

**BIRMINGHAM CITY COMMISSION
MUNICIPAL BUILDING, 151 MARTIN
MONDAY, SEPTEMBER 9, 2024
6:00 P.M.
SPECIAL MEETING
(WORKSHOP)**

This will be considered a workshop session of the City Commission. No formal actions will be taken. The purpose of this workshop is to engage in a presentation and discussion regarding Birmingham's Future Senior/Recreation Center at 400 East Lincoln.

I. CALL TO ORDER

Elaine McLain, Mayor

II. ROLL CALL

Alexandria Bingham, City Clerk

III. PRESENTATION & DISCUSSION

A. Introduction

B. Presentation

C. City Commission Discussion and Comment

IV. PUBLIC COMMENT

V. ADJOURN

Should you wish to participate in this meeting, you are invited to attend the meeting in person or virtually through ZOOM: <https://zoom.us/j/655079760> Meeting ID: 655 079 760

You may also present your written statement to the City Commission, City of Birmingham, 151 Martin Street, P.O. Box 3001, Birmingham, Michigan 48012-3001 prior to the hearing.

NOTICE: Individuals requiring accommodations, such as mobility, visual, hearing, interpreter or other assistance, for effective participation in this meeting should contact the City Clerk's Office at (248) 530-1880 (voice), or (248) 644-5115 (TDD) at least one day in advance to request mobility, visual, hearing or other assistance. Las personas que requieren alojamiento, tales como servicios de interpretación, la participación efectiva en esta reunión deben ponerse en contacto con la Oficina del Secretario Municipal al (248) 530-1880 por lo menos el día antes de la reunión pública. (Title VI of the Civil Rights Act of 1964).



