JULY 2015
(07-09-15)

06  Tax Incentive Review Committee, 5:30 p.m., Admin Conference Room  ❖ CANCELED
08  Local Officials Compensation Committee, 7:00 pm, Admin Conference Room  ❖
09  Zoning Board of Appeals, 7:00 p.m., Council Chamber  ❖ CANCELED
13  City Council Workshop, 5:30 p.m., Admin Conference Room  ◆
13  City Council, 7:00 p.m., Council Chamber ◆
14  Tax Increment Finance Authority, 4:00 p.m., Council Chamber ◆
15  Beautification Advisory Commission, 6:00 p.m., Council Conference Room◆
21  Planning Commission, 7:00 p.m., Council Chamber ◆
22  Local Officials Compensation Committee, 7:00 p.m., Admin Conference Room  ❖ CANCELED
27  City Council Workshop, 5:00 p.m., Admin Conference Room ◆
27  City Council, 7:00 p.m., Council Chamber ◆
28  Library Board, 5:45 p.m., Library Conference Room  📚

❖  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

(07-09-15)

06  Tax Incentive Review Committee, 5:30 p.m., Admin Conference Room  ❖ CANCELED
08  Local Officials Compensation Committee, 7:00 pm, Admin Conference Room  ❖
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22  Local Officials Compensation Committee, 7:00 p.m., Admin Conference Room  ❖ CANCELED
27  City Council Workshop, 5:00 p.m., Admin Conference Room ◆
27  City Council, 7:00 p.m., Council Chamber ◆
28  Library Board, 5:45 p.m., Library Conference Room  📚
AUBURN HILLS MEETING SCHEDULE

248-370-9402

AUGUST 2015
(07-09-15)

03  Tax Incentive Review Committee, 5:30 p.m. Admin Conference Room ⚫
10  City Council Workshop, 5:30 p.m., Admin Conference Room ◆
10  City Council, 7:00 p.m., Council Chamber ◆
11  Tax Increment Finance Authority, 4:00 p.m., Council Chamber ◆
12  Pension/Retiree Health Care Boards, 3:00 p.m., Admin Conference Room ⚫
13  Zoning Board of Appeals, 7:00 p.m., Council Chamber ◆
18  Planning Commission, 7:00 p.m., Council Chamber ◆
19  Beautification Advisory Commission, 6:00 p.m., Council Conference Room◆
24  City Council Workshop, 5:00 p.m., Admin Conference Room ◆
24  City Council, 7:00 p.m., Council Chamber ◆
25  Library Board, 5:45 p.m., Library Conference Room ☺

◆ City Council Chamber (Conf. Rm.) – 1827 N. Squirrel Road
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✉ Library - 3400 Seyburn Drive
 الخي Downtown City Offices – 3395 Auburn Road, Suite A
✉ University Center, 3350 Auburn Road, Main Floor, Classroom AHUC-02
1. MEETING CALLED TO ORDER
2. PLEDGE OF ALLEGIANCE
3. ROLL CALL OF COUNCIL
4. APPROVAL OF MINUTES – June 22, 2015
5. APPOINTMENTS AND PRESENTATIONS
5a. Presentation – Upcoming Pontiac Schools Millage Election / Dr. Vickie Markavitch, Chief Executive Officer of Field Services/Cost Recovery, Oakland Schools
6. PUBLIC COMMENT
7. CONSENT AGENDA
   All items listed are considered to be routine by the City council and will be enacted by one motion. There will be no separate discussion of these items unless a Council Member so requests, in which event the item will be removed from the Consent Agenda and considered in its normal sequence on the agenda.
    7a. Board and Commission Minutes
       7a.2. Downtown Development Authority – June 15, 2015
    7b. Motion – Approve Request for Designation of Non-Profit Organization/St. Clair Butterfly Foundation – Gaming Resolution
8. OLD BUSINESS
9. NEW BUSINESS
   9b. Motion – Purchase of Carpeting for Public Safety Building
10. COMMENTS AND MOTIONS FROM COUNCIL
11. CITY ATTORNEY’S REPORT
12. CITY MANAGER’S REPORT
13. EXECUTIVE SESSION
   13a. Pending Litigation: FCA vs City of Auburn Hills
14. 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.
The City of Auburn Hills
City Council Meeting
Minutes
June 22, 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, Knight, Mitchell, Verbeke
Absent: Council Member Hammond

Also Present: City Manager Tanghe, Assistant City Manager Grice, Police Chief Olko, Fire Chief Manning, City Clerk Kowal, City Assessor Lohmeier, Finance Director Schulz, Deputy Finance Director Wickenheiser, Director of Community Development Cohen, Assistant City Planner Keenan, DPW Director Melchert, Management Assistant Mariuz, City Attorney Beckerleg, City Engineer Stevens, Plante Moran Auditors Watterworth, Kolbow, and Helisek.
17 Guests

4. APPROVAL OF MINUTES

4a. Regular City Council Meeting – June 8, 2015
Moved by Verbeke; Seconded by Mitchell.
RESOLVED: To approve the June 8, 2015 City Council meeting minutes.
VOTE: Yes: Burmeister, Kittle, Knight, McDaniel, Mitchell, Verbeke
No: None
Resolution No. 15.06.118  Motion Carried (6 – 0)

4b. City Council Workshop – June 8, 2015
Moved by Kittle; Seconded by Verbeke.
RESOLVED: To approve the June 8, 2015 City Council Workshop minutes.
VOTE: Yes: Burmeister, Kittle, Knight, McDaniel, Mitchell, Verbeke
No: None
Resolution No. 15.06.119  Motion Carried (6 – 0)

5. APPOINTMENTS & PRESENTATIONS

6. PUBLIC COMMENT

Tom Coolman, 848 Chase Way Boulevard, understands the reasoning behind raising the speed limits on certain roads as approved by City Council at the last meeting; however, there are other roads in the City where there are speeding issues. He suggested having additional speed limit signs posted on a road several times, not only at the start of an intersection, as well as the flashing signs that alert drivers to their speed. If the lead car is going the speed limit, it is reasonable to assume those behind the lead car are also going the speed limit.

Annett McAvoy, 3841 N. Briarvale, Avondale - What's Cool in School, noted the graduating class of 2015 was offered $6.1 million in scholarships. She presented Council with a list of accomplishments from the school year.

7. CONSENT AGENDA

7a. Board and Commission Minutes
7a.1. Planning Commission – April 14, 2015
7a.2. Planning Commission – May 12, 2015
7b. Modification to the Emergency Water Agreement with Rochester Hills

RESOLVED: To approve the Interlocal Service Agreement between the City of Auburn Hills and the City of Rochester Hills for Emergency Water Interconnections.

Moved by Knight; Seconded by Verbeke.

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

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

No: None

Resolution No. 15.06.120

Motion Carried (6 – 0)

8. OLD BUSINESS

8a. Request to Revocate IFEC 2010-117 and Waive the Two-Year Business Residency required by the Tax Incentive Agreement / Magna E-Car Systems of America

Mr. Lohmeier explained this request was previously reviewed at the April 27, 2015 Council meeting, to revoke and waive the associated “claw back” provision, but no action was taken. The 81,684 sq. ft. facility is located at 4121 N. Atlantic Drive. Magna E-Car has sold the business and property to Samsung SDI Co. Ltd.; they are not abandoning the building, laying off people, mothballing operations, or taking the business outside the City.

In September 2010, Magna E-Car business opened, but unfortunately, over the past few years work declined at the facility due to poor electric vehicle sales and a decrease in contracts for battery packs. As a result, Magna has chosen to exit the battery pack business and find a suitor in Samsung SDI to acquire the unit’s assets.

Magna Car Tops will be moving the Car Tops group to a new facility at 2725 Commerce Parkway effective September 2015.

Magna E-Car had a five year tax abatement, with $21,323,497 for personal property and $2,450,684 for real property. At the time, this would have qualified for an eight year tax abatement, but only a five year abatement was requested. Due to Magna’s requested revocation, full taxes will be paid by Samsung SDI beginning in the 2016 tax year for all the improvements. The 2010 incentives granted to Magna E-Car resulted in Auburn Hills abating $252,809.77 in total taxes for all jurisdictions, of which $100,259.87 would have been the City’s share.

The claw back would require Magna to pay back the benefit that was received for the life of the certificate, Y2011-Y2015; the exemption is scheduled to expire December 31, 2015. The personal property component will continue, because of the change in State law, and will stay abated, phasing out naturally in 2021.

Magna is seeking to revoke the certificate, which will provide full property tax revenue for city, county and other taxing jurisdictions; if the revocation is not approved, the abatement will continue through 2021.

In staff’s opinion, Magna’s request meets reasonable considerations for a residency claw back waiver and recommend City Council take such action. Although no criteria exists in the City’s Property Tax Incentive Policy, justification for such action could be the following:

- The company is ceasing to operate as a result of circumstances beyond its control.
- The company sells the facility and/or operations to another company.
- The company has made a substantial investment in another project or projects in the City, i.e. Magna Electronics, P&F Systems, and Magna Car Top Systems.
- Property taxes and jobs increased at another location owned by the company in the City.
- The company has made an effort to be a part of the City and surrounding community, contributing to Focus Hope, HAVEN, Gleaners, and Habitat for Humanity. Magna Government Affairs was recently made aware of a list of charitable opportunities specifically within Auburn Hills, including the Auburn Hills Community Foundation, Boys and Girls Club, and Meals on Wheels. Magna plans to take these and other opportunities into consideration when making charitable donation decisions in the future and will provide local division leadership with this information.

Responding to Mr. Knight, Mr. Lohmeier stated the Auburn Road facility has only a personal property abatement, though significant improvements to the property were done. There were also significant personal property investments made to the vacated United Solar Ovonics building that also has personal property abatement.

Mr. Lohmeier confirmed for Mr. Kittle that Samsung will own the building and personal property. He isn’t sure how Samsung will move forward, but they have no objection to the revocation of the abatement being sought by Magna.

Mr. Kittle asked for confirmation that if the revocation is approved, the abated values will be taxed at the full tax rates in the future.

Mr. Lohmeier confirmed that, as of December 31, 2015, the abated values will be transferred back to the ad valorem assessment roll and, beginning with the 2016 tax year, will be taxed at the full millage rates for personal property and real property (including the improvements made by Magna.)

Clarifying Mr. Kittle’s question, Mayor McDaniel asked how much in taxes the City will receive from the $21 million in personal property that was invested.
Mr. Lohmeier explained the additional revenue for 2020-2021, will be about $221,000, of which approximately $100,000 will be City tax. If the abatement isn’t revoked, only about half would be collected.

Frank Ervin, Director of Government Affairs, Magna International, explained Magna E-Car was one of six Magna groups internationally. At one point, it was projected there would be 1.5 million electric vehicles on the road by 2016, which has not happened. The company took a look at the different divisions, determining which aren’t profitable or sustainable with the investment that was made. The Magna E-Car unit was sold globally, of which the Auburn Hills location was one of the smallest. One reason Magna sold to Samsung is the letter of intent required Samsung to own and occupy the building and retain the 35 employees.

Mr. Ervin stated Magna has no intention of abandoning their commitment to Auburn Hills. The Magna Electronics facility was transferred from Rochester Hills to Auburn Hills, including the consolidation of research and development worldwide and the headquarters; with discussions to expand that facility. P&F Systems is located in the old United Solar Ovonics building, purchased by Magna, which is now too small. There is a need to expand the building size, as well as increasing the number of employees. The Magna Car Top Systems closed a facility in Kentucky and brought those employees to Auburn Hills. The facility then moved from the North Atlantic location to Lapeer Road.

Mr. Ervin believes Magna has been a good corporate resident of Auburn Hills and even with the abatements, the company has paid over $760,000 in real property taxes and over $400,000 in personal property taxes.

Magna is going back to the core business and continue to grow that business, not only in Auburn Hills, but in the State. When the auto industry plunged in 2009 Magna had 4,496 employees in Michigan and now there are 12,333 employees in Michigan. Last year Magna bought more than $1.6 billion in goods and services from Michigan based vendors, including some based in Auburn Hills.

Mr. Ervin stated he will not ask for or entertain a transfer of any tax abatement to another company that was granted to Magna, based on the commitment made to the City. Therefore, he is asking that the IFEC and PA 198 be revoked.

Mr. Ervin explained for Ms. Verbeke, the building was never leased; Magna purchased the building and has now sold the building to Samsung.

Mr. Knight stated his one concern is that other taxpayers supported the abatement. This forgiveness of approximately $150,000 is an agreement that should be satisfied. However, the building was sold as well as was all the equipment and there is a commitment from the buyer, Samsung, that the 35 employees will retain their jobs. He is in favor of the request, but would like to make a few conditions to the resolution – that Magna has sold the complete business including the equipment to another company and ‘whereas’ the employees are continuing to be employed by the new company. The conditions will make other companies aware of why the revocation was supported by Council; that there were very specific measures taken to grant the revocation.

Mr. Kittle, referencing Mr. Knight’s remarks, stated the claw back is to motivate companies to not leave an abandoned building. In business, companies and divisions are bought and sold every day, and for all intent and purposes this operation is remaining intact under a different company name.

Mayor McDaniel stated this is great for Auburn Hills’ residents, because beginning next year there will be 100% of taxes collected and the business will remain in the building. Magna also did their due diligence in preserving the jobs for those employees that are currently employed at the facility.

Mr. Ervin explained Magna is located in 14 states with 62 manufacturing plants, and employs 27,000 in the United States. Mayor McDaniel thanked Mr. Ervin for the commitment of Magna to the City.

Mr. Knight asked that the motion include a mention of why Council agreed to the revocation; because of the facts of the circumstance.

Mr. Tanghe agreed with Mr. Knight, that the reasoning be included in the motion.

Moved by Knight; Seconded by Kittle.

RESOLVED: Whereas Magna Corporation has demonstrated that the building which has been sold, the assets and the employees, will continue to be in the same location; therefore approve the request by Magna E-Car Systems of America to revoke IFEC 2010-117 by adopting the attached resolution (Attachment A).

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

Resolution No. 15.06.121
Motion Carried (6 – 0)

Moved by Knight; Seconded by Kittle.

RESOLVED: Whereas Magna Corporation has demonstrated that the building which has been sold, the assets and the employees, will continue to be in the same location; therefore approve the request by Magna E-Car Systems of America to waive the two-year business residence requirement for its tax incentive agreement pertaining to IFEC 2010-117.

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

Resolution No. 15.06.122
Motion Carried (6 – 0)
8b. Request to Approve the 2014 Plante Moran Financial Report

Michelle Watterworth, Plante Moran explained this is the financial audit for the calendar year ending December 31, 2014. There are three components to the report, an 80 page financial report, and a graph package that explains the financial information more easily, which shows past year comparisons and a letter package that consists of three sections of required information.

The City’s financial position is very good; much better than most communities in Michigan. There have been challenges with property taxes and state share revenue. All of the major funds in 2014 were added to the fund balance level, with the exception of Major Streets and Local Streets Fund. The General Fund continues to be very strong, adding about $2.2 million to the General Fund. The increase was due mainly to the sale of assets. This is the second year the City is debt free with the golf course.

The financial statements are owned by the City, the Audit Opinion is owned by Plante Moran. The Audit Opinion, the end result of the audit is an unqualified or unmodified opinion, which is the highest level of assurance that can be had on audited financial statements. The Opinion basically states the financial statements are materially accurate in all respects.

The one thing different in the Audit Opinion this year is an Emphasis of Matter paragraph, speaking to the changes because of the adoption of GASB 67. This required change resulted in significant changes to the defined benefit by comparing to the market value and not the smooth value. There will be future changes within the next few years, with another major change next year by adopting GASB 68. This will not impact the General Fund or the Special Revenue Fund, just recording the liability.

Justin Kolbow thanked Ms. Schulz and her staff and for the Treasurer’s Office for their assistance the last several weeks. Mr. Kolbow reviewed the following Power Point presentation:
Mr. Kittle noted the City is consistently showing $500,000 for recreation and asked with the golf course and other charges associated with recreation such as lawn cutting, maintenance and staff, if there should be an adjustment in the way those costs are captured. He also asked if it is appropriate for the golf course to be in an enterprise fund.

Ms. Watterworth stated yes, the enterprise fund for the golf course is appropriate. The governmental accounting rules dictate when a local unit of government is required to use an enterprise fund to capture certain activity. The government rules will not allow the golf course be put in the general fund; the golf course needs to remain in a separate fund. Regarding the classification of the other activities, to some extent, the City is limited because the City must file the State’s chart of accounts and as accountants, they believe the classifications are reasonable.

Mr. Kittle believed the City’s recreation is extremely low in comparison to other communities, especially for all the parks and events the City offers. The expenditures don’t reflect how much the City invests in all the events and park facilities.

Ms. Watterworth suggested in the future to look at what may be included in the recreation category.

Mr. Kittle asked for clarification on the General Fund balance, with the five classifications, that eliminate committed and restrictive monies.

Mr. Kolbow stated only non-spendable funds are excluded, such as land held for sale and pre-paids; and money that has already been spent and is not available to the City. Looking at the General Fund, there are commitments for $148,000, the debt service related to storm water that was recently approved by City Council. Also assigned was $3.3 million, the 2015 year’s estimated budget.

Mr. Kittle asked which, the assigned committed non-spendable restricted or un-assigned, make up the $22,770.

Ms. Watterworth stated in the General Fund there is no restrictive fund balance; the committed, assigned and un-assigned represent fund balance that can be spent.

Mr. Kittle explained he is questioning how the amounts are determined, there is a discrepancy of $1.3 million. In 2013, there is a fund balance of $19,946 and the other source he is looking at shows a balance of $18,657.

Mr. Kolbow explained the graphs were changed this year because the City changed commitments. Last year there was an additional commitment, so the number was changed to only show the debt service for storm management. He isn’t sure why the total number would have changed.

Ms. Watterworth stated she does not have the 2013 audit report with her, but she will look at the audit and see if the numbers need adjusting.
Mr. Knight would like to see an additional line in the Water & Sewer Fund graph, to include *cash in – cash out*, and the total. The water rates have been increased the last six or so years and this graph shows the cost of water has gone up and the use has decreased. He didn’t anticipate that the revenue would be at that level.

Ms. Watterworth explained there is a schedule in the report titled Cash Flows and indicates the Water & Sewer Fund, strictly Operations, excluding capital asset purchases, capital lateral charges, and depreciation; the cash provided by operations is a little under $1 million. That would be receipts from the customers, minus payments to suppliers, minus other operating expenses.

Mr. Knight noted the depreciation is putting money aside for the future and wanted to know if the costs are covered, except for depreciation.

Ms. Watterworth stated depreciation is $1.9 million.

Mr. Kolbow noted the operating revenue and expenses declined in 2014 for the golf course because of out-sourcing the concessions.

Ms. Watterworth clarified for Mr. Knight that the letter written in the audit report is not a private letter to City Council.

Mr. Knight asked for clarification of the account dispute of approximately $400,000.

