



The City of Auburn Hills

City Council Meeting

Minutes

April 27, 2015

CALL TO ORDER: Mayor McDaniel at 7:04 p.m.

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

Present: Mayor McDaniel, Mayor Pro Tem Kittle, Council Members Burmeister, Hammond, Knight, Mitchell, Verbeke (8:03 p.m.)

Absent: None

Also Present: City Manager Tanghe, Assistant City Manager Grice, Police Chief Olko, City Clerk Kowal, Finance Director Schulz, Community Development Director Cohen, Senior Director Adcock, City Treasurer Buschmohle, Deputy Treasurer Keiser, Business Development Manager Carroll, City Assessor Lohmeier, Manager of Public Utilities Michling City Attorney Beckerleg, Management Assistant Mariuz, City Engineer Juidici.

47 Guests

4. APPROVAL OF MINUTES

4a. Regular Council Meeting – April 13, 2015

Moved by Mitchell; Seconded by Kittle.

RESOLVED: To approve the April 13, 2015 City Council meeting minutes.

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

No: None

Motion Carried (6– 0)

Resolution No. 15.04.073

4b. Council Workshop – April 13, 2015

Moved by Hammond; Seconded by Kittle.

RESOLVED: To approve the April 13, 2015 Council Workshop meeting minutes.

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

No: None

Motion Carried (6– 0)

Resolution No. 15.04.074

5. APPOINTMENTS AND PRESENTATIONS

5a. Motion – Appointment of Cynthia Hutchison to the DDA Board, term to expire October 2018

Cynthia Hutchison introduced herself noting she is the recently appointed Executive Director of the Auburn Hills Chamber of Commerce. She has held her position for two weeks and is very happy to be part of the community.

Mayor McDaniel congratulated Ms. Hutchison on her Chamber appointment and thanked her for serving on the DDA Board.

Moved by Knight; Seconded by Kittle.

RESOLVED: To confirm the Appointment of Cynthia Hutchison to the Downtown Development Authority for a term ending October 2018.

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

No: None

Motion Carried (6– 0)

Resolution No. 15.04.075

5b. Motion – Presentation on Short Term Investments

Ms. Buschmohle explained the Oakland County Treasurer is running late and suggested postponing this item until he arrives.

5c. Motion – Appointment of Dawn Wise to the DDA Board, term to expire October 2018

Dawn Wise introduced herself stating she has been an Auburn Hills resident all her life, and she currently lives in the downtown area.

Mayor McDaniel thanked Ms. Wise for her willingness to serve her community in this capacity.

Ms. Mitchell asked if Ms. Wise is an additional appointee; she believed the Board was already full.

Ms. Carroll explained after reviewing the City's ordinance for the DDA Board, another member was required.

Moved by Mitchell; Seconded by Burmeister

RESOLVED: To confirm the Appointment of Dawn Wise to the Downtown Development Authority for a term ending October 2018.

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

No: None

Motion Carried (6– 0)

Resolution No. 15.04.076

5b. Motion – Presentation on Short Term Investments

Ms. Buschmohle explained in October 2014, JP Morgan/Chase, closed the Governmental Pooled Accounts, which the City has used for many years for the operating funds to meet expenses during the year. The City needed to locate another source to deposit funds that will also earn incremental interest. The Oakland County Local Governmental Investment Pool (LGIP), is a pooled fund that will meet the needs of the City and earn additional interest. This Pool with all requirements of Public Act 20 and the City's Investment Policy.

Katherine Ghannam, Asset Strategies, explained she, Ms. Buschmohle, County Treasurer Andy Meisner and Natalie Neph from the Investment Unit met earlier this year and reviewed the LGIP.

Andy Meisner, County Treasurer, explained Public Act 20, is the State law that governs investment of public funds. This Pool is a cash management pool which has a simple three-part formula; the first step is safety first, to not lose any money with short term, safe investments in certificates of deposit with a local bank or credit union. The second principle is liquidity, navigating the cash flow, paying the bills. The final principle is return; if money can be made on the money that is great, but not the priority. The Local Government Investment Pool is permitted under Public Act 20, allows the County Treasurer to work with cities, villages and townships who are looking to place money in a pool for any number of reasons. One reason is because the pool is investing larger sums of money, which may result in better interest rates. Currently the investment pool is earning 93 basis points, meaning 9/10's of a percent. Currently, there are 35 public entities, cities, villages, townships, authorities and libraries that participate in the LGIP.

Mr. Meisner explained this is a service offered by the County, and is available if the City chooses to participate. Ms. Neph has been working with the County for 23 years. The LGIP process is a very transparent and due diligence is done when deciding where to place the Pool money, including the yield curve, duration, interest rate, liquidity, yield and other determinations. Public Act 20 requirements are strictly adhered to. As of March 31st, the LGIP had \$1.13 billion to invest. A monthly statement is available for each entity noting the interest earnings; there is also a 3.7 basis points charge for being part of the LGIP. It is suggested the Pool money be invested minimally for 60 days.

Natalie Neph explained the money is receipted the same day it is received, but one day notice is necessary when money is withdrawn.

Mr. Meisner explained there is very strong fraud prevention and internal controls in place to keep the money safe.

Mr. Knight stated this is a very wise approach for the City, to utilize the County who has done their due diligence. He hopes there are no bank CD's since they don't pay anything near what credit unions do. He is in favor of this approach for the City's money.

Mr. Meisner noted when he became Treasurer, the banks at the time were in precarious situations and that is why they sought federal agency bonds for investing in. He also amended the Oakland County Investment Policy to include credit unions. All size deposits are welcomed, it is generally a billion dollar portfolio and in the six years of him being Treasurer, he hasn't lost a penny and doesn't intend to.

Mr. Kittle noted the rate of return is 93 basis points and the County charges 3.7 basis points.

