



RECREATION CENTER COMMITTEE WORKSHOP MINUTES

CITY OF NOVI

Monday, March 9, 2020 6 PM

Council Chambers | Novi Civic Center | 45175 Ten Mile Road
248.347.0400

1. ROLL CALL at 6:02 p.m.

Mayor Gatt (Absent-Excused)

Mayor Pro-Tem Staudt (Committee Chair) (Present)

Council Member Breen (Present)

PRCS Commissioner Dooley (Present)

Citizen Representatives Capello (Absent-Excused) and Perris (Absent-Excused)

City Manager Pete Auger (Present)

Director of Parks, Recreation and Cultural Services Jeff Muck (Present)

City Staff (Present: Finance Director Carl Johnson, PRCS Deputy Director Tracie Ringle, Community Relations Director Sheryl Walsh-Molloy)

2. MATTERS FOR DISCUSSION:

1. Survey Results

Director Walsh-Molloy reviewed the survey findings from the National Research Center. The National Citizen Survey is sent in even-numbered years regarding Council goals and quality of life. In 2018, it was sent to a random scientific sample of 1,600 households and 417 responded (27%), with a +/- 5 percent margin of error. In 2020, the Resident Recreation Survey was sent to a random scientific sample of 5,000 households and 1,269 responded (26%), with a +/- 2.8 percent margin of error. This makes it scientifically valid; and 57 percent of respondents favored a recreation center. The most popular amenities were walking track (71% essential/nice to have), weight/cardio machines (67%), exercise/open floor area (67%), indoor leisure/warm water pool (65%), competition/lap swimming pool (53%), hard court surface (56%) and splash zone/spray pad (42%). Recreation center funding options showed 73 percent supported charging dues/membership to pay for maintenance/operations, 36 percent supported property tax increases to pay for facility construction and 35 percent supported property tax increases to pay for maintenance/operations. Respondents currently use privately-owned exercise facilities (48%), home gyms (27%), nothing (24%), privately-owned aquatic facilities (23%), Novi Civic Center (20%), school facilities (17%) and other (8%). The observations were summed up in three key finds: 1) the majority of residents do not support a tax increase for construction or maintenance/operations of a recreation center; 2) residents currently utilize multiple opportunities for fitness and recreation; and 3) residents who want to pay a monthly membership for indoor recreation already do so for most popular amenity options listed for inclusion.

Commissioner Dooley asked about the age range and Director Walsh-Molloy said the age range was very evenly split across all age groups.

Mayor Pro-Tem Staudt asked about any discrepancies among results from those north of I-96. Director Walsh-Molloy said the biggest thing she noticed from those respondents was less of a desire for a splash pad by about 20 percent, likely due to lake access closer to home. The average was 7-8 percent differences for everything else. City Manager Pete Auger asked if Staudt was referencing the response rates being between 29-38 percent in different quadrants? Staudt said there seemed to be more reluctance north of I-96.

Mayor Pro-Tem Staudt said 58 percent don't care or don't want a splash pad, which is the highest number on the table. Director Muck said it would have a narrow window of outdoor use and mostly for children, whereas an indoor aquatic feature would be available year round for all ages. Commissioner Dooley said it's still the seventh most popular amenity.

Mayor Pro-Tem Staudt said the numbers seem inconsistent with prior surveys. He said he expected more of a demand for a recreation center. Director Walsh-Molloy agreed and said the people who do want it don't want to pay for it. However, those recreating currently are paying for it at private clubs, but they don't want their taxes to increase for it.

Council Member Breen said the parks and recreation master plan survey had splash pads at 41 percent and the top result that would cause residents to use a park more often. Director Walsh-Molloy clarified respondents don't want to fund construction or operations/maintenance through taxes, but would fund operations/maintenance via dues. City Manager Pete Auger said the parks and recreation master plan survey was given to mostly recreation participants and is not a scientific survey. If you had multiple devices, you could potentially take the survey more than once. Staff had people take it at Spring Palooza, Sizzling Summer and online, but it is not a scientific survey. Postcards with this survey allowed for just one response per household. Auger said all the top-voted amenities – walking track, exercise equipment, exercise and floor space – are all available within the city already. You have to get to the fourth item of an indoor pool before you find something that might not be available to everyone, but they do have them at places like Lifetime Fitness, Sports Club of Novi and Powerhouse Gym.

