



The City of Auburn Hills

City Council Meeting

Minutes

February 4, 2013

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, McDaniel, Verbeke
Also Present: City Manager Auger, Assistant City Manager Tanghe, Director Olko, City Clerk Kowal, City Assessor Lohmeier, Community Development Director Cohen, Water Resource Coordinator Keenan, Deputy DPS Director Grice, Fieldstone Manager Marmion, Economic Development Coordinator Renaud, City Attorney Beckerleg, City Engineer Juidici, Library Director McCoy, Manager of Public Utilities Jeff Herczeg.
19 Guests

4. APPROVAL OF MINUTES

4a. Regular City Council Meeting – January 21, 2013

Moved by Verbeke; Seconded by Kittle.

RESOLVED: To approve the January 21, 2013 City Council minutes.

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

No: None

Motion Carried (7-0)

Resolution No. 13.02.013

5. APPOINTMENTS and PRESENTATIONS

5a. Designation of Historical Marker

Tyson Brown, President of the Auburn Hills Historical Society, explained there was a train station in downtown Auburn Hills as noted on the 1896 map. Its location was south of Primary and west of Grey Road along the Grand Trunk Railroad Air Line Division; which is now the Clinton River Trail. He presented two photos, one circa 1910, when the City was known as Amy and the other circa 1930 when the City was Auburn Heights. The depot remained until 1957. Continuing, Mr. Brown stated as with other historical markers in the City, they would like to continue with the same style, and offered an artist's rendering of the proposed sign. He included a photo of where he proposed the sign to be erected, which would be seen from Primary and Grey Roads, as well as the new parking structure and the rail trail.

Mr. Brown explained Oakland County is in the process of creating a map depicting the County's train history. The Auburn Hills information has been submitted to the County to be included on that historical map. This map will be fashioned similar to the Civil War map, which Auburn Hills is included. The Edward Johnson Underground Railroad House located on Shimmons Road, between Squirrel and Dexter Roads and the Civil War Veterans buried in the Aaron Webster Cemetery, are both included on the Civil War map.

Mr. Brown explained the historical society is requesting the City to produce and erect the historical marker, with the use of the digital artwork files. He believes it is beneficial for residents and visitors to know the history of the City; not every city had a depot, it brought trade in and out of the City. This shows Auburn Hills has always been a progressive society.

Mr. Beckerleg explained for Mayor McDonald, if the marker is owned by the Historical Society and placed on public property, then the City will have to grant the Historical Society an easement or a license; however, if the sign is owned by the City, nothing else needs to be done.

Mr. Brown noted the other signs are owned by the City.

Mayor McDonald stated the DPS sign shop has done the previous signs.

Mr. Knight believed the depot stood later than 1957; he moved into his house January 2, 1957 and believed that depot remained at the site for three or four years after he moved in. He asked how sure Mr. Brown was about the date and if the information was authenticated.

Mr. Brown stated he had spoke with a family member that helped to remove the depot; his brother-in-law purchased the depot for \$301.00 at an auction in 1956, the last year it was lived in. The following summer the depot was dismantled and used to build a house on Doris Road.

Mr. Brown noted the house was then removed from Doris Road and moved to Slocum.

Responding to Mr. Kittle, Mr. Brown stated it's not sure which house on Slocum is the house that was removed from Doris to Slocum. There didn't seem to be the need to do the extra research to determine which house was built from the depot building materials.

Ms. Doyle expressed her appreciation for the work the Historical Society is doing, asking how many members the Society currently has and how does one become involved.

Mr. Brown stated currently there are 18 members of the Society and they are always looking for more people. If anyone is interested in learning more, there is a link to the website that can be found by following the City's website, then going to *Government*, then *Committees*, to *Commissions, and Boards*, then to *Historical Society*. There is also a face book page at *Auburn Hills Historical Society*, and the e-mail address is auburnhillshistory@yahoo.com. Meetings are held at Auburn Hills Public Library, the second Monday of each month at 7:00 p.m.

Moved by McDaniel; Seconded by Verbeke.

RESOLVED: To appoint appropriate staff to construct and install a historical marker as submitted by the Auburn Hills Historical committee.

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

No: None

Motion Carried (7-0)

Resolution No. 13.02.014

6. PUBLIC COMMENT – none.

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. Tax Incentive Review Committee – January 14, 2013

7b. Motion – Approve Relocating Election Precinct 9 to the Public Safety Building

RESOLVED: To authorize the City Clerk to relocate Election Precinct 9 from the Public Library to the Public Safety Building.

Moved by Kittle; Seconded by Doyle.

RESOLVED: To approve the Consent Agenda.

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

No: None

Motion Carried (7-0)

Resolution No. 13.02.015

8. OLD BUSINESS

8a. Motion – Approve Purchase of Downtown Lighting and Sound package

Mr. Grice introduced Kenneth Klemmer and Jason Wagner of Illuminating Concepts, explaining a short presentation of Intellistreets is prepared that will hopefully answer any questions.

Kenneth Klemmer, explained eight lights are situated in the downtown district; two at the crossing of Auburn and Squirrel Roads – diagonally opposing each other; four single-head units at the major cross walk on Auburn Road; and the other two at Squirrel Ct. and Auburn Road, diagonally opposed from one another. There is a gateway device that controls the lights and sends out the master signal, allowing lights to mesh together to wirelessly receive their control signal and operate in harmony. With this mesh system, if one pole gets damaged, the other continues to respond with lights, sounds, messages or whatever is programmed. The posts with four lights have the Intellistreets head in the center, which are designed to control all of the other lights in the vicinity. This system is able to control older lights as well as when newer LED lights are installed.

Some of the facilities that are using the Intellistreets are Wembley Arena and MGM City Center in Las Vegas, with great success.

Intellistreets use the existing power structure with no need to dig up streets and replace anything; it is all wireless.

Mr. Klemmer explained there are many components of the Intellistreets unit, which include lighting and lighting control, music and announcements, as well as components for digital signage, which may include traffic direction, alert notification, and digital street signs.

Mr. Klemmer stated the proposal for the City includes lighting, the sound package and the alert indicator light on top of the pole.

