



# The City of Auburn Hills

## City Council Meeting

### Minutes

March 19, 2012

**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  
**Absent:** None  
**Also Present:** Assistant City Manager Tanghe, Police Lt. Hardesty, Treasurer Buschmohle, City Clerk Kowal, City Assessors Bennett & Lohmeier, City Attorney Beckerleg, City Engineer Juidici, TIFA Chair Pat Hassett, TIFA Members Thornton, Ardelean and Dilland, Retired TIFA Chair Bennett  
8 Guests

#### 4. APPROVAL OF MINUTES

4a. Regular City Council Meeting – March 5, 2012

**Moved by Knight; Seconded by Hammond.**

**RESOLVED: To approve the March 5, 2012 Regular City Council Meeting with amendments as submitted and to include the City Clerk in the section 'Also Present'.**

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

**No: None**

**Motion carried (7-0)**

**RESOLUTION NO. 12.03.042**

#### 5. APPOINTMENTS & PRESENTATIONS

5a. Motion – Confirm Reappointment of Michael Napier to the Local Officials Compensation Commission for a term ending February 28, 2017.

(This portion verbatim)

*Mayor McDonald: Item 5, Appointments and Presentations. We have the reappointment of Michael Napier to the Local Officials Compensation Commission. Mr. Napier, I believe you're here. Please come up so everybody can see you, we have new people on City Council and they'd like to know who our citizens are who are volunteer their time that sits on various boards.*

*Mr. Napier: I'll give you a little short order on history. I've been in law enforcement for 39 years, a retired Pontiac police officer, currently work full time for the federal government, CDP, a federal officer for homeland security.*

*Mayor McDonald: That's great, that's great.*

*Mr. Napier: I've been on the compensation board for six years, eight years, it's been a long time.*

*Ms. Doyle: Mr. Mayor.*

*Mayor McDonald: Ms. Doyle.*

*Ms. Doyle: I had a couple of questions and concerns about this nomination, number one, my one question was how long you been on there, is it six, is it eight, how many you been on there? Do we know? This is an appointment for five more years, is that right?*

*Mayor McDonald: Yeah, they only meet in odd years, they meet within the five years they meet three times.*

*Ms. Doyle: Okay. And my other questions were, I see that we have a new form that I think is great in terms of asking for more background from people that are appointed to these boards and commissions and this says Resume for Appointments to City Board and Commissions and I look at it and to me this is an application. And what I'm really expecting from important appointments is a resume. And you know there is no real resume here. What I learned from looking at this is your references are your neighbors, you know three neighbors that live on the same street with you, I see that you're a college graduate, and that you've live in auburn Hills for a long time, and that I know nothing about your other work, besides the fact right now, I think you've been working for homeland security for about the last four years. I know nothing else about your background, that make you, brings some expertise to the question of compensation of public officials. So I'm really uncomfortable with the amount of information I have available here, right here to support this right now.*

*Mayor McDonald: Well Ms. Doyle, truthfully most citizens that serve on these boards when they come before any to serve on they do not have that expertise. I'm sure when you were appointed to the planning commission did you have expertise in the planning...*

*Ms. Doyle: No, but I went through training and I became a certified citizen planner, which I think is a good thing that we provide training. But I'm just saying he may be an excellent appointee, I'm just saying at this point for me to vote on this with the amount of information I have, I don't have enough for a five year appointment to a really important board.*

*Mayor McDonald: Council, any other questions.*

*Mr. Kittle: Mr. Mayor, have you served on any other boards, have you any interest in any other boards in the City? The one that seems like to me to match your skill set perfectly would be the public safety advisory committee.*

*Mr. Napier: It would be. I never applied for it, another Council person here at, there was another person already on it so they persuaded me to do this board instead of the commission and I've been on it ever since. I do work full time and one of the reasons I'm on the compensation board is because it meets probably less than any other board. The only other experience I would have is, I was a sergeant for Pontiac, had subordinates beneath me.*

*Mayor McDonald: Truthfully Mr. Napier, I'll say, you do have experience, you've been on it either six or eight years, whatever it may be.*