Ms. Watterworth explained that was regarding the valuation of alternative investments. The City receives quarterly statements from the investment advisors, and only at year-end do those funds have audited financial statements. There was a difference in the fourth quarter Capital Statement that amounted to merely a timing issue.

Ms. Verbeke recalled Findings in last year’s report and asked if there were any this year.

Ms. Watterworth stated yes and they can be found in the letter package, under Section I – Internal Control Related Matters Identified in an Audit. It was the same finding as last year, journal entries to adjust year end balances with some unusual circumstances.

Continuing, Ms. Watterworth explained Section II – Required Communications with Those Charged with Governance; reflects the adoption of the new pension standards. The significant accounting estimates relate to the actuarial valuations of the pension and retiree health care. The pension plan adopted a 7.5% discount rate assumption that resulted in a net pension liability of approximately $1.9 million. Had that assumption rate been decreased by 1%, to 6.5%, the pension liability would have gone up by $6 million. It was suggested that management take a look at the assumption rate prior to the new GASB 68 being adopted. Two things should be looked at, the portfolio investment mix and second, a requirement of the accounting standards - the capital market assumptions on a forward looking basis, 10, 20, 30 years out. Section III – Legislative and Informational Items, the impact of GASB 68 will have on the City, with the new retiree health care standards, will result in a significantly reduced unrestricted net position. There will also be significant changes in receiving of federal grants and may require some policy changes. There will be new MDOT requirements pertaining to Act 51 Performance Audit, effective in 2016.

Mr. Kittle stated it is worth noting that the City’s government long term debt is decreasing substantially year after year.

**Moved by Knight; Seconded by Verbeke.**

**RESOLVED:** To accept and approve the City’s Financial Report with Supplemental Information for the year ending December 31, 2014 and the related communications letter as presented by the City’s independent auditors, Plante Moran.

Mr. Knight stated he appreciated the very concise and excellent presentation.
8c. Receive and File the Investment Report

Ms. Schulz explained the 2015 Interim Cash and Investment Performance Report new format includes additional detail about cash on hand. The most recent quarter is summarized in the report as well as month end values and performance. The report is presented in four sections. The first section indicates the City’s investments with Cutwater Asset Management, an accumulative total with all funds from within the City and the library. Section two includes the newest endeavor, the Local Government Investment Pool, through Oakland County. This fund was approved by Council in April, and holds cash from selected City funds. Cash is expected to be transferred in and out on an interim basis, depending on the needs. This is an alternative to the cash sitting in a checking account. Section three are the Certificates of Deposits and listed are the current principle values of each of the CD’s held by the City. The fourth section has listed the reconciled cash balances of the operating cash.

Mr. Knight suggested it will take about a year for the certificates of deposits to mature, and then transferred to the Oakland County fund.

Ms. Schulz stated it depends on what options are available at maturity; it may be reinvested into a certificate or rolled into the Oakland County fund. Flagstar recently matured and was rolled into the Oakland County fund.

Ms. Mitchell appreciated the format of the summary and asked what frequency Council will be receiving the reports.

Ms. Schulz explained they will be available at least quarterly, though she is able to get certificates of deposit and County information monthly. She suggested quarterly reports would be most valuable and could appear on the Consent Agenda, but asked what Council would prefer.

Ms. Mitchell is comfortable with quarterly reports.

Mayor McDaniel agreed with quarterly reports. Regarding the interest earned from the Oakland County fund, he asked how long money had been invested.

Ms. Schulz noted it was for 12 days.

Mr. Tanghe asked if it is acceptable to Council for the report to be placed on the Consent Agenda; if need be, it can always be removed.

Mayor McDaniel confirmed after a quick poll, there are no objections from Council to place this item, quarterly, on the Consent Agenda.

Moved by Kittle; Seconded by Mitchell.
RESOLVED: To receive and file the 2015 Interim Cash and Investment Performance Report.

VOTE: Yes: Burmeister, Kittle, Knight, McDaniel, Mitchell, Verbeke
No: None
Resolution No. 15.06.124
Motion Carried (6 – 0)

8d. Approve the 2015 West Nile Virus Program

Mr. Keenan explained this is the 12th year Oakland County is providing funding to implement this program in combating the West Nile Virus. The City’s program has been approved by the Oakland County Health Department, being effective in reducing the number of mosquitos that carry the virus. There hasn’t been a death from West Nile Virus in over 10 years and very few have contracted the disease in Oakland County.

Moved by Burmeister; Seconded by Verbeke.
RESOLVED: To adopt the attached resolution to authorize and direct the City Manager, as agent for the City of Auburn Hills, to request reimbursement of eligible mosquito control activity under Oakland County’s West Nile Virus Fund Program (Attachment B).

VOTE: Yes: Burmeister, Kittle, Knight, McDaniel, Mitchell, Verbeke
No: None
Resolution No. 15.06.125
Motion Carried (6 – 0)

9. NEW BUSINESS

9a. Approval of Special Land Use Permit / Cellar Door

Mr. Keenan explained this is a request for a Special Land Use Permit to allow an event space use on a site zoned I-1, Light Industrial District, located at 1091 Centre Court. The business has a showroom and display, which is used for private and public functions, such as bridal showers and wine education/tasting classes. The floor plan allows for 72 seats; 24 parking spaces are required to accommodate the number of seats. Cellar Door has 29 parking spaces, with an additional 20 parking spaces available for after business hours and weekend use. Overall, the site has 176 parking spaces, which could be used for after business hour use. Cellar Door has received approval from the other businesses within the building. Events are limited to weekends and after 5:30 p.m., business hours, during the week. Generally, there will be two or three events per week and limited to indoor events only.
Cellar Door has provided a letter stating a third party will be providing the food and beverages for the events; the food will not be prepared on site.

Mr. Keenan stated comments were received from David Miles, the President of the Auburn Centre Industrial Park Subdivision Association objecting to the proposed event hall use, based on the fact that the proposed event space is prohibited under the protective covenants for the Auburn Centre Industrial Park. However, City Attorney Beckerleg indicated consideration should not be taken when considering the proposed Special Land Use.

This type of use already exists in another building within the industrial park. Trevarrow, located 1295 N. Opdyke Road, utilizes their facility for cooking classes and seminars to demonstrate their products. They also offer their space for private and special events, such as business meetings, fund raisers, private parties, and corporate team building sessions; the auditorium seats 85 people. Full food service is available at the events through properly licensed third party caterers and restaurants.

Susan A. Arnold from Distinctive Development LLC, located in the Auburn Centre Industrial Park, also objects to this special land use based on the covenants and traffic issues. Lieutenant Gagnon has provided a memo indicating there shouldn't be any traffic issues since the event sizes are not large and the events will take place after business hours and on weekends. Lieutenant Gagnon indicated the Police Department will continue to monitor traffic flow in this location and make recommendations if problems arise.

Mr. Keenan noted this project was reviewed by the City's Administrative Site Plan Review Team and the Planning Commission who recommend approval.

Responding to Mr. Kittle, Mr. Keenan isn’t sure if Trevarrow serves alcohol at their events or if there is a special land use permit.

Mr. Kittle asked why it is necessary for Cellar Door to seek a special land use permit, if Trevarrow being a similar use and does not have a special land use permit.

Mr. Keenan stated Trevarrow may have evolved over time into their current business use. Cellar Door is going through the proper approval process; the proposed use is an accessory use to the industrial use. The special land use permit will clarify the use of the facility and what is expected.

Police Chief Olko stated she has recently learned that Trevarrow does serve alcohol to their guests as part of their kitchen equipment sales. Trevarrow has been in this location and doing business for as long as she can remember. There is no liquor license; alcohol is given to the guests, not sold.

Mr. Knight noted Mr. Miles was one of the first developers in the City. The Trevarrows have been demonstrating their kitchen equipment in that location for a very long time, though he isn’t sure about when alcohol began to be served. He doesn’t understand why this has been supported if there is a covenant prohibiting events and believes the City should support the covenant.

Mr. Beckerleg explained the restrictive covenants are private covenants that can be enforced by the declarant, Mr. Miles or his company. The only thing the City can consider in the context of the special land use is whether this meets the City’s ordinance requirements. The City can approve the special land use, but Mr. Miles can enforce the covenants; noting the City cannot take the covenants into consideration.

Mr. Kittle asked how serving food and alcohol fits into an industrial district.

Mr. Beckerleg explained whether Council decides to grant or not grant the special land use, it is a legislative decision, and cannot be based on private covenants. He is not suggesting to either approve or deny, but to only base the decision on the guidelines set forth in the zoning ordinance.

Mayor McDaniel stated he doesn’t understand the difference between allowing this business to have events, when another already exists in the industrial park, with the exception that the zoning ordinance requires a special land use.

Mr. Keenan stated that is correct. Trevarrow has events where their products are not directly being showcased, but with other events taking place there is hope the event goers will be aware of the Trevarrow products available.

Ms. Mitchell see the benefits of having a special land use permit for this business, which allows the City to know what is happening in the City as well as stipulating in the special land use of what is expected and what is not.

Mayor McDaniel is appreciative of Cellar Door following the proper process to allow them to run their business. By going through this process, it allows the Administrative Site Plan Review Team to make recommendations and suggestions. Although Trevarrow is already located and evolved in an industrial district, this special land use will help to shape the area and note what is acceptable in an industrial area. Cellar Door could have possibly operated without the knowledge of anyone in the park, since the events are held after work hours and on weekends.

Mr. Knight would like to know what Trevarrow is doing at their location and if alcohol is being used; however, Trevarrow’s business isn’t necessarily setting a precedence.

Mr. Keenan stated he has talked with Trevarrow and the events have food provided through a third party and wine was mentioned.
Police Chief Olko spoke with the folks at Trevarrow several months ago and was told wine is served on occasion to the guests, but she isn’t sure if liquor is served.

Mayor McDaniel noted Trevarrow is having similar events and is serving wine and Cellar Door is seeking the same type of business. The City knows what type of business Cellar Door is and what to expect and is therefore comfortable with the special land use permit.

Mr. Kittle questioned why Cellar Door should go through this process, when it is known another business is doing the same thing without going through the process. He asked if there is a restriction on offering a glass of wine, not for sale, at a barber or beauty shop.

Police Chief Olko stated there are some restrictions. The Michigan Liquor Control Commission (MLCC) has recently stated serving a beer at a barber shop is no longer permitted, because it is a paid-for service. The MLCC has asked local law enforcement agencies to report those establishments to the prosecutor’s office for serving beer without a license. Police Chief Olko stated it would depend on the circumstances and what a person is doing at any particular business whether alcohol can be served.

Mr. Dzierzawski assured Ms. Mitchell all of the conditions discussed at the Planning Commission will be followed. Randy Dzierzawski, representative of Cellar Door, explained the reason for the request is complete transparency. He also noted Mr. Miles does not own the building, K-S Group, LLC, owns the building and fully supports Cellar Door operations. There are 14 surrounding tenants, in close proximity, who also support Cellar Door. Cellar Door is requesting the special land use permit, ensuring to be in compliance with state, county and local government requirements.

Mr. Dzierzawski stated this business isn’t about parties, they have been in business for four years and are the largest wine supplier in the Midwest, including the Meijer stores. Currently, Cellar Door operates, distributes and sells in 20 states, with their largest client in Texas. The core of the business is wine education and showcasing their product.

Mr. Dzierzawski stated he and Mr. Miles had never talked prior to Mr. Miles’ June 3rd letter submitted to the City. Since that time Mr. Miles has toured the facility to get a better understanding of the facility. The business is consistent with the lease that was signed two years ago, wine education and showcasing the product. Mr. Miles notes in the second paragraph of his letter to the City, ‘We understand that Cellar Door has functions to promote their wine products that we have no objection to.’ That is all Cellar Door is trying to do, promote the product. Cellar Door manufactures the product in California, there is no production at this location. The decision was made several years ago to not move the operation to Napa Valley, but to move to Auburn Hills and stay rooted in the community.

Mr. Dzierzawski stated Faurecia, Chrysler and Continental have held meetings at the facility; most of the events are with reputable, Fortune 500 companies. This facility is an asset to the community. The Auburn Hills Chamber of Commerce ambassadors have asked to use the facility in a non-drinking setting. The facility is offered to non-profits and other businesses for use.

Mr. Kittle asked if the facility is already being used as an event hall, why now request a special land use permit.

Mr. Dzierzawski stated he met with the City and there was some confusion over the space and the City suggested applying for a special land use permit, to allow clarity to the use. Because the company wants to be transparent, they proceeded with the process and paid their fees. Two years ago when the tenant application was completed, it was specifically stated this business is a product showroom and available for small events; no different than what it is today.

Mayor McDaniel understood the logic behind applying for the special land use, spelling out that the City is aware of the use and is okay with the use, as well as clear documentation for a business plan.

Ms. Verbke too is concerned with the covenant issues, but understands Mr. Beckerleg’s assessment of that being a private matter between the tenant and the owner. She asked Mr. Dzierzawski if he had talked with Ms. Arnold, who too, had concerns with the special land use.

Mr. Dzierzawski explained he has had some conversations with Mr. Miles and believes some of Mr. Miles’ fears have been put to ease. He assured Ms. Verbke he does not want to have any negative issues with the other tenants, but will address issues if and/or when they arise.

Ms. Mitchell noted at the Planning Commission meeting there were some conditions attached to the special land use permit approval, including all the wine events would include some type of wine education, there will be no food preparation on site and the exit will be made ADA compliant.

Mr. Dzierzawski assured Ms. Mitchell all of the conditions discussed at the Planning Commission will be followed.
Mr. Knight questioned how far the City should go allowing a commercial business in an industrial area. He also noted Mr. Mile’s most recent letter from this afternoon, that he has not changed his position on the special land use.

Mr. Dzierzawski appreciates everyone’s opinion, but Mr. Miles does not own the building. Owners, K & S Group, support the request and a 15 year lease has been signed between them.

Mayor McDaniel explained this process tonight is the right course of action and every decision made by Council, either corporate or residential, allows for the public to know what is happening. This evening is a good example of everyone having a voice, reflecting the transparency of decisions made by the City. He is very appreciative of Cellar Door coming to the City and being transparent.

Mr. Knight noted this business is not competing with other businesses or restaurants in the area.

Mr. Dzierzawski stated the business hours are after 5:30 p.m., Monday through Friday. Weekend times are Saturday, generally between 7:00 p.m. and 11:00 p.m. and Sunday’s 11:00 a.m. and 3:00 p.m. Typically there are only two or three events a week. Those are the general times for events, though he works from 7:00 a.m. until 7:00 p.m. most days.

Responding to Mr. Burmeister, Mr. Dzierzawski stated there will be no exterior improvements to the site.

Moved by Mitchell; Seconded by Burmeister.

RESOLVED: To approve the Special Land Use Permit for Cellar Door, located at 1091 Centre Court Suite 150, subject to staff and Planning Commission conditions.

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

Resolution No. 15.06.126

Motion Carried (5-1)

9b. Motion – Adopt New FOIA Policy, Procedures and Fees

Ms. Kowal noted these are the first significant changes to the FOIA laws since 1986; the main theme of changes is transparency. The laws are going to be standardized across the State. Some of the bigger changes include how the time spent gathering the information is calculated; if less than 15 minutes there will not be a charge. Many of the current FOIA’s are less than 15 minutes. The FOIA Procedures and Guidelines, and a Public Summary must be available to the requestor at no charge. An alternative option, which will be used, is to provide a link to the City’s website where the two documents can be found.

The five day response time hasn’t changed and a 10 day extension may be taken; however, with the extension the requestor must be given an approximate number of additional days needed to complete the FOIA. A fee calculation form is now needed with each request, specifically showing the actual charges.

All of the changes will take place July 1, 2015. Both she and Mr. Beckerleg worked closely on the revisions.

Responding to Mr. Kittle, Ms. Kowal stated the most asked for FOIA’s are site plans and zoning information from Community Development and Fire is second with requests for hazardous materials.

Moved by Knight; Seconded by Kittle

RESOLVED: To adopt the attached resolution approving the written FOIA Procedures and Guidelines, Public Summary of FOIA Procedures and Guidelines, the Fee Calculation Form, and appointing the City Clerk as Auburn Hills Freedom of Information Act Coordinator.

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

Resolution No. 15.06.127

Motion Carried (6 – 0)

10. COMMENTS AND MOTIONS FROM COUNCIL

Mr. Knight:
- The Summerfest was a great success.
- On behalf of himself and Ms. Hammond, he thanked staff for the work and striping being done on Auburn Road.

Mr. Kittle:
- Would like to hear a road work update.
- Regarding the backflow preventers, he understood communities are able to choose their own duration for inspections; every year every few years, there is some flexibility. He had his inspection done, at a reasonable rate and learned quite a bit from the plumber. The plumber stated Bloomfield Township has an informational brochure on their website, explaining the process. It might be something the City could look at as a communication item for the residents

Mr. Melchert explained an RFQ is being worked on for the backflow prevention testing, and should be released in the next week or two. The results will be posted on the website, with prices and those qualified to do the testing and repairs. He believed annual testing is required, but will investigate further.

Regarding roads, the University Drive bridge was closed at 11:00 a.m., today and at 5:30 p.m., there was heavy traffic on Opdyke Road, heading north either towards Lake Orion or the Lapeer Road/I-75 interchange.
Two eastbound lanes on Featherstone were opened today, and there is one lane opened for westbound traffic. There will not be a push for the contractor to open a second westbound lane unless traffic starts backing up in that location. In two weeks all the westbound lanes should be opened and restoration should begin.

Northbound Squirrel Road, the contractor has begun to remove the tree stumps and is stripping top soil on the east side of the road, where the majority of the road widening will take place. Underground work should begin Wednesday; storm sewer installation, water main lowering and crossover of utilities, which will take approximately two weeks. The project is running about a week behind schedule, due to the delay in shipment of underground materials. A meeting is scheduled for Wednesday with the contractor to discuss the delays and what can be done to get the project back on track. Substantial completion of the project is scheduled for November 3, 2015; there is a $1,550 fee that can be assessed daily for each day substantial completion has not been achieved. He has asked OHM to document, in detail, any delays in the event the City requests the liquidated damages from MDOT; the documentation will be used to back-up the request if needed.

Mr. Knight asked how the hump on Squirrel Road at Shimmons Road will be eliminated, if the northbound lane will be done first and then the southbound lane.

Mr. Stevens confirmed that is the plan, because there will be a three to four foot reduction in the road height, with possible intermittent lane closures.

Mr. Kittle noted the project is only into the second week and already running a week behind. He appreciates staff keeping on the contractor to keep the project moving along.

Mayor McDaniel thanked Mr. Melchert for keeping an eye on the traffic situation with all of the detours.

Ms. Verbeke:
- Thanked staff for all the efforts on a wonderful Summerfest.

Mr. Burmeister:
- Asked if the attendance for the Summerfest had increased or decreased from previous years.
  - Most agreed the attendance was up.
- Thanked Ms. Carroll with the follow-up for the complaint he had from a resident.
  - Mr. Tanghe noted the 5k run was held in a different location this year and the number of runners doubled from 350 last year to about this year 700.

