May 2015
(05-01-15)

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

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

11  City Council, 7:00 p.m., Council Chamber

12  Tax Increment Financing Authority, 4:00 pm, Admin Conference Room

12  SPECIAL: Brownfield Redevelopment Authority, 7:00 pm, Public Safety Meeting Room

12  Planning Commission, Public Safety Building CANCELED

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

13  Retiree Health Care, 4:00 p.m., Admin Conference Room

13  Beautification Advisory Commission, 6:00 p.m., Admin Conf Room DATE & LOCATION CHANGE

14  Zoning Board of Appeals, 7:00 p.m., Council Chamber CANCELED

18  City Council, 7:00 p.m., Council Chamber

19  Library Board, 5:45 p.m., Library Conference Room

20  Beautification Advisory Commission, 6:00 p.m., Council Conf Room DATE CHANGE

26  Public Safety Advisory Committee, 6:00 p.m., Public Safety Building

◆ 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
JUNE 2015
(05-14-15)

01  Tax Incentive Review Committee, 5:30 p.m. Admin Conference Room ❖
08  City Council Workshop, 5:30 p.m., Council Conference Room ◆
08  City Council, 7:00 p.m., Council Chamber ◆
09  Tax Increment Finance Authority, 4:00 p.m., Council Chamber ◆
11  Zoning Board of Appeals, 7:00 p.m., Council Chamber ◆
16  Library Board, 5:45 p.m., Library Conference Room 🎨
16  Planning Commission, 7:00 p.m., Council Chamber ◆
17  Special Pension/Retiree Health Care, 1:00 p.m., Admin Conference Room ❖
17  Beautification Advisory Commission, 6:00 p.m., Council Conf Room◆
22  City Council, 7:00 p.m., Council Chamber ◆

◆  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
1. MEETING CALLED TO ORDER
2. PLEDGE OF ALLEGIANCE
3. ROLL CALL OF COUNCIL
4. APPROVAL OF MINUTES
   4a. Regular City Council – May 11, 2015
5. APPOINTMENTS AND PRESENTATIONS
   5a. Presentation – Lifesaving Award to Faurecia Staff
   5b. Introduction of the Parks & Recreation Teen Council
6. PUBLIC COMMENT
7. CONSENT AGENDA
   All items listed are considered to be routine by the City council and will be enacted by one motion. There will be no separate discussion of these items unless a Council Member so requests, in which event the item will be removed from the Consent Agenda and considered in its normal sequence on the agenda.
   7a. Board and Commission Minutes
      7a.1. Downtown Development Authority – April 28, 2015
      7a.2. Tax Incentive Review Committee – May 4, 2015
      7a.3. Tax Increment Finance Authority – May 12, 2015
8. OLD BUSINESS
   8a. Motion - Ordinance No. 15-868 An Ordinance To Amend Article II, Downtown Development Authority, Of Chapter 30, Community Development, Of The Auburn Hills City Code Of Ordinances.
9. NEW BUSINESS
   9a. Motion – Establish a Public Hearing for a Brownfield Plan for 3507 Auburn Road (former Mound Steel)
   9b. Motion – Adoption of the By-Laws for the DDA
   9c. Motion – Approval of DDA/Oakland County Opt-In Contract
   9d. Motion – Approval of TIFA/Oakland County Sunset Contract
   9e. Motion – Approval of the Town Square Project
   9f. Motion – Approval of Bid Award for University Drive Streetscape
10. COMMENTS AND MOTIONS FROM COUNCIL
11. CITY ATTORNEY’S REPORT
12. CITY MANAGER’S REPORT
13. ADJOURNMENT

City Council meeting minutes are on file in the City Clerk’s office. NOTE: Anyone planning to attend the meeting who has need of special assistance under the Americans with Disabilities Act (ADA) is asked to contact the City Clerk’s Office at 370-9402 or the City Manager's Office at 370-9440 48 hours prior to the meeting. Staff will be pleased to make the necessary arrangements.
CALL TO ORDER: Mayor McDaniel at 7:00 p.m.
LOCATION: City Council Chamber, 1827 N. Squirrel Road, Auburn Hills, MI 48326
Present: Mayor McDaniel, Mayor Pro Tem Kittle, Council Members Burmeister, Hammond, Knight, Mitchell
Absent: Council Member Verbeke
Also Present: City Manager Tanghe, Assistant City Manager Grice, Police Chief Olko, City Clerk Kowal, Finance Director Schulz, Community Development Director Cohen, DPW Director Melchert, Deputy DPW Director Herczeg, Manager of Public Utilities Michling, Manager of Roads and Fleet Brisson, City Attorney Beckerleg, City Engineer Juidici
10 Guests

4. APPROVAL OF MINUTES

4a. Regular Council Meeting – April 27, 2015
Moved by Mitchell; Seconded by Hammond.
RESOLVED: To approve the April 27, 2015 City Council meeting minutes.
VOTE: Yes: Burmeister, Hammond, Kittle, Knight, McDaniel, Mitchell
No: None
Motion Carried (6–0)
Resolution No. 15.05.089

4b. Council Workshop – April 27, 2015
Moved by Kittle; Seconded by Mitchell.
RESOLVED: To approve the April 27, 2015 Council Workshop meeting minutes.
VOTE: Yes: Burmeister, Hammond, Kittle, Knight, McDaniel, Mitchell
No: None
Motion Carried (6–0)
Resolution No. 15.05.090

5. APPOINTMENTS AND PRESENTATIONS

5a. Motion – Designating May as Mental Health Month in Auburn Hills
Moved by Hammond; Seconded by Mitchell.
RESOLVED: To adopt the resolution declaring May Mental Health Month in Auburn Hills.
VOTE: Yes: Burmeister, Hammond, Kittle, Knight, McDaniel, Mitchell
No: None
Motion Carried (6–0)
Resolution No. 15.05.091

6. PUBLIC COMMENT

Toni Whitley, 862 Chase Way Boulevard, is seeking a copy of the site plans for her home, indicating where the storm drain is located to alleviate drainage problems she has had for the last several years. She has asked for the plans, but as of yet, she has not received them and is seeking Council’s help.
Mayor McDaniel stated he will pass the information on to the Community Development Department and get the information to her as soon as possible.

Annette McAvoy, 3841 N. Briarvale, sharing what’s Cool in School this month; the high school hosted a career and college fair, inviting the sophomore students. There were 41 business and 16 colleges participating in the fair. She also noted an Avondale senior received over $80,000 in scholarship money to attend an art school in Maryland.
7. CONSENT AGENDA

THIS ITEM WAS REMOVED FROM THE CONSENT AGENDA BY COUNCIL MEMBER KITTLE.

7a. Motion – Approving Bulk Road Salt Purchase for 2015/2016 Season

Mr. Kittle asked about the salt usage for this past winter.

Mr. Brisson explained more salt was used this past winter because of the number of small snow events; the City has 70 major roads that need to be maintained using 2,800 tons of salt. In past years the average amount of salt used is between 2,200 and 2,300 tons. The winter of 2013/2014 required more plowing than salting, this year 2014/2015, required more salting and less plowing.

Mr. Brisson confirmed for Mr. Kittle that the price of the salt includes delivery; the bids don’t indicate the breakdown between the price of salt and delivery costs.

Moved by Kittle; Seconded by Knight.

RESOLVED: To approve the purchase of bulk road salt from Detroit Salt, Inc., 12841 Sanders, Detroit, Michigan 48217 for the 2015/16 season at $57.11 per ton for a not to exceed cost of $148,486.00. Funding is provided from Local Streets (203-453-784.000) and Major Streets (202-452-784.000).

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

Motion Carried (6-0)

Resolution No. 15.05.092

OLD BUSINESS

8a. Public Hearing – Adopting Ordinance 15-867, Amending Chapter 46 and add Sections 46-251 to 46-253

Police Chief Olko explained this ordinance would prohibit the sales, possession or use of e-cigarettes to persons under the age of 18. These are civil infraction penalties, and will be similar to current tobacco use laws for those under the age of 18.

Police Chief Olko assured Ms. Hammond that the retail establishments will be made aware of the new City ordinance prohibiting the sales of e-cigarettes to minors.

Hearing no comments, Mayor McDaniel opened and closed the public hearing at 7:15 p.m.

Moved by Knight, Seconded by Hammond.

RESOLVED: To adopt ordinance 15-867, an ordinance to amend Chapter 46, Offenses and Miscellaneous Provisions to add Sections 46-251 to 46-253 of Article VIII-Offenses Concerning Minors to prohibit the use, possession or sale of e-cigarettes to minors on second reading and final adoption.

Mr. Kittle noted he has done some soul searching on this item since the last Council meeting and is in favor of supporting the ordinance.

Ms. Mitchell appreciates the thoroughness of the ordinance; however, she is not in support of this ordinance. She would prefer to see educating people on the hazards of smoking both the physical and financial results. Also, these types of ordinances are aimed at a selective group of people, which she doesn’t feel is appropriate.

VOTE: Yes: Burmeister, Hammond, Kittle, Knight, McDaniel
No: Mitchell

Motion Carried (5-1)

Resolution No. 15.05.093

8b. Motion – 2015 Bloomfield Orchards Subdivision Water Main Replacement Bid Award and Construction Engineering Services.

Mr. Michling explained this is the sixth phase of seven and the low bidder, Pamar Enterprises, is the same company that did last year’s Bloomfield Orchards work. Pamar’s bid came in at $1,130,665.42. Engineering services from OHM is not to exceed $85,500.00 and material testing fees is estimated at $4,000.00 by Testing Engineering and Consultants.

Mr. Michling confirmed this is a budgeted project to be completed in 2015, with one more phase, the last four streets, to be completed in 2016.

Moved by Burmeister; Seconded by Mitchell.

RESOLVED: Move to approve the award of the Bloomfield Orchards Water Main Replacement Project to Pamar Enterprises 58021 Gratiot, New Haven, Michigan 48048 in the amount of $1,130,665.42. Engineering services for the not to exceed amount of $85,500.00 to OHM Advisors and material testing fees in the estimated amount of $4,000.00 to Testing Engineering and Consultants. Funding provided from account number (592-536-977.001-BMLOCHWTRMN).

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

Motion Carried (6-0)

Resolution No. 15.05.094
9. NEW BUSINESS

9a. Motion – Consent to Assignment of Lease Agreement to American Tower Corporation

Mr. Cohen explained 20 years ago Verizon built a communication tower, Tower #1, on property leased from the City. Verizon has assigned the lease to American Tower Corporation. In accordance with the original agreement, the City must sign-off on the assignment of the lease to a new owner, through City Council approval. Verizon will stay as a tenant on the tower and pay rent to American Tower as the manager and operator of the tower. Beginning in August 2015, lease payments to the City will be paid by American Tower.

Moved by Mitchell; Seconded by Burmeister.

RESOLVED: To direct the City Manager to sign the consent request from American Tower Corporation. This action authorizes the assignment of the lease agreement between the City of Auburn Hills and Verizon Communications Inc. to American Tower Corporation at 3303 Seyburn Drive.

VOTE:  Yes:  Burmeister, Hammond, Kittle, Knight, McDaniel, Mitchell  
No:  None  Motion Carried (6-0)

Resolution No. 15.05.095

9b. Motion – Consent for North Oakland County Water Authority to enter into a contract for Legal Services

Mr. Herczeg explained this is the final step, for legal services, required for NOCWA operations, which is an as-needed basis. Costs are not expected to exceed $10,000 or $2,500 from each NOCWA member. Based on the Finance Committee recommendation, the NOCWA Board voted unanimously to award the Legal Services contract to Secrest Wardle, with the lead attorney assigned as Derk Berkerleg. Mr. Beckerleg has over 30 years of municipal experience, participated in drafting the NOCWA agreement and bylaws, and was integral in community negotiations with Detroit Water and Sewer Department on the existing model service contracts.

Per NOCWA bylaws, all contracts entered into by the Authority must be approved by the governing bodies of the participating communities.

Mr. Beckerleg assured Mr. Kittle, his representing NOCWA will not interfere with his representing the City.

Moved by Knight; Seconded by Kittle.

RESOLVED: Move to award the contract to Secrest Wardle of Troy, Michigan for legal services to NOCWA for the as-needed amount of $150.00 per hour for the term of one year beginning May 7, 2015, with an option to renew for additional years per the NOCWA Board.

VOTE:  Yes:  Burmeister, Hammond, Kittle, Knight, McDaniel, Mitchell  
No:  None  Motion Carried (6-0)

Resolution No. 15.05.096

10. COMMENTS AND MOTIONS FROM COUNCIL

Ms. Hammond:

• Asked when the repairs will be completed on the downtown clock.
  Mr. Herczeg stated the part is on back order.

• Reminding everyone this is Law Enforcement Officers Week and the City’s Police awards banquet is Thursday.

Mr. Knight:

• Noted Oakland University President Hynd will be the guest speaker at the Morning Optimists Club, Thursday at 7:15 a.m. and invited Council Members.

• Asked if there are plans to replace the Christmas tree, he has had many inquiries from residents.
  Mr. Tanghe explained TIFA will be discussing creating a public space between Ashford Commons and the DEN and the Christmas tree will be part of the conversation; the tree will be a substantial size and be ready before Christmas.

• Asked for a Featherstone Road update.
  Mr. Brisson explained the paving for westbound traffic is nearly completed and once complete the turn-arounds and driveway approaches will be done. The project is on schedule with a targeted opening day of westbound lanes in early June.

• Asked if the University Bridge is still slated to come down in the later part of June.
  Mr. Melchert concurred that is still the plan with June 20th the target date

• He will be meeting with Mr. Melchert to discuss some concerns and ideas for the striping of Auburn Road.
  Mr. Tanghe stated the marking crews are now working in the area.

Mr. Knight noted the Mound Steel property is going to need a right-turn lane and the two parking spaces that are there can accommodate the turning lane and suggested it be done now.
Mr. Kittle:
- Thanked all those involved in the DDA/TIF project.
- Asked when the construction of Squirrel Road will start.
  Mr. Melchert explained within the next few weeks, the City will meet with the contractor as well as hold an informational meeting for the public. Construction should begin in early to mid-June with the road being opened by the end of the year.
- Asked the date of the Goals and Objectives Council Workshop.
  Mr. Tanghe stated the workshop is scheduled for June 1st, with dinner being served at 4:30 p.m. and the workshop beginning at 5:00 p.m. and concluding around 10:00 p.m., in the community room of the Public Safety Building.

Mr. Burmeister:
- Asked for an update on the cracks and slurry seal on Mattie Lu.
  Mr. Juidici stated the OHM staff took a look at Mattie Lu and met with the contractor who will take a look at the road.
- Remarked what a great job was done by the DPW staff in removing the many trees on Squirrel Road.

Ms. Mitchell:
- Thanked the department heads for compiling annual reports for their departments, noting she wasn’t aware of the many day-to-day tasks that are performed. She has learned quite a bit and thanked Mr. Kittle for making the request of the annual reports.
- Had an enjoyable time in attending, with Ms. Hammond, the opening of the Wink Lash Lounge.
- Last month, the Women’s Official Network honored former Councilwoman Anne Doyle. She, Ms. Hammond, Police Chief Olko, and Ms. Whitley attended the event.
- Attended the County meeting, and is proud of how the City was presented.
- Watched a City Council meeting on the website, recognizing the poor audio. She suggested looking into another type of microphone.
- Would like an update on the recently hired media consultants.

Mayor McDaniel:
- Announced the American Legion Auxiliary Unit 143 and American Red Cross, is hosting a Vicky Poynter memorial blood drive, Wednesday, May 13th from 1:00 p.m. until 6:45 p.m. The drive is taking place at the American Legion located at 96 Churchill and appointments can be made on the American Red Cross website.
- Mr. Knight asked if anyone has heard any information regarding the Memorial Day Parade, he hasn’t heard any advertising.
  Mayor McDaniel stated the person in charge of the parade has been in contact with the Police Department. Police Chief Olko explained the route is different from previous years, and has been approved.
  Mayor McDaniel said he will contact the American Legion and get an update.
- Has had some discussions with Mr. Grice regarding the downtown parking and signage for overnight parking.
  Mr. Grice stated there are internal discussions taking place trying to come to an enforceable solution.
  Ms. Hammond suggested signage be placed making the public aware the parking garage is opened to the public and not just parking for the apartments.
  Mayor McDaniel explained some of the apartment tenants are not parking in the garage and are taking parking spaces away from area businesses where customers would park.
- Clarence Bennett stated he attended an American Legion meeting where the new parade route was discussed.

11. CITY ATTORNEY’S REPORT – none

12. CITY MANAGER’S REPORT
- Regarding the downtown parking, the City’s sign shop can make some Public Parking signs.
  Mr. Grice explained above the entrance to the garage has a sign noting public parking. There are several way-finding signs that are currently downtown that can be enhanced. He believes there are signs at Primary, Squirrel Road where it dead-ends at Auburn Road near the Moms Memorial and Auburn Road where it meets South Squirrel Road. The need for additional signage can be investigated.
  Mr. Grice stated the Stop Sign will also be looked at.
- Mr. Tanghe stated overnight parking downtown may be enforceable, but limiting daytime parking is another issue that should be carefully thought out.
Mayor McDaniel agreed with Mr. Tanghe, prohibiting overnight parking and not limiting daytime parking.

- Another step has been completed with the TIF capture with the County, with the final step coming before Council at the next meeting, May 18th.
- Met with James Jackson last week, who is with U.S. Senator Peters’ office and discussed infrastructure improvements and federal funding. A district office will be opening in the Rochester Hills area soon.

13. ADJOURNMENT
Meeting adjourned at 7:43 p.m.

___________________________________ _________________________________
Kevin R. McDaniel, Mayor                                            Terri Kowal, City Clerk
The City of Auburn Hills
City Council Workshop
Minutes
May 11, 2015

CALL TO ORDER: by Mayor McDaniel at 5:30 p.m.
LOCATION: City Council Chambers, 1827 N. Squirrel Road, Auburn Hills, MI 48326
Present: Mayor McDaniel, Council Members Burmeister, Hammond, Kittle, Knight, Mitchell
Absent: Council Member Verbeke
Also Present: City Manager Tanghe, Assistant City Manager Grice, Police Chief Olko, Community Development Director Cohen, City Clerk Kowal, DPW Director Melchert, Deputy DPW Director Herczeg, Finance Director Schulz, Deputy Assessor Blinkilde, Treasurer Buschmohle, Manager of Public Utilities Michling, Deputy Finance Director Wickenheiser, Manager of Roads and Fleet Brisson, City and Attorney Beckerleg,

City Manager Tanghe introduced the topic of Non-Union Benefits Resolution for Administrative staff members. He asked Council Member Kittle to comment, since he had suggested the workshop topic.

Mr. Kittle spoke about the amount of sick days and vacation days that are allowed in the benefit resolution. Employees with ten years seniority have 20 vacation days, which he feels is excessive. Perhaps 10 days with one day per year over 10 days added would be more reasonable. For example, 11 days for 11 years, 12 days for 12 years, etc.

Discussion took place among City Council Members and staff members. Options of awarding less sick and vacation days to new employees as opposed to current employees was discussed. The Admin staff in attendance were asked for their opinions on the options discussed. Most stated they could not take more than two weeks' vacation at one time, as they would fall too far behind on their work.

City Council Members discussed sick day benefits at length. Some felt that Admin staff should not have established sick days, but if they are sick they should just stay home without a sick day bank. After two weeks they would be on short term disability. Finance Director Schulz responded that many employees can “sell” their sick days that they don’t use, and consider that part of their benefit package. Discussion ensued. It was suggested that benefits should be the same for all so if changes were made to start with new hires that compensation could be adjusted for veteran employees.

City Manager Tanghe explained the many cuts to benefits already made to the Non-Union Benefit Resolution, including decreased vacation, loss of comp time, less personal days, and payment by employee of 20% of medical costs. Merit bonuses and pay increases were discussed. City Council Members agreed with the City Manager that merit bonuses can motivate employees, as long as the criteria is clearly defined.

Council Members complemented staff on their work in every department.
A consensus was reached that a new survey of salaries in comparable municipalities should be done, with benefits included, to see the comparison to our staff. Council Members would like to see the results prior to approval of the budget for 2016.

The workshop adjourned at 6:55 p.m.

Terri Kowal, CMMC, MMC
INTRODUCTION AND HISTORY

On March 17, 2015, police and fire personnel responded to Faurecia on a report of an employee who was unconscious and not breathing. Two fellow employees were with the 55 year old male when he went unconscious. The Emergency Response plan was activated and the two employees started CPR and utilized an automatic defibrillator on their coworker.

The activation of the Emergency Response plan put into motion a coordinated effort to assist responding emergency personnel. Faurecia employees quickly responded to their preassigned locations to direct emergency units from the parking lot to the patient’s side. This coordinated response greatly reduced the amount of time it took for emergency personnel to reach the patient.

As a result of the efforts of the two co-workers who performed CPR, the patient was conscious and talking when emergency personnel reached his side. The employee had suffered a heart attack and was able to return to work the following week. The Fire Department would like to recognize the individuals who performed CPR with a Lifesaving award and acknowledge the team effort of all the other employees who flawlessly implemented their emergency response plan.

The local President for Faurecia along with several employees are expected to be in attendance.
To: Mayor and City Council  
From: Thomas A. Tanghe, City Manager; Brian Marzolf, Recreation Director  
Submitted: May 14, 2015  
Subject: Introduction of Auburn Hills Teen Council

At the May 18th City Council meeting Director Marzolf will introduce Youth Coordinator Mandy Mullins, who was hired last May to help us develop a Teen Program. Ms. Mullins will introduce the Teen Council members. This Teen Council was formed with two major goals in mind; to engage more teens in the community to become more active and involved in volunteer opportunities; and to form a group of teens (Teen Council) that could plan social and recreational activities and events for teens to participate in.

Ms. Mullins planned a kick-off event designed just for teens last fall, a Zombie Laser Tag event held in Riverside Park in conjunction with the downtown Spooktacular event – this event drew about 25-30 teens, and helped our staff find teens that might be interested in being part of our yet-to-be formed Teen Council.

In February of this year, the first Teen Council meeting was held at the Community Center, and this group has been meeting twice a month since that time. Ms. Mullins and (possibly a Teen Council member) will share some of the things they’ve been doing and planning.

Auburn Hills Teen Council members for the 2014-15 school year include:

- Bailey Drews  
- Max Marzolf  
- Divya Ramanathan  
- Aparna Sumanth  
- Joel Taber  
- Joyce Yu  
- Jerry Zeng  
- Ann Zhao

Our staff is very pleased with the Teen Council’s progress and with the things they are working on. This first Teen Council will work on developing a mission statement and a few goals and objectives so that next years’ Teen Council, and future councils, can continue their efforts while at the same time developing their own new ideas and goals.

City Council can look forward to more updates and reports in the future on this group and their activities in the community.
LOCATION: Auburn Hills City Hall, Administrative Conference Room, 1827 North Squirrel Road, Auburn Hills, Michigan 48326

CALL TO ORDER: Manager of Business Development and Community Relations, Carroll called the meeting to order at 6:03 PM.

ROLL CALL

Present: Genauntis, McDaniel, Spurlin, Volk, Wise and Young
Absent: Gliniecki, Hutchison, Travnikar
Also Present: Assistant City Manager, Grice; Manager of Business Development and Community Relations, Carroll; City Clerk, Kowal; Management Assistant, Mariuz

PERSONS WISHING TO BE HEARD: None

CORRESPONDENCE & PRESENTATIONS

City Clerk Kowal issued the Oath of Office to all members present at the beginning of the meeting.

Manager of Business Development and Community Relations Carroll gave an overview about the Auburn Hills Downtown Development Authority and thanked the Board of Directors for their participation.

Each individual present went around the room and gave a brief description about him or herself. Spurlin, O’Brien Construction; Genauntis, Owner of Sweets and works at Volkswagen; Young, Vice President of Marketing at Oakland University; Wise, Self-Employed Insurance Agent; Grice, Assistant City Manager, and Tax Increment Finance Authority Executive Director; McDaniel, Mayor of Auburn Hills; Volk, Resident of Forester Square and owner of Corporate Video Production Company; Mariuz, Management Assistant for the City of Auburn Hills; Kowal, City Clerk; Carroll, Manager of Business Development and Community Relations.

APPROVAL OF MINUTES: None

FINANCIAL REPORT: None

OLD BUSINESS: None

NEW BUSINESS

7a. Public act requires that the Downtown Development Authority establish an executive director. As Mr. Grice was recently given responsibility over the Tax Increment Finance Authority, it was appropriate that he also be appointed as the Downtown Development Authority executive director, to create continuity across two boards that will have overlap in events and projects.

Moved by Young to accept the appointment of Donald K. Grice as Executive Director of the Auburn Hills Downtown Development Authority effective April 28, 2015.

Seconded by Genauntis.
Clerk Kowal swore in Donald K. Grice as the Executive Director of the Downtown Development Authority.

Grice gives a brief overview of his personal background and tenure with the City. Volk asks what Mr. Grice’s primary position is with the City. Grice replies that he is the Assistant City Manager and current Executive Director of the Tax Increment Finance Authority. Mariuz adds that the Oakland County and the City decided that it would be best for managerial purposes of the two authorities if they had the same Executive Director.

7b. Mariuz gives an overview of the duties of the chairperson of the board. Duties include being present and presiding over board meetings. The chairperson may occasionally be called on to represent the Downtown Development Authority at an event or in the media. It is not a permanent full time position.

Agendas are drafted and established by the Executive Director and city staff. The Executive Director and staff do majority of the internal work and research, while the Chairperson is the figurehead of the meetings.

Volk asked if there are insurance liabilities that go along with becoming chairperson of the board. Mariuz explains that the Director assumes these liabilities and handles any lawsuits that would come forward under the guidance and direction of the board.

Mayor McDaniel explains that city council members cannot chair boards. He also explains that it would not be appropriate for him to chair a board to which he has appointed all of its members. There is a need for good checks and balances. This also gives an opportunity for members and citizens to be involved more. Spurlin asks if not living in Auburn Hills will be a problem. Mariuz explains that the DDA has a Development Area Citizen’s Council that will assist in advising the Board. Individuals on the Board of Directors must have a vested interest in the downtown. Per Downtown Development Authority guiding legislation, Auburn Hills must have at least one resident present on the DDA board. Our DDA has two residents on the board.

Genautis nominates Spurlin as Chairperson for 2015, seconded by Wise.

Young describes his background on a planning commissions and he is comfortable with the Vice Chairperson role.

Volk Nominates Young as Vice Chairperson for 2015 and Genautis seconded.

6:15 PM Hutchison arrives to meeting

Yes:   Genautis, Hutchison, McDaniel, Spurlin, Volk, Wise and Young
No:     None

Motion carried

7c. Grice asks if there are any questions on the bylaws. Mariuz explains that these were created by the DDA legislation. She covers the main points of the bylaws. There has to be on meeting a quarter, disclosure of interest and removal of voting, process of nominating chair and vice chair, you can be removed from office if you have missed three consecutive meetings and the board has the power can fill vacant, unexpired terms. Some changes may be made to the bylaws per guidance from attorney - nothing substantial will be changed, more grammatical.

Volk asks if there are any guidelines underneath the scope of the bylaws. The Michigan law of authorities guides the DDA board, as well as the DDA legislation and our city policy handbook about boards and commissions. The documents will be sent out to the group after all final approvals. It is discussed that the meetings are subject to the Open Meetings Act and the Freedom of Information Act.

Moved by Volk to accept the Bylaws of the Auburn Hills Downtown Development Authority and make a recommendation to Auburn Hills City Council to be heard at Regular Meeting Monday, May 18, 2015.

Supported by Vice Chairperson Young.

Yes:   Genautis, Hutchison, McDaniel, Spurlin, Volk, Wise and Young
No:     None

Motion carried
7d. Mariuz explains some main points about the Development and Tax Increment Financing Plan. Pages 15-54 is a copy of the DDA law for reference. The plan has been developed by city staff with regards to our current TIF plans. This document is a 15 year plan capturing taxes at 50%. Its main focus is on maintenance, infrastructure and events in the downtown district.

Young recommends a few grammatical changes throughout the document.

Mayor McDaniel thanks the group for its willingness to serve on the DDA. He is excited that we all have a part in creating the type of community that we want to see grow in auburn hills.

**Moved by Vice Chairperson Young to accept the Auburn Hills Downtown Development Authority Tax Increment Financing and Development Plan and recommend Auburn Hills City Council Approve an Ordinance Adopting the Tax Increment Financing and Development Plan.**

**Support by Chairperson Spurlin.**

Yes: Genautis, Hutchison, McDaniel, Spurlin, Volk, Wise and Young

No: None

**Motion carried**

**BOARD MEMBER COMMENTS**

Mr. Grice makes closing statement and thanks the group for its participation. Group discusses what an exciting time this is for Auburn Hills.

Discussion ensued about upcoming downtown projects. Manager Carroll gave updates about construction projects and Director Grice offered a temporary solution to concerns raised about parking until further research is done into the subject.

6:52 PM Travnikar arrives to meeting

**ANNOUNCEMENT OF NEXT MEETING** – The next regularly scheduled Downtown Development Authority Board Meeting will be scheduled and publically posted upon the designation of a day and time that works for the majority of Board members.

**ADJOURNMENT**

Moved by Chairman Spurlin to adjourn the meeting at 7:24 p.m.

Supported by Vice Chairman Young.

Yes: Genautis, Hutchison, McDaniel, Spurlin, Travnikar, Volk, Wise and Young

No: None

**Motion carried**

Respectfully submitted,

Donald K. Grice

Samantha R. Mariuz

Executive Director

Recording Secretary
LOCATION: Administrative Conference Room, 1827 N. Squirrel Road, Auburn Hills MI 48326

1. CALL TO ORDER: Acting Chairperson Nelson called the meeting to order at 5:34 p.m.

2. ROLL CALL: Present: Nelson, Landsberg, Burmeister
   Also Present: City Assessor Lohmeier, Deputy Assessor Blinkilde
   Absent: Iacobelli, DeClerck

3. APPROVAL OF MINUTES – April 6, 2015
   Motion by Mr. Landsberg that the TIRC minutes of April 6, 2015 be accepted, as written.
   Supported by Mr. Nelson
   
   VOTE: Yes: Burmeister, Nelson, Landsberg
   No: None
   Motion carried (3-0)

4. OLD BUSINESS –
   Mr. Lohmeier highlighted the proposed Tax Incentive Policy changes with Mr. Burmeister since he was unable to attend the last meeting. He stated that a City Council workshop is scheduled for June 8th to discuss the Tax Incentive Policy, among other topics including the Industrial Report, and invited the TIRC members to attend the workshop. Mr. Lohmeier anticipates that the Tax Incentive Review Committee will be ready to submit their recommendations regarding policy changes to City Council in August.

5. NEW BUSINESS
   a. Request for New Facility IFEC (Real Property) – Hydra-Zorb Co.
      The Hydra-Zorb Company was represented by Robert Dodge (its President). The company manufactures pipe clamps. Mr. Dodge’s stepfather invented a plastic bushing about 50 years ago to go around hydraulic pipe. He started this business in 1968 on Doris Road, then in 1981 it was moved to its current location at 2450 Commercial Drive.

      Hydra-Zorb performs metal stamping and injection molding. They started out manufacturing clamps for hydraulic applications exclusively, but now only 20% of their products are for hydraulic applications (examples: garbage trucks, back hoes, dump trucks). The other 80% of their product lines are for refrigeration/air conditioning applications. Kroger is one of their biggest customers. All of Kroger’s refrigeration lines are held down with clamps made by Hydra-Zorb. American Carwash on Squirrel and Walton also uses their product to hold their water lines down.
The company has outgrown their 23,000 square foot building on Commercial Drive and desires to construct a new 51,500 square foot facility on Summit Drive which would double their shop space and give some room to expand, if needed. In the past, their parts would be shipped out to a master distributor where they would be packaged and re-shipped. The company has brought the packaging function in-house which is another reason for the additional space requirements.

