

AUGUST 25, 2025

# Public Safety Facilities Update

*Presented to Novi City Council*

# Team Introduction



**Greg VanKirk**

PARTNER

Plante Moran Realpoint



**Todd Fenton**

VICE PRESIDENT

Plante Moran Realpoint

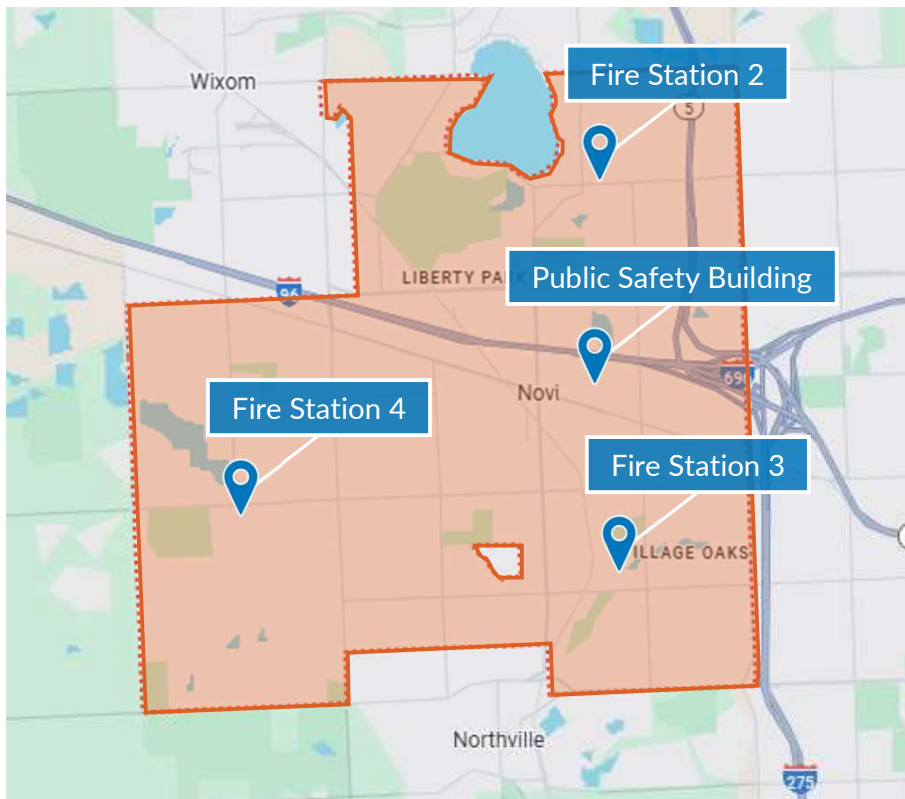
# Presentation Overview

- 1) Project Background
- 2) Site Location and Acquisition Status
- 3) Site Due Diligence Activities
- 4) A/E and CMc Procurement Timeline
- 5) Preliminary Design and Construction Timeline
- 6) Bond Issuance Financial Analysis (PFM Financial Advisors & Miller Canfield)
- 7) Discussion

# Project Background

On August 5, 2026, Novi voters approved a \$120 million public safety bond proposal.

Approximately \$20 million of these funds are dedicated to extending Lee BeGole Drive to create a direct and efficient route for emergency vehicles heading to and from the new Public Safety Building. This road project is being managed by the City of Novi.



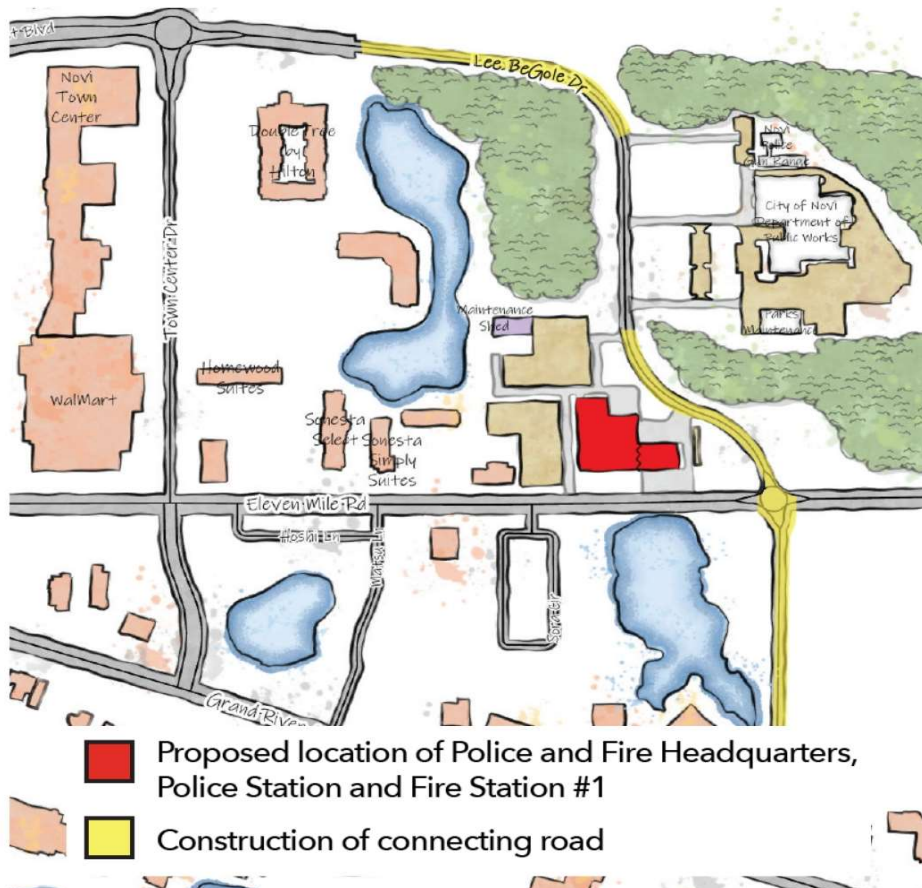
## Proposed New Novi Public Safety Facilities (budget approximate as of 8.25.25)

