JUNE 2013
(6-11-13)

17  City Council, 7:00 p.m., Council Chamber ◆
25  Library Board, 4:30 p.m., Admin Conference Room❖
25  Planning Commission, 7:00 p.m., Council Chamber ◆
26  Beautification Advisory Commission, 6:00 p.m., Admin Conference Room❖

JULY 2013
(6-7-13)

01  City Council, 7:00 p.m., Council Chamber ◆
08  Tax Incentive Review Committee, 5:30 p.m., Admin Conference Room❖
09  Tax Increment Finance Authority, 4:00 p.m., Admin Conference Room❖
11  Zoning Board of Appeals, 7:00 p.m., Council Chamber ◆
15  City Council, 7:00 p.m., Council Chamber ◆
16  Board of Review, 11:00 a.m., Admin Conference Room❖
23  Library Board, 4:30 p.m., Admin Conference Room❖
24  Beautification Advisory Commission, 6:00 p.m., Admin Conference Room❖
30  Planning Commission, 7:00 p.m., Council Chamber ◆
1. **MEETING CALLED TO ORDER**
2. **PLEDGE OF ALLEGIANCE**
3. **ROLL CALL OF COUNCIL**
4. **APPROVAL OF MINUTES**
   4a. Council Goals & Objectives Workshop – May 18, 2013
   4b. Regular Council Meeting – June 3, 2013
5. **APPOINTMENTS & PRESENTATIONS**
   5a. Appointment of Patricia Dolly – Tax Increment Finance Authority
6. **PUBLIC COMMENT**
7. **CONSENT AGENDA**
   All items listed are considered to be routine by the City Council and will be enacted by one motion. There will be no separate discussion of these items unless a Council member so requests, in which event the item will be removed from the Consent Agenda and considered in its normal sequence on the agenda.
   7a. Board and Commission Minutes
      7a.1. Retiree Health Care Board – May 8, 2013
      7a.2. Pension Board – May 8, 2013
      7a.3. Tax Incentive Review Committee – May 13, 2013
      7a.4. Tax Incentive Review Committee – June 11, 2013
      7a.5. Tax Increment Finance Authority – June 11, 2013
    7b. Motion - 2013 Storm Structure Rehabilitation Program
    7c. Motion – Approve Renewal of Contract for Oakland County Equalization Division
    7d. Motion – Accept the Investment Performance Reports
8. **OLD BUSINESS**
   8a. Motion – Approve Downtown Forward Angle Parking
   8b. Motion – Approve Fifth Amendment to Cardell Agreement
9. **NEW BUSINESS**
   9a. Motion – Accept 2012 Financial Report & Plante Moran’s Audit Reports
   9b. Public Hearing/Motion – Approve Industrial Facility Exemption Certificate for New Personal Property/Caisson Technology Group, LLC
   9c. Public Hearing/Motion – Approve Request to Establish an Industrial Development District/NDA Auburn LLC
   9d. Public Hearing/Motion – Approve Request to Establish a Plant Rehabilitation District/NDA Auburn LLC
   9e. Public Hearing/Motion – Approve Request to Establish an Industrial Development District/City of Auburn Hills
   9f. Public Hearing/Motion – Approve Industrial Facility Exemption Certificate for Rehabilitation Real Property/GKN Driveline North America, Inc.
10. **COMMENTS AND MOTIONS FROM COUNCIL**
11. **CITY ATTORNEY’S REPORT**
12. **CITY MANAGER’S REPORT**
13. **ADJOURNMENT**

City Council meeting minutes are on file in the City Clerk’s office. **NOTE:** Anyone planning to attend the meeting who has need of special assistance under the Americans with Disabilities Act (ADA) is asked to contact the City Clerk’s Office at 370-9402 or the City Manager’s Office at 370-9440 48 hours prior to the meeting. Staff will be pleased to make the necessary arrangements.
The City of Auburn Hills  
City Council Workshop on Goals and Objectives  
Minutes  
May 18, 2013

CALL TO ORDER:  
by Mayor McDonald at 9:00 a.m.

LOCATION:  
The Den, Auburn & Squirrel Roads, Auburn Hills, MI 48326

Present:  
Mayor McDonald, Pro Tem Hammond, Council Members Doyle, Kittle, Knight, McDaniel Verbeke

Also Present:  
Assistant City Manager Tanghe, Deputy Director Manning, Manager Intern Guest, Finance Director Barnes, and Facilitator Pat Piskulich

1. **Discussion took place regarding the Council’s goals and objectives for the upcoming year.**

2. **ADJOURNMENT**  
Without objection, the meeting adjourned at 3:00 pm.
CALL TO ORDER: by Mayor McDonald at 7:00 p.m.

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

Present: Mayor McDonald, Mayor Pro Tem Hammond, Council Members Doyle, Kittle, Knight, Verbeke

Absent: McDaniel

Also Present: City Manager Auger, Assistant City Manager Tanghe, Director of Emergency Services/Police Chief Olko, DPW Director Melchert, Community Development Director Cohen, Fleet Director Skinner, Library Director McCoy, Manager of Public Utilities Herczeg, Deputy Director Hardesty, City Treasurer Buschmohle, City Clerk Kowal, City Attorney Beckerleg, City Engineer Stevens

Guests 10

4. APPROVAL OF MINUTES

4a. Regular City Council Meeting – May 20, 2013

Moved by Kittle; Seconded by Doyle.

RESOLVED: To approve the May 20, 2013 City Council minutes.

VOTE: Yes: Doyle, Hammond, Kittle, Knight, McDonald, Verbeke

No: None

Motion Carried (6-0)

Resolution No. 13.06.089

Mr. Knight requested Ms. Kowal double check on the next meeting date for the Beautification Advisory Commission as noted in those minutes.

5. APPOINTMENTS & PRESENTATIONS – none.

6. PUBLIC COMMENT

State Representative Tim Griemel commented on the consent judgment, forcing Pontiac School District real property owners to pay the $7.8 million MESSA health insurance bill for the Pontiac School District staff, which the School District has neglected to pay through the tax rolls. He has been working very hard on trying to avoid the tax levy that is anticipated to be included in this July’s tax bill. At one point, it was hopeful that the State Department of Treasury would arrange for a Tax Anticipation Loan to the School District, with a portion used to pay the insurance bill and not be levied on the tax rolls. Unfortunately, as the School District’s financial situation continues to decline, the State Department of Treasury has become increasingly reluctant to arrange a loan, questioning how and when the loan would be paid back. He has continued speaking with State Treasurer Andy Dillon and the Tax Anticipation Loan is most likely not going to be made. There is some chance a bond may be issued by the School District to spread out, over a longer period of time, the tax levy. There is also the possibility of holding off a little longer, and placing the tax levy on the December tax bill; however, MESSA would have to agree to the December billing. He has been in touch with MESSA, in an attempt to compromise to minimize the burden to the tax payers. Today he spoke with the president of MESSA and she is somewhat willing to reach a compromise. Mr. Griemel also noted the Pontiac School District has not paid a number of other creditors as well; an additional $3 to $4 million that is also owed to MESSA.

Mr. Griemel noted the possibility of other creditors proceeding down this same path so they may also get paid; this is a very real concern that the tax payers could get hit with many other tax levies. He has been in discussions with the Governor as well as fellow legislators with what to do with other school districts facing insurmountable challenges.
Mr. Kittle thanked Mr. Griemel for the update and understands there is legislation that would close the loophole that MESSA used and other creditors may try and use, and hopes Mr. Griemel will co-author or at least sign the legislation if it materializes.

Mr. Griemel stated there has not been any legislation introduced as of yet; however, he had discussions with Chrysler about closing the ability of creditors to public entities, or at least school districts, of getting a judgment and placing it on the tax rolls. Chrysler will be paying a very large portion of the tax levy because of its size and value. Writing the legislation isn’t easy because creditors working with public entities want a guarantee they will be paid. One thought, with school districts particularly, is to divert the State aid directly to creditors in certain instances.

Linda Hasso n, a Pontiac resident, noted she had given Council packets of information regarding the Pontiac School District and requested each Council Member attend the School District meeting being held Tuesday, June 4th, at 5:30 p.m., at 47200 Woodward, the Odell Nails Administration Building, in attempt to discover what is happening in the District with the financing. She stated she is aware of money currently being deducted from employee paychecks for MESSA. She isn’t pleased having an emergency manager in Pontiac, noting one emergency manager’s suggestion was to not pay any health insurance bills, in an effort to save money.

7. CONSENT AGENDA
All items listed are considered to be routine by the City Council and will be enacted by one motion. There will be no separate discussion of these items unless a Council member so requests, in which event the item will be removed from the Consent Agenda and considered in its normal sequence on the agenda.

7a. Board and Commission Minutes
7a.1. Beautification Advisory Commission – April 24, 2013

7b. Motion – Approve Bid Award to Purchase High Pressure Lifting Air Bag Systems
RESOLVED: To approve the purchase of three (3) sets of high pressure air bag systems from Firehouse Resources, LLC in the amount of $18,923.73 and authorize the City Manager to convey acceptance by purchase order.

Mr. Kittle noted a bid submitted for the lifting air bag systems for much less; however, the company was unreliable and didn’t forward any requested information.

Moved by Doyle; Seconded by Verbeke.
RESOLVED: To approve the Consent Agenda.
VOTE: Yes: Doyle, Hammond, Kittle, Knight, McDonald, Verbeke
No: None
Motion Carried (6-0)

Resolution No. 13.06.090

8. OLD BUSINESS
8a. Motion – Approve Revised Memorandum of Understanding for the Oakland County Violent Gang Safe Streets Task Force
Deputy Director Hardesty noted the Department has been involved in this task force since 2009. The FBI and Department of Justice has updated the Memorandum of Understanding including language as well as the participants involved. The new Memorandum of Understanding has highlighted areas of new language as well as a copy of the current Memorandum of Understanding.

Ms. Verbeke was surprised to see the number of highlighted areas in the new Memorandum of Understanding, and asked if all the highlighted portions were changes.

Deputy Director Hardesty explained if the majority of a paragraph had been changed, he highlighted the entire paragraph as opposed to just the individual words. The Liability section was completely updated with new language, which City Attorney Beckerleg has reviewed. There are also new sections such as Less than Lethal Weapons.

Ms. Verbeke also noted the addendum of a $60,000.00 cap for forfeitures and asked if there had been a change.

Deputy Director Hardesty explained previously, if the forfeiture was over $100,000.00, the money would be dispersed among the agencies for operating expenses; that cap has been reduced to $60,000.00.

Responding to Mr. Knight, Mr. Beckerleg stated none of the changes in the liability is detrimental or would jeopardize the Task Force.

Ms. Doyle asked if there is any one person from Auburn Hills assigned full time to this Task Force.
Deputy Director Hardesty stated since 2009 and 2010, there has been no one assigned full time to this Task Force. Currently, time spent is approximately four to eight hours a month, depending on needs of cases or situations arising. It is up to each department to assign someone to the Task Force, and it could result in spending some full time hours. The memorandum does not state the amount of time a participant must invest; that is at the discretion of each entity.
Ms. Doyle asked for clarification of what is a Less than Lethal device.

Deputy Director Hardesty explained it may be a taser, a bean-bag round, a sock round, baton, or anything used to take control without taking a life. The weapons are not referred to as non-lethal because there is always the possibility of someone losing their life with one of these weapons; it is minimal - less lethal. The less than lethal weapons are used by individual agencies and by their personnel, through their own training and sole responsibility. If another agency uses the non-lethal weapons, they must be used in accordance with that local agency’s policies, and the user must be trained by that agency.

Moved by Knight; Seconded by Doyle.

RESOLVED: To approve the Memorandum of Understanding for the Oakland County Violent Gang Safe Streets Task Force between the Federal Bureau of Investigation and the Auburn Hills Police Department, Bloomfield Township Police Department, Homeland Security Investigations, Michigan State Police, Oakland County Sheriff’s Department, and Waterford Township Police Department and authorize the Director of Emergency Services to sign the agreement.

VOTE: Yes: Doyle, Hammond, Kittle, Knight, McDonald, Verbeke
No: None

Motion Carried (6-0)

Resolution No. 13.06.091

9. NEW BUSINESS

9a Motion – Approval of Site Plan, Special Land Use Permits, and Tree Removal Permit / Ralco Industries Inc. World Headquarters

Mr. Cohen explained this site is located across from Fieldstone Golf Club. Ralco Industries has been located in Auburn Hills for 28 years and is currently occupying two buildings on Auburn Court. Ralco has outgrown the two current locations and is also in the process of diversifying their clientele and need to move to a larger facility. A 124,297 sq. ft. world headquarters and manufacturing facility is being proposed on 18.80 acres zoned I-2, General Industrial District. A Special Land Use Permit is needed for the stamping operation, as well as a small outside storage area in the rear of the building.

Mr. Cohen reminded Council it was the ordinance amendment permitting a building height to extend to 50 feet that allowed this project to move forward; the rear portion of the bay is 49 feet tall.

Continuing, Mr. Cohen noted the two curb cuts on Taylor Road, a number of access points for the truck traffic, and in general the plan has been reviewed and staff recommends approval. The whole team for Ralco Industries is present and available to answer any questions.

Bennett Donaldson stated Mr. Cohen did a thorough job of describing the project and asked if there were any questions. Ralco Industries is a stamping operation, but is moving forward with a new a wheelchair product which has recently been marketed overseas.

Mayor McDonald suggested the history of Ralco Industries be shared with the Council, noting the length of time the business has been in Auburn Hills, and wishes to build a new facility to remain in Auburn Hills.

Tom Ritter, CEO of Ralco Industries, stated the company has been in Auburn Hills since 1986, and is bursting at the seams. The metal stamping is only approximately 25% or 30% of the business. The company is more of a precision manufacturing, welding, and assembly facility. There is a lot of robotic welding, tubular manufacturing and metal stamping, supporting the automobile portion of the business. The company recently acquired technology from Johnson & Johnson known as push rim assist wheelchair, the only technology like this in the world. The wheelchairs will be exported to Europe, the Middle East, South America, Asia, Canada, as well as remaining in the U.S. The wheelchairs have passed FDA testing and are now moving into the production stage. The first orders have been received this week; both sides of the business are going very well.

Ms. Hammond questioned where the outside storage would be located.

Mr. Cohen explained the outdoor storage will be covered and screened from one side, with evergreen trees around the perimeter; and because it will be covered, the height will be restricted. It will be very difficult to see the outside storage because the facility will be so large.

Mr. Knight would generally be concerned about the press operation, but reading the detailed explanation provided, he is very comfortable with it and commended both staff and the petitioner for offering such a great explanation.

Ms. Doyle asked Mr. Ritter why he chose to stay and build in Auburn Hills.

Mr. Ritter stated the City has served his company well and is a great place to live and work. Auburn Hills is also the center of the universe for the American automobile. There have been various business climates over the years and things are again improving for the State and the State is treating businesses well; it is time to make a further investment. The company looks to Michigan colleges when seeking new employees.

Ms. Doyle asked if the new employees will be for the new wheelchair portion of the business and why the majority of the wheelchairs will be exported.
Mr. Ritter explained there is a 20% to 25% U.S. market for the wheelchairs, a small percentage largely because of Medicare and Medicaid systems don’t relate well to medical devices. The technology is very advanced, it looks like and acts as a typical wheelchair; however data is input that includes the weight and size of the user to enable the chair to climb ramps, travel across grass or uneven surfaces and when going downhill uses a braking system so the chair isn’t moving too quickly. Johnson & Johnson started marketing the wheelchair, but pulled it when trying to sell the I-bot; a much more expensive chair being aggressively marketed than the push rim assist chair. In some ways this chair is the predecessor to the Segway; the medical side of that technology.

Mr. Ritter continued, stating another reason this is such a welcomed wheelchair in Europe is because most countries are not ADA compliant as here in the U.S and have many cobblestone type streets and walks. There are 28 core countries in which this wheelchair will be marketed.

Ms. Doyle noted Auburn Hills is trying to be a very progressive community regarding environmental issues, and asked why it is so difficult for any new construction to be LEED certified, asking if it is meaningless.

Mr. Ritter stated meaningless isn’t correct, it is very expensive. The investment is greater than the return, if the cost can’t be recouped from producing any specific product. Everything that can be done, from a cost perspective, in constructing this building will be done; but many of the certification items are very expensive.

Responding to Mayor McDonald, Mr. Ritter stated the wheelchair is a complex rehab device, so they are custom built; each person has specific measurement taken to make a very specific chair for their body. This is the only robotically welded chair in the world, using the automotive technology has given them the ability of changing the way of making medical devices. The retail value of the chair is about $9,000.00.

Mr. Ritter confirmed for Ms. Verbeke that he will not allowing truck stacking on Taylor Road; there will be an adequate number of loading docks available so the trucks will not have to wait.

Moved by Knight; Seconded by Verbeke.
RESOLVED: To accept the Planning Commission’s recommendation and approve the Site Plan, Special Land Use Permits, and Tree Removal Permit for Ralco Industries, Inc. – World Headquarters subject to staff and consultant’s conditions.

VOTE: Yes: Doyle, Hammond, Kittle, Knight, McDonald, Verbeke
No: None

Motion Carried (6-0)

Resolution No. 13.06.092

9b. Motion – Accept the DOE Workplace Charging Challenge and Become a Partner in the Initiative

Mr. Cohen noted Auburn Hills has led Michigan and nationally in preparing for plug-in electric vehicles (PEV) with the help of the Clean Energy Coalition. The City has been making significant strides in preparing Michigan for the electric vehicles, but also has been looked at as a resource from several states, including outside the Midwest. The City has been included in handbooks for Hawaii, California, and Oregon, as how to adopt an ordinance to encourage developers to add PEV charging stations or prep for them for the future. The City has worked with 14 businesses over the two years, resulting in 58 spaces being prepped and 18 charging stations installed. The Department of Energy (DOE) has been very interested in what Auburn Hills has been doing. Last year he, Mr. Cohen traveled to Los Angeles and presented the City’s PEV sign which was designed by OHM and City staff. The sign has become the standard regulatory charging sign for the State of Michigan.

The City has been invited to become a partner with DOE; the City currently meets all conditions of becoming a partner. If Council chooses to become a partner, the announcement will be made in June along with several other companies becoming partners.

Mr. Cohen stated he is only aware of Sacramento being a partnering city.

Mr. Kittle commended Mr. Cohen on the information included in the packet being very thorough and very well done.

Moved by Verbeke; Seconded by Hammond.
RESOLVED: To accept the DOE’s Workplace Charging Challenge and become a Partner in the initiative.

VOTE: Yes: Doyle, Hammond, Kittle, Knight, McDonald, Verbeke
No: None

Motion Carried (6-0)

Resolution No. 13.06.093

9c. Motion – Accept the Fuel Forward Fleet Study and Adopt the Resolution Authorizing Efforts that Advance Alternative Fuel Adoption within the City’s Fleet and that Help to Support the Development of Alternative Vehicle Fueling Infrastructure within the City

Mr. Cohen introduced Mark Rabinsky and Heather Seyfarth, Clean Energy Coalition members he has been working with the last two years on preparing Michigan for plug-in electric vehicles (PEV). A second task force is currently working on planning for alternative fuel vehicles; compressed natural gas, propane and PEVs. As part of the City’s participation in two grants, the Clean Energy Coalition offered to do a fleet study, providing data to move forward with a propane program
for the police pursuit vehicles. Auburn Hills will be the first City in the State to adopt a resolution which allows for technology-neutral and cost effective alternative fuel vehicles.

Mark Rabinsky thanked Mr. Cohen and his team, noting as a municipality, Auburn Hills is second to none leading in the areas of alternate fuels and has been a great partner.

Mr. Rabinsky continued, stating CEC is a non-profit, non-partisan organization based in Ann Arbor. The Coalition is heavily focused on evaluating cost saving solutions, addressing environmental solutions through clean energy and reducing the amount of energy used. There are three separate divisions within the Coalition, and the Department of Energy (DOE) program lies in the vehicle technology division which focuses on reducing the amount of petroleum. This group currently runs the Ann Arbor’s Clean City’s program, as well as Detroit’s, which includes Oakland County.

Approximately two years ago, funding was received for the Plug-In Michigan Ready program. The Coalition worked closely with Mr. Cohen and his team and Auburn Hills to develop a State wide plan.

The Michigan Green Fleets program is able to develop a tool to evaluate fleets and the amount of energy fleets use; 2011 was used for the model. The goals are to reduce fuel costs, reduce the overall petroleum use, and overall greenhouse gas emissions. Fleet data gathered was type of vehicles, odometer readings, the calculated annual fuel use, which resulted in a baseline analysis determining how much fuel the fleet uses. In the end a petroleum reduction plan is established for cost reduction solutions, behavior changes, and developing scenarios to determine which alternative fuels or technologies make sense. During the 2011 period, the City spent approximately $285,000, using 2,000 gallons of fuel, resulting in over 1,200 tons of greenhouse gas emissions and over 2,200 barrels of petroleum.

Though the pick-up trucks used the most gas, the police pursuit vehicles had the largest emissions, because of the miles per gallon burned.

Ms. Doyle asked if the reason for the police emissions is from quick acceleration.

Mr. Rabinsky stated the large emissions are because of idling cars.

Continuing, Mr. Rabinsky explained the fuel spread cost is significant when comparing alternative fuels with gasoline; the alternatives are less.

Mr. Knight questioned the chart which shows the Charger police pursuit vehicles and the miles per gallon (mpg), noting the increase of mpg in 2011 and asked for an explanation.

Mr. Rabinsky questioned the statistics himself, and wasn’t sure what had occurred.

Mr. Knight also questioned the first graph showing the City fleet vehicles and requested an explanation of annual mileage for the vactor truck; how that vehicle could accumulate over 18,000 miles in a year.

Mr. Auger noted the vactor truck is on the road almost every day, and can very easily put on 18,000 miles a year.

Mr. Melechert explained the vactor truck is on the road the majority of the year, at least 340 days. The mileage includes back and forth to the job, back and forth for dumping as well as filling with water; there is a lot of travel time in preparing the vehicle to do its job.

Mr. Rabinsky suggested the police vehicles would be good candidates for alternative fuels and suggested if Council approves the suggestion, that a resolution be approved declaring the alternative fuel adoption; being the auto capital of the world. Mr. Rabinsky noted this year Chrysler will be marketing a Ram pick-up that will use compressed natural gas and offer through retrofits a propane alternative. Most auto manufacturers are moving toward offering alternative fueled vehicles.

Mr. Kittie stated he appreciates the job being done and would like to see less dependency on foreign fuels and the decrease of greenhouse gases.

Ms. Doyle questioned if the alternative fuel would decrease the amount of emissions from idling police pursuit vehicles.

Mr. Rabinsky stated there would be a savings with propane, but not a significant amount. Propane is a by-product of the refinery process, so there are some greenhouse gas emissions; it is also a domestic fuel that isn’t being imported. When the propane is pressurized it is in liquid form, but when released it becomes a gas.

Responding to Ms. Doyle, Mr. Rabinsky noted the positives of converting to propane is, less greenhouse gas emissions, significant cost savings, and it is a domestic fuel.

Moved by Verbeke; Seconded by Kittie.

RESOLVED: To accept the Fuel Forward Fleet Study conducted by the Clean Energy Coalition and adopt the enclosed resolution authorizing efforts that advance alternative fuel adoption within the City’s Fleet and that help to support the development of alternative vehicle fueling infrastructure within the City.

VOTE: Yes: Doyle, Hammond, Kittie, Knight, McDonald, Verbeke
No: None

Motion Carried (6-0)

Resolution No. 13.06.094

9d. Motion – Approve the purchase of eight (8) Propane Auto Gas Units/Installation/Training
City Council Minutes – June 3, 2013
Page 6

Mr. Melchert noted in February, Council approved the purchase of eight pursuit vehicles, to replace those which are reaching or have reached their service life. At the time, Police, Community Development and DPW met to discuss the possibility of using propane fuel for the pursuit vehicles. Other alternative fuel options were discussed; electric vehicles will not perform for pursuit vehicles as the charge does not hold all day; compressed natural gas is cost saving; however, the infrastructure to support could cost the City in excess of $1 million. Using compressed natural gas the garage would need to be modified to allow for extra ventilation. Continuing, Mr. Melchert explained the savings on investment with the propane alternative would be the best return on investment.

Mr. Melchert noted the highest annual fuel cost is for the pursuit vehicles, approximately $94,000 and second highest cost is for the DPW dump trucks and pick-up trucks. The City cost for propane gas is currently $1.69 per gallon; recent gasoline prices have been approximately $2.95 per gallon. This would result in an annual savings of $20,266.00. As gasoline prices increase, propane gas will also increase proportionately; as well as any deductions in cost. The annual miles traveled, per pursuit vehicle is 19,000 miles; the vehicle life on average is 4.72 years. Generally, during the third year of pursuit vehicles, new vehicles are already being looked at; the goal has been to try and keep those vehicles for 4.72 years, trying to break even.

The fuel economy loss is 10% and could be as high as 25% in some vehicles; the manufacturer of the system believes the savings to be less than 10%. The preventative maintenance is approximately 7% less than current. This is a bi-fuel system; the vehicle is started using gasoline and once the engine has warmed up, it will automatically switch to propane.

The change-over is seamless and unnoticeable and the performance of the vehicle is the same as using gasoline.

Regarding propane safety, there is no harm to the groundwater, surface water or soil from propane gas; being a gas it disseminates into the air. Propane can’t be ingested; it’s non-carcinogenic, non-toxic, and non-corrosive. There is an odorant added so leaks can be detected, as is done with natural gas. Of all the alternative fuels, propane has the least flammability range, an ignition source of at least 940 degrees is needed to ignite the propane, whereas gasoline’s ignition point is 430 to 500 degrees.

The fuel tanks are 20 times more puncture resistant than the current gasoline or diesel tanks and have over-filling prevention devices. There are also safety devices and shut-off valves in the event a fuel line ruptures. There is a pressure release valve installed in every tank in the event the pressure point is exceeded; the tanks, if properly maintained should last up to 40 years.

The DPW staff will be trained and receive certification to install and maintain the tanks. There is some concern with mechanical warranty issues; however, the Magnuson-Moss Warranty Act requires that the vehicle manufacturer must agree the after-market system addition is what caused the failure of the vehicle before the warranty can be voided. To date, he isn’t aware of any system that has been installed and has caused a warranty void of a vehicle.

Mr. Melchert went on to describe the fuel dispenser, being very similar to a gasoline fuel pump. With the purchase of the fuel, the pump will be included. It is anticipated to use approximately 13,000 gallons of propane for the eight vehicles in a year.

A number of locations have been considered for the pump; however, the most cost effective is the Mansion, near the circular driveway. The Mansion has the three-phase electrical that is required, and an electrical line could easily be run for the pump. This site also allows for easy maneuverability of the police vehicles.

Mayor McDonald asked if the propane fuel will extend the life of the cars. Mr. Melchert stated definitely for the engine life, but the other items such as the transmission and suspension will wear the same. When these vehicles wear-out, the propane units will be removed and the cars will transformed back to the original gasoline fueled vehicles and the units can then be installed in the new cars. The work will be completed by the trained and certified DPW staff.

Mayor McDonald asked for clarification, if the City was to only purchase the new cars, what savings would there be between doing nothing, adding the tanks, and taking into consideration the price of gas and the price of propane.

Mr. Melchert explained after the return on investment in 2.5 years, if the vehicle makes it to the 4.72 years, as it has, there is about a $44,000.00 savings overall.

Mr. Knight noted the presentation was well done and suggested looking into the device so the police vehicles don’t have to consistently idle.

Mr. Melchert stated that subject needs more research.

Ms. Doyle asked how Chrysler has responded to installing this technology in the Dodge Chargers.

Mr. Melchert stated Chrysler doesn’t have any issue with the installation; this particular auto fuel system has been installed on a number of Chargers throughout the Country. Chrysler may have an issue with the warranty if damage...
occurs; however, there is protection with the Magnuson-Moss Warranty Act. Some of the sales people have said there won’t be an issue; however, there are those that want to protect the company stating if there is damage, the warranty will not be valid.

Ms. Doyle stated her concern is the Magnuson-Moss Warranty Act is being used as a precedent, which may or may not work. She knows OEM’s will generally not honor a warranty if the vehicle has been altered unless possibly in court. Continuing, Ms. Doyle asked if American Alternative Fuel is a qualified vehicle manufacturer approved by Chrysler.

Mr. Melchert didn’t believe American Alternative Fuel Company is approved by Chrysler, nor are any others that he is aware of, with the exception of Rousch.

Ms. Doyle noted Rousch is currently working on some Ford vehicles, on a pilot program; so Ford has approved another manufacturer to modify Ford vehicles, but Chrysler has not. She is supportive of the idea, but is concerned the warranty for the Chargers will not be effective and having legal expenses incurred trying to enforce with Chrysler the Magnuson-Moss Warranty Act.

Mr. Melchert invited Ms. Doyle to the DPW building to see how non-invasive the unit installation is.

Ms. Doyle asked if any of the Auburn Hills’ officers have driven any of these vehicles, or have contacted the Livonia police department, who is partnering with Ford for the pilot program.

Mr. Melchert noted there are a few police agencies that use this fuel system, including London, Ontario, and all are pleased and anticipate on expanding their fleets; but no one has spoke with Livonia.

Director Olko stated a Dodge Charger was brought to the City for a few days to test drive. Sgt. Miarka and Lt. Gagnon both drove the retro-fitted car and didn’t notice any difference in the performance. Director Olko stated she was not aware of Livonia having any of these vehicles, noting she would call the Livonia Chief tomorrow.

Ms. Doyle stated the cost is $4,000.00 to convert each vehicle, and asked what the cost will be to revert back to gasoline at the end of the vehicles life.

Mr. Melchert stated the cost would be the DPW mechanic’s time. If this program goes well, there are plans to convert other pursuit vehicles as well as some DPW vehicles.

Ms. Doyle asked the life expectancy of the propane units.

Mr. Melchert stated those units may be used one other time for another vehicle; he isn’t sure if it can be extended to a third vehicle.

Mr. Kittle suggested having a statement in writing indicating the unit can be removed from the first vehicle and be installed on a second vehicle.

Mr. Kittle believed this is the way to go, as alternative fuels are used more the cost of the infrastructure will decrease as well as reducing the dependency on foreign oil. Continuing, Mr. Kittle noted on the cost comparison chart the price for propane is $1.69 per gallon and the cost of gasoline is listed as $2.95; how is the price of gasoline and propane determined.

Mr. Melchert explained the listed gasoline price is less taxes and a wholesale price.

Ms. Skinner confirmed no taxes are paid on the gasoline.

Mr. Kittle noted current wholesale propane gases as listed on the web list the price as approximately $1.00 per gallon.

Mr. Melchert understood there is a tax incentive from the government that the consumer may take advantage of; $0.50 per gallon. He will do more research to investigate prices.

Mr. Kittle questioned the safety of the tanks if there should be an explosion; with it being on the City Campus, would it put a number of people in harms way.

Mr. Melchert wasn’t sure what the results might be if an explosion occurred; however, there are a number of safety features on the pump system, including the tanks being much tougher than gasoline tanks. Armor piercing bullets have been used to put a hole through the tank with no explosion. Once the propane starts leaking, it dissipates into the air very rapidly; the propane is so cold, when it hits the air it dissipates.

Mr. Knight projects the propane fuel retro-fits will be so popular at the time the eight Chargers are ready to be replaced, that there won’t be a need to revert the cars back to gasoline and will be auctioned off as is. Continuing, Mr. Knight doesn’t believe the propane will explode, because of its high flash point.

Mr. Knight was concerned with the drastic difference in price of the propane gas units and wants to make sure the low bidder’s product is similar to the others.

Mr. Melchert stated that was a consideration when reviewing the bids; however, American Alternative Fuel was investigated, revealing they have been in business for several years, producing this equipment and performing the retro-fits for more than eight years. American Alternative Fuel has been successful with similar projects and nothing has been found to negatively impact the company. American Alternative Fuel will convert at least two vehicles in Auburn Hills, while training DPW staff on the installation, and once the Staff is comfortable with the installation, American Alternative Fuel will be done with the installations.
Ms. Doyle noted American Alternative Fuel is not certified by Chrysler, but asked if they are in good standing with Chrysler.

Mr. Melchert stated he isn’t sure if Chrysler Corporation is or is not in good standing with American Alternative Fuel. Many retrofit-fits have been done by American Alternative Fuel on Chrysler vehicles that are performing wonderfully.

Ms. Doyle asked who at Chrysler has been asked about this process.

Ms. Skinner stated she can’t recall the person’s name; however, he is in charge of dealerships, and in addition she spoke to the dealership salesperson.

Ms. Doyle stated she is in full support of this type of project, but she is concerned why OEM, located in Auburn Hills hasn’t been approached by the City in an attempt at forming a relationship, using OEM’s wisdom of people who are in charge of flexible fuel programs. Continuing, Ms. Doyle stated she would like to know what successful projects American Alternative Fuel has completed. She would also like to know someone at Chrysler who is familiar with American Alternative Fuel Company; all going back to the warranty issue.

Mr. Knight stated even if Chrysler is unhappy with this conversion, the warranty would be voided for the engine and fuel systems, not other issues.

Mr. Knight questioned if a motion could be made noting that after further investigating American Alternative Fuel Company, and it is decided the City criteria is not met, could the next low bidder be granted the bid without coming back to Council for approval.

Mr. Beckerleg stated yes, a motion could be made.

Ms. Doyle stated her concern would be there hasn’t been enough investigation into the next bidder.

Mr. Knight the motion could include the bid go to the next qualified low bidder; if the next low bid doesn’t check out, then proceed to the third or fourth if necessary.

Mr. Auger stated if Council wishes for the Staff to further investigate American Alternative Fuel Company before moving forward, they will do so, and if there are any red flags, the issue can be brought back to Council for approval.

Mr. Kittle noted there are many great questions raised on this issue and doing more homework is advisable, including a discussion with a knowledgeable person in power train or fuel systems and/or engineering and clarification about the warranty; looking at the price of liquid propane gas vs. assumptions made to validate the numbers. In principle, he believes the Council is in support of the project, but there is some uneasiness.

Mr. Auger agreed, explaining at the beginning of the process there were many reluctant Staff members. Director Olko was very concerned with how the propane tanks would react when police cars are rear ended and how to protect those officers, and the mechanics trying to figure out how the propane would work and why it worked. The London, Ontario police department has been using the propane tanks for 20 years. Both the Ontario mechanics and the police officers are very pleased with the systems and attesting how well they work. The return on investment in Ontario was very quick, because of the cost of their gasoline. The mechanics are very pleased with how clean the propane runs and noted less maintenance is needed. The Ontario mechanics still do routine maintenance on the vehicles such as suspension work and brake checks, but oil changes become almost non-existence. The cost Mr. Melchert indicated is on the conservative side. Also, Mr. Auger stated, most of the participating Staff was not excited about being part of this project, they too were skeptical, but all of them have done a lot of research to answer their many questions.

Mr. Kittle noted this is not new technology and Chrysler had a compressed natural gas program in the 1970’s and early 1980’s; Japan’s entire taxi fleet is compressed natural gas.

Mayor McDonald suggested the City contact Brian Glowiack, our contact from Chrysler, and find out from him how installing the propane retro-fits will affect Chrysler’s warranty.

Mr. Auger stated the City will be in contact with Chrysler, but he fears Chrysler will not take a public stance on this issue, but will give a nod that this technology exists. The OEM’s are all experimenting with different type alternative fuels, and each want their choice to be the widely accepted form with the American people.

Mr. Auger stated the City has talked with Chrysler, and the public approval that is being sought probably won’t happen. He believes Staff is satisfied with the off-the-record nod and the comments of what they’ve seen; Ontario also uses Chargers as their police vehicles. Mr. Auger noted the new Chargers have a rack in the trunk, directly ordered from Chrysler, for all the electronics which will allow room for the propane tank. The City and Chrysler have been working together this project, the City can reconnect with them, and Staff is still sure this is the way to proceed even without the public approval of a warranty. Chrysler does not want to commit to a warranty and have everyone and anyone retro-fitting cars.

Mayor McDonald isn’t so much concerned with the warranty, but would like some type of verification from Chrysler about the work being done on the cars; Chrysler may possibly have knowledge of American Alternative Fuel Company.

Mr. Kittle asked what type of warranty a police vehicle has with Chrysler.

Ms. Skinner stated a three year and 36,000 miles as of the last purchase.
Mr. Auger confirmed for Mayor McDonald that if Council moves forward, the City will make contact with Chrysler and report to Council the outcome.

Ms. Doyle suggested postponing this item until Staff has done some more research.

Mr. Knight stated he isn’t willing to postpone the motion, stating sometimes chances have to be taken; alternative fuels have been used for a number of years, and the investment is not that great compared with the return.

Mr. Kittle agreed with Mr. Knight, also noting he has faith in the Staff and confidence that the research was done.

Moved by Knight; Seconded by Hammond.

**RESOLVED:** To approve the purchase of the eight (8) Propane Auto Gas Units, including installation and training on new 2013 Dodge Charger Police pursuit vehicles, in the amount of $32,860.00 to American Alternative Fuel, 12634 Route 9 W, West Coxsackie, NY 12192, with the understanding that due diligence will be done as discussed.

**VOTE:** Yes: Hammond, Kittle, Knight, McDonald, Verbeke

No: Doyle

**Motion Carried (5-1)**

**Resolution No. 13.06.095**

9e. Motion – Approve purchase of Propane (minimum 10,000 gallons) and one (1) Propane Fueling Dispenser

Mr. Knight noted the City will be purchasing the propane dispenser, but the tank to be used is owned by Ferrell Gas. He assumes competitive bidding will take place when it is time to purchase more fuel, and questioned if fuel is purchased from a competitor, will Ferrell Gas remove the tank, requiring the City to purchase one.

Mr. Melchert explained one of the options in the proposal is for the City to purchase a tank, a new one at $3,200.00 or a used one at $1,200.00. The City will be provided with used tank; at the end of the $1.69 price guarantee for the year, when the City does the competitive bidding process and if Ferrell Gas is not the low bid, the City will have the option of purchasing the used tank for $1,200.00 or it can be removed and a tank be purchased elsewhere.

Mr. Kittle asked Mr. Melchert to clarify the cost as noted in the memo, which states Ferrell Gas submitting two bids; $2.39 per gallon of propane, a minimum of 1,000 gallons, with tank and the dispenser stays at zero dollars; the other $1.69 per gallon of propane with tank and if the dispenser stays the cost is $15,700.00, and asked if there was a third option. The dispenser with propane purchase at $2.30 is zero, with the $4,000.00 is baked in at the lower price.

Mr. Melchert explained the third option would be to purchase the tank itself.

Mr. Kittle suggested the possibility of postponing this motion or looking into the price of fuel; he believes it the wholesale prices or less the taxes should be less than $1.69 per gallon.

Mr. Melchert assured Mr. Kittle, the pricing will be investigated.

Mr. Knight explained if the City is going to use Ferrell Gas equipment, and eventually the City purchases fuel elsewhere, the $15,700.00 includes the tank.

Mayor McDonald asked if the City leases the tank, could in a year or so the City purchase the tank.

Mr. Melchert wasn’t sure; the proposals submitted didn’t include purchasing the leased tank. Mr. Melchert stated he is very comfortable that the City will see a return; the cost of the tank will be paid for very quickly.

Moved by Kittle; Seconded by Knight.

**RESOLVED:** To approve the purchase of a fuel dispenser in the amount of $15,700.00 and the purchase of propane fuel from Ferrell Gas, 15317 Telegraph Road, Monroe, MI  48161 for one year at a price of $1.69(9) per gallon (minimum 10,000 gallons) with the understanding that Staff will investigate the wholesale price of LPG before executing the contract.

Mr. Knight asked when the one-year contract starts, since the cars are not yet retro-fitted.

Mr. Melchert explained the price expires on June 30, 2014. Once Staff has done their due diligence, the contract will be signed and the amount locked in.

**VOTE:** Yes: Doyle, Hammond, Kittle, Knight, McDonald, Verbeke

No: None

**Motion Carried (6-0)**

**Resolution No. 13.06.096**

9f. Motion – Approve the purchase of a 2014 Combination Jet and Vacuum Truck

Mr. Melchert explained this vehicle is used almost every day, not only cleaning, but working with the camera crew to find deficiencies in the sewer system.

Mayor McDonald asked if this is a shared vehicle with other communities.

Mr. Melchert stated because this vehicle is used almost every day it isn’t shared.

Mr. Knight was disappointed he didn’t receive any information on this vehicle to review prior to the meeting, this is a $250,000.00 purchase that must be justified, believing it is necessary.
Mr. Herczeg explained this vehicle is already one year past being replaced. The trade-in value maximizes the value of the machine now, as opposed to later when it is worth much less. It helps to minimize the new cost. The maintenance on this machine isn’t cheap and the problems can’t always be fixed by the City mechanics.

Mr. Knight stated he would like a life cycle cost analysis on this machine as well as other machinery when being replaced.

Mr. Auger stated this should have been replaced last year; instead some repairs were made to make it through another year. This year the trade-in value is $175,000.00 and next year the trade-in value will be considerably less. If this machine is out of commission, being the only one the City owns, necessary sewer work can’t be done.

Mayor McDonald asked what the base price consisted of, and how the determination was made on which vehicle to purchase.

Mr. Herczeg explained not all the manufacturers use the same cab or chassis; the written specifications gave each manufacturer options to complete a truck. All the manufacturers offered slightly different options, which were tested by Staff and a side-by-side comparison done so all manufacturers were given the opportunity to submit a fair bid. The trade-in value was quite extreme; however, Jack Doheny has quite a network outside of Michigan and his machines seem to hold their value.

Responding to Mr. Knight, Mr. Herczeg stated all qualifying bids have the same cab and chassis and after all the options are added, they all become equivalent.

Ms. Verbeke asked the age of the vehicle, and what is the average life cycle for such a machine.

Mr. Herczeg stated the current vehicle is now entering its seventh year; they generally last six years. This is a separate line item in the 2013 budget.

Mr. Kittle asked what the line item of the budget is.

Mr. Herczeg stated $401,000.00 was budgeted.

Mr. Kittle was curious as to how the others don’t meet the specifications.

Mr. Herczeg stated Southeastern Equipment Company had five items that didn’t meet the specs, including not offering the debris hopper and it held only nine cubic yards, the specs state minimally 12 cubic yards. The PSI offered is less than requested as well and this company didn’t receive good reviews from a customer.

Mr. Kittle noted the trade-in value is worth noting and questioned if there has been any consideration in leasing this type of vehicle.

Mr. Herczeg stated leasing is a very expensive option. The payoff is the value the machine holds in trade-in, contractors and other communities look for the value of a trade-in. Another option is for the City to auction off the machine; however, the build and delivery time on the new machine takes six to eight months. It is difficult to have the machine sold and not release it until delivery of the new machine takes place a number of months later.

Mr. Herczeg confirmed for Mr. Kittle, yes, it is conceivable the money will not be spent until next fiscal year.

Ms. Doyle noted she is agreement with Mr. Knight and would like to see backup materials prior to agreeing to purchases.

Moved by Knight; Seconded by Hammond.

RESOLVED: To purchase one 2014 Combination Jet and Vacuum Truck from Jack Doheny Supply in the amount of $252,446.24.

Mr. Kittle requested a tour of the current vactor truck and to see the lease vs. buy analysis.

VOTE: Yes: Doyle, Hammond, Kittle, Knight, McDonald, Verbeke
No: None

Motion Carried (6-0)

Resolution No. 13.06.097

9g. Motion – Approve the Waiver of 1% City Admin Fee for Pontiac Schools Added Tax

Moved by Doyle; Seconded by Verbeke.

RESOLVED: To authorize the Treasurer’s Office not to collect the City’s 1% administration fee on that portion only of the tax bill relating to the special levy for the Pontiac School District’s MESSA judgment.

VOTE: Yes: Doyle, Hammond, Kittle, Knight, McDonald, Verbeke
No: None

Motion Carried (6-0)

Resolution No. 13.06.098

10. COMMENTS AND MOTIONS FROM COUNCIL

Ms. Hammond:

• It was brought to her attention by both residents and business owners that the lights downtown have been on during the day and asked if there was a reason they were on.
Mr. Melchert stated the Intel-Streets has been installed and programming has been ongoing, he will look into it; for the lights outside of the immediate downtown area, most likely maintenance is taking place.

- Ms. Hammond asked if a traffic light situation on northbound Squirrel, to westbound M-59 could be investigated by the Police; there is confusion among the drivers whether a car can proceed on red or not.
  Director Olko stated she would have Officers observe the situation tomorrow.

Mr. Knight:

- He missed Ms. Hammond at the Memorial Day Parade. There was a last minute fair; however, there was no entertainment for the children, so many ate and left. He hopes the City will work with the American Legion, along with other service clubs to provide entertainment for the children, such as the bouncey houses, and a band for the adults.
  Ms. Hammond suggested the City ask the American Legion if the help would be appreciated, and if so, what type of help they would like.
- Friday night is Concert in the Park and the following Thursday is a concert at the Community Center. There is also a dance floor at the Friday night concerts.

Mayor McDonald:

- Noted the DPS is now the DPW.
  Mr. Melchert noted there are slip-ups, but they are quickly correcting themselves.
- At the Goals and Objectives meeting there was some discussion regarding the Library and the possibility of Council having a joint meeting with the Library; at Mayor McDonald’s request, Mr. Tanghe sent a letter on behalf of Council requesting the meeting. A response was received from the Library Board President Mitchell, saying they would have to review the guidelines, policies, and recommendations by the State and the Library Association concerning having a joint meeting with other elected bodies.

11. CITY ATTORNEY'S REPORT – none.

12. CITY MANAGER'S REPORT

- Had a successful trip to the Mackinaw Policy Conference and will prepare a report to share with Council soon.

13. ADJOURNMENT The meeting adjourned at 9:52.
CALL TO ORDER: by Mayor McDonald at 5:30 p.m.
LOCATION: City Council Conference Room, 1827 N. Squirrel Road, Auburn Hills, MI 48326
Present: Mayor Pro Tem Hammond, Council Members Doyle, Kittle, Knight, Verbeke (arrived at 5:45 pm).
Absent: Councilman McDaniel
Also Present: Assistant City Manager Tanghe, City Manager Auger (arrived at 6:30), Director of Community Development Cohen, Economic Development Coordinator Renaud, City Treasurer Buschmohle, City Assessor Lohmeier, City Attorney Beckerleg, City Clerk Kowal, and Management Assistant Guest.