Mr. Nelson asked if the company has purchased the land yet. Mr. Dodge said that he expects to close on the land sale by the end of the month. Mr. Lohmeier added that the company will own the building under a different name and will lease it back to themselves. Mr. Dodge has already provided a copy of the executed, 10 year lease. Mr. Lohmeier stated that if the committee wishes to recommend approval of an IFEC, the motion should state that their recommendation is contingent on the closing of the land sale before the company appears before council.

Mr. Nelson asked how many of the 30 new jobs listed on the application will be transferred from their current location. Mr. Dodge stated that 20 of those jobs would transfer from the Commercial Drive facility and they intend on adding at least 10 more positions as their business demands increase.

Mr. Burmeister asked if Hydra-Zorb has received any other abatements from the city. Mr. Dodge indicated that they were awarded abatements in the 80’s for personal property, but there are currently no active certificates. Mr. Lohmeier affirmed this and added that there are no pending appeals to the Michigan Tax Tribunal either.

Mr. Nelson asked when the construction of the new building will start. Mr. Dodge has already secured site plan approval from city council and hopes to begin as soon as the land purchase is complete. He noted that even though there are only only 20 employees, he is required to have over 60 parking spaces – they will land bank 10-15 spaces for future use.

Mr. Dodge voiced his appreciation for the cooperation and support he has received from city staff, the planning commission and city council in this process.

Motion by Mr. Burmeister to recommend to city council, approval of an 8 year abatement for Hydra-Zorb Company, for [$4,525,244 of] real property improvements to be constructed at 1751 Summit Drive; parcel number 02-14-03-100-051; with a term beginning 12/31/2015 and ending 12/30/2023 and the business requirement to operate the facility 2 years after the expiration of the certificate. This motion is made under the condition that the company closes on the land sale prior to appearing before council.

[Legal Desc: T3N, R10E, SEC 3 PART OF NW 1/4 BEG AT PT DIST S 02-45-48 E 1493.23 FT FROM N 1/4 COR, TH S 02-45-48 E 339.09 FT, TH S 87-14-12 W 110 FT, TH S 75-08-31 W 71.59 FT, TH S 87-14-12 W 508.82 FT, TH ALG CURVE TO RIGHT, RAD 56.67 FT, CHORD BEARS N 72-12-26 W 39.79 FT, DIST OF 40.66 FT, TH ALG CURVE TO LEFT, RAD 65 FT, CHORD BEARS N 72-12-26 W 45.65 FT, DIST OF 46.64 FT, TH N 02-45-48 W 323.51 FT, TH N 87-11-39 E 768.82 FT TO BEG 6.17 A11-10-04 FR 044 & 045]

Supported by Mr. Landsberg

VOTE:   Yes:  Landsberg, Nelson, Burmeister
No:    None  Motion carried (3-0)

6. CITY COUNCIL UPDATE –

Mr. Burmeister reported on the recent council actions.

- City Council tabled action on the request from Magna to forgive the clawback condition of their IFEC Agreement. A representative from Magna indicated that Samsung is looking at purchasing the building and if they do, may request a transfer of the abatement.
• The IFECs for Total Filtration Services, Inc. and TI Automotive, Inc. were approved, as recommended by TIRC.

7. OTHER –

Mr. Lohmeier indicated that Stephanie Carroll will be participating in “best-practice” meetings with representatives from other Oakland County Municipalities that offer tax abatements.

Mr. Lohmeier has spoken with some other companies regarding IFEC applications, but is not sure any will be ready to appear at the June meeting.

8. ADJOURNMENT - There being no objections, the meeting was adjourned at 6:03 p.m.

Next meeting: June 1, 2015 at 5:30 pm

Karen Blinkilde, Deputy Assessor
O:\assessor\PA 198_IFEC\TIRC - Tax Incentive Review Committee\2015\05_04_15\Minutes TIRC 5-4-15.docx
To: Mayor and City Council
CALL TO ORDER: Chairman Hassett called the meeting to order at 4:10 p.m.

ROLL CALL: Present: Dilland, Goodhall, Hassett, Molnar, Thornton

Absent: Dolly, Gupta, Price

Also Present: Assistant City Manager Grice, Finance Director Schulz, City Clerk Kowal, Deputy DPW Director Herczeg, and City Engineer Juidici.

Guests: Clarence Bennett

LOCATION: Auburn Hills Administration Conference Room, 1827 N. Squirrel Road, Auburn Hills, Michigan 48326

PERSONS WISHING TO BE HEARD – None

CORRESPONDENCE & PRESENTATIONS
There was no correspondence.

APPROVAL OF MINUTES
Moved by Mr. Molnar to approve the April 14, 2015 minutes as presented.
Supported by Mr. Goodhall.

VOTE: Yes: All
No: None  Motion Carried

FINANCIAL REPORT
Finance Director Schulz presented the financial report for April 2015.

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<th>Available Cash (TIF-B)</th>
<th>Available Cash (TIF-D)</th>
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Ms. Schulz noted there was an increase across the board as reflected in the balances. The April tax settlement added about $1.6 million to the funds. There will also be more expenditures with the gearing up of the construction season. There are commitments for Featherstone and the DDI, equaling about $1.3 million. Other than those there are only the standard usual expenditures. Ms. Schulz is going to talk about a budget amendment later on the agenda. The University Streetscape may have changes dependent on the contribution amount from Oakland University. She will continue to update the TIFA Project Status Report as more data is available.

Moved by Ms. Thornton to approve the April 2015 financial report as presented.
Supported by Mr. Goodhall.

VOTE: Yes: All
No: None  Motion Carried
OLD BUSINESS

Approval of University Drive Streetscape Bid Award and Construction
Mr. Grice pointed out that this is a project to spruce up University Drive, which has already begun with the light poles being painted and the new banners. Tonight we are looking for approval for construction costs. Mr. Herczeg explained that the bids for the construction came in over $644K for the lowest bidder. Meetings took place with OHM and OU to try to get the cost back on track. Out of those meetings, suggestions for reductions were made, including reducing the size of the planting and removing three water features at Highmeadow and University. The plant material reductions will not impact the look of the project. Mr. Molnar expressed concern with the overall look with the smaller plantings and the fountains, which would add to the beauty of University Drive, the gateway to Auburn Hills. Mr. Grice reassured him that the 1.5” trees transplant easier and seem to grow faster. The City has been using 1.5 – 2” trees with very good performance. The purpose of the fountains was discussed; were they needed for aeration? Mr. Grice responded that the fountains would have been difficult to even install them with the DDI. Mr. Juidici added that the portion of University between Pontiac Road and I-75 will not be done until the DDI is completed. The fountains can be revisited after the DDI is completed. We still do not have confirmation of OU paying half of the $25,000. The recommendation for now is to approve the plan as presented today.

Moved by Mr. Goodhall to recommend to City Council approval of the University Drive Streetscape construction costs in the amount of $469,450.00 to be paid from TIFA D account 253-737-970.00. UNIVERSITYSS. Supported by Ms. Thornton.
VOTE: Yes: All
No: None  Motion Carried

NEW BUSINESS

Approval of Funding for the Town Square Project
Mr. Grice explained that the blue spruce tree which served as the “official” Christmas tree has died. As discussed previously, a plan has been prepared to put a “Town Center” and green space in the parking area between the Den and 3400 Auburn (the old Pepsi Building). There was a historic green space there back in 1830. Mr. Herczeg stated the design is up for discussion. The space is planned to preserve handicapped parking spaces, by moving them down a short distance. In order to save on construction costs, DPW will be performing some of the work. The sidewalk will be moved to straighten it out along Auburn. Mr. Molnar really likes the idea of the grassy area. Mr. Grice would like the ice skating rink located in this area as parents could observe their children from inside the Den. Mr. Hassett commented that the Den would probably get a lot more use with the Town Square in place. Mr. Herczeg indicated the estimate is about $25,000, and would require no new funds as they are already allocated. The tree itself, which will be a large tree, about 30 foot, will be paid out of the tree fund rather than TIFA funds. Mr. Hassett requested that non-obtrusive lights be put up so as not to intrude on the apartments. Mr. Grice stated that underground conduit and electrical will be part of the plan so lighting can easily be installed. The timing for the project is for the late fall. Parking needs were discussed; the parking structure has not been filled. It is monitored by staff. The charging stations will be moved also.

Moved by Mr. Goodhall to authorize the costs associated with the Town Square project in an amount not-to-exceed $41,700.00 to be funded TIFA A Parking Lot Maintenance account number 251-735-937.00 and Side Walk Maintenance account number 251-735-937.003. Supported by Mr. Molnar.
VOTE: Yes: All
No: None  Motion Carried

2015 Budget Amendment

Ms. Schulz explained to the Members that the completion of Featherstone Road construction was scheduled to be done in 2014, but was extended into 2015. In addition to the delays, the road portion of the project was modified from an overlay project to a complete removal and replacement project. The changes occurred late in 2014, so the 2015 budget does not include any Featherstone expenses or MDOT revenues. Therefore, the budget must be amended. These amounts will show as expenses, and
the road itself will be an increase in the assets. Discussion took place regarding the costs at the start of the project and this transfer amount, and that the entire project had been approved by TIFA. Ms. Schulz explained that this may occur again, even with the DDI. Any MDOT project that occurs over two budget years will need to be adjusted.

Moved by Mr. Molnar to approve an amendment to the 2015 TIFA B budget, increasing expense account 252-736-973.000-14STP-FSTONE Road/Traffic Improvements in the amount of $759,827, and further, increase the TIFA B revenue account 252-736-675.000-14STP-FSTONE in the amount of $412,077. In addition, approve an amendment to the 2015 TIFA D budget, increasing expense account 253-737-973.000-14STP-FSTONE Road/Traffic Improvements in the amount of $368,026, and further, increase the TIFA D revenue account 253-737-675.000-FSTONE in the amount of $443,425 Supported by Ms. Thornton.

VOTE: Yes:  All
No:  None

Mr. Grice spoke to the Board regarding the issues with the construction of the parking garage. The City has had to pay the contractors who had not been paid by the contractor. The Board feels they should move forward toward pursuing collection of the debts by having Mr. Beckerleg look further into it. A consensus was reached regarding an expenditure not to exceed $5,000 to research the matter.

BOARD MEMBER COMMENTS - none

ANNOUNCEMENT OF NEXT MEETING – June 9, 2015, City of Auburn Hills Administrative Conference Room

ADJOURNMENT

Moved by Mr. Goodhall, to adjourn the meeting at 5:13 p.m.
Supported by: Mr. Dilland
VOTE: Yes:  All
No:  None

Respectfully submitted,

Steve Goodhall
Board Secretary

Terri Kowal
City Clerk
INTRODUCTION AND HISTORY

Attached you will find the Auburn Hills Downtown Development Authority Development and Tax Increment Financing Plan.

The Downtown Development Authority Board of Directors and Development Area Citizens Council were appointed by Auburn Hills City Council on October 20, 2014. Since that time, the boards and city staff worked together to compile a document that adheres to the spirit and intent of Michigan Public Act 197 of 1975 as amended MCL § 125.1651 et. seq. in addition to the individual needs of Downtown Auburn Hills.

The DDA plan was created as a long-range fifteen year guide for evaluating proposals for physical changes and improvements in the defined downtown district. It is a conductor for making recommendations and establishing projects in the development area, estimating improvement costs and stages of construction, documenting its impact and indicating methods of financing for proposed activities. Any amendments or changes to the plan result in recommendation and approval from the Downtown Development Authority Board of Directors, as well as Auburn Hills City Council.

The Tax Increment Financing portion of the plan delineates phases in increments of five years of potential new, private development; maintenance costs, city projects as well as a projection schedule of tax increment financing revenues and the corresponding impact on all taxing jurisdictions.

Notice of Public Hearing was mailed to all residents and businesses in the Downtown District on March 16, 2015 and was published twice in the local newspaper respectively, March 16 and 23, 2015. The Development and Tax Increment Financing Plan was made available at the City Clerk’s Office to anyone wishing to see the document before the Public Hearing at the Regular City Council Meeting on April 27, 2015. During that time, staff was also available to answer any questions regarding information in the plan and its impact on the future of the community and its citizens.

Upon review of the Downtown Development Authority Development and Tax Increment Financing Plan, the Development Area Citizens Advisory Council has attached their findings and recommendation of the Plan. (Submissions of findings and recommendations received before Thursday, May 14, 2015 are included in the electronic packet. Later findings will be brought to Regular City Council Meeting Monday, May 18, 2015).
At their meeting on April 28, 2015, the Auburn Hills Downtown Development Authority Board of Directors considered and approved the proposed Tax Increment Financing and Development Plan and have forwarded their recommendation to Auburn Hills City Council.

STAFF RECOMMENDATION
It is recommended the City Council adopt the attached resolution approving the Auburn Hills Downtown Development Authority Development and Tax Increment Financing Plan.

MOTION
Move to adopt Ordinance 15-868, approving the Auburn Hills Downtown Development Authority Development and Tax Increment Financing Plan.

I CONCUR:  Donald K. Bruce  On behalf of

THOMAS A. TANGHE, CITY MANAGER
AN ORDINANCE TO AMEND ARTICLE II, DOWNTOWN DEVELOPMENT AUTHORITY, OF CHAPTER 30, COMMUNITY DEVELOPMENT, OF THE AUBURN HILLS CITY CODE OF ORDINANCES, AS AMENDED, TO ADD A NEW SECTION 30-34 APPROVAL OF AUBURN HILLS DOWNTOWN DEVELOPMENT AUTHORITY DEVELOPMENT AND TAX INCREMENT FINANCING PLAN DATED MAY 18, 2015.

THE CITY OF AUBURN HILLS ORDAINS:

Section 1.

Article II, Downtown Development Authority, of Chapter 30, Community Development, of the Auburn Hills Code of Ordinances, as amended, is hereby amended to add a new Section 30-34 Approval of Auburn Hills Downtown Development Authority Development and Tax Increment Financing Plan dated May 18, 2015, to read as follows:

Section 30-34. – Approval of Auburn Hills Downtown Development Authority Development and Tax Increment Financing Plan dated May 18, 2015

Pursuant to the authority vested in the Auburn Hills City Council by Act No. 197 of the Public Acts of Michigan of 1975 (MCL 125.1651 et seq.) as amended, the Auburn Hills Downtown Development Authority Development and Tax Increment Financing Plan dated May 18, 2015 including all exhibits and attachments thereto, having been duly reviewed and considered at a public hearing held on April 27, 2015, is hereby adopted, approved and incorporated in this section as part of this article by reference and the City Clerk is hereby directed to file the same.

Section 2.

The portion of Article II, Downtown Development Authority, of Chapter 30, Community Development of the Auburn Hills City Code of Ordinances, as amended, which currently reads: Secs. 30-34 – 30-55. – Reserved. is hereby amended to now read as follows:

Secs. 30-35 – 30-55. – Reserved.

Section 3. Repealer.

All Ordinances or parts of Ordinances in conflict herewith are hereby repealed only to the extent necessary to give this Ordinance full force and effect.
Section 4. Severability.

If any section, clause or provision of this Ordinance shall be declared to be unconstitutional, void, illegal, or ineffective by any Court of competent jurisdiction, such section, clause or provision declared to be unconstitutional, void or illegal shall thereby cease to be a part of this Ordinance, but the remainder of this Ordinance shall stand and be in full force and effect.

Section 5. Savings.

The proceedings pending and all rights and liabilities existing, acquired, or incurred at the time this Ordinance takes effect are saved and may be consummated according to the law in force when they were commenced.

Section 6. Effective Date.

The provisions of this Ordinance are hereby ordered to take effect upon publication in the manner prescribed by the Auburn Hills City Charter.

Section 7. Adoption.

This Ordinance is hereby declared to have been adopted by the City Council of the City of Auburn Hills at a meeting thereof duly called and held on the ____ day of ___________, 2015, and ordered to be given publication in the manner prescribed by the Charter of the City of Auburn Hills.

AYES:
NAYES:
ABSTENTIONS:

STATE OF MICHIGAN   )
COUNTY OF OAKLAND  ) ss.

I, the undersigned, the duly qualified Clerk of the City of Auburn Hills, Oakland County, Michigan, do hereby certify that the foregoing is a true and complete copy of Ordinance No. ____ adopted by the City Council of the City of Auburn Hills on the ____ day of ___________, 2015 the original of which is in my office.

___________________________________________________________________________
                Terri Kowal, City Clerk
                        City of Auburn Hills
Auburn Hills
Downtown Development Authority

Development and Tax Increment Financing

Recommended and approved by the DDA Board – April 28, 2015
Recommended by the Development Area Citizens Council – May 15, 2015
Approved by City Council – xxxxxxxx
Auburn Hills City Council

Kevin McDaniel, Mayor
Robert Kittle, Mayor Pro-Tem
John Burmeister
Maureen Hammond
Henry Knight
VeRonica Mitchell
Cheryl Verbeke

Auburn Hills Downtown Development Authority

Mayor Kevin McDaniel
Kathy Genautis
Dan Gliniecki
Cynthia Hutchison
Nathan Spurlin
Albert Travnikar
Steven Volk
Dawn Wise
John Young

Auburn Hills Citizen’s Advisory Council

Denise Audet
Eric Cionka
Andrew Govan
Troy Leix
Mark Shaftner
Elizabeth Tomlinson
Robert Waltenspiel
Dawn Wise
Randy Wyatt
I. Introduction
   A. Legal Basis for Development and Tax Increment Financing Plan
   B. Purpose of DDA
   C. Creation and History of DDA
   D. Overview of the Development and Visions for the Future
   E. Goals of the DDA

II. Development Plan
   A. Boundaries of the DDA
   B. Rationale of Boundaries of the Development Area
   C. Location of Existing Streets and Other Public Facilities
   D. Extent of Public and Private Land Uses
   E. Proposed Improvements, Estimated Cost and Financing Procedures of Improvements Proposed & Maintenance Costs of the City of Auburn Hills
   F. Estimated Cost of New Private Improvements and Proposed Schedule of Phased Construction
   G. Description of Desired Zoning, Street and Utility Changes
   H. Open Space Areas and Use
   I. Sales, Leases, and Exchanges of Property within the DDA
   J. Estimated Number of Persons Residing in Development Area and Number to be Displaced
   K. Plan for Establishing Priority for Relocation of Persons Displaced by Development
   L. Provision Cost of Relocating Displaced Persons
   M. Compliance with Act 227 of 1972

III. Tax Increment Financing Plan
   A. Tax Increment Financing Procedure
   B. Bonded Indebtedness Incurred
   C. Duration of the TIF Plan
   D. Compliance with Section 15 of the DDA Act
   E. Estimated Impact on Assessed Value of all Taxing Jurisdictions
   F. Provisions for the Use of the Captured Assessed Value

IV. Exhibits
   A. DDA Act 197 of 1975
   B. Legal Description of DDA and Development Area
   C. Parcel Identification Numbers in DDA

V. Tables
   A. Auburn Hills Potential Private Improvements – Costs and Phased Construction Timetable
   B. Phased Maintenance Costs in Auburn Hills DDA
   C. Timetable of City Projects within the DDA
   D. Projection Schedule of Anticipated Tax Increment Revenues and Projected Impact on Taxing Jurisdictions
VI. Maps
A. DDA Map.................................................................59
B. Existing Land Use..................................................60
C. Future Land Use.....................................................61
D. Zoning Map..........................................................62
E. Street Map...........................................................63
I. Introduction

A. Legal Basis for Development and Tax Increment Financing Plan

The statute governing the Downtown Development Authority Development Plan and Tax Increment Financing Plan is Michigan Public Act 197 of 1975, as amended, MCL § 125.1651 et. seq. (the “Act”).

B. Purpose of DDA

The Act was enacted to provide a means for local units of government to correct and prevent deterioration in business districts; to encourage historic preservation; to authorize the acquisition and disposal of interest in real and personal property; to authorize the creation and implementation of a development plan in the district; to promote the economic growth of the district; to prescribe its powers and duties; to authorize the levy and collection taxes; and to authorize the use of Tax Increment Financing.

Tax Increment Financing is a government financing program which contributes to economic growth and development by dedicating a portion of the increase in the tax base resulting from the economic growth and development to facilities, structures or improvements within a development area thereby facilitating economic growth and development.

The Act seeks to accomplish its goals by providing local units of government with the necessary legal, monetary and organizational tools to eliminate property value deterioration and to promote economic growth through publically initiated projects undertaken cooperatively with privately initiated projects.

The Development Plan and Tax Increment Financing Plan is intended to describe the goals and objectives of the Auburn Hills Downtown Development Authority (hereinafter referred to as the “DDA” or the “Authority”). The Plan details and outlines the necessary steps for achieving the goals of redeveloping and maintaining infrastructure in the Downtown District.

It is intended that the Plan becomes the basis for all future development/redevelopment of projects in the downtown district. After it has been adopted the DDA Plan should be all of the following:

1. A long range guide for evaluating proposals for physical changes and for scheduling improvements in the downtown district
2. A guide for making recommendations and establishing properties in the development area capital improvement program
3. A foundation for conducting more specific and detailed studies for the general development district and for assessing possible improvements and developments
4. A source of information and a statement of policy which is useful to citizens and business owners in making private investment decisions

This document constitutes both the Downtown Development Authority Development Plan and the Tax Increment Financing plan, with the format described in Section 17(2) of the Act followed by the Tax Increment Financing Plan as described in sections 14, 15 and 16 of the Act. [Section 14(2), 17(2)].

The specific purpose of the Development Plan is to define improvements proposed for the Development Area, estimate improvement costs and stages of construction, document the impact these activities are expected to have on the existing Downtown District, and indicate the methods proposed for financing the activities. The specific purpose of the Tax Increment Financing Plan is to provide the legal authority and procedure necessary to permit the DDA to finance improvements deemed necessary to achieve the public purpose of this Plan through the use of financing powers granted in Act 197.
C. Creation and History of DDA

On February 24, 1983, Pontiac Charter Township adopted Ordinance No. 325 that created a Downtown Development Authority and designated the boundaries for the Downtown Development Authority of the Charter Township of Pontiac. On April 18, 1983 the Township Board approved a Downtown Redevelopment Plan through the approval and adoption of Ordinance No. 327. The creation of the Authority was deemed necessary for the best interests of the public in the township to halt property value deterioration and increase property tax valuation where possible in the Downtown District; to eliminate the causes of that deterioration and promote economic growth. Although the DDA and redevelopment plans were formed and adopted, they were never implemented at that time.

On October 20, 2014, the Auburn Hills (formerly Pontiac Charter Township) City Council adopted an ordinance to expand and amend the boundaries of the Downtown District. On May 18, 2015 the first Development Plan and Tax Increment Financing Plan for the City of Auburn Hills was approved and recommended by the DDA and to the Auburn Hills City Council thereafter. The Plans were adopted by City Council on May 18, 2015.

D. Overview of the Development and Visions for the Future

Downtown Auburn Hills is as beautiful as it is unique. Located along the scenic Clinton River in Southeast Michigan, our downtown area features brick-paver sidewalks, a riverside park, and is blanketed by a free Wi-Fi network that can be accessed indoors and outdoors.

Auburn Hills is a dynamic community committed to growth and success. It continues to provide an environment in which businesses, both established and newly formed, can thrive. Making businesses our partners is an integral part of the success of Auburn Hills. Look at the area surrounding our downtown, and you will see the world headquarters of companies such as Borg-Warner, Chrysler Corporation, and US Farthane. Thriving among these large corporations is a plethora of smaller, unique businesses. Encouraging this type of entrepreneurship is what Downtown Auburn Hills does best.

Recently there has been a higher demand for real estate in the downtown area. The City of Auburn Hills has a responsibility to the community, its businesses and citizens. The commitment to downtown is evidenced by the following projects:

- University Center – an offsite classroom location in the heart of Downtown Auburn Hills. Utilized by Oakland University, Oakland Community College, Baker College, Thomas M. Cooley Law School and Avondale Community Schools distance learning center.
- Downtown Education Nook (DEN) – Coinciding the University Center, the DEN offers a location that includes two fireplaces and five rooms to provide students and the community a quiet and casual study space for individuals and/or small groups. The DEN’s structure is built from the logs and is an historic landmark in Downtown Auburn Hills. The reinvention of the space is true to the city’s motto of “Honoring the Past, Building the Future
- Improved streetscape projects that unify the development area
- New mixed use commercial housing opportunities which enhance Downtown Auburn Hills and promote walkable traffic to help make Downtown a regional destination for individuals of all ages
- Created a favorable atmosphere for independent retail, entertainment businesses, housing developments and major employers.

The Downtown Development Authority recognizes the past accomplishments of the City of Auburn Hills. Through the Development Plan, the Authority will continue to foster the economic growth and development of Downtown. It is important that the DDA continue to enhance and maintain the viability of Downtown through the use of economic development techniques and tools for projects as described herein.
Auburn Hills believes that the pattern of development prior to the implementation of a DDA has helped lead to enhanced civic spaces, an inviting small business corridor and encouraged multiple housing developments. The future vision for Downtown Auburn Hills requires more infrastructure and maintenance than in the past. The necessity for the establishment of the DDA is appropriate to prevent property value deterioration, increase and maintain current infrastructure to accommodate the increasing population in the development area, and promote economic growth.

E. Goals of the DDA

The goals of the DDA were established with help and careful consideration from our Development Area Citizen’s Council, and city staff. The group consulted Auburn Hills Downtown Economic enhancement Strategy produced in 2009 by HyettPalma for history and knowledge of the downtown area. Members also shared his or her own vision of what the DDA should strategically focus on over the next fifteen (15) years. The following list is a compilation of ideas and discussions with the group:

1) Establish reasonable development opportunities and attract a variety of both public and private interests.
2) Accommodate mixed uses within the DDA district to continue the retail and residential component and create a continuum of activity to the east and west of the core downtown as driven by developer demand.
3) Provide a diversity of experiences and views that will appeal to all ages of the permanent community, business community, college community and visitors.
4) Link the DDA District with the river and the park systems through walkable, pedestrian friendly, and green space enhancements.
5) Encourage events within Downtown in ways that create community excitement through increasing involvement and public ownership of the events and nightlife.
6) Improve wayfinding in Downtown Auburn Hills for both foot traffic as well as automobiles. Establish Downtown as a destination through enhanced signage and branding.
7) Establish facility designs that reflect the character of Downtown and promote compatibility between new and existing developments.
8) Improve the overall business climate of the DDA District through planning, promotion and strategic coordination of activities and implementation of improvement projects.
9) Foster cooperation between the DDA, City staff and officials, residents and our partners at Oakland County, including the Main Street Oakland County downtown program.
II. Development Plan

A. Boundaries of the DDA

The Development Area includes the entire DDA District. A map showing the boundaries of the DDA district is attached as Map A. Further, the District’s Legal Description and Parcel Identification Numbers are attached at Exhibit B and C, respectively.

B. Rationale of Boundaries of the Development Area

The boundaries for the DDA were established in an effort to coordinate future development efforts in a cohesive manner. The boundary delineation permits the DDA to capture fifty percent of the increases in assessed valuations resulting directly from development projects or improvements, determined to do the following:

- Permit the Authority to capture fifty percent of increases in assessed valuations resulting directly from anticipated development projects
- It is property planned for major redevelopment in the future, which may require DDA financial involvement
- It is property upon which the DDA proposed to make public improvements
- It is property that will permit maximum flexibility in the selection of any future public improvements to be financed by the DDA.

C. Location of Existing Streets and Other Public Facilities

The main roadways through the proposed development area include: Auburn Road running East to West and Adams Road running North to South. The proposed DDA road network falls within the Northwest and Southwest Quadrants of the Auburn Road and Adams Road intersection. Please refer to Map E for a map of all existing streets. All roadway portions that are within the DDA District include:

Existing Public Access Roadways:

- **Auburn Road** – The section of Auburn Road that that the development area limits encompass is from the intersection of Adams and Auburn to approximately 2,300 feet West of Adams Road. Additionally a portion of Auburn road that connects to Churchill Road. This portion begins approximately 3,900 feet West of Adams Road and ends approximately 4,600 feet West of Adams Road.
- **Oakmont Street** – perpendicular to Auburn Road, approximately 1,500 feet West of Adams Road. Roadway runs North to South in a straight line. Total Length of the roadway is approximately 180 feet South from Auburn Road, beginning at Auburn Road.
- **Cherryland Street** - perpendicular to Auburn Road, approximately 2,000 feet West of Adams Road. Roadway runs North to South in a straight line. Total Length of the roadway is approximately 220 feet South from Auburn Road, beginning at Auburn Road.
- **Juniper Street** - perpendicular to Auburn Road, approximately 2,250 feet West of Adams Road. Roadway runs North to South in a straight line. Total Length of the roadway is approximately 380 feet South from Auburn Road, beginning at Auburn Road.
• **South Grey Road** - perpendicular to Auburn Road, approximately 2,900 feet West of Adams Road. Roadway runs North to South in a fairly straight line. Total Length of the roadway is approximately 500 feet South from Auburn Road, beginning at Auburn Road.

• **Primary Street** – parallel to Auburn Road, approximately 325 feet South of Auburn Road. Roadway runs East to West in a straight line. Total Length of the roadway is approximately 1,200 feet from South Squirrel Road to Juniper Street.

• **South Squirrel Road** - perpendicular to Auburn Road, approximately 3,500 feet West of Adams Road. Roadway runs North to South in a fairly straight line. Total length of the roadway is approximately 400 feet, beginning approximately 185 feet South of Auburn Road.

• **Squirrel Court** - begins perpendicular to Auburn Road but curves to become parallel approximately 200 feet North of Auburn Road. Roadway is located approximately 3,500 feet West of Adams road in the North to South section and approximately 370 feet North of Auburn Road in the East to West section. Total length of the roadway is approximately 1,500 feet.

• **North Squirrel Road** – perpendicular to Auburn Road, approximately 2,900 feet West of Adams Road. Roadway runs North to South in a fairly straight line. Total length of the roadway is approximately 530 feet from Squirrel Court to Parklawn Street.

• **Tebeau Court** - perpendicular to Auburn Road, approximately 2,400 feet West of Adams Road. Roadway runs North to South in a fairly straight line. Total length of the roadway is approximately 440 feet from Squirrel Court to Parklawn Street.

• **Parklawn Street** - parallel to Auburn Road, approximately 850 feet North of Auburn Road. Roadway runs East to West in a fairly straight line. Total length of the roadway is approximately 450 feet from North Squirrel Road to Tebeau Court.

• **Churchill Road** - perpendicular to Auburn Road, approximately 4,000 feet West of Adams Road. Roadway runs North to South in a fairly straight line. Total length of the roadway is approximately 750 feet North of Auburn Road, beginning at Auburn Road.

**Existing Private Access Roadways:**

• **Forester Boulevard** – perpendicular to Old Adams road, approximately 2,000 feet North of Auburn Road. Roadway runs East to West, is straight for approximately 500 feet West and then becomes a circular drive with a total circumference of approximately 750 feet. Forester Boulevard continues West on a straight path an additional 425 feet until it reaches the River Woods Trail.

• **Beverly Avenue** – perpendicular to Forester Boulevard, approximately 175 feet West of Old Adams Road. Roadway runs North to South in a straight line. Total length of the roadway is approximately 625 feet, with 150 feet being South of Forester Boulevard.

