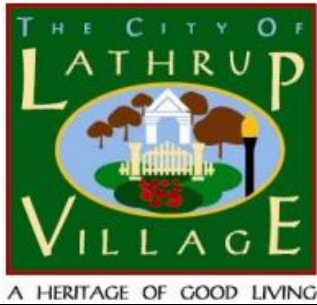




City Council Study Session

Monday, October 19, 2026 at 6:00 PM

27400 Southfield Road, Lathrup Village, Michigan 48076

1. **Call to Order** by Mayor Kantor

2. **Discussion Items**

A. PILOT Ordinance Update

B. City Triangle Lot - Request for Qualifications Submission

C. Regular Meeting Agenda Items

3. **Public Comments**

4. **Mayor and Council Comments**

5. **Adjourn**

6. **ADDRESSING THE CITY COUNCIL**

-Your comments shall be made during the times set aside for that purpose.

-Stand or raise a hand to indicate that you wish to speak.

-When recognized, state your name and direct your comments and/or questions to any City official in attendance.

-Each person wishing to address the City Council and/or attending officials shall be afforded one opportunity of up to three (3) minutes during the first and last occasion for citizen comments and questions and one opportunity of up to three (3) minutes during each public hearing.

-Comments made during public hearings shall be relevant to the subject of the public hearings being held.

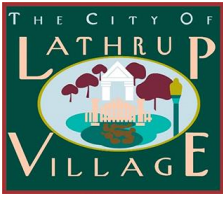
-In addition to the opportunities described above, a citizen may respond to questions posed to them by the Mayor or members of the Council, provided members have been granted the floor to pose such questions.

-No speakers may make personal or impertinent attacks upon any officer, employee, City Council member, or other elected Official that are unrelated to how the officer, employee, or City Council member or other Elected Official performs their duties.

-No person shall use abusive or threatening language toward any individual when addressing the City Council.

-Attendees may video record, audio record, and livestream public meetings. Recording devices may be handheld or tripod-mounted, provided they do not block aisles, exits, views, or speakers, and may be set up or adjusted quietly at any time during the meeting. Recording equipment must operate without flash or other disruptive lighting or noise. The presiding officer may require equipment to be relocated if it creates a safety or access concern. Attendees may not place recording devices unreasonably close to others without their consent or use recording equipment to intimidate, threaten, harass, or otherwise disrupt the meeting. Participation in a public meeting, including speaking during public comment or addressing the public body, is a public act and may be recorded from a reasonable distance.

-The Mayor shall direct any person who violates this section to be orderly and silent. If a person addressing the Council refuses to become silent when so directed, such person may be deemed by the Mayor to have committed a "breach of the peace" by disrupting and impeding the orderly conduct of the public meeting of the City Council and may be ordered by the Mayor to leave the meeting. If the person refuses to leave as directed, the Mayor may direct any law enforcement officer who is present to escort the violator from the meeting.



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TO: Mayor & City Council
 FROM: Mike Greene – City Administrator
 DATE: October 19, 2026
 RE: Study Session

PILOT Ordinance Update

This is a continue of the conversation that has taken place amongst the Council over the past couple of months. The latest version of the PILOT Ordinance Update is located in the Regular Meeting agenda packet.

City Triangle Lot – Request for Qualifications Submission

The City received one proposal in response to the recent solicitation for developer qualifications for City/DDA-owned triangle lots. MGM Improvement Services, Inc. has submitted a development proposal and expression of interest for a multi-family residential development on the approximately 0.29-acre City-owned parcel located west of Southfield Road at Goldengate Drive West and California Drive SW.

The proposed project envisions a modern, for sale (not rentals), three-story multi-family development featuring attached two-car garages, open-concept living spaces, luxury finishes, and community green space. MGM has identified an estimated \$4.8 million total development budget (for both parcels) and has assembled a development team including architectural/civil engineering, legal, accounting, property management, and construction professionals.

MGM Improvement Services has been operating since 2005 and has experience in residential, multi-unit, and commercial construction throughout Southeast Michigan. The proposal also includes an accounting firm attestation regarding the developer's financial capacity to undertake the project.

The proposed development is generally consistent with the City's vision for the Village Center district and its emphasis on creating a compact, pedestrian-oriented downtown that incorporates residential uses and supports redevelopment of underutilized properties. The Village Center zoning district specifically identifies multiple-family residential as a permitted use, subject to applicable standards and Planning Commission review where required.

The proposal's multi-family residential use, three-story building concept, pedestrian-oriented site design, and inclusion of community green space are generally aligned with the intent of the Village Center district. The zoning ordinance also expressly recognizes that projects within the district may include residential uses and open spaces and references consistency with the City's Master Plan as a consideration in the development review process.

The layout, site plan, building design, and other development features in MGM's proposal are conceptual and provided for **illustrative purposes only**. Consensus to proceed with purchase agreement negotiations would not constitute approval of the proposed site plan or development design. If a purchase agreement is finalized, the developer would be required to prepare a finalized site plan and development plans in accordance with applicable City requirements. Those plans would be subject to the City's normal development review process, including review and approval by the Planning Commission, as applicable.

Regular Meeting Agenda Items

Holding spot, if time permits, to address basic questions regarding items on the Regular Meeting agenda.

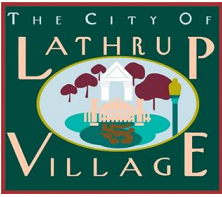
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TO: Mayor & City Council
 FROM: Mike Greene – City Administrator
 DATE: October 19, 2026
 RE: School Project Information

In response to questions raised regarding the proposed Surnow development and its potential long-term fiscal impact, the City Administration has reviewed key assumptions, anticipated municipal service costs, and the potential financial implications of entering into a 40-year, renewable-by-right Payment in Lieu of Taxes (PILOT) agreement.

What is the proposed use of the property?

Adaptive reuse of the 1926 school on 4.07 acres in the Village Center zone. The 1950s wing additions would be demolished to make way for two new 4-story apartment wings, north and south, connect to the old building through glass connectors. The original building remains and becomes amenity space: recreation, meeting and learning rooms, co-working and event space. There are 145 units (83 one-bedroom, 62 two-bedroom) and a surface lot behind the building, with no vehicle access from Southfield Road.