Ms. Mitchell:
- Summerfest was awesome this year and the weather cooperated. She thanked staff for helping to make the event run smoothly.
- The May 18th City Council meeting is still on the City’s website and would like the website updated.
- Thanked the Fire Department for showing and explaining the new fire engine and its different features.
- Thanked the Code Enforcement department for all the extra effort in helping her solve some issues residents have brought to her attention.
- Noted she takes her commitment of City Council very seriously, however, due to professional obligations, she will not be attending the July Council meetings.

Mayor McDaniel:
- He too, extends his appreciation for all the hard work put into the Summerfest. In his seven years of being on Council he has never received so many positive comments and feedback for the Summerfest. Not only for the children’s activities but also how meticulous all aspects of the festival were. He asked Mr. Tanghe to extend his and City Council’s appreciation to all the City staff.

11. CITY ATTORNEY’S REPORT – none

12. CITY MANAGER’S REPORT
- Apologized for the lack of air conditioning in the Council Chamber. There is an electrical issue that will be repaired tomorrow.
- He provided information to Council from Crain’s Detroit Business magazine about the efforts underway to redevelop the Silverdome property.
- The new Administrative Assistant in the City Manager’s office began today, Alanna Stockley. He will introduce Ms. Stockley at the next Council meeting.

13. ADJOURNMENT
Meeting adjourned at 9:16 p.m.

Kevin R. McDaniel, Mayor
Terri Kowal, City Clerk
CITY OF AUBURN HILLS

RESOLUTION 15.06.121

REVOKING AN INDUSTRIAL FACILITY EXEMPTION CERTIFICATE
FOR MAGNA E-CAR SYSTEMS OF AMERICA

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 22nd day of June, 2015

The following resolution was offered by Council Member Knight and supported by Mayor Pro Tem Kittle:

WHEREAS, Magna E-Car Systems of America has vacated the facility 4121 N. Atlantic Drive and has ceased to operate the facility,

and

NOW, THEREFORE, BE IT RESOLVED that the City Council of Auburn Hills hereby determines that Industrial Facility Exemption Certificate 2010-117, including the real property and personal property component, be revoked according to the provisions of Public Act 198 as amended, for failure of the holder to proceed in good faith with the operation of the new facility in a manner consistent with the purposes of the act, and

That the City Assessor submits a copy of this resolution to the State Tax Commission with a request to revoke the certificate.

AYES: Mayor McDaniel, Mayor Pro Tem Kittle, Council Members Burmeister, Knight, Mitchell, Verbeke

NAYS: None

ABSENT: Council Member Hammond

ABSTENTIONS: None

RESOLUTION 15.06.121 APPROVED (6-0)

STATE OF MICHIGAN)
COUNTY OF OAKLAND)

I, the undersigned, the duly qualified and appointed Clerk of the City of Auburn Hills, Oakland County, Michigan do hereby certify that the foregoing is a true and complete copy of a resolution adopted at a regular meeting of the City Council held on the 22nd day of June, 2015, the original of which is on file in my office.

IN WITNESS WHEREOF, I have hereunto affixed my official signature on this 23rd day of June, 2015.

_________________________________
Terri Kowal, City Clerk
CITY OF AUBURN HILLS
RESOLUTION 15.06.125
AUTHORIZING WEST NILE VIRUS
FUND EXPENSE REIMBURSEMENT REQUEST

At a regular meeting of the City Council of the City of Auburn Hills, Oakland County, Michigan, held in the Council Chambers at 1827 N. Squirrel Road, Auburn Hills MI 48326 at 7:00 p.m., on the 22nd day of June, 2015

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

WHEREAS, upon the recommendation of the Oakland County Executive, the Oakland County Board of Commissioners has established a West Nile Virus Fund Program to assist Oakland County cities, villages and townships in addressing mosquito control activities; and

WHEREAS, Oakland County’s West Nile Virus Fund Program authorizes Oakland County cities, villages and townships to apply for reimbursement of eligible expenses incurred in connection with personal mosquito protection measures/activity, mosquito habitat eradication, mosquito larviciding or focused adult mosquito insecticide spraying in designated community green areas; and

WHEREAS, the City of Auburn Hills, Oakland County, Michigan will incur expenses in connection with mosquito control activities believed to be eligible for reimbursement under Oakland County’s West Nile Virus Fund Program.

NOW, THEREFORE, IT IS HEREBY RESOLVED that the Auburn Hills City Council authorizes and directs the City Manager, as agent for the City of Auburn Hills, to request reimbursement of eligible mosquito control activity under Oakland County’s West Nile Virus Fund Program

AYES: Mayor McDaniel, Mayor Pro Tem Kittle, Council Members Burmeister, Knight, Mitchell, Verbeke
NAYS: None
ABSENT: Council Member Hammond
ABSTENTIONS: None

RESOLUTION 15.06.125 APPROVED (6-0)

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 22nd day of June 2015.

IN WITNESS WHEREOF, I have hereunto affixed my official signature on this 23rd day of June, 2015.

____________________________________
Terri Kowal, City Clerk
RESOLUTION ADOPTING WRITTEN FOIA PROCEDURES AND GUIDELINES, PUBLIC SUMMARY OF FOIA PROCEDURES AND GUIDELINES AND FREEDOM OF INFORMATION ACT FEE CALCULATION FORM AND APPOINTING CITY CLERK AS AUBURN HILLS FREEDOM OF INFORMATION ACT COORDINATOR

At a meeting of the Auburn Hills City Council held on the 22nd day of June, 2015 at the City Hall at 1827 N. Squirrel Road, Auburn Hills, Michigan, 48326.

It was moved by Council Member Knight and seconded by Mayor Pro Tem Kittle.

WHEREAS, in January of 2015 the Michigan Legislature adopted Act 563 of the Michigan Public Acts of 2014, which made several amendments to the Michigan Freedom of Information Act that become effective on July 1, 2015; and

WHEREAS, the amendments to the Michigan Freedom of Information Act require that the City adopt written Procedures and Guidelines, a written Public Summary of the Procedures and Guidelines, and a Standard Fee Itemization Form/Freedom of Information Act Fee Calculation Form; and

WHEREAS, in order to comply with the amendments to the Michigan Freedom of Information Act and to ensure the Act and its amendments implementation by the City July 1, 2015, the City Council is desirous of adopting the required written Procedures and Guidelines, written Public Summary of the Procedures and Guidelines, and a Standard Fee Itemization Form/Freedom of Information Act Fee Calculation Form and is also desirous of confirming the appointment of the City Clerk as the Freedom of Information Act Coordinator.

NOW, THEREFORE, IT IS HEREBY RESOLVED BY THE AUBURN HILLS CITY COUNCIL THAT:

1. Pursuant to Act 563 of the Michigan Public Acts of 2014, the Auburn Hills City Council adopts the written FOIA Procedures and Guidelines, Public Summary of FOIA Procedures and Guidelines and Freedom of Information Act Fee Calculation Form, all of which are set forth in Attachment A which is attached hereto and incorporated herein by reference, which attached written FOIA Procedures and Guidelines shall replace and supersede the existing Auburn Hills Freedom of Information Act Policies and Procedures and any amendments thereto which were previously adopted by the Auburn Hills City Council.

2. It is confirmed that the City Clerk is appointed as the Auburn Hills Freedom of Information Act Coordinator and shall continue to act in that capacity.

AYES: Mayor McDaniel, Mayor Pro Tem Kittle, Council Members Burmeister, Knight, Mitchell, Verbeke

NAYS: None

ABSENT: Council Member Hammond

ABSTENTIONS: None

RESOLUTION 15.06.127 APPROVE (6-0)

STATE OF MICHIGAN )

COUNTY OF OAKLAND )

I, Terri Kowal, the duly qualified and acting Clerk of the City of Auburn Hills, Oakland County, Michigan, do hereby certify that the foregoing is a true and complete copy of the Resolution Adopting Written FOIA Procedures and Guidelines, Public Summary of FOIA Procedures and Guidelines and Freedom Of Information Act Fee Calculation Form and Appointing City Clerk as Auburn Hills Freedom Of Information Act Coordinator adopted by the City Council of the City of Auburn Hills at a duly called meeting held on the 22nd day of June, 2015, the original of which is on file in my office.

IN WITNESS WHEREOF, I have hereunto affixed my official signature this 23rd day of June, 2015.

____________________________________
Terri Kowal, City Clerk
5a. Presentation – Dr. Vickie Markavitch, Chief Executive Officer of Field Services/Cost Recovery, Oakland Schools
Presentation on Upcoming Pontiac Schools Millage Election

NO ELECTRONIC INFORMATION AVAILABLE
CALL TO ORDER

Chairman Foster called the meeting to order at 6:00 pm

ROLL CALL

Present: Rich Foster, Celeste Yoskovich, Ilene Ingram, Karen Lewis, Linda Hogan, Cheryl Verbeke

Also Present: Elizabeth Brennan, Exec. Assistant Community Development

Absent: None

Guests: None

LOCATION

Council Conference Room
1827 N. Squirrel Rd., Auburn Hills, MI 48326

PERSONS WISHING TO BE HEARD - None

CORRESPONDENCE -

Save the Date - BCSEM Quarterly Meeting on June 18th

APPROVAL OF MINUTES

Ms. Verbeke moved to approve the minutes of April 15, 2015
Supported by Ms. Lewis

VOTE:

Yes: Foster, Yoskovich, Ingram, Hogan, Lewis, Verbeke
No: None

Motion Carried (6-0)

NEW BUSINESS -

Budget Update

Ms. Brennan reported that the account balance on this date, after expenditures is $18,146.10.
**Sweets Request**

The Owner of Sweets! in Downtown contacted Ms. Brennan to see if she could participate in the Perennial Exchange. She purchased a new ice cream cart and would like to bring it to the event to sell ice cream. Ms. Brennan asked the group if they would allow her to participate in the event. It was decided by the Commission that it was important to keep the event completely “free” for attendees, as it has been since its inception. To allow her to sell goods would inevitably open the door to other vendors looking to sell items in the coming years.

Ms. Brennan recommended that the Commission allow her to include a Sweets! promotional item in the gift bags that event attendees receive as they register at the event. The idea was accepted. Ms. Brennan will work with the Owner.

**Summerfest Planning**

Parks and Recreation Director, Brian Marzolf, has confirmed participation of the BAC in the City’s Summerfest event. The group will have a table in the Big Tent along with a few other organizations on Friday night. The table must be manned between 4pm and 10pm. The Commission members scheduled their shifts as follows: 3:30pm Setup (Brennan); 4:00pm to 6:00pm (Verbeke and Foster); 6:00pm to 8:00pm (Yoskovich and Hogan); 8:00pm to 10:00pm (Lewis & Ingram).

The intent is to promote the BAC and its various programs including the Perennial Exchange, the Beautification Awards Program, Keep It Clean Clean-Up Events and the “Light Up the Night” Holiday Lighting Campaign. Friday night the BAC will provide printed information to visitors, an opportunity to nominate a property for a Beautification Award and offer visitors a starter plant with a terracotta pot - which can be decorated/customized at the table.

**OLD BUSINESS**

**Perennial Exchange Workshop**

The group prepared raffle items for Saturday Perennial Exchange

**Keep It Clean Event - June 6th**

Ms. Brennan reminded the Commission of the Keep It Clean, Clean-Up Event on Saturday, June 6th at 9:00am. Exact starting location still to be determined.

**OPEN DISCUSSION** - None

**CONFIRM NEXT MEETING** -

Next meeting confirmed for June 17, 2015 at 6:00pm in the Administration Conference Room

**Adjournment** -

The meeting was adjourned at 6:45pm

Respectfully Submitted,
Elizabeth Brennan
BAC - City Staff Liaison
City of Auburn Hills
Community Development
CITY OF AUBURN HILLS
CITY COUNCIL AGENDA

MEETING DATE: JULY 13, 2015

AGENDA ITEM NO. 7A.2.

“Not Yet Approved”

CITY OF AUBURN HILLS
DOWNTOWN DEVELOPMENT AUTHORITY MEETING

June 15, 2015

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

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

ROLL CALL
Present: Genautis, Hutchison, McDaniel, Spurlin, Travnikar, Volk, Wise and Young
Absent: Gliniecki
Also Present: Executive Director Grice, Management Assistant Mariuz
Guests: None

PERSONS WISHING TO BE HEARD - None

CORRESPONDENCE & PRESENTATIONS - None

APPROVAL OF MINUTES
Moved by Vice Chairman Young to approve the April 28, 2015 minutes as submitted.
Seconded by Mr. Volk
Yes: Genautis, Hutchison, McDaniel, Spurlin, Travnikar, Volk, Wise and Young
No: None
Motion carried

FINANCIAL REPORT - None

OLD BUSINESS - None

NEW BUSINESS
7a. Mr. Grice discusses that after the last meeting an email was sent out to determine the best time for all board members to hold the regular meetings. Majority said that 5:30 PM was a good start time, however a few indicated that perhaps a bit later in the evening might work better. Mayor McDaniel asks if the meeting will always be held on the Monday’s when there is not a City Council Meeting. Mr. Grice states that is correct, and the DDA meetings will always be on the third Monday of each month, unless there is a special City Council Meeting. Ms. Mariuz will send out a recurring calendar notice to the group.

No Motion Required

7b. Mr. Grice presents the goals that were established through the HyettPalma (2009) Downtown Study and with the help of the Downtown Development Authority Citizens Advisory Council. These are the goals in the Downtown Development Authority Tax Increment Financing and Development Plan. The group has an opportunity to discuss additional goals for the upcoming years. Ms. Hutchison asks as what point to we theoretically help businesses thrive – do we push development, or wait for developments, what is the sequence? Mr. Grice explains that essentially the DDA is starting from scratch. We need to get our priorities in line so when we have funding we can execute properly and begin working with other entities to promote. Driven by our budget, private developments coming into the district and that could change our priorities moving forward. The goals and fluid and can change. Mr. Volk wants to know how Auburn Hills get developments. The HyettPalma study shows where we can improve downtown to help increase development. Many of these things have been invested in, i.e. parking structure, art, streetscapes. When you do these things, it shows that there is as vested interest in the area and helps market the downtown for private developments. We have a vision, but so do the developers, the city, and board would have to see a good fit for use. The board can self-promote the downtown and help activity, excitement and potentially development opportunities.

Ms. Mariuz discusses that the DDA is a positive mechanism for developers. They know that money will be invested in the area and the DDA was actually brought about through discussions with developers. Through partnerships with Main Street Oakland County (MSOC), there will be many different avenues for developers to find places that meet their needs and locate in Auburn Hills. MSOC
also has the ability to assist with metrics to measure and benchmark how the DDA is doing including business retention, programs, number of residents, occupancy rate and walkability scores. Ms. Mariuz discusses how our One Stop Ready business practices are our way of attracting businesses and development in the area. It is known throughout the county that we have an extremely timely permitting process that can be attributed to our high occupancy rate and large commercial base.

Mr. Grice reminds the board that the current commercial “downtown” district is not within the jurisdiction of the DDA. This is because they are already within a Tax Increment Financing District and including the parcels in the DDA would have resulted in a decrease in the tax base for the city. The DDA board should focus on the east, west and northern expansion of the entire commercial downtown. What the DDA does will influence the current core. Chairman Spurlin acknowledges the joint partnership and synergy with the Tax Increment Finance Authority as a benefit for the entire downtown. He continues to explain that his experience with the development community realizes the potential for downtown Auburn Hills, and we are right on the cusp for being able to vet which developments we want in our area. This is an advantage over other communities and a great benefit to our downtown. The use also needs to fit in the downtown. Our downtown is not suitable for large scale businesses, i.e. Starbucks, Buffalo Wild Wings. Vice Chairman Young indicates that Downtown Auburn Hills needs an anchor that fits with the flow.

Mayor McDaniel discusses that Auburn Hills is 80% commercial and 20% residential. Ms. Hutchison discusses the need to utilize our business community and promote events downtown to help keep the population in the city after work. Ms. Hutchison acknowledges the importance of events and promotions for the downtown and how useful it is to inform the public about us. Discussion occurs for the opportunity to create partnerships with the business community and send out monthly newsletters about events in downtown.

There is an interest for Community Development Director Steve Cohen attend a DDA Board meeting and give some of the history of Downtown Auburn Hills as well as the new projects taking place in the city. Staff will send out the HyettPalma Study along with other information about the history of developments in downtown. Mr. Grice gives a brief presentation of some of the developments taking place around the community.

From the discussion with the group, the goals in the DDA Tax Increment Financing and Development Plan were prioritized and additional goals were created and prioritized for the upcoming year.

**BOARD MEMBER COMMENTS** - None

**ANNOUNCEMENT OF NEXT MEETING** – The next regularly scheduled Downtown Development Authority Board of Directors Meeting will be scheduled and publically posted upon designation of the next month of necessity on the third Monday of the month at 5:30 PM.

**ADJOURNMENT**

Moved by Mr. Volk to adjourn the meeting at 7:00 p.m.

Supported by Vice Chairman Young.

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

No: None

Motion carried

Respectfully submitted,

**Donald K. Grice**

Executive Director

**Samantha R. Mariuz**

Recording Secretary
CALL TO ORDER
Chairman Foster called the meeting to order at 6:00pm

ROLL CALL
Present: Rich Foster, Celeste Yoskovich, Ilene Ingram, Karen Lewis and Linda Hogan

Also Present: Elizabeth Brennan, Exec. Assistant Community Development

Absent: Cheryl Verbeke

Guests: None

LOCATION
Council Conference Room
1827 N. Squirrel Rd., Auburn Hills, MI 48326

PERSONS WISHING TO BE HEARD - None

CORRESPONDENCE - None

APPROVAL OF MINUTES
Ms. Yoskovich moved to approve the minutes of May 13, 2015
Supported by Ms. Ingram

VOTE: Yes: Foster, Yoskovich, Ingram, Hogan, Lewis
No: None

Motion Carried (5-0)

OLD BUSINESS -
Budget Update
Ms. Brennan reported that the account balance on this date, after expenditures is $17,400.43.
**Perennial Exchange Debrief**

Ms. Ingram thanked Rich Foster for bringing homemade cookies to the Perennial Exchange. They were well-received again this year.

Ms. Yoskovich indicated that signage was effective – attendees mentioned they had noticed the roadside banners and pulled information from them – location on Squirrel in front of Fiat most effective.

She also indicated that gardeners approached her about how perennial exchange events are run in other cities. Some ideas were good but others were too structured.

The start time worked well – holding off trading until 11am gives everyone a chance to see what plants are available and gives everyone a fair shot of making an exchange they want.

Ms. Yoskovich received a couple comments about a couple of women that were not trading plants, but just taking them. A few of them were recognized as having done the same thing in previous years.

Ms. Yoskovich loves having the Master Gardner at the event, but suggested that she should remain centrally located so that attendees don’t have to search for her to ask questions.

Ms. Hogan suggested that attendees should put their names on the plant tags in an effort to deter others from taking the plants instead of trading plants.