1. Discussion of Public Acts 198 & 328 by City Assessor Lohmeier

City Assessor Lohmeier began the discussion with Tax Incentive Policies. Most of the Local Business Property tax incentives are on industrial and some limited commercial properties. Public Act 198 applies to new and existing industrial real estate, while PA 210 applies to existing commercial real estate. Public Act 328 allows up to 100% for a business tied to a MEGA (Michigan Economic Growth Authority) credits.

In some instances abatements can be applied to new buildings as well as buildings needing replacement or rehabilitation. For new buildings, the taxes can be abated up to 50% while replacement or rehabilitated buildings can be abated up to 100%. PA 210 provides exemption of property taxes for the rehabilitation investment except for school operating and SET (State Education Tax) portions for qualified facilities that meet state standards and the city’s Tax Incentive Policy. Currently, the old Showcase Cinemas and the Big Buck Brewery meet PA 210 standards as they are both over 15 years old and over 3 acres in size.

Mr. Kittle inquired about the personal property tax (PPT) change, and what impact that could have on the City’s revenues. Mr. Lohmeier responded that the replacement for the PPT has not yet been interpreted by the State Tax Commission. He is waiting for formal interpretation by the State Tax Commission. The first change would be for businesses having taxable values of $40,000 and less. However, there is a vote required in August 2014 that could void the laws created in December 2012. The problem the Assessing Department faces today is how to manage the assessment roll assuming the exclusion of the $40,000 taxable value is and is not in effect. If voters do not vote favorably on the new laws, the exemption of the personal property tax for that $40,000 and under would be reversed.

The property owners of those affected parcels will be submitting an affidavit to the City stating that their PPT is $40,000 or less. If they have no SEV because of the exemption, and the election reverses the process, then we will have to estimate their SEV.
Council Members inquired as to the financial impact overall the loss of PPT on SEV’s of $40,000 or less will mean to our City. Mr. Lohmeier explained that it could mean a $5 million loss of taxable value.

Discussion took place about measures we can take to ensure that businesses are reporting the correct values of personal property on the affidavits. It is Mr. Lohmeiers understanding that we may have to keep two separate tax rolls. The only reasonable way to identify those parcels in order to go back and assign an SEV would be to have them on their own roll. We have not received formal directions from the State Tax Commission nor the County yet on how this will be handled.

Assessor Lohmeier and Treasurer Buschmohle informed City Council that a meeting took place with Oakland County regarding the Pontiac School District (PSD) proposed millage. The millage was part of a consent judgment entered into by the Pontiac School District to pay the Michigan Education Special Services Association, (MESSA) for unpaid medical insurance. The Auburn Hills residents who reside within the PSD may be assessed for that millage. Unless a court order or a state funding comes along, it will also be assessed on the residents and businesses in the district on the July tax bills. The deadline for determining whether or not the millage will be assessed on the July tax bill is quickly approaching.

On the agenda for tonight’s regular meeting is a proposal to waive the city’s 1% administration fee added onto the portion of the tax bill that is the PSD millage. Discussion by City Council Members ensued regarding this issue.

Mayor McDonald announced that he would like to postpone the workshop for July and possibly August due to various Council Members having vacations scheduled. Council agreed to cancel July but would like to plan on the August meeting. The Mayor concurred.

The workshop adjourned at 6:47 pm.
To: City Council  
From: Mayor James McDonald  
Submitted: June 13, 2013  
Subject: Motion – Confirming Appointment of Patricia Dolly to the Tax Increment Finance Authority to fill a vacancy for a term ending February 28, 2015.

INTRODUCTION AND HISTORY
Please consider confirming the following appointment/reappointment:

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<th>Name</th>
<th>Board</th>
<th>Term Ending Date</th>
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<tr>
<td>Patricia Dolly</td>
<td>Tax Increment Finance Authority</td>
<td>February 28, 2015</td>
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MOTION
Move to confirm the Appointment of Patricia Dolly to the Tax Increment Finance Authority for a term ending February 28, 2015.
The City of Auburn Hills
1827 N. Squirrel Road ∙ Auburn Hills MI 48326
Phone: 248-370-9400 ∙ Fax: 248-370-9348
www.auburnhills.org

APPLICATION FOR APPOINTMENT TO
CITY BOARDS AND COMMISSIONS

I AM INTERESTED IN: Tax Increment Finance Authority

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<th><a href="mailto:dolly@oakland.edu">dolly@oakland.edu</a></th>
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<tr>
<th>ARE YOU A CITIZEN OF THE UNITED STATES?</th>
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<tr>
<td>HAVE LIVED IN AUBURN HILLS</td>
<td>7 YEARS</td>
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| MILITARY HISTORY (include honors received): | N/A |

| CIVIC ACTIVITIES (offices held, honors, etc.): | See Attached |

| LIST NAME, ADDRESSES AND PHONE NUMBERS OF THREE REFERENCES NOT RELATED TO YOU: |
| Mary Stein, 415C Pawley Hall, Rochester, MI 48309 |
| Josephine Hairston, 204 Wilson Hall, Rochester, MI 48309 |
| Gary D. Russi, 204 Wilson Hall, Rochester, MI 48309 |

| EDUCATION: |
| High School |

| Business or Vocational |
| Aquinas College, B.S., Business Administration |
| Grand Rapids Community College, A.S., Applied Arts |

| College or Technical |

| Graduate or Professional |
| Western Michigan University, Ed.D., Educational Leadership, M.A., Organizational Communication |
| M.A., Educational Leadership - Concentration in Human Resource Development |
EMPLOYMENT:

Current Position of Employment: **Oakland University**

536 Wilson Hall, Rochester, MI 48309

Title of Position: Senior Advisor to the President, Diversity, Equity & Inclusion

Type of Business/Organization: University

Your Duties and Responsibilities: University-wide transformational role in aligning all initiatives, programs, workgroups and synergies into a clear and focused strategic direction for diversity, equity and inclusion. 2012-Present

Previous Positions of Employment:

- **Oakland Community College** Auburn Hills, MI 2006-2012
- **Ivy Tech Community College** Anderson, IN 2000-2012
- **University of Phoenix (Online)** Phoenix, AZ 2001-2003

ADDITIONAL INFORMATION YOU WISH TO INCLUDE (use separate sheet if necessary):

________________________________________________________________________

________________________________________________________________________

________________________________________________________________________

________________________________________________________________________

IF APPOINTED, DO YOU PREFER YOUR MAIL SENT TO: Business ☒ Residence

I HEREBY CERTIFY THAT THIS FORM IS TRUE AND ACCURATE TO THE BEST OF MY KNOWLEDGE.

(Signature)  

(Date) June 6, 2013
PROFESSIONAL ORGANIZATIONS AND AFFILIATIONS

Rotary International (Madison County Chapter)
The Links, Incorporated
Kiwanis (Bloomington Chapter)
National Alliance of Black School Educators (NABSE)
American Association for Higher Education (AAHE)
National University Continuing Education Association (NUCEA)
Kalamazoo Rotary
Professional and Executive Association of Kalamazoo (PEAK)
Southwestern Michigan Women's Association
The City of Auburn Hills
Retiree Health Care Board
Minutes

May 8, 2013

1. CALL TO ORDER: Chairman Brian Martin called the meeting to order at 1:07 p.m.

2. ROLL CALL
   Present: Mayor Pro Tem Hammond, Public Safety Representative B. Martin, City Clerk Kowal, Finance Director Barnes (arrived late), Clerical Representative Klobnock, Public Service Representative Smith
   Absent: Mayor Jim McDonald, City Manager Auger, Public Safety Representative Groehn
   Also Present: Katherine Ghannam, Asset Strategies; Attorney Aaron Castle, VanOverbeke, Michaud & Timmony, P.C; Sandra Rodwan, Rodwan Consulting Company

3. APPROVAL OF AGENDA
   Moved by Klobnock; Seconded by Hammond.
   RESOLVED: To approve the agenda as submitted
   VOTE: Yes: All
   No: None
   Motion Carried (5-0)

4. CONSENT AGENDA
   4a. Approval of Minutes for February 13, 2013 and April 16, 2013
   4c. Approve payment of invoice #3701 in the amount of $5,000.00 to Asset Strategies for Services rendered for the Second Quarter 2013.
   Moved by Kowal; Seconded by Klobnock.
   RESOLVED: To approve the Consent Agenda as submitted
   VOTE: Yes: All
   No: None
   Motion Carried (5-0)

5. OLD BUSINESS – none.

6. NEW BUSINESS
   6a. First Quarter Performance Report as prepared by Asset Strategies
   Ms. Ghannam noted the U.S. Equity Market returns were in double digits for the last quarter; the International Equity Markets are up as well, into the single digits. Overall the quarter has been very good. The Global Fixed Income had negative returns because of the rise of interest rates. Emerging markets have not recovered since 2008; none of the other countries have recovered nearly as well as the U.S. markets. The quarter has been a great one with no sizeable corrections of any type. Total Fund results were very strong and ranked near the top of the quarter of health and welfare plans and close to performance expectations after 6.75 years. On January 14, 2013, the entire proceeds (approximately $2,367,000) from the full liquidation of the Vanguard Russell 10000 ETF were invested in...
the BlackRock Russell 1000 Index Fund. The full quarter combined return of both managers was +10.76% versus the Russell 1000 return of +10.96%.

Hatteras Core Alternatives trailed the peer group benchmark, but exceeded the longer-term benchmark.

Moved by Klobnock; Seconded by Kowal.

RESOLVED: To accept the First Quarter 2013 Performance Report as prepared by Asset Strategies.

VOTE: Yes: All
No: None

Motion Carried (6-0)

6b. Discussion of Management for PIMCO and S & P Low Volatility Index

PIMCO is an institutional mutual fund, so there is no contract to review; however, Mr. Michaud reviewed and approved the prospectus and information. Pertaining to the Retiree Health Care Plan, the PIMCO Fund acts as the custodian to purchase on the City's behalf and it will be a line item. For the Pension Plan, it is set-up as part of the fixed income portfolio directly with PIMCO and it only takes an authorized signature to move funds from the PIMCO Total Return to institutional mutual funds.

Regarding the Low Volatility Index fund, Ms. Ghannam reminded the Board of the changes that were made at the April Special meeting. Initially there were 57 firms offering low volatility strategies, and after all the screenings were complete there were three firms that met certain criteria. Of those three, two firms have minimum investment and minimum fee requirements fitting into the City's parameters. LS Investment Advisors is located in Bloomfield Hills and Asset Strategies has a number of clients who work with LS Investment Advisors. LS Investment Advisors has no litigation and have world-wide assets. LS Investment Advisors is separate account, which means the securities would be purchased and put in the custody of Comerica Bank.

Invesco Powershares is located in Wheaton, Illinois, a suburb of Chicago and is a wholly owned subsidiary and a distributor of ETF’s, exchange traded fund. If using Invesco Powershares, Comerica or another institutional broker would have to purchase the ETF for the City.

The investment philosophy for LS Investment Advisors and Powershares, is to purchase 100 of the lowest volatility stock available in the SP 500 index. The securities are weighted relative to the inverse of their realized volatility, with the least volatile stocks receiving the highest weights. The index is rebalanced in February, May, August and November based on market data as of the last business day of January, April, July and October. In some cases all the stocks may be turned over because of their performance, but that isn't generally the case.

The low volatility index for both managers is the same. The stocks that have good yields tend to be less volatile, because the yield can support the stock value.

Relative to the fees, currently with BlackRock, the fee is $6,500 with line item custody fees, LS Investment Advisors fee is $15,600 with separate account custody fees and Powershares fee is $32,500, brokerage fees and a line item custody fee.

The Low Volatility makes the losses a little easier, but the increases are not as high as other funds; however, over the course of time the S & P 500 Low Volatility generally out performs the other funds.

Ms. Ghannam explained 25% of the Retiree Health Care money, or $3.1 million is to be directed to the Low Volatility strategy and we will be doing away with BlackRock, as approved at the previous meeting.

Mr. Martin noted this was the Mix 3 strategy that Mr. Vitta presented at the previous meeting; Mix 3 gave the highest return with the lowest volatility.

Mr. Barnes is concerned with transferring 25% of the money into a low volatility fund, noting a good portion is in utilities; after moving funds last November, just prior to the stock market rising 15% and losing a substantial amount of money.

Ms. Ghannam explained over the long run, the objective is to have diverse allocations and take the best steps necessary to diversify and to protect on the downside. She continued, noting the Policy and the Allocation Review would be updated to reflect the change from BlackRock to S&P Low Volatility.

Mr. Barnes commented after seeing what the market has done, he isn’t as convinced this is the right change to make as he was previously.
Mr. Martin noted this new strategy out-performs in the long run; higher yield with less risk. Mr. Martin agreed, short term gains may be missed, but also will long term losses. Dealing with the information at hand, he believes the Board made the right decision.

Moved by Klobnock; Seconded by Hammond.

RESOLVED: To approve LS Investment Advisors as the Low Volatility Index Manager.

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

Ms. Ghannam stated she would proceed and implement the new changes, which should be effective June 1st.

Responding to Ms. Klobnock, Mr. Barnes stated Comerica fees are generally two basis points.

7. LEGISLATIVE UPDATES

7a. Presentation by Aaron Castle, Esq., regarding the Service Provider Disclosure Policy.

7b. Resolution for Disclosure Policy

Aaron Castle introduced himself, stating he is filling in for Mr. Michaud. Mr. Castle noted this Service Provider Disclosure Policy applies to both the Retiree Health Care and the Pension Boards.

At the February meeting an extensive discussion took place regarding the Service Provider Disclosure Policy, pending amendments to Act 314, of Public Act 347. The amendments went into effect March 28, 2013 and it is now required that a service provider make available a written disclosure of all fees or other compensation associated with its relationship with the system. This would include the attorney, actuarial, investment custodian; they must all certify that they have followed the rules of Act 314.

The policy as presented includes two additions; the last paragraph of page one, defining an investment service provider and on page two, dates that will be needed.

Based on information available, two forms have been created to conform to Act 314; Compensation Disclosure Form and Political Contribution Disclosure Form. These forms have also been updated to include a reporting period as well as the amount, and disclosure language noting failure to complete or submit the form is a violation of Michigan law.

Mr. Castle explained the Policy Resolution has a space for the Board to determine what month of each year to require service providers to complete the disclosure forms. With this being a new law, he is sure many of the service providers will have questions regarding the disclosure forms.

Mr. Barnes requested the resolution have an annual mid-year date as opposed to end-of-the-year when it tends to be more busy with auditors and closing out the year.

Mr. Castle explained he had spoke earlier with Chair Martin, and understood the exact meeting dates of these Boards fluctuate some and suggested the annual date may be noted as the May meeting when the Board will approve the distribution of the disclosure forms.

Mr. Martin suggested using ‘the second meeting of the year’ or ‘second quarterly meeting’, in the event a May meeting doesn’t take place, for any reason.

Mr. Castle confirmed for Mr. Barnes the Board doesn’t have to meet to approve the forms every year prior to mailing; so yes, the resolution could state May is when the disclosure forms must be mailed. The resolution could state May 1st for mailing the disclosure forms and the form specifies it must be returned to the City within 28 days.

It was determined since this law became effective in March, that the disclosure forms should be sent out as soon as possible, complying with the Board’s decision of making May the annual month of mailing.

After some discussion, the consensus was a letter and the disclosure form would be sent by the City Clerk, after receiving addresses for the managers from Asset Strategies and the letter being reviewed by counsel.

Mr. Castle stated it was only necessary to receive and file the forms; the forms are a means of transparency and there isn’t any penalty associated with any contributions made.

Mr. Castle noted he would make the clerical corrections on the form and then e-mail them to Ms. Kowal.

Moved by Klobnock; Seconded by Kowal.
RESOLVED: To approve the Service Provider Disclosure Policy Resolution, including the annual month of May for disclosure forms to be mailed; approve the Compensation Disclosure Form and the Political Contribution Disclosure Form, with clerical changes, and have the City Clerk send those forms as required.

VOTE: Yes: All
No: None

Motion Carried (6-0)

8. OPEN BUSINESS

Presentation by Rodwan Consulting of the Actuary Valuations for 12/31/2012

Sandra Rodwan presented the December 31, 2012 actuarial report, stating both the Retiree Health Care and the Pension Plan had successful investment experiences. Data received from the Finance Department was used; current employees as well as retired employees covered by these Plans, as well as assets and costs for the Plans. There are 148 active employees covered by the Plans and 65 retirees. Last year there were 62 retirees receiving benefits and 137 active employees.

The liabilities are computed based on long term assumptions; the key assumption is the long term investment return of the discount rate, 7.5% and assuming 5% inflation for medical care costs. If medical costs increase at rates higher, then the future contributions must be increased significantly. She doesn’t see the rates increasing less than 5%.

The total liabilities, the accrued benefits for the active employees was $12 million and the retirees was $9 million and the total accrued liabilities was $21.2 million, up from $19.8 million last year. The funding value of assets, the market value, is $11.6 million up from $10.3 million last year. The unfunded accrued liabilities are $9.5 million, which will be amortized over a period of 30 years, the maximum time allowed under reporting standards. The total contribution rate is 11.12% of pay, down from last year; just over $1 million.

Effective January 1, 2012, new hires will participate in the City’s new health savings plan and not be a part of the current plan.

Mortality is key in these evaluations, and currently the table being used is from 1983 which has women living longer than currently projected. If a new table is created it would show the mortality rate for men to rise and women to remain similar to the current table.

The assumption table for retiring does not assume people retire immediately upon eligibility; however, it is being seen more frequently.

Responding to Mr. Barnes, Ms. Rodwan noted the 1983 Mortality Table is not the norm any longer; at one time it was referenced by the IRS so it was being used. There are other tables available and assumptions can be based on the other tables, but she isn’t uncomfortable using the 1983 table.

Mr. Barnes stated he would prefer to use any table that has realistic expectancies.

Ms. Rodwan stated that could be investigated.

The premium costs are similar to last year, with the drug costs decreasing a little.

Retiree Health Care benefits reported as being paid was $939,000, with the contribution just being slightly more than the approximately $1 million.

Mr. Barnes noted in the recent past there was a gap of about $400,000 and each year since, that gap has gotten smaller and soon it will balance out.

This plan is very well funded, 55%, as compared to many others who are much less than 55%. If making the plan better funded, Ms. Rodwan suggested using less than the 30 year amortization.

Ms. Rodwan, agreed with Mr. Barnes, believing the GASBE doesn’t affect the retiree health, only the pension.

Mr. Castle interjected it would depend on what the City’s Plan stipulates.

Moved by Mr. Barnes; Seconded by Klobnock.

RESOLVED: To accept the December 31, 2012 Retiree Health Care Actuarial Report as submitted and to specifically accept the contribution rate 11.12%.

VOTE: Yes: All
No: None

Motion Carried (6-0)
9. ADJOURNMENT

The meeting adjourned at 2:35 p.m.

Respectively Submitted,
Kathleen Novak, Records Retention Clerk
JUNE 17, 2013

The City of Auburn Hills
Pension Board Meeting
Minutes

May 8, 2013

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

1. CALL TO ORDER: Chairman Martin called the meeting to order at 2:35 p.m.

2. ROLL CALL

   Present: Mayor Pro Tem Hammond, City Clerk Kowal, Finance Director Barnes, Public Safety Representative Martin, Clerical Representative Klobnock, Public Service Representative Lane.

   Absent: Mayor McDonald, City Manager Auger, Public Safety Representative Groehn

   Also Present: Katherine Ghannam, Asset Strategies; Attorney Aaron Castle, VanOverbeke, Michaud & Timmony, P.C; Sandra Rodwan, Rodwan Consulting Company

3. APPROVAL OF THE AGENDA

   Moved by Klobnock; Seconded by Hammond.

   RESOLVED: To approve the agenda as submitted.

   VOTE: Yes: All

   No: None

   Motion carried (6-0)

4. CONSENT AGENDA

   4a. Approve Pension Board Meetings of February 13, 2013 and April 16, 2013


   4c. Approve payment in the amount of $2666.67 to Asset Strategies for services rendered for invoice 3665 for the month of March 2013.

   4d. Approve payment in the amount of $2666.67 to Asset Strategies for services rendered for invoice 3684 for the month of April 2013.

   4e. Approve payment in the amount of $2666.67 to Asset Strategies for services rendered for invoice 3684 for the month of May 2013.

   4f. Approve payment to VanOverbeke and Michaud in the amount of $3,902.50 for the period of October 1, 2012 to December 31, 2012

   Moved by Klobnock; Seconded by Barnes.

   RESOLVED: To approve the Consent Agenda.

   VOTE: Yes: All

   No: None

   Motion carried (6-0)

5. OLD BUSINESS – none.

6. NEW BUSINESS

   6a. Presentation by Rodwan Consulting of the Actuary Valuations for 12/31/2012

   Ms. Rodwan explained the purpose of the annual actuarial valuation for the Pension Plan as of December 31, 2012 is to compute the present value of future pension benefits likely to be paid on behalf of current
retired and active members of the Pension Plan and to compute the City’s recommended contribution rate for the fiscal year beginning January 1, 2014.

The City’s contribution for the fiscal year beginning January 1, 2014 has been computed to be $697,085, which is 21.69% of active member valuation payroll as of December 31, 2012. The contribution rate was computed using the aggregate actuarial cost method which is appropriate for retirement systems that are closed to new hires.

The aggregate method produces an employer contribution rate which together with current assets, investment earnings and member contributions can be expected to accumulate over the future working lifetimes of active pension members to the value of the benefits payable at retirement.

The overall experience of the Pension Plan during 2012 was more favorable than expected. The primary source of the favorable experience was investment income which was greater than assumed. The decrease in the City’s computed contribution reflects the favorable experience, reducing the City’s contribution rate by 0.66% of active payroll. The financial security of the Pension Plan continues to depend upon receipt of future contributions as recommended.

The employer contribution rate computed in this valuation based on the aggregate actuarial cost method was 21.69% of payroll.

As of December 31, 2012, the net market value of the Pension Plan assets was reported to be $43,553,899. The net market value used for the valuation as of December 31, 2011 was $39,509,413.

There were 87 retirees and beneficiaries and one alternate payee included in the valuation, with annual pensions totaling $2,057,684. Four members retired during 2012 and one additional retirement was added from inactive vested status. No retirees were removed.

Mr. Lane was curious if a Pension fund outlives all the fund beneficiaries, what happens with the remaining funds.

Ms. Rodwan didn’t know of any such instance; however, she believed the funds would revert back to the municipality after all obligations had been fulfilled.

Mr. Castle agreed with Ms. Rodwan, once all obligations have been met, the remaining funds would go back to the municipality.

Mr. Barnes noted the City auditors question when the City should begin using the recommended contribution rate; as indicated in this report it states 2014. He asked if it is possible to begin or have the date changed to 2013.

Ms. Rodwan confirmed the date could be changed to 2013.

Mr. Barnes requested changing the date to 2013 and to re-issue a copy of the report for his files.

Mr. Martin noted one of the assumptions is a 5% salary increase, and asked if the contribution percentage is based on the increased totals; he questions the opportunity for any raises.

Ms. Rodwan explained even though there probably won’t be a 5% salary increase, there will be an actuarial gain; an employee’s liability will be less.

Moved by Klobnocking; Seconded by Lane.

RESOLVED: To accept the Actuary Valuations for 2012 presented by Rodwan Consulting with a City contribution rate of 21.69% and the recommended contribution period begin January 1, 2013 as opposed to 2014.

VOTE: Yes: All
No: None

Motion Carried (6-0)

Responding to Ms. Klobnocking, Ms. Rodwan explained the experience study allows the Board to review and discuss the assumptions that are being used and possibly make changes as needed. The study is recommended every five or so years, but is not mandatory.

6b. Review Search Report for Manager for S & P Low Volatility Index

Ms. Ghannam noted the discussion that took place for the Retiree Health Care Board, also applies to this Board. At the last Pension Board meeting the allocation of 20% to a new low volatility manager or $9.1 million, was approved.
Moved by Hammond; Seconded by Kowal.
RESOLVED: To accept Asset Strategies Manager search report and the selection of LS Investment Advisors as the Low Volatility Index Manager

VOTE: Yes: All
No: None

Motion Carried (6-0)

6c. Discussion of Management of PIMCO All Asset All Authority Fund
Ms. Ghannam noted Attorney Michaud reviewed the PIMCO contract and found it to be satisfactory. Continuing, Ms. Ghannam stated the PIMCO All Asset fund, which is the fixed asset fund, is investing directly with PIMCO. To begin the allocation an authorized Pension Board Member requesting the allocation of funds to the PIMCO All Asset All Authority fund is needed.

6d. First Quarter of 2013 Performance Report as prepared and presented by Asset Strategies
Ms. Ghannam reviewed the first quarter report noting total fund result of 5.68% exceeded the Policy Index by 24 basis points due to strong results from Rothschild, Vontobel and PIMCO Total Return Fund. Over longer periods, total fund results are ahead of return, risk and peer group expectations.

The Lyster Watson's holdback value of $170,189 is scheduled to be returned within 30 days, following the completion of the Fund's annual audit for 2012, which should be June 2013, or so.

As of April 26, all investment allocations were close to target and no violations of investment guidelines were detected.

Based on the funding liquidity needs for July through December 2013 it is being recommended that $100,000 be taken each month from the PIMCO Total Return Fund and $125,000 for the month of June.

Ms. Ghannam noted as soon the LS Investment Advisors contract has been reviewed by the Attorney, she will move forward with implementing the allocation as approved, with a target date of June 1st.

Moved by Klobnock; Seconded by Kowal.
RESOLVED: To accept the First Quarter 2013 Performance Report and Liquidity schedule as prepared by Asset Strategies.

VOTE: Yes: All
No: None

Motion Carried (6-0)

7. OPEN BUSINESS – none.

8. LEGISLATIVE
8a. Presentation by Aaron Castle, Esq., regarding the Service Provider Disclosure Policy &
8b. Approve Resolution

Mr. Martin noted the discussion that took place during the Retiree Health Care Board meeting, applies to the Pension Board as well. This is to include the date in the Policy as May and clerical corrections be made to the Resolution.

Mr. Castle suggested Ms. Kowal send letters to all parties the policy pertains to, on behalf of each Board, though there may be some overlap.

Ms. Klobnock asked if Comerica should also receive the disclosure forms.

Mr. Castle stated yes, any and all that have any participation in either plan.

Moved by Klobnock; Seconded by Lane.
RESOLVED: To Adopt the Service Provider Disclosure Policy, including the annual month of May for disclosure forms to be mailed; approve the Compensation Disclosure Form and the Political Contribution Disclosure Form, with clerical changes.

VOTE: Yes: All
No: None

Motion Carried (6-0)

9. OPEN BUSINESS
Mr. Barnes requested the actuarial audit be completed and ready for the City auditors review by March 1st.
Mr. Castle stated under the ‘basket clause’ Auburn Hills can invest up to 5% in real estate and 5% for indirect real estate.

Mr. Castle noted a good faith effort to comply with Act 347 is required, but there is no deadline.

10. ADJOURNMENT

The meeting was adjourned at 2:47 p.m.

Respectfully submitted,
Kathleen Novak
Records Retention Clerk
LOCATION: Administrative Conference Room, 1827 N. Squirrel Road, Auburn Hills MI 48326

1. CALL TO ORDER: Chairperson DeClerck called the meeting to order at 5:30 p.m.

2. ROLL CALL: Present: DeClerck, Iacobelli, Landsberg, Nelson and Kittle
   Also Present: City Assessor Lohmeier, Deputy Assessor Blinkilde
   Absent: none

3. APPROVAL OF MINUTES – April 8, 2013
   Motion by Mr. Landsberg that the TIRC minutes of April 8, 2013 be accepted, as written.
   Supported by Mr. Iacobelli
   VOTE: Yes: All
   No: None
   Motion carried (5-0)

4. OLD BUSINESS – None

5. NEW BUSINESS
   a. Request for IFEC (Real and Personal Property) – Ralco Industries, Inc.

   Ralco Industries, Inc. (Ralco), was represented by Jim Piper (President and owner), Tom
   Gitter (CEO and owner) and Paul Delong (CFO). The company has been in business since
   1970, since 1986 in Auburn Hills. They provide stampings and welded assemblies to their
   customers which include the automotive and truck industries, among others.

   Currently located at 2720 Auburn Ct., Ralco is interested in constructing a new 124,000
   square foot building on Taylor Road. This move is necessary because they have outgrown
   their current facility. The new facility will be used for current manufacturing processes as well
   as research and development for current and future products. The company is diversifying
   into the wheelchair manufacturing market (dba Clinton River Medical Products), using tubular
   products that will be bent to create the structure of the chair. Future plans include an
   expansion of the current building to house the manufacturing of this product. They are
   working with the State of Michigan for incentives.

   Ralco had partnered with Plex Systems (another Auburn Hills company), and has
   successfully implemented their ERP system that helps the company standardize, plan and
   implement their business and manufacturing processes. Mr. Piper stated that their goal is to
   be the benchmark for the industry. That is why they have worked with Plex Systems to
differentiate themselves from their competitors. All products produced by Ralco require tight tolerances (+/- thickness of a strand of hair), which they have the technology to provide.

Ralco has a purchase offer on the aforementioned property, but have not closed on it, to date. The sale is contingent upon site plan approval for this project. They will appear before the Planning Commission on May 28th. They understand that the closing has to occur before they can appear before city council. They hope to occupy the new facility in the first quarter of 2014.

Mr. Kittle questioned the wide range of the number of new jobs listed on the application. Mr. Gitter said that the number of new jobs was dependent on the progress of the Clinton River Medical wheelchair project.

Mr. Landsberg questioned the term “significant” in the answer to question 10 on the Supplemental Information of the application that states “no significant air emissions”. Messrs. Piper and Gitter clarified that there is some smell to the materials used in their processes, but it is minimal.

Mr. Nelson asked whether or not there would be a 3rd shift. Mr. Gitter said that occasionally a 3rd shift is run if it is required to keep up with their contracts.

Motion by Mr. Iacobelli, to forward to city council, a recommendation to approve the request from Ralco for a tax abatement for both real and personal property to be constructed/installed on Taylor Road (Parcel IDs: 14-10-200-015 and -016). This recommendation is contingent upon:

1. Site plan approval
2. Closing on real property
3. City’s receipt of executed lease
4. Corporate documents that show the parties are commonly owned.

The committee recommends an 8 year abatement starting on 12/31/2013 and ending 12/30/2021. In addition, this also includes the requirement to operate the facility at that location for 2 years after the certificate expires.

Supported by Mr. Landsberg

Discussion: There was discussion about the timing of the site plan approval versus closing on the real estate, versus IFEC approval, as it relates to when the company could start spending money on the project. Mr. Lohmeier indicated that the Auburn Hills Tax Incentive Policy requires that the application needs to be filed prior to any spending, so the company can begin at any time.

Motion carried (5-0)

6. CITY COUNCIL UPDATE –
   - Mr. Lohmeier discussed the city council actions pertaining to the Faurecia IFEC application and waiver of the clawback requirement for their IFEC at 900 N. Squirrel. Both items were approved. Louca Mold and Machining will appear before council on May 20th.

7. OTHER - none

8. ADJOURNMENT - There being no objections, the meeting was adjourned at 6:02 p.m.

Next meeting:       June 10, 2013

Karen Blinkilde, Deputy Assessor

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

1. CALL TO ORDER: Chairperson DeClerck called the meeting to order at 5:32 p.m.

2. ROLL CALL: Present: DeClerck, Iacobelli, Landsberg, Nelson and Kittle
Also Present: City Assessor Lohmeier, Deputy Assessor Blinkilde, Economic Development Coordinator Renaud
Absent: none

3. APPROVAL OF MINUTES – May 13, 2013

Motion by Mr. Landsberg that the TIRC minutes of May 13, 2013 be accepted, as written.

Supported by Mr. Iacobelli

VOTE: Yes: All
No: None

Motion carried (5-0)

4. OLD BUSINESS – None

5. NEW BUSINESS

a. Request for New Facility IFEC (Personal Property) – Caisson Technology Group LLC

Caisson Technology Group LLS (Caisson), was represented by Lou Conti (President and CEO). The company has been in business since 2011 and is relocating to 10 Corporate Drive from Cincinnati, Ohio.

Excerpt from the handout presented: “The Company’s decision to locate in the Auburn Hills area is based on an extensive study of other states within the US. No other area we feel provides the wealth of technical expertise or core capabilities available in the metropolitan Detroit area”.

Caisson has developed a process that improves the composition of diesel fuel so that it burns more efficiently and results in better mileage. This endeavor is focused on the trucking industry; however, this process also has applications in the pharmaceutical and water remediation industries, among others, so there is a great potential for their future growth, both domestic and globally.
The initial product is market ready and the company expects to exceed their production goal this year and their projections for $20 million in sales. The company wishes to stay in Michigan to take advantage of working with local universities to further develop this process and develop other applications. They expect to hire 377 new employees by the end of their third year.

Caisson has a signed lease for the term June 15, 2013 through August 31, 2018 and will be deciding whether to purchase this building or construct a new building when the lease expires. They are requesting a 3 year abatement and understand the 2 year clawback requirement per the Tax Incentive Policy.

Motion by Mr. Iacobelli, to forward to city council, a recommendation to approve the request from Caisson Technology for a tax abatement for $8,552,000 of personal property to be installed at 10 Corporate Drive (Parcel ID: 14-26-376-010). The committee recommends a 3 year abatement starting on 12/31/2013 and ending 12/30/2016. In addition, this also includes the requirement to operate the facility at that location for 2 years after the certificate expires.

Supported by Mr. Landsberg  
Motion carried (5-0)

b. Request for IDD – NDA Auburn LLC

NDA Auburn LLC was represented by Ryan Dembs (President, Amson Dembs Development, Inc.). The company has recently purchased the former Showcase Cinema property at 2150 N Opdyke Road (Parcel ID: 14-14-176-007), for redevelopment. Their plan is to demolish the old theater, renovate the site with landscaping and berming and to split the property into two parcels and build a new headquarters for GKN Driveline North America on the northern portion of the property, then seek a tenant and construct a second building on the southern portion of the property sometime in the future. Both buildings will be used for technology and research activities. Establishing the IDD will allow the city to consider future IFEC applications for personal property and new building construction.

Motion by Mr. Iacobelli, to forward to city council, a recommendation to approve the request from NDA Auburn LLC to establish an Industrial Development District for 2150 N Opdyke Road (Parcel ID: 14-14-176-007)

Supported by Mr. Landsberg  
Motion carried (5-0)

c. Request for PRD – NDA Auburn LLC

NDA Auburn LLC was represented by Ryan Dembs (President, Amson Dembs Development, Inc.). As noted in the previous section, the company has recently purchased the former Showcase Cinema property for redevelopment. Their plan is to demolish the old theater and construct a new headquarters building for GKN Driveline North America, Inc. This qualifies them for consideration for a rehabilitation IFEC on this site which requires the establishment of a Plant Rehabilitation District (PRD) before TIRC or the council can consider the IFEC application.

Motion by Mr. Nelson, to forward to city council, a recommendation to approve the request from NDA Auburn LLC to establish a Plant Rehabilitation District for 2150 Opdyke Road (Parcel ID: 14-14-176-007)

Supported by Mr. Landsberg  
Motion carried (5-0)
d. **Request for IDD – City of Auburn Hills**

The City of Auburn Hills was represented by Tom Tanghe (Assistant City Manager). The City owns the property directly south of the NDA Auburn LLC property, also known as the former Auburn Hills Fire Station property (Parcel ID: 14-14-176-008). Mr. Tanghe is currently in negotiations with Mr. Dembs and Gongos Research to purchase separate portions of this parcel. Mr. Dembs is interested in the northern portion of this parcel for Phase II of his development plan for the former Showcase Cinema property which includes the construction of another building for technology and research purposes which will require an IDD designation for this parcel for future IFEC application(s).

Motion by Mr. Nelson, to forward to city council, a recommendation to approve the request from the City of Auburn Hills to establish an Industrial Development District for 2060 N Opdyke Road (Parcel ID: 14-14-176-008).

Supported by Mr. Landsberg

Motion carried (5-0)

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e. **Request for Rehabilitation IFEC (Real Property) – GKN Driveline North America**

GKN Driveline North America (GKN) was represented by James Kane, Mick Nylander (GKN General Counsel), and Paul Westman (GKN VP of Taxation). The company is working with Amson Dembs Development to construct a 160,000 square foot building on the northern portion of the former Showcase Cinema property. According to PA 198, they would qualify for consideration of a rehab IFEC because they would be replacing an obsolete building.

GKN is a global engineering firm with 324 employees and is currently located at 3300 University Drive. Their current facility does not allow them the capacity to grow their business, so they are pursuing the construction of a new research and development/engineering facility to better meet their current and future needs. The current lease at 3300 University Drive expires January 1, 2014.

Mr. DeClerck asked if their building plans include any “green” building features. Mr. Dembs indicated that this was in consideration for the new construction, but the plans have not been finalized. Mr. DeClerck would like Mr. Dembs to advise Mr. Lohmeier of the “green” building features that they plan to implement, when known.

All representatives expressed their appreciation for the cooperation and prompt responses they have received from city staff.

Motion by Mr. Iacobelli, to forward to city council, a recommendation to approve the request from GKN Driveline North America for a tax abatement to construct an $18,000,000 building at 2150 N Opdyke Road (Parcel ID: 14-14-176-007). The committee recommends an 8 year abatement starting on 12/31/2013 and ending 12/30/2021. In addition, this also includes the requirement to operate the facility at that location for 2 years after the certificate expires. One condition of this recommendation is that the term of the executed lease be no less than 10 years.

Supported by Mr. Nelson

Motion carried (5-0)

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6. **CITY COUNCIL UPDATE** – Mr. Lohmeier discussed current actions by city council regarding recent IFEC applications. All applications that have been presented to council have been approved.
7. OTHER – Mr. Kittle would like to initiate a study to determine the relationship between the increased demand on city services as it relates to the new developments occurring within the city boundaries. I.e: What are the incremental costs?

8. ADJOURNMENT - There being no objections, the meeting was adjourned at 6:56 p.m.

Next meeting: July 8, 2013

Karen Blinkilde, Deputy Assessor
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CALL TO ORDER: Chairman Hassett called the meeting to order at 4:00 p.m.

ROLL CALL: Present: Ardelean, Dilland, Goodhall, Gupta, Hassett, Molnar, Price (arrived at 4:03pm), Thornton
Absent: None
Also Present: TIFA Executive Director Tom Tanghe, Finance Director Gary Barnes, Executive Assistant Karrie Marsh
Guests: None

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

The first item on the Agenda was the Election of a replacement secretary to fill an unexpired term. Executive Assistant Karrie Marsh opened the floor for nominations for Secretary of the Board. Nomination of Erik Dilland for Secretary of the Board by Mr. Ardelean. There being no other nominations, nominations for Secretary were closed.

For Mr. Dilland: Ardelean, Goodhall, Gupta, Hassett, Molnar, Price, Thornton
Mr. Dilland abstained from voting.

Erik Dilland is Secretary of the Board for the remainder of the term for 2013.

PERSONS WISHING TO BE HEARD
None

CORRESPONDENCE & PRESENTATIONS
None

APPROVAL OF MINUTES
Moved by Molnar to approve the May 14, 2013 minutes.
Supported by Thornton.

Yes: Ardelean, Dilland, Goodhall, Gupta, Hassett, Molnar, Price, Thornton
No: none

FINANCIAL REPORT
Finance Director Gary Barnes presented the financial report for June 11, 2013, reviewing the activities for this period, including the most recent revenues and expenses. That report included the following Total Liabilities and Fund Balances and Available Cash:
June 11, 2013 minutes


Yes: Ardelean, Dilland, Goodhall, Gupta, Hassett, Molnar, Price, Thornton
No: none
Motion carried

OLD BUSINESS
None

NEW BUSINESS
Mr. Tanghe introduced a memo dated May 31, 2013 regarding revisions to the Downtown Grant Program. Over the years, the Board of Directors has revisited the Downtown Site Improvement Grant Application in order to make adjustments necessary to facilitate expansion and recruitment of our Downtown. Staff had recommendations for updates and they were indicated in the memo. The major policy change will be to include new construction as eligible for build-outs. To suggest that a tenant seeking space in a new investment should somehow not be given grant consideration because they’re not going into an older building seems a bit flawed.

The ultimate goal is to attract new business, not new business only in older buildings. Mr. Molnar asked about the dollar-for-dollar matching basis up to a maximum grant of $30,000.00. He wondered if that was a real amount and if it should be more or less. Mr. Tanghe stated the amount used to be less and was raised by the Board. The amount of $30,000.00 is more than what would be received in other communities. It is unusual to receive a grant, most communities offer low interest loans. It was agreed that the wording regarding the maximum amount was acceptable. Should the Board want to consider a higher grant amount for a specific project, Mr. Tanghe would bring it to the Board for consideration.

Chairman Hassett asked if there was any way to expand the entrance to the Pepsi building. Due to the church on the other side of the building, there is not a possibility.

There was discussion about the wording in #13 of the Site Improvement Grant Guideline document. Mr. Tanghe suggested creating a Policy document that is used internally to address TIFA projects that are of great interest in terms of pursuing the goals and objectives of the economic enhancement strategy adopted in 2009. In those cases the Board would consider other amounts. This document will be brought to the meeting next month for the Boards consideration.

Moved by Thornton to adopt the revisions contained in the Downtown Site Improvement Grant Application dated June 11, 2013 and authorize the Executive Director to update the document and implement the changes. Supported by Goodhall.

Yes: Ardelean, Dilland, Goodhall, Gupta, Hassett, Molnar, Price, Thornton
No: none
Motion carried
Mr. Tanghe introduced a memo dated May 31, 2013 regarding Incentives for Downtown Development. The purpose of the memo was to generate dialogue about concepts that will assist in attracting further development and keep the downtown development momentum going. Over the past year or so there has been significant private and public investment in our Downtown. Specific to the TIFA are properties located at the southwest corner of Auburn and S. Squirrel Roads, the southeast corner of Auburn and S. Squirrel Roads, and the property located just south of Auburn Road on S. Squirrel currently being used for the Farmers’ Market. If the site improvement grant program is expanded to include tenant build-outs in new buildings, that will provide a great incentive for business recruitment. However, on the front end, whereby first we need to get buildings built, there are costs associated with these sites which will make getting them developed unlikely. Some of the ways to address these costs are to:

- Provide incentive TIFA funds to address development challenges. Examples include but are not limited to: riverbank stabilization, land balancing, infrastructure improvements
- Provide Brownfield Redevelopment Funds for environmental remediation activities. Note: This would have to be authorized by the Brownfield Redevelopment Authority
- Adjust land prices to make development attractive enough to pursue and to be financially feasible

Mr. Tanghe and Community Development Director Steve Cohen met with a developer whose focus is on hotels such as Holiday Inn and Hampton Inn. He wants to invest further. He explored the property at the southwest corner of Auburn and Squirrel which consists of 1.07 acres. The property is in a flood plain and has other issues such as riverbank stabilization. MDEQ will require work on the property. There was discussion about Brownfields. Should a property have a specific amount of contamination it would be considered a “facility” and can be eligible to receive funds. Therefore the cost to the developer can be reduced.

Mr. Dilland stated that the three bullet points do not address traffic counts and asked if they were a valid requirement. Mr. Tanghe stated that from attending the International Council of Shopping Centers conferences he knows that the higher traffic counts make it worth the risk of investing. The traffic count for the Downtown area was speculated to be 12,000 per day as of 2012, according to Mr. Hassett. The City needs to find solutions to mitigate the risk to invest.

There was discussion about the challenges of financing condos and townhouses and the need for more density in the area. Mr. Tanghe stated that one of the Cities goals is to get another project going in Spring of 2014 to continue the momentum.

If the Board wishes to formalize something we can generate a motion that provides direction to staff. Provisions allowing for incentives will permit us to package the land to the development community and pursue quality additions to our downtown.

Chairman Hassett asked if the Board supports seeking solutions to reduce costs for future development. The Board agreed.

**BOARD MEMBER COMMENTS**

Mr. Tanghe shared with the Board that plans are being discussed to move or add a satellite office for DPW operations for efficiency purposes. The state owns property on Doris Rd. which falls within the TIFA B district. The property consists of 7.4 acres and has a building on it. The stability of the building is still in question, but equipment can be stored on the land but not as a permanent DPW facility. The project is being considered but nothing is definite at this point.
Mr. Tanghe reminded the Board Thursday, October 3rd at 5:00pm the City will be holding a Ribbon Cutting and Reception to celebrate the DEN, University Center, Parking Structure, Student Housing and the retail. The event will be sponsored by the TIFA. The guest list is at approximately 300 at this time.

Chairman Hassett asked if the University Center would be complete by the ribbon cutting date. Mr. Tanghe stated that the University Center will be complete by the end of July or August. Mr. Dilland asked about the status of the leasing of the apartments. Mr. Tanghe does not know the specific numbers. The DEN is being leased temporarily as a leasing office; prices on the units have been increased from the original prices presented to the City. A professional management company has been hired and has a website of www.auburnsquareplace.com, which lists floor plans and pricing.

Mr. Tanghe discussed how a DDA will be activated and will include new TIF capture. The idea is to incorporate the properties to the East, tying in Forester Square. Mr. Tanghe recently met with the Forester Square HOA, Board of Directors and General Membership. On July 30th a large development for condos and townhouses will go before the Planning Commission. New construction will consist of a congregate care component. All of the land is under contract. Mound Steel and Superior Excavating will be vacant soon for development of that property.

A builder for Forester Square may construct another type of housing on the 6.2 acres that the City owns. Included in the sale of the land is an agreement to create a community garden on 1 acre of the land, at the developers cost, that will include parking, a water source, unisex restrooms, fencing, and electricity. The developer seemed quite interested in the idea.

Mrs. Thornton inquired about the status of College Heights. Mr. Tanghe stated that to his knowledge it was not for sale at this time. It is not in good condition and there are many vacant lots.

Mr. Goodhall asked what was going on with Oakland University in terms of development. Mr. Tanghe stated that there was a meeting regarding the streetscape project on University Drive today. There have been ongoing discussions about the City’s interest in getting more OU facilities to locate in our Downtown.

**ANNOUNCEMENT OF NEXT MEETING** – The next regularly scheduled TIFA Board meeting is Tuesday, July 9, 2013 at 4:00p.m. in the Administrative Conference Room.

