AGENDA

BAY ARENAC BEHAVIORAL HEALTH
BOARD OF DIRECTORS
FACILITIES & SAFETY COMMITTEE MEETING
Thursday, September 3, 2026 at 5:00 pm
Room 225, Behavioral Health Center, 201 Mulholland Street, Bay City, MI 48708

Committee Members:	Present	Excused	Absent	Committee Members:	Present	Excused	Absent	Others Present:
Patrick Conley, Ch				Sally Mrozinski				BABH: Marci Rozek, Chris Pinter, Eric Strode, and Sara McRae
Tim Banaszak, V Ch				Carole O'Brien				
Richard Byrne				Patrick McFarland, Ex Off				Legend: M-Motion; S-Support; MA-Motion Adopted; AB-Abstained
Christopher Girard				Robert Pawlak, Ex Off				

	Agenda Item	Discussion	Motion/Action
1.	Call To Order & Roll Call		
2.	Public Input (Maximum of 5 Minutes)		
3.	Unfinished Business 3.1) None		
4.	New Business 4.1) Facilities Update 4.2) BABHA Future Facilities Planning 4.3) 2026 Residential Home Inspections 4.4) Strategic Initiatives & Dashboard Review		4.1) No action necessary 4.2) No action necessary 4.3) No action necessary 4.4) No action necessary
5.	Adjournment	M - S -	pm MA

Strategic Facility Options

Facilities Committee

Evaluation of Options 1–3 and Recommended Due Diligence

September 3, 2026

Purpose & Decision Framework

Evaluate long-term facility strategies before committing to a major capital investment.

Compare consolidation, new construction, property acquisition/renovation, parking, and community-presence considerations.

Develop the property and financial information needed for a defensible recommendation.

Committee objective: authorize due diligence and financial modeling of Options 1–3.

Current Planning Considerations

Operations are currently distributed across Madison, NB, and Mulholland.

Madison presents an opportunity for additional development but requires a solution for sufficient parking.

A new campus could create greater operational consolidation and long-term flexibility.

Madison may continue to have strategic value for EAS, MRT, and other community-accessible operations.

The timing of the McLaren relationship/lease is an important dependency for the long-term plan.

Option 1 — New Construction and Consolidation at Madison

Construct approximately 18,000 square feet at the Madison site.

Acquire or lease sufficient additional parking from Bay Veterans and/or Bay County.

Maintain Madison as a major agency location.

Potential benefits: lower relocation disruption, continued community presence, and use of an existing agency asset.

Key unknowns: developable area, parking capacity/cost, construction cost, financing, and long-term operating cost. Maximize remote work

Current Lot at 900 Madison listed for $495,000 Size 335’ x 250” 1.92 Acres

Option 1 Numbers — New Construction and Consolidation at Madison

Estimated project cost: $8.9 million

$5.4M for minimum 18,000+ sq. ft. new construction ($300/sq. ft.)

$495,000 for purchase/lease of additional parking land

15-year financing at 6.0%: approximately $49,800/month

Estimated increase in monthly payment: approximately $33,200

- Reduces overall footprint by approximately 20,000 sq. ft.
- Retains East Side Bay City presence

Potential NB sale proceeds: $375,000

Mulholland lease savings through February 2033: approximately $1.3M ($16,600/month)

- Potential sale proceeds and lease savings are not included in the $8.9M project cost
- Excludes changes in heating/cooling costs
- Excludes moving, relocation, and disposal costs from Mulholland and NB
- Does not assume use of Fund Balance for capital purposes

Option 2 — Consolidate on a New Offsite Campus

Identify, purchase, and renovate an alternative site capable of combining operations from Madison, NB, and Mulholland.

Sell NB and Madison after successful transition, subject to market value and operational timing.

Potential benefits: maximum consolidation, purpose-driven renovation, and potential reduction in multi-site overhead. More cost effective (energy and facility costs). Possible vehicle sharing

Key risks: acquisition and renovation costs, financing, transition disruption, and loss of Madison and Eastside community presence.

Evaluate candidate properties for size, condition, parking, zoning, accessibility, expansion potential, and total project cost.

Option 2 Numbers — Consolidate on a New Offsite Campus

Estimated project cost: $4.1 million

$2.7M acquisition of minimum 30,000–40,000+ sq. ft. building/property

15-year financing at 6.0%: approximately $22,600/month

Estimated increase in monthly payment: approximately $6,000

Potential NB + Madison sale proceeds: approximately $1.5M

Mulholland lease savings through February 2033: approximately $1.3M ($16,600/month)

Potential sale proceeds and lease savings are not included in the $4.1M project cost

- Reduces overall footprint by approximately 10,000+ sq. ft.
- No presence in the city of Bay City
- Excludes changes in heating/cooling costs
- Excludes moving, relocation, and disposal costs from Mulholland, Madison, and NB
- Does not assume use of Fund Balance for capital purposes

Option 3 — New NB/Mulholland Offsite Campus + Retain Madison

Purchase and renovate a new site for NB and Mulholland operations.