Who approved this project?

For the Annie Lathrup School project, the building design was reviewed and approved by the Lathrup Village Historic District Commission, and the site plan was reviewed and approved by the Planning Commission. The City Council also approved an encroachment license authorizing 18 parking spaces within the public street right-of-way. Additionally, the City reviews and approves the Payment in Lieu of Taxes (PILOT) ordinance and associated PILOT resolutions.

Who is paying for the development?

The Annie Lathrup School redevelopment is being financed by Surnow Company, a private development firm that secures its own dedicated funding for the project. Surnow currently projects total development costs of approximately \$43 million. This financing is separate from any Payment in Lieu of Taxes (PILOT) ordinance established by the City, which governs the project's tax treatment.

What is a PILOT?

A Payment in Lieu of Taxes (PILOT) is an agreement that allows a qualifying development, often an affordable or workforce housing project, to make payments to a local government under a special tax arrangement instead of paying the full amount of property taxes that would otherwise apply.

In the case of the Annie Lathrup School redevelopment, the PILOT would generally work as follows:

- **Reduced tax obligation:** Rather than paying property taxes based on the property's full taxable value under standard tax rules, the development pays taxes calculated under the applicable PILOT framework.
- **Payments to the City and other taxing jurisdictions:** The City establishes the PILOT through an ordinance, subject to applicable state law. The distribution of payments depends on the governing statute and arrangement.
- **Long-term arrangement:** The PILOT may remain in effect for a specified period, potentially decades, depending on the program and approvals.
- **Support for housing development:** PILOT programs can help make projects such as affordable or workforce housing financially feasible by reducing ongoing operating expenses.

What if a the facility is not fully occupied?

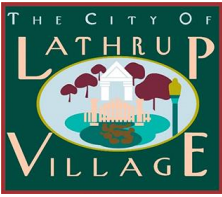
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During the PILOT resolution process, the City included a minimum annual payment requirement of \$120,000 to provide a baseline level of revenue regardless of the property's occupancy level. This provision offers the City some financial protection in the event the facility is not fully occupied and rental income is lower than projected.

How much revenue would the PILOT generate for the City/DDA compared to current levels?

Based on an assumed average monthly rent of \$1,900 per unit across 145 units, the project would generate approximately \$3.306 million in annual rental revenue. At a PILOT rate of 4.5%, the estimated annual PILOT payment would be approximately \$148,770. Under the anticipated distribution, the City and DDA would collectively retain approximately 50%, or \$74,385 annually (\$37,192.50 to each of the DDA and City), with the remaining 50% distributed to other taxing authorities.

Currently, the property generates approximately \$23,000 in annual property taxes, of which the DDA receives roughly 50% (\$11,500) and the City receives no direct revenue. Under these assumptions, the PILOT would increase the combined annual revenue to the City and DDA by approximately \$62,885 compared to current levels. Actual revenues will depend on occupancy, rental income, and the final PILOT terms.

How long does the PILOT last?

PILOT term lengths are determined on a case-by-case basis through negotiations between the developer and the City, subject to applicable state law and required approvals. For the Annie Lathrup School redevelopment, the anticipated PILOT term is 40 years.

If the City is struggling for revenue, why enter into PILOT agreement?

The PILOT agreement is intended to facilitate the redevelopment of the historic Annie Lathrup School property while generating additional revenue for the City and DDA. Under current assumptions, the project is expected to generate approximately \$74,000 annually for the City and DDA combined, compared to approximately \$11,500 currently received by the DDA and no direct revenue to the City. The agreement also includes a minimum annual payment of \$120,000, providing some protection against lower-than-anticipated occupancy and rental income.

Surnow Company has indicated that without a PILOT agreement, the project would not be financially viable, making it unlikely that the redevelopment would proceed. In that scenario, the property could remain vacant and continue to deteriorate. The City must weigh the anticipated revenue and community benefits of redevelopment against the potential tax revenue under alternative scenarios, recognizing that the PILOT is intended to make a substantial private investment in the community financially feasible.

Public use of development amenities

Access to and use of amenities within the development will be determined by the developer. Any amenities made available to individuals who do not reside in the development, whether for a fee or at no cost, will be at the developer's discretion.

Is this a voucher/Section 8/low income housing project?

Per MSHDA, no, the development would not receive Section 8 rental subsidies.

Could the developer easily convert the development to Section 8 housing after the facility is built?

No. Neither the City's PILOT ordinance nor the MSHDA finance agreement allows for the facility to be converted to Section 8 housing.

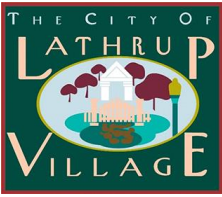
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Who is MSHDA?

MSHDA stands for the Michigan State Housing Development Authority. It is a state agency that supports the development and preservation of affordable housing throughout Michigan through financing programs, tax incentives, and other housing initiatives.

For the Annie Lathrup School redevelopment, MSHDA is involved because the project is being developed as workforce housing and is pursuing a PILOT arrangement under the applicable state housing program. MSHDA's role includes reviewing the project and its compliance with program requirements, including the financial and legal documentation associated with the PILOT.

MSHDA's involvement is also tied to the project's financing and underwriting requirements. The Annie Lathrup School project received MSHDA board approval, and the approved financing assumptions require a PILOT ordinance that meets MSHDA's requirements before the project can proceed to initial closing. The City therefore works with MSHDA to ensure the PILOT documentation meets those requirements.

What is AMI and how is it used to determine who can live in the development?

AMI stands for Area Median Income. It is a measure published by the U.S. Department of Housing and Urban Development (HUD) that is used to determine income eligibility for many affordable and workforce housing programs.

For the Annie Lathrup School redevelopment, AMI helps determine which households qualify to rent particular units based on their household size and annual income.

How AMI works

- 100% AMI: Household income is equal to the median income for the area, adjusted for household size.
- 80% AMI: Household income cannot exceed 80% of the applicable median-income limit.
- 60% AMI: Household income cannot exceed 60% of the applicable median-income limit.

For example, if the applicable annual income limit for a particular household size were \$70,000 at 80% AMI, a household generally would need to earn no more than \$70,000 to qualify for a unit restricted at that level. The actual limits vary by household size, program, and year.

