

**Agendum
Oakland University
Board of Trustees Special Formal Session
September 13, 2010**

**ACCEPTANCE OF U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT
GRANT**

A Recommendation

1. Division and Department: Academic Affairs/Office of Grants, Contracts and Sponsored Research

2. Introduction: Oakland University (University) has been awarded a \$1,583,750 grant from the U.S. Department of Housing and Urban Development (HUD), Neighborhood Stabilization Program. Under the HUD program, the funds are delivered to the County of Macomb and transferred to the University via a Sub-Recipient Agreement between the County of Macomb and the University. The grant provides funding to renovate the recently donated Mt. Clemens building, the Oakland University Anton/Frankel Center (Center). The total cost of the project is \$2,087,750, with a \$504,000 match from the University. The renovations include transforming the space from business office suites into classrooms, faculty offices, administrative space, and an Education and Community Outreach Center. Renovation costs will include a fire suppression system, technology infrastructure and equipment, first and second floor remodeling, furniture, and architect, engineer, and construction manager fees, and contingencies.

The proposed Education and Community Outreach Center is an integral part of the University's strategic plan recognizing the need for outreach and special programming to make higher education more accessible and affordable. Oakland University's strategic plan sets forth objectives for creating satellite campuses to provide such programming. Current plans call for outreach programs and services to be offered in Macomb County. The proposed Education and Community Outreach Center would operate near populations of non-traditional and lower to middle-income students, raising the level of educational attainment among them, and would do so by providing counseling, college readiness and student support services in addition to classroom education.

The Board of Trustees (Board) has authorized the President, or his or her designee, to receive and acknowledge grants and contracts to the University. However, for capital improvement projects aggregating more than \$1,000,000, Board authorization must also be obtained at the conceptual stage of the project. The grant and proposed project require Board approval.

The Sub-Recipient Agreement between the County of Macomb and the University has been reviewed and approved by the Office of Legal Affairs, is in compliance with the law and University policies and regulations and conforms to the legal standards and policies of the General Counsel.

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3. **Previous Board Action:** On June 29, 2010, the Board accepted a gift of the land and building commonly known as Parcel 2 of Towne Square, 20 South Main Street, Mt. Clemens, Michigan, the Oakland University Anton/Frankel Center.

4. **Budget Implications:** It is projected that fifteen academic programs will be offered at the Center beginning in the Summer of 2011. When fully operational, approximately 500 students will be served in the Center, generating an estimated \$2.7 million in tuition revenues, \$2.4 million in instructional costs, and \$300,000 in building operating expenses. The \$504,000 University match will be funded from the Strategic Plan Fund.

5. **Educational Implications:** There is a direct link between educational achievement and individual income and there is a correlation between educational achievement and a region's ability to attract and retain business investment. Implementation of the University's *Vision 2020* fosters educational achievement, thereby enhancing economic competitiveness.

The University anticipates the following results from this endeavor:

- Create and reinforce a college-going culture, especially among displaced workers and lower-income families who live along the Gratiot / I-696 corridors.
- Increase the number of degree holders in Macomb County, either substantially reducing or erasing an educational achievement gap between Macomb County residents, statewide and nationally.
- Provide a full four-year higher education experience in Macomb County.

6. **Personnel Implications:** Within the instructional budgets, appropriate faculty and office staff will be assigned to the Center to support the educational and community outreach programs.

7. **University Reviews/Approvals:** The grant proposal was developed by the Vice President for Outreach and Executive in Residence-Macomb, in consultation with the Vice President for Finance and Administration and Associate Vice President for Facilities Management. All grants and contracts are reviewed by the Office of Grants, Contracts and Sponsored Research prior to submission to the Board to ensure compliance with federal and state laws and regulations and University policies and procedures.

