducting inspections as units become empty and before new tenants move in
- Education and outreach to landlords
- Targeting older apartment complexes first to lessen the burden on city staff

PUBLIC COMMENTS:

Phil Newman, representing the Detroit Metropolitan Apartment Association, shared the following suggestions and concerns with the discussion this evening:

- Suggested that inspections are conducted on a complaint basis, which is feel is an option under State Statute
- Landlords will pass costs of associated with an inspection program onto the tenants so if there are no complaints or issues, why should those tenants be paying additional costs
- Agrees with the privacy issue and commented that tenants cannot be forced to open up their apartments to provide access

Mayor Barnett encouraged Mr. Newman to participate in future discussions on this issue on behalf of the area landlords.

Council requested Attorney Joppich to look into the following issues/suggestions raised:

- Possibility of targeting complexes on a complaint basis or targeting older complexes
- Privacy issue and ability to gain access to interior of dwellings

DISCUSSION ON THE SMOKING LOUNGE ORDINANCE

Mayor Barnett stated that she was concerned the smoking lounge ordinance was potentially excluding the cigar bars because it does not allow for the sale of liquor; however, the current liquor license ordinance does not allow for the sale of liquor on premise unless it is in conjunction with a bona fide restaurant.

Members of Council suggested revisiting the liquor ordinance as they felt it was outdated and that it does exclude cigar bars and clubs. Council was comfortable with moving forward with the introduction of the amendment to the smoking lounge ordinance this evening since there are other ordinances that already prohibit those establishments if they intend to serve alcohol without also being in conjunction with a restaurant operation; but agreed with having a broader discussion on this topic in the future.

Council wished to have this come back sooner than later and Attorney Joppich stated that he would review the liquor ordinance and report back to City Council in approximately one month.

ADJOURNMENT:

The study session meeting adjourned at 7:11pm.

Respectfully submitted,



Pamela B. Smith, City Clerk

MINUTES
CITY OF FARMINGTON HILLS
CITY COUNCIL MEETING
CITY HALL – COUNCIL CHAMBER
MAY 9, 2022 – 7:30 PM

The regular session meeting of the Farmington Hills City Council was called to order by Mayor Barnett at 7:37pm.

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 Kettler-Schmult and Schnackel, Police Chief King 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 Bruce, to approve the agenda as published.

MOTION CARRIED 7-0.

PROCLAMATION RECOGNIZING MAY 15-21, 2022 AS NATIONAL PUBLIC WORKS WEEK

The following Proclamation was read by Council Member Bridges and accepted by DPW Superintendent, Kevin McCarthy:

**PROCLAMATION
National Public Works Week
May 15 – 21, 2022
“Ready and Resilient”**

WHEREAS, public works professionals focus on infrastructure, facilities, and services that are of vital importance to sustainable and successful communities such as the City of Farmington Hills; and

WHEREAS, National Public Works Week recognizes the men and women who provide and maintain the services collectively known as public works, which are an integral part of the health, safety, high quality of life, and well-being in the everyday lives of Farmington Hills residents; and

WHEREAS, the support of an understanding and informed citizenry is vital to the efficient operation of public works systems and programs such as water supply, sanitary sewers, roadways, public buildings and properties, signage, traffic control, and solid waste collection and recycling; and

WHEREAS, the health, safety, and comfort of this community all depend upon the effectiveness of public works programs and the vital contributions and daily service of the dedicated and hard-working professionals of the City’s Public Services Department and the Division of Public Works; and

WHEREAS, this year's theme, "Ready and Resilient," showcases the superheroes that lie within each and every public works professional - always **READY** to serve their communities, and **RESILIENT** as ever in their abilities to pick themselves up and rise to the occasion after encountering challenges; and

WHEREAS, National Public Works Week was instituted by the American Public Works Association as a public education campaign designed to call attention to the importance of public works in the lives of present and future generations.

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 – 21, 2022 as **National Public Works Week** in the City of Farmington Hills and call upon all citizens to recognize and acknowledge the vital services provided daily by the City's public works professionals to maintain the high quality of life in Farmington Hills.

PROCLAMATION RECOGNIZING MAY 15-21, 2022 AS NATIONAL POLICE WEEK

The following Proclamation was read by Council Member Massey and accepted by Police Officer Kent Schooley:

**PROCLAMATION
National Police Week
May 15 - 21, 2022**

WHEREAS, Congress and the President of the United States have designated May 15 as Peace Officers Memorial Day, and the week in which May 15 falls as National Police Week; and

WHEREAS, National Police Week honors all law enforcement officers, and Peace Officers Memorial Day pays homage to those who made the ultimate sacrifice in service to their community or became disabled in the performance of duty and also pays tribute to the survivors of these fallen heroes; and

WHEREAS, we honor the men and women of the Farmington Hills Police Department, along with their community partners, and commend them on their impressive accomplishments in reducing crime in our community; and

WHEREAS, the Farmington Hills Police Department achieved reaccreditation from the Michigan Association of Chiefs of Police, becoming one of only eight Michigan police agencies to have attained this status and currently the largest agency to achieve this prestigious accomplishment; and

WHEREAS, it is vital that our citizens know that Farmington Hills police officers are committed to practicing 21st century policing, encouraging positive community connections, and delivering superior services without prejudice or partiality; and

WHEREAS, we are grateful to the members of our Police Department and to the community, whose partnership helps Farmington Hills continue to be rated as one of the safest communities to live in the state and country each year.