Mayor Pro-Tem Staudt said it looks like residents are willing to pay to use something, but they're not willing to pay to build it. He also said people may tend to say no to paying for something if they don't know the price. He also said we seem to be grouping things together like a pool vs. a basketball gym when people may want one and not the other. He said these numbers don't seem too far off from Signature Park several years ago and that was voted down. He said we need to think whether people would be willing to pay \$100 per year or are they just opposed to it.

Director Walsh-Molloy asked committee members to look at the full report and consider how to address some responses, whether existing parks could be used, etc. City Manager Pete Auger said to consider what story do these results tell. Maybe Novi got it right not having a rec center when you look at the other rec centers having issues with funding, maintenance and membership. It looks like Novi residents take care of what they want. There are 25 percent who don't

recreate, but we don't know what that means. Are we lacking something to attract realtors or businesses and the answer sounds like no, so maybe we got it right.

Mayor Pro-Tem Staudt said we didn't have serious indoor adult sports for a long time. We had space in the schools, but they've expanded with social activities, robotics, etc., which closed the gap on the availability of space. Residents have slowly gone out and found other options in private fitness centers or club sports. Maybe we have to start with some smaller facilities and rebuild the need for recognition among residents. Pools are always controversial; no one wants to pay for it. But there's still a lot of interest in that. You can retrofit a building to be basketball courts, but you can't do that with a pool. We also don't have a community theatre building other than our operations here. Our senior programs really don't have any space.

Council Member Breen said some indoor/outdoor recreation is cost prohibitive to some residents. If we were to use the consultant funds to put out some options to the community and ask if they'd be willing to pay for it with a millage vs. with dues, we may get a more accurate response if they know what they're getting for it. It would ultimately come to the voters, but in the meantime we could use the consultants to see what we can do.

City Manager Pete Auger said he asked Director Muck and his team what was missing most from the recreation programming side. It comes down to multi-use floor space areas; 2-3 gym spaces for basketball, volleyball and pickleball. Our senior services is having a demand for sports they can recreate year round. That goes back to should we focus on the need instead of the want and build off that? People on this survey thought it'd be really neat to have, but they don't want to pay for it. We already have private facilities in Novi who are also paying taxes, so do we want to compete with those when there's not a large portion of the population who aren't finding a place to recreate right now?

Mayor Pro-Tem Staudt said if we built a fieldhouse with 3-4 courts, we could fully program it within a year. We could find and retrofit a building for \$3 million-\$4 million. A 0.25-mill per year would get us \$12 million over the lifespan. \$20 million wouldn't get a lot more than \$12 million. We'd need \$80 million to do something really big. Maybe listen to the Signature Park response and look at the Capital Improvement Program and we could maybe have enough funds to something small relatively soon. He said he views Bosco as our community recreation park. It's not meant to replace Community Sports Park, but provides more space for kids to play. He said we could put a small building there with a walking track around it, see how it goes, program it full and then look to put up another building in another part of the city. It's better to get something done than nothing.

2. Location Discussion

City Manager Pete Auger said he could direct staff to look for available options that could be converted so we'd have specific numbers to discuss. Location is going to depend on what amenities we have.

Mayor Pro-Tem Staudt said our consultant could be used more creatively and look at long-term options, too. We could take the results of the survey and look at both long- and short-term solutions, then come back together to decide which way we want to go with it.

Council Member Breen said she'd like a more concrete look at if we're looking at retrofitting an existing building, going all out with a new building or sticking with the parks and rec master plan. She said she doesn't know if the discussion can go much further if we don't know where it's going to go, what's it going to include and how much it's going to cost. She would like to see something along the lines of parameters with those options. If we're going for something like what Livonia, Grand Rapids, Canton or Ann Arbor has, we need to have that option available. What would that cost and what would you get? What if we retrofit Art Van or Walsh College wants to vacate the area, or another building? What can we maybe do with something maybe smaller, like Bosco.