*Mr. Napier: I understand what you're saying.*

*Mayor McDonald: You get plenty of information prior to a meeting.*

*Mr. Napier: Yes.*

*Mayor McDonald: So, I'm going to say nobody on that board takes it lightly.*

*Mr. Napier: No, not at all.*

*Mayor McDonald: So I would say you do have that experience.*

*Mr. Napier: Yeah, being on this board I have.*

*Mr. Kittle: Mr. Mayor, may I ask a question? Mr. Napier other than the fact that that board meets not as regularly what would be your other interests as far as serving on that board, what draws you to wanting to continue to serve on that board?*

*Mr. Napier: Well I live in Auburn Hills, I love the community, I want to make sure that it's well represented and we appreciate the people that serve and Council people are very important as far as I'm concerned and to make sure they are fairly compensated for what they do.*

*Mr. McDaniel: Okay. The only concern I had was, I was actually at the last compensation meeting that was held in 2011 in which you had made a statement that was in strong support of maintaining a more lucrative benefits package for Council members than what our current city employees have. So because of that reason, I don't believe personally that providing better benefits to council members than what our current employees have I was not in favor of supporting this reappointment. I just wanted to let you know that.*

*Mr. Napier: Yes, I appreciate that.*

*Ms. Doyle: Mr. Mayor?*

*Mayor McDonald: Yes?*

*Ms. Doyle: The one other thing I guess, I'd like to add is I really feel strongly about continuing to get you know, get more people from our community serving on these boards and commissions. And Mr. Napier's been on here for either six years or eight years, to appoint him for five more years, would make 13 years, I'm not comfortable with that. There might be another board that would be great for you to serve on. I mean I'd love for you to serve but perhaps another one, but I'm not comfortable with this appointment.*

*Mayor McDonald: You're not comfortable with what, for what reason, because he served for six or eight years?*

*Ms. Doyle: Well, for the first reasons I said, is that I don't really have any background and what's on this application and I'd love to see his resume. You know you've been a professional working person for 39 years, didn't you say or 30 years, or I'm not sure all I know is*

*Mr. Napier: I've been working since I was 12 years old.*

*Ms. Doyle: Okay, there you go. Alright, but anyway I'd like to see your resume in addition to an application for people who come before us for appointments. And this is a five year appointment and so I would either vote against it or I would ask for it to be postponed.*

*Mayor McDonald: Anyone else?*

*Mr. Kittle: I would like to add just one more comment Mr. Mayor. I'd just like us to see us mix it up a little bit more. I mean we just appointed some new people to the Public Safety Advisory Committee and Mr. Napier*

*we certainly appreciate your service to the community and that. I just think there's better suited opportunities there potentially. And personally I'd like to see us mix it up and more breeding, cross training amongst the various boards, just like we do on Council.*

*Mayor McDonald: Do we?*

*Mr. Kittle: I can speak personally. We try to do on Council.*

*Mayor McDonald: I'd be open for a motion.*

*Ms. Hammond: Mr. Mayor?*

*Mayor McDonald: Ms. Hammond*

*Ms. Hammond: I'd like to confirm the Reappointment of Michael Napier to the Local Officials Compensation Commission for a term ending February 28, 2017.*

*Mayor McDonald: It's moved by Ms. Hammond. Do I have support?*

*Mr. Knight: Support.*

*Mayor McDonald: Supported by Mr. Knight. Further discussion? Then I guess we're ready to vote.*

*Ms. Kowal: Ms. Hammond?*

*Ms. Hammond: Yes*

*Ms. Kowal: Mr. Knight?*

*Mr. Knight: Yes*

*Ms. Kowal: Ms. Doyle?*

*Ms. Doyle: No*

*Ms. Kowal: Mr. Kittle?*

*Mr. Kittle: No*

*Ms. Kowal: Mr. McDaniel?*

*Mr. McDaniel: No*

*Ms. Kowal: Ms. Verbeke?*

*Ms. Verbeke: No*

*Ms. Kowal: Mayor McDonald?*

*Mayor McDonald: Yes*

*Ms. Kowal: Motion Fails 3-4*

*Mayor McDonald: Sorry Mr. Napier, it's obvious some people are...*

*Mr. Napier: It's okay, I don't have any hurt feelings about it.*

*Mayor McDonald: Thank you*

*Ms. Hammond: Thank you for your years of service*

*Mr. Napier: Okay, thank you.*

**Moved by Hammond; Seconded by Knight.**

**RESOLVED: To confirm the Reappointment of Michael Napier to the Local Officials Compensation Commission for a term ending February 28, 2017.**

