



# The City of Auburn Hills

## City Council Meeting

### Minutes

July 9, 2012

**CALL TO ORDER:** by Mayor McDonald at 5:30 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:** City Manager Auger, Assistant City Manager Tanghe, Director Olko, City Assessor Lohmeier, City Clerk Kowal, Community Development Director Cohen, Water Services Director Dave Harran, Community Relations Coordinator Stephanie Carroll, City Attorney Beckerleg, City Engineer Juidici, Library Director Stephanie McCoy, Planning Commissioner Chair Ouellette  
13 Guests

**Moved by Knight; Seconded by McDaniel.**

**RESOLVED: To recess to Executive Session to discuss Labor Negotiations and Litigation.**

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

**No: None**

**Motion carried (7-0)**

#### **RESOLUTION NO. 12.07.095**

Recess to Executive Session at 5:32 pm.

Return from Executive Session at 7:02 pm. Meeting reconvened in open session.

#### **4. APPROVAL OF MINUTES**

4a. Regular City Council Meeting – June 18, 2012

**Moved by Kittle; Seconded by Hammond.**

**RESOLVED: To approve the minutes of June 18, 2012 Regular City Council Meeting.**

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

**No: None**

**Motion carried (7-0)**

#### **RESOLUTION NO. 12.07.096**

**6. PUBLIC COMMENT – none.**

#### **7. CONSENT AGENDA**

*Item 7b. removed from the consent agenda by Mr. Kittle for discussion.*

7a. Board and Commission Minutes

7a.1. Planning Commission, May 29, 2012

7a.2. Tax Incentive Review Committee, June 11, 2012

7a.3. Planning Commission, June 26, 2012

**Moved by Doyle; Seconded by Verbeke.**

**RESOLVED: To approve the Consent Agenda Item 7a.**

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

**No: None**

**Motion carried (7-0)**

#### **RESOLUTION NO. 12.07.097**

7b. Motion – Approve Interlocal Agreement with the Charter Township of Orion / Emergency Water Main Connections

Mr. Kittle asked if this agreement is permanent and who will be paying for the connection.

Mr. Auger explained this will remain in effect for emergency situations and Orion Township is paying for the connection, there is no cost to Auburn Hills.

Mr. Kittle asked how Orion Township benefits from the connection once the initial setup is completed and the tank pressurized.

Mr. Harran explained it will be beneficial for both communities in the event there is a water main break, it will enable one main to be diverted to repair the break. And yes, in the event Auburn Hills lost water pressure, this water main would benefit the City as well.

Mr. Auger further explained, currently Orion Township has only one main, this will be Orion's secondary line.

**Moved by Kittle; Seconded by Knight.**

**RESOLVED: To approve the Emergency Water Main Connection Interlocal Agreement with the Charter Township of Orion.**

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

**No: None**

**Motion carried (7-0)**

**RESOLUTION NO. 12.07.098**

**8. OLD BUSINESS** – None.

**9. NEW BUSINESS**

9a. Public Hearing / Motion – Request to approve Industrial Development District for Magna Electronics

Mr. Lohmeier explained Magna Electronics has requested the City establish an industrial development district for the 10.10 acre parcel of property where two buildings are located. Magna Electronics occupies 2050 Auburn Road.

Mr. Lohmeier confirmed for Ms. Doyle that this building has been vacant for four or five years; it was previously occupied by Faurecia and used as an engineering building owned by Mr. Frankel.

*Mayor McDonald opened the public hearing at 7:10 p.m.*

Frank Ervin, Magna Electronics, Director of Government Affairs, explained this facility will be the USA Headquarters for Magna Electronics. Magna International is a \$27 billion organization and employs approximately 108,000 employees worldwide, with 8,000 employees in 23 manufacturing facilities located in Michigan. This facility will be used to accommodate the new ruling from the National Highway Traffic Safety Association which will required by 2016 that all cars made in the United States and weighing 10,000 pounds or less utilize a review camera system. Magna Electronics is the only American manufacturer to build back-up camera systems, which are built in Holly, Michigan. Because of the expansion, the market is expected to rise from 3.9 to 14.7 million cameras per year; a decision was made to establish a separate headquarters for Magna Electronics in Auburn Hills, which be the North American headquarters as well as the center for all Research and Development for electric and electronic vehicle parts for Magna worldwide.

Mr. Ervin explained this facility will be the headquarters and research and development, all manufacturing will be done at the Holly facility, which is undergoing an expansion of 60,000 sq. ft.

Responding to Ms. Doyle, Mr. Ervin explained if there is a need for further expansion, outside of Holly, it would most likely stay in Michigan. There is no intention to do manufacturing in China, but hopes to be exporting products to China. Mr. Ervin continued saying if and when the exporting begins there will be a need to increase the number of Holly employees from 300 to 400 or more. The Auburn Hills facility currently has 140 employees and will be increasing the workforce with an additional 100 to 150 employees.

Continuing, Mr. Ervin explained Magnum Electronics doesn't have anything to do with the navigational systems; their product is called the *Iris*, which is a driver's assistance system. There are a series of cameras, including one that has a bird's-eye-view that sees around the entire car. There are LED screens, but the important part of the system is the time it takes to alert the driver that there is something behind them. This camera alerts the driver within 500 mills a second.