8. **Recommendation:**

RESOLVED, that the Board of Trustees accepts the U.S. Department of Housing and Urban Development, Neighborhood Stabilization Program grant in the amount of \$1,583,750, and be it further

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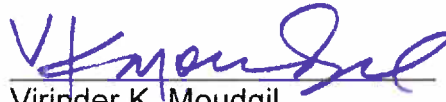
RESOLVED, that the Board of Trustees authorizes the expenditure of \$504,000 University matching funds from the Strategic Plan Fund, and be it further

RESOLVED that the President and his designees are hereby severally authorized to perform all acts and deeds and execute and deliver all instruments and documents required by the U.S. Department of Housing and Urban Development and the County of Macomb that are necessary, expedient and proper in connection with the acceptance and ongoing administration of the Neighborhood Stabilization Program grant. All such instruments and documents shall be in form acceptable to the General Counsel.

9. Attachments:


- A. Grants and Contracts Report
- B. Macomb County Neighborhood Stabilization Program Proposal

Submitted to the President
on 9/9, 2010 by



Virinder K. Moudgil
Senior Vice President for Academic Affairs
and Provost

Recommended on 9/9, 2010
to the Board for approval by



Gary D. Russi
President

Principal Investigator	Awarding Agency	Title and Project Abstract	Award Amount	Total Award All Years
Terry Stollsteimer Facilities Management	Macomb County	<i>Oakland University/Mt. Clemens Education and Community Outreach Center. The goal of this project is the development of property located at 20 S. Main Street, Mt. Clemens, Michigan, for an Education and Community Outreach Center. The Center would provide a satellite campus in support of OU's Vision 2020 plan of increasing outreach and special programming in Macomb County. A discernable number of Macomb County residents are ill-prepared for college, the Center location will enhance OU's ability to reach these residents. It is estimated that 500 additional students and families will attend classes at the Center.</i>	\$ 1,583,750	\$ 1,583,750
Total			\$ 1,583,750	\$ 1,583,750



Macomb County Neighborhood Stabilization Program

NAME OF PROPOSAL: **Oakland University Mt. Clemens Educational Center Renovation**

APPLICANT INFORMATION:

Applicant Name: Oakland University

Address: 2200 Squirrel Rd, Rochester, MI 48309

Tax ID Number: 38-1714400

DUNS #: 041808262

Contact Person: Kathryn Wrench

Email: wrench@oakland.edu

Telephone: 248.370.2552

Fax: 248.370.2973

PROJECT INFORMATION: The following information must be provided and be complete:

NSP Cost: \$1,583,750 (A) or \$485,000 (B)

Total Project Cost: \$2,087,750 (A) or \$989,000 (B)

DESCRIPTION: Describe the need for the project, including how it will diminish destabilizing conditions and promote stability. Attach additional pages as necessary for any of the following items.

A. Describe existing destabilizing conditions and how the project will address them:

The Mt. Clemens Central Business District has one of the highest commercial property vacancy rates in the metropolitan Detroit region. The project facility (20 Main Street, Towne Square II) is completely vacant and has been for sale or lease at below market rates for more than a year. Several Mt. Clemens commercial facilities and numerous residential facilities are in foreclosure. Renovation of the facility and changing it to educational use will not only fill the building and provide collegiate learning opportunities to area residents, but it will reduce commercial vacancies in the business district by over 27,000 square feet. The presence of a state university facility within the business district, and the added traffic of its faculty, staff and students during both day and evening hours, will fill vacant space as well as provide an economic stimulus to other businesses in the area.

Alternative A: Renovate both the first and second floors to completely prepare Towne Square II for instructional purposes, and maximize the potential for disadvantaged students to receive an academic experience while stimulating the local economy.

Alternative B: Renovate only the first floor to prepare it for instructional purposes.

B. Do you (or your developer) have site control?

Towne Square II has been donated to Oakland University. Upon transfer of title, Oakland University will control this site.

C. List and describe the activities to be undertaken, including NSP and non-NSP funded transactions.

Towne Square II is a professional office building which needs to be renovated into instructional space in order to offer academic programming to the Mt. Clemens and Macomb County community. See the budget below for more detail of activities to be undertaken.