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

**No: Doyle, Kittle, McDaniel, Verbeke**

**Motion FAILED (3-4)**

**RESOLUTION NO. 12.03.043**

## **6. PUBLIC COMMENT**

Kay Sendegas expressed her desire for Council to seriously consider some type of senior housing in the City. She suggested with the City purchasing property that they be on the lookout for property that might accommodate condo/cottage type senior housing. The American House and Presbyterian Village have cottage type housing for seniors. With the many seniors living in and supporting Auburn Hills, there is a need and many seniors would still prefer to live independently as opposed to living in a group situation. Auburn Hills has so much to offer, including colleges and student housing, the only link missing is senior housing.

Mr. Knight stated the suggestion has been taken seriously and there has been some discussion with Council and City staff.

## **7. CONSENT AGENDA**

Mr. Kittle requested Items 7b. and 7e. be removed from the Consent Agenda.

7a. Board and Commission Minutes

- 7a.1. Retiree Health Care Board – February 8, 2012
- 7a.2. Pension Board – February 8, 2012
- 7a.3. Tax Abatement Review Committee – February 13, 2012
- 7a.4. Tax Increment Finance Authority – March 13, 2012

7c. Motion – Approve Purchase of Rifle Sound Suppressors

**RESOLVED: To approve acceptance of the bid of Michigan Police Equipment Company of Charlotte Michigan for the purchase of suppressors as needed by the Auburn Hills Police Department and authorize the City Manager to convey acceptance by purchase order.**

7d. Motion – Approve Purchase of 17 Air Bottles – Self Contained Breathing Apparatus SCBA

**RESOLVED: To approve the purchase of 17 SCBA bottles by the Auburn Hills Fire Department at a cost of \$17,612.**

**Moved by McDaniel; Seconded by Verbeke.**

**RESOLVED: To approve the Consent Agenda Items 7a., 7c. and 7d.**

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

**No: None**

**Motion carried (7-0)**

**RESOLUTION NO. 12.03.044**

7b. Motion – Approve a request from Rochester Mills Production Brewery, LLC for a new Micro Brewer License

Mr. Kittle stated he removed this item from the Consent Agenda as the petitioner was here. He wanted to give him the opportunity to tell Council about the new plans.

Mike Plesz, owner, stated production should begin in two weeks. He is very happy to be in Auburn Hills and will be inviting City Council for a grand tour of the facility. This will be the third largest brewery system of this type in Michigan and hope to be the second largest brewing producer in Michigan within two years. He plans on staying in this facility long term.

There are plans to have an open house for the public as well as hosting a few charity events.

**Moved by Kittle; Seconded by McDaniel.**

**RESOLVED: To adopt the resolution approving the request from Rochester Mills Production Brewery, LLC for a new Micro Brewer License.**

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

**No: None**

**Motion carried (7-0)**

**RESOLUTION NO. 12.03.045**

7e. Motion – Approve Oakland County Tactical Training Consortium “OAK-TAC” Inter-local Agreement with the County of Oakland – Office of the Sheriff, City of Bloomfield Hills, City of Farmington Hills, City of Ferndale, City of Novi, City of Oak Park, City of Royal Oak, and City of Troy.

Mr. Kittle indicated he gets excited when seeing initiatives for inter-government cooperation, consolidations or collaborations and wanted to recognize this particular agreement and for that reason removed this from the Consent Agenda. He asked if Oakland County was leading this initiative and if more communities were able to join this group.

Lt. Hardesty stated there is a Board that oversees this consortium, though Oakland County has a large presence. And yes, there is hope that more communities will become involved in the consortium.

Mr. Kittle suggested this be added to the shared services data.

**Moved by Kittle; Seconded by McDaniel.**

**RESOLVED: To approve the Oakland County Tactical Training Consortium Inter-local Agreement and authorize the Chief of Police to sign the agreement.**

Ms. Doyle noted Pontiac was not listed among the participating communities and asked if that is because Oakland County Sherriff’s Department is now policing Pontiac.

