OCTOBER 2016
(10-14-16)

03  Tax Incentive Review Committee, 5:30 p.m., Admin. Conference Room  ❖ CANCELED
05  Planning Commission, 7:00 p.m., Council Chamber ◆
10  City Council Workshop, 5:30 p.m., Admin. Conference Room ❖
10  City Council, 7:00 p.m., Council Chamber ◆
11  Tax Increment Finance Authority, 4:00 p.m., Admin Conference Room ❖
12  Pension Board, 3:00 p.m., Admin Conference Room  ❖ CANCELED
12  Retiree Health Care Board, Admin Conference Room  ❖ CANCELED
13  Election Commission – 9:30 a.m., Clerk’s Office - ADDED
13  Zoning Board of Appeals, 7:00 p.m., Council Chamber ◆ CANCELED
17  Downtown Development Authority, 5:30 p.m., Admin Conference Room ❖ CANCELED
18  Brownfield Redevelopment Authority, 6:00 p.m., Admin Conference Room  ❖ CANCELED
18  Special Pension Board Meeting, 3:00 p.m., Admin Conference Room
19  Beautification Advisory Commission, 6:00 p.m., Council Conference Room ❖
24  City Council, 7:00 p.m., Council Chamber ◆
27  Library Board, 7:00 p.m., Auburn Hills Public Library 📚

◆ City Council Chamber (Conf. Rm.) – 1827 N. Squirrel Road
❖ Administrative Conference Room – 1827 N. Squirrel Road
❖ Public Safety Building – 1899 N. Squirrel Road
❖ Community Center – 1827 N. Squirrel Road
❖ Department of Public Services (DPS) – 1500 Brown Road
❖ Fieldstone Golf Course - 1984 Taylor Road
❖ Library - 3400 Seyburn Drive
❖ Downtown City Offices – 3395 Auburn Road, Suite A
❖ University Center, 3350 Auburn Road, Main Floor, Classroom AHUC-02
NOVEMBER 2016
(9-29-16)

07  Tax Incentive Review Committee, 5:30 p.m., Admin. Conference Room ❖

08  Tax Increment Finance Authority, 4:00 p.m., Admin Conference Room ❖

09  Pension Board, 3:00 p.m., Admin Conference Room ❖

09  Retiree Health Care, 3:00 p.m., Admin Conference Room ❖

10  Zoning Board of Appeals, 7:00 p.m., Council Chamber ◆

14  City Council Workshop, 5:30 p.m., Admin. Conference Room ❖

14  City Council, 7:00 p.m., Council Chamber ◆

15  Brownfield Redevelopment Authority, 6:00 p.m., Admin Conference Room ❖

16  Planning Commission, 7:00 p.m., Council Chamber ◆

17  Library Board, 7:00 p.m., Auburn Hills Public Library 📖

21  Downtown Development Authority, 5:30 p.m., Admin Conference Room ❖

28  City Council, 7:00 p.m., Council Chamber ◆

◆ City Council Chamber (Conf. Rm.) – 1827 N. Squirrel Road
❖ Administrative Conference Room – 1827 N. Squirrel Road
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✉ Library - 3400 Seyburn Drive
♀ Downtown City Offices – 3395 Auburn Road, Suite A
✉ University Center, 3350 Auburn Road, Main Floor, Classroom AHUC-02
1. MEETING CALLED TO ORDER
2. PLEDGE OF ALLEGIANCE
3. ROLL CALL OF COUNCIL
4. APPROVAL OF MINUTES
   4a. Regular City Council – October 10, 2016
   4b. City Council Workshop – October 10, 2016
   4c. Executive Session – April 11, 2016; May 23, 2016; June 27, 2016; July 25, 2016; August 8, 2016; August 22, 2016; September 12, 2016
5. APPOINTMENTS AND PRESENTATIONS
6. PUBLIC COMMENT
7. CONSENT AGENDA
   All items listed are considered to be routine by the City council and will be enacted by one motion. There will be no separate discussion of these items unless a Council Member so requests, in which event the item will be removed from the Consent Agenda and considered in its normal sequence on the agenda.
   7a. Board and Commission Minutes
      7a.2. Tax Increment Finance Authority – October 11, 2016
   7b. Motion – Approve Traffic Control Order/Stops Signs - Lake in the Hills Mobile Home Park
   7c. Motion – Approve TIFA Parking Structure Space Lease Agreement
   7d. Motion – Approve Membership in Taxpayers for Michigan Constitutional Government
8. OLD BUSINESS
   8a. Motion – Approve IFEC Extension / PyeongHwa Automotive USA (PHA)
9. NEW BUSINESS
   9a. Motion – Approve Special Land Use Permit / Unique Fabricating
   9b. Motion – Special Assessment District Step One – Deepwood Drive
   9c. Motion – Special Assessment District Step One – Pacific Drive
   9d. Motion – Special Assessment District Step One – N. Atlantic and Continental
   9e. Motion – Approve Amendment to the City’s Property Tax Incentive Policy
10. COMMENTS AND MOTIONS FROM COUNCIL
11. CITY ATTORNEY’S REPORT
12. CITY MANAGER’S REPORT
13. ADJOURNMENT

City Council meeting minutes are on file in the City Clerk’s office. NOTE: Anyone planning to attend the meeting who has need of special assistance under the Americans with Disabilities Act (ADA) is asked to contact the City Clerk’s Office at 370-9402 or the City Manager’s Office at 370-9440 48 hours prior to the meeting. Staff will be pleased to make the necessary arrangements.
CALL TO ORDER: Mayor McDaniel at 7:07 p.m.
LOCATION: City Council Chamber, 1827 N. Squirrel Road, Auburn Hills, MI 48326

Present: Mayor McDaniel, Mayor Pro Tem Mitchell, Council Members Burmeister, Kittle, Knight, Verbeke
Absent: Council Member Hammond
Also Present: City Manager Tanghe, Assistant City Manager Grice, Police Chief Olko, Treasurer/Finance Director Schulz, City Clerk Kowal, Fire Chief Manning, Assessor Griffin, Deputy Treasurer/Finance Director Wickenheiser, DPW Director Melchert, Senior Director Adcock, Recreation Director Marzolf, Golf Manager Marmion, Community Development Director Carroll, Director of Authorities Mariuz, Community Development Director Cohen, Management Assistant Harris, Deputy Assessor Collias, City Engineer Juidici, City Attorney Beckerleg
6 Guests

Mayor McDaniel stated there is no need for an Executive Session, so it has been removed and the Agenda Item numbering has been amended to reflect the deletion.

4. APPROVAL OF MINUTES
4a. Regular City Council – September 26, 2016
Moved by Verbeke; Seconded by Kittle.
RESOLVED: To approve the September 26, 2016 City Council meeting minutes.
VOTE: Yes: Burmeister, Kittle, Knight, McDaniel, Mitchell, Verbeke
No: None
Resolution No. 16.10.176 Motion Carried (6–0)

5. APPOINTMENTS AND PRESENTATIONS
5a. Presentation to Council of Awards for the DDI
Mr. Melchert presented to City Council and explained the City has received four awards for the University Drive / I-75, Diverging Diamond Interchange. Two awards are related to the engineering excellence, Preliminary Design Concept by OHM Advisors and the actual engineering of the bridge and two for government collaboration, including Oakland University contributing to the streetscape; six funding sources coming together for the construction of the interchange.

6. PUBLIC COMMENT
Clarence Bennett, resident, stated the American Legion would like to have more floats in the parade, and he suggested the use of golf carts for the platform for more floats.

7. CONSENT AGENDA
Mr. Knight requested removing Item 7c. from the Consent Agenda.
7a. Board and Commission Minutes
   8a.1. Downtown Development Authority – September 19, 2016
   8a.2. Tax Increment Finance Authority – September 20, 2016
   8a.3. Brownfield Redevelopment Authority – September 20, 2016
7b. Motion – Approve Delinquent Tax Transfers to 2016 Winter Tax Bills

RESOLVED: To accept the transfer of the delinquent special assessments in the amount of $414,815.53 for collection on the 2016 City of Auburn Hills Winter Taxes, in accordance with Ordinance # 634, Resolution No. 74-108, 74-143, and MCL 211.44(3)(4) and (7).

Moved by Verbeke; Seconded by Mitchell.

RESOLVED: To approve Consent Agenda items 7a. and 7b.

VOTE: Yes: Burmeister, Kittle, Knight, McDaniel, Mitchell, Verbeke
No: None

Resolution No. 16.10.177

7c. Motion – Approve the Video Service Local Franchise Agreement for AT&T Michigan

Mr. Knight asked for an explanation of what this agreement contains.

Ms. Carroll explained the City allows AT&T access to the rights-of-way and in return, AT&T gives the City a portion of the rates it receives from residents; a 5% franchise fee and a 1% PEG (public education and government) fee, which goes to the local public programming services. This is a common practice for all cable companies that provide cable services.

Mr. Beckerleg noted the fee percentages are set by law.

Moved by Knight; Seconded by Mitchell.

RESOLVED: To approve the Video Service Local Franchise Agreement for AT&T Michigan for a term of ten (10) years.

VOTE: Yes: Burmeister, Kittle, Knight, McDaniel, Mitchell, Verbeke
No: None

Resolution No. 16.10.178

8. OLD BUSINESS

8a. Motion – Approve Combined PUD Step One – Qualification / Step Two – Site Plan / Lamar Advertising Company - Digital LED Billboard

A request was received from Lamar Advertising Company to postpone this request to a date uncertain.

Moved by Verbeke; Seconded by Burmeister.

RESOLVED: To postpone indefinitely the plans for the PUD Step One – Qualification / Step Two – Site Plan for Lamar Advertising Company – Digital LED Billboard subject to the terms and conditions of the Development Agreement.

VOTE: Yes: Burmeister, Kittle, Knight, McDaniel, Mitchell, Verbeke
No: None

Resolution No. 16.10.179

8b. Motion – Approve IFEC Extension / Norma Michigan, Inc.

Mr. Griffin explained Norma Michigan has had an eight year IFEC beginning December 31, 2009 and ending December 30, 2016, and are requesting approval for an additional two years. The maximum extension allowed is four years. The extended amount of the abatement is for real property only, $3,805,000.

Mr. Griffin explained this abatement was approved in 2009, when personal property was still eligible for a tax abatement. If the company chooses not to apply for the MPP exemption, they will still pay the personal property tax. He assumes the MPP will be applied for.

Lori Switzer, tax manager for Norma Michigan, explained this request is for an extension of real property. The American headquarters for Norma is located in Auburn Hills, and they have approximately 290 employees here.

Mayor McDaniel opened and closed the public hearing at 7:24 p.m., hearing no comment.

Moved by Verbeke; Seconded by Kittle.

RESOLVED: To approve the request for an additional two (2) years of abatement for Norma Michigan Inc. and IFEC 2009-049 by adopting the attached resolution (Attachment A).

Mr. Beckerleg confirmed for Mr. Knight this request includes the four-year claw back clause.

VOTE: Yes: Burmeister, Kittle, Knight, McDaniel, Mitchell, Verbeke
No: None

Resolution No. 16.10.180

9. NEW BUSINESS

9a. Motion – Approve Traffic Signal / Great Lakes Crossing

Mr. Melchert explained this is an agreement between the City and Taubman Auburn Hills Associates Limited Partnership, Great Lakes Crossing Outlets (GLCO) owner. This agreement forms a partnership for construction of a traffic signal at Great Lakes Crossing Drive and Great Lakes Crossing Outlets Driveway #4, adjacent to the Steak n’ Shake restaurant. A
transportation review was done by DKS Associates, Inc., stating the intersection of Driveway #4 and GLC Drive experiences severe congestion during peak traffic periods and recommend a traffic signal be installed. OHM performed a traffic warrant study and confirmed the need for a traffic signal at the intersection.

It is suggested a temporary solution be constructed by Thanksgiving 2016, with a permanent signal completed by September 2017. The agreement notes the City will take the lead doing the engineering and the construction. The GLCO owners will reimburse the City 100% for all costs including the annual maintenance and operation of the traffic signal.

Ms. Verbeke agrees there is a need for a signal, but asked when the studies were conducted.

Mr. Melchert explained the original transportation study was completed in December of 2015 and the traffic warrant study was conducted August 2016. The OHM traffic study included vehicle counts during the 2015 Christmas shopping season.

Ms. Verbeke asked about the street markings in the shopping center interior roads. She also asked if this signal will be a flashing light during non-peak hours.

Mr. Melchert explained those markings were done by Great Lakes Crossing, to work in conjunction with this proposed traffic signal work. The operation study still needs to be conducted to determine the signal configuration and light timing.

John Eggert, Development Director for the Taubman Company, the parent company of Great Lakes Crossing Outlet Center, explained they are doing channelization to the internal intersection drives in an attempt to make traffic to flow better. He thanked City staff for helping to work through this process over the last year. GLCO is very appreciative of allowing the traffic signal and is gladly paying 100% of the cost and ongoing maintenance. Many traffic scenarios have been discussed, looking for solutions.

Moved by Kittle; Seconded by Knight.

RESOLVED: To approve the Agreement between the City of Auburn Hills and Taubman Auburn Hills Associates Limited Partnership for construction of a traffic signal at Great Lakes Crossing Drive and Great Lakes Crossing Outlets Driveway #4.

VOTE: Yes: Burmeister, Kittle, Knight, McDaniel, Mitchell, Verbeke

No: None

Resolution No. 16.10.181 Motion Carried (6–0)

9b. Motion – Accept 1st & 2nd Quarter 2016 Monitoring Network Review Summaries /Oakland Heights Development

Andy Foerg, Environmental Consulting Solutions, explained there are no changes for the first quarter report, the levels are all acceptable. MW-31SR was showing a pattern of increasing concentrations. It was concluded the water movement from the pond into the perch zone is contributing to the variability of the water quality in MW-31SR. No further investigation is warranted, but will be kept under a watchful eye. The second quarter also resulted in some very low levels of volatile organic compounds found in wells 47D and 46, in the northeast corner of the landfill. These will be resampled in the third quarter monitoring.

MW-47D and MW-46 have had several volatile organic compounds reporting at very low concentrations. Regulations require resampling for volatile organic compounds within 90 days from the August 2016 event. Continued monitoring of MW-47D and MW-46 is warranted. It is believed there may be problems with the pump, within the well, and the exhaust from the pump is creating the volatile organic compounds. The pump will get fixed and another sampling will be done; he is sure that should resolve the problem.

Mr. Burmeister asked how long it takes from the time a sample is taken to receiving the results.

Mr. Foerg believes the entire process of the sample being taken to submitting the findings to Brown & Caldwell for analysis and sending a report to Oakland Heights is probably three to four weeks.

Moved by Knight; Seconded by Verbeke.

RESOLVED: To accept the First and Second Quarter Y2016 Monitoring Network Review Summaries prepared by Environmental Consulting Solutions of the Oakland Heights Development Landfill Reports.

VOTE: Yes: Burmeister, Kittle, Knight, McDaniel, Mitchell, Verbeke

No: None

Resolution No. 16.10.182 Motion Carried (6–0)

9c. Motion – Adopt 2017 Fee Schedule

Mr. Knight was initially concerned with the price increase for the burial fee, but has learned the burial costs is less than the actual cost to the City and the cost is also in-line with costs at other community cemeteries. Asked if the January increase in the water fee is keeping pace with the increase of water costs from the consolidated water source.

Mr. Melchert stated there is anticipated water increase from the Great Lakes Water Authority for water services of at least 4%. The contract will be reopened in the next month and will be negotiating a new maximum day volume, which should bring the rate down. The increase in January allows to maintain solvency of the fund. The same with sewer, there is no plan for a July increase.

Moved by Mitchell; Seconded by Burmeister.

RESOLVED: To adopt the 2017 City of Auburn Hills Fee Schedule as submitted.
9d. Public Hearing / Motion – Adopt 2017 Budget and Millage Rates

Ms. Schulz explained this budget has $57.5 million in expenditures, net of transfers. She made the following PowerPoint presentation:

### 2017 Proposed Budget

59,486,429 TOTAL GROSS EXPENDITURES
Net of Transfers and Interfund Charges between Funds
$57,537,279

<table>
<thead>
<tr>
<th>2017 PROPOSED BUDGET</th>
<th>PROPOSED REVENUES</th>
<th>PROPOSED EXPENDITURES</th>
<th>APPROPRIATION OF FUND EQUITY</th>
</tr>
</thead>
<tbody>
<tr>
<td>General</td>
<td>$25,736,910</td>
<td>$31,862,775</td>
<td>$(6,125,865)</td>
</tr>
<tr>
<td>Police Drug Forfeiture</td>
<td>40,000</td>
<td>11,500</td>
<td>$28,500</td>
</tr>
<tr>
<td>Police Grants &amp; Donations</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Local Streets</td>
<td>1,293,450</td>
<td>1,316,398</td>
<td>$(22,948)</td>
</tr>
<tr>
<td>Major Streets</td>
<td>6,709,629</td>
<td>6,723,132</td>
<td>$(13,503)</td>
</tr>
<tr>
<td>Water/Sewer</td>
<td>17,057,960</td>
<td>17,645,715</td>
<td>$(587,755)</td>
</tr>
<tr>
<td>Fleet Management</td>
<td>2,286,268</td>
<td>2,749,639</td>
<td>$(463,371)</td>
</tr>
<tr>
<td>Fieldstone Golf Club</td>
<td>3,091,634</td>
<td>2,952,876</td>
<td>$138,758</td>
</tr>
<tr>
<td>CDBG Grant</td>
<td>70,968</td>
<td>70,968</td>
<td>$0</td>
</tr>
<tr>
<td>Retiree Health Benefits</td>
<td>1,980,995</td>
<td>1,675,186</td>
<td>$305,809</td>
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<tr>
<td>Tree Ordinance</td>
<td>13,324</td>
<td>100,666</td>
<td>$(87,342)</td>
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<tr>
<td>METRO Act</td>
<td>69,218</td>
<td>17,792</td>
<td>$51,426</td>
</tr>
<tr>
<td>Wayne Disposal-Oakland</td>
<td>206,883</td>
<td>278,119</td>
<td>$(71,236)</td>
</tr>
<tr>
<td>Brownfield Authority</td>
<td>1,235,131</td>
<td>1,196,675</td>
<td>$38,456</td>
</tr>
<tr>
<td>DDA</td>
<td>43,447</td>
<td>15,715</td>
<td>$27,732</td>
</tr>
<tr>
<td>TIFA 85-A</td>
<td>1,019,616</td>
<td>1,357,061</td>
<td>$(337,445)</td>
</tr>
<tr>
<td>TIFA 85-B</td>
<td>1,425,351</td>
<td>891,468</td>
<td>$533,883</td>
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<tr>
<td>TIFA 86-D</td>
<td>1,285,806</td>
<td>620,744</td>
<td>$665,062</td>
</tr>
<tr>
<td>Grand Total</td>
<td>$63,566,590</td>
<td>$69,486,429</td>
<td>$(5,919,839)</td>
</tr>
</tbody>
</table>
The General Fund is 46% of the budget and the Water/Sewer Fund is 25%. The 2017 budget includes $5.9 million in street improvements, $3.2 million in water and sewer improvements, $1.6 million in vehicle and heavy equipment purchases. Staff and equipment purchases have been increased in the Fire Department due to the passage of the fire millage. There has been a reduction in water and sewer increases as compared to the prior year; 5% down from 8%. The real property valuation has increased, however, the overall property valuation decreased due to the personal property exemption in 2016 which effects the 2017 revenues. There are no plans for a millage increase in 2017 or the out years projection, no additional debt, and the legacy costs remain adequately funded through 2021.

Regarding the Water and Sewer Fund, the second largest fund, the revenue, is almost totally funded with charges for services. There is some grant and interest income and some non-cash contributions also planned. While the fund will use some reserve in 2016 through 2018, barring additional capital expenditures and any significant changes in sewer and water treatment funds, the fund should be replenished in 2019 through 2021.
Tonight staff is recommending approval of the 2017 budget. The budget addresses necessary road improvements made possible by proactive 2016 fiscal decisions.

Staff spends a considerable time looking forward while developing each year’s budget to address possible fiscal challenges early on.

The General fund on the next slides is broken down by the Operating millage in to 3 sections:

- Police
- Fire
- General Operations
Police - the anticipated Police property tax revenue, funds almost all of the operational expenses. The decision to contract dispatch with the County has improved the Police Department's financial position. The 2017 budget includes full staffing; some of the other sources of revenue keep the Department solvent. There is some concern in 2020, the outlook can be improved with a reduction in costs, an increase in current property tax evaluations (beyond the normal inflation costs), or additional revenue sources.

Fire – The recent approval of the Headlee Override, improved the Department's position to add much needed staff for both medical and fire calls. An additional short-term grant award improved the 2016 through 2018 projection nicely; in 2020 the funding picture begins to change.
General Fund (excluding Police and Fire) – Relies on outside revenues, such as the State, developers, and programs to cover expenditures. The property tax revenues do not cover operational and fixed costs, not looking at wages and benefits, the additional revenue thus far, has helped to balance it out. In 2017, there is a planned $5.9 million in transfers to fund necessary road infrastructure projects. This continued gap, if left unattended, will severely impact the health of the City.
Looking at the General Fund and the five year forecast, currently the need to use reserve continues from 2015 and forward. After the budget process last year, staff reacted and the City now expects to reserve more resources in 2016 than expected which directly impacts the ability to address some of the road and infrastructure projects in 2017. Staff remains aware of using the reserve in the out years.

The property tax revenue trend, expenses have moderately been increasing, the tax revenue has been declining. The small gains made in 2016, $4.1 million, were tempered by the personal property tax exemptions of City businesses, causing a decline in revenues in 2017.

Staff is confident it can make the necessary changes to improve the current 2020 projection. The goal is total expenditures not to exceed 25% of fund balance. In order to sustain the current physical health of the City, staff will continue to be creative in the day-to-day operations, staff will also be reaching out to the business community and residents for solutions. Staff will also continue with the collaborative efforts of the State, other communities and agencies to fund necessary projects and to control costs.

In order to consider available resources, the fund balance needs to be further broken down:

| Fund Balance may include Non-Spendable, Restricted, Committed, and/or Assigned balances, reducing the amount of available resources at any given time |

In evaluating the current budget projections:

- The year end Unassigned Fund Balance is available resources after removing
- Subsequent year COMMITTED debt obligations from stormwater
- Estimated NON SPENDABLE assets such as general fund land held for resale and prepaid items
- and the ASSIGNED subsequent years approved budget

(2016 projected budget is an assigned portion of the 2017 year end fund balance)

The General Fund currently has no RESTRICTED type items in the fund balance.