Responding to Mayor McDonald, Mr. Klemmer explained the 'blue emergency button' would have direct access to either 911 or the local public safety. When pushed the line remains open to hear the caller, as well as informing emergency personnel where the call is coming from.

Mayor McDonald was concerned with prank calls using the emergency button.

Mr. Klemmer noted the emergency button is usually used in conjunction with a camera. The camera identifies if there is an emergency as well as who is pushing the button.

Mr. McDaniel asked the cost for the emergency button; a one-time fee or a monthly cost.

Mr. Klemmer believed the cost for purchasing the button would be a few hundred dollars.

Mr. Knight was curious as to how the system works, who has control of making an announcement.

Mr. Klemmer explained it is a dial-up system; a telephone number is called and an authorization code is required to synchronize with the system. Then you would speak normally into the telephone the message you wish to convey and within a few seconds the message is being broadcast.

Responding to Mr. Kittle, Mr. Grice explained Ms. Carroll sent e-mails to the downtown business owners and requested a response by a certain date. He believes 17 e-mails were sent, with two not responding, and those returned were all positive and in favor of the system.

Mr. Kittle asked Mr. Klemmer his response to those that believe this type of system is able to spy on individuals both visually and audibly.

Mr. Klemmer explained this system is not capable of recording; the only voice activation is using the emergency blue button which also records the message; cameras are everywhere that is just part of today's society. This system as proposed does not have cameras, but can be added if desired; cameras range in price from a few hundred dollars to a few thousand dollars. This initial package is the basic brains of the system, the network; no modifications are needed regardless of what additional elements are added.

Mr. Kittle agrees it is very cool technology; however, he doesn't see the *need* for investing \$41,000 for this product, similar to the *need* for angle parking.

Ms. Doyle asked for clarification of what is included in tonight's proposal.

Mr. Klemmer explained the proposal includes remote lighting control in the one-block area, with dimming capabilities and an audio system. To save additional energy expenses the LED lamps can be dimmed.

Ms. Doyle asked if the LED lamps can be added to current light poles.

Mr. Klemmer stated yes, the LED lamps will be attached to the current poles.

Mr. Grice stated with the exception of the eight heads.

Ms. Doyle was concerned if the new four head lamps are fashioned to tie in with the current old fashioned looking posts; noting there was a considerable sum of money spent on those posts.

Mr. Klemmer explained eight of the old heads will be changed; the quad poles will have one LED light in the middle of the current poles, with the others remaining on existing technology. The lighting difference between the types of bulbs won't be as noticeable because of the light temperature and light quality of the LED's are very similar to the current ones; most people will probably not notice the difference. However, the physical appearance of the light is somewhat different.

Mr. Grice noted the intent was to get a light as close to matching the existing as possible, they are very similar and not noticeable driving by but looking side-by-side it would be noticeable.

Mr. Klemmer noted the single light post at the crosswalk has an indicator light below the actual light, which are able to flash alerting of a cross walk.

Ms. Doyle stated she is uncomfortable using the audio portion as a revenue maker for selling advertisements over the sound system and asked if others use it for that purpose.

Mr. Klemmer noted Lansing is currently looking at this system and may be using banners for advertising.

Mr. Auger stated the City has no intention of using this system for advertising.

Responding to Ms. Doyle, Mr. Grice stated he participated in the December meeting with downtown merchants to discuss this project; however, not many of the merchants attended the meeting. Those that did attend were very pleased with the proposal of having music downtown. Ms. Carroll sent out e-mails to all the merchants asking about the proposed project, including those that attended the December meeting and got all but two responses back. Some of the comments were 'sounds like an exciting project', Sound Wave noted 'it's right up our alley', that outdoor music is appropriate, a couple of others noting it is an exciting project, short responses. He wasn't sure of what businesses had not responded; but he would follow up with Ms. Carroll and find out.

Mr. Klemmer noted Farmington Hills has this system and Lansing is in the development stage right now and Greenfield Village has an older proto-type system, these are the only Intellistreets units in the State.

Ms. Hammond asked if there is any type of warranty with this system.

Mr. Klemmer stated there is a 10 year warranty for the entire system. The volume is controlled by whoever has the access code within the City, the same procedure as adding a message. This is double encrypted technology making it quite secure; however, anything can be hacked if someone is determined. Only one pole at a time could be hacked and once it realized it had been hacked it would automatically shut down after a certain period of time. Farmington Hills has been running for a year and a-half, and hasn't yet been hacked.

There is an on-going maintenance fee, which is \$8.00 per pole, per month – giving them the ability to monitor the system. There are royalty rights for the music, through BMI, which is an inexpensive royalty service.

Mr. Grice noted the music service is based on population, and for Auburn Hills the cost would be approximately \$300 per year.

Mr. Knight asked for better clarification regarding new lights and old lights and the on/off/dimming process.

Mr. Klemmer explained the wireless control signal will be sent to a breaker type panel located near downtown which controls the circuit of all of the lights; so when the LED lights are told to dim or turn off, a signal will be sent to the breaker box to tell those lights that can't dim, to either turn off or turn on. As the old heads are replaced with LED heads, the system will be meshed together.

Mr. Knight was under the impression that all the lighting downtown would be upgraded and asked why the old style lights would be integrated with the new.

Mr. Grice explained two years ago when the committee was formed and a study was done, retro-fit LED bulbs were chosen, one per pole and as existing magnetic induction lights failed they too would be replaced with the LED bulbs.

Responding to Mr. McDaniel, Mr. Klemmer stated the desk top app, is included as part of the standard package.

Mr. McDaniel asked if this would be part of the current downtown internet system or if this is in addition to.

Mr. Klemmer explained this will be Cloud hosted, using the City's current internet connection.

The package as presented, Mr. Klemmer stated the price would be approximately \$450 per year, which includes the music royalties.

Mr. Grice noted the current lighting downtown costs the City approximately \$50 per head/per light a year and with the new system the savings are expected to be about 30%; however, it depends on the parameters that are set. He believes if the lights are dimmed quite low in the very early hours (3:00 a.m.) when there isn't much traffic; the savings could be near 60%.

Mr. McDaniel agrees it is a very good idea, but he isn't sure it is necessary.