City Manager Pete Auger said a rec center encompassing all of the things on the page would cost an estimated \$40 million-\$50 million. It depends on the site depending on whether utilities are already there or not. We're talking either a very large bond item or other facilities that are out there at a smaller scale. We could get multiple options.

Mayor Pro-Tem Staudt said \$50 million is 1 mill. He said starting to talk about locations creates a new dynamic of effecting resident in different ways. He's less worried about location and more interested in a proposal with a list of amenities of what we could get within a certain cost, with an a la carte list of what additional amenities would cost.

Mayor Pro-Tem Staudt asked if 0.25-mill per year for 20 years would get about \$1 million per year? Director Johnson said it would roughly. Staudt asked what portion of a 20-year bond would be interest? Johnson said the market is low right now, so roughly 30 percent. It'd generate roughly \$14 million per 0.25-mil over the course of 20 years. Johnson said construction and operations are the two biggest things to consider. The current Parks and Recreation budget is about \$1.5 million property taxes and \$1.5 million in fees collected from programs. Any capital in the parks and rec fund is tapped out and funded by either the general fund or CIP. Would a millage be used in part to subsidize membership fees? We need to be able to cover 100 percent of the operating costs, as nothing is currently available to subsidize. It would be similar to the ice arena or Meadowbrook Commons. Those generate \$150,000-\$250,000 per year in revenue to put toward capital improvement projects.

3. Next Steps

Mayor Pro-Tem Staudt said it comes down to gym space vs. we have a brand new state-of-the-art Planet Fitness coming in and do we want to compete with that? If we built a simple rec center with three basketball courts, how much revenue can be generated and how much reserves can be generated for future improvements.

Commissioner Dooley said we do have a lot of things already available. The survey was a good start, but is a small segment, so we need to continue talking to residents. If we look at basketball courts, floor hockey, dance, you see some places using basketball courts for these other programs.

Mayor Pro-Tem Staudt said this is probably the second priority behind roads and it could be a really big price tag. He doesn't want to see residents lose opportunities to play basketball and volleyball. A lot of kids can afford to play club and go play all over metro Detroit, but not everyone can do that. He said he

sees Bosco as an opportunity to have kids participate in low-cost soccer and an indoor facility could do the same for volleyball or basketball. But roads is going to be a big price tag and we're not going to be able to do it in a piecemeal manner.

Council Member Breen said we're on the right track. Some kids may not be able to participate due their parents working so much or being unable to afford it. We want to make sure residents have every opportunity available. We have more multi-family housing developments in Novi than many people realize. A community recreation center offers options Planet Fitness may not. Powerhouse may be great, but not everyone can afford that. Livonia has it where a family membership is \$470 per year, which is affordable.

Mayor Pro-Tem Staudt said in 2011 he recalls sitting in a meeting saying how cool it would be to build the ITC Trail when we had no chance or funds. But we got it done recently for what ended up costing probably \$8 million-\$9 million over the course of several years. This committee cannot walk away without having some sort of deliverable for indoor space.

Manager Auger thanked Director Walsh-Molloy, Director Muck and their teams for working with NRC on a quick turnaround. Mayor Pro-Tem Staudt said it's a good resource. Residents are aging, but younger families with children are moving in, and more multi-family housing units are coming in who don't have yards and will be looking to us for these things.

3. FUTURE MEETINGS:

Manager Auger said he'll regroup the team to see how long it would take to get all the requested info together, provide an update and then set up a meeting.

Mayor Pro-Tem Staudt said different requests will take different time frames.

Council Member Breen said she'd like to hear an update and an updated timeline in a month.

Director Sheryl Walsh-Molloy said the results would be posted online.

4. Public Comment

None

5. ADJOURNMENT at 7:18 p.m.