FEBRUARY 2016
(02-02-16)

01  Tax Incentive Review Committee, 5:30 p.m., Admin Conference Room  CANCELED
02  Planning Commission, 7:00 p.m., Council Chamber ◆
08  City Council Workshop, 5:30 p.m., Council Chamber◆
08  City Council, 7:00 p.m., Council Chamber ◆
09  Tax Increment Finance Authority, 4:00 p.m., Admin Conference Room ◆
09  Joint Meeting, Planning Commission, Downtown Development Authority, Brownfield Redevelopment Authority, and Tax Increment Finance Authority, 5:30 pm, Community Center Seyburn A Room
10  Pension/Retiree Health Care Boards, TBD, Admin Conference Room ◆
11  Zoning Board of Appeals, 7:00 p.m., Council Chamber ◆ CANCELED
14  Pension Board – Special Meeting, 3:00 p.m., Admin Conference Room ◆
15  Downtown Development Authority, 5:30 p.m., Admin Conference Room ◆
16  Planning Commission, 7:00 pm, Auburn Hills Baptist Church, 3889 Auburn Road.
17  Beautification Advisory Commission, 6:00 p.m., Council Conference Room ◆
22  City Council Workshop, 5:30 p.m., Council Chamber
22  City Council, 7:00 p.m., Council Chamber ◆
25  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
MARCH 2016
(02-02-15)

08  Board of Review, 9:00 a.m., Admin Conference Room ❖
08  Tax Increment Finance Authority, 4:00 p.m., Admin Conference Room ❖
10  Zoning Board of Appeals, 7:00 p.m., Council Chamber ◆
14  Board of Review, 9 a.m. – noon; 1:00 – 4:00 p.m., Admin Conference Room ❖
14  City Council Workshop, 5:30 p.m., Council Chamber ◆
14  City Council, 7:00 p.m., Council Chamber ◆
14  Auburn Hills Historical Society, 7:00 p.m., Auburn Hills Public Library ◆
15  Board of Review, 2:00 – 5:00 p.m.; 6:00 – 9:00 p.m., Admin Conference Room ❖
16  Beautification Advisory Commission, 6:00 p.m., Council Conference Room ◆
16  Planning Commission, 7:00 p.m., Council Chamber ◆
21  Downtown Development Authority, 5:30 p.m., Admin Conference Room ❖
24  Library Board, 7:00 p.m., Auburn Hills Public Library ◆
28  City Council, 7:00 p.m., Council Chamber ◆

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**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 Pro Tem Mitchell at 7:01 p.m.
LOCATION: City Council Chamber, 1827 N. Squirrel Road, Auburn Hills, MI 48326
Present: Mayor Pro Tem Mitchell, Council Members Burmeister, Hammond, Kittle, Knight, Verbeke
Absent: Mayor McDaniel
Also Present: City Manager Tanghe, Police Chief Olko, City Clerk Kowal, Fieldstone Golf Club Manager Marmion, Community Development Director Cohen, City Assessor Lohmeier, Manager of Business Development Carroll, City Engineer Stevens, City Attorney Beckerleg, City Manager Assistant Harris
9 Guests

4. APPROVAL OF MINUTES
Moved by Verbeke; Seconded by Hammond.
RESOLVED: To approve the January 11, 2016 City Council meeting minutes.
VOTE: Yes: Burmeister, Hammond, Kittle, Knight, Mitchell, Verbeke
No: None
Resolution No. 16.01.007 Motion Carried (6–0)

Moved by Kittle; Seconded by Burmeister.
RESOLVED: To approve the January 11, 2016 City Council Workshop minutes.
VOTE: Yes: Burmeister, Hammond, Kittle, Knight, Mitchell, Verbeke
No: None
Resolution No. 16.01.008 Motion Carried (6–0)

4c. Executive Session – November 9 and December 14, 2015
Moved by Knight; Seconded by Hammond.
RESOLVED: To approve the November 9 and December 14, 2015 City Council Executive Session minutes.
VOTE: Yes: Burmeister, Hammond, Kittle, Knight, Mitchell, Verbeke
No: None
Resolution No. 16.01.009 Motion Carried (6–0)

5. APPOINTMENTS AND PRESENTATIONS
5a. Mayor Pro Tem Mitchell – Oakland County Proclamation for Martin Luther King Day Events
Ms. Mitchell explained the City was recognized by the Oakland County Commissioners for hosting a first Martin Luther King, Jr. celebration in the City.
Ms. Kowal read the proclamation.

6. PUBLIC COMMENT
Corey James, representing Community Impact Church, 3545 Auburn Road, announced the church is collecting bottled water for the residents of Flint. The church, who has partnered with a Flint church, hopes to collect 500 cases of bottled water. Donations are being accepted on Sundays, from 9:30 a.m. until 10:30 a.m. and on Wednesdays from 6:30 p.m. until 7:30 p.m. Money donations are also being accepted, and can be donated through the church website, www.mycic.org. All donations, 100%, will be donated to Flint.
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.1. Planning Commission/Brownfield Redevelopment Authority – December 8, 2015
   7a.2. Special Pension Board – January 14, 2016
   7a.3. Tax Increment Finance Authority – January 12, 2016

Moved by Knight; Seconded by Verbeke.
RESOLVED: To approve the Consent Agenda

VOTE: Yes: Burmeister, Hammond, Kittle, Knight, Mitchell, Verbeke  
      No: None  
      Resolution No. 16.01.010 Motion Carried (6–0)

8. OLD BUSINESS

8a. Motion – Approve Contract for Food and Beverage Services for Fieldstone Golf Course

Mr. Tanghe noted the food and beverage service was contracted out a few years ago, and now a new bid was let and four vendors responded to the RFP and proceeded with the mandatory facility walk through. Only one bid was received, Crank’s Catering, who is experienced in all aspects of golf course requirements. This agreement has been reviewed by the City Attorney and is similar to the agreement with the previous caterer.

Mr. Knight is in favor of the proposal, however he is concerned that the menu is more of a banquet menu than a golfer grabbing a quick bite. The higher price range seems the same as the predecessor, and he believes that was a reason the golf club restaurant lost some golfers last year.

Michael Crank explained there will be a grill menu available geared more to the golfer that will have burger and beer specials to keep the golfers at the restaurant. Good quantity, good quality and great service is his intention for the restaurant; a good place to bring a family.

Ms. Hammond noted the sample menu is higher priced than what she thought is should be.

Mr. Crank explained the daily grill menu will be more affordable; the grill menu Ms. Hammond is referring to will be similar to the lunch menu and geared more to the corporate lunch visitors. He is aware of specials offered at Hoop’s and will have similar daily specials and prices.

Mr. Crank stated he will be involved in the operation, however, Jeff Crank, his uncle, will be the day-to-day person in charge and overseeing the business.

Mr. Kittle noted the importance of keeping the league players at Fieldstone and keep them coming back and suggested the possibility of a pizza oven for post-game players. He asked for clarification regarding the liquor liability if someone gets hurt. The beverage cart sells 20 ounce beers and asked if the size might be changed to a smaller size.

Mr. Crank believed the beverage cart will be selling 12 ounce beverages, though no decisions have been made. Regarding the liability, a policy will have to be established of what to do with those who may bring beverages onto the course from an outside source.

Mr. Marmion believes the beverage will be 12 ounces.

Mr. Kittle suggested making it well known to the golfers that outside beverages are prohibited.

Mr. Tanghe confirmed Cranks’ Catering will be paying the City $50,000 for the opportunity to provide restaurant/catering services for Fieldstone, and there is a 15% discount for City functions.

Mr. Kittle feels the 15% discount is cutting close to the break-even point and is curious if that would prohibit other caterers in the community of competing for the City’s business. He suggested removing the discount and let others bid for catering opportunities.

Mr. Knight noted the staff of the prior caterer was quite inexperienced and hopes service will be much better. He also believes Mr. Kittle has a good argument for not including the 15% discount, which would allow others to compete for business.

Mr. Crank believes a strong core management will enable a positive experience at the restaurant. He wants a partnership with the City, which is the purpose of the 15% discount.

Ms. Hammond asked, if the previous caterer will be removed from the City owned liquor license and Crank’s added once approved.

Mr. Beckerleg confirmed the new company will be added once approved; the previous vendor has already been removed.

Mr. Tanghe explained adding the new caterer to the liquor license will take a few weeks.

Mr. Kittle stated the 15% discount will not amount to much and prefers Crank’s to keep that money and be successful.
Mr. Tanghe stated the 15% discount was part of the last agreement and this agreement is much leaner in terms of the money being paid to the City. The percentage of cost share is not included in this agreement, as it was in the previous agreement. The discount is saving money for the taxpayers.

Mr. Marmion stated there is generally only four to six City events that Fieldstone has hosted and/or catered; the 15% discount does not amount to all that much.

Moved by Knight; Seconded by Burmeister.

RESOLVED: To approve the Agreement between the City of Auburn Hills and Crank's Services LLC, for the period of March 1, 2016, through December 31, 2020, under the terms and conditions as set forth in the Agreement; and to authorize the Mayor and City Clerk to execute the Agreement on behalf of the City.

Mr. Knight stated he can amend the motion to exclude the 15% discount, but he believes it is wise to leave the discount as part of the agreement, since there aren’t many City events.

Mr. Kittle is fine with leaving the 15% discount in the agreement, but wants this to be a successful venture.

Ms. Mitchell noted there is a review process in the agreement and if necessary, the 15% discount could be revisited at that time. She too, wants this venture to be successful.

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

Resolution No. 16.01.011 Motion Carried (6–0)

8b. Motion – Approve Tax Incentive Review Policy Amendments

Mr. Lohmeier explained the Tax Incentive Review Committee (TIRC) has been interested in reviewing the TIRC policy, making improvements to the transparency and making the process much smoother. As a result of the joint meeting of TIRC and City Council, two changes were suggested:

- Exemption certificates begin at issuance, and not after completion.

Section VII. 4. The Company agrees the certificate will begin as of the date issued by the State of Michigan and shall not begin after its project completion.

The new proposed policy language was reviewed by City Attorney Beckerleg. If an abatement is approved while the building is being constructed in the two-year window, the construction is part of the certificate. This will assist in determining when a lease expires and when the business residency requirement claw-back would be applied. This has been the City’s past practice.

The second change proposal is:

- Special projects will no longer be identified by number or within dates offered.

Subsection II(E) of the current policy identifies special projects, and allows a total of five. The new proposed language strikes the limit of five special projects, allowing Council to decide on a case-by-case basis.

Mr. Kittle asked for clarification on when the current abatements begin and if that will continue to be the case.

Mr. Lohmeier explained taxes are determined December 31st and includes any construction that has begun during the year; taxes are based on the improvements that have been made to the property as of December 31st. If construction exceeds the two years allowed, a one year extension can be requested.

Regarding Special Projects, Mr. Kittle understands a 12 year abatement is available, however, he asked if it is possible for a company to request an additional four year abatement once the original eight year is nearly expired. He also questioned the word ‘Special’, noting many people find their particular project ‘Special’ and maybe that’s the driving force behind the requests.

Mr. Lohmeier agreed with Mr. Kittle, but explained the City’s policy has an occupancy type and investment level that will allow a certain number of years, dependent on whether the company is manufacturing or engineering, and what is the investment amount. The City’s maximum policy is eight years, so if a company spends $50 million in putting up a brand new building, the maximum under the Policy would be eight years, unless the company came before Council and proved the project would qualify as a ‘special project’. Prior to the eight year abatement expiring, the company could seek an additional four years, for a total of a 12 year abatement.

Mr. Kittle believes that with the time it takes to build out, the PPT, and the additional tax revenue generated, it would be advantageous for Council to understand what the cost structure and manpower needs would be in that time frame.

Ms. Verbeke noted she had attended the meeting in which this was discussed, and doesn’t believe this draft reflects the discussion and the intended outcome. She doesn’t understand the changes and questioned if an applicant would understand the Policy amendments.

Mr. Lohmeier stated he drafted the language based on page two of the application; the language that is used after completion of the project. The language was discussed with City Attorney Beckerleg, resulting in some tweaking and making the process more clear. This application will be in unison with either him or a staff member sitting with the applicant and explaining the process, line-by-line. There was nothing in the Policy that referenced line two of the application.
Ms. Verbeke appreciates staff reviewing the application with the applicant, but is concerned for those looking on-line and their understanding of the application process.

Moved by Kittle; Seconded by Hammond.

RESOLVED: To amend the City of Auburn Hills’ Property Tax Incentive Policy, effective January 25, 2016, by adopting the Property Tax Incentive Policy with new effective date of January 25, 2016.

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

Resolution No. 16.01.012

9. NEW BUSINESS

9a. Motion – Request to Waive the Business Residency Required by the Tax Incentive Agreement / Dokka Fasteners, Inc.

Mr. Lohmeier explained Dokka Fasteners, Inc. (Dokka) has submitted a request to waive the business residency “claw back” provision for both the real and personal property, located on Superior Court. The initial request was granted in 2010; the business model has since become unprofitable. The company has lost contracts and orders due to the unstable wind industry in America and the strong U.S. dollar against European competitor’s low priced products.

The real property abatement for this property was originally granted to Faurecia and was transferred to Dokka. Dokka agreed to remain in the facility for an additional four years after the expiration of the certificate on December 30, 2015, as required with the four year extension. Dokka also applied to the State for a PA 328, Personal Property Abatement Exemption, in 2010. The abatements received are $44,137 for the real property; 50% of the investment amount. The personal property abatement is $221,578; a total abatement of $265,715.

Staff recommends waiving the claw-back based on past practices, since Dokka Fasteners is a now closed operation. Many other alternative energy business have also closed. Some of the employees have found jobs at other businesses within the City; Dokka has been trying to find suitable positions for their employees.

Mr. Lohmeier confirmed for Mr. Knight the real property abatement portion ended December 31, 2015; the residency requirement would extend for the next two years. He continued, explaining the personal property abatement carries an additional four years, depending on when the personal property was installed.

Ms. Verbeke asked if this is an all or nothing decision.

Mr. Lohmeier explained the past practice has either been to waive the residency requirement or have the business pay the taxes owed.

Mr. Kittle asked if the company is willing to make a settlement with the City as opposed to the City waiving all of the taxes.

Marc Standquist, Executive Vice President of the Wurth Group, explained in the summer of 2010, the Wurth Group, a German based company, made the decision to put a world class fastener company someplace in the United States. Auburn Hills was chosen for this facility that is unlike any other in the United States. All of their competition is located in Europe, the currency exchange rate in March 2014 was 1.37% and today it’s at 1.08%; the decline in demand was strictly cost. The product can be manufactured nearly 25% less in Europe. The other issue is wind power industry. There was a federal government production tax credit that drove the wind power industry for the last 20 years, but has since expired.

The customer base that Dokka counted on supporting no longer exists. Nordex, a very large German wind power company had a facility in Arkansas, and because of the instability of the wind power tax credit the company shut down the Arkansas facility. Many facilities have closed or cut production, there are only three remaining in the U.S. After losing millions of dollars, it was decided to close the Auburn Hills facility where there were 37 employees. There are only four employees remaining who don’t have a job. They have been good corporate citizens and there are no employees on unemployment. Unlike the previous tenants of the building, the company is not moving to another state. The equipment will be sold or shipped to Norway where the original company resides.