Mr. Meisner explained the 3.7 basis points is the administrative expenses.

Mr. Kittle asked Ms. Buschmohle about the 18 month CD which results in 1 1/4 % interest.

Ms. Buschmohle explained there isn't a guarantee of the same return; currently she guesses .95% to 1%.

Mr. Kittle asked what percentage is being considered to invest in the LGIP.

Ms. Buschmohle stated she hasn't yet made that determination. She will meet with the finance director, but believes between \$5 million and \$10 million. This will be the means for the operating funds and draw out as necessary. The liquidity is quicker with the Pool; if drawing from a CD before the maturity, interest is lost. There is still approximately \$2 million that will remain in CD's as in the past; this is the money from the JP Morgan/Chase pool that is no longer available.

Mr. Kittle noted by agreeing to this resolution, it allows the City to be part of the Pool, but no exact amount of money will be stipulated at this time.

Ms. Buschmohle confirmed she is seeking Council's approval to join the LGIP and will meet with the Finance Director to determine the amount to invest.

Mr. Kittle asked Ms. Ghannam if this is a real advantage for the City.

Ms. Ghannam explained this is where the City can park some short term liquidity, three to six months, receive an adequate return, with a reasonable fee.

Mayor McDaniel asked if before any amount of money gets deposited into the Pool, the proposed amount will require Council's approval.

Ms. Buschmohle explained that isn't the case. Council's approval is to join the LGIP and take the money on hand for the 2014 tax collection, which would have been invested in the JP Morgan/Chase pool, will now be invested in the LGIP. It

won't be the entire amount, some money will remain in the bank to meet operating expenses, payrolls twice a month and keep a cushion. That is what the meeting with the Finance Director will determine.

Mr. Knight stated he will watch the returns from LGIP and the returns from Cutwater and if the returns from Cutwater are not as good, there may be other avenues to pursue with Cutwater.

Ms. Mitchell like the concept of this pool; however, she is concerned with the amount of money that will be invested. She asked if it was necessary to approve the resolution this evening.

Ms. Buschmohle explained it doesn't have to be adopted immediately, but the tax collection would have automatically gone into the JP Morgan/Chase pools. Those pools no longer exist and that is the reason for the Oakland County pool. The money is sitting in a checking account, not earning any interest. The tax collection was \$17 million, which would have already been deposited in the pools. Of the \$17 million, \$10 million would be put into the pool and the other \$7 million would remain in the checking account, which is currently at \$24 million. Next day liquidity will allow the City to draw money from the pool and deposit into the checking account to meet the City's obligations.

Ms. Mithcell asked if there was a maximum that can be withdrawn from the pool, perhaps if the City decides it isn't what is wanted, can all the funds be withdrawn without penalty.

Mr. Meisner explained this is another tool available to the City and if there is a need for the City to withdraw all the money, then it will be done.

Ms. Buschmohle noted the term for the pool is a two year agreement that automatically renews unless the City prefers to not renew the agreement. There is a 30 day notice to terminate the agreement. She would like to get the money deposited into the pool as soon as possible, since it is not earning any interest in the current checking account.

Mr. Knight noted, according to the chart provided, the pool has \$80 million liquidity available at any given time.

Mr. Burmeister asked if Council will be advised of the amount deposited into the pool after the discussion with the Finance Director.

Ms. Buschmohle stated she can advise Council of what was determined after speaking with the Finance Director.

Mr. Tanghe stated Ms. Buschmohle will report to him and he will forward the information to Council.

Ms. Hammond requested Council be made aware of when it is time to renew the agreement. Mr. Tanghe confirmed notification will be made.

Ms. Buschmohle explained the contract is for two years, however, with a 30 day notice, the City can withdraw from the agreement.

Moved by Knight; Seconded by Burmeister.

RESOLVED: Adopt the attached resolution (Attachment A) and agreement to join the Oakland County Local Governmental Investment Pool.

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

No: None

Motion Carried (6– 0)

Resolution No. 15.04.077

6. PUBLIC COMMENT

Rimi Hirmiz, 2723 University Drive, part owner of Exhale Hookah Lounge explained there was a noise violation this past Saturday, caused by a new DJ. Neither he and nor his partner were not at the business at the time and apologized for the violation, noting it won't happen again.

William Bacus, a Warren resident, explained he sometimes works for Mr. Hirmiz and he was at the Hookah Lounge Saturday night, with staffing being shorthanded. He takes blame for the noise complaint and citation and apologizes to the neighbors and the City.

Mayor McDaniel explained Mr. Hirmiz as well as the other hookah lounge owners understand the dilemma Council has had with extending the hours and the responsibility that the owners must take at all times.

7. CONSENT AGENDA

7a. Board and Commission Minutes

7a.1. Planning Commission – March 17, 2015

7a.2. Tax Incentive Review Committee – April 6, 2015

7a.3. Beautification Advisory Commission – April 15, 2015

7a.4. Tax Increment Finance Authority – April 14, 2015

7b. Motion – Approve Used Car Lot License Renewals

RESOLVED: To approve renewal of Used Car Lot Licenses for the 2015/2016 licensing period for A & S RV Center, Newcomb's Service, Inc., Oakland Truck and Equipment Sales, Inc., and Parts Place, Inc.

7c. Motion – Approve H2O Metrix Contract for NOCWA

RESOLVED: To approve award of a contract to H2Ometrics Ann Arbor, Michigan for meter data services to NOCWA in the not-to-exceed amount of \$10,750 for a three year period to expire June 2018. Funding is available

in the 2015 Approved Budget, as well as the projected budgets for 2016-2019, Water Fund GL# 592-536-814.000 for computer services.

Moved by Burmeister; Seconded by Mitchell

RESOLVED: To approve the Consent Agenda.