• **Jotham Avenue** – perpendicular to Forester Boulevard, approximately 500 feet West of Old Adams Road. Roadway runs North to South in a straight line. Total length of the roadways is approximately 1,200 feet long, with 850 feet being South of Forester Boulevard.
• **Pierce Avenue** – perpendicular to Jotham Avenue, approximately 1,400 feet North of Auburn Road. Roadway runs East to West in a straight line. Total length of the roadway is approximately 500 feet long and connects Jotham Avenue to Raleigh Avenue.

• **Raleigh Avenue** - perpendicular to Forester Boulevard, approximately 1,000 feet West of Old Adams Road. Roadway runs North and South in a straight line. Total length of the roadway is approximately 750 feet long South of Forester Boulevard.

• **Andover Avenue** – perpendicular to Beverly Avenue, approximately 2,400 feet North of Auburn Road for its Northernmost section. Andover Avenue is approximately 2,200 feet North of Auburn Road for its Southernmost section. Andover Avenue connects to Beverly Avenue and follows a straight line West for approximately 550 feet. Andover Avenue then turns into a North to South roadway for a length of approximately 250 feet before returning to an East to West roadway South of where it originated. This southern stretch has a slight jog to the Southwest but is fairly straight for a length of approximately 300 feet.

• **College Street** - perpendicular to Auburn Road, approximately 2,200 feet West of Adams Road. College Street is a North to South roadway with a bend to the Northeast that is roughly in the middle of the total length. The total length of the roadway is approximately 1,500 feet long. College street ends when it reaches College Drive.

• **College Drive** – from College Street, that is in a relatively circular shape. College Drive encompasses Tulane Street, Harvard Street, and Purdue Street with a total length of approximately 2,400 feet.

• **Tulane Street** – within College Drive, approximately 1,600 feet North of Auburn Road. Roadway runs East to West in a straight line. Total length of the roadway is approximately 500 feet.

• **Harvard Street** – within College Drive, approximately 1,400 feet North of Auburn Road. Roadway runs East to West in a straight line. Total length of the roadway is approximately 600 feet.

• **Purdue Street** – within College Drive, approximately 1,200 feet North of Auburn Road. Roadway runs East to West in a straight line. Total length of the roadway is approximately 425 feet.

**Proposed Public Access Roadways:**

- **Parkways Boulevard** – proposed construction perpendicular to South Adams Road in a Southwest direction. Parkways Boulevard is proposed to connect to both College Street and Auburn Road with a wishbone. The connection to College Street, approximately 380 feet long, will run East to West and the connection with Auburn Road, approximately 350 feet long, will run North to South. The remainder of the roadway is relatively straight and is approximately 2,300 feet long.

**D. Extent of Public and Private Land Uses**

There are community facilities within the development area boundary including Riverwoods and Riverside Parks. There is a diverse land use mixture currently as well as planned in the future. Refer to Map B for Existing Land Use (7.35% Single Family Residential), Map C for Future Land Use (3.42% Single Family Residential) and Map D for the current zoning of all parcels within the DDA District. Future Land Use in the DDA is focused on mixed use developments with high-density commercial residential with retail and office components.
E. **Proposed Improvements, Estimated Cost and Financing Procedures of Improvements Proposed & Maintenance Costs of the City of Auburn Hills**

Pursuant to MCL 125.1661, 125.1663, and 125.1666(1) the costs of acquisition and development are anticipated to be financed by:

- Tax Increment Revenues (at a 50% rate of capture)
- Public and private grants
- Donations received by the DDA
- Proceeds of tax, not to exceed 2 mills, imposed pursuant to Section 12 of Act 197 (potentially implemented in the future)

Refer to Table C for a proposed time of completion for each potential Auburn Hills Improvement. Proposed projects have been placed in phases for estimated time of completion. Several of the projects are ongoing and will be worked on throughout the duration of the Plan.

1. Phase 1 – Years 0 – 5
2. Phase 2 – Years 6 – 10
3. Phase 3 – Years 11 – 15

The improvements contemplated by this Development Plan will commence as monies become available to pay for them. A specific project may need to be moved to a different phase of construction if growth and development occur at a different rate than anticipated or as specific grant funding becomes available to assist with a project. Auburn Hills anticipates partnerships with developers for contribution and cost sharing of infrastructure as private investment projects take place.

Please refer to Table B for anticipated, phased maintenance costs in the Auburn Hills DDA.

F. **Estimated Cost of New Private Improvements and Proposed Schedule of Phased Construction**

Refer to Table A for a proposed time of completion for each potential private investment. These are expected land uses and projects based upon comparable projects and investments throughout the community. Proposed projects have been placed in phases for estimated time of completion. Several of the projects are ongoing and will be worked on throughout the duration of the Plan.

4. Phase 1 – Years 0 – 5
5. Phase 2 – Years 6 – 10
6. Phase 3 – Years 11 – 15

A specific project may need to be moved to a different phase of construction if growth and development occur at a different rate than anticipated or as specific grant funding becomes available to assist with a project.

G. **Description of Desired Zoning, Street and Utility Changes**

In early 2015 construction began on The Parkways Boulevard on Parcel 1425426011. This road will be extended in future years as development allows. This is the only known zoning, street or utility change planned at this time. However, certain times of development may require that some of these changes occur. The proper City of Auburn Hills procedures will be followed for approving and constructing these changes.

H. **Open Space Areas and Use**

The current areas that are open along the riverfront are Riverwoods and Riverside Parks. Both are intended to remain open spaces and greenways for gathering and enjoying concerts, festivals and multiple other activities.
I. **Sales, Leases, and Exchanges of Property within the DDA**
   It is unknown at this time if the DDA intends to sell, donate, exchange or lease any portions of the development area. If it is determined necessary in order to achieve the goals and objectives of the DDA, the DDA will follow the City of Auburn Hills procedure for doing so.

   As development and market opportunities occur, the DDA may enter into agreements to lease, sell or convey a portion of the development to natural or corporate persons if it is deemed to be in the best interest of the DDA and its goals in preventing deterioration and revitalization of its downtown area. The DDA will proceed with the process that the City of Auburn Hills ordinarily uses for leasing, selling or conveying property.

J. **Estimated Number of Persons Residing in Development Area and Number to be Displaced**
   There are approximately 300 persons residing in the Development area. Consequently, in accordance with Act 197, a Development Area Citizens Council has been appointed to aid in the creation of the Development Plan and Tax Increment Financing Plan. The Authority does not foresee the displacement of families in the Development Area.

K. **Plan for Establishing Priority for Relocation of Persons Displaced by Development**
   Since no persons will be displaced from the Development Area by any of the proposed projects, it is not necessary to prepare a plan for establishing priority for displaced persons.

L. **Provision Cost of Relocating Displaced Persons**
   All costs associated with any real property acquisition and relocation activities will be approved by the DDA. In the event any future projects involve the relocation of displaced persons, provision for the costs of relocating persons displaced by the development, and financial assistance and reimbursement of expenses, including litigation expenses and expenses incident to the transfer of title, shall be made in accordance with the standards and provisions of the Federal Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970, USC § 4601-4655.

M. **Compliance with Act 227 of 1972**
   This Development Plan meets the requirements of Act 227 of Michigan Public Acts of 1972, as amended, in that there are no displaced persons or businesses at present and future development will comply with Act 227 to the extent required.
III. Tax Increment Financing Plan

Section 14(1) of the DDA Act provides that when the authority deems that it is necessary for the achievement of the purposes of the DDA Act, the authority shall prepare and submit a tax increment financing plan to the governing body of the municipality. The DDA Act requires that the plan include (A) a detailed explanation of the tax increment procedure, (B) the maximum amount of bonded indebtedness to be incurred, (C) the duration of the program, (D) compliance with Section 15 of the DDA act, (E) a statement of the estimated impact of tax increment financing on the assessed value of all taxing jurisdictions in which the development area is located and (F) a statement of the portion of the captured assessed value intended to be used by the authority.

A. Tax Increment Financing Procedure

The DDA Act enables downtown development authorities to undertake a broad range of downtown improvement activities which will contribute to the economic growth and the halting of deterioration of property values in a designated downtown district. These improvement activities include, but are not limited to, the following: plan and propose construction, renovation, repair, remodeling, rehabilitation, restoration or reconstruction of public facilities, existing buildings, or multi-family dwelling facilities; development of long-range plans; and otherwise implement any plan of development in the downtown district necessary to achieve the purposes of the DDA Act.

In order to provide the Downtown Development Authority with the means of financing the plan and implementation of development proposals, the DDA Act affords the opportunity to undertake tax increment financing of development programs. These programs must be identified in a tax increment financing plan which has been approved by the governing body of a municipality.

The tax increment financing plan permits the authority to capture tax revenues attributable to increases in the value of real and personal property located within an approved development area. The increases in property value may be attributable to new construction, rehabilitation, remodeling, alterations, and additions or to such other factors the assessor may deem appropriate.

“Initial Assessed Value” is the assessed value, as equalized, of all the taxable property within the boundaries of the development area at the time the ordinance establishing the tax increment financing plan is approved, as shown by the most recent assessment roll of the municipality for which equalization has been completed at the time the resolution is adopted. Property exempt from taxation at the time of the determination of the initial assessed value shall be included as zero. In each subsequent year, the total assessed value, as assessed value is defined in MCL 125.1651(b), of real and personal property within the district is termed the “Current Assessed Value.”

The difference in any one year between the Current Assessed Value and the Initial Assessed value is the “Captured Assessed Value.” During that period during which the tax increment financing plan is in place, local taxing jurisdictions continue to receive ad valorem taxes based on the Initial Assessed Value. Taxes paid on the Captured Assessed Value in years subsequent to the establishment of the development are, however, are payable to the authority at a rate of fifty percent with the remainder being distributed to all other taxing jurisdictions at their corresponding millage rates.

B. Bonded Indebtedness Incurred

The municipality does not foresee the use of public bonds for DDA projects throughout the duration of the plan. However, should the city need the use of bonded indebtedness to carry out project, the debt load will be limited by the estimated costs of the development plus any associated
costs of accompanying services. The bond will also be limited to the expected tax financing revenues for
the year of the bond issuance.

C. **Duration of the TIF Plan**
   The tax increment financing plan shall have a term of fifteen (15) years and shall expire the
   following collection of the December 1, 2030 tax levy. The term of the Plan may be modified from time
to time by the City Council upon notice, public hearing and amendments as required by the Act.

D. **Compliance with Section 15 of the DDA Act**
   It is recognized that the amount of tax increment revenue to be transmitted to the authority by
   the City Treasurer shall be that portion of fifty percent of the tax levy of all taxing bodies subject to
capture paid annually on the capture of assessed value of real and personal property in the
   development area.

   It is further recognized that tax increment revenues shall be expended only in accordance with
   the provisions of the tax increment financing plan and the surplus increment revenues shall revert
   proportionately to the respective local taxing jurisdictions.

   It is also recognized that tax increment revenues shall not be used to circumvent existing
   property tax limit laws and that the Auburn Hills City Council may abolish the tax increment financing
   plan when it finds that the purposes for which the plan was created are accomplished.

   Pursuant to section 15(3) of the DDA Act, the authority shall submit to the Auburn Hills City
   Council an annual report on the status of the tax increment financing account. The report shall include,
   but not be limited to the following items.

   1. Amount and source of revenue in the account
   2. Account and purpose of expenditures from the account
   3. Amount of principal interest on the outstanding bonded indebtedness, if any.
   4. Initial assessed value retained by the authority
   5. Captured assessed value retained by the authority
   6. Tax increments received by the authority
   7. Such other additional information as is deemed necessary by City Council

   The authority shall publish or cause to be published the annual tax increment financing report in
   the local newspaper.

E. **Estimated Impact on Assessed Value of all Taxing Jurisdictions**
   The tax increment financing plan will in no way diminish the assessed values of their property
   within the area boundaries. Local taxing jurisdictions therefore will suffer no loss of current amount of
   tax revenues.

   For the period during with the tax increment financing plan is in effect, the assessed value of
   properties within the redevelopment area will effectively remain constant insofar as the local taxing
   jurisdictions are concerned. Any increase in property values will generate tax increment revenues, fifty
   percent of which will be available only to the authority during the duration of the plan. The remaining
   revenues will be disbursed to the local taxing jurisdictions.

   It should be noted, however, that Act No. 404 of the Public Acts of 1974, as amended,
specifically authorizes the exclusion of the Captured Assessed Value of the redevelopment area in
computations made by school districts to determine state financial assistance.

   It is anticipated that the development activities of the authority to finance in whole or in part by
tax increment revenues will produce positive, material effect on the assessed values of property within
and in the proximity of the development area and will ultimately result in the eventual collection of
greater real and personal property tax revenues than would otherwise have been available.

City of Auburn Hills DDA Development Plan and TIF Plan – April 2015
Pursuant to Section 14(4) of the DDA Act, the authority shall fully inform stakeholders of the various fiscal and economic implications of the proposed development area.

F. **Provisions for the Use of the Captured Assessed Value**

In the view of the necessity of halting property value deterioration, adding essential infrastructural improvements and of promoting economic growth within the downtown area, it is in the intention of the authority to expend and obligate all of the tax increment proceeds to achieve the purposes of the DDA Act.

The tax increment revenues which are generated by the Captured Assessed Value will be used in connection with DDA projects including maintenance construction, renovation, repair, remodeling, rehabilitation, restoration or reconstruction of public facilities, existing buildings, or multi-family dwelling facilities; development of long-range plans; and otherwise implement any plan of development in the downtown district necessary to achieve the purposes of the DDA Act.
IV. Exhibits

A. DDA Act 197 of 1975

DOWNTOWN DEVELOPMENT AUTHORITY

Act 197 of 1975

AN ACT to provide for the establishment of a downtown development authority; to prescribe its powers and duties; to correct and prevent deterioration in business districts; to encourage historic preservation; to authorize the acquisition and disposal of interests in real and personal property; to authorize the creation and implementation of development plans in the districts; to promote the economic growth of the districts; to create a board; to prescribe its powers and duties; to authorize the levy and collection of taxes; to authorize the issuance of bonds and other evidences of indebtedness; to authorize the use of tax increment financing; to reimburse downtown development authorities for certain losses of tax increment revenues; and to prescribe the powers and duties of certain state officials.

The People of the State of Michigan enact:

125.1651 Definitions.

Sec. 1.

As used in this act:

(a) "Advance" means a transfer of funds made by a municipality to an authority or to another person on behalf of the authority in anticipation of repayment by the authority. Evidence of the intent to repay an advance may include, but is not limited to, an executed agreement to repay, provisions contained in a tax increment financing plan approved prior to the advance, or a resolution of the authority or the municipality.

(b) "Assessed value" means 1 of the following:

(i) For valuations made before January 1, 1995, the state equalized valuation as determined under the general property tax act, 1893 PA 206, MCL 211.1 to 211.155.

(ii) For valuations made after December 31, 1994, the taxable value as determined under section 27a of the general property tax act, 1893 PA 206, MCL 211.27a.

(c) "Authority" means a downtown development authority created pursuant to this act.

(d) "Board" means the governing body of an authority.

(e) "Business district" means an area in the downtown of a municipality zoned and used principally for business.
(f) "Captured assessed value" means the amount in any 1 year by which the current assessed value of the project area, including the assessed value of property for which specific local taxes are paid in lieu of property taxes as determined in subdivision (aa), exceeds the initial assessed value. The state tax commission shall prescribe the method for calculating captured assessed value.

(g) "Catalyst development project" means a project that is located in a municipality with a population greater than 600,000, is designated by the authority as a catalyst development project, and is expected to result in at least $300,000,000.00 of capital investment. There shall be no more than 1 catalyst development project designated within each authority.

(h) "Chief executive officer" means the mayor or city manager of a city, the president or village manager of a village, or the supervisor of a township or, if designated by the township board for purposes of this act, the township superintendent or township manager of a township.

(i) "Development area" means that area to which a development plan is applicable.

(j) "Development plan" means that information and those requirements for a development plan set forth in section 17.

(k) "Development program" means the implementation of the development plan.

(l) "Downtown district" means that part of an area in a business district that is specifically designated by ordinance of the governing body of the municipality pursuant to this act. A downtown district may include 1 or more separate and distinct geographic areas in a business district as determined by the municipality if the municipality enters into an agreement with a qualified township under section 3(7) or if the municipality is a city that surrounds another city and that other city lies between the 2 separate and distinct geographic areas. If the downtown district contains more than 1 separate and distinct geographic area in the downtown district, the separate and distinct geographic areas shall be considered 1 downtown district.

(m) "Eligible advance" means an advance made before August 19, 1993.

(n) "Eligible obligation" means an obligation issued or incurred by an authority or by a municipality on behalf of an authority before August 19, 1993 and its subsequent refunding by a qualified refunding obligation. Eligible obligation includes an authority's written agreement entered into before August 19, 1993 to pay an obligation issued after August 18, 1993 and before December 31, 1996 by another entity on behalf of the authority.

(o) "Fire alarm system" means a system designed to detect and annunciate the presence of fire, or by-products of fire. Fire alarm system includes smoke detectors.

(p) "Fiscal year" means the fiscal year of the authority.

(q) "Governing body of a municipality" means the elected body of a municipality having legislative powers.
(r) "Initial assessed value" means the assessed value, as equalized, of all the taxable property within the boundaries of the development area at the time the ordinance establishing the tax increment financing plan is approved, as shown by the most recent assessment roll of the municipality for which equalization has been completed at the time the resolution is adopted. Property exempt from taxation at the time of the determination of the initial assessed value shall be included as zero. For the purpose of determining initial assessed value, property for which a specific local tax is paid in lieu of a property tax shall not be considered to be property that is exempt from taxation. The initial assessed value of property for which a specific local tax was paid in lieu of a property tax shall be determined as provided in subdivision (aa). In the case of a municipality having a population of less than 35,000 that established an authority prior to 1985, created a district or districts, and approved a development plan or tax increment financing plan or amendments to a plan, and which plan or tax increment financing plan or amendments to a plan, and which plan expired by its terms December 31, 1991, the initial assessed value for the purpose of any plan or plan amendment adopted as an extension of the expired plan shall be determined as if the plan had not expired December 31, 1991. For a development area designated before 1997 in which a renaissance zone has subsequently been designated pursuant to the Michigan renaissance zone act, 1996 PA 376, MCL 125.2681 to 125.2696, the initial assessed value of the development area otherwise determined under this subdivision shall be reduced by the amount by which the current assessed value of the development area was reduced in 1997 due to the exemption of property under section 7ff of the general property tax act, 1893 PA 206, MCL 211.7ff, but in no case shall the initial assessed value be less than zero.

(s) "Municipality" means a city, village, or township.

(t) "Obligation" means a written promise to pay, whether evidenced by a contract, agreement, lease, sublease, bond, or note, or a requirement to pay imposed by law. An obligation does not include a payment required solely because of default upon an obligation, employee salaries, or consideration paid for the use of municipal offices. An obligation does not include those bonds that have been economically defeased by refunding bonds issued under this act. Obligation includes, but is not limited to, the following:

(i) A requirement to pay proceeds derived from ad valorem property taxes or taxes levied in lieu of ad valorem property taxes.

(ii) A management contract or a contract for professional services.

(iii) A payment required on a contract, agreement, bond, or note if the requirement to make or assume the payment arose before August 19, 1993.

(iv) A requirement to pay or reimburse a person for the cost of insurance for, or to maintain, property subject to a lease, land contract, purchase agreement, or other agreement.

(v) A letter of credit, paying agent, transfer agent, bond registrar, or trustee fee associated with a contract, agreement, bond, or note.

(u) "On behalf of an authority", in relation to an eligible advance made by a municipality, or an eligible obligation or other protected obligation issued or incurred by a municipality, means in anticipation that an authority would transfer tax increment revenues or reimburse the municipality from tax increment revenues.
revenues in an amount sufficient to fully make payment required by the eligible advance made by the municipality, or eligible obligation or other protected obligation issued or incurred by the municipality, if the anticipation of the transfer or receipt of tax increment revenues from the authority is pursuant to or evidenced by 1 or more of the following:

(i) A reimbursement agreement between the municipality and an authority it established.

(ii) A requirement imposed by law that the authority transfer tax increment revenues to the municipality.

(iii) A resolution of the authority agreeing to make payments to the incorporating unit.

(iv) Provisions in a tax increment financing plan describing the project for which the obligation was incurred.

(v) "Operations" means office maintenance, including salaries and expenses of employees, office supplies, consultation fees, design costs, and other expenses incurred in the daily management of the authority and planning of its activities.

(w) "Other protected obligation" means:

(i) A qualified refunding obligation issued to refund an obligation described in subparagraph (ii), (iii), or (iv), an obligation that is not a qualified refunding obligation that is issued to refund an eligible obligation, or a qualified refunding obligation issued to refund an obligation described in this subparagraph.

(ii) An obligation issued or incurred by an authority or by a municipality on behalf of an authority after August 19, 1993, but before December 31, 1994, to finance a project described in a tax increment finance plan approved by the municipality in accordance with this act before December 31, 1993, for which a contract for final design is entered into by or on behalf of the municipality or authority before March 1, 1994 or for which a written agreement with a developer, titled preferred development agreement, was entered into by or on behalf of the municipality or authority in July 1993.

(iii) An obligation incurred by an authority or municipality after August 19, 1993, to reimburse a party to a development agreement entered into by a municipality or authority before August 19, 1993, for a project described in a tax increment financing plan approved in accordance with this act before August 19, 1993, and undertaken and installed by that party in accordance with the development agreement.

(iv) An obligation incurred by the authority evidenced by or to finance a contract to purchase real property within a development area or a contract to develop that property within the development area, or both, if all of the following requirements are met:

(A) The authority purchased the real property in 1993.

(B) Before June 30, 1995, the authority enters a contract for the development of the real property located within the development area.
(C) In 1993, the authority or municipality on behalf of the authority received approval for a grant from both of the following:

(I) The department of natural resources for site reclamation of the real property.

(II) The department of consumer and industry services for development of the real property.

(v) An ongoing management or professional services contract with the governing body of a county which was entered into before March 1, 1994 and which was preceded by a series of limited term management or professional services contracts with the governing body of the county, the last of which was entered into before August 19, 1993.

(vi) A loan from a municipality to an authority if the loan was approved by the legislative body of the municipality on April 18, 1994.

(vii) Funds expended to match a grant received by a municipality on behalf of an authority for sidewalk improvements from the Michigan department of transportation if the legislative body of the municipality approved the grant application on April 5, 1993 and the grant was received by the municipality in June 1993.

(viii) For taxes captured in 1994, an obligation described in this subparagraph issued or incurred to finance a project. An obligation is considered issued or incurred to finance a project described in this subparagraph only if all of the following are met:

(A) The obligation requires raising capital for the project or paying for the project, whether or not a borrowing is involved.

(B) The obligation was part of a development plan and the tax increment financing plan was approved by a municipality on May 6, 1991.

(C) The obligation is in the form of a written memorandum of understanding between a municipality and a public utility dated October 27, 1994.

(D) The authority or municipality captured school taxes during 1994.

(ix) An obligation incurred after July 31, 2012 by an authority, municipality, or other governmental unit to pay for costs associated with a catalyst development project.

(x) "Public facility" means a street, plaza, pedestrian mall, and any improvements to a street, plaza, or pedestrian mall including street furniture and beautification, park, parking facility, recreational facility, right-of-way, structure, waterway, bridge, lake, pond, canal, utility line or pipe, building, and access routes to any of the foregoing, designed and dedicated to use by the public generally, or used by a public agency. Public facility includes an improvement to a facility used by the public or a public facility as those terms are defined in section 1 of 1966 PA 1, MCL 125.1351, which improvement is made to comply with the barrier free design requirements of the state construction code promulgated under the Stille-DeRossett-Hale single state construction code act, 1972 PA 230, MCL 125.1501 to 125.1531. Public
facility also includes the acquisition, construction, improvement, and operation of a building owned or leased by the authority to be used as a retail business incubator.

(y) "Qualified refunding obligation" means an obligation issued or incurred by an authority or by a municipality on behalf of an authority to refund an obligation if 1 or more of the following apply:

(i) The obligation is issued to refund a qualified refunding obligation issued in November 1997 and any subsequent refundings of that obligation issued before January 1, 2010 or the obligation is issued to refund a qualified refunding obligation issued on May 15, 1997 and any subsequent refundings of that obligation issued before January 1, 2010 in an authority in which 1 parcel or group of parcels under common ownership represents 50% or more of the taxable value captured within the tax increment finance district and that will ultimately provide for at least a 40% reduction in the taxable value of the property as part of a negotiated settlement as a result of an appeal filed with the state tax tribunal. Qualified refunding obligations issued under this subparagraph are not subject to the requirements of section 611 of the revised municipal finance act, 2001 PA 34, MCL 141.2611, if issued before January 1, 2010. The duration of the development program described in the tax increment financing plan relating to the qualified refunding obligations issued under this subparagraph is hereby extended to 1 year after the final date of maturity of the qualified refunding obligations.

(ii) The refunding obligation meets both of the following:

(A) The net present value of the principal and interest to be paid on the refunding obligation, including the cost of issuance, will be less than the net present value of the principal and interest to be paid on the obligation being refunded, as calculated using a method approved by the department of treasury.

(B) The net present value of the sum of the tax increment revenues described in subdivision (cc)(ii) and the distributions under section 13b to repay the refunding obligation will not be greater than the net present value of the sum of the tax increment revenues described in subdivision (cc)(ii) and the distributions under section 13b to repay the obligation being refunded, as calculated using a method approved by the department of treasury.

(iii) The obligation is issued to refund an other protected obligation issued as a capital appreciation bond delivered to the Michigan municipal bond authority on December 21, 1994 and any subsequent refundings of that obligation issued before January 1, 2012. Qualified refunding obligations issued under this subparagraph are not subject to the requirements of section 305(2), (3), (5), and (6), section 501, section 503, or section 611 of the revised municipal finance act, 2001 PA 34, MCL 141.2305, 141.2501, 141.2503, and 141.2611, if issued before January 1, 2012. The duration of the development program described in the tax increment financing plan relating to the qualified refunding obligations issued under this subparagraph is extended to 1 year after the final date of maturity of the qualified refunding obligations. The obligation may be payable through the year 2025 at an interest rate not exceeding the maximum rate permitted by law, notwithstanding the bond maturity dates contained in the notice of intent to issue bonds published by the municipality. An obligation issued under this subparagraph is a qualified refunding obligation only to the extent that revenues described in subdivision (cc)(ii) and distributions under section 13b to repay the qualified refunding obligation do not exceed $750,000.00.

(iv) The obligation is issued to refund a qualified refunding obligation issued on February 13, 2008, and any subsequent refundings of that obligation, issued before December 31, 2018. Qualified refunding
obligations issued under this subparagraph are not subject to the requirements of section 305(2), (3), (5), and (6), 501, 503, or 611 of the revised municipal finance act, 2001 PA 34, MCL 141.2305, 141.2501, 141.2503, and 141.2611. The duration of the development program described in the tax increment financing plan relating to the qualified refunding obligations issued under this subparagraph is extended to 1 year after the final date of maturity of the qualified refunding obligations. Revenues described in subdivision (cc)(ii) and distributions made under section 13b in excess of the amount needed for current year debt service on an obligation issued under this subparagraph may be paid to the authority to the extent necessary to pay future years' debt service on the obligation as determined by the board.

(2) "Qualified township" means a township that meets all of the following requirements:

(i) Was not eligible to create an authority prior to January 3, 2005.

(ii) Adjoins a municipality that previously created an authority.

(iii) Along with the adjoining municipality that previously created an authority, is a member of the same joint planning commission under the joint municipal planning act, 2003 PA 226, MCL 125.131 to 125.143.

(aa) "Specific local tax" means a tax levied under 1974 PA 198, MCL 207.551 to 207.572, the commercial redevelopment act, 1978 PA 255, MCL 207.651 to 207.668, the technology park development act, 1984 PA 385, MCL 207.701 to 207.718, and 1953 PA 189, MCL 211.181 to 211.182. The initial assessed value or current assessed value of property subject to a specific local tax shall be the quotient of the specific local tax paid divided by the ad valorem millage rate. However, after 1993, the state tax commission shall prescribe the method for calculating the initial assessed value and current assessed value of property for which a specific local tax was paid in lieu of a property tax.

(bb) "State fiscal year" means the annual period commencing October 1 of each year.

(cc) "Tax increment revenues" means the amount of ad valorem property taxes and specific local taxes attributable to the application of the levy of all taxing jurisdictions upon the captured assessed value of real and personal property in the development area, subject to the following requirements:

(i) Tax increment revenues include ad valorem property taxes and specific local taxes attributable to the application of the levy of all taxing jurisdictions other than the state pursuant to the state education tax act, 1993 PA 331, MCL 211.901 to 211.906, and local or intermediate school districts upon the captured assessed value of real and personal property in the development area for any purpose authorized by this act.

(ii) Tax increment revenues include ad valorem property taxes and specific local taxes attributable to the application of the levy of the state pursuant to the state education tax act, 1993 PA 331, MCL 211.901 to 211.906, and local or intermediate school districts upon the captured assessed value of real and personal property in the development area in an amount equal to the amount necessary, without regard to subparagraph (i), to repay eligible advances, eligible obligations, and other protected obligations.

(iii) Tax increment revenues do not include any of the following:
(A) Ad valorem property taxes attributable either to a portion of the captured assessed value shared with taxing jurisdictions within the jurisdictional area of the authority or to a portion of value of property that may be excluded from captured assessed value or specific local taxes attributable to such ad valorem property taxes.

(B) Ad valorem property taxes excluded by the tax increment financing plan of the authority from the determination of the amount of tax increment revenues to be transmitted to the authority or specific local taxes attributable to such ad valorem property taxes.

(C) Ad valorem property taxes exempted from capture under section 3(3) or specific local taxes attributable to such ad valorem property taxes.

(D) Ad valorem property taxes levied under 1 or more of the following or specific local taxes attributable to those ad valorem property taxes:

(I) The zoological authorities act, 2008 PA 49, MCL 123.1161 to 123.1183.

(II) The art institute authorities act, 2010 PA 296, MCL 123.1201 to 123.1229.

(iv) The amount of tax increment revenues authorized to be included under subparagraph (ii) or (v), and required to be transmitted to the authority under section 14(1), from ad valorem property taxes and specific local taxes attributable to the application of the levy of the state education tax act, 1993 PA 331, MCL 211.901 to 211.906, a local school district or an intermediate school district upon the captured assessed value of real and personal property in a development area shall be determined separately for the levy by the state, each school district, and each intermediate school district as the product of sub-subparagraphs (A) and (B):

(A) The percentage that the total ad valorem taxes and specific local taxes available for distribution by law to the state, local school district, or intermediate school district, respectively, bears to the aggregate amount of ad valorem millage taxes and specific taxes available for distribution by law to the state, each local school district, and each intermediate school district.

(B) The maximum amount of ad valorem property taxes and specific local taxes considered tax increment revenues under subparagraph (ii) or (v).