Ms. Yoskovich suggested that we give little “rules of the trade” sheet to each attendee long with their raffle ticket. This would explain how the exchange works.

Ms. Yoskovich also noted there was a master gardener at the event who brought several beautiful plants simply to give away. She would not take anything in return, she just wanted to help people grow their gardens.

The coffee and baked goods were a hit and the coffee lasted right until the end of the event.

Ms. Hogan said that the raffle went well. We still had a problem with people not responding immediately to winning numbers being called.

**Summerfest Planning**

On Friday night the BAC will participate in the City’s SummerFest event and will have a table in front of the “Big Tent” located on Auburn just east of the stage set. Ms. Brennan indicated that she will have all supplies (plants, terracotta pots, markers, beautification award nomination forms, water and miscellaneous extras) set up before 4pm. Friday night coverage schedule runs from 4pm to 10pm. 3:30pm Setup (Brennan); 4:00pm to 6:00pm (Verbeke and Foster); 6:00pm to 8:00pm (Yoskovich and Hogan); 8:00pm to 10:00pm (Lewis & Ingram).

**NEW BUSINESS – Beautification Awards**

Ms. Brennan reported that nominations for the 2015 Beautification Awards have begun to arrive. She brought a 2015 menu from Kosch Catering so that the Commission could start thinking about dinner selections and requested that the final decision be made at the upcoming July meeting. She also asked for the group to think about themes, colors and flowers so that those decisions can also be finalized so that invitations can be selected.

Ms. Yoskovich asked the Commission if they would be interested in using the same catering format as last year (in terms of set up and service)

Ms. Brennan suggested that she request printing quotes for dinner invitations this year. The Commission agreed. She will provide quote information at the July meeting.
Ms. Yoskovich moved that Ms. Brennan request quotes for printing related to the Beautification Awards invitations this year.
Supported by Ms. Lewis
VOTE: Yes: Foster, Yoskovich, Ingram, Hogan, Lewis
No: None

Motion Carried (5-0)

Ms. Brennan also requested a motion to approve the collection of quotes and approval to proceed with purchase of two BAC logo – white vinyl signs to use at City events.

Ms. Yoskovich moved that quotes should be collected and an order for banners placed at a not-to-exceed price of $200.00.
Supported by Ms. Lewis
VOTE: Yes: Foster, Yoskovich, Ingram, Hogan, Lewis
No: None

Motion Carried (5-0)

Ms. Yoskovich also requested that Ms. Brennan collect quotes on two “Feather” banners for use at events. Ms. Brennan will present information at the July meeting.

OPEN DISCUSSION -

Ms. Ingram asked the Commission to also think about the award signage as we prepare for the July meeting. The group discussed different types of signs that are available. Ms. Yoskovich mentioned that we have a couple of items that we can give away at the event. Normally mum plants are the only raffle items.

CONFIRM NEXT MEETING -

Next meeting confirmed for July 15, 2015 at 6:00pm in the Administration Conference Room

Adjournment -

The meeting was adjourned at 6:55pm

Respectfully Submitted,
Elizabeth Brennan
BAC - City Staff Liaison
City of Auburn Hills
Community Development
To: Mayor and City Council
From: Thomas A. Tanghe, City Manager; Terri Kowal, City Clerk
Submitted: July 9, 2015
Subject: Resolution for Charitable Gaming License

INTRODUCTION AND HISTORY
The St. Clair Butterfly Foundation is a 501 (c) (3) corporation, public charity, under the Internal Revenue Service. They provide services to assist with the prevention of the cycle of violence against children and youth through intervention and rehabilitation.

The St. Clair Butterfly Foundation would like to schedule a fundraiser with a charitable gaming license. The event will be held on August 2, from 11 am until 3 pm. Although the fund raiser is scheduled in Lake Orion, because Mr. and Mrs. St. Clair, the founders of the St. Clair Butterfly Foundation, reside here in the City, the recognition of them as a nonprofit organization for the sake of obtaining a charitable gaming license from the State must come from our City Council.

STAFF RECOMMENDATION
We recommend approving the resolution recognizing the St. Clair Butterfly Foundation as a nonprofit organization operating in the community for the purpose of obtaining a charitable gaming license.

MOTION
Move to approve the request for recognition of nonprofit status for the St. Clair Butterfly Foundation for the purpose of their obtaining a charitable gaming license.

I CONCUR: THOMAS A. TANGHE, CITY MANAGER
June 30, 2015

To Whom It May Concern:

Pursuant to Michigan’s charitable gaming requirements, our organization is seeking recognition by the Auburn Hills City Council as a nonprofit organization operating in the community for the purpose of obtaining a charitable gaming license for a fundraising event scheduled on August 2nd, 2015 at 51 North Brewery in Lake Orion, MI, between the hours of 11am and 3pm.

Although the event is to be held in a city outside Auburn Hills, the State has required and will only approve our request if the local governing body of the city where our organization’s permanent address is registered, passes the enclosed resolution in accordance with MCL432.103(K)(ii).

Every second of every day, there are thousands of children and youth among us who are caught up in a cycle of silence and suffering; victims of risk factors such as poverty, high crime neighborhoods, exposure to drug/alcohol abuse, physical/sexual/emotional abuse, and/or neglect. These at-risk youth are more likely to disengage at home, at school, and turn inward -- oftentimes resorting to deviant and self-destructive behavior.

The mission of St. Clair Butterfly Foundation is to be the leader in the prevention of the cycle of violence against children and youth through intervention and rehabilitation, focusing on evidence-based creative arts programs. Art, music, nutrition, gardening, yoga, and literature provide creative outlets for at-risk youth and families, giving them the necessary tools in life to overcome adversity and write their own future.

The purpose of the August 2nd event is to raise awareness and funds through a small prize raffle in an effort to continue this necessary mission in several Metro-Detroit schools this fall.

Your support and recognition of our efforts would be greatly appreciated. As an Auburn Hills resident myself, I thank you for your time and consideration.

Best regards,

Chip St. Clair
Founder
Date: AUG 30 2013

ST CLAIR BUTTERFLY FOUNDATION
411 S MAIN SUITE B
ROCHESTER, MI 48307

Employer Identification Number:
20-8917561

DIN:
17053056157023

Contact Person:
MR. DAVIS

Contact Telephone Number:
(877) 829-5500

Accounting Period Ending:
December 31

Public Charity Status:
170(b)(2)(A)(vi)

Form 990 Required:
Yes

Effective Date of Exemption:
February 20, 2013

Contribution Deductibility:
Yes

Addendum Applies:
Yes

Dear Applicant:

We are pleased to inform you that upon review of your application for tax exempt status we have determined that you are exempt from Federal income tax under section 501(c)(3) of the Internal Revenue Code. Contributions to you are deductible under section 170 of the Code. You are also qualified to receive tax deductible bequests, devises, transfers or gifts under section 2055, 2106 or 2522 of the Code. Because this letter could help resolve any questions regarding your exempt status, you should keep it in your permanent records.

Organizations exempt under section 501(c)(3) of the Code are further classified as either public charities or private foundations. We determined that you are a public charity under the Code section(s) listed in the heading of this letter.

Please see enclosed Publication 4221-PC, Compliance Guide for 501(c)(3) Public Charities, for some helpful information about your responsibilities as an exempt organization.

Sincerely,

[Signature]

Director, Exempt Organizations

Enclosure: Publication 4221-PC
LOCAL GOVERNING BODY RESOLUTION FOR CHARITABLE GAMING LICENSES  
(Required by MCL 432.103(K)(II))

At a ______________ meeting of the ____________________________
REGULAR OR SPECIAL  TOWNSHIP, CITY, OR VILLAGE COUNCIL/BOARD

called to order by ______________________________________ on __________
DATE

at __________ a.m./p.m. the following resolution was offered:

Moved by __________________________ and supported by __________________________

that the request from ___________________________ of __________________________,
NAME OF ORGANIZATION  CITY

county of ___________________________, asking that they be recognized as a
COUNTY NAME
nonprofit organization operating in the community for the purpose of obtaining charitable
gaming licenses, be considered for ____________________________.

APPROVAL/DISAPPROVAL

APPROVAL

Yeas: __________  Yeas: __________
Nays: __________  Nays: __________
Absent: __________ Absent: __________

____________________________

I hereby certify that the foregoing is a true and complete copy of a resolution offered and
adopted by the ___________________________ at a ____________________________
TOWNSHIP, CITY, OR VILLAGE COUNCIL/BOARD  REGULAR OR SPECIAL

meeting held on ____________________________.

DATE

SIGNED: __________________________
TOWNSHIP, CITY, OR VILLAGE CLERK

____________________________
PRINTED NAME AND TITLE

____________________________
ADDRESS

COMPLETION: Required.

PENALTY: Possible denial of application.
meeting date: july 13, 2015

agenda item no. 9a. assessing

to: mayor and city council

from: thomas a. tanghe, city manager and micheal r. lohmeier, city assessor

submitted: july 8, 2015

subject: public hearing and motion – request to waive incentive agreement for alte, llc ifec 2011-160 and assessor request to revoke ifec 2011-160

introduction and history

after january 1, 2015 and prior to march 13, 2015 (i.e., the ribbon cutting of shannon precision fasteners) alte, llc removed its personal property and vacated the building situated at 4425 purks road. this facility is now owned and occupied entirely by shannon precisions fasteners.

ife 2011-160 was approved beginning december 31, 2011 and ending december 30, 2015 (four tax years) for the following taxable components: real property - $0; and personal property - $20,276,000. the following property tax assessment parcel pertains to the above certificate: 02-ip-11-100-160 – personal property.

on june 17, 2015 a request for forgiveness of back property taxes for ifec 2011-160 was received by alte, llc, see attached letter from darren post. reasons for request include, in pertinent parts:

“our business outlook has changed drastically forcing our business to retrench and refocus … refunding the tax incentives at this time would place a hardship on alte technologies, as we attempt to rebuild the business”.

the refunded taxes to the city would be approximately $6,000 for the four years.

the certificate was issued to alte, llc for its facility located at 4425 purks road, auburn hills. due to economic and business environment reasons, alte, llc is attempting to rebuild its business but at this time is not in a positive financial position to continue operations. see attached information provided by alte, llc.

the city assessor is requesting the certificate be revoked to ensure the tax relief granted under the new personal property tax laws does not allow any benefits to continue. this also prohibits any future transfers.

standard tax abatement development agreement

alte, llc signed the city’s standard tax abatement development agreement which states, in pertinent part:

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 in section 3 of this agreement, 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 IFEC, under the provisions of Section 21(2) of Public Act 198, 1974 as amended.

It is the City Council’s discretion whether to waive this requirement. Based on the City Assessor’s review of past practices, combined with discussion with the city’s attorney, City Council can approve the waiving of the residence requirement by a motion and vote of the council (a formal resolution is not required).

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

**PROPERTY TAX APPEALS**
To the best of staff’s knowledge:
- There are no outstanding or pending real or personal property tax appeals involving the property that is the subject of this request.
- There are no outstanding or pending real or personal property tax appeals involving the applicant filing for this request within the City of Auburn Hills.

**STAFF RECOMMENDATION**
Based on recent economic events which have caused a decline in the industry that ALTe, LLC operates, it is understandable that the business ALTe, LLC was involved in has ceased or is non-existent at this time. Therefore, staff recommends waiving the business residence requirement.

**MOTION 1 – WAIVE BUSINESS RESIDENCE REQUIREMENT**
One of the following motions may be used, with #1 recommended by staff.

1. Move to approve the request by ALTe, LLC. to waive its two-year residence requirement for its tax incentive agreement pertaining to IFEC 2011-160.

OR ALTERNATIVELY

2. Move to deny the request by ALTe, LLC to waive its two-year residence requirement for its tax incentive agreement pertaining to IFEC 2011-160 and invoke the city’s agreement.

**MOTION 2 – REVOCATION OF IFEC 2011-160**

Move to approve revocation of IFEC 2011-160 by adopting the attached resolution.

CONCUR: THOMAS A. TANGHE, CITY MANAGER
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 13th day of July, 2015

The following resolution was offered by Councilperson______ and supported by Councilperson__________:

WHEREAS, ALTE, LLC has vacated the facility 4425 Purks Road and has ceased to operate the facility, and

NOW, THEREFORE, BE IT RESOLVED that the City Council of Auburn Hills hereby determines that Industrial Facility Exemption Certificate 2011-160, including the personal property component, be revoked according to the provisions of Public Act 198 as amended, for failure of the holder to proceed in good faith with the operation of the new facility in a manner consistent with the purposes of the act, and

That the City Assessor submits a copy of this resolution to the State Tax Commission with a request to revoke the certificate.

AYES:__________
NAYS:__________
ABSENT:__________
ABSTENTIONS:__________

RESOLUTION

STATE OF MICHIGAN) )SS
COUNTY OF OAKLAND) )

I, the undersigned, the duly qualified and appointed Clerk of the City of Auburn Hills, Oakland County, Michigan do hereby certify that the foregoing is a true and complete copy of a resolution adopted at a regular meeting of the City Council held on the 13th day of July, 2015, the original of which is on file in my office.

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

_________________________________
Terri Kowal, City Clerk
Industrial Facilities Exemption Certificate
New Certificate No. 2011-160

Pursuant to the provisions of Public Act 198 of 1974, as amended, the State Tax Commission hereby finds that the industrial property, as described in the approved application, hereafter referred to as the industrial facility, owned or leased by Alte, LLC, and located at 4425 Purks Rd, City of Auburn Hills, County of Oakland, Michigan, within a Plant Rehabilitation or Industrial Development District, is intended for the construction or installation of new industrial property, and complies with Section 9 and other provisions of the act.

Therefore, as provided by MCL 207.551 to 207.572, inclusive, the State Tax Commission hereby certifies the industrial facility as a new industrial facility.

This certificate provides the authority for the assessor to exempt the industrial facility for which this Industrial Facilities Exemption Certificate is in effect, but not the land on which the facility is located, from ad valorem taxation. This certificate further provides the authority to levy a specific tax known as the Industrial Facilities Tax.

This certificate, unless revoked by order of the State Tax Commission as provided by Public Act 198 of 1974, as amended, shall remain in force for a period of 0 year(s) for real property and 4 year(s) for personal property;

Real property component:
December 31, and ending December 30.

The State Education Tax to be levied for the real property component of this certificate is 6 mills.

Personal property component:

The State Education Tax to be levied for the personal property component of this certificate is 6 mills, unless exempted by MCL 207.564(4) which was enacted with the creation of the Michigan Business Tax.*

This Industrial Facilities Exemption Certificate is issued on October 31, 2011.

Douglas B. Roberts, Chairperson
State Tax Commission

*Contact the local assessor for further clarification regarding the classification and tax applied to the personal property component of this certificate.
November 7, 2011

John Thomas  
Alte, LLC  
1408 Kirkway Rd  
Bloomfield, MI  48302

Dear Sir/Madam:

Pursuant to the requirements of Public Act 198 of 1974, as amended, the State Tax Commission (Commission) has issued an Industrial Facility Exemption Certificate numbered 2011-160, to Alte, LLC, located in the City of Auburn Hills, Oakland County. This certificate was issued at the October 31, 2011 meeting of the Commission and the investment amounts approved are as follows:

Real Property: $  
Personal Property: $20,276,000

The State Education Tax to be levied for this certificate is 6 mills.

In accordance with MCL 24.304, the local unit of government or applicant has sixty days from the date of this letter to request a hearing to correct an error contained in the enclosed certificate.

Notification of completion of this project shall be filed with the Commission within 30 days of project completion. Within 90 days of project completion, a report of final costs shall be filed with the assessing officer of the local unit and the Commission.

If you have further questions regarding the issuance of this industrial facility exemption certificate, please call 517-373-2408.

Sincerely,

Kelli Sobel, Executive Secretary  
State Tax Commission

Enclosure
cc:  Victor J. Bennett, Assessor, City of Auburn Hills
June 16, 2015

Mr. Micheal Lohmeier  
City Assessor  
City of Auburn Hills  
1827 N. Squirrel Road  
Auburn Hills, MI 48326

Dear Mr. Lohmeier,

The purpose of this letter is to outline ALTe’s original and current business condition, status of building occupancy in Auburn Hills and to ask for forgiveness for the business tax incentive that the City of Auburn Hills has extended to ALTe Technologies. I have attached a timeline that helps to depict ALTe’s changing business outlook and a presentation indicating ALTe’s current business outlook.

**ALTe’s Original Business Premise**

ALTe Technologies was founded in 2009 with a goal to offer hybrid electric upgrades to used commercial vehicles. The business plan reflected a high volume of conversions for a number of vehicle types. At that time, Environmental Protection Agency (EPA) had not finalized its rules for such conversions and automotive lithium ion battery costs were unknown. ALTe leased 4425 Purks Road in Auburn Hills based on the high volume premise with 188,000 square feet under the roof (see the enclosed presentation titled ‘ALTe Technologies Time Line and Building Update’). Around that time, ALTe applied for a Department of Energy (DOE) ATVM loan to help finance its manufacturing and service facilities and equipment.

**Changing Industry Conditions**

In 2011, EPA defined its rules for hybrid electric upgrades which limited the scope of vehicles that ALTe could address. Lithium ion battery costs was at costs much higher than original estimated with raised the costs for systems. The whole industry’s and ALTe’s sales volume outlook was much lower than originally estimated. ALTe’s demand potential was much lower that originally contemplated when Purks Road was leased.

In 2012, the DOE’s ATVM loan program was essentially shut down after political controversy about failures of companies such as Fisker and Sylendra. ALTe’s loan was essentially rejected at that time. ALTe had hired a number of people in anticipation of successful loan approval, in combination with funds from ALTe’s original investors. The loan rejection forced a retrenchment and layoffs that began in December of 2012 and into 2013.

**Smaller Building Search**

Since 2013, ALTe has refocused its business on new vehicles and overseas hybrid electric vehicles. The space requirements are much less and it was determined that ALTe could not afford to keep such a large building indefinitely. ALTe approached the owner of 4425 Purks and convinced him to sell it to Shannon Mfg. and sublease a portion of the building back to ALTe. The goal was to find a building and move sometime in 2014. Shannon began modifying the building and moving in during 2014. ALTe contracted its floor space accordingly.
ALTe's Current Operations and Business Outlook

In 2014, ALTe began looking for a smaller building in Auburn Hills. We looked at about 15 different buildings but did not find one prior to Shannon’s 100% occupancy date in March 2015. As of April 2015, ALTe is no longer operating at Purks Road other than within two conference rooms off of the lobby, server and copy rooms. We removed our office & plant equipment and stored it in 6 truck trailers, on Shannon’s property as well as ALTe’s prototype vehicles. Shannon has been kind enough to let us the space mentioned above while we transition. Many of ALTe employees are working virtually using internet tools, while search is underway. We have two possible building options, one in Auburn Hills and one in Oak Park – both with less than 50,000 square feet. We are currently negotiating with both landlords and have not made a decision. The Auburn Hills building requires substantial upgrading, which we currently cannot afford. The Oak Park building is move in ready condition.