Lt. Hardesty explained to the best of his knowledge, Pontiac is covered because Oakland County Sherriff’s Department is the policing agency, as they are in many other communities; however, he can’t speak on behalf of the City of Pontiac.

It was the understanding of Lt. Hardesty that the Oakland County Board of Commissioners approval would be needed for any communities in which the Oakland County Sheriff's Department does the policing.

Mr. McDaniel noted half of the equipment would be stored in Pontiac.

Lt. Hardesty confirmed half of the equipment would be stored in Pontiac and the other half in Troy.

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

**No: None**

**Motion carried (7-0)**

**RESOLUTION NO. 12.03.046**

## **8. OLD BUSINESS**

### **8a.1. Motion – Approve Liquor License Renewal for The Post Bar**

**Moved by McDaniel; Seconded by Verbeke.**

**RESOLVED: Based upon communication from the Oakland County Treasurer's office, and their attorneys, which states we cannot deny the renewal of the liquor license for Post Bar due to their having filed for bankruptcy, I move to approve the renewal of the liquor license for Post Bar.**

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

**No: None**

**Motion carried (7-0)**

**RESOLUTION NO. 12.03.047**

### **8a.2. Public Hearing/Motion – Oppose Renewal of Liquor License – Duffy's**

Mayor McDonald explained since the agenda was published, Duffy's has paid their fees, so a motion to approve the renewal is appropriate.

**Moved by Doyle; Seconded by Kittle.**

**RESOLVED: To approve the liquor license renewal for Duffy's Irish Pub.**

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

**No: None**

**Motion carried (7-0)**

**RESOLUTION NO. 12.03.048**

### **8b. Motion – Accept Recommendation of TIFA Board of Directors for Parking Structure Bid Proposal**

Mr. Tanghe recognized TIFA Chair Pat Hassett, TIFA Members Thornton and Dilland, Dennis Burt, President of Haussman Construction, construction manager, all in the audience.

The construction manager was selected a number of months ago and there have been a number of meetings since, discussing with staff and consultants the building design. The initial bid for the construction came in substantially higher, approximately \$1million more, than what is being asked now for approval. The funds will come from TIFA A district, for this scaled back building containing 233 parking spaces. The graduate student housing will be privately funded and developed by Mr. Burt.

This development is unique, because the parking structure isn't visible from Auburn Road, called "wrapped" construction. The parking is exposed on the west and south sides of the building; one side facing a City parking lot and the other Church's Lumber Yard. The apartments and retail space is approximately 100,000 square feet; 97 apartment units and 61,000 square foot retail space. In the cost saving effort, the top floor of the structure was removed as well as the basement and some of the architectural amenities were removed and/or replaced by less expensive alternatives such as replacing face brick with stamped concrete.

Looking at the renderings of the structure, the TIFA Board asked Mr. Burt if the pre-case concrete could have more architectural appeal than what's been proposed. Mr. Burt will present the TIFA Board in April with possible changes to improve the building's appearance, if affordable.

Mr. Tanghe stated there is an elevator in the structure. Also at the base of the building is stonework, similar to other stonework that identifies with the City.

The original budget for this project was \$4.5 million or \$4.6 million and is still a four floor parking structure even though the basement parking and the upper half-floor have been removed.

Mr. Burt confirmed for Mr. Kittle, that yes, technically another floor could be added to the top of the structure if needed; however, it would be cost prohibitive and also by removing the extra half-floor, the footings were lightened a bit.

Mr. Knight is concerned with having only one entrance off of Primary, when originally two entrances were proposed. He noted if there was a stalled car or an accident, it could lock up the garage.

Mr. Tanghe explained the west entrance on the original plan accessed directly into the basement level.

Responding to Mr. Knight, Mr. Tanghe explained this project has been approved by both the Planning Commission and City Council and tonight's request is approving the funding.

Mr. Knight noted approval is needed with all of the changes made to the building plans.

Mr. Tanghe explained the use is the same and the plan modified, but there were no major changes.