<table>
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<tr>
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</tr>
</thead>
<tbody>
<tr>
<td>TOTAL REVENUES</td>
<td>26,316,370</td>
<td>26,488,128</td>
<td>25,234,632</td>
<td>24,578,510</td>
<td>23,878,319</td>
<td>23,287,378</td>
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<tr>
<td>NET REVENUES</td>
<td>22,355,425</td>
<td>22,832,612</td>
<td>21,921,340</td>
<td>21,182,775</td>
<td>20,627,129</td>
<td>20,064,965</td>
</tr>
<tr>
<td>NET EXPENSES</td>
<td>(2,499,946)</td>
<td>(2,654,304)</td>
<td>(2,403,414)</td>
<td>(2,615,687)</td>
<td>(2,999,684)</td>
<td>(3,181,577)</td>
</tr>
<tr>
<td>SOLVING FUND BALANCE</td>
<td>$3,722,591</td>
<td>$4,529,544</td>
<td>$4,962,225</td>
<td>$5,587,086</td>
<td>$6,065,281</td>
<td>$6,543,397</td>
</tr>
<tr>
<td>Total Fund Balance % of Annual Expense</td>
<td>75.40%</td>
<td>83.80%</td>
<td>82.54%</td>
<td>84.80%</td>
<td>85.68%</td>
<td>85.68%</td>
</tr>
</tbody>
</table>

2017 Budget recommendation meets goal.

In 2020, current projections show available resources drop below the City's goal of maintaining not less than an unassigned fund balance of 25% of annual expenditure in the General Fund.
Mr. Knight asked if an additional fire truck is included in this budget.  
Fire Chief Manning stated there is $500,000 in the fleet budget for fire apparatus, originally earmarked for an engine. Currently the Department is evaluating its options and there is a possibility of adding a fourth ambulance as backup. 
Mr. Kittle is pleased with this presentation and noted previously there were some substantial deficit years of road projects and asked if those projects are being tracked.  
Ms. Schulz explained in the budget document, after the Capital Expenditures there is a separate page, a wish list, should funds become available. 
Mr. Kittle noted he is very appreciative of the budget staying at the 25% fund balance level. There will be tough times ahead, and the City has been very fortunate to have the TIF districts that have funded the building-out of the City and not incurring debt. Depending on the nature of the capital improvement projects needing to be done, he asks City Council to be open-minded towards incurring debt rather than paying cash for everything, particularly if it will decrease the fund balance to a precarious level. He questioned if there will be a budget committee as previously discussed and if so, when that committee will begin meeting. 
Mayor McDaniel stated thus far, two Council Members have agreed to serve, and are still waiting to hear from another. The committee is a go.  
Mayor McDaniel opened the public hearing at 8:00 p.m. Hearing no comment, the public hearing was closed at 8:00 p.m. 
Moved by Knight; Seconded by Mitchell.  
RESOLVED: To accept and adopt the proposed 2017 budget for the City and to approve the proposed millage rates for the City and Library for the 2016 tax year. 
Ms. Mitchell thanked staff for the work, the thoroughness of all the discussions and workshops that went into this budget process. 
Mayor McDaniel echoed Ms. Mitchell’s comments, thanking City Manager Tanghe, Finance Director Schulz and all the department heads for the many hours invested and the difficult decisions made for this budget.  
VOTE: Yes: Burmeister, Kittle, Knight, McDaniel, Mitchell, Verbeke  
No: None  
Resolution No. 16.10.184 Motion Carried (6–0) 
10. COMMENTS AND MOTIONS FROM COUNCIL  
Mr. Knight:  
- Friday, at 6:45 p.m., people will be gathering on Auburn Road, across from Pixley Funeral Home for the Homecoming Parade and he invited City Council to participate if they wish. The parade beings at 7:15 p.m. 
Ms. Mitchell:  
- At the August 22nd meeting she requested an update of the City’s participation with the Oakland County Main Street Program; the pro’s and con’s as well as any available information. She would still like to see that information. 
- Was excited to see College Night at the DEN and asked if it was attended and if any feedback was provided. 
- Asked when the Autumn Festival at Hawk Woods is being held.
Mr. Tanghe stated this Saturday, 11:00 a.m. until 3:00 p.m.

- The Beautification Awards Ceremony was held and it was a beautiful event. The BAC and staff did a wonderful job on the great event.
- Friday she will be hosting her coffee hour at Bigby Coffee on Joslyn Road, at 6:30 p.m.; all residents are welcomed.

11. CITY ATTORNEY’S REPORT – none

12. CITY MANAGER’S REPORT

- The City has Oakland University scholarships available to Auburn Hills’ residents. He recently asked Oakland University to supply the names of the scholarship recipients so the City is able to follow the recipient’s progress through their college career. He met with three of the four recipients at Fieldstone Golf Club for lunch and wishes them well.
- He and Mayor McDaniel attended a media event for Moceri Company, headquartered in Auburn Hills, regarding their Blossom Collection, a $1.2 billion investment over the next two years. The Blossom Collection has a variety of senior housing options. Two of the developments will be constructed in Auburn Hills; one is under construction now on North Squirrel Road, Villa Mount Claire and the other at a later date. More information can be found at www.moceri.com.

13. ADJOURNMENT

Hearing no objections, the meeting adjourned at 8:12 p.m.

___________________________________    _________________________________
Kevin R. McDaniel, Mayor      Terri Kowal, City Clerk
The City of Auburn Hills  
Workshop Minutes  
October 9, 2016

CALL TO ORDER: by Mayor McDaniel at 5:30 p.m.
LOCATION: Administrative Conference room, 1827 N. Squirrel Road, Auburn Hills, MI 48326

Present: Mayor McDaniel, Council Members Burmeister, Kittle, Knight, Mitchell, Verbeke
Absent: Hammond

Also Present: City Manager Tanghe, Assistant City Manager Grice, Police Chief Olko, Fire Chief Manning, Community Development Director Cohen, City Clerk Kowal, Assessor Griffin, DPW Director Melchert, Finance Director/Treasurer Schulz, Deputy Finance Director/Treasurer Wickenheiser, Deputy Assessor Collias, Management Assistant Harris, Director of Authorities Mariuz, Executive Assistant Stockley, City Engineer Juidici, and City Attorney Beckerleg.

Mr. Tanghe introduced the topic of amending the Tax Abatement policy, and asked Mr. Cohen to explain the proposed changes to Council.

Mr. Cohen related to Council Members that the goals of the revisions to the policy are to shorten extensions, and simplify the process. There are currently about 35 tax abatements in place in the City, with a few other requests out there now. Although that number is significant, it is important to note that number represents only about 10% of all industrial properties.

Mr. Cohen and Mr. Griffin spoke at length about various changes that could be considered to the Policy.

Mr. Cohen had presented Council Members with a notebook on the Property Tax Incentive Policy. It was reviewed with comments from Council. This policy will come back to City Council on a regular agenda.

Mayor McDaniel asked Council for their opinions on changing the City logo. He was looking for a “let’s move ahead” or “let’s discontinue” activity on the project.
Each Council Member present remarked on the proposed logo with mixed reviews. Mr. Tanghe asked for comments within the next 48 hours so he can provide direction to the committee designing the logo.

Mr. Grice reviewed a proposed mission statement drafted by a committee of staff members. Council was in favor of a mission statement and will review this again at a later date.

The workshop adjourned at 6:49 p.m.

Respectfully submitted,

Terri Kowal, CMMC, MMC

_________________________                           __________________________
Kevin R. McDaniel, Mayor                                  Terri Kowal, City Clerk
Executive Session Minutes –

April 11, 2016; May 23, 2016; June 27, 2016; July 25, 2016; August 8, 2016; August 22, 2016; September 12, 2016

These minutes have been provided under separate - confidential cover.
1. CALL TO ORDER: Planning Commission Chairperson Ouellette called the meeting to order at 7:00 p.m.

2. ROLL CALL OF PLANNING COMMISSION:
   Present: Beidoun, Burmeister, Hitchcock, Mendieta, Ochs, Ouellette, Pierce
   Absent: Shearer
   Also Present: Assistant City Planner Keenan
   Guests: 7

   LOCATION: City Council Chamber, 1827 N. Squirrel Road, Auburn Hills, MI 48326

3. PERSONS WISHING TO BE HEARD - None

4. APPROVAL OF MINUTES
   Moved by Mr. Beidoun to approve the minutes of September 14, 2016.
   Supported by Mr. Mendieta.
   VOTE: YES: All
   NO: None         Motion Carried (7-0)

5. PETITIONERS
   5a. Public Hearing / Motion - Recommendation to City Council for approval of an extension and expansion of the previously approved Special Land Use Permit for outside storage of materials/Unique Fabricating. (7:02 p.m.)

   Mr. Keenan introduced the request from Unique Fabricating, Inc. for a four-year extension of their Special Land Use (SLU) Permit to allow returnable totes and wooden pallets to be stored outside their building located at 800 Standard Parkway. The site zoned I-1, Light Industrial District.

   Mr. Keenan explained the outside storage is currently restricted to the southwest corner of the parking lot and limited to 12 feet in height. The original one-year SLU Permit was approved in 2004, with that last renewal of a five-year SLU permit was granted in August 2007. Site inspections throughout the years have found that the applicant has been in compliance up until this year. Materials had encroached outside the designated storage area to accommodate the growth of Unique Fabricating’s business.

   Mr. Keenan noted three key issues, the first relating to expanding and relocating the outside storage area. The current outside storage area covers approximately 3,000 square feet and is located at the southwest corner of the site, along Collier Road. The applicant wishes to increase the size of the outside storage area to approximately 12,960 square feet and relocate it behind the building along the west edge of the parking lot. The new location will help reduce the view of the outside storage area from Collier Road as well as reducing any noise associated with movement of materials.

   Mr. Keenan mentioned the second key issue relates to the screening of the outside storage area. The current outside storage area is screened from view by a row of evergreen trees planted along Collier Road. The applicant proposes to construct an eight foot tall decorative fence along the north side of the evergreen trees along Collier Road. The fence will provide an additional measure of screening and also help reduce any potential noise associated with the movement of stored materials. The fence coupled with the fact that the storage area is approximately 13 feet below the grade of Collier Road the stored materials should be well screened from view.

   Mr. Keenan explained the last key issue pertains to the duration of the SLU Permit. As with the previous approvals, staff recommends the SLU permit should last for four years, since Unique Fabricating’s current lease is up for renewal in late 2020.

   Mr. Bruce Brickman, General Development Company, Two Towne Square, Suite 850, Southfield, MI and Mr. B.J. Tallent, Unique Fabrication Inc., 800 Standard Parkway, Auburn Hills, MI introduced themselves. Mr.
Brickman further clarified the fence will be installed between the two tree lines. The point of the decorative or trex fence is to fill in any gaps between the two tree lines.

Mr. Hitchcock asked for clarification on the composition of the trex fence material.

Mr. Brickman responded the trex fence is composed of a maintenance free material that is warranted for 25 years. It is finished on both sides and has a similar color of the tree trunks.

Mr. Hitchcock inquired if the height of the items stored will not exceed the height of the fence.

Mr. Brickman explained Collier Road is thirteen feet higher than the grade. The top of the storage area is level with Collier Road. The trees are much higher than the top of the storage area.

Mr. Keenan added when looking over the fence, the sight angle does not allow a view of any of the storage area. The angle of sight would be above the items stored.

Mr. Pierce noted the requested storage area will be located in an area that is currently designated as parking spaces. He asked for further clarification regarding the current need for parking and how much parking will be left if the additional outside storage space is granted.

Mr. Brickman explained there is extra parking that is not needed based on the nature of how Unique Fabricating utilizes the building.

Mr. Tallent stated approximately twenty-five percent of the parking spaces will be taken up with the additional storage area if the Special Land Use is granted.

Ms. Ochs inquired what will happen in the future if the business continues to grow and the parking spaces are then required.

Mr. Tallent explained Unique Fabricating has operated on a two shift basis and just recently added a third shift. As the business has grown, their solution was to add the third shift.

Mr. Burmeister referenced the residents to the south and inquired what the elevation is for them. He asked if the storage area is visible to the residents located to the south of the property.

Mr. Brickman answered the trex fence would further prevent any visibility of the storage area. He is not sure if the residents to the south can view it at this time, but the eight foot fence, along with the grade of Collier should obstruct any view.

Mr. Beidoun asked about the length of the fence.

Mr. Brickman responded that the length of the fence is approximately 200 feet.

Mr. Burmeister inquired about the letters that were mailed out to the residents and if there were any responses.

Mr. Tallent stated the letters were mailed out to the residents and there were no responses received back to his knowledge.

Mr. Beidoun questioned the existing storage area to the southwest and if it was going to become parking spaces.

Mr. Brickman clarified the area in question is the unloading area and the shipping docks. It will stay as an open area to enable the trucks to be able to maneuver around.

Mr. Beidoun asked about the depth of the area.

Mr. Brickman answered the depth is approximately eighteen to twenty feet and will not impede the drive lane.

Ms. Ochs asked how the length of the fence was determined.

Mr. Brickman stated they met on site with Community Development staff. They measured, took pictures and observed the site to determine the need for the length of the fence.

Mr. Hitchcock questioned the various colors of the trex fence.

Mr. Brickman suggested staying with a color that will also compliment the branches and trunks of the trees.

Mr. Ouellette opened the public hearing at 7:19 p.m.

Ms. Monica Taylor, 780 Collier Road, Auburn Hills, MI has concerns about the trees and keeping them alive. The storage area is not visible from her home because the trees are effective with screening and they are efficient with making the area look less industrial. Her biggest concern is the noise from the third shift. She stated approximately three weeks ago the noise of back-up alarms and loud crashing kept her awake until 3:30 in the morning. The noise disturbance has been a consistent problem for the last few weeks. She hopes the fence will
help with the noise issue, however, she is also concerned with the length and if it will go far enough to be effective to help all the neighbors further down the street where the shipping and unloading area is located.

Mr. Tallent clarified the back-up alarm noises are from the hi-low / fork-lift equipment. The trucks coming in and out of the shipping area are stopped by 9:00 p.m. Mr. Tallent is willing to implement a process or procedure whereby the outside work, which includes the hi-lows, would stop by a certain time at night. He does believe the fence will help alleviate the noise problem, but is more than willing to set an outside work stop time that will work for everyone.

Mr. Brickman explained the trex fence is being installed to improve the situation to cut off any view and eliminate as much sound as possible. He also stated Unique Fabricating is willing to stop outdoor operations between agreed upon night time hours and further reduce disturbance of the neighbors.

Mr. Richard Strehlke, 796 Collier, Auburn Hills, MI is requesting a guarantee that any trees that die as a result of the fence being installed will be replaced. He stated that Unique Fabricating is already utilizing all the space being requested for additional outside storage along with additional areas that are not included in the green area of the diagram. Mr. Strehlke questioned, if the Special Land Use is approved, will Unique Fabricating still use outside storage space which is not included in the approved designated area.

Mr. Keenan clarified if the approval is granted, all outside storage must be located within the designated area on the diagram. If any outside storage is utilized outside of the approved and designated area, they would be in violation of the permit and given a warning and issued a citation.

Mr. Strehkle questioned the type of storage and if there is a potential for a rodent concern. He asked what type of materials will be stored in the containers and will the containers be sealed to prevent animals from getting in and making nests. The residents don’t want to worry about any type of rat problem. He did state that Mr. Keenan confirmed no hazardous material would be stored.

Mr. Ouellette questioned if the stored items will get rotated out every few days.

Mr. Tallent responded yes, every couple days the storage does get rotated out and also confirmed none of the materials are hazardous. Neither are they perishable so animals will not be drawn to the containers. He explained in his fifteen years of experience with manufacturing, there has never been a rodent issue.

Mr. Ouellette questioned a compatible time to close down the hi-lows or outside operations at night.

Mr. Tallent said currently the third shift starts at 10:00 p.m. and stops at 6:00 a.m. and he is open for suggestions.

Mr. Keenan recommends the applicant get together with city staff along with listening to suggestions from the residents in order to come up with a time that will work.

Mr. Eric Sears, 820 Collier, Auburn Hills, MI stated he and a couple other residents did not receive a letter from Unique Fabrication informing them of the Special Land Use request.

Mr. Tallent responded they did mail out letters to every resident within a certain range. Further clarification was given regarding what was mailed out and it was on Unique Fabrication letterhead. One of the residents then stated they did receive that information.

Mr. Ouellette explained along with the motion a recommendation will be made to City Council that includes the agreed upon times for outside operations to cease.

Ms. Dorothy Stehlke, 796 Collier, Auburn Hills, MI asked if any additional height could be added to the fence and how is the fence being constructed.

Mr. Ouellette inquired if the fence is a universal facing type of fence.

Mr. Brickman clarified it is a universal facing fencing, but one side is a little more finished or grainy and that is the side that will be facing Collier Road. Mr. Brickman gave a brief explanation about the installation of the fence stating there is no trench needed. The height of the fence was determined by meeting with city staff on site.

Mr. Ouellette closed the public hearing at 7:38 p.m.

Moved by Mr. Beidoun to recommend to City Council approval of a four year extension and expansion of the previously approved Special Land Use Permit for outside storage of materials for Unique Fabricating, subject to staff and consultants’ conditions, which includes not using the hi-lows after 11:00 p.m. Supported by Mr. Burmeister.

Mr. Burmeister asked for an explanation to be given to City Council as to why the residents did not receive the letters from Unique Fabrication.
Mr. Sears stated he did receive the letter after all. There was a confusion because of the letterhead, but he did receive the letter.

Mr. Pierce would like to see an agreed upon time confirmed by the parties involved placed in the motion prior to it being sent to council.

Mr. Keenan answered Mr. Keenan answered staff will work with the parties involved and come up with an acceptable timeframe.

VOTE: YES: Beidoun, Burmeister, Hitchcock, Mendieta, Ochs, Ouellette, Pierce
NO: None         Motion Carried (7-0)

5b. Public Hearing / Motion – Recommendation to City Council to approve the Special Land Use Permits and Site Plan to allow the construction of a three-story Hilton Garden Inn Hotel.

5c. Motion – Recommendation to City Council to approve the establishment of a two unit condominium / TownPlace Suites Hotel and Hilton Garden Inn Hotel.

Motion by Mr. Pierce to table 5b and 5c the Hilton Garden Inn Hotel and TownPlace Suites Hotel to the next Planning Commission meeting on November 16, 2016.
Supported by Mr. Beidoun.

VOTE: YES: All
NO: None         Motion Carried (7-0)

6. OLD BUSINESS - None
7. NEW BUSINESS - None
8. COMMUNICATIONS
Mr. Keenan informed the Planning Commission about a communication received from the Oakland County Coordinating Zoning Committee regarding their approval of Orion Township rezoning request of a parcel from Office and Professional District to Minor Planned Unit Development. The City also finds the rezoning acceptable.

Ms. Ochs mentioned a neighbor on Bald Mountain Road contacted her with a concern in regards to the approved revisions to the City’s Master Plan. She stated her neighbor is inquiring about the possibility of having their parcel rezoned.

Mr. Ouellette asked what type of rezoning they are requesting.

Ms. Ochs replied it was a rezoning for higher density or a multi-family type of rezoning.

Mr. Ouellette stated that updates to the Master Plan would now allow a density of up to 3 units per acre are permitted for open space developments and to have that changed to a higher density, they would have to go through a change in the Master Plan.

Ms. Ochs said the goal of the property owner is to obtain the rezoning now so it would be more attractive to a developer for selling purposes.

Mr. Ouellette explained the Master Plan has already been approved by City Council and the timing has already passed.

Ms. Ochs asked about the past discussion regarding the area being rezoned as a transitional zone.

Mr. Keenan stated the City just competed a year-long process updating the Northeast Corner Neighborhood Master Plan and the period has passed. He also noted that there are many residents in that area who are opposed to a higher density that could lead to additional traffic on Bald Mountain Road.

Mr. Ouellette confirmed that many residents on Bald Mountain are already concerned about the traffic.

Mr. Pierce mentioned a higher density can be requested for areas that are wooded or as wetlands, under the open space prevision. A development would have the houses built closer together and thereby allow for more open or green spaces.

Mr. Keenan informed Ms. Ochs, if the residents would like to contact Community Development staff, they would be willing to discuss the options available.

9. NEXT SCHEDULED MEETING - Wednesday, November 16, 2016 at 7:00 p.m. in the City Council Chamber.
10. ADJOURNMENT - The meeting was adjourned at 7:50 p.m.

Respectfully Submitted,

Mary Cox
Clerk III
CALL TO ORDER: Chairman Hassett called the meeting to order at 4:00 PM.

ROLL CALL: Present: Hassett, Molnar, Goodhall, Nolan Pederson, Price, Thornton (4:06) and Waltenspiel
Absent: Dolly
Also Present: Executive Director, Samantha Mariuz
Guests: Bob Cesario

LOCATION: Auburn Hills City Hall Administrative Conference Room, 1827 N. Squirrel Road, Auburn Hills, Michigan 48326

PERSONS WISHING TO BE HEARD
Ms. Mariuz invited Mr. Cesario to tell the Board about himself. Mr. Cesario told the Board that he and his wife own Jo’Angela’s pizza in downtown as well as a bistro inside of the Comerica Headquarters. Prior to being involved in the restaurant industry, Mr. Cesario was a firefighter and paramedic in Independence Township. Mr. Cesario mentioned that he is interested in being more involved in the community and will be attending TIFA Board meetings to get a better understanding of the level of contribution of the Board.

Ms. Thornton Arrived

CORRESPONDENCE AND PRESENTATIONS
None.

APPROVAL OF MINUTES
Moved by Mr. Molnar to approve the Regular TIFA Minutes from September 20 2016.
Supported by Mr. Goodhall.

Yes: Hassett, Molnar, Goodhall, Nolan Pederson, Price, Thornton, and Waltenspiel
No: none
Motion carried

FINANCIAL REPORT
Ms. Mariuz presented the financial reports for period ending September 30, 2016. This is the first financial report that includes the adopted 2016 amended budget numbers. Overall, with the adjustments, all of the TIFA’s have received 95% of projected revenue for the year. There were larger revenue increases for September due to received tax increment revenue and the receipt of adjustments from the State for personal property tax loss. All net assets including land, improvements, building, construction and infrastructure remain unchanged.

Ms. Mariuz reviewed each TIFA account. TIF-A had received 101% of its revenue for the year and had used 59% of its budget, a 19% increased for the month of September. TIF-A received $101,700 in tax increment revenue. Ms. Mariuz reiterated to the Board that there have been increases in revenue under in building revenue due to the change in responsibility of The Den and the University Center from Parks and Recreation to the Director of Authorities. She pointed out that due to this change, we have received half of our budget revenue for the year for just the month of September. She added that there has been record attendance at The DEN this year. Chairman Hassett what record attendance is at
The DEN. Ms. Mariuz replied that as of this time last year, there was an average of 15 patrons each day, attendance has doubled and averages around 30 patrons each day according to The DEN staff.

TIF-B received 89% of its revenue for 2016. In September TIF-B received $271,700 in tax increment revenue, a 15% increase. The district has used 45% of its projected budget to date given the 2016 amended budget.

TIF-D had collected 96% of its revenue for the year and used 51% of its budget. There were typical expenses for general maintenance, and utilities for the month of September.

Mr. Thornton pointed out that there is a discrepancy in the difference between assets and liabilities including fund balance. She added that the discrepancy is the same amount as to total in the balance sheet line “Due to Taxpayers/Accrued Wages Payable/Due to Trust and Agency.” Ms. Mariuz said that she would double check with Finance and find the reason for the discrepancy.

After the meeting, upon further investigation, Ms. Mariuz discovered that the liability was also recorded as an asset and had not been removed as a liability at the time this report was generated.

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Moved by Mr. Goodhall to approve the Financial Report of September 30, 2016 as submitted. Supported by Mr. Waltenspiel.

Yes: Hassett, Molnar, Goodhall, Nolan Pederson, Price, Thornton, and Waltenspiel
No: none

Motion carried

OLD BUSINESS
None.

NEW BUSINESS

A. Review and approval of Primary Place Parking Space Lease Agreement
Ms. Mariuz reviewed a memo dated October 5, 2016 for the review and approval of the Parking Space Lease Agreement between Auburn Hills Housing, LLC and The Auburn Hills Tax Increment Finance Authority. Ms. Mariuz reminded the Board that Mr. Calverley spoke at the meeting without quorum on September 13. Since that time, the parties have found amenable language that allows tenants of Auburn Square access to the parking garage even in the event of the termination of this lease.

Ms. Mariuz added that although the motion reads “upon counsel review,” Mr. Beckerleg has reviewed the final version of this documents and finds it satisfactory from a legal standpoint.

This agreement will generate $34,920 for the Tax Increment Finance Authority on an annual basis.

Moved by Ms. Price to approve the attached Parking Structure Lease Agreement between the auburn Hills Tax Increment Finance Authority and Auburn Hills Housing, LLC, upon final counsel review and recommend approval by Auburn Hills City Council.
Supported by Ms. Thornton

Yes: Hassett, Molnar, Goodhall, Nolan Pederson, Price, Thornton, and Waltenspiel
No: none

Motion carried

BOARD MEMBER COMMENTS
Ms. Price reminded Ms. Mariuz about her reappointment. Ms. Price and Mr. Molnar are both up for reappointment in February 2017. Ms. Price also asked if anything has been done about the quality of the City Council meetings aired on
television. Ms. Mariuz said that she was unaware of the status, but knows that staff has been working with Comcast to provide better, more clear service. Mr. Waltenspiel added that he is aware that there are 4k cameras that will live stream that are relatively inexpensive. Ms. Mariuz said that she would provide that information to our Media and Communications Specialist.

ANNOUNCEMENT OF NEXT MEETING
The next regularly scheduled TIFA Board of Directors meeting is Tuesday, November 8, 2016 at 4:00 PM at Auburn Hills City Hall in the Administrative Conference Room, 1827 N. Squirrel Road, Auburn Hills MI, 48326.

ADJOURNMENT
There being no objections, the TIFA Board of Directors meeting adjourned at 4:25 PM.

Motion carried

Respectfully submitted,

Steve Goodhall         Samantha Mariuz
Secretary of the Board         Executive Director
To: Mayor and City Council
From: Thomas A. Tanghe, City Manager and Doreen E. Olko, Chief of Police
Submitted: October 17, 2016
Subject: Motion: Accept Traffic Control Order SS-16 Stop Sign TCO for Lake in the Hills.

INTRODUCTION AND HISTORY

On July 1, 2016 the Directed Patrol Unit received a traffic complaint from a resident of Lake in the Hills mobile home park. The complaint was regarding vehicles not stopping at the stop signs located within Lake in the Hills.

