CAPITAL OUTLAY AND INFRASTRUCTURE COMMITTEE MEETING
MONDAY, JULY 8TH, 2024
7:00PM

A Capital Outlay and Infrastructure Committee meeting was held on Monday, July 8, 2024, at Livonia City Hall in the City Council Chambers on the 2nd floor.

Committee Members Present:	Rob Gjonaj-Donovic, Chair Jim Jolly, Vice Chair Carrie Budzinksi, Member
Committee Members Absent:	None
City Council Members Present:	Brandon McCullough, Council President Martha Ptashnik, Council Vice President
City Officials and Others Present:	Maureen Miller Brosnan, Mayor Dave Varga, Chief of Staff Carter Fisher, City Attorney Debra Lichtenberg, Finance Director Mark Taormina, Planning and Economic Dev. Director Robb Drzewicki, Governmental Affairs Director
Additional Attendees:	Andy Fountain, Plante Moran Real Point Paul Theriault, Plante Moran Real Point Doug Smith, Plante Moran Real Point Phillip Francis, Livonia Public Schools Colleen Burton, Livonia Public Schools

1. **CR 02-23** Subject matter of the 2022 Facility Condition Assessment and Space Needs Assessment.

The meeting convened at 7:00pm, led by Committee Chair, Rob Gjonaj-Donovic.

Mayor Brosnan started the meeting off on recapping previous meetings we've had on this item for the Town Center Project, stating the initial discussions started back in 2017 on the redevelopment of this corner through the Master Plan.

The Administration is asking the City Council to begin the process of issuing bonds to construct a new Livonia City Hall.

Debra Lichtenberg, Finance Director, gave a presentation to City Council on various legal requirements for municipal bonds and the Administration's preliminary financial figures in consultation with our bond legal firm, Miller Canfield, our financial advisor, PFM Advisors, and the real estate consultant who has conducted the Space Needs Assessment, Plante Moran Real Point.

The first legal step in issuing bonds is the Notice of Intent.

The Notice of Intent allows 45 days for public input, a petition to be filed and placed on the local ballot for a vote. If no petition is filed within the 45 days, bonds may be issued by action of the City Council.

The city must define the capital project, estimated costs, timelines, and various financial figures like maximum amount being asked, maximum term, rates, and reimbursement of costs.

The Notice of Intent is asking for a maximum of 45 million dollars, a rate to be determined by the market at the time of the issuing of bonds, and for a maximum term of 30 years.

If the Notice of Intent is approved by the City Council, and the public 45-day period has been satisfied, the city will start the planning process of design work, the site plan, and other necessary due diligence to create the total budget.

This figure will ultimately be the dollar amount the City Council will then have to approve to officially bond for.

The Notice of Intent, which is being discussed at this point only is to give the public a right of referendum.

Bonds will not be issued until the actual, final terms of the bond sale are separately approved by the City Council in a Bond Authorizing Resolution. The Administration anticipates this occurring in mid-2025, upon completion of design work and final cost estimates.

The Administration has proposed that the city pay for the debt servicing of the bond with the roughly 2.4 million dollars a year the city is saving in retiree healthcare premium payments since the City Council switched to Medicare Advantage Healthcare.

The Administration estimates the cost of constructing the new City Hall will range from $31,500,000 to $42,000,000. Over the next 10 years, the existing City Hall will cost an estimated $36,000,000 in capital improvements and holding costs.

Committee Chairman Rob Gjonaj-Donovic and President Brandon McCullough continue to express concern that cost estimates are too high and for the Administration to continue to work on lowering construction estimates.

The best way to conduct the needed due diligence is to start the legal bond process of a Notice of Intent.

Vice Chairman of the Committee, Councilman Jim Jolly, offered an approving resolution for a Notice of Intent to Bond for the above.

A PowerPoint presentation was included in the packet and will be made available for all members of the public on the City's website.

Andy Fountain, Paul Theriault, and Doug Smith from Plante Moran Real Point (PMR) gave a presentation on what PMR's role in the redevelopment of the Town Center Project would be.

PMR has roughly 130 employees specializing in all thing's real estate development, legal, planning, engineering, and other applicable services.

They would provide pre-ballot proposal services, development advisory services, and owner representative services.

PMR would be the daily lead on the entire scope of project and work with strategic city staff to completion.

City Attorney, Carter Fisher, engaged in negotiations of the contract with PMR. Ultimately, the Administration is asking that the City Council approve the acceptance of contract with PMR.

PMR has been the real estate consultant for multiple phases already on the Town Center Project, more specifically, the 2022 Facility Condition Assessment and Space Needs Assessment.

PMR has detailed information and direct knowledge of the City's needs for this project.

If the contract with PMR is approved, they will start the process of developing the design work and final cost estimates for the Town Center Project.

This project is initially estimated to be roughly 96 months, but that number is expected to go down.

The City Attorney answered numerous questions from the City Council about specific contractual language and financial protections in the city's best interest.

PMR has worked with numerous communities on various municipal projects, most notably, the Livonia Public Schools $500,000,000 Bond Program and Sinking Fund. Mr. Phillip Francis, Assistant Superintendent of District Services to LPS and Schoolboard Trustee, Colleen Burton, were in attendance and gave remarks on their positive experiences with PMR and the various recent projects they've completed and are currently underway.

Mr. Francis explained the critical daily operational relationship his team has with PMR and how successful their teamwork has been. Trustee Burton shared insight from a board member prospective and the money spent with PMR would be a fiscally wise decision as the school district benefited from PMR's expert services.

Council Vice President Martha Ptashnik offered an approving resolution to award the contract to Plante Moran Real Point for the above services.

Mayor Brosnan asked that we continue this process with future committee meetings to keep the City Council up to date. All meetings are open to the public and information is available on the city's website.

The meeting adjourned at 8:40pm.

The Committee recommends the following:

1. For the Law Department to draft an approving resolution for the Notice of Intent to issue bonds.

2. For the Law Department to draft an approving resolution awarding the contract to Plante Moran Real Point for the above services.

Note: This item will remain in Committee.

This meeting will be reported at the Regular Meeting of July 15th, 2024.

Rob Gjonaj-Donovic, Chair