

A special meeting of the Royal Oak City Commission was held on Monday, April 18, 2016, in the city hall, 211 Williams, Royal Oak. The meeting was called to order by Mayor Ellison at 6:00 p.m.

ROLL CALL	PRESENT	ABSENT
Mayor	Ellison	
Mayor Pro Tem	Fournier	
Commissioners	Douglas	
	DuBuc	
	Mahrle	
	Paruch	
	Poulton	

Mayor Ellison explained how the proposed Royal Oak Central Park Project came to fruition.

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PRESENTATION CENTRAL PARK DEVELOPMENT GROUP LLC

Mr. Sam Surnow thanked the city for allowing them time to speak about the development. He explained how his father became involved in the project. After his father's death he decided the only way to complete the project was to partner with an expert in private public partnerships (PPP). He introduced Mr. Ron Boji.

Mr. Boji explained this would be a PPP. The benefits of a PPP are savings, pre-project funding, time, resources and risk avoidance. There were four components of the proposal the city hall/office building, a parking deck, the police station and a central park. The residents of Royal Oak would still own city hall. It was not something they would be leasing.

The parking deck would add 200 parking spaces. There would be a tunnel from the basement of the deck to the city hall/office building.

The police station would be relocated next to the court. It would be two stories above grade and a basement. There will be a common area where events could take place.

When determining the schedule for the project they focus on safety and minimizing disruptions to the public, businesses, employees and visitors. Parking during construction was always a concern but they would be working in phases to limit the inconvenience

If the project moves forward they hoped to start construction by the end of the year. First would be site work including relocating underground utilities. Once that's completed work would start on phases 1, 2 and 3 simultaneously. They hoped to have the parking structure completed by the end of next year. After the completion of the city hall/office building and the police station, expected to be the first quarter of 2018, the employees would move to the new buildings overnight. Then the existing buildings would be demolished and the park started.

The presentation ended with the showing of a brief video.

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FINANCIAL OVERVIEW OF ROYAL OAK CITY CENTER PROJECT

Mr. Todd Fenton, Economic Development Manager, explained that in his initial discussions with Mr. Surnow they spoke about emphasizing four different facets for the city. How could they open up this piece of property to the best possible land use? They thought they achieved that with the city park. Does the

project meet current city hall space planning requirements? They believed they got there. Will this provide for a police station that is technologically and operationally sufficient for a post 9/11 environment? They believed they achieved that. How could they also further the city's economic development goals and not just its service oriented goals? Bringing 700 office workers downtown was a crucial piece. He introduced Mr. Paul Willis of Plante Moran CRESA.

Mr. Willis explained they were engaged to provide an independent assessment of the Boji/Surnow proposal as well as the condition of the current city hall and police department, what current functions were there and what the potential renovation costs would be. They were about 75% done with their assessment.

City hall currently houses approximately 100 full time employees. It was constructed in 1952 and didn't have a lot of integration for technology. Operating costs were \$175k per year for heating/cooling/water. For items that would need to be replaced on an ongoing basis and routine maintenance the costs were \$175k-\$200k per year.

They anticipated it to cost \$90-\$115 per square foot to renovate. That included replacing mechanical, electrical and plumbing infrastructure, replacing windows, doors and the roof, demolishing non-bearing walls and renovating the toilets and elevator to meet current code requirements. They could anticipate an expense of \$2.7-\$3.4m. It did not include structural modifications or the costs incurred to rehouse city hall during construction. It was Plante Moran CRESA's opinion that the facility was functionally obsolete.

They performed the same analysis for the police station which was constructed in 1964. The city spends \$130k per year on heating, cooling, electrical and water for the police station and \$135k-\$150k for required maintenance and capital upgrades. It would cost \$110-\$135 per square foot or about \$2.5m-\$3 million to renovate the building. It was Plante Moran CRESA's finding that the facility was functionally obsolete.

The timeframe was aggressive but achievable. They recommend the city of Royal Oak continue due diligence. They will have the final report April 30.