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

No: None

Motion Carried (6-0)

Resolution No. 15.04.078

8. OLD BUSINESS

8a. Public Hearing – Ordinance Approving DDA Development Plan and TIF Plan

Ms. Carroll explained progress is continuing forward with the Downtown Development Authority. The next step in the process is to hold the public hearing for the Ordinance approving the Tax Increment Financing and Development Plan.

Mayor McDaniel opened the public hearing at 8:02 p.m. Hearing no comment Mayor McDaniel closed the public hearing at 8:03 p.m.

No Action is necessary.

8b. Motion – Approve Oakland County IT Services Agreement

Ms. Keiser explained this is an updated Service Agreement with Oakland County for residents to pay taxes and utility bills online, by phone or in person with credit/debit cards. The Oakland County Board of Commissioners have updated all service agreements into one agreement with specific exhibits relating to each individual agreement. There is also a share back of 50% from all of the excess fees collected from credit card use for the Pay Local Taxes program. The 50% share back for over the counter and phone payment is already taking place. The City received \$1,802.57 in share back for 2014.

Mr. Kittle asked what fee is charged for a transaction using a credit or debit card.

Ms. Keiser explained the charge is based on the dollar amount, but the basic amount starts at \$2.50; at a \$50.00 charge, the fee is \$4.00 and incrementally goes up until \$1,000 is reached and then it is 2.75%. An e-check from an account is a flat fee of \$2.50.

Moved by Knight; Seconded by Hammond

RESOLVED: To adopt the attached resolution (Attachment B) to authorize the City Treasurer or Deputy Treasurer to execute the I.T. Services Interlocal Agreement with attached amendments with Oakland County.

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

No: None

Motion Carried (6-0)

Resolution No. 15.04.079

Council Member Verbeke arrived at 8:03 p.m.

9. NEW BUSINESS

9a. Motion – Public Hearing/Motion – Waive Incentive Agreement for Magna E-Car Systems of America, Inc.

Mr. Lohmeier explained on April 6, 2015 a request for forgiveness of property taxes for IFEC 2010-117 was received from Magna E-Car Systems of America, Inc., for the property located at 4121 N. Atlantic. The tax abatement ends December 30, 2015, and the agreement with the City requires the business to remain in the City for an additional two years after the certificate expires or there must be the repayment of all the taxes abated during the abatement period. Magna is currently in negotiations to sell both the personal property and the real property at this location. There are no outstanding or pending real and/or personal property tax appeals for Magna E-Car or any of its subsidiaries within the City.

Dex Battista Representative, State Government Affairs, explained Magna Automotive is the most diversified auto supplier in the world, but the battery, battery material and testing business isn't one of the main core proficiencies. The market for alternative energies has not materialized as the company had hoped, so Magna is looking to sell this arm of the company to Samsung. He is asking Council for revocation of the agreement and waive the claw-back.

Mr. Kittle asked how much Magna saved during the abatement period.

Mr. Lohmeier stated he didn't have that information available this evening.

Mr. Knight noted there is a significant loss of taxes if Samsung removes the equipment from the building and moves it someplace else, though the building will continue to generate taxes. He was curious if there is any guarantee that Samsung will remain with the equipment in Auburn Hills.

Mr. Lohmeier stated he isn't sure if Samsung will request an abatement, but Samsung is planning on moving into the building.

Mr. Knight noted Magna is a great company and is remaining in Auburn Hills with other facilities, but is concerned with Samsung remaining in the City and paying taxes on the personal property.

Mayor McDaniel too is curious how much Magna has saved over the years, with waiving the two year claw-back requirement and how long Samsung may remain at that location.

Mr. Battista stated Magna is the third largest auto supplier in the world, making most components of a car except the tires. The company has 131,000 employees worldwide, approximately 10,000 in Michigan and 500 in Auburn Hills. From just the three facilities in Auburn Hills, in 2014, Magna spent over \$25 million with Michigan based vendors and suppliers, employee salaries over \$37 million and \$1.3 million in State income taxes, just from the three facilities in Auburn Hills.

The other facilities in Auburn Hills are P & F, a new facility that moved in on Lapeer Road, is a stamping and body facility. Magna Electronics world headquarters is located here in Auburn Hills produces back-up cameras and has almost doubled in size since 2014 by consolidating research & development and engineering. In 2014, Car Tops was moved to Auburn Hills from Bowling Green, bringing 65 jobs.

Ms. Verbeke asked if conditions can be applied to the request or is it strictly a yes/no vote by Council.

Mr. Lohmeier stated that would be an attorney question, it hasn't been done in the past.

Mr. Beckerleg explained it is a yes or no questions, either the requirement is waived or not waived.

Ms. Mitchell stated she appreciates Magna's presence in the City and hopes for continued growth, however, the rules of the IFEC agreement are very defined.

Mr. Kittle asked if the the waiver could be revisited once Samsung has taken possession of the facility and the equipment. He suggested Magna come back at a later time and ask for the forgiveness once there are more definitive answers regarding Samsung.

Mayor McDaniel suggested Samsung ask for the remainder of the abatement, which would relieve Magna of the claw-back.

Mayor McDaniel opened the public hearing at 8:19 p.m. and hearing no comment closed the public hearing at 8:19 p.m.

Mr. Lohmeier explained if Samsung purchases this property, they have until October to ask for a transfer of the abatement.

Mr. Burmeister asked if Samsung could ask for a new abatement for this property.

Mr. Lohmeier stated only for new purchases or investments for the property; a transfer of the current abatement is possible for the existing property and apply for additional years, up to seven years, on the current abatement for a total of 12 years, the maximum possible.

Mr. Knight suggested deferring action this evening until there is more information regarding the sale and if the purchaser will be requesting a transfer of the certificate.

Ms. Hammond agrees with Ms. Mitchell, she appreciates Magna's presence in Auburn Hills but the waiving the claw-back is setting a precedence. She suggests a postponement, as suggested by Mr. Knight.