Mr. Knight disagreed, noting removing an entrance, eliminating the basement and the top half floor are major changes to the plan. He feels this is being rushed through, and he doesn't want any regrets.

Ms. Hammond didn't feel it is being rushed through; it's been a steady process. She did ask if approved, how soon before breaking ground.

Mr. Tanghe stated work will begin later this week or next week at the latest.

Mr. Tanghe confirmed for Ms. Doyle there is one entrance and one exit lane; it would be possible to direct traffic to one lane or the other if one were blocked.

Mr. Burt explained the pedestrian entrances are located on the southeast corner at Primary and Grey Roads where there is a stairwell and elevator shaft and the northwest entrance which is closer to Auburn Road.

In response to Ms. Verbeke, Mr. Tanghe explained the second vehicle access was removed because it directly accessed the basement level of the garage. The building could have been redesigned to include a second vehicle access; however, parking spaces would have been eliminated to accommodate the access.

Mr. Kittle stated he is a little unsettled with moving quickly forward and asked if there is confidence that once built there will be tenants.

Mr. Tanghe stated Mr. Burt has a long term relationship with the law school and the law school was the catalyst for this project; the idea of housing for their students. Oakland University was then included in the discussions; last fall OU had to house students in local hotels because of the lack of space. There have been a number of discussions with the housing staff at OU and the demand appears to be there for this type of product. When registering for school this fall, OU's website will include this as an option for on campus housing.

Mayor McDonald thanked the TIFA Board for their due diligence on this project.

**Moved by McDaniel; Seconded by Hammond.**

**RESOLVED: To accept the TIFA Board's recommendation and approve the bid proposal from Haussman Construction Company as Construction Manager, in the not-to-exceed amount of \$4,772,107.30 as found in the spreadsheet titled "Cost Summary", subject to authorized change orders, to build the downtown parking structure in accordance with the plans and specifications submitted, and the terms and conditions contained in the AIA-133 Standard Form of Agreement between Owner and Construction Manager as Constructor dated September 27, 2011. Furthermore, authorize the TIFA's Executive Director to execute an amended agreement containing the Cost Summary submitted by the Construction Manager and Architect, and subsequent change orders necessary to successfully complete the project. Funds for the project are available from TIFA District A, Account No. 251-000-975-000-35006.**

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

**No: None**

**Motion carried (7-0)**

**RESOLUTION NO. 12.03.049**

**8c. Motion – Approve Final Draft – Property Tax Incentive Policy**

Mr. Bennett noted the proposed Policy includes suggestions made by Council in the Preamble regarding the business communication and the window for special projects.

Mr. Knight had concerns and didn't feel he could support the 100% personal property portion if requested by a petitioner without any requirements or incentives. Mr. Kittle explained the property lease must be a longer period of time than the abatement; however, a company could break the lease and walk away and the City wouldn't have any opportunity to collect the taxes that were forgiven. He would like to see a statement in the policy requiring the company to remain for a certain number of years after the abatement has expired. He suggested a four year abatement require an additional two years staying at the facility, six year abatement an additional three years and eight years an additional four years.

Mayor McDonald asked Mr. Beckerleg if the personal property tax was being eliminated by the State. Mr. Beckerleg confirmed the state legislature is going in that direction and with the elimination the policy will need revising.

Mr. Beckerleg agreed with Mr. Knight that a signed abatement agreement is a binding contract; however, if the personal property tax is eliminated one could argue that there is no law, and therefore the contract would no longer be in force.

Mr. Kittle explained there are three tools, the 210, the PA 398 and the PA 328. The PA 398 and PA 328 both state that the applicants *may* be granted 100% so it would be at the Tax Abatement Review Committee's discretion.

Mr. Bennett stated the 100% abatement only applies to Public Act 328 which is a company that is receiving a MDEC grant; 99% of the businesses in Auburn Hills would not be eligible for that. IFEC's are 50%.

Regarding the personal property tax elimination, Mr. Bennett stated he had heard there would be a phase out, start with phasing out the older equipment first.

Mr. Bennett clarified PA 328 requires the personal property to be 100% exempt from taxes; however the duration is flexible.