City Manager Johnson explained bids for the existing city hall included air conditioning but the commission deleted it to save \$3,000. Air conditioning was added later using galvanized steel couplers, which have caused 7 floods. Damage from the most recent flood was over \$150k and two offices were still displaced.

It's believed the building was based on plans for a school. It's broken into small spaces and doesn't work well. There are seven separate counters leading to a lack of team unity and poor customer service. The buildings are expensive to operate. A door monitor was needed for after hour meetings.

Most of the problems were repairable but would cost almost as much as replacement. Renovation would require relocating existing employees but with this plan they'd stay in city hall until it was completed.

They would not be selling city hall. They would be selling the parking lot. City Hall would be a condo in the building; they would be owners not tenants. The city hall site would become a park. The office building would pay more in taxes than the city hall portion would cost.

The police station was outgrown and outdated. It was poorly constructed and poorly designed. There was no temperature control.

The parking structure would provide 500 spaces and be paid for from the automobile parking system. Evenings and weekends would gain 450 spaces, which was more than they'd lose at the farmers market. They would probably still need to build a structure across from the post office.

A downtown park was a longstanding city commission goal. It will be a focal point for outdoor public activities in Royal Oak and incorporates Star Dream and the War Memorial. It's designed to expand across Troy Street for larger events. It might also include a carousel.

How much will this cost and how will we pay for it? Total project cost would be about \$100m. The public portion would be about \$56.4m. The parking structure would come from the automobile parking fund. The rest would be financed by limited tax obligation bonds, which do not include a tax pledge, therefore, no new taxes.

Chief of Police/Assistant City Manager O'Donohue stated the police station was very inefficient. They're making do but could provide much better service with a new building. An estimate to replace the windows was \$700k. There's no air flow in the building. Today it was 85 degrees in the city clerk's temporary office.

There's no space in the lobby and it's not very accessible. They would like to make it more welcoming.

It was difficult to integrate technology. Dispatch was extremely cramped. The 911 operator has one of the most difficult and stressful jobs. Their environment was depressing. It was difficult to include the technology needed for video streams.

With Partners In Architecture they worked to design the new building. Starting with current operations, needed space and input from officers they put together a design. Each new plan was posted so every employee could contribute suggestions. The net result was a very good building designed by police officers.

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CITY COMMISSIONERS' COMMENTS

Commissioner DuBuc asked if there were green features. With regards to bidding the project, who owns the risk and if there were savings who would get them?

Mr. Boji stated the park itself will be a closed environment with the runoff water being able to be reused. The buildings will be lead certified. Energy efficiency was a high priority. That would be in the development agreement. In a PPP all the risks are on the private organization. There's an open and competitive bidding process. It was important to make sure the Royal Oak residents and businesses were heavily involved in the process.

Commissioner DuBuc asked what the other cost mentioned was? How long were the bonds?

Mr. Johnson explained it was for relocating the antenna. They were looking at other city property. They would be 30 year bonds. They are in the process of bonding the pension and OPEB costs, which would save them \$3.5m per year.

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PUBLIC COMMENT

Ms. Joan Larson had worked in both the police station and city hall and offered her services as a historian.

Mr. Alan Kroll, 1050 Iroquois, owns Space Care Interiors. In 1999 the city hired his firm to look at the remodeling the 3rd floor when the court moved across the street. They realized they didn't need a hammer but a bulldozer. Neither building can be saved. Royal Oak needs office space.

Mr. Tim Housley, 2440 Brockton, hadn't realized the state of disrepair of the building. He was glad to hear they would use union workers. It would be a higher standard of work and quality. He was surprised and happy to hear this wouldn't be at taxpayer expense.

Mr. David Pardo, 325 S. Laurel, suggested they include an indoor play space for children. There was talk of a splash park, but would there be anything for kids 1-8. He loved the project and that they were going with union based labor.

Mr. Kirk Armstrong, 1937 Roseland, supported the project. He has a young family and this was exactly what they were hoping and looking for. All of his questions were answered in the presentation.