D. Identify your partners in the project, if any, and indicate whether they are for-profit or non-profit entities.

Oakland University will undertake project renovations on its own but, once completed, will partner with other educational providers (Macomb Community College, Mt. Clemens Schools, Macomb Intermediate School District) in the development and delivery of educational programs.

E. National Objectives/Project Beneficiaries

Projects must address one of the following national objectives. Select one:

- ☒ Proposal benefits Low-, Moderate, and Middle-Income (LMMI) persons on an area basis.
☐ Proposal provides housing for LMMI persons.

Area Benefit Only: Identify the area served by census tract(s) and block group(s).
TO BE DETERMINED.

Housing Benefit only: Identify the number of units to be constructed or repaired and the number to be occupied by LMMI households. If rental, provide the rent s to be charged, and indicate whether they include or do not include utilities.

Macomb County Neighborhood Stabilization Program

Total Number	Number LMMI	Rental	Projected Rents
		# 1 BR	
		# 2 BR	
		# 3 BR	

- F. Other Considerations. Will the project...
- involve new construction, renovation, reconstruction, or conversion? ☒ Yes ☐ No
 - change the facility's use, or expand its capacity by $\geq 20\%$? ☒ Yes ☐ No
 - affect historic properties? ☐ Yes ☒ No
 - be located in a known floodplain or wetland? ☐ Yes ☒ No
 - be located in a high noise area? (on Main St. and Cass Ave.) ☒ Yes ☐ No
 - cause displacement of persons, businesses or personal property? ☐ Yes ☒ No
 - be located by dangerous and/or noxious plant operations? ☐ Yes ☒ No

G. Implementation Schedule (Assume fund availability on Aug 15, 2010)

Start: 8/15/2010	Engineering: 9/15/2010
Bids Requested: 8/15/2010	Contract Award: 9/1/2010
Start Work: 10/31/2010	Project Complete: 3/15/2012

H. Budget/ProForma (List all projected funding. Total must equal that presented on page 1.)

Funding Source (Alternative A)	Amount of Funding	\$\$\$ Committed? (Y/N)
Requested NSP		•
• Fire suppression system	• \$137,500	
• First floor renovation	• \$440,000	
• Second floor renovation	• \$805,000	
• Architect/Engineer	• \$143,750	
• Phone/server equipment	• \$ 57,500	
CDBG Funds applied to project		•
•	• \$0	•
•	• \$0	•
•	• \$0	•
Other Required Resources (Identify)		
Oakland University Match:		
• Technology infrastructure*	• \$287,500	• Yes
• Furniture/equipment	• \$216,500	• Yes
Total Project Costs	• \$2,087,750	

Funding Source (Alternative B)	Amount of Funding	\$\$\$ Committed? (Y/N)
Requested NSP		•
• Fire suppression system	• \$137,500	
• First floor renovation	• \$282,500	
• Architect/Engineer	• \$ 65,000	
CDBG Funds applied to project		•
•	• \$0	•
•	• \$0	•
•	• \$0	•
Other Required Resources (Identify)		
Oakland University Match:		
• Technology infrastructure*	• \$181,500	• Yes
• Furniture/equipment	• \$165,000	• Yes
• First floor renovations	• \$157,500	• Yes
Total Project Costs	• \$989,000	

*Technology infrastructure to support the latest teaching technologies for learning environments; classrooms and labs, including data projectors, computer monitors w/ stylist, electric projection screens

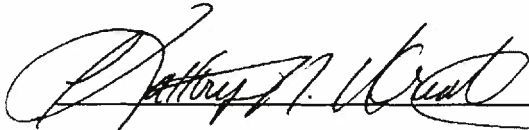
Macomb County Neighborhood Stabilization Program

w/low voltage control, wall and ceiling mounted speakers, document cameras, blue ray/VHS combos, adjustable height instructor desks, touch screen panels, digital switch w/stereo amps, and wireless microphones.

Non-municipal redevelopment projects must include a detailed development and (for housing proposals) operational pro forma showing the source and use of all funds, and documenting operational viability over time. TO BE DETERMINED.