On July 6th, the department received a letter from the Lake in the Hills Homeowners Association authorizing the department to conduct traffic enforcement within the complex for stop sign violations. The Directed Patrol Unit inspected the Stop Signs located within Lake in the Hills and they meet regulatory standards per the Michigan Uniform Traffic Control Devices. A 90 day temporary traffic control order was signed by the Chief of Police on July 22, 2016.

Section 257.1 Traffic Control Order states that a Traffic Control Order means an order officially establishing the location of traffic control devices and traffic control signals on the highways of this state by the authority having jurisdiction over such highway.

STAFF RECOMMENDATION

Staff recommends approval of Traffic Control Order SS-16 which includes the locations that have stop signs within Lake in the Hills.

MOTION

Move to adopt Traffic Control Order SS-16, creating a Traffic Control Order for the stop signs in Lake in the Hills.

I CONCUR:

THOMAS A. TANGHE, CITY MANAGER
IN ACCORDANCE WITH ORDINANCE 678 AS AMENDED AND AT THE REQUEST OF THE PROPERTY OWNER, WE HAVE MADE AN INVESTIGATION INTO TRAFFIC CONDITIONS WITHIN THE LAKE IN THE HILLS COMMUNITY.

AND AS A RESULT OF SAID INVESTIGATION, DO HEREBY DIRECT THAT:

In the interest of public safety, it is deemed necessary to place and maintain traffic control devices and traffic control signals on streets that are private but open to the public, under its jurisdiction for the purpose of regulating, warning, or guiding traffic at the written request of the property owner or owner representative. Therefore, all traffic on the first listed street will yield the right of way prior to entering the intersection with the second listed street.

THE FOLLOWING TRAFFIC CONTROL ORDER IS HEREBY RESCINDED __None____.

THIS ORDER SHALL EXPIRE 90 DAYS FROM THE DATE OF FILING, EXCEPT THAT UPON ITS APPROVAL BY CITY COUNCIL, IT SHALL NOT EXPIRE.

_____________________________  ___________________ ___________________
Doreen E. Olko, Chief of Police   Thomas A. Tanghe, City Manager

Approved by City Council on: October 24, 2016.

___________________________
Terri Kowal, City Clerk
To: Mayor and City Council
From: Thomas A. Tanghe, City Manager; Samantha Mariuz, Director of Authorities
Submitted: October 20, 2016
Subject: Motion – Approve TIFA Parking Structure Space Lease Agreement

INTRODUCTION AND HISTORY

In the 2012 Development Agreement with Auburn Hills Housing, LLC., the entity for Auburn Square Apartments, a provision that provided: “The Developer, City and TIFA may upon mutual agreement, designate a specific number of parking spaces in the Parking Structure at designated locations that may be utilized and marked as parking spaces solely for the Student Housing Development with the costs and annual fee to the Developer of utilizing said designated parking spaces in the Parking Structure for the Student Housing Development to be determined by the Auburn Hills City Council.” Although the structure is owned by the Tax Increment Finance Authority, the 2012 Development Agreement additionally requires City Council approval.

Over the last several months, staff and representatives from Auburn Hills Housing have been diligently working towards assigning parking spaces to tenants, and establishing an agreeable lease agreement for spaces in the Primary Place Parking Structure. A numbering system for the entire parking structure was created and Auburn Hills Housing anonymously assigned apartment units to a parking space based on its location and proximity of access into the complex.

Downtown on-street parking is in high demand and it is decidedly mutually beneficial for Auburn Square Apartments to provide covered parking to its tenants, and create a revenue stream to TIFA to provide superior service the parking structure and future ongoing maintenance costs.

The revenue generated from the parking space leases will serve as a sinking fund for the real maintenance costs associated with the structure. Each space will be “rented,” for $30/month generating $34,920 on an annual basis.

The contract and parking structure numbering system are attached for review. For confidentiality of tenants, the assigned apartment units and parking numbers have been redacted from the packet. Mr. Beckerleg has reviewed the document and finds it satisfactory.

TAX INCREMENT FINANCE AUTHORITY RECOMMENDATION

At the Tax Increment Finance Authority Board of Directors Meeting on October 11, 2016, the Board unanimously approved the Parking Structure Space Lease Agreement between the Auburn Hills Tax Increment Finance Authority and Auburn Hills Housing, LLC, and recommended approval by Auburn Hills City Council.

STAFF RECOMMENDATION

It is recommended that City Council approve the attached Parking Structure Space Lease Agreement between the Auburn Hills Tax Increment Finance Authority and Auburn Hills Housing, LLC.

MOTION

Move to approve the attached Parking Structure Space Lease Agreement between the Auburn Hills Tax Increment Finance Authority and Auburn Hills Housing, LLC.

I CONCUR: THOMAS A. TANGHE, CITY MANAGER
PARKING SPACE LEASE AGREEMENT

This Parking Space Lease Agreement (“Agreement”) is made this ___ day of October , 2016 by and between the Auburn Hills Tax Increment Finance Authority, a public body corporate under PA 450 of 1980, whose address is 1827 N. Squirrel Road, Auburn Hills, Michigan 48326, herein referred to as the “Lessor” or “TIFA”, the City of Auburn Hills, a Michigan Municipal Corporation, whose address is 1827 N. Squirrel Road, Auburn Hills, Michigan, 48326, hereinafter referred to as the “City,” and Auburn Hills Housing, LLC, a Michigan Limited Liability Company whose address is 1575 Watertower Place, East Lansing, Michigan 48823, herein referred to as the “Lessee, and the Lessor does hereby agree to lease the Lessee parking spaces located at 3381 Primary Street Parking Garage, Auburn Hills, Michigan, such parking spaces being further described herein as Exhibit A at the aforementioned location. Lessor and Lessee are sometimes hereinafter referred to collectively as the “Parties” or each as “Party.”

RECITALS

WHEREAS, The Lessor owns the parking structure located at 3381 Primary Street, Auburn Hills, Michigan 48326 (the “Structure”); and

WHEREAS, The Lessee is the owner of Auburn Square Apartments located at 3386 Auburn Road, Auburn Hills, Michigan 48326; and

WHEREAS, The Lessee desires to lease from the Lessor, and the Lessor desires to lease to Lessee, that portion of the Structure described in Section 1, below, for the Permitted Use described in Section 2, below;

NOW, THEREFORE, in consideration of the mutual premises and agreements set forth below, and for other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged by the Parties, the Parties hereby agree as follows:

1. Term: The Lessor hereby leases to the Lessee the parking spaces at 3381 Primary Street Parking Garage that are depicted on and have the designated space numbers as set forth in Exhibit A. The lease of forty-nine (49) spaces will start on October 1, 2016 and the lease of the forty-eight (48) additional spaces will begin on January 1, 2017, with the ninety-seven (97) total spaces being leased by the Lessor to the Lessee. Unless earlier terminated pursuant to this agreement, the term shall expire on December 31, 2026.

2. Rent: The Lessee agrees to pay $30.00 per parking space, per month, as rent (“Rent”) to the Lessor or his or her agent by mail or in person to Lessor or his or her agent at their respective addresses as noted above. Lessor shall invoice Lessee twice a year: (1) The first invoice shall be for 12 months’ rent for 49 spaces paid in advance (which invoice shall be due on July 1 of each year during the Term), and (2) the second invoice shall be for 12 months’ rent for 48 spaces paid in advance (which invoice shall be due on January 1 of each year during the Term. Any Rent paid in advance for the time period which includes the actual termination of this Agreement shall be pro-rated on a per day basis.
3. **Rent Increases for Inflation During the Term:** Commencing on the fourth anniversary of this Lease, the amount of the Rent shall in adjusted for inflation in accordance with the below (and this calculation shall be included in both invoices sent to Lessee during the Lease year which starts with the fourth anniversary of this Lease). This inflation adjustment shall be made every fourth year for the duration of the Term.

   (i) The Rent shall be adjusted (upward only) for cost of living increases equal to the increase in accordance with the Consumer Price Index—All Urban Consumers, All Items (1982-1984 = 100), published by the United States Department of Labor, Bureau of Labor Statistics or its successor index, measured against the index value as of the later of October 2016 or the date of the last adjustment under this Section 3. In the event the Consumer Price Index—All Urban Consumers, All Items is discontinued and not replaced by a successor index or by the Bureau of Labor Statistics, the adjustments to be made hereunder shall be made based upon such comparable statistics issued by the Michigan State Tax Commission which shall carry out the intent of this Section.

4. **Liability; Indemnification:** The Lessor shall not be responsible for damage or loss to possessions or items left in the Lessee’s vehicles. Lessor shall not be responsible for damage to Lessee’s vehicles, whether or not such damage is caused by other vehicle(s) or person(s) in the parking lot and surrounding area. The Lessor shall in no way be liable for any personal injuries (including death) or property damage caused by or resulting from the use of the designated space numbers in Exhibit A within the Structure by the Lessee, or the Lessee’s employees, agents, visitors, or contractors. The Lessee shall indemnify, defend, and save the Lessor, and its officers, employees, agents and representatives harmless from and against any and all liability, claims, damages, expenses, fees, penalties, legal proceedings, lawsuits and causes of action of every kind, including the Lessor’s costs and reasonable attorneys’ fees, incurred as a result of any breach by the Lessee of any covenant of this Lease, or as a result of the negligence, gross negligence, or willful misconduct of the Lessee’s, or the Lessee employees, agents, visitors, tenants, or contractors; provided, however, that the obligation of the Lessee to indemnify shall not extend to the negligence, gross negligence, or willful misconduct of the Lessor, or the Lessor’s employees, agents, or representatives.

5. **Termination:** In the event of a material breach of this Agreement by either party, the non-breaching party may terminate this Agreement by providing 30 days written notice to the other party or such notice shall be directed to a Party at the Party’s address as listed in this Agreement. In addition, either Party shall have the right to terminate this Agreement for any reason or no reason by providing one (1) year written notice to the other Party at the Party’s address as listed in this Agreement and, in the event of termination of this Agreement, Auburn Hills Housing, LLC and its successors, tenants and invitees shall be allowed to park in the 3381 Primary Street Parking Garage in the same manner as the general public is allowed to park and subject to the same terms, conditions and parking fees, if any, that the general public is subject to.
6. **Insurance:** The Lessee shall maintain at all times commercial general liability insurance insuring the Lessor and the Lessee against all claims or demands for personal injuries to or death of any person, and damage to or destruction or loss of property, that may be claimed to have occurred on the Premises. The policies shall cover such risks and be in such amounts as the Lessor from time to time may reasonably request, but in any event with a combined single limit for bodily injury and property damage per occurrence of not less than Two Million Dollars ($2,000,000.00). The Lessee’s insurance shall be issued by an insurer licensed to business in the State of Michigan and shall contain a waiver of subrogation endorsement. The Lessee shall deliver to the Lessor certificates of such insurance coverage and evidence of payment of all premiums promptly upon demand by the Lessor, which certificates shall show the Lessor as an additional insured and shall provide that no cancellation, reduction in amount, or material change in coverage shall be effective until at least thirty (30) days after receipt of written notice to the Lessor.

7. **Severability:** If any provision of this Agreement will be held to be invalid of unenforceable for any reason, the remaining provisions will continue to be valid and enforceable. If a court finds that any provision of this Agreement is invalid or unenforceable, but that by limiting such provision it would be come valid and enforceable, then such provision will be deemed to be written, construed and enforced as so limited.

8. **Amendment:** This Agreement may be modified or amended in writing, if the writing is signed by the Party obligated under the amendment.

9. **Waiver of Contractual Rights:** The failure of either Party to enforce any provision of this Agreement shall not be construed as a waiver or limitation of that Party’s right to subsequently enforce and compel strict compliance with every provision of this Agreement.

10. **Assignment:** Neither Party may assign or transfer this Agreement without the prior written consent of the non-assigning Party, which approval shall not be unreasonably withheld.

11. **Compliance with Law:** Throughout the term of this Agreement, the Lessee and its tenants, at their sole cost and expense, shall comply with any and all laws, regulations and ordinances that are applicable to the designated space numbers in Exhibit A within the Structure. The Lessee shall not be required to correct any condition on or of the Structure that existed at the Effective Date and at that time represented a violation of or noncompliance with, any applicable law, regulation or ordinance by the Lessor.

12. **Entire Agreement:** This Agreement and the May 29, 2012 Development Agreement contains the entire agreement of the parties, and there are no other promises or conditions in any other agreement whether oral or written concerning the subject matter of this Agreement. This Agreement supersedes any prior written or oral arrangement between the Parties, except for the May 20, 2012 Development Agreement.
13. **Taxes:** All licensing dues, local, state, and federal taxes relating to the Lessee’s ownership of Auburn Square Apartments shall be paid by the Lessee.
Exhibit A

Description of Leased Space Assignments
END OF AGREEMENT, SIGNATURE PAGES FOLLOW
IN WITNESS WHEREOF, the parties hereto have caused this Second Amendment to Purchase Agreement to be executed as of the date first above written.

WITNESSES:

LESSOR:

AUBURN HILLS TAX INCREMENT
FINANCE AUTHORITY,
Michigan public body corporate

By: ____________________________
    Samantha R. Mariuz
    Its: Executive Director

PRINTED: ________________________

______________________________  ________________________________
PRINTED: ________________________

STATE OF MICHIGAN  )
      SS
COUNTY OF OAKLAND )

The foregoing Parking Space Lease Agreement was acknowledged before me this _____
day of _______________, 2016, on behalf of the Auburn Hills Tax Increment Finance Authority,
by Sam Mariuz, in her capacity as Executive Director of the Auburn Hills Tax Increment Finance
Authority; and representing ownership of the Structure.

__________________________________
Notary Public
Oakland County, Michigan
Acting in _______________________ County
My Commission Expires: ____________

SIGNATURES CONTINUE ON FOLLOWING PAGE
WITNESSES:  

LESSEE:

Auburn Hills Housing, LLC,
A Michigan Limited Liability Company

By:  

Steven J. Calverley  
Its:  Manager

STATE OF MICHIGAN  
COUNTY OF OAKLAND  

The foregoing Second Amendment to Purchase Agreement was acknowledged before me this _____ day of _______________, 2016, by Steven J. Calverley, in his capacity as Manager, of and on behalf of Auburn Hills Housing, LLC, a Michigan Limited Liability Company.

__________________________  
Notary Public  
Oakland County, Michigan  
Acting in _________________ County  
My Commission Expires:  ____________
INTRODUCTION AND HISTORY

Attached is an Associate Member Agreement to join the Taxpayers for Michigan Constitutional Government. TMCG is a non-profit, tax exempt Michigan organization founded to unite taxpayers, municipal leaders, educators and lawyers to bring action against the State of Michigan for violating the minimum annual revenue sharing payments to local governments required by the state constitution.

As you may know from recent media coverage, TMCG is suing the State of Michigan for violating the Michigan Constitution by purposefully and continually miscalculating the minimum mandatory payment to local governments, as required by the Headlee Amendment, which has resulted in a shortfall of payments to local governments that is well in excess of $1 Billion. The Headlee Amendment, passed by Michigan voters in 1978 and amended in 1989, requires that the State of Michigan pay a minimum of 48.97 percent of monies raised through State taxes to local governments. The State is only paying 35.54 percent of the MPP to local governments—a shortfall of $2.5 Billion. It further stipulates what funding can and cannot be included in the calculation of the minimum percentage payment (MPP). The Headlee Amendment states that monies raised though tax shifts; monies paid to local governments to perform obligations of the State; and monies paid to agencies that are not political subdivisions of the State, cannot be included in the calculation of the MPP.

There are fourteen communities throughout the State that are party to the suit. Cities that are not party to the lawsuit have the option of joining the organization as a member, which requires a $1,500 membership fee. Numerous communities, including Sterling Heights from which I obtained the Agreement, have or are in the process of joining. Should the lawsuit prevail, all cities would benefit assuming the State honors its commitment to comply with the potential court order. As such, it is financially prudent for the City to support the initiative indirectly, especially knowing our City has lost millions of dollars in revenue sharing since 2002.

STAFF RECOMMENDATION

Mr. Beckerleg has reviewed the Agreement from a legal standpoint and is satisfied with its content. We recommend approval of the membership agreement and payment of the membership fee.

MOTION

Move to approve the membership agreement between the City of Auburn Hills and Taxpayers for Michigan Constitutional Government and authorize the City Manager to execute the Agreement on behalf of the City and to effectuate the membership payment.

I CONCUR: 

THOMAS A. TANGHE, CITY MANAGER
TAXPAYERS FOR MICHIGAN CONSTITUTIONAL GOVERNMENT

ASSOCIATION AGREEMENT

THIS ASSOCIATION AGREEMENT (the “Agreement”) is effective as of this _____ day of _____________, 2016 (the “Effective Date”) by and between Taxpayers for Michigan Constitutional Government, a domestic 501(c)(3), non-profit, with its registered address being 1000 Yorkshire Rd., Grosse Pointe, Park, MI 48230 (“TMCG”), and the City of Auburn Hills, a municipal corporation, whose address 1827 North Squirrel Road, Auburn Hills, Michigan 48326 (the “City”).

WHEREAS, the TMCG is a registered, Michigan 501(c)(3) non-profit corporation organized for the purpose of, amongst other things, raising public awareness of errors discovered in the State’s calculation of minimum percentage payments due to municipalities under the Headlee Amendment, as well as seeking court intervention to compel the State of Michigan to provide local municipalities with the minimum percentage payment dictated by the Headlee Amendment (which is 48.97 percent of monies raised through state taxes and local governments). (“Litigation Program”)

WHEREAS, the TMCG’s continuing efforts are dependant, in large part, upon volunteers, charitable and “in-kind” donations from individuals, as well as association dues paid by its Associate Member municipalities;

WHEREAS, TMCG’s efforts, if successful, will greatly benefit the general public, City, all other municipalities throughout the State of Michigan;

WHEREAS, TMCG’s By-Laws provide for a municipality to become an Associate Member so long as the Municipality is a local government as the term is defined in Article IX, Section 33 of the Michigan Constitution of 1963 and makes a one-time dues payment of $1,500.00.

WHEREAS, the City would like to become an Associate Member of the TMCG;

NOW THEREFORE, the TMCG agrees to admit the City as an Associate Member on the terms and consideration contained herein:

1. ASSOCIATE MEMBERS RIGHTS AND OBLIGATIONS.

   A. ASSOCIATION FEE. The City agrees to pay a one-time Association Fee of $1,500.00 in full satisfaction of its dues requirement.

   B. COSTS AND EXPENSES. City shall bear all of its own costs and expenses related to its Association with TMCG. City understands and agrees that it has no rights of reimbursement from TMCG.

   C. NON-VOTING. Associate Members shall not be represented on the Board of Directors of TMCG, shall not hold ownership interest in TMCG, and shall not be
permitted to vote on the operations of TMCG. Associate Members have the right to participate in Membership meetings and discussions, but have no right to vote on any matters to be decided in connection therewith.

D. **Publicity.** City may, in its discretion, make public announcements or press releases concerning this Association. Unless otherwise required by law, any press release concerning City made by TMCG shall be subject to City’s prior written consent. Once approved, the press release statement may be used by TMCG for the purpose of promoting TMCG’s purpose. Any use of a City’s name shall be subject to the City’s applicable usage guidelines.

2. **TMCG’s Rights and Obligations.** In exchange for the payment of the one-time Association Fee by City, TMCG will provide the City with the following:

   A. **Legislative Updates:** TMCG agrees to inform the City of changes proposed by the State of Michigan related to calculation of the minimum percentage payment directed by the Headlee Amendment, as they become known to TMCG.

   B. **Status Updates:** In the event that TMCG initiates a lawsuit against the State of Michigan, as contemplated above, then TMCG agrees to provide status updates, filed pleadings, scheduling orders, and other public documents with respect to the lawsuit, upon City’s request. TMCG and City agree that nothing contained in this section will require TMCG to disclose any information or communications that could be considered Attorney/Client privileged communications between TMCG and/or its attorneys;

   C. **Use of Association Fees:** TMCG agrees to utilize the Membership Fee towards the furtherance of its purposes to compel the State of Michigan to provide local municipalities (including the City) with the appropriate minimum percentage payment dictated by the Headlee Amendment.

3. **Litigation Program:** City and TMCG acknowledge and agree that TMCG is not acting as legal counsel for the City, is not representing its interests, and that the City shall not be named as a “party” in any future lawsuit filed by TMCG. Further, TMCG acknowledges that the City is not obligated in any way to fund any such lawsuit in any manner. Finally, nothing contained in this Agreement is intended to create an attorney/client relationship by or between City or TMCG, or TMCG’s attorneys.

4. **Term.** The term of this Agreement shall begin on the Effective Date and shall continue indefinitely, until terminated by either Party upon written notice to the other.

5. **No Employment/Agency Relationship.** Nothing in this Agreement is intended to give rise to or create an agency relationship between the Parties, nor does either Party have authority to bind the other.
6. **Governing Law.** This Agreement shall be construed and controlled by the laws of the State of Michigan, without reference to conflict of laws principles.

7. **Notices.** All notices or other communications to or upon any party shall be delivered to or at the addresses set forth above, unless written notice of change of address is provided. For purposes of this Agreement, all notices can include notice by written mail, electronic mail or by facsimile and shall be deemed served when sent. Either party may give written notice of a change of address and, after notice of such change has been received, any notice or request shall thereafter be given to such party at such changed address.

8. **Counterparts.** This Agreement may be executed in one or more counterparts, each of which shall be deemed an original, but collectively shall constitute one and the same instrument.

9. **Entire Agreement; Modification or Amendment.** This Agreement represents the entire agreement and understanding between the Parties, and supersedes all other oral or written agreements between the parties with respect to this subject matter. Any modifications, amendments, rescissions, waivers or releases to this Agreement must be in writing and agreed to by all parties.

   TAXPAYERS FOR MICHIGAN CONSTITUTIONAL GOVERNMENT, a domestic 501(c)(3), non-profit CITY OF WARREN, a Michigan municipal corporation

   By: __________________________________________

   Its: ___________________________________________

   CITY OF AUBURN HILLS, a Michigan municipal corporation

   By: __________________________________________

   Its: City Manager
To: Mayor and City Council
From: Thomas A. Tanghe, City Manager and William Griffin, City Assessor
Submitted: October 20, 2016
Subject: Public Hearing and Request to Approve Extension of IFEC 2011-466 Real Property for PyeongHwa Automotive USA, LLC.

INTRODUCTION AND HISTORY
A request for an extension of IFEC 2011-466 has been received for real property from PyeongHwa Automotive USA, LLC. for a facility located at 765 Standard Pkwy.

Existing Certificate
IFEC 2011-466 was approved for 5 years, after construction, with an expiration of December 30, 2016. It includes both real property and personal property. The certificate was for the following amounts:

- Real property component: $2,400,000
- Personal property component: $121,667
- Total investment $2,521,667

Under Public Act 198, as amended, if an Industrial Facility Exemption Certificate was issued for less than 12 years;

(a) The owner or lessee of the replacement facility, new facility, or speculative building may, within the final year in which the certificate is effective, within 12 months after the certificate expires, or, as permitted by the local governmental unit, at any other time in which the certificate is in effect apply for another certificate under this act. If the legislative body of a local governmental unit disapproves an application submitted under this subdivision, then the applicant has no right of appeal of that decision as described in section 6.

(b) The legislative body of a local governmental unit shall not approve applications for certificates the sum of whose periods exceeds the maximum permitted under section 16 for the user or lessee of a replacement facility, new facility, or speculative building. (Amended in 2008, Act 306, Imd. Eff. Dec 18, 2008).

The decision to approve or disapprove an application for an additional certificate to extend the benefit of the abatement is strictly discretionary by the legislative body of the local governmental unit, and there is no right to appeal.

Extension of Certificate
Section VI of the Property Tax Incentive Policy\(^1\) provides:

“Applicants requesting Tax Incentives for a facility under a lease must provide a lease that includes an initial length of lease equal to the length of the incentive plus the additional two or four years as required in A. or B. above. Options to extend a lease will not be counted as part of the initial term of the lease.”

OWNERSHIP AND TERM OF ABATEMENT
IFEC 2011-466 was issued to PyeongHwa Automotive USA, LLC. for real and personal property, beginning December 31, 2011 and ending December 30, 2016. PyeongHwa Automotive USA, LLC. has requested the city council approve extending the Real Property abatement an additional 5 years.

PyeongHwa Automotive USA, LLC. has signed the city’s Tax Abatement Agreement Extension of Exemption Period. This requires business residence for an additional 4 years beyond the term of this certificate, if the request is approved.