(v) Tax increment revenues include ad valorem property taxes and specific local taxes, in an annual amount and for each year approved by the state treasurer, attributable to the levy by this state under the state education tax act, 1993 PA 331, MCL 211.901 to 211.906, and by local or intermediate school districts, upon the captured assessed value of real and personal property in the development area of an authority established in a city with a population of 600,000 or more to pay for, or reimburse an advance for, not more than $8,000,000.00 for the demolition of buildings or structures on public or privately owned property within a development area that commences in 2005, or to pay the annual principal of or interest on an obligation, the terms of which are approved by the state treasurer, issued by an authority, or by a city on behalf of an authority, to pay not more than $8,000,000.00 of the costs to demolish buildings or structures on public or privately owned property within a development area that commences in 2005.
(vi) Tax increment revenues include ad valorem property taxes and specific local taxes attributable to the levy by this state under the state education tax act, 1993 PA 331, MCL 211.201 to 211.906, and by local or intermediate school districts which were levied on or after July 1, 2010, upon the captured assessed value of real and personal property in the development area of an authority established in a city with a population of 600,000 or more to pay for, or reimburse an advance for, costs associated with the land acquisition, preliminary site work, and construction of a catalyst development project.

125.1651a Legislative findings.

Sec. 1a.

The legislature finds all of the following:

(a) That there exists in this state conditions of property value deterioration detrimental to the state economy and the economic growth of the state and its local units of government.

(b) That government programs are desirable and necessary to eliminate the causes of property value deterioration thereby benefiting the economic growth of the state.

(c) That it is appropriate to finance these government programs by means available to the state and local units of government in the state, including tax increment financing.

(d) That tax increment financing is a government financing program that contributes to economic growth and development by dedicating a portion of the increase in the tax base resulting from economic growth and development to facilities, structures, or improvements within a development area thereby facilitating economic growth and development.

(e) That it is necessary for the legislature to exercise its power to legislate tax increment financing as authorized in this act and in the exercise of this power to mandate the transfer of tax increment revenues by city, village, township, school district, and county treasurers to authorities created under this act in order to effectuate the legislative government programs to eliminate property value deterioration and to promote economic growth.

(f) That halting property value deterioration and promoting economic growth in the state are essential governmental functions and constitute essential public purposes.

(g) That economic development strengthens the tax base upon which local units of government rely and that government programs to eliminate property value deterioration benefit local units of government and are for the use of the local units of government.

(h) That the provisions of this act are enacted to provide a means for local units of government to eliminate property value deterioration and to promote economic growth in the communities served by those local units of government.

125.1652 Authority; establishment; restriction; public body corporate; powers generally.

Sec. 2.
(1) Except as otherwise provided in this subsection, a municipality may establish 1 authority. If, before November 1, 1985, a municipality establishes more than 1 authority, those authorities may continue to exist as separate authorities. Under the conditions described in section 3a, a municipality may have more than 1 authority within that municipality’s boundaries. A parcel of property shall not be included in more than 1 authority created by this act.

(2) An authority shall be a public body corporate which may sue and be sued in any court of this state. An authority possesses all the powers necessary to carry out the purpose of its incorporation. The enumeration of a power in this act shall not be construed as a limitation upon the general powers of an authority.

125.1653 Resolution of intent to create and provide for operation of authority; public hearing on proposed ordinance creating authority and designating boundaries of downtown district; notice; exemption of taxes from capture; adoption, filing, and publication of ordinance; altering or amending boundaries; agreement with adjoining municipality; agreement with qualified township.

Sec. 3.

(1) When the governing body of a municipality determines that it is necessary for the best interests of the public to halt property value deterioration and increase property tax valuation where possible in its business district, to eliminate the causes of that deterioration, and to promote economic growth, the governing body may, by resolution, declare its intention to create and provide for the operation of an authority.

(2) In the resolution of intent, the governing body shall set a date for the holding of a public hearing on the adoption of a proposed ordinance creating the authority and designating the boundaries of the downtown district. Notice of the public hearing shall be published twice in a newspaper of general circulation in the municipality, not less than 20 or more than 40 days before the date of the hearing. Not less than 20 days before the hearing, the governing body proposing to create the authority shall also mail notice of the hearing to the property taxpayers of record in the proposed district and for a public hearing to be held after February 15, 1994 to the governing body of each taxing jurisdiction levying taxes that would be subject to capture if the authority is established and a tax increment financing plan is approved. Beginning June 1, 2005, the notice of hearing within the time frame described in this subsection shall be mailed by certified mail to the governing body of each taxing jurisdiction levying taxes that would be subject to capture if the authority is established and a tax increment financing plan is approved. Failure of a property taxpayer to receive the notice shall not invalidate these proceedings. Notice of the hearing shall be posted in at least 20 conspicuous and public places in the proposed downtown district not less than 20 days before the hearing. The notice shall state the date, time, and place of the hearing, and shall describe the boundaries of the proposed downtown district. A citizen, taxpayer, or property owner of the municipality or an official from a taxing jurisdiction with millage that would be subject to capture has the right to be heard in regard to the establishment of the authority and the boundaries of the proposed downtown district. The governing body of the municipality shall not incorporate land into the downtown district not included in the description contained in the notice of public hearing, but it may eliminate described lands from the downtown district in the final determination of the boundaries.
(3) Not more than 60 days after a public hearing held after February 15, 1994, the governing body of a taxig jurisdiction levying ad valorem property taxes that would otherwise be subject to capture may exempt its taxes from capture by adopting a resolution to that effect and filing a copy with the clerk of the municipality proposing to create the authority. The resolution takes effect when filed with that clerk and remains effective until a copy of a resolution rescinding that resolution is filed with that clerk.

(4) Not less than 60 days after the public hearing, if the governing body of the municipality intends to proceed with the establishment of the authority, it shall adopt, by majority vote of its members, an ordinance establishing the authority and designating the boundaries of the downtown district within which the authority shall exercise its powers. The adoption of the ordinance is subject to any applicable statutory or charter provisions in respect to the approval or disapproval by the chief executive or other officer of the municipality and the adoption of an ordinance over his or her veto. This ordinance shall be filed with the secretary of state promptly after its adoption and shall be published at least once in a newspaper of general circulation in the municipality.

(5) The governing body of the municipality may alter or amend the boundaries of the downtown district to include or exclude lands from the downtown district pursuant to the same requirements for adopting the ordinance creating the authority.

(6) A municipality that has created an authority may enter into an agreement with an adjoining municipality that has created an authority to jointly operate and administer those authorities under an interlocal agreement under the urban cooperation act of 1967, 1967 (Ex Sess) PA 7, MCL 124.501 to 124.512.

(7) A municipality that has created an authority may enter into an agreement with a qualified township to operate its authority in a downtown district in the qualified township under an interlocal agreement under the urban cooperation act of 1967, 1967 (Ex Sess) PA 7, MCL 124.501 to 124.512. The interlocal agreement between the municipality and the qualified township shall provide for, but is not limited to, all of the following:

(a) Size and makeup of the board.

(b) Determination and modification of downtown district, business district, and development area.

(c) Modification of development area and development plan.

(d) Issuance and repayment of obligations.

(e) Capture of taxes.

(f) Notice, hearing, and exemption of taxes from capture provisions described in this section.

125.1653a Authority of annexing or consolidated municipality; obligations, agreements, and bonds.

Sec. 3a.
If a downtown district is part of an area annexed to or consolidated with another municipality, the authority managing that district shall become an authority of the annexing or consolidated municipality. Obligations of that authority incurred under a development or tax increment plan, agreements related to a development or tax increment plan, and bonds issued under this act shall remain in effect following the annexation or consolidation.

125.1653b Ratification and validation of ordinance and actions; compliance.

Sec. 3b.

(1) An ordinance enacted by a municipality that has a population of less than 50,000 establishing an authority, creating a district, or approving a development plan or tax increment financing plan, or an amendment to an authority, district, or plan, and all actions taken under that ordinance, including the issuance of bonds, are ratified and validated notwithstanding that notice for the public hearing on the establishment of the authority, creation of the district, or approval of the development plan or tax increment financing plan, or on the amendment, was not published, posted, or mailed at least 20 days before the hearing, if the notice was published or posted at least 15 days before the hearing or the authority was established in 1984 by a village that filed the ordinance with the secretary of state not later than March, 1986. This section applies only to an ordinance adopted by a municipality before February 1, 1991, and shall include any bonds or amounts to be used by the authority to pay the principal of and interest on bonds that have been issued or that are to be issued by the authority, the incorporating municipality, or a county on behalf of the incorporating municipality. An authority for which an ordinance or amendment to the ordinance establishing the authority has been published before February 1, 1991 is considered for purposes of section 3(4) to have promptly filed the ordinance or amendment to the ordinance with the secretary of state if the ordinance or amendment to the ordinance is filed with the secretary of state before October 1, 1991. As used in this section, "notice was published" means publication of the notice occurred at least once.

(2) A development plan and tax increment financing plan approved by a resolution adopted by the village council of a village having a population of less than 3,000 before June 15, 1988 rather than by adoption of an ordinance is ratified and validated, if an amendment to the plans was adopted by the village council in compliance with sections 18 and 19.

(3) A development plan and tax increment financing plan approved by a resolution adopted by the village council of a village having a population of less than 7,000 before June 1, 1998 rather than by adoption of an ordinance is ratified and validated if an amendment to the plans was adopted by the village council in compliance with sections 18 and 19.

125.1653c Proceedings or findings; validity.

Sec. 3c.

The validity of the proceedings or findings establishing an authority, or of the procedure, adequacy of notice, or findings with respect to the approval of a development plan or tax increment financing plan is conclusive with respect to the capture of tax increment revenues for an other protected obligation that is a bond issued after October 1, 1994.
125.1653d Establishment or amendment of authority, district, or plan; notice; publication or posting.

Sec. 3d.

An ordinance enacted by a municipality that has a population of greater than 1,000 and less than 2,000 establishing an authority, creating a district, or approving a development plan or tax increment financing plan, or an amendment to an authority, district, or plan, and all actions taken or to be taken under that ordinance, including the issuance of bonds, are ratified and validated notwithstanding that notice for the public hearing on the establishment of the authority, creation of the district, or approval of the development plan or tax increment financing plan, or on the amendment, was not published, posted, or mailed at least 20 days before the hearing, provided that the notice was either published or posted at least 10 days before the hearing or that the authority was established in 1990 by a municipality that filed the ordinance with the secretary of state not later than July 1991. This section applies only to an ordinance or an amendment adopted by a municipality before January 1, 1999 and shall include any bonds or amounts to be used by the authority to pay the principal of and interest on bonds that have been issued or that are to be issued by the authority or the incorporating municipality. An authority for which an ordinance or amendment to the ordinance establishing the authority has been published before February 1, 1991 is considered for purposes of section 3(3) to have promptly filed the ordinance or amendment to the ordinance with the secretary of state if the ordinance or amendment to the ordinance is filed with the secretary of state before December 31, 2002. The validity of the proceedings or findings establishing an authority described in this section, or of the procedure, adequacy of notice, or findings with respect to the approval of a development plan or tax increment financing plan for an authority described in this section is conclusive with respect to the capture of tax increment revenues for a bond issued after June 1, 2002 and before June 1, 2006. As used in this section, “notice was either published or posted” means either publication or posting of the notice occurred at least once.

125.1654 Board; appointment, terms, and qualifications of members; vacancy; compensation and expenses; election of chairperson; appointment as public official; oath; conducting business at public meeting; public notice; special meetings; removal of members; review; expense items and financial records; availability of writings to public; single board governing all authorities; member as resident or having interest in property; planning commission serving as board in certain municipalities; modification by interlocal agreement.

Sec. 4.

(1) Except as provided in subsections (7), (8), and (9), an authority shall be under the supervision and control of a board consisting of the chief executive officer of the municipality and not less than 8 or more than 12 members as determined by the governing body of the municipality. Members shall be appointed by the chief executive officer of the municipality, subject to approval by the governing body of the municipality. Not less than a majority of the members shall be persons having an interest in property located in the downtown district or officers, members, trustees, principals, or employees of a legal entity having an interest in property located in the downtown district. Not less than 1 of the members shall be a resident of the downtown district, if the downtown district has 100 or more persons residing within it. Of the members first appointed, an equal number of the members, as near as is practicable, shall be appointed for 1 year, 2 years, 3 years, and 4 years. A member shall hold office until the member’s successor is appointed. Thereafter, each member shall serve for a term of 4 years. An
appointment to fill a vacancy shall be made by the chief executive officer of the municipality for the unexpired term only. Members of the board shall serve without compensation, but shall be reimbursed for actual and necessary expenses. The chairperson of the board shall be elected by the board. The rules of procedure or the bylaws of the authority may provide that a person be appointed to the board in his or her capacity as a public official, whether appointed or elected. The rules of procedure or bylaws may also provide that the public official's term shall expire upon expiration of his or her service as a public official. In addition, the public official's membership on the board expires on his or her resignation from office as a public official.

(2) Before assuming the duties of office, a member shall qualify by taking and subscribing to the constitutional oath of office.

(3) The business which the board may perform shall be conducted at a public meeting of the board held in compliance with the open meetings act, 1976 PA 267, MCL 15.261 to 15.275. Public notice of the time, date, and place of the meeting shall be given in the manner required by the open meetings act, 1976 PA 267, MCL 15.261 to 15.275. The board shall adopt rules consistent with the open meetings act, 1976 PA 267, MCL 15.261 to 15.275, governing its procedure and the holding of regular meetings, subject to the approval of the governing body. Special meetings may be held if called in the manner provided in the rules of the board.

(4) Pursuant to notice and after having been given an opportunity to be heard, a member of the board may be removed for cause by the governing body. Removal of a member is subject to review by the circuit court.

(5) All expense items of the authority shall be publicized monthly and the financial records shall always be open to the public.

(6) In addition to the items and records prescribed in subsection (5), a writing prepared, owned, used, in the possession of, or retained by the board in the performance of an official function shall be made available to the public in compliance with the freedom of information act, 1976 PA 442, MCL 15.231 to 15.246.

(7) By resolution of its governing body, a municipality having more than 1 authority may establish a single board to govern all authorities in the municipality. The governing body may designate the board of an existing authority as the board for all authorities or may establish by resolution a new board in the same manner as provided in subsection (1). A member of a board governing more than 1 authority may be a resident of or have an interest in property in any of the downtown districts controlled by the board in order to meet the requirements of this section.

(8) By ordinance, the governing body of a municipality that has a population of less than 5,000 may have the municipality's planning commission created pursuant to former 1931 PA 285 or the Michigan planning enabling act, 2008 PA 33, MCL 125.3801 to 125.3885, serve as the board provided for in subsection (1).

(9) If a municipality enters into an agreement with a qualified township under section 3(7), the membership of the board may be modified by the interlocal agreement described in section 3(7).
125.1655 Director, acting director, treasurer, secretary, legal counsel, and other personnel.

Sec. 5.

(1) The board may employ and fix the compensation of a director, subject to the approval of the governing body of the municipality. The director shall serve at the pleasure of the board. A member of the board is not eligible to hold the position of director. Before entering upon the duties of his office, the director shall take and subscribe to the constitutional oath, and furnish bond, by posting a bond in the penal sum determined in the ordinance establishing the authority payable to the authority for use and benefit of the authority, approved by the board, and filed with the municipal clerk. The premium on the bond shall be deemed an operating expense of the authority, payable from funds available to the authority for expenses of operation. The director shall be the chief executive officer of the authority. Subject to the approval of the board, the director shall supervise, and be responsible for, the preparation of plans and the performance of the functions of the authority in the manner authorized by this act. The director shall attend the meetings of the board, and shall render to the board and to the governing body of the municipality a regular report covering the activities and financial condition of the authority. If the director is absent or disabled, the board may designate a qualified person as acting director to perform the duties of the office. Before entering upon the duties of his office, the acting director shall take and subscribe to the oath, and furnish bond, as required of the director. The director shall furnish the board with information or reports governing the operation of the authority as the board requires.

(2) The board may employ and fix the compensation of a treasurer, who shall keep the financial records of the authority and who, together with the director, shall approve all vouchers for the expenditure of funds of the authority. The treasurer shall perform such other duties as may be delegated to him by the board and shall furnish bond in an amount as prescribed by the board.

(3) The board may employ and fix the compensation of a secretary, who shall maintain custody of the official seal and of records, books, documents, or other papers not required to be maintained by the treasurer. The secretary shall attend meetings of the board and keep a record of its proceedings, and shall perform such other duties delegated by the board.

(4) The board may retain legal counsel to advise the board in the proper performance of its duties. The legal counsel shall represent the authority in actions brought by or against the authority.

(5) The board may employ other personnel deemed necessary by the board.

125.1656 Participation of employees in municipal retirement and insurance programs.

Sec. 6.

The employees of an authority shall be eligible to participate in municipal retirement and insurance programs of the municipality as if they were civil service employees except that the employees of an authority are not civil service employees.

125.1657 Powers of board; creation, operation, or funding of retail business incubator.
Sec. 7.

(1) The board may:

(a) Prepare an analysis of economic changes taking place in the downtown district.

(b) Study and analyze the impact of metropolitan growth upon the downtown district.

(c) Plan and propose the construction, renovation, repair, remodeling, rehabilitation, restoration, preservation, or reconstruction of a public facility, an existing building, or a multiple-family dwelling unit which may be necessary or appropriate to the execution of a plan which, in the opinion of the board, aids in the economic growth of the downtown district.

(d) Plan, propose, and implement an improvement to a public facility within the development area to comply with the barrier free design requirements of the state construction code promulgated under the Stille-DeRossett-Hale single state construction code act, 1972 PA 230, MCL 125.1501 to 125.1531.

(e) Develop long-range plans, in cooperation with the agency which is chiefly responsible for planning in the municipality, designed to halt the deterioration of property values in the downtown district and to promote the economic growth of the downtown district, and take such steps as may be necessary to persuade property owners to implement the plans to the fullest extent possible.

(f) Implement any plan of development in the downtown district necessary to achieve the purposes of this act, in accordance with the powers of the authority as granted by this act.

(g) Make and enter into contracts necessary or incidental to the exercise of its powers and the performance of its duties.

(h) Acquire by purchase or otherwise, on terms and conditions and in a manner the authority considers proper or own, convey, or otherwise dispose of, or lease as lessor or lessee, land and other property, real or personal, or rights or interests in property, which the authority determines is reasonably necessary to achieve the purposes of this act, and to grant or acquire licenses, easements, and options with respect to that property.

(i) Improve land and construct, reconstruct, rehabilitate, restore and preserve, equip, improve, maintain, repair, and operate any building, including multiple-family dwellings, and any necessary or desirable appurtenances to that property, within the downtown district for the use, in whole or in part, of any public or private person or corporation, or a combination of them.

(j) Fix, charge, and collect fees, rents, and charges for the use of any building or property under its control or any part thereof, or facility therein, and pledge the fees, rents, and charges for the payment of revenue bonds issued by the authority.

(k) Lease any building or property under its control, or any part of a building or property.

(l) Accept grants and donations of property, labor, or other things of value from a public or private source.
(m) Acquire and construct public facilities.

(n) Create, operate, and fund marketing initiatives that benefit only retail and general marketing of the downtown district.

(o) Contract for broadband service and wireless technology service in the downtown district.

(p) Operate and perform all duties and exercise all responsibilities described in this section in a qualified township if the qualified township has entered into an agreement with the municipality under section 3(7).

(q) Create, operate, and fund a loan program to fund improvements for existing buildings located in a downtown district to make them marketable for sale or lease. The board may make loans with interest at a market rate or may make loans with interest at a below market rate, as determined by the board.

(r) Create, operate, and fund retail business incubators in the downtown district.

(2) If it is the express determination of the board to create, operate, or fund a retail business incubator in the downtown district, the board shall give preference to tenants who will provide goods or services that are not available or that are underserved in the downtown area. If the board creates, operates, or funds retail business incubators in the downtown district, the board and each tenant who leases space in a retail business incubator shall enter into a written contract that includes, but is not limited to, all of the following:

(a) The lease or rental rate that may be below the fair market rate as determined by the board.

(b) The requirement that a tenant may lease space in the retail business incubator for a period not to exceed 18 months.

(c) The terms of a joint operating plan with 1 or more other businesses located in the downtown district.

(d) A copy of the business plan of the tenant that contains measurable goals and objectives.

(e) The requirement that the tenant participate in basic management classes, business seminars, or other business education programs offered by the authority, the local chamber of commerce, local community colleges, or institutions of higher education, as determined by the board.

125.1658 Board serving as planning commission; agenda.

Sec. 8.

If a board created under this act serves as the planning commission under section 2 of Act No. 285 of the Public Acts of 1931, being section 125.32 of the Michigan Compiled Laws, the board shall include planning commission business in its agenda.

125.1659 Authority as instrumentality of political subdivision.
Sec. 9.

The authority shall be deemed an instrumentality of a political subdivision for purposes of Act No. 227 of the Public Acts of 1972, being sections 213.321 to 213.332 of the Michigan Compiled Laws.

125.1660 Taking, transfer, and use of private property.

Sec. 10.

A municipality may take private property under Act No. 149 of the Public Acts of 1911, as amended, being sections 213.21 to 213.41 of the Michigan Compiled Laws, for the purpose of transfer to the authority, and may transfer the property to the authority for use in an approved development, on terms and conditions it deems appropriate, and the taking, transfer, and use shall be considered necessary for public purposes and for the benefit of the public.

125.1661 Financing activities of authority; disposition of money received by authority; municipal obligations.

Sec. 11.

(1) The activities of the authority shall be financed from 1 or more of the following sources:

(a) Donations to the authority for the performance of its functions.

(b) Proceeds of a tax imposed pursuant to section 12.

(c) Money borrowed and to be repaid as authorized by sections 13 and 13a.

(d) Revenues from any property, building, or facility owned, leased, licensed, or operated by the authority or under its control, subject to the limitations imposed upon the authority by trusts or other agreements.

(e) Proceeds of a tax increment financing plan, established under sections 14 to 16.

(f) Proceeds from a special assessment district created as provided by law.

(g) Money obtained from other sources approved by the governing body of the municipality or otherwise authorized by law for use by the authority or the municipality to finance a development program.

(h) Money obtained pursuant to section 13b.

(i) Revenue from the federal facility development act, Act No. 275 of the Public Acts of 1992, being sections 3.931 to 3.940 of the Michigan Compiled Laws, or revenue transferred pursuant to section 11a of chapter 2 of the city income tax act, Act No. 284 of the Public Acts of 1964, being section 141.611a of the Michigan Compiled Laws.

2) Money received by the authority and not covered under subsection (1) shall immediately be deposited to the credit of the authority, subject to disbursement pursuant to this act. Except as provided in this act, the municipality shall not obligate itself, nor shall it ever be obligated to pay any sums from public funds, other than money received by the municipality pursuant to this section, for or on account of the activities of the authority.

125.1662 Ad valorem tax; borrowing in anticipation of collection.

Sec. 12.

(1) An authority with the approval of the municipal governing body may levy an ad valorem tax on the real and tangible personal property not exempt by law and as finally equalized in the downtown district. The tax shall not be more than 1 mill if the downtown district is in a municipality having a population of 1,000,000 or more, or not more than 2 mills if the downtown district is in a municipality having a population of less than 1,000,000. The tax shall be collected by the municipality creating the authority levying the tax. The municipality shall collect the tax at the same time and in the same manner as it collects its other ad valorem taxes. The tax shall be paid to the treasurer of the authority and credited to the general fund of the authority for purposes of the authority.

(2) The municipality may at the request of the authority borrow money and issue its notes under the revised municipal finance act, 2001 PA 34, MCL 141.2101 to 141.2821, in anticipation of collection of the ad valorem tax authorized in this section.

125.1663 Revenue bonds.

Sec. 13.

The authority may borrow money and issue its negotiable revenue bonds therefor pursuant to Act No. 94 of the Public Acts of 1933, as amended, being sections 141.101 to 141.139 of the Michigan Compiled Laws. Revenue bonds issued by the authority shall not except as hereinafter provided be deemed a debt of the municipality or the state. The municipality by majority vote of the members of its governing body may pledge its full faith and credit to support the authority's revenue bonds.

125.1663a Borrowing money; issuing revenue bonds or notes; purpose; costs; security; pledge and lien of pledge valid and binding; filing or recordation not required; tax exemption; bonds or notes neither liability nor debt of municipality; statement; investment and deposit of bonds and notes.

Sec. 13a.

(1) The authority may with approval of the local governing body borrow money and issue its revenue bonds or notes to finance all or part of the costs of acquiring or constructing property in connection with
the implementation of a development plan in the downtown district or to refund or refund in advance bonds or notes issued pursuant to this section. The costs which may be financed by the issuance of revenue bonds or notes may include the cost of purchasing, acquiring, constructing, improving, enlarging, extending, or repairing property in connection with the implementation of a development plan in the downtown district; any engineering, architectural, legal, accounting, or financial expenses; the costs necessary or incidental to the borrowing of money; interest on the bonds or notes during the period of construction; a reserve for payment of principal and interest on the bonds or notes; and a reserve for operation and maintenance until sufficient revenues have developed. The authority may secure the bonds and notes by mortgage, assignment, or pledge of the property and any money, revenues, or income received in connection therewith.

(2) A pledge made by the authority shall be valid and binding from the time the pledge is made. The money or property pledged by the authority immediately shall be subject to the lien of the pledge without a physical delivery, filing, or further act. The lien of such a pledge shall be valid and binding as against parties having claims of any kind in tort, contract, or otherwise, against the authority, irrespective of whether the parties have notice of the lien. Neither the resolution, the trust agreement, nor any other instrument by which a pledge is created need be filed or recorded.

(3) Bonds or notes issued pursuant to this section shall be exempt from all taxation in this state except inheritance and transfer taxes, and the interest on the bonds or notes shall be exempt from all taxation in this state, notwithstanding that the interest may be subject to federal income tax.

(4) The municipality shall not be liable on bonds or notes of the authority issued pursuant to this section and the bonds or notes shall not be a debt of the municipality. The bonds or notes shall contain on their face a statement to that effect.

(5) The bonds and notes of the authority may be invested in by all public officers, state agencies and political subdivisions, insurance companies, banks, savings and loan associations, investment companies, and fiduciaries and trustees, and may be deposited with and received by all public officers and the agencies and political subdivisions of this state for any purpose for which the deposit of bonds is authorized.

125.1663b Insufficient tax increment revenues to repay advance or pay obligation; contents, time, and payment of claim; appropriation and distribution of aggregate amount; limitations; distribution subject to lien; obligation as debt or liability; certification of distribution amount; basis for calculation of distributions and claim reports.

Sec. 13b.

(1) If the amount of tax increment revenues lost as a result of the reduction of taxes levied by local school districts for school operating purposes required by the millage limitations under section 1211 of the school code of 1976, 1976 PA 451, MCL 380.1211, reduced by the amount of tax increment revenues received from the capture of taxes levied under or attributable to the state education tax act, 1993 PA 331, MCL 211.901 to 211.906, will cause the tax increment revenues received in a fiscal year by an authority under section 15 to be insufficient to repay an eligible advance or to pay an eligible obligation, the legislature shall appropriate and distribute to the authority the amount described in subsection (5).
(2) Not less than 30 days before the first day of a fiscal year, an authority eligible to retain tax increment revenues from taxes levied by a local or intermediate school district or this state or to receive a distribution under this section for that fiscal year shall file a claim with the department of treasury. The claim shall include the following information:

(a) The property tax millage rates levied in 1993 by local school districts within the jurisdictional area of the authority for school operating purposes.

(b) The property tax millage rates expected to be levied by local school districts within the jurisdictional area of the authority for school operating purposes for that fiscal year.

(c) The tax increment revenues estimated to be received by the authority for that fiscal year based upon actual property tax levies of all taxing jurisdictions within the jurisdictional area of the authority.

(d) The tax increment revenues the authority estimates it would have received for that fiscal year if property taxes were levied by local school districts within the jurisdictional area of the authority for school operating purposes at the millage rates described in subdivision (a) and if no property taxes were levied by this state under the state education tax act, 1993 PA 331, MCL 211.901 to 211.906.

(e) A list and documentation of eligible obligations and eligible advances and the payments due on each of those eligible obligations or eligible advances in that fiscal year, and the total amount of all the payments due on those eligible obligations and eligible advances in that fiscal year.

(f) The amount of money, other than tax increment revenues, estimated to be received in that fiscal year by the authority that is primarily pledged to, and to be used for, the payment of an eligible obligation or the repayment of an eligible advance. That amount shall not include excess tax increment revenues of the authority that are permitted by law to be retained by the authority for purposes that further the development program. However, that amount shall include money to be obtained from sources authorized by law, which law is enacted on or after December 1, 1993, for use by the municipality or authority to finance a development project.

(g) The amount of a distribution received pursuant to this act for a fiscal year in excess of or less than the distribution that would have been required if calculated upon actual tax increment revenues received for that fiscal year.

(h) A list and documentation of other protected obligations and the payments due on each of those other protected obligations in that fiscal year, and the total amount of all the payments due on those other protected obligations in that fiscal year.

(3) For the fiscal year that commences after September 30, 1993 and before October 1, 1994, an authority may make a claim with all information required by subsection (2) at any time after March 15, 1994.

(4) After review and verification of claims submitted pursuant to this section, amounts appropriated by the state in compliance with this act shall be distributed as 2 equal payments on March 1 and September 1 after receipt of a claim. An authority shall allocate a distribution it receives for an eligible obligation issued on behalf of a municipality to the municipality.
(5) Subject to subsections (6) and (7), the aggregate amount to be appropriated and distributed pursuant to this section to an authority shall be the sum of the amounts determined pursuant to subdivisions (a) and (b) minus the amount determined pursuant to subdivision (c), as follows:

(a) The amount by which the tax increment revenues the authority would have received for the fiscal year, excluding taxes exempt under section 7ff of the general property tax act, 1893 PA 206, MCL 211.7ff, if property taxes were levied by local school districts for school operating purposes at the millage rates described in subsection (2)(a) and if no property taxes were levied under the state education tax act, 1993 PA 331, MCL 211.901 to 211.906, exceed the tax increment revenues the authority actually received for the fiscal year.

(b) A shortfall required to be reported pursuant to subsection (2)(g) that had not previously increased a distribution.

(c) An excess amount required to be reported pursuant to subsection (2)(g) that had not previously decreased a distribution.

(6) The amount distributed under subsection (5) shall not exceed the difference between the amount described in subsection (2)(e) and the sum of the amounts described in subsection (2)(c) and (f).

(7) If, based upon the tax increment financing plan in effect on August 19, 1993, the payment due on eligible obligations or eligible advances anticipates the use of excess prior year tax increment revenues permitted by law to be retained by the authority, and if the sum of the amounts described in subsection (2)(c) and (f) plus the amount to be distributed under subsections (5) and (6) is less than the amount described in subsection (2)(e), the amount to be distributed under subsections (5) and (6) shall be increased by the amount of the shortfall. However, the amount authorized to be distributed pursuant to this section shall not exceed that portion of the cumulative difference, for each preceding fiscal year, between the amount that could have been distributed pursuant to subsection (5) and the amount actually distributed pursuant to subsections (5) and (6) and this subsection.

(8) A distribution under this section replacing tax increment revenues pledged by an authority or a municipality is subject to the lien of the pledge, whether or not there has been physical delivery of the distribution.

(9) Obligations for which distributions are made pursuant to this section are not a debt or liability of this state; do not create or constitute an indebtedness, liability, or obligation of this state; and are not and do not constitute a pledge of the faith and credit of this state.

(10) Not later than July 1 of each year, the authority shall certify to the local tax collecting treasurer the amount of the distribution required under subsection (5), calculated without regard to the receipt of tax increment revenues attributable to local or intermediate school district taxes or attributable to taxes levied under the state education tax act, 1993 PA 331, MCL 211.901 to 211.906.

(11) Calculations of distributions under this section and claims reports required to be made under subsection (2) shall be made on the basis of each development area of the authority.
The state tax commission may provide that the reimbursement calculations under this section and the calculation of allowable capture of school taxes shall be made for each calendar year's tax increment revenues using a 12-month debt payment period used by the authority and approved by the state tax commission.