Senior/Rec Center Update

City Commission Workshop

City Manager's Office

Presented by: Jana L. Ecker,
City Manager

Date: September 9, 2024

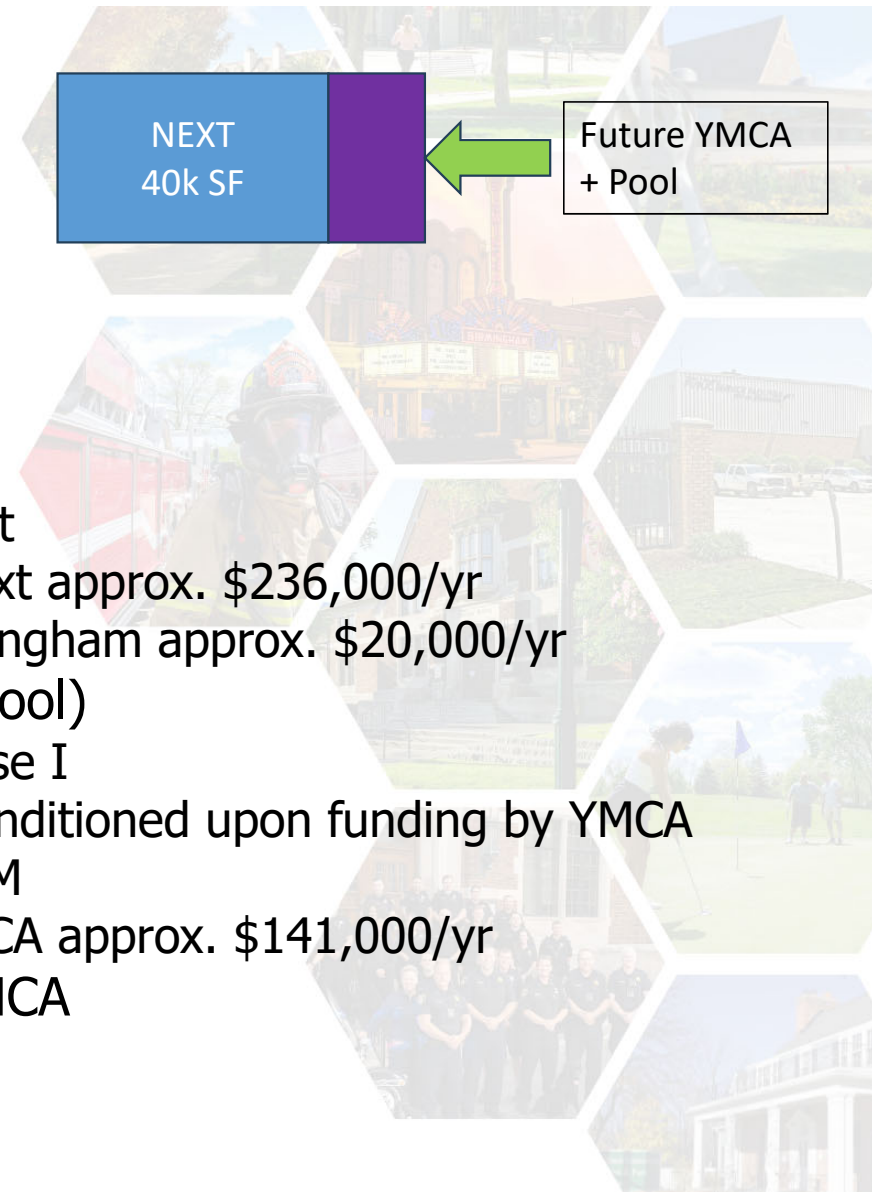


Commission Direction

- July 29, 2024 Special Meeting
 - **MOTION:** Motion by Commissioner Baller, seconded by Commissioner Haig:
 - *1. To demolish and build new.*
 - *2. These three parties need to meet, they need to be represented by counsel. They should not stick to any allocation, percentage-wise, of space. They should figure out the sharing arrangement, and they should contemplate, or discuss, a variety of partnership structures they can bring back to us. The City expects the YMCA to contribute commensurate with the square footage they would be utilizing.*
 - *3. That we begin the process of doing financial and legal due diligence on our partners. That may involve hiring outside counsel, or our existing auditing firm, to examine tax returns, financial statements, and potential legal structures.*
- August 26, 2024 Regular Meeting
 - *Action should be postponed until the Commission has a workshop on the topic. Mr. Underwood and Ms. Braun should come with tangibles, specific directions, ideas, goals, and agreements. The workshop should include scope, costs, ideas for covering the costs, and any other relevant information.*

Option A

- Phased construction of 53,300 SF building
 - Phase I → Next (approx. 41,000 SF)
 - Bond financing \$23.5M for 30 years
 - Annual debt service payments \$1.3M
 - Fully funded turnkey to build out for Next
 - Building Operating Costs provided by Next approx. \$236,000/yr
 - Building Operating Costs by City of Birmingham approx. \$20,000/yr
 - Phase II → YMCA (approx. 9,000 SF + pool)
 - Design completed concurrently with Phase I
 - Construction of YMCA space and pool conditioned upon funding by YMCA
 - Estimated Capital Funding by YMCA \$11M
 - Building operating costs provided by YMCA approx. \$141,000/yr
- New long-term lease signed by Next and YMCA



Option B

- Construction of 36,000 SF building
 - Fully funded turnkey to build out for Next and City
 - Bond financing \$21.5M for 30 years
 - Annual debt service payments \$1.2M
- Building Operating Costs provided by Next approx. \$250,000/yr
- New Long-Term lease signed by Next

NEXT
36k SF



KRAMER
MANAGEMENT GROUP

Next Space Needs

Next's Program Space in the Norr Report

PROGRAM SPACES AT A GLANCE - BY STAKEHOLDER*

	BIRMINGHAM NEXT (FUTURE PROGRAM)
Activities / Enrichment	12,650 SF
Activities / Creative Arts	1,000 SF
Activities / Programs	1,600 SF
Activities / Support Services	300 SF
Health & Wellness / Fitness & Weight Training	1,000 SF
Health & Wellness / Yoga & Dance	1,450 SF
Health & Wellness / Gymnasium	7,850 SF
Health & Wellness / Locker Rooms	500 SF
General / Lobby	2,950 SF
Office / Administration	2,290 SF



Meeting with Owner's Representative (8/30/24)

- Reduced from approx. 40,000 SF to approx. 36,000 SF
 - Smaller lobby & locker rooms
 - 3 indoor pickleball courts rather than 4
 - 2 fewer multi-purpose rooms
 - Eliminate dining room adjacent to the kitchen



The Mission of Next:

The purpose of Next is to be a welcoming place that enriches the lives of our community.

We are guided by the following principles:

- ❖ To be a recognized leader in serving the community.
- ❖ Deliver lifelong learning and wellness through comprehensive programming.
- ❖ Be an integral part of the larger community.
- ❖ Provide exceptional customer service.