Mr. Tanghe explained the recommendation of waiving the claw-back is because this is a sale, the recommendation wouldn't have been suggested if the company was just picking up and leaving the City.

Mayor McDaniel understood Mr. Tanghe's comments and also appreciates Magna's presence in the City; however, the agreement has stipulations that should be followed. As part of the sale, there should be discussions with the purchaser of the current IFEC and the expectations that are associated with the IFEC. He also doesn't want to set a precedence of waiving the claw-back requirement. He agrees with the postponement of a decision.

Mr. Kittle would like to know Samsung's long term plan and postponing this decision and learning what those plans may be will impact the decision of this request.

Mr. Lohmeier explained if Magna sells the business and doesn't ask for the waiver, Magna will be billed by the City and owe all those abated taxes to all the taxing authorities involved.

Mr. Knight stated when a deal is struck with Samsung, then Magna should come back and ask for the waiver.

Mr. Beckerleg agreed, noting the public hearing was held this evening so it won't be necessary to hold another hearing and postponing this item until a later date is possible.

Moved by Burmeister; Seconded by Verbeke

RESOLVED: To postpone action on the approval of the request by Magna E-Car Systems of America, Inc. to waive its two-year residence requirement for the tax incentive agreement pertaining to IFEC 2010-117 until Magna returns to us with another request.

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

No: None

Motion Carried (7-0)

Resolution No. 15.04.080

9b. Motion – Allegra Development – Part 1) Approval of rezoning from I-2 General Industrial to I-1 Light Industrial district; Part 2) Approval to Construct an Industrial Building and Revise the existing Special Land Use Permit

Mr. Cohen explained John Secco, from Allegra Development, is proposing to rezone the 3.92 acre parcel located at 2501 Commercial Drive (Sidwell No. 14-14-126-027) from I-2, General Industrial to I-1, Light Industrial district. The rezoning is consistent with the City's Master Plan. The reason for the rezoning is the I-1 District has lesser setback requirements than the I-2 District, 100 feet front and rear. The larger setbacks make it nearly impossible to build on this site.

The second part of the request is to construct a new 32,293 sq. ft. light industrial building on a site shared with another building owned by Mr. Secco, Dish Network. Dish Network received approval to store 58 vehicles on the site, but that number will now be reduced to 10 vehicles, thus changing the Special Land Use Permit.

Mr. Kittle asked how many vans are currently being stored outside now.

John Secco, owner of Allegra Development explained Dish Network has changed how they do business so there are generally five or six vans stored at any given time. In the past employees drove their personal vehicles to work and used the company vans; now the company vans are kept by the employees at their own residences.

Looking at the site plans, Mr. Knight asked if there was a sufficient number of doors in the event of an emergency.

Mr. Secco stated there are five doors for the building.

Mr. Cohen explained Building Official Jeff Spencer and the Fire Department will make sure there are enough doors for the building.

Mr. Secco explained he has built three building in Auburn Hills since 2004 and more in surrounding areas. He enjoys the City and hopes to be in the area for many more years.

9b.1.

Moved by Kittle; Seconded by Mitchell

RESOLVED: To accept the Planning Commission’s recommendation and rezone parcel 14-14-126-027 from I-2, General Industrial to I-1, Light Industrial district. The rezoning shall be referenced as Ordinance No. 15-866

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

No: None

Motion Carried (7-0)

Resolution No. 15.04.081

9b.2.

Moved by Verbeke; Seconded by Burmeister

RESOLVED: To accept the Planning Commission’s recommendation and approve the Site Plan for Allegra Development to construct an industrial building and approve the revision to the existing Special Land Use Permit to reduce the number of vans stored outside overnight at the existing Dish Network building site from 58 to 10.

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

No: None

Motion Carried (7-0)

Resolution No. 15.04.082

9c. Motion – Approve Site Plan, Special Land Use Permit, and Tree Removal Permit /Hydra-Zorb Company

Mr. Cohen explained this is a request to construct a 51,109 sq. ft. manufacturing facility on a 6.17 acre parcel of land located at the northwest corner of Giddings Road and Summit Drive. The building will be the future home for Hydra-Zorb, currently located on Commercial Drive and has been in Auburn Hills for the past 47 years. Landbanking approval is being sought for 15 parking spaces that are not currently needed. Construction is expected to begin this spring with completion anticipated to take place in the spring 2016, with an overall investment estimated at \$5.2 million.

Adam Manix, Curco Manix Construction, explained his company has been building in Auburn Hills for about 30 years and constructing over 30 buildings in the City. The proposed building is approximately 50,000 square feet.

Bob Dodge, President of Hydra-Zorb, noted the company has been based in Auburn Hills since 1972 and in the Commercial Drive building since 1981. The business has changed from strictly manufacturing to manufacturing and packaging company.

Mr. Knight asked if the land to the west of the building is flat land and if it would be possible to expand the building in that direction in the future if necessary.

Mr. Dodge confirmed it would be possible.

Responding to Mr. Kittle, Mr. Cohen explained there is sufficient room for the additional 15 parking spaces if needed, but the required amount at this time is not necessary.

Ms. Hammond asked if there were new jobs with the new building.

Mr. Dodge explained they are expecting to add 10 to 20 new jobs over the next five years.

Moved by Mitchell; Seconded by Hammond

RESOLVED: To accept the Planning Commission’s recommendation and approve the Site Plan, Special Land Use Permit and Tree Removal Permit for Hydra-Zorb Company’s manufacturing facility subject to staff and consultants’ conditions.

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

No: None

Motion Carried (7-0)

Resolution No. 15.04.083

9d. Public Hearing/Motion – New IFEC for Total Filtration Services, Inc.