Mr. Klemmer stated in the very near future there won't be any alternative for street lighting, other than the LED lights.

Mr. Klemmer explained typically the older fixtures weren't designed for LED lamps. LED lamps require a certain amount of cooling to operate most efficiently, if they don't stay cool enough, they can't dissipate the heat, and they fail at an early age. An integrated LED fixture has the chip board is built into the fixture with the proper heat syncing, and can dissipate the heat even in the summer time. It is going to last far longer than any retro-fit type of system.

Mr. McDaniel asked how long one of these bulbs will last.

Mr. Klemmer explained currently, the life expectancy is between 60,000 and 70,000 hours; it doesn't immediately go out, it becomes dimmer and dimmer. With these fixtures, when a bulb is new, the system doesn't deliver the full light, it is scaled back to exceed the anticipated life span. Continuing, Mr. Klemmer stated the 10 year warranty includes the bulbs as well.

Ms. Verbeke agreed the technology is very cool; however, she is uncomfortable approving the proposal because as she requested in December, she would like to see a comparable quote if only for LED lights.

Ms. Verbeke continued, asking Mr. Grice what will become of the old lights; there was a considerable amount of money spent on them.

Mr. Grice explained they would be stored and used as replacements, when necessary. Currently, there are generally five lost each year and those are replaced as quickly as possible.

Mr. Grice stated he had not talked with anyone from Farmington Hills, though he has spoke with MGM and Greenfield Village. He spoke with Greenfield Village about the audio portion, and they are very pleased; he also spoke with Sony in California, and they too are happy with this product.

Responding to Mr. Kittle, Mr. Klemmer stated this technology has been available for the past two years; it was developed in-house, the specific program of protocol and the mesh networking light fixtures.

Mr. Kittle questioned if the price will come down when more and more communities replace their existing lights with the LED system.

Mr. Klemmer stated greater volume will generate greater discounts.

Mr. Kittle asked if this will bring to the City more business, more foot traffic, will the businesses see better results because of this product.

Mr. Klemmer explained there were new venues constructed in Europe that included this technology, and attendees were polled on what brought them to these new venues, the number one reason was to see the new anchor shops and movie theatres and the second reason was to see the light display.

Mayor McDonald noted as indicated in the memo, the money for this project is through TIFA funds, not the general fund. This was forwarded to Council for approval, because the TIFA Board found this project to be a good investment, as part of their desire to encourage business and develop new concepts to create a vibrant downtown.

Moved by Doyle; Seconded by Hammond.

RESOLVED: To approve the 2012 LED Streetlight and Audio Retrofit project to Illuminating Concepts in the amount of \$41,516.00, to be funded by TIFA-A, Account No. 251-735-970.000.

VOTE: Yes: Doyle, Hammond, Knight, McDonald

No: Kittle, McDaniel, Verbeke

Motion Carried (4-3)

Resolution No. 13.02.016

9. NEW BUSINESS

9a. Public Hearing/Motion - Rigaku Innovative Technologies, Inc. – Request for IFEC of New Personal Property in the amount of \$8,670,000 for a duration of 8 years at its facility located at 1900 Taylor Road.

Mr. Lohmeier introduced John McGill, Ph.D., President and COO, and explained this request is for the expansion of personal property at their current location. The personal property exemption request will save the company \$241,000 in taxes. This was approved by the Tax Incentive Review Committee contingent upon Rigaku signing a tax incentive agreement, which they have done.

Mayor McDonald opened the public hearing at 8:04 p.m.

Mr. McGill stated Rigaku Innovative Technologies (IT) has been operating in Michigan for 28 years and in Auburn Hills for 11 years. The traditional business of the company is the design and manufacturer of high tech optical elements that are used in academic and industrial market places. The optics and x-rays are used to analyze materials; the systems built can advise a chemical formula of a specific material and the percentage of chemicals used in that material. The business is expanding into a new market area; the semi-conductor industry. The semi-conductor industry is looking at the next generation lithography tools, which will allow the continuation of manufacturing faster and faster computer chips, bigger memory chips. With the relentless improvement in technology, the type of optics that is being manufactured at this facility is in high demand. With the sudden interest in this product, it has become necessary to aggressively expand within the current facility to meet the needs.

Mr. McGill noted business had to be turned away last year, because there wasn't the capacity to meet the supply demand. Continuing, Mr. McGill explained this is the first phase of a three phase expansion with approximately \$9 million being invested, with work currently underway. If the market continues to expand as anticipated, phase two will begin in few years. After phase three, there will be no more room for expansion at this facility, as it will be land locked. Phase three will be an expansion of a stand-alone facility, with a cost of approximately \$30 million.

The semi-conductor market is massive; the market for the optics alone will be a \$1 billion market in five years. The Rigaku IT business model is anticipating a modest 20% of that market. Today there is only one competitor in the world, a company in Germany.

Mr. Lohmeier confirmed the City has in their possession a signed copy of a tax incentive agreement.

Ms. Verbeke asked who the customers are of this new product.

Mr. McGill explained the new product is the instrument that the semi-conductor industry uses to print the chips who in turn sell to Motorola, Intel and those type of companies. These instruments sell for \$150 million each and a semi-conductor fabricating plant would have ten; there are two multi-national manufacturers such as ASML that Rigaku IT will sell their product to.

Ms. Verbeke was curious as to what an *inline sputtering deposition system*, is.

Mr. McGill explained the system consists of many chambers adjacent to each other, and the product is shuttled back and forth from one chamber to another applying particular coatings, then another chamber where another coating is applied, until there have been 50 different coatings applied; sputtering is the technique used to deposit material.

Mr. Knight asked Mr. Lohmeier if this facility is located in the Cardell IDD, and if these taxes would be captured in the golf course support area.

Mr. Lohmeier wasn't sure, stating he would have to check with the City Treasurer.

Mr. Auger confirmed it is in the IDD; however, he wasn't sure of the captured percentage.

Mr. McDaniel noted two new jobs will be created with this expansion and was curious as to the type of jobs.

Mr. McGill explained the over the three expansions, it is anticipated there will be an addition of 27 new jobs. Phase one will introduce three new jobs, with one of those positions already filled; these are high level jobs, scientists and engineers. There is difficulty in finding scientists in the community or in the world, which have the kind of experience that is needed for this specific product. There will be ten new job additions in phase two and approximately 15 new jobs in phase three.