The AMI for Oakland County is approximately \$105,000. For this development, MSHDA has approved the 145 unit plan as follows:

- 29 units – 50% AMI (income level of ~\$52,500)
- 116 units – 120% AMI (income level of \$126,000)

These limits mean prospective tenants must meet the applicable income requirements to qualify for the restricted units. Rent restrictions also apply under the governing program and agreements. The developer must verify household income as part of the eligibility process.

How is the rent amount determined?

Rental rates are established by the developer, subject to the rent restrictions and other applicable requirements outlined in the project's financing agreements and MSHDA program regulations.

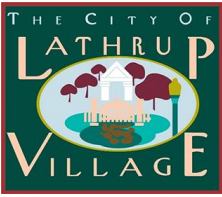
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How will this impact City infrastructure?

Water:

The City's water pressure is based on the incoming water source at the meter pits. Based on the 2023 Water Reliability Report, the water pressure at the 11-Mile meter was 52 psi. For the modeling with the 12-Mile meter operating, 52 psi was used.

Based on the modeled results, the 12" Southfield Road main adjacent to the proposed development has a modeled flow of:

- 2022 Scenario (some improvements done and the 12-Mile meter is closed) = 1,000 – 1,500 GPM
- 2028a Scenario (Southfield Road main from 12 Mile to California replaced from an 8" to 12" main and meter is open) = 1,500 to 2,000 GPM. Note that this project is now scheduled for 2027.
- The modeled results at the rear of the property flow that varies from 750 – 1,000 GPM. The engineering opinion is that if the capped water main in the middle of the property were to be repaired, the flows would increase closer to 1,000 – 1,500 GPM.

Engineering believes the flow is adequate for the proposed development due to its domestic use. However, the adequacy of fire protection depends on several more factors, including the type of building, use of the building, and the type of fire protection/sprinkler system used. The development team will have a consultant specializing in sprinkler systems to calculate the requirements, run fire flow tests, and design a system that will provide the required flows for the required duration. Typically, a building over 2-3 stories will require a fire pump inside to boost pressure and flow.

- Sprinkler system review is conducted with building plan review (after site plan approval).

Additionally, they are subject to standard water rates and would be charged for their share of the system/usage.

Storm Sewer:

Based on engineering records, it does not depict any storm drains adjacent to the site. It is believed that most of the stormwater is directed, or was originally designed to be directed, to the adjacent ditch system. There are a couple of storm manholes depicted on the TOPO but the belief is they are connected to the footing drains/sanitary sewer.

The current design and OCWRC requirement are to store stormwater on-site based on a 100-year storm event. The current allowable outlet of the detention system is 0.20 cfs / acre x 4 acres = 0.80 cfs. The required storage volume of the detention system is approximately 30,000 cubic feet (225,000 gallons). Please note this is a detention system; ultimately the 30,000 cft of stormwater will be discharged into the City's storm sewer system but will be at a restricted rate and not at peak flow.

It is the engineering opinion that the storm sewer system will have a net 0.80 cfs of "peak" flow added to the system. The existing 24" storm sewer at minimum slope has a design capacity of approximately 10 cfs.

If the site did not contain storm sewers connected to the City's system and no detention provided, the peak flow directly to the sewers would be approximately 10.35 cfs.

Sanitary Sewer:

The school is not in use but it can be estimated that the current flow into the sanitary sewer is based on the footing drains being connected and the roof drains being disconnected to the footing drains. We are going to assume that 25% of the roof drainage makes its way to the footing drains (they are not extended away from the building).

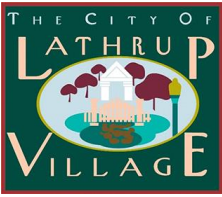
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Flow = $C \times I \times A$ where:

C = coefficient of runoff (0.90 for roofs)

I = Intensity (4.38 for 10 yr storm)

A = acres

Therefore $Q = 0.90 \times 4.38 \times (22,910 \text{ sft} / 43,560 \text{ sft} / \text{acre}) \times 25\% = 0.52 \text{ cfs}$ of discharge to the sanitary sewer system

Sanitary Sewer – Future Development:

Based on current design standards for sanitary sewer design, the proposed sanitary discharge would equate to:

145 apartments (83 – 1 bedroom + 62 – 2 bedroom) $\times$ 1.5 persons / apt = 207 persons

The average amount of water used per person is 100 gallons

The peaking factor is 4

Total amount of water used per day = 207 persons $\times$ 100 gal / person / day $\times$ 4 peak factors = 82,800 gals / day

Converted to cfs = 82,800 gal/day $\times$ (1 cft / 7.48 gal) $\times$ (1 day / 24 hrs) $\times$ (1 hr / 3600 seconds) = 0.13 cfs.

Based on the above calculations, the flow into the sanitary sewer system will be reduced from 0.52 cfs to 0.13 cfs.

The existing 12" sanitary sewer at minimum slope has a design capacity of approximately 2.46 cfs.

Please recall that when the City separated the sewer system in the 1960s, the existing combined sewer system was converted to the sanitary sewer system, so it is over-designed in size.

Additionally, they are subject to standard sewer rates and would be charged for their share of the system/usage.

Roads:

While there is no doubt an increase in vehicles will provide additional wear on the road system, the distribution of Michigan Transportation Fund (MTF) major street funds among the 531 cities and villages is based on two factors: 60% based on city/village census population, and 40% based on city village "equivalent major mileage." The balance of the MTF distribution to cities and villages is earmarked for local streets. MTF local street funds are allocated among the 531 cities and villages based on two factors: 60% based on census population, and 40% based on local street mileage.

In summary – if the population of Lathrup Village increases, additional street funds will be allocated to the City.

What is the anticipated municipal service and infrastructure costs associated with this development?

The City recognizes that the development would introduce additional residents and could increase demand for municipal services, including police, fire protection, roads, infrastructure, administration, and other public services. The precise financial impact is difficult to determine before the development is occupied, as actual costs will depend on service utilization, operating conditions, and future economic factors.

Based on the City's current budget and staffing structure, the Administration does not anticipate that the development would create an additional financial burden resulting in undue financial hardship to the City.

