AUBURN HILLS MEETING SCHEDULE

248-370-9402

JUNE 2015
(06-02-15)

01  City Council Goals & Objectives Workshop, 5:00 p.m., Public Safety Building ☑️
01  Tax Incentive Review Committee, 5:30 p.m. Admin Conference Room  ❄️ CANCELED
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  ◆ CANCELED
15  Downtown Development Authority, 5:30 p.m., Admin Conference Room  ◆
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 Conference 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
The City of Auburn Hills
Regular City Council Meeting
Monday, June 8, 2015  7:00 p.m.
* Workshop 5:30 p.m.

Council Chamber  ♦  1827 N. Squirrel Road  ♦  Auburn Hills MI  
248-370-9402  ♦  www.auburnhills.org

• Workshop on Personal Property Tax Law Changes and Review of Tax Abatement Policy

1. **MEETING CALLED TO ORDER**
2. **PLEDGE OF ALLEGIANCE**
3. **ROLL CALL OF COUNCIL**
4. **APPROVAL OF MINUTES**
   4a. Regular City Council – May 18, 2015
   4b. Special City Council Goals and Objectives – June 1, 2015
5. **APPOINTMENTS AND PRESENTATIONS**
   5a. Presentation – Auburn Hills Helping Hands Scholarship Award to Colby Tuck
   5b. Appointment and Issuing of Oath of Office - City Treasurer
   5c. Presentation – Upcoming Pontiac Schools Millage Election
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. Pension Board – May 13, 2015
      7a.2. Retiree Health Care – May 13, 2015
      7a.3. Public Safety Advisory Committee – May 26, 2015
   7b. Motion – Approve to Fund Designations – GASB 54
   7c. Traffic Control Orders
      7c.1. Traffic Control Order SL-04 – Establish Collier Road Speed Limit
      7c.2. Traffic Control Order SL-04 – Establish Dexter Road Speed Limit
      7c.3. Traffic Control Order SL-04 – Paramount Estates Update Speed Limit
      7c.4. Traffic Control Order SL-04 – Establish Taylor Road Speed Limit
   7d. Motion – Award Contract for Fire Uniforms
8. **OLD BUSINESS**
   8a. Public Hearing/Motion – Brownfield Plan, 3507 Auburn Road (former Mound Steel)
   8b. Pontiac Youth Assistance Request for Funding
9. **NEW BUSINESS**
   9a. Public Hearing/Motion – New IFEC for Hydra-Zorb Co
   9b. Motion – Award Contract for Replacement of Interview Room Recording Equipment
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.
Meetings Date: June 8, 2015

The City of Auburn Hills
City Council Meeting
Minutes

May 18, 2015

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, Verbeke
Absent: None
Also Present: City Manager Tanghe, Assistant City Manager Grice, Fire Chief Manning, Police Lt. McDonnell, Assistant Fire Chief Macias, Deputy Clerk Novak, Manager of Business Development Carroll, Management Assistant Mariuz, Recreation Director Marzolf, Youth Coordinator Mullins, City Attorney Beckerleg, City Engineer Stevens
24 Guests

4. APPROVAL OF MINUTES
4a. Regular City Council Meeting – May 11, 2015
Moved by Hammond; Seconded by Mitchell.
RESOLVED: To approve the May 11, 2015 City Council meeting minutes.
VOTE: Yes: Burmeister, Hammond, Kittle, Knight, McDaniel, Mitchell, Verbeke
No: None
Motion Carried (7–0)
Resolution No. 15.05.097

Moved by Knight; Seconded by Burmeister.
RESOLVED: To approve the May 11, 2015 Council Workshop meeting minutes.
VOTE: Yes: Burmeister, Hammond, Kittle, Knight, McDaniel, Mitchell, Verbeke
No: None
Motion Carried (7–0)
Resolution No. 15.05.098

5. APPOINTMENTS AND PRESENTATIONS
5a. Presentation - Lifesaving Award to Faurecia Staff
Fire Chief Manning congratulated the Faurecia Staff on their excellent teamwork and presented a Citizen’s Life Saving Award to Jeffrey Trempus and Robert Dowell.
The teamwork of the Faurecia Staff, who had an emergency plan in place, was executed perfectly. The call came into the Department as an unresponsive male, who when emergency crews arrived was awake and alert. When Clare Renshaw collapsed to the floor the plan went into action. Mr. Dowell assisted with the automatic defibrillator while Mr. Trempus proceeded with CPR. Other employees proceeded with the emergency plan by posting someone at the front entrance to direct the emergency personnel to the appropriate entrance, where several more employees were strategically located to direct emergency personnel at each hallway, doorway and elevator to the exact location of Mr. Renshaw. Because of the teamwork, pre-planning and preparation of an emergency plan, the outcome was successful in saving Mr. Renshaw's life. Mr. Renshaw returned to work the following week.
The first responder team also included Alan Kowalewski, Robert Parmann, Connie Simon, and Jeff Tedler, who are also here this evening. Those not able to be here this evening are Haili Arbogast, Cedric Ballarin, Renee Godell, James Hillwig,
Alexandra Jordache, Scott Cieslak, Kimberley Barker, Ryan St. Amour, Jim Stark, Jason Noel, Erick Cichy and Aerica Jennings.

Fire Chief Manning noted also in attendance are Clare Renshaw, Mark Stidham, President of Faurecia North America, Michael Lewandowski, VP of Human Resources, Christina Wootton, Faurecia Communications and Aaron Mayberry.

Fire Chief Manning introduced Mr. Stidham, who thanked the Mayor, City Council and the City for presenting this award to the Faurecia employees. He had only been on the job a few weeks when Mr. Renshaw collapsed. He congratulated the City as well as the employees for the quick action resulting in a positive outcome.

5b. Introduction of the Parks & Recreation Teen Council

Mr. Marzolf explained the Teen Council was formed with two goals in mind; to connect these teens and their peers with volunteering opportunities within the community, and to work as advisors to help plan activities that other teens will enjoy.

Mr. Marzolf introduced Mandy Mullins, the Youth Coordinator, who will focus on teens.

Ms. Mullins explained the Teen Council consists of eight teens, noting the four present are Max Marzolf, Aparna Sumanth, Joyce Yu and Ann Zhao. The other members are Bailey Drews, Divya Ramanathan, Joel Taber and Jerry Zeng.

Max Marzolf, President of the Teen Council, explained the group represented Auburn Hills at the annual MRP Youth Symposium and are working on raising funds through a family fun night at the Community Center. A teen dodge ball tournament is being planned for Summerfest and work is being done to recruit new Teen Council members for the upcoming school year.

Ms. Hammond asked what the requirements are to be on the Teen Council.

Mr. Marzolf stated there is an application process, students in 9th through 12th grade are eligible and they do not have to be an Auburn Hills resident.

Mayor McDaniel thanked the teens for their willingness to serve on the first ever Teen Council.

6. PUBLIC COMMENT

Kathy Genautis, Sweets, 3395 Auburn Road and Julie DeCaire, The Edge, Men’s Grooming, 3395 Auburn Road, Suite B, would like to propose the City place 30 minute parking signs at the first five parking spaces directly in front of their building. Unlike other downtown businesses, 3395 Auburn Road has no rear entrances to the building, so rear lot parking isn’t an option. The 30 minute parking would allow their patrons direct access to the building. Currently the parking spaces are generally used by those visiting the apartment building, the DEN, Fuego Hookah Lounge, and the University Center. They remain parked for hours, requiring those that would just pop in for a quick stop to park further away from the store front. Many of the spur-of-the-moment stops are lost because of the distance the visitor would have to park. Business has declined because of the lack of close parking spaces and customers have commented, particularly seniors, they didn’t stop because there wasn’t any close parking and they aren’t able to walk that far.

Mayor McDaniel thanked the ladies for addressing Council, noting it has been a topic of conversation with Council and City staff. The issue is being investigated and staff will be forthcoming with a recommendation in the very near future.

Virginia Emanuel, a retired nurse, currently teaches at the Community Center; she has classes for Alzheimer and memory loss patients. She explained she has classes in other communities that draw as many as 40 people, but here in Auburn Hills there are generally only four participants. These classes help to refresh minds through math, reading, writing, art and music and help to slow the progression of memory loss. She currently is allowed to teach her class one day a month and she was told if there aren’t more students, the class will be canceled. She needs help with advertising her class as well as more time to reach more people; she is asking Council for help. She has also asked Karen Adcock, Senior Director for help as well.

Mr. Kittle asked how people participate in the classes she holds her at the City.

Ms. Emanuel stated she has on average four people. Her classes are held the third Monday of the month from 1:00 p.m. until 3:00 p.m.

Mr. Burmeister asked where else Ms. Emanuel teaches, and what can be done in Auburn Hills.

Ms. Emanuel explained she does the footwork and recruits professionals such as lawyers, doctors, teachers, nurses and politicians to come in and speak with the people attending the classes. She doesn’t understand why not many people participate in Auburn Hills. She teaches at the Baldwin Center in Pontiac, Meadow Creek on South Boulevard and others.

7. CONSENT 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

Moved by Burmeister; Seconded by Kittle.

RESOLVED: To approve the Consent Agenda.
VOTE: Yes: Burmeister, Hammond, Kittle, Knight, McDaniel, Mitchell, Verbeke  
No: None  
Resolution No. 15.05.099  
Motion Carried (7–0)

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.

Ms. Mariuz explained this is an amendment to the Downtown Development Authority Development and Tax Increment Financing Plan, which was created as a long-range fifteen year guide. A public hearing was held on April 27, 2015, and staff was available to answer any questions prior to this evening’s meeting.

The 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.

Mayor McDaniel announced and congratulated Assistant City Manager Grice for being appointed the Executive Director of the DDA Board. He extended thanks on behalf of City Council to Ms. Mariuz for all her hard work in moving this project forward. She has become the local expert, meeting with the County and answering many questions. He also thanked Ms. Carroll for her work on this long process.

Mr. Knight is pleased with Mr. Grice being the Executive Director of both the TIFA and the DDA and asked if there is any conflict in holding both positions.

Mr. Beckerleg, City Attorney, stated there is no conflict.

Ms. Hammond thanked the Citizens Council members who sit on this Board and helped to develop the plans.

Moved by Knight, Seconded by Hammond.

RESOLVED: To adopt Ordinance 15-868, approving the Auburn Hills Downtown Development Authority Development and Tax Increment Financing Plan.

VOTE: Yes: Burmeister, Hammond, Kittle, Knight, McDaniel, Mitchell, Verbeke  
No: None  
Resolution No. 15.05.100  
Motion Carried (7-0)

9. NEW BUSINESS

9a. Motion – Establish a Public Hearing for a Brownfield Plan for 3507 Auburn Road (former Mound Steel)

Ms. Carroll explained this is a request to set a public hearing for a Brownfield Plan for 3507 Auburn Road, commonly known as the former Mound Steel facility. The date requested is June 8, 2015.

Mr. Knight emphasized the total cost, $306,475, is an estimated cost.

Moved by Verbeke; Seconded by Kittle.

RESOLVED: 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.

VOTE: Yes: Burmeister, Hammond, Kittle, Knight, McDaniel, Mitchell, Verbeke  
No: None  
Resolution No. 15.05.101  
Motion Carried (7-0)

9b. Motion – Adoption of the By-Laws for the DDA

Ms. Mariuz noted the By-Laws establish the internal affairs for the DDA, including provisions of powers of the Board, appointment of Chairperson and Vice Chairperson, meetings, contract liability, and financial reporting requirements.

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 City Council.

Mayor McDaniel explained there were many questions asked and answered pertaining to the By-Laws at the DDA meeting.

Moved by Burmeister; Seconded by Knight.

RESOLVED: To adopt the bylaws for the Auburn Hills Downtown Development Authority.

VOTE: Yes: Burmeister, Hammond, Kittle, Knight, McDaniel, Mitchell, Verbeke  
No: None  
Resolution No. 15.05.102  
Motion Carried (7-0)

9c. Motion – Approval of DDA/Oakland County Opt-In Contract

Ms. Mariuz explained 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 60 days to opt out.

As of October 10, 2014, Huron Clinton Metropolitan Authority, the Library and the County opted-out of tax capture. Since then, Auburn Hills has been working with Oakland County to establish a contract; the Ad Hoc Committee granted unanimous approval on April 23, 2015; the Finance Committee gave unanimous approval on April 30, 2015 and the Board of Commissioners’ final
approval was also unanimous on May 6, 2015. The contract with the County is capture for a period of 15 years, or until Auburn Hills has collected approximately $1.6 million of County tax dollars, whichever occurs first.

Moved by Kittle; Seconded by Mitchell.
RESOLVED: To adopt the Tax Increment Financing Agreement between the County of Oakland, City of Auburn Hills and the Auburn Hills Downtown Development Authority.

VOTE: Yes: Burmeister, Hammond, Kittle, Knight, McDaniel, Mitchell, Verbeke
No: None
Motion Carried (7-0)

Resolution No. 15.05.103

9d. Motion – Approval of TIFA/Oakland County Sunset Contract

Ms. Mariuz explained 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 external 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.

Moved by Verbeke; Seconded by Hammond.
RESOLVED: 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.

VOTE: Yes: Burmeister, Hammond, Kittle, Knight, McDaniel, Mitchell, Verbeke
No: None
Motion Carried (7-0)

Resolution No. 15.05.104

9e. Motion – Approval of the Town Square Project

Mr. Grice explained he is covering these next two items on behalf of DPW. This first is to establish a downtown Town Square, which discussion began with the replacement of the official Christmas tree, because of its state of decline. This location has been chosen with the Christmas tree in mind, as well as providing 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. This location would allow the DEN to serve as a convenient warming station for wintertime events. A public square was located at the intersection of Auburn Road and what was once Principal Street, now known as Grey Road. The proposed new Town Square will occupy a portion of the land where the original public square of the 1830’s existed.

There were many questions and concerns of Council:

Moving the MOM’s Memorial – no, it is staying where it is

Mr. Knight wasn’t aware of all the changes, removing asphalt, installing grass, moving parking places, where the tree will be planted, and isn’t ready to approve a project that has not been thoroughly explained. He agrees with a town square but wants a more detailed plan, with a presentation.

Mr. Grice explained the intention is to remove the asphalt from the parking area. The tree will be placed behind the MOM’s Memorial; the sidewalk is only a conceptual drawing, not sure if it is necessary; the parking spaces being removed will be relocated across from the apartments, the five banked handicap parking spaces would be moved to the back public parking lot, if needed; the two charging stations will be moved near the City’s irrigation control box, further to the east.

Mr. Knight feels the drawing he is reviewing is an older drawing, it doesn’t include the downtown apartment building. He agrees in principal with a town square, but not without a detailed plan.

Mr. Kittle asked if drainage would be included in the plan, some winters are warmer than others and wouldn’t want the area to become a mud bog.

Mr. Grice said there will be storm drains included in the project.

Mr. Kittle noted two businesses earlier this evening commented about the lack of parking for their businesses, this plan to remove parking spaces would further hinder those businesses.

Mr. Grice explained the DPW monitors parking during downtown events, and there has never been a time when all parking spaces are full.

Mayor McDaniel stated the parking issues downtown are the result of underutilization of the parking garage, by both residents of the apartments and the visitors.

Ms. Hammond agrees with Mr. Knight. The tree’s position behind the MOM’s memorial may not be the appropriate place for it. It wouldn’t be as visible to those passing by behind the memorial. She too, would like a better plan and more information for the town square.

It is still possible to plant the tree in the location of the previous tree, depending on the root system of the previous tree and utilities. The thought was to locate the ice rink on the south side of the site, at the base of the Christmas tree. The tree does
get salt spray from the Auburn Road during the winter months, damaging the tree and that was taken into consideration when proposing the new location.

It was the intent of the DPW to keep costs down and do much of the work in-house, which is why there isn’t the typical site plan. OHM was gracious enough to do this plan. There was no need for grade and elevation drawings.

Mayor McDaniel believes Council is in agreement that all want a Town Center. He understands DPW wanting to move quickly to get a tree planted and be ready for the Christmas season. If this project doesn’t move forward soon, there will have to be a backup plan.

Mr. Knight doesn’t think compromising the Town Square plans should be dictated by planting a Christmas tree; a purchased cut tree can be used for the tree lighting ceremony. He would like to see what other plans there may be to utilize this Town Square including what an ice skating rink could be used for during summer months. He suggested possibly moving the MOM’s Memorial 90 degrees and having an update on the downtown plan. He would like to take a few months to discuss and plan the Town Square and forget about having a Christmas tree planted and ready for this year’s tree lighting. He appreciates the attempt at saving money, but he doesn’t want the project to look like money is being saved. He is in favor of reviewing the downtown plan and possibly make some changes.

Ms. Verbeke agrees, this project is moving too fast and asked about the open space on the other side of the DEN; who will be using the Town Square. If this is only to be used for the Christmas tree lighting and the Memorial Day parade, then the area is too big; families with children will be going to the parks. She is concerned with removing parking spaces, especially since those spaces are across the street from Sweets. There are more questions than answers, and she would like to have more information.

Mr. Kittle noted this project has been approved by the TIFA, and the property is located within a TIF district, and asked how the DDA plays into the project. Should the DDA have any input into the Town Square?

Mr. Tanghe explained for this very reason there is one Director over both the TIFA and the DDA, so the two can work collaboratively together. This project plan was done inexpensively, there are no complex changes being made, just looking for a low cost solution to creating a green space, town square. This isn’t a new idea, it’s been discussed for months and it was hoped the property could be prepared for the tree lighting ceremony this winter.

Mayor McDaniel stated it was discussed with the new DDA Members who are very excited with what is happening with the downtown. The TIFA members are excited about creating this town square, as are many of the business owners. He asked Council if there were any who do not want the town square at this location.

Ms. Hammond suggested this might not be the best location, the location is blocked by a building and many not see or appreciate the site.

Mayor McDaniel thinks it is the ideal location; the tree lighting ceremony has been held in that area for at least the past seven years and everyone knows the lighting is near the MOM’s Memorial. The tree does not have to be in suggested location, the tree can be placed anywhere within the proposed Town Square, possibly making it more visible.

Ms. Hammond isn’t necessarily referring to the tree visibility, it is the entire green space between two buildings.

Mr. Tanghe explained town squares are typically located at the termination point of a roadway, and this particular location is directly where southbound Squirrel Road runs into Auburn Road, located between Ashford Commons and the DEN. He suggested if there is too much green space, then some of the parking lot can remain, however, there isn’t any other location to make an actual town square downtown. Regarding parking issues, Mr. Tanghe noted there aren’t parking problems, there are walking problems.

Mayor McDaniel stated more education is needed to help alleviate some of the parking issues by talking with the apartment management to make people aware of the parking available in the parking structure.

Ms. Mitchell appreciates saving money, but value is not necessarily the lowest cost. She suggests having the project reviewed and brought back with a better, more detailed plan. The concerns and uncertainties are too great this evening for this project to receive Council approval.

Mr. Knight thought this town square area would have scheduled events every few weeks, not just a tree lighting location and the Memorial Day parade stop. He reiterated the MOM’s Memorial, if moved sideways or over a bit, would open up the space making it more visible.

Mr. Tanghe agreed more events should take place at a town square, but the focus is on the two events that already take place and as the square evolves, more events will likely take place there.

Mr. Knight suggested this being a workshop topic, and invite the TIFA and possibly the DDA members.

Mr. Kittle envisions people sitting around on their lunch hours eating there and people sitting around reading, however, on the other hand this space will need to be maintained during the winter months with snow plowing. He was curious if this proposal ties in with the Hyatt-Palma study, or if that study is still being used as a guide for the downtown. He agrees, he sees no reason to hurry this plan through.

It was the consensus of City Council to hold a joint workshop with TIFA and possibly the DDA.
Mr. Tanghe noted the DDA should be seen as the marketing aspect of downtown and partnering with the downtown merchants and TIFA as infrastructure.

**NO ACTION TAKEN**

9f. Motion – Approval of Bid Award for University Drive Streetscape

Mr. Grice explained the University Drive Streetscape project is a cooperative effort between Oakland University and the City to update and beautify the entrance from I-75 into the City as well as the University. The project began in 2013 with the painting of the streetlights and the installation of the Auburn Hills and Oakland University street banners. Because the bid came in over budget, the City and Oakland University worked to reduce the overall contract to an acceptable amount.

A Power Point presentation showed three modules, the first module heading east from I-75 was to contain a fountain, but because of the cost, the fountain was removed from the plan. The next two modules are branding module as well as streetscape improvements. The branding modules compliment both the City and University, with elevated planters containing ornamental grasses, with ornamental grasses, perennials and flowers planted along the roadway. The Members of the TIFA were disappointed the fountain at this time was cost prohibitive, but hope to seek approval at a future time.

Mr. Burmeister asked how the streetscaping plan will affect the vacant property on the south side of University Drive next to the Wellington Green building.

Mr. Grice stated it won't affect the vacant property, but may impact the road right of way.

Mr. Kittle noted the dandelions have become very prominent in the median grass and suggested action be taken to get rid of the weeds.

Mr. Grice explained there were contracted services providing weed control of all the boulevards, but those contracts were eliminated as a cost saving measure five or so years ago. He agrees, there must be weed control done. He is looking forward to this project.

Mr. Tanghe explained the City bills the University as each segment of the project moves forward and is completed. The payments received are deposited in the TIFA accounts; TIFA makes all the initial payments.

Mr. Grice explained for Ms. Hammond that the modules will not obstruct traffic sight lines.

Mr. Stevens explained the modules on the cross-over will be to the east, not obstructing traffic view.

Ms. Verbeke asked for clarification on how the Tree Fund money will be used, and what type of balance in the account would remain.

Mr. Grice explained the Tree fund currently has a balance of just over $536,000; the only other item being considered from the fund is the Christmas tree.

Moved by Verbeke; Seconded by Mitchell.

RESOLVED: 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.

Mr. Stevens noted because of the diverging diamond project, the module and the immediate surrounding area at Cross Creek, will not be completed until next spring. Everything for the streetscape east of Cross Creek will be completed this year.

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

Motion Carried (7-0)

Resolution No. 15.05.105

10. COMMENTS AND MOTIONS FROM COUNCIL

Ms. Hammond:

- Congratulated Lt. McDonnell on the successful and well planned Police Awards banquet. Mr. Kittle did a wonderful job filling in for the Mayor.
- She and Mr. Knight met with DPW personnel downtown and walked and pointed out some the issues. She asked Council to consider replacing the angle parking with parallel parking in front of the Fieldstone building.
- Worked at the blood drive at the American Legion, and asked for information regarding the Memorial Day parade, but no one seemed to have an answer. The hamburgers and hot dogs have been received, but no one knows who is in charge.