Mr. Kittle noted the Tax Incentive Review Committee did a very good job in reviewing this request and is excited for their opportunity to expand.

Mayor McDonald closed the public hearing at 8:15 p.m.

Moved by McDaniel; Seconded by Knight.

RESOLVED: To approve the request for an 8-year IFEC pertaining to new personal property for Rigaku Innovative Technologies, Inc. for a total personal property investment of \$8,670,000 by adopting the attached resolution (Attachment A).

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

No: None

Motion Carried (7-0)

Resolution No. 13.02.017

9b. Motion – Approve Liquor License Agreement for Great Lakes Golf Center

Ms. Renaud explained Mr. Ashley was before Council in July requesting the liquor license the City holds, and Council has required be used downtown. At that time Mr. Ashley was instructed to submit a letter to Council requesting the liquor license. Staff has done their due diligence, the Police have done a background check and Building Official Spencer has advised Mr. Ashley of required building codes and ordinances.

Michael Ashley explained he took over this facility as the business owner, not the property owner. December 2009 he opened Great Lakes Golf Center, formerly known as Mulligan's Golf Center, which had been closed for a number of months due to bankruptcy. He has since been working closely with the bank that owns the property; he has the option of purchasing the property. He is in a workout phase with the bank, trying to get the business to a sustainable level, to justify the purchase of the property. He has been in the golf management business for over 20 years; he has assisted in turning two golf domes and one driving range around, located in the metro Detroit area and Columbus Ohio.

Work is moving along on the outside of the facility and great strides have been made on the interior. All profits have been reinvested in the facility to continue the many needed improvements, as well as creating jobs. This past summer the turf of the interior driving range, approximately 65,000 square feet was replaced at a cost of about \$400,000.00, which he personally financed. New training areas and sport fields have been added to the interior, costing \$100,000.00. Last March, the previous Golf Smith Pro Shop was renovated with all new hard wood floors, drywall, insulation, and missing ceiling tiles; it is now a first class banquet facility and events center.

Last week he received a call from Denise Asker, Chamber of Commerce Director, to visit the center as a possible location for the 2013 Taste of Auburn Hills. He is hopeful in making a good impression, so her request can be accommodated. In order to host this event and others, he is the need of a class C liquor license.

The facility has been transformed to a sports/events facility and regularly host leagues, team practices, tournaments, banquets, retirement parties, and birthday parties; it won't be long before there will be requests for weddings.

His desire is to add a liquor license to support the operations and investments that have been made to this facility.

Since November 2012, 13 new jobs have been added, eight full-time and five-part time; more jobs will be necessary with the addition of a liquor license.

Mayor McDonald noted the request is for three years, and asked Mr. Ashley if he would be actively searching for a liquor license of his own during those three years.

Mr. Ashley stated yes, he would be looking.

Mayor McDonald confirmed for Mr. McDaniel, the original request was for two years, but because of the Michigan liquor law, three years is required.

Mr. Knight noted he originally didn't want to see this license leave downtown, but after reading Mr. Ashley's letter and it is a three year request, he is comfortable loaning the license.

Mr. Kittle asked Mr. Beckerleg if lending the license violates the approved 2002 resolution.

Mr. Beckerleg stated no.

Mr. Kittle asked from a precedent standpoint, if anybody that wanted to open an entertainment facility or any type of restaurant in Auburn Hills and can't afford a liquor license, would it be required for Council to lend a hand. He is concerned it will put Council in the position of stepping over the line as to what government should and should not do.

Mr. Beckerleg stated no, and explained as quota licenses, Council has the discretion to give them to any entities they choose.

Responding to Mr. Kittle, Mr. Ashley explained he has seen liquor licenses for sale and they range from \$40,000 to \$120,000 for a beer and wine license; which he initially requested. It was decided a class C was more appropriate; there is also a concern when the license is returned after three years, it would no longer be a class C license as it wasn't issued as a class C license.

Continuing Mr. Ashley noted a class C license would cost substantially more, explaining there is a network of people who buy and sell liquor licenses that is their main source of income.

Mr. Kittle isn't sure if Council should be lending the liquor license by picking and choosing who gets to use it. He appreciates Mr. Ashley's diligence and trying to make the business work, but obtaining a liquor license is part of that. He won't support the request.

Ms. Doyle asked Mr. Ashley if he borrowed money from the bank that currently owns the property.

Mr. Ashley stated he has borrowed \$700,000 for improvements in last eight months.

Ms. Doyle asked what happens if the business go bust.

Mr. Ashley said things have been going very well, and the new business has been well received. The bank is a very good bank that bought the golf dome through an auction from Comerica bank as a toxic asset, for less than face value. The bank never received any money from Mulligan's and he has taken the facility and made numerous improvements as well as paying taxes. The bank likes to see the progress of their asset improving in value and not shelling out money as they did for four years when Mulligan's was still running the facility.

Mr. Ashley confirmed the taxes are all current.

Mr. Beckerleg explained quota licenses are based on population, and class C liquor licenses are full service liquor service. As mentioned by Mr. Kittle, the City passed a resolution for the quota licenses to stay downtown; however, a resolution is not binding, it demonstrates intent.

Continuing, Mr. Beckerleg explained the agreement between the City and Mr. Ashley (if approved) has wording that allows Council to take back the liquor license if they feel it is needed elsewhere; however, the Liquor Control Commission law contains language that requires a minimum of three years use for a leased license.

Mr. Knight appreciates what Mr. Ashley is trying to do, and explained it is City Council policy to object to the annual renewal of a liquor license if the taxes and water & sewer have not been paid in full.

Mr. Kittle noted the summer taxes for this property in 2010 were approximately \$58,000, and 2007 the taxes were approximately \$67,000; in 2011 the winter taxes were \$33,000 and 2012 winter taxes is \$18,000 due. The taxable property has been declining, and he suggested if Council is so inclined to approve this request, that the motion include contingent upon the 2012 winter taxes being paid.