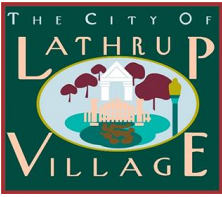
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At this time, the City does not anticipate hiring additional staff as a direct result of the development. The Police Department currently has one vacant full-time patrol officer position resulting from budget reductions. The City would seek to refill that position if funding becomes available, regardless of whether the proposed development proceeds. The development also would not create new public spaces requiring maintenance or necessitate the establishment of new City programs.

For water and sewer services, any additional costs associated with the development would be addressed through the City's approved utility rate structure. Based on current rates, and subject to final meter sizes and meter counts, the City estimates that the property could generate more than \$50,000 annually in water and sewer usage revenue, assuming approximately 450 units of monthly water consumption. These revenues would help offset any additional costs assessed to the City by SOCWA/EFSD and contribute toward future utility system expenses and capital improvements.

Future municipal operating expenses and capital needs will continue to be evaluated through the City's annual budget and Capital Improvement Plan (CIP) processes.

What is the impact on neighboring property values?

The Michigan Economic Development Corporation (MEDC) conducted a study called "Quantifying the Placemaking Effect - Evaluating the Impact of Sustained Place-based Economic Development Incentives on Michigan's Neighborhoods and Commercial Corridors, 2008-2019."

The MEDC study provides evidence that major redevelopment projects supported by public and private investment can have positive spillover effects on surrounding neighborhoods, including increased occupancy and nearby residential and commercial property values.

For the Annie Lathrup School redevelopment, the findings suggest that if Surnow Company secures State funding and the project proceeds, nearby properties could benefit from reinvestment in the site and improvements to the surrounding area. However, the study's findings represent results across six Michigan cities during 2008–2019 and should be treated as an indication of potential benefits, not a guarantee that property values near the Annie Lathrup School will increase by the same amount.

The study reported the following findings across the six cities studied:

- Occupancy: Nearby residential and commercial occupancy increased by approximately 3%.
- Residential property values: Each \$1 of MEDC investment was associated with an estimated \$1.05 in nearby residential property value.
- Commercial property values: Each \$1 of MEDC investment was associated with an estimated \$5.13 in nearby commercial property value.
- Geographic reach: The study estimated approximately \$3.86 billion in increased residential and commercial property values within 2,000 feet of investment sites, at least one year after projects commenced.

The study supports the possibility that redeveloping the Annie Lathrup School could benefit neighboring property owners by replacing a deteriorating property with a substantial private investment.

Facility Parking

The Planning Commission has approved the site plan, including the proposed number of parking spaces for the development. Additionally, the City Council approved an encroachment license allowing 18 parking spaces within the

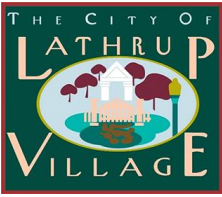
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adjacent public right-of-way. The developer also has the ability to establish shared parking agreements with nearby commercial properties if additional parking is needed.

Parking on residential side streets is permitted during daytime hours, subject to applicable regulations. The City's overnight parking ordinance remains unchanged, and any overnight street parking violations will be addressed by the Lathrup Village Police Department (LVPD) in accordance with existing ordinances.

Are there other direct benefits the City will receive from this project?

The approved development site plan includes improvements to the City's adjacent dog park and repaving of a nearby walking path within Annie Lathrup Park. Additionally, there may be opportunities to negotiate further community benefits with the developer in the future, depending on the project's progress and the City's priorities.

Will there be traffic disruptions along Southfield Road during construction?

Any planned traffic disruptions along Southfield Road associated with the project will be subject to the applicable permitting and approval requirements of the Road Commission for Oakland County (RCOC).

When would construction begin/be completed?

Pending the closing of project financing, the developer will need to finalize building plans and obtain the necessary approvals before construction can begin. If financing closes in December 2026, the developer anticipates construction will take approximately 18–24 months to complete.

How will the City ensure that cut through traffic does not occur by those living at the facility?

As part of the approved site plan, "No Right Turn" signage is required for vehicles exiting the property on the north side to help prevent cut-through traffic on nearby residential streets. Drivers who violate the posted signage are subject to traffic enforcement by the Lathrup Village Police Department (LVPD), including being stopped and ticketed in accordance with applicable laws.

Any other risks?

Based on the information currently available and the due diligence conducted to date, City staff does not foresee any additional significant risks to the City associated with the proposed development beyond those already identified and discussed.

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STATE OF MICHIGAN

MICHIGAN STATE HOUSING DEVELOPMENT AUTHORITY
LANSING

GRETCHEN WHITMER
GOVERNOR

AMY HOVEY
EXECUTIVE DIRECTOR

October 13, 2026

Mr. Corey J. Levin
Honigman LLP

via e-mail to
clevin@honigman.com

Re: Lathrup Village (the "Development")

Dear Mr. Levin:

You have requested the Michigan State Housing Development Authority (the "Authority") to respond to several concerns expressed by the City Council or interested citizens of the City of Lathrup Village (the "City") regarding the Development.

The Development is the first project to be awarded financing under the Authority's new Accelerator Fund program (the "AF Program"). The AF Program is designed to increase housing production by providing long-term financing for projects that are not participating in the federal low-income housing tax credit program, through the use of Authority tax-exempt bonds, and added support in the form of short-term, low-cost subordinate financing. The AF Program requires an affordability component that restricts at least 20% of the units to households with incomes that do not exceed 50% of area median income ("AMI"), as published by the U.S. Department of Housing and Urban Development ("HUD") for the county or metropolitan area in which the property is located. Tax-exempt bond financing under the AF Program is typically structured with a 40-year, fully amortizing term and a fixed interest rate.

Our lending parameters require the sponsor to demonstrate municipal support by the adoption of an ordinance granting tax exemption and a payment in lieu of taxes ("PILOT"), with a duration (or term) at least as long as the Authority's longest loan maturity. If the PILOT duration is less than the Authority's longest loan maturity, the loan that normally has a 40-year term will have a balloon date that is coterminous with the PILOT. The AF Program financing for the Development was initially offered and has consistently been contemplated as a 40-year loan. After our legal division's review of the City's workforce housing ordinance (the "Ordinance"), the 15-year limit was flagged and other concerns were raised (including a termination provision), and in discussions with the Surnow Company, the sponsor for the Development, it was agreed that we would proceed with Authority approval for a 30-year loan (based on the maximum number of extensions available), but with the right to call the loan after 15 years if the PILOT exemption was not extended. This approval would allow Authority staff to move forward with preparations for closing, and for the sponsor to secure all items necessary to close, while the sponsor sought an amendment to the City's Ordinance that would more closely align it with Authority's lending and AF Program requirements.