Mr. Bennett explained the businesses are still required to meet the business residency requirements, as are the other plans. The businesses must stay the length of the exemption plus the two or four years depending on the number of years granted.

Ms. Doyle agreed with Mr. Knight's suggestion, it would lend some guidance for decisions.

Mr. Bennett read in part, *Section 6, Business Residency Requirements, As a condition of receiving an Industrial Facilities Exemption Certificate, a Commercial Rehab Exemption Certificate, or a PA 328 Exemption...is granted for the term of the certificate or exemption plus an additional term after the date of expiration...of up to eight years plus two years ...or over eight years plus four years.*

Mr. Bennett confirmed for Mr. Knight, the City is covered because of Section 6.

**Moved by Kittle; Seconded by McDaniel.**

**RESOLVED: To approve the City of Auburn Hills Property Tax Incentive Policy as presented.**

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

**No: None**

**Motion carried (7-0)**

**RESOLUTION NO. 12.03.050**

## **9. NEW BUSINESS**

### **9a. Motion – Public Hearing and Request to Approve IFEC – Teijin Advanced Composites America Inc.**

Mr. Bennett explained this is a newly incorporated company and new to Auburn Hills. They will be moving into an existing vacant building and investing \$6 million. The company will focus on developing new technology for structural automotive applications.

This property has been vacant for the past two years and is part of an IDD; therefore qualifies for an eight year abatement. A ten year lease on the property was signed, commencing on March 1, 2012. The taxes generated by the investment for eight years will be approximately \$162,000 including \$74,000 in City revenues. The tax savings to the company will also be \$162,000 over the eight year term of the abatement.

Continuing, Mr. Bennett stated this was approved for the eight year tax abatement by the Tax Review Committee, beginning December 31, 2012 and ending December 30, 2020.

*Mayor McDonald opened the public hearing opened at 8:10 p.m.*

Eric Haiss, a representative of the company explained Teijin Advanced Composites American, Inc., began last year. The parent company is Teijin, a \$10 million multi-industrial conglomerate with products in pharmaceuticals, home health care, specialty fibers such as carbon fiber, polyesters as well as resins and plastic materials. Teijin's headquarters, located in Japan, have over the last several years been developing new technology that allows carbon fiber, which is stronger and lighter than steel, to be used in mass production of automobile development applications. There has been a lot of interest from automotive OEM's regarding this technology.

Continuing, Mr. Haiss explained the current state of the art, as far as carbon fiber composites, is about a 20 to 30 minute cycle time to produce one part. That long cycle time almost makes it cost prohibitive to use these lightweight, strong materials for automotive applications. Teijin has developed technology that allows production of those parts in a one minute cycle time, which is on par with any mass produced process.

In December, a co-development agreement was signed with General Motors to develop Teijin's parts and process with GM's applications at the Harmon Road facility. Eventually there are hopes to work with other automotive companies as well as GM.

The intent is to hire 25 employees over the next four years, but that is conservative and things may move much faster.

Responding to Ms. Hammond, Mr. Haiss explained Teijin chose Auburn Hills after looking at approximately 100 facilities. The Harmon Road facility is a very good fit, with close proximity to General Motors and Auburn Hills is very business friendly.

Referencing the previous discussion about the tax abatement policy, Ms. Hammond asked Mr. Haiss if there were any concerns with the conditions of the policy. Mr. Haiss stated only one; Auburn Hills is much more severe than the State on the clawback issue.

Ms. Hammond explained Council has the discretion to amend the penalty for businesses not honoring the commitment of staying in the City after the abatement has expired or leaving prior to the expiration of the abatement.

Mr. Haiss noted the company hopes to purchase the building and have a long term relationship with Auburn Hills.

Ms. Verbeke asked Ms. Hammond for clarification on allowing a lesser amount of time.

Ms. Hammond explained Council has looked at on a case-by-case basis; sometimes there have been extenuating circumstances.

Neither Ms. Verbeke nor Mr. McDaniel recalled making changes.

Mr. Beckerleg suggested better terminology is the Council has the ability to decide whether to sue on the breach of contract or not.

Ms. Doyle clarified extenuating circumstances would be bankruptcy or the downturn in the economy and automotive industry as was witnessed recently, not because a company was transferring to another location.