Mr. McDaniel noted he and his wife play on a co-ed soccer league at this facility and he is very impressed with the improvements, knowing first hand from when it was Mulligan's. He is having difficulty envisioning a liquor license at the facility; however he believes it is unlikely the license will be needed downtown within the next three years.

Mr. Ashley stated he learned of the City held liquor license from investigating and contacting the City offices; the liquor license was labeled as a tax on the State website.

Mr. Tanghe explained the liquor license Mr. Ashley is requesting is not the license owned by the TIFA from Stan's.

Mr. McDaniel knows the renovations that have occurred on the inside of the facility and asked what will be done with the outside, such as the walkways and driveway.

Mr. Ashley said the exterior buildings have been painted and the driveway patched as much as possible and he is aware that the outside needs quite a bit of work; however, he feels the inside is more important, because that is what will generate revenue to keep him in business.

Mr. McDaniel asked if Mr. Ashley had a liquor license for any of the other facilities he works with.

Mr. Ashley stated this is his first experience with a liquor license; however, the Columbus facility is in the process of acquiring a license, noting he isn't part of those day-to-day operations.

Responding to Ms. Hammond, Mr. Ashley stated he has no experience with a liquor license, but he was a bartender in college and runs the food and beverage portion of this facility, even though it is small scale. He noted none of the other facilities he has been involved with has had the space for hosting large events. Even

though this license is for liquor as well as beer and wine, he would likely serve liquor for larger events such as a wedding.

Mr. Tanghe wasn't sure how old the quota licenses are, but noted the third one came after the 2010 census. Also, the City owned liquor licenses are not a secret, and he gets weekly calls on the former Stan's license. He's fairly certain there won't be a sudden surge of three applicants applying for the City licenses in the next 36 months.

Mr. Ashley assured Mr. Kittle he has looked into the liability insurance and the increase of premium.

Ms. Doyle stated she was willing to support the request and to include Mr. Kittle's suggestion to stipulate that the 2012 winter property taxes be paid by the due date.

Moved by Doyle; Seconded by Verbeke.

RESOLVED: Move to approve the agreement with Great Lakes Golf Center, LLC for issuance of a Class C Liquor License for 3 years and to adopt a resolution approving issuance of a new Class C quota license with a new Entertainment Permit to Great Lakes Golf Center, LLC and to authorize the City Clerk to forward said resolution to the Michigan Liquor Control Commission provided the 2012 winter taxes are timely paid, as well as the water and sewer fees are paid up-to-date.

Mr. McDaniel stated he will support this request, because Mr. Ashley has invested a considerable sum of money in the City by renovating this facility.

Ms. Doyle amended her motion to include Mr. Knight's request of including the contingency that water and sewer fees be paid up-to-date as well.

Mr. Kittle wished Mr. Ashley well and said he would visit the facility, but he can't support the request.

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

No: Kittle

Motion Carried (6-1)

Resolution No. 13.02.018

9c. Motion – Approve Special Land Use Permit Replacing Existing Billboard / Pontiac Silverdome I-75 Sign

Mr. Cohen explained Vann Niagara Ltd will be leasing the location to construct, install, and maintain the new LED digital display billboard. The lease is for a period of 20 years, with an option to renew for an additional 20 years. The property will be leased from Triple Media, LLC., the owners of the Silverdome.

The Planning Commission and staff reviewed the Special Land Use and recommend approval.

Mr. Cohen explained the City was able to get advertising space on this sign for as long as the sign remains. The advertising is done in a rotation of 8 messages per 64 seconds. The City will receive an 8-second message per every advertising rotation on each side of the sign. This will equate to 56 messages per hour daily and approximately 1 per minute - on both sides of the sign at no cost to the City in perpetuity.

Mr. Knight stated he would like to see at the bottom of all the advertisements 'Welcome to Auburn Hills'.

Mr. Kittle asked if the eight second message for each of the eight advertisements is the standard for this type of advertising.

Larry Vann stated yes, this is the standard.

Moved by Kittle; Seconded by Knight.

RESOLVED: to accept the Planning Commission's recommendation and approve the Special Land Use Permit to allow the replacement of the existing Pontiac Silverdome I-75 billboard sign with new LED technology subject to the terms and conditions of the Development Agreement.

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

No: None

Motion Carried (7-0)

Resolution No. 13.02.019

9d. Motion – Approve Text Amendment to Zoning Ordinance / Holiday Sales Lots

Mr. Kittle stated if there are no questions, he is willing to make the motion.

Moved by Kittle; Seconded by Doyle.

RESOLVED: To accept the Planning Commission's recommendation and approve the text amendment to the Zoning Ordinance to Section 2003. Permits regulating Holiday Sales Lots. The amended ordinance shall be referenced as Ordinance 13-853.

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

No: None

Motion Carried (7-0)

Resolution No. 13.02.020

9e. Motion – Approve OHM Scope of Engineering Service for Sewer Improvements and Drain Restoration

Mr. Melchert explained the project consists of replacing the 60 year old sanitary sewer along north Squirrel Road, just south of Pine Knoll Drive to Walton Boulevard, just west of Beacon Hill Drive. The proposed improvements are consistent with the City's Sanitary Sewer Master Plan. The improvements include a larger diameter pipe to accommodate future flow, a maintenance pathway, improved drainage and erosion control, and rehabilitation to deteriorating structures.

The current sanitary sewer runs adjacent to and alongside a storm drain trench, which is eroding and causing deterioration and damage to the sanitary sewer; manholes are also deteriorating causing them to lean and exposing parts of the sanitary sewer. The sewer is currently functioning well, but with continued eroding and deterioration it is most likely a matter of time. The replacement pipe diameter will be 15 inches; currently the 12 inch pipe is near capacity and wouldn't be able to accept any new development in the area. The larger diameter of pipe is in accordance with the City's Sanitary Sewer Master Plan. The existing drainage trench will be repaired and the new pipe will be constructed within a new trench. A maintenance pathway is being proposed that will allow access to the site for maintenance and repairs.

Once this is bid, it will come back to City Council for approval.

Responding to Ms. Verbeke, Mr. Melchert stated, yes there is a line-item in the budget for this construction, not a specific item for the OHM scope; OHM's charge is generally 10% of the total. It is not expected to exceed the budget.