October 13, 2026

Page 2

The closing process for an Authority-financed transaction is typically 6-12 months following board approval, although it is expected that the time frame will be substantially less for loans made under the AF program. Once approved, the attorney begins to draft loan documents and collect due diligence materials from the borrower. The borrower and its attorney prepare various closing certificates, resolutions and opinions that must be reviewed. Internal sign-offs from the Authority's underwriting staff are collected. The written loan commitment is issued, and a loan package is prepared for the Michigan Attorney General for review. After this review is completed, loan documents are finalized and the initial disbursement of loan funds occurs. In the case of the Development, the sponsor's management agent has no previous experience with Authority-financed projects; additional time has been needed to identify and bring an experienced management agent into the transaction. If the City's Ordinance is amended to align with the Authority's underwriting requirements, including a by-right extension of the PILOT exemption for a duration of 40 years, the Authority will issue a modification of the loan's terms for the Development that will be incorporated into the final written loan commitment and the loan documents prepared for closing.

Units that are restricted to tenants whose household income is no more than 50% of AMI are also subject to a rent restriction that limits the monthly household expense (rent plus imputed utilities) to 1/12th of 30% of 50% of AMI. Workforce housing units, which are restricted to tenants whose household income is no more than 120% of AMI, are subject to a rent restriction that limits the monthly household expense (rent plus imputed utilities) to 1/12th of 30% of 120% of AMI. Again, these limits are published annually by HUD and are adjusted for family size. Based on the current limits for Oakland County, the total housing expense (including tenant-paid utilities) for a 2-person household at 50% of AMI may not exceed \$1,048. The total housing expense (including tenant-paid utilities) for a 2-person household at 120% of AMI may not exceed \$2,517.

A question was raised regarding whether the Development would receive Section 8 rental subsidies. The answer is no. The data chart attached to the report approved by the Authority's board incorrectly listed 116 units as Section 8; they are in fact restricted to 120% of AMI and will not receive any federal or state rental subsidy. This error will be corrected.

We would be happy to answer any other questions you or the City Council members may have.

Sincerely,

Clarence L. Stone, Jr.

Clarence L. Stone, Jr.
Chief Legal Affairs Officer

No property address available

beds / full baths / half baths / sq ft

Residential Property Profile


24-14-480-001

Note: Please be advised the data included in Property Gateway originates from multiple local municipalities. Data, in regard to properties, may be classified and updated differently by municipalities. If you have any questions, please contact the local community where the data originated.

Owner Information

Owner(s) : CITY OF LATHRUP VILLAGE
 Postal Address : 27400 SOUTHFIELD RD LATHRUP VILLAGE MI 48076-3412

Location Information

Site Address : No property address available
 PIN : 24-14-480-001 Neighborhood Code : CME
 Municipality : City of Lathrup Village
 School District : 63060 SOUTHFIELD PUBLIC SCH DIST
 Class Code : 402 Residential - Vacant

Property Description

T1N, R10E, SEC 14 LOUISE LATHRUP'S CALIFORNIA BUNGALOW SUB LOT 167

Most Recent Sale Since 1994

Date : 01/03/2002
 Amount : \$22,500 Liber : 24492:248
 Grantor : KANG, BO H
 KANG, JIN M Grantee : CITY OF LATHRUP VILLAGE

Tax Information

Taxable Value :	State Equalized Value :
Current Assessed Value :	Capped Value :
Effective Date For Taxes : 07/01/2024	Principal Residence Exemption Type : N/A
Summer Principal Residence Exemption Percent : 0%	Winter Principal Residence Exemption Percent : 0%
2023 Taxes	2024 Taxes
Summer : \$0.00	Summer : \$0.00
Winter : \$0.00	Winter :
Village :	Village :

Lot Information

Description : LEVEL Area : 0.29 ACRES

MGM

IMPROVEMENT SERVICES, INC.

DEVELOPMENT PROPOSAL & EXPRESSION OF INTEREST

Multi-Family Residential Development Project
Lathrup Village, Michigan

SUBMITTED TO:

DEVELOPER / APPLICANT:

PRINCIPAL / PRESIDENT:

ESTIMATED PROJECT BUDGET:

DATE OF SUBMISSION:

City of Lathrup Village & Selection Committee

MGM Improvement Services, Inc. d/b/a MGM Restoration
Inc.

Steve Muci

\$4,800,000 USD

October 2026

1. Executive Summary & Development Vision

MGM Improvement Services, Inc. is pleased to present this comprehensive qualification and development proposal for the proposed multi-family residential project in Lathrup Village, Michigan. With over 21 years of continuous operation in Southeast Michigan, MGM Improvement Services, Inc. brings a robust track record of high-end residential construction, meticulous project management, and unwavering commitment to quality.

Our proposed target development budget for this landmark multi-family community is \$4,800,000 USD. Our vision integrates modern multi-level luxury townhomes, state-of-the-art site planning, attached two-car garages, and walkable community green space tailored specifically to complement the Lathrup Village Center master planning guidelines.

2. Company Information & Corporate Profile

Company Legal Name	MGM Improvement Services, Inc.
Corporate Headquarters	1232 Combermere Dr, Troy, MI 48083
President / Owner	Steve Muci
Years in Business	Established in 2005 (21+ Years of Continuous Service)
Licensing & Bonding	Licensed Residential Builder & General Contractor (State of Michigan), Fully Insured & Bonded
Core Capabilities	General Contracting, Multi-Family & Single-Family Development, Custom Home Construction, Major Renovations & Commercial Improvements

3. Development Experience & Comparable Completed Projects

MGM Improvement Services, Inc. possesses extensive hands-on experience in custom residential and specialized multi-unit developments across Oakland and Macomb Counties. Below are highlighted current and completed representative projects:

Current Active Construction Projects

- **Troy, MI Residential Community Development:** Currently constructing four (4) high-end new single-family homes in Troy, MI, demonstrating active operational bandwidth, crew management, and ongoing material sourcing capabilities in Oakland County.
- **Roseville, MI Commercial Enterprise:** Completing the ground-up construction and finish improvements for Romano's restaurant in Roseville, MI, demonstrating commercial construction expertise, coordinated trade management, and delivery of a fully finished hospitality space.
- **Residential Improvements-Oakland, Wayne & Macomb Counties:** Completed numerous residential improvement and renovation projects throughout Oakland, Wayne, and Macomb Counties, demonstrating extensive experience in project management, skilled trade coordination, quality craftsmanship, and the successful delivery of residential construction projects across Southeast Michigan.
- **Residential Construction:** Completing residential construction projects throughout Florida, demonstrating experience managing residential building projects across multiple markets while maintaining consistent standards of quality, craftsmanship, and project execution.