As part of ALTe’s new business plan (see the enclosed presentation titled ‘ALTe Technologies - Overview for MEDC & Oakland County), ALTe is seeking new funds and has applied for the new DOE ATVM loan program. At this point, our current investors are funding our day-to-day operations until new funding can be acquired. ALTe expects to grow jobs over the next 3 years by commercializing its hybrid powertrain products for fleet customers.

Request for Forgiveness of Past Auburn Hills Business Property Tax Incentives

I am seeking forgiveness of the tax incentive policy from the City of Auburn Hills City Council for business assets that has been granted ALTe Technologies, Industrial Facilities Exemption Certificate File No. 3177 HN5 with City of Auburn Hills. Our business outlook has changed drastically forcing our business to retrench and refocus. Due to the prolonged search for an appropriate building, we have not yet leased a new building to enable uninterrupted operations. Refunding the tax incentives at this time would place a hardship on ALTe Technologies, as we attempt to rebuild the business.

Thank you for your consideration.

Sincerely,

Darren Post
President & Chief Executive Officer

cc: Mr. Derk Beckerleg;
2600 Troy Center Drive
P.O. Box 5025
Troy, MI 48007-5025

Enclosures
ALTe Technologies
Time Line and Building Update

June 2, 2015
ALTe Building Timeline and New Building Search

- **April 2010**
  - ALTe leased 4425 Purks Road: 184,000 sq. ft. (30K office, 154K factory)
    - ALTe business model based on retrofit used vehicles and sought $110 million DOE loan
    - ALTe built up business based on initial investors support from 2011 to 2012
    - DOE loan application rejected in 2012

- **January 2013**
  - ALTe contracted and revamped business model
  - Started JV with China
  - Decided to down size

- **October 2013**
  - ALTe helped arrange Shannon purchase of building from previous owner with sublease for smaller footprint at Purks Road: 36,000 sq. ft.
    - Lease for 12 months of 2014 with option for 6 months of 2015
    - Option developed by previous CEO did not provide for usable footprint

- **June 2014**
  - Building search begun, focused on Auburn Hills
    - A number of buildings evaluated – optimal 55,000 sq. ft. (40k factory, 15k office)
    - 260 Rex Road found in October 2014
    - 11 Mile Rd (Old Azure Building)

- **January 2015**
  - Lease proposal for 260 Rex Road - size ok, but extensive renovation
  - Continued search for ‘move in ready building’

- **March 2015**
  - ALTe packed up office and factory equipment and stored in trailers on Purks Road site with Shannon’s cooperation
    - 2 small lobby conference rooms and server room being used by ALTe
260 Rex Road Lease Proposal (Auburn Hills)
$50-100K renovation to make usable
Continuing search for ‘move in ready’ building

**COMMERCIAL LEASE**

THIS LEASE is entered into as of January __, 2015 (the “Effective Date”), by and between
Mitch Building, LLC, a Michigan limited liability company, 5395 Greer Road, West Bloomfield,
Michigan 48324 (“Landlord”), and ALTe Technologies, Inc., a Delaware corporation, 4425 Parks Road,
Auburn Hills, Michigan 48326 (“Tenant”).

1. BASIC LEASE INFORMATION. The following is a summary of basic lease information. Each item in this Article 1 incorporates all of the terms set forth in this Lease pertaining to
such item and to the extent there is any conflict between the provisions of this Article 1 and any other
provisions of this Lease, the other provisions shall control.

**Description of Premises:** Approximately 40,854 square feet of Rentable Area, consisting
of a portion of a certain building located at 260-270 Rex Road,
Auburn Hills, Michigan, and as more particularly described on
Exhibit A.

**Address of Premises:**

260 Rex Road, Auburn Hills, Michigan.

**Rentable Area:**

Approximately 40,854 square feet of Rentable Area.

**Term:**

Five (5) years.

**Delivery Date:**

The Effective Date.

**Commencement Date:**

Thirty (30) days after the Effective Date.

**Expiration Date:**

The date that is the day immediately preceding the fifth (5th)
anniversary of the Commencement Date.

**Base Rent:**

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<tr>
<td>Months 52-63</td>
<td>$5.30 psf</td>
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May 19, 2015

Mr. Eugene Sherizen
Mr. Edward Hersch
C/o Ms. Lauren Scarpasce
CBRE Detroit
2000 Town Center Drive, Suite 500
Southfield, MI 48075

Re: Lease Proposal
14925 W. Eleven Mile Road, Oak Park, Michigan

Dear Eugene & Ed:

This correspondence is to present you with a lease proposal for the subject building to ALTe Tech (www.altetechnologies.com).

Square Footage: 36,300 square feet total (Tenant to use and pay rent on first floor only in Year 1 of Lease)

Term: Five (5) years, three (3) months

Occupancy and Commencement Date:
- The lease shall commence and the Tenant shall be permitted occupancy to commence with its move immediately following the execution by both parties of a mutually satisfactory lease.
- The first three (3) months of the lease shall be rent free. During this free rent period, the Tenant shall pay pro-rated taxes, insurance, utilities and CAM charges.
Overview for MEDC & Oakland County

Darren Post
President and Chief Executive Officer

April 8, 2015
Summary – ALTe Technologies, Inc.

- Business Plan for Company has been refocused to develop and install hybrid electric powertrains for new vehicles and commercial fleet customers
  - Aggressively marketing to public utilities, government fleets and service companies
- ALTe is re-applying for the Department of Energy’s revitalized ATVM Loan program for eligible U.S. manufacturing capital investment and engineering integration costs
- ALTe is seeking additional Equity Financing to support commercialization of products and inline with DOE requirements
- Current company funding will continue to be provided by existing investor base
- As part of business plan, ALTe is right sizing its manufacturing footprint
  - Current Purks Road facility is 100,000 square feet too large
  - Seeking smaller Oakland County industrial building in-line with business plan and plan to move by May
  - Seeking State and Local support funding & resources beyond MEGA credits
  - Seeking state, county and municipal fleet business for hybrid electric F-150 powertrains

- Next steps
ALTe - Current Company Status

• Darren Post Appointed as President and CEO in May 2014
  – Change in Company Direction to be Customer Focused and to Commercialize Products
  – ALTe Focusing on Commercial Vehicle Powertrain Market Not Being Addressed by OEM’s
  – Addressing unmet Market Need for Powertrain Systems Across Entire Commercial Powertrain Spectrum from Class 1 – Class 6
  – Target Customers Include Commercial & Government Fleets Such as Power Utilities, Delivery, DOTs & Service Industries

• ALTe Hybrid/Electric Vehicle Technology Merit Substantiated
  – Four (4) U.S. Patents Granted
  – 13 U.S. Patents Pending

• ALTe Gaining Traction with Targeted U.S. Commercial Fleet Customers
  – Initial P.O. with Green Box (zero carbon based recycler) In Process For a Plug-In Hybrid Ford F-150
  – Significant Interest and Serious Discussions Underway with DTE Energy Duke Energy, PG&E, Southern Cal Edison and Other Major Utilities
# ALTe Technology’s Experienced Leadership Team

<table>
<thead>
<tr>
<th>Name</th>
<th>Position</th>
<th>Prior Experience</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Executives</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Darren Post</td>
<td>President &amp; CEO</td>
<td>DELPHI</td>
</tr>
<tr>
<td>W. Jeff DeFrank</td>
<td>Co-Founder &amp; CTO</td>
<td>TESLA MOTORS</td>
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<tr>
<td></td>
<td>Director of Development</td>
<td>DEFIANCE ENGINEERING</td>
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<tr>
<td>Benny Rediers</td>
<td>&amp; Validation</td>
<td>RICARDO</td>
</tr>
<tr>
<td></td>
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<td>FROST &amp; SULLIVAN</td>
</tr>
<tr>
<td>Paul Rasmussen</td>
<td>Director of New Business Development &amp; External Affairs</td>
<td>DANA</td>
</tr>
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## Non-Executive Board Members

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<tr>
<th>Name</th>
<th>Position</th>
<th>Prior Experience</th>
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</thead>
<tbody>
<tr>
<td>Simon Ahn</td>
<td>Chairman of ALTe, Chairman of SMS &amp; Attorney</td>
<td>SMS Investment Group</td>
</tr>
<tr>
<td>Ted Oshman</td>
<td>Venture Capitalist &amp; Attorney</td>
<td>quigo .tv</td>
</tr>
<tr>
<td>Tony Posawatz</td>
<td>Former CEO of Fisker Automotive &amp; Leader of Chevrolet Volt</td>
<td>BMW, GM, ALTe</td>
</tr>
</tbody>
</table>

March 20, 2015
## ALTe Technology ATVM Loan Application Updates: Quantitative

<table>
<thead>
<tr>
<th></th>
<th>Original Application (2009)</th>
<th>2015 Updates</th>
</tr>
</thead>
<tbody>
<tr>
<td>Loan request</td>
<td>$101 M, revised to $65 M in Nov. 2010 – DOE suggested equity match</td>
<td>$36.8 M in 2 tranches for engineering integration &amp; production capital (essentially matching equity raised)</td>
</tr>
<tr>
<td>Equity Investment</td>
<td>$0.6 M actual, $3.2 M pledged, $5 M being sought</td>
<td>$31 M raised</td>
</tr>
<tr>
<td>EPA/CARB Requirements</td>
<td>Not comprehended</td>
<td>Comprehended</td>
</tr>
<tr>
<td>Job Creation</td>
<td>321 by 2018</td>
<td>291 by 2019</td>
</tr>
<tr>
<td>Business Model</td>
<td>Numerous franchised conversion centers in U.S. for used fleet vehicle retrofits</td>
<td>Main ALTe plant for upgrades, followed by 3 U.S. regional center for new fleet vehicles</td>
</tr>
<tr>
<td>Technology</td>
<td>No patents, positive assessment; 1 prototype car with experimental parts</td>
<td>4 patents granted- 13 pending, 54,000 miles on 4 truck prototypes with production representative parts; confirmed simulations</td>
</tr>
<tr>
<td>Addressable U.S. Light Duty Market</td>
<td>7 million fleet vehicles (existing used fleet)</td>
<td>0.5 million annual fleet vehicles, 2.5 million over 5 years (new vehicles only)</td>
</tr>
<tr>
<td>Customer Development</td>
<td>Shuttle buses &amp; motor home and light duty truck powertrains: 1 large Gulfstream contingent purchase order</td>
<td>PU powertrains: 1 public utility &amp;1 industrial firm PO, multiple POs contingent on parallel proto vehicle; serious interest from numerous utilities</td>
</tr>
<tr>
<td>Federal Regulations</td>
<td>Commercial vehicle greenhouse gas &amp; fuel reduction rules under development</td>
<td>Commercial vehicle fuel reduction goals set with 2018 end date</td>
</tr>
</tbody>
</table>

March 20, 2015
Why Customers demand new vehicles versus retrofitting older models

- Upgrading new trucks provides benefits over total life of vehicle, thus improving payback
  - Maintenance benefits better achieved when starting with newer truck
  - Initial higher cost of hybrid system may be incorporated into residual value of vehicle when vehicle sold by customer

- Customers demand OEM warranty to be intact after ALTe's hybrid electric system is installed, requiring installation into new vehicle, with OEM qualified vehicle modifier status
  - Warranty not negated on new trucks, given ALTe gains qualified vehicle modifier approval from OEM
Business Model: Upgrade or Integrate Vehicles with Hybrid Powertrains

Vehicle Upgrades

ALTe Technologies Factory

Upgrade Existing Vehicles

ALTe Powertrain
Hybrid Electric Driveline
Vehicle Controls
Lithium Ion Battery Pack

Ship PT to OEM

Integrated Build

Original Vehicle Factory

Install PT into Vehicle During Assembly
ALTe Manufacturing System Footprint – Capacity, Timing, & Funding Assumptions (All Years)

- **2018**
  - $2.4 Million for additional component & subassembly capacity to match system volumes
  - $2 Million for supporting Supplier tooling capacity

- **2016**
  - Service & Warranty Center - $1.2 million
  - At Michigan Factory Location

- **2017**
  - ALTe 2017
  - Service & Warranty Center - $1.2 million
  - East Coast

- **2018**
  - ALTe 2018
  - Vehicle Upgrade Facility - 2,500 unit annual capacity, 1 shift - $3 million
  - West Coast Factory

- **2019**
  - ALTe 2019
  - Service & Warranty Center - $1.2 million
  - East Coast

- **2015-2019**
  - ALTe 2015-2019
  - 1) 2015 1st Vehicle Upgrade Facility - 6,500 unit annual capacity, 1 shift - $6 million
  - 2) 2019 2nd Vehicle Upgrade Facility - 6,500 unit annual capacity, 1 shift - $6 million
  - 3) 2015 Component Sub-assembly Facility $2.5 million
  - Michigan Factories

- **ALTe 2016**
  - Service & Warranty Center - $1.2 million
  - West Coast
### ALTe’s Plan to Commercialize Technology & Launch Production

#### Production Plan & Milestones

<table>
<thead>
<tr>
<th>Today</th>
<th>May</th>
<th>July</th>
<th>September</th>
<th>November</th>
<th>January</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Engineering Integration</strong>&lt;br&gt;Mon 1/5/15 - Fri 6/19/15</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Build Customer Prototype</strong>&lt;br&gt;Mon 2/23/15 - Fri 2/28/15</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Evaluation &amp; Production Orders</strong>&lt;br&gt;Mon 7/22/15 - Fri 12/11/15</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Parallel PHEV Application Certifications</strong>&lt;br&gt;Mon 8/22/15 - Fri 2/26/15</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Low Volume Production System Installation</strong>&lt;br&gt;Mon 8/31/15 - Fri 12/18/15</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Supplier Tooling &amp; PPAP Completion</strong>&lt;br&gt;Mon 6/22/15 - Fri 10/9/15</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Engineering for Qualified Vehicle Modifier Approvals</strong>&lt;br&gt;Mon 6/22/15 - Fri 11/6/15</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Service Network Development</strong>&lt;br&gt;Mon 6/22/15 - Fri 11/6/15</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Production launch &amp; PPAP Production</strong>&lt;br&gt;Mon 11/9/15 - Fri 1/1/16</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

---

**Prototype Builds, EPA & CARB Certification**

**Plant Capital, Production Tooling & QVM Approval for Vehicle Warranty**

**ALTe Manufacturing, Supply Chain, Production Launch**

---

March 20, 2015
Achievement of ALTe’s 5 year business plan will result in significant job creation. (Shared with DOE in March 2015)

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Engineers--Directors &amp; Ma</td>
<td>2</td>
<td>7</td>
<td>7</td>
<td>8</td>
<td>8</td>
<td>8</td>
</tr>
<tr>
<td>Engineers--Staff</td>
<td>8</td>
<td>16</td>
<td>25</td>
<td>43</td>
<td>43</td>
<td>43</td>
</tr>
<tr>
<td>Engineering Dept hourly w</td>
<td>5</td>
<td>6</td>
<td>7</td>
<td>7</td>
<td>7</td>
<td>7</td>
</tr>
<tr>
<td>SG&amp;A--Executives</td>
<td>2</td>
<td>5</td>
<td>6</td>
<td>6</td>
<td>6</td>
<td>6</td>
</tr>
<tr>
<td>SG&amp;A--Managers</td>
<td>3</td>
<td>12</td>
<td>19</td>
<td>30</td>
<td>37</td>
<td>46</td>
</tr>
<tr>
<td>SG&amp;A--support &amp; clerical</td>
<td>0</td>
<td>0</td>
<td>29</td>
<td>69</td>
<td>109</td>
<td>154</td>
</tr>
<tr>
<td>Direct labor</td>
<td>0</td>
<td>0</td>
<td>5</td>
<td>12</td>
<td>19</td>
<td>27</td>
</tr>
<tr>
<td>Indirect labor &amp; supervision</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Total year end employees</strong></td>
<td><strong>20</strong></td>
<td><strong>47</strong></td>
<td><strong>98</strong></td>
<td><strong>175</strong></td>
<td><strong>229</strong></td>
<td><strong>291</strong></td>
</tr>
</tbody>
</table>
Backup
Introduction to ALTe Technologies, Inc.

- ALTe Engineers, Produces and Installs Plug-In Hybrid and All Electric Powertrain Systems For Commercial Vehicles to Reduce Greenhouse Gas Emissions and Improve Fuel Economy

  - Company Founded in 2009 by Tesla Motors Alumni and Located in Auburn Hills, MI

  - Management Team with significant automotive and engineering consulting firm experience
    - Darren Post - President & CEO
    - W. Jeff DeFrank - Co-Founder & CTO
    - Paul Rasmussen - Director of New Business Development

  - New Non-Executive Board Member
    - Tony Posawatz
Demand Drivers for ALTe Products

Total Global 2011 CO₂ Emissions: 31 Billion Tons

- Skyrocketing Greenhouse Gas (GHG) Emissions Impacting Climate

- Escalating Government Regulations for GHG Emission and fuel consumption reduction are key drivers for vehicle electrification
  - U.S. & China Announced Bi-lateral Agreement to reduce CO₂ Emissions
  - Chinese Government Target of 500,000 Hybrid & Electric Vehicles by Next Year & Two Million by 2020
    - If ALTe Earns 5% of the 2020 Market, It Would Represent $2-$4 Billion in Revenue for ALTe

- Growing Commercial Fleet Needs for Vehicle Electrification Not Being Addressed by Original Equipment Manufacturers (OEMs)
  - Fleet Customers Seeking Solutions to Lower Fuel Costs and Emissions Have Limited Alternatives
  - Chinese Government Seeking Hybrid Electric Buses to Reduce Operating Costs and Urban Pollution
Tianjin, China
Key Components of ALTe’s Powertrain System

- Traction Motor Controller
- Gasoline Engine (Original Equipment)
- High Voltage Battery Pack
- Hybrid Controller
- Traction Motor Assembly
- Transmission (Original Equipment)

Core technologies Are Scaled & Leveraged Across Market Segments
ALTe's plug-in parallel hybrid electric powertrain system for the F150 pickups meet public utility drive cycle and reliability needs with 8 and 14.6 kWh battery packs available.