**ADJOURNMENT**
Moved by Molnar to adjourn the meeting at 5:09 p.m.
Supported by Goodhall.

Yes: Ardelean, Dilland, Goodhall, Gupta, Hassett, Molnar, Price, Thornton
No: none

Motion carried

Respectfully submitted,

Erik Dilland
Secretary of the Board

Karrie L. Marsh
Recording Secretary
June 17, 2013 Meeting

To: Mayor and City Council
From: Peter E. Auger, City Manager, and Dan Brisson, Manager of Facilities and Roads
Submitted: June 12, 2013
Subject: 2013 Storm Structure Rehabilitation Program.

INTRODUCTION AND HISTORY

Budgeted in 2013 is $276,500.00 from Major Streets and $113,000.00 from Local Streets for catch basin repairs identified as needing repair from the 2012 storm structure cleaning and inspection program. The City is divided into three sections where cleaning and inspection is done annually resulting in a service visit to each structure once every three years. This year’s repairs include 237 structures located north of Walton Blvd. Project scope includes varying degrees of maintenance from pointing up to reconstruction of the structure and adjacent pavement and curb.

It should be noted that this maintenance program is proving to be effective. This year’s cleaning and inspection in the central portion of the City found very few major structural deficiencies. This appears to indicate that the program has addressed major repairs and future years will be more maintenance based and therefore less costly.

On May 29th, the City’s Clerks office received two bids for the storm structure rehabilitation program. The two bidders are as follows:

- Superior Excavation                     Auburn Hills, Michigan                       $346,650.00
- Macomb Pipeline & Utilities          Sterling Hts., Michigan                       $661,650.00

OHM scope of engineering services was priced at a not-to-exceed amount of $23,250.00 and this portion of the project is completed. OHM’s proposal for construction services will be performed on a time and materials basis for a not-to-exceed cost of $29,250.00. Project total including contracted and engineering services is $399,150.00, an amount that exceeds the budgeted amount by $9,650.00. Because the project is based on unit pricing, it is still possible to perform all work outlined in this year’s maintenance program. If this is not possible, work on structures requiring lesser levels of repair will be rescheduled for next year’s program to ensure the project does not exceed the 2013 budgeted amounts.

STAFF RECOMMENDATION

Superior Excavating is low bidder for the project. They have over 45 years of experience in similar construction and have completed numerous projects for the City over the years. Based on their bid price and past work history with the City, the DPW and OHM recommend them for the project. A copy of OHM’s letter of recommendation and scope of construction services is attached for Council’s review.

MOTION

Move to approve the costs associated with the 2013 Storm Structure Rehabilitation Program and award the bid to Superior Excavation, P.O. Box 4290, Auburn Hills, Michigan 48326 in the amount of $346,650.00. Further to approve the OHM Scope of Construction Services for the not-to-exceed amount of $29,250.00. Funding is provided from Major Streets (202-452-935.000) and Local Streets (203-453-935.000).

I CONCUR: PETER E. AUGER, CITY MANAGER
June 5, 2013

Peter Auger  
City Manager  
CTY OF AUBURN HILLS  
1827 N. Squirrel Road  
Auburn Hills, MI 48326

RE: 2013 Storm Structure Rehabilitation Program  
Letter of Recommendation

Dear Mr. Auger:

On May 29, 2013 at 10:00 am, a total of two bids were received for the above referenced project. The two bidders are as follows:

<table>
<thead>
<tr>
<th>Contractor</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Superior Excavating</td>
<td>$346,650.00</td>
</tr>
<tr>
<td>Macomb Pipeline &amp; Utilities</td>
<td>$661,650.00</td>
</tr>
</tbody>
</table>

The project scope consists of rehabilitation to existing storm sewer structures along various roadways in the northern proton of the City. The structures within this area have been identified by City crews as requiring maintenance work. The anticipated maintenance ranges from pointing up to reconstruction of structures and adjacent pavement/curb.

Superior Excavating out of Auburn Hills, Michigan is the low bidder for this project. They have over 45 years of experience in similar construction and have completed numerous projects within the City limits both for the City and for developers. Based on our findings, we recommend award of this contract to them in the amount of $346,650.00, per the unit prices bid for the project.

Digital files of this letter and a bid tabulation have been emailed to your office. If you have any questions or require additional information, please feel free to contact this office.

Sincerely,

OHM Advisors

Derek Hefflinger for Timothy J. Juidici, P.E.

cc: Ron Melchert, Director of Public Services  
    Terri Kowal, City Clerk  
    Dan Brisson, Manager of Facilities and Roads
## Tabulation for Bids Received on 5/29/13

### 2013 Storm Structure Rehabilitation

City of Auburn Hills, Oakland County, State of Michigan

**OHM Job No.:** 0120-13-0250

**Superior Excavating, Inc.**
PO Box 4290
4444 Mound Rd., Ste. 640
Auburn Hills, MI 48321

**Macomb Pipeline & Utilities Co.**
48314
Sterling Hts., MI 48314

<table>
<thead>
<tr>
<th>Item No.</th>
<th>Description</th>
<th>Estimated Quantity</th>
<th>Unit Price</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Division A: Local Streets</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>1)</td>
<td>Mobilization, Max. $5,000</td>
<td>1 LS</td>
<td>$5,000.00</td>
<td>$5,000.00</td>
</tr>
<tr>
<td>2)</td>
<td>Erosion Control</td>
<td>1 LS</td>
<td>$10,000.00</td>
<td>$10,000.00</td>
</tr>
<tr>
<td>3)</td>
<td>Traffic Maintenance and Control</td>
<td>1 LS</td>
<td>$4,000.00</td>
<td>$4,000.00</td>
</tr>
<tr>
<td>4)</td>
<td>Frame and Cover, Reset</td>
<td>5 Ea</td>
<td>$1,500.00</td>
<td>$7,500.00</td>
</tr>
<tr>
<td>5)</td>
<td>Replace Frame and Cover</td>
<td>5 Ea</td>
<td>$1,900.00</td>
<td>$9,500.00</td>
</tr>
<tr>
<td>6)</td>
<td>Structure, Reconstruct</td>
<td>55 Ft</td>
<td>$1,400.00</td>
<td>$77,000.00</td>
</tr>
<tr>
<td>7)</td>
<td>Inside Structure, Pointing Up, 12 inch</td>
<td>90 Ea</td>
<td>$150.00</td>
<td>$13,500.00</td>
</tr>
<tr>
<td>8)</td>
<td>Inside Structure, Pointing Up. 6 feet</td>
<td>3 Ea</td>
<td>$1,000.00</td>
<td>$3,000.00</td>
</tr>
<tr>
<td>9)</td>
<td>Clean Structure</td>
<td>15 Ea</td>
<td>$100.00</td>
<td>$1,500.00</td>
</tr>
<tr>
<td>10)</td>
<td>Seal Spot Leak in Structure</td>
<td>10 Ea</td>
<td>$50.00</td>
<td>$500.00</td>
</tr>
<tr>
<td>11)</td>
<td>Remove and Replace Conc Curb and Gutter</td>
<td>50 Ft</td>
<td>$5.00</td>
<td>$250.00</td>
</tr>
<tr>
<td>12)</td>
<td>Remove and Replace Pavement</td>
<td>25 Syd</td>
<td>$5.00</td>
<td>$125.00</td>
</tr>
<tr>
<td>13)</td>
<td>3&quot; Topsoil, Class A Seed and Mulch Blanket</td>
<td>100 Syd</td>
<td>$7.00</td>
<td>$700.00</td>
</tr>
<tr>
<td><strong>TOTAL DIVISION A:</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td>$132,575.00</td>
<td>$251,400.00</td>
<td></td>
</tr>
</tbody>
</table>

| **Division B: Major Streets**                                                                                 |
| 14)      | Mobilization, Max. $5,000                             | 1 LS               | $5,000.00  | $5,000.00 |
| 15)      | Erosion Control                                      | 1 LS               | $7,000.00  | $7,000.00 |
| 16)      | Traffic Maintenance and Control                      | 1 LS               | $10,000.00 | $10,000.00 |
| 17)      | Frame and Cover, Reset                               | 3 Ea               | $1,500.00  | $4,500.00 |
| 18)      | Replace Frame and Cover                              | 5 Ea               | $2,100.00  | $10,500.00 |
| 19)      | Structure, Reconstruct                               | 110 Ft             | $1,400.00  | $154,000.00 |
| 20)      | Inside Structure, Pointing Up                        | 55 Ea              | $200.00    | $11,000.00 |
| 21)      | Clean Structure                                      | 15 Ea              | $100.00    | $1,500.00 |
| 22)      | Seal Spot Leak in Structure                          | 10 Ea              | $50.00     | $500.00  |
| 23)      | Structure Rehab, Special                             | 3 Ea               | $3,000.00  | $9,000.00 |
| 24)      | Remove and Replace Conc Curb and Gutter              | 50 Ft              | $5.00      | $250.00  |
| 25)      | Remove and Replace Pavement                          | 25 Syd             | $5.00      | $125.00  |
| 26)      | 3" Topsoil, Class A Seed and Mulch Blanket           | 100 Syd            | $7.00      | $700.00  |
| **TOTAL DIVISION B:**                                                                                       |
|          |                                                       |                    |            |        |
|          |                                                       | $214,075.00        | $410,400.00|

**TOTAL BID AMOUNT:**                                                                                       |
|                                                          |                    | $346,650.00       | $661,800.00|

Prepared by OHM

Page 1 of 1 5/29/13
June 6, 2013

City of Auburn Hills  
1500 Brown Road  
Auburn Hills, MI 48326

Attention: Mr. Ronald Melchert  
Director of Public Services

Regarding: 2013 Storm Structure Rehabilitation  
Scope of Construction Services

Dear Mr. Melchert:

Outlined below is a Scope of Work for construction services to be provided by OHM Advisors for the above referenced project.

PROJECT UNDERSTANDING

It is our understanding that the City of Auburn Hills plans to move forward with the construction phase of the 2013 Storm Structure Rehabilitation Program for which bids will be received on Wednesday, May 29, 2013. The proposed project consists of rehabilitating existing storm sewer structures along various roadways in the northern portion of the City. The anticipated maintenance ranges from pointing up to reconstruction of structures and adjacent pavement/curb. Similar work was performed as part of last year’s sewer rehabilitation program.

SCOPE OF SERVICE

Construction Engineering / Observation

Under this task the project team will observe the construction efforts on the project and assist with any necessary field changes to successfully complete the work. Specific work efforts include:

- Provide daily observation of work. Full-time inspection will be provided for all storm structure rehabilitation, pavement removal & replacement, curb & gutter removal & replacement, and restoration.
- Produce daily field reports documenting construction activities and pay item quantities.
- Prepare and provide the Contractor with a list of required submittals and review shop drawings, construction schedules, materials certifications, and other submittals.
- Address Contractor’s construction concerns and resolve conflicts with the executed contract specifications.
- Attend to Resident and Business Owner concerns throughout the project.
• Review contractor’s progress on the project to ensure that the work is in compliance with the proposed schedule.

**Contract Administration**
Under this task, the project team will complete services necessary to administer the contract. Specific work efforts include:

• Coordination with the Contractor and City to execute the contract documents.
• Arrange and attend one (1) pre-construction meeting prior to the start of the project.
• Provide two (2) signed copies of the contract documents to the City, one (1) to the Clerk’s office and one (1) to the DPS.
• Prepare monthly construction pay estimates and process contract change orders (if required).
• Request and collect contractor’s declaration, contractor’s affidavit, waivers from major suppliers and subcontractors, release of surety, and release from other public agencies for which permits have been obtained under this contract.

**SCHEDULE**

Based on the Council meeting schedule, we anticipate that the project award would be approved at the June 17th Council meeting and construction on the project would begin in June. The project is expected to be completed in August of this year.

**COMPENSATION**

The services outlined above will be performed on a time-and-materials basis for the not-to-exceed amount of twenty-nine thousand two hundred fifty dollars ($29,250.00). This amount is based on the assumptions listed below. The City will be invoiced for services on a monthly basis. The estimated budget breakdown is as follows:

<table>
<thead>
<tr>
<th>Category</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Major Streets</td>
<td>$ 18,150</td>
</tr>
<tr>
<td>Local Streets</td>
<td>$ 11,100</td>
</tr>
<tr>
<td>Construction Services Total</td>
<td>$ 29,250</td>
</tr>
</tbody>
</table>

**FURTHER CLARIFICATIONS AND ASSUMPTIONS**

The above-listed scope of services was prepared with the following assumptions.

• The City will be responsible for all permit fees.
Should you find this agreement acceptable, please execute both copies and return one copy to us for our files. We look forward to providing professional services on this project. If you have any questions, please contact us.

Sincerely,
OHM Advisors

Timothy J. Juidici, P.E.

cc: Dan Brisson, Manager of Facilities and Roads
File

City of Auburn Hills
2013 Storm Structure Rehabilitation
Construction Services

Accepted By:_____________________________________________________

Printed Name:___________________________________________________

Title:__________________________________________________________

Date:__________________________________________________________
To: Mayor and City Council
From: Peter E. Auger, City Manager and Micheal R. Lohmeier, City Assessor
Submitted: June 5, 2013
Subject: Motion: Approve Renewal of Contract for Oakland County Equalization Division Assistance

INTRODUCTION AND HISTORY

Please find the attached copy of a contract with the Oakland County Equalization Department to assist the City with preparing personal property assessments for the 2013-2016 assessment cycle. This is a renewal of the current contract which expires July 1, 2013.

The contract rates remains unchanged at $14.40 per parcel (having approximately 1,900 parcels of personal property), however new language was added in Section 6 of the contract addressing changes in the taxable status of personal property if Michigan voters approve an amendatory act placed before voters in 2014 (Public Acts 397-408 of 2012.) If the amendatory act is approved then the contract calls for the Parties (i.e., City and County) to renegotiate contract years 2014-2015 and 2015-2016.

This contract is for the annual assessment of personal property from July 1, 2013 to June 30, 2016. The total cost for 2011-2012 was $27,961.48, slightly less 2010-2011 at $28,846.95.

The 2013 budget was $28,800 and 2014 budget will be proposed to reflect estimated costs for 2013.

Under the contract, the county processes the personal property forms filed by taxpayers, and inputs the data into our assessment software, and responds to inquiries from taxpayers.

STAFF RECOMMENDATION

Oakland County has provided this service for many years and their overall performance has been satisfactory. Renewal of the contract is recommended.

MOTION

Move to approve the 2013-2016 Contract for Oakland County Equalization Division Assistance Services with the City of Auburn Hills, personal property services.

I CONCUR: PETER E. AUGER, CITY MANAGER
May 22, 2013

Terri Kowal, Clerk
City of Auburn Hills
1827 N Squirrel Road
Auburn Hills, MI  48326-2753

RE: Renewal of Contract for Assessing Services with the City of Auburn Hills

Dear Terri Kowal:

As of July 1, 2013 our contract for services with the City of Auburn Hills will expire. Enclosed please find a copy of the 2013-2016 Contract for Oakland County Equalization Division Assistance Services with the City of Auburn Hills. Please note that the rates will remain unchanged for this contract. New language has been added in Section 6 which addresses changes in the taxable status of personal property if Michigan voters approve an amendatory act placed before voters in 2014 (P.A. 397-408 of 2012). When the attached contract is approved by your Governing Body and the authorized officials have affixed their signatures, kindly return four (4) copies to Oakland County Equalization Division.

Should you have any questions or concerns, please do not hesitate to call me at 248-858-0760 or Kimberly Hampton at 248-858-2039. Thank you.

Sincerely,

[Signature]

David M. Hieber
Manager, Equalization Division
Oakland County

Enclosures

DMH/kdh
CONTRACT FOR OAKLAND COUNTY
EQUALIZATION DIVISION ASSISTANCE SERVICES
WITH THE CITY OF AUBURN HILLS
(personal property services)

This CONTRACT FOR OAKLAND COUNTY EQUALIZATION DIVISION ASSISTANCE SERVICES WITH THE CITY OF AUBURN HILLS, (hereafter, this "Contract") is made and entered into between the COUNTY OF OAKLAND, a Michigan Constitutional and Municipal Corporation, whose address is 1200 North Telegraph Road, Pontiac, Michigan 48341 (hereafter, the "County"), and the City of Auburn Hills, a Michigan Constitutional and Municipal Corporation whose address is 1827 N Squirrel Road, Auburn Hills, Michigan 48326-2753 (hereafter, the "Municipality"). In this Contract, either the County and/or the Municipality may also be referred to individually as a "Party" or jointly as "Parties."

INTRODUCTORY STATEMENTS

A. The Municipality, pursuant to the laws of the State of Michigan (hereafter, the "State"), including, but not limited to, the Michigan General Property Tax Act (MCL 211.1, et seq.) is required to perform real and personal property tax appraisals and assessments for all nonexempt real and personal property located within the geographic boundaries of the Municipality for the purpose of levying State and local property taxes.

B. The Parties recognize and agree that absent an agreement such as this, or pursuant to an order of the State Tax Commission mandating the County to perform all or some of the property tax appraisal and tax assessment responsibilities for real and/or personal property located within the Municipality's geographic boundaries (MCL 211.10(f)), the County, has no obligation to provide these Services to or for the Municipality.

C. The Michigan General Property Tax Act (MCL 211.34(3)) provides that the County Board of Commissioners, through the Equalization Division may furnish assistance to local assessing officers in the performance of certain of these legally mandated, Municipality, property appraisal and assessment responsibilities.

D. The Municipality has requested the County's Equalization Division assistance in performing the "Equalization Division Assistance Services" (as described and defined in this Contract) and has agreed in return to reimburse the County as provided for in this Contract.

E. The County has determined that it has sufficient "Equalization Division Personnel," as defined herein, possessing the requisite knowledge and expertise and is agreeable to assisting the Municipality by providing the requested "Equalization Division Assistance Services" under the terms and conditions of this Contract.

NOW, THEREFORE, in consideration of these premises and the mutual promises, representations, and agreements set forth in this Contract, and for other good and valuable consideration, the receipt and adequacy of which is hereby acknowledged, the County and the Municipality mutually agree as follows:
§1. **DEFINED TERMS** In addition to the above defined terms (i.e., "Contract", "County", "Municipality", "Party" and "Parties", and "State"), the Parties agree that the following words and expressions when printed with the first letter capitalized as shown herein, whether used in the singular or plural, possessive or nonpossessive, and/or either within or without quotation marks, shall, be defined and interpreted as follows:

1.1. "County Agent" or "County Agents" shall be defined as any and all Oakland County elected officials, appointed officials, directors, board members, council members, commissioners, authorities, other boards, committees, commissions, employees, managers, departments, divisions, volunteers, agents, representatives, and/or any such persons' successors or predecessors, agents, employees, attorneys, or auditors (whether such persons act or acted in their personal representative or official capacities), and/or any persons acting by, through, under, or in concert with any of them, excluding the Municipality and/or any Municipality Agents, as defined herein. "County Agent" and/or "County Agents" shall also include any person who was a County Agent anytime during the term of this Contract but, for any reason, is no longer employed, appointed, or elected and serving as a County Agent.

1.2. "Equalization Division Personnel" as used in this Contract shall be defined as a specific subset of, and included as part of the larger group of County Agents as defined above, and shall be further defined as any and all County Agents specifically employed and assigned by the County to work in the Equalization Division of the County's Department of Management and Budget as shown in the current County budget and/or personnel records of the County. For any and all purposes in this Contract, any reference to County Agents shall also include within that term any and all Equalization Division Personnel, but any reference in this contract to Equalization Division Personnel shall not include any County Agent employed by the County in any other function, capacity or organizational unit of the County other than the Equalization Division of the Department of Management and Budget.

1.3. "Municipality Agent" or "Municipality Agents" shall be defined to include any and all Municipality officers, elected officials, appointed officials, directors, board members, council members, authorities, boards, committees, commissions, employees, managers, departments, divisions, volunteers, agents, representatives, and/or any such persons' successors or predecessors, agents, employees, attorneys, or auditors (whether such persons act or acted in their personal, representative, or official capacities), and/or any and all persons acting by, through, under, or in concert with any of them, except that no County Agent shall be deemed a Municipality Agent and conversely, no Municipality Agent shall be deemed a County Agent. "Municipality Agent" shall also include any person who was a Municipality Agent at any time during this Contract but for any reason is no longer employed, appointed, or elected in that capacity.

1.4. "Claim(s)" shall be defined to include any and all alleged losses, claims, complaints, demands for relief or damages, suits, causes of action, proceedings, judgments, deficiencies, liability, penalties, litigation costs and expenses, including, but not limited to, any reimbursement for reasonable attorney fees, witness fees, court costs, investigation and/or litigation expenses, any amounts paid in settlement, and/or any other amounts, liabilities or Claim(s) of any kind
whatssoever which are imposed on, incurred by, or asserted against either the
County and/or any County Agent, as defined herein, or any Claim(s) for which
the County and/or any County Agent may become legally and/or contractually
obligated to pay or defend against, or any other liabilities of any kind whatsoever,
whether direct, indirect or consequential, whether based upon any alleged
violation of the constitution (federal or State), any statute, rule, regulation or the
common law, whether in law or equity, tort, contract, or otherwise, and/or
whether commenced or threatened and arising out of any alleged breach of any
duty by the County and/or any County Agent to any third-person, the
Municipality, including any Municipality Agent or any Municipality Taxpayer under
or in connection with this Contract or are based on or result in any way from the
County's and/or any County Agent's participation in this Contract.

1.5. "Municipality Taxpayer" shall be defined as any and all residents, property
owners, persons, or taxable entities within the Municipality, or their
representatives or agents, who may be liable or responsible for any property
taxes assessed by the Municipality pursuant to any applicable State Property Tax
Laws.

1.6. "State" shall be defined as the "State of Michigan," a sovereign governmental
entity of the United States, and shall also include within its definition any and all
departments or agencies of State government including specifically, but not
limited to, the State Tax Commission, the State Tax Tribunal, and/or the State
Department of Treasury.

§2. COUNTY EQUALIZATION DIVISION ASSISTANCE SERVICES The Parties agree that
the full and complete scope of any and all County Equalization Division Assistance
Services shall be as described and limited in the following subsections (hereinafter
defined and referred to as either "Equalization Division Assistance Services" or
"Services").

2.1. "EQUALIZATION DIVISION ASSISTANCE SERVICES" OR "SERVICES" TO BE
PROVIDED "Equalization Division Assistance Services" or "Services", to be
performed by County for the Municipality as those terms are defined in this
Contract, shall only include and shall be limited to the following activities:

2.1.1. This Contract is to provide for annual assessment of personal property
from July 1, 2013 to June 30, 2016 as required by laws of the State of
Michigan. The County agrees to make assessments of personal
property within the Municipality pursuant to MCL 211.10d.

2.1.2. The Equalization Division personnel will appraise all new personal
property, process all personal property description changes, and will
audit where necessary to insure and establish accurate appraisals on all
taxable personal property. The Equalization Division personnel will
review all statements and extensions, make valuation recommendations
to the assessor in the absence of a prepared personal property
statement and load all values on the computer for the assessment roll.
All Board of Review changes will be processed on the personal property
section of the assessment roll and balanced to insure there are no
omissions. The Equalization Division personnel will be available for
consultation on all Michigan Tax Tribunal appeals for personal property

1.5. "Municipality Taxpayer" shall be defined as any and all residents, property
owners, persons, or taxable entities within the Municipality, or their
representatives or agents, who may be liable or responsible for any property
taxes assessed by the Municipality pursuant to any applicable State Property Tax
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taxable personal property. The Equalization Division personnel will
review all statements and extensions, make valuation recommendations
to the assessor in the absence of a prepared personal property
statement and load all values on the computer for the assessment roll.
All Board of Review changes will be processed on the personal property
section of the assessment roll and balanced to insure there are no
omissions. The Equalization Division personnel will be available for
consultation on all Michigan Tax Tribunal appeals for personal property
and will assist the Assessor in the preparation of both oral and written
defense of appeals as long as there is a current Contract in effect.
However, the County shall not assist or appear on behalf of the
Municipality regarding appeals of special assessments to the Michigan
Tax Tribunal or any other Court or Tribunal.

2.2. **PURPOSE OF COUNTY “SERVICES”** The Parties agree that the purpose of
any and all “Equalization Division Assistance Services” or “Services” to be
performed under this Contract shall be to assist (e.g., to help, aid, lend support,
and/or participate in as an auxiliary, to contribute effort toward completion of a
goal, etc.) the Municipality in the performance of that Municipality's official
functions, obligations, and Municipality's legal responsibilities for property tax
appraisal and assessment pursuant to the applicable State Property Tax Laws.

2.3. **MANNER COUNTY TO PROVIDE SERVICES** The Parties agree that any and
all “Equalization Division Assistance Services” or “Services” to be provided by
the County for the Municipality under this Contract shall be performed solely and
exclusively by the County’s "Equalization Division Personnel" as defined herein.

2.3.1. Equalization Division Personnel shall be employed and assigned by the
County in such numbers and based on such appropriate qualifications
and other factors as decided solely by the County.

2.3.2. The Parties agree that the County shall be solely and exclusively
responsible for furnishing all Equalization Division Personnel with all job
instructions, job descriptions and job specifications and shall in all
circumstances control, supervise, train or direct all Equalization Division
Personnel in the performance of any and all Services under this
Contract.

2.3.3. Except as otherwise expressly provided for herein, the Parties agree and
warrant that, at all times and for all purposes relevant to this Contract,
the County shall remain the sole and exclusive employer of all County
Agents and Equalization Division Personnel and that the County shall
remain solely and completely liable for any and all County Agents’ past,
present, or future wages, compensation, overtime wages, expenses,
fringe benefits, pension or retirement benefits, travel expenses, mileage
allowances, training expenses, transportation costs, and/or other
allowances or reimbursements of any kind, including, but not limited to,
workers' disability compensation benefits, unemployment compensation,
Social Security Act protection(s) and benefits, any employment taxes,
and/or any other statutory or contractual right or benefit based on or in
any way related to any County Agent's employment status.

2.3.4. This Contract is neither intended, nor shall it be interpreted, to create,
change, grant, modify, supplement, supersede, alter, or otherwise affect
or control, in any manner, form, or at any time, any right, privilege,
benefit, or any other term or condition of employment, of any kind or
nature whatsoever, in, upon, or for any County Agent or Equalization
Division Personnel with the County, any applicable County employment
and/or union contract, and/or any County rule(s), regulation(s), hours of
work, shift assignment, order(s), policy(ies), procedure(s), directive(s),

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WITH THE CITY OF AUBURN HILLS
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ethical guideline(s), etc., which shall, solely and exclusively, govern and control the employment relationship between the County and any County Agent or Equalization Division Personnel and/or the conduct and actions of any County Agent or any Equalization Division Personnel. To illustrate, but not otherwise limit, this Contract does not and shall not be interpreted to limit, modify, control, or otherwise affect, in any manner:

2.3.4.1. The County's sole and exclusive right, obligation, responsibility, and discretion to employ, compensate, assign, reassign, transfer, promote, reclassify, discipline, demote, layoff, furlough, discharge any Equalization Division Personnel and/or pay any and all Equalization Division Personnel's wages, salaries, allowances, reimbursements, compensation, fringe benefits, or otherwise decide any and all such terms and conditions of employment and make any and all employment decisions that affect, in any way, the employment of any Equalization Division Personnel with the County, subject only to its applicable collective bargaining Contracts.

2.3.4.2. The County's sole and exclusive right, obligation, and responsibility to determine, establish, modify, or implement any and all operational policies, procedures, orders, rules, regulations, ethical guidelines, and/or any other judgment, policy or directive which, in any way, governs or controls any activity of any County Agent or Equalization Division Personnel, any necessary County Agent or Equalization Division Personnel's training standards or proficiency(ies), any level or amount of required supervision, any and all standards of performance, any sequence or manner of performance, and any level(s) of experience, training, or education required for any Equalization Division Personnel performing any County duty or obligation under the terms of this Contract.

2.3.5. The Municipality agrees that except as expressly provided for under the terms of this Contract and/or laws of this State, no County Agent or Equalization Division Personnel, while such person is currently and/or actively employed or otherwise remains on the payroll of the County as a County Agent shall be employed, utilized, or perform any other services, of any kind, directly or indirectly, in any manner or capacity, or otherwise be available to perform any other work or assignments by or for the Municipality during the term of this Contract. This section shall not prohibit the Municipality from employing any person who was a former County Agent but is no longer employed in that capacity by the County.

2.3.6. Except as otherwise expressly provided by the Contract and/or applicable State law, the Parties agree and warrant that neither the County, nor any County Agent, nor any Equalization Division Personnel, by virtue of this Contract or otherwise, shall be deemed, considered or claimed to be an employee of the Municipality and/or a Municipality Agent.

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2.3.7. The Municipality shall not otherwise provide, furnish or assign any Equalization Division Personnel with any job instructions, job descriptions, job specifications, or job duties, or in any manner attempt to control, supervise, train, or direct any Personnel in the performance of any County’s Equalization Division Assistance Services duty or obligation under the terms of this Contract.

2.4. LIMITS AND EXclusions ON COUNTY “SERVICES” Except as otherwise expressly provided for within this Contract, neither the County nor any County Agents shall be responsible for assisting or providing any other "Services " or assistance to the Municipality or assume any additional responsibility for assisting the Municipality in any other way or manner with any Municipality obligations under any and all State Property Tax Laws, including, but not limited to, providing any attorney or legal representation to the Municipality or any Municipality Agent at any proceeding before the Michigan Tax Tribunal or any other adjudicative body or court, except as expressly provided for in this Contract.

2.4.1. The Municipality shall, at all times and under all circumstances, remain solely liable for any and all costs, legal obligations, and/or civil liabilities associated with or in any way related to any Municipality tax appraisal or assessment functions or any other Municipality legal obligation under any applicable State Property Tax Laws. The Municipality shall employ and retain its own Municipality legal representation, as necessary, to defend any such claim or challenge before the State Tax Tribunal or any other court or review body.

2.4.2. Except for those express statutory and/or regulatory obligations incumbent only upon licensed Equalization Division Personnel (i.e., State Licensed and Certified Real and/or Personal Property Tax Assessors) to defend property tax appraisals and assessments that they either performed, or were otherwise performed under their supervision, before the Michigan Tax Tribunal, the Parties agree that no other County Agents, including any County attorneys shall be authorized, required and/or otherwise obligated under this Contract or pursuant to any other agreement between the Parties to provide any legal representation to or for the Municipality and/or otherwise defend, challenge, contest, appeal, or argue on behalf of the Municipality before the Michigan Tax Tribunal or any other review body or court.

§3. TERM OF CONTRACT The Parties agree that the term of this Contract shall begin on the effective date of this Contract, as otherwise provided herein, and shall end on June 30, 2016, without any further act or notice from either Party being required. Any and all County Services otherwise provided to the Municipality prior to the effective date of this Contract, shall be subject to the terms and conditions provided for herein.

§4. NO TRANSFER OF MUNICIPALITY LEGAL OBLIGATIONS TO COUNTY Except as expressly provided for in this Contract, the Municipality agrees that this Contract does not, and is not intended to, transfer, delegate, or assign to the County, and/or any County Agent or Equalization Division Personnel any civil or legal responsibility, duty, obligation, duty of care, cost, legal obligation, or liability associated with any governmental function.
delegated and/or entrusted to the Municipality under any applicable State Property Tax Laws.

4.1. The Municipality shall, at all times and under all circumstances, remain solely liable for any and all costs, legal obligations, and/or civil liabilities associated with or in any way related to any Municipality tax appraisal or assessment functions or any other Municipality legal obligation. The Municipality agrees that under no circumstances shall the County be responsible for any costs, obligations, and/or civil liabilities associated with its Municipality function or any responsibility under any State Property Tax Law.

4.2. The Municipality shall not incur or create any debts, liens, liabilities or obligations for the County and shall take all necessary steps to ensure that any debts, liens, liabilities or obligations that the Municipality may incur shall not become a debt, liability, obligation or Claim(s) against the County.

4.3. The Parties agree that the Municipality shall at all times remain responsible for the ultimate completion of any and all Municipality duties or obligations under any and all applicable State Property Tax Laws. Nothing in this Contract shall relieve the Municipality of any Municipality duty or obligation under any applicable State Property Tax Law.

4.4. The Municipality and Municipality Agents shall be and remain responsible for compliance with all federal, State, and local laws, ordinances, regulations, and agency requirements in any manner affecting any work or performance of this Contract or with any Municipality duty or obligation under any applicable State Property Tax Law.

§5. NO DELEGATION OR DIMINUTION OF ANY GOVERNMENTAL AUTHORITY. The Parties reserve to themselves any rights and obligations related to the provision of any and all of each Party’s respective governmental services, authority, responsibilities, and obligations. Except as expressly provided otherwise herein, this Contract does not, and is not intended to, create, diminish, delegate, transfer, assign, divest, impair, or contravene any constitutional, statutory, and/or other legal right, privilege, power, civil or legal responsibility, obligation, duty of care, liability, capacity, immunity, authority or character of office of either Party to any other person or Party.

5.1. The Parties further agree, notwithstanding any other term or condition in this Contract, that no provision in this Contract is intended, nor shall it be construed, as a waiver of any governmental immunity, as provided by statute or applicable court decisions, by either Party, either for that Party and/or any of that Party’s County or Municipal Agents.

5.2. Notwithstanding any other provision in this Contract, nothing in this Contract shall be deemed to, in any way, limit or prohibit the Oakland County Board of Commissioners statutory rights and obligations to review and/or further equalize Municipality property values or tax assessments and/or further act upon any Municipality assessment(s) of property taxes under any applicable State Property Tax Laws, including, but not limited to challenging any Municipality assessment before the Michigan Tax Tribunal.
§6. **PAYMENT SCHEDULE** In consideration of the promises set forth in this Contract, the Municipality agrees to pay to the County: For the contract years 2013-2014 and 2014-2015 and 2015-2016 the sum of $14,40 each year for each personal property description rendered during the life of this Contract. Payment for the contract year 2013-2014 is payable on or before July 1, 2014, payment for the contract year 2014-2015 is payable on or before July 1, 2015 and payment for the contract year 2015-2016 is payable on or before July 1, 2016.

In the event that, pursuant to Public Act 408 of 2012, a majority of the qualified electors of this state voting in August of 2014 on the question:

"APPROVAL OR DISAPPROVAL OF THE AMENDATORY ACT DEDICATING A PORTION OF USE TAX REVENUE TO BENEFIT METROPOLITAN AREAS THROUGHOUT THIS STATE" 

The amendatory act adopted by the Legislature would:

1. Dedicate a portion of the existing state use tax as a local tax levied by a new metropolitan areas authority.

2. Distribute revenue from that local tax throughout the state for local purposes, including police and fire protection.

3. Increase that portion of the state use tax currently dedicated for aid to schools.

4. Prohibit the total use tax rate from exceeding the constitutional limit of 6%.

Should this amendatory act be approved?

YES [ ]

NO [ ]"

vote for approval, the Parties agree that the charge for each personal property description rendered for the contract years 2014-2015 and 2015-2016 will be renegotiated by the Parties.

If during the term of this Contract, there are additional services requested of the County, the Parties shall negotiate additional fees to be paid by the Municipality.

6.1. The Municipality agrees to be responsible for postage on all personal property statements and personal property notices mailed relating to work performed under this Contract. The Municipality agrees to be responsible for all photographic supplies.

6.2. If the Municipality fails, for any reason, to pay the County any monies when and as due under this Contract, the Municipality agrees that unless expressly prohibited by law, the County or the County Treasurer, at their sole option, shall be entitled to a setoff from any other Municipality funds that are in the County’s possession for any reason. Funds include but are not limited to the Delinquent Tax Revolving Fund ("DTRF"). Any setoff or retention of funds by the County shall be deemed a voluntary assignment of the amount by the Municipality to the County. The Municipality waives any claims against the County or its Officials for any acts related specifically to the County’s offsetting or retaining such amounts. This paragraph shall not limit the Municipality’s legal right to dispute whether the
underlying amount retained by the County was actually due and owing under this Contract.

6.3. If the County chooses not to exercise its right to setoff or if any setoff is insufficient to fully pay the County any amounts due and owing the County under this Contract, the County shall have the right to charge up to the then-maximum legal interest on any unpaid amount. Interest charges shall be in addition to any other amounts due to the County under this Contract. Interest charges shall be calculated using the daily unpaid balance method and accumulate until all outstanding amounts and accumulated interest are fully paid.

6.4. Nothing in this Section shall operate to limit the County’s right to pursue or exercise any other legal rights or remedies under this Contract against Municipality to secure reimbursement of amounts due the County under this Contract. The remedies in this Section shall be available to the County on an ongoing and successive basis if Municipality at any time becomes delinquent in its payment. Notwithstanding any other term and condition in this Contract, if the County pursues any legal action in any court to secure its payment under this Contract, Municipality agrees to pay all costs and expenses, including attorney’s fees and court costs, incurred by the County in the collection of any amount owed by Municipality.

6.5. Notwithstanding any other term or condition in this Contract, should the Municipality fail for any reason to timely pay the County the amounts required under this Contract, the Municipality agrees that the County may discontinue, upon thirty (30) days written notice to the Municipality, without any penalty or liability whatsoever, any County services or performance obligations under this Contract.

§7. LIABILITY The Municipality further agrees that the County shall not be liable to the Municipality for any and all Claim(s), except as otherwise expressly provided for in this Contract.

7.1. The Parties agree that this Contract does not and is not intended to create or include any County warranty, promise, covenant or guaranty, either express or implied, of any kind or nature whatsoever in favor of the other Municipality, and/or any Municipality Agents, or any Municipality Taxpayer or any other person or entity, or that the County’s efforts in the performance of any obligation under this Contract will result in any specific monetary benefit or efficiency, or increase in any tax revenue for the Municipality, or will result in any specific reduction or increase in any property assessment, or guarantee that any County services provided under this Contract will withstand any challenge before the State Tax Tribunal or any court or review body, or any other such performance-based outcome.

7.2. In the event of any alleged breach, wrongful termination, and/or any default of any term or condition of this Contract by either the County or any County Agent, the County and/or any County Agent shall not be liable to the Municipality for any indirect, incidental, special or consequential damages, including, but not limited to any replacement costs for County Services, any loss of income or revenue, and/or any failure by the Municipality to meet any Municipality obligation under any applicable State Property Tax Laws, or any other economic benefit or harm
that the Municipality may have realized, but for any alleged breach, wrongful termination, default and/or cancellation of this Contract, or damages beyond or in excess of the amount(s) of any amount paid to, received or retained by the County at the time of the alleged breach or default in connection with or under the terms of this Contract, whether such alleged breach or default is alleged in an action in contract or tort and/or whether or not the Municipality has been advised of the possibility of such damages. This provision and this Contract is intended by the Parties to allocate the risks between the Parties, and the Parties agree that the allocation of each Party's efforts, costs, and obligations under this Contract reflect this allocation of each Party's risk and the limitations of liability as specified herein.

7.3. Notwithstanding any other provision in this Contract, with regard to any and all alleged losses, claims, complaints, demands for relief or damages, suits, causes of action, proceedings, judgments, deficiencies, liability, penalties, litigation costs and expenses, including, but not limited to, any reimbursement for reasonable attorney fees, witness fees, court costs, investigation and/or litigation expenses, any amounts paid in settlement, and/or any other amounts, liabilities of any kind whatsoever which are imposed on, incurred by, or asserted against the Municipality or any Municipality Agent by any third person, including but not limited to any Municipality Agent or Municipality Taxpayer, arising out of any activities or Services to be carried out by any County Agent in the performance of this Contract, the Municipality hereby agrees that it shall have no rights pursuant to or under this Contract against the County and/or any County Agents to or for any indemnification (i.e., contractually, legally, equitably, or by implication) contribution, subrogation, or other right to be reimbursed by the County and/or any of County Agents based upon any and all legal theories or alleged rights of any kind, whether known or unknown, for any and all alleged losses, claims, complaints, demands for relief or damages, judgments, deficiencies, liability, penalties, litigation costs and expenses of any kind whatsoever which are imposed on, incurred by, or asserted against the Municipality and which are alleged to have arisen under or are in any way based or predicated upon this Contract.

7.4. If the Municipality requests and the County agrees, the County may prepare the actual tax statement for mailing by the Municipality to Municipality residents. In preparing any such tax statement the County shall rely upon certain data provided by the Municipality beyond the data gathered by the County under this contract. The parties agree that under no circumstances shall the County be held liable to the Municipality or any third party based upon any error in any tax statement due to information supplied by the Municipality to the County for such purposes.

§8. MUNICIPALITY AGENTS AND COOPERATION WITH THE COUNTY The Municipality agrees that it shall be solely and exclusively responsible, during the term of this Contract, for guaranteeing that all Municipality Agents fully cooperate with Equalization Division Personnel in the performance of all County Services under this Contract. Likewise, the County agrees that it shall be solely and exclusively responsible, during the term of this Contract, for guaranteeing that all Equalization Division personnel fully cooperate with Municipality agents in the performance of all County Services under this Contract.
8.1. Municipality Agents shall be employed and assigned based on appropriate qualifications and other factors as decided by the Municipality. The Municipality agrees that it shall be solely responsible for furnishing all Municipality Agents with all job instructions, job descriptions and job specifications and shall solely control, direct, and supervise all Municipality Agents and shall be solely responsible for the means and manner in which Municipality's duties or obligations under any applicable State Property Tax Laws are satisfied.

8.2. The Municipality agrees that it shall be solely and completely liable for any and all Municipality Agents' past, present, or future wages, compensation, overtime wages, expenses, fringe benefits, pension or retirement benefits, travel expenses, mileage allowances, training expenses, transportation costs, and/or other allowances or reimbursements of any kind, including, but not limited to, workers' disability compensation benefits, unemployment compensation, Social Security Act protection(s) and benefits, any employment taxes, and/or any other statutory or contractual right or benefit based on or in any way related to any Municipality Agent's employment status or any alleged violation of any Municipality Agent's statutory, contractual (e.g., union, employment, or labor contract), constitutional, common law employment right, and/or civil rights by the Municipality. The Municipality agrees to indemnify and hold harmless the County from and against any and all Claim(s) which are imposed upon, incurred by, or asserted against the County or any County Agent by any Municipality Agent and/or which are based upon, result from, or arise from, or are in any way related to any Municipality Agent's wages, compensation, benefits, or other employment-related or based rights, including, but not limited to, those described in this section.

8.3. The Municipality agrees that no Municipality Agent shall, by virtue of this Contract or otherwise, be considered or claimed to be an employee of the County and/or a County Agent. This Contract does not grant or confer, and shall not be interpreted to grant or confer, upon any Municipality Agents or any other individual any status, privilege, right, or benefit of County employment or that of a County Agent.

8.4. The Municipality agrees to provide the County Agents with information regarding any activity affecting the tax status of a parcel. This shall include both Ad Valorem and Special Act Property Abatements and/or Exemptions (e.g. Including though not limited to Alternative Energy or New Personal Property, Renaissance Zones, Senior/Disabled Housing Facilities, Obsolete Property and Plant Rehabilitation & Industrial Development Districts), inclusive of the establishment of the related district. Additionally, the Municipality agrees to provide the County Agents with information regarding the establishment/amendment of an Authority and/or the approval/amendment of any related Development and/or Tax Increment Finance Plan(s). The County shall be informed of these proposed changes prior to approval by the governing body of the municipality.

8.5. The Municipality agrees to inform the County Agents regarding any increase in taxation which is governed by the Truth in Taxation Act. Further, the Municipality agrees to inform the County Agents regarding any millage increase (new) or renewal.
8.6. The Municipality will be responsible for Special Assessment billings, maintaining a paper trail of roll changes, maintaining the rolls in balance, and providing the Oakland County Equalization Division with the information necessary to prepare the warrant.

8.7. The Municipality agrees that its agents will perform the following functions:

8.7.1. Mechanically make name changes to Sidwell numbers on a monthly basis using the County’s Computer terminals.

8.7.2. Provide a copy of all building permits with Sidwell numbers to the County’s Equalization Division on a monthly basis.

8.7.3. Forward all exemption applications, transfer affidavits, personal property statements and any and all other documents affecting the status or value of property located within the Municipality to the County’s Equalization Division in a timely manner.

8.7.4. Forward all information on splits and combinations after approval by the Municipality to the County’s Equalization Division.

8.8. In the event that Municipality Agents, for whatever reason, fail or neglect to undertake the tasks in Section 8.7 above, the County’s Equalization Division may perform these tasks and they shall be paid on a time and material basis. Such rate shall be based upon the wages plus benefits of the person or persons performing said tasks.

§9. INDEPENDENT CONTRACTOR The Parties agree that at all times and for all purposes under the terms of this Contract, the County's and/or any and all County Agents' legal status and relationship to the Municipality shall be that of an Independent Contractor. Except as expressly provided herein, each Party will be solely responsible for the acts of its own employees, Agents, and servants during the term of this Contract. No liability, right or benefits arising out of an employer/employee relationship, either express or implied, shall arise or accrue to either Party as a result of this Contract.

§10. COUNTY PRIORITIZATION OF COUNTY RESOURCES The Municipality acknowledges and agrees that this Contract does not, and is not intended to, create either any absolute right in favor of the Municipality, or any correspondent absolute duty or obligation upon the County, to guarantee that any specific number(s) or classification of County Agents will be present on any given day to provide County services to the Municipality.

§11. INDEMNIFICATION Each Party shall be responsible for any Claims made against that Party and for the acts of its Employees or Agents. In any Claims that may arise from the performance of this Contract, each Party shall seek its own legal representation and bear the costs associated with such representation including any attorney fees. Except as otherwise provided in this Contract, neither Party shall have any right under any legal principle to be indemnified by the other Party or any of its Employees or Agents in connection with any Claim. This Contract does not, and is not intended to, impair, divest, delegate or contravene any constitutional, statutory, and/or other legal right, privilege, power, obligation, duty, or immunity of the Parties. Nothing in this Agreement shall be construed as a waiver of governmental immunity for either Party.
§12. CANCELLATION OR TERMINATION OF THIS CONTRACT Except as follows, and notwithstanding any other term or provision in any other section of this Contract, either Party, upon a minimum of ninety (90) calendar days written notice to the other Party, may cancel and/or completely terminate this Contract for any reason, including convenience, without incurring any penalty, expense, or liability to the other Party. The effective date for any such termination is to be clearly stated in the notice.

12.1. At 5:00 p.m. on the effective date of the cancellation of this Contract all Municipality and/or County obligations under this Contract, except those rights and obligations expressly surviving cancellation as provided for in this Contract, shall end.