Project Location & Type	Project Highlights	3D Matterport Virtual Tour Link
Farmington Hills, MI Group Home Development	Specialized multi-unit / group residential facility built to institutional & residential codes.	https://my.matterport.com/show/?m=8awu8RBjD4u
Bloomfield Hills, MI Single-Family Custom Home	High-end luxury single-family residence featuring premium structural framing & interior finishes.	https://my.matterport.com/show/?m=ZtYCVUFEKUR

Southfield, MI
Modern Single-Family Home

Contemporary new construction residential home highlighting modern layout & exterior facade.

<https://my.matterport.com/show/?m=XzK5BLRH8LN>

Novi, MI
Executive Residence

Custom executive home development showcasing full-scope ground-up construction expertise.

<https://my.matterport.com/show/?m=WvNyiDU2U7o>

4. Architect, Engineer & Development Team

- **Developer & General Contractor:** MGM Improvement Services, Inc.

Steve Muci, President & Project Executive
 1232 Combermere Dr, Troy, MI 48083

Direct management of site supervision, scheduling, procurement, and construction safety.

- **Architectural & Civil Engineering:**

Artur Kokaj, Architect

Responsible for master site planning, zoning alignment (Village Center Zoning), structural engineering drawings, MEP engineering, and municipal compliance.

- **Legal Counsel:**

Ren Nushaj, Attorney-Troy Law Center

Legal counsel for the development, including transactional matters, municipal and zoning coordination, contract review, regulatory compliance, and other legal matters associated with project development and completion.

- **Financial & Accounting Services:** IQ Accounting Services, Inc.

Nevruz Nazarko, CPA / Principal Accountant
 22307 Greater Mack, Saint Clair Shores, MI 48080

Financial proforma oversight, project accounting, and audit reporting.

- **Property Management:**

Lurant Nushaj, Urban Property Management

Responsible for property management and operational oversight, including tenant relations, leasing administration, property maintenance coordination, vendor management, and ongoing management of the completed development.

- **Subcontractor & Trade Network:** Vetted Michigan Licensed Subcontractors

Master electricians, licensed plumbers, HVAC technicians, site excavators, and interior finish craftsmen with long-standing operational histories with MGM.

5. Target Budget & Construction Cost Breakdown

Cost Center / Development Phase	Scope Description	Estimated Budget
Pre-Development & Civil Permits	Site surveys, civil engineering, zoning approvals, architectural drawings & municipal fees	\$380,000
Site Work & Infrastructure	Excavation, utility connections (water, sewer, gas, electric), paving & retention	\$420,000
Foundation & Structural Framing	Concrete footings, slabs, wood/steel framing, multi-story structural floor systems	\$1,450,000
Exterior Envelope & Roofing	Modern composite facades, masonry accents, roof systems, doors & energy-efficient glass	\$480,000
MEP Mechanical Systems	Complete HVAC systems, plumbing fixtures/rough-in, electrical panels & lighting	\$680,000
Interior Finishes & Cabinetry	Drywall, flooring, high-end kitchens, bathroom fixtures, tile, trim & paint	\$950,000
Landscaping & Hardscaping	Community lawn areas, pedestrian walkways, outdoor lighting & site amenities	\$220,000
Contingency & General Conditions	Project management, jobsite security, insurance & unexpected material allowances	\$220,000
TOTAL ESTIMATED BUDGET	Complete Turn-Key Construction & Site Development	\$4,800,000

6. Envisioned Development Plan & Architectural Drawings

MGM Improvement Services, Inc. envisions a high-density, modern multi-family community designed to blend seamlessly into Lathrup Village's Village Center zoning framework. The proposal incorporates attached 2-car garages, open-concept living spaces, and luxury master suites.

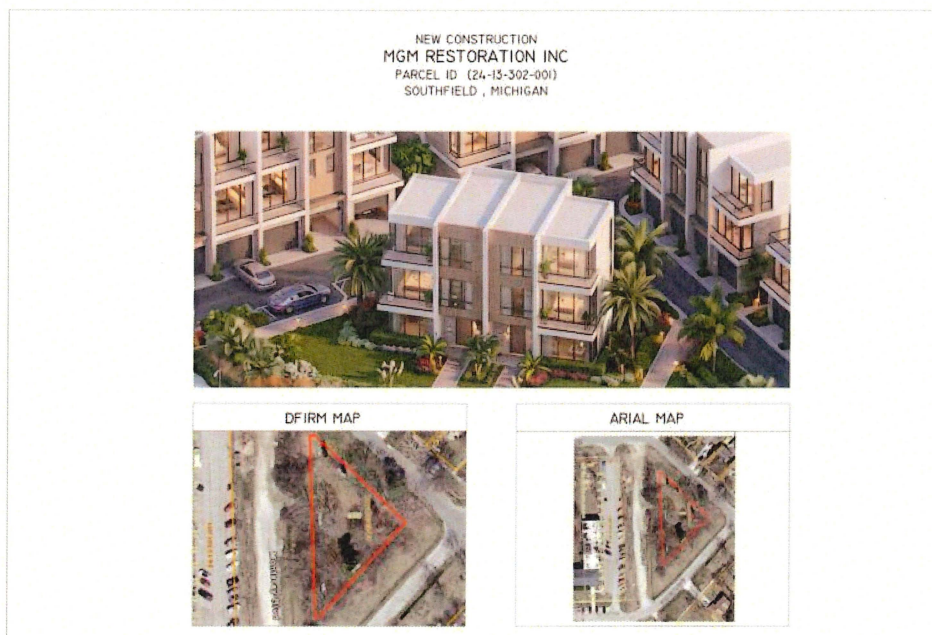


Figure 1: Overall Project Context & Aerial Site Maps (DFIRM & Aerial Map)