Mr. Kittle remembers when Faurecia closed that facility and Dokka Fasteners moved in. He dislikes seeing any business shuttering their operation especially because of currency economics. The renewable energy movement is a big question mark, with the federal government backing out of their support. He understands and is saddened, but he also has to consider the City’s wellbeing. He would like to reach an amicable amount of payment.

Mr. Knight appreciates why the business didn’t succeed and applauds the effort in finding jobs for their employees, but he sees the company as taking care of all concerned, except the City. The idea of an abatement is the cooperative effort between the community providing good services and the business providing jobs and bringing in taxes. This is a for-profit company that came to the United States seeing a great opportunity to make a profit. He noted there was an understanding of both parties for the abatement and it isn’t the fault of the City for the business failing. He believes the company should pay the full amount due, as an obligation of being in business.

Ms. Hammond noted she has not been in favor of forgiving the claw-back in the past. Services were provided by the City. She is willing to settle on an amount that works for both Dokka and the City.

Mr. Burmeister, too is struggling with the waiving of the claw-back and is willing to discuss a lesser pay-back amount.
Ms. Mitchell echoes Mr. Knight’s sentiment. She also understands the sentiments of the other Council Members and asked Mr. Lohmeier if an alternate amount is possible and can be investigated and brought back to City Council.

Mr. Lohmeier stated it isn’t necessary to make a decision immediately.

Mr. Tanghe stated the City can negotiate an amount with Dokka.

Mr. Knight believes negotiating an amicable amount is setting a precedence and the City should either forgive the debt or demand the payback. If having negotiations with a business is an alternative, then that should be included in the abatement policy.

Mr. Tanghe believes this is very circumstantial, this company is not sneaking out in the middle of the night, they are trying to do what is right; they have gone out of business. This would be a very different situation if this company was just moving from Auburn Hills to another community and dodging responsibility to the City. An equitable solution can be realized, but not at this evening’s meeting.

Moved by Kittle; Seconded by Burmeister.

RESOLVED: To postpone action on the request by Dokka Fasteners, Inc.

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

Resolution No. 16.01.013 Motion Carried (6–0)

9b. Motion – Approve PUD Step Two – Site Plan / the Parkways (Area D)

Mr. Cohen explained this request is to construct 30, two story townhouses in Area D of The Parkways. When complete, the Parkways will contain 76 townhomes, 72 stacked flats and a 160 unit congregate care facility. Construction is not anticipated to begin until the fall of 2017. Approval is being sought so Moceri can complete financing for the project. It is noted that PUD Step Two – Site Plan approvals are granted for three years, thus construction on this phase must start by January 2019 or the approval will expire.

Referring to the site plan, Mr. Knight asked why the break-away gates are necessary and why those roads aren’t free-flowing.

Mr. Cohen explained that issue has been resolved, in the past there was concern that this new development would be a burden on the private streets of Forester Square.

Mr. Kittle noted he attended the Planning Commission meeting when this item was discussed and a Forester Square homeowner’s association representative also attended that meeting. She was well informed, amicable and was looking forward to the project. The one concern was spill-over parking if there was a big event, but it was noted that wouldn’t likely happen more than once or twice a year.

Ms. Hammond is very pleased with the plan, but is disappointed construction won’t be starting until 2017.

Brandon Guest, Moceri representative, explained the issue of not beginning construction until 2017, in that there is a shortage of laborers. He confirmed for Mr. Knight these will be rental units.

Moved by Burmeister; Seconded by Hammond.

RESOLVED: To approve the PUD Step Two – Site Plan for The Parkways Phase Two for the construction of 30 townhouse units subject to staff and consultant’s conditions.

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

Resolution No. 16.01.014 Motion Carried (6–0)

9c. Motion – Approve Text Amendment to Zoning Ordinance / Section 1811. Signs

Mr. Cohen explained City Council amended this ordinance in 2000 to increase the minimum separation requirement for billboards from 1,000 feet to 10,000 feet, limiting the number of future billboards in the City.

In February 2014, the U.S. Court of Appeals upheld a lesser 4,000 foot minimum billboard standard. It is the City Attorney and staff’s recommendation to reduce the City’s current requirements from 10,000 feet to 4,000 feet, to be in line with the court decision. No additional billboards would be permitted in the City unless approved by the City Council.

Additional recommendations to the ordinance include a better explanation of why the City regulates billboards; update the height and setback requirements to meet modern standards; add provisions for LED digital display on billboards; and any variances of this section can only be granted by the City Council. The 1,000 foot separation from a one family residential district remains, it has not been reduced.

Mr. Cohen confirmed for Ms. Verbeke there are no areas in the City where any more billboards can be constructed, unless through the PUD process or amending an existing consent judgement.

Mr. Kittle asked if the height for the billboard located in front of Big Buck Brewery has been checked. Mr. Cohen stated no, but will forward the information as soon as it’s available.

Mr. Cohen confirmed the request for the amendment is because the 10,000 feet may not be enforceable, as indicated by the current case law in Gaines Township.
Ms. Verbeke stated she is not in favor of decreasing from 10,000 to 4,000 feet, but will support the amendment because of the case law. This will also limit the number of additional signs, unless approved by Council.

**Moved by Kittle; Seconded by Burmeister.**

RESOLVED: To accept the Planning Commission's recommendation and approve the enclosed text amendment to Section 1811. Signs of the Zoning Ordinance amending the standards for billboard signs. The amended ordinance shall be referenced as Ordinance 16-872.

**VOTE:** Yes: Burmeister, Hammond, Kittle, Knight, Mitchell, Verbeke
No: None

**Resolution No. 16.01.015** Motion Carried (6–0)

9d. **Motion – Approve Resolution Opposing House Bill 5016**

Ms. Carroll explained currently in committee, House Bill 5016 relates to telecommunication lines. Telecommunication companies and other utility companies are asking for special exemptions from the State legislatures. This could impact funding abilities for communities, the road commission, as well as state revenue dollars.

There are other communities that are sending resolutions in opposition to legislatures.

Mr. Knight noted the memo states ‘If passed, municipalities would be required to pay a private, for-profit company for moving their telecommunication lines within the public rights-of-way’ and asked who their.

Ms. Carroll explained it refers to a company’s utility lines. An example, if there was a major road improvement project and underground lines needed to be relocated, a municipality or other entity would be required to give the telecommunication or utility a one year notice of the construction. If that notice is violated the community or other entity could be fined and responsible for the cost of relocating the line. There will be no exceptions.

Mr. Kittle stated he understands the utility’s side, but in the case of Taylor Road improvements, there were merely months from starting the improvement and having it completed.

Responding to Ms. Mitchell, Ms. Carroll stated she hasn’t seen any resolution from the neighboring communities, just a few from the west side of the State.

**Moved by Verbeke; Seconded by Hammond.**

RESOLVED: To approve the attached resolution opposing House Bill 5016.

Mr. Kittle asked, using the Taylor Road example, the City would have been forced to pay a portion of the relocation of any utility lines.

Ms. Carroll stated as the current legislation is written, the cost would be 50% for a public entity. There has been two amendments so far, while in committee. Currently the City would pay nothing towards the relocation of utilities; however, the City also does not charge a utility who has their lines located in the road right-aways.

Mr. Tanghe agreed the Taylor Road improvement is a very good example, of not having time to plan a year out for the improvements. The legislature is considering legislation that penalizes one of its own state agencies, such as MDOT.

**VOTE:** Yes: Burmeister, Hammond, Kittle, Knight, Mitchell, Verbeke
No: None

**Resolution No. 16.01.016** Motion Carried (6–0)

10. **COMMENTS AND MOTIONS FROM COUNCIL**

Ms. Verbeke:
- Reminding those Auburn Hills residents residing in the Pontiac School district, there is a question on the March 8th ballot to support a new millage. She noted an absentee ballot can be obtained by contacting the City Clerk’s office.

Mr. Burmeister:
- Asked the status of the Bald Mountain Road barn.
  - Mr. Tanghe stated the barn has been torn down and everything that could be salvaged is at the DPW facility.
- Noted City Council spent no money this evening.

Mr. Kittle:
- Regarding the smart meter email that was recently received, he found it to be one of the more compelling articles he has read pertaining to the personal information that is gathered and used for profit by others. He is going to keep a watchful eye to see if the article proves true, and if so, he will support a resolution against smart meters.

Mr. Knight:
- In an effort to save money, the Avondale Youth Assistance will not be mailing individual invitations, but City Council is invited to attend the volunteer program on February 2nd, at the Community Center.
- He enjoyed the Martin Luther King celebration program, it was a great program and applauds the staff that planned the event.
• In the TIFA minutes, he read there is concern regarding signage on the entrance ramp to the diverging diamond and asked for reference.

  Police Chief Olko explained the area of concern is the northbound ramp onto eastbound University Drive. There is a question if a driver must stop before proceeding on a red light. MDOT has been asked if adding additional signage would be beneficial or possibly a flashing red light, since there have been a number of minor crashes. She also noted turning left on a red light from a one way road to another one way road is permissible.

  Mr. Tanghe stated the concerns the City receives are being passed to MDOT, who has jurisdiction over the bridge.

• The gate at Pixley Funeral Home was allowed to be open accessing Cherryland but not on Juniper, for funeral processions. He doesn’t believe the gate accessing Juniper should be closed since it isn’t a real cut-through. When going east on Auburn Road, a flower box blocks the view of the Juniper street entrance and suggests the box be removed. He would also like to see lane striping on Juniper, up to the curve.

• He was surprised at staff’s recommendation on the Dokka issue.

11. CITY ATTORNEY’S REPORT - none

12. CITY MANAGER’S REPORT

• Commended staff of the Community Development Department for the northeast corner neighborhood planning event that was held. There were more than 100 people in attendance. For those who’d like to learn more, they can contact the Community Development Department.

• He and Mr. Cohen recently were invited to participate in an OU master plan meeting. Discussion included some future buildings, including a 750 bed residential dorm.

• The City is currently entertaining an offer for the 17 acres located downtown, which the City purchased, anticipating redevelopment.

• Mr. Knight asked about the Oakland University master plan and if there is any plans for Butler Road.

  Mr. Tanghe stated that topic was not discussed, but there is always conversation about the road. The Board of Trustees have not changed their stance of granting any type of road right-of-way easement for the paving of Butler Road. The greatest challenge will be funding if the road right-of-way is ever granted.

  Mr. Knight stated City Council, 25 years ago, promised the voters of the City that every road would be paved when the millage was approved. That promise has not been fulfilled.

• Phase one of the River Walk project includes the construction of a 500 seat amphitheater at Riverside Park. There will be an 800 square foot, brick paver plaza, with a motion activated spray pad for children. The plaza pavers are available for adoption through a donation drive ranging in price $100 to $500; more information is located on the City’s web site, www.auburnhills.org. Funding the project will continue through the year, with construction beginning in 2017. The City has received some large corporate donations as well as from a family foundation. The price tag for the project is $1 million, and TIFA has donated $275,000; the remaining funding will be from private donations.

  Ms. Hammond asked if there is another means for donations other than the City’s website.

  Mr. Tanghe stated forms are available at the front desk of City Hall, as well as the Community Center and the Library.

13. ADJOURNMENT

Hearing no objections, the meeting adjourned at 8:42 p.m.

__________________________________  ____________________________________
Kevin R. McDaniel, Mayor                  Terri Kowal, City Clerk
RESOLUTION IN OPPOSITION TO HOUSE BILL 5016

WHEREAS, the Michigan House of Representatives is currently considering House Bill 5016; and
WHEREAS, this bill would require municipalities reimburse a telecommunications provider a portion of relocation costs if a community fails to notify the provider at least one year in advance of a project that will require relocation of their lines; and
WHEREAS, utilities already benefit from the free use of the public rights-of-way that would otherwise be very costly to purchase; and
WHEREAS, this house bill will eliminate the City’s ability to charge for a permit fee, inspection fee or survey cost when a relocation is required; and
WHEREAS, this legislation sets a negative precedent in the state that could lead to other utility providers seeking the same provisions; and
WHEREAS, House Bill 5016 has a negative fiscal impact on local units of governments across the state; and
NOW, THEREFORE BE IT RESOLVED, that the City Council of Auburn Hills strongly opposes House Bill 5016.

ADOPTED by the City Council of the City of Auburn Hills, this 25th day of January, 2016.

Yeas: Mayor Pro Tem Mitchell, Council Members Burmeister, Hammond, Kittle, Knight, Verbeke
Nays: None
Absent: Mayor McDaniel

Resolution No. 16.01.016 Adopted (6-0)

Certification:
I, Terri Kowal, the duly appointed City Clerk of the City of Auburn Hills, County of Oakland, State of Michigan, do hereby certify that the foregoing is a resolution adopted by the Auburn Hills City Council at their regular meeting held on January 25, 2016.

__________________________________
Terri Kowal, City Clerk
5a. Presentation – Citizen Award – Rob Cox and Nelson Cox

NO ELECTRONIC INFORMATION AVAILABLE
LOCATION: Auburn Hills City Hall, Administrative Conference Room, 1827 North Squirrel Road, Auburn Hills, Michigan 48326

CALL TO ORDER: Chairman Spurlin called the meeting to order at 5:35 PM.

ROLL CALL

Present: Genautis (arrived at 5:55 due to a work obligation), Gliniecki, Hutchison, McDaniel, Spurlin, Travnikar, Volk and Young

Absent: Wise

Also Present: Assistant City Manager Don Grice, Director of Authorities Samantha Mariuz

Guests: None

PERSONS WISHING TO BE HEARD

None

CORRESPONDENCE & PRESENTATIONS

None

APPROVAL OF MINUTES

Mayor McDaniel would like to update the minutes from the October 19, 2015 DDA Board of Directors meeting to indicate his absence was due to a previously scheduled grand opening ceremony for Noah’s Event Venue.

Moved by Mr. Volk to approve the October 19, 2015 minutes with corrections.

Support by Ms. Hutchison.

Yes: Gliniecki, Hutchison McDaniel, Spurlin, Travnikar, Volk and Young

No: None

Motion carried

FINANCIAL REPORT

Mr. Grice presented the financial report ending December 31, 2015. The two corresponding documents to this financial report include: Revenue and Expenditure report for period ending 12/31/2015; and Balance Sheet for Period ending 12/31/2015. The only expenses that the DDA has experienced are $4,000 that was spent in the cost of mailings and postage, along with newspaper releases in accordance with DDA legislation for the adoption of the Tax Increment Financing and Development Plan. Currently, the DDA has only experienced one tax cycle of revenue.

Ms. Mariuz indicated that moving forward, as she becomes more familiar with running the DDA financial reports, she will clean up the layout of the document and make it more legible to the Board. It is also noted that when projects and descriptions become more detailed, the Board will receive updates and further reports from the Finance Department who can better explain the details of the financial report and its impact on the DDA.

Moved by Mr. Gliniecki to receive and file the Financial Report for period ending 12/31/2015.

Supported by Chairman Spurlin.

Yes: Gliniecki, Hutchison McDaniel, Spurlin, Travnikar, Volk and Young

No: None
OLD BUSINESS
None

NEW BUSINESS
7a. Election of Officers

Mr. Travnikar nominated Mr. Spurlin as Chairman of the Board for 2016.
Supported by Mr. Gliniecki.