125.1663c Retention and payment of taxes levied under state education tax act; conditions; application by authority for approval; information to be included; approval, modification, or denial of application by department of treasury; appropriation and distribution of amount; calculation of aggregate amount; lien; reimbursement calculations; legislative intent.

Sec. 13c.

(1) If the amount of tax increment revenues lost as a result of the personal property tax exemptions provided by section 1211(4) of the revised school code, 1976 PA 451, MCL 380.1211, section 3 of the state education tax act, 1993 PA 331, MCL 211.903, section 14(4) of 1974 PA 198, MCL 207.564, and section 9k of the general property tax act, 1893 PA 206, MCL 211.9k, will reduce the allowable school tax capture received in a fiscal year, then, notwithstanding any other provision of this act, the authority, with approval of the department of treasury under subsection (3), may request the local tax collecting treasurer to retain and pay to the authority taxes levied under the state education tax act, 1993 PA 331, MCL 211.901 to 211.906, to be used for the following:

(a) To repay an eligible advance.

(b) To repay an eligible obligation.

(c) To repay another protected obligation.

(2) Not later than June 15, 2008, not later than September 30, 2009, and not later than June 1 of each subsequent year, except for 2011, not later than June 15, an authority eligible under subsection (1) to have taxes levied under the state education tax act, 1993 PA 331, MCL 211.901 to 211.906, retained and paid to the authority under this section, shall apply for approval with the department of treasury. The application for approval shall include the following information:

(a) The property tax millage rates expected to be levied by local school districts within the jurisdictional area of the authority for school operating purposes for that fiscal year.

(b) The tax increment revenues estimated to be received by the authority for that fiscal year based upon actual property tax levies of all taxing jurisdictions within the jurisdictional area of the authority.

(c) The tax increment revenues the authority estimates it would have received for that fiscal year if the personal property tax exemptions described in subsection (1) were not in effect.

(d) A list of eligible obligations, eligible advances, and other protected obligations, the payments due on each of those in that fiscal year, and the total amount of all the payments due on all of those in that fiscal year.
(e) The amount of money, other than tax increment revenues, estimated to be received in that fiscal year by the authority that is primarily pledged to, and to be used for, the payment of an eligible obligation, the repayment of an eligible advance, or the payment of an other protected obligation. That amount shall not include excess tax increment revenues of the authority that are permitted by law to be retained by the authority for purposes that further the development program. However, that amount shall include money to be obtained from sources authorized by law, which law is enacted on or after December 1, 1993, for use by the municipality or authority to finance a development plan.

(f) The amount of a distribution received pursuant to this act for a fiscal year in excess of or less than the distribution that would have been required if calculated upon actual tax increment revenues received for that fiscal year.

(3) Not later than August 15, 2008; for 2009, not later than February 3, 2010; for 2011 only, not later than 30 days after the effective date of the amendatory act that amended this sentence; and not later than August 15 for 2010, 2012, and each subsequent year, based on the calculations under subsection (5), the department of treasury shall approve, modify, or deny the application for approval to have taxes levied under the state education tax act, 1993 PA 331, MCL 211.901 to 211.906, retained and paid to the authority under this section. If the application for approval contains the information required under subsection (2)(a) through (f) and appears to be in substantial compliance with the provisions of this section, then the department of treasury shall approve the application. If the application is denied by the department of treasury, then the department of treasury shall provide the opportunity for a representative of the authority to discuss the denial within 21 days after the denial occurs and shall sustain or modify its decision within 30 days after receiving information from the authority. If the application for approval is approved or modified by the department of treasury, the local tax collecting treasurer shall retain and pay to the authority the amount described in subsection (5) as approved by the department. If the department of treasury denies the authority’s application for approval, the local tax collecting treasurer shall not retain or pay to the authority the taxes levied under the state education tax act, 1993 PA 331, MCL 211.901 to 211.906. An approval by the department does not prohibit a subsequent audit of taxes retained in accordance with the procedures currently authorized by law.

(4) Each year the legislature shall appropriate and distribute an amount sufficient to pay each authority the following:

(a) If the amount to be retained and paid under subsection (3) is less than the amount calculated under subsection (5), the difference between those amounts.

(b) If the application for approval is denied by the department of treasury, an amount verified by the department equal to the amount calculated under subsection (5).

(5) Subject to subsection (6), the aggregate amount under this section shall be the sum of the amounts determined under subdivisions (a) and (b) minus the amount determined under subdivision (c), as follows:

(a) The amount by which the tax increment revenues the authority would have received and retained for the fiscal year, excluding taxes exempt under section 7ff of the general property tax act, 1893 PA 206, MCL 211.7ff, if the personal property tax exemptions described in subsection (1) were not in effect, exceed the tax increment revenues the authority actually received for the fiscal year.
(b) A shortfall required to be reported under subsection (2)(f) that had not previously increased a distribution.

(c) An excess amount required to be reported under subsection (2)(f) that had not previously decreased a distribution.

(6) A distribution or taxes retained under this section replacing tax increment revenues pledged by an authority or a municipality are subject to any lien of the pledge described in subsection (1), whether or not there has been physical delivery of the distribution.

(7) Obligations for which distributions are made under this section are not a debt or liability of this state; do not create or constitute an indebtedness, liability, or obligation of this state; and are not and do not constitute a pledge of the faith and credit of this state.

(8) Not later than September 15 of each year, the authority shall provide a copy of the application for approval approved by the department of treasury to the local tax collecting treasurer and provide the amount of the taxes retained and paid to the authority under subsection (5).

(9) Calculations of amounts retained and paid and appropriations to be distributed under this section shall be made on the basis of each development area of the authority.

(10) The state tax commission may provide that the reimbursement calculations under this section and the calculation of allowable capture of school taxes shall be made for each calendar year's tax increment revenues using a 12-month debt payment period used by the authority and approved by the state tax commission.

(11) It is the intent of the legislature that, to the extent that the total amount of taxes levied under the state education tax act, 1993 PA 331, MCL 211.901 to 211.906, that are allowed to be retained under this section and section 11b of the local development financing act, 1986 PA 281, MCL 125.2161b, section 15a of the brownfield redevelopment financing act, 1996 PA 381, MCL 125.2665a, and section 12b of the tax increment financing act, 1980 PA 450, MCL 125.1812b, exceeds the difference of the total school aid fund revenue for the tax year minus the estimated amount of revenue the school aid fund would have received for the tax year had the tax exemptions described in subsection (1) and the earmark created by section 515 of the Michigan business tax act, 2007 PA 36, MCL 208.1515, not taken effect, the general fund shall reimburse the school aid fund the difference.

125.1664 Tax increment financing plan; preparation and contents; limitation; public hearing; fiscal and economic implications; recommendations; agreements; modification of plan; catalyst development project.

Sec. 14.

(1) When the authority determines that it is necessary for the achievement of the purposes of this act, the authority shall prepare and submit a tax increment financing plan to the governing body of the municipality. The plan shall include a development plan as provided in section 17, a detailed explanation of the tax increment procedure, the maximum amount of bonded indebtedness to be incurred, and the duration of the program, and shall be in compliance with section 15. The plan shall contain a statement
of the estimated impact of tax increment financing on the assessed values of all taxing jurisdictions in
which the development area is located. The plan may provide for the use of part or all of the captured
assessed value, but the portion intended to be used by the authority shall be clearly stated in the tax
increment financing plan. The authority or municipality may exclude from captured assessed value
growth in property value resulting solely from inflation. The plan shall set forth the method for excluding
growth in property value resulting solely from inflation.

(2) The percentage of taxes levied for school operating purposes that is captured and used by the tax
increment financing plan shall not be greater than the plan's percentage capture and use of taxes levied
by a municipality or county for operating purposes. For purposes of the previous sentence, taxes levied
by a county for operating purposes include only millage allocated for county or charter county purposes
under the property tax limitation act, 1933 PA 62, MCL 211.201 to 211.217a. For purposes of this
subsection, tax increment revenues used to pay bonds issued by a municipality under section 16(1) shall
be considered to be used by the tax increment financing plan rather than shared with the municipality.
The limitation of this subsection does not apply to the portion of the captured assessed value shared
pursuant to an agreement entered into before 1989 with a county or with a city in which an enterprise
zone is approved under section 13 of the enterprise zone act, 1985 PA 224, MCL 125.2113.

(3) Approval of the tax increment financing plan shall be pursuant to the notice, hearing, and disclosure
provisions of section 18. If the development plan is part of the tax increment financing plan, only 1
hearing and approval procedure is required for the 2 plans together.

(4) Before the public hearing on the tax increment financing plan, the governing body shall provide a
reasonable opportunity to the taxing jurisdictions levying taxes subject to capture to meet with the
governing body. The authority shall fully inform the taxing jurisdictions of the fiscal and economic
implications of the proposed development area. The taxing jurisdictions may present their
recommendations at the public hearing on the tax increment financing plan. The authority may enter
into agreements with the taxing jurisdictions and the governing body of the municipality in which the
development area is located to share a portion of the captured assessed value of the district.

(5) A tax increment financing plan may be modified if the modification is approved by the governing
body upon notice and after public hearings and agreements as are required for approval of the original
plan.

(6) Under a tax increment financing plan that includes a catalyst development project, an authority may
pledge available tax increment revenues of the authority as security for any bonds issued to develop and
construct a catalyst development project.

125.1665 Transmitting and expending tax increments revenues; reversion of surplus funds; abolition
of tax increment financing plan; conditions; annual report on status of tax increment financing
account; contents; publication.

Sec. 15.

(1) The municipal and county treasurers shall transmit to the authority tax increment revenues.
(2) The authority shall expend the tax increment revenues received for the development program only pursuant to the tax increment financing plan. Surplus funds shall revert proportionately to the respective taxing bodies. These revenues shall not be used to circumvent existing property tax limitations. The governing body of the municipality may abolish the tax increment financing plan when it finds that the purposes for which it was established are accomplished. However, the tax increment financing plan shall not be abolished until the principal of, and interest on, bonds issued pursuant to section 16 have been paid or funds sufficient to make the payment have been segregated.

(3) Annually the authority shall submit to the governing body of the municipality and the state tax commission a report on the status of the tax increment financing account. The report shall be published in a newspaper of general circulation in the municipality and shall include the following:

(a) The amount and source of revenue in the account.
(b) The amount in any bond reserve account.
(c) The amount and purpose of expenditures from the account.
(d) The amount of principal and interest on any outstanding bonded indebtedness.
(e) The initial assessed value of the project area.
(f) The captured assessed value retained by the authority.
(g) The tax increment revenues received.
(h) The number of jobs created as a result of the implementation of the tax increment financing plan.
(i) Any additional information the governing body or the state tax commission considers necessary.

125.1666 General obligation bonds and tax increment bonds; qualified refunding obligation.

Sec. 16.

(1) The municipality may by resolution of its governing body authorize, issue, and sell general obligation bonds subject to the limitations set forth in this subsection to finance the development program of the tax increment financing plan and shall pledge its full faith and credit for the payment of the bonds. The municipality may pledge as additional security for the bonds any money received by the authority or the municipality pursuant to section 11. The bonds are subject to the revised municipal finance act, 2001 PA 34, MCL 141.2101 to 141.2821. Before the municipality may authorize the borrowing, the authority shall submit an estimate of the anticipated tax increment revenues and other revenue available under section 11 to be available for payment of principal and interest on the bonds, to the governing body of the municipality. This estimate shall be approved by the governing body of the municipality by resolution adopted by majority vote of the members of the governing body in the resolution authorizing the bonds. If the governing body of the municipality adopts the resolution authorizing the bonds, the estimate of the anticipated tax increment revenues and other revenue available under section 11 to be available for payment of principal and interest on the bonds shall be conclusive for purposes of this section.
bonds issued under this subsection shall be considered a single series for the purposes of the revised municipal finance act, 2001 PA 34, MCL 141.2101 to 141.2801.

(2) By resolution of its governing body, the authority may authorize, issue, and sell tax increment bonds subject to the limitations set forth in this subsection to finance the development program of the tax increment financing plan. The tax increment bonds issued by the authority under this subsection shall pledge solely the tax increment revenues of a development area in which the project is located or a development area from which tax increment revenues may be used for this project, or both. In addition or in the alternative, the bonds issued by the authority pursuant to this subsection may be secured by any other revenues identified in section 11 as sources of financing for activities of the authority that the authority shall specifically pledge in the resolution. However, the full faith and credit of the municipality shall not be pledged to secure bonds issued pursuant to this subsection. The bond issue may include a sum sufficient to pay interest on the tax increment bonds until full development of tax increment revenues from the project and also a sum to provide a reasonable reserve for payment of principal and interest on the bonds. The resolution authorizing the bonds shall create a lien on the tax increment revenues and other revenues pledged by the resolution that shall be a statutory lien and shall be a first lien subject only to liens previously created. The resolution may provide the terms upon which additional bonds may be issued of equal standing and parity of lien as to the tax increment revenues and other revenues pledged under the resolution. Bonds issued under this subsection that pledge revenue received under section 11 for repayment of the bonds are subject to the revised municipal finance act, 2001 PA 34, MCL 141.2101 to 141.2821.

(3) Notwithstanding any other provision of this act, if the state treasurer determines that an authority or municipality can issue a qualified refunding obligation and the authority or municipality does not make a good faith effort to issue the qualified refunding obligation as determined by the state treasurer, the state treasurer may reduce the amount claimed by the authority or municipality under section 13b by an amount equal to the net present value saving that would have been realized had the authority or municipality refunded the obligation or the state treasurer may require a reduction in the capture of tax increment revenues from taxes levied by a local or intermediate school district or this state by an amount equal to the net present value savings that would have been realized had the authority or municipality refunded the obligation. This subsection does not authorize the state treasurer to require the authority or municipality to pledge security greater than the security pledged for the obligation being refunded.

125.1667 Development plan; preparation; contents; improvements related to qualified facility.

Sec. 17.

(1) When a board decides to finance a project in the downtown district by the use of revenue bonds as authorized in section 13 or tax increment financing as authorized in sections 14, 15, and 16, it shall prepare a development plan.

(2) The development plan shall contain all of the following:

(a) The designation of boundaries of the development area in relation to highways, streets, streams, or otherwise.
(b) The location and extent of existing streets and other public facilities within the development area, shall designate the location, character, and extent of the categories of public and private land uses then existing and proposed for the development area, including residential, recreational, commercial, industrial, educational, and other uses, and shall include a legal description of the development area.

(c) A description of existing improvements in the development area to be demolished, repaired, or altered, a description of any repairs and alterations, and an estimate of the time required for completion.

(d) The location, extent, character, and estimated cost of the improvements including rehabilitation contemplated for the development area and an estimate of the time required for completion.

(e) A statement of the construction or stages of construction planned, and the estimated time of completion of each stage.

(f) A description of any parts of the development area to be left as open space and the use contemplated for the space.

(g) A description of any portions of the development area that the authority desires to sell, donate, exchange, or lease to or from the municipality and the proposed terms.

(h) A description of desired zoning changes and changes in streets, street levels, intersections, or utilities.

(i) An estimate of the cost of the development, a statement of the proposed method of financing the development, and the ability of the authority to arrange the financing.

(j) Designation of the person or persons, natural or corporate, to whom all or a portion of the development is to be leased, sold, or conveyed in any manner and for whose benefit the project is being undertaken if that information is available to the authority.

(k) The procedures for bidding for the leasing, purchasing, or conveying in any manner of all or a portion of the development upon its completion, if there is no express or implied agreement between the authority and persons, natural or corporate, that all or a portion of the development will be leased, sold, or conveyed in any manner to those persons.

(l) Estimates of the number of persons residing in the development area and the number of families and individuals to be displaced. If occupied residences are designated for acquisition and clearance by the authority, a development plan shall include a survey of the families and individuals to be displaced, including their income and racial composition, a statistical description of the housing supply in the community, including the number of private and public units in existence or under construction, the condition of those units in existence, the number of owner-occupied and renter-occupied units, the annual rate of turnover of the various types of housing and the range of rents and sale prices, an estimate of the total demand for housing in the community, and the estimated capacity of private and public housing available to displaced families and individuals.
(m) A plan for establishing priority for the relocation of persons displaced by the development in any new housing in the development area.

(n) Provision for the costs of relocating persons displaced by the development and financial assistance and reimbursement of expenses, including litigation expenses and expenses incident to the transfer of title, in accordance with the standards and provisions of the federal uniform relocation assistance and real property acquisition policies act of 1970, being Public Law 91-646, 42 U.S.C. sections 4601, et seq.


(p) Other material that the authority, local public agency, or governing body considers pertinent.

(3) A development plan may provide for improvements related to a qualified facility, as defined in the federal facility development act, Act No. 275 of the Public Acts of 1992, being sections 3.931 to 3.940 of the Michigan Compiled Laws, that is located outside of the boundaries of the development area but within the district, including the cost of construction, renovation, rehabilitation, or acquisition of that qualified facility or of public facilities and improvements related to that qualified facility.

125.1668 Ordinance approving development plan or tax increment financing plan; public hearing; notice; record.

Sec. 18.

(1) The governing body, before adoption of an ordinance approving or amending a development plan or approving or amending a tax increment financing plan, shall hold a public hearing on the development plan. Notice of the time and place of the hearing shall be given by publication twice in a newspaper of general circulation designated by the municipality, the first of which shall be not less than 20 days before the date set for the hearing. Notice of the hearing shall be posted in at least 20 conspicuous and public places in the downtown district not less than 20 days before the hearing. Notice shall also be mailed to all property taxpayers of record in the downtown district not less than 20 days before the hearing. Beginning June 1, 2005, the notice of hearing within the time frame described in this subsection shall be mailed by certified mail to the governing body of each taxing jurisdiction levying taxes that would be subject to capture if the development plan or the tax increment financing plan is approved or amended.

(2) Notice of the time and place of hearing on a development plan shall contain: a description of the proposed development area in relation to highways, streets, streams, or otherwise; a statement that maps, plats, and a description of the development plan, including the method of relocating families and individuals who may be displaced from the area, are available for public inspection at a place designated in the notice, and that all aspects of the development plan will be open for discussion at the public hearing; and other information that the governing body considers appropriate. At the time set for hearing, the governing body shall provide an opportunity for interested persons to be heard and shall receive and consider communications in writing with reference to the development plan. The hearing shall provide the fullest opportunity for expression of opinion, for argument on the merits, and for introduction of documentary evidence pertinent to the development plan. The governing body shall make and preserve a record of the public hearing, including all data presented thereat.
125.1669 Development plan or tax increment financing plan as constituting public purpose; determination; ordinance; considerations; amendments; incorporation of catalyst development project plan.

Sec. 19.

(1) The governing body after a public hearing on the development plan or the tax increment financing plan, or both, with notice of the hearing given in accordance with section 18, shall determine whether the development plan or tax increment financing plan constitutes a public purpose. If it determines that the development plan or tax increment financing plan constitutes a public purpose, it shall then approve or reject the plan, or approve it with modification, by ordinance based on the following considerations:

(a) The findings and recommendations of a development area citizens council, if a development area citizens council was formed.

(b) The plan meets the requirements set forth in section 17 (2).

(c) The proposed method of financing the development is feasible and the authority has the ability to arrange the financing.

(d) The development is reasonable and necessary to carry out the purposes of this act.

(e) The land included within the development area to be acquired is reasonably necessary to carry out the purposes of the plan and of this act in an efficient and economically satisfactory manner.

(f) The development plan is in reasonable accord with the master plan of the municipality.

(g) Public services, such as fire and police protection and utilities, are or will be adequate to service the project area.

(h) Changes in zoning, streets, street levels, intersections, and utilities are reasonably necessary for the project and for the municipality.

(2) Amendments to an approved development plan or tax increment plan must be submitted by the authority to the governing body for approval or rejection.

(3) Proposed amendments made to an approved development plan to incorporate a catalyst development project plan shall be submitted by the authority to the Michigan strategic fund for approval or rejection of that part of the plan relating to the catalyst development project. Amendments not approved or rejected under this subsection by the Michigan strategic fund within 45 days of submission for approval shall be considered approved.

125.1670 Notice to vacate.

Sec. 20.
A person to be relocated under this act shall be given not less than 90 days' written notice to vacate unless modified by court order for good cause.

125.1671 Development area citizens council; establishment; appointment and qualifications of members; representative of development area.

Sec. 21.

(1) If a proposed development area has residing within it 100 or more residents, a development area citizens council shall be established at least 90 days before the public hearing on the development or tax increment financing plan. The development area citizens council shall be established by the governing body and shall consist of not less than 9 members. The members of the development area citizens council shall be residents of the development area and shall be appointed by the governing body. A member of a development area citizens council shall be at least 18 years of age.

(2) A development area citizens council shall be representative of the development area.

125.1672 Development area citizens council; advisory body.

Sec. 22.

A development area citizens council established pursuant to this act shall act as an advisory body to the authority and the governing body in the adoption of the development or tax increment financing plans.

125.1673 Consultation.

Sec. 23.

Periodically a representative of the authority responsible for preparation of a development or tax increment financing plan within the development area shall consult with and advise the development area citizens council regarding the aspects of a development plan, including the development of new housing for relocation purposes located either inside or outside of the development area. The consultation shall begin before any final decisions by the authority and the governing body regarding a development or tax increment financing plan. The consultation shall continue throughout the preparation and implementation of the development or tax increment financing plan.

125.1674 Development area citizens council; meetings; notice; record; information and technical assistance; failure to organize, consult, or advise.

Sec. 24.

(1) Meetings of the development area citizens council shall be open to the public. Notice of the time and place of the meetings shall be given by publication in a newspaper of general circulation not less than 5 days before the dates set for meetings of the development area citizens council. A person present at those meetings shall have reasonable opportunity to be heard.
(2) A record of the meetings of a development area citizens council, including information and data presented, shall be maintained by the council.

(3) A development area citizens council may request of and receive from the authority information and technical assistance relevant to the preparation of the development plan for the development area.

(4) Failure of a development area citizens council to organize or to consult with and be advised by the authority, or failure to advise the governing body, as provided in this act, shall not preclude the adoption of a development plan by a municipality if the municipality complies with the other provisions of this act.

125.1675 Citizens district council as development area citizens council.

Sec. 25.

In a development area where a citizens district council established according to Act No. 344 of the Public Acts of 1945, as amended, being sections 125.71 to 125.84 of the Michigan Compiled Laws, already exists the governing body may designate it as the development area citizens council authorized by this act.

125.1676 Notice of findings and recommendations.

Sec. 26.

Within 20 days after the public hearing on a development or tax increment financing plan, the development area citizens council shall notify the governing body, in writing, of its findings and recommendations concerning a proposed development plan.

125.1677 Development area citizens council; dissolution.

Sec. 27.

A development area citizens council may not be required and, if formed, may be dissolved in any of the following situations:

(a) On petition of not less than 20% of the adult resident population of the development area by the last federal decennial or municipal census, a governing body, after public hearing with notice thereof given in accordance with section 18 and by a 2/3 vote, may adopt an ordinance for the development area to eliminate the necessity of a development area citizens council.

(b) When there are less than 18 residents, real property owners, or representatives of establishments located in the development area eligible to serve on the development area citizens council.

(c) Upon termination of the authority by ordinance of the governing body.

125.1678 Budget; cost of handling and auditing funds.
Sec. 28.

(1) The director of the authority shall prepare and submit for the approval of the board a budget for the operation of the authority for the ensuing fiscal year. The budget shall be prepared in the manner and contain the information required of municipal departments. Before the budget may be adopted by the board, it shall be approved by the governing body of the municipality. Funds of the municipality shall not be included in the budget of the authority except those funds authorized in this act or by the governing body of the municipality.

(2) The governing body of the municipality may assess a reasonable pro rata share of the funds for the cost of handling and auditing the funds against the funds of the authority, other than those committed, which cost shall be paid annually by the board pursuant to an appropriate item in its budget.

125.1678a Exemption.

Sec. 28a.

Beginning January 1, 2010, the authority shall be exempt from all taxation on its earnings or property. Instruments of conveyance from an authority are exempt from transfer taxes under 1966 PA 134, MCL 207.501 to 207.513, and the state real estate transfer tax act, 1993 PA 330, MCL 207.521 to 207.537.

125.1679 Historic sites.

Sec. 29.

(1) A public facility, building, or structure that is determined by the municipality to have significant historical interests shall be preserved in a manner as considered necessary by the municipality in accordance with laws relative to the preservation of historical sites. The preservation of facilities, buildings, or structures determined to be historic sites by a municipality shall include, at a minimum, equipping the historic site with a fire alarm system.

(2) An authority shall refer all proposed changes to the exterior of sites listed on the state register of historic sites and the national register of historic places to the applicable historic district commission created under the local historic districts act, 1970 PA 169, MCL 399.201 to 399.215, or the department of history, arts, and libraries for review.

125.1680 Dissolution of authority; disposition of property and assets; reinstatement of authority; contesting validity of proceedings, findings, and determinations.

Sec. 30.

(1) An authority that has completed the purposes for which it was organized shall be dissolved by ordinance of the governing body. The property and assets of the authority remaining after the satisfaction of the obligations of the authority belong to the municipality.

(2) An authority established under this act before December 31, 1988, that is dissolved by ordinance of the governing body before September 30, 1990 and that is reinstated by ordinance of the governing
body after notice and public hearing as provided in section 3(2) shall not be invalidated pursuant to a claim that, based upon the standards set forth in section 3(1), a governing body improperly determined that the necessary conditions existed for the reinstatement of an authority under the act if at the time the governing body established the authority the governing body determined or could have determined that the necessary conditions existed for the establishment of an authority under this act or could have determined that establishment of an authority under this act would serve to promote economic growth and notwithstanding that the boundaries of the downtown district are altered at the time of reinstatement of the authority.

(3) In the resolution of intent, the municipality shall set a date for the holding of a public hearing on the adoption of a proposed ordinance reinstating the authority. The procedure for publishing the notice of hearing, holding the hearing, and adopting the ordinance reinstating the authority shall be as provided in section 3(2), (4), and (5).

(4) The validity of the proceedings, findings, and determinations reinstating an authority shall be conclusive unless contested in a court of competent jurisdiction within 60 days after the last of the following occurs:

(a) Publication of the ordinance reinstating the authority as adopted.

(b) Filing of the ordinance reinstating the authority with the secretary of state.

(c) May 27, 1993.

125.1681 Proceedings to compel enforcement of act; rules.

Sec. 31.

(1) The state tax commission may institute proceedings to compel enforcement of this act.

(2) The state tax commission may promulgate rules necessary for the administration of this act pursuant to the administrative procedures act of 1969, Act No. 306 of the Public Acts of 1969, being sections 24.201 to 24.328 of the Michigan Compiled Laws.

B. Legal Description of DDA and Development Area

A parcel of land being part of the SE 1/4 & SW 1/4 of Section 25 and the NE 1/4 & NW 1/4 of Section 36, Town 3 North, Range 10 East, City of Auburn Hills, Oakland County, Michigan, described as follows: Commencing at the SE corner of said Section 25 also being the NE corner of said Section 36; thence West 33 feet along the South line of said Section 25 and the North line of said Section 36 also being the Centerline of Auburn Road (66 ft. wide) to the Point of Beginning; thence South along the West right of way line of S. Adams Road (66 ft. wide) to the SE corner of Lot 1 of “Supervisor’s Plat No. 16”, as recorded in Liber 28, Page 46, Oakland County Records, also being the SW corner of parcel (#14-36-226-023); thence West to the SW corner of Lot 33 of said Supervisor’s Plat No. 16, also being the SW corner of parcel (#14-36-226-002); thence South along the West line of said Supervisor’s Plat No. 16 to the SE corner of parcel (#14-36-226-001); thence West along the South line of said parcel to the SW corner of
said parcel; thence South to the SE corner of parcel (#14-36-203-012); thence West along the South line of said parcel to a point on the East line of “Maplehurst Subdivision”, as recorded in Liber 32, Page 7, Oakland County Records also being the SW corner of said parcel; thence North along said East line to the SE corner of parcel (#14-36-203-001); thence West to a point on the West right of way line of Oakmont Street (50 ft. wide); thence South to the SE corner of parcel (#14-36-202-062), also the NE corner of Public Alley (16 ft. wide); thence West along the North line of said Alley to a point on the West line of said Maplehurst Subdivision also being the SW corner of Lot 1 of said Subdivision, the SW corner of Parcel (14-36-202-005) and the NW corner of said Alley; thence South along the West line of said Maplehurst Subdivision also being the East line of “Supervisor’s Plat No. 1”, as recorded in Liber 50, Page 19, Oakland County Records, to the SW corner of said Alley, the SE corner of parcel (#14-36-202-004) and the SE corner of Lot 5 of said Supervisor’s Plat No. 1; thence West along the South line of said Lot 5 to the SW corner of said parcel (#14-36-202-004) also being the SE corner of Public Alley (16 ft. wide); thence North along said Alley to the NE corner of said Alley also being the SE corner of parcel (#14-36-202-003); thence West along the North line of said Alley to a point on the West right of way line of Cherryland Street (60 ft. wide); thence South along said line to the SE corner of parcel (#14-36-201-001); thence West along the South line of said parcel to the SW corner of said parcel; thence North along the West line of parcel (14-36-201-001) to a point on the South right of way line of Railroad; thence Southwesterly 17.16 feet along said South line to a point on the West line of “Cherryland Subdivision”, as recorded in Liber 48, Page 3, Oakland County Records; thence along said West line to the SW corner of parcel (#14-36-201-002); thence Southwesterly to a point on the South right of way line of Primary Street; thence West along said South line to a point on the East right of way line of S. Grey Road (66 ft. wide); thence South along said East line to the SW corner of parcel (#14-36-130-018); thence West to a point on the West right of way line of said S. Grey Road; thence North along said West line to a point on the South right of way line of Railroad; thence Southwesterly along said South line to a point on the West right of way line of S. Squirrel Road (66 ft. wide) and the North right of way line of Railroad also being the SE corner of parcel (#14-36-130-010); thence North along said West line of S. Squirrel Road to the SE corner of parcel (#14-36-130-012); thence West along the South lines of parcel (#14-36-103-012), (#14-36-102-006), (#14-36-102-005) and (#14-36-102-009), crossing Clinton River; thence North along the West line of parcel (#14-36-102-009) to the SW corner of Cross Street; thence North along the West right of way line of said Cross Street to a point on the South line of said Auburn Road; thence North to a point on the North line of said Auburn Road also being the SW corner of parcel (#14-25-351-023); thence North along the West line of parcel (#14-25-351-023) & (#14-25-351-033) to the NW corner of parcel (#14-25-351-033); thence East along the North line of said parcel to the NE corner of said parcel also being the NW corner of parcel (#14-25-351-034); thence South to the SW corner of said parcel (#14-25-351-034); thence East along said South line of said parcel to a point on the West right of way line of Churchill Road (50 ft. wide); thence North along said West line to the SE corner of parcel (#14-25-351-028); thence East to a point on the East right of way line of said Churchill Road also being the SW corner of parcel (#14-25-351-028); thence East to the SE corner of said parcel (#14-25-351-028); thence North to the NW corner of parcel (#14-25-351-028); thence East along said North line of said parcel to the NE corner of said parcel; thence South along the East line of said parcel (#14-25-351-033) to the NW corner of parcel (#14-25-351-033); thence East along the North line of said parcel to the NE corner of parcel (#14-25-351-034); thence South to the SW corner of said parcel (#14-25-351-034); thence East along said South line of said parcel to a point on the West right of way line of Parklawn Street (30 ft. wide); thence East along the South line of said Parklawn Street to the West right of way line of Tebeau Court; thence South along said West line to a point on the North right of way line of Squirrel Court; thence West along said North line to the SE corner of parcel (#14-25-378-015); thence West along the Southerly line of parcel (#14-25-378-015) & (#14-25-378-013) to a point on the North right of way line of said Auburn Road; thence West along said North line to the
SW corner of parcel (#14-25-378-013), crossing Clinton River; thence South to a point on the South line of said Auburn Road; thence West along said South line to the NE corner of parcel (#14-36-102-008); thence South to the SE corner of parcel (#14-36-102-008); thence East to the East edge of Clinton River; thence South to the NW corner of parcel (#14-36-103-012); thence East to a point on the East line of said S. Squirrel Road also being the SW corner of parcel (#14-36-126-001); thence South along the East line of Said S. Squirrel Road to the intersection of said East line and the North line of said Primary Street; thence along said North line to the SW corner of parcel (#14-36-126-025); thence North to the SW corner of parcel (#14-36-126-022); thence East to the SE corner of said parcel; thence North to a point on the South right of way line of said Auburn Road also being the NW corner of parcel (#14-36-126-023); thence East along the South line of said Auburn Road to the NE corner of parcel (#14-36-203-001); thence North to a point on the South line of parcel (#14-25-452-007); thence West to the SW corner of said parcel; thence North to the NW corner of parcel (#14-25-452-007); thence West along the North right of way line of said Auburn Road to the SW corner of parcel (#14-25-451-008); thence North along the West line of parcels (#14-25-451-008), (#14-25-401-004), (#14-25-401-003) and (#14-25-401-006) to the North corner of Lot 37 of “Supervisor’s Plat No. 9”, as recorded in Liber 52, Page 33, Oakland County Records, also being the North corner of parcel (#14-25-327-008); thence Northeasterly along the North lines of parcels (#14-25-401-006) and (#14-25-426-001) to a point on the West right of way line of Old Adams Road (variable width); thence South along West line of said Old Adams Road and S. Adams Road to the Point of Beginning. Except that part beginning at a point on the South Auburn Road, also said point being the NW corner of Lot 33 of said Supervisor’s Plat No. 16 and the NW corner of parcel (#14-36-226-002); thence West 50 feet; thence North 33 feet; thence East 50 feet; thence South 33 feet to the Point of Beginning.