SIGNATURE OF AUTHORIZED OFFICIAL

Signature:



Date _____

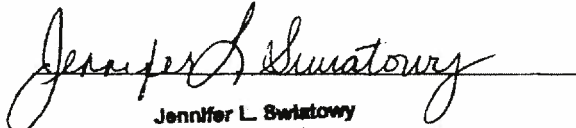
Typed Name & Title: Kathryn Wrench
Director - Grants, Contracts and Sponsored Research

I am authorized to sign this application on behalf of Oakland University and certify that its contents are, to the best of my knowledge, true and accurate. I understand that the willful submission of false or misleading information will result in a disqualification of this application and a denial of CDBG funding.

STATE OF MICHIGAN, OAKLAND COUNTY ss:

The foregoing instrument was acknowledged before me this _____ (date) July 2, 2010

By



Jennifer L. Swiatow

Notary Public

Notary Public
State of Michigan
County of Oakland

Oakland County, Michigan

My Commission Expires: 10-11-15

My Commission Expires 10-11-15

Acting in the County of Oakland

Oakland University / Mt. Clemens Education and Community Outreach Center

Overall Strategy:

The Oakland University / Mt. Clemens Education and Community Outreach Center is an integral part of the University's strategic plan, titled *Vision 2020*. That document, developed in 2006, recognizes the need for outreach and special programming to make higher education more accessible and affordable. *Vision 2020* set forth objectives for creating satellite campuses to provide such programming and current plans call for outreach programs and services to be offered in the City of Flint, and in Macomb, Oakland and St. Clair Counties. These campuses and program centers typically would be located near populations of non-traditional and lower to middle-income students, would raise the level of educational attainment among them, and would do so by providing counseling, college readiness and student support services in addition to classroom education. This would help those who might not otherwise elect to further their education begin to think of a college education as being not only desirable, but also feasible and essential to a secure future.

Why Do This:

Michigan is at an economic crossroads. Having lost an estimated 1,000,000 generally well-paying manufacturing jobs in the last decade, the state has seen massive worker displacement and an exodus of qualified people. Those remaining and, more significantly, their children are absent effective intervention and will be at risk of permanent economic disadvantage and an impoverished quality of life. Their communities, moreover, will be hard pressed to meet an increased demand for services that is likely to follow. We must restructure for a viable future and provide opportunities where none existed previously.

There is a direct link between educational achievement and individual income. There is a correlation between educational achievement and a region's ability to attract and retain business investment. Implementation of the University's *Vision 2020* fosters educational achievement, thereby enhancing economic competitiveness. Our future success depends on this. *Vision 2020* recognizes that any failure to do so would be intolerable.

Population Served:

- **Community Outreach:** A special focus will be placed on high school students (and their families) who absent intervention would be unlikely to attend college. In Macomb County, many of these students reside in the Gratiot and I-696 corridors. This area has the highest proportion of students unlikely to attend college. It also contains every "failing" school in Macomb County, as recently identified by the State of Michigan. Virtually every block group within these communities is income-eligible for purposes of the NSP. Moreover, many of those assisted through community outreach will come from households \leq 80% of Median Family Income, thereby qualifying under the even more restrictive CDBG eligibility thresholds.

The focus population consists primarily of households that in the past had incomes based on unskilled or semi-skilled manufacturing and blue-collar jobs. These jobs paid well and established an attractive quality of life for the workers and their families. The jobs have, however, largely disappeared. Incomes have plummeted and the affected families are at risk of permanent economic disadvantage. Resurgence of the old order is unlikely - that era has passed. What remains is an obligation to help those left behind and in peril.