Yes: Gliniecki, Hutchison McDaniel, Spurlin, Travnikar, Volk and Young
No: None

Motion carried

Mayor McDaniel nominated Mr. Young as Vice Chairman of the Board for 2016.
Supported by Mr. Volk.

Yes: Gliniecki, Hutchison McDaniel, Spurlin, Travnikar, Volk and Young
No: None

Motion carried

7b. Adoption of the 2016 Board Meeting Schedule

Mr. Grice presented a memo dated January 11, 2016 proposing the 2016 Board of Director’s Meeting Schedule as the third Monday of each month at 5:30 PM in the Administrative Conference Room. The proposed schedule is the same as the schedule decided upon by the Board in 2015. The meeting schedule may be modified to accommodate the needs of the Board and constituents upon at least eighteen hours’ notice per DDA statute.

Moved by Vice Chairman Young to approve the 2016 Downtown Development Authority Board of Directors Meeting Schedule as the third Monday of each month at 5:30 PM, in the Administrative Conference Room.
Supported by Mr. Travnikar.

Yes: Gliniecki, Hutchison McDaniel, Spurlin, Travnikar, Volk and Young
No: None

Motion carried

7c. Appointment of Samantha R. Mariuz as Executive Director

Ms. Mariuz presented a memo dated January 11, 2016. Mr. Grice reminded the Board of their previously adopted a resolution approving the Director of Authorities position. Samantha Mariuz was selected through the interview process and began working as Director on January 11, 2016. Samantha is responsible for the city’s three economic development entities; Tax Increment Finance Authority, Downtown Development Authority and the Brownfield Redevelopment Authority.

Mayor McDaniel suggested to separate the original motion into two separate motions. Therefore there is one motion for Don’s resignation as Executive Director and another motion for the appointment of Samantha Mariuz as Executive Director. These motions reflect those changes:

Moved by Chairman Spurlin to accept the resignation of Donald K. Grice as Executive Director of the auburn Hills Downtown Development Authority effective 11:59 PM on January 18, 2016.
Supported by Mr. Volk.

Yes: Gliniecki, Hutchison McDaniel, Spurlin, Travnikar, Volk and Young
No: None

Motion carried

Moved by Mr. Volk to appoint Samantha R. Mariuz as the Executive Director of the Auburn Hills Downtown Development Authority effective January 19, 2016.
Supported by Mr. Travnikar.

Yes: Gliniecki, Hutchison McDaniel, Spurlin, Travnikar, Volk and Young
No: None
7d. Approval of Downtown Website

Ms. Mariuz presented a memo dated January 11, 2016 for approval of a Downtown Auburn Hills website. Ms. Mariuz described that the city currently utilizes the services of Revize to develop and manage the municipal website. Recently, staff reached out to Revize to generate a quote for a Downtown specific website. The first year costs in the quote included $2,200 for the website and design, as well as $800 for software and support. The ongoing yearly charge to continue the website is $800. Staff recommends Revize not only for the ongoing relationship that the city maintains, but also because of the competitiveness of the cost.

Ms. Mariuz indicated that website could include things that are specific to Downtown including, but not limited to: merchant spotlights, a downtown calendar, picture streams from events, advertisements from merchants, interactive downtown maps, parking maps, highlights of restaurants and activities downtown, as well as available land, developments taking place and information about where a developer can go for additional information as well as where someone interested in renting or purchasing housing can get more information.

The Board discussed the necessity to do this at this point in time. It may be more beneficial to wait until there are more funds available and the DDA is more well-established.

Mr. Gliniecki confirmed that this website is different than the city webpage and has its own content management system separate from the city. Mr. Grice concurred and mentioned that as there is a larger budget we can add more to the website and optimization.

Mayor McDaniel wanted to be sure that we are happy with the quality of the website before we move forward. Mr. Grice added that we are looking at options to make the city’s website more mobile friendly, however the proposal for the Downtown Website has a responsive layout.

Chairman Spurlin asked who currently hosts our webpage. Ms. Mariuz replied that Go Daddy currently hosts our webpage.

Mayor McDaniel would like us to purchase www.downtownauburnhills.com/.org/.net

Ms. Mariuz mentioned that we will purchase those domain names this week so we have them.

Ms. Genautis Arrived at 5:55 PM

Mr. Volk asked if there are any other ‘sub-sites’ through Revize in Auburn Hills. Ms. Mariuz mentioned that there currently is not, however other cities like Birmingham has their municipal page and their ‘Explore Birmingham’ webpages for their Downtown. Mr. Volk asked if the DDA would be responsible if the city decided to do any major upgrade. Ms. Mariuz indicated that the municipal website and the DDA website would be completely separate, therefore the DDA would not be responsible for any upgrade the city makes to their web page or vice versa.

Mr. Travnikar asks if this quote includes search engine optimization (SEO). Ms. Mariuz indicated that it does not.

Vice Chairman Young indicated that the site is important, however as we move forward in the future we will need additional features such as SEO.

Chairman Spurlin asked if the host site Go Daddy, would be designing the website. Ms. Mariuz responded to the board that Go Daddy would not design the website, Revize designs the site and Go Daddy would simply host the domain name.

Mr. Gliniecki suggested that we defer this topic to a different meeting. The Board would like to have a better understanding of the benefit and how it fits into the city. They would like to know what value this adds to Downtown compared to the resources that we already have.

Mayor McDaniel suggested that we should purchase the three domain names suggested and mask them to link directly to the city’s downtown webpage. Use this as an opportunity to upgrade and revamp the webpage so the Board can see what a website may look like. This gives us an opportunity to do a trial and have the domain names and as funding increases then we can reexamine a Downtown Auburn Hills website. Mr. McDaniel questioned what “content migration” services means to us. Ms. Mariuz replied that content migration refers to moving items from a previously established site to a new one; because this is new site and there is no content to migrate. Mr. McDaniel also asked if 5 gigabytes is large enough storage for what we want out of the website. Mr. Gliniecki replied that the 5 gigabytes is more than enough.
Ms. Hutchison added that Ms. Mariuz and herself have been working to think of ways to partner with the Chamber to promote a walkable downtown and are looking at doing a Hackathon for a Chamber sponsored app. The Chamber can work to promote downtown merchants in their newsletters. Additionally, Ms. Hutchison added that Google likes longer established sites. By piggybacking on the City, the Downtown aspect will be able to gain the highest volume of traffic.

Vice Chairperson Young would like to learn more about if the DDA can promote merchants on the city’s website, or does that fall into the category of advertising, and not fit into the guidelines of what the city expects of the website.

The Board would like to discuss the website in further detail at a different time. Tonight they would like to authorize the purchase of downtown auburn hills domain names (www.downtownauburnhills.com/.org/.net)

Moved by Mr. Volk to authorize the purchase of Downtown Auburn Hills domain names.
www.downtownauburnhills.com/.org/.net from DDA account number 248-728-885.000
Supported by Mr. Travnikar.

Yes: Genautis, Gliniecki, Hutchison McDaniel, Spurlin, Travnikar, Volk and Young
No: None
Motion carried

BOARD MEMBER COMMENTS
Ms. Genautis asked if the vacant space below Fieldstone A&E has been leased. Mr. Grice responded that it has not been leased to our knowledge and the building is part of an equity profile for a company based out of New York. However, the entire bottom floor of Auburn Square Apartments has been leased by Michigan by the Bottle. Michigan by the Bottle specializes in Michigan made products and has a tasting room for wine, cheese and chocolate. Their proposal as of today includes an outdoor seating area.

Ms. Hutchison mentioned that she would like to see all of the storefronts filled before the fall event season begins. This could include pop-up stores of start-up organizations. She added that many communities do this to give local entrepreneurs’ a ‘test-run’ of their business with a designated store front. Ms. Genautis added that some of the stores need work and have dirt floors. Chairman Spurlin responded to the Board and suggested that we could involve the local colleges and even high school architecture and engineering programs to work on the buildings. This could be part of a practicum or ongoing semester-long project. They could build pop-up outdoor stands for Summerfest, or the Farmer’s Market. With the partnership, we could make the buildings more suitable for multiple tenants during the event and holiday seasons.

ANNOUNCEMENT OF NEXT MEETING – The next Downtown Development Authority Board of Directors will be Monday, February 15, 2016 at 5:30 PM at City Hall in the Administrative Conference Room.

Also, on Tuesday, February 9, 2016 there will be a joint informational study session with the Auburn Hills Tax Increment Finance Authority, Downtown development Authority, Planning Commission and City council at the Auburn Hills Community Center, Conference Room Seyburn A at 5:30 PM.

ADJOURNMENT
Moved by Mayor McDaniel to adjourn the meeting at 6:40 p.m.
Supported by Vice Chairman Young.

Yes: Genautis, Gliniecki, Hutchison McDaniel, Spurlin, Travnikar, Volk and Young
No: None
Motion carried
DATE: December 15, 2015

LOCATION: 1827 N Squirrel Road – Administrative Conference Room

ROLL CALL: Present: Floyd Warczak (arrived 11:40 am), Frank Schoenbaechler, Toni Whitley, Bernard Ris

Absent: Kay Sendegas

Also Present: Karen Blinkilde, Deputy City Assessor

1. Meeting called to order at 11:07 a.m. by Chairperson Whitley.

2. July Board of Review Minutes: Mr. Ris moved to accept the minutes of the 2015 July Board of Review, as submitted.

   Supported by Mr. Schoenbaechler
   Motion carried 3-0 All in favor

3. Poverty Exemption Petitions: 4 poverty exemption applications were presented to the Board.

   Ms. Blinkilde presented the Poverty worksheets.

   DH-01: Application for parcel 14-14-353-005: Applicant was not required to appear before the board since they have been granted a poverty exemption in past years. Motion made by Mr. Schoenbaechler to reduce taxable value from $28,160 to $10,780 to allow for a Poverty Exemption (Assessed value changed from $28,160 to $10,780).

   Supported by Ms. Whitley
   Motion carried 3-1 (Ris)

   DH-02: Application for parcel 14-06-283-012: Applicant was not required to appear before the board since they have been granted a poverty exemption in past years. Motion made by Mr. Schoenbaechler to reduce taxable value from $61,250 to $23,920 to allow for a Poverty Exemption (Assessed value changed from $71,010 to $34,260).

   Supported by Mr. Warczak
   Motion carried 4-0 All in Favor

   DH-03: Application for parcel 14-10-152-013: Applicant was not required to appear before the board since they have been granted a poverty exemption in past years. Motion made by Mr. Warczak to reduce taxable value from $40,390 to $12,070 to allow for a Poverty Exemption (Assessed value also changed from $46,000 to $18,120).

   Supported by Mr. Schoenbaechler
   Motion carried 4-0 All in Favor
DH-04: Application for parcel 14-10-151-015: Applicant was not required to appear before the board since they have been granted a poverty exemption in past years. Motion made by Mr. Schoenbaechler to reduce taxable value from $34,500 to $11,290 to allow for a Poverty Exemption (Assessed value also changed from $34,500 to $19,090).

Supported by Mr. Warczak
Motion carried 4-0

4. 2015 and Prior Year Corrections: Ms. Blinkilde presented the petitions 2013, 2014 and 2015 corrections (There were no corrections for 2012). Ms. Blinkilde informed the Board that the corrections to be made were for homestead changes and qualified errors, as defined by MCL 211.53b.

Mr. Ris moved to accept the 2013, 2014 and 2015 corrections for the December Board of Review, as presented by the Deputy Assessor (Petitions D-01 through D-28). All petitions are to be made a part of the December Board of Review minutes.

Supported by Mr. Schoenbaechler
Motion carried 4-0

5. Ms. Whitley dismissed herself at approximately 12:30 pm and Mr. Schoenbaechler was appointed acting chairperson.

6. Mr. Schoenbaechler had suggested at a prior meeting that staff consider if Earned Income Credit (as reported on the Federal Income Tax statement), should be included as an income item within the poverty exemption formula. Ms. Blinkilde has changed the hardship application to be included in income for 2016.

7. Poverty Policy change discussion (Policy and Guidelines for Applicants Requesting Consideration for Poverty Exemptions (Eff: 2/18/2008))
   a. Discussion on considering a full exemption for those with an income significantly below the poverty threshold.
   b. Discussion on changing poverty thresholds from 150% to 200% of the Federal Poverty Guidelines which would qualify more households for consideration.
   c. The current policy only requires an appearance before the Board of Review for first time applicants. Suggestion to consider amending the policy to require an “in person” appearance every 3-5 years.
   d. Ms. Blinkilde advised the Board of Review that any policy change would require approval of city council.
   e. An additional meeting may be convened in the near future for further discussion. (Any policy changes should be approved before the March Board of Review convenes on March 8, 2016)

8. Mr. Schoenbaechler moved to adjourn the December Board of Review at 1:03 p.m.

Supported by Mr. Warczak
Motion carried 3-0

(Individual petitions on file with the Clerk’s office.)

Karen Blinkilde, Deputy Assessor
O:\assessor\BOR\2015\2015 DBOR\Minutes DBOR 12-15-2015.docx
MEETING DATE: FEBRUARY 8, 2016

AGENDA ITEM NO. 8A.
COMMUNITY DEVELOPMENT / ASSESSING

To: Mayor and City Council

From: Thomas A. Tanghe, City Manager, Micheal R. Lohmeier, City Assessor, and Steven J. Cohen, Director of Community Development

Submitted: February 1, 2016

Subject: Motion – Approval of Tax Incentive Agreement Settlement / Dokka Fasteners, Inc.

INTRODUCTION
This agenda item was postponed at the January 25th Council meeting to allow Dokka Fasteners, Inc. (Dokka) and staff the opportunity to discuss a potential settlement payment to satisfy the business residency “claw back” associated with property tax incentives granted during its operation between 2011 and 2015. The tax incentive agreement required Dokka to operate at 2800 Superior Court until December 30, 2019.

Dokka opened the state-of-the-art hot forming fastener manufacturing facility in May 2011. They specialized in providing product for the North American wind energy market through the production of large diameter hex bolts, double-ended studs, and threaded rods. The plant closed in late 2015 because Dokka lost contracts due to its inability to compete with foreign competitors and the unstable state of the wind industry in the United States.

TAX INCENTIVE OVERVIEW
By granting the incentives to Dokka, the City Council elected to abate $265,715 of City taxes between 2011 and 2015. The claw back requires Dokka to pay back the full benefit it received during the life of the certificate.

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STAFF RECOMMENDATION
Dokka has accepted staff’s compromise settlement proposal requiring the company to pay an amount of **$214,400**, in lieu of the required $265,715.
Methodology behind the settlement proposal:

- Dokka shall pay the real property taxes owed for the next four years based on the current abated tax rate (50% amount). Staff believes that $8,600 per year is a reasonable estimate based on the current taxable value. Thus, a total of $34,400 would be required for the real property taxes.
- Dokka shall pay the personal property owed for the next four years, which would parallel the real property business residency requirement. Staff believes that a payment of $45,000 per year (100% amount) would be reasonable based on the estimated depreciation of the personal property. Thus, a total of $180,000 would be required for the personal property taxes.
- Calculation: $34,400 real property taxes + $180,000 personal property taxes = $214,400 total payment by Dokka.