Mr. Lohmeier explained an application has been filed by Total Filtration Services, Inc. for an Industrial Facilities Exception Certificate for real property located at 2501 Commercial Drive. The parcel consists of 3.90 acres of I-2, General Industrial zoned land. Currently there is an existing 11,738 square foot light industrial building located on the side. The applicant's building will be located on the same parcel but closer to I-75. Total project investment is \$2,600,000 for real property, a 32,000 square foot building, consisting of corporate offices and a manufacturing facility.

Because this is a new location for the applicant, this project will result in zero jobs being retained at this facility. This new facility will result in an expected 46 new jobs, with employees coming from the existing facility in Auburn Hills.

The applicant executed a lease for 12 years. If this abatement is granted the total potential property tax savings for the applicant will be approximately \$228,000. The applicant will receive tax savings of approximately \$28,500 in the first tax year. Additional tax revenue for the City will be approximately \$55,100 over the course of the abatement. The City will receive an increase in revenue of approximately \$6,900 in the first tax year.

The applicant does not have any other abatements within the City, nor are there any appeals for this property. The applicant is requesting an eight year abatement, and has signed the City's agreement which requires an additional two years of business residence after the certificate expires.

Rick Jensen, Vice President of Operations for Total Filtration Services, **John Lenio**, Executive Vice President with CBRE, Total Filtration Services Site Selection, and **Justin Robinson**, Director of Business Attraction with Detroit Regional Chamber of Commerce, all introduced themselves.

Mayor McDaniel opened the public hearing at 8:50 p.m. and hearing no comments closed the public hearing at 8:50 p.m.

Mr. Kittle noted Mr. Lohmeier stated there is no request for personal property and asked with the new tax law regarding personal property what are the implications for the City.

Mr. Lohmeier explained if the personal property was installed prior to 2007 or after 2012, it will be given an exemption in 2016 as long as its identified as eligible manufacturing personal property. Any property installed after 2013 will automatically be exempt starting next year. There will still be commercial personal property exemptions, so there still may be applications for exemptions. This company qualifies for as an eligible manufacturing personal property, and be exempt next year.

Mr. Knight explained personal property costs must be kept track of so the City can receive reimbursement from the State for the forgiveness of personal property taxes.

Moved by Verbeke; seconded by Burmeister.

RESOLVED: To approve the request for an 8-year IFEC pertaining to new real property for Total Filtration Services, Inc., with a real property investment of \$2,600,000 by adopting the attached resolution (Attachment C).

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

No: None

Motion Carried (7-0)

Resolution No. 15.04.084

9e. Public Hearing/Motion – New IFEC for TI Group Automotive Systems, LLC

Mr. Lohmeier explained an application has been filed by TI Group Automotive Systems, LLC., for an eight year Industrial Facilities Exception Certificate for real property and personal property located 2020 Taylor Road. The application was filed in August 2014.

The real property improvement investment is \$14,986,000 and the personal property investment is \$1,883,316 for a total investment of \$16,869,316. The real property consists of a new 141,000 square foot high-tech building proposed as a world headquarters. It will be used by the applicant's engineering, finance and business professionals. The personal property consists of a variety of related furniture, fixtures, and related IT systems.

TI has signed a 15 year lease for the facility and agrees to stay the additional two after the eight year abatement expires. There are no pending appeals, other abatements or tax delinquencies on this property. If this abatement is granted for the eight year City maximum, the potential real property tax savings for the applicant will be approximately \$865,000 over the term of the certificate. Additional tax revenue for the City will be approximately \$185,000 over the term of the certificate.

Mr. Kittle asked if TI Automotive was recently sold, or if there is a pending sale.

Frank Buscemi, Global Communications Director, TI Automotive, stated yes, there is a pending sale that should close sometime this year.

Mr. Kittle asked how this sale affect this current abatement request.

Mr. Lohmeier explained the new owner changes the name of the company, then a transfer will be necessary.

Matthew Johnston, Facilities Management, TI Automotive introduced himself

Mayor McDaniel opened the public hearing at 8:58 p.m. and hearing no comment closed the public hearing at 8:58 p.m.

Mr. Kittle asked about the personal property value, it seems rather low.

Mr. Johnston stated most of the furniture and similar type items to the new facility.

Moved by Verbeke; seconded by Mitchell

RESOLVED: To approve the request for an 8-year IFEC pertaining to new real property and personal property for TI Group Automotive Systems LLC, with a real property and personal property investment of \$16,869,316 by adopting the attached resolution (Attachment D).

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

No: None

Motion Carried (7-0)

Resolution No. 15.04.085

9f. Motion – Accept an Ordinance to Amend Chapter 46 Offenses and Miscellaneous Provisions of the Auburn Hills City Code to add Sections 46-251 to 46-253 of Article VIII – Offenses Concerning Minors, to prohibit the use, possession or sale of e-cigarettes to minors, on First Reading and Set for a Public Hearing, Second Reading and Final Adoption on May 11, 2015

Police Chief Olko explained this is an ordinance amendment to regulate e-cigarettes. Currently the State has no laws prohibiting the sales of these e-cigarettes to minors, because they do not contain tobacco.

Both she and Mr. Beckerleg worked together to create this ordinance amendment.

Mr. Kittle stated if choosing between e-cigarettes and tobacco cigarettes, he would prefer his child smoke the e-cigarette and since there isn't any state laws regulating e-cigarettes, should the City be creating such a law.

Police Chief Olko stated there is a bill pending in the State Legislature to regulate e-cigarettes, similar to what this ordinance is proposing.

Mr. Knight has been a proponent asking for such an ordinance and Rochester Hills has an ordinance already in effect and these are still habit forming. He believes this ordinance errs on the side of protecting kids.