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 – 21, 2022 as **National Police Week** and call upon the citizens of Farmington Hills to join in recognizing our Farmington Hills police officers, dispatchers, and civilian support staff, and in honoring all the dedicated professional law enforcement personnel across our country who preserve the safety and security of our communities.

CORRESPONDENCE

Councilmembers acknowledged the following correspondence received:

- Emails regarding construction on Orchard Lake Road
- Acknowledged the Master Plan Citizen Survey on the city website

CONSENT AGENDA

MOTION by Bridges, support by Boleware, to approve consent agenda items #9 – #12, as read.

Roll Call Vote:

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

MOTION CARRIED 7-0.

MOTION by Knol, support by Boleware, to approve consent agenda item #13, as read.

Roll Call Vote:

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

MOTION CARRIED 6-0-0-1.

CONSENT AGENDA ITEMS FOR DISCUSSION

There were no items pulled for discussion.

PUBLIC QUESTIONS AND COMMENTS

The following persons spoke on the Costick Center activities, particularly the pool and swim programs and urged City Council to maintain that facility for seniors in the community:

Pamela Santo
Jeanne Bisanz
Linda Bodzin
Jenny Pike

COUNCIL MEMBERS COMMENTS AND ANNOUNCEMENTS

Council Member made the following comments and/or announcements:

- Agreed that the Costick Center is a great facility for the resident seniors and that the swim program is like a family and they appreciate the comments
- Urging people to watch out for bike riders and to watch their speed to keep everyone safe this summer

CITY MANAGER UPDATE

City Manager Mekjian made the following comments:

- Saturday May 21st is Rouge River Day at Heritage Park
- Memorial Day Parade and events, sponsored by Groves Walker American Legion Post 346 in conjunction with the Exemplar Club, will be Monday, May 30th
- The one year anniversary facility dedication for the HAWK is June 16th at 7pm
- Carly Lindahl, Deputy Clerk, earned her second level MiPMC (Michigan Professional Municipal Clerk) certification

UNFINISHED BUSINESS

CONSIDERATION OF APPROVAL OF THE ENACTMENT OF ORDINANCE C-2-2022 TO AMEND CITY CODE, CHAPTER 34, "ZONING," AMENDING THE DEFINITION OF FAMILY; ADD NEW DEFINITIONS FOR REASONABLE ACCOMMODATION AND SPECIAL ACCOMMODATION RESIDENCE; ADD A NEW SECTION 34-4.60, STANDARDS AND REGULATIONS FOR SPECIAL ACCOMMODATION USE; AND APPROVAL OF SUMMARY FOR PUBLICATION.

Charmaine Kettler-Schmult, Interim Director of Planning and Community Development, reported that City Council introduced the ordinance amendment for the City Code to amend the definition of family. A public hearing was held at that time and there were no public comments or suggested changes to the amendment at that time. This is now before Council for the second reading.

MOTION by Massey, support by Knol, that the City Council of Farmington Hills hereby approves the ENACTMENT of Ordinance C-2-2022 to amend City Code, Chapter 34, "Zoning," amending the definition of family; add new definitions for reasonable accommodation and special accommodation residence; add a new Section 34-4.60, Standards and Regulations for Special Accommodation Use; and approval of summary for publication.

Roll Call Vote:

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

MOTION CARRIED 7-0.

NEW BUSINESS

CONSIDERATION OF APPROVAL OF APPOINTMENTS TO THE FARMINGTON AREA ARTS COMMISSION.

MOTION by Massey, support by Bridges, that the City Council of Farmington Hills hereby confirms the Mayor's recommendation to appoint the following individuals to the Farmington Area Arts Commission:

	<u>Length of Term:</u>	<u>Term ending:</u>
Don Fritz	Unexpired term	February 1, 2025
Nora Mason	Unexpired term	February 1, 2024

MOTION CARRIED 7-0.

CONSIDERATION OF APPROVAL OF AMENDMENT TO THE PLANNED UNIT DEVELOPMENT (PUD) 5, 1993 AGREEMENT.

Charmaine Kettler-Schmult, Interim Director of Planning and Community Development, reported that the Planned Unit Development originally allowed for office use and was recently amended by City Council to allow for retail and restaurants for a portion of the development. The next step is the PUD agreement, which has been reviewed and drafted by the City Attorney.

Mr. Antone, Kojaian Development, stated that the biggest want from office staff returning to work are area amenities and this would help to bring back the office market.