Figure 2: Overall 3D Exterior Architectural Rendering (Sheet A-01)

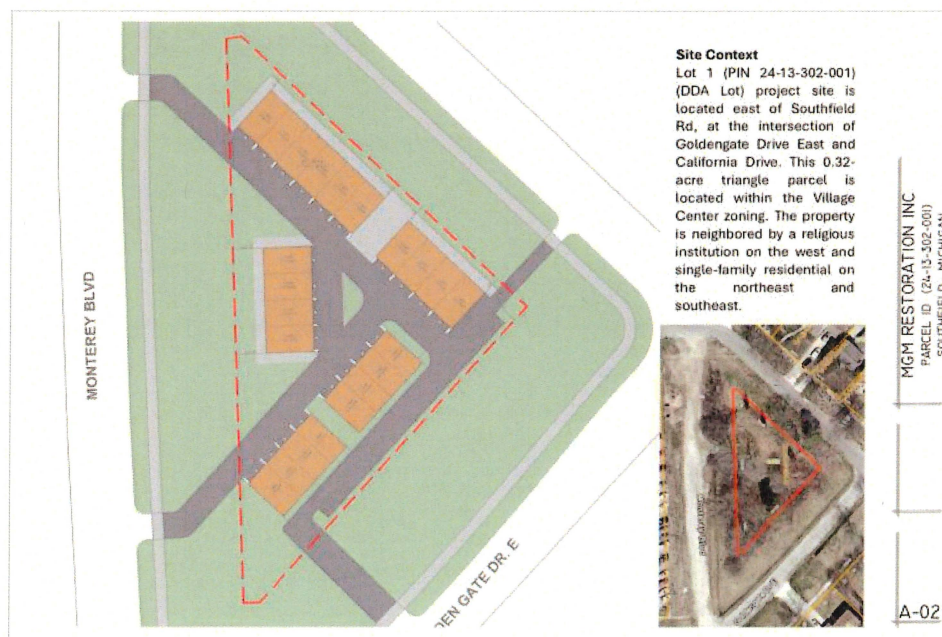


Figure 3: Master Site Plan Context & Zoning Overlay (Sheet A-02)

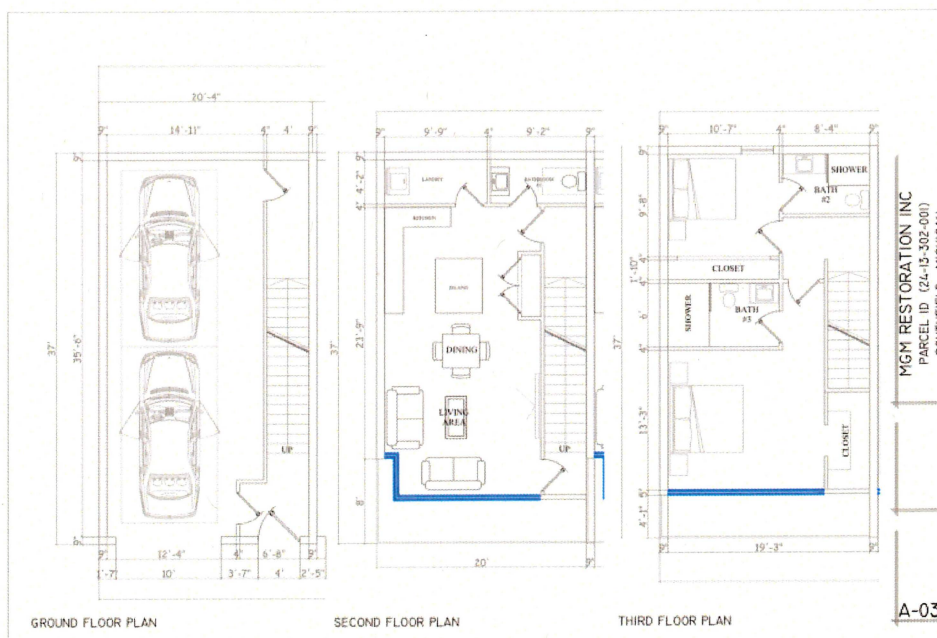


Figure 4: Individual Unit 3-Story Floor Plans (Sheet A-03)

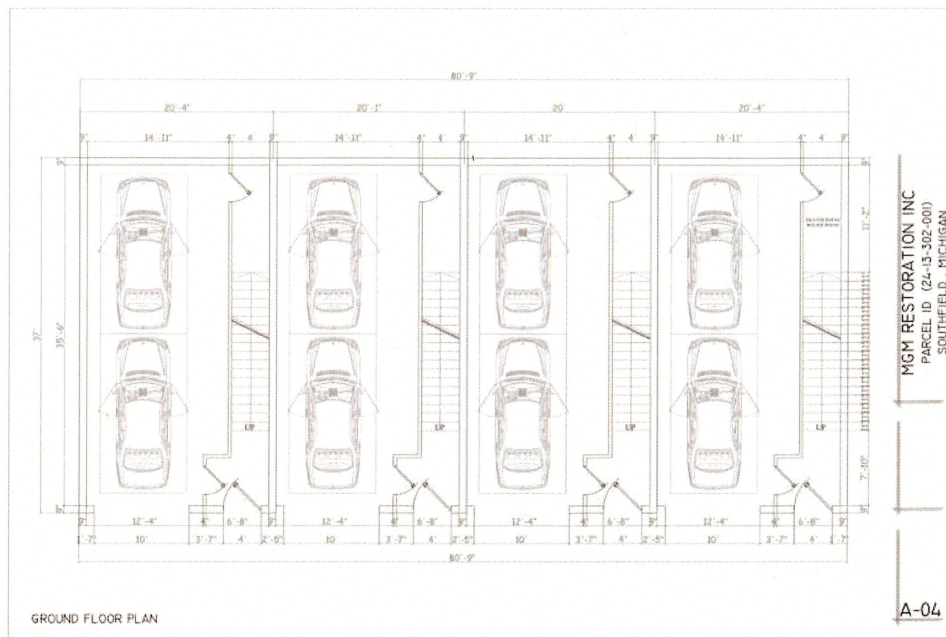


Figure 5: Ground Floor Garage & Entrance Plan (Sheet A-04)