New Police Station / Fire Station 1 ("Public Safety Building")	\$72 million	72,700 SF
Fire Station 2	\$13 million	14,500 SF
Fire Station 3	\$13 million	14,500 SF
Fire Station 4 improvements	\$2 million	N/A
Total Estimated Budget: \$100 million		
Design and Construction Schedule: approx. 60 months		

# Project Background

On August 5, 2026, Novi voters approved a \$120 million public safety bond proposal.

Approximately \$20 million of these funds are dedicated to extending Lee BeGole Drive to create a direct and efficient route for emergency vehicles heading to and from the new Public Safety Building. This road project is being managed by the City of Novi.



## Proposed New Novi Public Safety Facilities (budget approximate as of 8.25.25)

New Police Station / Fire Station 1 ("Public Safety Building")	\$72 million	72,700 SF
Fire Station 2	\$13 million	14,500 SF
Fire Station 3	\$13 million	14,500 SF
Fire Station 4 improvements	\$2 million	N/A
Total Estimated Budget: \$100 million		
Design and Construction Schedule: approx. 60 months		





# Bond Proposition Scenario

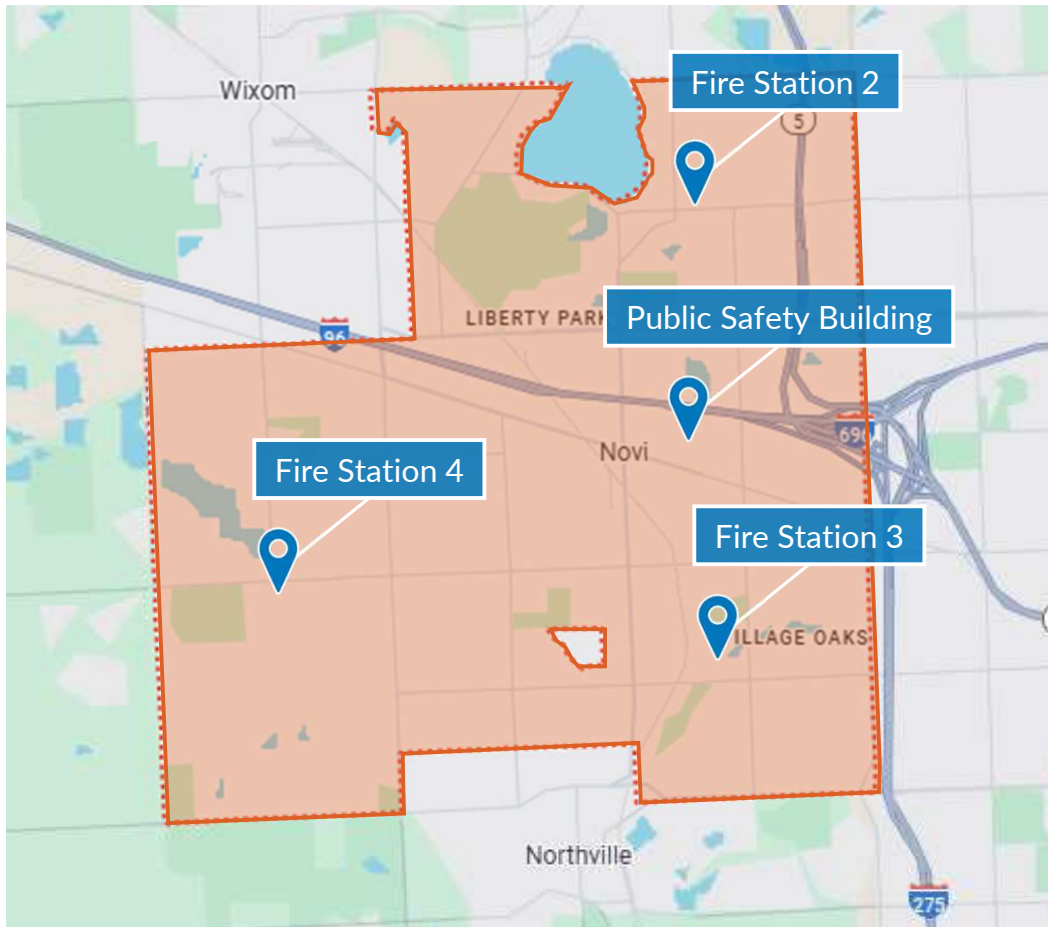
Below is a summary for an August 2025 bond proposition for **\$120 million** resulting in an estimated millage rate of **1 mill**.