12.2. The Municipality agrees that any and all Municipality obligations, including, but not limited to, any and all indemnification and hold harmless promises, waivers of liability, record-keeping requirements, any Municipality payment obligations to the County, and/or any other related obligations provided for in this Contract with regard to any acts, occurrences, events, transactions, or Claim(s) either occurring or having their basis in any events or transactions that occurred before the cancellation or completion of this Contract, shall survive the cancellation or completion of this Contract.

§13. EFFECTIVE DATE, CONTRACT APPROVAL, AND AMENDMENT The Parties agree that this Contract, and/or any subsequent amendments thereto, shall not become effective prior to the approval by concurrent resolutions of both the Oakland County Board of Commissioners and the Governing Body of the City of Auburn Hills. The approval and terms of this Contract, and/or any possible subsequent amendments thereto, shall be entered in the official minutes and proceedings of both the Oakland County Board of Commissioners and the Governing Body of the City of Auburn Hills and shall also be filed with the office of the Clerk of the County and the Clerk for the City of Auburn Hills.

§14. The Parties agree that this Contract, and/or any possible subsequent amendments, shall be filed with the Michigan Secretary of State and this Contract, and/or any possible subsequent amendments, shall not become effective prior to this required filing with the Secretary of State.

14.1. The Parties agree that except as expressly provided herein, this Contract shall not be changed, supplemented, or amended, in any manner, except as provided for herein, and no other act, verbal representation, document, usage or custom shall be deemed to amend or modify this Contract in any manner.

§15. NO THIRD-PARTY BENEFICIARIES Except as expressly provided herein for the benefit of the Parties (i.e., County or Municipality), this Contract does not, and is not intended to, create, by implication or otherwise, any direct or indirect obligation, duty, promise, benefit, right to be indemnified (i.e., contractually, legally, equitably, or by implication) and/or any right to be subrogated to any Party’s rights in this Contract, and/or any other right of any kind, in favor of any person, including, but not limited to, any County Agent or Municipality Agent or any Municipality Taxpayer, any Taxpayer’s legal representative, any organization, any alleged unnamed beneficiary or assignee, and/or any other person.

§16. CONSTRUED AS A WHOLE The language of all parts of this Contract is intended to and, in all cases, shall be construed as a whole according to its fair meaning, and not
construed strictly for or against any Party. As used in this Contract, the singular or plural number, possessive or nonpossessive shall be deemed to include the other whenever the context so suggests or requires.

§17. **CAPTIONS** The section headings or titles and/or all section numbers contained in this Contract are intended for the convenience of the reader and not intended to have any substantive meaning and are not to be interpreted as part of this Contract.

§18. **NOTICES** Except as otherwise expressly provided for herein, any and all correspondence, invoices, and/or any other written notices required, permitted or provided for under this Contract to be delivered to either Party shall be sent to that Party by first class mail. All such written notices, including any notice canceling or terminating this Contract as provided for herein, shall be sent to the other Party's signatory to this Contract, or that signatory's successor in office, at the addresses shown in this Contract. All correspondence or written notices shall be considered delivered to a Party as of the date that such notice is deposited with sufficient postage with the U.S. Postal Service.

§19. **WAIVER OF BREACH** The waiver of a breach of any provision of this Contract shall not operate or be construed as a waiver of any subsequent breach. Each and every right, remedy and power granted to either Party or allowed it by law shall be cumulative and not exclusive of any other.

§20. **ENTIRE CONTRACT** This Contract, consisting of a total of fifteen (15) pages, sets forth the entire agreement between the County and the Municipality and fully supersedes any and all prior agreements or understandings between them in any way related to the subject matter hereof. It is further understood and agreed that the terms and conditions herein are contractual and are not a mere recital and that there are no other agreements, understandings, contracts, or representations between the County and the Municipality in any way related to the subject matter hereof, except as expressly stated herein. This Contract shall not be changed or supplemented orally and may be amended only as otherwise provided herein.

For and in consideration of the mutual assurances, promises, acknowledgments, warrants, representations, and agreements set forth in this Contract, and for other good and valuable consideration, the receipt and adequacy of which is hereby acknowledged, the undersigned hereby execute this Contract on behalf of the Parties, and by doing so legally obligate and bind the Parties to the terms and conditions of this Contract.
IN WITNESS WHEREOF, James D. McDonald, Mayor of the City of Auburn Hills, hereby acknowledges that he has been authorized by a resolution of the Governing Body of the City of Auburn Hills, a certified copy of which is attached, to execute this Contract on behalf of the Municipality and hereby accepts and binds the City of Auburn Hills to the terms and conditions of this Contract.

EXECUTED: ___________________________           DATE: ___________________________
James D. McDonald, Mayor
City of Auburn Hills

WITNESSED: ___________________________           DATE: ___________________________
Terri Kowal, Clerk
City of Auburn Hills

IN WITNESS WHEREOF, Michael J. Gingell, Chairperson, Oakland County Board of Commissioners, hereby acknowledges that he has been authorized by a resolution of the Oakland County Board of Commissioners, a certified copy of which is attached, to execute this Contract on behalf of the Oakland County, and hereby accepts and binds the Oakland County to the terms and conditions of this Contract.

EXECUTED: ___________________________           DATE: ___________________________
Michael J. Gingell, Chairperson
Oakland County Board of Commissioners

WITNESSED: ___________________________           DATE: ___________________________
(Print Name) ___________________________
County of Oakland
DATE: JUNE 17, 2013 MEETING

AGENDA ITEM NO. 8A.

Department of Public Works

To: Mayor and City Council

From: Peter E. Auger, City Manager and Dan Brisson, Manager of Facilities and Roads.

Submitted: June 12, 2013

Subject: Downtown Forward Angle Parking

INTRODUCTION AND HISTORY

In an email dated January 30, 2013, the Downtown Merchants Association requested the City Manager’s office consider the installation of forward angle parking in the downtown area of Auburn Road. Community Relations recently polled the downtown merchants and all parties have signed in favor of forward angle parking. Forward angle parking has the following benefits over the current parking configuration:

- Increase parking inventory on Auburn Road from 41 parallel spaces to approximately 59 angled spaces between Squirrel Court and Juniper. The existing electric vehicle (EV) charging station would remain parallel and 11 existing parallel parking spaces would remain as-is for traffic flow purposes. The proposed layout will yield a total of approximately 71 parking spaces.
- An additional 26 parallel parking spaces can be added east of Juniper to provide additional parking in the downtown area. This additional parking option may be helpful to businesses on the east side of town such as Pixley Funeral Home. With this option, total parking count on Auburn Road would be approximately 97 spaces.
- Disabled parking can be added as part of the new configuration, making barrier-free access available to the front of the downtown businesses. A recommendation of two spaces on each side of Auburn is included in the design presentation.
- Slowing of traffic through the downtown area. As Auburn Road is single-lane travel in each direction on both sides of the downtown area, remaining single lane through town will slow traffic, increase awareness of the downtown amenities, and provide a safer environment for vehicle, bicycle and pedestrian traffic via slower vehicle speeds.
- Increase visibility and awareness of the main street merchants.

DPW, Public Safety, Community Development and OHM staff has met to review and discuss the proposed parking layout and concur that forward angle parking does work utilizing the existing traffic signal configuration. Turning movement will be modified with a change in intersection pavement marking at both downtown signaled intersections. The discussion of incorporating bicycle sharrow pavement markings through the downtown area was considered. However, staff determined that bicycle traffic through the downtown area needs to be further monitored before a decision is made to incorporate bicycle traffic with vehicle traffic. Bicycle sharrow pavement markings can be added at a later date as an in-house operation at minimal expense.

STAFF RECOMMENDATION

The DPW has obtained pricing to reconfigure the intersection markings and re-stripe the downtown area. Contracted and in-house costs are estimated at $11,875.00. Funding will be provided from the Major Streets pavement marking account. OHM and Public Safety have reviewed the proposed layout, modeled traffic flow and concur that the proposed plan works from a traffic flow perspective. A copy of the Downtown Merchants Association email is attached as well as the proposed parking layout plan. The DPW, OHM, Community Development, and Emergency Services are recommending the forward angle parking plan as well as installation of 4 handicap parking spaces and the additional 26 spaces east of Juniper.
MOTION
Move to approve changing the downtown parking configuration from parallel to forward angle parking as presented. Funding is available from Major Streets account 202-452-935.100.

I CONCUR:

PETER E. AUGER, CITY MANAGER
January 30, 2013

To Mr. Pete Auger,

With the upcoming adventurous projects in the downtown, the Elwell Grill and other future projects the downtown Auburn Hills is becoming a destination.

The current merchants would like to request the installation of Forward Angle Parking. The angle parking will be a convenient pull in parking place along Main Street. Additionally, the parking will:

- Increase parking spaces from the current 41 spaces to 70 spaces, an additional 29 parking spaces
- Increase visibility, as well as, increase foot traffic for the Main Street Merchants
- Slow traffic down as a result of the angle parking, which will increase safety at the crosswalks and deter large trucks from using Main Street
- Encourage those just driving though to take notice of the downtown services

With the cooperation of the city of Auburn Hills and DPW, the timing of the lights should not create a traffic backup to our residents and visitors.

Please advise us on how to proceed with this request.

We hope to keep the “Charm” of Main Street, however let’s continue to make it “Enticing, Attractive, and Accessible.”

Thank you,

Downtown Merchant’s Association
c/o Robin Burnett & Brandon Rankin
Serenity Hair Salon
3337 Auburn Rd.
Auburn Hills, MI 48326
248-852-4920

Cc: Auburn Hills City Council
Merchant Signatures

Auburn Hills Chamber of Commerce
Denna Afra

Allstate Insurance
Joanne Cobb

Auburn Village Dental Center
Carol L. Anderson

Classic Trophies
Rinda Blanchard

Duffy's Pub
Jim O'Connor

Edge Men's Grooming
Julie Delaire

Elite and Fabulous Events
Lila nya Carne

Elwell Bar and Grill
Lurye Talmour

Jo'Angela's Pizza and Deli
Joey Stignacchi
✓ Toasted Bun

Sound-Wave Music and Arts

Susan Sutu

✓ Sweets

✓ Waterhouse Photography

Email - ok

Walker's Self Defense Academy

Walker - Walker

Happy Hour Party Store

[Signature]

Smoke Shop of Auburn Hills

[Signature]

✓ YourSource Management Group

Email - ok

Zenith Design

[Signature]
Toasted Bun

Sound-Wave Music and Arts

Suee

Sweets

Email - OK

Waterhouse Photography

Email - OK

Walker's Self Defense Academy

Happy Hour Party Store

Smoke Shop of Auburn Hills

√ YourSource Management Group

Email - OK

Zenith Design
Stephanie,

I don’t attend the Merchant meeting as I don’t consider our company as a “merchant” as we are exclusively business to business and have no retail/foot traffic needs. (Which seems to be the primary focus of the members of the group.) I am in full support of the group and am seeing a lot of progress so far it’s just one of those things I don’t need to be involved with.

Either way, I am fine with forward parking spots.

Thanks,

Todd

---

From: Carroll, Stephanie  
To: Todd Lancaster  
Subject: RE:  

Missed you at the last merchant meeting. I have merchants sign the letter Robin sent to the City Manager n behalf of everyone in the Downtown. We would like to have everyone’s formal approval for the parking change. They requested forward angle parking—which will increase the number of spaces from 41 to over 70.

If you are ok with this, please respond so I can attach that approval to the request to the City Council.

Thank you.

Stephanie
Parking petition is fine with me. Just am FYI to you I had told Susan that an afternoon meeting schedule would not work for me as that is the time I am photographing:)

Hugs, Karla

Sent from my iPhone

On May 28, 2013, at 12:06, "Carroll, Stephanie" <scarroll@auburnhills.org> wrote:

Karla

Missed you at the last merchant meeting. I have merchants sign the letter Robin sent to the City Manager n behalf of everyone in the Downtown. We would like to have everyone's formal approval for the parking change. They requested forward angle parking—which will increase the number of spaces from 41 to over 70.

If you are ok with this, please respond so I can attach that approval to the request to the City Council.

Thank you.

Stephanie

Stephanie Carroll
Coordinator of Community Relations & Legislative Affairs
<image006.jpg>

1827 North Squirrel Road
Auburn Hills, Michigan 48326
OFFICE: 248.364.6802
FACSIMILE: 248.370.9348
EMAIL: scarroll@auburnhills.org
WEBSITE: www.auburnhills.org
BLOG: www.auburnhillsblog.org

The name and "signature block" of the City of Auburn Hills and/or its management or staff in this electronic communication shall not be construed as the signature of the City or of any individual unless that intention is clearly stated in the text of the communication.

The email contains information from the City of Auburn Hills, which is confidential and/or privileged to the extent permitted by law. The information is intended to be for the use of the individual(s) or entity(ies) to which this email is addressed. If you are not the intended recipient, be aware that any disclosure, copying, distribution or use of the contents of this information is prohibited. If you have received this email in error, please notify us by
Hello Caroll,

As a Downtown Merchant, I am 100% behind the requested forward angle parking. I receive comments on a regular basis from customers that would have liked to stop in to my establishment but were unable to find close parking.

Thank you,

Kathy
Sweets!

On Tue, May 28, 2013 at 12:05 PM, Carroll, Stephanie <scarroll@auburnhills.org> wrote:

Kathy

Missed you at the last merchant meeting. I have merchants sign the letter Robin sent to the City Manager on behalf of everyone in the Downtown. We would like to have everyone's formal approval for the parking change. They requested forward angle parking—which will increase the number of spaces from 41 to over 70.

If you are ok with this, please respond so I can attach that approval to the request to the City Council.

Thank you.

Stephanie

Stephanie Carroll

Coordinator of Community Relations & Legislative Affairs
JUNE 17, 2013

To: Mayor and City Council
From: Peter E. Auger, City Manager; Gary L. Barnes, Finance Director
Submitted: June 13, 2013
Subject: Motion to Approve Fifth Amendment to Cardell Agreement

INTRODUCTION AND HISTORY

As part of the agreement between the City and the Cardell Corporation dated January 31, 1996 and four subsequent amendments, the City has been able to request “Schedule A” advances from the Cardell Corporation (subsequently purchased by Molex). The Schedule A advances are non-interest bearing, and the advance amount is determined each year by comparing the actual tax collections for properties in the designated area along Taylor Road to an “Expected Tax Collection” amount on Schedule A. If the actual tax collections are less than the expected amount for the specific fiscal year being examined, the City may request an advance for the amount of the shortfall. The potential for receiving Schedule A advances continues through the calendar year 2020.

In June of 2009 Molex was negotiating the sale of a property parcel in the designated area of the agreement to American Axle. Because American Axle wanted a clear title without the lien provision that would result in a pro-rata share of the advances caused by the tax shortfall, an agreement was reached between the City and Molex which removed this specific property from the Schedule A advances. As remuneration for accepting the removal of this property parcel, a third amendment was agreed upon which provided that the City be paid $110,000 by Molex. In August of 2010 a fourth amendment was approved to accommodate another lien removal on another parcel of property being sold by Molex to American Axle. The fourth amendment and its terms mirrored the previous third amendment and resulted in another $110,000 being paid to the City.

The City has recently been contacted by Molex, and they have requested a fifth amendment which would remove the lien on two parcels that they intend to sell to Ralco Industries, Inc. where Ralco’s intends to build their world headquarters. Ralco’s site plan, special land use permits, and tree removal permit were approved by the City Council at its June 3, 2013 meeting. The fifth amendment terms would mirror the 3rd and 4th amendments previously memorialized between the City and Molex (Cardell). The City would be paid $110,000, and the paid amount will be a consummated payment transaction as the amount paid represents revenue to the City, and it will not be treated as a non-interest bearing advance subject to repayment.

A history of the Schedule A advances since the inception of the Cardell Agreement are shown on an attached schedule. Through fiscal year 2012, the City has received $1.5 million of Schedule A non-interest bearing advances subject to repayment. The amendments pertaining to the lien removals (including the 5th amendment) will have resulted in another $330,000 being advanced to the City in accordance with the Schedule A Expected Tax; however, this amount is not subject to repayment by the City. The fifth amendment included in the City Council packet has been reviewed and approved by the City’s legal counsel.

STAFF RECOMMENDATION

The staff recommends approval of the Fifth Amendment to the Cardell Agreement.

MOTION

Move to approve the Fifth Amendment to the Agreement dated January 31, 1996 between the Cardell Corporation and the City of Auburn Hills and to authorize the City Manager to complete the execution of said Fifth Amendment.

I CONCUR: 

PETER E. AUGER, CITY MANAGER
## City of Auburn Hills
### Cardell Agreement
### Schedule A - Advance Payments

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**Totals**: 3,356,823 (110,000) (110,000) (110,000) 3,026,823 1,529,197 330,000

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**Pro-forma tax amounts are for example purposes to show potential future advances.**

**Future tax amounts increased between 2-3% every year after 2013.**
FIFTH AMENDMENT TO AGREEMENT

This FIFTH AMENDMENT TO AGREEMENT (the “Fifth Amendment”) is made and entered into as of the ______ day of ____________, 2013, by and between Cardell Corporation, a Michigan corporation having an address of 2025 Taylor Road, Auburn Hills, Michigan 48326 (“Cardell”) and the City of Auburn Hills, a Michigan municipal corporation having an address of 1827 Squirrel Road, Auburn Hills, Michigan 48326 (the “City”).

WITNESSETH

WHEREAS, Cardell and the City entered into that certain Agreement, dated January 31, 1996 (the “Agreement”) recorded at Liber 16015, Page 380, Oakland County Records, providing for Cardell’s obligation to pay certain moneys to the City in connection with the City’s operation of a municipal golf course and related facilities and for such obligations to be secured by a lien upon certain real property located in the City of Auburn Hills, which property is more particularly described in the Appendix A attached hereto (the “Property”); and

WHEREAS, the Agreement was heretofore amended by an Amendment to Agreement dated December 16, 1996 recorded at Liber 17472, Page 539, Oakland County Land Records, a Second Amendment to Agreement dated August 8, 2000 recorded in Liber 21756, Page 206, Oakland County Land Records, a Third Amendment to Agreement dated June 19, 2009 recorded in Liber 42265, Page 743 and Liber 41277, Page 240, Oakland County Land Records, a Fourth Amendment dated August 9, 2010 recorded in Liber 42445, Page 442, Oakland County Land Records; and

WHEREAS, Parcels 1A and 1B described in the Agreement are the subject of a Purchase Agreement between, inter alia, Cardell and Ralco Property Holdings, LLC. (“Ralco”), whereby Ralco will develop these currently undeveloped parcels of property;

WHEREAS, one of the conditions to closing the sale of Parcels 1A and 1B to Ralco is that any lien that could potentially be created by the Agreement be removed prior to closing of the sale of Parcels 1A and 1B to Ralco; and

WHEREAS, the parties desire to further amend this Agreement by releasing Parcels 1A and 1B, the legal description of which is set forth in the Agreement and in Exhibit B attached hereto, from any lien created by the Agreement and by apportioning the lien relating to Parcels 1A and 1B as set forth below.

NOW, THEREFORE, in consideration of the mutual premises and covenants contained herein, the payment referred to in Section 4 below, and for other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged by each of the parties hereto, the parties agree as follows:

1. Exhibit A. Exhibit A to the Agreement is hereby deleted, and the Exhibit A-2 attached hereto is hereby substituted in lieu thereof.

2. Appendix D-1. The Third Amended Appendix D-1 is hereby deleted, and the Fourth Amended Appendix D-1 attached hereto is hereby substituted in lieu thereof.
3. **Release of Lien and Lien Rights.** The lien relating to Parcels 1A and 1B are hereby released and discharged and the lien rights of the City with respect to Parcels 1A and 1B, arising from the Agreement, are hereby waived from and after the date hereof.

4. **Absolute Payment.** In consideration of the changes set forth in Sections 1, 2 and 3 above, Cardell shall make a one-time payment of One Hundred and Ten Thousand Dollars ($110,000.00) to the City. The payment amount shall be due to the City within fourteen (14) calendar days after this Fifth Amendment is executed by the City and delivered to Cardell. Notwithstanding the foregoing, the City shall not execute this Fifth Amendment prior to the City providing approval ofRalco’s plans to develop Parcels 1A and 1B. The payment to the City represents a final consummated payment transaction relating to this Fifth Amendment, and is not to be construed as a loan, advance, or any other designation that would suggest that the amount will be repaid by the City to Cardell in the future.

5. **Miscellaneous.**

   (a) This Agreement shall be governed and constructed and enforced in accordance with the laws of the State of Michigan.

   (b) This Fifth Amendment is binding upon and shall inure to the benefit of the parties and their respective permitted successor and assigns under the Agreement.

   (c) Except as specifically modified hereby, the Agreement as amended by the Amendment, the Second Amendment, the Third Amendment, the Fourth Amendment and this Fifth Amendment shall continue in full force and effect and is hereby ratified and confirmed.

IN WITNESS WHEREOF, the parties have each executed and delivered this Fifth Amendment as of the date and year first above written.

In the presence of:

__________________________
CARDELL:
Cardell Corporation, a Michigan Corporation

By: ___________________________
   Its: ___________________________

__________________________
Name

__________________________
Name

STATE OF ___________________
COUNTY OF _________________

The foregoing instrument was acknowledge before me this _____ day of _____, 2013, by
____________________, __________ of Cardell Corporation, a Michigan corporation, on behalf of the corporation.
In the presence of:

CITY:
City of Auburn Hills,
a Michigan municipal corporation

By:
Name: __________________________
Its: __________________________

Name

By:
Name: __________________________
Its: __________________________

STATE OF MICHIGAN
COUNTY OF OAKLAND

The foregoing instrument was acknowledged before me this _____ day of _____, 2013, by
_________________, ___________________ and ___________________ the City of Auburn Hills, Michigan, a
Michigan municipal corporation, on behalf of the municipal corporation.

, Notary Public
County, _______________
My Commission Expires: ____________

This document drafted by
and when recorded returned to:

Foley & Lardner LLP
One Detroit Center
500 Woodward Avenue, Suite 2700
Detroit, MI 48226-3489
Attn: James A. Manzi, Jr.
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THIRD AMENDED APPENDIX D-1

Cardell Corporation
Allocation of Auburn Hills Agreement – Exhibit A-1

<table>
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<tr>
<th></th>
<th>1A</th>
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<th>1C</th>
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<tbody>
<tr>
<td>% of Total Relative Assessed Values</td>
<td>22.06%</td>
<td>4.17%</td>
<td>18.37%</td>
<td>15.54%</td>
<td>18.95%</td>
<td>12.11%</td>
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<td>93,503</td>
<td>79,086</td>
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<tr>
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<tr>
<td>2015</td>
<td>167,848</td>
<td>31,751</td>
<td>139,796</td>
<td>118,241</td>
<td>144,220</td>
<td>92,167</td>
<td>66,978</td>
<td>761,000</td>
</tr>
<tr>
<td>2016</td>
<td>167,848</td>
<td>31,751</td>
<td>139,796</td>
<td>118,241</td>
<td>144,220</td>
<td>92,167</td>
<td>66,978</td>
<td>761,000</td>
</tr>
<tr>
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</tr>
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<td>167,848</td>
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<td>139,796</td>
<td>63,241</td>
<td>144,220</td>
<td>92,167</td>
<td>66,978</td>
<td>706,000</td>
</tr>
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</table>
### FOURTH AMENDED APPENDIX D-1

Cardell Corporation  
*Allocation of Auburn Hills Agreement – Exhibit A-1*

<table>
<thead>
<tr>
<th></th>
<th>IC</th>
<th>4A</th>
<th>5A</th>
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<th>Total</th>
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</thead>
<tbody>
<tr>
<td>% of Total Relative</td>
<td>18.37%</td>
<td>41.77%</td>
<td>18.95%</td>
<td>12.11%</td>
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<td>93,503</td>
<td>212,589</td>
<td>96,463</td>
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<td>509,000</td>
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<tr>
<td>2010</td>
<td>106,362</td>
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<td>579,000</td>
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<td>2011</td>
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<tr>
<td>2012</td>
<td>117,752</td>
<td>267,721</td>
<td>121,478</td>
<td>77,634</td>
<td>56,416</td>
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<tr>
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<td>289,021</td>
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<tr>
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<tr>
<td>2015</td>
<td>139,796</td>
<td>262,840</td>
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<td>92,167</td>
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<td>706,000</td>
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</tr>
<tr>
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<td>262,840</td>
<td>144,219</td>
<td>92,167</td>
<td>66,978</td>
<td>706,000</td>
</tr>
</tbody>
</table>
DATE  JUNE 17, 2013

To:        Mayor and City Council
From:     Gary L. Barnes, Finance Director
Submitted:  June 10, 2013
Subject:  Motion:  Accept 2012 Financial Report & Plante Moran’s Audit Reports

INTRODUCTION AND HISTORY
The audit of the financial statements of the City of Auburn Hills for the calendar year ending December 31, 2012 has been completed by Plante Moran. Representatives of Plante Moran will be present at the council meeting to provide an overview of the financial statements and their audit reports.

The audited financial statements and Plante Moran’s opinion statement are assembled in the City’s Financial Report with Supplemental Information Year Ending December 31, 2012. Plante Moran’s independent audit opinion is on page 5 of the City’s 2012 Financial Report. This statement provides their independent opinion and states that the City’s financial statements present fairly the financial position of all of the City’s financial activities and funds, and that the financial statements are presented in conformity with generally accepted accounting principles.

In addition, Plante Moran will present a communications report (letter dated May 31, 2013 and a power point graphical presentation of the major funds with comparisons between 2011 and 2012 (copies of both documents are enclosed). The communications report includes three sections. Section I – Includes comments and observations on the City's accounting principles; Section II includes information that current auditing standards require the auditors to communicate to the governance body; and Section III presents other comments aimed toward helping the City in areas such as accounting procedures and reporting requirements. Section III also has updated local legislative and informational items.

The City’s Financial Report was completed on a timely basis and will be filed with the appropriate state agencies to satisfy annual fiscal year reporting regulations

STAFF RECOMMENDATION
The staff recommends the acceptance of the City’s 2012 Financial Report, and the communications report as presented to the City Council by Plante Moran.

MOTION
Move to accept and approve the City’s Financial Report with Supplemental Information for the year ending December 31, 2012 and the related communications report as presented by the City’s independent auditors, Plante Moran.

I CONCUR:  

[Signature]

PETER E. AUGER, CITY MANAGER

\ox\CITY COUNCIL PACKET\JUNE 17\9a. 2012 Financial Report-Cover Memo.Doc
May 31, 2013

To the Honorable Mayor and Members
of the City Council
City of Auburn Hills, Michigan

We have audited the financial statements of the City of Auburn Hills, Michigan (the “City”) as of and for the year ended December 31, 2012 and have issued our report thereon dated May 31, 2013. Professional standards require that we provide you with the following information related to our audit which is divided into the following sections:

Section I - Internal Control Related Matters Identified in an Audit

Section II - Required Communications with Those Charged with Governance

Section III - Legislative and Informational Items

Section I includes any deficiencies we observed in the City’s accounting principles or internal control that we believe are significant. Current auditing standards require us to formally communicate annually matters we note about the City’s accounting policies and internal control.

Section II includes information that current auditing standards require independent auditors to communicate to those individuals charged with governance. We will report this information annually to the Honorable Mayor and Members of the City Council of Auburn Hills, Michigan.

Section III includes updated legislative and informational items that we believe will be of interest to you.

The City staff are to be commended for being so well prepared for the audit. In addition, the City-prepared financial statements were ready very shortly after the audit was started, which is no small task. Their readiness and professionalism were invaluable to us.

This report is intended solely for the use of the Honorable Mayor and Members of the City Council and management of the City of Auburn Hills and is not intended to be and should not be used by anyone other than these specified parties.
May 31, 2013

To the Honorable Mayor and Members of the City Council
City of Auburn Hills, Michigan

We welcome any questions you may have regarding the following communications and we would be willing to discuss any of these or other questions that you might have at your convenience.

Very truly yours,

Plante & Moran, PLLC

David Helisek

Michelle Watterworth
To the Honorable Mayor and Members
of the City Council
City of Auburn Hills, Michigan

May 31, 2013

Section I - Communications Required Under AU 265

In planning and performing our audit of the financial statements of the City of Auburn Hills, Michigan as of and for the year ended December 31, 2012, in accordance with auditing standards generally accepted in the United States of America, we considered the City’s internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the City’s internal control. Accordingly, we do not express an opinion on the effectiveness of the City’s internal control.

Our consideration of internal control was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal control that might be significant deficiencies or material weaknesses and therefore, material weaknesses or significant deficiencies may exist that were not identified. However, as discussed below, we identified certain deficiencies in internal control that we consider to be material weaknesses.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect and correct misstatements on a timely basis.

A material weakness is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the City’s financial statements will not be prevented or detected and corrected on a timely basis. We consider the following deficiencies in the City’s internal control to be material weaknesses:

- Auditor-identified journal entries were posted to the City’s financial records during the audit. The entries were needed to adjust year-end balances to be in conformity with generally accepted accounting principles. The majority of the journal entries were related to property taxes, long-term debt, and the net pension asset. The result of not identifying or correcting these misstatements would have resulted in a material misstatement to the financial statements.

- In response to our audit communications from last year, the finance department was very proactive in revising the bank reconciliation procedures to ensure that these reconciliations now encompass balancing to the general ledger while at the same time, provide additional segregation of duties. That said, at the point in time that we were performing interim audit procedures (end of February 2013), the City had not yet fully completed the bank reconciliations related to the primary operating account for the months of October, November, and December 2012. These accounts were fully reconciled by the finance department by the time we started our year-end procedures at the beginning of April 2013. The preparation of timely bank reconciliations is an important control which serves to identify potential errors in the accounting records and provide the necessary control to ensure that the cash balances have not been misstated.

3
May 31, 2013

To the Honorable Mayor and Members
of the City Council
City of Auburn Hills, Michigan

Going forward, in order to ensure the bank reconciliation process operates on a more timely basis and to ensure appropriate segregation of duties, we recommend that the finance department assume the completion of these reconciliations, with assistance from treasury, but with more readily available access to the underlying data maintained by the treasurer’s department which is necessary to reconcile the figures in a timely manner.
Section II - Communications Required Under AU 260

Our Responsibility Under U.S. Generally Accepted Auditing Standards

As stated in our engagement letter dated November 28, 2012, our responsibility, as described by professional standards, is to express an opinion about whether the financial statements prepared by management with your oversight are fairly presented, in all material respects, in conformity with U.S. generally accepted accounting principles. Our audit of the financial statements does not relieve you or management of your responsibilities. Our responsibility is to plan and perform the audit to obtain reasonable, but not absolute, assurance that the financial statements are free of material misstatement.

As part of our audit, we considered the internal control of the City of Auburn Hills, Michigan. Such considerations were solely for the purpose of determining our audit procedures and not to provide any assurance concerning such internal control.

We are responsible for communicating significant matters related to the audit that are, in our professional judgment, relevant to your responsibilities in overseeing the financial reporting process. However, we are not required to design procedures specifically to identify such matters.

Planned Scope and Timing of the Audit

We performed the audit according to the planned scope and timing previously communicated to you in our meeting about planning matters on March 18, 2013.

Significant Audit Findings

Qualitative Aspects of Accounting Practices

Management is responsible for the selection and use of appropriate accounting policies. In accordance with the terms of our engagement letter, we will advise management about the appropriateness of accounting policies and their application. The significant accounting policies used by the City are described in Note B to the financial statements. No new accounting policies were adopted and the application of existing policies was not changed during 2012, with the exception of the adoption of GASB Statement No. 63, Financial Reporting of Deferred Outflows of Resources, Deferred Inflows of Resources, and Net Position. For the City of Auburn Hills, the impact of adopting this new accounting standard was simply a change in terminology in that "net assets" has become "net position."

We noted no transactions entered into by the City during the year for which there is a lack of authoritative guidance or consensus.

There are no significant transactions that have been recognized in the financial statements in a different period than when the transaction occurred.
To the Honorable Mayor and Members of the City Council  
City of Auburn Hills, Michigan

May 31, 2013

Accounting estimates are an integral part of the financial statements prepared by management and are based on management’s knowledge and experience about past and current events and assumptions about future events. Certain accounting estimates are particularly sensitive because of their significance to the financial statements and because of the possibility that future events affecting them may differ significantly from those expected. The most sensitive estimates affecting the financial statements were related to the recording of liabilities and expenditures for pending tax tribunal cases, the property tax chargebacks from Oakland County, and the estimated pension/OPEB assets related to the pension and retiree healthcare funds.

Management’s estimate of the amount owed related to pending tax tribunal cases resulted from the assessor’s analysis of the potential liability based on the difference from the current assessed property tax values versus the estimated reduction in the assessed values based on the contested claim filed by the taxpayer, as well as the probability of loss. The estimate related to the chargebacks from Oakland County is based on historical chargebacks from the County versus the amounts originally provided by the County from the delinquent revolving fund. The estimate of the net pension/OPEB assets was estimated by comparing actuarial data to contributions made during the current year. We evaluated the key factors and assumptions used to develop the estimates in determining that the amounts recorded are reasonable in relation to the financial statements taken as a whole.

The disclosures in the financial statements are neutral, consistent, and clear.

Difficulties Encountered in Performing the Audit

We encountered no significant difficulties in dealing with management in performing and completing our audit.

Disagreements with Management

For the purpose of this letter, professional standards define a disagreement with management as a financial accounting, reporting, or auditing matter, whether or not resolved to our satisfaction, that could be significant to the financial statements or the auditor’s report. We are pleased to report that no such disagreements arose during the course of our audit.

Corrected and Uncorrected Misstatements

Professional standards require us to accumulate all known and likely misstatements identified during the audit, other than those that are trivial, and communicate them to the appropriate level of management. Various audit adjustments were identified during the course of our audit related to recording deferred property tax revenues, capital assets, long-term debt, and the net pension asset. Management has corrected all such misstatements.

The attached schedules summarize uncorrected misstatements of the financial statements which were requested to be recorded. Management has determined that their effects are immaterial, both individually and in the aggregate, to the financial statements taken as a whole.
To the Honorable Mayor and Members
of the City Council
City of Auburn Hills, Michigan

Management Representations

We have requested certain representations from management that are included in the

Management Consultations with Other Independent Accountants

In some cases, management may decide to consult with other accountants about auditing and
accounting matters, similar to obtaining a "second opinion" on certain situations. If a
consultation involves application of an accounting principle to the City’s financial statements or a
determination of the type of auditor’s opinion that may be expressed on those statements, our
professional standards require the consulting accountant to check with us to determine that the
consultant has all the relevant facts. To our knowledge, there were no such consultations with
other accountants.
To the Honorable Mayor and Members of the City Council  
City of Auburn Hills, Michigan  

April 30, 2013  

Client: City of Auburn Hills, Michigan  
Opinion Unit: Governmental Activities  
Y/E: 12/31/2012  

SUMMARY OF UNRECORDED POSSIBLE ADJUSTMENTS  

The pre-tax effect of misstatements and classification errors identified would be to increase (decrease) the reported amounts in the financial statement categories identified below:  

<table>
<thead>
<tr>
<th>Ref. #</th>
<th>Description of Misstatement</th>
<th>Current Assets</th>
<th>Long-term Assets</th>
<th>Current Liabilities</th>
<th>Long-term Liabilities</th>
<th>Equity</th>
<th>Revenue</th>
<th>Expenses</th>
<th>Net Income Statement Impact</th>
</tr>
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<tbody>
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<td>A1</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
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<td>A2</td>
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<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Judgmental Adjustments:  

B1 To adjust Oakland County chargeback accrual based on revised calculations  
$ 123,000  
$ 123,000  
$(123,000)

B2 To adjust the net CPEB asset due to impact of IAFF personnel excluded from CPEB valuation  
$(100,000)  
$ (100,000)

Projected Adjustments:  

C1  
C2  
  Combined effect  
$ (100,000)  
72,011  
$ 172,011  
$(172,011)

Total  
$ (100,000)  
72,011  
$ 172,011  
$(172,011)

Passed Disclosures:  

D1  
D2  
  Note 1 and 56: Other postemployment benefits actuarial accrued loss is potentially understated by approximately $800,000 due to the omission by the actuary of the IAFF.

SUMMARY OF UNRECORDED POSSIBLE ADJUSTMENTS  

The pre-tax effect of misstatements and classification errors identified would be to increase (decrease) the reported amounts in the financial statement categories identified below:  

<table>
<thead>
<tr>
<th>Ref. #</th>
<th>Description of Misstatement</th>
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<th>Long-term Assets</th>
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<th>Net Income Statement Impact</th>
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<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>A2</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Judgmental Adjustments:  

B1 To adjust Oakland County chargeback accrual based on revised calculations  
$ 123,000  
$ 123,000  
$(123,000)

B2 To adjust the net CPEB asset due to impact of IAFF personnel excluded from CPEB valuation  
$(100,000)  
$ (100,000)

Projected Adjustments:  

C1  
C2  
  Combined effect  
$ -  
-  
123,000  
-  
123,000  
$(123,000)

Total  
$ -  
-  
123,000  
-  
123,000  
$(123,000)

Passed Disclosures:  

D1  
D2
To the Honorable Mayor and Members
of the City Council
City of Auburn Hills, Michigan

May 31, 2013

Client: City of Auburn Hills, Michigan
Opinion Unit: General Fund
Y/E: 12/31/2012

### SUMMARY OF UNRECORDED POSSIBLE ADJUSTMENTS

The prior year effect of misstatements and classification errors identified would be to increase (decrease) the reported amounts in the financial statement categories identified below:

<table>
<thead>
<tr>
<th>Ref. #</th>
<th>Description of Misstatement</th>
<th>Current Assets</th>
<th>Long-term Assets</th>
<th>Current Liabilities</th>
<th>Long-term Liabilities</th>
<th>Equity</th>
<th>Revenue</th>
<th>Expenses</th>
<th>Net Income Statement Impact</th>
</tr>
</thead>
<tbody>
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<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>B1</td>
<td>To adjust Oakland County chargeback accrual based on revised calculations</td>
<td>$ 72,000</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>$ 72,000 ($72,000)</td>
</tr>
<tr>
<td>B2</td>
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<td></td>
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<td></td>
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</tr>
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</table>

### PROJECTED ADJUSTMENTS

| C1     |                             |                |                  |                    |                       |        |         |         |                             |
| C2     |                             |                |                  |                    |                       |        |         |         |                             |

**Combined effect**

<table>
<thead>
<tr>
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</tr>
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<tbody>
<tr>
<td>-</td>
<td>-</td>
<td>$ 72,000</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>$ 72,000 ($72,000)</td>
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</table>

**Total**

<table>
<thead>
<tr>
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<th></th>
<th></th>
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</thead>
<tbody>
<tr>
<td>$ -</td>
<td>$ -</td>
<td>$ 72,000</td>
<td>$ -</td>
<td>$ -</td>
<td>$ -</td>
<td>$ -</td>
<td>$ 72,000 ($72,000)</td>
</tr>
</tbody>
</table>

### PASSED DISCLOSURES:

| D1     |                             |                |                  |                    |                       |        |         |         |                             |
| D2     |                             |                |                  |                    |                       |        |         |         |                             |
To the Honorable Mayor and Members
of the City Council
City of Auburn Hills, Michigan

May 31, 2013

Section III - Legislative and Informational Items

Budgetary Stress

The City has completed three or four years of overall revenue decline. Specifically:

- Property taxes have declined due to decreases in taxable value. After decades of relatively dependable inflationary increases, taxable valuations as of December 31 dropped 27 percent since 2008, and are projected to decrease another 3 percent next year, subject to the final Board of Review and Michigan tax tribunal changes.

- State-shared revenue experienced a steady decline since 2001, as the State used it to balance its own budget. With the onset of the governor’s Economic Vitality Incentive Program (EVIP), 2011 saw an additional 1/3 reduction in what was previously the statutory portion of revenue sharing.

- Building permits, interest income, and most revenues, have dropped off the charts.

As a result, the City’s revenue for 2012 is approximately 10 percent lower than it was just three years ago. As we mentioned last year, the City has done a superb job in managing these lower revenue levels while maintaining its strong financial position. The City has done this without impacting the services that it provides to its residents. In the future, as with many communities across the state, difficult decisions may need to be made to continue to maintain fiscal stability.

Revenue Sharing

One major change in the State’s FY 2013 budget was moving 20 percent of the County revenue sharing to an incentive program. Total revenue sharing as compared to 2011-2012 is as follows:

<table>
<thead>
<tr>
<th></th>
<th>2012-2013</th>
<th>2011-2012 (as of 2/2012)</th>
<th>Change</th>
</tr>
</thead>
<tbody>
<tr>
<td>Constitutional portion</td>
<td>$725,496,300</td>
<td>$697,500,500</td>
<td>+4%</td>
</tr>
<tr>
<td>EVIP **</td>
<td>225,000,000</td>
<td>210,000,000</td>
<td>+7%</td>
</tr>
<tr>
<td>County revenue sharing</td>
<td>104,480,000</td>
<td>115,000,000</td>
<td>+13%</td>
</tr>
<tr>
<td>County incentive (EVIP-like)**</td>
<td>26,120,000</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Grants *</td>
<td>15,000,000</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Total</td>
<td>$1,096,096,300</td>
<td>$1,027,500,500</td>
<td></td>
</tr>
</tbody>
</table>

The EVIP, County incentive, and grants include significant one-time boilerplate appropriations of $7.5m, $2.5m, and $10m, respectively.

* Includes school districts and ISDs in 2012-2013, but only if not already receiving a grant from the State School Aid Fund. Also, funds can only be used for combining operations with a city, village, township, or county.
To the Honorable Mayor and Members
of the City Council
City of Auburn Hills, Michigan

May 31, 2013

** In order to receive funds for EVIP and the County incentive program, the following requirements must be met:

**Category 1 - Accountability and Transparency - Due Date was 10/1/12**
- Produce a citizens guide, including recognition of unfunded liabilities
- Produce a performance dashboard
- Publish a projected budget report - Include current and succeeding year, debt service payments, and assumptions used

**Category 2 - Consolidation of Services - Due Date was 2/1/13**
- Produce a consolidation plan
- If first time, include past endeavors and associated cost savings
- Must include one new initiative with savings estimate and timeline
- If no new initiatives identified, must address why it is not feasible to enter into any new consolidation efforts
- If second time, report on progress of prior plan, including barriers

**Category 3 - Employee Compensation - Due Date 6/1/13**

Key point - This section has three options.

**Option 1 - Modified Compensation Plan**

- New hires that are eligible for retirement plans must be put in plans that cap employer contributions at 10 percent of base salary if eligible for Social Security or 16.2 percent if not.
- For defined benefit plans, maximum multipliers are as follows:

<table>
<thead>
<tr>
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</thead>
<tbody>
<tr>
<td>Yes</td>
<td>Yes</td>
<td>1.5%</td>
</tr>
<tr>
<td>Yes</td>
<td>No</td>
<td>2.25%</td>
</tr>
<tr>
<td>No</td>
<td>Yes</td>
<td>2.25%</td>
</tr>
<tr>
<td>No</td>
<td>No</td>
<td>3.00%</td>
</tr>
</tbody>
</table>

- For defined benefit plans, final average compensation shall use a minimum of three years and shall not include more than 240 hours of paid leave. Overtime hours shall not be included.
- Healthcare premium costs for new hires shall include a minimum 20 percent employee share or employer's share shall be cost competitive with new state preferred provider organization health plan on a per-employee basis.
Option 2 - Compliance with PA 152 of 2011 - Publicly Funded Health Insurance Contribution Act - Certify compliance with the new act that requires hard caps or alternately 80 percent/20 percent cost sharing. This includes the opt-out provision.

Option 3 - Certify that no medical benefits are offered

Proposed Changes for Fiscal Year 2014

There is legislation on the table that proposes changes to the three EVIP compliance categories for the State’s upcoming fiscal year. The changes have not been passed and remain in draft form. Proposed changes to Category 1 are ever-evolving as it makes its way through committees but generally the following provisions have been discussed: Making available for public viewing (i.e., at the municipality or on the website) information such as salary and severance package details for all employees as well as a list of all contracts over $25,000. One committee report did away with these provisions. Universal to all versions - Category 1 would require communities to provide a significant amount of detail related to outstanding debt issuances.

Category 2 is expected to be expanded to also allow “innovations” and privatizations to apply based on the written language. Some versions state that submission of a “new plan” is not required as long as at least one effort was implemented in the past.

Category 3 may require additional certifications related to details surrounding extended or renewed contracts. In addition, the pending legislation includes a requirement that municipalities would need to submit a plan to lower all unfunded accrued liabilities (both pension and health care). We will continue to monitor this legislation and inform you of any updates.

Healthcare Limitations

PA 152 of 2011, the "Publicly Funded Health Insurance Contribution Act," was signed into law by the governor in late September 2011. This new law requires all public employers to place hard caps on the amounts they contribute toward health care with an option to elect an 80 percent contribution cap rather than a hard cap. There is also an option for a “local unit” to opt out entirely. Please note that local unit has a different definition than public employer. Not all public employers are deemed to be local units.

PA 152 would limit annual costs for medical benefit plans to the following:

- $5,500 for single coverage
- $11,000 for individual and spousal coverage
- $15,000 for family coverage
To the Honorable Mayor and Members
of the City Council
City of Auburn Hills, Michigan

May 31, 2013

These limits would apply to “contract years” beginning after January 1, 2012 (although it would
not apply to employees covered by a union contract entered into before September 27, 2011
until that contract expired). Current guidance from the treasury department defines “contract
year” as the one-year period beginning on the date that newly elected or newly renewed
coverage begins for a group of persons under a medical benefit plan (typically, this period begins
soon after the close of the annual open enrollment).

The State recently released the caps for benefit plan coverage years beginning on or after
January 1, 2013. The caps were increased in response to the release of the most recent U.S.
medical care component CPI data which showed a percent change of 3.5 percent. The
increased caps are as follows:

- $5,692.50 for single coverage
- $11,385.00 for individual and spousal coverage
- $15,525.00 for family coverage

Alternatively, given a majority vote of its governing bodies, a public employer can opt out of the
hard cap and into an 80 percent contribution cap. Under this option, public employers would
pay no more than 80 percent of the total annual costs for all of the medical benefit plans it offers
or contributed to for its employees and elected public officials. This option would require that
publicly elected officials would have to pay 20 percent or more of the total annual costs of that
plan, but the employee’s share of the costs could be allocated as the government sees fit.

This act does contain a complete opt-out provision, but only for local units. It would allow
communities to opt out of these provisions entirely with a 2/3 vote of the governing body.

Failure to comply with the provisions in this act will result in a 10 percent reduction in each EVIP
payment for the period of noncompliance. Opting out by a 2/3 vote of the governing body
under the provisions of this act is not considered failure to comply.