Mr. Melchert confirmed for Ms. Doyle, this does not run along the road, it runs cross country. It runs through the back of properties, through wetlands and wooded areas, and uneven terrain.

Ms. Doyle questioned if this was a unique situation or will there be similar issues in the future.

Mr. Melchert stated nothing has been discovered during scheduled cleaning and maintenance inspections. There is a budgeted project to be done in 2014 along Birchfield.

Mr. Herczeg explained this project is unique because there is no access and that is why there is also the request for the maintenance path. Continuing, Mr. Herczeg explained the pipe runs from Squirrel, behind five parcels in a semi-circular fashion towards Red Ox.

Mr. Melchert explained generally sanitary sewers run along the same route of storm water sewers, and this area was probably used because of the topography being naturally lower; as well as 60 years ago it was likely empty fields.

Mr. Juidici explained the comprehensive sewer master plan was conducted in 2008/2009 and revealed this section's flow is almost at capacity. Because of seriously deteriorated condition, it was decided to increase the capacity when replacing the pipe. This is a major trunk-line that services this entire section of the City; Patrick Henry, Birchfield, across Squirrel Road and behind Red Ox, where it then connects into the county interceptor.

Moved by Verbeke; Seconded by Doyle.

RESOLVED: To approve the 2013 Sewer Improvements and Drain Restoration Engineering Services in the amount of \$92,695.00 to be paid from Water and Sewer Repair and Replacement fund (592-535-971.000)

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

No: None

Motion Carried (7-0)

Resolution No. 13.02.021

9f. Motion – Approval of Fieldstone Maintenance Bid

Mr. Marmion noted last year's busy golf season ran from March 9, 2012 to November 21, 2012. Last year was also the last year of a five-year maintenance contract with Davey Golf, who has been providing maintenance to Fieldstone for the last ten years. Mr. Marmion recognized Jeff Blackett as the golf superintendent, noting he has been under contract with the golf course and is one of the finest and dedicated in the business. He has helped to make Fieldstone one of the top 10 public golf facilities of the 200 in the metro area.

An RFQ for the golf course maintenance was compiled with a contract and specifications then distributed to 10 maintenance companies in December, as well as being placed on the MITN site, where 44 other companies were able to review. Originally there were four companies showing an interest in bidding; however, in the end only two companies submitted bids, Davey Golf Course Maintenance and Valley Crest Golf Course Maintenance. Both were aggressive in the price structure compared with previous contracts and both met the maintenance standards and qualifications. Davey offered to maintain their presence at the golf course and reduce their maintenance expense for 2013 by 6% over 2012. Over the course of five years, the maintenance contract will be \$156,000, less than the nearest competitors bid and 20% of the operational budget. This is less than the past 15 years since the facility opened and began bidding the maintenance services.

Ms. Hammond questioned what maintenance is done to the golf course, other than mowing the grass.

Mr. Marmion explained the range is a mom & pop golf course would pay 10% of the operating budget to a private facility paying 65% of the operating budget. There are three components, the actual labor; maintaining (sand, seed, fertilizer and chemicals); and over \$150,000 in equipment leases.

Jeff Blackett, introduced himself as Fieldstone and Davey golf course superintendent for the last ten years. Davey Maintenance also is the company used by Paint Creek Golf Course and most recently, last year, Indianwood Golf Course.

Mr. Blackett explained Davey is responsible for everything outside of the club house; from the entrance on Taylor Road, throughout the parking lot, the entrance to the club house and the course itself. The company is responsible for not only the fertilizing and chemical care of the lawn care, but they have also worked with OHM in doing the environmental analysis of the golf course, including the work of the Galloway Drain project.

Mr. Blackett also noted, the signed contract in 2008 enabled Davey to make purchases on some larger equipment, in order to keep the business capabilities moving forward.

Mr. Blackett explained the golf greens are mowed everyday to 1/8 of an inch, fairways are mowed at 4/10 of an inch, tees or mowed at .35 of an inch, bent grass is at the tees, fairways, and greens; the lawn, the rough, is mowed at 2.5 inches, everyday, except Saturday and Sunday.

Continuing, Mr. Blackett explained the cost has decreased because there are no plans or need to make any significant equipment purchases as was necessary in years past.

Mr. Kittle explained his passion of the golf course has more to do with the City subsidizing the course with tax payer's money, which is a substantial sum. Mr. Kittle suggested Davey's price could have been much lower since the capital investments were made in the past, and the equipment is now depreciating, and how a competitor can submit a bid with a difference of \$15,000.00 for the first two years. He believes the price was lowered just enough to keep the business.

Responding to Mr. Kittle, Mr. Marmion stated the new contract is identical to the previous contract; there wasn't a need to make any changes because of the golf courses' current condition. This will maintain the same level of maintenance with the current customer base being satisfied. Mr. Marmion believes it is an exceptional contract written several years ago, with a few minor revisions over the years.

Mr. Kittle asked what the major cost driver is, besides labor, relative to operation costs.

Mr. Blackett explained the fertilizers and pesticides, since they are a tied into the price of oil and gasoline; and he pays a higher price in gasoline since he is a commercial user. Davey Golf is taking a big gamble on guessing what gasoline prices will be over the next five years. Fertilizer prices have jumped 22% over the past four years. Continuing, Mr. Blackett explained because the contract was ending at the end of the year, he wasn't able to purchase fertilizer this past November, to stock pile for future use at Fieldstone as a good partner and trying to keep his rates down.

Mr. Kittle suggested fuel prices must surely be hedged by a \$6 million dollar company.

Mr. Blackett stated he purchases fuel like everyone else from Thompson Oil.

Mr. Kittle noted when the 2008 contract was awarded, based on the oil prices at that time, there would have been a significant windfall for Davey.

Mr. Blackett stated he had a \$300,000 outlay for equipment.

Mr. Kittle suggested, with Davey being the City's partner, why aren't here some creative solutions. Also, noting one of the seven added value options as immediate access to top Davey Golf management located in Auburn Hills.

Mr. Blackett noted the competitor wouldn't have immediate access to equipment if needed as Davey Golf will have.

Mr. Kittle asked why the drop of clients for Davey over the past few years.