MOTION

“Move to approve the attached resolution which outlines a settlement payment of $214,400 by Dokka Fasteners, Inc. to be remitted by February 18, 2016 to the City of Auburn Hills. The purpose of the payment is to satisfy the business residency provision required in the company’s tax incentive agreements with the City of Auburn Hills.”

CONCUR: THOMAS A. TANGHE, CITY MANAGER
9a. Motion – Request to Waive the Business Residency Required by the Tax Incentive Agreement / Dokka Fasteners, Inc.

Mr. Lohmeier explained Dokka Fasteners, Inc. (Dokka) has submitted a request to waive the business residency “claw back” provision for both the real and personal property, located on Superior Court. The initial request was granted in 2010; the business model has since become unprofitable. The company has lost contracts and orders due to the unstable wind industry in America and the strong U.S. dollar against European competitor’s low priced products.

The real property abatement for this property was originally granted to Faurecia and was transferred to Dokka. Dokka agreed to remain in the facility for an additional four years after the expiration of the certificate on December 30, 2015, as required with the four year extension. Dokka also applied to the State for a PA 328, Personal Property Abatement Exemption, in 2010. The abatements received are $44,137 for the real property; 50% of the investment amount. The personal property abatement is $221,578; a total abatement of $265,715.

Staff recommends waiving the claw-back based on past practices, since Dokka Fasteners is a now closed operation. Many other alternative energy business have also closed. Some of the employees have found jobs at other businesses within the City; Dokka has been trying to find suitable positions for their employees.

Mr. Lohmeier confirmed for Mr. Knight the real property abatement portion ended December 31, 2015; the residency requirement would extend for the next two years. He continued, explaining the personal property abatement carries an additional four years, depending on when the personal property was installed.

Ms. Verbeke asked if this is an all or nothing decision.

Mr. Lohmeier explained the past practice has either been to waive the residency requirement or have the business pay the taxes owed.

Mr. Kittle asked if the company is willing to make a settlement with the City as opposed to the City waiving all of the taxes.

Marc Standquist, Executive Vice President of the Wurth Group, explained in the summer of 2010, the Wurth Group, a German based company, made the decision to put a world class fastener company someplace in the United States. Auburn Hills was chosen for this facility that is unlike any other in the United States. All of their competition is located in Europe, the currency exchange rate in March 2014 was 1.37% and today it’s at 1.08%; the decline in demand was strictly cost. The product can be manufactured nearly 25% less in Europe. The other issue is wind power industry. There was a federal government production tax credit that drove the wind power industry for the last 20 years, but has since expired. The customer base that Dokka counted on supporting no longer exists. Nordex, a very large German wind power company had a facility in Arkansas, and because of the instability of the wind power tax credit the company shut down the Arkansas facility. Many facilities have closed or cut production, there are only three remaining in the U.S. After losing millions of dollars, it was decided to close the Auburn Hills facility where there were 37 employees. There are only four employees remaining who don’t have a job. They have been good corporate citizens and there are no employees on unemployment. Unlike the previous tenants of the building, the company is not moving to another state. The equipment will be sold or shipped to Norway where the original company resides.
Mr. Kittle remembers when Faurecia closed that facility and Dokka Fasteners moved in. He dislikes seeing any business shuttering their operation especially because of currency economics. The renewable energy movement is a big question mark, with the federal government backing out of their support. He understands and is saddened, but he also has to consider the City’s wellbeing. He would like to reach an amicable amount of payment.

Mr. Knight appreciates why the business didn’t succeed and applauds the effort in finding jobs for their employees, but he sees the company as taking care of all concerned, except the City. The idea of an abatement is the cooperative effort between the community providing good services and the business providing jobs and bringing in taxes. This is a for-profit company that came to the United States seeing a great opportunity to make a profit. He noted there was an understanding of both parties for the abatement and it isn’t the fault of the City for the business failing. He believes the company should pay the full amount due, as an obligation of being in business.

Ms. Hammond noted she has not been in favor of forgiving the claw-back in the past. Services were provided by the City. She is willing to settle on an amount that works for both Dokka and the City.

Mr. Burmeister, too is struggling with the waiving of the claw-back and is willing to discuss a lesser pay-back amount.

Ms. Mitchell echoes Mr. Knight’s sentiment. She also understands the sentiments of the other Council Members and asked Mr. Lohmeier if an alternate amount is possible and can be investigated and brought back to City Council.

Mr. Lohmeier stated it isn’t necessary to make a decision immediately.

Mr. Tanghe stated the City can negotiate an amount with Dokka.

Mr. Knight believes negotiating an amicable amount is setting a precedence and the City should either forgive the debt or demand the payback. If having negotiations with a business is an alternative, then that should be included in the abatement policy.

Mr. Tanghe believes this is very circumstantial, this company is not sneaking out in the middle of the night, they are trying to do what is right; they have gone out of business. This would be a very different situation if this company was just moving from Auburn Hills to another community and dodging responsibility to the City. An equitable solution can be realized, but not at this evening’s meeting.

Moved by Kittle; Seconded by Burmeister.

RESOLVED: To postpone action on the request by Dokka Fasteners, Inc.

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

No: None

Resolution No. 16.01.013 Motion Carried (6–0)
CITY OF AUBURN HILLS

RESOLUTION WAIVING A PORTION OF THE TAX CLAW BACK PROVISIONS OF THE TAX INCENTIVE AGREEMENT BETWEEN THE CITY OF AUBURN HILLS AND DOKKA FASTENERS, INC.

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 February 8, 2016, the following resolution was offered by Councilperson ___________________ and supported by Councilperson ___________________:

WHEREAS, on December 6, 2010 the Auburn Hills City Council approved an application to transfer and extend an Industrial Facility Exemption Certificate No. 2003-044 from Faurecia to Dokka Fasteners, Inc. for the real property located at 2800 Superior Court, Auburn Hills, Michigan which Industrial Facilities Exemption Certificate was extended by the City Council for a four (4) year period, with the expiration of the Certificate being on December 30, 2015; and

WHEREAS on December 6, 2010 the Auburn Hills City Council approved an application for Public Act 328 Personal Property Tax Exemption, Certificate No. 275-2010 for Dokka Fasteners, Inc.’s personal property located at 2800 Superior Court, Auburn Hills, Michigan, which certificate is scheduled to expire on December 30, 2017; and

WHEREAS Dokka Fasteners, Inc. and the City of Auburn Hills executed a written Tax Incentive Agreement, in which Agreement Dokka Fasteners, Inc. agreed to operate its facility on the subject real property at 2800 Superior Court, Auburn Hills, Michigan until December 30, 2019 and Dokka Fasteners, Inc. agreed to operate its personal property at said location until December 30, 2019, with said Tax Incentive Agreement providing that in the event that Dokka Fasteners, Inc. failed to operate its facility at the subject property and operate and utilize its personal property at the subject property until December 30, 2019 that the City Council was entitled via the claw back provisions of said Tax Incentive Agreement to require Dokka Fasteners, Inc. to pay back the full benefit of Two Hundred Sixty-Five Thousand Seven Hundred Fifteen Dollars ($265,715.00) it received during the life of said Certificates; and

WHEREAS, the Auburn Hills City Council has the ability to waive all or any portion of the abated City taxes that the City of Auburn Hills could require Dokka Fasteners, Inc. to pay back via the claw back provisions of the Tax Incentive Agreement; and

WHEREAS in late 2015, Dokka Fasteners, Inc. closed its plant at 2800 Superior Court, Auburn Hills, Michigan; and

WHEREAS the parties have engaged in good faith settlement negotiations in which Dokka Fasteners, Inc. has offered to pay to the City of Auburn Hills the amount of Two Hundred Fourteen Thousand Four Hundred Dollars ($214,400.00) in full satisfaction of the claw back provisions contained in the Tax Incentive Agreement between Dokka Fasteners, Inc. and the City of Auburn Hills; and
WHEREAS Dokka Fasteners, Inc. and the City of Auburn Hills are desirous of resolving this matter by having Dokka Fasteners, Inc. pay to the City of Auburn Hills the amount of Two Hundred Fourteen Thousand Four Hundred Dollars ($214,400.00) by February 18, 2016 in full satisfaction of the claw back provisions contained in the Tax Incentive Agreement between Dokka Fasteners, Inc. and the City of Auburn Hills.

NOW, THEREFORE, IT IS HEREBY RESOLVED by the Auburn Hills City Council that:

1. Dokka Fasteners, Inc. shall pay the amount of Two Hundred Fourteen Thousand Four Hundred Dollars ($214,400.00) to the City of Auburn Hills by February 18, 2016 and upon the City of Auburn Hills’ receipt from Dokka Fasteners, Inc. of the amount of the amount of Two Hundred Fourteen Thousand Four Hundred Dollars ($214,400.00), Dokka Fasteners, Inc.’s obligations as it pertains to the claw back provisions of the Tax Incentive Agreement entered into between Dokka Fasteners, Inc. and the City of Auburn Hills shall be completely satisfied and the City of Auburn Hills waives the repayment of the remaining Fifty-One Thousand Three Hundred Fifteen Dollars ($51,315.00) that the City of Auburn Hills could require Dokka Fasteners, Inc. to repay to the City of Auburn Hills pursuant to the claw back provisions of the Tax Incentive Agreement.

2. In the event that Dokka Fasteners, Inc. fails to pay to the City of Auburn Hills the amount of Two Hundred Fourteen Thousand Four Hundred Dollars ($214,400.00) by February 18, 2016, the City of Auburn Hills shall then be entitled to require Dokka Fasteners, Inc. to repay to the City of Auburn Hills the entire Two Hundred Sixty-Five Thousand Seven Hundred Fifteen Dollars ($265,715.00) that the City of Auburn Hills is authorized to require Dokka Fasteners, Inc. to repay pursuant to the claw back provisions of the Tax Incentive Agreement entered into between Dokka Fasteners, Inc. and the City of Auburn Hills.

AYES:
NAYES:
ABSTENTIONS:

STATE OF MICHIGAN )
)ss.
COUNTY OF OAKLAND )

I, Terri Kowal, the duly qualified and acting Clerk of the City of Auburn Hills, Oakland County, Michigan, do hereby certify that the foregoing is a true and complete copy of the Resolution Waiving a Portion of the Tax Claw Back Provisions of the Tax Incentive Agreement Between the City Of Auburn Hills and Dokka Fasteners, Inc. adopted at a regular meeting of the Auburn Hills City Council held on the 8th day of February, 2016, the original of which is on file in my office.

IN WITNESS WHEREOF, I have hereunto affixed my official signature this ____ day of February, 2016.

_________________________________________________________________
Terri Kowal, City Clerk
Steve

We are in agreement with your latest proposal.

Louis Vasilevski
CEO, Managing Director

Dokka Fasteners Inc.
2800 Superior Court
Auburn Hills, MI 48326
(O) (248) 724-2068
(C) (248) 318-3430
(F) (248) 475-4980
LVasilevski@dokkafasteners.us
www.dokkafasteners.com

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December 8, 2015

Mr. Micheal Lohmeier
City Assessor, City of Auburn Hills
1827 North Squirrel Road
Auburn Hills, Michigan  48326

RE: Dokka Fasteners Inc. tax abatement relief

Dear Mr. Lohmeier

In November 2010, Dokka Fasteners Inc. applied for and was granted tax relief under PA 328 by the City Council of Auburn Hills, MI. This consisted of 100% tax abatement on personal property from the Dokka Fasteners Inc.‘s investment of $16,850,268 in personal property. This abatement is for six years with a 2 year callback set to expire in December 30, 2017. In addition, Dokka was submitted and was granted an Extension of Exemption Period for a New Industrial Facility Exemption Certificate 2003-044 pursuant to section 16(a) of the Public Act 198, (1974, MCL 207.566a(a). This relief was for 4 (four) years with a 4 (four) year after the date expiration of the new IFEC certificate, beginning on December 30, 2011 through December 30, 2019.

Dokka Fasteners Inc. is closing the Facility at 2800 Superior court, Auburn Hills, Michigan. We are a producer of high strength large fasteners ranging in size from 1” diameter to 2 ½” diameter. Our main customer base is Wind Energy (greater than 90%) and the Gas & Oil industry. Here are the main reasons for shutting down the business:

- Production tax credit (PTC) instability, our customers’ business levels are heavily dependent on the PTC.
- Two of our target customers have closed their operations in the United States.
- Siemens Energy, our largest single customer, accounted for approximately 70 percent of our business. They did not award any business to us for 2016.
- The Gas & Oil industry requirements have been drastically reduced because of market conditions.
- The currency situation, the Euro has weakened in value to the USD over 20 percent in the last 18 months. The devaluation has caused pricing issues with our customers, who are European based.
Considering the duration and performance period of the tax abatement that ends on December 31, 2017, Dokka Fasteners Inc. requests the City Council of Auburn Hills grant the following:

1) Revocation of repayment.
2) Waiver of section VI in the standard Tax Abatement Development Agreement requiring the Company to operate the facility for an additional 2 years after the date of expiration.
3) Waiver of section VI in the Standard Tax Abatement Development Agreement related to any and all repayment of tax savings benefited by the Company due to the existence of the agreement.

In consideration of this request, we ask that City Council consider the following:

- In 2011 Dokka Fasteners Inc. began manufacturing products in our operation on Superior Street in Auburn Hills. The total investment at our location $16,850,268 and 51 new jobs were created.
- We have been an active member in the community, supporting the Auburn Hills chamber, Oakland University and Oakland Community College.
- The Company and employees have enjoyed a wonderful relationship with the City of Auburn Hills. The company and employees have supported the following:
  - Gleaners food bank
  - Toys for tots
  - Epilepsy foundation
  - Volunteers at The Palace of Auburn Hills
- Dokka has hosted periodic meetings of the MMA on site where businesses around the area were able to converse and tour the facility and area

Kind Regards,

Louis Vasilevski
CEO
Dokka Fasteners Inc.
2800 Superior Court
Auburn Hills, MI 48326
(O) (248) 724-2068
(C) (248) 318-3430
(F) (248) 475-4980
lvasilevski@dokkafasteners.us
www.dokkafasteners.com
PROPERTY FEATURES

• 100,180 square feet available
• 15,410 square feet of office
• Situated on 7.44 acres
• 24’ clear height
• (4) 12x14, 14x14 grade level doors, (9) truckwells
• Lt. industrial zoning
• GFA/roof mount heating
• Primary power
• 200 parking spaces
• Lease rate: $7.25/sf NNN

For more information, please contact:

GARY STEPHENS
(248) 948 0104
gstephens@signatureassociates.com

SIGNATURE ASSOCIATES
One Towne Square, Suite 1200
Southfield, MI 48076
www.signatureassociates.com

Information is subject to verification and no liability for errors or omissions is assumed. Price is subject to change and listing withdrawal.
Site Plan

For more information, please contact:

GARY STEPHENS
(248) 948 0104
gstephens@signatureassociates.com

Information is subject to verification and no liability for errors or omissions is assumed. Price is subject to change and listing withdrawal.
2800 Superior Court – Auburn Hills, Michigan
Industrial For Lease

Floor Plan

For more information, please contact:
GARY STEPHENS
(248) 948 0104
gstephens@signatureassociates.com

SIGNATURE ASSOCIATES
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Southfield, MI 48076
www.signatureassociates.com

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Office Floor Plan

SECOND FLOOR

FIRST FLOOR

For more information, please contact:

GARY STEPHENS
(248) 948 0104
gstephens@signatureassociates.com

SIGNATURE ASSOCIATES
One Towne Square, Suite 1200
Southfield, MI 48076
www.signatureassociates.com

Information is subject to verification and no liability for errors or omissions is assumed. Price is subject to change and listing withdrawal.
CALL TO ORDER: by Mayor McDonald at 7:05 p.m.
LOCATION: City Council Chamber, 1827 N. Squirrel Road, Auburn Hills, MI 48326
Present: Mayor McDonald, Mayor Pro Tem Hammond, Council Members Doyle, Kittle, Knight, McDaniel
Absent: Council Member Newkirk
Also Present: City Manager Auger, Assistant City Manager Tanghe, Police Chief Olko, Fire Chief Burmeister, Community Development Director Cohen, Recreation Director Marzolf, Senior Director Adcock, Treasurer Buschmohle, Assessors Bennett & Lohmeier, Lt. Hardesty, Police Officer VanLandeghem, Deputy Treasurer Keiser, Community Relations Legislative Affairs Coordinator Carroll, Manager of Public Utilities Harran Facilities and Roads Manager Brisson, City Attorney Beckerleg, City Engineers Stevens & Juidici, Planning Commission Member Verbeke, 52 Guests

8c. Motion – Rescind Prior Resolution and Approve New Resolution / PA 328 Dokka Fasteners
Moved by Ms. Doyle; Seconded by Ms. Hammond.
RESOLVED: To rescind the resolution adopted on December 6, 2010 and approve a 6 year New Personal Property Exemption for Dokka Fasteners by approving the attached resolution.
VOTE: Yes: Doyle, Hammond, Kittle, Knight, McDaniel, McDonald
No: None
Motion carried (6-0)

RESOLUTION NO. 11.02.026
CALL TO ORDER: by Mayor McDonald at 7:00 p.m.
LOCATION: City Council Chamber, 1827 N. Squirrel Road, Auburn Hills, MI 48326
Present: Mayor McDonald, Mayor Pro Tem Hammond, Council Members Doyle, Kittle, Knight, McDaniel, Newkirk
Absent: None
Also Present: City Manager Auger, Assistant City Manager Tanghe, Police Chief Olko, Fire Chief Burmeister, Finance Director Barnes, City Assessor Bennett, City Assessor Lohmeier, Community Development Director Cohen, DPS Director Melchert, Deputy DPS Director Grice, Community Relations & Legislative Affairs Coordinator Carroll, Economic Development Director Johnson, Water Resource Coordinator Keenan, Public Utilities Manager Harran, City Attorney Beckerleg, City Engineer Stevens, TIFA Chair Bennett, TIFA Members Goodhall & Hassett, Planning Commission Chair Ouellette, Planning Commission Member Mitchell, Intern Rizzo, State Representative McMillin
179 Guests

9a. Public Hearing and Request to Approve Tax Exemption for New Personal Property – Dokka Fasteners
Mayor McDonald opened the public hearing at 9:55 p.m.
Marc Strandquist, CEO, explained the Worth Group is based out of Europe, with 400 companies in 84 countries, under the Worth Group umbrella. Dokka Fasteners is one of those 400 companies, which was purchased by the Worth Group in 2008. This facility with its robotics and automation will be the only one of its type in the United States, which will generate economic activity with many visitors to this area. There are suppliers in Europe that would like to follow Dokka to the United States and support efforts of Dokka. Production should begin next year.
The public hearing was closed at 10:06 p.m.
Moved by Mr. McDaniel; Seconded by Mr. Knight.
RESOLVED: To approve the request for a 6-year New Personal Property Tax Exemption for Dokka Fasteners by approving the attached resolution (Attachment A).
VOTE: Yes: Doyle, Hammond, Kittle, Knight, McDaniel, McDonald, Newkirk
No: None
Motion carried (7-0)
RESOLUTION NO. 10.12.218

9b. Public Hearing and Request to Approve Transfer of IFEC – Dokka Fasteners Inc.
Mayor McDonald opened the hearing for public comment at 10:07 p.m.
Ms. Johnson noted how nice it was to work with Mr. Strandquist and his team.
The public hearing was closed at 10:10 p.m.
Moved by Ms. Doyle; Seconded by Mr. McDaniel.
RESOLVED: To approve the request for transfer of IFEC 2003-044 to Dokka Fasteners Inc.
VOTE: Yes: Doyle, Hammond, Kittle, Knight, McDaniel, McDonald, Newkirk
No: None
Motion carried (7-0)
RESOLUTION NO. 10.12.219

9c. Public Hearing and Request to Approve Extension of IFEC – Dokka Fasteners Inc.
Mayor McDonald opened the public hearing at 10:12 p.m.
Hearing no comments, the public hearing was closed at 10:12 p.m.
Moved by Mr. Kittle; Seconded by Mr. Newkirk.
RESOLVED: To approve the request for additional four (4) years of abatement for Dokka Fasteners Inc. and IFEC 2003-44 with the adoption of the attached resolution with the condition that Dokka Fasteners Inc. agrees to operate the facility for an additional four (4) years after expiration of the certificate on 12/30/2015 (Attachment B).
VOTE: Yes: Doyle, Hammond, Kittle, Knight, McDaniel, McDonald, Newkirk
No: None
Motion carried (7-0)
RESOLUTION NO. 10.12.220
To: Mayor and City Council  
From: Thomas A. Tanghe, City Manager; Steven J. Cohen, Director of Community Development; and Shawn Keenan, Assistant City Planner

Submitted: February 3, 2016  
Subject: Motion - Award Contract for the Woodlands Consultant Services.

INTRODUCTION AND HISTORY
The Auburn Hills City Council adopted its Woodlands Preservation Ordinance in May 1990, based on their understanding that woodlands are an important physical, aesthetic, recreational and economic asset for both present and future generations. It is also understood that woodlands provide many benefits to the community including those associated with health, safety, and general welfare while providing a character of the City that has a desire to provide a high quality of life for its current and future residents.

Eric A. Olson, PLLC has been the City’s Woodlands Consultant since November 2003. Having provided quality services, the City has renewed Mr. Olsen’s contract in 2006 and 2009. However, City Staff believed it would be prudent to send out a Request for Qualifications (RFQ) at this time, since it has been over 11 years since the original request was publicized.

On May 18, 2015 the City sent out a notice requesting firms to submit their qualifications for woodland consulting services. The selected consultant would perform woodland and landscape consulting services for the City, which include reviewing tree removal permits and plans, performing on-site inspections, preparing reports, and when necessary attending meeting to report findings.

On Wednesday, June 24, 2015, in response to the City’s RFQ, the City received Qualification Packets from two firms for the Woodlands Consultant Services. The two firms that submitted a RFQ were Eric A. Olson, PLLC and Natural Community Services.

Selection Process
The selection process included the creation of a Selection Committee that involved Community Development (Shawn Keenan), City Manager’s Office (Stephanie Carroll), City Council (Councilperson Maureen Hammond), and the Planning Commission (Chairperson Greg Ouellette). The Selection Committee reviewed the materials submitted by each firm and interviewed each firm to further assess their qualifications and communication skills. Upon completion of the interviews the Selection Committee unanimously determined that Eric A. Olson, PLLC is the most qualified.

STAFF RECOMMENDATION
Based on the Selection Committees recommendation Staff recommends that the contract for Woodland Consultant Services be awarded to Eric A. Olson, PLLC.

MOTION
“Move to award the contract for Woodlands Consultant Services to Eric A. Olson, PLLC.”

I CONCUR:  
THOMAS A. TANGHE, CITY MANAGER
AGREEMENT

Agreement made this 1st day of December in the year two thousand fifteen between the City of Auburn Hills, a Michigan municipal corporation (“City”) whose address is 1827 North Squirrel Road, Auburn Hills, Michigan 48326, and Eric A. Olson, PLLC, (“Woodlands Consultant”), whose address is 114 1/2 South Saginaw Street, Holly, Michigan 48442, relating to Woodlands Consulting services to be provided by the Woodlands Consultant to the City.

Now, therefore, City and Woodlands Consultant, in consideration of the mutual covenants and agreements herein contained, agree as follows:

I. Definitions:

A. For purposes of this Agreement, the following definitions shall apply:

1. Woodlands Consultant - shall mean Eric A. Olson, PLLC.

2. City - shall mean the City of Auburn Hills, a Michigan municipal corporation.

3. Woodlands Ordinance – shall mean Section 34 of Article VIII of the City’s Ordinances (also known as the “Woodlands Preservation Ordinance” for the City).

4. Woodlands Permit – shall refer to the requirements made by the City for the applicant to fulfill the requirements of the Woodlands Ordinance.

II. Scope Of Work:

A. Woodlands Consultant shall:

1. Upon receiving site and/or subdivision plans (“Plans”) from the City:
   a) Review the plans for compliance with the then most recently adopted Woodlands Ordinance, together with such other applicable woodlands-related ordinances, resolutions & requirements of the City (“Regulations”).
   b) Evaluate the tree survey provided by the property owner to the City, by conducting an initial field evaluation;
   c) Prepare and submit a detailed report to the City stating whether the Plans meet with the Regulations or what is required for the Plans to meet the Regulations and approve the estimated cost required to complete the woodland activities contained in the Plans.

2. Upon receiving a written request for and the necessary documents and information from the City, conduct an on-site Woodlands Inspection to determine that the requirements of a Woodlands Permit have been completed and met. After each such inspection the Woodlands Consultant shall prepare and submit to the City a report recommending either the release of financial guarantees, or outlining items which need to be completed and the estimated cost required to complete such items.

3. Work with the City to set up procedures to better enforce the Woodlands Ordinance, and when requested in writing, shall propose language for any proposed changes to the Woodlands Ordinance by the City.

4. Upon receiving written request for and the necessary documents and information from the City, conduct review of alleged Woodlands Violations. A field inspection shall be made by the Woodlands Consultant. After reviewing the documents and information received and completion of the field inspection, the Woodlands Consultant shall prepare and submit to the City a report of his conclusions with respect to the alleged Woodlands Violations.

5. Upon request by the City, attend any necessary meetings.
III. Responsibilities of the Woodlands Consultant Versus Those of the City:

A. The City shall be responsible for requesting services from the Woodlands Consultant, and supplying all applicable plans, correspondence, minutes, and/or court documents that are necessary for purposes of Woodlands Consultant fulfilling all obligations under this agreement.

B. If the City observes or otherwise becomes aware of any fault or defect in any information, document, survey, application, permit or other material furnished by it to Woodlands Consultant, it shall give prompt written notice thereof to Woodlands Consultant.

C. The City shall be responsible for invoicing and collecting any and all appropriate monies, fees, charges and financial guarantees from property owners or other responsible entities related to the Regulations and work performed by Woodlands Consultant.

D. In all instances that the Woodlands Consultant is to perform on-site inspections of a property owner’s real estate, the City shall, prior to the on-site inspection, obtain and provide Woodlands Consultant with a copy of the written permission obtained from the property owner(s) permitting the Woodlands Consultant to go upon the property to perform such inspections at all reasonable times for purposes of fulfilling all obligations under this agreement.

E. The Woodlands Consultant shall be responsible for creating reports in a timely fashion.

F. Woodlands Consultant shall be entitled to reasonably rely on the accuracy of the information, documents, surveys, applications, permits and other materials which the City shall furnish, at its expense, to Woodlands Consultant.

G. Woodlands Consultant agrees to perform its services under this Agreement in accordance with the degree of skill and care exercised by similar professionals performing similar services under similar conditions.

H. By signing this Agreement each party represents that he or it has the authority to enter into this Agreement.

IV. Termination

A. This Agreement is for a two year period beginning December 1, 2015 and ending on December 1, 2017, subject to the renewal provisions of Subsection C herein. If either party defaults in the performance of its obligations under this Agreement through no fault of the non-defaulting party, and such default is not cured within ten (10) days of the defaulting party’s receipt of written notice, then the non-defaulting party will have the right, in addition to any other rights it might have, to terminate this Agreement effective thirty (30) days from the date of the initial written notice.

B. If this Agreement is terminated as provided in subsection A of this section, the Woodlands Consultant shall be paid for all work completed as of the effective date of the termination based upon the then applicable hourly rate for Woodlands Consultant services and payment of costs and expenses incurred by Woodlands Consultant.

C. The City shall have the option of renewing this Agreement for two additional two-year periods. To renew the Agreement for the first two-year renewal period, the City must give the Woodlands Consultant written notice before October 1, 2017, that the City is desirous of renewing the Agreement for a two-year period and the Woodlands Consultant does not object to said renewal in writing to the City by November 1, 2017. If the Agreement is renewed for the first two-year renewal period, the City shall have the option of renewing the Agreement for a second two-year renewal period if the City gives the Woodlands Consultant written notice before October 1, 2019, that the City is desirous of renewing the Agreement for a two-year period and the Woodlands Consultant does not object to said renewal in writing to the City by November 1, 2019. If this Agreement is renewed for one or two two-year periods pursuant to this subsection, the Agreement’s terms and conditions, including, but not limited to, the terms and conditions pertaining to the Woodlands Consultant rates and payment maximum amounts shall apply to and govern the renewal
periods, provided that the Woodlands Consultant’s hourly rates shall be subject to an annual five percent (5%) increase at the beginning of each year of each respective renewal period.

V. Payment to the Woodlands Consultant

A. The Woodlands Consultant shall invoice the City bi-weekly. All costs, expenses and services related to work performed by Woodlands Consultant calling for a written report (for purposes of this section “Project”) shall be invoiced to the City on an invoice following submission of the written report to the City by Woodlands Consultant. All other costs, expenses and services performed by the Woodlands Consultant (for purposes of this section “Non-project”) shall be invoiced by Woodlands Consultant to City on an invoice following the performance of the service or incurring costs or expenses. Except as provided in subsection B of this section, all services performed by Woodlands Consultant shall be invoiced at an hourly rate of $58.00 per hour during the first year of the term of this Agreement (between December 1, 2015 to December 1, 2016), and $60.80 per hour during the second year of the term of this Agreement (between December 1, 2016 to December 1, 2017). Invoicing will be structured as follows:

1. Each Project will be separately invoiced indicating the time devoted by Woodlands Consultant on each Project (including time for the review of the Project, site visits, meetings, report writing, phone calls, the time taken to travel and from the site and/or meeting, and any other miscellaneous time to complete a Project). Each Project invoice shall also include any costs and expenses incurred by Woodlands Consultant including, but not limited to, copies, pictures, postage, and the like.

2. Non-project items invoiced to the City shall indicate the time devoted by the Woodlands Consultant including time for meetings, ordinance amendments, special studies, site visits, phone calls, travel time to and from a site and/or meeting, and other time devoted by the Woodlands Consultant to Non-project items. Each invoice shall also include any costs and expenses incurred by Woodlands Consultant including, but not limited to, copies, pictures, postage, and the like.

3. There will be no invoicing of postage, copying, and the like, unless the costs in the particular billing cycle reaches $10.00 or more.

B. All services provided by Woodlands Consultant relating to a pending court action, including time spent at court, shall be invoiced at an hourly rate of $88.25 per hour during the first year of the term of this Agreement (between December 1, 2015 to December 1, 2016), and $92.65 per hour during the second year of the term of this Agreement (between December 1, 2016 to December 1, 2017), plus costs and expenses. Such hourly rate shall increase 5% per year during the renewal periods.