Ms. Verbeke:

- Attended the Beautification’s Perennial Exchange, noting it was well attended with over 100 people showing up.
- The Beautification Advisory Commission will have an information table setup at the Summerfest.
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Mr. Knight:
- Pontiac Youth Assistance has contacted him regarding funding. He questioned if he can request a report of what impact the funding has on the kids and what type of programming is available. He received head nodding confirmation he can make that request.
- Reduce or suspend watering the medians, will help to eliminate the need to control weeds and not need much mowing.
- The BAC perennial exchange was great.
- Featherstone Road looks great and is moving along well.
- The Avondale School District receives $5,000 in Block Grant funds over a two-year period; however, the need is greater than $5,000. He has $1,300 worth of reimbursable expenses that meet the block grant criteria and asked if the City may possibly be willing to reimburse those funds, either through the City Council fund or the general fund.

Mr. Burmeister:
- Opdyke Road streetscape south of Walton Boulevard is looking rather rough, especially between Pontiac Road and University Drive.
  Mr. Grice will let DPW know; those are contracted services.

Mr. Kittle:
- Played at Fieldstone, noting what great shape the course is in.
- Asked if June 15th was the planned start date for Squirrel Road project.
  Mr. Stevens stated the project had been planned for a June start, but there was a minor hiccup with the Federal government.
- Taylor Road is in horrible condition.

Ms. Mitchell:
- Thanked Ms. Carroll for the CKC activity update.
- Thanked Lt. McDonnell and asked her to share that there is continuous positive feedback from residents regarding the Police blog and the Twitter feed.
- She had a very enjoyable time at the Police Awards ceremony.
- Complimented Ms. Carroll, Mr. Cohen and Mr. Keenan on the well facilitated Brownfield/Planning Commission meeting.
- Requested press releases be placed on the landing page of the City’s web site.

Mayor McDaniel:
- Last year he participated in the Paddlepalooza and suggested all Council Members reserve their spot for this year’s. This year the Paddlepalooza is being held May 30th. The race begins

11. CITY ATTORNEY’S REPORT - none

12. CITY MANAGER’S REPORT
- A conditional offer has been made for the Executive Assistant position and hopes to have the new person begin June 22nd.

13. ADJOURNMENT
Meeting adjourned at 8: 40 p.m.

___________________________________  __________________________________
Kevin R. McDaniel, Mayor                     Terri Kowal, City Clerk
CALL TO ORDER: by Mayor McDaniel at 5:00 p.m.

LOCATION: Public Safety Building, 1899 N. Squirrel Road, Auburn Hills, MI 48326

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

Absent: Mayor Pro Tem Kittle

Also Present: City Manager Tanghe, Assistant City Manager Grice, Facilitator Pat Piskulich, Police Chief Olko, Community Development Director Cohen, City Clerk Kowal, DPW Director Melchert, Finance Director Schulz, Assessor Lohmeier, Deputy Finance Director Wickenheiser, Senior Director Adcock, Recreation Director Marzolf, Manager/PGA Golf Pro Marmion, Fire Chief Manning, Management Assistant Mariuz, City Engineers Stevens and Juidici, and City Attorney Beckerleg.

Facilitator Piskulich called the meeting to order at 5:00 pm. The Goals and Objectives from last year were reviewed and discussed at length. Some goals were changed, due to completion or ongoing efforts being done on them.

The 2016 Goals and Objectives were discussed by Council. Fiscal Sustainability, Delivering Outstanding City Services, Drive Smart Community Development, and Enhance Academic and Age-Friendly Community Initiatives were listed. Several objectives for each were determined.

City Council’s Goals and Objectives for 2016 are attached as approved by consensus.

The workshop adjourned at 9:00 p.m.
Auburn Hills City Council
2016 Strategic Goals & Objectives

I. Focus relentlessly on fiscal sustainability

- Annual review & revision of 5-year forecast at budget time, including capital purchases & improvements
- Maintain unrestricted general fund balance at 50% of expenditures
- Strive to maintain net zero cost impact for incremental operational expenditures
- Quarterly cash balance report by fund
- Active participation in legislation & other initiatives protecting local government revenues
- Provide city council with annual abatement report & review policy
- Evaluate existing & alternative revenue sources
- Evaluate current purchase & service delivery methods for savings opportunities

II. Deliver outstanding city services

- Develop a city mission statement
  - “Live, work, play”
- Encourage citizen participation via increased awareness
  - Improved marketing
  - Message boards
  - Increase social media presence
  - Television station improvements
- Respond to generational & cultural needs
  - Strength: youth, teens, seniors
  - Opportunity for growth: 30-50 year olds (incl. our corporate community)
    - Mentor program with employment & people skills
- Attract & retain talented workforce (be the employer of choice)
  - Top notch compensation
  - Well-trained, educated workforce
  - Work toward a workforce that is more reflective of the community
- Customer service: training/skill improvements across all departments
  - Courtesy
  - Professionalism
  - Pro-active support (“May I help you?”)
  - Awareness of other dept activities (Cross-training/ AHU)
- Improve service delivery mechanisms/efficiency review
Drive smart community development

- Continue downtown development & expansion to increase population, inventory, & jobs by viewing development in three dimensions
- Maintain & improve policies that support a stable business environment
- Support code enforcement efforts to protect & enhance neighborhoods
- Explore incentives for various housing types
- Further develop the other three commercial development areas (Opdyke corridor, GLCO area, Five Points/Golden Triangle)
- Wise use of vacant land & empty buildings
- Pathway development/increased walkability
- Continue Clinton River stewardship
- Protect the natural beauty/resources/character of AH
- Maintain & look for opportunities to enhance alternative energy infrastructure

III. Enhance academic & age-friendly community initiatives

- Develop strategic transportation plan for community
- Develop additional residential opportunities in downtown
  - Including universal design
- Continually integrate AH into higher education community
  - OU, Cooley, OCC, Baker, CMU
  - Pro bono work from Cooley
- Explore volunteer time bank program
- Advocate for improved educational opportunities for students in the Pontiac School District and positive impact on surrounding communities
- Educate residents on available community health services
- Increase walkability
To: Mayor and City Council
From: Thomas Tanghe, City Manager; James T. Manning, Fire Chief
Submitted: June 3, 2015
Subject: Presentation – Auburn Hills Helping Hands Scholarship Award to Colby Tuck

INTRODUCTION AND HISTORY

The Auburn Hills Helping Hands will present a $1,000 scholarship to Avondale high school senior, Colby Tuck, in the name of Fire Fighter Dennis E. Dearing Jr.

As you may recall, Helping Hands usually awards three scholarships annually. Unfortunately, only two applicants applied for the three available scholarships. One of the applicants submitted an incomplete application and then failed to return follow up calls seeking the required information.
INTRODUCTION AND HISTORY
On Friday, June 5, 2015, Nancy Buschmohle retired as City Treasurer of Auburn Hills. As is the case with most open positions throughout the organization, the announcement of this pending vacancy provided an opportunity for management to evaluate opportunities for a change in structure, or a shift in personnel. Following several meetings with staff members from the Finance Department and the Treasurer’s office, we have decided to not fill the Treasurer’s position as it exists today, but rather merge the jobs of Treasurer and Finance Director into one position which will be held by our current Finance Director, Michelle Schulz. In addition to the immediate financial savings, we also believe this merger will provide greater operational efficiencies. We will continue to examine internal controls to assure an appropriate system of checks and balances. This new position has been reviewed by our Auditors and deemed appropriate for our operation.

STAFF RECOMMENDATION
Chapter VI, Section 6.1 (c) of the City Charter provides that City Council shall appoint the position of City Treasurer. This appointment, combined with that of Finance Director, will provide for comprehensive leadership in the areas of financial planning and budget management, staff effectiveness, policy facilitation, revenue collections, audit, and financial reporting and disclosures. We look forward to continued innovation and increased efficiencies with this appointment. With the support of team members in the both the existing Finance and Treasurer Offices, we are confident in recommending the appointment of Ms. Schulz as City Treasurer in the role of Finance Director/Treasurer.

MOTION
Move to appoint Michelle Schulz to the position of Finance Director/City Treasurer, effective June 8, 2015.

I CONCUR:

THOMAS A. TANGHE, CITY MANAGER
5c. Presentation – Upcoming Pontiac Schools Millage Election
Dr. Vickie Markavitch, Superintendent of Oakland Schools

NO ELECTRONIC INFORMATION AVAILABLE
1. CALL TO ORDER: Chairman Martin called the meeting to order at 3:00 p.m.

2. ROLL CALL
Present: Mayor Pro Tem Kittle, Finance Director Schulz, Public Safety Representative Martin, Fire Chief Manning, City Clerk Kowal, Clerical Representative Klobnock

Absent: Mayor McDaniel, City Manager Tanghe, DPW Representative Landry

Also Present: Thomas Michaud, Attorney; George Vitta & Katherine Ghannam, Asset Strategies; Deputy Finance Director Wickenheiser, Retiree Steve Grohen

3. APPROVAL OF THE AGENDA
Chair Martin requested an actuarial report be added to New Business.

Moved by Kowal; Seconded by Klobnock
RESOLVED: To approve the Agenda.

VOTE: Yes: All
No: None  Motion carried (6-0)

4. CONSENT AGENDA
4a. Approve Minutes of the Pension Board Meeting of February 11, 2015.
4c. Approve payment in the amount of $4,063.75 to Asset Strategies for services rendered on invoice 4061 for the month of January, 2015.
4d. Approve payment in the amount of $4,063.75 to Asset Strategies for services rendered on invoice 4075 for the month of February, 2015.
4e. Approve payment in the amount of $4,063.75 to Asset Strategies for services rendered on invoice 4090 for the month of March, 2015.

Moved by Klobnock; Seconded by Kowal.
RESOLVED: To approve the Consent Agenda.

VOTE: Yes: All
No: None  Motion carried (6-0)

5. OLD BUSINESS
5a. Commercial Added Value Real Estate Search Results
Mr. Vitta explained the commercial real estate results have done very well for both the Pension and Retiree Health Care and are expected to continue. The commercial real estate consists in part, of commercial properties, industrial properties, hotel properties, apartment buildings, offices, retail shopping malls, and some warehouses. Although this market continues to do well, searches have been ongoing to look into a fund that has properties that are still fairly valuable. At this time there isn’t any determination to be made, at a later meeting funds will be brought for discussion.

5b. Review of Pension Calculations / FAC
Mr. Michaud explained the Calculation of Final Average Compensation is based on which bargaining unit an employee falls under: AFSCME participants’ FAC is based upon the “best three of the last consecutive five year’s income
average of credited compensation”. Police Officer Participants’ FAC is based upon “employee’s highest consecutive five year income average”. Because the term ‘year’ can mean many things, there is a definition of ‘year’ included as part of the document. This was looked at from a policy standpoint of the past practice that has been implemented over numerous City retirements. He put those practices into a narrative format, a descriptive basis of the Boards’ policies of how the benefits are calculated. The draft documents stipulate benefits are specific to the bargaining units. The definition of Compensation also varies, depending on the bargaining groups. The policy contains information on how to calculate the five consecutive years; the calculations become more difficult if an individual retires on any other day besides December 31st. There is description on page two and an illustration on page three to assist in the calculations.

Mr. Michaud explained the calculations are based on the portion of the final year and based on the final number of actual work hours in the final year of employment, understanding the actual number of employable hours for a year is 2,080 hours. This formula is used for calculations to determine the benefit amount. This is historically how the City has calculated benefit amounts.

Mr. Martin noted at the last meeting there was discussion that some pensions were not calculated in this manner, but, Mr. Michaud had stated the majority of pensions have been calculated this way.

Ms. Schulz noted there have been two pensions, out of 40, that have not been done in the way described by Mr. Michaud.

Mr. Michaud explained this is merely a draft for discussion purposes and can be adopted at a later date.

Ms. Schulz noted on pages three and four, she would like the example of 1830 hours/ 2080 = 0.88, to reflect one decimal place, 0.8.

Continuing Mr. Michaud explained the Calculation of Service Credit is calculated based on the number of days employed and converting to a percentage of a calendar year (example: number of days worked, multiplied by 2 and divided by 365, equals a factor). The factor is important because, if the employee worked more than 1,000 hours a year’s credit is achieved; if less than 1,000 hours are worked the number is pro-rated using the factor. This method applies to the beginning of employment and when employment is terminated.

Both of these policies reflect what is currently in the Pension Plan.

Moved by Kowal; Seconded by Klobnock
RESOLVED: To receive and file the Policy drafts.

Mr. Kittle asked what the next step is for these Policies.

Chair Martin encouraged all Members to read and review the policies and at the next meeting questions can be asked and answered, with possible adoption.

VOTE: Yes: All
No: None  Motion carried (6-0)

5c. Sample Retirement Form with Pay Codes Used
Ms. Schulz presented a PowerPoint presentation showing how the information is pulled from the BS&A program for an employee; the hire date and the retirement date process the calculations from the formulas that have been programmed. The pay codes represent the bargaining unit of the employee. This method allows all the data to be maintained in one location and doesn’t not require manually pulling information from different locations.

Mr. Martin noted this presentation by Ms. Schulz is a result of Steve Groehn’s questions on how the numbers were calculated for his retirement.

Mr. Groehn submitted a memo and benefit worksheets he requested the Pension Board to review. He asked if there are any pension worksheets available, prior to 2005; the first available are for 2005, prior to Mr. Barnes hire in May of 2005. Ms. Wickenheiser stated she didn’t look any further back than 2005.

Mr. Groehn asked how an audit could be completed without benefit worksheets. The Pension Plan states a copy of all records shall be kept in accordance with Section 12.9 of the Plan. Ms. Wickenheiser reiterated, she didn’t look any further back than 2005, not confirming there aren’t any records. Ms. Schulz explained worksheets are included in the retiree’s files, provided by the company that used to do the actuarials. She stated she doesn’t know what was provided to the actuarial at that time.

Mr. Michaud asked Mr. Groehn if he is looking for specific documentation and suggested he put those specific questions in writing to be treated as a Freedom of Information Act request.

Mr. Groehn explained when he sat on the Pension Board, from 2004 until his retirement, the current method of calculations is not the way it was done in 2004. He had 20 benefit worksheets dating back to October 2005 and has reviewed those and how they were calculated and noticed there were three different calculation methods used. He believes the calculation method should be the same for all employees regardless the time of year one retires.
Responding to Ms. Kowal, Mr. Groehn explained he never mentioned the differences in methods when he sat on the Board because he wasn’t aware of how the calculations were determined. He didn’t learn the method until recently; he always thought calculations were based on months of service. He wants his calculations to be the same as the majority of other retirees.

Mr. Kittle asked Mr. Groehn what his purpose is for this discussion, is there something that he would like to see done.

Mr. Groehn explained he believes his pension has been diminished, not by thousands, but he believes all calculations should be the same and treated fairly. He suggested with the three calculations methods being used, the Pension Board is not upholding their duties.

Mr. Kittle stated since learning of different calculation methods, the Board has taken responsibility and is now working on adopting a policy for one method for calculating pension compensation.

Mr. Michaud stated this Board has made a determination that they feel is consistent with the collective bargaining agreement and with the Plan Document. It is a pretty clear past practice of how the last 42 retirees have been calculated, and that should be memorialized in some form going forward, so everyone understands that is the way the benefits were calculated.

Ms. Schulz confirmed the Finance Department checked the calculations of those that retired going back to 2005, and all of those retirees were calculated using the same method.

Mr. Michaud stated Mr. Groehn should make a specific request for copies of documents or to review documents; questions asked of this Board cannot be substantiated without documents readily available.

Mr. Groehn stated he has submitted information to Mr. Martin.

Mr. Michaud told Mr. Groehn to be specific in his request for information, including the dollar amount he believes he should be receiving from his pension as opposed to what he is currently receiving.

Mr. Groehn stated he doesn’t have that information, it comes from the actuary by using a formula specified in the collective bargaining agreement of the past consecutive five year average. He asked if there can be a determination made of his appeal by the next meeting.

Mr. Martin stated it depends on questions of the Board Members.

Mr. Martin asked regarding the Sample Retirement Form with Pay Codes Used, if Ms. Schulz could shed some light on discrepancies that were found.

Ms. Schulz explained the same methodology was used to determine the benefit amounts, the difference is rounding to one decimal point, not two. The calculations are for the Option 1 benefit, not any of the other options. By using one decimal point it can change the amount quite a bit. Recalculations were done back to 2005 for the 40 employees that retired during that period and many of those recalculations resulted in discrepancies. Though the methodology was the same, the calculations of wages, what was included or excluded in the wages, was a major factor in the discrepancies.

Mr. Martin suggested those that have been over paid be sent a letter explaining the error and from this point forward their pension check will be the new amount and they can contact the City with any questions. No repayment of those overpayment of funds be requested.

Mr. Martin requested Item 5f. Policy on Under and Over Payments be moved to this section of the agenda.

5f. Policy on Under and Over Payments

Mr. Michaud explained the Policy drafted includes several scenarios that may alter the correct calculation of the pension benefit with reasonable solutions. Regarding underpayments, the following is suggested in the Policy –’upon discovery of an underpayment in benefits, the Board of Trustees shall provide the retiree or beneficiary with notification of the underpayment as well as the following re-payment options as established by the Board of Trustees: (a) a retroactive lump sum payment without interest, or (b) if the underpayment is greater than $5,000.00, a permanent actuarial adjustment over the life of the retiree or beneficiary consistent with the form of benefit elected at the time of retirement’.

For overpayments, the Board does have the ability to take reasonable steps to recoup those overpaid funds. The retiree must be contacted and told how the Board wishes to handle the issue. He suggested the Board inform those retirees whose pensions will be affected with a letter explaining the error and giving them notice of when the change will take place; a 30, 60, or 90 day notice would be sufficient.

Mr. Kittle asked if there could be a threshold amount of what would not be required to be paid back.

Mr. Michaud explained there has to be a rational reason for drawing the line at a certain point. There is always options to make exceptions, but there will need to be financial support for the decision.

Ms. Schulz asked if Plante Moran should take a look at some of the recalculations and make a determination. It may be a good idea to have an outside source review the calculations.
Mr. Martin stated now that an issue has been identified, maybe having an independent set of eyes take a look and confirm the recalculations done by Finance. He noted Plante Moran is hired by the City as well as the Pension/Retiree Health Care Boards, and some might suggest Plante Moran would side with the City/Boards. Maybe another audit firm should be considered.

Mr. Michaud stated whatever firm is picked, they will be paid by the Board. Plante Moran is an established company and they will not deviate on their standards, and could do a quick review.

Mr. Martin agreed with Ms. Schulz, the methodology of calculations must first be agreed on prior to having Plante Moran review the calculations.

Ms. Rodwan noted the difference after actuaries are completed will not have a huge impact.

Mr. Martin asked how the Board felt of asking a retiree to repay over payments.

Mr. Kittle stated he looks at this as a "today forward" resolution and forget the past.

Mr. Manning agreed with Mr. Kittle, as did Ms. Kowal.

Mr. Martin does not want to seek repayment of overages, but those that didn’t receive their entitled amount will receive the amount owed.

Mr. Martin suggested everyone review the Policy resolutions and have a special meeting so this issue won’t be put off until the next scheduled meeting in August. He will also forward the information he received from Mr. Groehn.

The Board asked to see the calculations and recalculations for Mr. Groehn’s pension benefits; Ms. Wickenheiser stated both were exact, to the penny.

Ms. Schulz noted this methodology used was not created by Mr. Barnes, but goes back to Mr. Martini. She also explained the three individuals Mr. Groehn pointed out as being calculated using a different method isn’t true. The method was the same, it was a matter of hour’s worked and hourly wage being incorrect. She noted some retirees are upset when they are not paid immediately; the last paycheck must be included in the calculations for the pension. The guidelines stipulated in the Plan Document must be adhered to which will prevent errors in the calculations.

Mr. Martin noted the Plan Document specifically states there may be a 90 day delay, prior to receiving a first pension check. Mr. Michaud stated that is a typical statement in plan documents. Mr. Martin stated an employee should contact Human Resources with questions regarding their pension, not contact payroll directly.

Mr. Kittle suggested if this procedure is to be cleaned up, two decimal places be used as used for currency be the preferred formula.

Mr. Martin asked if there would be a substantial amount of work involved to update the spreadsheet with the two decimal point calculations ready for the next month’s special meeting. Ms. Schulz stated it will be available.

Mr. Martin stated the special meeting will include the two draft policies, the Calculation of Final Average Compensation and Calculation of Service Credit, the spreadsheet with decimal point calculations, Mr. Groehn’s information, and policy resolution on how to go forward on contacting an outside firm to review the re-calculated numbers prior to sending numbers to the actuary to having numbers re-calculated.

It was decided the special meeting will be held June 17, 2015 at 1:00 p.m. in the Administrative Conference Room.

5d. FOIA Policy Review

5e. EDRO Policy Updates

Items 5d. FOIA Policy Review and 5e. EDRO Policy Updates will be forwarded to the regularly scheduled meeting, August 12, 2015.

Moved by Klobnock; Seconded by Kowal.

RESOLVED: To move the FOIA Policy Review and the EDRO Policy Updates to the August 12, 2015 regularly scheduled meeting.

VOTE: Yes: All
No: None

Motion carried (6-0)

6. NEW BUSINESS

6a. Actuarial Report

Ms. Rodwan explained the Employee Pension Plan report contains liabilities that were computed as of December 31, 2014 as well as computed contributions for 2016. There were no benefit provision changes, but there were assumption changes adopted by the Board in December 2014. The assumption changes regarded the mortality rates; the new RP 2014 Healthy Annuitant Mortality Table was adopted. Also the annual salary increase assumption was reduced from 5% to 4.5%. The number of retirees increased to 104, up from 96 and it is the first time pension payroll exceeds active employee payroll. The pure market value of the Plan has increased by almost $1.5 million.
Continuing, Ms. Rodwan noted the City’s contribution rate for the January 1, 2015 is computed at 22.35% of payroll or $474,821, based on a cost aggregate method.

The Economic Assumptions reflect the assumed investment return is 7.5%, the commonly assumed rate. GASB has not established the 7.5% as the industry benchmark; GASB requires the actuary compute and project future benefit payments and assets out 100 years and requires a blended rate.

Responding to Mr. Kittle, Ms. Rodwan stated calculations have been done on ‘what if’s’. The new GASB requirements mandate those type of projections.

Ms. Rodwan continued with the GASB Statement 67, which contains actuarial information for the fiscal year ending December 31, 2014, as required. The City’s unfunded accrued liability is the same that shows up in the actuarial reports. The City’s net pension liability, calculated using the discount rate of 7.5%, as well as what the City’s net pension liability would be if it were calculated using a discount rate that is 1% lower (6.5%) or 1% higher (8.5%) than the current rate. The $1,888,855 is unfunded accrued liability.

Mr. Kittle suggested including another row in that chart showing what the funding would be. Ms. Rodwan stated she will include that information for next year.

Ms. Rodwan briefly reviewed the Schedules that are GASB 67 requirements.