Mr. Dave Ambroziak, 2620 Lauren Ct, was wowed by the presentation. The concept of bringing his children to a central park to play or see a movie was attractive as a citizen. He was glad to hear that it wasn't going to cost residents anything and that Ron Boji was working on the project.

Ms. Alice Reed of Royal Oak Manor suggested the park have areas of interest for older children as well. Public telephones would make it safer. There should be shelters at bus stops. Had they looked at other recently built police departments for design ideas? She hoped they considered water elements and skateboard areas in the park.

Ms. Patty Maridian, general manager of Andiamo, expressed their full support for the project. It would be tremendous for the other restaurants and retail establishments in the area.

Mr. Keith Howarth, 707 S. Rembrandt, suggested incorporating a dog run on the outer edge of the park. It would be a big attraction. He would like to see solar and wind power incorporated in the buildings.

Mr. William Hyde, 921 Gardenia, agreed the project was needed and was happy to hear they were planning on using skilled tradesmen. He suggested they try a similar arrangement with the Woodward/I-696 property.

Mr. Woody Gontina, 1422 Edgewood, supports development and this project. He was glad to hear the questions regarding building green. Royal Oak had the opportunity to become a leader. They need to be pragmatic about their plans. He implored the commission to establish minimum requirements for a sustainability plan.

Ms. Lisa Canada, 25455 Dundee, asked Mr. Mike Jackson to join her at the podium. As members of the Michigan Regional Council of Carpenters and Millwrights they represent 300 active members, retirees and their families in the city of Royal Oak. They supported the project and were excited to work with Mr. Boji and Mr. Surnow.

Ms. Cindy Bakken, 3009 Harvard, was shocked to hear about the condition of the police department and city hall. She was in favor of the project and relieved there wouldn't be an increase in taxes. She hoped it would have a green roof.

Mr. Candace Isaacson, 513 Wellesley, stated that as chair of the Historical Commission she was sad to see city hall go. She suggested they rethink the parking deck's pedestrian crossing at 11 mile. It was already crowded with the crossing for Emagine. She verified that a splash park was included in the plan.

Mr. Bill Harrison, 2729 Trafford, felt it was an interesting plan but thought there would still be a shortage of parking spaces. It seemed like a lot of office space considering the other proposed projects. He thought having handicapped parking in the structure could be inconvenient. Overall it sounded like a good project.

Ms. Judy MacFarlane, 923 Hilldale, was ecstatic about a downtown central park but had concerns with Mr. Boji's reputation. They needed to stay on top of this, especially the green and sustainability issues.

Mr. Ron Wolfe was concerned that it was more of an event park than an everyday park. He opposed the amphitheater and wanted a fountain in the middle of the park. The park could increase surrounding property values. He suggested a pile of dirt for sledding, fiberglass dinosaurs and lots of benches in the park. They need cameras in the parking structure.

Mr. Dave Sims, 4403 Woodland, felt this was a fantastic project and was very pleased with the new police department. It was needed. Why was there still a for sale sign at Normandy Oaks? Is the park scheduled to start? Is there a hotel going in on Main Street?

Mayor Ellison explained the sign was for the 10 acres which were sold. They are meeting with Oakland County regarding the park. The developer hoped to start on the hotel this summer.

Ms. Andrea Lighthall, 4026 Parkview, was excited with what she saw. With regards to comments made earlier she was surprised Shane Park in Birmingham had become an everyday park. In addition to benches, there were tables and chairs that are easily moved. She likes the architecture and urban spaces and one has been designed that she would be excited to walk around.

Mr. Sergio Basmajian stated 20-30 years ago it was ok to be stagnant. Since then cities have made strides to bring in more people. As a business owner, he was tired of seeing clients start in Royal Oak then move out. The city was turning around and the presentation was phenomenal.

Mr. Mike Della-Lucia, 2511 Woodland, was pleased with the presentation. It addressed employment with the office space and parking. The police needed a modern, up-to-date department and equipment to do their job properly. He liked the park and agreed with the suggestion of cameras in the parking deck. They should also have good lighting in the decks and parks so people would feel safe. He supported the project.