C. If a project is terminated, Woodlands Consultant shall be permitted to invoice the City for all services performed by Woodlands Consultant on that project regardless of whether the project called for a written report by Woodlands Consultant on an invoice following termination of the project.

D. All payments are due upon invoice. Any dispute by the City of any charges contained in any invoice shall be brought to the attention of the Woodlands Consultant in writing within thirty (30) days after the date of the mailing of the particular invoice involved to City by the Woodlands Consultant.

E. If the combined payments to the Woodlands Consultant will reach or exceed $25,000 within the time frame of this agreement, the City Council will need to consider approval of this agreement. The city shall immediately notify the Woodlands Consultant if the combined payment will reach or exceed $25,000.

VI. Disputes

Prior to the initiation of any legal proceedings, the parties to this Agreement agree to submit all claims, disputes or controversies arising out of or in relation to the interpretation, application or enforcement of this Agreement to non-binding mediation. Such mediation shall be conducted under the auspices of the American Arbitration Association or such other mediation service or mediator upon which the parties agree. The Party seeking to initiate mediation shall do so by submitting a formal, written request to the other party to this Agreement. This section shall survive completion or termination of this Agreement, but under no circumstances shall either party call for mediation of any claim or dispute arising out of this
Agreement after such period of time as would normally bar the initiation of legal proceedings to litigate such claim or dispute under the laws of the State of Michigan.

VII. Independent Contractor Status

It is understood and agreed between the parties that Woodlands Consultant is an independent contractor in the performance of each and every part of this agreement, and nothing in this agreement shall be construed to be inconsistent with such status.

VIII. Indemnification

City agrees to indemnify, defend and hold Woodlands Consultant harmless from and against any and all claims, liabilities, suits, demands, losses, damages, costs and expenses, including reasonable attorney fees, ("Claims"), that Woodlands Consultant may hereafter suffer, incur or pay resulting from any Claims made against Woodlands Consultant for any economic loss or damages or loss to property or persons as a result of Woodlands Consultant carrying out his obligations under this agreement, unless such Claims against Woodlands Consultant arise as a direct result of a negligent act or omission on the part of Woodlands Consultant.

IX. Successors and Assigns

This Agreement shall bind and inure to the benefit of the respective heirs, personal representatives, successors and assigns of the parties.

X. Assignment

Neither party shall assign or transfer any interest in this Agreement without the prior, express and written consent of the other.

XI. No Waiver

The failure of either party to this Agreement to insist upon the performance of any of the terms and conditions of this Agreement, or the waiver of any breach of any of the terms and conditions of this agreement, shall not be construed as thereafter waiving any such terms and conditions, but the same shall continue and remain in full force and effect as if no such forbearance or waiver had occurred.

XII. Governing Law

It is agreed that this Agreement shall be governed by, construed and enforced in accordance with the laws of the State of Michigan.

XIII. Attorney Fees

In the event that any action is filed in relation to this agreement, the unsuccessful party in the action shall pay to the successful party, in addition to all the sums that either party may be called on to pay, a reasonable sum for the successful party’s attorneys’ fees.

XIV. Effect of Partial Invalidity

The invalidity of any portion of this Agreement shall not be deemed to affect the validity of any other provision. In the event that any provision of this Agreement is held to be invalid, the parties agree that the remaining provisions shall be deemed to be in full force and effect as if they had been executed by both parties subsequent to the expungement of the invalid provision.

XV. Entire Agreement

This Agreement shall constitute the entire agreement between the parties and any prior understanding or representation of any kind preceding the date of this Agreement shall not be binding upon
either party except to the extent incorporated in this agreement. Each party acknowledges that the parties participated equally in the drafting of this Agreement and accordingly, no Court construing this Agreement shall construe it more strictly against any party hereto.

XVI. Modification of Agreement

Any modification of this Agreement or additional obligation assumed by either party in connection with this Agreement shall be binding only if placed in writing and signed by each party or an authorized representative of each party.

XVII. Excusable Delay

Neither party to this Agreement shall be liable to the other for any loss, cost or damages, arising out of, or resulting from, any failure to perform in accordance with the terms of this Agreement where the cause of such failure shall include, but not be limited to, acts of God, strikes, lockouts or other industrial disturbances, wars, whether declared or undeclared, blockades, insurrections, riots, governmental action, explosion, fire, floods, or any other cause not within the reasonable control of either party.

XVIII. Notices

Any notice provided for or concerning this Agreement shall be in writing and be deemed sufficiently given when sent by certified or registered mail to the respective address of each party as set forth at the beginning of this Agreement.

XIX. Paragraph Headings

The titles to the paragraphs of this Agreement are solely for the convenience of the parties and shall not be used to explain, modify, simplify or aid in the interpretation of the provisions of this Agreement.

XX. Counterparts

This Agreement may be executed in any number of counterparts, each of which shall be deemed to be an original, but all of which together shall constitute the same instrument.

XXI. Signatures.

A. By signing this agreement, both parties agree to the terms as described above in this Agreement:

Signature of Woodlands Consultant

Eric A. Olson date

City of Auburn Hills, a Michigan municipal corporation

By: date Print Name
AGREEMENT

Agreement made this 1st day of December in the year two thousand fifteen between the City of Auburn Hills, a Michigan municipal corporation ("City") whose address is 1827 North Squirrel Road, Auburn Hills, Michigan 48326, and Eric A. Olson, PLLC, ("Woodlands Consultant"), whose address is 114 1/2 South Saginaw Street, Holly, Michigan 48442, relating to Woodlands Consulting services to be provided by the Woodlands Consultant to the City.

Now, therefore, City and Woodlands Consultant, in consideration of the mutual covenants and agreements herein contained, agree as follows:

I. Definitions:

A. For purposes of this Agreement, the following definitions shall apply:

1. **Woodlands Consultant** - shall mean Eric A. Olson, PLLC.

2. **City** - shall mean the City of Auburn Hills, a Michigan municipal corporation.

3. **Woodlands Ordinance** – shall mean Section 34 of Article VII of the City's Ordinances (also known as the "Woodlands Preservation Ordinance" for the City).

4. **Woodlands Permit** – shall refer to the requirements made by the City for the applicant to fulfill the requirements of the Woodlands Ordinance.

II. Scope Of Work:

A. Woodlands Consultant shall:

1. Upon receiving site and/or subdivision plans ("Plans") from the City:
   a) Review the plans for compliance with the then most recently adopted Woodlands Ordinance, together with such other applicable woodlands-related ordinances, resolutions & requirements of the City ("Regulations").
   b) Evaluate the tree survey provided by the property owner to the City, by conducting an initial field evaluation;
   c) Prepare and submit a detailed report to the City stating whether the Plans meet with the Regulations or what is required for the Plans to meet the Regulations and approve the estimated cost required to complete the woodland activities contained in the Plans.

2. Upon receiving a written request for and the necessary documents and information from the City, conduct an on-site Woodlands Inspection to determine that the requirements of a Woodlands Permit have been completed and met. After each such inspection the Woodlands Consultant shall prepare and submit to the City a report recommending either the release of financial guarantees, or outlining items which need to be completed and the estimated cost required to complete such items.

3. Work with the City to set up procedures to better enforce the Woodlands Ordinance, and when requested in writing, shall propose language for any proposed changes to the Woodlands Ordinance by the City.

4. Upon receiving written request for and the necessary documents and information from the City, conduct review of alleged Woodlands Violations. A field inspection shall be made by the Woodlands Consultant. After reviewing the documents and information received and completion of the field inspection, the Woodlands Consultant shall prepare and submit to the City a report of his conclusions with respect to the alleged Woodlands Violations.

5. Upon request by the City, attend any necessary meetings.
III. Responsibilities of the Woodlands Consultant Versus Those of the City:

A. The City shall be responsible for requesting services from the Woodlands Consultant, and supplying all applicable plans, correspondence, minutes, and/or court documents that are necessary for purposes of Woodlands Consultant fulfilling all obligations under this agreement.

B. If the City observes or otherwise becomes aware of any fault or defect in any information, document, survey, application, permit or other material furnished by it to Woodlands Consultant, it shall give prompt written notice thereof to Woodlands Consultant.

C. The City shall be responsible for invoicing and collecting any and all appropriate monies, fees, charges and financial guarantees from property owners or other responsible entities related to the Regulations and work performed by Woodlands Consultant.

D. In all instances that the Woodlands Consultant is to perform on-site inspections of a property owner’s real estate, the City shall, prior to the on-site inspection, obtain and provide Woodlands Consultant with a copy of the written permission obtained from the property owner(s) permitting the Woodlands Consultant to go upon the property to perform such inspections at all reasonable times for purposes of fulfilling all obligations under this agreement.

E. The Woodlands Consultant shall be responsible for creating reports in a timely fashion.

F. Woodlands Consultant shall be entitled to reasonably rely on the accuracy of the information, documents, surveys, applications, permits and other materials which the City shall furnish, at its expense, to Woodlands Consultant.

G. Woodlands Consultant agrees to perform its services under this Agreement in accordance with the degree of skill and care exercised by similar professionals performing similar services under similar conditions.

H. By signing this Agreement each party represents that he or it has the authority to enter into this Agreement.

IV. Termination

A. This Agreement is for a two year period beginning December 1, 2015 and ending on December 1, 2017, subject to the renewal provisions of Subsection C herein. If either party defaults in the performance of its obligations under this Agreement through no fault of the non-defaulting party, and such default is not cured within ten (10) days of the defaulting party’s receipt of written notice, then the non-defaulting party will have the right, in addition to any other rights it might have, to terminate this Agreement effective thirty (30) days from the date of the initial written notice.

B. If this Agreement is terminated as provided in subsection A of this section, the Woodlands Consultant shall be paid for all work completed as of the effective date of the termination based upon the then applicable hourly rate for Woodlands Consultant services and payment of costs and expenses incurred by Woodlands Consultant.

C. The City shall have the option of renewing this Agreement for two additional two-year periods. To renew the Agreement for the first two-year renewal period, the City must give the Woodlands Consultant written notice before October 1, 2017, that the City is desirous of renewing the Agreement for a two-year period and the Woodlands Consultant does not object to said renewal in writing to the City by November 1, 2017. If the Agreement is renewed for the first two-year renewal period, the City shall have the option of renewing the Agreement for a second two-year renewal period if the City gives the Woodlands Consultant written notice before October 1, 2019, that the City is desirous of renewing the Agreement for a two-year period and the Woodlands Consultant does not object to said renewal in writing to the City by November 1, 2019. If this Agreement is renewed for one or two two-year periods pursuant to this subsection, the Agreement’s terms and conditions, including, but not limited to, the terms and conditions pertaining to the Woodlands Consultant rates and payment maximum amounts shall apply to and govern the renewal
periods, provided that the Woodlands Consultant’s hourly rates shall be subject to an annual five percent (5%) increase at the beginning of each year of each respective renewal period.

V. Payment to the Woodlands Consultant

A. The Woodlands Consultant shall invoice the City bi-weekly. All costs, expenses and services related to work performed by Woodlands Consultant calling for a written report (for purposes of this section “Project”) shall be invoiced to the City on an invoice following submission of the written report to the City by Woodlands Consultant. All other costs, expenses and services performed by the Woodlands Consultant (for purposes of this section “Non-project”) shall be invoiced by Woodlands Consultant to City on an invoice following the performance of the service or incurring costs or expenses. Except as provided in subsection B of this section, all services performed by Woodlands Consultant shall be invoiced at an hourly rate of $58.00 per hour during the first year of the term of this Agreement (between December 1, 2015 to December 1, 2016), and $60.80 per hour during the second year of the term of this Agreement (between December 1, 2016 to December 1, 2017). Invoicing will be structured as follows:

1. Each Project will be separately invoiced indicating the time devoted by Woodlands Consultant on each Project (including time for the review of the Project, site visits, meetings, report writing, phone calls, the time taken to travel and from the site and/or meeting, and any other miscellaneous time to complete a Project). Each Project invoice shall also include any costs and expenses incurred by Woodlands Consultant including, but not limited to, copies, pictures, postage, and the like.

2. Non-project items invoiced to the City shall indicate the time devoted by the Woodlands Consultant including time for meetings, ordinance amendments, special studies, site visits, phone calls, travel time to and from a site and/or meeting, and other time devoted by the Woodlands Consultant to Non-project items. Each invoice shall also include any costs and expenses incurred by Woodlands Consultant including, but not limited to, copies, pictures, postage, and the like.

3. There will be no invoicing of postage, copying, and the like, unless the costs in the particular billing cycle reaches $10.00 or more.

B. All services provided by Woodlands Consultant relating to a pending court action, including time spent at court, shall be invoiced at an hourly rate of $88.25 per hour during the first year of the term of this Agreement (between December 1, 2015 to December 1, 2016), and $92.65 per hour during the second year of the term of this Agreement (between December 1, 2016 to December 1, 2017), plus costs and expenses. Such hourly rate shall increase 5% per year during the renewal periods.

C. If a project is terminated, Woodlands Consultant shall be permitted to invoice the City for all services performed by Woodlands Consultant on that project regardless of whether the project called for a written report by Woodlands Consultant on an invoice following termination of the project.

D. All payments are due upon invoice. Any dispute by the City of any charges contained in any invoice shall be brought to the attention of the Woodlands Consultant in writing within thirty (30) days after the date of the mailing of the particular invoice involved to City by the Woodlands Consultant.

E. If the combined payments to the Woodlands Consultant will reach or exceed $25,000 within the time frame of this agreement, the City Council will need to consider approval of this agreement. The city shall immediately notify the Woodlands Consultant if the combined payment will reach or exceed $25,000.

VI. Disputes

Prior to the initiation of any legal proceedings, the parties to this Agreement agree to submit all claims, disputes or controversies arising out of or in relation to the interpretation, application or enforcement of this Agreement to non-binding mediation. Such mediation shall be conducted under the auspices of the American Arbitration Association or such other mediation service or mediator upon which the parties agree. The Party seeking to initiate mediation shall do so by submitting a formal, written request to the other party to this Agreement. This section shall survive completion or termination of this Agreement, but under no circumstances shall either party call for mediation of any claim or dispute arising out of this
VII. Independent Contractor Status

It is understood and agreed between the parties that Woodlands Consultant is an independent contractor in the performance of each and every part of this agreement, and nothing in this agreement shall be construed to be inconsistent with such status.

VIII. Indemnification

City agrees to indemnify, defend and hold Woodlands Consultant harmless from and against any and all claims, liabilities, suits, demands, losses, damages, costs and expenses, including reasonable attorney fees, ("Claims"), that Woodlands Consultant may hereafter suffer, incur or pay resulting from any Claims made against Woodlands Consultant for any economic loss or damages or loss to property or persons as a result of Woodlands Consultant carrying out his obligations under this agreement, unless such Claims against Woodlands Consultant arise as a direct result of a negligent act or omission on the part of Woodlands Consultant.

IX. Successors and Assigns

This Agreement shall bind and inure to the benefit of the respective heirs, personal representatives, successors and assigns of the parties.

X. Assignment

Neither party shall assign or transfer any interest in this Agreement without the prior, express and written consent of the other.