				Bond Proceeds					Estimated	Current		
	Taxable Value Growth				Less: Est.	Plus: Est.*	Amount		Total	Estimated	Ballot Info	
Issuance	2026-	2030		Bond	Cost of	Investment	Available	Bond	Interest	Interest	1st Year	Average
Year	2025	2029	on	Amount	Issuance	Earnings	for Project	Term	Cost	Rate**	Millage	Millage
2026				\$40,000,000	(\$405,000)	\$571,426	\$40,166,426	25 yrs	\$24,565,950	4.50%		
2028				80,000,000	(\$645,000)	\$364,063	\$79,719,063	25 yrs	65,012,625	4.50%		
	4.00%	4.00%	3.00%	\$120,000,000	(\$1,050,000)	\$935,490	\$119,885,490		\$89,578,575		1.00	0.95

ASSUMPTIONS:

- August 2025 vote, initial series of bonds dated (Issued) May 2026.
- \* Investment earning rates of 1.5% for bond proceeds issued in 2026 and 1% with bond proceeds issued thereafter.
- \*\* Based on estimated municipal bond rates as of 2/12/25 plus 0.25-0.30% buffer. If interest rates are higher at the time of issuance, the bond amount may need to be reduced to stay within the millage rate shown.

# Site Locations and Acquisition Status



## Public Safety Building

- City-owned property

## Fire Station #2

- City has option to acquire purchase of 42000 W 13 Mile Rd.
- City finalizing due diligence prior to closing (September 2025)
- PMR is continuing to monitor the market for feasible sites

## Fire Station #3

22650, 22700, and 22750 Venture Drive

- City acquired property in 2025

# Site Due Diligence Activities

September 2025 – Fall 2026

## Site Analysis

- Land Surveys - Topographic / Boundary / Underground Utilities
- Confirm Easements and Lot Line Requirements
- Geotechnical Soil Sampling and Analysis

## Regulatory

- Wetland Analysis and Management Planning
- Contaminated Soils Analysis and Abatement Planning

## Public Utilities & Infrastructure

- Confirm Existing Public Utility Locations and Capacities
  - o Electricity, Water, Gas, Fiber Optic, Storm & Sewer
- Building Load Study Calculations



# A/E Procurement Timeline

In July 2025, PMR issued a pre-qualified invite-only Request for Proposals (RFP) to seven firms for Architect/Engineer (“A/E”) professional services

- This approach is consistent with City of Novi’s procurement requirements for professional services
- PMR sought qualified firms with a proven track record in projects of comparable size and scope, specialized expertise in Police, Fire, and Public Safety, access to both national and local resources, and robust financial and staffing capabilities.

# A/E Procurement Timeline

A/E Proposals were received on August 12, 2025 and reviewed/scored by PMR that week

PMR and City Administration met on August 18 to review the proposals and to agree on four firms to be interviewed this upcoming August 27, 2025.

The intent is to recommend two firms for a **final interview** by the Finance and Administration Committee (“FAC”) on September 15, 2025.

The FAC will recommend a final A/E firm for approval by City Council at its September 22, 2025 meeting. This approval will authorize the City Manager and City Attorney’s Office to take all actions necessary to finalize a contract with the recommended A/E firm.