Mr. Martin deviated from the agenda and asked Ms. Rodwan to proceed with the Retiree Health Care Trust Fund actuarial.

Ms. Rodwan noted this is actuarial valuation is for the fiscal year ending December 31, 2014. The number of active participants decreased from last year, 131 down to 117; the payroll is quite a bit less, down about $1 million. The change in the mortality table applies to the Retiree Health Care as well. The actuarial accrued liability is $28,007,280, assets of $14,492,743, with an unfunded actuarial accrued liabilities of $13,514,537 or 51.7% funded.

The computed contribution rate consists of two components – normal costs and amortization of unfunded actuarial accrued liability. The normal cost is considered to be the ongoing cost. The unfunded actuarial accrued liability has been amortized for active employees over 30 years. The computed employer contribution rate as a level percentage of payroll is a normal cost at 7.83%; unfunded actuarial accrued liability is 9.89%; total computed contribution rate is 17.72% and the dollar contribution is $1,421,536. There has been a large increase in percentage of payroll contributions due to the change in the mortality table and the decrease in the active member payroll.

There is a 5% assumption in premium rates for medical benefits.

Responding to Mr. Kittle, she stated GASB does not force communities to stop pay-as-you-go practices. GASB cannot force anyone to make contributions; it’s only for reporting purposes.

Moved by Kowal; Seconded by Klobnock.

RESOLVED: To receive and file the Actuarial Valuation Reports for the Pension Board and Retiree Health Care Board and the Actuarial Information for GASB Statement 67.

VOTE: Yes: All
No: None
Motion carried (6-0)

Mr. Martin requested to continue with the Retiree Health Care and Asset Strategies First Quarter Performance Report.

Ms. Ghannam explained the small and micro-cap funds did better than the S & P’s 500, international stocks did well, as did bonds because of interest rates falling. All the asset classes did very well. The quarterly variance analysis shows Total Fund results outperformed the Policy Index primarily due to good results from Rothschild and the PIMCO Total Return Fund. The ranking is one, and has been for the last two years as well as the past quarter. All of the asset allocations are very close to target. The current allocation to Hatteras, the hedge fund, is at 13.5% and she suggests reducing that to 10%, with $525,000 from the re-allocation be allocated to the real estate fund – American Core Realty.

Moved by Klobnock; Seconded by Kowal.

RESOLVED: Reducing the current allocation of 13.5% in the Hatteras Core Alternatives TEI Institutional Fund from 13.5% to 10%, and reallocating those proceeds of $525,000 to American Core Realty.

VOTE: Yes: All
No: None
Motion carried (6-0)

Returning to the Pension meeting.

6b. First Quarter Performance Report and Liquidity Schedule

Ms. Ghannam explained the benchmark was outperformed, up 2.86% for the quarter. The one-year Total Fund results exceeded the return, ranking favorable at the 15th percentile. Again, Total Fund results outperformed the Policy Index primarily due to good results from Rothschild and the PIMCO Total Return Fund. Over longer periods, Total Fund results are similarly ahead of return, risk and peer group expectations. There were no violations of investment guidelines detected. All investment allocations were close to the targets.
Ms. Ghannam continuing with the Liquidity Schedule funding for June, July, August and September recommended funding come from the Rothschild SMID Cap; $200,000 for July, $225,000 for both August and September. June was previously approved. She isn’t sure of when the contributions will be changing, based on the actuarial assumptions. In the past, Mr. Barnes updated Asset Strategies with any changes, and asked if Ms. Schulz will do the same.

Ms. Schulz explained the contributions have already been changed in the system.

Ms. Ghannam indicated contributions are $34,000 a month.

She and Ms. Schulz will work together, making sure the contributions are correct.

Moved by Schulz; Seconded by Kowal
RESOLVED: To accept the funding recommendation of Asset Strategies of $200,000 for July, $225,000 for both August and September come from Rothschild SMID Cap, for the Liquidity Schedule.

VOTE: Yes: All
No: None
Motion carried (6-0)

Moved by Kowal; Seconded by Manning.
RESOLVED: To receive and file the First Quarter Asset Strategies Investment Performance Analysis and the Liquidity Report for the Pension Fund.

VOTE: Yes: All
No: None
Motion carried (6-0)

Moved by Klobnock; Seconded by Manning.

VOTE: Yes: All
No: None
Motion carried (6-0)

6c. Changing of Option Selection Forms for Deferred Participants
Mr. Martin explained this was placed on the agenda by Ms. Klobnock, because of an issue with the option selection forms from a former employee.

Ms. Klobnock explained at the time of separation, former employees had selected a specific option and now wish to change that option of receiving pension payments, now that they are eligible to collect on those deferred pensions.

Mr. Michaud explained the compensation is calculated based on the last day of employment, but he isn’t sure about the provisions of the option form and will need to investigate.

Ms. Schulz stated she had submitted the change to Ms. Rodwan for the new calculations.

Mr. Martin asked Mr. Michaud to have the answer available at the June special meeting.

6d. Discussion of Distributing Annual Pension Estimates for Members
This too, is a request of Ms. Klobnock.

Ms. Klobnock noted in the past pension estimates were sent to employees, but this year none were sent and asked if they would be sent.

Ms. Schulz stated they had not been sent, nor was there an intent to send those. The estimated numbers will not be accurate at a future date, so the calculations are useless, not providing accurate information and a poor use of time. She also noted she cannot confirm the numbers that are included on the forms.

Ms. Klobnock stated there was direction from this Board to supply those documents to employees annually. She suggested amending and receiving the information every three or five years, noting there are disclaimers included on the form that the numbers or only estimates.

Ms. Schulz stated if the City is going to continue guesstimates, then it will be in the format that is done for an actual estimate. She does not advise creating a document that doesn’t mirror reality.

Ms. Klobnock is fine with changing the format and possibly coinciding the estimates when contracts for the bargaining units are due. Those new contracts generally indicate if there will be wage increases. There was a motion made in the past, so if these estimates will no longer sent to employees, then the action should be rescinded or amended.

Mr. Martin knows some employees enjoy receiving those statements once a year. Though there are disclaimers on those letters, most people do not read the disclaimer and are very angry when they see their pension amount decreasing. If the statements continue, they should be reflective of today’s methodology and the disclaimers must be much larger type or listed at the top of the form.

Mr. Michaud asked if it is possible to create an on-line estimator so each employee could do their own estimations.
Ms. Schulz stated she can look into this, however, with the other items at hand she would respectfully ask to not take any action at this point and review at a later date. The Finance Department is not the pension calculation department and there isn’t a lot of time to allocate to the Pension Board, with all the other duties and responsibilities of the Department. The issues raised regarding the pension policy and recalculation has taken a considerable amount of time and will continue until resolved. The Department is processing two specific requests regarding retirements, but it is time consuming to produce ‘what ifs’.

Mr. Martin stated the statements are to be mailed once a year, but doesn’t specify a particular date and suggested moving forward through the policy updates first and then update the forms specific to the new methodology, using what the actuary would use and send the statements at a later date.

Ms. Schulz stated, it would be the same format as the actuary, just not sent to the actuary for calculations.

Mr. Martin stated this item can be discussed at the next regularly scheduled meeting; by that time the new policies will have been discussed and possibly adopted.

8. LEGISLATIVE

Mr. Michaud stated he will answer any questions regarding the recent legal issues and decisions.

No questions asked.

Moved by Klobnock; Seconded by Kittle.

RESOLVED: To adjourn the meeting at 5:43 p.m.

VOTE: Yes: All  
No: None  
Motion carried (7-0)

Respectfully submitted,
Kathleen Novak, Deputy City Clerk
MEETING DATE: JUNE 8, 2015

NOT YET APPROVED

The City of Auburn Hills
Retiree Health Care Board Meeting
Minutes

May 13, 2015

Administrative Conference Room, 1827 N. Squirrel Road, Auburn Hills MI 48326

1. CALL TO ORDER: Chairman Martin called the meeting to order at 5:43 p.m.

2. ROLL CALL
   Present: Mayor Pro Tem Kittle, Finance Director Schulz, Public Safety Representative Martin, Fire Chief Manning, City Clerk Kowal, Clerical Representative Klobnock, DPW Representative Holbrook
   Absent: Mayor McDaniel, City Manager Tanghe
   Also Present: Thomas Michaud, Attorney; George Vitta & Katherine Ghannam, Asset Strategies; Deputy Finance Director Wickenheiser

3. APPROVAL OF THE AGENDA

4. CONSENT AGENDA
   4a. Approval of Minutes of February 11, 2015
   4b. Approval of Finance Director Reports December 2014, January, February 2015
   4c. Approval of Invoice from Asset Strategies for 2nd quarter 2015 services in the amount of $6,250.00
   Moved by Kowal; Seconded by Holbrook.
   RESOLVED: To approve the Consent Agenda.
   VOTE: Yes: All
   No: None
   Motion carried (7-0)

6. NEW BUSINESS
   6a. Actuarial Report
   Discussion and motion made during the Pension Board meeting (see Pension minutes 5-13-15).
   6b. First Quarter Performance Report as prepared by Asset Strategies
   Discussion and motion made during the Pension Board meeting (see Pension minutes 5-13-15).

7. LEGISLATIVE UPDATES
   Discussion during the Pension Board meeting (see Pension minutes 5-13-15).

8. OPEN BUSINESS - none

9. ADJOURNMENT
   Moved by Klobnock; Seconded by Kittle.
   RESOLVED: To adjourn the meeting at 5:45 p.m.
   VOTE: Yes: All
   No: None
   Motion carried (7-0)

Respectfully submitted,

Kathleen Novak, Deputy City Clerk
CALL TO ORDER: Chairman Coolman called the meeting to order at 6:00 p.m.

ROLL CALL: Present: Boelter, Coolman, Hammond, Petras, Taylor

Absent: None

Also Present: Fire Chief Manning, Lt. Miarka, Assistant Fire Chief Macias

LOCATION: Grusnick Public Safety Building, 1899 N. Squirrel Road, Auburn Hills MI 48326

3. APPROVAL OF MINUTES – January 27, 2015

Moved by Taylor; Seconded by Boelter.

RESOLVED: To approve the January 27, 2015 minutes.

VOTE: Yes: Boelter, Coolman, Hammond, Petras, Taylor

No: None

Motion Carried (5-0)

4. PUBLIC COMMENT – none

5. NEW BUSINESS

a. Bid Award – Interview/Interrogation Room Recording System

Lt. Miarka explained the current interview equipment is antiquated and needs replacing. State law now requires law enforcement agencies to record interrogations for certain offenses including major felonies and criminal sexual conduct in the third degree. Auburn Hills Police Department General Order #55 recommends additional recording of felonies and monitor all interviews. The current system continues to crash during interrogations and interviews. The law includes the impossibility of altering any of the recordings once completed. If there is no recording of an interrogation, the jury is instructed to take that fact also into consideration. The Act further includes, Michigan Commission on Law Enforcement Standards (MCOLES), set the quality standard for the recording system.

The standard includes being able to play a recording on a universal system, record 24 frames per second, and record six hours without interruption. The recording must be in color and the entire room must be visible while recording. The recording, microphone and audio must be recorded simultaneously with the system. The recording must be time stamped, with the time stamp visible throughout the recording.

A second camera is being recommended to record the interviewee. The National Institute of Justice (NIJ) also has the same recommendations as MCOLES and has highly recommended an external switch be installed outside the interrogation room, which would allow the interviewer to flip the switch on their way into the room, beginning the recording immediately.

The old system has caused three recordings to be lost over the last four months; one involving a confession of possession of an AK47.

Bid requests were placed on the MITN system. The bids were reviewed making sure all the MCOLES requirements and NIJ recommendations were met. Other requirements included were to be able to record and annotate before, during and after the interview, searchable annotations, provide security settings to insure data integrity, and to easily export data. The storage system should provide backup of the interviews.

An important element of an interview/interrogation is the facial expressions and body language, which would be available using a second camera, and also provide the jury the best image of the interviewee’s posture as well.
This request was made in July of 2014 for the 2015 budget year, and Council approved $22,000 for a new system. The bids received exceeded the budgeted $22,000. The State Drug Forfeiture account currently contains $41,685 all of which can be used on equipment of this type. The system can be purchased with the forfeiture account money and not come from the general fund.

The system that met all the requirements is the Cardinal Peak Case Cracker, used by the U.S. Capitol Police, Oakland County, West Bloomfield and many others. Each agency that was contacted stated there has not been any failure with the system and the system has done what it’s suppose to. Options include a bookmarking tool, so a particular location(s) on the recording can be easily found, as well as a five year warranty for the software and hardware.

Responding to Mr. Coolman, Lt. Miarka explained the lost confession of the AK47 has not yet gone to court, but that subject is wanted for questioning in a homicide in Detroit. Without the recording the suspect can recant his confession.

Lt. Miarka stated this proposed system will accommodate four rooms with two cameras in each room. Recording can take place in two rooms at the same time. If one room’s system crashes, the other remains operational. One of the rooms that would be used, is the interview room nearest to the lobby, which is not a secured area.

Lt. Miarka assured the Board that this cost includes everything, including wiring and setup. If approved, the system could be up and running within three or so weeks.

Moved by Taylor; Seconded by Boelter.
RESOLVED: To recommend to City Council the purchase of Interview Recording Management System from Absolute Sales International by the Auburn Hills Police Department for $39,013.
VOTE: Yes: Boelter, Coolman, Hammond, Petra, Taylor
No: None
Motion Carried (5-0)

b. Bid Award – Fire Department Uniforms
Assistant Fire Chief Macias explained the lowest bidder is NYE Uniform, a full service uniform retailer who will provide a complete array of services as well as handling all the ordering. NYE Uniform offers the lowest pricing for 28 of the 45 items specified in the RFP and are also located locally, in Troy.

The Fire Department is recommending a two year contract with an optional third year; pricing would remain the same for all three years.

There is a combination of clothing that can be worn by staff for day-to-day operations, therefore, there are several options available. If there is a particular event, staff may be told exactly what uniform attire to wear.

Mr. Taylor noticed NYE does not have long or short sleeved t-shirts and ball caps and asked if those are purchased elsewhere.

Fire Chief Manning stated those can be purchase from other vendors.

Moved by Hammond; Seconded by Taylor.
RESOLVED: To recommend to City Council that the Fire Department enter into an agreement with NYE Uniforms to supply uniforms for two years at the pricing listed in the uniform proposal, with an option to extend for one additional year.
VOTE: Yes: Boelter, Coolman, Hammond, Petras, Taylor
No: None
Motion Carried (5-0)

6. OLD BUSINESS - none

7. REPORT FROM THE DEPARTMENTS
7a. Fire Department
Fire Chief Manning:

• Explained he was in South Dakota last week going over the new truck with a fine tooth comb. A punch list was completed for a number of small, detailed items that needed to be taken care of. Today he was in Holland, checking out the new truck, making sure all the punch list items were completed. The truck should be arriving at the City on Thursday. It will be running out of Station 2, will have the Life Supporting license transferred and should be in full service in approximately two weeks. This truck was built to specifications supplied by the City.
• In February an ambulance was involved in a traffic crash on I-75, and the chassis was a total loss. The transport box was not damaged, so the box is being installed on a new chassis. In the
meantime, Rochester Hills has been gracious enough to lend the City an ambulance to use at no cost. Auburn Hills is extremely appreciative.

The new ambulance is back in the City waiting for licensing from the State. The new chassis is a medium duty chassis, down from a heavy duty chassis, making the ride much better and at a cheaper cost.

Assistant Fire Chief Macias:

- In the first quarter of the year there was two fires, and since there has been four structure fires. There have been no injuries of occupants or firefighters.
- Staffing at Station 3 is going well, there are two assigned at that location from 8:00 a.m. until 5:00 p.m.
- The POC hiring process currently has four people waiting to do their agility test, part of the hiring process.
- Fire personnel achievements include: FF/Paramedic Bryan Shambeck became a Certified EMS Instructor/Coordinator, receiving his license and FF Jason Blitchok acquired certification as a Fire Training Officer.

Mr. Coolman asked how the collection for EMS transports is doing.

Fire Chief Manning stated overall it is going very well, the average collected money is between $43,000 and $45,000 per month. To date, the collection is near $500,000; a little behind the projected amount, however, the projected cost amount is lower. The projected profit amount was $60,000 at the end of the year, but it is now looking like $160,000 to $200,000.

Fire Chief Manning explained the Fire Department was being subsidized by the General Fund by about $300,000 annually. This year the projected amount from the General Fund should drop to $75,000 to $100,000.

7b. Police Department

Lt. Miarka:

- A new PSO will be sworn in June 1st, Eric Johnson; June 8th, Daniel Pifko will be sworn in as a new Police Officer. There is a conditional offer for another officer, and the Department is looking at a third officer. There are two positions that remain open and the budget will determine if those positions will be filled.
- Officer Hilliker is in her final training days, and should be on her own within the next few days.
- The focus right now is on the goals and budgets of the Department.
- Detective Peters recently attended two, week long classes for the Oceans Systems and is now certified in two aspects with one more aspect to go. The System is up and running and doing great.

Responding to Mr. Coolman, Lt. Miarka confirmed renovations of the Police Department are still on the back burner.

Mr. Taylor stated he has had conversations with the Mayor and other Council Members about the renovations and he has stressed the need to have those renovations done. He asked if the Bicycle Patrol is continuing in the City.

Lt. Miarka stated at this time there isn’t enough staffing to have a bicycle patrol, except for special events such as Summerfest.

8. COMMENTS FROM THE BOARD

Ms. Hammond:

- The Awards Ceremony was wonderful, as always.
- Is extremely proud of the Department’s Honor Guard and the work they do; again a great job done at the Memorial Day parade.

9. ADJOURNMENT

Hearing no objection, the meeting adjourned at 6:53 p.m.

Respectfully Submitted,
Kathleen Novak
Deputy City Clerk
MEETING DATE: JUNE 8, 2015

To: Mayor and City Council
From: Thomas A. Tanghe, City Manager; Michelle Schulz, Finance Director
Submitted: June 3, 2015
Subject: Fund Designations – GASB 54

INTRODUCTION AND HISTORY

As required by GASB 54, the City implemented the use of the five new fund designations in its financial statements for the periods ending on or after December 31, 2011. These classifications are defined as (non-spendable, restricted, committed, assigned and unassigned).

Previously, committed fund balances for fiscal year 2013 included some of the departmental 2014 adopted budgets of the General Fund. For fiscal year 2013, these included Street Improvement, Sidewalk Improvement, and Storm Water Management. For fiscal year 2014 reporting purposes, it is recommended this designation change to commit only Storm Water Management’s 2015 adopted budget debt obligations. This change is recommended since the City may choose to postpone planned street, sidewalk, or storm water projects to redirect these general funds to more immediate needs.

In order to comply with the GASB 54 requirements, the governing body of the municipality needs to pass a resolution (copy attached) which states that the City Council approves the commitment of funds for Storm Water Management’s subsequent year debt payments and further removes the commitment of the subsequent years budget for the Street Improvement, Sidewalk, and Storm Water Management departments.

The designation of committed funds can be removed or changed only by the City Council at any time in the future.

STAFF RECOMMENDATION

Staff is recommending that the subsequent year’s adopted budget debt obligations of the Storm Water Management department of the General Fund (department 445) be shown as committed funds on the City’s audited financial statements. The amount of $148,504 will be shown on the Governmental Funds Balance Sheet dated December 31, 2014 and change accordingly with each year’s planned debt obligation. Further, staff recommends removing the commitment of the subsequent year’s adopted budget of the Street Improvement, Sidewalk Improvement, and Storm Water Management departments of the General fund on the City’s audited financial statements.

MOTION

Move to approve the recommendation and the attached resolution to designate the subsequent year’s adopted budget of the Storm Water Management department’s debt obligations as committed funds on the City’s audited financial statements. Further, this approval removes the committed designation previously assigned to the Storm Water Management, Street Improvement, and Sidewalk departments of the General fund.

I CONCUR: THOMAS A. TANGHE, CITY MANAGER
CITY OF AUBURN HILLS
RESOLUTION

Resolution to Approve Commitment of Fund Balances
in Accordance with GASB Statement 54

At a regular meeting of the City Council of the City of Auburn Hills, Oakland County, Michigan, held in the Council Chamber at 1827 N. Squirrel Road, Auburn Hills MI 48326 at 7:00 p.m., on the 8th day of June, 2014.

The following resolution was offered by Council Member Mitchell and supported by Council Member Burmeister:

WHEREAS, the Governmental Accounting Standards Board (GASB) has issued Statement No. 54 – Fund Balance Reporting and Governmental Fund Type Definitions, which redefines fund types and changes the terminology used for fund balance reporting on balance sheets of Governmental Funds, AND;

WHEREAS, the City Council of the City of Auburn Hills has previously reviewed the new terminology, AND;

WHEREAS the City Council of the City of Auburn Hills recommends that the previous 12/31/2013 commitment of the General Fund’s Street Improvement, Sidewalk Improvement, and Storm Water Management departments’ adopted budgets be removed, AND;

WHEREAS the City Council of the City of Auburn Hills recommends that the General Fund’s Storm Water Management department (department 445) subsequent year’s adopted budget for debt purposes shall be reported as being committed fund balance for fiscal year 2014 and subsequent years;

NOW, THEREFORE, BE IT RESOLVED that the City Council of the City of Auburn Hills accepts the aforementioned recommendation;

AYES:
NAYS:
ABSENT:
ABSTENTIONS:

RESOLUTION

STATE OF MICHIGAN)
COUNTY OF OAKLAND)

I, the undersigned, the duly qualified and appointed City Clerk of the City of Auburn Hills, Oakland County, Michigan do hereby certify that the foregoing is a true and complete copy of a resolution adopted at a regular meeting of the City Council held on the 16th day of June, 2014, the original of which is on file in my office.

IN WITNESS WHEREOF, I have hereunto affixed my official signature on this 8th day of June, 2015.

______________________________
Terri Kowal, City Clerk
To: Mayor and City Council  
From: Thomas A. Tanghe, City Manager and Doreen E. Olko, Chief of Police  
Submitted: May 28, 2015  
Subject: Motion: Accept Traffic Control Order SL-04 – Establish Collier Road Speed Limit.

INTRODUCTION AND HISTORY

In the fall of 2014, the Auburn Hills Police Department received a complaint regarding vehicles speeding on Collier Road between Joslyn Road and 750 Collier Road. The current speed limit is 25 MPH.  

Public Act 85 of 2006, Section 257.627 Speed Limitations defines how speed limits shall be set. For roads not defined as highways, the following criteria are used to determine the speed limit of a road: number and type of access points to the road, engineered design speed of the road, or a traffic speed study. A traffic speed study uses the speed that 85% of motorists drive on the road. This law states that if these criteria are not used the speed limit is not valid and enforcement action is unlawful.

A traffic speed study was conducted in 2014 by our department on Collier Road between Joslyn Road and 750 Collier Road. Counters were deployed on Collier Road from October 1st to October 8, 2014. The data showed that the 85th percentile speed was 43.4 MPH.

