

Mr. Rousse noted that the City's insurance also carries a deductible.

President Dalton expressed his sympathy for the resident's situation, but noted that he was hesitant to set a precedent. He suggested that the homeowner contact the DPS Department to make arrangements for a payment plan.

Rev. Dr. Pamela Whateley, 1600 Livernois, expressed her opinion that President Dalton had intentionally set the evening's agenda knowing that many concerned residents would not be available to attend.

President Dalton assured residents that no decisions or actions would be taken this evening. He stressed that Council Work Sessions were for discussion only.

ADMINISTRATION

2004-0040 Update Regarding DPS Facility

Presentation for informational purposes only.

Mr. Scott Cope, Director of Building/Ordinance Enforcement, and Mr. Roger Rousse, Director of DPS/Engineering, along with Mr. Robert Szantner and Mr. David Gassen from Yamasaki Associates, Inc. and Mr. Matt Hubbard and Mr. Jack Michael of DeMattia Group, discussed the various options for the renovation or reconstruction of the existing Department of Public Service (DPS) Facility.

Mr. Cope gave a brief overview of the history of the project dating from January 2002 through the present, noting the Maximus and ASTI studies, various Work Session meetings, and Council's authorization of Yamasaki Associates, Inc. and DeMattia Group to provide architectural and construction management pre-construction services. Mr. Cope then introduced Mr. Ed Anzek, Director of Planning/Development, to provide an update with regard to the sale of the Hamlin Road property.

Mr. Ed Anzek, Director of Planning/Development, explained that the sale of the Hamlin Road property to Donaldson and Company, as had previously been approved by Council, was cancelled. He introduced Mr. Dan Casey, who had recently joined the City as Economic Development Manager, noting that Mr. Casey's first task is to take a "fresh look" at the Hamlin Road property and determine how it can be marketed.

Mr. Dan Casey, Economic Development Manager, noting that there were numerous developers in the metropolitan Detroit area who were unaware of the Hamlin Road property, described his initial marketing efforts:

- * Redistributed the original request for proposal (RFP).
- * Spoke to five (5) developers.
- * Met with two (2) developers.
- * Showed the office building to two (2) companies.
- * Showed the manufacturing facility to Signature & Associates, as well as to an agent of a group of developers as an investment opportunity.
- * Will continue to market the property for purposes of potential redevelopment.
- * Added the property listing to various on-line real estate listing services.
- * Had discussions with the State regarding the use of SmartZone in this property.
- * Suggested the possibility of Rochester Hills considering multiple jurisdiction with Auburn Hills for an LDFA to purchase the property from the City.

Mr. Roger Rousse, Director of DPS/Engineering, described a video presentation that highlighted the following:

- * Garage was constructed over thirty (30) years ago, although some additions have been made.
- * Some structural elements need to be replaced at substantial cost.
- * Maximus's facilities condition assessment determined that the building is in need of approximately \$400,000 of improvements.
- * Accessibility - building does not meet ADA requirements (no ramps or hand rails).
- * Security - need to control access from the individual parking lot to the equipment and to the interior of the compound.
- * Ventilation - vehicle exhaust fumes travel to the air intake into the building.
- * Height problems - not enough space between top of vehicles and maintenance garage ceiling.
- * Drainage - moisture stays on the ground creating unsafe circumstances.
- * Limited crane accessibility - cannot move in all directions, affecting efficiency.
- * Storage - items must be moved manually throughout the building.
- * Deterioration of equipment - approximately \$5.5 million worth of rolling stock that remains outside exposed to the elements accelerating deterioration.
- * Exterior storage - stock (such as tires) stored outside the building exposed to elements resulting in deterioration.
- * Salt loading - salt is loaded into trucks in the elements resulting in difficulty distributing clotted salt.
- * Fuel island - only two (2) vehicles can refuel at the same time resulting in inefficiency.
- * Environmental concerns - canopy over salt storage does not offer complete coverage resulting in tracking of salt onto gravel surfaces.
- * Proximity to homes to the north - renovation would limit exposure to those residents.
- * Scale placement - location in front of building results in traffic pattern inefficiency.
- * Boiler room - used as a multi-tasking room including custodian's desk and uniform storage.
- * Locker room - very congested with two (2) showers with exposure to an outside window.
- * Congestion - map room, meter room, superintendent's office, lunch room all used for multiple purposes.

Mr. Rousse praised the employees for "making due" with the space and systems available, however, he stressed that the proposed plans would address the above issues.

Mr. Robert Szantner and Mr. David Gassen of Yamasaki Associates, Inc., along with Mr. Matt Hubbard and Mr. Jack Michael of DeMattia Group, presented the findings of their study entitled "Phase I - Conceptual Design Executive Summary: Interim Report - January 2004":

OPTION 1 - RENOVATION AND EXPANSION

Advantages:

- * Improved site and building security.
- * Partial usage of the bulk storage area on the east side of the site possible.
- * Minimized noise to surrounding properties.
- * Indoor storage of vehicles will result in longer life and less maintenance of vehicles.
- * Improved containment of vehicle fluids (indoors).
- * Slightly less cost than Option No. 2.

Disadvantages:

- * Site activities operating from both sides of the yard.
- * Salt storage building located closer to Auburn Road.
- * Building deliveries along Auburn Road.
- * Partial reuse of existing building results in minor inefficiencies of space allocation.

- * Extensive renovation of existing space is more time consuming and can be more difficult than building new space.
- * The renovation and expansion of the facility will be completed in phases, resulting in disruptions and inconveniences to the current operations.