C. Parcel Identification Numbers in DDA

1425351023, 1425351024, 1425351025, 1425351026, 1425351027, 1425351033, 1425351035, 1425351036, 1425352001, 1425352002, 1425352003, 1425352004, 1425352005, 1436102001, 1436102002, 1436102003, 1436102006, 1436102007, 1436102008, 1436103012, 1436102009, 1425376005, 1425303006, 1425377004, 1425377001, 1425377002, 1425377017, 1425377018, 1425377005, 1425382001, 1425382002, 1425382003, 1425382004, 1425382005, 1425382006, 1425382007, 1425382008, 1425382009, 1425382010, 1425382011, 1425382012, 1425382013, 1425382014, 1425382015, 1425382016, 1425382017, 1425382018, 1425382019, 1425382020, 1425382021, 1425382022, 1425382023, 1425382024, 1425382025, 1425382026, 1425401003, 1425401004, 1436126023, 1436126024, 1436126025, 1436127007, 1436129002, 1436129003, 1436129004, 1436127003, 1436127004, 1436127005, 1436127006, 1436127008, 1436127009, 1436128001, 1436128002, 1436128003, 1436129005, 1436129006, 1436202002, 1436202003, 1436202004, 1436202005, 1436202006, 1436202007, 1436202062, 1436203001, 1436203012, 1436201001, 1436226001, 1425451007, 1425451008, 1425451012, 1425451013, 1425426002, 1425426003, 1436226004, 1436226005, 1436226006, 1436226007, 1436226008, 1436226009, 1436226010, 1436226022, 1425478006, 1425452007, 1425478013, 1425452009, 1425452001, 1425452002, 1425452010, 1425478005, 1425478010, 1425478012, 1425426011, 1425426009, 1425426001, 1425426002, 1425426003, 1425426004, 1425426005, 1425426006, 1425426007, 1425426008, 1425426009, 1425426010, 1425426011, 1425426012, 1425426013, 1425426014, 1425426015, 1425426016, 1425426017, 1425426018, 1425426019, 1425426020, 1425426021, 1425426022, 1425426023, 1425426024, 1425426025, 1425426026, 1425426027, 1425426028, 1425426029, 1425426030, 1425426031, 1425426032, 1425426033, 1425426034, 1425426035, 1425426036, 1425426037, 1425426038, 1425426039, 1425426040,
### V. Tables

**A. Auburn Hills Potential Private Improvements – Costs and Phased Construction Timetable**

<table>
<thead>
<tr>
<th>Phase 1</th>
<th>Phase 2</th>
<th>Phase 3</th>
</tr>
</thead>
<tbody>
<tr>
<td>0-5 Years</td>
<td>6-10 Years</td>
<td>11-15 Years</td>
</tr>
<tr>
<td><strong>Development 1a</strong></td>
<td><strong>Development 2a</strong></td>
<td><strong>Development 3a</strong></td>
</tr>
<tr>
<td>Moceri (FMD) Commercial Housing Development</td>
<td>Contains Student Housing, New Steuer Development, Den &amp; Pepsi Building</td>
<td>Small Condo or Office next to YourSource Management</td>
</tr>
<tr>
<td>$189,313.00</td>
<td>$45,109.75</td>
<td>$2,057.75</td>
</tr>
<tr>
<td>Current Assessed Value: $0.00</td>
<td>Current Assessed Value: $2,519,530.00</td>
<td>Current Assessed Value: $336,530.00</td>
</tr>
<tr>
<td>Market Value After Redevelopment: $46 Million</td>
<td>Market Value After Redevelopment: $16 Million</td>
<td>Market Value After Redevelopment: $500K</td>
</tr>
<tr>
<td>Assessed Value After Redevelopment: $23 Million</td>
<td>Assessed Value After Redevelopment: $8 Million</td>
<td>Assessed Value After Redevelopment: $250K</td>
</tr>
<tr>
<td><strong>Development 1b</strong></td>
<td><strong>Development 2b</strong></td>
<td><strong>Development 3b</strong></td>
</tr>
<tr>
<td>Forester Square Development</td>
<td>Senior Housing Redevelopment Single Family Homes around $100k each</td>
<td>Mixed-use Redevelopment on 4.65 Acres</td>
</tr>
<tr>
<td>$27,139.01</td>
<td>$3,431.75</td>
<td>$77,093.36</td>
</tr>
<tr>
<td>Current Assessed Value: $1,102,830.00</td>
<td>Current Assessed Value: $113,070.00</td>
<td>Current Assessed Value: $633,780.00</td>
</tr>
<tr>
<td>Market Value After Redevelopment: $8.8 Million</td>
<td>Market Value After Redevelopment: $1.5 Million</td>
<td>Market Value After Redevelopment: $20 Million</td>
</tr>
<tr>
<td>Assessed Value After Redevelopment: $4.4 Million</td>
<td>Assessed Value After Redevelopment: $750K</td>
<td>Assessed Value After Redevelopment: $10 Million</td>
</tr>
<tr>
<td><strong>Development 1c</strong>*</td>
<td><strong>Development 3c</strong></td>
<td><strong>Development 3d</strong></td>
</tr>
<tr>
<td>Mattera 28 Lots around $200k each</td>
<td>High Density Housing and Mixed Use</td>
<td>Redevelopment of Condo/Townhomes with 32 Units</td>
</tr>
<tr>
<td>$23,046.80</td>
<td></td>
<td>$151,354.34</td>
</tr>
<tr>
<td>Current Assessed Value: $0.00</td>
<td>Current Assessed Value: $1,611,670.00</td>
<td>Current Assessed Value: $4,689.69</td>
</tr>
<tr>
<td>Market Value After Redevelopment: 5.6 Million</td>
<td>Market Value After Redevelopment: $2.5 Million</td>
<td>Market Value After Redevelopment: $4,689.69</td>
</tr>
<tr>
<td>Assessed Value After Redevelopment: $2.8 Million</td>
<td>Assessed Value After Redevelopment: $1.25 Million</td>
<td>Assessed Value After Redevelopment: $2.5 Million</td>
</tr>
<tr>
<td><strong>Development 1d</strong></td>
<td><strong>Development 3e</strong></td>
<td><strong>Development 3f</strong></td>
</tr>
<tr>
<td>17 acres for Mixed Use Development</td>
<td>Pharmacy/ Either High Density Housing or Office Space</td>
<td></td>
</tr>
<tr>
<td>$80,980.69</td>
<td>$21,875.61</td>
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</tr>
<tr>
<td>Current Assessed Value: $161,500.00</td>
<td>Current Assessed Value: $842,290.00</td>
<td>Current Assessed Value: $842,290.00</td>
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<tr>
<td>Market Value After Redevelopment: $20 Million</td>
<td>Market Value After Redevelopment: $1.25 Million</td>
<td>Market Value After Redevelopment: $7 Million</td>
</tr>
<tr>
<td>Assessed Value After Redevelopment: $10 Million</td>
<td>Assessed Value After Redevelopment: $2.5 Million</td>
<td>Assessed Value After Redevelopment: $3.5 Million</td>
</tr>
</tbody>
</table>

* Single Family Housing Development
### Maintenance Costs for Auburn Hills DDA

<table>
<thead>
<tr>
<th>Phase</th>
<th>Development</th>
<th>Maintenance</th>
</tr>
</thead>
<tbody>
<tr>
<td>Phase 1: Years 0 - 5</td>
<td>Development 1a-d</td>
<td>DPW Ongoing Maintenance $113,500.00 * 35% Increase</td>
</tr>
<tr>
<td>Phase 2: Years 6 - 10</td>
<td>Development 2a-b</td>
<td>DPW Ongoing Maintenance $153,225.00 * 20% Increase</td>
</tr>
<tr>
<td>Phase 3: Years 11 - 15</td>
<td>Developments 3a-e</td>
<td>DPW Ongoing Maintenance $183,870.00 * 35% Increase</td>
</tr>
</tbody>
</table>
### C. Timetable of City Projects within the DDA

<table>
<thead>
<tr>
<th>Phase 1</th>
<th>Phase 2</th>
<th>Phase 3</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>0-5 Years</strong></td>
<td><strong>6-10 Years</strong></td>
<td><strong>11-15 Years</strong></td>
</tr>
<tr>
<td><strong>Parksyways Blvd. Expansion</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>The continuation of Parkways Boulevard to make connection at Squirrel. Potential for developer cost contributions as private investment ensue. (2015-2030)</td>
<td></td>
<td>$3,500,000</td>
</tr>
<tr>
<td><strong>Supporting Activities</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Business development and acquisition meetings (2015-2030)</td>
<td></td>
<td>$2,000/year</td>
</tr>
<tr>
<td><strong>Townsquare Greenspace</strong>*</td>
<td><strong>Sidewalk Improvements</strong></td>
<td></td>
</tr>
<tr>
<td>Building a Townsquare Greenspace between The Den and Ashford Commons. (2015)</td>
<td>Upgrade sidewalks throughout the DDA for ADA compliance. Transition as projects are being completed. (2020-2030)</td>
<td></td>
</tr>
<tr>
<td>$50,000</td>
<td>$15,000/intersection</td>
<td></td>
</tr>
<tr>
<td><strong>Amphitheater</strong>*</td>
<td></td>
<td><strong>Riverwalk</strong>*</td>
</tr>
<tr>
<td>Construction of Amphitheater in Riverside Park</td>
<td>Construction and land acquisition to connect park system along the Clinton River. (2020-2030)</td>
<td></td>
</tr>
<tr>
<td>$1,000,000</td>
<td></td>
<td>$500,000</td>
</tr>
<tr>
<td></td>
<td><strong>Downtown Designation</strong></td>
<td></td>
</tr>
<tr>
<td>Additional signage designating Downtown Auburn Hills at the West and North ends</td>
<td></td>
<td></td>
</tr>
<tr>
<td>$50,000/intersection</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td><strong>Park Improvements</strong>*</td>
<td></td>
</tr>
<tr>
<td>Improvements to Riverside and Riverwoods parks</td>
<td></td>
<td></td>
</tr>
<tr>
<td>$500,000.00</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td><strong>Clinton River Trail Paving</strong></td>
<td></td>
</tr>
<tr>
<td>Paving of the Clinton River Trail within the DDA District from Adams to Squirrel Road</td>
<td></td>
<td></td>
</tr>
<tr>
<td>$80,000</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

*A shared costs with TIFA A

Auburn Hills will continually search for cost savings in the form of grants, cost sharing, and contributions from private developers for infrastructure.
## D. Projection Schedule of Anticipated Tax Increment Revenues and Projected Impact on Taxing Jurisdictions

2014 Base TV $20,882,550.00

<table>
<thead>
<tr>
<th>Inflation Rate</th>
<th>TV Increase from Redevelopments</th>
<th>Base + Inflation Rate + Redevelopment Increase</th>
<th>Increase</th>
<th>Cumulative Total Capture</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Phase 1: Years 0 - 5</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Year 1</td>
<td>2.4%</td>
<td>-</td>
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<td>Year 14 - d, e</td>
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* Single Family Housing

* OCPTA Millage rate increase (1.00) reflected in years 1-3 (2015-2017 respectively)
  - Millage rate increase in 2014-2017 to 16.872
### COUNTY

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### CITY

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**Total: $1,017,553.86  $1,526,709.02  $1,526,709.02  $3,055,032.89**
VI. Maps

A. DDA Map
B. Existing Land Use
C. Future Land Use
D. Zoning Map
E. Street Map
From: Dawn Wise [mailto:dwise21@comcast.net]
Sent: Monday, May 11, 2015 5:03 PM
To: Carroll, Stephanie
Subject: RE: Findings and Recommendations-Tax Increment Finance and Development Plan

Yes, I have reviewed the Tax Increment finance and also the Development plan. Going forward, I recommend that the City Council approve the Ordinance approving the plan.

Thank You

Dawn Wise
Insurance Agent
Cell 586-935-8500
Fax 248-853-1748
Dwise21@comcast.net
From: Bob Waltenspiel [mailto:waltenspiel@gmail.com]
Sent: Monday, May 11, 2015 12:50 PM
To: Carroll, Stephanie
Subject: Re: Findings and Recommendations-Tax Increment Finance and Development Plan

I have reviewed the Tax Increment Finance and Development Plan and I recommend that the City Council approve the Ordinance approving the plan.

Regards,
Bob Waltenspiel
586-260-0577
MEETING DATE: MAY 18, 2015

AGENDA ITEM NO. 9A.
CITY MANAGER’S OFFICE

To: Mayor and City Council
From: Thomas A. Tanghe, City Manager; Stephanie Carroll, Manager of Business Development and Community Relations
Submitted: May 14, 2015
Subject: Motion – Move to Establish a Public Hearing Date for the Adoption of a Brownfield Plan for 3507 Auburn Road

INTRODUCTION AND HISTORY

Attached you will find the Brownfield Plan for 3507 Auburn Road, which is commonly known as the former Mound Steel facility.

As you are aware, the demolition of the building was completed in early September of 2014. We are now working with AKT Peerless on removing the building pad and the soil remediation to get the site redevelopment ready.

Total estimated cost of eligible activities is $306,475, and this includes the soil remediation activities on the site. Please keep in mind the soil remediation number is just an estimate.

The purpose of the plan is to set the base year as $0 and enable the LSRRF dollars to be used on the property for costs related to the redevelopment of the property.

STAFF RECOMMENDATION

At their meeting of October 28, 2014, the Auburn Hills Brownfield Redevelopment Authority approved the Brownfield Plan for 3507 Auburn Road. It is recommended that the City Council set a public hearing date for the plan as required by statute.

MOTION

Move to establish a public hearing date of June 8, 2015, at 7:00 pm for the adoption of a Brownfield Plan for 3507 Auburn Road.

I CONCUR: ____________________________ on behalf of
THOMAS A. TANGHE, CITY MANAGER
BROWNFIELD PLAN

Former Mound Steel Property - 3507 Auburn Road, City of Auburn Hills, MI 48326

PREPARED BY
City of Auburn Hills Brownfield Redevelopment Authority
1827 North Squirrel Road
Auburn Hills, Michigan 48326-2749
Contact Person: Thomas Tanghe
Email: ttanghe@auburnhills.org
Phone: (248) 370-9440

AKT Peerless
22725 Orchard Lake Road
Farmington, MI 48336
Contact Person: Anne Jamieson-Urena
Email: JamiesonA@aktpeerless.com
Phone: (248) 615-1333

PROJECT # 7716b-10-25

REVISION DATE October 21, 2014

BRA APPROVAL 2014
CITY/COUNTY APPROVAL 2014
# Table of Contents

1.0 INTRODUCTION ........................................................................................................................... 5

2.0 GENERAL PROVISIONS .................................................................................................................. 5

2.1 DESCRIPTION OF ELIGIBLE PROPERTY (SECTION 13 (L)(H)C) .................................................... 6

2.2 BASIS OF ELIGIBILITY (SECTION 13 (1)(H), SECTION 2 (M)), SECTION 2(R) ............................... 6

   AKT Peerless’ April 2013 Supplemental Investigation ................................................................. 10
   AKT Peerless’ September 2014 Supplemental Investigation ....................................................... 10

2.3 SUMMARY OF ELIGIBLE ACTIVITIES AND DESCRIPTION OF COSTS (SECTION 13 (1)(A),(B)) .10

2.4 ESTIMATE OF CAPTURED TAXABLE VALUE AND TAX INCREMENT REVENUES (SECTION 13(1)(C)); IMPACT OF TAX INCREMENT FINANCING ON TAXING JURISDICTIONS (SECTION 13(1)(G), SECTION 2(EE)) ....................................................................................................................... 11

2.5 PLAN OF FINANCING (SECTION 13(1)(D)); MAXIMUM AMOUNT OF INDEBTEDNESS (SECTION 13(1)(E)) ....................................................................................................................... 11

2.6 DURATION OF BROWNFIELD PLAN (SECTION 13(1)(F)) ................................................................ 12

2.7 EFFECTIVE DATE OF INCLUSION IN BROWNFIELD PLAN .......................................................... 12

2.8 DISPLACEMENT/RELOCATION OF INDIVIDUALS ON ELIGIBLE PROPERTY (SECTION 13(1)(I-L)) 12

2.9 LOCAL SITE REMEDIATION REVOLVING FUND (“LSRFF”) (SECTION 8, SECTION 13(1)(M)) .12

2.10 OTHER INFORMATION ................................................................................................................... 12

## ATTACHMENTS

Attachment A ................................................................................................................................. Site Maps and Photographs

- Figure 1 – Scaled Property Location Map
- Figure 2 – Eligible Property Boundary Map

Attachment B ..................................................................................................................................... Legal Description

Attachment C ..................................................................................................................................... Tables

- Table 1 – MDEQ and MSF Eligible Activities
### PROJECT SUMMARY

<table>
<thead>
<tr>
<th>PROJECT NAME</th>
<th>Former Mound Steel Redevelopment Project located at 3507 Auburn Road, Auburn Hills, Michigan</th>
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</thead>
<tbody>
<tr>
<td>ELIGIBLE PROPERTY LOCATION</td>
<td>The Eligible Property (Property) is located at 3507 Auburn Road, City of Auburn Hills, Michigan. Parcel ID Number 02-14-25-451-008.</td>
</tr>
<tr>
<td>TYPE OF ELIGIBLE PROPERTY</td>
<td>Facility</td>
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<tr>
<td>PROJECT DESCRIPTION</td>
<td>The project (Project) consists of preparing the Property for redevelopment, which is located at 3507 Auburn Road in the City of Auburn Hills. The Property is currently owned by the City of Auburn Hills. The Project will include completing Phase I and II Environmental Site Assessments (ESAs), Supplemental Phase II ESA, Baseline Environmental Assessment (BEA), Due Care Plan, Demolition, Asbestos Survey and Abatement, Source Area Soil Removal, and Preparation of a Brownfield Plan. The Project is seeking approval of the future use of Tax Increment Financing (TIF) and use of Local Site Remediation Revolving Fund (LSRRF) dollars for the activities described below.</td>
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<td>ELIGIBLE ACTIVITIES</td>
<td>BEA Activities {Phase I ESA, Phase II ESAs, and BEA}, Due Care Plan, Demolition, Lead and Asbestos Survey and Abatement, Soil Remediation and Preparation of a Brownfield Plan.</td>
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<td>REIMBURSABLE COSTS</td>
<td>$306,475  (Est. Eligible Activities and Contingency)</td>
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<td>DURATION OF BROWNFIELD PLAN</td>
<td>Brownfield Plan will not exceed 35 years from the date of the resolution approving the Plan.</td>
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<td>ESTIMATED ELIGIBLE ACTIVITY</td>
<td>$306,475</td>
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<td>COST</td>
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<td>BASE TAXABLE VALUE</td>
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# LIST OF ACRONYMS AND DEFINITIONS

<table>
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<th>Acronym</th>
<th>Definition</th>
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<tr>
<td>AHBRA</td>
<td>City of Auburn Hills Brownfield Redevelopment Authority</td>
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<tr>
<td>BEA</td>
<td>Baseline Environmental Assessment (Michigan process to provide new property owners and/or operators with exemptions from environmental liability)</td>
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<tr>
<td>BROWNFIELD PLAN</td>
<td>Brownfield Plan</td>
</tr>
<tr>
<td>ELIGIBLE PROPERTY</td>
<td>Property for which eligible activities are identified under a Brownfield Plan.</td>
</tr>
<tr>
<td>ESA</td>
<td>Environmental Site Assessment</td>
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<td>LSRRF</td>
<td>Local Site Remediation Revolving Fund</td>
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<tr>
<td>MDEQ</td>
<td>Michigan Department of Environmental Quality</td>
</tr>
<tr>
<td>MEDC</td>
<td>Michigan Economic Development Corporation</td>
</tr>
<tr>
<td>MSF</td>
<td>Michigan Strategic Fund (agency that approves use of school tax revenue to support non-environmental Brownfield activities)</td>
</tr>
<tr>
<td>PHASE I ESA</td>
<td>An environmental historical review and site inspection (no soil and/or groundwater sampling and analysis)</td>
</tr>
<tr>
<td>PHASE II ESA</td>
<td>Environmental subsurface investigation (includes soil and/or groundwater sampling and analysis)</td>
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<tr>
<td>PROPERTY</td>
<td>The Eligible Property, located at 3507 Auburn Road, Auburn Hills, MI.</td>
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<tr>
<td>RCC</td>
<td>Residential Cleanup Criteria</td>
</tr>
<tr>
<td>TIF</td>
<td>Tax Increment Financing (TIF describes the process of using TIR—i.e., TIF is the use of TIR to provide financial support to a project)</td>
</tr>
<tr>
<td>TIR</td>
<td>Tax Increment Revenue (new property tax revenue, usually due to redevelopment and improvement that is generated by a property after approval of a Brownfield Plan)</td>
</tr>
</tbody>
</table>
BROWNFIELD PLAN
Former Mound Steel Redevelopment Project - 3507 Auburn Road, Auburn Hills, Michigan 48326

1.0 Introduction
The Auburn Hills City Council (the “City”), established the Brownfield Redevelopment Authority of the City of Auburn Hills (the “AHBRA”) on September 21, 1998, pursuant to Michigan Public Act 381 of 1996, as amended (“Act 381”). The primary purpose of Act 381 is to encourage the redevelopment of eligible property by providing economic incentives through tax increment financing for certain eligible activities.

The main purpose of this Brownfield Plan is to promote the redevelopment of and investment in certain “Brownfield” properties within the City. Inclusion of Property within this Brownfield Plan will facilitate financing of environmental response and other eligible activities at eligible properties, and will also provide tax incentives to eligible taxpayers willing to invest in revitalization of eligible sites, commonly referred to as “Brownfield.” By facilitating redevelopment of Brownfield properties, this Brownfield Plan is intended to promote economic growth for the benefit of the residents of the City and all taxing units located within and benefited by the AHBRA. In addition, the purpose of this Brownfield Plan is to be able to utilize Local Site Remediation Revolving Fund (LSRRF) dollars on this Eligible Property to complete baseline environmental assessment activities, due care assessment activities, lead and asbestos survey and abatement, demolition, and preparation of a Brownfield to ready the site for development. Once a development occurs on this site and tax increment revenues (TIR) are available for reimbursement the City of Auburn Hills will be reimbursed first to make their LSRRF whole.

The identification or designation of a developer or proposed use for the Eligible Property that is the subject of this Brownfield Plan shall not be integral to the effectiveness or validity of this Brownfield Plan. This Brownfield Plan is intended to apply to the Eligible Property identified in this Brownfield Plan and, if TIR are proposed to be captured from that Eligible Property, to identify and authorize the eligible activities to be funded by such TIR or the LSRRF. Any change in the proposed developer or proposed use of the Eligible Property shall not necessitate an amendment to this Brownfield Plan, affect the application of this Brownfield Plan to the Eligible Property, or impair the rights available to the Authority under this Brownfield Plan.

This Brownfield Plan is intended to be a living document, which may be modified or amended in accordance with the requirements of Act 381, as necessary to achieve the purposes of Act 381. The applicable sections of Act 381 are noted throughout the Brownfield Plan for reference purposes.

This Brownfield Plan contains information required by Section 13(1) of Act 381.

2.0 General Provisions
The following sections detail information required by Act 381.
2.1 Description of Eligible Property (Section 13 (I)(h)c

The Eligible Property (“Property”) is located at 3507 Auburn Road, in the southeast ¼ of Section 25 in Auburn Hills (Township 3 North/Range 10 East), Oakland County, Michigan. The Property is situated north of Auburn Road. It consists of one irregular-shaped parcel that contains approximately 7.98 acres. The City of Auburn Hills (“City”) is the current owner of the Property. The Property’s parcel identification number is 02-14-25-451-008. The Property is currently developed with a light industrial building formerly occupied by Mound Steel & Supply Inc. The Property is located in an area of Auburn Hills that is characterized by a mix of commercial, industrial, undeveloped, and residential properties, surface roadways, etc. This property is slated for future residential/commercial use.

The parcel and all tangible real and personal property located thereon will comprise the Eligible Property and is referred to herein as the “Property.”

<table>
<thead>
<tr>
<th>Address</th>
<th>Tax Identification Number</th>
<th>Basis of Eligibility</th>
<th>Approximate Acreage</th>
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<td>3507 Auburn Road</td>
<td>02-14-25-451-008</td>
<td>Facility</td>
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The Property is zoned light industrial (I-1) and is currently unoccupied. The property will be eventually rezoned to meet the needs of the future redevelopment.

The “Project” will consist of conducting baseline assessment activities (Phase I and Phase II ESAs and a BEA), due care activities, lead and asbestos survey and abatement, demolition (building and site) and preparation of a brownfield plan to prepare the property for redevelopment.

Attachment A includes site maps of the Eligible Property, refer to: Figure 1, Scaled Property Location Map; Figure 2, Eligible Property Boundary Map (which includes lot dimensions). The legal descriptions of the parcel(s) included in the Eligible Property are presented in Attachment B.

2.2 Basis of Eligibility (Section 13 (1)(h), Section 2 (m)), Section 2(r)

The Property is considered “Eligible Property” as defined by Act 381, Section 2 because: (a) the Property was previously utilized as a commercial/industrial property and (b) the parcel comprised by the Property has been determined to be a “facility.”

Historical use of the property consists of the following:

3507 Auburn Road

- Residential and farmstead: 1940s-mid 1960s
- Septic Tank company: mid 1960s-mid 1970s
- Light industrial and commercial: mid 1970s-2012

The Property appears to have been developed with a residential dwelling or farmstead from at least 1940 until the late 1950s or early 1960s, when the residential dwelling or farmstead was no longer present and the site appears to be utilized for storage of semi-trucks and/or heavy industrial equipment. Between the mid-1960s and mid-1970s, a building appears to be present on the southwest portion of
the Property. This building was no longer present as of the early 1980s. The current subject building was constructed in 1974/1975 with an addition in the mid to late 1980s.

According to previous environmental investigations conducted on the Property between 2002 and 2013, aluminum, arsenic, total chromium, hexavalent chromium, ethylbenzene, isopropylbenzene, methylene chloride, and selenium, are present in surface and subsurface soils across the Property at concentrations exceeding Michigan Department of Environmental Quality (MDEQ) Part 201 Residential Cleanup Criteria (RCC). Aluminum and dissolved aluminum were detected in shallow groundwater at the Property at concentrations exceeding their respective MDEQ Part 201 RCC. Various aluminum concentrations in groundwater were detected above the Drinking Water (DW) Criteria.

The following reports have been completed for the Property:

- **Phase I ESA With Limited Subsurface Investigation**, McDowell & Associates, December 2002, on behalf of Mound Steel and Supplies, Inc.
- **Phase I ESA**, AKT Peerless, August 2012, on behalf of the City of Auburn Hills
- **Phase II ESA**, AKT Peerless, September 2012, on behalf of the City of Auburn Hills
- **BEA**, AKT Peerless, October 2012, on behalf of the City of Auburn Hills
- **Supplemental Investigation**, AKT Peerless, April 2013 on behalf of the City of Auburn Hills
- **Supplemental Investigation**, AKT Peerless, September 2014 on behalf of the City of Auburn Hills

The following sections summarize the findings of the above detailed reports.

**McDowell and Associates’ December 2002 Phase I ESA With Limited Subsurface Investigation Report**

McDowell & Associates (McDowell) completed a Phase I ESA with Limited Subsurface Investigation for the Property located at 3507 Auburn Road, Auburn Hills, Michigan on December 2, 2002. McDowell’s Phase I ESA included, but was not limited to, a site walkover, review of government records, assembly and review of data from area maps and directories, assessment of aerial photographs, and interviews with the site owner, others familiar with the Property, and government officials.

Based on the results of the findings of the Phase I ESA, McDowell identified the following Recognized Environmental Concerns (RECs) for the Property:

- The USDA Soil Survey lists the northern portion of the Property as 50B – Udipsamments, undulating, which are unclassifiable and may consist of fill soil. Filling activity is observed in the 1961 aerial photograph.
- Stained concrete was observed beneath a large tire pile to the north of the building.
- A portion of the building is used as an automotive maintenance area.

In addition, the following HREC was identified by McDowell for the Property:

- One (1) 10,000-gallon gasoline underground storage tank (UST) was previously located on the Property. Three (3) soil borings were completed in the reported area of the former UST. Results of chemical tests from soil and groundwater do not show evidence of gasoline compounds in soil or groundwater at concentrations that exceed MDEQ Generic Residential Criteria.

The following potential environmental concerns were also identified by McDowell for the Property:
• The Property is listed as a RCRA hazardous waste generator. No waste manifests were available for review during the field reconnaissance.
• Superior Redi-Mix adjoins the Property to the east. This site is listed as a RCRA hazardous waste generator and as a registered UST site, having one (1) 1,000-gallon gasoline UST removed and one (1) 15,000-gallon diesel UST.
• Two additional RCRA hazardous waste generators are plotted adjoining the Property.
• One (1) above ground storage tank (AST) labeled gasoline was located on the Property without secondary containment.
• Several soil piles mixed with debris were observed on the northern portion of the Property. According to the client, the soil originated from Superior Redi-Mix, which adjoins the Property to the east.