# CMc Procurement Timeline

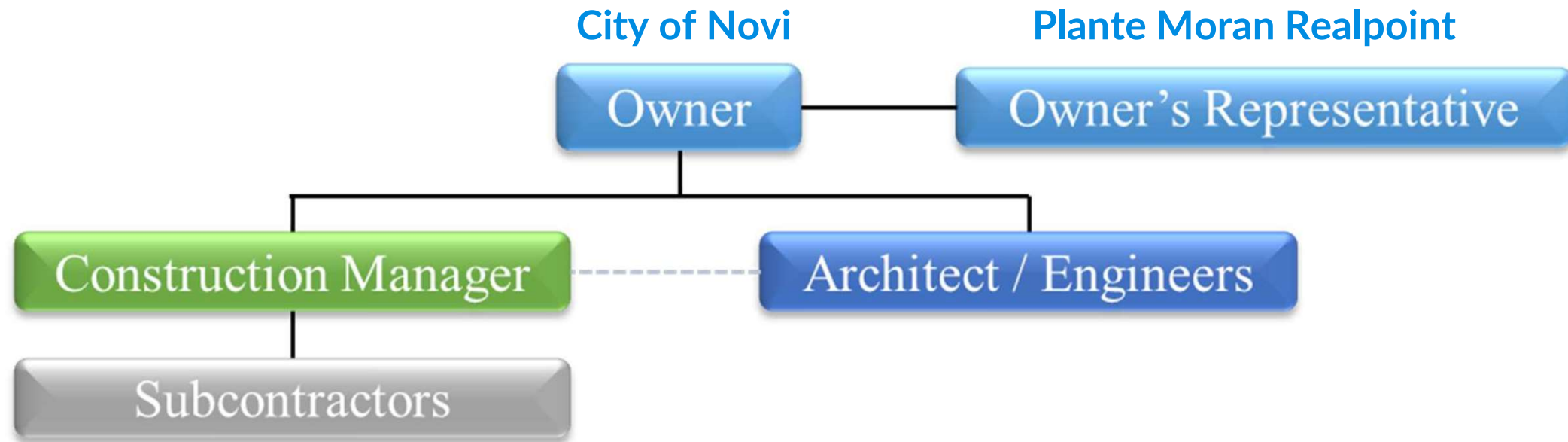
In July 2025, PMR issued a pre-qualified invite-only Request for Proposals (RFP) to six firms for Construction Manager as Constructor (“CMc”) professional services.

- This approach is consistent with City of Novi’s procurement requirements for professional services.
- PMR sought qualified firms with a proven track record in projects of comparable size and scope, specialized expertise in Police, Fire, and Public Safety, and robust financial and staffing capabilities.

# CMc Procurement Timeline

A CMc is well suited for large, complex multi-phase and multi-site public projects

- It provides preconstruction phase services to include constructability reviews, cost estimating, and preliminary scheduling.
- The City of Novi will hold a contract directly with the Construction Manager, with trade contractors held as sub-contractors to the construction manager.



# CMc Procurement Timeline

CMc proposals are due on August 26, 2025 and will be reviewed by PMR and City Administration.

PMR and City Administration will meet on September 15, 2025 to review the proposals and to agree on three firms to be interviewed between PMR and the City on Sept. 24.

The intent is to recommend two firms for a **final interview** by the Finance and Administration Committee (“FAC”) on October 6, 2025.

The FAC will recommend a final CMc firm for approval by City Council at its October 21, 2025 meeting. This approval will authorize the City Manager and City Attorney’s Office to take all actions necessary to finalize a contract with the recommended CMc firm.



# PMR Preliminary Construction Timeline

CONSTRUCTION  
TIMELINE – September  
2025 Project Start Date

Winter Conditions/Frost  
Laws/Etc. can add up to  
six months to the  
construction schedule

## CITY OF NOVI MILESTONE SCHEDULE

8.25.25

Public Safety Building	Start	Finish
Design	3rd Quarter 2025	1st Quarter 2027
Bid Package 1 - Sitework*	3rd/4th Quarter 2026	
Bid Package 2 - Building Structure and Envelope	1st Quarter 2027	
Bid Package 3 – Interiors & FFE&T	2nd/3rd Quarter 2027	
Complete Construction	4th Quarter 2028	

\*If necessary. The scope of work related to the road improvements, including land clearing, underground infrastructure, contaminated soils/due care that is outside of PMR's scope will to be clarified and coordinated with the City of Novi.

Fire Stations 2, 3 & 4	Start	Finish
Design	3rd Quarter 2025	2nd Quarter 2026
Bidding / Award	4th Quarter 2027	
Start Construction	1st Quarter 2028	
Complete Construction	3rd Quarter 2029	