\(^1\) Approved January 25, 2016.
PyeongHwa Automotive USA, LLC. has requested City Council approve extending the **Real Property** abatement for another 5 years.

PyeongHwa Automotive USA, LLC. has agreed to remain in the facility for an additional 4 years after the expiration of the certificate.

**TAX SAVINGS**
If the abatement is extended by an additional 5 years the taxes that will be generated by the investment during the additional 5 years will be approximately $155,460, including $31,780 in city revenues.

**PROPERTY TAX DELIQUENCIES**
To the best of staff’s knowledge, the applicant is not delinquent in any of its property taxes for any of its parcels with the City of Auburn Hills.

**OTHER ABATEMENTS IN CITY**
- None.

**PROPERTY TAX APPEALS**
To the best of staff’s knowledge:
- There is no outstanding and/or pending appeal(s) involving the property that is the subject of this application.
- There is no outstanding and/or pending appeal(s) involving the applicant filing for this tax incentive within the City of Auburn Hills.

**TAX INCENTIVE REVIEW COMMITTEE RECOMMENDATION (TIRC)**
Not applicable for transfers and extensions of existing abatement certificates.

**STAFF RECOMMENDATION**
Approval of extension is recommended.

**MOTION**
Move to approve the request for an additional five (5) years of Real Property abatement for PyeongHwa Automotive USA and IFEC 2011-466 by adopting the attached resolution.

\[Signature\]

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<th>CONCUR:</th>
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<td>THOMAS A. TANGHE, CITY MANAGER</td>
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RESOLUTION
APPROVING ADDITIONAL YEARS
FOR THE FACILITY
UNDER INDUSTRIAL FACILITIES EXEMPTION CERTIFICATE
2011-466 for PYEONGHWA AUTOMOTIVE USA, LLC.

At a regular meeting of the City Council of the City of Auburn Hills, Oakland County, Michigan, held in the Council Chambers at 1827 N. Squirrel Road, Auburn Hills MI 48326 at 7:00 p.m. on the 24th day of October, 2016.

The following resolution was offered by Councilperson ____________ and supported by Councilperson ____________:

WHEREAS, the City of Auburn Hills and the State Tax Commission approved an Industrial Facility Exemption Certificate in the year 2011 for Pyeonghwa Automotive USA, LLC. for a facility located at 765 Standard Pkwy. and,

WHEREAS, the certificate, known as Industrial Facility Exemption Certificate 2011-466, was approved for 5 years for real property and personal property, and

WHEREAS, Pyeonghwa Automotive USA LLC. completed construction of the real estate on July 6, 2011 and completed installation of personal property on October 1, 2011, and

WHEREAS, Pyeonghwa Automotive USA LLC has requested that another certificate for real property only be granted for additional 5 years for the facility under Industrial Facility Exemption Certificate 2011-466 as provided by Public Act 198, of 1974, Sec 16a, and

WHEREAS, the Clerk has notified in writing the Assessor of the City of Auburn Hills and the legislative body of each taxing unit which levies ad valorem property tax within the City of Auburn Hills and given notice to the general public so that they shall be afforded an opportunity to be heard at this public hearing to determine whether the extension of the Industrial Facilities Exemption Certificate shall be approved or disapproved; and

WHEREAS, the aggregate SEV of real and personal property exempt from ad valorem taxes within the city of Auburn Hills after granting this certificate will exceed 5% of an amount equal to the sum of the SEV of the unit, plus the SEV of personal and real property exempted.

WHEREAS, it is hereby found and determined by the City of Auburn Hills Council that the granting of another certificate for real property for the facility previously approved under Industrial Facility Exemption Certificate 2011-466 is reasonable and proper, and

NOW, THEREFORE, BE IT RESOLVED that the request for another certificate to extend the years approved under Industrial Facilities Exemption Certificate 2011-466 for real property for the facility located at 765 Standard Pkwy. is hereby approved, and

The City Council of Auburn Hills finds and determines that granting of this Industrial Facilities Exemption Certificate, together with the aggregate amount of the certificates previously granted and currently in force, under PA 198 of 1974 and PA 255 of 1978, shall not have the affect of substantially impeding the operating of the City of Auburn Hills, or of impairing the financial soundness of a taxing unit which levies an ad valorem property tax in the City of Auburn Hills.

That another certificate be granted to extend the years approved under Industrial Facility Exemption Certificate 2011-466 for an additional Five (5) years for real property, and
That Pyeonghwa Automotive USA LLC hereby agrees to occupy and operate the facility approved for the Industrial Facility Exemption Certificate and located at 765 Standard Pkwy. for an additional four (4) years beginning on 12/31/2016.

The City Clerk shall send an original copy of this resolution to the State Tax Commission.

AYES:

NAYS:

ABSENT:

ABSTENTIONS:

RESOLUTION

STATE OF MICHIGAN) )SS
COUNTY OF OAKLAND)

I, the undersigned, the duly qualified and appointed Clerk of the City of Auburn Hills, Oakland County, Michigan do hereby certify that the foregoing is a true and complete copy of a resolution adopted at a regular meeting of the City Council held on the 24th day of October, 2016 the original of which is on file in my office.

IN WITNESS WHEREOF, I have hereunto affixed my official signature on this XXth day of October, 2016.

______________________________

Terri Kowal, City Clerk
October 12, 2016

Eugene Paik  
President  
Pyeong Hwa Automotive USA, LLC.  
765 Standard Parkway  
Auburn Hills, MI 48326

Hello City of Auburn Hills,

I am requesting a 5 year extension on our current Industrial Facilities Tax Exemption Certificate.

We are proposing this extension to support our operations here in Auburn Hills. The tax benefit is a tremendous aid in our ability to position our location as a competitive manufacturing site in MI. Our desire is to continue our growth of production based here in the city of Auburn Hills.

We very much appreciate the support that has been provided so far from the City of Auburn Hills and the State of Michigan. We look forward to continuing our efforts in growing our footprint here in Michigan.

Best regards

[Signature]

Eugene Paik

Pyeong Hwa Automotive, USA LLC

President
TAX ABATEMENT AGREEMENT
Extension of Exemption Period

Pyeong Hwa Auto, hereinafter referred to as the "Company" has submitted an application to City Council for a New Industrial Facility Exemption Certificate (New IFEC) to extend the exemption period of existing Industrial Facility Exemption Certificate 2011-4/66 pursuant to section 16a(a) of Public Act 198, (1974), MCL 207.566a(a).

In recognition of the granting of the New IFEC by City Council and the benefit of the tax savings for the Company, and the economic growth of the City, the Company hereby agrees to do the following:

1. As a condition of receiving an extension of Industrial Facilities Exemption Certificate 2011-4/66, the Company agrees to operate the facility for which the New IFEC is granted for the term of the New IFEC, plus an additional term after the date of expiration of the New IFEC according to the following schedule:

   a. Tax abatement of up to eight (8) years (including extensions) = Length of the abatement plus two years.

   b. Tax abatement over eight (8) years = (including extensions) = Length of the abatement plus four years.

2. The Company further understands that if it vacates or fails to operate the facility for which the New IFEC is granted for the period of time as outlined in Section 1 of this agreement, that the Company is liable for repayment of any property tax savings benefiting the Company due to the existence of the New IFEC, beginning with the initial effective year of the New IFEC. In addition, the Company will be liable for repayment of future tax savings if there are any remaining years in the term of the New IFEC, under the provisions of Section 21(2) of Public Act 198, 1974 as amended.

3. The Company further agrees to pay its abated real and personal property taxes on time and without penalty. In addition, the Company agrees to inform the City Assessor and the City Treasurer of any decision to relocate the Company to any location outside the City 30 days prior to the relocation.

4. The Company agrees to notify the City Assessor and City Treasurer of any change in the ownership of a majority of the Company's real and personal property assets or a majority share of the Company's stock. For the purposes of this agreement, a new owner or lessee shall be defined as follows:
a. For a New IFEC that pertains to real property improvements, the term “new owner or lessee” shall be defined as follows:

1.) A new entity that acquires, owns and occupies or leases and occupies the facility after the existing certificate holder has physically moved from or vacated the facility;

or

2.) An entity which is not (or would not otherwise be) an affiliate of the Company that acquires an ownership interest of more than 50% in the existing certificate holder entity that owns and occupies or leases and occupies that facility.

b. ii. For a New IFEC pertaining to personal property, the term “new owner or lessee” shall be defined as follows:

1.) A new entity that acquires from the existing certificate holder entity the ownership of the facility or leasehold interest in the facility and which keeps the facility at its current location;

or

2.) An entity which is not (or would not otherwise be) an affiliate of the Company that acquires an ownership interest of more than 50% in the existing certificate holder entity that owns or leases the facility.

5. Whenever there is a new owner or lessee, as defined above, of a majority of the real or personal property for which a New IFEC has been granted, the new owner or lessee shall make application for a transfer of the certificate to the new owner or lessee immediately, but no longer than six (6) months after such change in ownership occurs. The City Council may grant requests to transfer existing certificates, provided requests are consistent with the City’s adopted Tax Abatement Policy, or any amendments made to the policy, that is in effect at the time a request for a transfer is made. An updated tax abatement development agreement shall accompany any request for a transfer of a certificate to a new owner or lessee.

6. The Company further agrees to abide by all other city ordinances, building and zoning codes in all material respects during the operation of the facility.

[Signature Page to Follow]
By the signatures of representatives of both the Company and the City below, it is understood that both the Company’s investment in the project and the City’s investment through the granting of the New IFEC is to encourage the economic growth of all parties.

WITNESS: ________________________________

SIGNATURE ________________________________

PRINT NAME ________________________________

COMPANY REPRESENTATIVE: ________________________________

BY: ________________________________

SIGNATURE ________________________________

ITS: ________________________________

TITLE ________________________________

DATED: 10-12-16 ________________________________

ACKNOWLEDGED BY THE CITY OF Auburn Hills

WITNESS: ________________________________

SIGNATURE ________________________________

PRINT NAME ________________________________

BY: KEVIN McDaniel ________________________________

ITS: ________________________________

TITLE ________________________________

DATED: ________________________________

WITNESS: ________________________________

SIGNATURE ________________________________

PRINT NAME ________________________________

BY: Terrri Kowal ________________________________

ITS: ________________________________

TITLE ________________________________

DATED: ________________________________
### Building and Improvement

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CITY OF AUBURN HILLS
RESOLUTION
APPROVING
SPECULATIVE BUILDING DESIGNATION
FOR
765 STANDARD PARKWAY

At a regular meeting of the City Council of the City of Auburn Hills, Oakland County, Michigan, held in the Council Chambers at 1827 N. Squirrel Road, Auburn Hills Mi, 48326 on the 16th day of July, 2007

The following resolution was offered by Councilperson Kittle and supported by Councilperson Knight.

Whereas, the City of Auburn Hills has established an Industrial Development District on the 9th of September, 2002, commonly referred to as the Joslyn Commerce Park Industrial Development District; and

Whereas, General Development Company has requested designation of a building within said district, located at 765 Standard Parkway as a Speculative Building under the provisions of Public Act 198 of 1974, as amended; and

Whereas, the building is being constructed as a manufacturing facility before the identification of a specific user of the building; and

Whereas, the building has not been occupied; and

Whereas, the designation of the building as a Speculative Building would allow future tenants to apply for Industrial Facility Exemption Certificate for real and personal property to be located at 765 Standard Parkway; and

Whereas, the availability of tax abatement may serve as an inducement for attracting tenants to occupy the building and increase the tax revenues to the City of Auburn Hills,

NOW, THEREFORE, BE IT RESOLVED that the request for Speculative Building Designation for 765 Standard Parkway is hereby approved with the following conditions,

That the Speculative Building Designation does not constitute approval of an Industrial Facility Exemption Certificate, but serves to give notice that City Council will consider future applications.

AYES: Edwards, Kittle, Knight, McDonald, Newkirk
NAYS: Hammond, Pilsbury
ABSENT: None
ABSTENTIONS: None
RESOLUTION ADOPTED (5 – 2)
STATE OF MICHIGAN)  )SS
COUNTY OF OAKLAND)

I, the undersigned, the duly qualified and appointed Clerk of the City of Auburn Hills, Oakland County, Michigan do hereby certify that the foregoing is a true and complete copy of a resolution adopted at a regular meeting of the City Council held on the 16th day of July, 2007, the original of which is on file in my office.

IN WITNESS WHEREOF, I have hereunto affixed my official signature on this 24th day of July, 2007.

Linda Shannon, City Clerk
CITY OF AUBURN HILLS
RESOLUTION
APPROVING AN INDUSTRIAL FACILITIES EXEMPTION CERTIFICATE
FOR PyeongHWA Automotive USA LLC

At a regular meeting of the City Council of the City of Auburn Hills, Oakland County, Michigan, held in the Council Chambers at 1827 N. Squirrel Road, Auburn Hills MI 48326 on the 3rd day of October, 2011.

The following resolution was offered by Councilperson Knight and supported by Councilperson Doyle.

WHEREAS, pursuant to P.A. 198, 1974, M.C.L. 207.551 et seq., after a duly noticed public hearing held on the 9th day of September, 2002, the City of Auburn Hills, established an Industrial Development District, commonly referred to as the Joslyn Commerce Park Industrial Development District; and

WHEREAS, PyeongHWA Automotive USA LLC has filed an application for an Industrial Facility Exemption Certificate with the Clerk of the City of Auburn Hills with respect to proposed new real and personal property to be acquired and installed within the Joslyn Commerce Park Industrial Development District; and

WHEREAS, before acting on said application, the City Council of Auburn Hills held a hearing on the 3rd day of October, 2011 at a regularly scheduled meeting, at which time the applicant, the assessor, and a representative of the affected taxing units were given written notice and were afforded an opportunity to be heard on said application; and

WHEREAS, construction and installation of the facility has not begun earlier than six (6) months before June 6, 2011, the date of the acceptance of the application for the Industrial Facility Exemption Certificate; and

WHEREAS, completion of the facility is calculated to and will at the time of issuance of the certificate have the reasonable likelihood to retain, create or prevent the loss of employment in Auburn Hills; and

WHEREAS, the aggregate SEV of real and personal property exempt from ad valorem taxes within the City of Auburn Hills after granting this certificate will exceed 5% of an amount equal to the sum of the SEV of the unit, plus the SEV of personal and real property thus exempted.

NOW, THEREFORE, BE IT RESOLVED BY the City Council of Auburn Hills that:

1. The City Council of Auburn Hills finds and determines that the granting of this Industrial Facilities Exemption Certificate, together with the aggregate amount of the certificates previously granted and currently in force, under PA 198 of 1974, and PA 225 of 1978, shall not have the effect of substantially impeding the operation of the City of Auburn Hills, or of impairing the financial soundness of a taxing unit which levies an ad valorem property tax in the City of Auburn Hills.

2. The application for an Industrial Facilities Exemption Certificate with respect to a New Facility on the following described parcel of real property situated within the Joslyn Commerce Park Industrial Development District; to wit;

T3N, R10E, SEC 9 PART OF NW 1/4 BEG AT SLY COR OF LOT 3 OF 'SUPERVISOR'S PLAT NO 5',TH S 31-31-36 W 107.18 FT, TH S 00-00-28 W 445.97 FT, TH N 89-59-32 W 12.62 FT, TH ALG CURVE TO RIGHT, RAD 500 FT, CHORD BEARS N 82-55-56 W 122.91 FT, DIST OF 123.22 FT, TH N 75-52-20 W 149.91 FT, TH ALG CURVE TO LEFT, RAD 500 FT, CHORD BEARS N 84-14-03 W 145.43 FT, DIST OF 145.94 FT, TH S 88-03-37 W 169.05 FT, TH ALG CURVE TO RIGHT, RAD 80 FT, CHORD BEARS N 14-06-51 E 44.25 FT, DIST OF 44.83 FT, TH N 59-49-55 W

Also Known as Parcel Identification Number 02-14-09-126-006

Property Address: 765 Standard Pky

is hereby approved.

3. The Industrial Facilities Exemption Certificate shall remain in force and effect for a period of 5 years, and the starting date for the certificate is December 30, 2011, and the ending date is December 30, 2016.

4. The total project investment approved is $2,521,667.

5. PyeongHWA Automotive USA LLC agrees to operate the facility for which the Industrial Facilities Exemption Certificate is granted for the term of the certificate, plus an additional two years after the date of the expiration.

AYES: Mayor McDonald, Mayor Pro Tem Hammond, Council Members Doyle, Kittle, Knight, McDaniel, Newkirk

NAYS: None

ABSENT: None

ABSTENTIONS: None

RESOLUTION 11.10.180 ADOPTED

STATE OF MICHIGAN)

) SS

COUNTY OF OAKLAND)

I, the undersigned, the duly appointed City Clerk for the City of Auburn Hills, Oakland County, Michigan do hereby certify that the foregoing is a true and complete copy of a resolution adopted at a regular meeting of the Auburn Hills City Council held on the 3rd day of October, 2011.

IN WITNESS WHEREOF, I have heretunto affixed my official signature on this 11th day of October, 2011.

Thomas A. Tanghe, Acting City Clerk
FIRST EXTENSION OF LEASE

THIS FIRST EXTENSION OF LEASE is entered into this 10th day of August, 2016 by and between JOSLYN COLLIER III, LLC a Michigan limited liability company, as Landlord, and PYEONG HWA AUTOMOTIVE CO., LTD., a Michigan Corporation, as Tenant.

RECITALS:

WHEREAS, JOSLYN COLLIER III, LLC, as Landlord (the “Landlord”) and PYEONG HWA AUTOMOTIVE CO., LTD as Tenant (the “Tenant”) have entered into a certain Lease Agreement dated April 6, 2011 (the “Lease”) covering the premises located at 765 Standard Parkway, Auburn Hills, MI 48362 (the “Premises”).

WHEREAS, Tenant desires to extend the Lease term of the Premises.

WHEREAS, Landlord and Tenant wish to enter into such First Extension of Lease (the “First Extension”) on the terms and conditions provided below.

NOW, THEREFORE, in consideration of the premises and for good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the parties agree as follows:

1. **Lease Rate.** During the First Extension the base monthly lease rate on the Premises, pursuant to section 4 of the Lease shall be as follows:

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<td>$26,247.83</td>
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2. **Improvements.** Landlord will complete improvements shown on Exhibit A herein.

3. In case of conflict with the Lease or any other extensions of the Lease the Tenant may have under the Lease, this First Extension of Lease shall govern. Except as modified and amended hereby, all other terms of the Lease shall remain in full force and effect.

Signatures on next page
IN WITNESS WHEREOF, the undersigned have executed this Agreement as the date first above written.

WITNESSES:

[Signature]

LANDLORD:

JOSLYN COLLIER III, LLC
A Michigan limited Liability Company

BY:

[Signature]

Its: [Name]

TENANT:

PYEONG HWA AUTOMOTIVE CO., LTD.,
A Michigan Corporation

BY:

[Signature]

Its: [Name]
EXHIBIT A

- Repair front door – replace 2 door closures & 2 manual flush bolt
- Clean office carpet (does not include lifting nor moving furniture or cubicles)
- Strip and wax VCT flooring in office
- Clean CT floors in office
- Touch up paint in hi-traffic office areas
- Touch up paint on shop side of demising wall
- Switch out lamps to LED lamps in shop only
- Touch up epoxy floor by dock loading area and production lines
- Repair man door by dock area

- In the 2018 calendar year landlord shall paint the exterior of the building.
INTRODUCTION

Unique Fabricating, Inc. respectfully requests a four-year Special Land Use (SLU) Permit to allow returnable totes and wooden pallets to be stored outside their building on a site zoned I-1, Light Industrial District. The property is located at 800 Standard Parkway.

 Permit History

A five-year SLU permit was granted by the City Council on August 6, 2007 for the site. Outside storage was restricted to the designated area and limited to 12 ft. in height (as shown below). The original one-year SLU Permit was approved in 2004, with renewals granted in 2005, 2006, and 2007. Site inspections conducted by City Staff throughout the years have found that the applicant has been in compliance with the approved permit until this year. Materials had encroached outside the designated storage area to accommodate the growth of Unique Fabricating’s business.

KEY ISSUES

1. **Size and Location of the Outside Storage Area** – The current outside storage area covers approximately 3,000 square feet and is located at the southwest corner of the site, along Collier Road. The applicant wishes to increase the size of the outside storage area to approximately 12,960 square feet and relocate it behind the building along the west edge of the parking lot. The new location will help reduce the view of the outside storage area from Collier Road as well as reducing any noise associated with movement of materials.
2. **Screening** – The current outside storage area is screened from view by a row of evergreen trees planted along Collier Road. The applicant proposes to construct an eight foot tall decorative fence between the two rows of the evergreen trees along Collier Road. The fence will provide an additional measure of screening and also help reduce any potential noise associated with the movement of stored materials. The stored material should be well screened from view with the addition of the fence coupled with the fact that the storage area is approximately 13 feet below the grade of Collier Road.

3. **Duration of the SLU Permit** – As with the previous approvals, staff recommends the SLU permit be limited to this business and should last an additional four years to sync with Unique Fabricating’s current lease which is up for renewal in late 2020.

**STAFF RECOMMENDATION**
This project has been reviewed by the City’s Administrative Site Plan Review Team and has received a recommendation for approval.

We recommend Approval of the four-year SLU Permit request and offer the following discretionary findings of fact:

1. The location of the use will not negatively impact adjacent areas, which are zoned non-residential to the north, east and west and residential across Collier Road to the south.
2. The land will be used in accordance with its immediate character, which is planned and zoned for non-residential development.
3. The requirements Section 1818 in the City’s Zoning Ordinance will be met.
4. The use will promote the purpose and intent of the City’s Zoning Ordinance.
5. The use will be consistent with the health, safety, and general welfare of the City of Auburn Hills, and purpose and intent of the City’s Zoning Ordinance
6. The intent of Section 1807, Item 3 in the City’s Zoning Ordinance will be met.

**Conditions:**

1. The stacking height of materials shall be restricted to 12 feet.
2. Materials stored outside shall only be permitted within the designated outside storage area.
3. Replace dead or dying trees in the buffer.
4. The installation of an eight foot tall screening fence along the south side of the property, as indicated on the sketch plan.
5. Should additional parking spaces be needed in the future, the size of the outside storage area shall be reduced to accommodate parking needs.
6. The permit shall be valid for a period of four years.

**PLANNING COMMISSION RECOMMENDATION**
Recommended Approval on October 5, 2016 (7-0 vote).
As a result of comments received during the public hearing, the Planning Commission recommended to the City Council, as a condition of approval, that any outdoor activities associated with the outside storage area that creates a noise disturbance, such as the operation of forklifts or any other noise making equipment, shall be prohibited between the hours of 10:00 p.m. and 6:00 a.m. The applicant agreed to, and has already implemented, this condition in their operations.

**MOTION**
“Move to accept the Planning Commission’s recommendation and approve of the expansion of the outside storage area and the four-year extension of the previously approved Special Land Use Permit for Unique Fabricating, Inc., subject to the conditions of the Planning Commission and Administrative Review Team.”

I CONCUR:  
THOMAS A. TANGHE, CITY MANAGER
Good morning Shawn,
I have implemented the "no forklifts/hilos outside the building" policy effective last night. We will also be keeping our doors shut to help keep the noise level down. This mandate will be from 10 pm to 6 am which is what all the neighbors agreed to at our last planning commission meeting.

We have also coached and trained all of our associates to not be outside after 10 pm creating any unnecessary noise either (i.e., radios, loud talking, etc.).

I just wanted to give you an update on this matter and see if you had received or heard of any other issues pertaining to this since our last meeting.

Have a good day and please feel free to contact me for any questions that you may have.

Best Regards,

B.J. Tallent

Operations Manager
UNIQUE FABRICATING, INC.
800 Standard Pkwy. Auburn Hills, MI 48326
423.580.2686 Cell
248.853.2333 X 1274 Direct Line
1. **CALL TO ORDER:** Planning Commission Chairperson Ouellette called the meeting to order at 7:00 p.m.

2. **ROLL CALL OF PLANNING COMMISSION:**
   - Present: Beidoun, Burmeister, Hitchcock, Mendieta, Ochs, Ouellette, Pierce
   - Absent: Shearer
   - Also Present: Assistant City Planner Keenan
   - Guests: 7

**LOCATION:** City Council Chamber, 1827 N. Squirrel Road, Auburn Hills, MI 48326

5. **PETITIONERS**

5a. Public Hearing / Motion - Recommendation to City Council for approval of an extension and expansion of the previously approved Special Land Use Permit for outside storage of materials/Unique Fabricating. (7:02 p.m.)