Mr. Bennett stated it has only happened a few times and they have either paid back some of the money or the company has filed bankruptcy.

Mr. Beckerleg stated if a company files bankruptcy, there is no guarantee of any repayment.

*Hearing no further comments, Mayor McDonald closed the public hearing at 8:19 pm.*

Mr. Knight asked if there was some redundancy in number 3 and number 4 of the Agreement.

Mr. Beckerleg stated there was some, and he would contact Mr. Bennett to discuss.

**Moved by Kittle; Seconded by Doyle.**

**RESOLVED: To approve the request for an 8 year IFEC for Teijin Advanced Composites America Inc. for a total personal property investment of \$6,018,000 by adopting the attached resolution (Attachment A).**

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

**No: None**

**Motion carried (7-0)**

**RESOLUTION NO. 12.03.051**

## **10. COMMENTS AND MOTIONS FROM COUNCIL**

Mr. McDaniel:

- Asked Mr. Tanghe for confirmation that Oakland University has not backed out of supporting the housing project as many businesses downtown are talking about.

Mr. Tanghe confirmed he has heard nothing of the sort from Oakland University. He will ask the Vice President of Student Affairs when he meets with him tomorrow.

Mr. Kittle:

- Introduced a concept he has discussed with each Council member as well as Mr. Beckerleg and to move towards adopting a *zero tolerance employee policy*. The policy would primarily address any employee, full time, part-time, seasonal, sub-contractors, interns and elected officials from accepting any type of gift or gratuity or anything of value from City suppliers and service providers for goods or services. This type of policy is commonly used in the auto industry.

Mayor McDonald stated more discussion is needed with Council, Human Resources and Mr. Beckerleg before any action can be taken.

Mr. Kittle noted an article that shows Michigan ranks 43 out of 50 states in corruption as reported by the States Integrity Investigation Association. He is not insinuating the City has a problem today, but this would assure there wouldn't be a problem tomorrow. Auburn Hills could be the first community to introduce a zero tolerance policy, and he would like to discuss with Council.

Ms. Doyle stated she is willing to discuss a possible policy.

Mr. Knight appreciates Mr. Kittles' suggestion, and agrees it should be discussed possibly in a workshop session prior to a Council meeting.

Mr. McDaniel too agreed it makes sense for further discussion.

Mayor McDonald agreed it may be a good policy; however, he wants to make sure there is discussion and Human Resources is included in that discussion.

Mr. Kittle stated he doesn't want this topic on the Objectives and Goals agenda. He would like to see some action take place and asked how former Mayor McMillin was able to get a campaign disclosure ordinance approved. What is the process for moving something forward?

Mr. Beckerleg stated with direction from Council, Mr. McMillin instructed the drawing of an ordinance. The ordinance was adopted, but has since been repealed.

Ms. Doyle noted Mr. McMillin's ordinance addressed elected officials, whereas this policy would include elected officials as well as all City employees.

Mr. Tanghe said from an HR perspective, there is a policy in place although it's more broadly written; however, some of these concepts could be integrated into the current policy. Based on interaction with collective bargaining, when it comes to arbitrating there is little tolerance for zero tolerance. He suggests caution when proceeding with zero tolerance.

Mr. Kittle asked for a report possibly within 30 days, he doesn't want this topic to linger.

Ms. Doyle suggested checking with other communities as to what type of policies they have in place.

Mr. Tanghe suggested tightening up and including other definitions into the current policy.

Mr. Beckerleg noted Council also has a policy in place.

Mr. Kittle stated there is no other community in the country with a zero tolerance employee policy.

Mayor McDonald stated there will be a study session prior to the Council meeting, 6:00 p.m., at the first meeting in May.

Ms. Hammond:

- The skate park is open and very busy and is pleased to see the winter signs down and the spring ones up.

Ms. Doyle:

- Congratulated the fire department for a wonderful job on handling the large brush fire on Great Lakes Crossing and Joslyn Road.
- Re-enforces the point of senior housing with such a large number of baby-boomers in the area and what a great thing for the City to offer.
- Interested in the community garden that was mentioned in the TIFA minutes.