- Education: Another special focus will be placed on non-traditional and lower-income students, including would-be students who lack sufficient income and/or mobility to attend at a more traditional collegiate venue, as well as working adults and single parents who face their own financial or other barriers to enrollment. In Macomb County, the majority of these individuals reside in the Gratiot Corridor (Eastpointe, Roseville, eastern Clinton Township, Mt. Clemens, Chesterfield Township, New Haven, and Richmond) and along the I-696 corridor which includes the cities of Warren and Center Line. Although many students have personal transportation, including those from lower-income families, the Gratiot corridor has the most heavily used bus route in the region, with a stop within 30 feet of the Mt. Clemens campus entrance. This assures greater accessibility to all.
- Financial assistance data shows that 57% of current Oakland University (OU) enrollees taking courses in Macomb County receive federal financial aid. We expect that number to be higher at the Mt. Clemens Education and Community Outreach Center given its proximity to the Gratiot and I-696 corridors. Baker College, for example, has a campus about five miles away in Clinton Township where 72.5% of the students enrolled for the 2009/10 academic year received some form of federal financial aid.
- The combined number of Low-, Moderate-, and Middle-Income (LMMI) users, those with household incomes \leq 120% of Median Family Income (MFI), including enrolled students and community outreach beneficiaries, should easily comprise 55-60% of the total population served by the facility. More specific rationale is provided below as performance metrics.

Plan Implementation:

Oakland University has developed, or is currently developing, satellite campuses, outreach programs, and joint admissions/concurrent enrollment programs in Flint, Oakland and St. Clair Counties as well as in Macomb County. The Oakland University / Mt. Clemens Education and Community Outreach Center (Center) is therefore an integral part of a much broader community engagement and educational initiative, undertaken as part of a long-range strategic plan. (Note: The facility will be formally known as the *Oakland University Anton / Frankel Center* in recognition of the benefactors who made that location possible.)

How It Will Work:

The following explains each of the Center's two component functions:

Education:

The Center will primarily offer upper division and graduate level classes to enrolled students. The cost of full time tuition for the fall 2010 term is \$4,643 for lower division courses and \$5,074 for upper division courses. OU has developed the following programs to reduce the financial burden of tuition and attract LMMI students. These will be available at the Center and will be promoted through counseling and other outreach initiatives:

- Oakland University and Macomb Community College (MCC) have developed a unique joint admission/concurrent enrollment program called Macomb to Oakland (or M20) that simultaneously enrolls the student at both institutions and ensures that all courses taken apply for degree credit. Some of the courses at the Center may be offered in partnership with MCC.
- Acceptance into M20 helps reduce cost. Financial aid is normally conferred for full time enrollment at only one institution. M20 enrollees may simultaneously attend both OU and MCC and still be eligible

for financial aid, even if they are technically not full time at either institution. This combines flexibility and offers costs savings – a considerable advantage to the enrollee. For example, M2O students who choose to complete the first two years of their program at MCC will save \$14,000 in tuition costs for an OU baccalaureate degree, and will have had the same direct access to all OU programs and student support services as students who attended OU for the full four years.

- Traditional forms of financial aid, including Pell Grants and Federal student loans, are available and widely used by OU students. Oakland University has also devised additional forms of assistance, including its 100% Debt-free Tuition Award program that guarantees the difference between the amount of financial assistance provided through other means and the federally determined Expected Family Contribution and the cost of tuition. The accepted student, in effect, does not need a student loan to pay for tuition and the program is renewable through graduation. This tuition guarantee program will be made available to all LMMI students attending the Center.

Community Outreach:

Oakland University will address the challenges of low aspiration, access and affordability by implementing programs for group participation and individual counseling/mentoring for middle and high school students focused on the Van Dyke, Fitzgerald, Center Line, East Detroit, Roseville, Clintondale, Mt. Clemens, New Haven and Richmond School Districts. Some Outreach programs and services will start with middle school students and continue through high school graduation and will provide family engagement to ensure full support for the student.

- Oakland University will provide individual and family counseling services to those students who need them. Every OU counselor is knowledgeable and has Master's level counseling credentials to ensure a consistently effective service to the participant.
- Academic skill building and developmental programs will be provided in partnership with the community college and the individual school districts.
- The University will collaborate with the Macomb Intermediate School District (MISD) to educate at-risk students about the programs available and provide free transportation to and from the campus.
- The University will, in conjunction with the MISD, bus the students from their schools to the Center for group counseling and individual advising offered by trained and competent OU staff. Perspective students will receive advice about academic programs, information about and help in applying for financial aid, and encouragement to make formal application for admission. Families will also be invited to participate.
- The University recognizes that both needs and programs evolve. It will continue to identify new and better ways to address need within the community.
- The programs offered will help students and their families realize that higher education is not only possible, but is essential to their future well-being. Two classrooms will be designed to support Community Outreach services.