In addition to the speed study, crash history statistics were pulled for the area. From January 1, 2011 until October 17, 2014 there were a total of 3 crashes on Collier Road from Joslyn Road to 750 Collier Rd. There were no crashes from January 1, 2011 to October 17, 2014 in which speed played a significant role.

Mr. Pat Cawley of TIA also conducted a sight survey and study of this location. The adjacent land use is a mix of residential and industrial. The density would not classify this area as either a business district or a residential subdivision. For this reason a prima facie speed limit of 25 mph would not be applicable. He concluded that a 35 mph speed limit on Collier Rd. would be appropriate with proper signage in the transition areas where the road is located in the City of Pontiac and the speed limit is 25 mph.

In accordance with Public Act 85 of 2006, Section 257.627 Speed Limitations, the zoning of the area, the number and type of access points and the results of the traffic speed study we recommend that the speed limit be set at 35 MPH on Collier Road from Baldwin Rd. to Joslyn Rd.

STAFF RECOMMENDATION

Staff recommends approval of Traffic Control Order SL-04 setting a 35 MPH on Collier Road from Baldwin Road to Joslyn Road.

MOTION

Move to adopt Traffic Control Order SL-04, setting the speed limit on Collier Road at 35 miles per hour.

I CONCUR:

__________________________
THOMAS A. TANGHE, CITY MANAGER
To: Mayor and City Council
From: Thomas A. Tanghe, City Manager and Doreen E. Olko, Chief of Police
Submitted: May 28, 2015
Subject: Motion: Accept Traffic Control Order SL-04 – Establish Dexter Road Speed Limit.

INTRODUCTION AND HISTORY
In the summer of 2014, the Auburn Hills Police Department received a complaint regarding vehicles speeding on Dexter Road between Walton Blvd. to Shimmons Rd. The current speed limit is 25 MPH between Walton and Shimmons.

Public Act 85 of 2006, Section 257.627 Speed Limitations defines how speed limits shall be set. For roads not defined as highways, the following criteria are used to determine the speed limit of a road: number and type of access points to the road, engineered design speed of the road, or a traffic speed study. A traffic speed study uses the speed that 85% of motorists drive on the road. This law states that if these criteria are not used that the speed limit is not valid and enforcement action is unlawful.

Two traffic speed studies were conducted in 2014 by our department on Dexter Road between Walton Blvd. and Shimmons Rd. Counters were deployed on Dexter Rd. from June 16th to June 24th. The data showed that the 85th percentile speed was 37.1 MPH. A second speed study on Dexter Rd. was done in September. The counters were deployed from September 16th to September 24th. The data showed that the 85th percentile speed was 39.6 MPH.

In addition to the speed study, crash history statistics were pulled for the area. From January 1, 2011 until October 9, 2014 there were a total of 10 crashes on Dexter Road. Speed was a factor in only one of the crashes. Mr. Dave Allyn, TIA traffic engineer, conducted a study of this section of Dexter Rd. He found that this section of road does not fall within a platted subdivision nor does it have 60 or more access points per ½ mile as required for a 25 MPH limit. This section of Dexter Rd. has 18 access points per ½ mile. Using common traffic engineering standards and the 85th percentile speed study, Mr. Allyn concluded that the proper speed limit for Dexter Road between Walton Blvd. and Shimmons Road should be 35 MPH.

Because of the location of Will Rogers Elementary School, we recommend a school zone speed limit be established. The school zone would be a 25MPH limit from 7:00-8:30am and 2:30-3:30pm. Appropriate signage will be posted notifying motorists of the school zone.

In accordance with Public Act 85 of 2006, Section 257.627 Speed Limitations, the zoning of the area, the number and type of access points and the results of the traffic speed study we recommend that the speed limit be set at 35 MPH for Dexter Road from Walton Blvd. to Shimmons Road.

STAFF RECOMMENDATION
Staff recommends approval of Traffic Control Order SL-04 setting a 35 MPH speed limit on Dexter Road from Walton Blvd. to Shimmons Road with a school zone of 25 MPH near Will Rogers Elementary School.

MOTION
Move to adopt Traffic Control Order SL-04, setting the speed limit on Dexter Road from Walton Blvd. to Shimmons Road at 35 miles per hour with a 25 MPH school zone adjacent to Will Rogers Elementary School property.

I CONCUR: 

THOMAS A. TANGHE, CITY MANAGER
DATE: JUNE 8, 2015

TO: Mayor and City Council

FROM: Thomas A. Tanghe, City Manager; Doreen E. Olko, Chief of Police

SUBMITTED: June 3, 2015

SUBJECT: Motion: Accept Traffic Control Order SL-04 Updates Speed Limit

INTRODUCTION AND HISTORY

On May 1, 2015, the Police Department received a speeding complaint from the Paramount Estates Subdivision Association. Residents in the subdivision reported an increase in the number of vehicles speeding throughout the subdivision, mainly in the evening hours when most people are returning home from work.

The Directed Patrol Unit investigated the complaint and determined that there are no speed limit signs posted within the subdivision and further that the subdivision streets never were covered under a traffic control order. The streets within the subdivision include Oxford West, Paramount Lane, and Lujah Park. These streets are owned and maintained by the City of Auburn Hills based on Council Resolution No.04.16.059 which was approved by Council on February 16, 2004.

The proper speed limit under Michigan Vehicle Code is 25MPH. Public Act 300 of 1949, Section 657.627 Speed Limitations, (c) sets 25 miles per hour on all highways or parts of highways within the boundaries of land platted under the land division act, 1967 PA 288, MCL 560.101 to 560.293, or the condominium act, 1978 PA 59, MCL 559.101 to 559.276.

Paramount Estates falls within a platted subdivision and the limit recommendation is 25 mph.

If approved, the Police Department will work in conjunction with DPW to have 25 mph speed limit signs posted in compliance with the regulatory standards set in the Manual of Michigan Uniform Traffic Control Devices. Once posted a public service announcement will be distributed to the residents prior to any selective enforcement.

STAFF RECOMMENDATION

Staff recommends approval of Traffic Control Order SL-04 which adds 25 mph speed limits on Oxford West, Paramount Lane, and Lujah Park.

MOTION

Move to adopt Traffic Control Order SL-04 setting a 25 mph speed limit on Oxford West, Paramount Ln., and Lujah Park.

I CONCUR: Thomas A. Tanghe, CITY MANAGER
To: Mayor and City Council  
From: Thomas A. Tanghe, City Manager and Doreen E. Olko, Chief of Police  
Submitted: May 28, 2015  
Subject: Motion: Accept Traffic Control Order SL-04 – Establish Taylor Road Speed Limit.

**INTRODUCTION AND HISTORY**

In the Spring of 2014, the Auburn Hills Police Department received a complaint regarding vehicles speeding on Taylor Road between Joslyn Road and Giddings Road. The speed limit is 35 MPH. 

*Public Act 85 of 2006*, Section 257.627 *Speed Limitations* defines how speed limits shall be set. For roads not defined as highways, the following criteria are used to determine the speed limit of a road: number and type of access points to the road, engineered design speed of the road, or a traffic speed study. *A traffic speed study uses the speed that 85% of motorists drive on the road.* This law states that if these criteria are not used the speed limit is not valid and enforcement action is unlawful.

Two traffic speed studies were conducted in 2014 by our department on Taylor Road between Joslyn Road and Giddings Road. Counters were deployed on Taylor Road from May 2nd to May 8th. The data showed that the 85th percentile speed was 46.1 MPH for westbound Taylor Road and 45.9 MPH for eastbound Taylor Road.

A second speed study on Taylor Road was done in August after the construction on Joslyn Road was completed. The counters were deployed from August 25th to September 3rd. A counter was placed on Taylor Road between Pacific and Joslyn Road. A second counter was placed on Taylor Road between Pacific and Giddings Road. The 85th percentile for both counters was 46.8 MPH.

In addition to the speed study, crash history statistics were pulled for the area. From January 1, 2011 Until October 10, 2014 there was 1 crash on Taylor Road between Joslyn and Giddings Road. Mr. Pat Cawley of TIA conducted a study of Taylor Road between Joslyn Road and Giddings Road. Mr. Cawley stated the sight distance on the roadway is adequate for stopping sight distance the length of the corridor. Mr. Cawley in conjunction with the AHPD measured the sight distance and the worst case location provided sight distance for 577 feet. This exceeds the AASHTO design value of 500 feet appropriate for 45 mph.

In accordance with Public Act 85 of 2006, Section 257.627 *Speed Limitations*, the zoning of the area, the number and type of access points and the results of the traffic speed study we recommend that the speed limit be set at 45 MPH for Taylor Road from Joslyn Road to Giddings Road.

**STAFF RECOMMENDATION**

Staff recommends approval of Traffic Control Order SL-04 setting a 45 MPH on Taylor Road from Joslyn Road to Giddings Road.

**MOTION**

Move to adopt Traffic Control Order SL-04, setting the speed limit on Taylor Road from Joslyn Road to Giddings Road at 45 miles per hour.

I CONCUR:  
THOMAS A. TANGHE, CITY MANAGER
INTRODUCTION AND HISTORY

The Fire Department supplies uniforms to all fire personnel. A contract with a uniform supplier is favorable in order to obtain the best pricing and to maintain consistent pricing over a period of time. The uniform contract was last put out for bids in 2012. In September of 2012, Off Duty Wear was awarded a one year contract with an option to extend up to three years.

On February 20, 2015, a request for proposals, RFP, to supply the Fire Department with uniforms was posted on the Michigan Inter-Governmental Trade Network, MITN. A list of specific uniform items was attached to the RFP. All proposals were due to the City Clerk’s office by March 11, 2015.

Three uniform suppliers submitted proposals, NYE Uniform, Off Duty Wear, and Harwood’s Uniforms. See the attached spreadsheet for a full comparison of all uniform options and pricing submitted by each vendor. All three proposals were compared using the standard issue of uniforms for a new full time employee. NYE Uniform has offered to provide the requested uniforms at the lowest price. The total price for a standard issue uniform from each vendor is in the table below.

<table>
<thead>
<tr>
<th>Standard Issue – 4-Long Sleeve, 4-Short Sleeve, 5-Pant, 1-Belt, 1-Coat, Class A Blouse &amp; Pant</th>
<th>NYE Uniform</th>
<th>Off Duty Wear</th>
<th>Harwood’s Uniforms</th>
</tr>
</thead>
<tbody>
<tr>
<td>$1,104.83</td>
<td>$1,327.06</td>
<td>$1,280.78*</td>
<td></td>
</tr>
</tbody>
</table>

* Harwood’s submitted an alternate item for 13 of the items specified in the RFP.

You will note that there are additional items beyond the standard issue listed on the attached spreadsheet. This is because all personnel have the option to wear alternate items based on their daily duty assignment. NYE Uniform offers the lowest pricing for 28 of the 45 items specified in the RFP. NYE Uniform offers comparable pricing on the items where they are not lowest bid. NYE Uniform is a full service uniform retailer that was founded in Grand Rapids in 1935. In 2010, NYE Uniform opened a second store in Royal Oak. On January 2, 2014 the store moved to a much larger space in Troy on Long Lake Road. This showroom is geared almost exclusively to public safety personnel.

STAFF RECOMMENDATION

Staff recommends approval of awarding a two year contract to NYE Uniform with an option to extend for one year with the listed pricing.

MOTION

Move to approve the Fire Department enter into an agreement with NYE Uniforms to supply uniforms for two years at the pricing listed in the uniform proposal, with an option to extend the contracted price for one additional year.

I CONCUR: THOMAS TANGHE, CITY MANAGER
DATE       JUNE 8, 2015                                      AGENDA ITEM NO. 8A.

To:              Auburn Hills Mayor and City Council
From:            Thomas A. Tanghe, City Manager and Stephanie Carroll, Manager of Business Development and Community Relations
Submitted:       June 3, 2015
Subject:         Public Hearing and adoption of a Brownfield Plan for the 3507 Auburn Road Redevelopment Project

INTRODUCTION AND HISTORY

Attached you will find a Brownfield Plan for 3507 Auburn Road, which is the former Mound Steel site.

The Phase I and Phase II summaries contained in the attached document outline the results of the investigation. As you can see, they are favorable as the concentrations of contaminants found make the property a “facility” as defined by Part 201. The concentrations are fairly low and can be managed through due care activities. The Baseline Environmental Assessment (BEA) has been filed with the State of Michigan as required. This document establishes the City’s environmental liability protection by outlining the limited due care requirements and operation of the property relative to the contamination that is present.

The estimated cost of eligible activities is $306,475.00, which will be paid from the Local Site Remediation Revolving Loan Fund (LSRRF). The eligible activities are defined by Act 381. If a developer is identified in the future, the Plan can be amended to include additional eligible activities. A summary is contained on Page 11 of the proposed Plan.

As of this time, the property is vacant and it is the intention of the City to sell the property (as a clean site) to be redeveloped as part of the overall expansion of the Downtown. Once the property goes back onto the tax-roll, we intend to capture tax increment financing to reimburse the LSRRF for the cost of eligible activities thus far.

At their meeting on October 28, 2014, the Auburn Hills Brownfield Redevelopment Authority considered and approved the proposed Brownfield Plan.

STAFF RECOMMENDATION

It is recommended that Council open a public hearing for any public comment on the proposed Brownfield Plan. Upon closing the public hearing, it is recommended that City Council adopt the attached resolution approving the Brownfield Plan for 3507 Auburn Road.

MOTION

Move to adopt the attached resolution approving a Brownfield Plan for the 3507 Auburn Road Development Project.

THOMAS A TANGHE, CITY MANAGER
CITY OF AUBURN HILLS
RESOLUTION

APPROVING BROWNFIELD PLAN FOR
3507 AUBURN ROAD

At a regular meeting of the City Council of the City of Auburn Hills, Oakland County, Michigan, held in the Council Chambers at 1827 N. Squirrel Road, Auburn Hills, MI  48326 at 7:00 pm. On the 8th day of June, 2015.

The following resolution was offered by __________ and supported by __________:

WHEREAS, the City of Auburn Hills (the City) has created a Brownfield Redevelopment Authority (the Authority) pursuant to PA 381 of 1996, as amended (the Act); and

WHEREAS, the Authority met and considered the Brownfield plan submitted by City of Auburn Hills for the property consisting of parcel with Sidwell Number 02-14-25-451-008; and

WHEREAS, the Authority has reviewed the Brownfield plan in accordance with the Act; and

WHEREAS, the Authority, following review of the plan, unanimously approve the same and recommended approval to the City Council; and

WHEREAS, the notices required by the Act have been given; and

WHEREAS, The City Council, in accordance with the Act, met and conducted a public hearing on June 8, 2015, in order to review the plan; and

WHEREAS, during the public hearing conducted by the City Council on June 8, 2015, all persons, including the affected taxing jurisdictions, were allowed an opportunity to comment on the brownfield plan and present their view and recommendations.

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

1. The City Council of the City of Auburn Hills hereby approves the Plan and determines that the Plan, in accordance with the Act constitutes a public purpose.
2. Furthermore, the Plan meets the requirements of Section 13 of the Act.
3. Furthermore, that the costs of eligible activities proposed are reasonable and necessary to carry out the purposes of the Act.

AYES:
NAYS:
ABSENT:
ABSTENTIONS:
STATE OF MICHIGAN
)
COUNTY OF OAKLAND

I, the undersigned, the duly appointed City Clerk for the City of Auburn Hills, Oakland County, Michigan, do hereby certify that the foregoing is a true and complete copy of a resolution adopted at a regular meeting of the Auburn Hills City Council held on the 8th day of June, 2015.

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

___________________________________
Terri Kowal, City Clerk
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
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PROJECT SUMMARY

PROJECT NAME
Former Mound Steel Redevelopment Project located at 3507 Auburn Road, Auburn Hills, Michigan

ELIGIBLE PROPERTY LOCATION
The Eligible Property (Property) is located at 3507 Auburn Road, City of Auburn Hills, Michigan. Parcel ID Number 02-14-25-451-008.

TYPE OF ELIGIBLE PROPERTY
Facility

PROJECT DESCRIPTION
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.

ELIGIBLE ACTIVITIES
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.

REIMBURSABLE COSTS
$306,475 (Est. Eligible Activities and Contingency)

DURATION OF BROWNFIELD PLAN
Brownfield Plan will not exceed 35 years from the date of the resolution approving the Plan.

ESTIMATED ELIGIBLE ACTIVITY COST
$306,475

BASE TAXABLE VALUE
$0
LIST OF ACRONYMS AND DEFINITIONS

AHBRA  City of Auburn Hills Brownfield Redevelopment Authority
BEA    Baseline Environmental Assessment (Michigan process to provide new property owners and/or operators with exemptions from environmental liability)
BROWNFIELD PLAN Brownfield Plan
ELIGIBLE PROPERTY Property for which eligible activities are identified under a Brownfield Plan.
ESA    Environmental Site Assessment
LSRRF  Local Site Remediation Revolving Fund
MDEQ   Michigan Department of Environmental Quality
MEDC   Michigan Economic Development Corporation
MSF    Michigan Strategic Fund (agency that approves use of school tax revenue to support non-environmental Brownfield activities)
PHASE I ESA An environmental historical review and site inspection (no soil and/or groundwater sampling and analysis)
PHASE II ESA Environmental subsurface investigation (includes soil and/or groundwater sampling and analysis)
PROPERTY The Eligible Property, located at 3507 Auburn Road, Auburn Hills, MI.
RCC    Residential Cleanup Criteria
TIF    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)
TIR    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)
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 funding 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 funding 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 (l)(h)c

The Eligible Property ("Property") is located at 3507 Auburn Road, in the southeast \(\frac{1}{4}\) 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>
</tr>
</thead>
<tbody>
<tr>
<td>3507 Auburn Road</td>
<td>02-14-25-451-008</td>
<td>Facility</td>
<td>7.98</td>
</tr>
</tbody>
</table>

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.
Estimated Cost of Reimbursable Eligible Activities

<table>
<thead>
<tr>
<th>Description of Eligible Activities</th>
<th>Estimated Cost</th>
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</thead>
<tbody>
<tr>
<td>1. BEA Activities</td>
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<tr>
<td>2. Due Care Activities (includes soil remediation activities)</td>
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<tr>
<td>3. Demolition</td>
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<tr>
<td>4. Lead &amp; Asbestos Survey and Abatement</td>
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<tr>
<td><strong>Subtotal</strong></td>
<td><strong>$259,000</strong></td>
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<tr>
<td>5. 15% Contingency</td>
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<tr>
<td>6. Preparation of a Brownfield Plan</td>
<td>$7,500</td>
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<tr>
<td><strong>Total</strong></td>
<td><strong>$306,475</strong></td>
</tr>
</tbody>
</table>

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
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
Attachment B
Legal Description(s)
Property Address [collapse]

3507 AUBURN RD
AUBURN HILLS, MI 48326-3318

Owner Information [collapse]

CITY OF AUBURN HILLS
MOUND STEEL & SUPPLY INC-TENANT
3507 AUBURN RD
AUBURN HILLS, MI 48326-3318

Taxpayer Information [collapse]

SEE OWNER 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.

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<thead>
<tr>
<th>Year / Season</th>
<th>Total Amt</th>
<th>Total Paid</th>
<th>Last Paid</th>
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<td>$0.00</td>
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<tr>
<td>2013, Winter</td>
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<td>2013, Summer</td>
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<td>2006, Winter</td>
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<td>2005, Summer</td>
<td>$12,219.92</td>
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<td>09/14/2005</td>
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<table>
<thead>
<tr>
<th>Year</th>
<th>Season</th>
<th>Amount</th>
<th>Date</th>
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<tr>
<td>2004</td>
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<td>$13,700.27</td>
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<td>2004</td>
<td>Summer</td>
<td>$11,515.75</td>
<td>10/28/2004</td>
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<td>2003</td>
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<td>2003</td>
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<td>12/05/2003</td>
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<td>2002</td>
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<td>$14,523.17</td>
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<td>2002</td>
<td>Summer</td>
<td>$9,766.59</td>
<td>12/13/2002</td>
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<td>2001</td>
<td>Winter</td>
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<td>2001</td>
<td>Summer</td>
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<td>2000</td>
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<td>2000</td>
<td>Summer</td>
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<td>Summer</td>
<td>$8,107.73</td>
<td>08/31/1999</td>
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</table>

**Disclaimer:** BS&A Software provides this Web Site as a way for municipalities to display information online and is not responsible for the content or accuracy of the data herein. This data is provided for reference only and WITHOUT WARRANTY of any kind, expressed or inferred. Please contact your local municipality if you believe there are errors in the data.

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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</thead>
<tbody>
<tr>
<td><strong>Environmental Eligible Activities (MDEQ)</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>1000-Baseline Environmental Activities (BEA) Environmental Assessment Activities</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Phase I ESA-City</td>
<td>$2,200</td>
<td>$2,200</td>
</tr>
<tr>
<td>Phase II ESA-City</td>
<td>$14,500</td>
<td>$14,500</td>
</tr>
<tr>
<td>Supplemental Phase II ESA-City</td>
<td>$17,000</td>
<td>$17,000</td>
</tr>
<tr>
<td>Supplemental Phase II ESA-City</td>
<td>$9,800</td>
<td>$9,800</td>
</tr>
<tr>
<td>BEA-City</td>
<td>$3,000</td>
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</tr>
<tr>
<td><strong>BEA Environmental Assessment Activities Total</strong></td>
<td>$49,500</td>
<td>$49,500</td>
</tr>
<tr>
<td>2000-Section 7a Compliance Analysis (Due Care Plan and Due Care Activities)</td>
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</tr>
<tr>
<td>Due Care Planning-City</td>
<td>$12,000</td>
<td>$12,000</td>
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<tr>
<td>Due Care Soil Remediation includes Plan/removal of soil/oversight and reporting</td>
<td>$92,000</td>
<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>
</tr>
<tr>
<td>Environmental Eligible Activities (MDEQ) Grand Total</td>
<td>$153,500</td>
<td>$153,500</td>
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<tr>
<td><strong>Non-Environmental Eligible Activities (Local only TIR)</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>5000-Demolition (LSRRF)</td>
<td></td>
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<tr>
<td>Site Demolition</td>
<td>$3,000</td>
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<tr>
<td>Building Demolition</td>
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<td>Demolition-On-Site Oversight</td>
<td>$10,000</td>
<td>$10,000</td>
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<tr>
<td>Demolition-Bid Specifications</td>
<td>$6,000</td>
<td>$6,000</td>
</tr>
<tr>
<td>Demolition-Project Management</td>
<td>$3,500</td>
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<tr>
<td><strong>Demolition Total</strong></td>
<td>$67,500</td>
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<tr>
<td>6000-Lead &amp; Asbestos Abatement</td>
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<td></td>
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<tr>
<td>Lead &amp; Asbestos Survey</td>
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<td>$10,000</td>
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<tr>
<td>Lead &amp; Asbestos Abatement</td>
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<tr>
<td>Lead &amp; Asbestos-On-Site Oversight</td>
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<tr>
<td>Lead &amp; Asbestos-Bid Specifications</td>
<td>$6,000</td>
<td>$6,000</td>
</tr>
<tr>
<td>Lead &amp; Asbestos-Project Management</td>
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<td>$2,000</td>
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<td><strong>Lead &amp; Asbestos Abatement Total</strong></td>
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<tr>
<td>Non-Environmental Eligible Activities (MSF) Grand Total</td>
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</tr>
<tr>
<td>9000-Brownfield Plan and Act 381 Work Plan Preparation</td>
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<td></td>
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<tr>
<td>Brownfield Plan</td>
<td>$7,500</td>
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<tr>
<td><strong>Brownfield Plan and Act 381 Work Plan Preparation Total</strong></td>
<td>$7,500</td>
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<tr>
<td>Eligible Activities Subtotal</td>
<td>$266,500</td>
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<tr>
<td>15% Contingency on Eligible Activities***</td>
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<tr>
<td><strong>Eligible Activities Grand Total</strong></td>
<td>$306,475</td>
<td>$306,475</td>
</tr>
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</table>
MEETING DATE: JUNE 8, 2015

To: Mayor and City Council
From: Thomas A. Tanghe, City Manager; Karen Adcock, Director of Senior Services
Submitted: June 4, 2015
Subject: Pontiac Youth Assistance Request for Funds

INTRODUCTION AND HISTORY
Pontiac Youth Assistance is requesting sponsorship funds in the amount of $13,000 and have received these funds in the past (see attached letter). This is not a CDBG request for funds.