Retain Madison for EAS, MRT, and specifically identified community-accessible operations.

Sell NB and evaluate whether the Madison building/parcel—or a portion of it—should ultimately be sold.

Potential benefits: meaningful consolidation while preserving a strategic community-facing presence.

Key unknowns: required square footage, renovation cost, Madison long-term space needs, and financial impact of retaining the site.

Front Lot – Approx. 150” x 150” = .5 acres   Possible sale price $150,000

Option 3 Numbers— New NB/Mulholland Offsite Campus + Retain Madison

Estimated project cost: $4.1 million

$2.7M acquisition of 25,000–30,000+ sq. ft. building/property

15-year financing at 6.0%: approximately $22,600/month

Estimated increase in monthly payment: approximately $6,000

Potential NB and Madison front lot parcel sale proceeds: approximately $525,000

Mulholland lease savings through February 2033: approximately $1.3M ($16,600/month)

Potential sale proceeds and lease savings are not included in the $4.1M project cost

Does not assume use of Fund Balance for capital purposes

- Retains East Side Bay City presence
- Reduces overall footprint by approximately 5,000–10,000 sq. ft.
- Excludes changes in heating/cooling costs
- Excludes moving, relocation, and disposal costs from Mulholland and NB

Option 2 & 3 A Numbers - Consolidate on New Offsite Campus, Utilizing Reserved for Capital Funds

Estimated project cost: $4.1 million

$2.7M acquisition of building/property

Use $500K of Reserved for Capital Funds

15-year financing at 6.0%: approximately $18,400/month

Estimated increase in monthly payment: approximately $1,800

- Increasing usage of Capital Funds to $700K results in a monthly payment of $16,700. This is inline with the current monthly lease payment at Mulholland

Options at a Glance

Consideration	Option 1	Option 2	Option 3
Primary strategy	Build 18,000 SF at Madison	New campus; consolidate all	New NB/Mulholland campus; retain Madison
New property	Parking only	Yes	Yes
Madison	Retain	Sell	Retain strategically
NB	Current/transition TBD	Sell	Sell
Mulholland	Current/transition TBD	Consolidate	Consolidate
Community presence	Strong	Reduced/Outside City Proper	Maintained
Capital profile	Construction + parking	Acquisition + renovation	Acquisition + renovation + retained site
Primary issue	Parking/site capacity	Finding right campus	Right-sizing retained Madison use

Due Diligence — Property & Site Information

North Bay:

Acreage: 5.9 acres

Building square footage: 17,461

Barn : 2900 Sq Ft

Current value: $300K - $450K

Madison:

Acreage: 1.463 acres

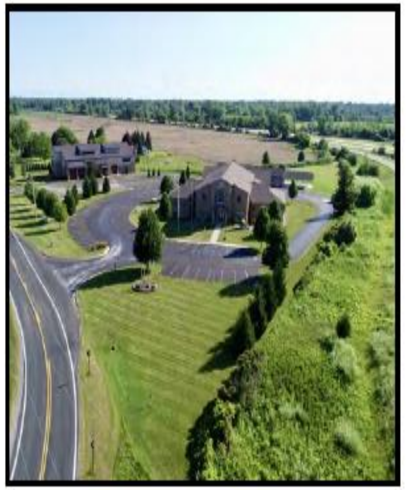
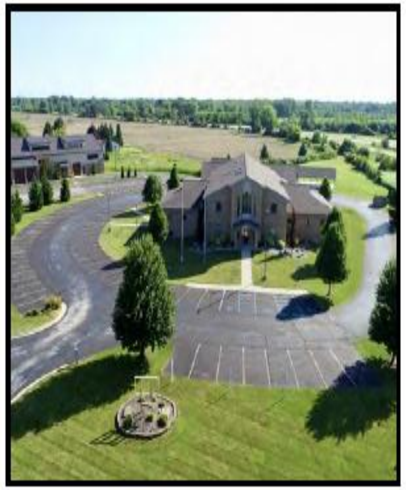
Building square footage: 12,144

Current value: $900K - $1.3M

Estimated Front Lot only value: $150K

– Property Snapshot

- Building Size: 50,000 SF +/-
- Year Built: 1995, 2014 (Automotive testing garage renovation), 2018 (Lab/Tech/Office built, shed and pavilion constructed)
- Land Size: 10.2 acres
- Municipality: Bay County
- Zoning: Commercial—
  (with previous Industrial use)














Indicators for Facilities and Safety Committee

Employee Accidents/Illnesses/Injuries Per 100 Employees; By Reporting Status; Per Quarter

Updated 7/7/2026 **Through FY26Q3**