On October 4, 2002, McDowell conducted a limited subsurface investigation on the Property to further evaluate the location of the 10,000-gallon gasoline UST formerly located north of the northeast portion of the subject building. To investigate the former 10,000-gallon gasoline UST, McDowell: (1) advanced three soil borings; (2) installed two temporary monitoring wells; (3) collected one soil sample and one groundwater sample; and (4) submitted the soil and groundwater sample for laboratory analysis of volatile organic compounds (VOCs) and polynuclear aromatic hydrocarbons (PNAs). According to laboratory analytical results, target analytes were not detected at concentrations exceeding laboratory MDLs and/or current MDEQ risk based screening levels (RBSLs).

**AKT Peerless’ August 2012 Phase I ESA**

AKT Peerless completed a Phase I ESA for the Property located at 3507 Auburn Road, Auburn Hills, Michigan on August 30, 2012. AKT Peerless’ Phase I ESA included, but was not limited to, a site walkover, review of government records, assembly and review of data from area maps and directories, assessment of aerial photographs, and interviews with the site owner, others familiar with the Property, and government officials.

Based on the results of the findings of the Phase I ESA, the following RECs were identified for the Property:

• The Property has been utilized for an industrial steel fabricating business since the mid-1970s. Heavy industrial equipment appears to have been utilized and/or stored on the Property since at least the early 1960s. In addition, land disturbance was observed in aerial photographs since at least 1961. Operations on the Property included the use and/or storage of heavy industrial equipment, solid waste, and various petroleum products, hazardous substances, and/or hazardous wastes. Further, stained soil and concrete were observed on the exterior of the Property and stained concrete was observed within the subject building.

• Land disturbance has been observed on the Property since at least 1961, and mounded soil was observed on the northwestern portion of the Property during AKT Peerless’ site reconnaissance. The mounding and at least portions of the land disturbance are likely associated with imported fill material from one of the adjoining properties to the east (3505 Auburn Road). Further, contaminants (i.e., metals) have been detected in surface and subsurface soil on this adjoining property to the east at concentrations exceeding Michigan Department of Environmental Quality (MDEQ) Part 201 Residential Cleanup Criteria (RCC).
The northern portion of the subject building is currently utilized for automotive maintenance and repair on personal vehicles. In addition, use and/or storage of petroleum products, hazardous storage and/or wastes and stained concrete were observed in association with the automotive maintenance and repair operations.

An 8,000-gallon gasoline AST and an 8,000-gallon diesel AST were observed on the northeastern portion of the Property during AKT Peerless’ site reconnaissance. In addition, stained soil was observed beneath the fuel dispenser of the 8,000-gallon diesel AST. Further, the ASTs did not appear to be equipped with secondary containment.

Contaminants (i.e., metals and pH) have been detected in soil and groundwater on one of the adjoining properties to the east (3505 Auburn Road) at concentrations exceeding MDEQ Part 201 RCC. It is AKT Peerless’ opinion that there is the potential for these contaminants to have migrated onto the Property.

**AKT Peerless’ September 2012 Phase II ESA**

On September 17, 2012, AKT Peerless conducted a subsurface investigation at the Property to further evaluate environmental concerns identified during previous environmental investigations. AKT Peerless: (1) drilled fourteen soil borings; (2) installed four temporary monitoring wells; and (3) collected soil and groundwater samples for laboratory analyses. AKT Peerless submitted soil and groundwater samples for laboratory analyses of VOCs, polynuclear aromatic hydrocarbons (PNAs), polychlorinated biphenyls (PCBs), Michigan 10 Metals, aluminum, sulfates, cadmium, total chromium, lead, fine fraction lead, coarse fraction lead, total calculated lead, pH, and/or hexavalent chromium, as appropriate based on the environmental concern and the location/media.

AKT Peerless conducted soil and groundwater sampling in areas most likely to be impacted by contaminants based on the past use of the Property, including concrete manufacturing. The results of the investigation indicate the following:

- Aluminum, arsenic, total chromium, hexavalent chromium, ethylbenzene, isopropylbenzene, methylene chloride, and selenium, are present in surface and subsurface soils across the Property at concentrations exceeding MDEQ Part 201 RCC. Various concentrations of contaminant constituents in soil were detected above the Groundwater-Surface Water Interface Protection (GSIP), Drinking Water Protection (DWP), Groundwater Contact Protection (GCP), SVIIC, Direct Contact (DCC), and/or Soil Saturation (C_{sat}) Criteria.

- Aluminum and dissolved aluminum were detected in shallow groundwater at the Property at concentrations exceeding their respective MDEQ Part 201 RCC. Various aluminum concentrations in groundwater were detected above the Drinking Water (DW) Criteria.

Based on laboratory analytical results, the subject property meets the definition of a facility, as defined in Part 201 of the NREPA, Michigan Public Act (PA) 451, 1994, as amended.

**AKT Peerless’ October 2012 BEA**

AKT Peerless prepared a Baseline Environmental Assessment (BEA) in October 2012 to support the City’s acquisition of the Property. The BEA was submitted to the MDEQ as part of the City’s activities to establish its environmental liability protection under Part 201.
**AKT Peerless’ April 2013 Supplemental Investigation**
AKT Peerless conducted a Supplemental Investigation on April 22, 2013 to further delineate the area of soil contamination exceeding the Part 201 Residential and Industrial SVIIC on the northwest corner exterior of the Property building. The investigation included advancing six hand auger soil borings up to a depth of 2.5 feet below ground surface (bgs). Nine soil samples were collected and submitted under chain-of-custody control to an independent laboratory for laboratory analysis of VOCs per USEPA Methods SW846 8260B.

The results of the investigation determined that the soil contaminated with Ethylbenzene and/or xylenes in concentrations exceeding SVIIC extended beneath the northwest corner of the Property building and to a limited extent to the north of the building. Specifically contaminant concentrations in B-7 (2 to 4 feet) and HA -1 (2 to 2.5 feet) exceed the Part 201 Residential SVIIC criteria. Based on these results and the proposed future use of the Property to include residential development, AKT Peerless recommended additional soil sampling and analysis to complete delineation of the SVIIC soil exceedance in this area of the Property.

Based on laboratory analytical results, the Property meets the definition of a *facility*, as defined in Part 201 of the NREPA, Michigan Public Act (PA) 451, 1994, as amended.

**AKT Peerless’ September 2014 Supplemental Investigation**
On September 25, 2014, AKT Peerless conducted a supplemental subsurface investigation of the subject property that included the advancement of 12 soil borings near the northwest corner of the former subject building to investigate the extent of SVIIC contamination identified during AKT Peerless’ 2012 Phase II Environmental Site Assessment (ESA) and April 2013 Supplemental Investigation. Laboratory analytical results from soil samples collected at the subject property in the previous investigations and the 2014 investigation have fully defined the horizontal and vertical extent of soil contamination exceeding the MDEQ Part 201 Residential SVIIC on the Property.

Based on these results AKT Peerless has been able to define a total quantity and area that the soil should be removed to address the SVIIC exceedance on the Property. The total cost of this has been included in this Brownfield Plan.

**2.3 Summary of Eligible Activities and Description of Costs (Section 13 (1)(a),(b))**
The “eligible activities” that are intended to be carried out at the Property are considered “eligible activities” as defined by Sec 2 of Act 381, because they include BEA Activities (Phase I ESA, Phase II ESAs, and BEA), due care activities, lead and asbestos survey and abatement, demolition, soil remediation, and preparation of Brownfield Plan (see Attachment C, Table 1). If a developer is identified in the future to develop the Property, the Brownfield Plan will be amended to include additional eligible activities consisting of, but not limited to: site demolition, due care activities, additional response activities, Brownfield Plan Amendment, and preparation of Act 381 Work Plans.

A summary of the eligible activities and the estimated cost of each eligible activity to be conducted at the Property are shown in the table below.
A detailed breakout of the eligible activities and the estimated cost of each eligible activity conducted at the Property are shown in Attachment C, Table 1.

At this time no tax increment revenues are being generated from the Property. The purpose of this Brownfield Plan is to set the base year at $0 taxable value and enable LSRRF dollars to be used on the Property for the costs related to the BEA activities, due care activities, lead and asbestos survey and abatement, demolition, soil remediation, and preparation of a brownfield plan to ready the site for development.

The costs listed in the table above are estimated costs and may increase or decrease depending on the nature and extent of environmental contamination and other unknown conditions encountered on the Property. The actual cost of those eligible activities encompassed by this Brownfield Plan will qualify for funding payment from the LSRRF.

In accordance with this Brownfield Plan all Eligible Activities will be funded by the LSRRF. Once TIRs become available, following the redevelopment of the property, the LSRRF Loan will be reimbursed first followed by any other funding sources.

2.4 Estimate of Captured Taxable Value and Tax Increment Revenues (Section 13(1)(c)); Impact of Tax Increment Financing On Taxing Jurisdictions (Section 13(1)(g), Section 2(ee))

Captured Taxable Value and TIR are not being sought at this time. The Eligible Activities are being solely funded by the LSRRF.

2.5 Plan of Financing (Section 13(1)(d)); Maximum Amount of Indebtedness (Section 13(1)(e))

The Eligible Activities are to be financed by the LSRRF.

All reimbursements authorized under this Brownfield Plan shall be governed by the Brownfield Plan. The AHBRA shall not incur any note or bonded indebtedness to finance the purposes of this Brownfield Plan. The inclusion of eligible activities and estimates of costs to be reimbursed in this Brownfield Plan is intended to authorize the AHBRA to fund such payments from the LSRRF and does not obligate the AHBRA or the City to fund any reimbursement or to enter into the Reimbursement Agreement providing for the reimbursement of any costs for which the LSRRF may be used, or which are permitted to be reimbursed under this Brownfield Plan. The amount of the LSRRF that will be used for purposes authorized by this Brownfield Plan, and the terms and conditions for such use and upon any

---

**Estimated Cost of Reimbursable Eligible Activities**

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<thead>
<tr>
<th>Description of Eligible Activities</th>
<th>Estimated Cost</th>
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</thead>
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<tr>
<td>1. BEA Activities</td>
<td>$49,500</td>
</tr>
<tr>
<td>2. Due Care Activities (includes soil remediation activities)</td>
<td>$104,000</td>
</tr>
<tr>
<td>3. Demolition</td>
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<tr>
<td>4. Lead &amp; Asbestos Survey and Abatement</td>
<td>$38,000</td>
</tr>
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<td><strong>Subtotal</strong></td>
<td><strong>$259,000</strong></td>
</tr>
<tr>
<td>5. 15% Contingency</td>
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<tr>
<td>6. Preparation of a Brownfield Plan</td>
<td><strong>$7,500</strong></td>
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<tr>
<td><strong>Total</strong></td>
<td><strong>$306,475</strong></td>
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</table>
reimbursement of the expenses permitted by the Brownfield Plan, will be provided solely under this Brownfield Plan.

2.6 **Duration of Brownfield Plan (Section 13(1)(f))**

In no event shall the duration of the Brownfield Plan exceed 35 years following the date of the resolution approving the Brownfield Plan, nor shall the duration of the tax capture exceed the lesser of the period authorized under subsection (4) and (5) of Section 13 of Act 381 or 30 years. Further, in no event shall the beginning date of the capture of tax increment revenues be later than five years after the date of the resolution approving the Brownfield Plan.

2.7 **Effective Date of Inclusion in Brownfield Plan**

The Property will become a part of this Brownfield Plan on the date this Brownfield Plan is approved by the City of Auburn Hills.

2.8 **Displacement/Relocation of Individuals on Eligible Property (Section 13(1)(i-l))**

There are no persons or businesses residing on the Eligible Property, and no occupied residences will be acquired or cleared; therefore there will be no displacement or relocation of persons or businesses under this Brownfield Plan.

2.9 **Local Site Remediation Revolving Fund (“LSRRF”) (Section 8, Section 13(1)(m))**

The AHBRA has established a Local Site Remediation Revolving Fund (LSRRF). The LSRRF will be used to fund the costs of eligible activities under this Brownfield Plan in accordance with this Brownfield Plan.

The LSRRF consists of all tax increment revenues authorized to be captured and deposited in the LSRRF, as specified in Section 13(5) of Act 381, under any plan of the AHBRA. It may also include funds appropriated or otherwise made available from public or private sources.

The Authority captures incremental local and state school taxes to fund the LSRRF, to the extent allowed by law. The rate and schedule of incremental tax capture for the LSRRF is determined on a case-by-case basis. Considerations may include, but not be limited to the following: total capture duration, total annual capture, project economic factors, level of existing LSRRF funding, projected need for LSRRF funds, and amount of school tax capture available in accordance with Act 381.

2.10 **Other Information**

In order to promote economic development within the City of Auburn Hills and prepare the site for redevelopment this Plan has been prepared to qualify the Eligible Activity costs to be funded by the LSRRF and later be reimbursed with TIR once such revenues become available. It is also the intention of this Plan to set the base year at $0 in order to maximize the amount of available TIR once a new development is completed.
Attachments
Attachment A

Site Maps and Photographs
ROCHESTER QUADRANGLE
MICHIGAN - OAKLAND COUNTY
7.5 MINUTE SERIES (TOPOGRAPHIC)

T.3 N.-R.10 E.

IMAGE TAKEN FROM 1997 U.S.G.S. TOPOGRAPHIC MAP

TOPOGRAPHIC LOCATION MAP
3507 AUBURN ROAD
AUBURN HILLS, MICHIGAN
PROJECT NUMBER: 7716B-10-25

DRAWN BY: DDB
DATE: 08/15/2014

ILLINOIS MICHIGAN OHIO
www.aktpeerless.com
Attachment B

Legal Description(s)
8/13/2014  City of Auburn Hills

Detailed Tax Information

Parcel: 02-14-25-451-008  Data Current As Of: 1:57 PM  8/12/2014

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<th>Total Paid</th>
<th>Last Paid</th>
<th>Total Due</th>
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</table>

**Note:** On March 1 at 00:00, local taxes become ineligible for payment at the local unit. The total due shown for prior year taxes is as of the annual settlement date with the County for that particular tax year and does not reflect any payments, fees, or interest accrual that may have occurred after the settlement date. For updated tax information, please check with the local County.

Use the +/- button to expand and collapse the Tax Detail Information.

Legal Information for 02-14-25-451-008 [collapse]

T3N, R10E, SEC 25 PART OF SE 1/4 BEG AT SE COR OF LOT 1 OF 'SUPERVISOR'S PLAT NO 8', TH N 01-40-40 W 196.83 FT, TH N 04-02-38 W 422.89 FT, TH N 89-51-45 E 372 FT, TH S 00-40-15 E 903 FT, TH S 65-14-30 W 188.56 FT, TH S 89-51-45 W 175.70 FT, TH N 01-38-48 W 361.59 FT TO BEG, ALSO OF 'VILLAGE OF AUBURN' LOT 32 EXC W 41 FT

**Note:** On March 1 at 00:00, local taxes become ineligible for payment at the local unit. The total due shown for prior year taxes is as of the annual settlement date with the County for that particular tax year and does not reflect any payments, fees, or interest accrual that may have occurred after the settlement date. For updated tax information, please check with the local County.

Use the +/- button to expand and collapse the Tax Detail Information.

Parcel: 02-14-25-451-008  Data Current As Of: 1:57 PM  8/12/2014
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<th>Year</th>
<th>Season</th>
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<th>Prior Year</th>
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[Privacy Policy](#)
Attachment C
Tables
### Table 1 Eligible Activities

3507 Auburn Road Redevelopment  
3507 Auburn Road  
Auburn Hills, Michigan  
AKT Peerles Project No.: 7716b  
October 21, 2014

<table>
<thead>
<tr>
<th>Activity</th>
<th>Estimated Total Cost</th>
<th>Local Only Act 381 Eligible Activities</th>
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<tbody>
<tr>
<td><strong>Environmental Eligible Activities (MDEQ)</strong></td>
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<td></td>
</tr>
<tr>
<td>1000-Baseline Environmental Activities (BEA) Environmental Assessment Activities</td>
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</tr>
<tr>
<td>Phase I ESA-City</td>
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<td>Phase II ESA-City</td>
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<tr>
<td>Supplemental Phase II ESA-City</td>
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<td>Supplemental Phase II ESA-City</td>
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<td>BEA-City</td>
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<td><strong>BEA Environmental Assessment Activities Total</strong></td>
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<tr>
<td>2000-Section 7a Compliance Analysis (Due Care Plan) and Due Care Activities</td>
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<tr>
<td>Due Care Planning -City</td>
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<td>$12,000</td>
</tr>
<tr>
<td>Due Care Soil Remediation includes Plan/removal of soil/oversight and reporting</td>
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<td>$92,000</td>
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<tr>
<td><strong>Section 7a Compliance Analysis (Due Care Plan) and Due Care Activities Total</strong></td>
<td>$104,000</td>
<td>$104,000</td>
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<tr>
<td><strong>Environmental Eligible Activities (MDEQ) Grand Total</strong></td>
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<td><strong>Non-Environmental Eligible Activities (Local only TIR)</strong></td>
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<td>5000-Demolition (LSRRF)</td>
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<td>Demolition-Bid Specifications</td>
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<td>Demolition-Project Management</td>
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<td>Brownfield Plan</td>
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To: Mayor and City Council  
From: Thomas A. Tanghe, City Manager; Donald K. Grice, Assistant City Manager and DDA Executive Director and Samantha Mariuz, Management Assistant  
Submitted: May 14, 2015  
Subject: Approval of Auburn Hills Downtown Development Authority Bylaws

INTRODUCTION AND HISTORY

Attached you will find the bylaws for the Auburn Hills Downtown Development Authority Board of Directors.

The Downtown Development Authority Board of Directors were appointed by Auburn Hills City Council on October 20, 2014. Since that time, city staff worked to compile a document of bylaws for the authority in accordance with Michigan Public Act 197 of 1975 as amended MCL § 125.1651 et. seq.

The Board consists of the Mayor and eight additional members for a total of nine members. Appointments are currently staggered and any reappointment to the board shall continue for four years. All members shall be appointed by the Mayor and are subject to the advice, consent and approval of City Council. Members serve without compensation and are the principle policy setting body within the boundaries of the DDA. The board seeks to provide for the ongoing maintenance, promotion, security and continues operation of the downtown district through economic growth.

This document establishes the internal affairs for the DDA and includes provisions of powers of the board, appointment of Chairperson and Vice Chairperson, meetings, contract liability, and financial information including the fiscal year, budget adoption and reporting requirements. The authority has jurisdiction over only the boundaries of the district as amended and adopted by Auburn Hills City Council on October 20, 2014.

At their meeting on April 28, 2015, the Auburn Hills Downtown Development Authority considered and approved the proposed bylaws and have forwarded their recommendation to Auburn Hills City Council.

STAFF RECOMMENDATION

It is recommended the City Council adopt the attached resolution approving the bylaws of the Auburn Hills Downtown Development Authority Board of Directors.

MOTION

Move to adopt the bylaws for the Auburn Hills Downtown Development Authority.

I CONCUR: ___________  
Donald K. Grice  
on behalf of  
THOMAS A. TANGHE, CITY MANAGER
Auburn Hills
Downtown Development Authority

Bylaws

Recommended and approved by the DDA Board – April 28, 2015
Approved by Auburn Hills City Council – xxxxxx
Article I Name

Section 1: Name
The name of the organization shall be Auburn Hills Downtown Development Authority, hereinafter referred to as the “DDA”.

Article II Purposes and Powers

Section 1: Purposes
The DDA was created by the City of Auburn Hills, Michigan as an Authority pursuant to Michigan Public Act 197 of 1975, as amended, MCL § 125.1651 et. seq. (the “Act”) and Ordinance 325, dated February 24, 1983, Chapter 30 Article 2 Section 30-26 – 30-33 (the “Code”). The DDA shall seek to fulfill the purposes listed in the Act and the Code and shall provide for the ongoing maintenance, promotion, security and continued operation of the downtown district. The DDA shall strive to promote economic growth, halt property value deterioration, eliminate causes of that deterioration and properly and reasonably use the powers conferred to the DDA pursuant to said Act.

Section 2: Powers
The Authority and its Board holds all of the powers granted by the Code and the Act now or hereafter conferred by law on Authorities organized under the Act and Code.

Article III Board of Directors

Section 1: General Powers
The Authority shall be under the supervision of a Board of Directors (the “Board”) who may exercise all of the powers provided under the Code and the Act. In addition to any specific powers hereinafter provided, the general powers of the Board shall be to execute the activities of the Authority as authorized from time to time in the Bylaws, Code and the Act.

Section 2: Number, Tenure and Qualifications
The Board of Directors shall consist the Mayor of Auburn Hills and eight other members for a total of nine members, each appointed for four (4) years. Not less than a majority of the members shall be persons having an interest in property located in the Downtown District, or officers, members, trustees, principals, or employees of a legal entity having interest in property located within the Downtown District. At least one member shall be a resident of the Downtown district. Before assuming the duties of office, a member shall qualify by taking the constitutional oath of office. Members of the board shall continue in office until a successor has been appointed. Representation on the Board shall be from the public at large based on geographic consideration without regard to age, sex, race or religion.

Section 3: Selection of Board Members
Members shall be appointed by the Mayor and are subject to advice, consent and approval by the governing body of the municipality. If a vacancy is created by death, resignation, or removal of a member, a successor shall be appointed within thirty (30) days by the Mayor, with the advice, consent and approval of the Auburn Hills City Council, to hold office for the remainder of the term so vacated.

Section 4: Compensation of Members
Members of the Board shall serve without compensation but shall be reimbursed for actual and necessary out-of-pocket expenses incurred in the performance of their official duties.
Section 5: Removal
Pursuant to notice and an opportunity to be heard, a member of the Board may be removed for cause by the Auburn Hills Auburn Hills City Council. Cause shall include, but not be limited to failure to attend three (3) consecutive regular meetings of the Board.

Section 6: Disclosure of Interest
A board member who has direct interest in any matter before the Authority shall disclose his or her interest prior to the Authority taking any action with respect to the matter, which disclosure shall become part of the record of the Authorities official proceedings. Any member making such disclosure shall refrain from participating in the Authorities decision-making process relative to such matter.

Article IV Officers

Section 1: Election and Tenure
The Board shall annually elect a Chairperson and Vice-Chairperson

Section 2: Vacancies and Removal
An officer may be removed by the Board whenever in its judgement the best interest of the Authority shall be served. A vacancy may be filled by the Board for the unexpired portion of the term.

Section 3: Chairperson
The Chairperson shall preside at all meetings of the Board. He or she shall discharge the duties of presiding officer. He or she shall be liaison and spokesperson to the Auburn Hills Auburn Hills City Council.

Section 4: Vice Chairperson
In the absence of the Chairperson, or in the event the Chairperson is unable or unwilling to act, the Vice-Chairperson shall perform all duties of the Chairperson. When so acting, the Vice-Chairperson shall have all the powers and be subject to all restrictions of the Chairman.

Section 5: Director
The Board may employ and fix the compensation of a director, subject to the approval of Auburn Hills Auburn Hills City Council. The director shall serve at the pleasure of the board. A member of the board is not eligible to hold the position of director. The director shall be the chief executive officer of the authority. He or she shall supervise and be responsible for the preparation of plans and the performance functions of the authority. The director shall also act as secretary and treasurer of the DDA.

Article V Meetings

Section 1: Annual Meeting
The first meeting of each calendar year shall be the annual meeting. Officers of the board shall be elected at the annual meeting. If, for any reason, election of officers should not occur at the annual meeting, the board shall elect officers at a regular or special meeting within ninety (90) days.

Section 2: Regular Meetings
Regular meetings of the Board shall be held at a time and place set by the board. At a minimum, a meeting shall be held in each quarter.
Section 3: Special Meetings
Special meetings shall be held whenever called by the chairperson or any three members of the board upon eighteen (18) hours written notice of the time and place of the meeting.

Section 4: Notice of Meetings
All meetings shall be preceded by public notice posted at a minimum of eighteen (18) hours prior to the meeting in accordance with Michigan Public Act 267 of 1976, as amended (the “Open Meetings Act”).

Section 5: Agenda
An agenda shall be prepared for all meetings and copies provided to the Authority members at least eighteen (18) hours prior to the meeting. Any member of the Authority may place an item on the agenda.

Section 6: Quorum and Voting
Five (5) members of the Board shall constitute a quorum. The vote of the majority of the members present at the meeting at which a quorum is present shall constitute the action of the Board unless the vote of a larger number is required by statute or elsewhere in these bylaws.

Section 7: Order
Roberts Rules of Order will guide the conduct of all meetings.

Section 8: Open Meetings
All meetings of the Authority shall be open to the public in accordance with Michigan Public Act 267 of 1976.

Article VI Fiscal Year, Budget, Financial Reports

Section 1: Fiscal Year
The fiscal year of the Authority shall be the same as the fiscal year of the City of Auburn Hills – January 1 through December 31.

Section 2: Adoption of a Budget
The Board, in accordance with MCL 125.1678, shall annually prepare and approve a budget and shall submit it to Auburn Hills City Council on the same date that the recommend budget for the City of Auburn Hills is required. The Board shall not finally adopt a budget for any fiscal year until it has been approved by Auburn Hills City Council. The Board may temporarily adopt a budget in connection with the operation of any improvements which have been financed by revenue bonds where required to do so by the Code authorizing the bonds.

Section 3: Audit and Financial Reports
The Authority shall submit financial reports to Auburn Hills City Council at the same time and on the same basis as departments of the City of Auburn Hills are required to submit reports. The Authority shall be audited at the same frequency and by the same independent auditors auditing the City. Copies of the audit report shall be filed with Auburn Hills City Council. As required by the Act, the financial records of the Authority shall always be open to the public. The Authority shall also prepare and file all financial reports required by the Act and must also submit financial reports to Oakland County and the State Tax Commission.

Article VII Boundaries

Section 1: Boundaries
The Authority shall exercise its powers within the DDA District of the City of Auburn hills as designated in the Code establishing the Authority as the Code may be amended from time to time.

**Article VIII Contracts Liability**

**Section 1: Contracts Liability**
No member of the DDA shall bind the Board to any contract or pledge its credit or render it pecuniarily liable for any purposes without the express authorization of the Auburn Hills City Council and the majority vote of the DDA Board.

**Article X Bylaw Amendments**

**Section 1: Amendments**
The Board, by the majority vote of its members, shall have power to make, alter, or amend the bylaws in whole or in part to be effective upon approval of Auburn Hills City Council.

**Section 2: Temporary Bylaws**
Until these bylaws shall become effective upon approval of the Auburn Hills City Council, these bylaws shall be temporary bylaws for the Authority.
INTRODUCTION AND HISTORY

As you recall, the purpose of a Downtown Development Authority is to capture external taxes that the city would not normally capture, at a rate of 50%. When public notices were mailed out for the first public hearing held August 11, 2014, each external taxing jurisdiction was notified of the intent to capture taxes and had a 60 day opportunity to formally file with our City Clerk’s Office and opt-out of tax capture.

As of October 10, 2014, Huron Clinton Metropolitan Authority and the Library opted-out of tax capture. Oakland County also opted out of tax capture within the specified time frame, and City staff has been working alongside the County to enter into a contract to capture taxes for a period of 15 years – the length of the Tax Increment Financing and Development Plan for the Downtown Development Authority.

Steps between Auburn Hills and Oakland County for TIF Capture
1. Meetings between community and County Economic Development Department
2. Economic Development Department support of community’s approval
3. Economic Development Department presents recommendation to Budget Task Force
4. Budget Task Force Approval
5. Request placed on Ad Hoc Committee Agenda
6. Contract Preparation
7. Ad Hoc Committee Approval (Unanimous Approval - 4/23)
8. Finance Committee Approval (Unanimous Approval - 4/30)
9. Board of Commissioners Final Approval (Consent Agenda Unanimous Approval - 5/6)
10. Approval of Auburn Hills City Council
11. Signing of Contract

Attached is a copy of the contract for your consideration. Essentially, the County will participate in Tax Increment Financing capture for a period of 15 years, or after Auburn Hills has collected approximately $1.6 million of County tax dollars, whichever occurs first. County tax dollars collected should be spent primarily in the Core DDA Downtown. Meaning the expansion of the current downtown eastward towards Adams Road. See the attached map for the outlined area of the core DDA Downtown.

STAFF RECOMMENDATION

It is recommended the City Council approve the attached Tax Increment Financing Agreement between the County of Oakland, City of Auburn Hills and the Auburn Hills Downtown Development Authority.
MOTION

Move to adopt the Tax Increment Financing Agreement between the County of Oakland, City of Auburn Hills and the Auburn Hills Downtown Development Authority.

I CONCUR:  

[Signature]

on behalf of

THOMAS A. TANGHE, CITY MANAGER
TAX INCREMENT FINANCING AGREEMENT
BETWEEN THE
COUNTY OF OAKLAND, CITY OF AUBURN HILLS, AND THE
AUBURN HILLS DOWNTOWN DEVELOPMENT AUTHORITY

THIS TAX INCREMENT FINANCING AGREEMENT ("Agreement") is entered into this ___day of____, 2015 between the COUNTY OF OAKLAND ("County"), 1200 North Telegraph Road, Pontiac, Michigan 48341, the CITY OF AUBURN HILLS ("Auburn Hills"), 1827 N. Squirrel Road, Auburn Hills, Michigan 48326-2753 and the AUBURN HILLS DOWNTOWN DEVELOPMENT AUTHORITY ("Auburn Hills DDA") 1827 N. Squirrel Road, Auburn Hills, Michigan 48326-2753. In this Agreement, the County, Auburn Hills, and the Auburn Hills DDA may also be referred to as "Parties."

The Downtown Development Authority Act ("DDA"), Public Act 197 of 1975, as amended, MCL 125.1651 et. seq., ("DDA Act"), authorizes a municipality to establish a DDA when the municipality determines that it is necessary for the best interests of the public to correct and prevent deterioration in a business district and to promote economic growth. One of the purposes for creating a DDA is to permit a municipality to finance improvements in a designated area by capturing the property taxes levied on any incremental increase in property values within the development area; this is commonly referred to as tax increment financing.

Section 3(3) of the DDA Act provides that a governing body of a taxing jurisdiction whose ad valorem taxes would otherwise be subject to capture may exempt its taxes from capture by adopting a resolution to that effect. Section 14(4) of the DDA Act also provides that a DDA may enter into agreements with taxing jurisdictions and the municipality establishing the DDA to share a portion of the captured assessed taxable value of the development area.
On February 24, 1983, Auburn Hills adopted Ordinance Number 325 establishing a DDA for Auburn Hills. Prior to 1994, the County did not have the legal right to opt out of the capture of its taxes by a DDA. On July 14, 2014, Auburn Hills adopted a Resolution of Intent and on August 11, 2014 held a public hearing regarding its intent to amend the boundaries of the Auburn Hills DDA. On September 18, 2014, the Oakland County Board of Commissioners passed MR #14214 opting out of the Auburn Hills tax capture and directed Corporation Counsel to attempt to negotiate a contract. On October 20, 2014, Auburn Hills adopted an ordinance to amend the boundaries of the Auburn Hills DDA. Auburn Hills has scheduled a public hearing for April 27, 2015 for purposes of adopting an ordinance approving a Development and Tax Increment Financing (“TIF”) Plan for the Auburn Hills DDA which Development and Tax Increment Financing Plan provides that the Auburn Hills DDA will capture fifty percent (50%) of the tax levy of all taxing jurisdictions levying taxes that would be subject to capture.

Shortly before Auburn Hills passed the 2014 resolution of intent, representatives of Auburn Hills and the County conducted a series of meetings and discussions concerning the County’s potential participation in the Auburn Hills DDA TIF Plan. The County has determined that in order to help promote economic development throughout its borders, it is in its best interest to participate in the Auburn Hills DDA as further defined in this Agreement.