Council members have expressed interest in hearing an update from PYA before releasing the funds being requested. This update will be provided at your meeting Monday night at which time City Council will need to indicate if they are prepared to release the sponsorship funds.

I CONCUR: THOMAS A. TANGHE, CITY MANAGER
April 16, 2015

Honorable Mayor Kevin McDaniel
City of Auburn Hills
1827 N. Squirrel Road
Auburn Hills, Michigan 48326

Dear Mayor McDaniel,

On behalf of Pontiac Youth Assistance, we are sending this reminder of our initial request. We continue to rely on and appreciate your support of our programs. The $13,000.00 we are requesting from the city is crucial in helping us continue services. The sponsorship money provides funding to help defray the operational cost of the programs.

Once again, we thank you in advance for your sponsorship and support of our programs and look forward to our continued work relationship this year.

If additional information is requested, please contact me at (248) 451-7549.

Sincerely

Melvin Lee, Chairperson
Board of Directors
Pontiac Youth Assistance

cc: Michelle Schulz, Finance Director

Sponsored by: The City of Pontiac/City of Auburn Hills/Pontiac School District/Oakland County Circuit Court/Family Division
To: Mayor and City Council  
From: Thomas A. Tanghe, City Manager and Micheal R. Lohmeier, City Assessor  
Submitted: June 2, 2015  
Subject: Public Hearing and Motion – Request to Approve Industrial Facilities Tax Exemption Certificate for Hydra-Zorb Co. for new real property

INTRODUCTION AND HISTORY
An application has been filed by Hydra-Zorb Co. (“applicant”) for an Industrial Facilities Exemption Certificate (IFEC) for real property to be located on parcel 02-14-03-100-051, also identified as 1751 Summit Drive.

The parcel consists of 6.150 acres of I-1; Light Industrial zoned land. This property is located within the Anirjot Investment Company Industrial Development District, which was established by City Council on October 21, 1985. The legal description is as follows:

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

The applicant submitted its request to the city on April 22, 2015.

The applicant intends to lease this property throughout the duration of the exemption certificate, including the required business residence period. Total project investment is $4,525,244; the real property improvements portion of investment is $4,525,244 and the personal property portion of investment is $0.1

The real property consists of a new manufacturing facility having 51,000 square foot of space.

The project proposed in this application would be eligible for consideration of an IFEC under the provision of the City’s Property Tax Incentive Policy (Policy) and as identified as a new facility, further defined, in pertinent parts, as2

A. New facility (IFEC) – industrial real property and land improvements, and personal property, other than a replacement facility to be built or installed in a plant rehabilitation district or industrial development district by an existing business or a new business, as provided in PA 198, 1974 as amended may be granted a 50% tax incentive for up to eight (8) years based upon the criteria included in this policy. The minimum investment by a business in a new facility shall meet one of the following requirements …

---

1 Per attached listing of costs.  
2 March 19, 2012
... C. The installation and/or location on more than a temporary basis of new equipment, furniture or other personal property with an estimated value of the new personal property in excess of $250,000, or 10% of the historical cost of current personal property.

The above applied for real property improvements meet the City’s Policy’s investment amounts of new facility for real property.

Furthermore real property is defined in the City’s Policy as

I(H) Real Property – Real property is defined as land, buildings, parking lots, utilities and similar items as defined in the General Property Tax Act and as assessed for property tax purposes.

The real property improvements identified in the application are considered to meet the above definitions.

Because this is a new location for the applicant, this project will result in 0 jobs being retained at this facility. This new facility will result in an expected 30 jobs created at this facility, with some employees coming over from its existing facility in Auburn Hills. Granting this request will result in an increase in the tax base of the city and should bring economic benefits to the city and other service oriented businesses.

OWNERSHIP AND TERM OF ABATEMENT
The applicant executed a lease for an approximate 10 year period. The applicant is requesting an 8-year abatement, and has signed the City’s agreement which requires an additional two (2) years of business residence after the certificate expires.

TAX DELINQUENCIES AND SAVINGS
If this abatement is granted for the 8-year maximum, the potential property tax savings for the applicant will be approximately $395,000. The applicant will receive tax savings of approximately $49,000 in the first tax year.

Additional tax revenue for the city will be approximately $96,000. The city will receive an increase in revenue of approximately $12,000 in the first tax year.

At the end of the certificate’s life the real property would be added to the city’s ad valorem assessment roll, unless the abatement is extended by City Council.

OTHER ABATEMENTS IN CITY
The applicant does not have any other abatements within the City of Auburn Hills.

PENDING APPEALS
To the best of staff’s knowledge:

- There is no outstanding and/or pending appeal(s) involving the property that is the subject of this application within the City of Auburn Hills.
- There is no outstanding and/or pending appeal(s) involving the applicant filing for this tax incentive within the City of Auburn Hills.
TAX INCENTIVE REVIEW COMMITTEE RECOMMENDATION (TIRC)
This application went before the city’s Tax Incentive Review Committee on May 4, 2015. The following recommendation was made:

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)

STAFF RECOMMENDATION
Based on reviewing the application and the city’s property tax incentive policy, the applicant qualifies for an 8-year abatement; beginning on 12/31/2015 and ending on 12/30/2023, with the business residency requirement necessitating the applicant remain at the facility for an additional two (2) years after the certificate expires.

MOTION
Move to approve the request for an 8-year IFEC pertaining to new real property and personal property for Hydra-Zorb Co. with a real property investment of $4,525,244 by adopting the attached resolution.

I CONCUR: THOMAS A. TANGHE, CITY MANAGER
CITY OF AUBURN HILLS
RESOLUTION
APPROVING AN INDUSTRIAL FACILITIES EXEMPTION CERTIFICATE
FOR HYDRA-ZORB CO.

At a regular meeting of the City Council of the City of Auburn Hills, Oakland County, Michigan, held in the Council Chambers at 1827 N. Squirrel Road, Auburn Hills MI 48326 on the 8th day of June, 2015.

The following resolution was offered by Councilperson _______ and supported by Councilperson _______.

WHEREAS, pursuant to P.A. 198, 1974, M.C.L. 207.551 et seq., after a duly noticed public hearing held on the 21st day of October, 1985, the City of Auburn Hills established an Industrial Development District, commonly referred to as the Anirjot Investment Company Industrial Development District; and

WHEREAS, Hydra-Zorb has filed an application for an Industrial Facility Exemption Certificate with the Clerk of the City of Auburn Hills with respect to proposed new real property within the Anirjot Investment Company Industrial Development District; and

WHEREAS, before acting on said application, the City Council of Auburn Hills held a hearing on the 8th day of June, 2015 at a regularly scheduled meeting, prior to which the applicant, the assessor, and a representative of the affected taxing units were given written notice and were afforded an opportunity to be heard on said application; and

WHEREAS, construction of the facility did not begin earlier than six (6) months before 22nd day of April, 2015, the date of the acceptance of the application for the Industrial Facility Exemption Certificate; and

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

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

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

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

2. The application from Hydra-Zorb Co. for an Industrial Facilities Exemption Certificate with respect to a New Facility on the following described parcel of real property situated within the Anirjot Investment Company Industrial Development District; to wit;
The real property parcel the facility is located on is identified as tax parcel 02-14-03-100-051, having an address **1751 Summit Drive**, City of Auburn Hills, MI 48326, including:

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

Is hereby approved for **real property improvements**.

3. The Industrial Facilities Exemption Certificate when issued shall remain in force and effect for a period of **eight (8) years**, and the starting date for the certificate is **December 31, 2015** and the ending date is **December 30, 2023**.

4. The total project investment approved is **$4,525,244**.

5. **Hydra-Zorb Co.** agrees to operate the facility for which the Industrial Facilities Exemption Certificate is granted for the term of the certificate, plus an additional **two years** after the date of the certificate’s expiration.

    AYES:
    NAYS:
    ABSENT:
    ABSTENTIONS:

    RESOLUTION ADOPTED

STATE OF MICHIGAN)
)SS
COUNTY OF OAKLAND)

I, the undersigned, the duly appointed City Clerk for the City of Auburn Hills, Oakland County, Michigan do hereby certify that the foregoing is a true and complete copy of a resolution adopted at a regular meeting of the Auburn Hills City Council held on the 8th day of June, 2015.

IN WITNESS WHEREOF, I have hereunto affixed my official signature on this XX day of June, 2015.

________________________________
Terri Kowal, City Clerk
**Application for Industrial Facilities Tax Exemption Certificate**

Issued under authority of Public Act 198 of 1974, as amended. Filing is mandatory.

**INSTRUCTIONS:** File the original and two copies of this form and the required attachments (three complete sets) with the clerk of the local government unit. The State Tax Commission (STC) requires two complete sets (one original and one copy). One copy is retained by the clerk. If you have any questions regarding the completion of this form, call (517) 373-3302.

<table>
<thead>
<tr>
<th>Applicant Name/Company Name:</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Hydra-Zorb Co.</strong></td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Applicant Information</th>
<th></th>
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</thead>
<tbody>
<tr>
<td><strong>Address:</strong></td>
<td></td>
</tr>
<tr>
<td>1751 Summit Dr.</td>
<td></td>
</tr>
<tr>
<td><strong>City:</strong></td>
<td>Auburn Hills</td>
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<table>
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<tr>
<th>Approvals Requested</th>
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<tbody>
<tr>
<td><strong>New (Sec. 2(5))</strong></td>
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</tr>
<tr>
<td><strong>Speculative Building (Sec. 3(8))</strong></td>
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<tr>
<td><strong>Rehabilitation (Sec. 3(8))</strong></td>
<td></td>
</tr>
<tr>
<td><strong>Research and Development (Sec. 2(10))</strong></td>
<td></td>
</tr>
</tbody>
</table>

**Amount of Years Requested for Exemption (1-12 Years):** 6

5. Per section 5, the application shall contain or be accompanied by a general description of the facility and a general description of the proposed use of the facility, the general nature and extent of the restoration, replacement, or construction to be undertaken, a descriptive list of the equipment that will be part of the facility. Attach additional page(s) if more room is needed.

Construction of 51,000 sq. ft. (approx) manufacturing and warehouse. Hydra-Zorb manufactures pipe and tube clamps for the hydraulic and refrigeration markets. 5 stamping presses, 8 molding machines, 6 baggers, 4 welders. 7800 sq. ft. of office space on 1 floor.

<table>
<thead>
<tr>
<th>Real Property Costs</th>
<th>$4,588,000</th>
<th>4,525,724</th>
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</thead>
<tbody>
<tr>
<td><strong>Total of Real &amp; Personal Costs</strong></td>
<td>$4,588,000</td>
<td>4,525,724</td>
</tr>
</tbody>
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7. Indicate the timeline for start and finish of construction and equipment installation. Projects must be completed within a two year period of the effective date of the certificate unless otherwise approved by the STC.

<table>
<thead>
<tr>
<th>Real Property Improvements</th>
<th>Begin Date (M/D/Y)</th>
<th>06/01/2015</th>
<th>End Date (M/D/Y)</th>
<th>02/28/2016</th>
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<tbody>
<tr>
<td>Personal Property Improvements</td>
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<table>
<thead>
<tr>
<th>Ownership</th>
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<tr>
<td><strong>Owned</strong></td>
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</tr>
<tr>
<td><strong>Leased</strong></td>
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<table>
<thead>
<tr>
<th>Are State Education Taxes reduced or abated by the Michigan Economic Development Corporation (MEDC)?</th>
<th>Yes</th>
<th>No</th>
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</table>

<table>
<thead>
<tr>
<th>No. of existing jobs at this facility that will be retained as a result of this project.</th>
<th>0</th>
</tr>
</thead>
</table>

<table>
<thead>
<tr>
<th>No. of new jobs at this facility expected to create within 2 years of completion.</th>
<th>30</th>
</tr>
</thead>
</table>

11. Rehabilitation applications only: Complete a, b and c of this section. You must attach the assessor's statement of SEV for the entire plant rehabilitation district and obsolescence statement for property. The Taxable Value (TV) data below must be as of December 31 of the year prior to the rehabilitation.

<table>
<thead>
<tr>
<th>a. TV of Real Property (excluding land)</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>b. TV of Personal Property (excluding Inventory)</td>
<td></td>
</tr>
<tr>
<td>c. Total TV</td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>District the facility is located in:</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Industrial Development District</strong></td>
<td></td>
</tr>
<tr>
<td><strong>Plant Rehabilitation District</strong></td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Date district was established by local government unit (contact local unit)</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>10/21/1985</td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Is this application for a speculative building (Sec. 3(8))?</th>
<th>Yes</th>
<th>No</th>
</tr>
</thead>
</table>
**APPLICANT CERTIFICATION - complete all boxes.**

The undersigned, authorized officer of the company making this application certifies that, to the best of his/her knowledge, no information contained herein or in the attachments hereto is false in any way and that all are truly descriptive of the industrial property for which this application is being submitted.

It is further certified that the undersigned is familiar with the provisions of P.A. 198 of 1974, as amended, being Sections 207.551 to 207.572, inclusive, of the Michigan Compiled Laws; and to the best of his/her knowledge and belief, (s)he has complied or will be able to comply with all of the requirements thereof which are prerequisite to the approval of the application by the local unit of government and the issuance of an Industrial Facilities Exemption Certificate by the State Tax Commission.

<table>
<thead>
<tr>
<th>13a. Preparer Name</th>
<th>13b. Telephone Number</th>
<th>13c. Fax Number</th>
<th>13d. E-Mail Address</th>
</tr>
</thead>
<tbody>
<tr>
<td>Robert Dodge</td>
<td>248-373-5151</td>
<td>248-373-0711</td>
<td><a href="mailto:bob@hydra-zorb.com">bob@hydra-zorb.com</a></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>14a. Name of Contact Person</th>
<th>14b. Telephone Number</th>
<th>14c. Fax Number</th>
<th>14d. E-Mail Address</th>
</tr>
</thead>
<tbody>
<tr>
<td>Robert Dodge</td>
<td>248-373-5151</td>
<td>248-373-0711</td>
<td><a href="mailto:bob@hydra-zorb.com">bob@hydra-zorb.com</a></td>
</tr>
</tbody>
</table>

**15a. Name of Company Officer (No Authorized Agents)**

Robert Dodge

**15b. Signature of Company Officer (No Authorized Agents)**

[Signature]

**15c. Fax Number**

248-373-5151

**15d. Date**

4/20/2015

**15e. Mailing Address (Street, City, State, ZIP Code)**

2450 Commercial Dr., Auburn Hills, MI 48326

**15f. Telephone Number**

248-373-5151

**15g. E-Mail Address**

bob@hydra-zorb.com

**LOCAL GOVERNMENT ACTION & CERTIFICATION - complete all boxes.**

This section must be completed by the clerk of the local governing unit before submitting application to the State Tax Commission. Check items on file at the Local Unit and those included with the submittal.

**16a. Documents Required to be on file with the Local Unit Check or Indicate N/A if Not Applicable**

1. Notice to the public prior to hearing establishing a district.
2. Notice to taxing authorities of opportunity for a hearing.
3. List of taxing authorities notified for the district and application action.
4. Lease Agreement showing applicants tax liability.

**16b. The State Tax Commission Requires the following documents be filed for an administratively complete application:**

Check or Indicate N/A if Not Applicable

1. Original Application plus attachments, and one complete copy
2. Resolution establishing district
3. Resolution approving/denying application.
4. Letter of Agreement (Signed by local unit and applicant)
5. Affidavit of Fees (Signed by local unit and applicant)
6. Building Permit for real improvements if project has already begun
7. Equipment List with dates of beginning of installation
8. Form 3222 (if applicable)
9. Speculative building resolution and affidavits (if applicable)

**16c. LUCI Code**

**16d. School Code**

**17. Name of Local Government Body**

**18. Date of Resolution Approving/Denying this Application**

Attached hereto is an original application and all documents listed in 16b. I also certify that all documents listed in 16a are on file at the local unit for inspection at any time, and that any leases show sufficient tax liability.

<table>
<thead>
<tr>
<th>19a. Signature of Clerk</th>
<th>19b. Name of Clerk</th>
<th>19c. E-Mail Address</th>
</tr>
</thead>
</table>

<table>
<thead>
<tr>
<th>19d. Clerk's Mailing Address (Street, City, State, ZIP Code)</th>
</tr>
</thead>
</table>

<table>
<thead>
<tr>
<th>19e. Telephone Number</th>
<th>19f. Fax Number</th>
</tr>
</thead>
</table>

State Tax Commission Rule Number 57: Complete applications approved by the local unit and received by the State Tax Commission by October 31 each year will be acted upon by December 31. Applications received after October 31 may be acted upon in the following year.

Local Unit: Mail one original and one copy of the completed application and all required attachments to:

**Michigan Department of Treasury**

State Tax Commission

PO Box 38471

Lansing, MI 48909

(For guaranteed receipt by the STC, it is recommended that applications are sent by certified mail.)
### Hydra-Zorb
Auburn Hills, MI

<table>
<thead>
<tr>
<th>Office Area</th>
<th>7,800 SF</th>
</tr>
</thead>
<tbody>
<tr>
<td>Plant Area</td>
<td>43,700 SF</td>
</tr>
<tr>
<td>Total Area</td>
<td>51,500 SF</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Trade</th>
<th>Budget Pricing</th>
<th>Beginning Date 2015</th>
<th>Ending Date</th>
</tr>
</thead>
<tbody>
<tr>
<td>General Conditions</td>
<td>$150,000</td>
<td>6/1/2015</td>
<td>2/28/2016</td>
</tr>
<tr>
<td>Design &amp; Engineering</td>
<td>$105,000</td>
<td>4/1/2015</td>
<td>2/29/2016</td>
</tr>
<tr>
<td>Site Utilities</td>
<td>$195,800</td>
<td>6/1/2015</td>
<td>2/28/2016</td>
</tr>
<tr>
<td>Asphalt Paving</td>
<td>$125,100</td>
<td>10/1/2015</td>
<td>2/28/2016</td>
</tr>
<tr>
<td>Site Signage</td>
<td>$3,000</td>
<td>6/1/2015</td>
<td>2/29/2016</td>
</tr>
<tr>
<td>Landscaping &amp; Irrigation</td>
<td>$75,000</td>
<td>5/1/2016</td>
<td>2/28/2016</td>
</tr>
<tr>
<td>Dumpster Enclosure</td>
<td>$10,000</td>
<td>10/1/2015</td>
<td>2/28/2016</td>
</tr>
<tr>
<td>Site Concrete</td>
<td>$53,650</td>
<td>10/1/2015</td>
<td>2/28/2016</td>
</tr>
<tr>
<td>Concrete Foundations</td>
<td>$105,400</td>
<td>10/1/2015</td>
<td>2/28/2016</td>
</tr>
<tr>
<td>Concrete Flatwork (slab on grade)</td>
<td>$290,150</td>
<td>10/1/2015</td>
<td>2/29/2016</td>
</tr>
<tr>
<td>Concrete Flatwork (slab on deck)</td>
<td>$33,120</td>
<td>10/1/2015</td>
<td>2/28/2016</td>
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<tr>
<td>Masonry</td>
<td>$139,119</td>
<td>12/1/2015</td>
<td>2/25/2016</td>
</tr>
<tr>
<td>Structural &amp; Miscellaneous Steel</td>
<td>$726,000</td>
<td>8/1/2015</td>
<td>2/29/2016</td>
</tr>
<tr>
<td>Carpentry</td>
<td>$18,000</td>
<td>12/1/2015</td>
<td>2/29/2016</td>
</tr>
<tr>
<td>Waterproofing</td>
<td>$1,250</td>
<td>10/1/2015</td>
<td>2/28/2016</td>
</tr>
<tr>
<td>Metal Siding</td>
<td>$235,000</td>
<td>8/1/2015</td>
<td>2/28/2016</td>
</tr>
<tr>
<td>Caulking</td>
<td>$2,500</td>
<td>6/1/2015</td>
<td>2/29/2016</td>
</tr>
<tr>
<td>Overhead Doors</td>
<td>$9,500</td>
<td>6/1/2015</td>
<td>2/29/2016</td>
</tr>
<tr>
<td>Office Area Buildout Allowance ($40/SF)</td>
<td>$312,050</td>
<td>8/1/2015</td>
<td>2/29/2016</td>
</tr>
<tr>
<td>Gypsum Board</td>
<td>$42,180</td>
<td>6/1/2015</td>
<td>2/28/2016</td>
</tr>
<tr>
<td>Fire Extinguishers/Cabinets</td>
<td>$1,000</td>
<td>6/1/2015</td>
<td>2/28/2016</td>
</tr>
<tr>
<td>Lockers</td>
<td>$5,000</td>
<td>12/1/2015</td>
<td>2/28/2016</td>
</tr>
<tr>
<td>Loading Dock Equipment</td>
<td>$11,000</td>
<td>8/1/2015</td>
<td>2/28/2016</td>
</tr>
<tr>
<td>Plumbing</td>
<td>$130,000</td>
<td>8/1/2015</td>
<td>2/28/2016</td>
</tr>
<tr>
<td>Fire Protection - Wet System</td>
<td>$100,000</td>
<td>8/1/2015</td>
<td>2/28/2016</td>
</tr>
<tr>
<td>HVAC</td>
<td>$185,000</td>
<td>8/1/2015</td>
<td>2/28/2016</td>
</tr>
<tr>
<td>Electrical</td>
<td>$350,250</td>
<td>8/1/2015</td>
<td>2/28/2016</td>
</tr>
<tr>
<td>Fire Alarm</td>
<td>$3,000</td>
<td>8/1/2015</td>
<td>2/28/2016</td>
</tr>
<tr>
<td>Site Lighting</td>
<td>$42,750</td>
<td>8/1/2015</td>
<td>2/28/2016</td>
</tr>
</tbody>
</table>

| Subtotal                     | $3,991,661     |                     |            |
| Total                        | $3,991,661     |                     |            |
| Cost/SF                      | $65.98         |                     |            |

### Alternates (add 4% Fee):

1. Construction Contingency (5.0%) | $199,583 | 2016 | 2/28/2016 |
2. Building Permit, Plan Review Fees, Tap Fees | $121,000 | 2016 | 2/28/2016 |
5. VRV (Variable refrigerant Volume) system for 1st floor office | $30,000 | 2016 | 2/28/2016 |
8. 2 runs of 400A copper bus duct, Each run 150' | $61,000 | 2016 | 2/28/2016 |

Total | $4,325,244 | | |
RESOLUTION

ESTABLISHING INDUSTRIAL DEVELOPMENT DISTRICT

FOR

ANIRJOT INVESTMENT COMPANY

ANTHONY BARCLAE

At a meeting of the City Council held on the 21st day of October, 1985 held at the Council Chambers at 1827 N. Squirrel Road, Auburn Hills, Michigan 48057.