Mr. Keenan introduced the request from Unique Fabricating, Inc. for a four-year extension of their Special Land Use (SLU) Permit to allow returnable totes and wooden pallets to be stored outside their building located at 800 Standard Parkway. The site zoned I-1, Light Industrial District.

Mr. Keenan explained the outside storage is currently restricted to the southwest corner of the parking lot and limited to 12 feet in height. The original one-year SLU Permit was approved in 2004, with that last renewal of a five-year SLU permit was granted in August 2007. Site inspections throughout the years have found that the applicant has been in compliance up until this year. Materials had encroached outside the designated storage area to accommodate the growth of Unique Fabricating’s business.

Mr. Keenan noted three key issues, the first relating to expanding and relocating the outside storage area. The current outside storage area covers approximately 3,000 square feet and is located at the southwest corner of the site, along Collier Road. The applicant wishes to increase the size of the outside storage area to approximately 12,960 square feet and relocate it behind the building along the west edge of the parking lot. The new location will help reduce the view of the outside storage area from Collier Road as well as reducing any noise associated with movement of materials.

Mr. Keenan mentioned the second key issue relates to the screening of the outside storage area. The current outside storage area is screened from view by a row of evergreen trees planted along Collier Road. The applicant proposes to construct an eight foot tall decorative fence along the north side of the evergreen trees along Collier Road. The fence will provide an additional measure of screening and also help reduce any potential noise associated with the movement of stored materials. The fence coupled with the fact that the storage area is approximately 13 feet below the grade of Collier Road the stored materials should be well screened from view.

Mr. Keenan explained the last key issue pertains to the duration of the SLU Permit. As with the previous approvals, staff recommends the SLU permit should last for four years, since Unique Fabricating’s current lease is up for renewal in late 2020.

Mr. Bruce Brickman, General Development Company, Two Towne Square, Suite 850, Southfield, MI and Mr. B.J. Tallent, Unique Fabrication Inc., 800 Standard Parkway, Auburn Hills, MI introduced themselves. Mr. Brickman further clarified the fence will be installed between the two tree lines. The point of the decorative or trex fence is to fill in any gaps between the two tree lines.

Mr. Hitchcock asked for clarification on the composition of the trex fence material.
Mr. Brickman responded the trex fence is composed of a maintenance free material that is warranted for 25 years. It is finished on both sides and has a similar color of the tree trunks.

Mr. Hitchcock inquired if the height of the items stored will not exceed the height of the fence.

Mr. Brickman explained Collier Road is thirteen feet higher than the grade. The top of the storage area is level with Collier Road. The trees are much higher than the top of the storage area.

Mr. Keenan added when looking over the fence, the sight angle does not allow a view of any of the storage area. The angle of sight would be above the items stored.

Mr. Pierce noted the requested storage area will be located in an area that is currently designated as parking spaces. He asked for further clarification regarding the current need for parking and how much parking will be left if the additional outside storage space is granted.

Mr. Brickman explained there is extra parking that is not needed based on the nature of how Unique Fabricating utilizes the building.

Mr. Tallent stated approximately twenty-five percent of the parking spaces will be taken up with the additional storage area if the Special Land Use is granted.

Ms. Ochs inquired what will happen in the future if the business continues to grow and the parking spaces are then required.

Mr. Tallent explained Unique Fabricating has operated on a two shift basis and just recently added a third shift. As the business has grown, their solution was to add the third shift.

Mr. Burmeister referenced the residents to the south and inquired what the elevation is for them. He asked if the storage area is visible to the residents located to the south of the property.

Mr. Brickman answered the trex fence would further prevent any visibility of the storage area. He is not sure if the residents to the south can view it at this time, but the eight foot fence, along with the grade of Collier should obstruct any view.

Mr. Burmeister asked about the length of the fence.

Mr. Brickman responded that the length of the fence is approximately 200 feet.

Mr. Burmeister inquired about the letters that were mailed out to the residents and if there were any responses.

Mr. Tallent stated the letters were mailed out to the residents and there were no responses received back to his knowledge.

Mr. Beidoun questioned the existing storage area to the southwest and if it was going to become parking spaces.

Mr. Brickman clarified the area in question is the unloading area and the shipping docks. It will stay as an open area to enable the trucks to be able to maneuver around.

Mr. Beidoun asked about the depth of the area.

Mr. Brickman answered the depth is approximately eighteen to twenty feet and will not impede the drive lane.

Ms. Ochs asked how the length of the fence was determined.

Mr. Brickman stated they met on site with Community Development staff. They measured, took pictures and observed the site to determine the need for the length of the fence.

Mr. Hitchcock questioned the various colors of the trex fence.

Mr. Brickman suggested staying with a color that will also compliment the branches and trunks of the trees.
Mr. Ouellette opened the public hearing at 7:19 p.m.

Ms. Monica Taylor, 780 Collier Road, Auburn Hills, MI has concerns about the trees and keeping them alive. The storage area is not visible from her home because the trees are effective with screening and they are efficient with making the area look less industrial. Her biggest concern is the noise from the third shift. She stated approximately three weeks ago the noise of back-up alarms and loud crashing kept her awake until 3:30 in the morning. The noise disturbance has been a consistent problem for the last few weeks. She hopes the fence will help with the noise issue, however, she is also concerned with the length and if it will go far enough to be effective to help all the neighbors further down the street where the shipping and unloading area is located.

Mr. Tallent clarified the back-up alarm noises are from the hi-low / fork-lift equipment. The trucks coming in and out of the shipping area are stopped by 9:00 p.m. Mr. Tallent is willing to implement a process or procedure whereby the outside work, which includes the hi- lows, would stop by a certain time at night. He does believe the fence will help alleviate the noise problem, but is more than willing to set an outside work stop time that will work for everyone.

Mr. Brickman explained the trex fence is being installed to improve the situation to cut off any view and eliminate as much sound as possible. He also stated Unique Fabricating is willing to stop outdoor operations between agreed upon night time hours and further reduce disturbance of the neighbors.

Mr. Richard Strehlke, 796 Collier, Auburn Hills, MI is requesting a guarantee that any trees that die as a result of the fence being installed will be replaced. He stated that Unique Fabricating is already utilizing all the space being requested for additional outside storage along with additional areas that are not included in the green area of the diagram. Mr. Strehlke questioned, if the Special Land Use is approved, will Unique Fabricating still use outside storage space which is not included in the approved designated area.

Mr. Keenan clarified if the approval is granted, all outside storage must be located within the designated area on the diagram. If any outside storage is utilized outside of the approved and designated area, they would be in violation of the permit and given a warning and issued a citation.

Mr. Strehkle questioned the type of storage and if there is a potential for a rodent concern. He asked what type of materials will be stored in the containers and will the containers be sealed to prevent animals from getting in and making nests. The residents don’t want to worry about any type of rat problem. He did state that Mr. Keenan confirmed no hazardous material would be stored.

Mr. Ouellette questioned if the stored items will get rotated out every few days.

Mr. Tallent responded yes, every couple days the storage does get rotated out and also confirmed none of the materials are hazardous. Neither are they perishable so animals will not be drawn to the containers. He explained in his fifteen years of experience with manufacturing, there has never been a rodent issue.

Mr. Ouellette questioned a compatible time to close down the hi-lows or outside operations at night.

Mr. Tallent said currently the third shift starts at 10:00 p.m. and stops at 6:00 a.m. and he is open for suggestions.

Mr. Keenan recommends the applicant get together with city staff along with listening to suggestions from the residents in order to come up with a time that will work.

Mr. Eric Sears, 820 Collier, Auburn Hills, MI stated he and a couple other residents did not receive a letter from Unique Fabrication informing them of the Special Land Use request.

Mr. Tallent responded they did mail out letters to every resident within a certain range. Further clarification was given regarding what was mailed out and it was on Unique Fabrication letterhead. One of the residents then stated they did receive that information.

Mr. Ouellette explained along with the motion a recommendation will be made to City Council that includes the agreed upon times for outside operations to cease.

Ms. Dorothy Stehlike, 796 Collier, Auburn Hills, MI asked if any additional height could be added to the fence and how is the fence being constructed.
Mr. Ouellette inquired if the fence is a universal facing type of fence.

Mr. Brickman clarified it is a universal facing fencing, but one side is a little more finished or grainy and that is the side that will be facing Collier Road. Mr. Brickman gave a brief explanation about the installation of the fence stating there is no trench needed. The height of the fence was determined by meeting with city staff on site.

Mr. Ouellette closed the public hearing at 7:38 p.m.

Moved by Mr. Beidoun to recommend to City Council approval of a four year extension and expansion of the previously approved Special Land Use Permit for outside storage of materials for Unique Fabricating, subject to staff and consultants’ conditions, which includes not using the hi-lows after 11:00 p.m. Supported by Mr. Burmeister.

Mr. Burmeister asked for an explanation to be given to City Council as to why the residents did not receive the letters from Unique Fabrication.

Mr. Sears stated he did receive the letter after all. There was a confusion because of the letterhead, but he did receive the letter.

Mr. Pierce would like to see an agreed upon time confirmed by the parties involved placed in the motion prior to it being sent to council.

Mr. Keenan answered staff will work with the parties involved and come up with an acceptable timeframe.

VOTE: YES: Beidoun, Burmeister, Hitchcock, Mendieta, Ochs, Ouellette, Pierce
NO: None

Motion Carried (7-0)

Respectfully Submitted,

Mary Cox
Clerk III
Development Application

Project Name: SLU - Outdoor Storage

General Project Location: Unique Fabricating Inc., 800 Standard Parkway

Parcel Size: 7 acres Zoning: Lt Industrial

Sidewall Number(s): __________

Project Description: Outdoor Storage Permit

Building Size (sq. ft.): 150,000

Check requested review(s):

☐ Site Plan
☐ Tree Removal Permit
☒ Special Land Use Permit(s) Outdoor Storage
☐ Land Division
☐ Land Exchange

☐ Subdivision
☐ Planned Unit Development - Step 1/Step 2/Combined
☐ Rezoning _________ to _________
☐ ZBA Variance or Interpretation (see supplemental application)
☐ Other __________

City Use Only

Address: 800 Standard Parkway

Date Received: 8-26-16

Fees Paid: 1030.00

Sign(s) Escrow: __________

SP #: __________

SLU #: 16-0015

LD/LE/SUB #: __________

RZ #: __________

PUD #: __________

ZBA #: __________

Name: B.J. Tallent

Signature: __________

Business Name and Address: Unique Fabricating Inc., 800 Standard Parkway

City: Auburn Hills State: MI Zip Code: 48326 Phone Number: (248) 853-8333 X 1274 Fax Number: (248) 853-3427 Alt. Phone Number(s): (423) 580-4626 Cell

Name: Joshua Collier I LLC

Signature: __________

Business Name and Address: Two Towne Sq., Suite 830

City: Southfield State: MI Zip Code: 48076 Phone Number: (248) 351-3777

(Provide additional sheet if necessary for multiple property owners)

Please contact the City of Auburn Hills Community Development Department, 1827 N. Square Road, Auburn Hills, MI 48326 / Phone: 248-364-6900 Fax: 248-364-6939 Home Page Address: http://www.auburnhills.org

Inv. # 39301

$1030.00
Unique Fabricating
Proposed Outdoor Storage

**KEY**
- **Blue** = 8’ tall fence
- **Green** = Proposed future outdoor storage
9c. Motion – Approval of Special Land Use Permit for Outside Storage / Unique Fabricating, Inc.
Noting that Unique Fabricating’s request for outside storage is much the same as those made in prior years, City Planner Cohen explained that the company is seeking to increase the term of the permit from one year to five years, in order to avoid having to come before Council on an annual basis. Mr. Cohen stated that Unique Fabricating has been compliant and cooperative with the City in the past and that, even though the permit runs for five years, the City will monitor the property for compliance and, if violations are found, may revoke the permit at any time during the five-year period.

In response to Council, Mr. Wayne Smith of Unique Fabricating stated that he had received no complaints from the neighboring homeowners.
Moved by Mr. Kittle; Seconded by Mr. Knight.
Resolved: To approve the Special Land Use permit for Unique Fabricating, Inc. to allow the outside storage of materials, which approval is subject to the following conditions:
1. The stacking height of materials shall be restricted to 12 ft. in height.
2. Materials shall only be permitted in the designated area.
3. Replace dead or dying trees in the buffer.
4. The permit shall be valid for a period of 5 years.

VOTE: Yes: Edwards, Hammond, Kittle, Knight, McDonald, Newkirk
No: Pillsbury
RESOLUTION NO. 07.08.142
Motion carried (6-1)
5a. **Recommendation for Approval of Special Land Use Permit / Unique Fabricating – Outside Storage of Materials**

Ms. Hurt-Mendyka and Mr. Cohen explained that Unique Fabricating is requesting a five year Special Land Use permit to allow returnable totes and wooden pallets to be stored outside their building. The site is zoned I-1, Light Industrial district. The property is located at 800 Standard Parkway.

- The commissioners commended Unique Fabricating for keeping the storage area in good order and pleased with the tree coverage surrounding the outside storage area.
- The height is limited to twelve (12) feet in height.
- There have been no complaints from any neighbor.
- The original SLU permit was issued in 2004 with renewals in 2005 and 2006.
- Site inspections will be continued by city staff throughout the year.
- The SLU permit shall be for Unique Fabricating, Inc. only.

Public hearing was opened and closed at 7:48 p.m. since there were no comments from the audience.

Ms. Doyle moved to recommend to City Council approval of the Special Lane Use Permit to allow the outside storage of materials at Unique Fabricating, Inc. Approval of the permit shall be subject to the following additional conditions:

1. The stacking height of materials shall be restricted to 12 feet in height.
2. Materials shall only be permitted in the designated area.
3. Replace dead or dying trees in the buffer.
4. The permit shall be valid for a period of 5 years

Supported by Mr. Ouellette.

**VOTE:** Yes: Beidoun, Doyle, Hammond, Hitchcock, Hurt-Mendyka, Ouellette, Pierce, Verbeke

**No:** None

**Motion Carried (8-0)**
10th. Motion – Approval of Special Land Use Permit / Unique Fabricating Outside Storage

Mr. Gomer's July 18, 2006 memo is excerpted below:

Unique Fabricating, Inc. is requesting a permanent Special Land Use permit to allow stackable tote boxes and wooden pallets to be stored outside their building on a site zoned M-1, Light Industrial, at 800 Foundry Parkway.

Permit History. A one-year SLU permit was granted by the City Council on May 18, 2005 for this site. Outside storage was restricted to a designated area and limited to 14' in height. The original one-year SLU permit approved in 2004 limited storage to 12' in height. A recent site inspection has found that the applicant is in compliance with the approved permit.

Planning Commission Recommendation

On July 5, 2006, the Planning Commission reviewed the applicant’s request and recommended approval of a one-year extension of the SLU permit (6-1 vote). The Planning Commission stated that they would not support a permanent SLU permit at this time.

• The Planning Commission recommended that the height of the storage be reduced from 14' with the allowance of a larger storage area.
• They further requested that staff meet with the applicant in the field, review different storage heights, and recommend an appropriate storage height and designated storage area to the City Council.

Based on the Planning Commission’s direction, the applicant and staff reviewed the situation in the field and recommend the following proposal:

1. Restrict stacking of materials to 12 ft. in height. The applicant shall maintain rope guidelines at all times.
2. Keep the previously approved designated area location and not increase it in size.
3. The applicant shall install 7’ tall cedar fence panels in the gaps between the evergreen trees adjacent to the storage area to provide complete screen from Collier Road.

Staff recommends approval of the permanent Special Land Use permit and offers the following discretionary findings of fact:

1. The location of the site will not negatively impact adjacent areas, which are residential to the north, east, and west.
2. The land will be used in accordance with its immediate character, which is planned and zoned for non-residential development.
3. The requirements of Section 1819, Special Land Use Permit, Zoning Ord. No. 312 will be met.
4. The use will promote the purpose and intent of the City’s Zoning Ordinance.
5. The use will be consistent with the health, safety, and general welfare of the City of Auburn Hills, and purpose and intent of the City’s Zoning Ordinance.
6. The use will be subject to the following conditions:
   1. The stacking height of materials shall be restricted to 12 ft. in height. The applicant shall maintain rope guidelines at all times.
   2. Materials shall only be permitted in the designated area proposed by the applicant. The area has not expanded in size due to need to maintain truck maneuvering areas.
   3. The applicant shall install 7’ tall cedar fence panels in the gaps between the evergreen trees adjacent to the storage area to provide complete screen from Collier Road.

Mr. Wayne Smith of Unique Fabricating stated that his firm had reduced the outside storage height from 14 feet to 12 feet in accordance with the City’s request and that sections of cedar fencing will be installed between the evergreens off of Collier Road to enhance the barrier.

Mayor Edwards reported that she received an email from a neighboring resident complaining that Unique had not complied with the restrictions placed on the temporary permit, noting that either the pallets were stacked too high or the fence was too low.

In response to Mr. Pillsbury’s question, Mr. Smith stated that the plan called for 6-foot fencing to be installed 9 inches above grade for a total height of six feet, nine inches.

Ms. Hammond reported that the Planning Commission is opposed to cedar fencing and would prefer to see a 12-foot evergreen barrier. Council concurred, also requiring that the owners replace dead trees, promote the growth of existing trees and add planting where needed.

Mr. Smith noted he had been advised by the landscaping firm to delay planting until the weather cools down.

Moved by Mr. Kittle to approve a one-year Special Land Use permit to allow the outside storage of materials at Unique Fabricating, Inc. subject to the conditions listed in the staff report and with the stipulation that the fence height be restricted to 12 feet and the evergreen barrier be enhanced by replanting dead trees, promoting the growth of existing trees and filling in with additional plantings as necessary to provide an attractive and effective live barrier.

Supported by Mr. Knight.

VOTE: Yes: Edwards, Hammond, Kittle, Knight, McDonald, Newkirk, Pillsbury
No: None

RESOLUTION NO. 06.07.123 Motion carried (7-0)
EXCERPT – PLANNING COMMISSION MEETING 7/6/06

5c. Unique Fabricating Special Land Use Permit for Outside Storage of Materials - Public Hearing

Ms. Hurt-Mendyka presented the request for approval of a permanent Special Land Use permit to allow returnable totes and wooden pallets to be stored outside the building on a site zoned I-1, Light Industrial district. The property is located at 800 Standard Parkway.

Ms. Verbeke read letters from residents into the record:
Attachment A – Dennis Scanlon, 475 Brooks, Pontiac
Attachment B – Mark Densmore, 820 Collier Road, Auburn Hills

Mr. Cohen noted:
Staff - We recommend Approval of the permanent Special Land Use request and offer the following discretionary findings of fact:
1. The location of the use will not negatively impact adjacent areas, which are residential to the south and non-residential to north, east, and west.
2. The land will be used in accordance with its immediate character, which is planned and zoned for non-residential development.
3. The requirements of Section 1818, Special Land Use Permitted, in Zoning Ordinance No. 372 will be met.
4. The use will promote the purpose and intent of the City’s Zoning Ordinance.
5. The use will be consistent with the health, safety, and general welfare of the City of Auburn Hills, and purpose and intent of the City’s Zoning Ordinance.
6. The intent of Section 1807, Item 3 in the City’s Zoning Ordinance will be met.

The Commission’s discussion yielded the following:
- The plastic bins are not owned by the petitioner, they are owned by the companies that Unique Fabricating supply. The wood pallets are disposed of periodically, so there is no lengthy storage of them.
- Regarding the early morning noise as mentioned in a resident letter, Mr. Wayne Smith stated the noise must be coming from another location. They have no shipping or receiving after 9:30 p.m. and they don’t resume until the day shift arrives for work.
- There are 22 people working the late shift strictly on the presses.
- Mr. Smith has stated he has run parked trucks off his site.
- The tree screening is filling in, but the height is still noticeable. The majority of Commissioners agreed the height should be reduced and the storage footprint be made larger.
- The general consensus of the Planning Commission was to approve a one-year Special Land Use permit, not the requested permanent permit.
- The current location of storage has the lowest topography of the site. Expanding the footprint may need to have the height reduced further to accommodate the topography.
- Mr. Cohen will work with Mr. Smith prior to the City Council meeting with an alternate plan to reduce the height and increase the footprint, and to possibly add more screening.

Ms. Hurt-Mendyka opened and closed the public hearing at 8:09 p.m. since there were no comments from the audience.

Moved by Mr. Ouellette to recommend to City Council approval of a one-year Special Land Use permit to allow the outside storage of materials at Unique Fabricating, Inc. Approval of the permit shall be subject to the following additional conditions:
1. The stacking height of materials shall be restricted to 14 ft. in height.
2. Materials shall only be permitted in the designated area proposed by the applicant.
3. Work with the Community Development department to reduce the height and increase the footprint.
Supported by Mr. Beidoun.

The Planning Commissions suggested the motion be amended to recommend to City Council a decrease in height and an increased footprint.

Mr. Beidoun withdrew his support.

Mr. Pierce supported the amended motion.

VOTE: Yes: Ouellette, Pierce
No: Beidoun, Doyle, Hammond, Hurt-Mendyka

Motion Failed (2-5)

Moved by Ms. Doyle to recommend to City Council approval of a one-year Special Land Use permit to allow the outside storage of materials at Unique Fabricating, Inc. Approval of the permit shall be subject to the following additional conditions:

1. That the height be reduced from 14 feet and the footprint size increase.

Supported by Mr. Beidoun.

Ms. Verbeke stated she would not support any outside storage.

VOTE: Yes: Beidoun, Doyle, Hammond, Hurt-Mendyka, Ouellette, Pierce
No: Verbeke

Motion Carried (6-1)
May 16, 2005
City of Auburn Hills
Regular City Council Meeting

CALL TO ORDER: by Mayor Edwards at 7:00 p.m. with the Pledge of Allegiance.

LOCATION: City Council Chambers, 1827 N. Squirrel Road, Auburn Hills MI 48326

ROLL CALL: Present. Mayor Edwards, Mayor Pro Tem Pillsbury, Council Members Kittle, Knight, Luenberger, McDonald, Newkirk
Absent. None
Also Present. City Manager Randall, Assistant City Manager Tanghe, City Clerk Shannon, Community Development Director McBroom, Department of Public Works Director Culpepper, Department of Public Works Deputy Director Melchert, Police Chief Olko, Tax Increment Finance Chair Bennett, City Attorney Beckerleg, City Engineer Hiltz
16 Guests

8d. Motion – Approving Special Land Use permit for Unique Fabricating, Inc.
Mr. McBroom presented the request for a Special Land Use permit for Unique Fabricating, Inc. to allow outside storage on property zoned I-1, Light Industrial, located at 800 Standard Parkway

Mr. Wayne Smith, Unique Fabricating, stated last year his company was granted a one-year special land use for stacking pallets outside. He is requesting a renewal for the special land use for the same purpose; however, he is asking an increase in height from 12 feet to 14 feet. He explained one of his clients has larger skids, and stacking them three high like the others exceeds the height limit by approximately two feet. If the skids are stacked only two high then he exceeds the amount of floor area approved. Mr. Smith noted the stack is still beneath the tree line.

Mayor Edwards conceded she hadn’t envisioned that the out door storage approved last year would look as bad as it does. There isn’t any possible way to camouflage that many pallets and make it look good, not that it is unkempt. Mayor Edwards stated she didn’t want the pallet height to keep pace with the tree growth, and asked Mr. Smith if there might be an alternative to the outdoor storage.

Mr. Smith stated there was discussion last year about an out-building, but the neighbors were opposed citing it could be a haven for small animals. A fence was proposed at the Planning Commission meeting, but the neighbors that were present were opposed to that idea. The neighbors stated they enjoy looking at the trees and the hills beyond the building.

Mr. Smith explained to Mr. Kittle the special land use had expired; it was approved for one-year only. Mr. Kittle understood the situation with the major companies strong-arming the petitioner to store their pallets; however, he suggested someone speak up and let those companies know he is in violation of City ordinances.

Mr. Smith made a commitment to the City Council that he would not request anymore height variances for the special land use.

Mr. Pillsbury was not in favor of increasing the height; he would prefer the height be lowered.

Mr. McBroom stated it would take a number of years for the trees to adequately fill in as solid screening.

Mayor Edwards stated because of the outside appearance, she would not support the Special Land Use for the outside storage.

Moved by Mr. Kittle to accept the Planning Commission’s recommendation and approve the special land use permit for Unique Fabricating, Inc. for a time period of one-year. Approval shall allow outside storage on property zoned I-1, Light Industrial district. The property is located at 800 Standard Parkway (Sidwell No. 14-09-126-005). This is to include the discretionary findings of fact found in Mr. Cohen’s letter dated April 27, 2005.
Approval of the permit shall be subject to the following additional conditions: 1) The applicant shall install as many 12 foot tall evergreen trees as necessary along Collier Road to better screen the storage area. The applicant shall work with staff in regard to appropriate tree placement. 2) The stacking height of materials shall be restricted to 14 feet in height. 3) Material storage shall only be permitted in the designated area proposed by the applicant and the applicant will seek alternate storage to eliminate outside storage in the future.