In consideration of the mutual promises, representations, and agreements set forth in this Agreement, and for other good and valuable consideration, the receipt and adequacy of which is hereby acknowledged, the Parties agree as follows:

1. In accordance with the following conditions, the County agrees to allow the tax increment revenue generated by its millage rate to be captured by the Auburn Hills DDA from
the area defined in the Development Plan for the limited purpose of contributing the County’s Pro-rata Share of the funding required for the Auburn Hills DDA Development Plan and Tax Increment Financing Plan ("Plan") dated May 18, 2015, attached and incorporated as Exhibit A.

(a) "County’s Pro-rata Share" is defined as the County’s proportionate share of the combined millage funds captured by the Auburn Hills DDA from all participating taxing jurisdictions, which include: County of Oakland (for general operating and Parks & Recreation), City of Auburn Hills, Oakland Community College, Oakland County Public Transit Authority and any future taxing jurisdictions that opt in after the date of this Agreement. With respect to the levy of any new additional millage by the County, either to restore amounts reduced by the Headlee Amendment, or new additional millage approved by County electors after the date of this Agreement, such millages shall be exempt from this Agreement unless the County Board of Commissioners, in its sole discretion, adopts a resolution submitting such additional millages to this Agreement and capture by the Authority.

(b) The improvements described in the development plan are projected to cost $5,775,000. Auburn Hills, the County, and the Auburn Hills DDA acknowledge that the total anticipated expenditure is an approximation only. The Project shall be subject to applicable Auburn Hills public bid procedures and the final cost will be adjusted accordingly. However, notwithstanding the above acknowledgments, Auburn Hills and the Auburn Hills DDA agree that the County's participation from the Oakland County General Operating Millage and the Oakland County Parks and Recreation Millage shall not exceed a total of
$1,613,705.16 or a period of 15 years (through 2029), whichever occurs first, subject to the requirements below.

(c) The capture and retainage of the County's millage will be based upon a base year utilizing the 2014 taxable value of the properties as set forth in Exhibit A beginning with the 2015 tax collection and capture and retainage will be based on increases in taxable values thereafter in accordance with the terms and provisions of this Agreement.

(d) In no event shall capture from the County’s millage be used to bury utility lines, for land acquisition, for the construction of municipal facilities used to house Auburn Hills’ departments or operations, or for event and marketing materials not directly related to the implementation of projects approved within the TIF plan.

2. The Parties agree that although the DDA District/Development Area and Development Plan covers a larger area from which the Auburn Hills DDA can and will capture the County ad valorem property taxes, the captured County ad valorem property taxes (“tax increment revenue”) shall only be utilized and spent by the Auburn Hills DDA for projects and other legally authorized items in the area listed in Exhibit B and used for the projects listed in Exhibit C.

3. Unless otherwise agreed to by all of the Parties, once the County's total share of the tax increment revenue captured reaches $1,613,705.50 or 15 years have passed, (through 2029), whichever occurs first, the County's participation in the Auburn Hills DDA will terminate and its portion of ad valorem property taxes that would otherwise be subject to capture will be exempt from further capture by the Auburn Hills DDA. Auburn Hills and the Auburn Hills DDA understand and agree that under no circumstances shall the tax increment
revenue generated by the County’s millage rate and retained by the Auburn Hills DDA be used to pay the full amount of the Project costs.

4. The Auburn Hills DDA and Auburn Hills agree to the following:

(a) The Auburn Hills DDA shall within three (3) months after the end of the Authority’s fiscal year, send copies of the annual financial report to the Oakland County Treasurer, the Economic Development and Community Affairs Department and the Board of Commissioners. The report shall include:

i. The amount of taxes captured by the Authority.

ii. The amount spent on each project in the TIF Plan.

iii. The amount of private sector investment received.

iv. The number of buildings rehabilitated and the square footage per building rehabilitated and the amount spent per building.

v. The amount of new construction including the dollar amount spent and the square footage added.

vi. The number of new businesses locating in the District.

vii. The amount of new jobs created, and

viii. The increase/decrease in the taxable value.

ix. Any financial information that the County is required to report in its financial statements or to the Michigan Department of Treasury.

(b) The Auburn Hills DDA representatives shall appear before the County TIF Review Committee, at the Committee’s request, within the first five (5) years of the Agreement execution date, and each five (5) years thereafter, to present
the District’s current return on investment and discuss the financial information required in 4a and 4b above.

(c) The Auburn Hills DDA will promote the services available from the Oakland County Economic Development Community Affairs Department including the One Stop Shop Business Center and the Oakland County Economic Development Corporation and the Oakland County Business Finance Corporation.

(d) Auburn Hills will adopt/amend its community master plan to accurately incorporate the TIF Plan with its next scheduled community master plan review.

5. Any other Auburn Hills DDA project other than those specifically listed in Exhibit C, for the Area in Exhibit B, may be considered by the County upon proper application by the Auburn Hills DDA at the appropriate time in the future. Any proposed modification or amendments to the Auburn Hills DDA Development Plan and Tax Increment Financing Plan that are required under The DDA Act to be submitted to the County shall be directed to the County's TIF Review Committee for review and approval.

6. Auburn Hills agrees that in the event that a Court determines that all or any part of the Auburn Hills DDA failed to meet the statutory requirements of the DDA Act, or is invalidated for any reason, upon written notice from the County, the Auburn Hills DDA shall refund to the County the amount of County incremental tax revenues captured by the Auburn Hills DDA that are attributed to the portion of the Auburn Hills DDA that is invalidated by a Court. If after one hundred twenty (120) calendar days from the date of the County's notice, the DDA fails to refund to County the amount of its incremental tax revenues subject to this section, the County shall be entitled to reduce, set-off, and permanently retain any amount
due to Auburn Hills from the County’s Delinquent Tax Revolving Fund (DTRF”) as provided below.

7. Auburn Hills further agrees that if tax increment revenue is retained by the Auburn Hills DDA that is in excess of the County’s Pro-rata Share, and if upon written notice from the County the Auburn Hills DDA and Auburn Hills fail to tender over to the County the excess retained tax increment revenue, then without waiving any legal claims under this Agreement, the County shall be entitled to reduce, set-off, and permanently retain any amount due to Auburn Hills from the County’s Delinquent Tax Revolving Fund ("DTRF") by any such amount then still due and owing the County pursuant to this Agreement at the time the County distributes funds to Auburn Hills from the Delinquent Tax Revolving Fund ("DTRF").

8. This Agreement sets forth the entire agreement between the County, the Auburn Hills DDA and Auburn Hills and fully supersedes any and all prior agreements or understandings between them in any way related to this subject matter. It is further understood and agreed that the terms and conditions herein are contractual and are not a mere recital and that there are no other agreements, understandings, contracts, or representations between the Parties in any way related to the subject matter hereof, except as expressly stated herein. This Agreement shall not be changed or supplemented orally and may be amended only in writing and signed by the Parties.

9. The County, Auburn Hills and the Auburn Hills DDA warrant that they each have the appropriate authority to enter into this Agreement and that each of them are bound by the respective signatures below.

FOR AND IN CONSIDERATION of the mutual assurances, promises, acknowledgments, warrants, representations, and agreements set forth in this Agreement, and for other good and
valuable consideration, the receipt and adequacy of which is hereby acknowledged the undersigned hereby execute this Agreement on behalf of the Parties, and by doing so legally obligate and bind the Parties to the terms and conditions of this Agreement.
THE AUBURN HILLS DOWNTOWN DEVELOPMENT AUTHORITY

By: ________________
   Name
   Date: ________________

THE CITY OF AUBURN HILLS

By: ________________
   Name
   Date: ________________

OAKLAND COUNTY

By: ________________
   Name
   Date: ________________

2014-768 Contract Auburn Hills DDA
INTRODUCTION AND HISTORY

As part of the agreement for Oakland County’s participation in tax increment financing capture within the Downtown Development Authority, it was necessary that a sunset date be established for County tax capture within the three current Tax Increment Financing Development Districts.

At the time the TIFA was established, state law did not allow taxing jurisdictions to opt-out of capture. The Tax Increment Financing Plans for Districts A, B and D will continue to capture County taxes until their expiration on December 31, 2031. The authority may continue beyond its expiration, however County taxes will not be subject to capture.

STAFF RECOMMENDATION

It is recommended the City Council approve the attached Agreement between the County of Oakland, The City of Auburn Hills and the Auburn Hills Tax Increment Finance Authority to End the Capture of County Taxes.

MOTION

Move to approve the Agreement between the County of Oakland, the City of Auburn Hills and the Auburn Hills Tax Increment Finance Authority to End the Capture of County Taxes on December 31, 2031.

I CONCUR: ____________________________

Donald K. Grice

on behalf of

THOMAS A. TANGHE, CITY MANAGER
This Agreement to establish an end date for the capture of Oakland County property tax revenue by the City of Auburn Hills Tax Increment Finance Authority ("Agreement") is entered into between the County of Oakland, 1200 N. Telegraph Road, Pontiac, Michigan, ("County"), the City of Auburn Hills, 1827 North Squirrel Road, Auburn Hills, Michigan 48326-2753 ("Auburn Hills") and the Auburn Hills Tax Increment Finance Authority, 1827 North Squirrel Road, Auburn Hills, Michigan 48326-2753 ("Auburn Hills TIFA"). The County, Auburn Hills, and the Auburn Hills TIFA may be referred to as “Parties” in this Agreement.

Auburn Hills established three TIF Development Districts following the requirements of Public Act 450 of 1980, as amended, MCL 125.1801 et. seq., ("The TIFA Act") on January 7, 1985 and February 17, 1986. These Development Districts are known as TIF 85-A, 85-B and 86-D, and are further described in Exhibit A. The Auburn Hills TIFA determined that it was necessary to establish a TIF Plan ("TIF Plan") to achieve the purposes of the TIFA Act. After public hearings held on May 20, 1985 and December 15, 1986, a TIF plan was established. An amended TIF Plan was thereafter amended and restated in 2001 and 2011. The TIF Plan provides for the capture of County property tax revenue in the Auburn Hills TIFA district. At the time the Auburn Hills TIFA was established, state law did not permit taxing jurisdictions subject to the capture of their taxes to opt-out of having their property taxes captured. Since 1994 the Auburn Hills TIFA has captured approximately $16,937,440.30 of County tax revenue for the improvement of the Auburn Hills TIFA district. This TIF Plan is currently scheduled to end on December 31, 2031.

Pursuant to the requirements of the Downtown Development Authority ("DDA") Act, Public Act 197 of 1975, MCL 125.1651 et. seq., Auburn Hills established a DDA on February 24, 1983. On October 20, 2014, Auburn Hills adopted an ordinance to expand and amend the boundaries
of its DDA. Auburn Hills has held discussions with the County over the last eight months concerning the County’s participation in a TIF Plan for the Auburn Hills DDA (“Auburn Hills TIF Plan”). Auburn Hills and the Auburn Hills TIFA understand that the County has financial limitations on the total tax revenue it has available to contribute to tax increment financing plans throughout Oakland County. In consideration of County’s participation in the Auburn Hills DDA TIF Plan, Auburn Hills and the Auburn Hills TIFA have determined it is in their best interests to cease collecting County taxes for the Auburn Hills TIF Plan when the current Auburn Hills TIF Plan ends on December 31, 2031. The Parties further agree unless otherwise agreed to by all of the parties, that in no event shall the TIF Plan be extended to capture any County taxes beyond December 31, 2031. The alteration, amendment, or clarification of the TIF plan prior to its expiration in December 31, 2031 shall be permitted and shall not be considered an extension for purposes of this Agreement.

This Agreement sets forth the entire agreement between the Parties concerning the Auburn Hills TIFA and supersedes all prior agreements or understandings between the Parties related to this subject matter. The Parties acknowledge there is a separate contract between Auburn Hills, County and the Auburn Hills DDA to provide for the capture of County tax revenue by the Auburn Hills DDA. This Agreement will not be effective unless Auburn Hills, the County and the Auburn Hills DDA simultaneously execute a contract for County’s participation in the Auburn Hills DDA TIF Plan.

This Agreement may not be modified in any way except by a writing signed by the proper signatories for all Parties and supported by Resolutions passed by the Board of Commissioners of Oakland County, the City Council of Auburn Hills and the Board of the Auburn Hills TIFA.

In consideration of the mutual assurances, representations and terms set forth in this Agreement, and for other good and valuable consideration, the receipt and adequacy of which is
acknowledged, the undersigned acknowledge that they have been authorized by their respective public bodies to execute this Agreement and do hereby legally obligate the Parties to the terms and conditions of this Agreement.

FOR THE CITY OF AUBURN HILLS

By: ____________________________

Date: __________

FOR THE CITY OF AUBURN HILLS
TAX INCREMENT FINANCING AUTHORITY

By: ____________________________

Date: __________

FOR OAKLAND COUNTY

By: ____________________________

Michael J. Gingell, Chairperson
Oakland County Board of Commissioners

Date: __________

2014-0768 Auburn Hills TIFA Sunset
INTRODUCTION AND HISTORY

Last winter the blue spruce tree located downtown in front of the Den which served as the official “Christmas Tree” was in a state of decline. As the holiday decorations were removed this spring, Department of Public Works staff determined the tree was indeed dead and has since been removed. City staff began discussing options for a replacement tree last year and on May 12, 2015, at the TIFA Board Meeting the DPW staff proposed a plan to develop the lot space located between the Den and 3400 Auburn Road into a usable downtown greenspace. This “Town Square” would serve as the location for a new holiday tree. In addition to housing the tree, the new Town Square will provide additional space for community events, offer usable greenspace for the downtown businesses and residents, and potentially serve as the location for the public ice rink.

The greenspace also recalls the original “Public Square” concept, as quoted form the Michigan Pioneer and Historical Society Collections “Auburn in 1830 was a pretty little village. There was the village green surrounded by very attractive houses. One street passed through the middle of it”. In the true spirit of “Honoring the Past, Building the Future”, the new Town Square will occupy a portion of the land where the original public square of the 1830’s existed (see the attached map).

A conceptual design and an engineer’s cost estimate are included in the packet for review and reference. In order to save on construction costs the DPW staff will be performing some of the work in house, including demolition, earth moving, general landscaping, and utility modifications. However, new sidewalk paving, ADA ramp compliance, curbing and brick repair will be performed by contracted services. Therefore, DPW staff requested to use 2015 TIFA A funds in the estimated amount of $41,700 to complete this work. There is $50,000 budgeted in TIFA A for sidewalk and parking lot maintenance as a general place holder for on-going maintenance of the downtown sidewalks and parking lots. That work usually includes brick repair, concrete slab replacement, and general parking lot maintenance. Since the Town Square was not specifically budgeted in 2015 DPW staff believes any necessary sidewalk and parking lot maintenance can be remedied in house or deferred to 2016. By using DPW staff to complete some of the work, expectations are that the project can be achieved for less than the engineer’s estimate of $41,700.

STAFF RECOMMENDATION

On May 12, 2015, the TIFA Board unanimously approved the expenses for the Town Square; therefore staff recommends approval for the funding the Town Square project.

Installation of an appropriate sized tree to replacement the holiday tree will require a specialized tree spade and the estimated cost for a 25’ evergreen is approximately $5,000.00. This was not part of the funding requested form the TIFA Board, therefore, DPW staff recommends the tree and any other plant material used in the Town Square be funded by the Tree Fund to complete the project.

MOTION

Move to approve the Town Square project in an amount not-to-exceed $41,700.00 to be funded from TIFA A Parking Lot Maintenance account number 251-735-937.000 and Side Walk Maintenance account number 251-735-937.003 and fund a replacement tree from the Tree Fund account number 242-447-955.002 for an estimated amount of $5,000.00.

I CONCUR:

Donald K. Grace
on behalf of
THOMAS A. TANGHE, CITY MANAGER
**PRELIMINARY OPINION OF PROBABLE CONSTRUCTION COST**

**ORCHARD, HILTZ & McCLIMENT, INC.**
34000 Plymouth Road, Livonia, Michigan, 48150

**CLIENT:** Auburn Hills  
**PROJECT:** Grey Rd Town Square  
**LOCATION:**

**DATE:** May 1, 2015  
**PROJECT NO.**  
**ESTIMATOR:**  
**CHECKED BY:**

**BASE FOR ESTIMATE:** [X] CONCEPTUAL  [ ] PRELIMINARY  [ ] FINAL

**Project Desk:**

<table>
<thead>
<tr>
<th>Item</th>
<th>Description</th>
<th>Unit</th>
<th>Total Quantity</th>
<th>Unit Cost</th>
<th>Total Cost</th>
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<td>Pavement Removal</td>
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<td>6</td>
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<td>Irrigation System</td>
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<td>$5,000.00</td>
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Subtotal: $36,200.00  
Contingency (15%): $5,500.00  
Construction Total: $41,700.00

**Total Estimated Construction Cost:** $41,700.00

**Assumptions:**  
All earthwork, landscaping, irrigation, electrical, etc. to be done by AH DPW staff  
No landscaping, tree planting, lighting, etc. included in estimate  
No additional drainage planned due to small area & removal of pavement
INTRODUCTION AND HISTORY

The University Drive Streetscape project, a cooperative effort between Oakland University and the City of Auburn Hills which began in 2013 is now moving into the construction phase. The project spans University Drive from I-75 to Squirrel Road and includes three monuments in the boulevards with accent planting beds, decorative stone columns in the right of way, street tree installation and ornamental plantings. Previous work has included the painting of the streetlight poles on University and the purchase and installation of new Oakland University and City of Auburn Hills banners. When complete the new streetscape will provide a unified gateway to the City and Oakland University. The funding for this project is being shared between the entities 50/50.

On February 23, 2015, bids for the project were received and the qualified low bidder was Warren Contracting and Development Inc. at $644,030.00. This was significantly over the construction cost estimate and consequently initiated negotiations with Warren Contractors, OHM advisors, the City and Oakland University representatives in an effort to reduce costs and keep the project on track. A bid tab and engineer’s letter of recommendation detailing the modifications (to the original bid) are included in the packet for reference. A reduction of $100,500.00 was deemed acceptable by all parties and therefore City staff recommends awarding the bid with the following cost breakdown:

<table>
<thead>
<tr>
<th>Description</th>
<th>Amount</th>
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<tbody>
<tr>
<td>Bid</td>
<td>$644,030.00</td>
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<tr>
<td>Less Reductions</td>
<td>$100,500.00</td>
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<td>Proposed Construction Cost</td>
<td>$543,530.00</td>
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<tr>
<td>Plus OHM Construction Administration</td>
<td>$26,500.00</td>
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<td><strong>Total 2015 Expense</strong></td>
<td><strong>$570,030.00</strong></td>
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<tr>
<td>2015 TIFA D Budgeted Funds</td>
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<tr>
<td>Shortfall</td>
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The OHM construction administration was part of the original engineering services approved in 2013 when the project began. However, the remaining construction administration will occur simultaneously with the rest of the project, and as such included as part of the 2015 total expenses above. With the contract reductions the project total still exceeds the 2015 TIFA D budgeted expense by $25,030.00. The City is in discussions with Oakland University and expects to receive approval to split the overage ($12,515.00 each) before proceeding.

In addition, staff recommends utilizing the Tree Fund to cover the costs of the soft scape (plant material) share of the project, which totals $100,580.00 after contract reductions. This alternative appropriation of the Tree Fund, which has been used likewise on other projects (Squirrel Court Improvements) helps minimize impact to TIFA. Therefore project final bid award funding assumptions are as follows:

<table>
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<th>Description</th>
<th>Amount</th>
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<tr>
<td>TIFA D Expense</td>
<td>$157,935.00</td>
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<tr>
<td>Tree Fund Expense</td>
<td>$100,580.00</td>
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<td>Oakland University Contribution</td>
<td>$285,015.00</td>
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<tr>
<td><strong>Bid Total</strong></td>
<td><strong>$543,530.00</strong></td>
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</table>
STAFF RECOMMENDATION
On May 12, 2015, the TIFA Board unanimously approved all expenses for the University Drive Streetscape; therefore, staff recommends the bid for the University Streetscape be award to Warren Contractors & Development, 14979 Technology Drive, Shelby Twp. MI. in the amount of $543,530.00.

MOTION
Move to approve the award of the University Drive Streetscape in the amount of $543,530.00 to Warren Contractors & Development. Funding to be split from TIFA D account number 253-737-970.000 UNIVERSITYSS in the amount of $442,950.00 and the Tree Fund account 242-447-955.002 in the amount of $100,580.00.

I CONCUR: Donald K. Grice on behalf of THOMAS A. TANGHE, CITY MANAGER
May 4, 2015

Jeff Herczeg
Deputy Director of Public Works
CITY OF AUBURN HILLS
1500 Brown Road
Auburn Hills, MI 48326

RE: University Dr. Streetscape
Letter of Recommendation

Dear Mr. Herczeg:

On February 23, 2015 at 10:00 am, a total of four bids were received for the above referenced project. The three lowest bidders are as follows:

<table>
<thead>
<tr>
<th>Contractor</th>
<th>Amount</th>
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<tbody>
<tr>
<td>Warren Contracting &amp; Development Inc.</td>
<td>$644,030.00</td>
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<tr>
<td>Landscape Services, Inc.</td>
<td>$702,077.00</td>
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<tr>
<td>W. H. Canon Inc.</td>
<td>$713,210.00</td>
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</table>

The work to be done under this Contract includes the furnishing of all materials, equipment, and labor necessary to construct the proposed streetscape and median signage improvements as well as all necessary earthwork, cleaning and restoration in accordance with the plans and specifications.

Warren Contracting & Development Inc. out of Shelby Township, Michigan is the low bidder for this project. However, the low bid was significantly over the construction cost estimate of $480,000. At the City’s direction, in order to move the project forward, we worked with Warren Contracting & Development, Inc. to value engineer the project to reduce project costs. After discussions with the contractor and the City, the following items are recommended for revision (along with their associated cost savings):

- Utilize 1 gallon plants in lieu of 2 gallon plants $7,000
- Reduce quantity of grasses $4,000
- Simplified median plantings $15,000
- Alternate simulated stone supplier $2,000
- Utilize MDOT planting detail $6,000
- Downsize Trees from 3” and 2” caliper to 1-1/2” caliper $26,500
- Remove water fountain and associate work at High Meadow $40,000

Total $100,500

Based upon the above changes the new contract amount would be $543,530.00. Warren Contracting & Development Inc. has previously performed satisfactory work of a similar nature throughout communities in southeast Michigan, such as the Cities of Farmington and Novi, where they worked with our office. Based on our findings, we recommend award of this contract to Warren Contracting & Development, Inc. in the amount of $543,530.00.
Digital files of this letter and the bid tabulation have been emailed to your office. If you have any questions or require additional information, please feel free to contact us.

Sincerely,
OHM Advisors

James C. Stevens, P.E.

cc: Tom Tanghe, City Manager
    Ron Melchert, Director of Public Works
    Terri Kowal, City Clerk

File
## University Drive Streetscape

**City of Auburn Hills, Oakland County, State of Michigan**  
**OEHM Job No.: 0120-12-0441**

<table>
<thead>
<tr>
<th>Item No.</th>
<th>Description</th>
<th>Estimated Quantity</th>
<th>Unit</th>
<th>Price</th>
<th>Amount</th>
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<th>Unit</th>
<th>Price</th>
<th>Amount</th>
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<td>Tree Removal and Street Sign Relocation</td>
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<td>11)</td>
<td>Remove and Reset Salvage Sprinkler Head</td>
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<tr>
<td>13)</td>
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<tr>
<td>14)</td>
<td>Ero Control, Silt Fence</td>
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**TOTAL BID AMOUNT**

- $644,030.00
- $702,077.00
- $713,210.00
- $898,545.00

**CORRECTIONS**

1. Bidder's amount corrected to reflect extension of original quantity provided on Bid Form.
2. Bidder's total adjusted to reflect correction.
3. Bidder included extraneous notation on Bid Form.

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Prepared by OEHM Advisors

Page 1 of 1

2/26/15
'Auburn Hills

'Adult Day Care' offers daytime help to seniors in need

Seniors at the Quality of Life Center in Auburn Hills recently painted more than 100 recipe holders, which were sold at Costco over Mother's Day weekend.

All proceeds went to the Children's Miracle Network, a nonprofit that raises funds for children's hospitals and medical research.

Quality of Life Center is an all-inclusive facility and is intended to be a "home" of principle medical care. The pride of the center is the Adult Day Health Care Center, a daytime program that provides continuous supervision and support services for the impaired older adult who should not be left alone during the day.

The program not only helps adults remain active, it also prevents premature nursing home placement and improves the individual's quality of life.

By permission of the caregiver, Quality of Life Center also assists the participant to medical appointments such as seeing a doctor, having blood work, physical therapy and nutritional and psychological counseling. Its purpose is to make life a little less physically and emotionally stressful for the caregiver and their loved ones.

Quality of Life Center is located at 3252 University Dr. Ste. 140, Auburn Hills. For more information, call 248-364-4064 or visit www.qualityoflifecenter.net.

To donate to Children's Miracle Network, visit give.childrensmiraclenetworkhospitals.org.

Submitted by Jackie Smiertka
Students eager for OU’s new LGBT minor

By Paul Kampe
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After several years in the works, Oakland University will soon be offering a minor in LGBT studies.

The 20-credit program will require students to take five related courses, including three core courses consisting of intro to LGBTQ studies, field experience in women in gender studies with a focus on LGBTQ studies and social theory.

LGBTQ stands for Lesbian, Gay, Bisexual, Transgender and Queer or Questioning.

Students can begin taking courses toward the program this summer, as it recently received final approval.

“I’m very proud of Oakland University that we can offer this,” said Jo Reger, sociology professor and director of women and gender studies. “It’s important in the world we live in.”

“The minor in LGBTQ studies combines historical, social science, interpersonal and institutional investigations of sexualities, sexual identities and gender identities,” the Rochester-area school’s online course catalog reads. “The minor provides an overview to the subject, a theoretical framework and hands-on experience in the form of internships as well as examinations into culture and institutions such as education.”

Other area institutions of higher learning offer similar programs, Reger said, including the University of Michigan and Michigan State University. Some institutions also offer majors and even graduate courses in LGBTQ studies, she added.

“We’re right up there with other universities,” Reger said. “This is another piece of the puzzle.”

Creation of the program has been in progress for at least six years, Reger said, noting the concept came from a former school administrator who once remarked about Yale’s offerings.

“We needed to wait until we were at a place where we could offer the required classes,” she said.

The final piece was the course in theory, Reger said, adding that students have already contacted her about the minor.

“The area of study is applicable to a wide range of majors, including communication, education and business, Reger said.

“It makes sense with the different populations this minor can serve,” she said. “Students are very excited by this.”

Gender and Sexuality Center coordinator Grace Wojcik said the minor will aid in the center’s mission of creating awareness on campus as well as meeting the school’s goals.

“It’s great to see,” she said. “It will help further Oakland University’s mission of becoming an inclusive campus.

“Students are excited to be able to do more.”

Oakland University will now be offering a minor in LGBTQ studies after recently receiving final approval.
OU medical school to graduate first class this week

By Paul Kampe
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Nearly 50 Oakland University medical students will mark the Rochester area school's first graduating class later this week.

The Oakland University William Beaumont School of Medicine will be hosting its first commencement ceremony for 47 students at the school's O'rena on Friday, May 15.

Oakland University William Beaumont School of Medicine opened in 2011 as the state's first new, M.D.-granting allopathic medical school in nearly 50 years.

Members of the charter class were chosen from a nationwide pool of more than 3,000 applicants.

Recently-inaugurated Oakland University president George Hynd said the first class is "incredibly important."

"They're really carrying the word of Oakland University across the country," he said. "I look at them as ambassadors for the entire university."

The medical school recently celebrated its first match day, where its students learned where they will complete their residency training with a 100-percent placement rate.

Students were placed in several specialty areas of their choosing at health systems throughout the country, including the University of Michigan and Duke University. Another 14 students were accepted by Beaumont Health.

Rochester Hills native Anne Wagner, 27, plans to perform her residency in psychiatry at Detroit Medical Center. She and other students were curious how the fledgling school would be perceived by potential suitors.

"We didn't know how the school was going to be received," she said. "We were all really happy."

Wagner recalled being sold on joining Oakland's charter class during her interview process.

"It just seemed like fate," the Wayne State graduate said. "They made me feel special, not just a number. They made it seem like a more personal and interactive educational experience, which proved to be true."

Plans to fund the medical school were first approved by Oakland's board of trustees in 2008. The school recently gained full accreditation from the Liaison Committee on Medical Education.

Oakland University William Beaumont School of Medicine has been increasing its class sizes incrementally and has now reached its full intended capacity.

The school's incoming class size has more than doubled from its charter group, as the school's fifth class is expected to total approximately 125 students.

University officials say the medical school was designed to "transform" medical education by offering a liberal arts medical education grounded in evidence-based medical science.

"This is not a school that is static," dean Robert Folsberg said. "It's reinventing itself constantly.

"Our students play a very active role in developing (our) success," John Prescott, chief academic officer of the Association of American Medical College, will give Friday's commencement address, while AIDS activist Mary Fisher will receive an honorary doctor of humanities degree.

School leaders and public officials are expected to be on hand for the occasion, which begins at 2 p.m.
College advisors give advice to new high school graduates

By Courtney Blackett
Special to The Oakland Press

As graduation for high school seniors quickly approaches, their future awaits, and many students have chosen to go on the path of getting a college education.

Representatives from Oakland University, Krista Malley, and Rochester College, Mackenzie Rellinger, give guidance for soon-to-be college students and how they can prepare over this summer.

Malley said, “I’d encourage students to ask themselves two questions. Number 1: What are some skills that you know you need to work on over the summer to feel prepared for college in the fall (i.e. time management, writing, math, how to do your own laundry or budgeting). This will help them be better prepared for the fall and one step closer to independence.”

“Number 2: What do you want to accomplish at the end of your college career? This will help them make a road map of where they want to go and the exits they want to take, from doing study abroad over the summer or research to participating in Alternative Spring Break and taking on a leadership role in a student organization.”

Strong support network

Having a strong support network is also extremely important to help college students succeed, Rellinger said.

Rellinger said that it is very easy for a college student to feel highly overwhelmed. When ignored, this can evolve into bigger issues like missing classes, not completing assignments, and even becoming depressed.

“Nothing is wrong with continuing to reach out to the people in your life that have helped you throughout the years, even after you’ve graduated high school,” said Rellinger.

“Sometimes just having an honest talk with your parents or other loved ones about how you’re feeling or what you’re struggling with can make the difference in your being able to stay in school and successfully complete your college courses. Never be afraid to speak up about how you are feeling. Attending college can be a difficult and overwhelming transition, so having a solid support system will be key.”

Soon-to-be college students should make sure that they have a good relationship with family or friends, before attending college.

Expect a new level of freedom

A subject many students don’t know about until they attend college is that the atmosphere in high school is much different in college, making the transition from high school to college a little more difficult.

“When students arrive on-campus, there is a newfound freedom. This freedom extends into the classroom where there will be an expectation of owning your academic success,” Malley said.

She said that soon-to-be college students should be prepared to be more responsible with their deadlines and assignments. Also, in college, it’s expected that students will have a more hands-on-experience.

“Faculty wants students to succeed and wants to see students invested in their academics and participating in and outside the classroom with activities that enhance learning, such as doing research or volunteer work,” she said.

After-class activities

Meaghan O’Berry of Clarkson, who graduated from Oakland University this month with a Bachelor’s degree in social work, said, “One key piece of advice I would give to upcoming freshman is to get involved in your school. Join a club, group, intramural sport, anything that connects you to students you wouldn’t normally have interaction with.”

“It not only helps you bond more with your school, but it also helps you build stronger friendships and networking opportunities for after you graduate.”