It was moved by Councilman Douglas, and seconded by Councilman Fisk.

WHEREAS, Act 198 of the Public Acts of 1974, as amended, authorizes the City of Auburn Hills to create by resolution of the City Council an "Industrial Development District", and

WHEREAS, the City of Auburn Hills has been requested by Anthony L. Barclae on the behalf of the Anirjot Investment Company to establish an Industrial Development District on property owned by Anirjot Investment Company located in the City of Auburn Hills, and

WHEREAS, the City Council of the City of Auburn Hills, has given written notice by certified mail to the owners of real property within the proposed Industrial Development District of the fact that a public hearing was to be held upon the petition of the Anirjot Investment Company, and such public hearing has been held on the day and time provided in the written notice and all those who appeared were given an opportunity to be heard, and the City Council of the City of Auburn Hills having duly considered the petition and all evidence brought before it:

NOW THEREFORE, BE IT HEREBY RESOLVED:

That the City Council of the City of Auburn Hills does hereby establish an Industrial Development District pursuant to Act 198 of the Public Acts of 1974 for property described as follows:

T3N, R10E, Section 3 and 4, part of the NW 1/4 of Section 3 and part of N 1/2 of Section 4, all described as beginning at a point distant S 02°24'41" E 1303.44 ft from NW corner of Section 3, thence N 87°11'27" E 2658.48 ft, thence S 02°46'00" E 778.09 ft, thence N 87°14'19" W 768.82 ft, thence S 03°43'25" E 718.74 ft, thence S 86°58'22" W 1911.01 ft, to West 1/4 corner of Section 3, thence S 89°23'31" W 1657.30 ft to Northeastern line of I-75 Highway, thence N 00°29'35" W 70 ft, thence S 89°30'25" W 119.07 ft, thence along curve to right, radius 359.72 ft, chord bears N 72°33'05" W 221.62 ft, distance of 225.29 ft, thence N 54°36'35" W 255.38 ft, thence along curve to right, radius 906.35 ft, chord bears N 35°44'09" W 586.38 ft, distance of 597.12 ft, thence N 73°08'16" E 50 ft, thence N 16°51'44" W 250 ft, thence along curve to left, radius 525 ft, chord bears N 26°16'59" W 171.87 ft distance of 172.64 ft thence N 06°02'24" W 271.40 ft, thence S 88°41'43" W 776.98 ft, thence N 03°45'28" W 813.35 ft, thence S 87°16'06" W 60.01 ft., thence N 03°45'28" W 325 ft, thence N 87°18'06" E 790.25 ft, thence N 06°02'24" W 205.49 ft, thence N 87°33'14" E 1292.57 ft, thence N 87°32'55" E 1400.00 ft, thence N 02°24'41" W 9.56 ft to Beginning except Easterly part taken for Joslyn Road, Also except Easterly part beginning at Center of Section 3, thence N 1494.00 ft, thence W 773.34 ft, thence S 00°56'10" E 1496.80 ft, thence N 89°47'50" E 756.90 ft, to Beginning.

AYES: Councilmen Jerrell, Fisk, Davis, Douglas, Shirley, Smith and Mayor Grusnick

NAYES: None

ABSENT: None
STATE OF MICHIGAN)

)SS

COUNTY OF OAKLAND)

I, the undersigned, the duly qualified and appointed City Clerk of the City of Auburn Hills, Oakland County, Michigan, do hereby certify that the foregoing is a true and complete copy of a Resolution adopted by the City Council of the said City at a duly called meeting held on the 21st day of October, 1985, the original of which is on file in my office.

IN WITNESS WHEREOF, I have hereunto affixed my official signature this 24th day of October, 1985

Veronica C. New, City Clerk
TAX INCENTIVE AGREEMENT

Industrial Facility Exemption Certificate

(Revised March 19, 2012)


In recognition of the granting of the IFEC by City Council and the benefit of the tax savings for the Company, and the economic growth of the City, I hereby agree on behalf of the Company to the following;

1. The Company will furnish notification of the completion of the facility to the City Assessor and the State Tax Commission, within 30 days of the date of completion. If there is no construction progress for a facility under construction for more than 180 days, the Company will notify the City Assessor.

2. Within 90 days of the date of completion of the facility, the Company will report;

   a. The final cost of the facility to the City Assessor and the State Tax Commission; and a detailed listing of the new personal property acquired for the facility, including description, type, identification, year of acquisition and cost of purchase and installation.

   b. The number of jobs created by completion of the facility, not including jobs transferred from other locations.

If the actual project costs are more than 10% less than the estimated costs given in the application, or if the number of jobs created are less than the number estimated in the application, the Company will provide an explanation.

3. As a condition of receiving an Industrial Facilities Exemption Certificate, or an extension of an existing certificate, pursuant to this policy, a company agrees to operate the facility for which the IFEC is granted for the term of the IFEC, plus an additional term after the date of expiration of the IFEC according to the following schedule:

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

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

4. The Company further understands that if it vacates or fails to operate the facility for which the IFEC is granted for the period of time as outlined above, that the
company is liable for repayment of any property tax savings benefiting the Company due to the existence of the IFEC, beginning with the initial effective year of the IFEC. In addition, the Company will be liable for repayment of future tax savings if there are any remaining years in the term of the IFEC, under the provisions of Section 21(2) of Public Act 198, 1974 as amended. These provisions may be waived by the City Council at the request of the Company for justifiable cause.

5. The Company further agrees to pay its abated real and personal property taxes timely and without penalty. In addition, the Company agrees to inform the City Assessor and the City Treasurer of any plans to relocate the company from any location within the City, 30 days prior to the relocation.

6. The Company agrees to notify the City Assessor and City Treasurer of any change in the ownership of the Company’s real and personal property assets or a majority share of the Company’s stocks. For the purposes of this agreement, a new owner or lessee shall be defined as follows:

   a. For those industrial facilities exemption certificates that pertain to real property improvements, the term “new owner or lessee” shall be defined as follows:

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

      OR

      ii. An entity that acquires an ownership interest of more than 50% in the existing certificate holder entity that owns and occupies or leases and occupies that facility.

   b. For those industrial facilities exemption certificates pertaining to personal property, the term “new owner or lessee” shall be defined as follows:

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

      OR

      ii. An entity that acquires an ownership interest of more than 50% in the existing certificate holder entity that owns or leases the facility

7. Whenever there is a new owner or lessee, as defined above, of any real or personal property for which an industrial facilities exemption certificate has been granted, the new owner or lessee shall make application for a transfer of the certificate to the new owner or lessee immediately, but no longer than six (6) months after a change in ownership occurs. The City Council may grant requests
to transfer existing certificates, after review and recommendation by the Tax Incentive Review Committee, provided requests are consistent with the City’s adopted Tax Incentive Policy, or any amendments made to the policy, that is in effect at the time a request for a transfer is made. An updated tax incentive development agreement shall accompany any request for a transfer of a certificate to a new owner or lessee.

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

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

WITNESS:

WILLIAM A. KRAUSE

COMPANY REPRESENTATIVE:

BY: KEVIN Mc DANIEL

ITS: MAYOR

TITLE

DATED: ______________

ACKNOWLEDGED BY THE CITY OF Auburn Hills

WITNESS:

BY:

KEVIN Mc DANIEL

ITS: MAYOR

TITLE

DATED: ______________

WITNESS:

BY:

TERRI KOWAL

ITS: CITY CLERK

TITLE

DATED: ______________

Page 3 of 3
Property Transfer Affidavit

This form must be filed whenever real estate or some types of personal property are transferred (even if you are not recording a deed). It is used by the assessor to ensure the property is assessed properly and receives the correct taxable value. It must be filed by the new owner with the assessor for the city or township where the property is located within 45 days of the transfer. If the Property Transfer Affidavit is not timely filed, a statutory penalty applies (see page 2). The information on this form is NOT CONFIDENTIAL.

1. Street Address of Property
   1751 Summit Drive, Auburn Hills, MI 48326

2. County
   Oakland

3. Date of Transfer (or land contract signed)
   May 21, 2015

4. Location of Real Estate (Check appropriate field and enter name in the space below.)
   [X] City
   [ ] Township
   [ ] Village

   City of Auburn Hills

5. Purchase Price of Real Estate
   825,000.00

6. Seller's (Transferor) Name
   Summit Drive Ventures, LLC

7. Property Identification Number (PIN). If you don't have a PIN, attach legal description.
   PIN. This number ranges from 10 to 25 digits. It usually includes hyphens and sometimes includes letters. It is on the property tax bill and on the assessment notice.
   14-03-100-051

8. Buyer's (Transferee) Name and Mailing Address
   Dodge Properties, LLC
   2450 Commercial Drive,
   Auburn Hills, MI 48326

9. Buyer's (Transferee) Telephone Number

Items 10 - 15 are optional. However, by completing them you may avoid further correspondence.

10. Type of Transfer: Transfers include deeds, land contracts, transfers involving trusts or wills, certain long-term leases and interest in a business. See page 2 for list.
    [ ] Land Contract
    [ ] Lease
    [X] Deed
    [ ] Other (specify)

11. Was property purchased from a financial institution?
    [ ] Yes
    [X] No

12. Is the transfer between related persons?
    [ ] Yes
    [X] No

13. Amount of Down Payment
    [ ]

14. If you financed the purchase, did you pay market rate of interest?
    [ ] Yes
    [ ] No

15. Amount Financed (Borrowed)
    [ ]

EXEMPTIONS

The Michigan Constitution limits how much a property's taxable value can increase while it is owned by the same person. Once the property is transferred, the taxable value must be adjusted by the assessor in the following year to 50 percent of the property's usual selling price (State Equalized Value). Certain types of transfers are exempt from adjustment. Below are brief descriptions of the types of exempt transfers; full descriptions are in MCL Section 211.277a(7)(a-n). If you believe this transfer is exempt, indicate below the type of exemption you are claiming. If you claim an exemption, your assessor may request more information to support your claim.

- [ ] transfer from one spouse to the other spouse
- [ ] change in ownership solely to exclude or include a spouse
- [ ] transfer is by blood or affinity to the first degree
- [ ] transfer of that portion of a property subject to a life lease or life estate (until the life lease or life estate expires)
- [ ] transfer to effect the foreclosure or forfeiture of real property
- [ ] transfer by redemption from a tax sale
- [ ] transfer into a trust where the settlor or the settlor's spouse conveys property to the trust and is also the sole beneficiary of the trust
- [ ] transfer resulting from a court order unless the order specifies a monetary payment
- [ ] transfer creating or ending a joint tenancy if at least one person is an original owner of the property (or his/her spouse)
- [ ] transfer to establish or release a security interest (collateral)
- [ ] transfer of real estate through normal public trading of stocks
- [ ] transfer between entities under common control or among members of an affiliated group
- [ ] transfer resulting from transactions that qualify as a tax-free reorganization
- [ ] transfer of qualified agricultural property when the property remains qualified agricultural property and affidavit has been filed.
- [ ] transfer of qualified forest property when the property remains qualified forest property and affidavit has been filed.
- [ ] transfer of land with qualified conservation easement (land only - not improvements)
- [ ] other, specify:

CERTIFICATION

I certify that the information above is true and complete to the best of my knowledge.

Signature

Date

05/21/2015

Name and title. If signer is other than the owner

Mallis A. Bullock, Manager

Daytime Phone Number

801-578-8851

E-mail Address

mbullock@firstami.com
**Instructions**

This form must be filed when there is a transfer of real property or one of the following types of personal property:

- buildings on leased land.
- leasehold improvements (as defined in MCL Section 211.8 (h)).
- leasehold estates (as defined in MCL Section 211.8 (i) and (j)).

Transfer of ownership means the conveyance of title to or a present interest in property, including the beneficial use of the property. It includes, but is not limited to, the following conveyances:

- deed.
- land contract.
- transfer into a trust, unless the sole beneficiary is the settlor (creator of the trust), the settlor's spouse, or both.
- transfer from a trust, unless the distributee is the sole present beneficiary, the spouse of the sole present beneficiary, or both.
- changes in the sole present beneficiary of a trust, unless the change only adds or substitutes the spouse of the sole present beneficiary.
- distributions by a will or intestate succession, unless to the decedent's spouse.
- leases, if the total duration of the lease is more than 35 years, including the initial term and all options for renewal, or if the lease grants the lessee the right to purchase the property at the end of the lease for not more than 80 percent of the property's projected true cash value at the end of the lease. This only applies to the portion of the property subject to the lease described above.
- transfers of more than a 50 percent interest in the ownership of a business, unless the ownership is gained through the normal public trading of shares of stock.
- transfers of property held as a tenancy in common, except the portion of the property not subject to the ownership interest conveyed.
- a conveyance of an ownership interest in a cooperative housing corporation, except the portion of the property not subject to the ownership interest conveyed.

For complete descriptions of qualifying transfers, please refer to MCL Section 211.27a(6)(a-j).

**Excerpts from Michigan Compiled Laws (MCL), Chapter 211**

**Section 211.27a(10)**

"...the buyer, grantee, or other transferee of the property shall notify the appropriate assessing office in the local unit of government in which the property is located of the transfer of ownership of the property within 45 days of the transfer of ownership, on a form prescribed by the state tax commission that states the parties of the transfer, the date of the transfer, the actual consideration for the transfer, and the property’s parcel identification number or legal description."

**Section 211.27(5)**

"Except as otherwise provided in Subsection (6), the purchase price paid in a transfer of property is not the presumptive true cash value of the property transferred. In determining the true cash value of transferred property, an assessing officer shall assess that property using the same valuation method used to value all other property using the same valuation method used to value all other property of that same classification in the assessing jurisdiction."

**Penalties:**

Section 211.27b(1): "If the buyer, grantee, or other transferee in the immediately preceding transfer of ownership of property does not notify the appropriate assessing office as required by section 27a(10), the property’s taxable value shall be adjusted under section 27a(3) and all of the following shall be levied:

(a) Any additional taxes that would have been levied if the transfer of ownership had been recorded as required under this act from the date of transfer.
(b) Interest and penalty from the date the tax would have been originally levied.
(c) For property classified under section 34c as either industrial real property or commercial real property, a penalty in the following amount:
   (i) Except as otherwise provided in subparagraph (ii), if the sale price of the property transferred is $100,000,000.00 or less, $20.00 per day for each separate failure beginning after the 45 days have elapsed, up to a maximum of $1,000.00.
   (ii) If the sale price of the property transferred is more than $100,000,000.06, $20,000.00 after the 45 days have elapsed.
(d) For real property other than real property classified under section 34c as industrial real property or commercial real property, a penalty of $5.00 per day for each separate failure beginning after the 45 days have elapsed, up to a maximum of $200.00."
PROPERTY TRANSFER AFFIDAVIT ACKNOWLEDGMENT

File Number: 687116
Date: May 21, 2015
Reference: Dodge Properties, LLC / Summit Drive Ventures, LLC
Property Address: 1751 Summit Drive, Auburn Hills, MI 48326

I/We, the undersigned Purchaser, Grantee or Transferee, have been advised that under Act 415, P.A. of 1994, Form L-4260 2766 (Rev. 01/09) Property Transfer Affidavit must be completed and received by the local assessor within 45 days of the date of transfer.

I/We further understand that the failure to file is punishable by penalty, if the sale price of the property transferred is $100,000,000.00 or less, $20.00 per day for each separate failure beginning after the 45 days have elapsed, up to a maximum of $1,000.00. (ii) If the sale price of the property transferred is more than $100,000,000.00, $20,000.00 after the 45 days have elapsed. (d) For real property other than real property classified under section 34c as industrial real property or commercial real property, a penalty of $5.00 per day for each separate failure beginning after the 45 days have elapsed, up to a maximum of $200.00.

I/We have received from First American Title Insurance Company on May 21, 2015, a Property Transfer Affidavit, Form L-4260 2766 (Rev. 01/09), and accept responsibility for filing this form with our city/township assessor. I/We agree to hold First American Title Insurance Company harmless from any further liability and/or responsibility regarding this form.

☐ I/We have requested that First American Title Insurance Company distribute this form by regular mail to the city/township assessor, and hold the title company harmless from any further liability and/or responsibility regarding this form.

☐ That the Buyer(s) are unable to complete the Property Transfer Affidavit at this time and will undertake to distribute the form themselves; or have chosen to distribute the form themselves to the local tax collecting unit.

Purchaser(s):

Dodge Properties, LLC, a Michigan limited liability company

[Signature]
By: Mark A. Bullock, Manager
in the event of foreclosure so long as Lessee is not in default under the terms thereof. In the event of any mortgagee or trustee electing to have the within Lease a prior lien to its mortgage or deed of trust, then and in such event, upon such mortgagee or trustee notifying Lessee to that effect, this Lease shall be deemed prior in lien to said mortgage or trust deed, whether this lease is dated prior to or subsequent to the date of said mortgage or trust deed.

17. Releasing. Lessee hereby agrees that for a period commencing ninety (90) days prior to the termination of this lease, lessee may show the premises to prospective tenants, and sixty (60) days prior to the termination of this Lease may display in and about said premises, and in the windows thereof, the usual and ordinary "To Rent" signs.

18. Sale by Lessor. If, during the terms of this lease and any extension thereof, lessor desires to sell the leased Premises, lessor shall give Lessee thirty (30) days' notice of any proposed sale and the terms thereof.

19. Covenants to Bind Respective Parties. This Lease, and all of the agreements, covenants, and conditions contained herein shall be binding upon Lessor and Lessee and upon their respective heirs, executors, administrators, successors, and assigns.

20. Liability Insurance. Lessee will procure and keep in effect during the term hereof public liability and property damage insurance for the benefit of the Lessor no lesser than the sums relating to the corresponding coverage reflected in the attached Schedule A. Lessor shall deliver said policies to the Landlord and upon Lessee's failure to do so, Lessor may at its option obtain such insurance and the cost thereof shall be paid as additional rent due and payable upon the next ensuing rent day.

IN WITNESS WHEREOF, Lessor and Lessee have caused these presents to be executed by their duly authorized officers and have caused their respective corporate seals to be hereto affixed, all as of the day and year first above written.

LESSOR:

DODGE PROPERTIES, L.L.C.,

Michigan Limited Liability Company

WITNESSES:

[Signatures]

By: [Signature]

Robert B. Dodge
It's Member
LESSEE:

HYDRA ZORB COMPANY, a Michigan Corporation

By:  

Robert B. Dodge  
Its: President

Witnesses:

Resi Orendberg

Jillia O. Kramer
Industrial Facility Application
PA 198, 1974

City of Auburn Hills

Supplemental Information
To Be Provided by Applicant/Company

Name of Company: Hydra-Zorb Co.

Company Profile: Provide a brief description of the company including its history, type of incorporation, corporate headquarters location, parent corporation, previous corporate names. Describe the type of products produced, principal markets, and the activity to be carried out at the proposed or existing facility in Auburn Hills.

The Hydra-Zorb piping cushion clamp was invented in 1955 when Orval Oppenhauser was working for F.J. Lamb Company. In 1972, Oppenhauser began Hydra-Zorb Co. to manufacture and sell the product to the industrial hydraulic market. Since that time, the company has been in the Auburn Hills area manufacturing and selling products nationally and internationally. The company is currently an “S” Corporation.

Located at 2450 Commercial Drive since 1983, Hydra-Zorb’s business requirements for production and packaging have outgrown the current building. Hydra-Zorb Co. desires to develop a new manufacturing facility at 1751 Summit Drive, currently vacant land.

The initial cost estimate of construction is approximately $5,200,000. The new building will be designed to accommodate the increased manufacturing and packaging requirements for the company. The company’s line of pipe and tube clamps sell into the HVAC/refrigeration and hydraulic markets. Currently employed are 20 people with new employees ranging between 10 and 15 over the 5 years.

Hydra-Zorb would like to begin construction right after closing of the land purchase, May 23rd of this year. Construction time will range between 9 and 12 months. Our goal is to be operating in the new facility in the 1st quarter of 2016.
Please respond to the following questions or state if not applicable:

1. If presently located in Auburn Hills, how long have you been in business here?
   43 years. Started on Doris Rd., Pontiac Twsp.

2. Has a site plan for the facility requested for tax abatement been submitted and approved?
   Yes

3. Will development of the site require a change in zoning or a request for special land use or other variances?
   No. We will request a land bank permit for parking.

4. What will be required to develop the site? Do water, sewer, and other utilities exist presently at the site? Will any new access roads need to be constructed or upgraded?
   We will need to tie into the utilities on Summit Drive.

5. Will the company request that the City of Auburn Hills assist in paying any costs related to providing infrastructure for this facility?
   No

6. Are any wetlands or environmentally sensitive areas to be impacted by construction of the facility?
   No

7. How will water retention and drainage be provided for the facility?
   Detention pond at west end of the property.

8. Will any raw materials be used or stored at the facility, Will your company require outside storage of any products or materials?
   Steel coils and plastic pellets. No outside storage or unloading of these items.

9. What will be the operating hours of the facility? Will any heavy equipment be operated at the facility after completion of construction?
   M-F 6:00 a.m. – 5:00 p.m. No heavy equipment.
10. Will the facility produce industrial waste? Will any known hazardous chemicals be used or produced? Will the facility produce any significant air emissions?

   No to all questions.

11. State the various job classifications, the number to employed, and the hourly wage rates of non-management employees, i.e. administrative, secretarial, engineering, sales, laborers, machinists, etc. State whether any positions are part time or temporary.