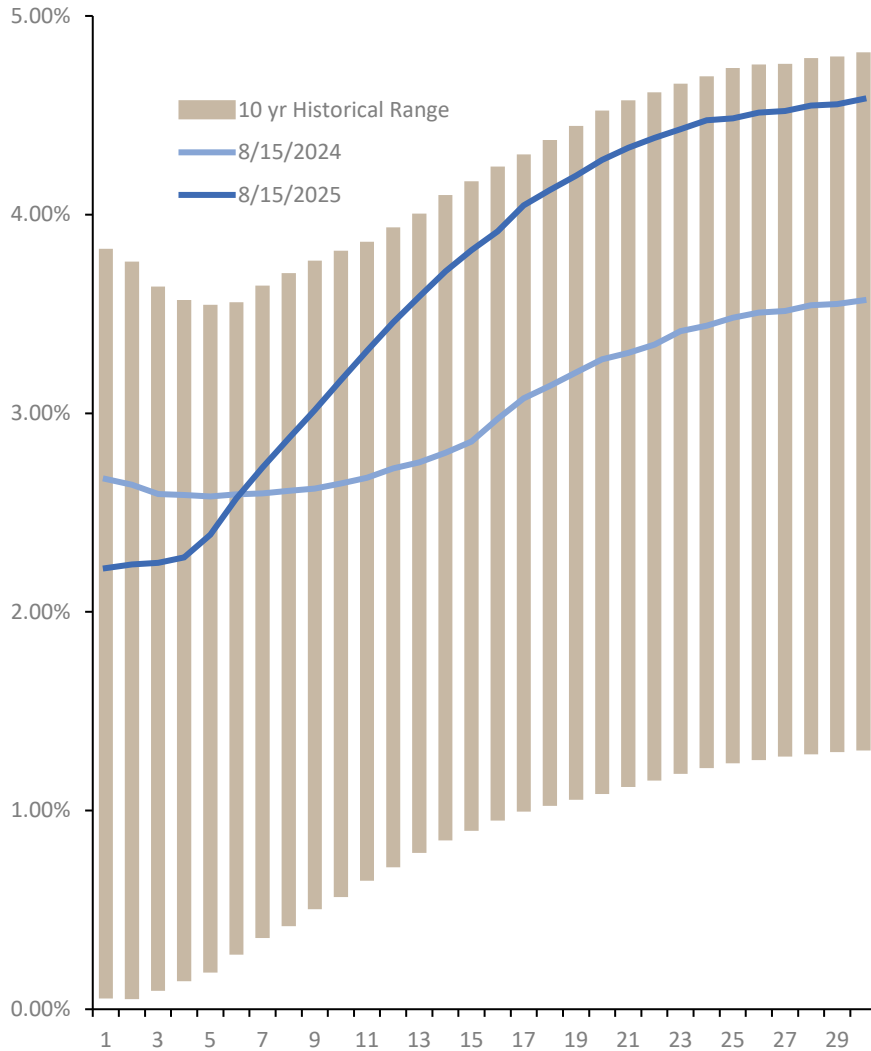
A photograph of a classroom with large windows overlooking a landscape. The room is filled with blue-tinted tables and chairs. The text "Bond Issuance" is overlaid in white on the right side of the image.