**Personal Property Tax Proposals**

The personal property tax was repealed by the passing of several bills during the legislature’s
lame duck session in December. This repeal is contingent upon a statewide vote in August 2014
to allow for a shifting of the use tax to a reimbursement fund. Key provisions of the act phase
out the industrial portion of the tax over a nine-year period beginning in 2016. Also, businesses
with less than $40,000 taxable value in industrial and commercial personal property in any
jurisdiction would no longer pay the tax.

As for the impact on local communities, in short, those local governments that would lose at
least 2.3 percent of their property tax base as a result of the changes would be eligible to be
reimbursed at 80 percent of the revenue the personal property tax currently provides. This
reimbursement would come from the Metropolitan Area Authority, a newly created entity led
by five governor appointees. This authority would be responsible for distributing the use tax
collections as well as monies generated from expiring tax credits.
To the Honorable Mayor and Members
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City of Auburn Hills, Michigan

May 31, 2013

In addition, local governments would have the option to assess a special assessment on industrial property (referred to as essential services assessments). This assessment would not require local voter approval and would reimburse police, fire, ambulance services, and jail operations to ensure they receive 100 percent of the funding that they now get from the personal property tax.

When working through upcoming budgets and longer-term projections, please keep these items in mind. The final act has not yet been published by the State.

The Michigan Municipal League has developed a tool to aid communities in calculating the potential impact of the personal property tax cuts:


**Retro-pay Prohibition**

Public Act 54 of 2011, which was signed by the governor on June 7, 2011, prohibits retroactive pay on an expired contract and calls for employees working under an expired agreement to bear the cost of any increased healthcare costs until a new contract is in effect. During that period, the public employer is authorized to make payroll deductions necessary to pay the increased cost of maintaining those benefits.

Recently the House Local Government Committee held a second hearing on a new bill introduced this past summer that would amend PA 54 of 2012, the law prohibiting retroactive wage increases, to exempt police officers and firefighters. This proposed legislation did not pass during the lame duck session in December and will most likely be reintroduced in 2013.

**Emergency Manager**

Public Act 4 of 2011, which is known as the “emergency manager bill,” was repealed by voters in the November 2012 election. In response to the repeal, the legislature passed a replacement to this bill, PA 436 “the Local Financial Stability and Choice Act.” This new legislation gives distressed communities the following four options:

1. Enter into a consent agreement
2. Mediation with the State
3. Emergency manager
4. Chapter 9 bankruptcy

Another key change is that under this new act, the State will be responsible to pay the salary and other related costs of the emergency manager and not the distressed community. In the now obsolete PA 4, this cost was covered by the State. The act took effect in March 2013.
To the Honorable Mayor and Members
of the City Council
City of Auburn Hills, Michigan

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Deficit Elimination Plans

The Michigan Department of Treasury issued numbered letter 2012-1 in February 2012, which clarifies when a deficit elimination plan is required and how to quantify the deficit requiring elimination. In addition, it also charges local units with the responsibility to file deficit elimination plans concurrent with the submission of the audit report to the Department of Treasury. Local units should no longer be waiting for a letter from the State to file their plans. The plans are now due on or before the filing of your financial statements. Failure to file a plan can result in withholding of 25 percent of the EVIP revenue-sharing payments.

The plans should typically result in elimination of the deficit within one year but should never exceed five years. These plans should also have acceptable evidence to support the plan. The letter defines “acceptable evidence” as certified board/council resolutions approving the funding and the journal entry showing that the transfer was made in the general ledger. Additionally, if there is a projected multi-year budget, this too must be approved by the council/board and submitted. Plans and support can be emailed to Treas_MunicipalFinance@michigan.gov or mailed to the Michigan Department of Treasury.

The letter defines a fund deficit, since the law lacks any reference to generally accepted accounting terminology. It states that for governmental funds (not proprietary funds, fiduciary funds, or discretely presented component units) “a plan is necessary to eliminate any “unrestricted fund balance” deficits. Unrestricted fund balance is the sum of the committed, assigned, and unassigned balances.” Determining whether a deficit exists is more challenging for proprietary funds, fiduciary funds, and discretely presented component units and local units will be expected to apply the test that is explained in the letter. We highly recommend that local units review the letter at the following link to ensure that they comply with the requirements: http://www.michigan.gov/treasury/0,1607,7-121-1751_2194_2196--,00.html#2012.

Pension Obligation Bonds and Other Postemployment Benefits Obligation Bonds

Michigan Public Act 329 of 2012 was passed on October 17, 2012 with immediate effect. The act allows communities that meet certain criteria to issue bonds to fund all or a portion of their unfunded pension and other postemployment benefits (OPEB) liabilities. The bonds are called pension obligation bonds or other postemployment benefits obligation bonds and are collectively referred to as “benefit bonds.”

These bonds are subject to federal taxation but are tax exempt by the State of Michigan and must be issued prior to December 31, 2014. The bonds are issued by ordinance or resolution and do not require a vote of the people.
To the Honorable Mayor and Members
of the City Council
City of Auburn Hills, Michigan

May 31, 2013

Municipalities must meet all of the following key requirements (the act also states additional requirements) in order to be eligible to issue benefit bonds:

- Prior to issuance, the municipality must obtain approval from the State Department of Treasury. In addition, the municipality must publish a notice of intent to issue the security.

- Be assigned a credit rating of AA rating or higher by one of the nationally recognized rating agencies (Standards & Poor’s, Moody’s, or Fitch)

- The issued security shall be rated investment grade by a nationally recognized rating agency.

- The property taxes necessary to meet the debt service obligation may not exceed the limit authorized by law.

- Have a legal capacity to issue the obligation as these bonds are not exempt from legal debt limitations

- Relative to the pension plan, have partial or complete cessation of accruals to a defined benefit plan or closed the defined benefit plan to new or certain existing employee groups and implemented a defined contribution plan (this requirement does not apply to the retiree health care or OPEB plan)

- The municipality shall covenant with bond holders and the State that it will not, after the issuance of benefit bonds and while the bonds are outstanding, rescind any action taken for the cessation of accruals to a defined benefit plan or complete closure of defined benefit plans for new and existing employees.

In addition, the municipality must prepare a comprehensive financial plan which is to be made available to the public. Each of the following elements must be completed to meet this requirement:

1. An analysis of the current and future obligations of the pension or OPEB plan
2. Evidence that the issuance of the municipal bonds, together with other available revenues, will be sufficient to eliminate the unfunded liability
3. Debt service amortization schedules and a description of the actions required by the municipality to satisfy the debt service payments
4. Certification by the person preparing the plan that it is complete and accurate
5. If the bond proceeds are to be placed in a healthcare trust fund, the municipality must also put in place a plan to mitigate increases in healthcare costs, such as the implementation of a wellness program.
To the Honorable Mayor and Members of the City Council
City of Auburn Hills, Michigan

May 31, 2013

**Michigan's Public Pension Systems - Impact of PA 347 of 2012**

In December 2012, Governor Rick Snyder signed Public Act 347 of 2012 into law. This legislation makes some significant changes that will impact all public retirement systems in Michigan. Amending Public Act 314 of 1965, these new rules are meant to provide greater flexibility to these systems as to how funds are invested while at the same time imposing additional requirements aimed at transparency and accountability. These changes, which went into effect in March 2013, are summarized below:

**Changes to Allowable Investment Vehicles**

Generally, rather than making it more restrictive, the new rules raise the maximums for several investment categories, such as real estate and global equities. As an example, the limitations within the "basket clause" are increasing by 10 percentage points, with most plans now allowed to invest between 15 percent and 20 percent within this section, depending upon plan size. Monitoring under these new limitations will continue to be important. Toward this end, plans will need to ensure their investment consultants, advisors, and managers are "on board" with the changes.

**Spending Limitations**

This act would limit the amount of spending on professional training, education, and travel. Under the legislation, the retirement system's board of trustees would be required to adopt an annual budget for professional training and education, including travel. This budget will be capped at the lesser of $150,000 or an amount equal to $12,000 multiplied by the number of board members, with professional training, education, and travel costs not to exceed $30,000 for any one board member.

**Additional Documentation and Reporting Requirements**

Additional transparency reporting requirements for retirement systems, investment fiduciaries, and investment service providers are being imposed by this new public act. First, the legislation would require the publication by the plan of a summary annual report (SAR). Although similar reporting requirements exist in the old legislation, this act requires more detailed reporting than what we are used to.

The SAR would include several additional disclosures, including the following: names of investment service providers, the system's itemized budget (including professional training, education, and travel), disclosure of the system's investment returns, and numerous pieces of information from the system's most recent annual actuarial valuation report. The system is required to make its SAR available to plan participants and citizens via posting to its website if the system has a website or, alternatively, would require the plan sponsor to post it to their website.
To the Honorable Mayor and Members of the City Council
City of Auburn Hills, Michigan

May 31, 2013

In addition, investment service providers are now required to give the investment fiduciary a complete written disclosure of all fees or other compensation associated with its relationship with the retirement system. This disclosure would be required both before providing any investment services as well as on an annual ongoing basis. Finally, financial records of the system must be retained for a minimum six-year period.

**Michigan Qualifying Statement Revisions and Changes to Filing Process**

Bulletin 6 was recently issued by the State Department of Treasury and is effective beginning May 1, 2013. The bulletin details out the revisions made to the form, changes in the electronic filing process, and provides information on the new process to submit a reconsideration request.

The qualifying statement is now Form 5047. The new form and link to the online filing are available at [www.michigan.gov/municipalfinance](http://www.michigan.gov/municipalfinance). You can also find Bulletin 6 by following this same link.

Several minor changes have been made to the form including the following: additional question asking for the municipality's six-digit municode, information buttons to provide added instruction, and elimination of the requirement to include SEV and population. In addition, changes were made to help ease the completion of the form such as the elimination of certain questions which were duplicative of information that the Department of Treasury already had at its disposal (i.e., audit filing date) as well as separating out compound questions to ease the process of responding to them.

The more significant change, however, is with the electronic filing process. Starting May 1, 2013, there is only one way in which a qualifying statement can be submitted, as follows:

1. The form is now a PDF that can be downloaded and saved. The form is fillable allowing preparers to type in responses and save the form with answers intact.
2. The PDF will be uploaded via the Department of Treasury website. The upload page is: [www.michigan.gov/municipalfinance](http://www.michigan.gov/municipalfinance). Once you are on the webpage, choose the Online Qualifying Statement link.
3. The State has a set naming convention that should be used for each uploaded file. The file should be named as follows: the municipality's six digit municode + fiscal year + the words "QStmt" (example: 7830402012QStmt). Please note the system will only accept one qualifying statement per fiscal year per municipality.
4. Municipalities will not be able to use the same username and password that they used for filings prior to May 1, 2013. The State has directed each municipality to call the local audit and finance division at (517) 373-3227 to obtain a new username and password.
To the Honorable Mayor and Members of the City Council
City of Auburn Hills, Michigan

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The bulletin also allows the qualifying statement to be filed by an individual other than the chief administrative officer (CAO) as long as the CAO is made aware and takes full responsibility for the filing. The filer will be asked to indicate whether they are the CAO or the designee at the time the qualifying statement is filed.
City of Auburn Hills  
Investment Report  
Period Ending April 30, 2013

### Cutwater Asset Management (MBIA)

<table>
<thead>
<tr>
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<th></th>
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<tbody>
<tr>
<td>Amount</td>
<td>$25,734,470.78</td>
<td>$25,719,049.00</td>
<td>$25,758,807.83</td>
<td>$25,772,859.77</td>
</tr>
<tr>
<td>Fair Market Value Gain/(Loss)</td>
<td>(15,421.78)</td>
<td>39,758.83</td>
<td>14,051.94</td>
<td>40,375.16</td>
</tr>
<tr>
<td>Cumulative Earnings Change YTD</td>
<td>-0.06%</td>
<td>0.09%</td>
<td>0.15%</td>
<td>0.31%</td>
</tr>
<tr>
<td>2013 YTD Yield</td>
<td></td>
<td>0.09%</td>
<td>0.15%</td>
<td>0.31%</td>
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<tr>
<td>Pro-rata YTD Total Year Projection</td>
<td>$ (185,061.36)</td>
<td>$146,022.30</td>
<td>$153,555.98</td>
<td>$236,292.45</td>
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<td>2013 Gross % Return Using YTD Projection</td>
<td>-0.72%</td>
<td>0.57%</td>
<td>0.60%</td>
<td>0.92%</td>
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### Since Inception 12-2009

<table>
<thead>
<tr>
<th></th>
<th>Amount</th>
<th>Amount</th>
<th>Amount</th>
<th>Amount</th>
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<tbody>
<tr>
<td>Monthly Gross Earnings</td>
<td>$15,421.78</td>
<td>$39,758.83</td>
<td>$14,051.94</td>
<td>$40,375.16</td>
</tr>
<tr>
<td>Cumulative Gross Return</td>
<td>719,048.00</td>
<td>758,807.83</td>
<td>772,859.77</td>
<td>813,234.93</td>
</tr>
<tr>
<td>Cumulative Gross % Return</td>
<td>1.14%</td>
<td>1.17%</td>
<td>1.18%</td>
<td>1.19%</td>
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### Ambassador Capital Management

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<tr>
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<tbody>
<tr>
<td>Amount</td>
<td>$25,398,192.27</td>
<td>$25,405,716.28</td>
<td>$25,410,737.78</td>
<td>$25,421,327.57</td>
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<tr>
<td>Fair Market Value Gain/(Loss)</td>
<td>7,524.01</td>
<td>5,021.50</td>
<td>10,599.79</td>
<td>3,701.80</td>
</tr>
<tr>
<td>Cumulative Earnings Change YTD</td>
<td>7,524.01</td>
<td>12,545.51</td>
<td>23,135.30</td>
<td>26,917.20</td>
</tr>
<tr>
<td>2013 YTD Yield</td>
<td>0.03%</td>
<td>0.05%</td>
<td>0.09%</td>
<td>0.11%</td>
</tr>
<tr>
<td>Pro-rata YTD Total Year Projection</td>
<td>$ 90,286.12</td>
<td>$ 75,273.06</td>
<td>$ 92,541.20</td>
<td>$ 60,751.60</td>
</tr>
<tr>
<td>2013 Gross % Return Using YTD Projection</td>
<td>0.36%</td>
<td>0.30%</td>
<td>0.36%</td>
<td>0.32%</td>
</tr>
</tbody>
</table>

### Since Inception 12-2009

<table>
<thead>
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<th></th>
<th>Amount</th>
<th>Amount</th>
<th>Amount</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Monthly Gross Earnings</td>
<td>$7,524.01</td>
<td>$5,021.50</td>
<td>$10,589.79</td>
<td>$3,781.90</td>
</tr>
<tr>
<td>Cumulative Gross Return</td>
<td>405,716.28</td>
<td>410,737.78</td>
<td>421,327.57</td>
<td>426,109.47</td>
</tr>
<tr>
<td>Cumulative Gross % Return</td>
<td>0.64%</td>
<td>0.63%</td>
<td>0.63%</td>
<td>0.62%</td>
</tr>
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</table>

| Earnings Ambassador and Cutwater YTD | ($7,897.77) | $36,882.56 | $61,524.29 | $105,681.35 |
| Total Earnings Since Inception Dec 2009 | 1,124,765.28 | 1,169,545.61 | 1,194,187.34 | 1,238,344.40 |
CONCLUSIONS AND RECOMMENDATIONS
Investment Performance Evaluation, First Quarter 2013

1. Investment results for the $51.2 million portfolio managed by Ambassador and Cutwater met all expectations. After 3.25 years under the active cash management strategy, results are nicely ahead of expectations.

2. As of 3/31/2013, 97.2% of the securities in the Ambassador portfolio were rated AA or higher, meeting safety and credit quality guidelines.

3. For the 1-year ending 3/31/2013, Ambassador added approximately $109,000 in value for the City, nearly all of which is attributed to interest income. The 1-year return of the Ambassador portfolio is 0.43%, versus the benchmark (91-Day T-Bill) return of 0.12%.

4. As of 3/31/2013, Ambassador managed $25.4 million (47.8%) of the City's total $53.2 million of investments.

5. As of 3/31/2013, securities in the Cutwater portfolio are all rated AAA, exceeding average safety and credit quality guidelines.

6. For the 1-year ending 3/31/2013, Cutwater added approximately $286,000 in value for the City, $275,482 of which is attributed to interest income. The 1-year return of the Cutwater portfolio is 1.12%, versus the benchmark (91-Day T-Bill) return of 0.12%.

7. As of 3/31/2013, Cutwater managed $25.8 million (48.5%) of the City's total $53.2 million of cash investments.

8. The balance of the City's investments were managed internally by the Treasurer's Office, and totaled $1,967,672 (3.7% of total).

9. The Treasurer's portfolio is generally invested in short-term securities, including Certificates of Deposit. There were 8 CDs with a total value of $1,967,672 on 3/31/2013. The yields on the CDs ranged from 0.35% to 0.85%, with maturities ranging from April 2013 through March 2014.

10. General investment guidelines and policies, as well as specific guidelines on safety and liquidity, are being followed.

11. The Fed Funds rate, a benchmark for liquid funds, is targeted between 0% and 0.25% through 2014. Ambassador, Cutwater, and the Treasurer's Office are earning highly competitive returns, net-of-fees, in a continuing difficult interest-rate environment.
City of Auburn Hills
Audit Presentation

FOR YEAR ENDED DECEMBER 31, 2012
City of Auburn Hills
General Fund Revenue
Years Ended December 31

<table>
<thead>
<tr>
<th></th>
<th>2011</th>
<th>2012</th>
</tr>
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<tbody>
<tr>
<td>Property Taxes</td>
<td>$17,335</td>
<td>$15,870</td>
</tr>
<tr>
<td>State Sources</td>
<td>$1,639</td>
<td>$1,769</td>
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<tr>
<td>Licenses &amp; Permits</td>
<td>$789</td>
<td>$641</td>
</tr>
<tr>
<td>Interest and Other</td>
<td>$2,090</td>
<td>$1,988</td>
</tr>
<tr>
<td>Charges for Services</td>
<td>$949</td>
<td>$1,001</td>
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<tr>
<td>Administrative &amp; Interfund Charges</td>
<td>$2,122</td>
<td>$2,079</td>
</tr>
</tbody>
</table>
City of Auburn Hills
General Fund Revenue
Fiscal Year Ended December 31, 2012

Total Revenue $23,348,000

- Property Taxes, $15,870,000, 68%
- Administrative & Interfund Charges, $2,079,000, 9%
- Charges for Services, $1,001,000, 4%
- State Sources, $1,769,000, 8%
- Licenses & Permits, $641,000, 3%
- Interest & Other, $1,988,000, 8%
## City of Auburn Hills
### Timing of Property Tax Decreases

<table>
<thead>
<tr>
<th>Budget Year</th>
<th>12/31/11</th>
<th>12/31/12</th>
<th><strong>12/31/13</strong></th>
<th>* 12/31/14</th>
</tr>
</thead>
<tbody>
<tr>
<td>Assessment date (based on sales from 12-24 months prior)</td>
<td>12/31/09</td>
<td>12/31/10</td>
<td>12/31/11</td>
<td>12/31/12</td>
</tr>
<tr>
<td>Levy date</td>
<td>12/1/10</td>
<td>12/1/11</td>
<td>12/1/12</td>
<td>12/1/13</td>
</tr>
<tr>
<td>Taxable value (Ad Valorem)</td>
<td>1,950,737,110</td>
<td>1,788,798,940</td>
<td>1,658,642,745</td>
<td>1,619,799,930</td>
</tr>
<tr>
<td>Percent increase &lt;decrease&gt;</td>
<td>&lt;12.2%&gt;</td>
<td>&lt;8.3%&gt;</td>
<td>&lt;7.3%&gt;</td>
<td>&lt;2.3%&gt;</td>
</tr>
</tbody>
</table>

* Based on information from Oakland County Equalization, prior to BOR and MTT adjustments
** Information from L-4029 as of 5/29/2012.
City of Auburn Hills
General Fund Expenditures
Years Ended December 31

<table>
<thead>
<tr>
<th>Category</th>
<th>2011</th>
<th>2012</th>
</tr>
</thead>
<tbody>
<tr>
<td>Debt Service</td>
<td>$134</td>
<td>$162</td>
</tr>
<tr>
<td>Legislative</td>
<td>$259</td>
<td>$246</td>
</tr>
<tr>
<td>Capital Outlay</td>
<td>$669</td>
<td>$2,059</td>
</tr>
<tr>
<td>Streets &amp; Highways</td>
<td>$1,175</td>
<td>$548</td>
</tr>
<tr>
<td>Comm. Dev/Recreation</td>
<td>$2,203</td>
<td>$2,158</td>
</tr>
<tr>
<td>General Support</td>
<td>$2,481</td>
<td>$2,457</td>
</tr>
<tr>
<td>Transfers to Other Funds</td>
<td>$2,486</td>
<td>$3,000</td>
</tr>
<tr>
<td>Management &amp; Planning</td>
<td>$4,131</td>
<td>$4,254</td>
</tr>
<tr>
<td>Public Safety</td>
<td>$12,107</td>
<td>$11,944</td>
</tr>
</tbody>
</table>

(in 000s)
City of Auburn Hills
General Fund—Fund Balance
Years Ended December 31

Unreserved/Unrestricted Fund Balance

<table>
<thead>
<tr>
<th>Year</th>
<th>Unreserved Fund Balance (Dollars in 000s)</th>
</tr>
</thead>
<tbody>
<tr>
<td>2009</td>
<td>$22,583</td>
</tr>
<tr>
<td>2010</td>
<td>$24,629*</td>
</tr>
<tr>
<td>2011</td>
<td>$24,113*</td>
</tr>
<tr>
<td>2012</td>
<td>$19,946*</td>
</tr>
</tbody>
</table>

*2010 through 2012 include the impact of closing out the Accrued Sick and Vacation
City of Auburn Hills  
Water & Sewer Fund - Trend Information  
Years Ended December 31

<table>
<thead>
<tr>
<th></th>
<th>2010</th>
<th>2011</th>
<th>2012</th>
<th>* 2013</th>
<th>* 2014</th>
</tr>
</thead>
<tbody>
<tr>
<td>Operating Revenue</td>
<td>$8,855</td>
<td>$10,246</td>
<td>$14,005</td>
<td>$15,296</td>
<td>$16,237</td>
</tr>
<tr>
<td>Operating Expense (incl. depreciation)</td>
<td>$11,405</td>
<td>$13,410</td>
<td>$12,770</td>
<td>$14,794</td>
<td>$15,714</td>
</tr>
</tbody>
</table>

* Projected based on data from City’s Finance Dept
## City of Auburn Hills Golf Course Fund - Trend Information

*Years Ended December 31*

<table>
<thead>
<tr>
<th>Year</th>
<th>Operating Revenue</th>
<th>Operating Expense (incl. depreciation)</th>
<th>Cash flow Expenses*</th>
</tr>
</thead>
<tbody>
<tr>
<td>2008</td>
<td>$1,804</td>
<td>$1,991</td>
<td>$1,588</td>
</tr>
<tr>
<td>2009</td>
<td>$1,628</td>
<td>$1,976</td>
<td>$1,573</td>
</tr>
<tr>
<td>2010</td>
<td>$1,518</td>
<td>$1,905</td>
<td>$1,502</td>
</tr>
<tr>
<td>2011</td>
<td>$1,747</td>
<td>$1,901</td>
<td>$1,498</td>
</tr>
<tr>
<td>2012</td>
<td>$1,924</td>
<td>$2,042</td>
<td>$1,646</td>
</tr>
</tbody>
</table>

*Expenses excluding depreciation and amortization, plus capital outlay*
For more information, please contact:

Beth Bialy  248.223.3371
Beth.Bialy@planteamor.com

David Helisek  734.302.6901
David.Helisek@planteamor.com

Michelle Watterworth  248.223.3520
Michelle.Watterworth@planteamor.com

THANK YOU
To: Mayor and City Council  
From: Peter E. Auger, City Manager and Micheal R. Lohmeier, City Assessor  
Submitted: June 12, 2013  
Subject: Public Hearing and Request to Approve an IFEC for Personal Property for Caisson Technology Group, LLC.

INTRODUCTION AND HISTORY
An application for an IFEC has been received for New Personal Property to be located at 10 Corporate Drive and on assessment parcel 02-14-26-376-010. The request was submitted by Caisson Technology Group, LLC. (Caisson) on May 20, 2013, and as of this date the personal property had not been installed.

This application involves personal property and will include hard tooling purchases, fixtures, furniture, computers and other machinery and equipment as indicated on their personal property installation worksheet (see attached). The total project investment is $8,552,000 and is anticipated to result in retaining 0 jobs (as this is currently a vacant facility) and creating 377 new jobs at this facility in the next two years.

Personal Property is defined by the city’s Property Tax Incentive Policy to include: ¹

“machinery, equipment, furniture, fixtures and similar items as defined in the General Property Tax Act and that are utilized by the business in producing the end product or service of the business and real property assessable as personal property pursuant to sections 8(d) and 14(6) of the general property tax act, 1893 PA 206, MCL 211.8 and 211.14.”

The project proposed in this application would be eligible for consideration of an IFEC under the provision of the city's Property Tax Incentive Policy, as²

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

… C. The installation and/or location on more than a temporary basis of new equipment, furniture or other personal property with an estimated value of the new personal property in excess of $250,000, or 10% of the historical cost of current personal property …

Ownership and Term of Abatement
Caisson is purchasing the personal property to which this application applies. It has executed a five-year lease of the real property in which this personal property will be located. Attached to this memorandum is a copy of the respective pages of the lease providing its duration and execution.

¹ March 19, 2012  
² Ibid.
Caisson applied for **three years** for this abatement.

**Tax Savings**

If this abatement is granted for the facility for three (3) years, the potential property tax savings for the applicant, over the term of the abatement, is approximately $75,235; while the loss in city tax revenue would be approximately $33,138.

**Industrial Development District**

This personal property is located in an existing Industrial Development District, see attached, established on March 19, 1984.

**PENDING APPEALS**

Staff is not knowledgable of any pending appeals involving the real property in which this personal property will be located, or with the applicant involved herein.

**OTHER ACTIVE ABATEMENTS INVOLVING APPLICANT IN AUBURN HILLS**

None.

**TAX INCENTIVE REVIEW COMMITTEE RECOMMENDATION (TIRC)**

This application went before the city’s Tax Incentive Review Committee on June 10, 2013. Caisson was represented by Louis Conti. The recommendation of TIRC is as follows:

> Motion by Mr. Iacobelli, to forward to city council, a recommendation to approve the request from Caisson Technology for a tax abatement for $8,552,000 of personal property to be installed at 10 Corporate Drive (Parcel ID: 14-26-376-010). The committee recommends a 3 year abatement starting on 12/31/2013 and ending 12/30/2016. In addition, this also includes the requirement to operate the facility at that location for 2 years after the certificate expires.

Supported by Mr. Landsberg

**Motion carried (5-0)**

[* Legal Description: T3N, R10E, SEC 26 & 35 PART OF SW 1/4 OF SEC 26 & PART OF NW 1/4 OF SEC 35 BEG AT PT DIST S 87-32-56 W 33.07 FT FROM S 1/4 COR OF SEC 26, TH S 01-10-43 W 112.11 FT, TH S 12-18-42 W 150 FT, TH N 77-41-18 W 443.48 FT, TH ALG CURVE CONCAVE TO S, RAD 5789.68 FT, CHORD BEARS N 78-17-01 W 120.34 FT, DIST OF 120.34 FT, TH N 10-49-26 E 200 FT TH ALG CURVE CONCAVE TO W, RAD 730 FT, CHORD BEARS N 05-24-13 W 407.99 FT, DIST OF 413.50 FT, TH ALG CURVE CONCAVE TO E, RAD 75 FT, CHORD BEARS N 00-49-08 W 53.30 FT, DIST OF 54.49 FT, TH N 87-32-56 E 598.72 FT, TH S 01-10-43 W 542 FT TO BEG 9.39 A8/16/88 FR 007 & 008 aka: 02-14-26-376-010]

**STAFF RECOMMENDATION**

Based on reviewing the city's tax incentive policy, combined with the recommendation forwarded by TIRC, staff recommends approval of the application for three (3) years as requested and for the amount requested on its application.

**MOTION**

Move to approve the request for a 3-year IFEC pertaining to new personal property for Caisson Technology Corporation, LLC. for a total personal property investment of $8,552,000 by adopting the attached resolution.

I CONCUR: 

PETER E. AUGER, CITY MANAGER
CITY OF AUBURN HILLS
RESOLUTION
APPROVING AN INDUSTRIAL FACILITIES EXEMPTION CERTIFICATE
FOR CAISSON TECHNOLOGY GROUP, 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 17th day of June, 2013.

The following resolution was offered by Councilperson ___________ and supported by Councilperson _______________

WHEREAS, pursuant to P.A. 198, 1974, M.C.L. 207.551 et seq., after a duly noticed public hearing held on the 19th day of March, 1984, the City of Auburn Hills, established an Industrial Development District, commonly referred to as the Frankel Properties Industrial Development District; and

WHEREAS, Caisson Technology Group, LLC. has filed an application for an Industrial Facility Exemption Certificate with the Clerk of the City of Auburn Hills with respect to proposed personal property to be acquired and installed within the Frankel Properties Industrial Development District; and

WHEREAS, before acting on said application, the City Council of Auburn Hills held a hearing on the 17th day of June, 2013 at a regularly scheduled meeting, at 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 and installation of the facility has not begun earlier than six (6) months before May 20, 2013, the date of the acceptance of the application for the Industrial Facility Exemption Certificate; and

WHEREAS, completion of the facility 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 an ad valorem property tax in the City of Auburn Hills.

2. The application for an Industrial Facilities Exemption Certificate with respect to a New Facility on the following described parcel of real property situated within the Frankel Properties Industrial Development District; to wit;
Legal Description

T3N, R10E, SEC 26 & 35 PART OF SW 1/4 OF SEC 26 & PART OF NW 1/4 OF SEC 35 BEG AT PT DIST S 87-32-56 W 33.07 FT FROM S 1/4 COR OF SEC 26, TH S 01-10-43 W 112.11 FT, TH S 12-18-42 W 150 FT, TH N 77-41-18 W 443.48 FT, TH ALG CURVE CONCAVE TO S, RAD 5789.68 FT, CHORD BEARS N 78-17-01 W 120.34 FT, DIST OF 120.34 FT, TH N 10-49-26 E 200 FT TH ALG CURVE CONCAVE TO W, RAD 730 FT, CHORD BEARS N 05-24-13 W 407.99 FT, DIST OF 413.50 FT, TH ALG CURVE CONCAVE TO E, RAD 75 FT, CHORD BEARS N 00-49-08 W 53.30 FT, DIST OF 54.49 FT, TH N 87-32-56 E 598.72 FT, TH S 01-10-43 W 542 FT TO BEG

This real property parcel is also identified as 02-14-26-376-010, having an address of 10 Corporate Drive, Auburn Hills, MI 48326

is hereby approved for **Personal Property** improvements only.

3. The Industrial Facilities Exemption Certificate shall remain in force and effect for a period of **three (3) years**, and the starting date for the certificate is **December 31, 2013** and the ending date is **December 30, 2016**.

4. The total project investment approved is **$8,552,000**.

5. **Caisson Technology Group, 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 expiration.

   AYES:
   NAYS:
   ABSENT:
   ABSTENTIONS:

   RESOLUTION ADOPTED

STATE OF MICHIGAN)  
 )SS
COUNTY OF OAKLAND)

I, the undersigned, the duly appointed City Clerk for the City of Auburn Hills, Oakland County, Michigan do hereby certify that the foregoing is a true and complete copy of a resolution adopted at a regular meeting of the Auburn Hills City Council held on the **17th day of June, 2013**.

IN WITNESS WHEREOF, I have hereunto affixed my official signature on this **day of June, 2013**.

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

Issued under authority of P.A. 198 of 1974, as amended. Filing is mandatory.

**INSTRUCTIONS:** File the original and two copies of this form and the required attachments (three complete sets) with the clerk of the local government unit. The State Tax Commission (STC) requires two complete sets (one original and one copy). One copy is retained by the clerk. If you have any questions regarding the completion of this form or would like to request an informational packet, call (517) 373-3272.

<table>
<thead>
<tr>
<th>To be completed by Clerk of Local Government Unit</th>
</tr>
</thead>
<tbody>
<tr>
<td>Signature of Clerk</td>
</tr>
<tr>
<td>STC Use Only</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Application Number</th>
<th>Date Received by STC</th>
</tr>
</thead>
</table>

**APPLICANT INFORMATION**

All boxes must be completed.

<table>
<thead>
<tr>
<th>1a. Company Name (Applicant must be the occupant/operator of the facility)</th>
<th>1b. Standard Industrial Classification (SIC) Code - Sec. 2(10) (4 or 6 Digit Code)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Cassion Technology Corp., LLC</td>
<td>3714</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>1c. Address of Facility (real property or personal property location)</th>
<th>1d. City/Township/Village (indicate which)</th>
</tr>
</thead>
<tbody>
<tr>
<td>10 Corporate Dr., Auburn Hills, MI 48326</td>
<td>City of Auburn Hills</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>2. Type of Approval Requested</th>
<th>3a. School District where facility is located</th>
</tr>
</thead>
<tbody>
<tr>
<td>New (Sec. 2(4))</td>
<td>Avondale</td>
</tr>
<tr>
<td>Speculative Building (Sec. 3(6))</td>
<td>School Code</td>
</tr>
<tr>
<td>Rehabilitation (Sec. 3(1))</td>
<td>63070</td>
</tr>
<tr>
<td>Research and Development (Sec. 2(9))</td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>4. Amount of years requested for exemption (1-12 Years)</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>3</td>
<td></td>
</tr>
</tbody>
</table>

5. Thoroughly describe the project for which exemption is sought: Real Property (Type of Improvements to Land, Building, Size of Addition); Personal Property (Explain New, Used, Transferred from Out-of-State, etc.) and Proposed Use of Facility. (Please attach additional page(s) if more room is needed).

Leased facility (no real tenant) will be used for final product assembly of diesel fuel processing systems. Total 3 year expenditures in personal property $8,552,000.00. Hard tooling purchases of $380,000 and $115,000 on fixtures, furniturlre and Computers in first year.

<table>
<thead>
<tr>
<th>6a. Cost of land and building improvements (excluding cost of land)</th>
<th>6b. Cost of machinery, equipment, furniture and fixtures</th>
</tr>
</thead>
<tbody>
<tr>
<td>* Attach list of improvements and associated costs.</td>
<td>* Attach itemized listing with month, day and year of beginning of installation plus total costs</td>
</tr>
<tr>
<td>* Also attach a copy of building permit if project has already begun.</td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>6c. Total Project Costs</th>
<th>6d. Round Costs to Nearest Dollar</th>
</tr>
</thead>
<tbody>
<tr>
<td>* Round Costs to Nearest Dollar</td>
<td></td>
</tr>
</tbody>
</table>

7. Indicate the time schedule for start and finish of construction and equipment installation. Projects must be completed within a two year period of the effective date of the certificate unless otherwise approved by the STC.

<table>
<thead>
<tr>
<th>Real Property Improvements</th>
<th>Personal Property Improvements</th>
</tr>
</thead>
<tbody>
<tr>
<td>Begin Date (M/D/Y)</td>
<td>End Date (M/D/Y)</td>
</tr>
<tr>
<td>6/15/13</td>
<td>12/31/15</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Owned</th>
<th>Leased</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
</tr>
</tbody>
</table>

8. Are State Education Taxes reduced or abated by the Michigan Economic Development Corporation (MEDC)? If yes, applicant must attach a signed MEDC Letter of Commitment to receive this exemption. Yes No

9. No. of existing jobs at this facility that will be retained as a result of this project. 377 New positions

10. No. of new jobs at this facility expected to create within 2 years of completion. 677 New positions

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

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

12a. Check the type of District the facility is located in:

| X Industrial Development District | Plant Rehabilitation District |

12b. Date district was established by local government unit (contact local unit) 3/19/84

12c. Is this application for a speculative building (Sec. 3(8))? Yes No
APPLICANT CERTIFICATION - complete all boxes.

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

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

13a. Preparer Name
Sean P. Baca
(312) 371-7884
13d. E-mail Address
sbaca@caissontechnology.com

14a. Name of Contact Person
Louis G. Conti
(248) 701-1261
14d. E-mail Address
lconti@caissontechnology.com

15a. Name of Company Officer (No Authorized Agents)
Sean P. Baca
15b. Signature of Company Officer (No Authorized Agents)

15c. Fax Number
(248) 701-1261
15g. E-mail Address
lconti@caissontechnology.com

5/15/18

LOCAL GOVERNMENT ACTION & CERTIFICATION - complete all boxes.

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

16a. Action taken by local government unit

☐ Abatement Approved for _____ Years (1-12)
After Completion ☐ Yes ☐ No

☐ Denied (Include Resolution Denying)

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

☐ Check or Indicate N/A if Not Applicable

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

16c. LUCI Code
63227

16d. School Code
63000

17. Name of Local Government Body

18. Date of Resolution Approving/Denying this Application

Attached hereto is an original and one copy of the application and all documents listed in 16b. I also certify that all documents listed in 18a are on file at the local unit for inspection at any time.

18a. Signature of Clerk
18b. Name of Clerk
18c. E-mail Address

19a. Telephone Number
19f. Fax Number

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

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

State Tax Commission
Michigan Department of Treasury
P.O. Box 36471
Lansing, MI 48909-7971

(For guaranteed receipt by the STC, it is recommended that applications are sent by certified mail.)
<table>
<thead>
<tr>
<th>Equipment Description</th>
<th>1st Year</th>
<th>2nd Year</th>
<th>3rd Year</th>
<th>4th Year</th>
<th>5th Year</th>
</tr>
</thead>
<tbody>
<tr>
<td>Laptops Monitors, docking stations &amp; SQL Server</td>
<td>9/1</td>
<td>65,000</td>
<td>6/1</td>
<td>50,000</td>
<td>2/1</td>
</tr>
<tr>
<td>Office Cabling</td>
<td>9/1</td>
<td>50,000</td>
<td>2/1</td>
<td>25,000</td>
<td></td>
</tr>
<tr>
<td>Time card/Security Access</td>
<td>7/1</td>
<td>30,000</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Phone System</td>
<td>7/1</td>
<td>60,000</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>ERP System, wireless routers, scan guns and back up server</td>
<td>7/1</td>
<td>225,000</td>
<td>6/1</td>
<td>25,000</td>
<td>2/1</td>
</tr>
<tr>
<td>Scan Guns</td>
<td>7/1</td>
<td>40,000</td>
<td>6/1</td>
<td>60,000</td>
<td>2/1</td>
</tr>
<tr>
<td>Accounting Software</td>
<td>11/1</td>
<td>100,000</td>
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<td>CAD Station and software</td>
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<td>650,000</td>
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<td><strong>Lift Trucks (3)</strong></td>
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<td>Box Assy Systems Conveyor, DC Nut Drivers,</td>
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<td>2,250,000</td>
<td>9/15</td>
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<td>Overhead systems, lift assists</td>
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<td>Error Proofing and Leak Detection Systems</td>
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<td>Assembly Pallets</td>
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<td>Installation</td>
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Caisson Technology Group LLC  Asset Purchase Timeline  6/1/13

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<tr>
<th>Tooling and Support Equipment</th>
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<th>Projected Costs</th>
<th>Installation Date 2015</th>
<th>Projected Costs 2015</th>
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<tr>
<td>Shop Equipment - bridgeport, surface grinder, lathe</td>
<td>7/15</td>
<td>45000</td>
<td>2/1</td>
<td>20000</td>
<td>2/1</td>
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<tr>
<td>Hand tools and misc tooling</td>
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<td>40,000</td>
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<td>2/1</td>
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<tr>
<td>Mig Welder, Plasma Cutter, torches</td>
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<td>12,000</td>
<td>2/1</td>
<td>120,000</td>
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<td>Work Benches</td>
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<td>10,000</td>
<td>2/1</td>
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Section Total | 107000 | 40000 | 240000 |

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<td>Containment area (flammable materials)</td>
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<td>Fire Extinguishing System for containment area</td>
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<td>15000</td>
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<td>6/1</td>
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<tr>
<td>Transducers, pressure monitors, oscilloscope</td>
<td>7/1</td>
<td>30,000</td>
<td>6/1</td>
<td>25,000</td>
<td>6/1</td>
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<tr>
<td>Test Engines</td>
<td>7/1</td>
<td>80,000</td>
<td>6/1</td>
<td>40,000</td>
<td>6/1</td>
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</table>

Section Total | 355000 | 40000 | 240000 |

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<th>Office Equipment</th>
<th>Projected Costs</th>
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<th>Projected Costs</th>
<th>Installation Date 2015</th>
<th>Projected Costs 2015</th>
</tr>
</thead>
<tbody>
<tr>
<td>Desks, cubicles, chairs copiers</td>
<td>6/30</td>
<td>45000</td>
<td>2/1</td>
<td>50,000</td>
<td>4/1</td>
</tr>
</tbody>
</table>

Grand Total | 5,437,000 | 1,515,000 | 1,600,000 |
Industrial Facility Application  
PA 198, 1974  

City of Auburn Hills  

Supplemental Information  
To Be Provided by Applicant/Company  

Name of Company:  Caisson Technology Group, LLC.  

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

Caisson Technology Group, LLC. manufactures and distributes advanced diesel fuel processing systems for Class 8 vehicles.  

Current targeted customers include mid-size and large fleet trucking firms. Future customers may include those in military, railroad, and shipping/maritime.  

Caisson Technology Group LLC was incorporated in Delaware in December 2011 for the purpose of developing and commercializing an advanced diesel fuel processing technology.  

The company is relocating its research and development operations, currently located in Springdale, Ohio, and now desires to site its final assembly facility, which will also serve as its headquarters.
Please respond to the following questions or state if not applicable:

1. If presently located in Auburn Hills, how long have you been in business here?
   
   Not applicable.

2. Has a site plan for the facility requested for tax abatement been submitted and approved?
   
   Existing facility, not applicable.

3. Will development of the site require a change in zoning or a request for special land use or other variances?

   No

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

   Existing facility, no new development required, including water, sewer, and other utilities. No new access roads will be required.

5. Will the company request that the City of Auburn Hills assist in paying any costs related to providing infrastructure for this facility?

   No

6. Are any wetlands or environmentally sensitive areas to be impacted by construction of the facility?

   Existing facility, not applicable

7. How will water retention and drainage be provided for the facility?

   Water retention and drainage will remain unchanged.

8. Will any raw materials be used or stored at the facility, Will your company require outside storage of any products or materials?

   Facility will store and assemble outsourced parts, no raw materials. Outside storage will not be required.
9. What will be the operating hours of the facility? Will any heavy equipment be operated at the facility after completion of construction?

Normal business operating hours. Indoor manufacturing assembly line equipment only. No outdoor heavy equipment will be operated.

10. Will the facility produce industrial waste? Will any known hazardous chemicals be used or produced? Will the facility produce any significant air emissions?

No industrial waste will be produced. Small amounts (~300 gallons) of diesel fuel may be stored and used for testing purposes. No significant air emissions.

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

   CY 2014
   Production labor (141) $10.50 per hour
   Shop supervisor (1)    $60,000 annually
   Material handlers (2)  $27,000 annually
   Truck driver (1)       $108,000 annually
   Manufacturing (4)      $82,000 annually
   Installation (4)       $85,000 annually
   Engineering (3)        $97,000 annually
   Sales & Marketing (2)  $145,000 annually
   Human Resources (1)    $80,000 annually
   Finance (1)            $140,000 annually
   Administrative (2)     $30,000 annually

   All positions full time

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

   Yes, the company’s 48,000 sq. ft. of space will support up to $500 million sales

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

   No.
TAX INCENTIVE AGREEMENT

Industrial Facility Exemption Certificate

(Revised March 19, 2012)

Cisson Technology Group LLC, hereinafter referred to as the “Company” has submitted an application to City Council for the granting of an Industrial Facility Exemption Certificate (IFEC), pursuant to Michigan Public Act 198, of 1974, as amended.

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

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

2. Within 90 days of the date of completion of the facility, the Company will report:
   a. The final cost of the facility to the City Assessor and the State Tax Commission; and a detailed listing of the new personal property acquired for the facility, including description, type, identification, year of acquisition and cost of purchase and installation.
   b. The number of jobs created by completion of the facility, not including jobs transferred from other locations.

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

3. As a condition of receiving an Industrial Facilities Exemption Certificate, or an extension of an existing certificate, pursuant to this policy, a company agrees to operate the facility for which the IFEC is granted for the term of the IFEC, plus an additional term after the date of expiration of the IFEC according to the following schedule:
   a. Tax abatement of up to eight (8) years (including extensions) = Length of the abatement plus two years.
   b. Tax abatement over eight (8) years = (including extensions) = Length of the abatement plus four years.

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

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

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

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

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

OR

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

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

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

OR

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

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

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

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

WITNESS: 

Carmen Morales
SIGNATURE 

Carmen Morales 
PRINT NAME 05-15-13

OFFICIAL SEAL
CARMEN MORALES
Notary Public, State of Illinois
My Commission Expires July 13, 2015

ACKNOWLEDGED BY THE CITY OF Auburn Hills

COMPANY REPRESENTATIVE: 

SIGNATURE 

BY: 

NAME: 
TITLE: 
DATED: 5-15-13

WITNESS: 

SIGNATURE 

BY: JAMES MCDONALD

ITS: MAYOR
TITLE: 
DATED: 

WITNESS: 

SIGNATURE 

BY: TERRI KOWAL

ITS: CITY CLERK
TITLE: 
DATED: 

Page 3 of 3
INDUSTRIAL FACILITIES EXEMPTION APPLICATION  
AFFIDAVIT OF FEES

In accordance with State Tax Commission Bulletin No. 3 dated January 1998, the City of Auburn Hills and the Applicant for Industrial Facilities Exemption Certificate do hereby swear and affirm, by our signatures below, that no payments of any kind, whether they be referred to as "fees," "payments in lieu of taxes," "donations," or by other like terms, in excess of the fees allowed by PA 198, of 1974, as amended by Public Act 323 of 1996, has been made or promised in exchange for favorable consideration of an exemption certificate application.

City of Auburn Hills

Signed: __________________________________________

Name: James McDonald

Title: Mayor

Dated: ________

Cyssen Technology Group LLC.