<table>
<thead>
<tr>
<th>Attributes</th>
<th>8 kWh Battery System Performance</th>
</tr>
</thead>
<tbody>
<tr>
<td>Range (one charge daily, full tank of gas)</td>
<td>405 miles</td>
</tr>
<tr>
<td>0-60 MPH (seconds)</td>
<td>Same as conventional vehicle</td>
</tr>
<tr>
<td>Top Speed (MPH)</td>
<td>Same as conventional vehicle</td>
</tr>
<tr>
<td>Recharge Time (220 volt service)</td>
<td>2 hours</td>
</tr>
<tr>
<td>Annual Fuel savings (net of electricity cost, 100 miles/day, UDDS cycle)</td>
<td>$1,990 (-568 gallons)</td>
</tr>
<tr>
<td>Annual Greenhouse Gas Emissions</td>
<td>-5.04 Metric Tons of CO₂</td>
</tr>
<tr>
<td>MPG (equivalent from electricity use)</td>
<td>19.3 * (+29%)</td>
</tr>
</tbody>
</table>

Key: * 15.0 MPG FE Estimate for 3.7L Gasoline Base Engine

**U.S. Patents Granted:**

- US 8,548,660 - Integrated Hybrid Vehicle Control Strategy
- US 8,795,876 - Device for Making Rapid Connections and Disconnections Between High Voltage Battery Modules and Other Motor Vehicle Systems
- US 8,884,582 - Battery Management System Utilizing Stackable Batteries
- US 8,955,625 - Stackable Motor

**U.S. Patents Pending:**

- Application #: 13/018,875 - Accessory Drive System for a Vehicle
- Application #: 61/776,516 - Electric Vehicle Bus Discharging
- Application #: 61/776,388 - Hybrid Vehicle Internal Combustion Engine Lubrication Cycle
- Application #: 13/782,287 - Method of Applying Vacuum to Fuel Tank for Leak Testing
- Application #: 13/708,560 - Method of Producing Vacuum in Fuel Tank Using Brake Boost Vacuum Pump for EVAP Small Leak Test
- Application #: 13/900,230 - Pressure Locking Cap and Release Method for Sealed Fuel Tank System
- Application #: 61/650,372 - Range Extension Adaptive Climate Control and Thermal Management System
- Application #: 12/899,648 - Stackable Motor with Flexible Modes of Operation
- Application #: 13/158,956 - Structural Enclosure for Packaging Power Electronics for Vehicle Battery Modules and Methods of Servicing and Manufacturing Vehicles Using Same
- Application #: 13/900,255 - System and Method of Implementing a Low Pressure Charcoal Canister
- Application #: 61/754,228 - System for Hydraulically Powering Multiple Devices from a Common Hydraulic Pump
- Application #: 62/091,165 - Multi-Functional Busbar
- Application #: 62/091,138 - Expandable Battery Module

March 20, 2015
Huge Global Commercial Vehicle Market Opportunities

Annual Global Target Market Opportunities = $7.9B

Global Target Opportunities are Estimates for 2016

- China
- U.S.
- Korea

China Demand Drivers
- Government Target of 500,000 Hybrid & Electric Vehicles by Next Year & Two Million by 2020
- If ALTe Earns 5% of the 2020 Market, It Would Represent $2-$4 Billion in Revenue for ALTe
- Subsidies Range from $40K-$80k/per Vehicle Provided for Bus EV and PHEV Purchase

U.S. Demand Drivers
- Federal & State Regulations & Incentives Driving Commercial Vehicle Fuel and GHG Gas Reductions
- Power Utilities Purchasing and Promoting Plug-in PHEVs and EVs
- Delivery & Service Fleets Hyper-Focused on Reducing Fuel Costs

Note: Revenue potential by market segment derived using expected average system price for that particular segment.
Reference: Volumes & shares compiled from projects conducted by AT Kearney, Navigant and Piper Jaffray.
Huge Global Commercial Vehicle Plug-in Hybrid Powertrain Market Opportunities

Annual Global Target Market Opportunities = $7.9B

- U.S.
- China/Korea

Annual U.S. Market Opportunities = $2.4B

Forecasted 2016 Market Size

<table>
<thead>
<tr>
<th></th>
<th>Pickups/Vans</th>
<th>Class 3-6</th>
</tr>
</thead>
<tbody>
<tr>
<td>Annual Sales</td>
<td>490,500</td>
<td>366,711</td>
</tr>
<tr>
<td>Fcst Penetration</td>
<td>7%</td>
<td>10%</td>
</tr>
<tr>
<td>Est Volume</td>
<td>33,575</td>
<td>35,154</td>
</tr>
<tr>
<td>Revenue</td>
<td>$1.0B</td>
<td>$1.4B</td>
</tr>
</tbody>
</table>

* Source of China Market Data: Piper Jaffray, November 2014

Note: Revenue potential by market segment derived using expected average system price for that particular segment.
Reference: Other volumes & shares compiled from a number of consulting projects conducted by AT Kearney and other firms.
Key Customer Status

China

• Shanxi Province Awarded Purchase Order for 20 ALTe Prototype Plug-In Hybrid Electric and Battery Electric Bus Powertrain Systems, Followed by Larger Orders After Successful Evaluation
  – Chengxi City/County has 4,000 Unit Bus Fleet it Targets to Convert to EV/PHEV Powertrains by 2018
  – Represents $65 million revenue opportunity if ALTe has 25% share of market

U.S.

• Developing F-150 Pickup Truck Plug-In Parallel Hybrid Electric Powertrain to Meet Power Utility Needs
  – Utilities Purchase 4,000 Pickup trucks annually and prefer plug-in hybrid powertrains
  – Final Discussions with DTE Energy (Michigan’s largest utility) for purchase order of ALTe plug-in hybrid powertrains; Pursuing Many Other Utilities

• FedEx is Interested in Quote for Delivery Van Plug-In Hybrid Powertrain - Evaluation Work Begins in February
Edison Energy Institute Members (33 Public Utilities) Committed to Implementing Hybrid Electric Pickup Trucks to Lead Public Adoption “By Example”
Key U.S. Market Plug-in Hybrid Powertrain Opportunities and Customer Commitments

2016 Annual U.S. Market Opportunities = $2.4B

- Annual U.S. Utility Industry Purchase Volume of 4,000 pickup trucks
- ALTe Has One Firm P.O. Currently in Place
  - Green Box NA will purchase plug-in parallel hybrid electric powertrain for a F-150 pickup (generates $50,000 of Revenue)
  - Green Box NA has 200 pickups to be upgraded over 3 years, given success of the first powertrain
- ALTe Also Has 23 Pending P.O.'s for F-150 Parallel Hybrid Powertrains which will Generate More Than $600,000 in Revenue
  - Customers Include Green Box, DTE, PG&E, Duke Energy, Southern Cal Edison & DOTs.
- Successful Completion of Current Backlog Will Lead to Significant Follow-On Orders In 2016

Sales Unit Pipeline – Firm/Pending P.O.’s

<table>
<thead>
<tr>
<th></th>
<th>Q1 2015</th>
<th>Q2 2015</th>
<th>Q3 2015</th>
<th>Q4 2015</th>
</tr>
</thead>
<tbody>
<tr>
<td>Firm P.O.'s</td>
<td>1</td>
<td>3</td>
<td>5</td>
<td>15</td>
</tr>
</tbody>
</table>

- Annual Buy of DTE, PGE, Duke & SCE = 2,250

Revenue Pipeline

<table>
<thead>
<tr>
<th>Powertrain</th>
<th>Systems</th>
<th>Revenue</th>
<th>Rev/Unit</th>
</tr>
</thead>
<tbody>
<tr>
<td>Firm PO's</td>
<td>1</td>
<td>$50,000</td>
<td>$50,000</td>
</tr>
<tr>
<td>Pending PO's</td>
<td>23</td>
<td>$621,000</td>
<td>$27,000</td>
</tr>
<tr>
<td>Total</td>
<td>24</td>
<td>$671,000</td>
<td>$27,958</td>
</tr>
</tbody>
</table>

March 20, 2015
ALTe's Goal is to Become the Total Fleet Solution: The 'Cummins Engine' of Electrified Powertrains

System Complexity

- Plug-in Battery Electric
- Plug-in Series Electric
- Plug-in Parallel Electric
- Hybrid Electric

Key:

- V = Vehicle Manufacturer

Class 1-2
6,000-10,000 lbs.

Class 3-4
10,001-16,000

Class 5-6
16,001-26,000

Class 7-8
26,001->33,000

Size of Vehicle

March 20, 2015
Financial Viability and Business Case Foundation

- Sales forecast based on direct customer development and market research
- Company growth (jobs creation, capital investment) in line with sales growth
- Fundamental Product Cost Assumptions are Confirmed
  - Long term sourcing completed – component costs are market based, assuming business plan volumes met
    - Supply base more mature
  - Margins will improve with increases in ALTe volumes & decreases in supplier prices over the next 5 years
    - Lithium Ion battery costs continue to drop as industry matures

![Graph showing cost predictions for full automotive Li-Ion packs](image-url)
Executive Summary – ALTe’s ATVM Loan Readiness Based on Last 5 Years of Business Maturity

- Improved business model
  - New fleet customer vehicle versus used fleet vehicles
  - ALTe factory vehicle modifications versus retrofits in franchised operations
  - Addresses fleet customer needs not met by OEMs

- Technology fully developed with significant patent protection
  - 4 Patents, 13 Patents pending
  - 4 prototype trucks with 54,000 cumulative miles & production representative components

- Low market share & volumes required to be financially viable
  - Ability to capture upside – not maxed out
  - Financial flexibility as earnings improve
  - Manufacturing system has low automation & capital equipment requirements
  - Loan repayment beginning in year 3

- ATVM loan to be used for commercializing products & manufacturing
  - $31 million in equity investments used to develop & validate the technology
  - Current loan request is $36.8 million versus $101 million sought in 2009
Merit of ALTe’s Technology

- ALTe’s Technical merit assessment successfully completed in 2010 with DOE, assisted by AT Kearney

- ALTe’s Patents
  - ALTe had no patents at the time of the original ATVM application in 2008, although consultant report indicated merit for concepts
  - As of March 2015, ALTe has been granted 4 patents and has 13 pending
    - ALTe’s technology proven on four prototypes completed since 2008

- Four prototype plug-in series hybrid powertrains developed and successfully installed in three F-150 pickup trucks and one E350-based delivery truck
  - System performance confirmed by MATLAB/Simu-Link simulation models
  - ALTe’s Lithium Ion battery pack designs reliable and fail-safe
Saving 10% of UPS’s annual ground fleet fuel costs is worth approximately $50 million.

UPS PACKAGE OPERATIONS

- 2013 revenue $46.5 billion
- Daily delivery volume 16.9 million packages and documents
- Daily international volume 2.5 million packages and documents
- Service area More than 220 countries and territories;
- Every address in North America and Europe
- Customers 9.4 million daily (1.5 million pick-up, 7.9 million delivery)
- Operating facilities 1,990
- Delivery fleet 96,361 package cars, vans, tractors, motorcycles, including 3,152 alternative fuel vehicles

UPS’s 2014 Corporate Annual Fuel Costs: $3.883 Billion
- ALTe Estimates ground fleet fuel usage at 13%, $504.8 million annual fuel cost
ALTe Product Summary: Power Series 2
Plug-In Hybrid Electric Powertrain, 14 & 22 kWh Battery

**ALTe Power Series 2**
14 & 22 kWh Plug-in Parallel Hybrid Electric Powertrain
14 & 22 kWh Lithium Ion Battery
Plug-In to Grid Charger
Regenerative braking
Original OEM vehicle engine

145 kW traction motor, e-Coupler with 2-to-1 speed reducer
ALTe vehicle hybrid controller with HV motor controller

Fuel Usage Improvement: 20 to 32%
8,500 to 19,000 lbs

<table>
<thead>
<tr>
<th>Battery Size</th>
<th>14 kWh</th>
<th>22 kWh</th>
</tr>
</thead>
<tbody>
<tr>
<td>Fuel Consumption Improvement</td>
<td>20%</td>
<td>22%</td>
</tr>
<tr>
<td>EV Miles</td>
<td>26 miles</td>
<td>39 miles</td>
</tr>
<tr>
<td>Price</td>
<td>$34,000</td>
<td>$38,000</td>
</tr>
<tr>
<td>Payback</td>
<td>10.6 years</td>
<td>11.0 years</td>
</tr>
<tr>
<td>Annual US Market Size</td>
<td>9,000</td>
<td>9,000</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Battery Size</th>
<th>14 kWh</th>
<th>22 kWh</th>
</tr>
</thead>
<tbody>
<tr>
<td>Fuel Consumption Improvement</td>
<td>20%</td>
<td>32%</td>
</tr>
<tr>
<td>EV Miles</td>
<td>11 miles</td>
<td>15 miles</td>
</tr>
<tr>
<td>Price</td>
<td>$34,000</td>
<td>$38,000</td>
</tr>
<tr>
<td>Payback</td>
<td>7.5 years</td>
<td>8.4 years</td>
</tr>
<tr>
<td>Annual US Market Size</td>
<td>9,000</td>
<td>9,000</td>
</tr>
</tbody>
</table>

Note: Plug-in Series Hybrid Electric PT Also Available

**Usage Assumptions:** 100 miles per day, UDDS Drive Cycle
### ALTe’s Products Out-perform Competitive Offerings, with Shorter Payback Times.

<table>
<thead>
<tr>
<th>Competitor</th>
<th>Model</th>
<th>Drive Technology</th>
<th>Specifications</th>
<th>Total Price</th>
<th>Estimated EV, HEV or PHEV System Price</th>
<th>Estimated Annual Savings (Fuel, Maintenance Costs)</th>
<th>Payback (years)</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Power Series 1</strong> (see page 21)</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Via Motors</td>
<td>GMC 3/4 Ton Pickup Hybrid</td>
<td>Plug-in Series Hybrid Electric REEV</td>
<td>100 miles/day, 23 kWh battery, 100 kW generator motor</td>
<td>$85,000</td>
<td>$54,000</td>
<td></td>
<td>4,667</td>
</tr>
<tr>
<td>XL Hybrid</td>
<td>1/2 Ton and 3/4 Ton Pickups</td>
<td>Parallel Hybrid (Regen Only)</td>
<td>2 kWh Battery, 40 kW</td>
<td>$10,000</td>
<td>$10,000</td>
<td></td>
<td>1,031</td>
</tr>
<tr>
<td><strong>Power Series 2</strong> (see page 22)</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Smith Electric</td>
<td>Delivery Truck</td>
<td>Battery Electric Vehicle</td>
<td>100 miles/day, 100 kWh battery, 120 kW generator motor</td>
<td>$160,000</td>
<td>$110,000</td>
<td></td>
<td>9,967</td>
</tr>
<tr>
<td><strong>Power Series 3</strong> (see page 23)</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
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<tr>
<td>PROTERRA</td>
<td>35 foot/ 10.4 meter transit bus</td>
<td>Battery Electric Vehicle</td>
<td>150 kW traction motor, Lithium Titanate-320 kWh battery, carbon fiber/balsa lightweight body</td>
<td>$800,000</td>
<td>$500,000</td>
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<td>37,500</td>
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<tr>
<td>BYD</td>
<td>39 foot/12 meter transit bus (X9 Model)</td>
<td>Battery Electric Vehicle</td>
<td>320 kWh iron phosphate battery</td>
<td>$850,000</td>
<td>$550,000</td>
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</table>
ALTE TECHNOLOGIES ATVM LOAN PROGRAM

BUSINESS UPDATE & APPLICATION NEXT STEPS

March 20, 2015
2009 VS 2015 AT A GLANCE

- **ALTe Hybrid Electric Powertrain Products Are Qualifying Components**

- **ALTe Powertrains Allow Advanced Light Duty Commercial Vehicles to Meet Program Guidelines – ALTe’s F-150 Hybrid Electric Powertrain Example:**
  - Lowers Vehicles Greenhouse Gas Emissions by 4.1 Tons/Year (7 kWh Battery)
  - Improves Average Fuel Economy by 29% or 462 Gallons/Year (7 kWh Battery)
  - 7 kWh Battery Allows for 15 EV Assisted Miles

- **ALTe Products Are Designed to Address Unmet Needs of Commercial Fleets**
  - National Power Utilities
  - National Delivery Fleets
  - DOT (Federal and State)

- **ALTe expects unmet needs to continue to grow which has been confirmed by EEI (Edison Electric Institute Utility Industry Group)**

- **New Federal fuel reduction and emission targets in place for medium and heavy duty commercial vehicles (which includes some F-150 & F250 pickups) that require 15% fuel consumption improvement by 2018**

March 20, 2015
TECHNOLOGY MERIT
Key Components of ALTe's Plug-in Parallel Hybrid Electric Powertrain System

Core technologies Are Scaled & Leveraged Across Market Segments

March 20, 2015
NEW VEHICLE FOCUS & PARALLEL HYBRID ELECTRIC POWER TRAINS
F-150 Technology Revised to Parallel versus Series Hybrid Electric

• Why Customers prefer ALTe’s Parallel hybrid electric powertrains
  • Customers demand OEM warranty remain intact for non-hybrid electric systems
    • OEM vehicle warranty can be retained when hybrid electric powertrain can be isolated from original vehicle systems
      • Parallel system is compartmentalized, enabling OEM warranty to be retained
  • Fleet customers are price sensitive and demand a lower price and faster payback on the upfront costs; could not be competitive with series costs/pricing
    • Series requires 2 electric motors, 2 motor controllers and additional electrical hardware
    • Parallel requires 1 electric motor, 1 motor controller and simpler architecture, thus lowering costs
  • The conventional powertrain can be used as primary power source, if the high voltage electric drive system faults so no trucks get stranded

• Why parallel hybrid is better system for ALTe to implement
  • EPA and CARB certifications will be shorter with less modifications to the OEM vehicle
    • Parallel hybrid requires minimal modifications, retains most of OEM powertrain characteristics & vehicle drive functions, making certification more predictable and less time intensive
    • Series hybrid forces major modifications by changing engine into generator mode versus driving rear wheels
  • Parallel application is less technologically complex than series hybrid powertrains
  • Qualified vehicle modifier engineering and approvals enabled by compartmentalized ALTe system and preservation of OEM powertrain & major systems
FINANCIAL VIABILITY, JOB CREATION & ATVM LOAN REQUEST
MARKET & CUSTOMER DEVELOPMENT
Summary & Next Steps

• Lessons learned from past 5 years incorporated into Business Model
  – ALTe has better engineering and validation & simpler, substantiated business model
  – Addresses mandates of “Energy Independence and Security Act of 2007”
  – OEMs won’t focus on the low volume, commercial truck solutions because of larger requirements
    CAFÉ & emissions reductions
  – EEI has endorsed “leading by example” by adopting light & medium truck PHEVs and EVs to
    stimulate consumer demand

• Pursuing matching funds from MEDC (Michigan Economic Development Corporation), driven by job creation

• ALTe successfully completed its original ATVM loan application
  – Need to understand current DOE ATVM Loan program objectives & process
    • Revised ATVM Application Process steps (effective November 4, 2014)
      1) Application Intake Process
      2) Preliminary Due Diligence/Preliminary Terms and Conditions
      3) Advanced Due Diligence/Conditional Commitment Letter
      4) Advanced Due Diligence/Loan Documents and Closing

• How should ALTe proceed with its DOE ATVM Loan request?
  – Recommendation: re-open ALTe’s ATVM Loan application & update for 2015 and pick
    up from step 2 to accelerate progress

March 20, 2015
APPENDIX
Business Model: Upgrade or Integrate Vehicles with Hybrid Powertrains

Vehicle Upgrades

ALTe Technologies Factory

Upgrade Existing Vehicles

ALTe Powertrain
Hybrid Electric Driveline
Vehicle Controls
Lithium Ion Battery Pack

Ship PT to OEM

Integrated Build

Original Vehicle Factory

Install PT into Vehicle During Assembly

March 20, 2015
MEETING DATE: JULY 13, 2015  
AGENDA ITEM NO. 9B.  
DEPARTMENT OF PUBLIC WORKS

To: Mayor and City Council  
From: Thomas A. Tanghe, City Manager; Eric King, Manager of Municipal Properties, and Doreen Olko, Chief of Police  
Submitted: July 9, 2015  
Subject: Public Safety Carpeting Installation Bid Award

INTRODUCTION AND HISTORY

The carpeting for several of the Public Safety Building offices is aged and due for an upgrade. The Detective Bureau, Report Writing, Records, and Command Offices are all original with the building in 2001 and the Directed Patrol Unit office was last replaced in 2006. These are all high traffic areas with serious wear and declining seams. It’s also important to keep in mind that unlike most other business office environments, these are being operated 24/7/365 which more swiftly diminishes the life of the carpeting. For comparison, we attempt to get about seven years out of the carpeting at the golf course clubhouse which is a seasonal business. Here we are replacing carpeting, in several places listed above, that has been in place twice as long as that of the golf course clubhouse. Therefore, the Department of Public Works issued a bid to replace the carpet for all of the aforementioned offices (see attached map).