Next has been serving the community for over 45 years. We continue to evolve to meet the diverse interests of today's residents over the age of 50.

Next provides on average over 230 events each month!

Included are life-long learning and enrichment opportunities, art and fitness classes, travel and so many ways to gather and socialize!



How Do We Continue to Evolve & Thrive in a New Facility?

Next has grown from 992 members in 2014 to more than 2,300 members today, an average growth rate of 13% per year.

Our membership forecast assumes there will be a certain amount of non-resident membership losses, predicted at 35%, the starting membership number for the new facility would be 2,019 members.

Studying past trends, conservative membership growth for the next 5 years should increase to 4,218 within 5 years after the move. This accounts for variables such as a new facility uptick of 20% growth for the first two years, and then back down to 13% continued annual growth.

Weekly Attendance

Attendance has seen even greater increases and is a better predictor of future building use. In the past ten years, weekly attendance increased 331% from 432 visits in 2014, to 1500 visits today. After the 2015 name change to Next, weekly attendance grew 97% in one year.

Learning from history, if attendance grows a modest 50%, there would likely be 2,250 visits to the facility per week, or 117,000 per year.



Some of our services include:

- ❖ Meals delivered M-F
- ❖ Reliable transportation
- ❖ Medical equipment loans
- ❖ Blood pressure clinics
- ❖ Senior housing tours
- ❖ Referrals to area agencies
- ❖ Income qualified lawn, snow and home maintenance
- ❖ Support groups for patients of Alzheimer's, Dementia, & Parkinson's
- ❖ Questions answered with accurate information
- ❖ Working with adult children
- ❖ Support, compassion and presence for all those in need

Support Services:

Over the past ten years, growth in the number of times the Next comprehensive Support Services Department served clients per year increased 293%, from 3,417 times in 2015, to 13,457 times in 2023-24. Given this growth, support service needs will also continue to rapidly expand.

Next is excited to be an active partner with the City of Birmingham to continue to provide, and enhance, exceptional programming and support services for Birmingham's community residents.

- ❖ We are eager to maximize utilization of the entire facility, not only for senior services but also community activities. With a weight room, a gymnasium for Pickleball or other offerings, and many additional rooms, this community asset can serve residents of all ages.
- ❖ Next is in conversations with the Villages of Beverly Hills, Bingham Farms and Franklin. All are aware they will be asked to increase their contribution for services and programs. A specific request will be forth coming once a definitive plan on size and funding is in place.



- ❖ The Next Board, with guidance from the City of Birmingham, will adjust membership rates for partnering communities and the surrounding “non-resident” communities.
- ❖ Next is in conversation with the Birmingham School leadership for consideration of an extension to our MOU agreement beyond a June 2026 exit date. If necessary, we will begin seeking a temporary home for Next programs and activities.
- ❖ Using the working number of 200K-250K, Next is prepared to explore the idea of covering the annual operating costs of the new building after more details are clarified which include: defining operational costs, costs based on final square footage, any shared costs with the community space, etc.
- ❖ Next has met with Brian Deming from Kramer, the Owner’s Representative to discuss in detail the square footage associated with various programs provided by Next. That conversation resulted in an overall reduction in program space to 30,000 square feet.
- ❖ Next is working with the City staff to clarify all terms in an amended agreement that will commence when we occupy the new facility.



Details for Additional Revenue Sources Utilizing Increased Space

- ❖ Increase membership, resident and non-resident.
- ❖ Increase fee based programs.
- ❖ Pursue partnerships, i.e. Henry Ford Health, Oakland University etc.
- ❖ Increase sponsorships supporting programs and services.
- ❖ Create a program to provide community room rentals.

Expanded Support Services to Better Serve Birmingham Residents

- ❖ Increase Support Service staff.
- ❖ Increase outreach through non-traditional means.
- ❖ Partner with City departments to support seniors, i.e. police, fire, The Shopping District, & The Baldwin Public Library, etc.
- ❖ Partner with faith-based organizations which share many of the same residents as Next.

Raising Awareness:

- ❖ Increase marketing plan to promote the building as a community asset.
- ❖ Utilize City and Village communication channels to reach residents more effectively.
- ❖ Become an integral part of the City and the other municipalities Next serves, i.e. present at staff meetings, meetings with police & fire, regular public reporting, etc.