Mr. Blackett explained the economy, noting three jobs were never paid for. Oakhurst decided to do their own maintenance.

Mr. Kittle questioned why in 2003 there were six bidders for Fieldstone, four bidders in 2008 and two for this renewal; suggesting the other companies may believe they don't have a chance in bumping Davey from Fieldstone.

Mr. Blackett believes the companies know they can't be as competitive as Davey.

Mr. Kittle would prefer to see the contract written to include the fluctuation of the oil market; pay more when necessary and less when prices are down.

Mr. Blackett stated any windfall from the price of gas was put into the purchasing of equipment for Fieldstone. If a competitor was awarded this contract, the equipment they would be using would be transferred among other golf

courses they maintain, not be specifically located and used only at Fieldstone. He believes he and his crew has done a very good job at Fieldstone.

Mr. Kittle agreed Davey Tree & Golf has done a good job at Fieldstone, and wasn't intending to be personal, he stated he more aggravated with City staff. He requested creativity in seeking a new contract, from possibly outsourcing all aspects of the golf course functions to maintaining status quo. Mr. Kittle didn't feel the City was doing the due diligence in looking for other alternatives.

Mr. Kittle asked Mr. Blackett, what he would be able to cut from this bid, if Council requested a 15% reduction.

Mr. Blackett stated it would be the fuel; other cuts made around the golf course will be noticeable to the guests, and would most likely drive away some business.

Mr. Kittle suggested as a cost saving measure to downsize from the seven tee boxes at hole eight, to four tee boxes.

Mr. Blackett explained the tee boxes were built to small to start and this particular hole needs more tee boxes, not less. Hole eight is beat up more during the year than any other hole on this golf course; and the tee boxes get moved every day.

Responding to Mr. Kittle, Mr. Marmion stated 20% to 30% is the average number of women playing the golf course.

Mr. Marmion confirmed for Mr. Kittle, that if there is an impasse, there is an option to continue the current contract month-to-month.

Mr. Kittle believes collectively, both sides ought to look to see what changes can be made to try to bring the cost down. The cost structure for other portions of the golf course is also being reviewed, such as the food and beverage portion.

Mr. Kittle stated he would be willing to make a motion to delay proceeding with this agenda item until all options are reviewed and to see what can be done collectively to make the golf course operation more efficient, rather than to proceed status quo.

Mr. McDaniel asked if the City proceeded with a month-to-month contract for the next year, what the cost would be as opposed to the proposed quote.

Mr. Marmion stated the golf course would have to have Davey prepare a month-to-month quote. He also noted, with a month-to-month contract, the golf course would lose the reduced rate bid that is currently on the table; the average similar golf course in this area spends over \$540,000 per year on maintenance as opposed to the proposed quote from Davey of \$483,000.

Mr. McDaniel asked then, the month-to-month is based off this last payment.

Mr. Marmion explained the payments are on a bell curve, the bigger portion being paid during the busy money making months at the golf course. So, no, based on the contract language it cannot be determined what it would cost to extend the contract month-to-month; it would have to be negotiated with Davey.

Mr. McDaniel was concerned that other alternatives may be found in March when Council will be studying Fieldstone, trying to determine if there are any ways to cut expenses and would hate to have a five-year contract prohibiting any changes that may be possible.

Mr. Blackett explained this contract essentially began in 2008 when equipment was purchased to maintain Fieldstone; this is what has enabled today's bid amount. Continuing, he explained the bid was submitted based on what the needs of what Mr. Marmion told Davey Tree what was needed; he was not involved in those discussions, short of what he needs to maintain the current conditions of the golf course. He believes Davey is taking all the risk; no one knows what the price of fuel will be in the future.

Mr. Kittle noted the bid is very comprehensive and there are line by line items; however, he would like to review and know if each of these items is optimized and/or necessary.

Mr. Blackett believes too much is given, noting an example; he has applied 62 tons of divot mix on the driving range alone, an 80/20 special mix at \$27.00 per yard. He also stated he is on the course everyday of the week, putting in 80 hours and he doesn't believe there is any other course that is getting that kind of treatment.

Mr. Kittle would like an extension before approving this contract, to do some more investigating in possible price reductions.

Moved by Kittle

RESOLVED: To delay action on the maintenance bid, by doing a month to month agreement, to allow Council time to have the workshop in March, where the food preparation and other areas of cost saving may be reviewed.

Mr. Marmion appreciated Mr. Kittles concern; however, the situation with food and beverage at the Vista Grille came about because of the health care reform. The food and beverage is a complimentary portion of the golf

course. In discussing the issue with Mr. Auger and Mr. Tanghe and if Fieldstone was not making a substantial profit, regardless of debt and depreciation, he would be happy to outsource all of the golf course if he thought the City could make more money. The golf course is in a very good position and is perceived well by the public, obviously seen based on the number of players and outings each year; Fieldstone is doing very good compared to many facilities. He noted the only similar facilities doing better, are those that have banquet facilities and host weddings.

Ms. Doyle stated she would support the motion, for a vote.

Seconded by Ms. Doyle.

Mr. McDaniel asked what the final date is that this bid must be approved to be effective; and if there would be time for Council to see the equipment and what Davey has to offer.

Mr. Auger stated it will be approximately \$520,000 for the next year, if done on a month-to-month basis. He continued, stating due diligence was done through the bid process.

Mr. Knight is against the motion, noting these points were raised in the November and December discussions and there was no objection to letting the bid. This is not the private sector and beating up on vendors to lower the cost isn't necessary, this bona-fide bid was received. Yes, it is possible there may be \$10,000 or so to be saved; however, the condition of the golf course has a great reputation.

VOTE: Yes: Kittle, Verbeke

No: Doyle, Hammond, Knight, McDaniel, McDonald

Motion Failed (2-5)

Resolution No. 13.02.022

Moved by Knight; Seconded by Doyle.

RESOLVED: To approve the five year Golf Course Maintenance Contract & Specifications for the City's Fieldstone Golf Course to Davey Golf Course Maintenance for years 2013-2017 as recommended by the Golf Course Manager, Gordon Marmion, for a sum not to exceed \$483,000.00 per year, totaling \$2,415,000.00 over five years maximum.