Mr. Kurt Voneberstein, 3105 Clawson, noted that according to his wife during remodeling of the middle school and construction of Northwood School environmental working conditions were challenging. They needed to follow through and keep up with the warranties. It was exciting to live in Royal Oak and this was a great project.

Ms. Alice Derderian, 3873 Hillside Ct, wanted to know if it would be going to a vote.

Mayor Ellison explained that they were not raising taxes so it didn't have to go to a vote of the people. The commission had the right to sell undedicated city property for the good of the city.

Ms. Monika Sipe, 626 Symes, loved the park and hoped there would be accommodations for people who have difficulty walking. The police deserve a new building. She agreed there should be cameras in the parking structure and hoped there would be an urgent care facility office building. Could they consider a new building for the animal shelter?

Mr. James Cooper, 3216 Garden, wondered if there was any advancement toward smart buildings. How did they determine the number of stories for the deck and building? Would they consider a residential component? Will they announce what companies bid on the project? Will there be other meetings on the development?

Mayor Ellison stated they were in the very early phase of the development and there would be additional opportunities for public comment.

Mr. Rick Karlowski, 419 Virginia, wanted to see the DDA waive their cut from the new building and how they would pay for the new parking structure if they had to start cutting deals for parking to get the office space rented out.

Mr. S. R. Boland, 511 E. Bloomfield, represented the disgruntled minority. There were good elements to the plan. He liked the park and the police do need a better place to do their job. City hall was a fine building with character. The new building wasn't something he could be proud of.

Mr. Peter Halabu, 334 E. Farnum, liked the idea of moving city hall and the police department to the outer edges. He felt the plan ignores the space by the library and that Star Dream and the war memorial should be moved if possible. The memorial blocks a clear path from the library to the park and the fountain

should be in the middle of the park. He didn't see the need for a permanent amphitheater. He asked for clarification of how the city hall condo could expand if needed. More attention needed to be paid to image and accessibility.

Mr. Johnson explained that because it's an office building they could rent additional space if needed.

Mr. John Corradi, owner of the Rock on 3rd, served on the Downtown Task Force. The office space was a no brainer and the city hall and police department were needed. They just needed to make certain everything was in the right place and that it flowed.

Mr. Mike Doonan, 4309 Tonawanda, felt it was a good plan. The appeal of not using tax dollars worked for them and other residents. He wanted to voice his support and hoped they kept moving forward.

Mr. Danny Torressan, 103 Normandy, agreed they needed a new police station. He didn't have a clear understanding on not owning the building. Why didn't they build their own building? He was skeptical of a private-public venture. It looked like a nice project but he wasn't sure they were looking at the true cost of it.

Mr. Frank Arvan also served on the Downtown Task Force and felt it was a brilliant idea. He hoped the developers allowed their architect to come up with a more inspired design. It's going to be one of the most public buildings in town and he hoped it would be something they could be proud of.

Ms. Carol Bradshaw wanted to know if the grassy area near the library would still be there. The police department was long overdue. She opposed the carousel; it was unnecessary. How would they have all the trees?

Mr. Joan Larson explained why the fountain and memorials were located where they were.

Mr. Ron Wolfe reiterated why he wanted a fountain in the middle of the park.

Mr. William Harrison wanted to make sure the veteran's memorial stays where it is.

Mayor Ellison felt it was a very productive meeting with a good presentation and good input from the public. This was just the start of the process. They have plenty of time to work out the details.

Commissioner DuBuc wanted to clarify what the next steps would be.

Mr. Fenton stated that extension of the exclusive agreement would be on the April 25 agenda.

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Upon motion of Commissioner Douglas, Seconded by Commissioner Paruch, and adopted unanimously, the special meeting was adjourned at 9:32 p.m.

Melanie Halas, City Clerk

The foregoing minutes of the special meeting held on April 18, 2016, having been officially approved by the city commission on Monday, May 9, 2016, are hereby signed this ninth day of May 2016.

James B. Ellison, Mayor