MOTION by Knol, support by Bridges, that the City Council of Farmington Hills hereby approves the amendment to the Planned Unit Development (PUD) 5, 1993 Agreement.

MOTION CARRIED 7-0.

CONSIDERATION OF APPROVAL OF SUBMISSION OF SOUTHEAST MICHIGAN COUNCIL OF GOVERNMENTS (SEMCOG) PLANNING ASSISTANCE PROGRAM APPLICATION FOR COMPLETE STREETS AND CORRIDOR SAFETY PLANNING. CMR 5-22-51

Charmaine Kettler-Schmult, Interim Director of Planning and Community Development, explained that this is a request to allow staff to submit an application to SEMCOG for complete streets and safety planning and is very timely given the master plan process the city is undertaking.

MOTION by Bruce, support by Boleware, that the City Council of Farmington Hills hereby authorizes the submittal of an application to SEMCOG to obtain a SEMCOG Planning Assistance Program Grant for Complete Streets and Corridor Safety Planning prior to May 27, 2022.

MOTION CARRIED 7-0.

CONSIDERATION OF APPROVAL OF THE INTRODUCTION OF AN ORDINANCE 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.

City Attorney Joppich explained that the ordinance is being presented to Council tonight for the introduction and first reading and if approved would come back to City Council for a second reading. He explained that the proposed amendment has been studied by staff and City Council over the past 30-60 days in order to address issues taking place at area Hookah Lounges. He noted that the city currently has two applications pending with the city under the current ordinance. The proposed changes to the ordinance are outlined in red in the report provided to Council this evening and focuses on a couple of key areas including the hours of operation proposed for 8am-11pm and allowing for temporary closure of a business for up to 72 hours; and establishes a special permit for use of hookah within the facility and conditions associated with such permit.

MOTION by Bruce, support by Knol, that the City Council of Farmington Hills hereby approves the INTRODUCTION of an ordinance 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.

Some members of City Council expressed concern with the proposed hours of operation and closing time of 11pm and imposing further restrictions without some education and outreach to the owners of the hookah lounges. Also, there was concern with the language included that could penalize a new owner for occurrences that happened on the property or in the facility when they did not own it. Other members of Council felt the establishments required further limitations in order to address the serious crimes taking place in or around their businesses and to maintain the health, safety and welfare of the community.

Roll Call Vote:

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

MOTION CARRIED 4-3.

CONSENT AGENDA

RECOMMENDED APPROVAL OF A SPECIAL EVENT PERMIT FOR THE 11TH ANNUAL CIPRIANO CLASSIC 5K RACE TO BE HELD ON FRIDAY, JUNE 10, 2022.

MOTION by Bridges, support by Boleware, that the City Council of Farmington Hills hereby approves a Special Event Permit for the 11th Annual Cipriano Classic 5K Race to be held on Friday, June 10, 2022 from 6pm-9pm, subject to the following conditions:

- The event shall not block or restrict fire lanes
- The event must comply with Fire Prevention Code requirements
- The route shall be as proposed, mainly in the residential area behind the YMCA
- Farmington Road will be closed temporarily at 12 Mile while runners begin the race
- There will be approximately 400 runners
- There will be 40-50 volunteers throughout the race route to assist the runners
- The applicant has been in contact with the Fire Department for medical response
- There will be ample parking for all attendees in the area of the event
- The residents of Kendallwood Subdivision will be notified by staff of the event the week prior to the run
- Reimbursement for Police Department overtime as outlined in the Police Chief's recommendation memo for this event
- The applicant shall submit an Indemnification Agreement prior to the start of 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 LEADER AND HAWKS NEST LEADER.

MOTION by Bridges, support by Boleware, that the City Council of Farmington Hills hereby approves the request for employment under Section 10.01A of the City Charter for Susan Wardle as a Camp Leader and Hawks Nest Leader in the Special Services Department. Susan is the mother of Anne Wardle, who is a Department Aide 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 APRIL 25, 2022.

MOTION by Bridges, support by Boleware, that the City Council of Farmington Hills hereby approves the City Council study session meeting minutes of April 25, 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 APRIL 25, 2022.

MOTION by Bridges, support by Boleware, that the City Council of Farmington Hills hereby approves the City Council regular session meeting minutes of April 25, 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 SPECIAL MEETING MINUTES OF APRIL 27, 2022.

MOTION by Knol, support by Boleware, that the City Council of Farmington Hills hereby approves the City Council special meeting minutes of April 27, 2022.

Roll Call Vote:

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

MOTION CARRIED 6-0-0-1.

ADDITIONS TO AGENDA

There were no additions to the agenda.

ATTORNEY REPORT

The attorney report was received by Council.

ADJOURNMENT

MOTION by Bridges, support by Bruce, to adjourn the regular session City Council meeting at 8:45pm.

MOTION CARRIED 7-0.

Respectfully submitted,



Pamela B. Smith, City Clerk