This new community asset will serve residents for many decades - a long standing legacy for seniors, so many who have contributed to make Birmingham what it is today, a wonderful place to grow up, and grow old.

The Birmingham senior community is very grateful to the City staff and the City Commissioners for making older residents a top priority.

Thank you – Thank you!

An aerial photograph of the Birmingham YMCA facility, which includes a large central building, several parking lots filled with cars, and an outdoor pool area. The facility is surrounded by a dense residential neighborhood with many trees and houses.

BIRMINGHAM YMCA

- Brief Overview
- Our Mission & Values
- Member Demographics
- Our Finances
- SF Considerations
- Capital Investment Needs
- Operating Agreement



14

INTERNAL
3
PLANNING ONLY

The YMCA of Metropolitan Detroit is a nonprofit 501(c)(3) community-based organization committed to family and community, child and youth development, and health and wellness. For 171 years, our mission has been to build a healthy spirit, mind, and body for all.



At the YMCA, we believe:

- Health and wellness should be accessible to all
- Everyone should have an opportunity to contribute to improving their community
- Healthy communities are safe, inclusive, and welcoming
- Youth deserve positive experiences to support them in realizing their potential

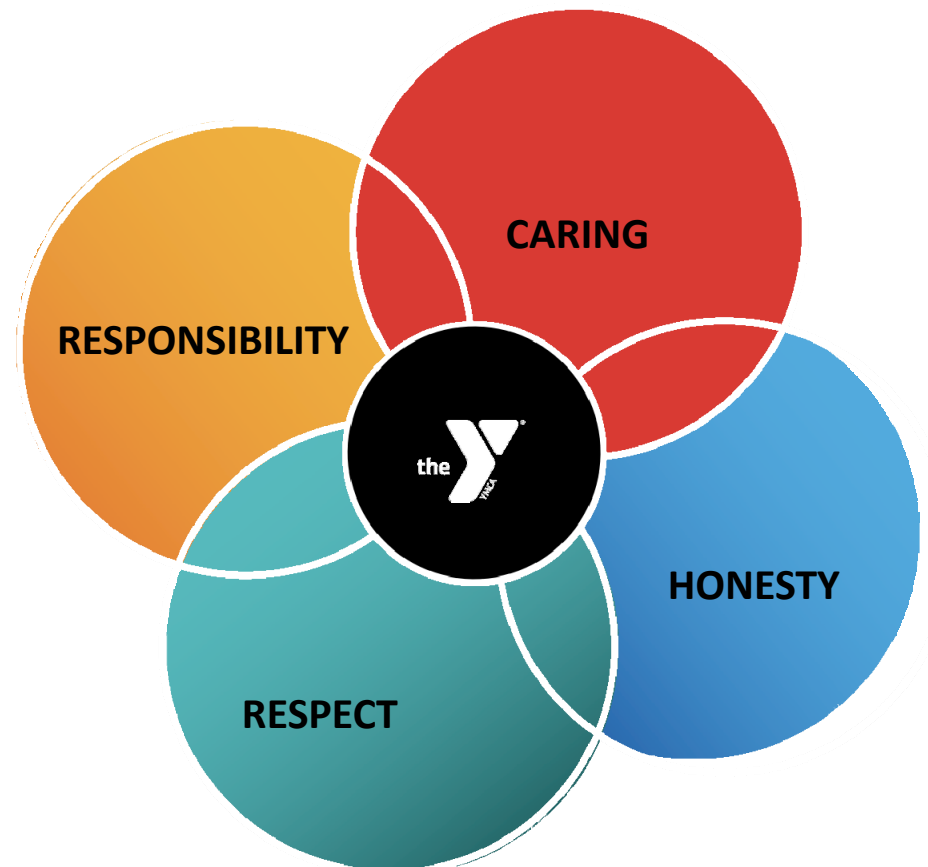


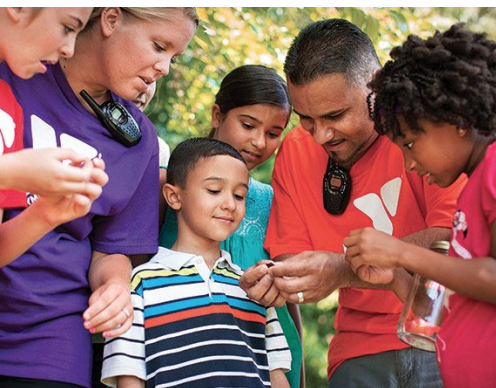
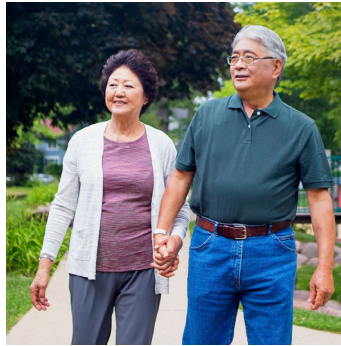
OUR MISSION, OUR VALUES.

CONSISTENT AND UNCHANGING

YMCA of Metropolitan Detroit is committed to practicing and demonstrating the core values of caring, honesty, respect, responsibility, and inclusion in all aspects of the organization.

To put Judeo-Christian principles into practice through programs that build healthy spirit, mind, and body for all.



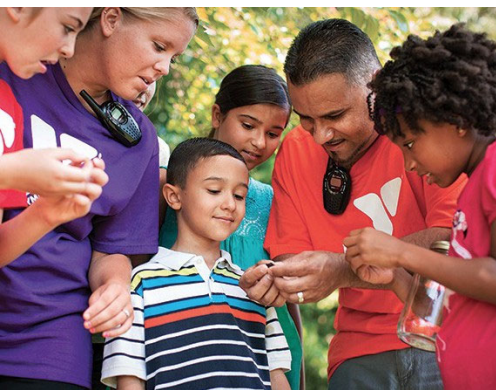
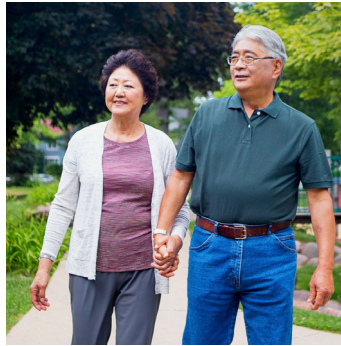