Signed: [Signature]

Name: Sean Baca

Title: Managing Member

Dated: 5/15/13
CAISSON TECHNOLOGY GROUP
BUSINESS DESCRIPTION

Caisson Technology Group, LLC. manufactures and distributes advanced diesel fuel processing systems for Class 8 vehicles.

Current targeted customers include mid-size and large fleet trucking firms. Future customers may include those in military, railroad, and shipping/maritime.

The company’s final assembly facility, which it is siting, will include approximately $5,575,000 of new and used manufacturing assembly line equipment, $380,000 of tooling, and $115,000 of furniture, fixtures, and computers within its first 24 months of operations.
Caisson Technology Group LLC

- The company's decision to locate in the Auburn Hills area is based on an extensive study of other states within the US. No other area we feel provides the wealth of technical expertise or core capabilities available in the metropolitan Detroit area.

- Caisson Technology Group is commercializing its patented technologically advanced fuel processing system to become the industry leader of heavy duty vehicle fuel economy solutions.

- The company's product pipeline includes offerings for truck & military fuel depots, railroad locomotives, maritime vessels and diesel powered generating stations.

- Typical results have shown increases in HP and Torque while reducing emissions.

- Initial product is market ready and all indicators suggest that we will exceed our production goal (2013)

- Revenues generated from the first division will support ongoing growth and research in other areas

- To date the company has logged nearly 20,000 miles on a Class 8 semi and netting increases in excess of 20% gains in mileage. Independent testing is underway at internationally recognized certification labs at SwRI (Southwest Research Institute, San Antonio, Texas) see www.swri.org for company information

- Average fuel savings/month to fleet owners is $1,500 to $2,000/month (110 K miles/yr @ $ 3.89/gallon)

- Talks are underway with a few utility companies offshore to design, develop and produce systems to install on diesel powered generating stations. These are typically “island nation” environments with little to no ability to produce electricity economically.

- The company's technology also has application to water remediation and pharmacological formulation.

- The company plans to relocate the R&D operations from Cincinnati Ohio and utilize the Auburn Hills location as the corporate headquarters and primary manufacturing operations.

- Projections call for sales in excess of $20 million for calendar year 2013.

- Staffing Ramp up is as follows:

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<td>$82</td>
<td>209</td>
<td>$444</td>
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</table>

5064 Harbor Oak Drive  Waterford, MI 48329
www.fiercerefuelsystems.com
Caisson Technology Group LLC

- Capital Investment by year (millions)  
  - 2013: $5.437  
  - 2014: $1.515  
  - 2015: $1.6

- The company is financially sound, has no debt and is well funded through a network of accredited investors. To date in excess of $3.0 million has been raised with Series A funding activities underway. Commitments in excess of 3 times our $7.8 million have been soft circled and the company is entering into the negotiation phases with several of these commencing in June 2013.

- The company plans to develop alliances with local universities in the automotive, diesel, environmental, pharmaceutical and bio medical fields. Targeted universities include Wayne State, Michigan State, U of M, Kettering and Michigan Tech. Decisions relative to the alliances made with each university is focused on establishing beneficial long-term relationships.

- The company is interested in developing local youth in internship programs and focused on being an environmentally responsible corporate citizen.

- The company is financially sound, shovel ready and in the midst of interviewing people at this time.

The “Lab Rat” has been the lead test vehicle in all of our class 8 testing for large displacement diesel trucks.

Similar testing has also been completed on Class 2 through 7 vocational trucks. Diesel cars, trucks and generator systems have all been subjected to testing as well and part of the performance matrix. To date we have attained improvements to 42% with 20% being the mean average.

Caisson Technology Group LLC operates the fuel division under the trademark name Fierce Fuel Systems. Please visit www.fiercefuelsystems.com for further information.

5064 Harbor Oak Drive  Waterford, MI 48329  
www.fiercefuelsystems.com
CITY OF AUBURN HILLS
RESOLUTION
ESTABLISHING AN INDUSTRIAL DEVELOPMENT DISTRICT FOR
FRANKEL PROPERTIES

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

WHEREAS, the City of Auburn Hills has been requested by Samuel Frankel, to establish an Industrial Development District on property owned by Samuel Frankel, which is located in the City of Auburn Hills, and

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

NOW, THEREFORE, BE IT HEREBY RESOLVED:

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

SEE ATTACHED EXHIBIT "A"

MOVED BY:  Councilman Smith
SUPPORTED BY:  Councilman Shirley.
AYES:  Councilmen Smith, Shirley, Douglas, Fisk, Jerrell, Davis, and Mayor Grusnick.
NAYS:  None
ABSENT:  None
ABSTAINED:  None

RESOLUTION ADOPTED.

STATE OF MICHIGAN )
) SS
COUNTY OF OAKLAND )

I, the undersigned, the duly qualified City Clerk of the City of Auburn Hills, Oakland County, Michigan, do hereby certify that the foregoing is a true and complete copy of a Resolution adopted by the City Council of the City of Auburn Hills at a duly called meeting held on the Nineteenth day of March, 1984, the original of which is on file in my office.

IN WITNESS WHEREOF, I have hereunto affixed my official signature this Twenty-Ninth day of March, 1984.

[Signature]
CITY OF AUBURN HILLS

RESOLUTION

ESTABLISHING AN INDUSTRIAL DEVELOPMENT DISTRICT FOR

FRANKEL PROPERTIES

EXHIBIT "A"

Part of the S.W. 1/4 of Section 26, and N.W. 1/4 of Sec. 35, T 3N.,
R 10E., City of Auburn Hills, Oakland County, Michigan, being more
particularly described as follows:

Beginning at a point which is S 87 degrees 32' 56" W 33.07 ft., along
the South line of Section 26, from the S 1/4 corner of Section 26,
T 3N., R 10E., thence, along the West line of Doris Avenue (66 ft.
wd.), S 01 degrees 10' 43" W 112.11 ft., thence S 12 degrees
18' 42" W 150.00 ft., thence, along the North R.O.W. line of
Auburn Avenue, N 77 degrees 41' 18" W 443.48 ft. and Westerly
610.34 ft. along a curve concave to the South (Radius 5789.68 ft.,
central angle of 06 degrees 02' 24"), long chord bears N 80 degrees
42' 30" W 610.05 ft., and N 06 degrees 16'. 18" E 20.00 ft., and
Westerly 246.99 ft. along a curve concave to the South (Radius
5809.68 ft., central angle of 02 degrees 25' 09"), long chord bears
N 84 degrees 56' 47" W 246.98 ft., thence along the East line of
"Supervisor's Plat No. 6" (L.50, P.34, O.C.R.) N 00 degrees
00' 59" W 755.28 ft. and N 00 degrees 53' 40" W 300.00 ft., thence
N 00 degrees 08' 48" E 181.57 ft., thence N 87 degrees 32' 56" E
1263.05 ft., thence, along the Westerly R.O.W. line of I-75, S
31 degrees 41' 15" E 97.04 ft. and S 12 degrees 08' 18" E 127.52 ft.
thence, along the West line of Doris Avenue (66 ft. wd.), S 01 degrees
10' 43" W 280.79 ft., thence S 87 degrees 32' 56" W 84.93 ft.,
thence S 01 degrees 10' 43" W 140.00 ft., thence N 87 degrees 32'
56" E 84.93 ft., thence along the West line of Doris Avenue (66 ft. wd.)
S 01 degrees 10' 43" W 639.10 ft. to the point of beginning.

1,801.786 Sq. Ft. --- 41.363 Acres
THIS LEASE made this 7th day of June, 2013, between CHARRINGTON ESTATES LLC, a Michigan limited liability company, whose address is 2301 West Big Beaver Road, Suite 900, Troy, Michigan, 48084 (hereinafter referred to as "Landlord") and a CAISSON TECHNOLOGY GROUP LLC, a Delaware limited liability company, whose address is 5064 Harbor Oak Drive, Waterford, Michigan 48239 (hereinafter referred to as "Tenant").

WITNESSETH

BASIC LEASE PROVISIONS

A. Lease Term: 63 Months

B. Commencement Date: June 15, 2013
   Rental Commencement Date: September 7, 2013

C. Expiration Date: August 31, 2018

D. Monthly Base Rent:
   Months 1 - 3 $0
   Months 4 - 15 $15,865.83
   Months 16 - 27 $16,669.17
   Months 28 - 39 $17,472.50
   Months 40 - 51 $18,657.75
   Months 52 - 63 $19,882.50

E. Annual Base Rent:
   Months 1 - 3 $0
   Months 4 - 15 $190,390.00
   Months 16 - 27 $200,030.00
   Months 28 - 39 $209,870.00
   Months 40 - 51 $224,130.00
   Months 52 - 63 $238,590.00

F. Payee of Rent ("Payee"): Charrington Estates LLC

G. Address for Payment of Rent:
   2301 West Big Beaver
   Road Suite 900
   Troy, Michigan 48084

H. Leased Premises consists of approximately 48,200 square feet

I. Address of Building Within Which the Leased Premises are Located ("Building"): 10 Corporate Drive
   Auburn Hills, MI 48326

J. Security Deposit: $19,882.50

K. Tenant's Share of Applicable Taxes: 34.7%

L. Tenant's Share of Maintenance: 34.7%

M. Broker: Colliers International
   2 Corporate Drive, Suite
   300 Southfield, MI 48076

H: Technology 042513.wpd
April 25, 2013

Page 1

Initials ( )
IN WITNESS WHEREOF, the parties have executed this Agreement the date and year set forth above:

WITNESSES

[Signatures]

LANDLORD:

CHARRINGTON ESTATES LLC,
a Michigan limited liability company

By: [Signature]

Its: [Signature]

TENANT:

CAISSON TECHNOLOGY GROUP LLC,
a Delaware limited liability company

By: [Signature]

Its: President and CEO

[Signatures]
LEGAL DESCRIPTION

Part of the Southwest 1/4 of Section 26 and part of the Northwest 1/4 of Section 35, T.3N., R.10E., City of Auburn Hills (formerly Pontiac Township), Oakland County, Michigan, being more particularly described as follows: Beginning at a point which is S87°32'56"W 33.07 ft. along the South line of Section 26, from the South 1/4 corner of Section 26, T.3N., R.10E.; thence along the West line of Doris Avenue (66 ft. w.d.) S8°10'43"W 112.11 ft.; thence S12°18'42"W 150.00 ft.; thence along the North R.O.W. Line of Auburn Avenue N77°41'19"W 443.45 ft. and Westerly 120.34 ft. along a curve to the left (Radius of 5793.69 ft., central angle of 01°11'27"), long chord bears N78°17'02"W 120.34 ft.; thence N40°49'26"E 200.00 ft.; thence Northerly 122.89 ft. along a curve to the left (Radius of 730.00 ft., central angle of 99°38'43"), long chord bears N06°00'04"E 122.74 ft.; thence S88°49'17"E 338.57 ft.; thence S01°10'43"W 187.83 ft. along the West line of Doris Avenue (66 ft. w.d.) to the point of beginning.

(Containing 208,291 Square Feet — 4.782 Acres)
TENANT IMPROVEMENTS

1. Landlord will broom clean the warehouse;

2. Replace the carpet in the office areas, as per Exhibit "2B", using Landlord's building standards; paint the office area; and, replace stained or damaged ceiling tiles in the office area.
JUNE 17, 2013

To: Mayor and City Council

From: Peter E. Auger, City Manager and Micheal R. Lohmeier, City Assessor

Submitted: June 12, 2013

Subject: Public Hearing and Request to Establish an Industrial Development District for NDA Auburn LLC.

INTRODUCTION AND HISTORY

A request to establish an Industrial Development District (IDD) has been submitted on May 30, 2013 by NDA Auburn LLC for the property identified as 2150 North Opdyke Road, the site of the former Showcase Cinema. This site was recently purchased by NDA Auburn LLC, see attached Property Transfer Affidavit and Quit Claim Deed.

The existing building is situated on parcel 02-14-14-176-007 involves an abandoned 75,667 square foot theater facility constructed in 1988. The property’s legal description is:

T3N, R10E, SEC 14 PART OF E 1/2 OF NW 1/4 BEG AT PT DIST S 86-38-00 E 1381.92 FT & N 01-26-00 E 44.50 FT & N 01-11-00 E 600 FT & N 00-56-00 E 597.17 FT & S 89-04-00 E 50 FT FROM W 1/4 COR, TH S 89-04-00 E 541.23 FT, TH N 53-33-00 E 91.97 FT, TH N 74-01-50 E 125.69 FT, TH S 89-04-00 E 326.48 FT TO W LINE OF I-75 HWY, TH S 01-39-20 W 928.01 FT, TH N 88-57-20 W 503.33 FT, TH N 46-25-20 W 51.42 FT, TH N 37-48-20 W 89.03 FT, TH N 41-55-20 W 54.65 FT, TH N 49-52-00 W 184.56 FT, TH N 87-54-20 W 96.88 FT, TH S 02-05-40 W 233.53 FT, TH N 88-57-20 W 90.65 FT, TH S 00-56-00 W 20 FT, TH N 88-57-20 W 79.76 FT, TH N 00-56-00 E 824.52 FT TO BEG 19.60 AQ129K

The parcel consists of 19.60 acres and is zoned T&R; Technology and Research. The theater has been abandoned and unused for over ten (10) years.
Industrial Development Districts

Industrial Development Districts (IDD) are established for new real property or personal property projects as provided for by Public Act 198, 1974 as amended.

“The legislative body of a local governmental unit may establish a plant rehabilitation district or an industrial development district on its own initiative or upon a written request filed by the owner or owners of 75% of the state equalized value of the industrial property.” (PA 198 4(2), 1974 as amended)
NDA Auburn LLC intends on replacing this building with a new industrial facility this property for a tenant which will require personal property. This district will provide for the application of any personal property abatement.

PENDING APPEALS
To the best of staff’s knowledge:
- There is no outstanding and/or pending appeal(s) involving the property that is the subject of this application/request.
- There is no outstanding and/or pending appeal(s) involving the applicant filing for this tax incentive/request within the City of Auburn Hills.

ABATEMENT ELIGIBILITY
Establishment of an IDD is a prerequisite to consideration of an Industrial Facility Exemption Certificate for proposed real and/or personal property improvements.

TAX INCENTIVE REVIEW COMMITTEE RECOMMENDATION (TIRC)
This application went before the city’s Tax Incentive Review Committee on June 10, 2013. Mr. Ryan Dembs, President of Amson Dembs Development, Inc. and owner of the property, was present to speak about his request and intentions.

Motion by Mr. Iacobelli, to forward to city council, a recommendation to approve the request from NDA Auburn LLC to establish an Industrial Development District for 2150 N Opdyke Road (Parcel ID: 14-14-176-007)

Supported by Mr. Landsberg

Motion carried (5-0)

[Legal Description: T3N, R10E, SEC 14 PART OF E 1/2 OF NW 1/4 BEG AT PT DIST S 86-38-00 E 1381.92 FT & N 01-26-00 E 44.50 FT & N 01-11-00 E 600 FT & N 00-56-00 E 597.17 FT & S 89-04-00 E 50 FT FROM W 1/4 COR, TH S 89-04-00 E 541.23 FT, TH N 53-33-00 E 91.97 FT, TH N 74-01-50 E 125.69 FT, TH S 89-04-00 E 326.48 FT TO W LINE OF I-75 HWY, TH S 01-39-20 W 928.01 FT, TH N 88-57-20 W 503.33 FT, TH N 46-25-20 W 51.42 FT, TH N 37-48-20 W 89.03 FT, TH N 41-55-20 W 54.65 FT, TH N 49-52-00 W 184.56 FT, TH N 87-54-20 W 96.88 FT, TH S 02-05-40 W 233.53 FT, TH N 88-57-20 W 90.65 FT, TH S 00-56-00 W 20 FT, TH N 88-57-20 W 79.76 FT, TH N 00-56-00 E 824.52 FT TO BEG 19.60 AQ129K]

STAFF RECOMMENDATION
Based on reviewing the city’s tax incentive policy, combined with the recommendation forwarded by TIRC, staff recommends approval of NDA Auburn LLC’s request for establishment of the property as an Industrial Development District.

MOTION
Move to approve the request to establish an Industrial Development District for NDA Auburn LLC by adopting the attached resolution.

I CONCUR:

PETER E. AUGER, CITY MANAGER
At a meeting of the City Council held on the 17th day of June, 2013 at the City Council Chambers at 1827 N. Squirrel Rd., Auburn Hills MI 48326

It was moved by Council Member -------- and supported by Council Member --------

WHEREAS, Act 198 of the Public Acts of 1974, as amended, authorizes the City Council of Auburn Hills to establish an Industrial Development District; and

WHEREAS, NDA Auburn LLC has petitioned this City Council to establish an Industrial Development District on the property herein described; and

WHEREAS, construction, acquisition, alteration, or installation of a proposed facility within the district has not commenced as of this date of the filing of the request to establish the district; and

WHEREAS, the City Council of the City of Auburn Hills, has given written notice by certified mail to the owners of real property within the proposed Industrial Development District and to the public by newspaper advertisement in the Oakland Press, and public posting of the hearing on the establishment of the proposed district; and

WHEREAS, a public hearing was held on June 17, 2013 at which all of the owners of real property within the proposed Industrial Development District and all residents and taxpayers of Auburn Hills were afforded an opportunity to be heard; and

WHEREAS, the City Council deems it to be in the best interest of the City of Auburn Hills to establish the Industrial Development District as proposed;

NOW, THEREFORE, BE IT RESOLVED by the City Council of Auburn Hills that the following described parcel of land situated in the City of Auburn Hills, County of Oakland, State of Michigan, to wit:

Parcel identification: 02-14-176-007

Legal description: T3N, R10E, SEC 14 PART OF E 1/2 OF NW 1/4 BEG AT PT DIST S 86-38-00 E 1381.92 FT & N 01-11-00 E 600 FT & N 00-56-00 E 597.17 FT & S 89-04-00 E 50 FT FROM W 1/4 COR, TH S 89-04-00 E 541.23 FT, TH N 53-33-00 E 91.97 FT, TH N 74-01-50 E 125.69 FT, TH S 89-04-00 E 326.48 FT TO W LINE OF I-75 HWY, TH S 01-39-20 W 928.01 FT, TH N 88-57-20 W 503.33 FT, TH N 46-25-20 W 51.42 FT, TH N 37-48-20 W 89.03 FT, TH N 41-55-20 W 54.65 FT, TH N 49-52-00 W 184.56 FT, TH N 87-54-20 W 96.88 FT, TH S 02-05-40 W 233.53 FT, TH N 88-57-20 W 90.65 FT, TH S 00-56-00 W 20 FT, TH N 88-57-20 W 79.76 FT, TH N 00-56-00 E 624.52 FT TO BEG 19.60 AQ129K

be and here is established as a Industrial Development District pursuant to the provisions of Act 198 of the Public Acts of 1974 to be known as the NDA Auburn LLC Industrial Development District.

AYES:

NAYS:

ABSENT:

ABSTENTIONS: None

RESOLUTION ADOPTED

STATE OF MICHIGAN) ) SS

COUNTY OF OAKLAND)

I, the undersigned, the duly qualified and appointed City Clerk of the City of Auburn Hills, Oakland County, Michigan do hereby certify that the foregoing is a true and complete copy of a resolution adopted at a regular meeting of the City Council held on the 17th day of June, 2013, the original of which is on file in my office.

IN WITNESS WHEREOF, I have hereunto affixed my official signature on this ---- day of June 2013.

____________________________

Terri Kowal, City Clerk
May 30, 2013

City of Auburn Hills
2827 N. Squirrel Road
Auburn Hills, Michigan 48326

Re: 2150 N. Opdyke Road
     Auburn Hills, Michigan
     Tax Sid-well No. 02-14-14-176-007

To whom it may concern:

On May 30, 2013, Amson Dembs Development, Inc. became the owner of the property referenced above. We ask that the above-referenced property be zoned as part of an Industrial Development District.

If you have any questions regarding this request, please contact me at (248) 380-7100.

Regards,

AMSON DEMBS DEVELOPMENT, INC.

[Signature]

by: Ryan Dembs - President
Property Transfer Affidavit

This form must be filed whenever real estate or some types of personal property are transferred (even if you are not recording a deed). It is used by the assessor to ensure the property is assessed properly and receives the correct taxable value. It must be filed by the new owner with the assessor for the city or township where the property is located within 45 days of the transfer. If it is not filed timely, a penalty of $5/day (maximum $200) applies. The information on this form is NOT CONFIDENTIAL.

<table>
<thead>
<tr>
<th>1. Street Address of Property</th>
<th>2. County</th>
<th>4. Date of Transfer (or land contract was signed)</th>
</tr>
</thead>
<tbody>
<tr>
<td>See Exhibit A</td>
<td>Oakland</td>
<td>May 30, 2013</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>3. City/Township/Village of Real Estate</th>
<th>5. Purchase Price of Real Estate</th>
</tr>
</thead>
<tbody>
<tr>
<td>Auburn Hills</td>
<td>$1,600,000.00</td>
</tr>
</tbody>
</table>

6. Property Identification Number (PIN). If you don't have a PIN, attach legal description.

See Exhibit A

7. Seller's (Transferor) Name
National Amusements, Inc., a Maryland corporation
846 University Avenue
Norwood, Massachusetts 02062

<table>
<thead>
<tr>
<th>8. Buyer's (Transferee) Name and Mailing Address</th>
</tr>
</thead>
<tbody>
<tr>
<td>NDA Auburn LLC, a Michigan limited liability company</td>
</tr>
<tr>
<td>46855 Magellan Drive, Suite 200</td>
</tr>
<tr>
<td>Novi, Michigan 48377</td>
</tr>
</tbody>
</table>

Items 9 – 13 are optional. However, by completing them you may avoid further correspondence.

<table>
<thead>
<tr>
<th>9. Type of Transfer</th>
</tr>
</thead>
<tbody>
<tr>
<td>□ Land Contract</td>
</tr>
<tr>
<td>□ Lease</td>
</tr>
<tr>
<td>□ Deed</td>
</tr>
<tr>
<td>□ Other (specify)</td>
</tr>
</tbody>
</table>

10. Was this property purchased from a financial institution?

| □ Yes | □ No |

11. Is the transfer between related persons?

| □ Yes | □ No |

12. Amount of Down Payment

| □ Yes | □ No |

13. If you financed the purchase, did you pay market rate of interest?

| □ Yes | □ No |

14. Amount Financed (Borrowed)

Exemptions

The Michigan Constitution limits how much a property's taxable value can increase while it is owned by the same person. Once the property is transferred, the taxable value must be adjusted by the assessor in the following year to 50 percent of the property's usual selling price (State Equalized Value). Certain types of transfers are exempt from adjustment. Below are brief descriptions of the types of exempt transfers; full descriptions are in MCL Section 211.276(7)(a-n). If you believe this transfer is exempt, indicate below the type of exemption you are claiming. If you claim an exemption, your assessor may request more information to support your claim.

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

Certification

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

Owner's Signature: [Signature]
Date: 5/3/2013
If signer is other than the owner, print name and title.

Daytime Phone Number: ____________________________
Email address: ____________________________
EXHIBIT A

Legal Description

Part of East one-half of Northwest 1/4 of Section 14, Town 3 North, Range 10 East, City of Auburn Hills, Oakland County, Michigan, Described as beginning at Point Distant South 86 degrees 38 minutes 00 seconds East 1381.92 feet and North 01 degrees 26 minutes 00 seconds East 44.50 feet and North 01 degrees 11 minutes 00 seconds East 600 feet and North 00 degrees 56 minutes 00 seconds East 597.17 feet and South 89 degrees 04 minutes 00 seconds East 50 feet from West 1/4 corner, Thence South 89 degrees 04 minutes 00 seconds East 541.23 feet, Thence North 53 degrees 33 minutes 00 seconds East 91.97 feet, Thence North 74 degrees 01 minutes 50 seconds East 125.69 feet, Thence South 89 degrees 04 minutes 00 seconds East 326.48 feet to West Line of I-75 Highway, Thence South 01 degrees 39 minutes 20 seconds West 928.01 feet along the West right of way Line of I-75; Thence North 88 degrees 57 minutes 20 seconds West 824.37 feet; Thence North 00 degrees 56 minutes 00 seconds East 9.00 feet; Thence North 88 degrees 57 minutes 20 seconds West 225.00 feet to the East right of way line of Odyke Road; Thence North 00 degrees 56 minutes 00 seconds East 824.52 feet along the East right of way line to the point of beginning.

Except that part of East one-half of Northwest one-quarter Section 14, Town 3 North, Range 10 East, Described as beginning at a point located distant North 86 degrees 44 minutes 00 seconds West 920.50 feet and North 3 degrees 16 minutes 00 seconds East 415.00 feet from the center 1/4 corner of Section 14 and proceeding thence North 88 degrees 57 minutes 20 seconds West 208.25 feet, Thence North 00 degrees 56 minutes 00 seconds East 9.00 feet, thence North 88 degrees 57 minutes 20 seconds West 55.00 feet, thence North 02 degrees 05 minutes 40 seconds East 253.53 feet, thence South 87 degrees 54 minutes 20 seconds East 96.88 feet, thence South 49 degrees 52 minutes 00 seconds East 184.96 feet; thence South 41 degrees 55 minutes 20 seconds East 54.65 feet; thence South 37 degrees 48 minutes 20 seconds East 89.03 feet; thence South 46 degrees 25 minutes 20 seconds East 51.42 feet; thence North 88 degrees 57 minutes 20 seconds West 112.79 feet to the point of beginning.
QUIT CLAIM DEED

THIS QUIT CLAIM DEED by NATIONAL AMUSEMENTS, INC., ("Grantor"), a Maryland corporation, with a principal address of 846 University Avenue, Norwood, Massachusetts, for the sum of Ten and 00/100 Dollars ($10.00) and other good and valuable consideration (see Real Estate Transfer Tax Valuation Affidavit), the receipt and sufficiency of which is hereby acknowledged, hereby quitclaims to NDA AUBURN LLC, a Michigan limited liability company ("Grantee"), with a principal address of 46855 Magellan Drive, Suite 200, Novi, Michigan, a parcel of land situated in the City of Auburn Hills, County of Oakland, State of Michigan, more particularly described in Exhibit A, attached hereto and incorporated herein, together with all and singular tenements, hereditaments, appurtenances and easements benefitting the said property, if any, (the "Property").

Grantor further grants to Grantee the right to make all legally permitted division(s) under Section 108 of the Land Division Act, Act No. 288 of the Public Acts of 1967 (the "Act"). Grantor intends to transfer to Grantee the right to make all legally permitted division(s) of the Property that Grantor may have, if any, under the Act. Grantor makes no representation or warranty regarding the number, extent or nature of the division rights owned or transferred by Grantor to Grantee. This property may be located within the vicinity of farmland or a farm operation. Generally accepted agricultural and management practices which may generate noise, dust, odors and other associated conditions may be used and are protected by the Michigan Right-To-Farm Act.

Subject to the following restrictions: From and after May 30, 2013, no portion of the Property shall be used for any of the following purposes: (i) a theatre of any kind exhibiting "first run" motion picture films; (ii) a place of public or private assembly primarily or significantly used for the purposes of exhibiting "first run" content then currently available in theatres whether in the form of film, video, telecasts, visual media and/or other forms of visual imaging technology; or (iii) ancillary parking for any of the foregoing uses. The Restrictions shall be binding upon Grantee and its successors and assigns and is intended to be a covenant running in, with and binding upon the land for twenty-five (25) years after the recording of this Deed and then terminate.
IN WITNESS WHEREOF, the Grantor has caused this instrument to be executed by its duly authorized representative this 29th day of May, 2013, but effective on __________, 2013.

National Amusements, Inc.

By:

Name: Thaddeus Jankowski
Title: Vice President

Commonwealth of Massachusetts
County of Norfolk

On this 29th day of May, 2013, before me, the undersigned notary public, personally appeared Thaddeus Jankowski, proved to me through satisfactory evidence of identification which was a Massachusetts driver's license, to be the person whose name is signed on the preceding or attached document, and acknowledged to me that he signed it voluntarily for its stated purpose, as Vice President for National Amusements, Inc., a Maryland corporation.

Lisa M. Martignetti
Notary Public
My Commission Expires: 8/13/15

Prepared without opinion by: Patricia P. Reeser, Esq.
National Amusements, Inc.
846 University Avenue
Norwood, MA 02062
781-461-1600 ext. 4350

When Recorded Return to: Grantee
Send Subsequent Tax Bills To: Grantee
EXHIBIT A

Part of East one-half of Northwest 1/4 of Section 14, Town 3 North, Range 10 East, City of Auburn Hills, Oakland County, Michigan, Described as beginning at Point Distinct South 86 degrees 38 minutes 00 seconds East 1381.92 feet and North 01 degrees 26 minutes 00 seconds East 44.50 feet and North 01 degrees 11 minutes 00 seconds East 600 feet and North 00 degrees 56 minutes 00 seconds East 597.17 feet and South 89 degrees 04 minutes 00 seconds East 50 feet from West 1/4 corner, Thence South 89 degrees 04 minutes 00 seconds East 541.23 feet, Thence North 53 degrees 33 minutes 00 seconds East 91.97 feet, Thence North 74 degrees 01 minutes 50 seconds East 125.69 feet, Thence South 89 degrees 04 minutes 00 seconds East 326.48 feet to West Line of I-75 Highway, Thence South 01 degrees 39 minutes 20 seconds West 928.01 feet along the West right of way Line of I-75; Thence North 88 degrees 57 minutes 20 seconds West 824.52 feet; Thence North 00 degrees 56 minutes 00 seconds East 9.00 feet; Thence North 88 degrees 57 minutes 20 seconds West 225.00 feet to the East right of way Line of Opdyke Road; Thence North 00 degrees 56 minutes 00 seconds East 824.52 feet along the East right of way line to the point of beginning.

Except that part of East one-half of Northwest one-quarter Section 14, Town 3 North, Range 10 East, Described as beginning at a point located distant North 86 degrees 44 minutes 00 seconds West 920.50 feet and North 03 degrees 16 minutes 00 seconds East 415.00 feet from the center 1/4 corner of Section 14 and proceeding thence North 88 degrees 57 minutes 20 seconds West 208.25 feet, Thence North 00 degrees 56 minutes 00 seconds East 9.00 feet, thence North 88 degrees 57 minutes 20 seconds West 55.00 feet, thence North 02 degrees 05 minutes 40 seconds East 259.93 feet, thence South 87 degrees 54 minutes 20 seconds East 96.88 feet, thence South 49 degrees 52 minutes 00 seconds East 184.96 feet; thence South 41 degrees 55 minutes 20 seconds East 54.65 feet; thence South 37 degrees 48 minutes 20 seconds East 89.03 feet; thence South 46 degrees 25 minutes 20 seconds East 51.42 feet; thence North 88 degrees 57 minutes 20 seconds West 112.79 feet to the point of beginning.
To: Mayor and City Council
From: Peter E. Auger, City Manager and Micheal R. Lohmeier, City Assessor
Submitted: June 12, 2013
Subject: Public Hearing and Request to Establish a Plant Rehabilitation District for NDA Auburn LLC.

INTRODUCTION AND HISTORY
A request to establish a Plant Rehabilitation District (PRD) has been submitted on May 30, 2013 by NDA Auburn LLC for the property identified as 2150 North Opdyke Road, the site of the former Showcase Cinema. This site was recently purchased by NDA Auburn LLC, see attached Property Transfer Affidavit and Quit Claim Deed.

The existing building is situated on parcel 02-14-14-176-007 involves an abandoned 75,667 square foot theater facility constructed in 1988. The property’s legal description is:

T3N, R10E, SEC 14 PART OF E 1/2 OF NW 1/4 BEG AT PT DIST S 86-38-00 E 1381.92 FT & N 01-26-00 E 44.50 FT & N 01-11-00 E 600 FT & N 00-56-00 E 597.17 FT & S 89-04-00 E 50 FT FROM W 1/4 COR, TH S 89-04-00 E 541.23 FT, TH N 53-33-00 E 91.97 FT, TH N 74-01-50 E 125.69 FT, TH S 89-04-00 E 326.48 FT TO W LINE OF I-75 HWY, TH S 01-39-20 W 928.01 FT, TH N 88-57-20 W 503.33 FT, TH N 46-25-20 W 51.42 FT, TH N 37-48-20 W 89.03 FT, TH N 41-55-20 W 54.65 FT, TH N 49-52-00 W 184.56 FT, TH N 87-54-20 W 96.88 FT, TH S 02-05-40 W 233.53 FT, TH N 88-57-20 W 90.65 FT, TH S 00-56-00 W 20 FT, TH N 88-57-20 W 79.76 FT, TH N 00-56-00 E 824.52 FT TO BEG 19.60 AQ129K

The parcel consists of 19.60 acres and is zoned T&R; Technology and Research. The theater has been abandoned and unused for over ten (10) years.
View of Existing Theater

Aerial Photograph of Existing Site and Surrounding Uses
Plant Rehabilitation Districts (PRD)
PRDs are established for replacement or restoration projects as provided for by Public Act 198, 1974 as amended.

“The legislative body of a local governmental unit may establish a plant rehabilitation district or an industrial development district on its own initiative or upon a written request filed by the owner or owners of 75% of the state equalized value of the industrial property.” (PA 198 (4)(2), 1974, as amended).

- **Replacement** is defined as “the complete or partial demolition of obsolete industrial property and the complete or partial reconstruction or installation of new property of similar utility”. (PA 198(3)(5), 1974, as amended). (Emphases added in underline).
- **Restoration** is defined, in part, as “changes to obsolete industrial property other than replacement as may be required to restore the property, together with all appurtenances to the property, to an economically efficient functional condition”. (PA 198(3)(6), 1974, as amended).

NDA Auburn LLC intends on rehabilitating/replacing this building with an industrial engineering facility for an industrial engineering tenant. This district will provide for the application of a rehabilitation/replacement facility.

Before establishing a Plant Rehabilitation District, the local legislative body must determine that property compromising not less than 50% of the state equalized valuation of industrial property within the proposed district is obsolete. City Council may create a Plant Rehabilitation District on its own initiative or at the request of the property owner.

NDA Auburn LLC has a prospective tenant that is considering leasing the facility for 15 years and they will undertake complete replacement in order to better meet the needs of the business.

The 2013 State Equalized Value of the existing building is $70,826. The 2013 State Equalized Value of all property within the proposed district is $1,198,070. NDA Auburn LLC has a proposed tenant and is tentatively planning a real estate development that will amount to an investment of approximately $18,000,000 for real property improvements only.

The building is obsolete for the needs of the prospective tenant.

Establishment of the Plant Rehabilitation District is prerequisite to consideration of an Industrial Facility Exemption Certificate for the proposed restoration/replacement project. The major difference between a restoration/replacement facility and a new facility is that the taxes on a restoration/replacement facility are frozen at the taxable value of the facility prior to the commencement of the restoration investment, while the taxes on a new facility are based on the value of the investment in the new improvements. The tax savings to the company on a restoration/replacement facility are 100%, while the savings on a new facility would be 50%.

**PENDING APPEALS**

To the best of staff’s knowledge:

- There is no outstanding and/or pending appeal(s) involving the property that is the subject of this application/request.
- There is no outstanding and/or pending appeal(s) involving the applicant filing for this tax incentive/request within the City of Auburn Hills.
**ABATEMENT ELIGIBILITY**

Establishment of an PRD is a prerequisite to consideration of an Industrial Facility Exemption Certificate for the proposed replacement real property improvements.

**TAX INCENTIVE REVIEW COMMITTEE RECOMMENDATION (TIRC)**

This application went before the city’s Tax Incentive Review Committee on June 10, 2013. Mr. Ryan Dembs, President of Amson Dembs Development, Inc. and owner of the property, was present to speak about his request and intentions.

Motion by Mr. Nelson, to forward to city council, a recommendation to approve the request from NDA Auburn LLC to establish a Plant Rehabilitation District for 2150 Opdyke Road (Parcel ID: 14-14-176-007)

Supported by Mr. Landsberg

Motion carried (5-0)

Legal Description: T3N, R10E, SEC 14 PART OF E 1/2 OF NW 1/4 BEG AT PT DIST S 86-38-00 E 1381.92 FT & N 01-26-00 E 44.50 FT & N 01-11-00 E 600 FT & N 00-56-00 E 597.17 FT & S 89-04-00 E 50 FT FROM W 1/4 COR, TH S 89-04-00 E 541.23 FT, TH N 53-33-00 E 91.97 FT, TH N 74-01-50 E 125.69 FT, TH S 89-04-00 E 326.48 FT TO W LINE OF I-75 HWY, TH S 01-39-20 W 928.01 FT, TH N 88-57-20 W 503.33 FT, TH N 46-25-20 W 51.42 FT, TH N 37-48-20 W 89.03 FT, TH N 41-55-20 W 54.65 FT, TH N 49-52-00 W 184.56 FT, TH N 87-54-20 W 96.88 FT, TH S 02-05-40 W 233.53 FT, TH N 88-57-20 W 90.65 FT, TH S 00-56-00 W 20 FT, TH N 88-57-20 W 79.76 FT, TH N 00-56-00 E 824.52 FT TO BEG 19.60 AQ129K

**STAFF RECOMMENDATION**

Based on reviewing the city’s tax incentive policy, combined with the recommendation forwarded by TIRC, staff recommends approval of NDA Auburn LLC’s request for establishment of the property as an Plant Rehabilitation District.

**MOTION**

Move to approve the request to establish a Plant Rehabilitation District for NDA Auburn LLC by adopting the attached resolution.

I CONCUR:

PETER E. AUGER, CITY MANAGER
CITY OF AUBURN HILLS
RESOLUTION
ESTABLISHING A PLANT REHABILITATION DISTRICT
FOR NDA AUBURN LLC

At a meeting of the City Council held on the 17th day of June, 2013 at the City Council Chambers at 1827 N. Squirrel Rd., Auburn Hills MI 48326

It was moved by Council Member --------- and supported by Council Member --------

WHEREAS, Act 198 of the Public Acts of 1974, as amended, authorizes the City Council of Auburn Hills to establish a "Plant Rehabilitation District"; and

WHEREAS, restoration of a proposed facility within the district has not commenced as of this date; and

WHEREAS, It has been determined that property comprising not less than 50 percent of the state equalized valuation of property within the proposed Plant Rehabilitation District is obsolete; and

WHEREAS, the City Council of the City of Auburn Hills, has given written notice by certified mail to the owners of real property within the proposed Plant Rehabilitation District and to the public by newspaper advertisement in the Oakland Press, and public posting of the hearing on the establishment of the proposed district; and

WHEREAS, a public hearing was held on June 17, 2013 at which all of the owners of real property within the proposed Plant Rehabilitation District and all residents and taxpayers of Auburn Hills were afforded an opportunity to be heard,

NOW, THEREFORE, BE IT RESOLVED by the City Council of Auburn Hills that the following described parcel of land situated in the City of Auburn Hills, County of Oakland, State of Michigan, to wit:

T3N, R10E, SEC 14 PART OF E 1/2 OF NW 1/4 BEG AT PT DIST S 86-38-00 E 1381.92 FT & N 01-26-00 E 44.50 FT & N 01-11-00 E 600 FT & N 00-56-00 E 597.17 FT & S 89-04-00 E 50 FT FROM W 1/4 COR, TH S 89-04-00 E 541.23 FT, TH N 53-33-00 E 91.97 FT, TH N 74-01-50 E 125.69 FT, TH S 89-04-00 E 326.48 FT TO W LINE OF I-75 HWY, TH S 01-39-20 W 928.01 FT, TH N 88-57-20 W 503.33 FT, TH N 46-25-20 W 51.42 FT, TH N 37-48-20 W 89.03 FT, TH N 41-55-20 W 54.65 FT, TH N 49-52-00 W 184.56 FT, TH N 87-54-20 W 96.88 FT, TH S 02-05-40 W 233.53 FT, TH N 88-57-20 W 90.65 FT, TH S 00-56-00 W 20 FT, TH N 88-57-20 W 79.76 FT, TH N 00-56-00 E 824.52 FT TO BEG 19.60 AQ129K

Parcel Identification No. 02-14-14-176-007

be and here is established as a Plant Rehabilitation District pursuant to the provisions of Act 198 of the Public Acts of 1974 to be known as NDA Auburn LLC Plant Rehabilitation District.
AYES: 
NAYS: 
ABSENT:  
ABSTENTIONS:  None

RESOLUTION ADOPTED

STATE OF MICHIGAN)  
) SS  
COUNTY OF OAKLAND)  

I, the undersigned, the duly qualified and appointed City Clerk of the City of Auburn Hills, Oakland County, Michigan do hereby certify that the foregoing is a true and complete copy of a resolution adopted at a regular meeting of the City Council held on the 17th day of June, 2013, the original of which is on file in my office.

IN WITNESS WHEREOF, I have hereunto affixed my official signature on this ---- day of June, 2013.

____________________________  
Terri Kowal, City Clerk
To: Mayor and City Council
From: Peter E. Auger, City Manager and Michele R. Lohmeier, City Assessor
Submitted: June 12, 2013
Subject: Public Hearing and Request to Establish an Industrial Development District for City of Auburn Hills (Auburn Hills)

INTRODUCTION AND HISTORY
A request to establish an Industrial Development District (IDD) has been submitted on May 31, 2013 by the City of Auburn Hills for the property identified as 2060 North Opdyke Road, the site adjacent to the former Showcase Cinema.

This is parcel 02-14-14-176-008, a 2.30 acre vacant site having B-2 zoning. The property’s legal description is:

T3N, R10E, SEC 14 PART OF SE 1/4 OF NW 1/4 BEG AT PT DIST N 86-44-00 W 920.50 FT & N 03-16-00 E 340.80 FT FROM CEN OF SEC, TH N 03-16-00 E 75 FT, TH S 88-57-20 E 112.79 FT, TH N 46-25-20 W 51.42 FT, TH N 37-48-20 W 89.03 FT, TH N 41-55-20 W 54.65 FT, TH N 49-52-00 W 184.56 FT, TH N 87-54-20 W 96.88 FT, TH S 02-05-40 W 233.53 FT, TH N 88-57-20 W 90.65 FT, TH S 00-56-00 W 20 FT, TH N 88-57-20 W 79.76 FT, TH ALG CURVE TO RIGHT, RAD 68,805 FT, DIST 84 FT, TH S 89-04-00 E 430.60 FT TO BEG 2.30 AQ129G

This property is pending purchase, in part or whole, by the new purchaser (i.e., NDA Auburn LLC) of the former Showcase Cinema property.
Industrial Development Districts

Industrial Development Districts (IDD) are established for new real property or personal property projects as provided for by Public Act 198, 1974 as amended.

“The legislative body of a local governmental unit may establish a plant rehabilitation district or an industrial development district on its own initiative or upon a written request filed by the owner or owners of 75% of the state equalized value of the industrial property.” (PA 198 4(2), 1974 as amended)

The City of Auburn Hills intends on transferring (through sale or otherwise) this property to the new purchaser of the former Showcase Cinema property. This district will provide for the application of any new real and/or personal property abatements.

PENDING APPEALS

None

ABATEMENT ELIGIBILITY

Establishment of an IDD is a prerequisite to consideration of an Industrial Facility Exemption Certificate for proposed real and/or personal property improvements.

TAX INCENTIVE REVIEW COMMITTEE RECOMMENDATION (TIRC)

This application went before the city’s Tax Incentive Review Committee on June 10, 2013. Mr. Tom Tanghe, Assistant City Manager of City of Auburn Hills was present to speak about his request and intentions.

Motion by Mr. Nelson, to forward to city council, a recommendation to approve the request from the City of Auburn Hills to establish an Industrial Development District for 2060 N Opdyke Road (Parcel ID: 14-14-176-008).

Supported by Mr. Landsberg

Motion carried (5-0)

[Legal Description: T3N, R10E, SEC 14 PART OF SE 1/4 OF NW 1/4 BEG AT PT DIST N 86-44-00 W 920.50 FT & N 03-16-00 E 340.80 FT FROM CEN OF SEC, TH N 03-16-00 E 75 FT, TH S 88-57-20 E 112.79 FT, TH N 46-25-20 W 51.42 FT, TH N 37-48-20 W 89.03 FT, TH N 41-55-20 W 54.65 FT, TH N 49-52-00 W 184.56 FT, TH N 87-54-20 W 96.88 FT, TH S 02-05-40 W 233.53 FT, TH N 88-57-20 W 90.65 FT, TH S 00-56-00 W 20 FT, TH N 88-57-20 W 79.76 FT, TH ALG CURVE TO RIGHT, RAD 68,805 FT, DIST 84 FT, TH S 89-04-00 E 430.60 FT TO BEG 2.30 AQ129G]

STAFF RECOMMENDATION

Based on reviewing the city’s tax incentive policy, combined with the recommendation forwarded by TIRC, staff recommends approval of the City of Auburn Hills’ request for establishment of the property as an Industrial Development District.

MOTION

Move to approve the request to establish an Industrial Development District for Auburn Hills by adopting the attached resolution.

I CONCUR:

PETER E. AUGER, CITY MANAGER
At a meeting of the City Council held on the 17th day of June, 2013 at the City Council Chambers at 1827 N. Squirrel Rd., Auburn Hills MI 48326

It was moved by Council Member -------- and supported by Council Member --------

WHEREAS, Act 198 of the Public Acts of 1974, as amended, authorizes the City Council of Auburn Hills to establish an Industrial Development District; and

WHEREAS, The City of Auburn Hills has petitioned this City Council to establish an Industrial Development District on the property herein described; and

WHEREAS, construction, acquisition, alteration, or installation of a proposed facility within the district has not commenced as of this date of the filing of the request to establish the district; and

WHEREAS, the City Council of the City of Auburn Hills, has given written notice by certified mail to the owners of real property within the proposed Industrial Development District and to the public by newspaper advertisement in the Oakland Press, and public posting of the hearing on the establishment of the proposed district; and

WHEREAS, a public hearing was held on June 17, 2013 at which all of the owners of real property within the proposed Industrial Development District and all residents and taxpayers of Auburn Hills were afforded an opportunity to be heard; and

WHEREAS, the City Council deems it to be in the best interest of the City of Auburn Hills to establish the Industrial Development District as proposed;

NOW, THEREFORE, BE IT RESOLVED by the City Council of Auburn Hills that the following described parcel of land situated in the City of Auburn Hills, County of Oakland, State of Michigan, to wit:

Parcel identification: 02-14-14-176-008

Legal description: T3N, R10E, SEC 14 PART OF SE 1/4 OF NW 1/4 BEG AT PT DIST N 86-44-00 W 920.50 FT & N 03-16-00 E 340.80 FT FROM CEN OF SEC, TH N 03-16-00 E 75 FT, TH S 88-57-20 E 112.79 FT, TH N 46-25-20 W 51.42 FT, TH N 37-48-20 W 89.03 FT, TH N 41-55-20 W 54.65 FT, TH N 49-52-00 W 184.56 FT, TH N 87-54-20 W 96.88 FT, TH S 02-05-40 W 233.53 FT, TH N 88-57-20 W 90.65 FT, TH S 00-56-00 W 20 FT, TH N 88-57-20 W 79.76 FT, TH ALG CURVE TO RIGHT, RAD 68,805 FT, DIST 84 FT, TH S 89-04-00 E 430.60 FT TO BEG 2.30 AQ129G

be and here is established as a Industrial Development District pursuant to the provisions of Act 198 of the Public Acts of 1974 to be known as the Auburn Hills Industrial Development District.
AYES:  
NAYS:  
ABSENT:  
ABSTENTIONS: None

RESOLUTION ADOPTED

STATE OF MICHIGAN)  
COUNTY OF OAKLAND)  

I, the undersigned, the duly qualified and appointed City Clerk of the City of Auburn Hills, Oakland County, Michigan do hereby certify that the foregoing is a true and complete copy of a resolution adopted at a regular meeting of the City Council held on the 17th day of June, 2013, the original of which is on file in my office.