VOTE: Yes: Kittle, Knight, Luenberger, McDonald, Newkirk
       No: Edwards, Pillsbury

RESOLUTION NO. 05.05.98                        Motion carried (5-2)
CALL TO ORDER: by Ms. Harvey-Edwards at 7:00 p.m. with the Pledge of Allegiance.

LOCATION: City Council Chambers, 1827 N. Squirrel Road, Auburn Hills MI 48326

ROLL CALL: Present: Mayor Harvey-Edwards, Mayor Pro Tem Pillsbury, Council Members Kittle, Knight, Luenberger, Newkirk

Absent: Council Member McDonald

Also Present: Acting City Manager Culpepper, Assistant City Manager Tanghe, City Clerk Shannon, Community Development Department Director McBroom, Assistant Fire Chief Wyatt, Fleet Manager Skinner, Golf Professional Marmion, Manager of Utilities Melchert, Police Chief Olko, City Engineer Westmreland, Tax Increment Finance Authority Chair Bennett, City Attorney Beckerleg

22 Guests

9b. SLU 04-01, Unique Fabricating, Inc.

Mr. McBroom presented the request for Special Land Use approval to allow outside storage of materials on property zoned I-1, Light Industrial, located at 800 Standard Parkway. He noted the Planning Commission requested that the SLU approval be issued in one year intervals so that the City can monitor the applicant's compliance with the permit, and the applicant agreed to come back annually to renew the permit with the City.

The petitioner addressed Council's questions as follows:

- The stacks will be kept under 12' high;
- The trees will adequately screen the 12' stacks.
- The business ships over 500 pallets per day, and stores an average of 300 pallets per day;
- The majority of the material to be stored outside is plastic, not wood.
- The 12' stacking height restriction was a suggestion from the neighboring property owners.

Mr. Luenberger explained the Planning Commission discussed storing the pallets in a trailer but ultimately felt a trailer would be more intrusive.

Mr. Knight stated he would vote in favor of the request, based on the petitioner's history of cooperation and the one-year limit on the Special Land Use.

Moved by Mr. Knight to accept the Planning Commission's recommendation and approve SLU 04-01, Unique Fabricating, Inc. to allow the outside storage of materials on property zoned I-1, Light Industrial district for a period of one (1) year from May 3, 2004. The property is located at 800 Standard Parkway (Sidwell No. 14-09-126-005). This is to include the discretionary findings of fact found in Mr. Cohen's letter dated April 8, 2004.

Supported by Mr. Pillsbury.

Mr. McBroom clarified the petitioner will be charged an application fee to reapply next year unless the Council waives the fee.

Mr. Culpepper explained the industrial storm water permit is not required but is part of the DPW's best practices policies. The petitioner confirmed the application has been submitted to the MDEQ.

VOTE: Yes: Harvey-Edwards, Kittle, Knight, Newkirk, Luenberger, Pillsbury
No: None

RESOLUTION NO. 04.05.137

Motion carried (6-0)
CITY OF AUBURN HILLS
PLANNING COMMISSION MEETING

April 15, 2004

CALL TO ORDER: Chairperson Beckett called the meeting to order at 7:00 p.m.

ROLL CALL: Present. Beckett, Beidoun, Hurt-Mendyka, Kresnak, Luenberger, Ouellette, Pierce, Verbeke
Absent. McKissack
Also Present. City Planner Cohen
Guests Four

LOCATION: 1827 N. Squirrel Road, Auburn Hills MI 48326

PETITIONERS
SLU 04-01, Unique Fabricating, Inc. – Public Hearing
(Sidwell No. 14-09-126-005)
Mr. Beckett presented the request for approval to allow outside storage of materials on property zoned I-1, Light Industrial District. The property is located at 800 Standard Parkway.

Mr. Beckett opened the public hearing at 7:02 p.m.

Mr. Cohen reviewed his letter dated April 8, 2004 with the following recommendations:

The Community Development Department is recommending Approval of the Special Land Use request and offer the following discretionary findings of fact:

1. The location of the use will not negatively impact adjacent areas, which are residential to the south and non-residential to the north, east, and west.
2. The land will be used in accordance with its immediate character, which is planned and zoned for non-residential development.
3. The requirements of Section 1818, Special Land Use Permitted, in Zoning Ordinance No. 372 will be met.
4. The use will promote the purpose and intent of Zoning Ordinance No. 372.
5. The use will be consistent with the health, safety, and general welfare of the City of Auburn Hills, and purpose and intent of Zoning Ordinance No. 372.
6. The intent of Section 1807(3), Open Storage, in Zoning Ordinance No. 372 will be met.

Mr. Wayne Smith, explained Unique Fabricating makes mostly foam parts for the automotive industry. These foam parts are shipped in plastic containers that are owned by the different automotive companies. Storage for these plastic containers when not in use has become overwhelming for Unique Fabricating. The auto companies rely on their suppliers to help store these containers.

Mr. Smith proposed the outdoor storage in the southwest corner of the parking lot, using 12 of the parking spaces. This location has a nine foot elevation differential between Collier Road and the parking lot, which will assist in shielding the view of the containers. There is also a rock embankment and trees that will be shielding the containers. Mr. Smith stated the containers would not be stacked any higher than twelve (12) feet within those twelve (12) parking spaces.

Mr. Smith was satisfied with the suggestion that this Special Land Use be annually renewed. He also mentioned there would be an employee assigned to this area, making sure it is at all times kept neat and to the specifications of the Special Land Use.

Responding to questions from the Planning Commission, Mr. Smith explained he had met with the neighbors and they were not in favor of a lean-to or any type of wall. Sea containers would resemble a
wall, as well. Mr. Smith stated the containers are stacked on wood skids, and turn-over for the skids is very frequent.

With regards to industrial storm water, Mr. Smith stated he has made an application with the MDEQ and will follow accordingly.

Mr. Bruce Brickman, property owner stated any of the landscaping that needed replacing would be completed by May.

Since there were no further questions, Mr. Beckett closed the public hearing at 7:35 p.m.

Moved by Ms. Hurt-Mendyka to recommend to City Council approval of SLU 04-01, Unique Fabricating, Inc. to allow the outside storage of materials on property zoned I-1, Light Industrial district. This Special Land Use shall be for a period of one year and then must be reviewed by the City. The property is located at 800 Standard Parkway (Sidwell No. 14-09-126-005). This is to include the discretionary findings of fact found in Mr. Cohen’s letter dated April 8, 2004.

Supported by Mr. Beidoun.

VOTE: Yes: Beckett, Beidoun, Hurt-Mendyka, Kresnak, Luenberger, Ouellette, Pierce, Verbeke
No: None

Motion Carried (8-0)
Unique Fabricating, Inc.
Nos. 14-09-252-006 and 14-09-276-001
Chairperson Hurt-Mendyka presented the special land use permit to allow outside storage of materials on property zoned I-1, Light Industrial district. The property is located at 800 Standard Parkway.

Mr. Beidoun read a letter from a resident into the minutes, please see attachment D.

Mr. Cohen reviewed his letter dated April 28, 2005 with the following recommendations:

RECOMMENDATION

The Community Development Department is recommending Approval of the Special Land Use request and offer the following discretionary findings of fact:

1. The location of the use will not negatively impact adjacent areas, which are zoned residential to the south and non-residential to north, west, and east

2. The land will be used in accordance with its immediate character, which is planned and zoned for non-residential development.

3. The requirements of Section 1818, Special Land Use Permitted, in Zoning Ordinance No. 372 will be met.

4. The use will promote the purpose and intent of Zoning Ordinance No. 372.

5. The use will be consistent with the health, safety, and general welfare of the City of Auburn Hills, and purpose and intent of Zoning Ordinance No. 372.

6. The intent of Section 1807(3), Open Storage of Zoning Ordinance No. 372 will be met with the applicant’s revised proposal dated April 26, 2005.

Mr. Wayne Smith, Vice President of Operations for Unique Fabricating stated their previous permit allowed stacking the crates twelve feet high. He would now like to stack them fourteen feet high based on recent experience. There has been a fifteen percent growth in their company and the need for outside storage is essential.

Mr. Ouellette asked why a partial fence could not be installed in the corner of the property. Mr. Smith stated they have communicated with their neighbors to get their reaction to putting up a fence. The response was mostly negative towards the installation of a fence.

Mr. Smith stated they will plant more trees to help screen the pallets.

Chairperson Hurt-Mendyka opened the public hearing at 7:52 p.m.

Mr. Solomon, Sr. of Collier Road is against allowing the height of the pallets to increase.

Mr. Solomon, Jr. of Collier Road is against a permanent special land use and he would like to see it approved for one year only.

Public hearing was closed at 7:55 p.m.
Mr. Luenberger moved to recommend to City Council approval of the special land use permit for Unique Fabricating, Inc for a period of one-year. Approval shall allow outside storage on property zoned, I-1, Light Industrial district. The property is located at 800 Standard Parkway. This is to include the discretionary findings of fact found in Mr. Cohen’s letter dated April 27, 2005.

Approval of the permit shall be subject to the following additional conditions:
1. The applicant shall install approximately eight additional 12 feet tall evergreen trees along Collier Road to better screen the storage area. The applicant shall work with staff in regard to appropriate tree placement.
2. The stacking height of material shall be restricted to 14 feet in height.
3. Materials shall only be permitted in the designated area proposed by the applicant.

Supported by Ms. Doyle

VOTE: Yes: Beidoun, Doyle, Hitchcock, Hurt-Mendyka, Luenberger, Ouellette
No: None

Motion Carried (6-0)
The City of Auburn Hills  
Regular City Council Meeting  
September 9, 2002

CALL TO ORDER: Mayor Harvey-Edwards called the City Council Meeting to order at 7:30 p.m. with the Pledge of Allegiance.

ROLL CALL: Present. Mayor Harvey-Edwards, Council Members Kittie, McDonald, McMillin, Newkirk, Sendegas
Absent. Mayor Pro Tem Pillsbury
Also Present. City Manager Ross, Assistant City Manager Tanghe, Assessor Bennett, City Clerk Shannon, Community Development Director McEroom, Department of Public Works Director Culpepper, Fleet Manager Skinner, Library Director Hull, Manager of Public Utilities Melchert, Police Chief Olko, Police Communications Supervisor Griffin, Police Service Officers Piper, Brown, Shepherd and Demare, Recreation Director Marzolf, Brownfield Consultant Greve, City Engineers Hitz and Westmoreland, Brownfield Redevelopment Authority Chair Capen, Planning Commissioners Nahass, Schoofield and McKissack, Retiring Member of the Board of Review and Zoning Board of Appeals Murray, Board of Review Members Chilkott and McAvoy, Zoning Board of Appeals Member Gore, City Attorney Beckerleg
27 Guests

LOCATION: Civic Center, 1827 N. Squirrel Road, Auburn Hills MI 48326

9e. SP 02-11, Joslyn Commerce Park
Mr. McEroom presented the request for Site Plan approval, and a tree removal permit, to allow the construction of a road and a 150,102 sq. ft. light industrial building on a site zoned I-1, Light Industrial, located at the northwest corner of Joslyn Road and Collier Road, part of Stowell No. 14-09-126 003.

Ms. Harvey-Edwards wanted it clarified that a berm and landscaping would, in fact, be constructed to reduce visibility to the bay areas. She further asked if outdoor P.A. systems would be used. Mr. Bruce Brickman, General Development, noted the consent judgment specifically mentions outdoor alarms and garbage pickup being during normal business hours, both of which are addressed in tenant leases and deed restrictions. Mr. Brickman explained that P.A. systems were not addressed in the consent judgment but noted that Unique Fabricating has no plans for a P.A. system. Ms. Harvey-Edwards pointed out there could be unknown tenants in the future. Mr. McEroom stated the site plan does not propose any outdoor loudspeaker system.

Mr. McMillin asked Mr. McEroom if the entrance road was located as far north as possible, per the consent judgment. Mr. Brickman explained the entrance is located as far north as possible without violating the restriction against the drive being parallel to those across the street and while avoiding physical characteristics such as water mains. Answering a question from Mr. McMillin, Mr. Brickman reported he sent all the area residents, prior to the Planning Commission meeting, a map showing all the parcel identification numbers and information on the planned landscaping along Joslyn and Collier.

Mr. Kittie asked why conditional approval is recommended. Mr. McEroom responded that approval was made conditional because it was contingent on the Brownfield Plan approval.

In response to Mr. Kittie’s question regarding the monitoring of methane gas on the site, Mr. Brickman explained there are monitoring wells along the west property line. He noted the Pontiac landfill has methane issues and is working on controls. He also noted those controls are part of the Brownfield Plan. Mr. Brickman reported the landfill has submitted a timetable to the DEQ for having the controls in place by the end of the year.
Moved by Mr. McDonald to accept the Planning Commission's recommendation and approve SP 02-11, Joslyn Commerce Park [site plan approval, and a tree removal permit, to allow the construction of a road and a 150,102 sq. ft. light industrial building on a site zoned I-1, Light Industrial, located at the northwest corner of Joslyn Road and Collier Road - part of Sidwell No. 14-09-126-003], including the discretionary findings of fact from Mr. Steven Cohen, subject to any conditions as recommended by all appropriate agencies.

Supported by Mr. Newkirk.

VOTE: Yes: Harvey-Edwards, Kittle, McDonald, McMillin, Newkirk, Sendegas
No: None

Motion carried (6-0)
CALL TO ORDER: Secretary Schoonfield called the meeting to order at 7:30 p.m.

ROLL CALL: Present. Beidoun, Marien, McKissack, Nahass, Newkirk, Ouellette, Schoonfield
Absent. Beckett, Hurt-Mendyka
Also Present. City Planner Cohen, TIFA Chair Bennett
29 Guests

LOCATION: Civic Center, 1827 N. Squirrel Road, Auburn Hills MI 48326

LD 02-05, Joslyn-Collier, LLC - Public Hearing
SP 02-11, Joslyn Commerce Park
(Sidwell No. 14-09-126-003)
Mr. Schoonfield presented the request to allow the creation of 4 new parcels. The 4 new parcels shall consist of Parcel “A”, 33.890 acres, Parcel “B”, 8.965 acres, Parcel “C”, 4.963 acres and Parcel “D”, 11.736 acres. The parcel is zoned I-1, Light Industrial district and presently consists of 59.554 acres. Approval is also requested to allow the construction of a road and a 150,102 sq. ft. light industrial building on a site zoned I-1, Light Industrial district. The property is generally located at the northwest corner of Joslyn Road and Collier Road.

Mr. Schoonfield opened the public hearing at 7:42 p.m.

Mr. Cohen reviewed City Assessor Bennett’s LD 02-05 letter dated August 7, 2002 with the following recommendations:

I have reviewed the application for Land Division 02-05 and find that it meets the minimum requirements for creating separate legal parcels under the Michigan Land Division Act. Both parcels meet the minimum width to depth ratios of less than 4:1.

It appears that each parcel will be accessible from an existing road. There is also a proposed new public road for access to Parcel B, C, and D. The proposed parcels should be carefully reviewed by the appropriate departments to verify that the width and size of each parcel and the setbacks of existing structures conform to the requirements of the zoning ordinance and that each parcel will have safe access to and from the public roads for vehicles, including access for emergency vehicles. I note that the survey does show public utility easements, and the DPS has indicated that water and sewer are available to all parcels.

Please notify the Assessing Department when the City Council approves the application. Upon approval of the proposed land division by the Planning Commission and City Council, please inform the petitioner the following requirement will have to be met to process new Sidwell Numbers:

1) Recording of the approved survey with Oakland County Register of Deeds office and notifying the Assessor’s office of the recording.

2) Payment of any outstanding property taxes or special assessments, including any which are levied before new tax parcel numbers are issued.
3) Recording an access easement in favor of Parcel A from Joslyn Road.

Mr. Cohen reviewed his LD 02-05 letter dated August 8, 2002 with the following recommendations:

It appears that the proposed land division can meet the minimum requirements of the City Land Division and Private Road Ordinance and State Land Division Act as submitted. The application has been reviewed and recommended for approval by all applicable City Departments and City Engineering Consultant subject to the conditions stated in their respective letters.

Therefore, we recommend Approval provided the Planning Commission and City Council find that the proposed land division will result in lots consistent with the character of the area, City Zoning Ordinance, and City Generalized Master Land Use Plan. The approval shall be subject to the conditions stated with the enclosed correspondence from City staff and consultants.

Mr. Cohen reviewed his SP 02-11 letter dated August 8, 2002 with the following recommendations:

We are recommending Conditional Approval of the Site Plan and offer the following discretionary findings of fact:

1. The Site Plan contains sufficient basic information required by Zoning Ordinance No. 372 for a recommendation.
2. The requirements of Section 1815, Items 7A-7E of Zoning Ordinance No. 372 can be met as follows:
   A) All requirements and standards of the Zoning Ordinance, and other City Ordinances, can be met.
   B) Safe, convenient vehicular and pedestrian ingress/egress has been depicted; primary access will be to Joslyn Road per the Consent Judgment.
   C) Traffic circulation features within the site, and the location of parking areas, avoid common traffic problems and can promote safety.
   D) A satisfactory and harmonious relationship will exist between the proposed development and surrounding area.
   E) The proposed use will not have an unreasonable, detrimental or injurious effect upon the natural characteristics of the subject parcel, or the adjacent area.

3. Based upon the number of employees and floor area, 262 total parking spaces are required and 396 parking spaces are depicted.
4. The parking layout meets minimum requirements and parking spaces are provided for the handicapped (12 are required and 12 are provided). Two parking spaces are van accessible.
5. Building and parking setback requirements will be met. The building meets T&R building setback requirements per the Consent Judgment.
6. Greenbelts will be provided. Greenbelts meet T&R width requirement per the Consent Judgment.
7. Landscape requirements will be met and calculations have been submitted. Upsized sized trees are provided along Collier Road per the Consent Judgment. The applicant proposes to plant 6 evergreen trees off-site across from the proposed Joslyn Road entrance to mitigate headlight glare from vehicles leaving the site.
8. Loading/unloading area will be met. Trucks will not be permitted to idle in the south loading/unloading area. Signs will be posted in the truck dock.
9. A note indicates lighting will be provided at ½ lumen per sq. ft. of parking. No light poles are proposed. Wall-mounted lighting will be shielded and directed downward. A detail is provided on Sheet 7 of 8 which shows the lamp bulbs will not extend below the light fixture shields.
10. A note indicates that signs shall meet the requirements of Zoning Ordinance No. 372. A monument sign which utilizes fieldstone is proposed at the Joslyn Road entrance per the Consent Judgment.
11. A note indicates that parking spaces shall be double striped.
12. Ground-mounted and roof-mounted mechanical equipment will be screened.
13. A note indicates that there will be no pallet storage, overnight vehicles, or trailer storage.
14. An 8 ft. pathway is shown along Joslyn Road. The existing 5 ft. sidewalk will be removed by
the developer.
15. An Environmental Impact Statement has been provided per Section 1814 of Zoning
Ordinance No. 372 since the site is over 20 acres in size.
16. There shall be a restriction included in the leases of all tenants that prohibit the use of outdoor
alarm systems per the Consent Judgment.
17. There shall be restriction in the leases of all tenants that restrict dumpster pick up to “normal
business hours” per Consent Judgment.

ADDITIONAL COMMENT:

1. Site plan approval shall be subject to City Council approval of LD 02-05, Joslyn-Collier, LLC
and all restrictions listed in the governing Consent Judgment dated August 14, 2001.

Mr. Bruce Brickman, General Development Company, stated of the 59 acre parcel, 33 acres are
wetland that will be a dedicated conservation easement to the MDEQ and the City of Auburn Hills. The
proposed road, Joslyn Parkway, will allow access to the southern parcels containing one or two
buildings, a building on the north side of Joslyn Parkway, and one at the rear of the site (adjacent to the
Pontiac landfill) is which proposed to be a 150,000 sq. ft. building. The proposed building will house
Unique Fabricating, which is currently located in Rochester Hills. Unique Fabricating plans to relocate all
of their facilities to this one location in Auburn Hills.

Replying to Ms. Marien, Mr. Brickman explained Joslyn Parkway’s location was determined by the
Oakland County sewer interceptor on the north portion of the property which cannot be moved or built on,
the wetland, and aligning with any driveway on the east side of Joslyn Road. Mr. Brickman stated there
are excellent lanes shown on the site plan, and a traffic signal would be Oakland County’s
determination. Mr. Brickman said he had heard discussions of possibly putting a traffic signal at Collier
and Joslyn Roads.

Mr. Brickman noted the project had been approved by the local Brownfield Authority, and he hoped to
start the construction process next month.

Ms. Marien wanted assurance that the trash pick up would be during typical business hours. Mr. Cohen
said regular business hours are 7:00 a.m. to 7:00 p.m.

Mr. Ouellette had some concern regarding the south truck wells and the residential area across the street.
Mr. Brickman explained because the building sits approximately 12 feet below Collier Road, the truck
wells are an additional 4 feet lower than that, and there will be 10 foot tall trees along Collier Road there
should be minimal impact from the trucks. Mr. Cohen stated a condition of approval is that trucks are not
allowed to idle in the south loading area, as noted on the site plan.

Mr. Tom Takellie, Unique Fabricating, estimated there are approximately 70 trucks a day, noting they
are not all large trucks but a variety of sizes.

Mr. Brickman explained he has had conversations with the resident across Joslyn Road, and both Mr.
Brickman and resident agreed on planting six pine trees in the resident’s front yard to shield the home
from headlights exiting Joslyn Parkway. It will be the responsibility of General Development to replace
any trees that don’t survive.

Mr. Brickman explained Unique Fabricating is a manufacturer of foam type products that are generally
used in the automobile industry, making anything from gaskets to door panels. Mr. Brickman stated there
is no manufacturing of foam because Unique Fabricating purchases large foam sheets from a supplier.
Replying to Ms. Nahass, Mr. Brickman explained the property is owned by General Development and leased, noting there is a ten-year lease with Unique Fabricating.

Mr. Brickman didn’t feel there would be much of an impact on the traffic situation for Joslyn Road. He said the traffic generated from this park would be no different from the traffic generated from the other industrial or technological & research parks located on Harmon or Giddings Roads. Mr. Brickman believed the majority of trucks would be traveling north on Joslyn Road, to access I-75.

Mr. Brickman assured Mr. Ouellette that the lighting would be shielded and pointed downward. Mr. Brickman also noted the audible alarm system would only be heard on the inside of the building as stipulated in the consent judgment.

Mr. Brickman explained for Mr. Beidoun that a permit was obtained from the MDEQ for wetland mitigation. The 33 acre wetland will be dedicated in a conservation easement to MDEQ. One wetland will be filled, by permission of the MDEQ, with an addition and expansion of an existing wetland. This will increase the overall amount of wetlands that currently exist. Mr. Brickman explained the wetlands to the north have expanded over the years because of development and from damming portions of Galloway Creek.

Ms. Marien questioned a letter from OHM, dated August 7, 2002, which refers to proposing to place 6,853 cubic yards of fill material within 1.65 acres of wetlands and to discharging pretreated storm water into the wetlands/stream. Mr. Brickman explained OHM is reiterating in their memo what is already permitted from MDEQ. As far as the water being treated, Mr. Brickman explained any water runoff would go through the storm water drain system, then into the detention ponds, and finally into the creek.

Since there were no further questions, Mr. Schoonfield closed the public hearing at 8:06 p.m.

Moved by Mr. Ouellette to recommend to City Council approval of LD 02 05, Joslyn-Collier, LLC to allow the creation of 4 new parcels. The 4 new parcels shall consist of Parcel “A”, 33.890 acres, Parcel “B”, 8.965 acres, Parcel “C”, 4.963 acres and Parcel “D”, 11.736 acres. The parcel is zoned I-1, Light Industrial district and presently consists of 59.554 acres. The parcel involved in the proposed land division is identified as Sidwell No. 14-09-126-003, which is generally located at the northwest corner of Joslyn Road and Collier Road. This is to include the discretionary findings of fact found in Mr. Bennett’s letter dated August 7, 2002 and all applicable City consultants and agencies. This is to include the recommendation for an ingress/egress for the property that is dedicated to the MDEQ.

Supported by Mr. Beidoun.  
VOTE: Yes: Beidoun, Marien, McKissack, Nahass, Newkirk, Ouellette, Schoonfield  
No: None.  