XI. No Waiver

The failure of either party to this Agreement to insist upon the performance of any of the terms and conditions of this Agreement, or the waiver of any breach of any of the terms and conditions of this agreement, shall not be construed as thereafter waiving any such terms and conditions, but the same shall continue and remain in full force and effect as if no such forbearance or waiver had occurred.

XII. Governing Law

It is agreed that this Agreement shall be governed by, construed and enforced in accordance with the laws of the State of Michigan.

XIII. Attorney Fees

In the event that any action is filed in relation to this agreement, the unsuccessful party in the action shall pay to the successful party, in addition to all the sums that either party may be called on to pay, a reasonable sum for the successful party’s attorneys’ fees.

XIV. Effect of Partial Invalidity

The invalidity of any portion of this Agreement shall not be deemed to affect the validity of any other provision. In the event that any provision of this Agreement is held to be invalid, the parties agree that the remaining provisions shall be deemed to be in full force and effect as if they had been executed by both parties subsequent to the expungement of the invalid provision.

XV. Entire Agreement

This Agreement shall constitute the entire agreement between the parties and any prior understanding or representation of any kind preceding the date of this Agreement shall not be binding upon
either party except to the extent incorporated in this agreement. Each party acknowledges that the parties participated equally in the drafting of this Agreement and accordingly, no Court construing this Agreement shall construe it more strictly against any party hereto.

XVI. Modification of Agreement

Any modification of this Agreement or additional obligation assumed by either party in connection with this Agreement shall be binding only if placed in writing and signed by each party or an authorized representative of each party.

XVII. Excusable Delay

Neither party to this Agreement shall be liable to the other for any loss, cost or damages, arising out of, or resulting from, any failure to perform in accordance with the terms of this Agreement where the cause of such failure shall include, but not be limited to, acts of God, strikes, lockouts or other industrial disturbances, wars, whether declared or undeclared, blockades, insurrections, riots, governmental action, explosion, fire, floods, or any other cause not within the reasonable control of either party.

XVIII. Notices

Any notice provided for or concerning this Agreement shall be in writing and be deemed sufficiently given when sent by certified or registered mail to the respective address of each party as set forth at the beginning of this Agreement.

XIX. Paragraph Headings

The titles to the paragraphs of this Agreement are solely for the convenience of the parties and shall not be used to explain, modify, simplify or aid in the interpretation of the provisions of this Agreement.

XX. Counterparts

This Agreement may be executed in any number of counterparts, each of which shall be deemed to be an original, but all of which together shall constitute the same instrument.

XXI. Signatures.

A. By signing this agreement, both parties agree to the terms as described above in this Agreement:

Signature of Woodlands Consultant

____________________________
Eric A. Olson date

City of Auburn Hills, a Michigan municipal corporation

____________________________
By: date Print Name
Its:
To: Mayor and City Council  
From: Thomas A. Tanghe, City Manager; Doreen E. Olko, Chief of Police, Lt. Casimir Miarka, Investigations Division Commander  
Submitted: January 28, 2016  
Subject: Motion to approve a Memorandum of Understanding between the City and Federal Bureau of Investigations Detroit Metropolitan Identity Theft and Financial Crimes Task Force (DMITF)  

**INTRODUCTION AND HISTORY**

Identity theft and fraud cases are on the rise across the United States. According to the U.S. Department of Justice there was an estimated 17.6 million persons age 16 or older who fell victim to identity theft in 2014. Fraud encompasses many different crimes, such as check fraud, bank fraud, wire fraud, mortgage fraud and identity theft. In examining fraud cases for Auburn Hills 2015 there was an increase of 60% in identity theft when compared to 2014. Currently we contribute investigator time to the DMIF team to investigate cases originating in Auburn Hills and with this agreement we are seeking to expand that capability and improve our outcomes beyond simply taking a report. The investigation of these cases is very complex and requires many resources particularly those of federal agencies. Our experience tells us that the vast majority of these crimes extend outside of our community. To combat this serious trend the FBI Oakland County Resident Office has reconvened the Detroit Metropolitan Identity Theft and Financial Crimes Task Force dedicated to combatting this increasing crime wave. AHPD was a member and contributed an officer to this team which existed for about 10 years. Eventually, the team’s made such a significant impact that we saw declines in the number of reports and at that time the team was dissolved. Since then we have seen a marked increase in the reports of these crimes.

The mission of the DMITF is to identify and target for prosecution criminal enterprise groups and individuals responsible for identity theft, financial institution fraud, credit card fraud, mortgage fraud, and other complex financial crimes. The team consists of detectives and supervisors from local, county, and state agencies. Other communities participating are: U.S. Postal Service, Michigan State Police, Oakland County Sheriff’s Office, Sterling Heights, Southfield, and Troy Police Departments. Cases that reach loss amounts of $1M or more will likely receive federal prosecution and lesser cases will be referred to the Attorney General’s Office or Oakland County Prosecutor’s Office.

The FBI has received approval to reimburse agencies up to $17,500 in overtime costs, provide a vehicle and fuel, and necessary equipment to do the job. The investigator assigned to this task force will still be responsible for investigating local fraud cases and other crimes that occur in the City of Auburn Hills and would be in regular and after hours contact with his supervisor here. You will note that the agreement says that management of the team is a shared responsibility of the leadership of the participating member agencies. We may recall the investigator at any time either temporarily or permanently and the agreement dissolved with 30 days’ notice for any reason. To participate with the team, we must enter into a Memorandum of Understanding with the Federal Bureau of Investigations.

City Attorney, Mr. Derk Beckerleg reviewed the attached Memorandum of Understanding and found it to be satisfactory from a legal standpoint.

The Public Safety Advisory Committee at their January 26th meeting recommended the agreement by unanimous vote.
STAFF RECOMMENDATION
Staff recommends the Memorandum of Understanding between the Federal Bureau of Investigations and the City be approved.

MOTION
Move to approve the Memorandum of Understanding between the City of Auburn Hills and the Federal Bureau of Investigations and authorize the Chief of Police to sign the agreement on behalf of the City.

I CONCUR:

THOMAS A. TANGHE, CITY MANAGER
MEMORANDUM

To:         Thomas A. Tanghe, City Manager
CC:        Steven J. Cohen, Director of Community Development
From:     Shawn Keenan, Assistant City Planner
Date:       February 1, 2016
Re:        Clinton River Water Quality Data

Clinton River Monitoring January 2015 through December 2015

Below are the test results for E-coli.

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<th>DATE</th>
<th>DRY WEATHER OR WET WEATHER</th>
<th>RIVER LEVEL</th>
<th>OPDYKE BRIDGE</th>
<th>RIVERSIDE PARK</th>
<th>RIVER WOODS PARK</th>
<th>HAMLIN BRIDGE</th>
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<td>68</td>
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<td>&gt;2,420</td>
<td>&gt;2,420</td>
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Using County Health Department and EPA water quality standards, counts less than 1,000 are safe for partial body contact and counts less than 300 are safe for full body contact.
Avondale art scholarship honors donor's late wife

When Jack Schodowski of Rochester Hills speaks of his wife Helen, who died in 2013, he tells of her passion for dance and theater and the arts.

“She loved to do things to express her creativity. She danced and she acted and she painted.”

Schodowski wants to honor his wife and keep her passion for art alive with a scholarship fund that he has established through Avondale School District.

“I saw an article in the newspaper about your art department a while ago,” he explained. “I decided that supporting an art student who wants to continue studying art after high school was a good way to remember Helen.”

Schodowski plans to donate $1,000 each year to a scholarship fund to be shared by three Avondale seniors.

“This is an incredibly generous and thoughtful gift,” said Avondale art teacher Leigh Wright. “What a wonderful way to celebrate Mrs. Schodowski and continue her memory.”

Jack and Helen Schodowski have a long history in the Avondale School District community. Their company, Shelving, Inc. opened its doors more than 55 years ago and is located near the Auburn Hills downtown area. Avondale Shool District, which serves students from Auburn Hills, Rochester Hills, Troy and Bloomfield Township, has three school buildings in the Auburn Hills city limits.

We always felt connected to the district because of where our company is located. Now our grandchildren go to school here so I feel even more connected,” said Schodowski.

Though Mrs. Schodowski painted strictly in oils, the scholarship fund will not be limited to only art students who are gifted painters.

“We want to honor a life lived with passion so the scholarship fund will be shared by the students who demonstrate that they share Helen’s love of creative expression regardless of their chosen media,” said Wright.

The scholarship winners will be selected by members of the Avondale Art Department and announced during the high school's annual Senior Art Exhibit featuring the work of Advanced Placement students.

— Submitted by Annette McAvoY
Mayor touts business boom, downtown growth

By Paul Kampe
paul.kampe@oakpress.com
@paulkampe on Twitter

Business is booming in Auburn Hills and leaders are also investing in the city’s more than 20,000 residents, Mayor Kevin McDaniel said at his annual State of the Community address Thursday at Oakland University.

McDaniel, who was recently reelected by city council to a second term as mayor, touted the many millions of dollars invested by manufacturers and other companies in new and expanded facilities in the past year.

“When you bring that investment in manufacturing and businesses, the economic boom trickles down at all levels,” he said. “It’s natural for (automotive) suppliers to want to locate here. We’re getting built out. We’re running out of (existing building) space.”

One of the projects McDaniel mentioned included the redevelopment of the former Showcase Cinemas site along a road by GKN Automotive, which opened a 168,000-square-foot regional headquarters in June.

“That’s an excellent example of the redevelopment opportunities in Auburn Hills,” he said.

The city also saw projects from manufacturers such as Visioneering, Hidrotic and BorgWarner, among others, as well as the opening of Sea Life Aquarium at Great Lakes Crossing Outlets.

McDaniel said the city expects another $80 million in investment from manufacturers in the next year, as well as an additional $60 million in residential and retail development in the city’s burgeoning downtown district.

“We’ve still go that small-town feel downtown,” he said, adding officials hope to make the area more walkable by continuing to expand residential offerings as well as luring possible new restaurants to the downtown area.

The mayor also spoke about a recently announced $1 million amphitheater project expected to begin in 2017. The project is expected to be built inside an existing park in the city’s downtown area and will include a plaza and spray park.

“This amazing community asset will serve residents for decades to come,” McDaniel said.

McDaniel also looked back on the opening of the state’s first “diverging diamond” interchange. The $24 million project, which was completed in late-2015, directs traffic onto the left side of the road as it crosses the new University Drive bridge over I-75.

“This long bottleneck has been turned into a traffic solution,” he said.

Oakland University is located in portions of Auburn Hills and neighboring Rochester Hills, a fact jokingly mentioned by McDaniel and others Thursday.

McDaniel, an Oakland University graduate, said the city’s relationship with the school is growing, highlighted by a collaborative effort to make over the University Drive streetscape branding the city as the university’s home.

The development boom also extends onto Oakland’s suburban campus, where officials are determining where to place a planned $77 million, 750-bed residence hall, among other various planned projects.

“Our skyline will be changing once again,” Oakland vice president of marketing and communications John Young said.

The logo of the 33-year-old city will also be getting a new look, McDaniel said, noting the silo made of fieldstone could give some the impression Auburn Hills is a farming community.

Auburn Hills’ government operates with a manager-council form of government. City Manager Tom Tanghe is responsible for the day-to-day duties of the government, while McDaniel serves as executive officer of the city and official head of the city for ceremonial purposes.

Thursday’s event was hosted by the Auburn Hills Chamber of Commerce.
Avondale schools seeking bids for roof, paving

The Avondale school board of education is seeking bids for a pair of upcoming projects at district buildings.

District officials are looking for contractors to complete a roofing project and Avondale High School and paving project at Auburn Elementary, both located in Auburn Hills.

Three sections of the parking lot at the elementary need repaving and a section of the high school needs to be updated, according to a district spokeswoman.

A pre-bid meeting will be held for both projects on Wednesday, Feb. 3 in the main lobby of each building — 3 p.m. at Avondale High School and 4 p.m. at Auburn Elementary.

Potential bidders are not required to attend the meetings, but district officials say it is highly recommended.

Bids can be submitted to the Avondale Administrative Offices and must be received no later than noon on Feb. 11.

Avondale High School is located at 2800 Waukegan Street in Auburn Hills, Auburn Elementary is located at 2900 Waukegan and the district administration offices are located at 2940 Waukegan.

Visit ads.theoaklandpress.com for more information.

— Staff writer Paul Kampe
Planning Commission to consider projects

By Paul Kampe
paul.kampe@oakpress.com
@paulkampe on Twitter

A trio of possible developments — residential, industrial and commercial — are among the items to be discussed Wednesday, Feb. 3 by the Auburn Hills Planning Commission.

Officials are expected to consider a special land use request which would allow a developer to construct a shopping plaza on the northwest corner of Squirrel Road and University Drive, across from the main entrance to Oakland University.

The 12,200-square-foot Auburn Hills Marketplace would contain a Starbucks location with a drive thru and an outside seating area as well as space for as many as five additional tenants.

The project is estimated cost of $2.75 million, city officials said, and would require the demolition of the shuttered Palm Palace restaurant which abruptly closed last fall.

A groundbreaking could take place as early as April with a grand opening this fall.

The coffee giant currently has a location, without a drive thru, at the nearby intersection of Walton Boulevard and Squirrel Road and several others in Rochester Hills and Troy. City officials were uncertain if the existing location would be closed when the new plaza is built.

Auburn Hills-based Moreci Companies plans to build a senior living facility city officials have called a “luxury active adult resort” on 30 acres on the city’s northeast side.

Villa Montclair is expected to feature nearly 90 detached, single-family homes surrounded by a significant amount of open space.

A public hearing for the development will be held Wednesday and commissioners will be considering a rezoning request and site plan approval for a planned-unit development.

Official have said a fall groundbreaking for the project is possible.

The development is just one of several residential projects in the works around the city.

Also, a full-service sign company is hoping to construct an 18,500-square-foot facility on the north side of Walton Boulevard between Lapeer and Opdyke roads. The project is estimated at $1.4 million and construction could begin this spring, officials said.

Northern Sign Company is currently located further west on Walton near Baldwin Avenue in Pontiac. The company makes and installs vehicle graphics along with door and window lettering, among other services.

Public comments are also expected to be heard Wednesday concerning each of the developments, which also require city council’s approval.

The meeting begins at 7 p.m. and will be held inside the City Council Chambers, located at 1827 North Squirrel Road.
Avondale High students awarded in art competition

By Anne Runkle
arunkle@oakpress.com
@AnneRunkle on Twitter

Avondale High School students have received a number of honors from the Southeastern Michigan Region Scholastic Art Awards.

The competition is sponsored by the College for Creative Studies and supported by an advisory board of volunteer art teachers.

The region receives more than 6,200 works of art and 250 portfolios from middle school and high school students, which are then adjudicated and selected for Honorable Mentions, Silver and Gold Key Awards, American Vision nominations, and Best of Show Portfolios.

Avondale winners are Selena Nault (Gold Key for her portfolio); Hannah Kroesche (Silver Key for drawing); Brooke Blanchette (Silver Key for painting); Ashley Palzyaria (Honorable Mention for painting); and Zachary Loyd (Silver Key for jewelry); Isabella Fucinari (Silver Key for ceramics and glass); Mohiuddin Baig (Silver Key for architecture); and Abigail Tang (Gold Key for her portfolio and an Honorable Mention for sculpture).