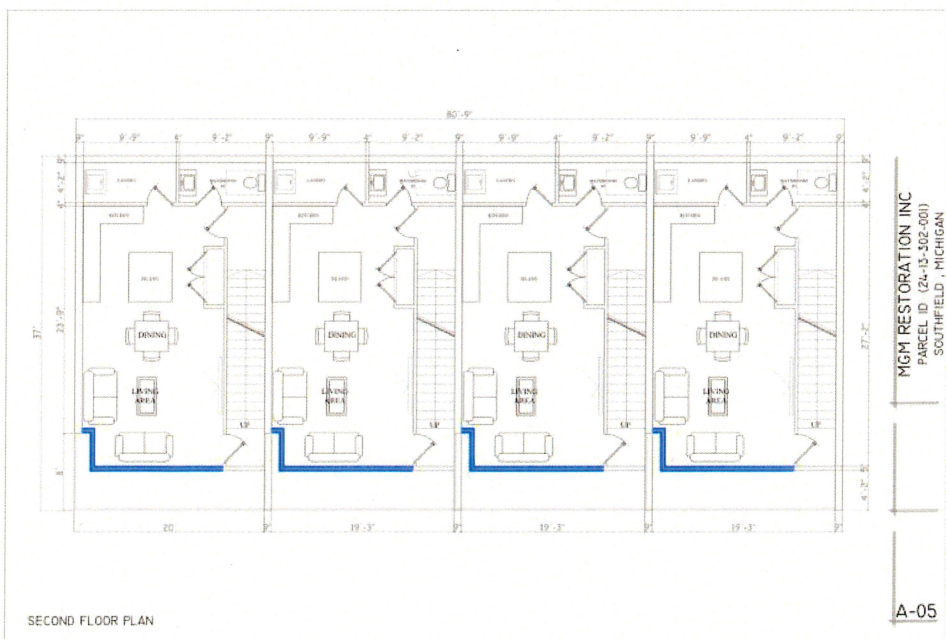


Figure 7: Third Floor Bedroom & Bathroom Floor Plan (Sheet A-06)

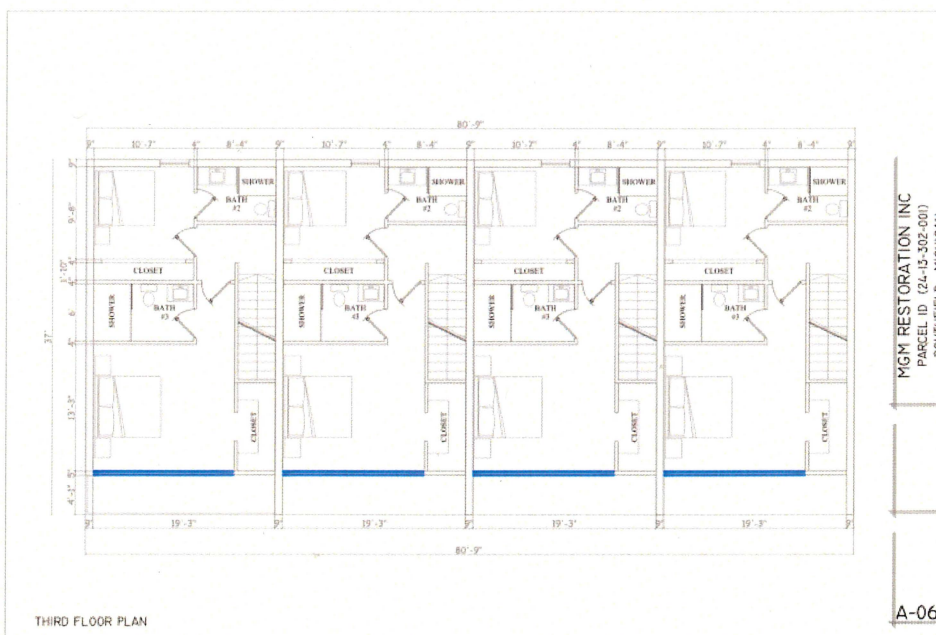


Figure 7: Third Floor Bedroom & Bathroom Floor Plan (Sheet A-06)

7. Financial Capability & Accountant Proforma Letter

IQ ACCOUNTING SERVICES, INC.

22307 Greater Mack, Saint Clair Shores, MI 48080

Name: Rovená Mataj, Accountant / Principal

CONFIRMATION OF FINANCIAL STANDING & PROFORMA ATTESTATION

Date: October 2026

To: City of Lathrup Village / Selection Committee

Re: Financial Solvency & Development Capacity — MGM Improvement Services, Inc.

To Whom It May Concern,

IQ Accounting Services, Inc. serves as the primary accounting and financial advisory firm for MGM Improvement Services, Inc., located at 1232 Combermere Dr, Troy, MI 48083, under the leadership of President Steve Muci.

We have reviewed the historical financial records, corporate tax filings, working capital position, and ongoing project cash flows for MGM Improvement Services, Inc., operating continuously in Michigan since 2005.

Based on our accounting oversight and ongoing financial reviews, we hereby attest to the following:

1. Financial Solvency: MGM Improvement Services, Inc. maintains a healthy balance sheet with solid liquidity, low leverage, and active working capital reserves.
2. Banking & Credit Relationships: The company maintains good standing with its commercial banking institutions and trade vendors, demonstrating exemplary credit payment histories.
3. Development Capacity: MGM Improvement Services, Inc. possesses the requisite financial backing, bonding capability, and operational equity required to successfully undertake and complete the proposed \$4.8 Million Multi-Family Residential Development in Lathrup Village, MI.

In our professional opinion, MGM Improvement Services, Inc. is financially sound, fully capable, and well-positioned to fulfill all financial obligations associated with this development proposal.

Sincerely,

/s/ Rovená Mataj

Rovená Mataj

IQ Accounting Services, Inc.

22307 Greater Mack, Saint Clair Shores, MI 48080