Motion Carried (7-0)

Moved by Mr. Newkirk to recommend to City Council approval of SP 02-11, Joslyn Commerce Park to allow the construction of a road and a 150,102 sq. ft. light industrial building on a 59.55 acre site, zoned I-1, Light Industrial district. The property is generally located at the northwest corner of Joslyn Road and Collier Road (Part of Sidwell No. 14-09-126-003). This is to include the discretionary findings of fact found in Mr. Cohen’s letter dated August 8, 2002 and all applicable City consultants and agencies.

Supported by Ms. Nahass.

VOTE: Yes: Beidoun, Marien, McKissack, Nahass, Newkirk, Ouellette, Schoonfield  
No: None.

Motion Carried (7-0)
CHECK LIST

PROJECT NAME

Unique Fabricating, Inc.

(Check all that apply)

SITE PLAN

✓ SPECIAL LAND USE

TREE REMOVAL PERMIT

REZONING

PUD

The following items have not been included in your packet of information since they are either common non-controversial items or the recommendations have been noted in the project’s cover letter.

Public Notice

Police Department Approval Letter (Not Applicable)
Fire Department Approval Letter (Not Applicable)
Woodland Consultant Approval Letter (Not Applicable)
Citizen’s Participation Letter and Report (No responses from public)

However, if you wish to see a copy of the above documents, they are on file in the Community Development Department.
INTRODUCTION AND HISTORY

City Staff has planned for road improvements to be performed on Deepwood Drive as part of the City's 5 year road maintenance plan. The proposed work includes repairs to the concrete curb and gutter pan and portions of the base where needed. The island in the cul-de-sac will be modified to accommodate truck traffic turning movements. The island curb in Cross Creek will be modified to establish a pedestrian crosswalk. The existing asphalt pavement will be removed and replaced with new full depth hot mix asphalt (HMA). The preliminary cost estimate to complete the project is $330,000 with 50% of the cost to be borne by the 3 property owners that front the road. The remaining 50% of the cost to be paid for by the City at large.

In April of 2016, City Council adopted a Special Assessment District (SAD) Assignment Policy. City Council also approved an amendment to the Auburn Hills Code of Ordinances, Chapter 58-Special Assessments. The ordinance amendment allows the City Council to assign up to 50% of the cost of a SAD project to the City at large. After the City’s assigned share is deducted from the total cost for the public improvement, the remaining balance may be shared among the property owners who benefit directly from the improvement.

Over that past several months, City staff has been engaged with the property owner’s representatives (beneficiaries) along Deepwood Drive. Notices have been sent to introduce the anticipated SAD road project plan. An informational meeting was held with the property owner’s representatives (beneficiaries) on September 20, 2016 that was well attended. Additional information was provided to the beneficiaries, including the proposed road work, preliminary project cost estimate, the division of total cost share per property assessed, number of special assessment installments, and the City’s anticipated cost share. Emails and phone conversations have followed to ascertain that all beneficiaries of the proposed road improvement of Deepwood Drive received the information and understand the details of the SAD process. The basic preliminary proceedings of a SAD assignment have been recognized.

Provided in the packet is Resolution No. 1 with cover letter prepared by City Attorney, Derk Beckerleg. Adoption of the resolution will provide direction to the City Manager to begin the proceedings of the SAD process. The City will then be able to proceed with the preparation of plans, specifications and cost estimates for the proposed Deepwood Drive SAD. An estimate of the life of the project, description of the proposed SAD, number of installments to be paid by the beneficiaries, and other pertinent information will be determined and provided to the City Council as the SAD proceedings move forward.

STAFF RECOMMENDATION

Staff recommends approval of the resolution provided regarding the proposed SAD for road improvements to Deepwood Drive.

MOTION

Move to approve Resolution No. 1 to Proceed with Preparation of Plans, Specifications and Cost Estimates for Proposed Special Assessment District regarding the repair of and improvements to Deepwood Drive.

I CONCUR:

THOMAS A. TANGHE, CITY MANAGER
VIA EMAIL
Ronald Melchert
rmelcher@auburnhills.org
Director of Department of Public Works
City of Auburn Hills
1500 Brown Road
Auburn Hills, MI 48326

Re: Resolution No. 1 for the Proposed Deepwood Drive Road Improvement SAD
Our File No. 3177 HN5

Dear Ron:

Per our recent discussion, enclosed please find a proposed Resolution to Proceed with Plans, Specifications and Cost Estimates for a Proposed Special Assessment District, also known as Resolution No. 1, with respect to the proposed special assessment district for the repair of and improvements to Deepwood Drive. It would be greatly appreciated if you could make the necessary arrangements to place the proposed Resolution on the City Council’s agenda for its meeting of October 24, 2016.

Thank you very much for your cooperation and courtesy.

Very truly yours,

[Signature]
Derk W. Beckerleg

DWB:cu
Enclosure

cc: Tom Tanghe, City Manager
Terri Kowal, City Clerk
Timothy Juidici, OHM
CITY OF AUBURN HILLS

RESOLUTION TO PROCEED WITH PREPARATION OF PLANS, SPECIFICATIONS AND COST ESTIMATES FOR A PROPOSED SPECIAL ASSESSMENT DISTRICT (RESOLUTION NO. 1)

At a regular meeting of the City Council of the City of Auburn Hills, Oakland County, Michigan, held in the Council Chambers at 1827 N. Squirrel Road, Auburn Hills, Michigan 48326, at 7:00 p.m. on the 24th day of October, 2016, the following resolution was offered by Councilperson __________________ and supported by Councilperson __________________:

WHEREAS, the City is considering the construction of the proposed improvement described below, and the establishment of a special assessment district to defray the cost of such improvement by special assessment against the benefited properties; and

WHEREAS, the proposed improvement (“the project”) is the repair of and improvements to Deepwood Drive; and

WHEREAS, the City Council desires to proceed to the next step of having cost estimates and project description plans and specifications prepared for the project.

NOW, THEREFORE, it is hereby resolved as follows:

1. The City Manager shall direct OHM, the City’s registered professional engineers, to prepare plans and specifications for the project, a cost estimate for the project, an estimate of the life of the project, description of the proposed special assessment district, the number of installments in which assessments may be paid and other pertinent information that will permit the City Council to determine the estimated costs, extent and necessity of the project, including the portions to be paid by special assessments upon the properties that are specially benefited by the project and the portion, if any, to be paid by the City. Such information once prepared by OHM shall be filed with the City Clerk, along with the City Manager’s recommendations with respect to the project.

2. No contract or expenditure, except for the cost of preparing the necessary profiles, plans, designs, specifications and estimates of costs described above, shall be made for the project, nor shall any improvements be commenced until the City Council affirms the special assessment roll to defray the costs of the project.

AYES:
NAYES:
ABSENT:
ABSTENTIONS:
STATE OF MICHIGAN  
COUNTY OF OAKLAND  

I, Terri Kowal, the duly qualified and appointed City Clerk of the City of Auburn Hills, Oakland County, Michigan, do hereby certify that the foregoing is a true and complete copy of a Resolution adopted at a regular meeting of the Auburn Hills City Council held on the 24th day of October, 2016, the original of which is on file in my office.

In witness whereof, I have hereunto affixed my official signature on this _____ day of _____________, 2016.

________________________________
TERRI KOWAL
City Clerk
INTRODUCTION AND HISTORY

City Staff has planned for road improvements to be performed on Pacific Drive as part of the City’s 5 year road maintenance plan. The asphalt road surface, concrete curb and gutter pan, and portions of the base have deteriorated to the point where a significant maintenance repair is needed to preserve the road and protect the City’s investment in this asset. The heavy maintenance identified included concrete curb and gutter repair and asphalt patching that resulted in a budget plan of $650,000. Staff anticipated that the heavy maintenance would have extended the life of the road 5 years before another major repair would be necessary.

In April of 2016, City Council adopted a Special Assessment District (SAD) Assignment Policy. City Council also approved an amendment to the Auburn Hills Code of Ordinances, Chapter 58-Special Assessments. The ordinance amendment allows the City Council to assign up to 50% of the cost of a SAD project to the City at large. After the City’s assigned share is deducted from the total cost for the public improvement, the remaining balance may be shared among the property owners who benefit directly from the improvement.

Taking the City’s current financial situation into consideration, staff determined that money would be better spent to perform a more substantial road repair that would perform for 20 plus years. With the City Council’s action toward consideration of a SAD assignment option to help fund road capital improvement projects, staff recommends a more substantial repair be perform with little additional cost to the City. This option includes remove and replace the existing concrete curb and gutter pan, full depth asphalt, base work, and drain structure repairs where needed, mill the existing pavement and replace with a 3 inch hot mix asphalt (HMA) overlay. The cost estimate for this option is $1.4 million. When coupled with a SAD assignment where the City’s portion is 50% of the total cost, it only raises the City’s contribution ($700,000) approximately $50,000 over the heavy maintenance option ($650,000). That’s $50,000 for a repair that provides 15 years more life expectancy to the road.

Over that past several months, City staff has been engaged with the property owner’s representatives (beneficiaries) along Pacific Drive. Notices have been sent to introduce the anticipated SAD road project plan. An informational meeting was held with the property owner’s representatives (beneficiaries) on September 21, 2016 that was not well attended. However, additional information was provided to the beneficiaries, including the proposed road work, preliminary project cost estimate, the division of total cost share per property assessed, number of special assessment installments, and the City’s anticipated cost share. Emails and phone conversations have followed to ascertain that all beneficiaries of the proposed road improvement of Pacific Drive received the information and understand the details of the SAD process. The basic preliminary proceedings of a SAD assignment have been recognized.

Provided in the packet is Resolution No. 1 with cover letter prepared by City Attorney, Derk Beckerleg. Adoption of the resolution will provide direction to the City Manager to begin the proceedings of the SAD process. The City will then be able to proceed with the preparation of plans, specifications and cost estimates for the proposed Pacific Drive SAD. An estimate of the life of the project, description of the proposed SAD, number of installments to be paid by the beneficiaries, and other pertinent information will be determined and provided to the City Council as the SAD proceedings move forward.

STAFF RECOMMENDATION

Staff recommends approval of the resolution provided regarding the proposed SAD for road improvements to Pacific Drive.

MOTION

Move to approve Resolution No. 1 to Proceed with Preparation of Plans, Specifications and Cost Estimates for proposed Special Assessment District regarding the repair of and improvements to Pacific Drive.

I CONCUR: __________________________

THOMAS A. TANGHE, CITY MANAGER

o:\CITY COUNCIL PACKET\OCTOBER 24\9c. SAD Pacific Drive Road Project\COVER MEMO - Pacific Drive SAD Road Project.Docx
October 17, 2016

VIA EMAIL

Ronald Melchert
rmelcher@auburnhills.org
Director of Department of Public Works
City of Auburn Hills
1500 Brown Road
Auburn Hills, MI 48326

Re: Resolution No. 1 for the Proposed Pacific Drive Road Improvement SAD
   Our File No. 3177 HN5

Dear Ron:

Per our recent discussion, enclosed please find a proposed Resolution to Proceed with Plans, Specifications and Cost Estimates for a Proposed Special Assessment District, also known as Resolution No. 1, with respect to the proposed special assessment district for the repair of and improvements to Pacific Drive. It would be greatly appreciated if you could make the necessary arrangements to place the proposed Resolution on the City Council’s agenda for its meeting of October 24, 2016.

Thank you very much for your cooperation and courtesy.

Very truly yours,

Derk W. Beckerleg

DWB:cu
Enclosure

cc: Tom Tanghe, City Manager
    Terri Kowal, City Clerk
    Timothy Juidici, OHM
CITY OF AUBURN HILLS

RESOLUTION TO PROCEED WITH PREPARATION OF PLANS, SPECIFICATIONS AND COST ESTIMATES FOR A PROPOSED SPECIAL ASSESSMENT DISTRICT (RESOLUTION NO. 1)

At a regular meeting of the City Council of the City of Auburn Hills, Oakland County, Michigan, held in the Council Chambers at 1827 N. Squirrel Road, Auburn Hills, Michigan 48326, at 7:00 p.m. on the 24th day of October, 2016, the following resolution was offered by Councilperson __________________ and supported by Councilperson __________________:

WHEREAS, the City is considering the construction of the proposed improvement described below, and the establishment of a special assessment district to defray the cost of such improvement by special assessment against the benefited properties; and

WHEREAS, the proposed improvement (“the project”) is the repair of and improvements to Pacific Drive; and

WHEREAS, the City Council desires to proceed to the next step of having cost estimates and project description plans and specifications prepared for the project.

NOW, THEREFORE, it is hereby resolved as follows:

1. The City Manager shall direct OHM, the City’s registered professional engineers, to prepare plans and specifications for the project, a cost estimate for the project, an estimate of the life of the project, description of the proposed special assessment district, the number of installments in which assessments may be paid and other pertinent information that will permit the City Council to determine the estimated costs, extent and necessity of the project, including the portions to be paid by special assessments upon the properties that are specially benefited by the project and the portion, if any, to be paid by the City. Such information once prepared by OHM shall be filed with the City Clerk, along with the City Manager’s recommendations with respect to the project.

2. No contract or expenditure, except for the cost of preparing the necessary profiles, plans, designs, specifications and estimates of costs described above, shall be made for the project, nor shall any improvements be commenced until the City Council affirms the special assessment roll to defray the costs of the project.

AYES:

NAYES:

ABSENT:

ABSTENTIONS:
I, Terri Kowal, the duly qualified and appointed City Clerk of the City of Auburn Hills, Oakland County, Michigan, do hereby certify that the foregoing is a true and complete copy of a Resolution adopted at a regular meeting of the Auburn Hills City Council held on the 24th day of October, 2016, the original of which is on file in my office.

In witness whereof, I have hereunto affixed my official signature on this _____ day of ________________, 2016.

________________________________
TERRI KOWAL
City Clerk
To: Mayor and City Council
From: Thomas A. Tanghe, City Manager; Ronald J. Melchert, Director of Public Works
Submitted: October 20, 2016
Subject: Motion – Adopt Resolution No. 1 to Proceed with Preparation of Plans, Specifications and Cost Estimates for proposed Special Assessment District

INTRODUCTION AND HISTORY

City Staff has been planning for significant road improvements to be performed on North Atlantic Boulevard and Continental Drive for several years. The road surface and portions of the base have deteriorated to the point where patching efforts have become costly. Maintenance cost for patching in 2016, including material, equipment and labor, exceeded $28,000.00. This does not include winter pot hole patching efforts. Therefore, it is appropriate for the City Council to consider a complete reconstruction of the roads at this time.

The City of Auburn Hills' financial situation has been strong in past years, allowing the City to pay for 100% of all costs of road improvements. With the downturn in the economy in 2007/2008, the City of Auburn Hills has lost approximately 40% of its taxable value on which the City’s primary tax revenue is generated. As property values have increased, in many cases 10% or greater, the City has only been able to increase the taxable value of properties by the Consumers Price Index (CPI). The CPI this year is currently about 3/10 of one percent and expected to be 9/10 of one percent next year. Also, the City does not receive adequate funding for road improvements from millages, gas taxes, or weight taxes to cover the cost of future road improvements. Even though the City has been fortunate to receive some federal and state aid for road improvements through various funding programs and grants, the City's limited resources for road improvements is dwindling. The rate at which the City’s resources are decreasing to support road and other public infrastructure improvements, has caused the City Council to consider other means to fund projects including establishing a Special Assessment District (SAD) assignment.

In April of 2016, City Council adopted a SAD Assignment Policy. City Council also approved an amendment to the Auburn Hills Code of Ordinances, Chapter 58-Special Assessments. The ordinance amendment allows the City Council to assign up to 50% of the cost of a SAD project to the City at large. After the City’s assigned share is deducted from the total cost for the public improvement, the remaining balance may be shared among the property owners who benefit directly from the improvement.

Over that past several months, City staff has been engaged with the property owner’s representatives (beneficiaries) along North Atlantic Boulevard and Continental Drive. Notices have been sent to introduce the anticipated SAD road project plan. An informational meeting was held with the property owner’s representatives (beneficiaries) on September 21, 2016 that was well attended. Additional information was also provided to the beneficiaries, including the proposed road work, preliminary project cost estimate, the division of total cost share per property assessed, number of special assessment installments, and the City's anticipated cost share. The basic preliminary proceedings of a SAD assignment have been recognized.

Provided in the packet is Resolution No. 1 with cover letter prepared by City Attorney, Derk Beckerleg. Adoption of the resolution will provide direction to the City Manager to begin the proceedings of the SAD process. The City will then be able to proceed with the preparation of plans, specifications and cost estimates for the proposed North Atlantic Boulevard and Continental Drive SAD. An estimate of the life of the project, description of the proposed SAD, number of installments to be paid by the beneficiaries, and other pertinent information will be determined and provided to the City Council as the SAD proceedings move forward.

STAFF RECOMMENDATION

Staff recommends approval of the resolution provided regarding the proposed SAD for road improvements to North Atlantic Boulevard and Continental Drive.

MOTION

Move to approve Resolution No. 1 to Proceed with Preparation of Plans, Specifications and Cost Estimates for proposed Special Assessment District regarding the repair of and improvements to North Atlantic Boulevard and Continental Drive.

I CONCUR: THOMAS A. TANGHE, CITY MANAGER
October 17, 2016

VIA EMAIL

Ronald Melchert  
rmelcher@auburnhills.org  
Director of Department of Public Works  
City of Auburn Hills  
1500 Brown Road  
Auburn Hills, MI 48326

Re: Resolution No. 1 for the Proposed North Atlantic Boulevard and Continental Drive Road Improvement SAD  
Our File No. 3177 HN5

Dear Ron:

Per our recent discussion, enclosed please find a proposed Resolution to Proceed with Plans, Specifications and Cost Estimates for a Proposed Special Assessment District, also known as Resolution No. 1, with respect to the proposed special assessment district for the repair of and improvements to North Atlantic Boulevard and certain portions of Continental Drive. It would be greatly appreciated if you could make the necessary arrangements to place the proposed Resolution on the City Council’s agenda for its meeting of October 24, 2016.

Thank you very much for your cooperation and courtesy.

Very truly yours,

Derk W. Beckerleg

DWB:cu  
Enclosure

cc: Tom Tanghe, City Manager  
Terri Kowal, City Clerk  
Timothy Juidici, OHM

3775209_1.docx
At a regular meeting of the City Council of the City of Auburn Hills, Oakland County, Michigan, held in the Council Chambers at 1827 N. Squirrel Road, Auburn Hills, Michigan 48326, at 7:00 p.m. on the 24th day of October, 2016, the following resolution was offered by Councilperson __________________ and supported by Councilperson __________________:

WHEREAS, the City is considering the construction of the proposed improvement described below, and the establishment of a special assessment district to defray the cost of such improvement by special assessment against the benefited properties; and

WHEREAS, the proposed improvement (“the project”) is the repair of and improvements to North Atlantic Boulevard and certain portions of Continental Drive; and

WHEREAS, the City Council desires to proceed to the next step of having cost estimates and project description plans and specifications prepared for the project.

NOW, THEREFORE, it is hereby resolved as follows:

1. The City Manager shall direct OHM, the City’s registered professional engineers, to prepare plans and specifications for the project, a cost estimate for the project, an estimate of the life of the project, description of the proposed special assessment district, the number of installments in which assessments may be paid and other pertinent information that will permit the City Council to determine the estimated costs, extent and necessity of the project, including the portions to be paid by special assessments upon the properties that are specially benefited by the project and the portion, if any, to be paid by the City. Such information once prepared by OHM shall be filed with the City Clerk, along with the City Manager’s recommendations with respect to the project.

2. No contract or expenditure, except for the cost of preparing the necessary profiles, plans, designs, specifications and estimates of costs described above, shall be made for the project, nor shall any improvements be commenced until the City Council affirms the special assessment roll to defray the costs of the project.

AYES:
NAYES:
ABSENT:
ABSTENTIONS:
STATE OF MICHIGAN  )
 ) ss
COUNTY OF OAKLAND )

I, Terri Kowal, the duly qualified and appointed City Clerk of the City of Auburn Hills, Oakland County, Michigan, do hereby certify that the foregoing is a true and complete copy of a Resolution adopted at a regular meeting of the Auburn Hills City Council held on the 24th day of October, 2016, the original of which is on file in my office.

In witness whereof, I have hereunto affixed my official signature on this _____ day of ____________, 2016.

________________________________
TERRI KOWAL
City Clerk
To: Mayor and City Council
From: Thomas A. Tanghe, City Manager, William Griffin, City Assessor, and Steven J. Cohen, Director of Community Development
Submitted: October 11, 2016
Subject: Motion – Approve Amendment to the City’s Property Tax Incentive Policy

INTRODUCTION
Enclosed is the proposed revision to the City’s Property Tax Incentive Policy. The necessity for this policy change comes as the City struggles with long-term financial challenges relating to a taxable value that no longer produces the revenue necessary to fund general operations without utilizing fund balance. The revised policy was reviewed in detail at the City Council’s workshop held on October 10, 2016.

SUMMARY OF CHANGES
1. Set a minimum investment threshold for tax incentives for real property at two million dollars
2. Eliminated tax incentives for personal property
3. Reduced the length of tax incentives to four, six, and eight years based on set investment levels
4. Eliminated the “special projects” provision since tax incentive length will be based on set investment levels
5. Increased the business residency “clawback” requirements
6. Eliminated extensions for existing and future tax incentives
7. Discontinued the tax incentive review subcommittee (TIRC)

STAFF RECOMMENDATION
The revised policy is a significant shift from the current policy. With the loss of personal property revenue, an overall taxable value reduction of approximately 40%, and the drastically increasing cost of infrastructure improvements; the City is no longer in a position to continue to offer long-term abatements, which at this time do not adequately support our operations. Should our economic condition change, the City Council can once again revisit the policy and adjust accordingly if such further revisions become necessary. This could happen, if for example, changes were needed to become more competitive with tax incentive offerings to attract new and retain existing businesses.

MOTION
“Move to adopt the City’s Property Tax Incentive Policy, as amended, effective October 24, 2016. Current applications for FEV, Martinrea, and ABB, processed in coordination with the Michigan Economic Development Corporation, may proceed under the former policy (i.e., allowable eight year tax incentive with required two year business residency) provided said applications are completed and become effective by December 31, 2017.”

I CONCUR: ____________________________
THOMAS A. TANGHE, CITY MANAGER
Property Tax Incentive Policy

I. Purpose and Intent
Property tax incentives are an important tool that can be utilized to promote economic activity, increase and retain employment, and provide incentives for investment in property that increase the tax base of the City of Auburn Hills.

The purpose of this policy is to inform the business community, and provide procedures and criteria for City Council and administrative staff in reviewing and determining the merits of applications for real property tax abatements, exemptions, or incentives submitted to the City.

The definitions, procedures, and criteria provided in the policy are established as guidelines. The City Council reserves the right to consider exceptions to these guidelines, subject to the legal requirements established under the statutes of the State of Michigan, based on the merits and circumstances of each application and request.

II. Definitions
A. Eligible Businesses - an eligible business is an industrial or commercial use or entity, whether sole ownership, partnership or corporation that meets the criteria established in State law for eligibility for tax incentives

B. Existing Business - a single proprietorship, partnership or corporation that has a facility operating within the corporate limits of the City of Auburn Hills for which a certificate of occupancy has been issued, in which operations and/or business of the facility is taking place in substantially all of the facility and in which the corporation has been operating under a certificate of occupancy for at least one (1) year.

C. Facility - an industrial property that qualifies as a replacement facility, a new facility, or, if applicable by its usage, a speculative building as defined by PA 198, 1974 as amended. Incentives approved as industrial property under PA 198 are issued an Industrial Facility Exemption Certificate (IFEC).

D. Qualified facility - a qualified retail food establishment or a building or groups of contiguous buildings of commercial property that is 15 years old or older or as further defined by PA 210, 2005, as amended. Incentives approved as a Qualified Facility under PA 210 are issued a Commercial Rehabilitation Exemption Certificate (CREC).

E. New Business - a new business is a sole proprietorship, partnership or corporation which does not currently have operations within the corporate limits of the City of Auburn Hills.
F. **New Owner or Lessee** – for those incentives that pertain to real property improvements, the term “new owner or lessee” shall be defined as follows:
   a. A new entity that acquires, owns and occupies or leases and occupies the facility after the existing certificate holder has physically moved from or vacated the facility; OR
   b. An entity that acquires an ownership interest of more than 50% in the existing certificate holder entity that owns and occupies or leases and occupies that facility.

G. **Personal Property** - machinery, equipment, furniture, fixtures and similar items as defined in the General Property Tax Act and that are utilized by the business in producing the end product or service of the business and real property assessable as personal property.