Mr. Kittle noted he was sure his motion wouldn't be approved; it was made from a principle standpoint. By the time this contract expires, the golf course bonds will be paid off and the golf course will be out of its initial debt. In his opinion this was the only opportunity for the City do some dissecting and look at the contract more objectively.

Mr. McDaniel believes the bidding process proceeded as it should have and is satisfied with the bid and will support the contract renewal.

Ms. Doyle commended Mr. Blackett for withstanding the difficulty questioning by Mr. Kittle; noting Mr. Kittle has expertise in evaluating these types of items, and believes it was a healthy discussion.

Mr. Blackett invited each Council Member to visit him at the golf course and see the work that is done.

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

No: Verbeke

Motion Carried (6-1)

Resolution No. 13.02.023

10. COMMENTS AND MOTIONS FROM COUNCIL

Mr. Kittle:

- Asked about the angle parking for the downtown area.

Ms. Doyle:

- She had the opportunity to ride along with a two different police officers last week and witness their professionalism in action, including a very interesting drug stop. One of the officers is very skilled in knowing what type of drug, an individual is on. She was pleased to see the treatment of those individuals who weren't acting appropriately and got themselves in trouble.

Mr. Knight:

- Hearing Dr. Heitsch from Avondale Schools speak regarding the partnership between Avondale Elementary School and Oakland University, and asked if Council may be interested inviting Dr. Heitsch to speak at a workshop.
- Would like to have everyone read the Oakland Press article that was in Sunday's Money or Business page regarding what is happening to well paid middle-class jobs, and how automation has affected those jobs. It is a real challenge and what will be happening in the future.

11. CITY ATTORNEY'S REPORT

- Responding to the open issues log regarding whether the City has the ability to require all contractors and sub-contractors working for the City to be legal U.S. residents. The Immigrant Reform and Control Act, a

federal law that states it is illegal for a business to hire a person unauthorized to work in the country, which would include an unauthorized alien. The federal act allows for a certain amount of preemption, meaning the federal government doesn't allow municipalities a lot of room to regulate it.

What the City can do with contracts for contractors and sub-contractors is provide a statement that states Federal Law prohibits any employee of a contractor or a sub-contractor from being an unauthorized alien. The City would have the ability to use the e-verification through the internet to determine whether or not there is an unauthorized alien. If there is an unauthorized person, it can then be reported to the Federal government.

Mr. Beckerleg stated he would submit his findings in a letter to Council.

12. CITY MANAGER'S REPORT

- Downtown businesses have asked the downtown revert back to angle parking. DPS has reported the cost will be approximately \$10,000.

Ms. Carroll has been meeting weekly with the downtown merchants, resulting in good discussions and suggestions. The parking was discussed during a few of those meetings, resulting in the parking request. There has also been input regarding the upcoming Summerfest; the meetings are fostering a better relationship with the City.

- The City received a \$200,000 grant from SEMCOG grant for the restructure of Squirrel Road; part of the Riverwalk Master Plan, dealing with everything in the right of way; the total cost of the project will be 400,000, with funds coming from other grants.
- The Michigan Local Government Managers Institute was last week, a regional effort that highlighted a lot of Auburn Hills. The conference was held at the Royal Park in Rochester Hills, with Auburn Hills hosting an event at the Palace. Dennis Mannion was the keynote speaker from the Pistons and the Palace, Brian Glowiac from Chrysler was another key-note speaker, as was Greg Kampe from Oakland University. The feedback after the conference was very positive with comments noting Auburn Hills played a cool role in making it one of the best conferences.

13. ADJOURNMENT

The meeting adjourned at 10:07 p.m.

James D. McDonald, Mayor

Terri Kowal, City Clerk

**CITY OF AUBURN HILLS
RESOLUTION 13.02.017
APPROVING AN INDUSTRIAL FACILITIES EXEMPTION CERTIFICATE
FOR RIGAKU INNOVATIVE TECHNOLOGIES, INC.**

At a regular meeting of the City Council of the City of Auburn Hills, Oakland County, Michigan, held in the Council Chamber at 1827 N. Squirrel Road, Auburn Hills MI 48326 on the **4th day of February, 2013**.

The following resolution was offered by Councilperson McDaniel and supported by Councilperson Knight:

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

WHEREAS, **Rigaku Innovative Technologies, Inc.** 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 **Cardell Corporation Industrial Development District**; and

WHEREAS, before acting on said application, the City Council of Auburn Hills held a hearing on the **4th day of February, 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 **August 23, 2012**, 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 **Cardell Corporation Industrial Development District**; to wit;

Legal Description

T3N, R10E, SEC 10 PART OF NE 1/4 BEG AT PT DIST S 00-24-50 W 831.88 FT FROM N 1/4 COR, TH N 63-50-58 E 685.27 FT, TH S 31-13-16 E 296.75 FT, TH ALG CURVE TO LEFT, RAD 606.50 FT, CHORD BEARS S 37-34-30 E 134.24 FT, DIST OF 134.52 FT, TH S 79-44-37 W 866.18 FT, TH N 00-24-50 E 212.38 FT TO BEG 5.38 A3-21-01 FR 014

This real property parcel is also identified as 02-14-10-200-021, having an address of 1900 Taylor Road, 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 **eight (8) years**, and the starting date for the certificate is **December 31, 2013** and the ending date is **December 30, 2021**.

4. The total project investment approved is **\$8,670,000**.

5. **Rigaku Innovative Technologies, Inc.** agrees to operate the facility for which the Industrial Facilities Exemption Certificate is granted for the term of the certificate, plus an additional **two years** after the date of the expiration.

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

NAYS: None

ABSENT: None

ABSTENTIONS: None

RESOLUTION 03.02.017 ADOPTED (7-0)

STATE OF MICHIGAN)

)SS

COUNTY OF OAKLAND)

I, the undersigned, the duly appointed City Clerk for the City of Auburn Hills, Oakland County, Michigan do hereby certify that the foregoing is a true and complete copy of a resolution adopted at a regular meeting of the Auburn Hills City Council held on the **4th day of February, 2013.**

IN WITNESS WHEREOF, I have hereunto affixed my official signature on this **5th day of February, 2013.**

Terri Kowal, City Clerk