Relationship to overall strategy:

The need is clear and compelling. A discernable number of Macomb County residents are ill prepared to fully participate in the modern economy. Most of them reside in the Gratiot / I-696 corridor. Oakland University, through *Vision 2020*, is committed to addressing that need. It is currently developing satellite

campuses and outreach programming in four areas of Southeast Michigan. These sites will offer more accessible community outreach services and college classes leading to a baccalaureate degree for lower-income and non-traditional students. The majority of those using the Mt. Clemens Center will meet NSP income-eligible guidelines and even qualify under the more restrictive CDBG guidelines. The Oakland University / Mt. Clemens Education and Community Outreach Center is the latest incarnation of this commitment.

Projected Performance Metrics:

Education:

It is expected that roughly 500 students will attend classes at the Center annually once it is fully operational. Data show that typically 57% of Oakland University students taking courses in Macomb County receive federal financial aid and therefore would meet NSP income eligibility standards. Since it is not possible to document the number of students not receiving financial aid who are also income-eligible, the 57% income-eligibility number is used as an estimate of the mix of beneficiaries. As mentioned previously, the most recent data for Baker College shows that 72.5% of the students attending the Clinton Township campus receive federal financial aid, which suggests more than 57% of OU's students taking classes at the Center will be income eligible.

Community Outreach:

It is estimated that as many as 500 additional perspective students and/or families will use Community Outreach services through the Center each year. Given the income characteristics of target populations living in the Gratiot / I-696 corridor, it is highly likely that more than 57% of the individuals benefiting from those Outreach services will be LMHI income eligible.

Combined Total:

The University has greater control over the population serviced through Outreach than it does over matriculating students, so adjustments in programming can easily be made to assure that the majority of people benefiting from the programs and services offered through the Center will be income eligible.

Projected Results:

The need is compelling and the University has, in conjunction with several other stakeholders, devised programs to address that need. It expects the following results from its investment:

- Create and reinforce a college-going culture, especially among displaced workers and lower-income families who live along the Gratiot / I-696 corridors.
- Increase the number of degree holders in Macomb County, either substantially reducing or erasing an educational achievement gap between Macomb County residents, statewide and nationally.
- Increase new economy employment.
- Lower levels of unemployment and under-employment.
- Creation of a de facto four-year university in Macomb County.

Other Benefits:***On campus job creation:***

- Faculty – some new adjunct faculty positions are expected to supplement existing staff that would transfer to the satellite campus from the main campus.
- Support Staff – Although this project is not claiming benefit under the jobs creation criteria, it will create roughly 10 to 12 full- and part-time support positions for custodial and various maintenance and office services. The skills required ensure jobs being made available to persons from income eligible households.

Revitalized Mt. Clemens Central Business District:

- There will be a substantial boost in daily activity in the Mt. Clemens Central Business District (CBD). The Downtown Development Authority (DDA) estimates that some 3,000 people work in the downtown area and another 3,500 people visit the downtown area each day. When in full operation, the OU Mt. Clemens Education and Community Outreach Center is likely to bring over 500 additional daily visitors to the downtown area, nearly a 15% increase over current visitor levels, thus injecting more life into the community. This will increase demand for restaurants, retail, office supplies and personal services.
- Even more important, the Center will redefine the downtown area by creating a new and vibrant purpose: higher education.
- Redefinition as an educational center could promote cultural events, lectures, exhibitions and similar functions and enhance the quality of life for Mt. Clemens residents and those using the CBD. OU has already established a partnership with the Anton Art Center in downtown Mt. Clemens.
- The Center will profoundly and irrevocably affect the hopes, aspirations, and eventually the lives of persons living in the Gratiot / I-696 corridors.