Moved by Knight; seconded by Burmeister

RESOLVED: To adopt an ordinance to amend Chapter 46, Offenses and Miscellaneous Provisions to add Sections 46-251 to 46-253 of Article VII-Offenses Concerning Minors to prohibit the use, possession or sale of e-cigarettes to minors on first reading and set a public hearing, second reading and final adoption on May 11, 2015.

Ms. Hammond asked about the consequences if a minor is caught with an e-cigarette.

Mr. Beckerleg stated it would be a civil infraction; a minor would not have a criminal record if caught.

VOTE: Yes: Burmeister, Hammond, Knight, McDaniel, Verbeke

No: Kittle, Mitchell

Motion Carried (5-2)

Resolution No. 15.04.086

9g. Motion – Accept the City of Auburn Hills Age Friendly 2015 draft Action Plan

Ms. Adcock stated this has been a journey started in 2012 and in 2013 the City was designated a Community for a Lifetime by the State of Michigan. The City submitted an application and was accepted into the AARP-WHO Livable Communities network; becoming the first in the State and the 14th in the U.S.

A livable community has attributes that are looked at to determine how friendly the community is. Those attributes are communication and information, social participation, outdoor spaces & buildings, housing, transportation, community health services and volunteer and civic engagement.

There were several community conversations with the residents at different locations throughout the City; surveys were mailed to registered voters, 51 and older; there were focus study groups and a business roundtable.

All the information was gathered and action plans must be made as part of the Livable Communities network. The action plan development was discussed among 45 or so people, starting with the Planning Commission. Invitations were sent to all those that participated in the community conversations, focus groups and community roundtable. Businesses and organizations who perform services for seniors, to participate the action plan. Three action plan meetings were held. The action plan is a three-year plan and is a fluid document that can be changed as needs change. The action plan has 20 action items, down from an initial 87 items. Each action item includes the steps required to reach the goal.

What is needed this evening is for Council to accept the draft plan that will then be submitted to AARP for comments and approval. Changes will be made accordingly.

Mr. Kittle stated he finds all of this information intriguing and the impact of the baby boomers on local governments is incredible. He would like to see a timeline for the action plan items and a budget amount.

Ms. Adcock explained putting the plan into action will require good partnerships with other organizations, knowing the costs could be prohibitive. This can't only be on the back of governments. There are groups that are doing parts and pieces of this plan and those groups need to be partnered with others.

Mr. Knight stated he has seen the Oakland University bus at Meijer in the evening and suggested that may be another connection to look into.

Mayor McDaniel stated on behalf of himself, City Council and the residents, applauding Directors Adcock and Cohen for spearheading this project and thanked them and the staff that who spent hours of personal time working on this project.

Moved by Mitchell; seconded by Burmeister

RESOLVED: To accept the City of Auburn Hills Age Friendly 2015 draft Action Plan and submit the plan to AARP for consideration of acceptance.

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

No: None

Motion Carried (7-0)

Resolution No. 15.04.087

10. COMMENTS & MOTIONS FROM COUNCIL

Ms. Hammond:

- Noted the difficulty of seeing the lines of Auburn Road, heading east in the morning when the sun is rising.

Mr. Knight:

- The microphones this evening were not working properly; the speakers need to be much closer to the microphone at the podium so they can be heard clearly.
- Would like to see the grass cut further back from the pathways along Squirrel Road, possibly another 10 or 15 feet.
- Auburn Road in front of the concrete facility is an absolute disaster; there is always dirt and dust on the road in that area. The owner should be maintaining that section of the road.
- Striping downtown is horrible and it should be treated as an emergency to get the company in to do the striping immediately.
- Would like the engineers to take a look at the intersection of South Squirrel at Auburn Road.

Mr. Juidici explained water main work will be taking place later this year and the road problem will be resolved; not until after Summerfest.

- Asked when the University Drive bridge will come down.

Mr. Tanghe believes it will be around June 21st if everything goes as planned.

- Asked if Featherstone Road will be completed in five weeks, as noted.

Mr. Juidici stated the original schedule was an eight week time frame and they are making very good progress, hoping to pour concrete as early as next week.

Mr. Kittle:

- Thanked the Police Department, Chief Olko and Lt. Gagnon for this evening's workshop presentation.

Ms. Verbeke:

- Thanked all for their support of the Steak and Burger dinner held for the Boys and Girls Club.
- Next Tuesday is an election and the Pontiac School District has a millage proposal on the ballot.

Mr. Burmeister:

- Thanked Council Members and the City Manager for the condolences and all the acts of kindness he and his family received at the passing of his mother-in-law. He asked Ms. Adcock to thank the Community Center for the card.
- The slurry seal that was put on Mattie Lu last year, is starting to crack and asked if that is normal or should something be done.

Mayor McDaniel:

- Thanks to Chief Olko for educating City Council on the use of body cameras for police officers.
- Stated he has had complaints of trash at the Oakland Heights Development blowing and littering outside of the fence and asked Mr. Cohen if he could look into it.

Mr. Cohen stated he will investigate with Bill Dolson, the manager of the facility and have the ordinance enforcement officers check it out.

Mr. Tanghe noted the trash was particularly noticeable last week because of the high winds blowing the trash quite high up the fence. Calls were made to the landfill asking them to clean it up.

Ms. Verbeke stated when asked, the trash was cleaned up very quickly.

Ms. Hammond stated she has also talked with Mr. Dolson about cleaning up the trash, which is done very quickly.

11. CITY ATTORNEY'S REPORT - none

12. CITY MANAGER'S REPORT

- Labor negotiations have wrapped up and all contracts have been signed and implemented.
- Last Thursday was the Volunteer Appreciation Dinner for community businesses and individuals donating their time, thousands of hours are donated each year.