On June 4th, 2015 using the MITN system, one hundred local companies were invited to bid on approximately 550 square yards of a 24 oz. tufted weight nylon carpet tile and installation. Three (3) companies were present at a required site walk-through meeting and three (3) bids were submitted to the Clerk’s office on June 16th, 2015 as listed below. All three vendors were required to comply with the carpet specified by Police Administration.

<table>
<thead>
<tr>
<th>COMPANY NAME</th>
<th>ADDRESS</th>
<th>BID</th>
</tr>
</thead>
<tbody>
<tr>
<td>City Carpet &amp; Flooring</td>
<td>3633 Michigan Ave. Ste. 250</td>
<td>$31,077.00</td>
</tr>
<tr>
<td></td>
<td>Detroit, MI 48216</td>
<td></td>
</tr>
<tr>
<td>Omega Floors</td>
<td>35370 Union Lake Rd.</td>
<td>$28,316.03</td>
</tr>
<tr>
<td></td>
<td>Harrison Twp., MI 48045</td>
<td></td>
</tr>
<tr>
<td>Conventional Carpet</td>
<td>7155 Nineteen Mile Rd.</td>
<td>$34,488.00</td>
</tr>
<tr>
<td></td>
<td>Sterling Hts., MI 48314</td>
<td></td>
</tr>
</tbody>
</table>

The approved 2015 Budget has earmarked $35,000.00 in Facilities account 101-265-931.000 to complete this project.

STAFF RECOMMENDATION

Based on the submitted low bid of $28,316.03, staff recommends awarding the project to Omega Floors.

MOTION

Move to approve the Bid Award for Public Safety Carpet Installation to Omega Floors in the amount of $28,316.03 to be paid from Facilities account number 101-265-931.000.

I CONCUR: 

THOMAS A. TANGHE, CITY MANAGER
City clerk honored by her peers with statewide honor

By Frank DeFrank
frank.defrank@macombdaily.com
@fdefrank on Twitter

Professionally, Auburn Hills City Clerk Terri Kowal stands tall among her peers, as evidenced by an award she received recently from the Michigan Association of Municipal Clerks.

Privately, she can’t resist demonstrating a wicked sense of humor, especially when she is the target.

“I think it just means I am old,” Kowal quipped in an email message. “At least I didn’t get it posthumously.”

Kowal is very much alive, and performing her tasks well enough to be recognized with the first-ever President’s Award from the state’s clerks’ association.

She was presented the lifetime achievement recognition during the MAMC conference June 25.

“I am humbled, and so very grateful,” Kowal said in a news release announcing the honor. “It is most rewarding to be appreciated by City Council, and the city manager and staff, but to receive recognition from your peers is awesome.

“This was one of the proudest moments of my career.”

Kowal has served as the city clerk for Auburn Hills since December 2011. That appointment came on the heels of her 16 years of service in the same capacity in Shelby Township. The difference: In Shelby Township she was re-elected several times.

During her combined 20 years as a municipal clerk, Kowal has been at the actively engaged in professional organizations and at the forefront of efforts to support and advance the profession of municipal clerk.

“Ms. Kowal has served the city of Auburn Hills for the past four years as a key member of the city’s leadership team,” said Kevin McDaniel, Auburn Hills mayor. “She has continued to advance the work and significance of the role of the city clerk’s office within our community.

“This award comes as no surprise to us and we are proud to see her recognized for her noteworthy reputation in the municipal clerk profession.”

Kowal resides in Shelby Township with her husband, Paul.

EDITOR’S NOTE

Schools suffer from low birth rate

A recent Moody’s report spells bad news for many Michigan school districts. The rating agency’s weekly credit outlook for public finance says even the Legislature’s boost for K-12 funding in 2016 won’t address growing budget woes for schools.

Lawmakers included a 1.5 percent increase in gross funding for school aid, raising the amount to $13.9 billion. Yet, this “increase is likely not enough to relieve the sector’s overall persistent financial pressures,” observes Moody’s.

Since 1994, the state has funded school districts on a per-pupil basis. And Michigan’s birth rate has fallen, so there are fewer kids to go around. This is certainly one of the reasons districts are struggling.

According to the report, total student enrollment across the state decreased by 12.5 percent from 2004 to 2014. During that time, the number of districts—largely charter school districts—rose by 9 percent. So more districts are competing for fewer students.

No wonder dozens of districts have sizable deficits. On that list are Detroit Public Schools, Warren Consolidated Schools, Pontiac City School District and Flint Community Schools. Moody’s estimates 37 districts will have deficit reserves as of the end of fiscal year 2015.

At some point soon, the state will have to rightsize the number of schools to fit the population. And may the best schools prosper.
OU loses state aid by not complying with tuition cap

By Julia Satterthwaite
Special to The Oakland Press

Not following the state tuition cap will result in loss of funding for Oakland University by the state.

The state cap rule is that, if a university increases tuition by more than 3.2 percent, it will not receive state aid.

"The state tuition restraint is not a requirement; however, to receive incremental performance funding, $1.2 million for OU, schools must comply with the restraint," Vice President for Finance and Administration John Beaghan said. "By not complying, OU will not receive the $1.2 million, however, the incremental tuition revenue from the rate increase above the cap is $12 million."

Dave Page, 35, of Pontiac, is frustrated at the lack of incentive for universities to comply with the state tuition restraints.

"It bothers me that the state of Michigan passed a mandate with a cap on how much tuition can be raised per year and universities just don't seem to care," Page said. "How can the state just turn a blind eye from the school expecting to make $12 million and willing to give up the state's $1.2 million in aid and the state accepting that?"

Senior Vice President for Academic Affairs and Provost James Lentini says the hike is necessary.

"Our goal is to improve our student-to-faculty ratio and staff-to-student ratio which will provide enhanced academic services to Oakland students, leading to improved student success," Lentini said in a statement. "The differential tuition initiative will allow the university to direct resources to students with the intention of improving student experiences."

Business briefs

Genisys Credit Union rated as one of healthiest in U.S.

Genisys Credit Union, based in Auburn Hills was rated as one of the healthiest credit unions in the nation by DepositAccounts.com, a bank resource for consumers, according to a press release issued by Genisys. The credit union was ranked 87th in the website’s Top 200 Healthiest Credit Unions in America, out of 6,655 federally-insured credit unions nationwide. For more information, visit www.genisyscu.org.

— Staff writer
Kathy Blake
Tuition hike tough but needed

By George Hynd
Special to The Oakland Press

Summer at most universities brings the need to close one fiscal year and carefully consider resources and operational needs for the year to come. Not surprisingly, this period also reinvigorates public debate about the cost of higher education and the growing burden of student loan debt.

This debate is not only appropriate, but also necessary. As a society, we have yet to find meaningful and effective solutions that put concerns over the cost of higher education to rest. In the meantime, leaders of American colleges and universities must make budget decisions that best serve the students they enroll.

Recently, Oakland University implemented a 2015-16 base tuition increase of 8.49 percent, or $30 per credit for freshmen. In addition, differential tuition increases were set for academic programs that are more expensive to deliver and prepare students for highly promising, in-demand careers. Oakland University’s tuition structure is all-inclusive, with no additional fees added – the only such pricing structure in the state.

Raising tuition is never an easy decision, particularly when an institution strives to keep a college degree within reach of as many students as possible. We at OU understand the frustration that compels people to ask, “Why is the cost of a college education so high?” And “Who is bearing this burden?”

In 1972, public funds supported 71 percent of Oakland’s budget. In 2016, they will represent just 16 percent. The result of this trend has been that students and families have taken on a much greater share of the bottom line cost of higher education.

We at OU have responded by trimming operating costs with every opportunity that stops short of compromising the quality of student learning experiences. Over the past 13 years, permanent and one-time budget cuts have totaled more than $48 million. We have also repeatedly boosted financial aid resources – to the tune of $42 million this year alone.

Meanwhile, we have improved the quality and value of an Oakland University education by hiring top-quality instructors and advisors, supporting faculty and student research, enhancing career services, building state-of-the-art learning facilities, acquiring advanced learning technology, among many other initiatives. As a result, our student enrollment growth has remained the highest in the state over both the last 5-year and 10-year periods.

We have done all of this despite steadily rising operational costs and the fact that Oakland University receives the lowest level of public funding in the state on a per student basis. It is also worth noting that we have consistently kept our tuition rates well below the average of Michigan’s 15 public universities.

The simple truth is that the demand for the high quality and strong value of an OU degree is rising. Higher demand brings need for expanded facilities, programs and technology. To not address these needs would significantly compromise the quality of the academic programs we offer.

We know that parents and students save for years – even decades – to invest in college. We also have strong evidence to show that this is among the most important investments one can ever make. The question of whether the State as a whole or students and families should shoulder this cost of higher education will persist well into the foreseeable future. One thing we can be sure of, however, is that the quality of our young people’s futures must not be compromised by ignoring what it takes to meet their educational needs.

We at Oakland remain dedicated to providing students a path toward careers and lives that are rewarding, fulfilling and ever expanding.

George Hynd is Oakland University’s president.

What do you think?: Submit Letters to the Editor up to 250 words and Guest Opinion up to 650 words with your full name and address, plus daytime phone number for verification. Provide affiliations that place your opinion in context. Submissions from readers limited to one every 30 days.
OU student president: Tuition hike is necessary

"If we want to grow, the money's got to come from somewhere"

By Julia Sattherthwaite
Special to The Oakland Press

Oakland University student body president Nick Walter, 21, of Farmington Hills, says a degree from his school is valuable.

"You have a campus that is a large university — we have almost 21,000 students here — but, because of the way the campus is set up geographically, it feels a lot smaller," Walter said. "You're able to get involved in a ton of different things. It's that diversity of experience that makes Oakland valuable."

For this reason, Walter can understand why tuition must go up.

"Nobody enjoys paying tuition, but it's a necessary part of the college process," Walter said. "If we want to grow, the money's got to come from somewhere."

However, Walter still has mixed feelings about the 8.5 percent hike approved Tuesday.

"On the one hand, I understand that we're exploding — enrollment has been going up tremendously," Walter said. "I'm concerned because there's no timeline for the Oakland Center expansion. My next order of business is to go to the board of trustees and get those answers."

Walter said that the Oakland Center is built to handle about 10,000 students, which is less than half of the total population on campus, leading to overcrowding and students sitting on the floor in the Pioneer Food Court and the 400 student organizations left to haggle over who gets to host weekly meetings in the 16 available meeting rooms.

"We quite frankly need more physical space," Walter said. "I plan to work with the board of trustees and the president to make sure a timeline is in place."

President George Hynd agrees that the tuition hike is necessary to address the growing population.

President Hynd said in a statement: "Higher demand brings need for expanded facilities, programs and technology. To not address these needs would significantly compromise the quality of the academic programs we offer."

Karen Miller, associate professor and former American Association of University Professors president, agrees.

"OU has been increasing its number of students without proportionately increasing support staff or faculty or buildings," Miller said. "If OU is going to continue to be a strong regional university, it needs to increase its revenue to address long standing problems."

It is unknown if the higher tuition will mean a salary increase for faculty. Administration is hoping for a raise of 3 percent for each year of a five-year contract.

"When compared to salaries at comparable institutions, OU faculty do not measure well. Three years ago we were in the 17th percentile of pay in our category and our ranking has continued to decline since then," Miller said. "Poor salaries at Oakland impact our ability to recruit top talent and retain our best teachers and researchers. However, we do not yet have a clear sense of how a tuition increase might address this issue of faculty salaries."

Decrease in state funding

An increase in population and a decrease in state funding puts the burden on students.

According to President Hynd, public funds supported 71 percent of Oakland's budget in 1972, while it will represent just 16 percent in 2015.

"For more than a decade, the state has retreated from its commitment to support the costs of higher education," Miller said. "Moreover, OU gets less money from the state per student than most Michigan schools. This has created a significant revenue problem."

An article written by Kayla Varkevis at the Oakland Post said "The increased differential tuition rates per credit hour for four specific schools — the School of Health Sciences (20-30 dollars per credit hour increase), the School of Business Administration (20-30 dollar per credit hour increase), the School of Nursing (25-35 dollar per credit hour increase) and the School of Engineering and Computer Science (30-40 dollar per credit hour increase).

Hynd explains the correlation between state funding and tuition cost.

"The question of whether the state as a whole or students and families should shoulder this cost of higher education will persist well into the foreseeable future," Hynd said. "One thing we can be sure of, however, is that the quality of our young people's futures must not be compromised by ignoring what it takes to meet their educational needs."
Auburn Hills-based auto supplier perfecting technology to make backing up a breeze

BY LARRY EDDALL
Special to The Detroit News
When I tried backing a U-Haul trailer down my son-in-law’s driveway last spring, he nearly tumbled onto the lawn, laughing at my ability to repeatedly achieve a jackknifed misplacement of pick-up and trailer without making much progress toward his garage.

Recently, at the Auburn Hills headquarters of automotive supplier Continental North America, Steffen Linkenbach and Brandon Herzog merely smiled politely when I attempted to back an even larger trailer into position between orange cones.

But then Herzog, a software engineer, turned on the Trailer Reverse Assist technology Continental has developed and I positioned that trailer between the cones as if I’d been doing it for years, just like my son-in-law who has towed everything from dirt bikes to semi trailers.

But unlike my son-in-law, I wasn’t even inside the truck when I backed that trailer in place. Instead, I was walking beside the truck and trailer, controlling their movements via a notebook computer tablet.

You may be able to do the same thing during the 2015 or 2016 automobile model years, when Continental expects its technology to be made available as a factory-installed option.

Linkenbach, director of systems and technology in the chassis and safety division of Continental North America, explained that the company has been working 2 1/2 years on this technology after seeing how much damage people inexperienced in towing were doing to vehicles, trailers and even the boats they were trying to launch.

Many people have trouble backing up with trailers because we haven’t learned the technique of turning the steering wheel to the left to make the trailer go to the right, and we also overcorrect when we realize we’re doing it incorrectly.

Continental’s system installs an on/off switch on the dashboard and a small knob on the center console. That knob acts as a steering wheel for the trailer. Turn it to the right and the trailer turns to the right. But even easier, I found, was the remote version of the technology.

After putting the vehicle’s transmission in park and activating the system, you leave the driver’s seat and pick up a properly outfitted computer tablet, which you hold in a 3 o’clock/9 o’clock position, just like the truck’s steering wheel.

On the screen you see an overhead, surround-camera view of the truck and trailer, a brake pedal you operate with your left thumb, and a gear shift lever and gas pedal you can manipulate with your right thumb. Put the truck into reverse, gently tap the gas pedal and steer. As a safety feature, you have to repeatedly tap the gas pedal to keep the truck and trailer moving at less than 2 mph, or about the speed of a slow stroll as you walk beside the trailer and guide it into position as you turn the tablet as if it were the control knob on the center console of the truck.

Seems simple, and it is, though the technology behind it is not, and as Linkenbach explained, the system has to have redundant safety controls. For example, should contact be lost between the tablet and the truck, the track and trailer immediately stop where they are.

Cameras on the front, sides and rear of the truck are “intelligent,” which Herzog said means they not only capture images but measure angles and movement and calculate variables based on various algorithms to assure not only proper but safe placement of vehicle and trailer.

Demonstration over, I asked if the Trailer Reverse Assist technology could be installed immediately in my 2013 Nissan Frontier. Sorry, they said, there’s still some fine-tuning to be done, and even when the system is ready, its components will need to be installed if a truck moves down the assembly line.

In the meantime, I’m going to let my son-in-law do the driving when there’s a trailer that needs to be backed into tight quarters.

Larry Eddall is a Phoenix-based freelance writer. You can reach him at leddal@cox.net.
New autism research, care clinic opens on OU campus

By John Turk
john.turk@oakpress.com
@jrturk on Twitter

Oakland University’s Center for Autism recently opened the doors for a new autism clinic on campus that officials say will be a resource to the community and to Oakland’s students.

And Macomb Township resident Bina Sibary, whose son was chosen for a new program through the clinic, couldn’t be happier.

“My husband and I have been struggling to find the right kind of therapy for my son” Chase, who is 3 years old and is non-verbal, said Sibary. “This was a huge opportunity for us.”

The university’s Applied Behavior Analysis (ABA) Autism Clinic is a nonprofit clinic that will be dedicated to treatment and research related to autism spectrum disorders (ASD). It also will be open to the greater community and those studying autism.

The School of Education and Human Services on Monday, July 6, held a ribbon-cutting ceremony to kick off the clinic’s opening.

Interim Dean of the School of Education C. Robert Maxfield said: “The launch of the ABA clinic is a tribute to the combined power of the faculty in our Center for Autism and the strong support for autism programs provided by the State of Michigan.”

The clinic, which is partially funded by a grant from the Michigan Department of Community Mental Health, will provide early intervention behavior analysis services to children ages 2-6 diagnosed with ASD or at risk for an autism diagnosis.

Behavior analysts will provide treatment services in the areas of communication, play, social and speech skills in one-on-one and small group instruction. It will also offer training and research opportunities for students seeking certification as Board Certified Behavior Analysts and Registered Behavior Technicians. Sibary and her husband learned about the specialized Oakland University program through the Autism Alliance of Michigan.

Chase has been in various programs since he was 19 months old, and although he’s only been enrolled in the Center for Autism program for two weeks, he’s been “doing really well,” added Sibary.

“I’m also a student of autism, myself. The biggest component for me is you’re watching graduate students teach and get taught, and you’re learning at the same time. That model is better than a book any day.”

Jessica Korneder, Ph.D., assistant professor of human development and child studies for the school of Education and Human Services, said the clinic will improve the quality of life for local children with autism and their families.

Korneder said the clinic will conduct research on best-practice training methods for behavior technicians, evaluate parent training methods, look at ways to reduce repetitive challenging behaviors and increase play skills in students diagnosed with autism or those at risk.

“Undergraduate students are developing technical, clinical and professional skills for graduate work or entry level positions in the field of autism,” said Korneder.