# Bond Issuance

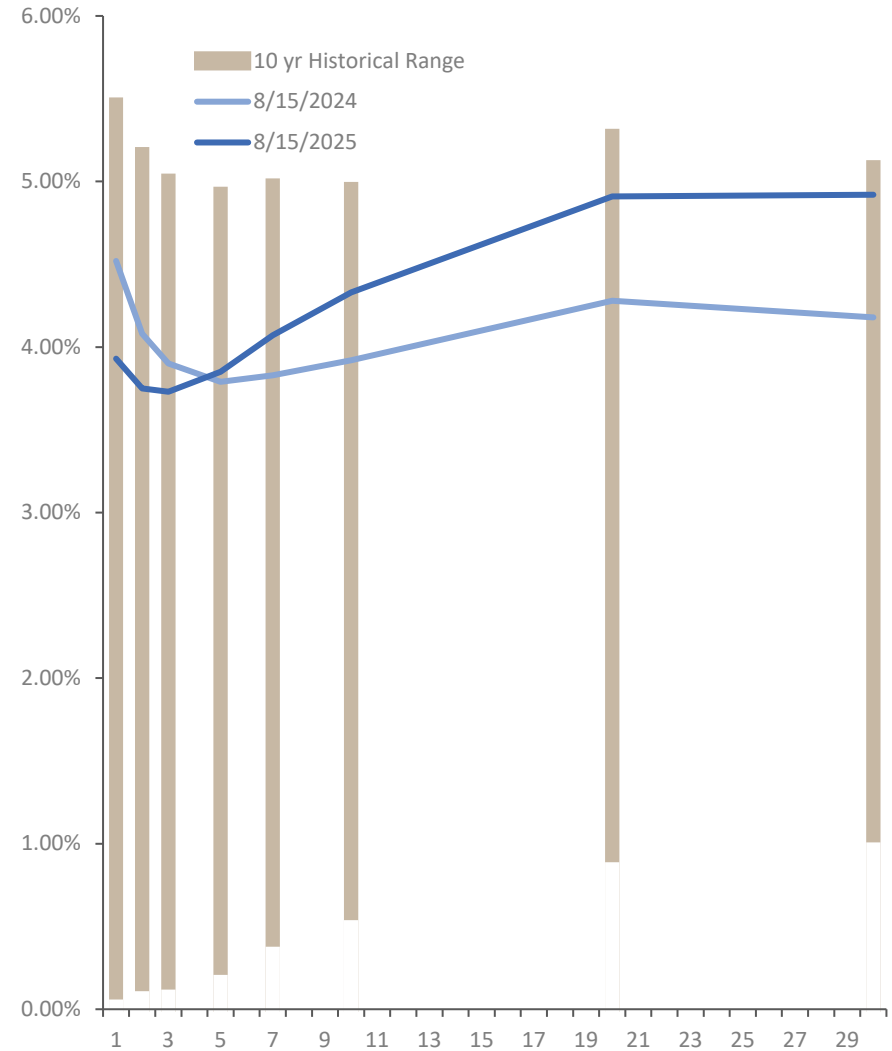


# Treasury & Municipal Interest Rate Movements

## AAA Municipal Curve



## U.S. Treasury Curve



Source: Bloomberg, treasury.gov

PFM Pricing Group



# Updated Millage and Bond Series Projection

Based on the updated construction project timing, below are a three-series bond program scenarios for the City's \$120,000,000 August 2025 voter authorization

## SUMMARY OF PROPOSED BONDING ALTERNATIVES

Scenario Table No.	Taxable Value Growth		Bond Amount	Bond Term	Estimated Total Interest Cost	Estimated Interest Rate	First Year Millage	Maximum Millage	Average Millage
	2026-2030	Thereafter							
Base Case Scenario									
Series 2026			\$40,000,000	25 yrs., 0 mo.	\$26,043,255	4.65%			
Series 2028			80,000,000	25 yrs., 0 mo.	67,723,945	4.70%			
Total	4.00%	3.00%	\$120,000,000		\$93,767,200		1.00	1.00	0.96
Option A									
Series 2026			\$40,000,000	25 yrs., 0 mo.	\$28,418,475	4.65%			
Series 2027			17,500,000	25 yrs., 0 mo.	11,987,700	4.65%			
Series 2028			62,500,000	25 yrs., 0 mo.	55,037,000	4.70%			
Total	4.00%	3.00%	\$120,000,000		\$95,443,175		1.00	1.00	0.96
Option B									
Series 2026			\$25,000,000	25 yrs., 0 mo.	\$16,027,620	4.65%			
Series 2027			45,000,000	25 yrs., 0 mo.	36,501,803	4.65%			
Series 2028			50,000,000	25 yrs., 0 mo.	42,216,105	4.70%			
Total	4.00%	3.00%	\$120,000,000		\$94,745,528		1.00	1.00	0.96

### ASSUMPTIONS:

- August 2025 vote, initial series of bonds dated (Issued) May 2026.
- Taxable value growth rate of 4% from 2026 - 2030, and 3% thereafter.

*The interest rates shown above are estimates. The actual interest rates will be determined at the time of sale. Changes in interest rates may impact the millage required. The final millage will be based on actual interest rates, actual payments and actual taxable values.*



## Millage “Math” and Series Projections

Given projected taxable value growth and market interest rates, the City is managing multiple priorities:

- Managing project cashflow needs (with future bond series)
- Moving/fluid bond market rates
- Future estimated taxable values
- Millage target not to exceed 1.00 mill levy
- Statutory bond structuring requirements

### Option B

**\$120,000,000**  
**CITY OF NOVI**  
**COUNTY OF OAKLAND, STATE OF MICHIGAN**  
**2026, 2027, 2028 UNLIMITED TAX GENERAL OBLIGATION BONDS**

#### ESTIMATED MILLAGE NEEDED TO RETIRE BONDED DEBT

	Series 2026	Series 2027	Series 2028
Amount:	\$25,000,000	\$45,000,000	\$50,000,000
TIC:	4.65%	4.65%	4.70%
Dated Date:	May 1, 26	May 1, 27	May 1, 28
First Payment:	Jul 1, 26 < 6 Months	Nov 1, 27	Nov 1, 28
First Levy:	Jul 1, 26	Jul 1, 27	Jul 1, 28
Capitalized Int:	\$0	\$0	\$0
			2.07%
Bond Term:	25 yrs., 0 mo.	25 yrs., 0 mo.	25 yrs., 0 mo.
1:5 Ratio:	TRUE	TRUE	TRUE
Average Life:	13.79	17.44	17.96
			TBD

Ballot Information	
Election Date	August 5, 2025
First Yr. Millage	1.00
Avg. Millage	0.96

Levy Cycle July Only	
Millage Impact	
Projected	1.00
Current	0.00
Net Increase	1.00