H. **Real Property** - land, buildings, parking lots, utilities and similar items as defined in the General Property Tax Act and as assessed for property tax purposes.

I. **Speculative Building** - as defined in Public Act 198 as amended.

III. **Projects Eligible for Property Tax Incentive Consideration**

A. **New Facility (IFEC)** - Industrial real property and land improvements, other than a replacement facility to be built or installed in a plant rehabilitation district or industrial development district by an existing business or a new business, as provided in PA 198, 1974 as amended may be granted a 50% tax incentive for real property applications approved by the City Council based upon the criteria included in Section IV of this policy. The minimum investment in a facility shall have an estimated construction value of $2,000,000. For purposes of clarification, no personal property tax incentive requests will be approved by the City Council.

B. **Replacement or Rehabilitation of Obsolete Industrial Property (IFEC)** - Real property which meets the definition of obsolete property as contained in the Plant Rehabilitation and Industrial Development Districts Act 198 of 1974 and is included within a plant rehabilitation district and which is proposed for occupancy by either a new business or an existing business and which will require restoration or replacement as defined in the Plant Rehabilitation and Industrial Development Districts Act 198 of 1974 may be granted a 100% tax incentive based upon the criteria included in Section IV of this policy and with the following considerations:
   1) The planned investment must correct functional obsolescence.
   2) The minimum investment in a facility shall have an estimated construction value of $2,000,000.

C. **Rehabilitation of Obsolete Commercial Property (CREC)** - Real property, including land improvements, which meets the definition of a Qualified Facility and is included within a qualified commercial rehabilitation district and which is proposed for occupancy by either a new business or an existing business and which will require rehabilitation as defined in the Commercial Rehabilitation Act PA 210 of 2005, may be granted a 100% tax incentive based upon the criteria included in Section IV of this policy and with the following considerations:
   1) The planned investment must correct functional obsolescence.
   2) The minimum investment in a facility shall have an estimated construction value of $2,000,000.
D. **Transfers** - A transfer of an existing IFEC or CREC may be granted if a new business or existing business purchases or leases property which has an existing certificate in effect pursuant to the provisions of PA 198,1974 or PA 210, 2005, as amended.

E. **Extension of Existing Certificates** - No IFEC or CREC extensions will be authorized.

IV. **Property Tax Incentive Criteria**
A. **Length of Property Tax Incentive** – The length of the IFEC and CREC for real property incentives authorized by the City Council are subject to the following investment levels:

<table>
<thead>
<tr>
<th>Incentive Time Period</th>
<th>Minimum Investment</th>
<th>Maximum Investment</th>
<th>Business Residency</th>
</tr>
</thead>
<tbody>
<tr>
<td>Up to four (4) years</td>
<td>$2,000,000</td>
<td>$9,999,999</td>
<td>See Item C below</td>
</tr>
<tr>
<td>Up to six (6) years</td>
<td>$10,000,000</td>
<td>$24,999,999</td>
<td></td>
</tr>
<tr>
<td>Up to eight (8) years</td>
<td>$25,000,000</td>
<td>N/A</td>
<td></td>
</tr>
</tbody>
</table>

1. Rehabilitation 100% tax incentive certificates shall not exceed six (6) years

B. **Type of Investment** - Investment in real property should include buildings and ancillary facilities associated with the buildings but not include investments made by developers and/or the corporations with items such as water, sewer, streets and other off site development costs.

C. **Business Residency Requirement** - As a condition of receiving an IFEC or CREC pursuant to this policy, a business agrees to operate the facility for which the certificate is granted for the term of the certificate plus an additional term after the date of expiration of the certificate equal to one year of business residency per abated year. For example, a six (6) year abatement will require a twelve (12) year business residency. **Special Exception:** a business eligible for an eight (8) year abatement will only be required to satisfy a twelve (12) year business residency period, in lieu of a sixteen (16) year business residency period.

1) **Length of Lease Term** - A business requesting tax incentives for a facility under a lease must provide a lease that includes an initial length of lease equal to the business residency as outlined in this Section. Options to extend a lease will not be counted as part of the initial term of the lease.

2) **Repayment of Tax Incentive** - If a business vacates or fails to operate the facility for which the certificate is granted for the period of time as outlined in this Section, then it shall be liable for repayment of any property tax savings benefiting the business due to the existence of the certificate, beginning with the initial effective year of the certificate.

3) **Waiver of Repayment of Tax Incentive** - The repayment back taxes required by the business residency requirement may be fully or partially waived by the City Council at the request of a business. The City Council may consider, at its sole discretion, the following criteria when considering a waiver request:
   a. The business is ceasing to operate as a result of circumstances beyond its control, such as natural disasters, unforeseen industry trends, and/or loss of a major supplier or customer.
   b. The business sells the facility and/or operations to another business.
   c. The business has made a substantial investment in another project or projects in the City.
d. Property taxes and jobs have increased at another location owned by the business in the City.
e. The business has made an effort to be a part of the City with employee volunteer assistance and charitable endeavors.

V. **Property Tax Incentive Approval Process and Agreement Compliance**

A. **Staff Review and City Council Approval** - The business shall prepare and file on forms supplied by the City an application for a project eligible for tax incentives which shall include such information as the City Assessor may deem as required to have sufficient information to review and make a recommendation on the final application. The information required shall in all cases include as a minimum all information that is required by statute and by rules of the State Tax Commission.

In addition, the business shall include an executed copy of a Tax Incentive Agreement in a form prepared by the City and approved by the City Attorney. The application, the Tax Incentive Agreement and all auxiliary information shall be reviewed by the City Assessor, and forwarded to the City Council with any comments from the Assessor and an analysis as to whether or not the application meets the criteria established.

The City Council shall review the application and all supporting information and make a determination as to whether or not the application should be approved in accordance with the adopted policy. If the City Council approves the application and the Tax Incentive Agreement, the City Assessor shall cause the application to be forwarded to the State Tax Commission for final review and action. Applications for transfer of an existing certificate shall be reviewed by the City Assessor, and if deemed to be in accordance with the adopted policy shall be submitted for approval to City Council.

B. **Tax Incentive Agreement Compliance** - The business shall be bound by and shall comply with all terms of the Tax Incentive Agreement approved by the City Council. If the City Council at any time determines that the business is in violation of the terms of the agreement or of any other criteria contained in this policy or in State Law, the City Council may notify the business of its intent to hold a public hearing on a possible recommendation to the State Tax Commission that the incentive, abatement, or exemption certificate be revoked.

1) The repayment terms outlined in Section IV and stipulated in the Tax Incentive Agreement may be enforced, should a holder of a certificate not fulfill the terms of this policy or the terms of the Agreement.

2) Should the City become aware that the terms of the Agreement have been violated; the City of Auburn Hills Finance Director may immediately send an invoice for taxes owed, per the Agreement, to the owner or lessee of the facility for which tax incentive has been granted.

3) If necessary, the City Attorney may initiate court proceedings to enforce collection of taxes owed under the terms of the Agreement.

C. **Transfer of Ownership** - Whenever there is a new owner or lessee, as defined in Section 2.F, of any real property for which an IFEC or CREC has been granted, the new owner or lessee shall make application for a transfer of the certificate to the new owner or lessee immediately, but no longer than six (6) months after a change in ownership occurs. The City Council may grant requests to transfer existing certificates provided requests are consistent with this policy or any amendments made to this policy in effect at the time a request for a transfer is made. An updated Tax Incentive
VI. **Operational and Reporting Requirements**

The following operational and reporting requirements shall apply to all businesses receiving tax incentives for real property and shall be enforceable on any and all business, including their successors whether or not included in the Tax Incentive Agreement executed between the City and the business.

The intent of the operational and reporting requirements is to assure that the business fulfills the obligations contained in the Tax Incentive Agreement and the application and auxiliary information supplied to the City by the business. The operational and reporting requirements also include requirements for reporting to the City any changes in investment levels and to require advance notice to the City of any intent to relocate any current business operations located within the corporate limits of the City of Auburn Hills.

The business shall report to the City as required in the Tax Incentive Agreement between the City and the business.

VII. **Additional Requirements**

A business receiving a tax incentive from the City further agrees:

A. To pay the abated real property taxes timely and without penalty. In addition, the business agrees to inform the City Assessor and the City Treasurer of any plans to relocate the business from any location within the City no later than 90 days prior to the relocation.

B. To notify the City Assessor and City Treasurer of any change in the ownership of the business’s real property assets or a majority share of the business’s stocks.

C. To abide by all other city ordinances, building and zoning codes during the operation of the facility.

D. The certificate will begin as of the date issued by the State of Michigan.
FIRST EXTENSION OF LEASE

THIS FIRST EXTENSION OF LEASE is entered into this 10 day of August, 2016 by and between JOSLYN COLLIER III, LLC a Michigan limited liability company, as Landlord, and PYEONG HWA AUTOMOTIVE CO., LTD., a Michigan Corporation, as Tenant.

RECITALS:

WHEREAS, JOSLYN COLLIER III, LLC, as Landlord (the “Landlord”) and PYEONG HWA AUTOMOTIVE CO., LTD as Tenant (the “Tenant”) have entered into a certain Lease Agreement dated April 6, 2011 (the “Lease”) covering the premises located at 765 Standard Parkway, Auburn Hills, MI 48362 (the “Premises”).

WHEREAS, Tenant desires to extend the Lease term of the Premises.

WHEREAS, Landlord and Tenant wish to enter into such First Extension of Lease (the “First Extension”) on the terms and conditions provided below.

NOW, THEREFORE, in consideration of the premises and for good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the parties agree as follows:

1. **Lease Rate.** During the First Extension the base monthly lease rate on the Premises, pursuant to section 4 of the Lease shall be as follows:

<table>
<thead>
<tr>
<th>Period</th>
<th>Rate</th>
<th>Type</th>
<th>Term</th>
</tr>
</thead>
<tbody>
<tr>
<td>September 1, 2018 - Sept. 30, 2020</td>
<td>$23,604.17</td>
<td>NNN</td>
<td>Monthly</td>
</tr>
<tr>
<td>October 1, 2020 - Sept. 30, 2023</td>
<td>$25,492.50</td>
<td>NNN</td>
<td>Monthly</td>
</tr>
<tr>
<td>October 1, 2023 - Sept. 30, 2025</td>
<td>$26,247.83</td>
<td>NNN</td>
<td>Monthly</td>
</tr>
</tbody>
</table>

2. **Improvements.** Landlord will complete improvements shown on Exhibit A herein.

3. In case of conflict with the Lease or any other extensions of the Lease the Tenant may have under the Lease, this First Extension of Lease shall govern. Except as modified and amended hereby, all other terms of the Lease shall remain in full force and effect.

Signatures on next page
IN WITNESS WHEREOF, the undersigned have executed this Agreement as the date first above written.

WITNESSES:

[Signature]

LANDLORD:
JOSLYN COLLIER III, LLC
A Michigan limited Liability Company

BY: [Signature]

Its: [Name]

TENANT:
PYEONG HWA AUTOMOTIVE CO., LTD.,
A Michigan Corporation

BY: [Signature]

Its: [Name]
EXHIBIT A

- Repair front door – replace 2 door closures & 2 manual flush bolt
- Clean office carpet (does not include lifting nor moving furniture or cubicles)
- Strip and wax VCT flooring in office
- Clean CT floors in office
- Touch up paint in hi-traffic office areas
- Touch up paint on shop side of demising wall
- Switch out lamps to LED lamps in shop only
- Touch up epoxy floor by dock loading area and production lines
- Repair man door by dock area

- In the 2018 calendar year landlord shall pain the exterior of the building.
Atlas Copco offers drunk driving simulation at campus

By Natalie Broda
nbroda@digitalfirstmedia.com
@NatalieBroda on Twitter

As a part of its safety, health and environmental week known as SHE Week, Atlas Copco hosted an impaired and distracted driving simulator throughout the day on Monday, Oct. 17 on its Auburn Hills campus. The simulation was facilitated by UNITE's Arrive Alive Tour and gave Atlas Copco employees the opportunity to enter a parked SUV with virtual reality goggles. Participants were then asked to try and avoid pedestrians in the simulation and to make quick decisions on turns and stops. Employees were then given an analysis of how they did including what kind of ticket or jail time they would get for any infractions.

About 200 employees are expected to participate throughout the week as 10 vendors visit the campus to discuss other safety, health and environmental issues.

Tom Dawson, an engineer at Atlas Copco, testing out the drunk and impaired driving simulator on Monday at the Atlas Copco Auburn Hills office.
New equipment for state’s farthest reaching high school radio station

By Natalie Broda

The Avondale High School radio station, WAHS, recently received a grant from the Detroit Sports Broadcasters Association which will be used to purchase new equipment at the state’s farthest reaching high school radio station.

At 2,400 watts, the station has the potential to reach one million listeners across Michigan. The grant, which was for $2,000, will be used to buy new mixers, headphones, cables and headphone amplifiers. In comparison most high school and even some college radio stations run on 100 to 300 watts, according to Kimberly McKnee, broadcast class teacher overseeing the station.

The program began in 1975, but was cut in 2006 due to funding issues. However, the signal remained active and the program was brought back to the school in 2012. “Community radio is an opportunity for all voices in this district and community to be heard,” McKnee said. “The students who have the opportunity to take the class really get to build communication skills and writing skills and they really get to express who teens are. It’s authentic, it’s real.”

Programming includes coverage of high school football games throughout southeastern Michigan as well as public service announcements on everything from teen depression to texting and driving and community events.

“I think this program will help me in the future, especially now with the new equipment and software. It’s so much better now and will allow us to stay as a quality program,” Tristan Shin, a 16-year-old junior said.

The station is live from 7 p.m. to 10:30 p.m. each Friday at 89.5 FM with automated content through the week and weekend.
Canadian supplier to bring 60 jobs to Auburn Hills, breaks ground on tech center

By Natalie Broda
nbroda@digitalfirstmedia.com
@NatalieBroda on Twitter

Martinrea International Inc., a Canadian based tier one supplier of automotive parts, assemblies and modules, broke ground Monday for its new technical center at 2100 Opdyke Road in Auburn Hills.

The108,200 square-foot facility is expected to be completed by July of 2017. Martinrea will make a $1.7 million capital investment into the facility, while the project will be supported in part by a $420,000 performance-based grant from the state of Michigan. The city of Auburn Hills also approved an eight-year property tax abatement valued at $852,000, according to a press release.

The facility will combine the Martinrea sales and engineering staff, currently located in Troy, into a single location with the testing lab. It will house 160 employees at first and is expected to create 60 jobs.

“We’re very excited about the innovative activity happening here, Auburn Hills is a great location,” Pat D’Eramo, president and CEO of Martinrea, said.

Auburn Hills Mayor Kevin McDaniel as well as representatives from Oakland County were in attendance for the ground breaking.

“Businesses are continuing to make strategic investments in Michigan and in today’s competitive global environment, world-class businesses expect a world-class commitment from the communities in which they operate,” Mayor McDaniel said in a press release.
Appeals court: Apartment limit on adults not illegal

AUBURN HILLS (AP) — The Michigan appeals court says an Oakland County apartment complex isn't violating state law by limiting the number of adults in each unit.

Countryside Townhouses in Auburn Hills allows only two adults per apartment unless a child turns 18. The owners say it promotes tranquility, reduces parking congestion and minimizes damage.

The state Civil Rights Commission stepped in when a woman said she couldn't get an apartment with two adult children. The commission said the policy was discriminatory based on age.

But an Oakland County judge — and now the appeals court — disagreed.

The court says the restriction applies to all adults, regardless of age. The court notes that Barbara Smith and her daughters still could have rented two apartments. The 3-0 opinion was released Wednesday.
Inside the new Edscha Automotive facility at 2800 Superior Court in Auburn Hills.

German auto company moves to Auburn Hills, to host job fair

German automotive company Edscha Automotive is in the process of moving their NAFTA region headquarters into the former Dokka Fasteners facility at 2800 Superior Court in Auburn Hills. The facility became vacant in 2015, according to a blog post by the city of Auburn Hills. The company is planning to begin production by January 2017. Edscha will be holding a job fair from 7 a.m. to 6 p.m. Friday, Oct. 14 at the new facility for full-time positions in maintenance, quality, materials and supply chain, engineering, supervisors, team leaders and more.

— Staff writer Natalie Broda
IF PISTONS MOVE DOWNTOWN?
PALACE WOULDN'T BE VACANT FOR LONG

Perhaps the biggest question looming in the metro Detroit development world now is will Detroit Pistons owner Tom Gores move his team to downtown Detroit to play in the new Little Caesars Arena in late 2017. Make no mistake, Oakland County leaders would prefer the Detroit Pistons stay in their current home at the Palace of Auburn Hills rather than move downtown. But here's the good news: If the Pistons do move and the Palace shutters, there is virtually no chance it would become a vacant eyesore like the Pontiac Silverdome after the Detroit Lions moved to Ford Field.

The roughly 100-acre site of the Palace of Auburn Hills sits amid some of the most in-demand land in the universe for new auto-supplier headquarters and research and development parks. In the past two years alone, nine more pre-leased R&D tech facilities have been built in Auburn Hills, bringing another 1.2 million square feet of such space to the market.

And even with those new facilities coming online, the vacancy rate for industrial, light manufacturing, and R&D space in Auburn Hills has shrunk to a

Expect the land to sell quickly, be redeveloped

See PALACE, Page 5A
PALACE: Arena site would be in high demand if Pistons leave

FROM PAGE 1A

negligible 1%, said John De-
Groot, vice president of re-
search for the real estate firm
Newmark Grubb Knight
Frank in Farmington Hills.

“Auburn Hills has been the
mecca for new construction
over the past two years,”
DeGroot said. “That market’s
going to be strong for a long
time.”

So, in all likelihood, if
Gores moves the Pistons
downtown he could either sell
the Palace or redevelop the
site himself in short order.
And that makes a potential
Pistons move to downtown a
lot less threatening for Oak-
land County than it might
otherwise become.

“Clearly, our first option is
to figure out a way how to
keep them profitable and
comfortable right in Auburn
Hills,” said Matthew Gibb,
Oakland deputy county exec-
utive for economic develop-
ment and community af-
fares. “But barring that, that
property is right in the heart
of the largest Tier One auto-
motive suppliers in the world.
So that site, if the Pistons and
the Palace were to go away,
would be gobbled up very
quickly in the international
market for research and de-
velopment or headquarters
sites.”

Thomas Tanghe, city man-
ger of Auburn Hills, echoed
that.

“By no means do I want to
come across as wanting to see
the Palace leave,” he said.

“But should they come to that
conclusion to move the oper-
ations, we’re fortunate. The
location is great. Our rep-
utation as a community is
very solid. And we’re a
sought-after address for the
R&D and high-tech kind of
companies.”

in southeast Oakland County,
only 30 are vacant today. And
good space that comes on the
market doesn’t stay vacant
long. Recently, Recaro Child
Safety Systems left one build-
ing to move into a newly built
one in Auburn Hills, and its
37,000-square-foot former
home was immediately
snapped up by a new tenant.

Tanghe added that any new
R&D park built on the Palace
site would almost certainly
reprogram the Palace mainly
for more concerts plus trade
shows and other events. Or he
could sell the Palace and
leave the decision up to a new
owner. But demolition seems
the most likely course if the
Pistons move, given the po-
tential value of the site for
redevelopment.

If anything, the fact that
the Palace is privately owned
could be an advantage should
the Pistons move. Gores
would be in a position to
reap the value in the land that it
sits on and will be motivated
to redevelop the site or sell it
off redevelopment,” Tanghe
said. “If it was in the hands
of some public authority, we’d
be stuck with it and we’d be
looking at potentially a sec-
don Silverdome.”

He added, “I couldn’t quote
for you the value of that land,
but on a per-acre basis my
guess is that a sales price
would exceed demolition
costs and therefore it would
section to razing the Palace
lies in its relative youthfulness.
Built just 30 years ago
from a design by the architec-
ture firm Rossetti, the Palace
was hailed at its opening as a
landmark in arena design. Its
luxury suites sit much closer
to the action on the floor than
in older arenas where the
suites are up near the rafters.
All new arenas built since
then have followed that lead.
That such an innovative
design could be scrapped

mid-1980s dollars, and Gores
and the previous owner, the
late Bill Davidson, poured
tens of millions of dollars into
upgrading. To write that off
now and raze the arena could
be viewed as a colossal waste.
Or, perhaps, it could be
viewed as a smart real estate
move. If the site becomes
more valuable with a Pistons
move, demolition and rede-
velopment may represent the
only game in town.
Reshuffling could be hint of a Pistons move to downtown

Tellem is taking on more responsibility; Mannion reassigned

By Vince Ellis
Detroit Free Press

A reshuffling is underway among the leadership group at Palace Sports & Entertainment, the organizational entity over the Detroit Pistons. Vice chairman Arn Tellem and Bob Wentworth, a key figure of the ownership group, will now oversee business operations, while PS&E president and CEO Dennis Mannion will move into a new role, a position with firsthand knowledge of the process told the Free Press on Saturday.

Pistons vice president of public relations Kevin Grigg confirmed the news but declined further comment.

Company employees were informed of the reshuffling via a company-wide memo Friday.

The news appears to bring increased responsibility for Tellem, who was hired in June 2015 for a number of initiatives, chief among them the exploration of moving the Pistons to downtown Detroit from Auburn Hills. Tellem also is a representative for the Pistons with the NBA Board of Governors.

The memo also says that Platinum Equity executives Steve Zollo and Dan Krasner will take on larger roles at PS&E, on behalf of ownership.

Tom Gores is the founder and CEO of Platinum Equity, a private equity firm based in Los Angeles. Krasner was instrumental in negotiating the purchase of the Pistons and PS&E from former owner Karen Davidson Gores for $325 million in June 2011.

One of Gores’ first hires was Mannion.

The Free Press viewed a copy of the memo announcing other personnel moves, and one thing is clear: They are being made with an eye toward the future. This will lead to increased speculation that the Pistons are seriously considering a move downtown to partner with the Red Wings and Olympia Entertainment at Little Caesars Arena next fall.

When rumors of the Pistons moving have bubbled to the surface in the past, Platinum Equity spokesman Mark Barnhill has said three criteria must be met to even consider such a move:

■ The Pistons must be an equal partner in the new arena, not just a tenant.
■ The Pistons want to get a return on the substantial improvements made to the Palace of Auburn Hills since Gores bought the team.
■ The Pistons have to ensure that the move doesn’t negatively impact season-ticket holders and sponsors.

When reached Saturday morning, Barnhill declined to comment on speculation about a move downtown and negotiations with the Ilitch family, which owns Olympia, the Red Wings and the Tigers.

Gores confirmed to reporters last month that the organization is “assessing” a possible move downtown.

Contact Vince Ellis at vellis@freepress.com. Follow him on Twitter @Vincent_Ellis35.
ROCHESTER HILLS

Learn the signs of teen substance abuse

Oakland Press staff report

The Rochester/Auburn Hills Community Coalition and the Substance Abuse and Mental Health Services Administration will host a presentation for all parents and teens from 7 to 8:30 p.m., Monday, Oct. 17 at the Rochester Hills City Hall Auditorium, 1000 Rochester Hills Drive.

The event features retired Detroit police officer and local expert Ken Krygel who will explore the latest trends in alcohol and other drug use for middle and high school students.

Parents and teens will learn the dangers and acceptance of trendy drugs, how to identify drug use, the impact of alcohol and other drugs on mind, body and behavior and how to implement the best prevention strategies at home.

The presentation includes the most comprehensive display of at-risk behaviors in the State of Michigan. The event is free and open to the public. No RSVP necessary.

Krygel currently works directly with some of the most at-risk youth in the state. In addition, he conducts workshops for educators, law enforcement officials, community members and parents.

The Rochester/Auburn Hills Community Coalition is a volunteer, collaborative organization of area residents, professionals, business leaders and community leaders dedicated to supporting healthy lifestyles, preventing and reducing substance abuse, and promoting safety across all sectors of the community.

Efforts and programs are primarily focused on youth, but include building adult awareness of the factors influencing the community’s children — including peer pressure and parental behaviors — and providing support in resolving these issues.

The coalition collaborates in creating educational programs and events, supporting alternative activities, and distributing prevention awareness materials across many sectors of our community including youth, parents, media, schools, law enforcement agencies, healthcare professionals, local, county and state governmental agencies, and more.

For additional information about it, visit raabhcc.org.

The Substance Abuse and Mental Health Services Administration is the agency within the U.S. Department of Health and Human Services that leads public health efforts to advance the behavioral health of the nation. Its mission is to reduce the impact of substance abuse and mental illness on America’s communities.
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