“For graduate students, they are acquiring clinical and professional skills for their career and will help change the lives of children and families affected by autism.”
OU OKs 8.5% hike in tuition

By Carol Hopkins

Tuition bills for incoming resident freshmen at Oakland University will increase by nearly 9 percent this fall.

Average tuition will be $11,518, an increase of $33 per credit hour, up 8.48 percent from last year.

"Tuition is under priced, below the marke," said George Hynd, OU president, on board 11 months, at a board meeting of university trustees Tuesday.

Tuition makes up 83 percent of the general fund revenue, said officials. The other funds come from the state," said John Beagham, vice president for finance and administration, and Board of Trustees' treasurer.

Beagham said the hike is due to a number of reasons, including:

- Budget decrease
- Tuition increase
- Additional costs

To offset tuition increases, the university said it will increase financial aid by 11.7 percent to $4.2 million, except in the School of Medicine.

Last year, the average full-time undergraduate received financial aid — not counting loans — of $3,714, officials said.

The tuition hike is the highest in recent years.

In summer 2013, trustees approved a 3.75 percent increase.

In 2014, the tuition increase was 6 percent for juniors and seniors, and 3.2 percent for in-state graduate students. Freshmen and sophomores had no tuition increase.

The state appropriation to the university remains at $48,364,100, unchanged from last year.

The university's four professional schools will have separate tuition increases, "more market-driven," said Beagham.

Nick Walter, 21, a senior from Farmington Hills and OU student body president, said after the board meeting that he backs the change.

He's heard students complain the Oakland Center, where students gather and eat, is too small.

"The food court doesn't have enough seating," Walter said. "It's a big complaint."

With more funding from tuition, Walter said he can now go to students with a timeline plan for the center.

**Professional students**

A typical junior in the four professional schools will also see the following increases: School of Business Administration, up 13.4 percent, School of Engineering and Computer Sciences, 13.6 percent, School of Health Sciences, 10.7 percent, and School of Nursing, 13.9 percent.
A new curriculum instituted at the Avondale Early Learning Center has students making their own choices and following through on them while participating in hands-on activities.

The HighScope curriculum calls for hands-on education activities and several in-house field trips. It has an emphasis on supporting children at their developmental level and helping them build to the next one.

"It's important, especially when working with preschoolers, to recognize that they are on their own developmental path," Program Director Hillary Olance said.

"HighScope is an approach that allows the staff to create lessons where everyone can achieve success. It's also an opportunity for the students to develop ownership for their educational growth, as the curriculum provides the students with choice."

The learning center is for children from age 3 to 5 and is open to district and non-district residents.

Developers of the curriculum believe early progress in the learning process is made when children can make choices and follow through. Much of it is based on the idea that children need to be able to construct their own knowledge by interacting with the world around them.

"Hands-on activities are a great way to create an environment for the children to have choice and to have meaningful interactions with staff, their peers and even with objects," Olance said.

"All of our activities are designed to provide opportunities for them to build their knowledge base through those interactions. We also incorporate a variety of content so that the children can explore different interests they may have."

Program Director Hillary Olance

"All of our activities are designed to provide opportunities for them to build their knowledge base through those interactions. We also incorporate a variety of content so that the children can explore different interests they may have."

In the plans for this summer are several activities, including cooking, arts and crafts, music, science, nature explorations, as well as physical activities like ping pong, balloon tennis and gymnastics.
Gongos wins award at North American Insight Innovation eXchange event

Gongos, Inc. received the Data Insight Visualization Award (DIVA) at the 3rd annual Insight Innovation eXchange North America. Gongos is a marketing research firm, based in Auburn Hills. This award celebrates innovative and effective data visualization techniques. In addition to accepting the award on Gongos' behalf, Brett Bridges — director of the company's insight curation practice Artifact — joined an expert panel to discuss data visualization and storytelling. Gongos was among three finalists judged on balancing information design and delivery with originality and creativity. Its submitted interactive portal "Millennial Observer" utilized multiple communication mediums to present actionable insights and sensory experiences for audiences. High-definition footage, narrated voiceovers, and iconic graphics contributed to a well-balanced use of mediums while retaining the integrity of primary and secondary research findings.

"The work Gongos submitted was both playful and inventive without sacrificing the rigor of the insights," said Lenny Murphy of GreenBook. "The judges found the interactive content to be brimming with snack-able pieces of information that really captured the soul of millennials. In short, it rocked!"

The "Millennial Observer" project was designed by a multidisciplinary team, including: Brett Bridges, Curator Consultant; Sam Herzing, Producer; Dan Koenig, Developer; Nick Wright, Data Analyst; Beth Pidcock, Designer; Tim Riley, Videographer and Meghan Brennan, Coordinator.

"Millennial Observer" was among 19 entries at the 2nd annual North American DIVAs presented by GreenBook and Infotools. Founded on the philosophy of insight curation, Artifact was launched in September 2014. Its mission is to move organizations beyond single-objective, point-in-time deliverables through infographical journeys, video documentaries, insights portals, dynamic reports, experiential exhibitions, and other integration and socialization initiatives. For more information, visit gongos.com.

Submitted by Jennifer Yu
Atlas Copco Tools and Assembly celebrates its new headquarters

By Mike Scott
Special to The Oakland Press

Atlas Copco Tools and Assembly Systems consolidated its North American operations in the Oak Park Technology Park in Auburn Hills in October 2016 and celebrated the official ribbon cutting for its new location near Oakland University, June 29. But the biggest news of the day was the roughly 50 jobs that the company plans to add over the next 12 months.

A number of local officials, including Oakland County Executive L. Brooks Patterson, Auburn Hills Mayor Kevin McDaniel and Swedish Ambassador to the U.S. Bjorn Lyrvall were all in attendance for the ribbon cutting held in the parking lot in front of nearly 500 interested parties. Currently more than 225 employees are housed at the Auburn Hills office, which moved last fall from the Atlas Copco Tools former location in Auburn Hills. The new office is twice the size at 120,000 square feet and serves as the motor vehicle, heavy industrial and general manufacturing center for the company’s North American.

“We’re proud to be here right in the middle of Automation Alley,” said Atlas Copco Tools and Assembly Systems General Manager Anders Hoberg. “We think it shows a commitment to many of our customers in this area and it’s great for us as well because of all the great talent we have, (in Southeast Michigan).”

Atlas Copco manufactures a full range of products and services including compressors, vacuum solutions and air treatment systems, construction and mining equipment, power tools and assembly systems. It is headquartered in Stockholm, Sweden with production facilities in more than 20 countries.

“Our future as a company is built around global companies like Atlas Copco,” Patterson said following the formal ceremony. “We had a lot of competition for this company both from outside of the state and outside of the state. We have more than 1,000 foreign-owned businesses in Oakland County, more than any other county in the entire U.S.”

Oakland County Senior Business Development Rep. Mark Adams has worked with Atlas Copco for many years, and he said that the Swedish company has found many benefits to the region.

“There’s a great clustering effect happening here that really benefits companies like Atlas Copco because you’re close with so many other automotive and other manufacturers that are customers and suppliers,” Adams said. “We like to think of economic development as a vanguard sport and we’re always in competition with southern states and other countries around the world and we need to be on top of our game.

“Our changing (business tax) structure has made it easier for businesses to invest here in Oakland County and the state,” Adams continued. “We also need to make sure that talent continues to drive this movement.”

The North American division of Atlas Copco experienced about 22 percent growth year-over-year in the first quarter of 2014 compared to 2013, Hoberg said, and while exact revenue figures have not been released by the private company, revenue has continued to rise over the last year as well. Positions that the company plans to hire in the next few years include an array of engineers, customer service providers and technicians, marketing and sales professionals and more, he added.

Customers largely include automotive OEMs such as Ford, General Motors and Fiat Chrysler, but other industries such as aerospace, oil and gas and off-highway vehicles represent growth opportunities, Hoberg said.

“We take pride in investing locally here and Oakland County is a big part of our corporate goals to be the number one business in our sector,” said Hoberg, a Clarkston resident.
TUESDAY
Ferndale Build Basics Class: The course covers business planning and project development. Classes are priced on a sliding scale based on annual household income and family size; costs range from $200 to $500, including a $50 deposit to reserve a seat. The class runs for eight weeks, July 7 to Aug. 25, and will be held 6-9 p.m. Tuesdays at Studio 7, 1200 Woodward Heights. Contact Jessica at buildinstitute.org or call 313-265-3590.

WEDNESDAY
Inform Forum Downtown Detroit Networking Luncheon: 11:30 a.m.-12:30 p.m. at Ambassador Hotel, 777 Woodward Ave., Suite 160, Detroit. Contact Deb Roy, dray@bczin.com or 313-225-8244.

Auburn Hills Chamber of Commerce: The City of Auburn Hills and the Auburn Hills Police Department will provide active shooter training through a lunch and learn program to teach educational opportunity related to Workplace Violence Prevention. Noon-1:30 p.m. at Public Safety Building, 1899 N. Squirrel Road, Auburn Hills. $10. Contact Lt. Mink at cmink@auburnhills.org or call the Auburn Hills Police Department at 248-379-9444.

THURSDAY
Troy Chamber of Commerce: Speed networking, 8:30 a.m. at Michigan Design Center, 1200 Stutz Drive, Suite 25, Troy. Members $11 and nonmembers $21. Contact Jami Brock at 248-641-9841 or jami@troychamber.com.

MICHIGAN MANUFACTURING TECHNOLOGY CENTER: Join the MMTC experts for an informative lecture covering what to expect with ISO 9001:2015 as it stands today, as well as tips on how you can ease the transition. 8-10 a.m. July 14, Michigan Manufacturing Technology Center, 45011 Haul Road, Plymouth, Free. 888-414-6682.

JULY
Michigan’s Got Talent: “Veterans: The Untapped Talent Pool” will educate the business community on the value of hiring veterans, government sponsored incentive programs and how to create a veteran hiring initiative within their companies. 10 a.m.-1 p.m. July 14 at Automation Alley Headquarters, 2675 Plymouth Drive, Troy. Member price: $20 advance; $30 walk-in. Nonmember price: $40 advance; $50 walk-in. Registration closes July 10. Contact info@automationalley.com or 800-427-5100.

Network After Work: 6-9 p.m. July 14 at the Corner at the Townsend Hotel, 100 Townsend St., Birmingham. $12 in advance; $15 with RSVP at the door; $20 without RSVP. http://bit.ly/2k2mgn.

Detroit Regional Chamber: Whether you are a new member or a longtime supporter of the Detroit Regional Chamber, you are encouraged to learn how one of the oldest, largest and most respected chambers of commerce can work for you and your business at the quarterly Membership Mixer. 4-5 p.m. July 15 at TPC Michigan, One Nicklaus Drive, Dearborn. Connections & Cocktails follows at 5-7 p.m. Cost: $575 future members; Contact Loni Scher at lscher@dtcregionchamber.com.

Franchising as a Career, an Investment, or Both: Presented by Mark Cogliano of FranNet. Attendees will learn franchising basics and a safer approach to the search and...
Suspects charged in Palace parking lot shooting of Detroit cop

By Paul Kampe
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Three suspects have been charged with felony assault related to a mid-May shooting involving an off-duty Detroit police officer in the parking lot of The Palace of Auburn Hills.

Demarius Clark, 32, of Detroit; Darnell Milton, 30, of Harper Woods; and Davon Stephens, 33, of Roseville, have all been charged with assault with intent to do great bodily harm and aggravated assault in the May 17 incident, according to Auburn Hills police.

The officer, 26, who was believed to have shot two of the suspects, was not arrested or charged in the incident. He was changing a flat tire on a vehicle when the suspects attempted to park in the next space. A verbal dispute and physical altercation led to the shooting.

"Simply put, it was an argument over a parking spot," said public information officer Lt. Casimir Miarka. "There were plenty of parking spots they could've gone to, but they chose that spot."

The incident occurred between performances by comedian Kevin Hart at the northern Oakland County venue.

The officer, whose name has not been released by authorities, and the victims were treated for non-life-threatening injuries.

Investigators determined the officer used a licensed, personal firearm in the incident, Miarka said.

Assault with intent to do great bodily harm less than murder is a felony punishable by up to 10 years in prison, a fine of up to $5,000 or both.

Aggravated assault is a misdemeanor punishable by up to one year in prison or a fine of up to $1,000 or both.

Stephens is also charged with larceny of a firearm, a felony punishable by up to five years, a fine of up to $2,500 or both.

Investigators from Auburn Hills, Bloomfield Township, Bloomfield Hills, Clawson, Troy and Rochester police departments, as well as the Oakland County Sheriff's Office, conducted the investigation.
AUBURN HILLS

ACLU to educate patients about rights at hospitals

By Paul Kampe
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The American Civil Liberties Union of Michigan will host an event today in Auburn Hills focusing on patients' rights in hospitals operated by religion-based health care providers.

Crittenton Hospital in Rochester Hills is expected to become the latest such hospital in the area through a proposed merger with St. Louis-based Ascension Health.

Ascension, which claims to be the world's largest Catholic health care system, also operates St. John Providence Health System in Warren.

According to the ACLU, religious doctrine can, in certain situations, override medical standards of care or patients' wishes.

The ACLU is hosting an informational meeting from 6:30 to 8:30 p.m. at the Auburn Hills Public Library, located at 3400 East Seyburn Drive.

The program is not sponsored or endorsed by the library.

Visit aclumich.org to RSVP or contact Merissa Kovach at mkovach@aclumich.org for more information.

Crittenton Hospital has operated as an independent hospital since its founding in 1967.

The merger was announced in early January.

The ACLU estimates nearly 20 percent of hospital beds in the United States belong to hospitals with either Catholic affiliation or sponsorship.
Student to be charged in jogger's death

By Paul Kampe
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Oakland County officials expect to charge an Oakland University student in the death of a Rochester Hills man struck and killed while jogging on the Rochester-area campus last month.

Perry Badia, 54, died at a local hospital hours after being struck by the student's car around 5 p.m. May 14 on the south side of the suburban campus.

The student, 25, is expected to be charged with committing a civil infraction resulting in death—a one-year misdemeanor—for speeding and inattentive driving, according to Oakland County.

Charge

FROM PAGE 1
Chief Assistant Prosecutor
Paul Walton.

Police say Badia was running eastbound in the westbound lanes of Pioneer Drive, near Squirrel Road in Auburn Hills, when he was hit by the oncoming vehicle.

The student was not arrested. Officials have said the student cooperated with authorities following the incident. Badia's death is believed to be the first fatal vehicle-pedestrian crash in the suburban school's nearly 60-year history. The school's northern Oakland County campus spans portions of Auburn Hills and Rochester Hills.
Detour ahead in Auburn Hills

Starting Monday, the Michigan Department of Transportation will close University Drive over Interstate 75 as part of a $25 million project to reconstruct the Auburn Hills interchange in an area between Opdyke and Cross Creek Road.

The project includes reconstructing University Drive from Cross Creek to Opdyke, demolishing the bridge over I-75 and reconstructing all interchange ramps.

It also includes construction of the Plymouth Drive ramp to northbound I-75 plus new traffic signals, signs, decorative lighting, streetscape enhancements, multi-use path and landscaping.

The new interchange is designed to eliminate loop ramps and establish direct access from Plymouth Drive to northbound I-75, as well as providing westbound University Drive traffic with increased acceleration distance to the freeway.

The detours:

Northbound I-75 motorists heading to WB University Drive will be detoured to WB M-59 then to NB Opdyke and back to WB University Drive.

Southbound I-75 motorists heading to EB University Drive will be diverted via SB M-24 (Lapeer Road) to SB Opdyke to EB Walton to SB Opdyke and then back to University Drive.

University Drive to I-75: EB University Drive motorists heading to NB I-75 will be detoured to NB Opdyke to EB M-24 and then to NB I-75.

The EB University Drive ramp to SB I-75 will remain open.

The WB University Drive ramp to NB I-75 ramp will remain open.

WB University Drive motorists heading for SB I-75 will be detoured to SB Squirrel to WB M-59 and then to SB I-75.

EB University Drive will be detoured via NB Opdyke, EB Walton and SB Squirrel to EB University Drive.

WB University Drive will be detoured via SB Squirrel, WB Feathers and NB Opdyke to WB University Drive.

Westbound University Drive will be detoured via southbound Squirrel Road, westbound Feathersstone Road, and northbound Opdyke Road to westbound University Drive.

The project is expected to wrap up in the fall.

Heading north across the mighty Mackinac Bridge this weekend or next?

Don't be surprised if you run into occasional delays because of ongoing hardware and software upgrades in the toll lane booths, according to Mackinac Bridge Authority Executive Secretary Bob Sweeney.

Once the upgrades are completed customers will be able to access MacPass account information at www.mackinacbridge.org, which will allow them to use credit or debit cards in all lanes of the bridge.

Mac Pass holders will also be able to make deposits to their account online using credit cards, debit cards or via direct deposits from their banking institutions.

Currently credit cards are only accepted at the bridge administration building.

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Navigating the diamond

Design of new I-75 interchange to be safer, more efficient

By Andrew Kidd
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The closure of University Drive at I-75 until fall for the construction of a new diverging diamond interchange gives commuters plenty of time to brush up on how to navigate it.

Online: For video on navigating the 'diverging diamond' interchange, visit THEOAKLANDPRESS.COM.

A diverging diamond interchange is a type of interchange where the two directions of travel on the intersecting road are crossed over to the opposite side of the road through the interchange limits, according to the Michigan Department of Transportation.

The design allows for a more efficient — and safer — interchange when there is a lot of left-turning traffic attempting to enter the freeway, as the left turns no longer have to wait to cross.

While it sounds confusing, the Missouri Department of Transportation has provided an animation to detail how commuters can navigate such an interchange.

Wayne, Ind.

The new interchange at University Drive on I-75 is meant to establish direct access from Chrysler Drive to northbound I-75 and provide westbound University Drive traffic increased acceleration distance to southbound I-75, according to MDOT.
New assistant superintendent for Avondale schools

By Dave Phillips
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The Avondale School District has a new assistant superintendent.

Carmen Kennedy's appointment as assistant superintendent for curriculum and instruction was approved this week by the Avondale School District Board of Education.

"I am grateful for the opportunity to serve the Avondale school community," Kennedy stated. "I am looking forward to supporting and collaborating with all stakeholders so that we can continue to provide all Avondale students with quality, rigorous and relevant learning experiences inside and outside the classrooms."

Kennedy was principal at South Lake High School and previously served as assistant principal and athletic director at Grosse Pointe North High School in Grosse Pointe Woods. She has degrees from the University of Wisconsin and Wayne State University and has participated in a variety of professional development opportunities, according to a press release announcing the appointment.

"After an extensive interview process, we are pleased to appoint Carmen to this position," stated Avondale Superintendent James Schwarz. "She brings years of experience, a wealth of knowledge and strong leadership skills to our team. We look forward to working with her to enhance our curriculum and increase opportunities for student growth."

The addition of a curriculum director to the district "lays the groundwork for the re-visioning process the district is beginning," the release states.

Kennedy will begin July 1.