- He attended the 8 Mile Boulevard Association's 16th Annual Leadership Luncheon at Cobo Center as a guest of Oakland University. The featured panelists were Oakland County's Executive L. Brook Patterson, Wayne County's Executive Warren Evans, Macomb County's Executive Mark Hackel and Mayor Mike Duggan. The theme was destination 8 Mile, to focus on successes between Detroit and the three surrounding counties.
- He will be attending the inauguration of Oakland University's sixth president, George Hynd.
- The City will be hosting a road show, Thursday, at Comerica.
- He will be attending the Oakland County Outlook Luncheon on Thursday as a guest of Oakland Community College, this reviews the county over the last year and provides future expectations.
- Friday is a farewell for the Chamber Director Denise Asker. He thanked Ms. Asker for everything she has done in the community and how much she has grown the Chamber over the last four years, in membership, quality and character.
- James Jackson, from Senator Peter's office will be visiting the City next week to introduce himself and what Senator Peter's office has to offer the City.
- The first three steps have been completed with the County for their participation in the DDA/TIF. There was an unanimous vote of the ad-hoc commissioners. There will be a meeting with the County's finance committee and May 6th, before the full board of Oakland County Commissioners for approval. He thanked the County staff for being so helpful and in particular County Commission Mike Gingell who is also the Chairman of the County Board of Commissioners for his constant support.
- The search for the assistant to the City Manager is coming to a close, and the position should be filled within the next few weeks.
- Tonight, Council approved 224,000 square feet of new development with a value of about \$23 million.

City Clerk Kowal reminded everyone there is an election Tuesday, May 5th and the polls open at 7:00 a.m. and close at 8:00 p.m. and absentee ballots are available at her office. All absentee ballots are due back to the Clerk's Office by election day and the Clerk's Office will be open Saturday, May 2nd from 10:00 a.m. until 2:00 p.m.

13. EXECUTIVE SESSION - Discussion of Attorney Opinion Letter

Moved by Verbeke; Seconded by Hammond.

RESOLVED: To recess into Executive Session for discussion of Attorney's opinion.

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

No: None

Motion Carried (7-0)

Resolution No. 15.04.088

Recess to Executive Session at 9:47 pm. Returned from Executive Session at 10:17 p.m.

Meeting adjourned at 10:18 p.m.

Kevin R. McDaniel, Mayor

Terri Kowal, City Clerk

RESOLUTION TO AUTHORIZE THE CITY TREASURER OR DEPUTY TREASURER TO ENTER INTO A LOCAL GOVERNMENT INVESTMENT POOL WITH THE OAKLAND COUNTY TREASURER

At a regular meeting of the City Council, City of Auburn Hills, Oakland County, Michigan, held on April 27th, 2015 at the City Hall, 1827 N. Squirrel Road, Auburn Hills, Michigan, the following preamble and resolution were offered by Councilmember Knight, and supported by Councilmember Burmeister:

WHEREAS, The Oakland County Treasurer is authorized by County Board Resolution to establish a local government investment pool, and

WHEREAS, the City Treasurer or Deputy Treasurer is authorized, through City Council Resolution, to enter into a contract with the County Treasurer for deposit of money in the investment portfolio, and

WHEREAS, the terms and conditions regarding the deposit of money in the investment portfolio are stated in a uniform contract, which has been approved by the Michigan Department of Treasury;

NOW THEREFORE BE IT RESOLVED, that the City Council of the City of Auburn Hills authorizes the City Treasurer or Deputy Treasurer, to enter into the local investment pool and to sign the Investment Portfolio Agreement, as attached to this Resolution.

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

NAYES: None

ABSTENTIONS: None

RESOLUTION 15.04.077 DECLARED ADOPTED THIS 27th DAY OF APRIL, 2015.

CERTIFICATION

STATE OF MICHIGAN)
)ss
COUNTY OF OAKLAND)

I, Terri Kowal, the duly qualified Clerk of the City of Auburn Hills, Oakland County, Michigan, do hereby certify that the foregoing is a true and complete copy of a Resolution adopted by the City Council of the City of Auburn Hills the 27th day of April, 2015; the original is on file in the Office of the Clerk.

Terri Kowal, City Clerk

**CITY OF AUBURN HILLS
RESOLUTION 15.04.084
APPROVING AN INDUSTRIAL FACILITIES EXEMPTION CERTIFICATE
FOR TOTAL FILTRATION SERVICES, INC.**

At a regular meeting of the City Council of the City of Auburn Hills, Oakland County, Michigan, held in the Council Chambers at 1827 N. Squirrel Road, Auburn Hills MI 48326 on the **27th day of April, 2015**.

The following resolution was offered by Councilperson Verbeke and supported by Councilperson Burmeister:

WHEREAS, pursuant to P.A. 198, 1974, M.C.L. 207.551 et seq., after a duly noticed public hearing held on **the 21st day of May, 1979**, the City of Auburn Hills, established an Industrial Development District, commonly referred to as the **Opperthausen Industrial Development District; and**

WHEREAS, **Total Filtration Services, Inc.** has filed an application for an Industrial Facility Exemption Certificate with the Clerk of the City of Auburn Hills with respect to proposed new **real property** within the **Opperthausen Industrial Development District; and**

WHEREAS, before acting on said application, the City Council of Auburn Hills held a hearing on the **27th day of April, 2015** at a regularly scheduled meeting, prior to which the applicant, the assessor, and a representative of the affected taxing units were given written notice and were afforded an opportunity to be heard on said application; and

WHEREAS, construction of the facility has not begun earlier than six (6) months before **23rd day of March, 2015**, the date of the acceptance of the application for the Industrial Facility Exemption Certificate; and

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

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

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

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

2. The application from **Total Filtration Services, Inc.** for an Industrial Facilities Exemption Certificate with respect to a **New Facility** on the following described parcel of real property situated within the **Opperthausen Industrial Development District; to wit;**

The real property parcel the facility is located on is identified as tax parcel 02-14-14-126-027, having an address **2501 Commercial Drive**, City of Auburn Hills, MI 48326, including:

T3N, R10E, SEC 14 WALTON-OPDYKE INDUSTRIAL PARK E 40.54 FT OF LOT 3, ALSO ALL OF LOT 4 4-25-96 FR 018 & 019

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

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

4. The total project investment approved is **\$2,600,000**.

5. **Total Filtration Services, Inc.** agrees to operate the facility for which the Industrial Facilities Exemption Certificate is granted for the term of the certificate, plus an additional **two years** after the date of the certificate's expiration.