IN WITNESS WHEREOF, I have hereunto affixed my official signature on this ---- day of June 2013.

____________________________  
Terri Kowal, City Clerk
May 31, 2013

Honorable James McDonald, Mayor
Members of the City Council
City of Auburn Hills
1827 North Squirrel Road
Auburn Hills, Michigan 48326

Dear Mayor and City Council:

On May 30, 2013, Amson Dembs Development, Inc. became the owner of the property located at 2150 N. Opdyke Road, more commonly known as the Showcase site. In addition to this property, Amson Dembs is seeking to purchase a portion of the property owned by the City of Auburn Hills, with parcel identification number 14-14-176-008, and commonly known as the former Fire Station No. 2 site.

As a result of this impending development, staff is recommending that the City Council create an Industrial Development District designation for the property currently owned by the City.

Best regards,

Thomas A. Tanghe, ICMA CM
Assistant City Manager

cc: Micheal Lohmeier, Assessor
    Tax Incentive Review Committee

1827 N. Squirrel Rd., Auburn Hills, MI 48326
www.auburnhills.org
INTRODUCTION AND HISTORY
An application for an Industrial Facilities Exception Certificate (IFEC) has been received for real property replacement for the property located at 2150 North Opdyke Road, and on assessment parcel 02-14-14-176-007. The request was submitted by GKN Driveline North America, Inc. (GKN) on May 31, 2013, and as of this date the replacement facility had not been started yet.

This application involves real property replacement work including demolition and replacement of the former Showcase Cinema building and site improvements.

The existing building is situated on parcel 02-14-14-176-007 involves an abandoned 75,667 square foot theater facility constructed in 1988. The property’s legal description is:

```
T3N, R10E, SEC 14 PART OF E 1/2 OF NW 1/4 BEG AT PT DIST S 86-38-00 E 1381.92 FT & N 01-26-00 E 44.50 FT & N 01-11-00 E 600 FT & N 00-56-00 E 597.17 FT & S 89-04-00 E 50 FT FROM W 1/4 COR, TH S 89-04-00 E 541.23 FT, TH N 53-33-00 E 91.97 FT, TH N 74-01-50 E 125.69 FT, TH S 89-04-00 E 326.48 FT TO W LINE OF I-75 HWY, TH S 01-39-20 W 928.01 FT, TH N 88-57-20 W 503.33 FT, TH N 46-25-20 W 51.42 FT, TH N 37-48-20 W 89.03 FT, TH N 41-55-20 W 54.65 FT, TH N 49-52-00 W 184.56 FT, TH N 87-54-20 W 96.88 FT, TH S 02-05-40 W 233.53 FT, TH N 88-57-20 W 90.65 FT, TH S 00-56-00 W 20 FT, TH N 88-57-20 W 79.76 FT, TH N 00-56-00 E 824.52 FT TO BEG 19.60 AQ129K
```

The parcel consists of 19.60 acres and is zoned T&R; Technology and Research. The theater has been abandoned and unused for over ten (10) years.
View of Existing Theater

Aerial Photograph of Existing Site and Surrounding Uses
The total project investment is **$18,000,000** and is anticipated to result in retaining **324 jobs** in Auburn Hills, retaining **0 jobs** at this site which is currently abandoned and vacant, and creating **40 additional jobs** at this location.

Replacement and restoration is defined by Public Act, 198, 1974 as amended;

- *Replacement* is defined as “the complete or partial demolition of obsolete industrial property and the complete or partial reconstruction or installation of new property of similar utility”. (PA 198(3)(5), 1974, as amended). (Emphases added in underline).
- *Restoration* is defined, in part, as “changes to obsolete industrial property other than replacement as may be required to restore the property, together with all appurtenances to the property, to an economically efficient functional condition”. (PA 198(3)(6), 1974, as amended).

Examples of obsolescence in industrial buildings includes such items as insufficient floor loads, excessive or deficient ceiling height, deficient mechanical equipment, excessive delayed maintenance items such as roofs, floors and wall covering, exterior appearance, inadequate electrical capacity, unnecessary partitions and poor room layout.

The Tax Incentive Policy\(^1\) of the City of Auburn Hills provides for requests for this type of incentive;

B. Replacement or Rehabilitation of Obsolete Industrial Property (IFEC) - Real Property which meets the definition of obsolete property as contained in the Plant Rehabilitation and Industrial Development Districts Act 198 of 1974 and is included within a plant rehabilitation district and which is proposed for occupancy by either a new business or an existing business and which will require restoration or replacement as defined in the Plant Rehabilitation and Industrial Development Districts Act 198 of 1974 may be granted a 100% tax incentive for up to eight (8) years based upon the criteria included in this policy and with the following considerations;

- A minimum planned investment in rehabilitation of real property improvements at least equal to 25% of the existing true cash value of the property at commencement of the rehabilitation of the qualified facility.
- The planned investment must correct functional obsolescence in addition to maintenance and repairs.
- Personal property replacement will not be considered for tax incentive as part of a rehabilitation project. Investments in personal property by a new business or an existing business during a rehabilitation project may be considered for 50% tax incentive in an Industrial Development District as a new facility.

The 2013 State Equalized Value of the building is $70,826. The 2013 State Equalized Value of all property within the proposed district is $1,198,070. Since the building is obsolete for the needs of the GKN, the prospective tenant.

**Differences between Restoration and New Facility**

The major difference between a restoration facility and a new facility is that the taxes on a restoration facility are frozen at the taxable value of the facility prior to the commencement of the restoration investment, while the taxes on a new facility are based on the value of the investment in the new improvements. The tax savings to the company on a restoration facility are 100%, while the savings on a new facility would be 50%.

\(^1\) March 19, 2012.
**Tax Collection**

The taxes that will be generated by the investment during the certificate period will be approximately $0, including $0 in city revenues. The company will save approximately $3,391,178 in total taxes, of which approximately $760,334 in city taxes. The city will continue to collect taxes on the property that will not be subject to the abatement.

**PENDING APPEALS**

To the best of staff’s knowledge:

- There is no outstanding and/or pending appeal(s) involving the **property that is the subject of this application**.
- There is no outstanding and/or pending appeal(s) involving the **applicant** filing for this tax incentive within the City of Auburn Hills.

**TAX INCENTIVE REVIEW COMMITTEE RECOMMENDATION (TIRC)**

This application went before the city’s Tax Incentive Review Committee on June 10, 2013.

GKN was represented by James Kane, Managing Director of True Partners Consulting, tax representative for GKN, and Paul J. Westman, Vice President of Taxation for GKN North America Services, Inc.

Motion by Mr. Iacobelli, to forward to city council, a recommendation to approve the request from GKN Driveline North America for a tax abatement to construct an $18,000,000 building at 2150 N Opdyke Road (Parcel ID: 14-14-176-007). The committee recommends an 8 year abatement starting on 12/31/2013 and ending 12/30/2021. In addition, this also includes the requirement to operate the facility at that location for 2 years after the certificate expires. One condition of this recommendation is that the term of the executed lease be no less than 10 years.

Supported by Mr. Nelson

**Motion carried (5-0)**

Legal Description: T3N, R10E, SEC 14 PART OF E 1/2 OF NW 1/4 BEG AT PT DIST S 86-38-00 E 1381.92 FT & N 01-26-00 E 44.50 FT & N 01-11-00 E 600 FT & N 00-56-00 E 597.17 FT & S 89-04-00 E 50 FT FROM W 1/4 COR, TH S 89-04-00 E 541.23 FT, TH N 53-33-00 E 91.97 FT, TH N 74-01-50 E 125.69 FT, TH S 89-04-00 E 326.48 FT TO W LINE OF I-75 HWY, TH S 01-39-20 W 928.01 FT, TH N 88-57-20 W 503.33 FT, TH N 46-25-20 W 51.42 FT, TH N 37-48-20 W 89.03 FT, TH N 41-55-20 W 54.65 FT, TH N 49-52-00 W 184.56 FT, TH N 87-54-20 W 96.88 FT, TH S 02-05-40 W 233.53 FT, TH N 88-57-20 W 90.65 FT, TH S 00-56-00 W 20 FT, TH N 88-57-20 W 79.76 FT, TH N 00-56-00 E 824.52 FT TO BEG 19.60 AQ129K

**STAFF RECOMMENDATION**

Currently GKN has entered into a draft lease with NDA Auburn LLC for a period of fifteen years. Any recommendation is conditional upon execution of the lease by both parties and the term to cover the abatement certificate and the business residence requirements.

Based on reviewing the city’s tax incentive policy, combined with the recommendation forwarded by TIRC, staff recommends approval of the application for eight (8) years as requested. Again this recommendation is conditional upon receipt of a executed lease covering the abatement term and the city’s business residence requirement.
MOTION
Move to approve the request for an 8-year IFEC pertaining to replacement of the existing facility for GKN Driveline North America, Inc. for a total real property investment of $18,000,000 by adopting the attached resolution.

This motion is conditional upon execution of the lease between GKN Driveline North America, Inc. and NDA Auburn LLC for a term of at least ten (10) years to cover the term of the exemption certificate and its business residence requirements.

I CONCUR:  

[Signature]  
PETER E. AUGER, CITY MANAGER
CITY OF AUBURN HILLS
RESOLUTION
APPROVING AN INDUSTRIAL FACILITIES EXEMPTION CERTIFICATE
FOR GKN DRIVELINE NORTH AMERICA 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 17th Day of June, 2013.

The following resolution was offered by Councilperson_______ and supported by Councilperson_______

WHEREAS, pursuant to P.A. 198, 1974, M.C.L. 207.551 et seq., after a duly noticed public hearing held on the 17th Day of June, 2013 the City Council of Auburn Hills established a Plant Rehabilitation District, commonly referred to as the NDA Auburn LLC Plant Rehabilitation District; and

WHEREAS, GKN Driveline North America, INC. has filed an application for an Industrial Facility Exemption Certificate with the Clerk of the City of Auburn Hills with respect to a proposed replacement facility within the NDA Auburn LLC Plant Rehabilitation District; and

WHEREAS, before acting on said application, the City Council of Auburn Hills held a hearing on 17th Day of June, 2013, at a regularly scheduled meeting, at 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, rehabilitation of the facility had not begun earlier than six (6) months before May 31, 2013, the date of the acceptance of the application for the Industrial Facility; and

WHEREAS, completion of the facility 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 Industrial Facilities Exemption Certificates previously granted and currently in force, under Act No. 198 of the Public Acts of 1974, 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 an ad valorem property tax in the City of Auburn Hills.
2. The application for an Industrial Facilities Exemption Certificate with respect to a replacement facility on the following described parcel of real property situation within the NDA Auburn LLC Plant Rehabilitation District to wit:

Legally described as:

T3N, R10E, SEC 14 PART OF E 1/2 OF NW 1/4 BEG AT PT DIST S 86-38-00 E 1381.92 FT & N 01-26-00 E 44.50 FT & N 01-11-00 E 600 FT & N 00-56-00 E 597.17 FT & S 89-04-00 E 50 FT FROM W 1/4 COR, TH S 89-04-00 E 541.23 FT, TH N 53-33-00 E 91.97 FT, TH N 74-01-50 E 125.69 FT, TH S 89-04-00 E 326.48 FT TO W LINE OF I-75 HWY, TH S 01-39-20 W 928.01 FT, TH N 88-57-20 W 503.33 FT, TH N 46-25-20 W 51.42 FT, TH N 37-48-20 W 89.03 FT, TH N 41-55-20 W 54.65 FT, TH N 49-52-00 W 184.56 FT, TH N 87-54-20 W 96.88 FT, TH S 02-05-40 W 233.53 FT, TH N 88-57-20 W 90.65 FT, TH S 00-56-00 W 20 FT, TH N 88-57-20 W 79.76 FT, TH N 00-56-00 E 824.52 FT TO BEG 19.60 AQ129K

The real property is also identified as 02-14-14-176-007, having an address of 2150 N. Opdyke Road, Auburn Hills, MI 48326

is hereby approved.

3. The Industrial Facilities Exemption Certificate shall remain in force and effect for a period of 8 years, and the starting date for the certificate is December 31, 2013 and the ending date is December 30, 2021.

4. The project cost approved is $18,000,000 for real property only.

5. GKN Driveline North America, Inc. agrees to continue operation of the facility for the full term of the certificate and for an additional two years after expiration of the certificate.

    AYES:  
    NAYS:  
    ABSENT: None  
    ABSTENTIONS: None  

    RESOLUTION ADOPTED

STATE OF MICHIGAN)  
COUNTY OF OAKLAND)  

I, the undersigned, the duly appointed City Clerk for the City of Auburn Hills, Oakland County, Michigan do hereby certify that the foregoing is a true and complete copy of a resolution adopted at a regular meeting of the Auburn Hills City Council held on the 17th Day of June, 2013.

IN WITNESS WHEREOF, I have hereunto affixed my official signature on this Day of June, 2013.

_____________________________  
Terri Kowal, City Clerk
## Application for Industrial Facilities Tax Exemption Certificate

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

**INSTRUCTIONS:** File the original and two copies of this form and the required attachments (three complete sets) with the clerk of the local government unit. The State Tax Commission (STC) requires two complete sets (one original and one copy). One copy is retained by the clerk. If you have any questions regarding the completion of this form or would like to request an informational packet, call (517) 373-2408.

<table>
<thead>
<tr>
<th>Signature of Clerk</th>
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<tr>
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<td>5-31-13</td>
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**APPLICANT INFORMATION**

All boxes must be completed.

- **1a. Company Name (Applicant must be the occupant/operator of the facility):** GKN Driveline North America, Inc.
- **1b. Standard Industrial Classification (SIC) Code: Sec. 2(10) (4 or 5 Digit Code):** 541330
- **1c. Facility Address (City, State, ZIP Code) (real and/or personal property/location):** 2150 N. Opdyke, Auburn Hills, 48326
- **1d. City/Township/Village (Indicate which):** Auburn Hills
- **2. Type of Approval Requested:**
  - [ ] New (Sec. 2(4))
  - [ ] Speculative Building (Sec. 3(8))
  - [X] Transfer (1 copy only)
  - [X] Rehabilitation (Sec. 3(1))

- **3a. School District where facility is located:** Portiac City School
- **3b. School Code:** 210
- **4. Amount of years requested for exemption (1-12 Years):** 8 years

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

Please see attached.

**6. Cost of land and building improvements (excluding cost of land):** $18,000,000.00

- **6a. Real Property Costs:**
- **6b. Personal Property Costs:**
- **6c. Total Project Costs:**
  - *Round Costs to Nearest Dollar:

7. Indicate the time schedule for start and finish of construction and equipment installation. Projects must be completed within a two year period of the effective date of the certificate unless otherwise approved by the STC.

<table>
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<tr>
<th>Begin Date (M/D/Y)</th>
<th>End Date (M/D/Y)</th>
<th>Owned</th>
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<tr>
<td>1/1/14</td>
<td>12/31/15</td>
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</table>

- **8. Are State Education Taxes reduced or abated by the Michigan Economic Development Corporation (MEDC)?** If yes, applicant must attach a signed MEDC Letter of Commitment to receive this exemption.
  - [X] Yes
  - [ ] No

9. No. of existing jobs at this facility that will be retained as a result of this project:

10. No. of new jobs at this facility expected to create within 2 years of completion:

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

- **a. TV of Real Property (excluding land):**
- **b. TV of Personal Property (excluding inventory):**
- **c. Total TV:**

12a. Check the type of District the facility is located in:

- [X] Industrial Development District
- [ ] Plant Rehabilitation District

12b. Date district was established by local government unit (contact local unit):

12c. Is this application for a speculative building (Sec. 3(8))?

- [X] Yes
  - [ ] No
APPLICANT CERTIFICATION - complete all boxes.

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

It is further certified that the undersigned is familiar with the provisions of P.A. 188 of 1974, as amended, being Sections 207.551 to 207.572, inclusive, of the Michigan Compiled Laws; and to the best of his/her knowledge and belief, (s)he has complied or will be able to comply with all of the requirements thereof which are prerequisite to the approval of the application by the local unit of government and the issuance of an Industrial Facilities Exemption Certificate by the State Tax Commission.

13a. Prepare Name
James H. Kane
13b. Telephone Number
(312) 235-3307
13c. Fax Number
(312) 235-3357
13d. E-mail Address
james.kane@jpcitax.com

14a. Name of Contact Person
James H. Kane
14b. Telephone Number
(312) 235-3307
14c. Fax Number
(312) 235-3357
14d. E-mail Address
james.kane@jpcitax.com

15a. Name of Company Officer (No Authorized Agents)
Mick Nylander
15b. Signature of Company Officer (No Authorized Agents)
Mick Nylander
248-377-1404
15d. Date
MAY 31, 2013

15e. Mailing Address (Street, City, State, ZIP Code)
3300 University Drive, Auburn Hills, MI 48326
15f. Telephone Number
(248) 377-1290
15g. E-mail Address
mick.nylander@gkndriveline.com

LOCAL GOVERNMENT ACTION & CERTIFICATION - complete all boxes.

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

16a. Action taken by local government unit

☐ Abatement Approved for ________ Yrs Real (1-12) ________ Yrs Pers (1-12)
☐ After Completion ☐ Yes ☐ No
☐ Denied (Include Resolution Denying)

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

☐ Check or Indicate N/A if Not Applicable

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

16c. UICI Code
D32217
16d. School Code
63030

17. Name of Local Government Body

18. Date of Resolution Approving/Denying this Application

Attached hereto is an original and one copy of the application and all documents listed in 16b. I also certify that all documents listed in 16a are on file at the local unit for inspection at any time.

19a. Signature of Clerk
19b. Name of Clerk
19c. E-mail Address

19d. Clerk’s Mailing Address (Street, City, State, ZIP Code)

19e. Telephone Number
19f. Fax Number

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

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

State Tax Commission
Michigan Department of Treasury
P.O. Box 30477
Lansing, MI 48909-7971

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

The proposed facility will include a 160,000 square foot, two (2) story, building containing approximately 45,000 square feet of office space on both the first and second floors, and approximately 70,000 square feet of hi-bay space, together with other permanent improvements.

The proposed use of the facility will be general office and laboratories for the design, engineering and testing of constant-velocity joint systems, all-wheel drive systems, conventional and controlled differentials for transmissions and axles, and electric and hybrid driveline systems and related incidental uses.

The nature and extent of construction will require the demolition and removal of the existing obsolete improvements to the property, currently consisting of the former Showcase Cinema building, surface parking lots and related improvements.

The list of equipment that will be part of the facility is in the process of being developed, but generally includes office furniture and equipment, including computers, printers, copiers, etc.
Industrial Facility Application  
PA 198, 1974

City of Auburn Hills

Supplemental Information  
To Be Provided by Applicant/Company

GKN Driveline North America, Inc.

Name of Company: ________________________________

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

GKN is a global engineering group that provides technology and manufacturing solutions to the world's leading vehicle and aircraft manufacturers. GKN has operations in more than 35 countries and employees approximately 44,000 people around the world. GKN is a publically traded corporation. The ultimate parent is GKN plc, and they are headquartered in Redditch, Worcestershire, UK.

The proposed use of the facility will be general office and laboratories for the design, engineering and testing of constant-velocity joint systems, all-wheel drive systems, conventional and controlled differentials for transmissions and axles, and electric and hybrid driveline systems and related incidental uses.
Please respond to the following questions or state if not applicable:

1. If presently located in Auburn Hills, how long have you been in business here?
   Over 15 years.

2. Has a site plan for the facility requested for tax abatement been submitted and approved?
   No, planning is in process.

3. Will development of the site require a change in zoning or a request for special land use or other variances?
   No, other than the request for a Plant Rehab District.

4. What will be required to develop the site? Do water, sewer, and other utilities exist presently at the site? Will any new access roads need to be constructed or upgraded?
   Yes, water, sewer and other utilities exist at the site. Minor upgrade / relocation of existing entry road.

5. Will the company request that the City of Auburn Hills assist in paying any costs related to providing infrastructure for this facility?
   No, Company will not request any assistance from Auburn Hills.

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

7. How will water retention and drainage be provided for the facility?
   New storm system will be installed along with a retention pond.

8. Will any raw materials be used or stored at the facility, Will your company require outside storage of any products or materials?
   No.

9. What will be the operating hours of the facility? Will any heavy equipment be operated at the facility after completion of construction?
   6 AM – 6 PM. Yes, testing cells will be operated.
10. Will the facility produce industrial waste? Will any known hazardous chemicals be used or produced? Will the facility produce any significant air emissions?

No the facility will not produce industrial waste, use hazardous chemicals or produce significant air emissions.

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

HR: 18
Finance: 19
CEO: 4
Lean: 4
Sales: 43
Purchasing: 16
Engineering: 181
IT: 20
Quality Assurance: 3
Legal: 4
Building Operations: 11
Product Management: 1

Please note, this includes employees of GKN Driveline North America, Inc. and affiliates.

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

Yes, 30,000 to 40,000 may be available to expand upon completion of the new facility.

13. Has your company received tax abatements from the community where it is presently located? If so describe the type of abatement.
No, company has not received tax abatements from the community where it is presently located.
LEASE

THIS LEASE is made between the Landlord and the Tenant hereinafter identified in Sections 1.01(b) and (c) hereof, respectively, and constitutes a Lease between the parties of the "Leased Premises" as identified in Section 1.01(d) hereof on the terms and conditions and with and subject to the covenants and agreements of the parties hereinafter set forth.

WITNESSETH:

ARTICLE I.

BASIC LEASE PROVISIONS

SECTION 1.01 BASIC LEASE PROVISIONS. The following are certain lease provisions which are part of, and, in certain instances, referred to, in subsequent provisions of this Lease:

(a) Date of Lease: June 1, 2013

(b) Landlord: NDA Auburn LLC, a Michigan limited liability company

(c) Tenant: ____________________________

(d) Leased Premises: That certain ___ acre parcel of real property located in Auburn Hills, Michigan, more particularly described on Exhibit "A" attached hereto and made a part hereof (the "Land"), upon which is approximately 160,000 square foot, two (2) story, building (the "Building") containing approximately 45,000 square feet of office space on both the first and second floors, and approximately 70,000 square feet of hi-bay space, together with other permanent improvements set forth in the Plan and Specifications on Exhibit "B" attached hereto and made a part hereof, to be constructed.

(e) Initial Term: One Hundred Eighty Six (186) Months

(f) Rental:

<table>
<thead>
<tr>
<th>Months</th>
<th>Minimum Monthly Rent</th>
<th>Minimum Annual Rent</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

(g) Landlord's Address: 46855 Magellan Drive
Suite 200
Novi, Michigan 48377

(h) Tenant's Address: ____________________________

(i) Tenant's Use of the Leased Premises: General office and laboratories for the design, engineering and testing of constant-velocity joint systems, all-wheel drive systems, conventional and controlled differentials for transmissions and axles, and electric and hybrid drivetrains systems and related incidental uses

(j) Guarantor: ____________________________
ARTICLE III.

RENT

SECTION 3.01 RENT. Minimum annual rent during the Term of this lease shall be the sum set forth in Section 1.01(f) hereof, which sum shall be payable by Tenant in equal consecutive monthly installments on or before the first day of each month commencing on the Commencement Date, in advance, at the office of Landlord, or such other place as Landlord may designate in writing, without any prior demand therefor and without any deductions or setoff whatsoever. In the event the expiration date of the Term is other than the last day of a calendar month, the minimum rent for the number of days of such partial last calendar month of the Term will be prorated on a daily basis based on the number of days in the calendar month.

SECTION 3.02 TENANT’S TAX OBLIGATION.

(a) Tenant agrees to pay directly to the applicable taxing authority all taxes and existing and future assessments, general and special, and governmental charges of any kind or nature whatsoever, which have been or may be levied or assessed by any lawful authority against the land, buildings and improvements presently and/or at any time during the Term of this Lease comprising the Leased Premises, and which are payable during or for any calendar year during the Term hereof, irrespective of whether such taxes are assessed against real or personal property. Such taxes, assessments and charges hereinafter are referred to, collectively, as "Taxes." Notwithstanding the foregoing, the taxes described in the next sentence shall be accrued ratably during the calendar year. Should the United States, the State of Michigan or any political subdivision thereof or any governmental authority having jurisdiction thereto: (i) impose a tax and/or assessment of any kind or nature upon, against, measured by or with respect to the rentals payable by Tenant to Landlord or with respect to the Landlord's, or the individuals' or entities' which form the Landlord herein, ownership of the land and buildings presently and/or at any time during the Term of this Lease comprising the Leased Premises, either by way of substitution for all or any part of the taxes and assessments levied or assessed against such land and such buildings, or in lieu of increase thereof; and/or (ii) impose a tax or surcharge of any kind or nature, upon, against or with respect to the parking areas or the number of parking spaces in the Leased Premises, then in either or both of such events, such tax, assessment and/or surcharge shall be deemed to constitute Taxes for the purpose of this Section 3.02 and Tenant shall be obligated to pay the same. Notwithstanding the foregoing, in no event shall any federal or local income tax of general applicability, transfer tax and/or estate or gift tax applicable to Landlord and/or its constituent members, as applicable, be payable by Tenant. For purposes hereof, the Leased Premises shall, in any event, be deemed to include any land upon which off-site utility systems, retention ponds, wetlands and/or off site private roads serving the Leased Premises are located with all improvements situated thereon.

(b) Within thirty (30) days prior to the date on which each installment of Taxes may be paid without penalty and/or interest, Tenant shall pay such Taxes and provide to Landlord a receipt from the applicable taxing authority indicating the payment thereof. To the extent that any of the bills for the Taxes are first provided to Landlord by the applicable taxing authority, Landlord shall provide the same to Tenant within thirty (30) days after Landlord's receipt thereof. Upon the Commencement Date, Tenant shall pay to Landlord the portion of Taxes for the then current period which Landlord has paid or credited to the seller of the Leased Premises. Penalties and interest for non-payment of Taxes accruing during the Term hereof and thereafter
<table>
<thead>
<tr>
<th>Function</th>
<th>Description</th>
<th>Full Time Headcount: Existing</th>
<th>Full Time Headcount: New (2 yr)</th>
<th>Salary Range</th>
</tr>
</thead>
<tbody>
<tr>
<td>HR</td>
<td>Administers human resource activities including recruiting, hiring, training, performance reviews, compensation and benefits.</td>
<td>18</td>
<td>50,000</td>
<td>$100,000 +</td>
</tr>
<tr>
<td>Finance</td>
<td>Accounts Receivable, Accounts Payable, General Cash Management, Financial Reporting.</td>
<td>19</td>
<td>1</td>
<td>60,000</td>
</tr>
<tr>
<td>Corporate</td>
<td>Management, Legal, Cost Reduction and Quality</td>
<td>16</td>
<td>6</td>
<td>65,000</td>
</tr>
<tr>
<td>Building/Operations</td>
<td>Maintenance, Repairs, Operations, etc.</td>
<td>11</td>
<td>1</td>
<td>45,000</td>
</tr>
<tr>
<td>Sales</td>
<td>Sales operations to secure new and recurring business.</td>
<td>43</td>
<td>10</td>
<td>80,000</td>
</tr>
<tr>
<td>Purchasing</td>
<td>Procurement of raw materials for US manufacturing operations and administrative functions.</td>
<td>16</td>
<td>7</td>
<td>60,000</td>
</tr>
<tr>
<td>Engineering</td>
<td>Product research, development, design, testing and quality assurance.</td>
<td>181</td>
<td>13</td>
<td>75,000</td>
</tr>
<tr>
<td>IT</td>
<td>Information Technology including network administration, data warehousing, telecommunications, etc.</td>
<td>20</td>
<td>2</td>
<td>60,000</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td></td>
<td>324</td>
<td>40</td>
<td></td>
</tr>
<tr>
<td><strong>Average Salary</strong></td>
<td></td>
<td><strong>$ 95,000</strong></td>
<td><strong>$ 85,000</strong></td>
<td></td>
</tr>
</tbody>
</table>
Monthly Report: April 2013

National Public Safety Telecommunications Week
April 14-20, 2013

This is a designated time when the department spotlights the men and women who answer emergency calls and dispatch the critical personnel and equipment during times of emergency.

In 2012 the dispatch center received 21,949 total 911 calls and 43,270 (10) digit phone calls.

Our police service officers play a critical role in the day to day operations and success of Auburn Hills Emergency Services. They act as the front line providing the first point of contact for those in need. Please join us in spotlighting and thanking our Auburn Hills Police Service Officers:

- Todd Borowski
- Monica Church
- Nick Krystyniak
- Chuck Marsh
- Christine Page
- Jessica Solomon
- Gina Thomas
- Thomas Tinari
- Stan Torres
- Quentessa Tuff

Intelligence-Led Policing
“Taking preemptive action through anticipatory knowledge to prevent social harm and improving the community’s quality of life” – Chief Tom Cassday, Lincoln Police, Lincoln, Nebraska

Above: CLEMIS Crime view Mapping and statistical software used as one of the many tools to help better coordinate officers to crashes and crime.

Auburn Hills Police Department works to meet the needs of its citizens by adapting to changes in policing and crime. Through Oakland County’s CLEMIS partnership the department has incorporated new data analysis software. We also are fortunate to have the services of a volunteer crime analyst intern. Through the use of these new tools the department is moving to implement Data Driven Policing. Law enforcement at every level is turning to this method of deployment to maximize outcomes with reduced resources. Through the use of statistically organized data an analyst can decipher and disseminate information in an attempt to forecast crime, pinpoint high traffic crash areas giving police leadership an opportunity to strategically plan officer deployment.
Why have an analyst?

“The systematic analysis of data and information is increasingly being valued by police agencies seeking to improve their effectiveness. The crime analysis function is integral to good policing and the efficient use of limited resources.”

Chief Tom Casady, Lincoln Police Department, Lincoln, Nebraska

Crime analysts have the goal of identifying patterns as they emerge. When there are new trends in crime, or a pattern of crimes—an analyst can identify and alert us about it as soon as possible so we can deploy and direct resources more effectively.

Analysis of these trends, patterns, and “hot spots” (locations with high traffic crashes and criminal activity) can provide us with the who, what, when, where, how, and why of emerging crime in our city. We use this information to develop effective tactics and strategies, to intervene as soon as possible, preventing victimization and reducing crime.

Crime analysts know how to extract data from records systems, ask questions of it, and turn it into useful information. They know how to get data from other sources, and how to work with it. They can create charts, maps, graphs, tables, and other visual products.

Whether we need a list of all the incidents over five years, or a chart showing trends in OWI arrests, statistics on motor vehicle citations or a map showing an upcoming parade route, a trained crime analyst can put it together quickly and clearly.

A crime analyst can apply criminal intelligence analysis tactics to our challenges.
New Employee Spotlight:

On April 22, 2013, Police Officer Michelle Hesse was sworn-in as the newest member of the Police Division. Officer Hesse has 11 years of experience as a 911 dispatcher in Bloomfield Twp. and West Bloomfield Twp. Officer Hesse has an Associate’s degree in Criminal Justice from Oakland Community College and is nearly finished with a Bachelor’s degree in Criminal Justice from the University of Michigan-Dearborn. She completed the MCOLES Basic Law Enforcement Academy at the Oakland Police Academy in December 2012, where she graduated with honors and earned numerous academic awards. Officer Hesse is now in the field training program where she will be trained how we deliver services to the community. She is a welcome addition to our team and we wish her all the best in her new career.

2012 Clearance Rates

<table>
<thead>
<tr>
<th>Offense</th>
<th>Clearance Rate</th>
</tr>
</thead>
<tbody>
<tr>
<td>Sexual Assaults</td>
<td>83%</td>
</tr>
<tr>
<td>Robbery</td>
<td>38%</td>
</tr>
<tr>
<td>Non-Aggravated Assaults</td>
<td>89%</td>
</tr>
<tr>
<td>Aggravated/Felonious Assaults</td>
<td>91%</td>
</tr>
<tr>
<td>Burglary</td>
<td>18%</td>
</tr>
<tr>
<td>Larceny</td>
<td>15%</td>
</tr>
<tr>
<td>Motor Vehicle Theft</td>
<td>24%</td>
</tr>
</tbody>
</table>

Our overall clearance rate for all reportable crimes in 2012 was 57%. A clearance rate is the number of cases that are solved by the Department. It is one measure of our skill and efficiency in solving crimes. Law enforcement agencies clear crimes in one of two ways: arresting the responsible or by exceptional clearance. The exceptional clearances means the case cannot be prosecuted although we have identified the perpetrator. Reasons are: death of offender, plea bargaining, custody of another jurisdiction (extradition denied), victim refused to cooperate, or juvenile/no custody.

The chart above is a representation of some of the more serious crimes, as well as some more frequent crimes that are reported. The crimes with lower rates of clearance are the incidents without witnesses or good quality evidence which make it more difficult to solve.
I would like to share with everyone a message a citizen posted on the department’s Facebook page.

“My bicycle's back wheel dropped off on my way home today. I was dragging the bike near Rd 59 and Squirrel Rd. A female police officer saw me and stopped by. She drove me and my bike home. This happened just about 15 min ago. I want to thank her very much for her kindness. She sets a good image for the Auburn Hills Police Department”.

Thanks,

Sergeant Jeremy Stubbs
Auburn Hills Police Department
1899 N. Squirrel Rd.
Auburn Hills, MI 48326
(Direct) 248-364-6886
(Dispatch) 248-370-9444
(Fax) 248-370-9365
jstubbs@auburnhills.org
Auburn Hills Police Website
Auburn Hills to Waive Fee on PSD Tax Levy

by Irena Granaas

While Auburn Hills city officials, residents and business owners are still investigating options to dodge the $4 million tax liability imposed by the Pontiac School District's (PSD) default on health insurance premiums for its employees, the Auburn Hills City Council did what it could to ease the burden in the meantime.

The council voted unanimously at its June 3 meeting to waive the administrative fee the city typically collects in addition to the taxes owed.

As previously reported in the Oakland Tech News, Auburn Hills is one of eight cities with students attending PSD schools that are currently on the hook to pay a share of the PSD’s $7.8 million the district owes its health insurance provider, the Michigan Education Special Services Association (MESSA).

Although Auburn Hills has only a few hundred students in the district, the amount per community is based on property values. Since total property in the northern half of Auburn Hills (where students attending Pontiac schools reside) is actually more valuable than all of the property in Pontiac, Auburn Hills was assessed nearly half of the total unpaid amount, at this point slated to be added to the June tax bill sent to residential and business property owners.

“The Pontiac School District’s mess represents an unprecedented situation of mismanaged funds, with Auburn Hills taxpayers and those in seven other cities and townships – and not the district – held responsible. The city council could not in good conscience accept $40,000 in administrative fees that would otherwise accompany the approximately $4 million payment of this burdensome tax that must be borne by Auburn Hills’ commercial and residential property owners,” said Auburn Hills Mayor Jim McDonald.

Auburn Hills City Manager Pete Auger said the current situation as “untenable,” and a long-term solution needs to be found before further burdens are imposed on taxpayers, especially since the PSD is behind on payments to MESSA for 2012 and for 2013 as well.

“Our goal is to see action at the state level that provides a permanent, viable option for the management of Pontiac Schools moving forward, whether that means the District remains viable or the students are assigned to other functioning districts close to their home,” said Auburn Hills City Manager Pete Auger.

“It sends the message, ‘We know you have to pay this – we don’t want to add to your burden,’” said Stephanie Carroll, coordinator of the city’s Community Relations and Legislative Affairs, in a June 4 interview. “I think the council’s action speaks volumes to their commitment to the community, both businesses and residents.”

Gary Fralick, director of Communications for MESSA, said in an interview that lack of payment for health insurance premiums has been an ongoing problem with the Pontiac School District. He said in 2011, the district was making “more than minimal” payments but fell behind, and by 2012 was starting to make only minimal payments on their monthly MESSA premiums.

“My understanding is they made very limited payments, certainly way less than half... The district has a history of fiscal mismanagement,” he said.

Fralick said district officials spent millions out of their budget on other priorities. “They’ve basically made a choice to not pay these bills,” he said.

Fralick said when MESSA officials asked district representatives why the district wasn’t meeting its obligation, “I know there were numerous phone conversations, emails and meetings... They were always ‘hopeful’ of making payments... MESSA has had tremendous patience with the district. ‘Repeatedly, district officials pledged to pay the bill and have failed to do so’.”

When Fralick was asked why MESSA continued to provide services when the district fell behind, he said, “Pontiac schools had a legal contract with MESSA to provide health benefits to its employees. MESSA provided the services as agreed, and the district failed to pay.”

Fralick said a few weeks ago State Superintendent of Schools Michael Flanagan approved the district’s deficit elimination plan, “and with that approval, MESSA is committed to working with the district to get their account current.”

According to Timothy Gardner, general counsel and Human Resources director for the Pontiac School District, the problem “primarily is a cash-flow shortage.”

“With limited funds, we were unable to pay the amount... It’s quite a substantial amount of money to catch up on.”

He conceded that the PSD is already behind on its MESSA payments this year as well.

Asked what the district plans to do to remedy the situation, Gardner said, “We are hopeful the state will approve a tax anticipation note (which investopedia.com defines as a short-term debt security issued by a state or local government to finance an immediate project that will be repaid with future tax collections) so we can pay off some of our vendors, including MESSA.”
Auburn Hills among top five in national engineering jobs survey

By ANDREW KIDD
andrew.kidd@oakpress.com;
@AndrewKidd

A Southeastern Michigan community presence as an engineering jobs hub is growing as a national survey places it among cities such as San Diego and Chicago.

A survey by Monster Worldwide recently ranked Auburn Hills as fifth in its top 10 list of engineering job opportunity markets in the U.S. The Oakland County community ranks below San Diego and above New York in the list.

The news comes not only as an accolade for city officials, but a reminder that the city can still improve.

"It tells me we can still climb four spots," said Auburn Hills city manager Peter Auger. "We like the notoriety. What everyone else is realizing is that this is a great business hub and that Southeast Michigan is a great place to do business."

Auger said it's not just the number of engineering jobs that define the city.

"In all aspects of our existence, we work to be a better organization every day," he said. "We like the accolades when they come in; it shows we're on the right path."

But being on the right path doesn't mean city officials will ease up in their efforts to capture new companies and strengthen relationships with existing businesses already in Auburn Hills.

"If we don't constantly reinvent ourselves and add public value, that can go away," Auger said.

Houston, San Jose, Calif., Chicago and San Diego top the list with Auburn Hills in fifth ahead of New York, Dallas, Irvine, Calif., Atlanta, and Austin, Texas.

"Engineering is one of the fastest growing job sectors in the U.S., with the demand for engineers expected to remain strong for many years to come," said Joanie Ruge, Employment Industry Advisor to Monster in a press release. "Anyone just entering college should consider a career in engineering if they want to take advantage of where the jobs are and will be."

But the study also indicates that demand for engineers is outpac-
ing supply, with only 39 percent of employers expressing confidence that they will be able to staff all of their engineering job opportunities. The study found that 74 percent of employers report that they face a small talent pool with a lack of qualified candidates, while nearly half of employers surveyed believe there's a lack of engineering professionals searching for jobs in the U.S.

Auger said that while some businesses in Auburn Hills are affected by the shortage of engineering talent, the city helps to alleviate that by performing retention visits on resident companies to determine how the city can be of further assistance.

"Probably the largest call is for talent," he said, "and there are jobs out there."

"People who come to the area can more than likely find a job, especially the skilled folks," he said.

The study surveyed 200 businesses who expect to recruit engineering talent in the next 12 months via an online survey and was meant to be representative of Monster employers who have used the company's products and services over the past year and a half.

The survey ran for two weeks in the months of January and February of 2013.

Contact Andrew Kidd at 248-745-4630 or andrewkidd@oakpress.com. Follow him on Twitter @AndrewKidd. Subscribe to his Tout video feed at www.tout.com/u/andrewjkidd.
AUBURN HILLS

OU, law school host anti-bullying forum today

A seminar on how to combat bullying will be held today in Auburn Hills. "Working Together to Stop School Violence: A Statewide Summit on Bullying" is being hosted by Oakland University and Thomas M. Cooley Law School. The six-hour event is to include an appearance by Kevin Epling, whose 9-year-old son, Matt, killed himself after being hazed in 2002.

AUBURN HILLS
Bands compete to perform at festival

Genisys Credit Union launched a Facebook contest to select a local band to perform at the Macomb Stars and Stripes Festival. The band with the most votes will perform on the main stage, prior to headliner Collective Soul. Voting closes at 4 p.m. Monday, June 17. To vote, visit Genisys Credit Union's Facebook page. The candidates include: David Shelby, Desolation Angels, and Letrick Kramer.

— Staff writer Kathy Blake

AUBURN HILLS
Woodstock-era music featured at benefit

Magic Bus, a tribute to the Woodstock-era music, will be the featured music group for a free concert to benefit the Mahaffy family at 6 p.m. Wednesday, June 12 at Toby Keith's, I Love this Bar & Grill, 4690 Baldwin Road, Auburn Hills. The Mahaffy family had their home destroyed May 28, in Atas Township by a tornado. Food and beverages will be available, as well as a silent auction, 50/50 raffle and two music sets by Magic Bus.

— Special writer Ashley Young
Auburn Hills 16th Annual Parade of Stars Bluegrass Festival

Auburn Hills promises another pickin’ good jamboree at its 16th annual Parade of Stars Bluegrass Festival. This all-day celebration takes place Saturday, Sept. 8, 12:00 noon-7:30 pm, on the lawn of the Community Center, 1827 N. Squirrel Road. There is a $5 entry fee per adult; students & children are free. Four nationally acclaimed bluegrass bands headline: Lou Reid and Carolina, The Skip Cherryholmes Quintet, Cats and the Fiddler and returning host band, The Special Consensus. David Blakney of radio station CJAM in Windsor, Ontario, is the returning emcee of the event. Cats and the Fiddler will open the festival by singing Oh Canada and the National Anthem. Band merchandise will be sold at the event and audience members will have the opportunity to “meet and greet” the bands before and after they perform. The event takes place rain or shine. Lawn chairs are recommended and coolers are allowed. No alcohol is permitted. Food and beverages will be available for purchase from Longhorn Steakhouse. Throughout the day, shuttle buses will be transporting guests to and from the parking lot of GNK Driveline, 3300 University Drive, where free parking is available adjacent to the festival site. For more information, visit www.auburnhills.org or contact Auburn Hills Parks and Recreation Department at 248.370.9353.
Ralco Industries plans Auburn Hills headquarters

ANDREW KIDD Of The Oakland Press 05/28/2013 - 11:55 AM EDT

Ralco Industries, Inc. recently submitted plans to the City of Auburn Hills to construct a 125,000-square-foot world headquarters and manufacturing facility along the north side of Taylor Road near Fieldstone Golf Club.

Ralco Industries, Inc., established in 1970, manufactures tight-tolerance metal stampings and welded assembly solutions in both the automotive and non-automotive markets with a range of services including product design, prototype build and tooling design and is currently located at 2720 Auburn Court in Auburn Hills.

"Ralco could have built this new facility anywhere in the Midwest, but they want to be here," said Steven Cohen, Auburn Hills director of community development, in a press release. "That’s great news not only for the city of Auburn Hills, but also the state of Michigan."

Approximately 14,000 square feet of the building will be office space while the remaining 111,000 square feet will be used for the plant facility. The total investment for the project is estimated to be around $13.5 million.

“We look forward to continuing our long-standing relationship with the communities in which we live and work,” said Ralco Industries president
offers financial skills to Oakland Technical students
ALDI grocery stores to host hiring event Thursday
BUSINESS BRIEFING MAY 29: Television pilot, web series receive film incentives; Great Lakes Renewable Energy Association Wins Community Solar Garden Grant
Storms cause power outages in Waterford Township

Jim Piper in a press release. “This business expansion demonstrates our commitment to innovation, technology and most importantly, our employees and community.”

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AUBURN HILLS, Mich.—Glenn J. Reid, longtime president and owner of Flexible Products Co. who spent 40 years in the industry, died May 25 at age 81.

Reid bought the company, which was founded in 1946, in 1980. He had been picked by Michigan governor James Blanchard to help lead the state’s automotive industry. Reid used an option to buy Flexible Products with a $35,000 down payment.

Flexible Products became a significant supplier of injection molded rubber auto parts used by the Detroit Big Three automakers, with muffler hangers, bushing and spring insulators.

Reid graduated with an industrial engineering degree from Ohio State University. After military service in which he tested V-2 rocket engines in Germany, Reid worked at General Motors. He spent a decade at GM in the automotive parts division, where his father was chief engineer.

Possessing an entrepreneurial spirit, Reid often had a side business going besides his full-time work. In 1994 he founded the Reid Family Foundation, which operates the free, interactive and educational in-home museum "The Rubbermaid," hand-made working models that demonstrate the precision building of machinery for mass production.

Reid was born in Detroit and spent most of his life in the area. His wife of 58 years, Lorene, died in 2011. He is survived by his sons, James, David and Douglas Reid; and daughter Sheri Reid Grant; eight grandchildren; and three great-grandchildren.


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Cooley Law School announces quicker path to a JD

Posted Jun 5, 2013 5:35 AM CDT
By Debra Cassens Weiss

Cooley Law School is joining with Oakland University in Rochester, Mich., in announcing a “3 plus 3” program that will shorten the path to a law degree.