Gold Key portfolios by Nault and Tang will continue on to the national competition in New York for adjudication.

All students will receive their awards at the Detroit Film Theater at the Detroit Institute of Arts on Feb. 8.

Following the ceremony, an exhibit featuring all of the winners' works will open at CCS and will run through February.

Avondale High School is in Auburn Hills and is part of the Avondale School District.
Funds raised for family of student who lost mother

By Anne Runkle
arunkle@oakpress.com
@AnneRunkle on Twitter

Students at Avondale High School wanted to help when a classmate lost his mother to cancer in late December.

As part of their annual Mr. Avondale competition, senior boys at the school in Auburn Hills wore pink, dressed up as elderly people and performed other silly services. Other students pay Mr. Avondale candidates for their hijinks.

The competition raised money for the family of Ana Castro, wife of Ricardo and mother of four children. Her oldest son, Irvin, is a junior at Avondale.

As soon as students heard about her death, they decided they wanted all of the money raised from the Mr. Avondale competition to go to the family, said Sharon Hyde, interim principal.

The event has been a tradition in the Avondale School District for more than 15 years and has raised thousands of dollars for local charities.

It culminated with a Miss America-type competition Jan. 22 that required the students to demonstrate a talent and answer questions.

Admission was $5 and the money collected also went to the Castro family.

PHOTO COURTESY OF AVONDALE SCHOOL DISTRICT

Avondale High students clown around as part of the Mr. Avondale competition.
SCHOOLS ASKING FOR $35M IN FIXES

Above: Preschool teacher Kelly Roberts with students at Frost P.E.A.C.E. Academy in Pontiac.
Below: Robert Englund, facilities manager for Pontiac schools, in the boiler room that serves Pontiac High School and Pontiac Middle School.
Problems include heating-cooling, missing ceiling tiles, worn windows; millage to be on March ballot

By Carol Hopkins

On a recent January day, a Pontiac High School teacher posted a hand-written notice on his door saying he moved his English class to another location because his classroom was too hot.

How hot? Inside a thermometer registered a stifling 90 degrees.

The reason for the erratic temperatures at the sprawling high school center around an aged heating system operated by controls that are nearly 30 years old.

“It’s hard to work when it’s really hot or cold,” said Robert Englund, director of facilities.

To correct this, the school district — which has 4,400 students and nine schools — will be asking residents to consider approving a sinking fund millage March 8 to provide $35 million to pay for school
Schools
FROM PAGE 1

building upgrades.

The request of 2.87 mills, referred to as a Building & Site Sinking Fund millage, will be on the ballot along with a non-homestead millage renewal.

During a recent visit to three schools, problems ranged from heating-cooling issues to missing ceiling tiles to worn windows. The problem with cold came up on Jan. 19 when students at the International Technology Academy on Montcalm had to wear their coats in class because a pump had broken.

Officials repaired the problem.

At a mid-1950s-era powerhouse located between the middle school and high school off Perry, a tunnel holds steam valves that are as old as the building itself.

In order for workers to function near the pipes, said Englund, they have to wear a respirator because the room is like an oven -- and dangerous.

If the middle school or high school becomes too hot or cold, the valves have to be opened or closed by hand, Englund said.

Last bond

Officials noted that Pontiac is the only district in Oakland County without a sinking fund or levied debt that provides access to funding for school improvements and repairs.

The last time voters approved a bond issue for major school facility improvements in Pontiac was 1991.

“At this point, the district has only been able to make emergency repairs using general operating funds that would otherwise be used to support educational programs for students,” said Superintendent Kelley Williams.

The steam pipes and valves are so hot at the powerhouse supplying heat to the Pontiac middle school and high school, workers have to wear a respirator to repair them.

FYI

Sylvan Lake Resident
Jim Endres lists concerns at http://carepsd.blogspot.com/

The systems are breaking down at several buildings — most are around 56 years old.

In 2014, after heavy snow and other weather-related damages, Whitmer Human Resource Center elementary school had to close and children had to be moved to another school.

If funding was approved, the controls at the middle school-high school powerhouse would be the first to be upgraded from analog to digital.

The sinking fund would provide $7 million a year for 5 years, officials said.

If approved, Englund said the first job would be to overhaul the heating and cooling system at the high school, and make the 93 classrooms energy efficient.

Old tile floors, now heaving and chipped away at the high school, would be tiled and carpeted.

All-fitting windows would be replaced. Roofs and stained drop ceilings would be repaired.

At the high school, one stairwell near the gym was roped off with caution tape.

The handrail is stained by dripping drains from above.

“The students don’t come down this way,” said Englund.

At the two joined school buildings on Baldwin — Owen and Kennedy — the heat is a problem.

The temperature on the catwalk above the gym was 90 degrees on recent day. A teacher opened doors to cool down the space before students arrived, said Marvin Beasley, manager of facilities.

Williams said, “With aging facilities and diminished funding, we worry about maintaining our reform efforts. We know that healthy schools equal a healthy community and we are aware of how many families, with and without children, depend on the district.”

Williams added, “We hope the community can support safe and well-operating school facilities so that our students are able to concentrate on their improved education and move forward.”

Opposition to millage

A Sylvan Lake man — who lives in the Pontiac school district — is opposing the sinking fund millage.

Jim Endres has mailed cards to homes listing reasons to vote no on the March 8 proposal.

He said he believes the school district needs to hold more open meetings, obtain more citizen involvement and have closer scrutiny in money matters.

“I believe strongly that the City of Pontiac needs a good school district and I do not want to see the district dismantled,” said Endres.

“I have a growing list of 25 things that need to get done through a reorganization. The fact is our children deserve better than what they are getting now.”
AUBURN HILLS

New residential developments in store

By Paul Kampe
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The second portion of a more than 20-acre, $46 million multi-phase development near downtown Auburn Hills was approved this week by city officials, paving the way for the continuation of one of multiple planned residential projects.

Auburn Hills City Council unanimously approved the second phase of a planned-unit development for The Parkways, a nearly 150-unit development featuring townhouses and stacked-flat units, which are similar to single-level apartments built on top of one another, as well as a 160-unit independent senior living complex.

The Parkways is located on the west side of Adams Road, north of the Clinton River Trail and will have direct access to nearby Riverwoods Park as well as walkability to downtown Auburn Hills.

"It will be a highly sought after development," City Manager Tom Tanghe said. "There’s a lot of amenities and the big box retailers to the east and downtown Auburn Hills to the west."

"It’s a great location."

Tanghe added city officials are in the process of developing a planned mixed-use retail and residential building to be constructed in downtown Auburn Hills beginning this spring.
Developments

expanding the downtown district eastward.

"We're tying it all into downtown," he said.

The project, developed by Auburn Hills-based Moceri Companies, first approved in 2013, kicked off its first phase last year.

Phase two consists of 30 units, including two, eight-unit townhouses, a 10-unit and a four-unit townhouses.

The senior living facility could still be a couple years away from construction, Tanghe said, but will enhance the city's residential offerings for seniors.

"We have assisted living and independent living facilities," he said.

"It's a housing opportunity that doesn't currently exist. It's a little more upscale than what we have."

The latest portion of development is expected to commence upon the completion of phase 1, which is estimated to occur late next year, according to a company representative who spoke at the Monday, Jan. 25 council meeting.

Seven townhouse-style buildings are currently under construction. Phase two is estimated to cost $3.9 million.

Tanghe added the city retained some 3 acres of the property for passive park space which will likely include park benches.

The project is also expected to be one of the first in the state of its size to be wired for electric vehicle charging stations.

Moceri is building the development on land it purchased from the city for approximately $2 million in early-2014, Tanghe said.

The city has also resold other portions of the land to other developers.

Moceri also plans to build another senior living community, Villa Montclair, which director of community development Steve Cohen called a "luxury active adult resort," on 30 acres on the city's northeast side.

The development is expected to include nearly 90 detached single-family homes surrounded by a significant amount of open space, according to Cohen.

Tanghe said Villa Montclair breaks from "cookie cutter" design and features clustered housing with "large swaths" of natural areas.

"It will really be a beautiful development," he said.

The two projects will help the city offer living options for every age range — and every budget — Tanghe said.

"We have something here for people from birth to death," he said. "You can find it all here."

A final decision on the plans for Villa Montclair by city officials is possible in February with a groundbreaking possible by fall, Tanghe said.

Downtown Auburn Hills is also slated for a new mixed-use retail and residential project.

Birmingham-based Foremost Development Company plans to build a four-story building on the southwest corner of Auburn and Squirrel roads.

Residences at Thirty Two 50 is expected to feature first-floor retail and nearly 50 one- and two-bedroom luxury rental units, as well as resident lounges and exercise areas and a patio on the Clinton River.

"This is a project that will bring new residents, new energy and purchasing power to downtown Auburn Hills," company president Terry Bailey said in a press release announcing the project.

Work on the $7.5 million project is expected to begin this spring.

Officials also report work began in early-January on a $9 million project, Mosaic of Auburn Hills, located on the southeast corner of Baldwin and Collier roads. The six building, 81-unit apartment complex project is scheduled to be complete by summer 2017.

Last fall, crews began construction on a 28-home development, Forester Hills, located west of Old Adams Road and north of the Forester Square Condominiums. The development is expected to be a mix of ranch and split-level style homes, according to officials.

For Moceri, a possible resolution in a federal lawsuit filed in late-2014 against Oakland Township regarding a stalled assisted living senior facility in that community is currently being considered by officials.

A special meeting has been scheduled by the township's board of trustees for Tuesday, Feb. 2 to consider a consent judgement in the case.
Local brief

AUBURN HILLS

City wins Google award for online business

The City of Auburn Hills has been recognized by Google for the strength of its online business community.

The technology giant named the city its 2015 eCity of Michigan, according to a city press release announcing the honor.

The award recognizes the strongest online business community in each state, where businesses utilize the Internet to find new customers and connect with existing clients.

"Businesses within Auburn Hills continue to thrive on the Web, and this distinction is additional proof of their effort and success," Mayor Kevin McDaniel said in the release.

Google collaborated with an independent research firm to analyze the online strength of local small businesses in cities around the nation.

Ann Arbor won the award in 2014.

—from writer Paul Kampe
Pistons owner raising $10M in aid for Flint

By Paul Kampe
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Detroit Pistons owner and Flint native Tom Gores announced Thursday a private sector campaign to raise at least $10 million to aid in the Flint Water Crisis.

Gores, CEO of Platinum Equity, plans to address short- and long-term support for the still unfolding situation such as economic development, nutrition and healthcare, according to NBA.com.

"The issues facing Flint won't be solved solely through government intervention and emergency support," Gores said in the statement. "The private sector needs to play role here, and I am committed to helping drive that effort. I grew up in Flint." 

From Page 1

Flint

Flint, my family has strong roots there, and I believe in the people who live there."

Gores praised local and national efforts to help the city's residents and encouraged their continuation, noting his campaign will include personal contributions as well as benefits at Palace Sports & Entertainment venues such as The Palace of Auburn Hills and DTE Energy Music Theatre.

"Flint was once a cornerstone of American industry that gave a lot to this country," he said. "We need help now more than ever and ask that people from coast to coast continue stepping up."

Gores has also appointed Pistons vice chairman Arn Tellem and Platinum Equity partner Mark Barnhill to lead an internal task force intended to raise awareness for and maintain the campaign.

The crisis, created when the city switched its drinking water source to the Flint River in 2014, has become an international news story. Many local groups have been sending bottled water to the city's residents.

Visit TheOaklandPress.com for a list of donation sites.

"We are grateful for the leadership of Tom Gores and his willingness to help mobilize the business community," CEO Jamie Gas- kin said. "We look forward to working with his team."

Meanwhile, regional and local officials have assured residents Oakland County's drinking water supply remains safe for consumption.
Legoland opening date announced

The highly-anticipated Legoland Discovery Center Michigan at Great Lakes Crossing Outlets in Auburn Hills will open in late March, operator Merlin Entertainment announced Thursday.

The 32,000-square-foot attraction, located in the space formerly occupied by Jeepers!, will open to the public March 25 after a ribbon-cutting ceremony a day earlier, according to a news release.

Legoland will feature themed exhibits, play areas, a 4-D cinema as well as interactive rides.

"We are looking forward to opening our doors to children and families who are looking to experience a world of color, creativity and imagination," general manager Hayley Anderson said in the release. "Lego has a long history of encouraging learning through play, and we believe that our attraction will soon be an integral part of the fabric of the Southeast Michigan community."

The attraction's "Mini-land" will be anchored by a Lego replica of downtown Detroit's Renaissance Center, recently unveiled at the North American International Auto Show, along with other regional landmarks.

Tickets, the prices of which have not yet been announced, must be purchased in advance at www.legolanddiscoverycenter.com/michigan/prior to the attraction's opening date. Walk-up admission will not be available.

See images from the LEGOLAND Master Builder's competition from earlier in January at MediaTheOaklandPress.com.

— Staff writer Paul Kampe
Officials not concerned with talk of Pistons’ move

By Paul Kampe
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Shortly after delivering his annual State of the Community address Thursday touting the tens of millions of dollars invested last year by manufacturers and other corporations, Auburn Hills Mayor Kevin McDaniel addressed the possibility of the city one day losing its best-known tenant — the Detroit Pistons.

INSIDE

Auburn Hills Mayor Kevin McDaniel touched on a number of subjects during his State of the Community. Page A3

NBA commissioner Adam Silver appeared at a Monday, Jan. 18 event in Detroit where the Pistons were announcing a partnership with a Detroit community center. Silver indicated he was hoping Pistons fans will show up.

Pistons

FSOM PAGE 1

to speak with team owner Tom Gores about the discussions team officials have been having regarding a possible move out of Auburn Hills, where the Pistons have played since 1988.

Construction of new downtown arena for the Detroit Red Wings has fueled speculation the Pistons — who have not played full-time in Detroit since the late-1970s — could relocate. McDaniel, however, said city officials “don’t get caught up in the rumor mill.”

“We don’t fault anyone for looking long term,” he added, saying the city will always be supportive of the venue which bears its name.

Gores, who has spent some $50 million on improvements to the nearly 30-year-old Palace — which he purchased along with the team in 2011 — said the team was in the “diligence process” and “keeping a close eye on (a possible move)”.

The numerous upgrades to the Palace — an $81 million round of renovations was unveiled this fall — shows an investment in the community, McDaniel said.

“We’re thankful they’re here,” he added.

Further, Oakland County Executive L. Brooks Patterson reiterated that the renovations at The Palace show a long-term commitment.

“They put a lot of money in it,” he said. “You don’t do that if you’re going to leave.”

The Palace is not the Pistons’ first suburban home. They played at the Pontiac Silverdome for a decade prior to moving up the road to Auburn Hills. The franchise did, however, play a portion of the 1984-85 season at Joe Louis Arena after the Silverdome’s inflatable roof collapsed.

The owners of the Silverdome site — which has been largely vacant since the Lions moved to downtown Detroit in 2002 — have said the razed stadium will be demolished this year to make way for a potential mixed-use development. Joe Louis Arena, which sits on prime riverfront real estate, will likely be quickly redeveloped, possibly into a high-rise residential development, once the Red Wings vacate next year.

Detroit Mayor Mike Duggan said at a meeting of the Detroit Economic Club at nearby Cobo Center Tuesday.

Early last year, Palace Sports and Entertainment of-