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

NAYS: None

ABSENT: None

ABSTENTIONS: None

RESOLUTION 15.04.084 ADOPTED (7-0)

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 27th day of April, 2015.

IN WITNESS WHEREOF, I have hereunto affixed my official signature on this 28th day of April, 2015.

Terri Kowal, City Clerk

**CITY OF AUBURN HILLS
RESOLUTION 15.04.085
APPROVING AN INDUSTRIAL FACILITIES EXEMPTION CERTIFICATE
FOR TI GROUP AUTOMOTIVE SYSTEMS, LLC**

At a regular meeting of the City Council of the City of Auburn Hills, Oakland County, Michigan, held in the Council Chambers at 1827 N. Squirrel Road, Auburn Hills MI 48326 on the **27th day of April, 2015**.

The following resolution was offered by Councilperson Verbeke and supported by Councilperson Mitchell:

WHEREAS, pursuant to P.A. 198, 1974, M.C.L. 207.551 et seq., after a duly noticed public hearing held on **the 21st day of August, 1995**, the City of Auburn Hills, established an Industrial Development District, commonly referred to as the **Cardell Corporation Industrial Development District**; and

WHEREAS, **TI Group Automotive Systems, LLC** has filed an application for an Industrial Facility Exemption Certificate with the Clerk of the City of Auburn Hills with respect to proposed new **real property** and **personal property** within the **Cardell Corporation Industrial Development District**; and

WHEREAS, before acting on said application, the City Council of Auburn Hills held a hearing on the **27th day of April, 2015** at a regularly scheduled meeting, prior to which time the applicant, the assessor, and a representative of the affected taxing units were given written notice and were afforded an opportunity to be heard on said application; and

WHEREAS, construction of the facility and installation of new personal property has not begun earlier than six (6) months before **4th day of August, 2014**, the date of the acceptance of the application for the Industrial Facility Exemption Certificate; and

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

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

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

1. The City Council of Auburn Hills finds and determines that the granting of this Industrial Facilities Exemption Certificate, together with the aggregate amount of the certificates previously granted and currently in force, under PA 198 of 1974, and PA 225 of 1978, **shall not** have the effect of substantially impeding the operation of the City of Auburn Hills, or of impairing the financial soundness of a taxing unit which levies ad valorem property taxes in the City of Auburn Hills.
2. The application from **TI Group Automotive Systems, LLC** for an Industrial Facilities Exemption Certificate with respect to a **New Facility** on the following described parcel of real property situated within the **Cardell Corporation Industrial Development District**; to wit;

The real property parcel the facility is located on is identified as tax parcel 02-14-11-102-004, having an address **2020 Taylor Road**, City of Auburn Hills, MI 48326, including:

T3N, R10E, SEC 11 PART OF W 1/2 OF SEC BEG AT PT DIST N 89-39-08 E 1313.94 FT & S 00-07-12 E 290.12 FT & N 89-39-08 E 657.39 FT & S 52-37-36 E 165.78 FT & S 80-50-52 E 531.93 FT & N 82-56-41 E 100.53 FT & S 31-45-01 E 1720.53 FT FROM N 1/4 COR OF SEC 10, TH S 31-45-01 E 936.59 FT, TH N 86-52-23 W 154.62 FT, TH ALG CURVE TO LEFT, RAD 560 FT, CHORD BEARS N 75-06-59 W 228.21 FT, DIST OF 229.82 FT, TH N 86-52-23 W 154.40 FT, TH ALG CURVE TO RIGHT, RAD 560 FT, CHORD BEARS N 59-18-42 W 518.22 FT, DIST OF 538.76 FT, TH N 31-45-01 W 137.43 FT, TH N 58-30-04 E 650 FT TO BEG, ALSO BEG AT PT DIST N 89-39-08 E 1313.94 FT & S 00-07-12 E 290.12 FT & N 89-39-08 E 657.39 FT & S 52-37-36 E 165.78 FT & S 80-50-52 E 531.93 FT & N 82-56-41 E 100.53 FT & S 31-45-01 E 1720.53 FT & S 58-30-04 W 650 FT FROM NE 1/4 COR OF SEC 10, TH S 31-45-01 E 137.43 FT, TH ALG CURVE TO LEFT, RAD 560 FT, CHORD BEARS S 51-49-38 E 384.47 FT, DIST OF 392.46 FT, TH N 86-52-07 W 29.26 FT, TH ALG CURVE TO RIGHT, RAD 361.50 FT, CHORD BEARS N 59-18-25 W 334.53 FT, DIST OF 347.79 FT, TH N 31-44-45 W 185.43 FT, TH N 58-30-04 E 46.77 FT TO BEG 10.20 A12-20-00 FR 002 & 10-200-013

is hereby approved for **real property and personal property improvements**.

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

4. The total project investment approved is **\$16,869,316**.

5. TI Group Automotive Systems, LLC agrees to operate the facility for which the Industrial Facilities Exemption Certificate is granted for the term of the certificate, plus an additional **two years** after the date of the certificate's expiration.

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

NAYS: None

ABSENT: None

ABSTENTIONS: None

RESOLUTION 15-04-085 ADOPTED (7-0)

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 27th day of April, 2015.

IN WITNESS WHEREOF, I have hereunto affixed my official signature on this 28th day of April, 2015.

Terri Kowal, City Clerk