The program allows students in the final year of Oakland University’s integrative studies program to begin taking law school classes at Cooley in Auburn Hills, according to a press release. The law classes will count toward a degree at Auburn University.

The press release quotes associate dean John Nussbaumer of Cooley’s Auburn Hills campus. “Participating students will save a full year of tuition, room, board and books, and this will make law school more accessible and more affordable,” he said.

Cooley isn’t the first law school to announce such a program. A Google search shows several law schools are offering “3 plus 3” degrees, including the Stetson University College of Law, whose program was covered by the Tampa Bay Business Journal in April. Others, such as Northwestern Law School and Drexel University, offer an accelerated degree program in which students take more classes over a two-year period.

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NEW LAMPPOST SYSTEM INSTALLED IN DOWNTOWN AUBURN HILLS

Downtown Auburn Hills installs smart, energy-efficient lamppost system with public address and music capabilities

Media contact: Don Grice, City of Auburn Hills, 248-364-6911, dgrice@auburnhills.org

The City of Auburn Hills is pleased to announce the installation of a state-of-the-art lighting and sound system on a select number of lampposts between Squirrel and South Squirrel Roads in Downtown Auburn Hills.

For the design and installation, Auburn Hills hired Illuminating Concepts, an award-winning lighting and effects company headquartered in Farmington Hills. Their team has worked with the City of Farmington on a similar system and has become a leader in city lighting design.

The new lampposts are equipped with energy-efficient L.E.D. bulbs and are set on a schedule that automatically adjusts their brightness throughout a 24-hour period. The "smart poles" can be controlled wirelessly via laptop, iPad or telephone and include capabilities to play music and broadcast prerecorded announcements during Downtown events or in the case of an emergency, such as an Amber Alert situation.

Throughout the day and into the evening, music will play over the speakers, following approximately the same schedule as the lights.

"After 9 p.m. or so when businesses start to close down, the lights will be set on a timer to automatically dim, saving energy costs for the city," said Don Grice, Deputy DPW Director. "Music will still play for pedestrians still enjoying the Downtown."

The poles are also equipped with multi-colored lights that can be used for directing pedestrian traffic during events or for aesthetic purposes.

About Illuminating Concepts
Illuminating Concepts is a full service lighting and multi-media design firm that specializes in the creation of memorable environments worldwide. Since 1981, their core business has existed in the design and implementation of award winning lighting systems for architectural, retail and environmental applications. Their range of experience and project based knowledge has facilitated the evolution of their services to include the development of entertainment strategies that incorporate and synchronize multiple sensory elements (audio systems, water and interactive features, digital media / projection, special effects and all encompassing control systems).

About Auburn Hills
Celebrating 50 years as a city in 2013, Auburn Hills is home to 21,000 residents and also serves as Michigan’s global business address, with 40 international corporations from 32 countries housed here, including Chrysler Group LLC and Borg Warner headquarters. Auburn Hills’ residents enjoy the amenities of city and suburban living with parks, a revitalized downtown district and a welcoming city complex with a library and community center. Additionally, the city has five colleges and universities, the award winning Palace of Auburn Hills entertainment complex and Great Lakes Crossing Outlets, one of the state’s largest destination shopping centers, providing a variety of cultural, social and educational opportunities to residents, workers and visitors. Learn more at www.auburnhills.org.

-end-

http://www.auburnhills.org/news_detail_T3_R31.php
6/5/2013
Bullying seminar to be held Friday in Auburn Hills

Posted: Jun 06, 2013 6:46 AM EDT
Updated: Jun 06, 2013 6:46 AM EDT

AUBURN HILLS, Mich. (AP) - A seminar on how to combat bullying will be held Friday in Auburn Hills.

"Working Together to Stop School Violence: A Statewide Summit on Bullying" is being hosted by Oakland University and Thomas M. Cooley Law School.

The seminar will focus on what can be done to stop bullying and harassment in schools.

The six-hour event is to include an appearance by Kevin Epling, whose 14-year-old son, Matt, killed himself after a hazing incident in 2002.

Others presenters are Saginaw District Judge M.T. Thompson Jr., Cooley Law professor Monica Nuckolls and Oakland professor Gwendolyn Thompson McMillon.

Online: www.cooley.edu
Why Millions of Seniors Are Moving Back to Cities

By STEVE YODER, The Fiscal Times June 5, 2013

For Lila Sanger, 88, the sound of retirement isn’t the quiet countryside but the roar of traffic. She lives in the dense Ballston neighborhood right over the line from Washington D.C. and likes the hustle of the city and her ability to get around without a car. She moved to Ballston from a D.C. exurb that she says did little to cater to older adults. “Compared to that, this is heaven,” she says.

RELATED: 15 Best Cities for Retirees

City leaders and planners around the country are hoping to convince future retirees to think like her. In this decade, the population aged 65 and over will grow by 36 percent to almost 55 million, according to Census Bureau projections. It’s not just that there are a greater proportion of older Americans—people are also living longer: In 2011, the 65-74 age group was about 10 times larger than in 1900, but the 85+ group was 40 times larger. As baby boomers retire in droves, cities big and small are doing what they can to lure them, or keep those they have, by redesigning their services and infrastructure.

That’s partly because retiring boomers wield enormous economic clout. By 2017, the U.S. adult population age 50 and older will control 70 percent of the country’s disposable income.

Even before boomers started retiring, studies in several states showed that in-migrating retirees can help lift local economies. A 2006 study in Georgia, for example, estimated that if the state had held onto just 10 percent of its migrating retirees in 2007, it would have experienced significant growth in jobs, personal and disposable income, and net state revenues. And a 2011 study in South Carolina found that an influx in retirees in two counties was associated with wage growth, a rise in home values, job growth, and higher rents.

RELATED: Why Boomers Are Ditching Retirement to Go to Work

With that in mind, the competition among cities for retiree dollars is heating up. States like Mississippi, Texas, and North Carolina have set up programs to designate cities and towns that meet certain criteria—such as offering quality medical care and recreational opportunities for seniors—as “certified retirement communities.” Ten cities are making changes required to qualify for AARP’s list of “age-friendly communities.” Bloomington, Indiana is designing a “Lifetime Community District” that has retiree-friendly features like access to transportation, basic and preventive health care, and other services. Other jurisdictions are launching their own marketing campaigns—Lawrence, Kansas for example, is budgeting $60,000 to $80,000 a year for an advertising blitz to convince retirees to settle there.

One focus of planners’ efforts is helping older adults get out and make connections, which is especially important for retirees who have moved away from family and friends. The Chamber of Commerce in Oxford, Mississippi, one of the state’s certified retirement cities, came up with a “newcomer’s club” that holds monthly events for relocated retirees and others, says Margaret Wylde of ProMatura, a market research firm specializing in consumers age 50-plus. In Auburn Hills, Michigan, the city’s recreation department and department of senior services are collaborating to get older adults out with concerts, potlucks, and fishing competitions, says Auburn Hills’ senior services director Karen Adcock.

Cities also are redesigning transportation systems to meet the needs of older adults who have hung up their car keys or want to. In a 2010 AARP survey, about half of adults age 45 or older said living in a place where it’s easy to walk or living near church or social organizations was important to them. In the Rockville Pike corridor outside Washington D.C., for example, planners are clustering housing units around transit hubs, tearing down large retail spaces in malls, and rebuilding them closer to the street to make them pedestrian friendly, says AARP’s Amy Levner.

In cities like Philadelphia, it also means they’re doing basics like making sure buses are handicap-accessible and putting roofs on bus stops so riders can get out of the rain. Other cities are creating districts with wider sidewalks and where traffic signals have been slowed to allow older adults more time to cross. Many merchants have also agreed to widen aisles and put out benches, says John McIlwain of the Urban Land Institute. New York City and Charlotte, North Carolina are using school buses to transport older people to shopping destinations after the buses have finished taking children to school.

RELATED: The 10 Best Jobs for Older Americans
Other cities are focusing on better services. In Auburn Hills, the city set up a senior home repair assistance program that uses volunteers to do home repairs and provide services for older adults, like yard maintenance, painting, and fixing faucets—recipients have to pay for supplies but not the services, and the program has no income restrictions.

With more older adults wanting to keep working, city and county agencies and nonprofits in Miami are holding workshops for employers to encourage them to hire older adults and are planning how to use city parks to offer senior-targeted fitness programs. Some cities are ditching the old model of senior center services by turning the centers into hubs for skills development—they’re putting in broadband and offering computer training and entrepreneurship programs, says McIlwain.

Jurisdictions also are preparing for the coming retiree wave by changing their building codes. For some new construction, Atlanta and Tucson are requiring wider doorways and hallways, no-step entrances, and reinforced walls so that grab bars can be added. Cities also are changing their zoning codes to allow homeowners to add small apartments where their parents might live, says McIlwain.

While the most popular urban magnets for retirees still lie in the country’s warmer latitudes, cities like New York and Philadelphia hope their efforts will help them better compete as retiring boomers decide where to live. Along the way, improvements like better transportation hubs and walkability, says Levner, will benefit not just those 65-plus, but everyone.
Amson Dembs Development to turn shuttered Michigan movie theater into business park

Posted By Staff Writer On June 10, 2013 @ 4:26 am | No Comments

Following an 11-year vacancy, the site of the former Showcase Cinemas in Auburn Hills, Mich., will be demolished beginning June 17. A business park will take its place. Novi, Mich.-based Amson Dembs Development purchased the property at 2150 N. Opdyke Road in Auburn Hills.

National Amusement previously owned the property.

The site was originally home to the Blue Sky Drive-In, which began operation in 1948. National Amusements demolished Blue Sky in 1909 and built Showcase Cinemas Auburn Hills in its place. That theater closed its doors in early 2002.

"This blockbuster project is creating a lot of buzz around town," said Steve Cohen, director of community development for Auburn Hills, in a written statement. "Our community envisioned a beautifully landscaped high-tech park for the property since the day the theater closed 11 years ago."

Development of the 21-plus-acre business park is expected to begin in July. The first phase of construction should wrap in 10 to 12 months.

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Police to target aggressive driving on I-75 in Oakland County

Detroit Free Press Staff Filed Under Local News Oakland County Auburn Hills Troy
Jun. 09

Police will be out in force Tuesday searching for aggressive drivers on I-75 in Oakland County.

The Southeast Oakland County Crash Investigation Team (SOCCIT) is planning the enforcement blitz from 10 a.m. to 2 p.m. along I-75 from Baldwin Road in Auburn Hills to 14 Mile Road in Troy. Officers will be focusing on enforcement that can reduce crashes and aggressive driving by looking for speeding, following too closely, improper lane changes and other dangerous driving behavior.

The SOCCIT team is comprised of crash investigators from Auburn Hills, Troy, and Bloomfield Township. In February, the team was recognized by the Michigan Association of Chiefs of Police for its resource sharing and traffic incident management program.

The team was awarded a $5,000 grant for “Excellence in Traffic Safety” to be used for a traffic safety initiative. These funds will be used to cover the cost of Tuesday’s enforcement detail, according to a news release.
Three More Patti Engineering Employees Achieve Siemens Global Technical Certification

June 11, 2013

Auburn Hills, MI — Patti Engineering, Inc. announced that three more of its engineers have successfully met all of the requirements to achieve Siemens Global Technical Certification in the SIMATIC Technology areas of S7 PLCs, SIMATIC HMIs, and SIMATIC Networking. Individuals achieving this Siemens certification are among an elite group of less than 150 professionals across the country.

As a Siemens Solution Partner, Patti Engineering is positioned to deliver exceptional service using the Siemens family of automation and process equipment. Patti Engineering’s Duane Edgar and Nick Hitchcock, have been certified for over two years. Steve Buffmeyer, John Jowski, and David Calme have now joined this prestigious group.

“The Siemens Solution Partner Program is designed to support and further develop a selective group of System Integrators that are committed to delivering high quality solutions based on Siemens automation and drive technologies,” said Siemens National Industrial Partner Manager, Peter Treible.

“Patti Engineering has proven to be a leader in the Siemens Solution Partner program through their continued investment in expanding the knowledge base of their engineers, and their ability to successfully apply this knowledge to design solutions for very complex industrial applications. This step to go above and beyond, by certifying an additional 3 engineers exemplifies the high standards that Patti Engineering is known for.”

To even qualify for the rigorous two weeks of course work and testing requires an in-depth knowledge of Siemens product functionality, best engineering practices and efficiency in technical approach. Achieving certification requires a higher commitment to training and dedication to best practices, both of which are indicators of a high level of professionalism. In industrial settings, the more challenging the goals of an automation project, the more important it is to have a Siemens Solution Partner with Siemens Certified engineers on staff to deliver the project with a solution of the highest quality.
Faurecia looks to build exteriors

By: Rhoda Miel

June 12, 2013

AUBURN HILLS, MICH. — It took Faurecia SA about 10 years to go from a niche player to a major force in North American auto interiors.

Now the French company is looking to build up its exteriors business in the region, using the expertise it has built up elsewhere in the global auto market.

Last year, Faurecia launched its first stand-alone exteriors facility in North America, making parts for Chrysler Group LLC’s Dodge Dart in Belvidere, Ill., said Patrick Szaroletta, vice president of North American operations for Faurecia Automotive Exteriors during a May 14 interview at the company’s U.S. headquarters in Auburn Hills.

The exteriors group has other business coming its way in the next few years and expects it will "realistically" see North American sales of $2 billion within five years.

"This is the newest business group for Faurecia in North America," Szaroletta said, noting that the unit's business in the region grew 40 percent in 2012 over 2011.

It expects to build its exteriors business in the region during the coming years by tapping its strengths elsewhere in the world in producing front-end modules. The Belvidere plant, which opened in 2012, is turning out
front-end systems for the Dart, which includes the bumper, cooling components and other connectors.

The company is putting an injection molding press into Puebla, Mexico, to begin producing exterior parts there as well.

Elements within a front-end module vary, but begin with a carrier — made of composite plastics, lightweight metals or a combination of materials — which holds components placed at the front of the car. In some locations, Faurecia produces a front end that also includes the painted bumper fascia, pedestrian protection elements, cooling fans and lighting.

In North America, Faurecia is coming into a market that already has some established front-end players, including Magna International Inc. and Hella Behr Plastic Omnium GmbH. While U.S. automakers traditionally were slow to adopt a more extensive front-end system, the need to reduce weight and meet higher fuel-economy standards is driving increased interest.

A front-end carrier using composites instead of a traditional steel beam both cuts weight in terms of materials and potentially saves money by integrated multiple parts — without affecting the performance or vehicle design.

"One of the things we're really looking at now is increasing the story of composites," Szaroletta said. "Auto exteriors is our leading area for composites."

And in the past year, Faurecia has been moving more aggressively into high-end composites to set itself up for future growth as the industry embraces lightweighting.

In July 2012, Faurecia bought Sora Composites — a French supplier with an already-established expertise in glass- and carbon-fiber composites. It followed up that move within weeks with the acquisition of Plastal France, a plastic body panel specialist whose best-known products clad Daimler AG's Smart car.

The combined expertise of those operations will make it possible to combine new materials in complete systems.

Faurecia already is in production on a chopped-glass-fiber composite produced with resin transfer molding for a deck lid surround for sports car maker Aston Martin. It used the outlines of that project to develop a design concept prototype of the same part using RTM and carbon fiber — and a weight savings potential of 50 percent.
For now, much of its existing North American business can be handled within the existing corporate footprint. The exteriors unit can access injection molding capacity within the interiors group as needed, Szaroletta said.

With more business expected to come the group's way, though, it will be considering other opportunities for growth.

Link: http://www.plasticsnews.com/article/20130612/NEWS/130619965

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Oakland County communities hosting free concerts this summer

By MONICA DRAKE
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To kick off the 34th annual Clarkston Concerts in the Park, six local bands will dress up in hippie wigs and tie-dye shirts and sing psychedelic music from the 1960s and 1970s. The Magic Bus, a Waterford-based band, has a large following in Clarkston and has played almost every year for the last eight years at the concert series.

"A lot of people love the Magic Bus. They do a 1960s flower power kind of show. They have costumes, and it's very interactive," Penny Shanks, executive director of the Clarkston Area Chamber of Commerce said.

Rain or shine, the free concert series will be held every Friday, beginning June 14.

Shanks said approximately 2,300 residents come out to each show during the summer, and she expects an even larger attendance for the Magic Bus.

Each Friday, the Clarkston Area Chamber of Commerce will sell ice cream from Cook's Farm Dairy in Ortonville, and local nonprofits will provide dinner. On June 14, the Clarkston Rotary Club is partnering with Qdoba to sell chicken tacos.

Each week, the concert will begin at 6 p.m. with local folk/bluegrass Friday. 9 p.m., the headlining performer will play. On June 14, the Clarkston Community Band will open for the Magic Bus.

On June 21, Waterford native Sam Van Wagoner, who plays guitar and sings, will open the show. Van Wagoner has performed at the House of Blues in Los Angeles, the Hard Rock Cafe in Detroit and the Crofoot in Pontiac. The headlining act is the country music Kari Lynch Band, based in Grand Rapids. The Kari Lynch Band has opened for big names such as Miranda Lambert, the Band Perry and Big and Rich.

Gathering Place Vacation Bible School singers will open for Zion Lion, a Kalonamou-based reggae band, on June 28. The acoustic trio Jeremy St. John Band will perform on July 5 with members hailing from Waterford and Pontiac. They will open for the popular band Big Daddy LaBebe.

On July 12, Waterford resident Dan Tillery will open for the 1960s band Outer Vibe. With music influences as varied as Maroon 5, Muse, Queen and Led Zeppelin, the Outer Vibe sells their music on iTunes.

The Saline Fiddlers, a youth folk band, will wrap up the series on July 19.

OAKLAND COUNTY PARKS

Oakland County Parks and Recreation is partnering with Detroit's Country 99.5 WYCD radio to host two Nashville in the Neighborhood concerts this summer.

From 6 to 8 p.m. Saturday, June 8, the first concert takes place at Independence Oaks County Park, 9501 Sashabaw Road in Independence Township. A special announcement is planned by the Oakland County Parks and Recreation Commission prior to the concert at 5:45 p.m. Tim Hortons will provide free coffee at the event.

"We're excited to bring the outdoor concert experience to our park guests," Executive Director Tim Stull said. "Our guests to bring a picnic dinner, blankets or lawn chairs and enjoy the park amenities before the music starts.

The Oakland County Parks 2013 Annual Vehicle Permit or a daily pass is required for park entry. Admission to the park is free.

A second concert is set for Monday, July 8 during the Oakland County Fair at Springfield Oaks County Park, 12831 Andersons Road in Farmington Hills. The competition is hosting the free concert from 7 to 9 p.m. in the Grandstand arena. Gates open at 6 p.m. to first-come, first-served general seating. A $10 entry fee is required at the Oakland County Fair.

For more information, visit DestinationOakland.com.

WATERFORD TWP.

Beginning June 13, Waterford Township will host the Hess-Hathaway Concerts in the Park at 855 S. Williams Lake Road. This concert series will be held at 6:30 p.m. every Thursday for three weeks.

The New Horizon Concert Band, under the direction of Gerald Spey and Terry Ockland, will kick off the series.

The next show on June 20 will be the Dan Rufferty Band. This band is composed of touring official as a young, dynamic eight-piece group in touch with today's styles, including hip-hop, R&B, top 40 and modern rock. This concert will feature Billy's Tip 'n Inn Bar-B-Que and Miller Lite.

The final concert in this series will feature the band Byron in Motion on June 27. This band is versatile in different genres — Motown, 70s, 80s, Classic Rock, R&B, Latin and Pop.

For additional information, contact Waterford Chamber of Commerce at 248-666-8800 or visit waterfordchamber.org. Call the Waterford Parks and Recreation office at 248-674-5441.

OXFORD

Downtown Oxford will host its annual Concerts in Centennial Park beginning at 7 p.m. June 6 for the next 13 Thursdays at 7 p.m.

The Centennial Park is located at 21 S. Washington St. in Oxford Charter Township.

The opening band on June 6 has not yet been determined.

The Lapeer-based band Saint Paulie Street will perform on Thursday, June 13. The band is influenced by Led Zeppelin, Queen, Jimi Hendrix and Kiss. The Lansing-based Blues band Root Doctors, which has been together for 20 years, will perform on June 20. The band has appeared in shows with acclaimed artists such as Ray Charles, Macy Gray and Little Richard. They have played at the Poonos Blues festival, the Detroit Jazz Festival and The Great Woods Music Festival in Beauxjouar, Manitoba, Canada.

The June 27 show will take place at Seymour Lake Park, 2736 Seymour Lake Road, west of M-24. The concert, which will also take place at 7 p.m., will feature the classic rock Main Switch.

Returning to the Centennial Park the next week, the 5th Michigan Regiment Band will perform on July 4. The 5th Michigan Regiment Band brings history of the Civil War era alive through an authentic historical reenactment of a Civil War Regiment Band. The band's repertoire of pre-1865 compositions is performed on antique and replica sax horns and wood rope tension drums. Performances include music, instruments, attire, flags and customs of the era.

The Indie band Westfall will perform on July 12. The alternative country duo Escaping Pavement will perform on July 18, before the release of their debut album "UpRooded" is set to be released on July 25.

The Clarkston based rock band 2X2 will perform July 25, the horn-driven R&B group Groove Council will play Aug. 1, the indie/rock band Sinjin Smith will perform Aug. 8, the country rock group JILL will perform on Aug. 15, the R&B group Groove Council will perform on Aug. 22 and the Lapeer Symphony on Aug. 29.

AUBURN HILLS

Auburn Hills is hosting the 25th annual Sounds of Summer Music Series beginning this weekend.

The three-week concert series will be held on the back patio of the Community Center, 1217 W. Community Center Road. Some picnic tables are available, but the city advises attending with lawn chairs or blankets.

The first band, performing at 6:30 p.m. June 13, is the Farmington Hills-based Swing Shift Jazz Ensemble.

The North Oakland Concert Band will perform on July 11. The Lake Orion/Oxford-based North Oakland Concert Band, comprising of approximately 80 musicians, is one of Michigan's leading wind bands.

To end the summer, Stardust Big Band will perform on Aug. 3. Stardust Big Band is made up of 10 to 15 members of the Chicago band Deja Vu Big Band from the 80s and 90s.

For more information, call 248-370-9400.

BIRMINGHAM

The City of Birmingham will host nine free concerts this year at Shain Park, located on Merrick Street in downtown Birmingham.

The concert series will kick off at 7 p.m. June 14 with Band Jams. The rest of the concerts, at 7 p.m. Wednesday, will be held on Northfield Drive.

Guy Louis on June 19, Guy Louis on June 26, Keg Band on July 10, MB2 Entertainment on July 17, Sinjin Smith on July 24, Mainstreet Soul on July 31, Metro Jazz Voices on Aug. 7 and The Legends Band on Aug. 14.

Concerts will be canceled during inclement weather. For more information, call 248-349-0029 or visit bhamgo.com/summer-concerts.
Avondale School District announces students with top GPAs

Avondale School District has recently announced its top seniors from the class of 2013.

- Thomas Nowinski, son of Greg and Jill Nowinski of Rochester Hills, is this year's valedictorian, graduating with a 4.37 GPA. Thomas will attend the University of Michigan to study business. He was a three-year member of the National Honor Society and spent his senior year taking math classes at Oakland University. Outside of the classroom, Thomas was captain of the varsity swim team for two years, was named an All-League and All-State swimmer, and holds the school's 100 yard breaststroke record.

- Sanjay Das, son of Shelly Chowdhuri and Samarendra Das of Auburn Hills, is graduating as salutatorian with a 4.352 GPA. Sanjay will attend the University of Michigan and plans to major in biochemistry and neuroscience. He is currently participating in the Summer Materials and Research Training program at Oakland University. Sanjay was a member of the National Honor Society. Sanjay was a student representative for the Avondale Youth Assistance. In addition to academics, Sanjay was on the tennis team for three years and competed in Michigan Future Problem Solving on behalf of Avondale, placing first, three times.

- Vaseem Khatri, son of Kashwar and Mansa Khatri of Rochester Hills, graduates third with a GPA of 4.325. He was a National Merit Finalist, which helped earn him a Merit Scholarship at Wayne State University, where he plans to study psychology and later enter medical school to pursue neurology. Vaseem was a member of the National Honor Society and the swim team, and was the 2011-2012 OAA Blue Division Champion. Vaseem volunteers at St. Joseph Mercy Oakland Hospital in the Neuroscience department.

- Kevin Yang, son of John and Linda Yang of Troy, graduates fourth with a GPA of 4.287. As a recipient of the Regents and Jean Fairtax Scholarships, Kevin will attend the University of Michigan in the fall to study biomedical engineering and pre-medicine. Kevin was a four-year varsity athlete in tennis and swimming, holding the position of captain in both sports his senior year; he received All-League recognition and Most Valuable Player in both sports and was a member of the 200-medley relay team which holds the current school record. Kevin was also a member of the National Honor Society. Kevin is a violinist in the Civic Youth Orchestra of the Detroit Symphony and an Eagle Scout in Troop 1707.

- Apoorva Gupta, son of Vipul and Smrita Gupta of Rochester Hills, graduates fifth with a GPA of 4.284. Apoorva will attend the College of Engineering at the University of Michigan. While at Avondale, Apoorva was a member of the National Honor Society, where he served as committee leader for Education, developed and managed the organization's new website, supervised a bi-weekly high school tutoring program and tutored fellow students in the Academic Center. During Apoorva's senior year, he took courses at Oakland University in physics and computer science. Apoorva was an engineering intern at ThyssenKrupp Systems Engineering in Auburn Hills and will continue this career opportunity through the summer.

- Sharjil Shamim, son of Javed and Salima Shamim of Rochester Hills, graduates sixth with a GPA of 4.211. A recipient of the full-tuition Presidential Scholarship, Sharjil will attend Wayne State University, where he plans to study pre-medicine and become a diagnostic radiologist. Sharjil was an active member of the National Honor Society. He also volunteered at the International Center for Diarrheal Disease Research clinic in Dhaka, Bangladesh, and at the Islamic Association of Greater Detroit’s Sunday school.

- Erica Matero, daughter of Richard and Sandra Matero of Rochester Hills, graduates ninth with a GPA of 4.189. Erica will attend the University of Michigan to pursue a career in nursing or physical therapy. While at Avondale, Erica was an active member of the Recycle Club, Peer Mediation, French Honors Society and Avondale Student Ministries, and was a two-year captain of the girls' varsity golf team. She was also a member of the National Art Honors Society and won awards for Best in Painting for drawing and painting, five National Scholastic Art awards and an Art Department scholarship for a second place honor in the A.P. art show.

- Alexander Kavka, son of Mark and Sharon Kavka of Troy, graduates tenth with a GPA of 4.174. He will attend Michigan State University in the fall to major in accounting. While at Avondale, Alex played on the junior varsity and varsity baseball teams, the freshman, junior varsity and varsity football teams and was a member of the swim team. Alex was also a member of the National Honor Society and the French Honor Society.

- Erik Koberstein, son of Manfred and Karin Koberstein of Troy, also graduates tenth with a GPA of 4.174. He will attend the University of Michigan and major in engineering. While at Avondale, Erik was involved in class board, National Honor Society, Recycle Club, charity weeks and German Honors Society. Erik was also a member of the Avondale baseball and track teams as well as the soccer team, where he was named All-State and the team won the state title. In addition, Alex helped plan the Kids Against Hunger event, leading the fundraising committee to raise more than $28,000. Outside of Avondale, Erik participated in a mission trip to Haiti where he helped with Mission of Hope charitable work through orphanages and communities.
By ANDREW KIDD
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A long-vacant cinema complex will soon face demolition to make room for a high-tech industry business park in Auburn Hills.

Demolition of the former Showcase Cinemas, 2150 N. Opdyke, will begin June 17 to make way for a new business park that developers say will provide facilities for two new corporate tenants.

The property, previously owned by National Amusement, was purchased in May by Novi-based Amson Dembs Development, Inc. for an undisclosed sum.

Steven Cohen, director of community development for the city of Auburn Hills, said the property sat stagnant for 11 years while the owner was unable to reach a settlement with numerous developers.

"Amson Dembs was able to pull the trigger and obtain it," he said. "We're seeing a lot of activity towards getting the project done."

Development of the 21-acre high-tech business park is expected to begin in July and take approximately 10 to 12 months to complete the first phase of construction.

One unnamed future tenant is already lined up for a spot in the two-building business park, but names have yet to be released. A second tenant has not yet been lined up, but could occupy a facility as large as 200,000 square feet, Cohen said.

The developer intends to have two corporate headquarters located at the future business park, he added.

Demolition of the former Showcase Cinema, 2150 N. Opdyke, will begin June 17.

The empty theater property was originally the site of the Blue Sky Drive-In, which began operation in 1948 with space for 700 and was demolished in 1989 to make room for the now-vacant cinema.

Showcase Cinema shut down this and many other locations in 2002 due to an inability to keep up with competition from newer theaters, such as the AMC Theatre at Great Lakes Crossing Outlets, Cohen said.

"It's going to beautify that corridor," he said. "It's going to be a wonderful transition from what is there today to what's coming in the future."

The redevelopment of this building and outlying "sea" of parking lots bodes well for the area, Cohen said, and paves the way for more industry — and more jobs — to move into the already bustling city.

"We're obviously very excited about the project," he said. "As you can tell, 2013 is going to be a great year for the City of Auburn Hills."

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Father of bullied son to give speech at OU, Cooley symposium

By DIANA DILLABER MURRAY

The father of Matt Epling, who committed suicide after being bullied his last day in eighth grade during a “Welcome to High School Event” in 2002, will be a keynote speaker at a statewide symposium on bullying hosted by Oakland University and Cooley Law School.

Kevin Epling, Matt’s father, for whom the December 2001 “Matt’s Safe School Law” was signed into law, will be among those who speak at the summit titled, “Working Together to Stop School Violence,” from 9 a.m. to 3 p.m. Friday, June 7 at Cooley’s Auburn Hills Campus at 2630 Featherstone Road.

The summit will cover the law, schools’ responsibilities and also address what educators, students and parents can do to stop bullying.

Participants will learn how to tell if a child is being bullied, the profile of a bully and even the warning signs for teenagers shooters and suicide.

Presenters include Oakland University Associate Professor Gwendolyn Thompson McMillon, Cooley Law School Professor Monica Nuckolls and Saginaw District Court Judge M.T. Thompson Jr.

McMillon, Nuckolls and Thompson have coauthored a pilot magazine series, “Weekly Bully Beat Down,” that has been distributed this year to about 12 school districts, including Pontiac, Saginaw and Detroit.

In the magazine, Thompson and Nuckolls focused on the law involving bullying and McMillon focused on sharing material teachers can use to incorporate anti-bullying information into the curriculum they are already using.

In one story, for example, a girl is rejected by a lifetime friend, who joins other students in making fun of the girl, not only in her own neighborhood but at school.

Students in English language arts would hypothesize what they would do if they were the characters in the story, identify the point at which the character made a decision, say whether they feel the character made the right decision, and tell why.

“This summit will help teachers, social workers, school administrators, or anyone to notice the signs of bullying and to notice signs of violence and harassment in our schools,” said McMillon, who teaches literacy in the Department of Reading and Language Arts.

Nuckolls, one of the summit’s organizers said, “In order for Matt’s Safe School Law to be effective, our educators need to be informed about their responsibilities.”
Former OU student pushes $2.2 million lawsuit

Student asks court to deny OU’s request to dismiss lawsuit

By MEGAN SEMERAZ
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The 57-year-old former Oakland University student suspended last year for writing journal entries about his attraction to his female professor in a class assignment is asking the court to push his $2.2 million lawsuit forward.

Joseph Corlett, formerly of Orion Township, filed a $2.2 million lawsuit against OU in March contending that his First Amendment rights were violated, mental anguish and embarrassment after he wrote sexually charged journal entries as part of an Advanced Critical Writing course. He was ultimately suspended for these writings for three semesters and was required to undergo sensitivity counseling if he ever wanted to return to the school.

Oakland University fired back last week, asking the court to dismiss the case because he violated his rights of freedom of expression. Court documents state that Corlett has no claim under the First Amendment.

Corlett is now asking the court to deny OU’s request to dismiss the lawsuit. Court documents state that Corlett “resents his character being impugned as much as he does his constitutional rights being infringed upon.”

He also argues that OU has no basis for their argument, which is why they have attacked his character according to court documents.

OU’s motion to dismiss stated: “Corlett’s case is not even a close one. Serious educational concerns are clearly triggered when a student fails to recognize the monumental inappropriateness of directing a missive toward his instructor that describes her as ‘stacked,’ depicts her as the object of his sexual urges, compares her with an oversexed caricature from a television sitcom, and casts to the wind his worries over his wife’s reaction to all of this.”

University officials suspended Corlett for violating OU ordinance 6.02 — unlawful individual activities, specifically for harassment and intimidation.

Corlett made headlines across the globe when he wrote an essay called “Hot For Teacher,” named after the Van Halen song.

The essay read: “Are you kidding me? I should drop right now. There is no way I’ll concentrate in class especially with that sexy little mole on her upper lip beckoning with every accented word. And that smile ... She walks in, and I say to myself, ‘Drop, mother (expletive), drop.’ Christ, I’ll never learn a thing.

Tall, blond, stacked, skirt, heels, fingernails, smart, articulate, smile. I’m toast, but I stay.”

Corlett now lives in Sarasota, Fla.
Who could blame Michigan's senior citizens if they are feeling neglected? All they (we) hear is how young people don’t want to live in the state anymore and are leaving, and Michigan is growing older.

Well, why don’t we embrace our fate?

It was refreshing to see the cover of the current issue of “The Review,” the snazzy publication of the Michigan Municipal League: “Aging in Place: Is Michigan Ready?” it asked.

There was a variety of stories - all well done — and lo and behold! - one focused on Oakland County’s very own Auburn Hills.

An electronic version of the full magazine is available at mml.org. Don’t have a computer? Go to your local library and have them set you up.

“Michigan's biological clock is ticking fast,” noted Daniel P. Gilmartin, the league’s chief executive officer. “Right now, nearly a third of the state’s population is over the age of 50. By 2030 — the year the last Baby Boomer turns 65 — that number is projected to hit 36.8 percent. Do the math: that's 3.6 million people spread across every county in the state, living in every city, township and village on the map.”

Glenn Gilbert

Gilmartin added that 90 percent of them are not going anywhere. “So what does all this mean for our planners, policy makers and political leaders?” Gilmartin asked.

“First, this isn’t an alarm signaling doom and gloom for the future. Viewed properly, it should be cause for applause and high-fives all around. Rather than representing an economic drain, the golden years really do bring along a substantial pot of gold. Americans over the age of 50 control more than half of the nation's discretionary income. A significant percentage of new businesses are started by people in this age group. Here in Michigan, our seniors can boast a combined annual income of $37 billion — and unlike some younger demographics, they tend to spend much of that income locally.

“Obviously, we should want our seniors to stay put. But unless we begin right now to make age-friendly changes in how our communities are designed and how our services are delivered, many will find it difficult, if not impossible, to do so.”

For Auburn Hills, doing what's necessary is apparently a matter of routine.

The city recently was recognized as an aging-friendly community by the state.
GILBERT
FROM PAGE 6-1

The Michigan Office of Services to the Aging and the Commission on Services to the Aging designated Auburn Hills as a “Community for a Lifetime” for the city’s efforts in accommodating the needs of its senior population as they age.

The city’s strengths, as noted by the commission, include the options for home chore services, numerous community events that promote inclusion and civic engagement and a comprehensive, accessible walkway system.

Assistant City Manager Tom Targhe told The Oakland Press that the city has kept the needs of its aging population in mind by assessing itself on several key factors, such as access to health care, transportation, safety and security and housing.

“With a walkable downtown, an active senior center and senior-focused activities, and numerous outreach services, including a Meals on Wheels program that fed more than 10,000 people in 2012, the city is notably engaged in improving the quality of life for our senior community,” Targhe said.

To learn more about what Auburn Hills has to offer, contact Senior Citizen Services Director Karen Adcock at 248-384-6794 or kadcock@auburnhills.org.

Of course, we know instinctively that Oakland County in general is a great place for senior citizens. There are great hospitals, restaurants, parks, municipally sponsored senior citizens activities and a range of housing. But from a policy standpoint we need deeper analysis than this.

Here is a great mission for senior citizens. They should educate themselves on local and county government, attend township board, city council and planning commission meetings, and try to get themselves appointed and elected to these positions.

There are numerous improvements that can always be made in what’s available, not just for senior citizens, but for everyone.

Let’s hear it for gray power!

Glenn Gilbert is executive editor of The Oakland Press. Contact him at glenn.gilbert@oakpress.com or 248-745-4587. Follow him on Twitter @glenngilbert2.
Ralco expansion to add dozens of jobs

BY ANDREW KIDD
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Dozens of new jobs and a brand-new facility are in the future for Auburn Hills-based Ralco Industries. The Auburn Hills City Council approved plans Monday for Ralco Industries Inc. to construct a 125,000-square-foot world headquarters and manufacturing facility along the north side of Taylor Road near Fieldstone Golf Club.

Ralco Industries Inc., established in 1970 and based in Auburn Hills since 1986, manufactures high-volume axial stampings and welded assembly solutions in both the automotive and nonautomotive markets with a range of services including product design, prototype build and tooling design. It is located at 2790 Auburn Court in Auburn Hills.

"As responsible business owners, Ralco looked at potentially relocating to other communities both in Southeast Michigan and the Midwest, but when push came to shove, they decided they wanted to be in Auburn Hills," said Steven Cohen, Auburn Hills director of community development. "They’ve been in Auburn Hills since 1986, so we’re obviously very excited about their continued commitment."

Cohen said the city’s relationship with Ralco throughout the years has been one of cooperation, much like the city’s relationships with other local businesses.

"When meeting with companies, our staff works collaboratively with the State of Michigan and Oakland County officials to find out what their needs are," Cohen said. "Ralco’s owners told us early on that they were growing fast and their facilities were not large enough. The big challenge was to find a site they could fit their operations on."

An additional benefit the city has in acquiring valuable new business assets is its officials’ understanding of fast-paced company time frames.

"As a community, we’ve been working very hard to meet the needs of businesses," Cohen said, "and we’re making sure that we understand what their time frames are and how we can help them to get through the project review process quickly so they can get up and running."

"Our project review speed is kind of the ‘secret sauce’ that’s helping us capture a lot of this new investment," he added.

Approximately 14,000 square feet of the building will be office space while the remaining 111,000 square feet will be used for the plant facility.

The development is predicted to bring 50 to 70 new jobs and retain 80 current jobs from the company’s existing facilities. Cohen said.

The total investment for the project is estimated to be around $15.5 million with a completion date estimated for March 2014.

Ralco Industries is seeking to expand its nonautomotive manufacturing operations. In 2011, Ralco purchased new push rim-assist wheelchair technology from Johnson & Johnson with its first order being fulfilled sometime this month, according to information provided Ralco CEO Tom Gitter at a May 28 planning commission meeting.

"We look forward to continuing our long standing relationship with the communities in which we live and work," Ralco Industries president Jim Piper said.

"This business expansion demonstrates our commitment to innovation, technology and most importantly, our employees and community."

"The City of Auburn Hills was tremendous to work with," he added. "Everybody on our side has said this is the fastest anybody has worked to push a process of this scale."

"We’re thrilled to be staying here in Auburn Hills."

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Oakland University President Russi announces retirement

Women's basketball coach Beckie Francis, who is Russi's wife, relieved of duties on same day

By DIANA DILLABER MURRAY

In a surprise announcement, Oakland University President Gary D. Russi said Wednesday he will retire after 20 years at the helm of the university whose student body has grown to 20,000 and campus buildings have mushroomed.

No less a surprise was the announcement from Director of Athletics Tracey Huth that Russi's wife, women's basketball coach Beckie Francis, was relieved of her position the same day.

Shortly after Francis said on her Twitter page, "Looking forward to next phase of life. Gary & I have talked about retiring for a while now — it's time for both of us. Wish Oakland the best." Russi, 67, called a "transformational leader," by OU Board of Trustee Chairman Michael Kramer, will retire effective Aug. 1, 2013. The OU Board of Trustees has named Associate Vice President for Outreach, Betty J. Youngblood, as interim president. Russi will work with Youngblood to ensure a smooth transition as a national search for a new president begins.

Russi notified the OU community in an email before his retirement was announced publicly Wednesday.

"I extend my appreciation to the faculty, staff, alumni, friends, donors and the entire Oakland University community who have contributed to the growth and success of our students and the university," Russi said in an internal email.

"The significant growth of the university is a testament to the hard work of the extremely high quality faculty and staff with whom I have had the privilege of working." Kramer said, "Dr. Russi has been a transformational leader for Oakland University. He has made a lasting mark on the university and helped the institution reach new benchmarks for enrollment, research, collaboration and academic opportunities.

"Clearly he leaves a lasting legacy and will be missed."

According to the news release, more than 65 new academic degree programs have been added since 1998, and full-time faculty has grown to more than 500.

During this time, Oakland University has invested — often with state support — more than $400 million to enrich environments for teaching, research, learning and living.

Capital improvements included a $43 million Science and Engineering Building, a $37 million Recreation and Athletics Center, the $17.5 million R. Hugh and Nancy Elliott Hall of Business and Information Technology, the $32 million Carlotta and Dennis Pawley Hall, $21 million new student apartments, and construction of a $22.2 million student activities center.

In addition, the university has built a $64 million Human Health Building that opened in 2012 and launched the first new allopathic medical school in the state in 47 years — the Oakland University William Beaumont School of Medicine.

Slated to open in fall of 2014, are a new $75-million engineering center, a $30-million student housing complex and, with philanthropic funds, the new campus landmark, the Elliott Tower.

Meanwhile, in OU's athletic department, Jeff Tungate will assume responsibility for the women's basketball program until a new head coach is named, said Huth.

A national search for a permanent head coach will begin immediately.

"We wish Coach Francis the best in her future endeavors," said Huth.

Francis said in social media, "Gary & I met here at OU & I am so grateful for the experiences we have had here & I am excited for new challenges and opportunities.

"The work I have been doing over last year to bring awareness to issue of sexual assault is a very personal passion; I will keep advocating," Francis said.

Last week, the Oakland women's basketball team was presented the NCAA Public Recognition Award given to programs with a multi-year Academic Progress Rate (APR) in the top 10 percent in the nation for their sport and marks the second year in a row the team has earned the distinction. In May, Francis was the recipient of the Pat Summit Most Courageous Award, presented by the United States Basketball Writers Association.
Oakland U. president retires, wife loses head coaching job

School spokesman unclear on whether moves are related

BY KIM KOZLOWSKI
The Detroit News

Oakland University President Gary D. Russi announced his retirement Wednesday, the same day his wife, Beckie Francis, was relieved of her duties as the school's head women's basketball coach.

It was unclear if there was a connection between Russi's decision to leave his position and Francis' removal.

When asked if Russi was leaving because of Francis' situation, OU spokesman Ted Montgomery said, "I do not know that to be true."

Russi will leave his post Aug. 1, the president told alumni in an email.

"The significant growth of the university is a testament to the hard work of the extremely high quality faculty and staff with whom I have had the privilege of working," he wrote.

Francis — who posted five 20-win seasons and advanced to the league championship game seven times during her tenure — was relieved of her duties immediately, Director of Athletics Tracy Huth announced.

Jeff Tungate will assume responsibility for the women's basketball program until a new head coach is named.

Late Wednesday, Francis tweeted on her Twitter page that said she was "looking forward to next phase of life."

"Gary & I have talked about retiring for a while now-it's the time for both of us," she wrote. "Gary & I met here at OU & I am so grateful for the experiences we have had here but I am excited for new challenges and opportuni-

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"In addition, the university has built a $64 million Human Health Building that opened in 2012 and launched the first new allopathic medical school in the state in 47 years," Russi wrote. "A new $75 million engineering center and a $30 million student housing complex, and with philanthropic funds, the new campus landmark, the Elliott Tower, (are) all slated to open in fall of 2014."

The board of trustees named the school's associate vice president for outreach, Betty J. Youngblood, interim president.

"Dr. Russi has been a transformational leader for Oakland University. He has made a lasting mark on the university and helped the institution reach new benchmarks for enrollment, research, collaboration and academic opportunities," Michael Kramer, chairman of the Oakland University Board of Trustees, said in a statement.

Russi becomes the third public university president in Michigan to retire this year. Wayne State University President Allan Gilmour is retiring June 30 and University of Michigan President Mary Sue Coleman is retiring next year.

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County police agencies target aggressive drivers along I-75

By JOHN TURK
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A multidepartment crash investigation team stopped nearly 50 vehicles in Oakland County during an initiative this week geared toward putting the brakes on aggressive driving.

"The freeway is not a peaceful place," Bloomfield Township Sgt. Craig Shackleford said. "Aggressive drivers endanger everyone around them."

Eleven officers from the Southeast Oakland County Crash Investigation Team (SOCCIT), through a $85,000 grant from the Michigan Association of Chiefs of Police, stepped up traffic patrols Tuesday along I-75 from Baldwin to 14 Mile roads.

According to the National Highway Traffic Safety Association, speeding was a contributing factor in 30 percent of all fatal crashes in 2011.

While 9,994 people died in speeding-related crashes, Auburn Hills Lt. Ryan Gagnon said Tuesday: "And you still have people going at the same types of high speeds. The majority of serious and fatal accidents and crashes occur on I-75. ... We're asking people to slow it down on the freeway."

In total, 43 vehicles were pulled over during the enforcement period. Thirty people were issued speeding citations — two for driving 104 mph in a 70 mph zone — seven were ticketed for following too closely or improper lane changes and one man was arrested on an unpaid child support warrant.

The SOCCIT team, comprising officers from the Auburn Hills, Troy and Bloomfield Township police departments, shares resources to investigate accidents that occur in those three areas. The partnership, Gagnon said, reduces overtime costs for the three departments and has cut about an hour off the time it takes officers to clear a crash site since the group's inception around 2010.

The purpose of Tuesday's aggressive-driving crackdown wasn't to tout the team's effectiveness, Gagnon said. It's so people know there is no tolerance for excessive speed and aggressive driving — and people will be issued tickets.

"We had so many people out there and it was advertised ... to have 30 citations, some over 100 mph ... I can't imagine what traffic is like without this patrol," Gagnon said. "Everyone sees (aggressive driving) coming home, there are just a lot of aggressive drivers out there."

The next time the patrol mans the highway, he added, the community won't be as aware.

Staff writer John Turk covers the Oakland County Board of Commissioners, police and general assignment. He can be reached at 248-745-4613.