Interest Factor  
**0.79**

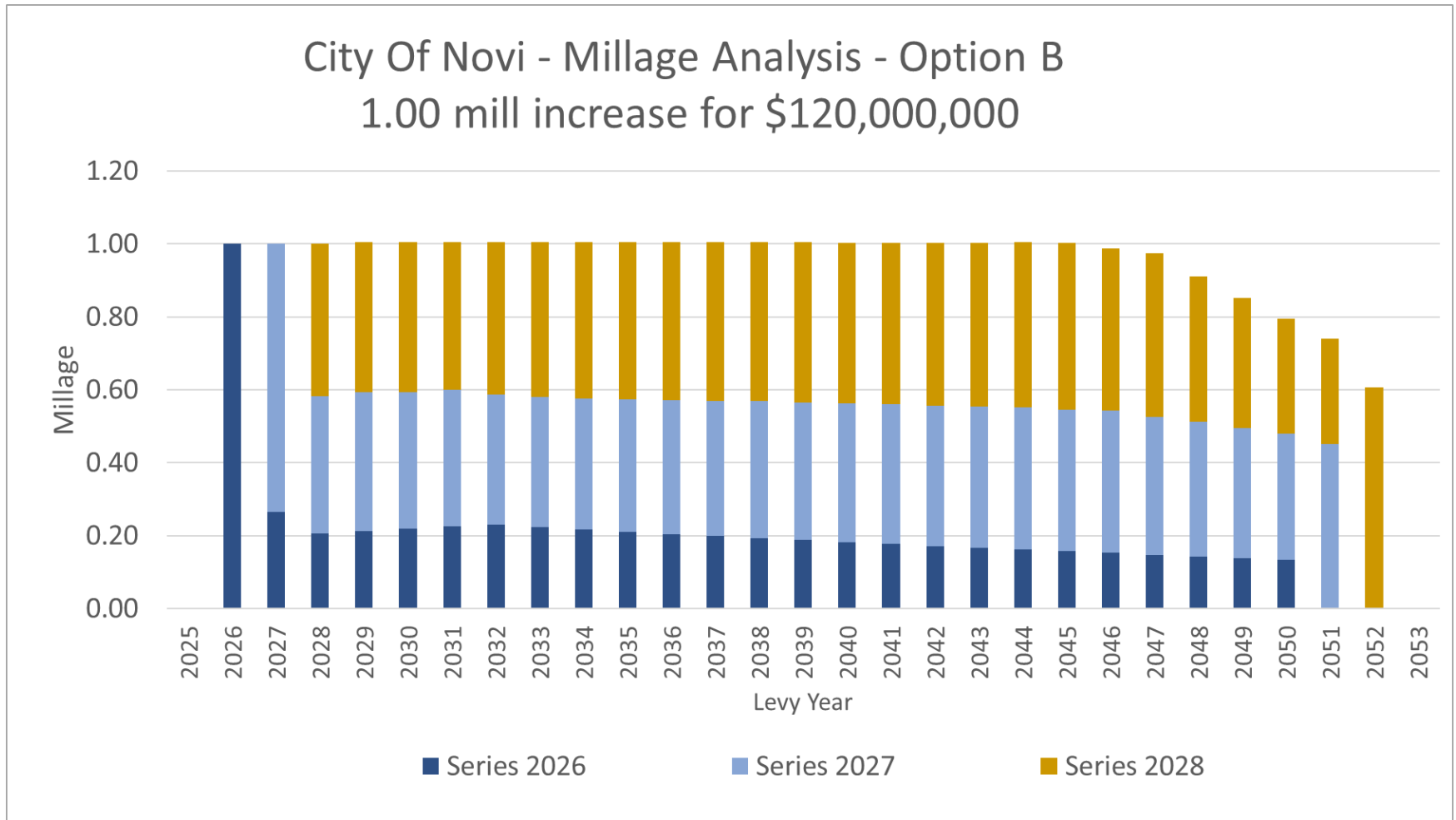
Tax Year	Fiscal Year End	Series 2026				Total Debt Service	Total Debt Service	Total Debt Service	Total Proposed Debt	Delinquency Allowance 10.00%	Use of Funds on Hand \$0	Proposed and Existing UT Debt	Projected Tax Base <sup>(1)</sup>	Growth Rate	Estimated Mills Needed
		Interest Due Nov 1	Interest Due May 1	Interest Rate	Principal Due May 1										
2025	2026	\$0	\$0	4.650%	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$5,236,499,815	5.24%	0.00
2026	2027	581,250	581,250	4.650%	3,735,000	4,897,500	0	0	4,897,500	544,596	3,864	5,445,960	5,445,959,808	4.00%	1.00
2027	2028	494,411	494,411	4.650%	500,000	1,488,823	4,142,500	0	5,631,323	0	32,476	5,663,798	5,663,798,200	4.00%	1.00
2028	2029	482,786	482,786	4.650%	250,000	1,215,573	2,242,175	2,475,000	5,932,748	0	(36,340)	5,896,408	5,890,350,128	4.00%	1.00

The interest rates shown above are estimates. The actual interest rates will be determined at the time of sale. Changes in interest rates may impact the millage required. The final millage will be based on actual interest rates, actual payments and actual taxable values.