   Warehouse - $18/hr.
   Manufacturing - $19/hr.
   Packaging - $17/hr.
   Clerical - $17/hr.
   All are full time.

12. Does the proposed site allow for future expansion of the facility? If yes, state the amount of floor area that can be added after the initial phase of construction.

   Yes. Approximately 20,000 sq. feet.

13. Has your company received tax abatements from the community where it is presently located? If so describe the type of abatement.

   Yes, personal property.
INTRODUCTION AND HISTORY

When the Public Safety Building was built in 2001, an audio-visual recording system was installed in our 4 interview/interrogation rooms to secure important evidence to be used in criminal investigations. In November of 2007, we updated the system with a digital interview recording system, a significant leap in technology. In 2015 it has become outdated and we struggle to keep it repaired. Public Act 479 of 2012 now requires law enforcement agencies to make a time-stamped, audiovisual recording of all interrogations when an individual is involved in a “major felony.” Auburn Hills Police Department General Order #55 also requires audiovisual recording of major crimes and recommends audiovisual recordings of any significant crime. Pursuant to Public Act 479 of 2012, the Michigan Commission on Law Enforcement Standards set quality standards for the recording systems. The standards included the recording capability, camera location and resolution, microphone location and quality, and the system requires a date/time stamp. The National Institute of Justice also conducted research on standards for Interview Recording Management Systems. The research supported many of the same standards of MCOLES, but highly recommends two cameras in each interview room. The second camera is dedicated to the location of the interviewee to provide the jury the best image of the interviewee’s posture, facial expressions and body language.

As a result of our aged equipment, we have lost recorded interrogations in the last 3 months due to equipment failure. The current system only has one camera in each interview room and only provides an overview of the interview room. The cameras are original to 2001 when the public safety building was built.

We propose to remove equipment from one interview room in the lockup which has been repurposed and add cameras and a microphone to the lobby interview room retaining a total of 4 rooms. Laws covering interrogation vary based on whether a person is in custody or not. Given that the interview rooms are located in the lockup area, there is a strong argument that an interviewee in one of those rooms is in custody (not permitted to leave) changing the requirements for an interview. Having the ability to record an interview in the lobby area makes it clear that the rules of non-custody interviews apply.

In the 2015 Approved Budget Council approved $22,000 to replace the current interview recording management system (IRMS). The funds to be used for the system were from forfeiture proceeds which are restricted funds to be used only for law enforcement activities and equipment.

A request for bid was posted on the MITN system. Requirements for the bid included that the systems hold at least 2900 hours of interviews on a RAID storage system, be able to record and annotate before, during and after the interview, annotations must be searchable, provide security settings to insure data integrity, and include installation and training. The bids also included a warranty for software upgrades and on-site service for five years. The RFB also requested optional pricing for the system to allow for remote start/stop and bookmarking during the interview. A bidder’s meeting was held at the Police Department on April 2, 2015, where five vendors asked questions on the bid and toured the location. The bid opening was conducted at the City Clerk’s office on April 30, 2015 at 3:00 PM.

Four bids were received from the various vendors listed below:
<table>
<thead>
<tr>
<th>Company</th>
<th>Bid Amounts</th>
<th>Options Price</th>
<th>Totals</th>
</tr>
</thead>
<tbody>
<tr>
<td>Absolute Sales International</td>
<td>$37,223.00</td>
<td>$1790.00</td>
<td>$39,013.00</td>
</tr>
<tr>
<td>Pontiac, MI</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>BIS Digital</td>
<td>$42,465.00</td>
<td>$120.00</td>
<td>$42,585.00</td>
</tr>
<tr>
<td>Ft. Lauderdale, FL</td>
<td></td>
<td></td>
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<tr>
<td>CDW Government LLC</td>
<td>$53,678.00</td>
<td>No Bid</td>
<td>$53,678.00</td>
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<tr>
<td>Vernon Hills, IL</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Advanced Wireless</td>
<td>$33,716.70</td>
<td>No bid</td>
<td>$33,716.70</td>
</tr>
<tr>
<td>Wixom, MI</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

**Advanced Wireless** did not include software upgrades for 5 years per the bid specifications. After 1 year software upgrades become the responsibility of the agency. The system does not allow for live time annotations, does not have RAID storage, and no ability to redact without exporting to a different media player and purchasing software to complete redactions. This system is only being used by Bloomfield Hills Public Safety in this area.

**CDW Government** proposed the same system as Advanced Wireless and the system does not meet the bid requirements.

**Absolute Sales International**’s bid met all requirements in the bid. Their bid of $39,013.00 is the least expensive for all companies that met the minimum specifications. This bid includes concurrent recording of two interviews at one time at the Police Department. Two separate systems would be installed at the Police Department for the four interview rooms. If there was a problem with one system at the station that required maintenance, the other would still be usable. Reference checks with several police departments that are currently using this same system were very positive. All stated that the system is reliable and easy to use.

**BIS Digital**’s system provides the same functions as that proposed by Absolute Sales International.

This bid award was reviewed by the Public Safety Advisory Committee at their meeting on May 26, 2015 and they recommended this purchase to City Council for approval.

Although the bids were higher than the original budget, adequate funds exist in the forfeiture accounts to cover the increase in cost.

**STAFF RECOMMENDATION**

Staff recommends the purchase of Cardinal Peak’s CaseCracker interview recording management system from Absolute Sales International.

**MOTION**

Move to approve the purchase of Cardinal Peak’s CaseCracker interview recording management system from Absolute Sales International at a cost of $39,013.00 and authorize the City Manager to convey acceptance by purchase order.

I CONCUR:  

Thomas A. Tanghe, CITY MANAGER
PONTIAC

Advisory remains for Clinton River contact

The Oakland County Health Division is advising residents to avoid swimming, and all other recreational activities, in portions of the Clinton River due to a suspected release of chemicals into the river. The affected area of river begins at the Pontiac city limits and continues east to the Oakland/Macomb county border. The advisory was released Wednesday and will remain in effect while the Environmental Protection Agency and the Michigan Department of Environmental Quality continue their inquiry and cleanup efforts. Federal officials are working to track the source of the oil sheen that’s covering a section of the river near Auburn Hills. Oakland County authorities believe the spill was four to five miles long and estimated 500 to 1,200 gallons of the substance was involved.
Attendees paddle along the Clinton River during the 2014 Paddlepalooza. This year's event is scheduled for Saturday.

AUERBURN HILLS

City offers list of 10 summer hot spots

By Dave Phillips
dave.phillips@oakpress.com
@ByDavePhillips on Twitter

From canoeing to enjoying outdoor concerts to fishing, the City of Auburn Hills has released a list of 10 summer hot spots and/or events for residents and outsiders to enjoy.

The list is part of the city's new community relations campaign, called "Summer Thrills in Auburn Hills: Where memories are made just minutes away."

Topping the list is the seventh annual Clinton River Paddlepalooza, scheduled for Saturday. Registration is $20 for the event, which includes a canoe and kayak race and an adventure river paddle. The events take place on an eight-mile course spanning from...
Summer

FROM PAGE 1

Riverside Park in Auburn Hills to River Crest Banquet Center in Rochester Hills.

The event begins at 8 a.m., and lunch will be served between 11 a.m. and 1 p.m. A rain date has been scheduled for June 6. Riverside Park is the venue for another event topping the list – the Friday Nights Downtown Music Series. The free community concerts, featuring country, oldies, blues, swing, jazz and other genres, take place each Friday from June 5 to Aug. 21. Attendees are encouraged to bring their own lawn chairs and blankets.

Free concerts will also be featured at another summer happening, the Sounds of Summer Music Series, which celebrates its 28th season in 2015. Performances will be held June 11, July 9 and Aug. 13 on the back patio of the Auburn Hills Community Center. Attendees are advised to bring blankets and lawn chairs.

A free day of catch-and-release fishing is scheduled for June 13. The 12th Annual River Day Fishing Derby will take place at the main branch of the Clinton River in Riverside Park. The river will be stocked with rainbow trout ranging between 10 and 16 inches, and prizes will be offered for contestants under 17 years old. Participants do not need to pre-register, and fishing licenses are not required. The event begins at 7:30 a.m.

June is a busy month, as the following weekend features Downtown Summerfest. A Color Me Extraordinary 5K race in support of Easter Seals will be held, as well as a classic car show, barbecue cook-off, arts and crafts fair, dodgeball tournament, ice cream social, children’s activities, and more live music. Summerfest is scheduled for June 19-20.

Crime Out Palooza National Night Out is scheduled for Aug. 4. The free family event will be held at the city campus and Civic Center Park and is billed as a going away party for cyberbullying. Anti-bullying information will be offered, along with police demonstrations, fire safety tips, games, prizes, music and food.

The city also offers summer activities that are available any day of the week. SEA LIFE Michigan Aquarium features more than 5,000 underwater creatures, along with an ocean tunnel and an interactive touchpool experience.

Shopping enthusiasts can take a break from the heat inside Great Lakes Crossing Outlets, which hosts 185 manufacturers’ outlet stores, along with retail stores, restaurants and entertainment.

Auburn Hills will welcome visitors in droves this summer to the Palace of Auburn Hills, which will host concerts from Bette Midler, New Kids on the Block, Rush, Shania Twain and others this summer. The list is rounded out with the city’s nature center, golf course, trails and parks. The E. Dale Fisk Hawk Woods Nature Center offers overnight log cabins, a lodge for meetings and activities, 80 acres of woods and meadows, nature trails, a marsh boardwalk and a covered picnic pavilion.

The Fieldstone Golf Club, designed by architect Arthur Hills, has 18 holes and offers private lessons, group instruction, junior golf programs and golf leagues. It has a pro shop and a restaurant and can host corporate outings.

Summertime fun can also be had at the 2.1-mile Clinton River Trail or one of the city’s six parks.

“We’re extending an open invitation for people of all generations to discover the incredible things to do, places to go and events to enjoy in Auburn Hills this summer,” stated Auburn Hills Mayor Kevin McDaniel.

“Whether they visit for a few hours or vacation for a couple of days, once guests explore our fine city and create lasting memories, I am confident they will become enthusiastic Auburn Hills ambassadors.”

Those enjoying summer in the city are encouraged to post their experiences on social media, using the #ThrillsInAuburnHills hashtag. The city will run contests and award prizes to those who share.

For additional information, visit auburnhills.org or call the city’s Parks & Recreation Department at 248-370-9553.
PREP SOFTBALL

Avondale beats rain, Bloomfield Hills to move on to district finals

By Patrick McIntyre  
Special to The Oakland Press

BIRMINGHAM » One way to beat mother nature when wet weather is threatening is to shorten the game. Thanks to a seven-run second inning and five innings of shutout pitching from sophomore Sarah Denis Auburn Hills Avondale secured a 15-0, five-inning MHSAA Division 1 district semifinal win over Bloomfield Hills at Birmingham Seaholm on Saturday.

As is often the case with young pitching, the Yellow Jackets (14-17) were inconsistent from the circle in the regular season, but Denis pitched well, recording five strikeouts while allowing a walk and three hits in her five innings of work.

“(The shutout) is a big confidence booster,” Avondale head coach Lisa Allain said. “Sarah is only a sophomore, so for her to come out and throw a real good game like she did, it really pumps the team up.”

After going down 1-2-3 in the first inning, the Avondale offense woke up in the second inning, sending 11 batters to the plate and scoring seven times.

“The girls were a little concerned (after the first inning),” Allain said. “But, they came back in the second inning and did what they needed to do.”

The trio of Brooke Blanchette, Mackenzie Blomberg and Amanda Ceglarz at the top of the Yellow Jacket batting order continued to do damage, scoring three runs each as Ceglarz and Blanchette each had two hits and Blomberg had a double. The second semifinal game between Seaholm and Birmingham Groves was suspended in the bottom of the first inning with Seaholm leading 1-0 and Groves batting with a runner on first and nobody out. That game, where the winner will face the Yellow Jackets, will resume on Monday at 2:30.

“It’ll be an uphill climb (in the district final),” Allain said. “We’d rather get the second game in today just to ride that momentum. However, with the field conditions and the weather, I’d rather play on a nicer day.”
AUBURN HILLS

Ronald McDonald House hosts charity golf outing

The 11th Ronald McDonald House of Detroit, Vinni’s Children’s Charity Golf Outing will take place June 5 at the Fieldstone Golf Club in Auburn Hills.

The event starts at 9 a.m. with 18 holes of golf with cart, lunch, dinner silent auction, prizes and raffles. Each year, family and friends gather to host the Vinni’s Children’s Charity Golf Outing to raise money for the Ronald McDonald House of Detroit.

Last year’s outing was a huge success with proceeds of more than $42,000 for the Ronald McDonald House of Detroit. The funds raised help to offset costs for the families that have critically ill children at the hospital and are staying at the house.

Admission to the event is $125 per golfer, $500 per team and is open to the public. Sponsorships and auction items are being accepted for the outing to help raise more funds for the event.


—Submitted by Cary Adragna
High Schools: State Finals

Senior hungry for title in 100

Hollowman of Avondale says he's own competition

BY DAVID GORICKI
The Detroit News

Joshua Hollowman doesn’t want to be known as a two-time state track and field champion in the 100 meters.

He wants more.

“I won the 100 last year, and I’m very competitive,” the Auburn Hills Avondale senior said. “That makes me hungry to go grab the title again.”

His quest begins at 8 a.m. Saturday in the Division 2 finals at Zeeland.

Hollowman, who also won the 200 title last year, ran the 100 in 10.41 seconds during a meet at Algonac this season. If he can duplicate that time, he would top the Division 2 state record held by Muskegon Orchard View’s Clint Allen (10.44), set in 2006.

And he knows who his competition is.

“Mysly,” he said. “I know the guy next to me wants to win, but I just go out like it’s another race. I know I have to prepare myself to just go out and do my best. I feel if I do that I’ll win.”

Hollowman’s times in the 100 and 200 last year were 10.75 and 22.21, respectively. He also won the 100 in Division 1 as a sophomore in 2013.

… Anna Jefferson and Ersula Farrow hope to have a say in Oak Park’s bid for a Division 1 repeat.

Jefferson, a junior, set the state record in the 400 meters (53.50) last year, and Farrow won the 800 meters (2:07.63) as a member of Grosse Pointe South (she transferred to Oak Park for her senior year).

Girls tennis

The Grosse Pointe South girls tennis team held off Clarkston, 28-22, in last year’s Division 1 finals.

South is again one of the favorites behind junior Raven Neely (No. 1), but will have competition from Utica senior Davina Nguyen, the defending state champion at No. 1 singles. Neely defeated Nguyen this spring.

david.goricki@detroitnews.com

twitter.com/DavidGoricki

Auburn Hills

Police expect to present Palace shooting case to prosecutor

News of possible charges for a Detroit police officer stemming from an alleged shooting outside The Palace of Auburn Hills could come as early as this week. Investigators from the Auburn Hills Police Department expect to present their case to the Oakland County Prosecutor’s Office by the end of the week, according to Lt. Casimir Mlarka. Department representatives said last week Detroit police have launched an internal investigation following the May 17 incident which occurred in the parking lot of the venue while the officer was off duty.

It is believed the officer, 26, shot two people and injured another during an altercation which began while he was changing a flat tire.

The officer and the shooting victims were treated for non-life-threatening injuries at McLaren Oakland Hospital in Pontiac. The officer was not arrested and his name has not been released. Comedian Kevin Hart was performing two shows at the northern Oakland County arena that night and the incident occurred during intermission between the two acts, authorities have said.

— Staff writer Paul Kampe
Charges possible this week for officer in alleged shooting

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

Charges could come this week for an off-duty Detroit police officer who is believed to have shot two people outside of The Palace of Auburn Hills last month.

Auburn Hills Police Department investigators submitted their report to the Oakland County Prosecutor's Office for possible charges on Friday, May 29, according to Lt. Jill McDonnell. Chief assistant prosecutor Paul Walton confirmed Monday the office had received the report, but the case is still being reviewed. Walton added it is not yet known if the man will be charged in the incident. The officer, 26, is not being named by officials. He was not arrested following the incident and his status with the Detroit Police Department is unknown.

The officer and the shooting victims were treated for non life-threatening injuries at McLaren Oakland Hospital in Pontiac, authorities have said. The incident occurred in the arena parking lot around midnight on May 17, during a recess between two shows by comedian Kevin Hart.

According to police, the officer was changing a flat tire when another vehicle pulled alongside. A verbal dispute and physical altercation followed. No new details about the incident were available Monday.

Dow Automotive Systems in Auburn Hills, a unit of Dow Chemical, won a 2015 Edison award for its structural adhesives. The award recognizes products and people with significant innovations. Dow's adhesives allow for the development of lighter weight vehicles, which help save gasoline and reduce carbon dioxide emissions.

Free health fair set for Saturday at college

Baker College is hosting a free health fair, 9 a.m. to 2 p.m. Saturday, May 30 at Baker College of Auburn Hills, 1500 University Drive, Auburn Hills. The 2015 Health Education Fair is presented by Baker College of Auburn Hills health sciences program, Beaumont Wellness Coalition, Auburn Hills Chamber of Commerce, Common Ground and Clarkston Internal Medicine. The event includes free health screenings, demonstrations and educational activities for all ages. More than 200 students in Baker College's health sciences programs, along with health care professionals will offer free health screenings and demonstrations, including dental screenings, sealants and X-rays. There will also be a close-up look at Beaumont Hospital's ambulance and emergency helicopter. For more information, visit www.baker.edu.

— Staff writer Kathy Blake
SEA LIFE Aquarium welcomes Benson the sea turtle

By Dave Phillips
dave.phillips@oakpress.com
@ByDavePhillips on Twitter

AUBURN HILLS — A sea turtle who was struck by a boat and left with a fractured shell has a new home at the largest aquarium in Michigan.

Benson the sea turtle made his debut Tuesday morning at SEA LIFE Michigan Aquarium at Great Lakes Crossing in Auburn Hills.

Benson, who is unable to be released into the wild, was brought to Auburn Hills from the Georgia Sea Turtle Center.

"Benson had a common thing happen to him that happens to a lot of turtles in the wild when he was hit by a boat," said aquarium curator Kelli Cadenas. "This fractured the back of his shell ... which caused him a lot of health problems."

The Georgia Sea Turtle Center helped rehabilitate Benson for about a year. He has a small weight attached to his shell to assist with buoyancy. He weighs 16.2 pounds.

"We are lucky enough to give him a happy and healthy home for the rest of his life," Cadenas said.

Debbie Gibb, marketing director for the aquarium, also spoke prior to Benson's release into the main ocean tank.

"We have been so excited by the positive response and the support we've received from the community since we opened in January," Gibb said.

"It's just been overwhelming and we are committed to continuing to provide exciting, engaging and educational programs to engage our guests. We work really hard to make sure there is always something new and exciting to discover here at Sea Life and Benson and his incredible journey is just the newest addition to this amazing place."
EPA cleaning spill in Clinton River

By Paul Kampe

A small-scale hazardous material spill in the Clinton River believed to have started in Pontiac is being investigated by the Environmental Protection Agency as officials work to remove the contaminant along a portion of the 80-mile span.

The material is believed to be a type of oil. It was discovered floating on the top of the river in Auburn Hills shortly after 3 p.m. on Monday, according to Auburn Hills Fire Chief James Manning, whose department is assisting in the investigation.

The oil's entry point has been narrowed to the area between Martin Luther King Boulevard and Opdyke Road, Manning said.

As many as 1,200 gallons of the oil could have been deposited in the river, according to EPA on-scene coordinator Jeff Lippert, who added the spill has since been confined to a quarter-mile stretch in Pontiac.

"The (oil) sheen is about half of what it was yesterday when I arrived," he said. "It seems to be coming slowly downstream and the source may have stopped."

Lippert said the EPA hopes to have the cleanup complete by the end of the week. He added it may be unable to determine how the oil entered the waterway, but further testing could reveal what type of oil is in the river and possibly be used to determine a source. There is no way to determine if the spill was intentional, Lippert said.

The spill is very small in comparison to others he's experienced, Lippert added.

Portions of the river in neighboring Auburn Hills and Rochester Hills were also believed to have been affected by the spill. The Oakland County Health Division warns residents and visitors to avoid swimming and all other recreational activities in the affected span of the Clinton River until further notice.

Collection booms were deployed along the river in an attempt to remove the material from the river, officials said.

Communities to the west of Pontiac are not believed to be affected, as the river flows to the east, Manning said.

The contamination was first reported in the area of Auburn Court and Auburn Road in Auburn Hills and was stopped before reaching Riverbend Park in Rochester Hills, officials said.

The Shelby Township Fire Department also utilized containment equipment as a precautionary measure.

Manning said blacktop resurfacing material was spilled into the river in Pontiac last year as the result of a traffic crash. Also, a sanitary sewer overflow in Rochester last fall was later found not to have harmed the river.

The Clinton River begins in Springfield Township in northern Oakland County and travels 80 miles before eventually emptying into Lake St. Clair in Harrison Township. More than 1.5 million people live in the watershed's 63 communities. Rochester Hills is home to the Clinton River Watershed Council, a non-profit environmental protection organization that oversees the Clinton River, its watershed and Lake St. Clair.
School district address touches on city pride, dangers of failed millage

By Dave Phillips
dave.phillips@oakpress.com
@ByDavePhillips on Twitter

A mixture of pride and concern was evident Wednesday at the State of the Pontiac School District address.

Pontiac School District Superintendent Kelley Williams said Pontiac pride is the key to improving the school district, but warned that if a millage to repair schools fails two more times, portions of the district, or the district as a whole, could be dissolved.

"I want to be very honest with you," Williams said.

"I was devastated when the millage didn't pass. Nobody could tell me this millage wasn't going to pass because it was about children."

This time, the district plans to take a different path in educating residents about the dangers of another rejection of the five-year, 2.87 mill sinking millage.

"It's not about children anymore," she said.

"It's about a community."

That community could see its taxes "skyrocket" if the school district is forced to partially or completely dissolve, Williams said.

"We will be positioning ourselves for this district to have to close buildings, because we don't have safe buildings right now, which will lead to areas of this city where they will not have schools, and we have nowhere to put them," she said.

The students may leave, but the school district's debt will stay with the community.

"That debt will remain here and skyrocket taxes," she said.

Williams focused on three main issues to drive improvement within the district.

"In order to have rapid turnaround, pride must be in our workplace, which will lead to three things: Trust, success and true transformation, where it's embedded in the culture," she said.

"We lost (trust) in our community. It's a fact that we all have to deal with. And now that we know we don't have the trust, we have to embark upon how we're going to gain that trust again. Success will come, and true transformation that will be sustainable regardless of who comes in."

Williams also discussed finances.

"Pride also deals with money," she said.

"If you work hard you want to get paid. If you work hard you want to be recognized. All of you have taken cuts. All of you, right down from the board (of education). It's a shame and guess what, we're losing great people because of it."