OPTION 2 - NEW BUILDING

Advantages:

- * Improved site and building security.
- * Improved site circulation, resulting in more efficient operations.
- * All site activities contained on one side of the yard.
- * Salt storage building more centrally located, thus less obtrusive to Auburn Road.
- * Building deliveries contained to the east side of the site, thus screened from Auburn Road.
- * Benefit of a new facility, with spaces designed specifically for their intended use.
- * Avoids the downfalls of a hybrid building; part new, part existing.
- * Minimized noise to surrounding properties.
- * Indoor storage of vehicles will result in longer life and less maintenance of vehicles.
- * Improved containment of vehicle fluids (indoors).
- * Construction of the new facility can occur without much disruption to the current operations.

Disadvantages:

- * Slightly higher cost than Option 1.
- * Usage of the existing bulk storage area on the east side of the site eliminated.

ESTIMATED TOTAL PROJECT COST:

\$11,695,609 - Option 1 (renovation and addition)
 \$11,788,986 - Option 2 (new construction)
 \$93,377 - Difference

SCHEDULE - OPTION 1: RENOVATION AND ADDITION

- * Approximately five (5) weeks longer than new construction (Option 2).
- * DPS Administrative personnel will be relocated to temporary trailers.
- * Will create several operating inefficiencies.
- * DPS site will be almost cut in half by construction area.
- * DPS trucks may have to use Auburn Road to get from one side of site to the other.

SCHEDULE - OPTION 2: NEW CONSTRUCTION

- * Approximately five (5) weeks sooner than renovation and addition (Option 1).
- * Main building of new facility can be constructed in entirety without disrupting existing facility's operations.
- * No need for temporary facilities.
- * Two (2) fewer moves required.

PUBLIC COMMENT:

Rev. Dr. Pamela Whateley, 1600 North Livernois, questioned whether there was a safe

way for traffic to move from one side of the facility to the other without "causing a safety hazard."

Mr. Szantner explained that vehicles can travel through the facility.

COUNCIL COMMENTS:

Mr. Cope acknowledged the discrepancies between the new study presented tonight and the Maximus study. He indicated that the latest study examined "the situation a little closer" and included a reevaluation of the Maximus study.

President Dalton expressed his confusion regarding the potential use of the Hamlin Road property for the DPS facility as opposed to the current Auburn Road location.

Ms. Holder listed some of the problems associated with the Hamlin Road property, including the elevation resulting in "danger coming in and out of that site" and the need for "several tons of fill" to correct the elevation.

Ms. Hill expressed her belief that the cost will rise on this project and that the door should not be closed on the Hamlin Road property. She agreed that a new building would be the best option, but there is no money for either option to move forward.

Mr. Robbins asked Mr. Casey to explain the difference in cost per square foot between the Maximus study and the current study.

Mr. Casey, explaining that he had only been on the job for three (3) weeks and was unfamiliar with either study, noted that the Hamlin Road property has a higher value.

Mr. Anzek noted that the Auburn Road location would require more environmental cleanup if it were not used for the DPS facility and were placed on the real estate market.

Mr. Robbins acknowledged the obvious need for a DPS facility with more space. However, he noted that Council needs more time to evaluate the options.

Mr. Cope reiterated the problems with the Hamlin Road location including the grading improvements and fill dirt requirements, along with demolition costs.

Ms. Hill stated that she also sees the need for a new facility but expressed her concern over conflicting data and a possible need for further evaluation, possibly at a committee level. She also stressed again the lack of funds to continue with the project.

Ms. Holder clarified that a final decision was not being made, but rather preparations for the eventuality that funds become available and the project can move forward immediately thereafter.

Mr. Duistermars expressed his desire that the "best building be built."

(Recess 9:15 p.m. - 9:35 p.m.)

Mr. Szantner stated that the current Auburn Road site is best suited for this particular use.

President Dalton asked whether the Yamasaki and DeMattia representatives had examined the Hamlin Road site.

Mr. Hubbard explained that no analysis of that site had been conducted, however, use

of the Hamlin Road site would increase the cost estimates.

Mr. Cope asked Council for direction moving forward with this project.

Ms. Hill, while acknowledging her support for a new building, reiterated that there is no money available at this time. She expressed her reluctance to commit any funds to the design process prior to the sale of the Hamlin Road property.

Mr. Barnett agreed with Ms. Hill regarding further funding, but did express his support for the eventual use of the Auburn Road site.

Ms. Holder expressed her support for new construction.

Mr. Rousse noted various funding options:

- * The sale of the Hamlin Road property
- * Increased water and sewer rates
- * Bonding
- * Revenue financing
- * Debt financing

He noted that, at this time, the Administration is looking for direction with regards to the design aspects of the project only.

Mr. Robbins questioned the cost for this design work.

Mr. Rousse stated that funds for design were approved and carried over from the 2003 budget. He stressed that the cost for either site "is the same from the foundation up," however, the Hamlin Road site would require more pre-construction work. He also stressed that the Hamlin Road property is more valuable and, thus, possesses superior revenue generating potential.

Mr. Robbins noted that, since the funds for design were already budgeted, the plan design phase could move forward.

A consensus of Council agreed with Mr. Robbins that the design phase move forward.

2004-0041**Discussion Regarding Solid Waste**

For discussion purposes only.

Mr. Scott Cope, Director of Building/Ordinance Enforcement and Mr. Bob Spaman, Director of Finance, presented information regarding proposed funding methods for solid waste, recycling and yard waste services.

A brief history of the issue was presented dating from July of 1999 to the present noting the RRSI study and various discussions at Committee and Council level.

Funding-System Goals:

- * Lowest start-up costs
- * Least on-going administrative burden
- * Easy to implement
- * Easy to administer
- * Least complicated to maintain