## Millage and Bond Series Projections



*The interest rates shown above are estimates. The actual interest rates will be determined at the time of sale. Changes in interest rates may impact the millage required. The final millage will be based on actual interest rates, actual payments and actual taxable values.*



## Bond Issuance / Sale Process Outline

Method of Sale Determined / Bond Specifications Prepared for Counsel

Feb. 2026

City Council adopts Bond Authorizing Resolution (prepared by MCPS)

Feb. 2026

Prepare Preliminary Official Statement and hold due diligence call to review

Mar. 2026

Apply for rating, call with rating agency, and receive bond rating

Mar. 2026

Preliminary Official Statement and Notice of Sale (if applicable) published

Mar. 2026

Bond Sale / Pricing - Interest Rates and Bond Amount Finalized

Apr. 2026

Final Official Statement prepared and published / closing documents prepared

Apr. 2026

Bond Closing – City Receives Bond Proceeds

May. 2026

# Questions?

## PFM Financial Advisors LLC

555 Briarwood Circle, Suite 333  
Ann Arbor, MI 48108  
(734) 994-9700



Kari Blanchett  
Managing Director  
(734) 794-2523  
blanchettk@pfm.com



Sean Wahl  
Director  
(734) 794-2536  
wahl@s@pfm.com





# PFM Financial Advisor LLC - Disclosures

## ABOUT PFM

*PFM is the marketing name for a group of affiliated companies providing a range of services. All services are provided through separate agreements with each company. This material is for general information purposes only and is not intended to provide specific advice or a specific recommendation.*

*Financial advisory services are provided by PFM Financial Advisors LLC, a registered municipal advisor with the Securities and Exchange Commission (SEC) and the Municipal Securities Rulemaking Board (MSRB) under the Dodd-Frank Act of 2010. Swap advisory services are provided by PFM Swap Advisors LLC which is registered as a municipal advisor with both the MSRB and SEC under the Dodd-Frank Act of 2010, and as a commodity trading advisor with the Commodity Futures Trading Commission. Additional applicable regulatory information is available upon request.*

*Consulting services are provided through PFM Group Consulting LLC. PFM's financial modelling platform for strategic forecasting is provided through PFM Solutions LLC.*

*For more information regarding PFM's services or entities, please visit [www.pfm.com](http://www.pfm.com).*

---

## **Public Safety Facilities Bond Proposal**

Shall the City of Novi, Michigan, borrow the principal sum of not to exceed One Hundred Twenty Million Dollars (\$120,000,000), and issue its unlimited tax general obligation bonds, in one or more series, payable in not to exceed twenty-five (25) years from the date of issue, to pay the cost of acquiring, constructing, furnishing and equipping a new public safety facility including police department and fire department facilities; two new fire department facilities to replace Fire Stations 2 and 3; and renovations to Fire Station 4; including site acquisition, demolition, and related road and site improvements? If approved, the estimated millage to be levied in 2026 is 1.0 mills (\$1.00 per \$1,000 of taxable value) and the estimated simple average annual millage rate required to retire the bonds is 0.95 mills (\$0.95 per \$1,000 of taxable value).

YES ☐

NO ☐



---

## **What can Bond Proceeds be spent on?**

Bond proceeds can be used to pay the cost of acquiring, constructing, furnishing and equipping:

- a new public safety facility including police department and fire department facilities (Public Safety Headquarters on Lee BeGole Drive);
- two new fire department facilities to replace Fire Stations 2 and 3 (North Novi and Southeast Novi- Venture Drive);
- renovations to Fire Station 4 (Ten Mile & Wixom);
- site acquisition (sites needed for new facilities);
- demolition of existing facilities or structures on new sites;
- related road and site improvements (including Lee Begole Drive);
- plus soft costs (architectural, engineering, surveying, soil testing, consulting, legal, etc.); and
- costs of issuance of the Bonds.

---

## **What are the timing restrictions on spending Bond proceeds?**

Bond proceeds can be used to reimburse the City for expenditures paid before the Bonds are issued, including:

- All soft costs/preliminary expenditures related to the Project (architectural, engineering, surveying, soil testing, consulting, legal, costs of issuance, etc.) regardless of when paid;
- All hard costs related to the Project (including land acquisition, construction and equipment/furnishings), if paid on or after January 9, 2025.

The City must “reasonably expect” to spend substantially all Bond proceeds within 3 years after the closing date on the/each Bond issue.

- Anticipated construction period may dictate whether City issues 1 or more series of Bonds;
- City can earn interest on investment of Bond proceeds awaiting expenditure which must be spent on Project costs;
- City might have to rebate some interest earnings in excess of the Bond yield (interest rate) to the Internal Revenue Service depending on timing of expenditure of Bond proceeds (i.e. arbitrage and rebate rules).

A photograph of a classroom with large windows overlooking a landscape. The room is filled with blue-tinted tables and chairs. The word "Discussion" is overlaid in white text on the right side of the image.

# Discussion