Mr. Tanghe stated it wouldn't happen this year because of the many considerations to explore. The Board will be studying the concept and make a recommendation of opening a community garden in the spring of 2013.

- What an excellent job TIFA and staff did on the downtown parking structure.

Ms. Verbeke:

- Thanked the fire department for the wonderful job they did with the major brush fire, but also wanted to recognize and thank the neighboring communities for their help, Waterford, Independence Township, Oakland Township, Rochester Hills, Orion Township.
- April 25, 2012 is the Boys and Girls Club Steak and Burger Dinner.

Mr. Knight:

- Suggested the community garden and dog park, if outside the TIFA district should be transferred to the parks department and they should be developing the idea.

Mr. Tanghe explained the property referred to is in a TIF district and other departments are invited to participate.

- His granddaughter graduated from OCC with a degree in computer design, and after being a contract employee for three months GM has hired her as a full time employee. He understands GM is desperately trying to hire employees with this type of background but is having difficulty. If GM can't find employees to fill these positions they may have to go overseas. He suggested that everybody pass the word to students looking for a career.

**11. CITY ATTORNEY'S REPORT** – none.

**12. ASSISTANT CITY MANAGER'S REPORT**

- Apologized for overlooking TIFA members Mike Ardelean and past Chair Clarence Bennett earlier, when recognizing the other TIFA members in the audience.
- Hopes Council is enjoying the pictures of the log cabin renovations that have been sent out on Flickr along with other City projects.
- After discussing the university center project with Avondale's Dr. Heitsch, Dr. Heitsch approached the Avondale Board and asked for additional money to help with the renovations of Stan's. The renovation would include both floors, with the virtual academy and the local college access network being on the second floor and classrooms on the main floor. The class rooms could be used by the local colleges to conduct classes. The potential is to have 300 to 400 students in the downtown on any given day during the week. That would have a major impact on the economy for the downtown. The school board is willing to contribute their entire amount that they have set aside in TIF District A for the project. The formality of an agreement with the school board is being wrapped up.
- Mayor McDonald asked about a date for the student housing.  
Mr. Tanghe explained they must get the building permits and work would likely begin next week.

**13. ADJOURNMENT**

Hearing no objections, the meeting adjourned at 8:47 pm.

---

James D. McDonald, Mayor

---

Terri Kowal, City Clerk

**CITY OF AUBURN HILLS  
RESOLUTION  
APPROVING AN INDUSTRIAL FACILITIES EXEMPTION CERTIFICATE  
FOR TEIJIN ADVANCED COMPOSITES 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 19th day of March, 2012.

The following resolution was offered by Councilperson Kittle and supported by Councilperson Doyle.

WHEREAS, pursuant to P.A. 198, 1974, M.C.L. 207.551 et seq., after a duly noticed public hearing held on the 5th day of May, 1986, the City of Auburn Hills, established an Industrial Development District, commonly referred to as the De Mattia Development Company Industrial Development District; and

WHEREAS, Teijin Advanced Composites America 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 within the De Mattia Development Company Industrial Development District; and

WHEREAS, before acting on said application, the City Council of Auburn Hills held a hearing on the 19th day of March, 2012 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 February 3, 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 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 facility on the following described parcel of real property situated within the De Mattia Development Company Industrial Development District to wit;**

**T3N, R10E, SEC 3 & 4 METRO NORTH TECHNOLOGY PARK PART OF LOT 24 BEG AT NW LOT COR, TH N 89-23-31 E 901.50 FT, TH S 00-36-29 E 579.83 FT, TH N 57-51-35 W 1071.87 FT TO BEG 11-13-91 FR 014**

**Parcel Identification Number: 02-14-04-426-016**

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

**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 30, 2012 and the ending date is December 30, 2020.**

**4. The total project investment approved is \$6,018,000.**

**5. Teijin Advanced Composites America 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: Doyle, Hammond, Kittle, Knight, McDaniel, McDonald, Verbeke

NAYS: None

ABSENT: None

ABSTENTIONS: None

RESOLUTION 12.03.051 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 19th day of March, 2012

IN WITNESS WHEREOF, I have hereunto affixed my official signature on this 20th day of March, 2012.

---

Terri Kowal, City Clerk