Bob Moore, deputy superintendent of finance and operations for Oakland Schools, said the Pontiac School District has made some progress financially.

A $52 million deficit on June 30, 2013, has been reduced by about 22 percent to $39.1 million, and officials hope to reduce that figure by another $3 million this year. Still, on a per pupil basis, the deficit is the largest in the state, "much larger than the deficit at Detroit Public Schools," Moore said.

The budget is still about $2 million out of balance.

"That's about 3.4 percent, so that's much better than two years ago when the district spent $14 million more than it brought in," Moore said.

"Good progress, but we still have a few more steps to take."

Officials are hopeful that the millage will pass and that the district will receive a $10 million emergency loan from the state for the second time in two years.

The district will see teacher staffing cuts over the next two years and possibly a bus route reduction, Moore said, but there is hope that staff members could see the beginning of a wage and benefit restoration soon. If the millage passes in August and the emergency loan is approved in July, a one-time increase of about 1 percent in wages could be available in the second half of next year. Regular wage restoration will not begin until 2018.

"Enrollment growth is more critical moving forward than ever before," Moore said.

"How the state funds schools in the future is also a huge factor that could help us restore wages and benefits quicker."

Williams discussed several positive changes taking place in the district.

"We still have our challenges, but guess what: We are showing up and we are showing out," she said.

Among the achievements mentioned by Williams are:

- Blended learning at the middle and high school levels, which has increased student engagement, resulting in a first-place ranking in a recent survey of 28 school districts in that category.
- The kindergarten International Technology Academy start-up program, which was recognized as an outstanding education program.
- Improved NWEA test scores.
- The district's donation of 5,000 backpacks, with a stated goal of providing one to every Pontiac child who needed one, regardless of what district they attend.
- The district being chosen as one of seven partici-
ABB robots help Auburn Hills make history

German plant opens as foreign investors embrace U.S. market

Auburn Hills manufacturing is no oxymoron to Ulrich Spiesshofer. He's betting on it, big, in this Oakland County city.

The CEO of ABB Ltd., the Zurich-based maker of power and automation systems for utilities, industry and transportation infrastructure, officially opened Wednesday what it says is the first plant in the United States to manufacture robots for automakers and other industries.

The operation on Brown Road is expected to double ABB's employment here to roughly 1,000 employees over the next five years, another meaningful contribution by a foreign-owned company to the steadily growing high-tech presence in southeast Michigan.

"The U.S. is still the largest economy in the world," Spiesshofer said in an interview with The Detroit News. "It is prospering. It has a great phase ahead of it. The investment in robotics in the U.S. by ABB is a very conscious investment."

Detroit automakers have "regained traction" and "found a way to compete," he says, confirming that General Motors Co., FCA US LLC and Ford Motor Co., especially, are customers. They "are leading again in certain aspects in their home market, and we want to help them."

That's just the half of it. Not too many years ago, ribbon-cuttings like the one Spiesshofer hosted at ABB's Auburn Hills plant would have been front-page news: an estimated 500 jobs to be created over the next five years; the first robotics plant in a town whose bellwether industry is one of its biggest customers; another sign that southeast Michigan is again attractive for foreign direct investment.

But that's less the news than the why. The fundamentals of the American economy are increasingly attractive to would-be foreign investors like ABB. The total "stock" of foreign investment in the United States, to use a Commerce Department metric, is $2.8 trillion. In 2012, foreign companies employed 5.8 million Americans, paying them more, on average, than those who don't.

Foreign investors like ABB see strong underlying demand in the States. Its primary customers are showing strong financial results and determination to manage their business efficiently. Lower energy costs, fueled by the fracking and shale booms, lower the cost of doing business.

A deep rule-of-law tradition, in American business if not always in its politics, projects an aura of stability. Rising labor costs in markets like China are making investment (or reinvestment known as "reshoring") in the United States a more cost-effective option; it also allows producers to be closer to their customers and to reap whatever political advantage there may be.

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Howes

Continued from Page 4B

A survey of global business leaders by A.T. Kearney—and touted by Commerce—found that the United States is considered the best place in the world to grow a business. It also found the States to be the top destination globally for foreign-direct investment.

"Having relatively low-cost energy is a game-changer," Bruce Andrews, deputy commerce secretary and a former Ford executive, said in an interview at ABB. "We've lined up a number of fundamentals in the U.S. economy. What we're finding is people are moving back. They want to move back."

Not without some prodding from Andrews, his colleagues at Commerce and other agencies across the government.
The U.S. ambassador to Switzerland and Liechtenstein, Suzi LeVine, is a former Microsoft Corp. executive whom ABB officials credit, among others, with pushing hard for the investment in Auburn Hills.

"They're bulldog terriers," one executive said, smiling.

It hasn't always been that way. Just a few short years ago, Commerce charged three staffers with pursuing foreign direct investment in the United States, Andrews said. Now, 30 people across multiple agencies work under a program called "Select USA" to attract foreign capital to the 50 states.

This from an administration routinely criticized — often accurately — for its antipathy to business and for recurring evidence that many of its principals do not understand well how business works. To hear the ABB brass tell it, however, the question depends on the definition of "business."

ABB ain't Wall Street banks, the fat cats Washington loves to demonize. It's a high-tech global manufacturer whose investment represents a new kind of business on American soil — robotics — that Spießhofer, a German national, insists is a way to create jobs, not kill them.

"Germany would be dead today if it hadn't invested heavily and continuously in automation," he says. "Fact is, the countries with the highest robot density in the world have the lowest unemployment rates. We don't offer robots to take away jobs. We offer robots to... enhance competitiveness."

Given this town's checkered introduction to assembly-line robots some 30 years ago, Spießhofer's rational reassurance may ring hollow to more than a few people in this workaday town. It shouldn't.

It's three decades later. Times change, industries restructure and the competitive balance is shifting — slowly but surely in the direction of the home team.

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'ROBOTICS WILL PLAY A KEY ROLE'

Ulrich Spiesshofer, CEO of ABB, Inc., shows off their new workplace robot, YuMi, at their newly expanded North American Robotics Headquarters in Auburn Hills.

ABB unveils robot manufacturing facility that will add 300 new jobs

By Dave Phillips
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AUDBURN HILLS » What's a pre-Memorial Day event without red, white and blue robots dancing along to "Stars and Stripes Forever" while another robot waves American flags? Attendees of a ribbon cutting for ABB's expansion of its Auburn Hills facility were treated to just that Wednesday morning, along with speeches from ABB executives and officials ranging from the mayor of Auburn Hills to the U.S. Ambassador to Switzerland.

An estimated 300 new jobs will be available in Auburn Hills by 2017 as part of ABB's plan to begin producing robots in the United States.

With the announcement and subsequent production, which will start immediately, ABB becomes the first global industrial robotics company to fully commit to and invest in a North American robotics manufacturing footprint.

Auburn Hills Mayor Kevin McDaniel said he'd like to reassign what the letters ABB stand for: "another booming business in Auburn Hills."

Online: For a related video, please go to TOLIT.COM/ADAVEPHILLIPS.

A new workplace robot, YuMi, on display at ABB.
LeVine spoke of the resurgence the U.S. economy has seen over the past few years.

"The United States' economic recovery is no accident," she said.

"It is because we are a country that learns and gets stronger when we suffer a setback. It is also because we can offer a company like ABB the best workforce in the world, and it's thrilling to me to see all of the new jobs that are created today."

Bruce Andrews, the U.S. Deputy Secretary of Commerce, said Wednesday's event was "a signal of ABB's commitment to the U.S. market and further proof we have the most attractive investment market in the world. Furthermore, this announcement is a huge win for the city of Auburn Hills, Oakland County and the entire state of Michigan."

Andrews, a former vice president of governmental affairs for Ford Motor Company, said the investment is an "incredibly smart move" for ABB.

"Their decision opens their first U.S. manufacturing facility right here in Auburn Hills, and it's a testimony to the high-skilled workforce in this region and the resurgence of America's automotive sector."

Per Vergard Nerseth, head of ABB Robotics, said ABB robots do jobs that are dangerous, delicate, dirty and dull, and that the market is likely to grow.

"We have already proven to be at the forefront of that industry," he said, adding that the new factory in Auburn Hills will allow ABB to serve customers "in a much more agile way, and faster."

CEO Ulrich Spiesshofer said ABB is "a pretty big beast as a company," with about $40 billion in revenue and 140,000 employees spread across the U.S., Europe, Asia, the Middle East and Africa.

"What we do is very simple: We do power and automation for utilities, industry and transport and infrastructure," he said.

Automation goes hand in hand with competitiveness, Spiesshofer said.

"Robotics will play a key role to safeguard the competitiveness of North American customers," he said.

"So goes automation, so goes competitiveness. We know we need to support the players here to strengthen their economy."

Spiesshofer said the company will continue to create jobs here.

One of the robots on display Wednesday was YuMi, which has been working safely and collaboratively with humans.

"YuMi represents where automation is going," Spiesshofer said, adding that Japan, Germany and South Korea have the world's highest robotics density and are among the countries with the lowest unemployment rates in the world.

"So goes automation, so goes unemployment in the future," Spiesshofer said.

Auburn Hills is the third robotic manufacturing facility for ABB globally, joining Shanghai, China and Vasteras, Sweden.
AUBURN HILLS

Oakland University executive featured for fashion in Bloomberg Business

An Oakland University executive is featured for workplace fashion in a new issue of Bloomberg Business.

Nicole Wells Stallworth, assistant vice president for government and community relations, is featured in a segment called What I Wear to Work in the magazine's May 23 edition.

Wells Stallworth was nominated for her personal style and took part in an early-April photo shoot for the weekly publication.

Wells Stallworth began working at Oakland University last fall. Her responsibilities include government and community relations, public policy and university advocacy in metro Detroit, according to the school's website.

Read more at bloomberg.com.

Staff writer Paul Kampe

Nicole Wells Stallworth, the assistant vice president for government and community relations at Oakland University, is featured for her fashion sense in the latest issue of Bloomberg Business.

PHOTO COURTESY OF BLOOMBERG BUSINESS
By Monica Drake
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Diana McDowell of Auburn Hills had the worst Mother's Day of her life this year.

Her daughter, Tracey Kapusciarz, 47, died on that day from cancer. On top of that, McDowell's younger daughter, Angela Noell, was recently diagnosed with esophageal cancer.

Noell's tumor was removed last week, and it's unknown if it has been removed entirely. While mourning the loss of one daughter, McDowell's other daughter is currently in the hospital on breathing machines due to complications with the surgery.

Kapusciarz was diagnosed with breast cancer about five years ago, which spread to her brain, her liver, her kidneys, her lungs, and her larynx.

"It's been a long haul, and it's over now. That poor child," her mother said.

Kapusciarz is survived by her two sons, Joshua and Timothy; her brothers, Darryl McDowell and Fred Lafnear; her sister, Noell, and her fiancé, Sean Yuhas, who McDowell called her "soul mate."

"Sean had been there for her from soup to nuts," said McDowell.

McDowell said she will miss Kapusciarz's phone calls.

"We would laugh about all kinds of stuff. She had a sensational sense of humor and was highly intelligent," she said. "She was a very happy, loving, kind, giving person. You'll never find another Tracey."

Kapusciarz's cousin, Becky Bauch, said, "I miss her fun loving nature. She was and really is an angel."

McDowell said Kapusciarz was also the mother of two pit bulls, Gandy and Chunk, and was an advocate against animal cruelty. McDowell asked people to donate to the American Society for the Prevention of Cruelty to Animals in her memory at aspca.org/donate.

PHOTO SUBMITTED BY BECKY BAUCH
At right: Tracey Kapusciarz, 47, (left) a graduate of Pontiac Northern High School, died after battling cancer for the last five years. She is pictured with her mother, Diana McDowell, brothers, Darryl and Fred, and sister, Angela.
Memorial Day weekend events

- Auburn Hills — Parade at 11 a.m. Monday at American Legion Post 143, 96 Churchill to the Aaron Webster Cemetery next to 260 S. Squirrel Road to Mothers of Men in Service Plaque at corner of Auburn and Squirrel Roads back to Post 143 for family event featuring a craft show, inflatables and face painting until 3 p.m. The Auburn Hills Police Department offers free child ID kits from 1 to 2 p.m.
- Beverly Hills — Parade begins at 11 a.m. Monday at Groves High School, 20500 W. Thirteen Mile Road, Evergreen Road parking lot to north on Evergreen, east on Beverly Road to Beverly Park, 18801 Beverly Road. Carnival follows the parade at the park from noon to 3 p.m.
Auburn Hills police arrested a man after getting reports of shots fired inside a home in the city Friday evening.

Police responded to the 4400 block of Castlewood after a 911 caller reported a violent and intoxicated man with a gun inside a home.

Police say the caller reported that the man who was suicidal/homicidal had fired the gun and the 911 operator directed the caller to flee to a safe place if possible.

Officers on scene contacted the man, a 42-year-old Oxford resident, by phone after which he came out and was taken into custody without incident.

He was taken to McLaren-Oakland Hospital for a medical clearance before being lodged at the Oakland County Jail.

On Saturday, police identified the man as John Gray Aitken and said he was charged with one count of discharge of a firearm in a building and two counts of assault with a dangerous weapon. Discharge of a firearm is a felony punishable by 10 years in prison and assault with a dangerous weapon is a felony punishable by 4 years in prison.

—Staff writer Aftab Borka
BEAUMONT GRADS BECOME ‘PIONEERS’

The first graduating class of the Oakland University William Beaumont School of Medicine received its diplomas on Friday.

First medical school class graduates from OU’s William Beaumont School of Medicine

By Paul Kampe
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Nearly 50 Oakland University medical students preparing to disperse throughout the nation to complete their residency programs first received their degrees on Friday afternoon at the Rochester-area school's O'rena.

"Each one of you has joined some of the most well-educated people in our society," Oakland University President George Hynd told the group of 47 students, the first graduating class of the Oakland University William Beaumont School of Medicine.

"You are truly Grizzlies and pioneers."

Opened in 2011, Oakland University William Beaumont School of Medicine is the state's first new medical school in nearly 50 years.

"Four years ago, you decided to come to a brand-new medical school," Hynd said. "You have stepped forward to become pioneers in health care services. You should be commended."

Oakland University President George Hynd congratulates a member of the first graduating class of the OU William Beaumont School of Medicine. See a photo gallery at theoaklandpress.com.
Each member of the school's first graduating class has been accepted in their field of study at health systems throughout the nation.

In the past four years, the medical school's incoming class size has more than doubled from its inaugural class of students. The medical school's fifth class is expected to total approximately 125 students.

"We're deeply honored to have you as the first graduating class of this honorable university," Oakland University Board of Trustees chair Mark Schlussel said.

Founding dean Robert Folberg said he was honored to refer to his students as "doctor" for the first time.

"That was very special," he said. "They've earned it."

West Bloomfield Township native Kimberly Lemkin said her new title will take some getting used to.

Her mother is a physician, so while growing up, there was always another "Dr. Lemkin."

"I like it though," she said.

Lemkin plans to complete her residency in psychiatry at Tufts University in Massachusetts.

"It was the right fit for me," she said.

AIDS advocate and author Mary Fisher was also awarded an honorary doctor of humanities degree at Friday's ceremony.

The Oakland University William Beaumont School of Medicine recently gained full accreditation from the Liaison Committee on Medical Education.
OAKLAND UNIVERSITY

Jogger was ‘likely’ first pedestrian death at OU

Accident under investigation; no word on charges for driver

By Paul Kampe
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A Rochester Hills man who died after being struck by a vehicle driven by an Oakland University student is believed to be the first such pedestrian fatality at the Rochester-area school of more than 20,000 students.

Oakland University police chief Mark Gordon said the death is likely the first fatal vehicle-pedestrian crash on the sprawling suburban campus, which spans portions of Auburn Hills and Rochester Hills, in the school’s nearly 60-year history.

Authorities have not determined whether the driver will face charges in the incident.

Perry Badia, 54, was struck while jogging around 5 p.m. on Thursday. He died of complications related to multiple blunt force trauma, and his death was ruled accidental, Oakland County officials said.

Badia’s death comes at a time when most students are on recess following the winter semester, but the student involved in the crash was attending a spring semester class, officials said.

Gordon said sun blindness could have been a factor in the crash, but the use of alcohol and drugs, as well as distracted driving, were not likely to have played a role in the incident.

The speed limit in the area where the crash occurred is 25 mph, according to school officials, and the speed traveled by the driver, who was exiting campus, is still being investigated, Gordon said.

Badia was taken to McLaren Oakland Hospital in Pontiac before being transferred to Royal Oak Beaumont Hospital, where he was pronounced dead at 9:19 p.m., school officials said.

Authorities said the driver, 25, was cooperative with their investigation.

Oakland University and Auburn Hills police are still investigating the incident, according to school officials.
Vet

FROM PAGE 1

ick broke into the Vietnam Veterans office building. He had been in the building earlier in the day and, upon being denied benefits, began to argue with two employees, Oakland County Assistant Prosecutor Jessica Blanch said.

He “made statements like ‘I’m going to go PTSD (post-traumatic stress disorder) on you,’” Blanch said.

During the break-in, feces was smeared on a senior services pamphlet — the benefit Frederick believed he was entitled to but was denied, Blanch said.

Those employees said a man shown on surveillance video breaking into the building matched Frederick’s posture, build and walk.

“The defendant first said he did nothing, then said he may have turned his car around in the parking lot around midnight,” Blanch said.

“He (told police) they should be investigating people who have been denied services of benefits from veterans affairs,”

Timothy Flynn, who represents Frederick, said the case has reasonable doubt, noting that the PTSD threat was not mentioned in any of three written police statements.

“Did they pick the wrong person out of the 70,000 veterans that are present here in Oakland County?” Flynn asked.

“It’s common people aren’t liking what (veterans affairs employees) are saying to them. I think they have the wrong person and their memories now are fuzzy,” Flynn said.

Flynn said Frederick was not the man shown on the surveillance video.

“If you take a look at that video a thousand times, it’s still not Mr. Frederick,” he said.

Flynn also said Frederick has an artificial knee, a prosthetic foot, a back problem and has suffered heart attacks. He asked Frederick to stand up and walk toward the jury so they could see his physique.

“Is this the guy that you’re seeing aggressively bursting through with a hammer in his hand through two doors ... or do his medical conditions affect his ability to do that?” Flynn asked.

“None of these characteristics fit,” Flynn said.

A car shown on the video does not match photos of Frederick’s car.

“The car doesn’t fit,” he said.

“The way he moves in and out doesn’t fit. Taken all together, that’s reasonable doubt as to the more important part of the case, the direct evidence part.”

Sentencing is set for June 24.
Police still investigating shooting outside The Palace

By Paul Kampe
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Auburn Hills police were still investigating Monday after an off-duty Detroit police officer allegedly shot two people and injured another outside The Palace of Auburn Hills early Sunday morning.

The incident occurred around midnight, just prior to a second act for comedian Kevin Hart, who performed a doubleheader at the northern Oakland County arena Saturday night.

According to police, the officer was changing a flat tire in the parking lot of the venue when another vehicle pulled alongside. A verbal dispute and physical altercation followed.

Duty Detroit officer, 26, sustained a head injury during the incident. He was not arrested and his name is not yet being released.

Auburn Hills Police Department Lt. Jill McDonnell said the shooting is an isolated incident and contained to just those involved in the altercation.

"The Palace overall is a pretty uneventful venue for us," she said, because the arena is not located within a nightlife district and typically hosts professional sports and family events.

The officer and the shooting victims were transported to McLaren Oakland Hospital in Pontiac with non-life-threatening injuries. The officer and the Harper Woods woman have since been released from the hospital, police said Monday.

Police expect to submit their investigation to the Oakland County Prosecutor's Office later this week for any possible charges in the incident.

Meanwhile, the Detroit Police Department has launched an internal investigation to determine what discipline the officer may face, if any, according to a spokesperson.

The officer's status with the department was not available.

It is unknown if the officer used his department-issued weapon in the incident and what caliber firearm was used, Auburn Hills police said.

Anyone with information about the incident is asked to contact the Auburn Hills Police Department at 248-370-9444.
Methane testing planned for former landfill site

By Dave Phillips
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The city of Auburn Hills plans to begin testing for methane in a small area in the northern part of the city over the next few weeks. Officials plan to install 13 wells along Bald Mountain Road, near Dutton and Lapeer roads. Initial readings will be taken after about three weeks, at which point those overseeing the operation will determine how often they'll take readings, according to Stephanie Carroll, manager of business development and community relations for Auburn Hills.

"They're going to go out probably a little more often at the beginning to sort of establish a pattern, if there is one," Carroll said.

"This is the investigative part of the process," she said. The city held an informational meeting on Tuesday. "Rather than just send a van and someone out to drill, we thought we would just call a community meeting for the people in the immediate area to talk about what we were going to do and why," Carroll said.

The process began when an environmental report was commissioned in the area by someone interested in an adjacent property. That report showed some higher levels of methane in the area.

The property was a landfill at one time, according to historical and aerial data, Carroll said.

"We don't have any data or anything to suggest there is methane in the area," she said.

"We're just going in to determine whether or not there is (methane there). The hard thing about a methane test is it can be in one area one day, but you might not find it there the next day."

Final test results may not be ready for some time. It's too early for a timeline to be established. Those who live closest to the area received free natural gas detectors during the meeting.

"I think that helps sort of ease any concerns," Carroll said of the natural gas detectors, which were provided by the Michigan Department of Environmental Quality, which co-hosted the meeting.

"It was a great meeting. Our residents had a lot of great questions and gave us a lot of really great feedback."
Four years ago, OU's medical school selected 50 students from more than 3,000 applicants. Of the initial class, all but three will graduate on time, and those 47 have been placed in residency programs.

The medical school has grown each year, to 75 students in 2012 and 2013 and 100 this fall. Next year, 125 students are expected to be admitted and the school expects to admit 125 students every year afterward.

Additionally, it has worked to emphasize holistic training of its medical school students.

"This school has a very distinctive mission," said Folberg, the school's dean. "Academic brilliance and mastery of skills are essential, but so is outstanding communication, cultural sensitivity, compassion, empathy and engagement. We put a huge emphasis on this.

"These are very, very well-rounded physicians and we are very proud of that. Students have said they can envision a time when you people will say, 'You must have trained at OUWE.'"

Dr. John E. Prescott, chief academic officer of the AAMC, will give the commencement address. AIDS activist Mary Fisher will receive an honorary doctor of humanities degree.

Graduates will don a cap and gown and, in an unusual scene, the remaining medical school students will be present in their white lab coats.

Among the graduates will be Brandon Lueck, who's doing an orthopedic surgery residency at Beaumont Health System. Reflecting on his years at Oakland's med school, Lueck said his class started traditions to build the legacy that Folberg hoped for future generations of students.

"We were the ones that took Folberg's vision and started it all," Lueck said. "We hope things continue."

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