Who We Are in Birmingham

1,143 Birmingham Residents*
are current members of the
Birmingham Family YMCA:

412 (36%)	Under 18
363 (32%)	Ages 18 – 49
368 (32%)	Ages 50 & Over

*564 Households as of July 31, 2024



Our Finances

Our operating revenue includes fee-for-service (member and program fees), grants, and contributions.

2023 Actuals

Revenues

Contributions & Grants	318,058
Membership Dues	856,022
Program Fees	946,227
Other	<u>7,403</u>
Total	2,127,710

Expenses

Personnel	1,049,905
Other	<u>1,070,307</u>
Total	2,120,212
Net	7,498

New Footprint (13,300 SF)

8,734

- Wellness Space
- Group Ex. Studio
- Group Cycling Studio
- Play Center/Child Watch
- Staff Admin/Offices

4,500 SF

- Natatorium
- Locker Rooms*



*Part of initial buildout



New Footprint (13,300 SF)

Continue serving the
Birmingham community and
surrounding areas

- Health and Wellness
- Camps & Youth Programs

4,500 SF Natatorium

- Swim Lessons &
Competitive Swim
- Water Therapy & Exercise



New Footprint (\$11M Price Tag approx.)

The YMCA is seeking:

- Exclusive agreement & time to fund the buildout of 13,300 SF
 - Phasing allows the project to move forward without delay to Next
 - Allows time for the YMCA to secure funding through capital fundraising
- Long-term Lease Agreement

Will consider a reduced pricing model for Birmingham residents



Moving Forward:

- Option A – 53,300 SF (Next, community use, future YMCA), Integrated Design, Phased Construction
 - Phase 1 - Maximum funding \$23.5 million (\$1.3 million/year in debt service)
 - Operating costs funded by Next for their space
 - Phase 2 - \$11 million funded by YMCA for their space (incl. pool)
- Option B – 36,000 SF (Next, community use)
 - Maximum funding \$21.5 million (\$1.21 million/year in debt service)
 - Operating costs funded by Next for their space
- Proceed with RFP for final design of selected option
- Formalize agreements with Next/YMCA prior to start of final design