*Mayor McDonald closed the public hearing at 7:19 p.m.*

**Moved by Knight; Seconded by Doyle.**

**RESOLVED: To approve the request to establish an Industrial Development District for Magna Electronics by adopting the attached resolution (Attachment A).**

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

**No: None**

**Motion carried (7-0)**

**RESOLUTION NO. 12.07.099**

9b. Public Hearing/Motion – Request to Approve Industrial Facilities Exemption Certificate for Magna Electronics

Mr. Lohmeier presented the request from Magna Electronics, who are asking for a \$3,407,977 tax abatement on new personal property located at 2050 Auburn Road. There is a signed seven-year lease and the request is for a five-year abatement. They are agreeing to stay an additional two years after the expiration of the abatement. The taxes generated by the investment for five years will be approximately \$60,600 including \$27,700 in City revenues; the tax savings to the company will also be equal to \$60,600 (50%).

Mr. Knight noted the IDD stated Magnum leased the building for five years.

Mr. Lohmeier assured Mr. Knight the lease is for seven years.

*Mayor McDonald opened the public hearing at 7:22 p.m.*

Mr. Ervin explained the five-year abatement request is based on the company's five-year business plan and also, Magna likes to be a good citizen and contributing their fair share. The investment they have made thus far in this building has been \$13.5 million.

*Mayor McDonald closed the public hearing at 7:24 p.m.*

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

**RESOLVED: To approve the request for a 5-year year IFEC for Magna Electronics, Inc. for a total personal property investment of \$3,407,977 by adopting the attached resolution (Attachment B).**

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

**No: None**

**Motion carried (7-0)**

**RESOLUTION NO. 12.07.100**

9c. Public Hearing/Motion – Request to approve transfer of Industrial Facilities Exemption Certificate for LXR Biotech

Mr. Lohmeier explained LXR Biotech is seeking an IFEC transfer from Plastics Plus.

*Mayor McDonald opened the public hearing at 7:25 p.m.*

William Oliver, General Counsel and John Lee, CFO, introduced themselves. Mr. Lee explained in November 2011, the company had only three employees in a small office in Waterford and has now grown to 18 employees. A manufacturing line is being installed with hopes of soon expanding. Mr. Lee explained his company is the competition for the 5-Hour Energy shots that are currently on the market. LXR Biotech will soon be launching their line nationally with Wal-Mart. Currently there are negotiations with Mexico, Canada, and Europe and large retailers throughout the United States.

Responding to Ms. Doyle, Mr. Lee explained the ingredients are basically water, caffeine, and vitamins and because each individual component of the product is already FDA approved the product does not require FDA approval.

Mr. Lee confirmed he has signed the building lease, which is a ten-year lease.

In response to Mr. Knight's suggestion of including Made in Auburn Hills, Mr. Oliver stated it is required to include on the labeling of where the product was bottled, so it will state Auburn Hills.

*Mayor McDonald closed the public hearing at 7:32 p.m.*

**Moved by Doyle; Seconded by McDaniel.**

**RESOLVED: To approve the request for transfer of IFEC 2004-593 to LXR Biotech, LLC by adopting the attached resolution (Attachment C).**

Mr. Kittle stated he struggles with unregulated consumables however, he does enjoy seeing a business succeed.

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

**No: None**

**Motion carried (7-0)**

**RESOLUTION NO. 12.07.101**

9d. Public Hearing/Motion – Request to approve extension of Industrial Facilities Exemption Certificate for LXR Biotech

Mr. Lohmeier explained Plastic Plus had an eight year tax abatement, the maximum then allowed. Since then Council has expanded the possibility of extending an eight year abatement to 12 years, providing the business remains in the building for an additional two years after the expiration. LXR Biotech is now asking for that four-year extension and has agreed to stay in the building an additional four years after the IFEC expiration.

*Mayor McDonald opened the public hearing at 7:35 p.m.*

Mr. Lee explained LXR Biotech is looking for a home and Auburn Hills is very appealing. Currently, bottling has been sub-contracted to a location in Brighton and they would like to bring that bottling to Auburn Hills.

Mr. Kittle, being a member of TIRC asked when this project had been discussed with the Tax Incentive Review Committee. Mr. Auger explained prior to this evening's Council meeting, there was a TIRC meeting and that is when discussion took place.

Mr. Lohmeier noted for clarification that transfers and extensions don't get reviewed or approved at the Tax Incentive Review Committee.

*Mayor McDonald closed the public hearing at 7:37 p.m.*

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

**RESOLVED: To approve the request for an additional four (4) years of abatement for LXR Biotech, LLC. and IFEC 2004-593 with the adoption of the attached resolution (Attachment D) with the condition that LXR Biotech, LLC., agrees to operate the facility for an additional four (4) years after expiration of the certificate beginning on 12/30/2016.**

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

**No: None**

**Motion carried (7-0)**

**RESOLUTION NO. 12.07.102**

9e. Motion – Approval of Site Plan/Plastics Plus, Inc

Mr. Cohen explained Plastics Plus wishes to build a 46,409 sq. ft. building next door to LXR Biotech, which is the building they previously occupied.

Mr. Knight noted the proposed building looks very plain and simple and a little pizzazz makes the neighborhood a little better.

Jim Reb, Reb Construction Services introduced himself as the contractor for this project, noting the building will be a duplicate of their previous building, with an additional 11,000 sq. ft. of warehouse area. He noted how pleased he was working with the Community Development Department staff, and how quickly the process is. He hopes with Council approval, they will be breaking ground this week.

Responding to Mr. Kittle, Mr. Reb stated the existing building is approximately 35,000 sq. ft. and the new building will be 46,000 sq. ft.

Roger Ziembra, President explained currently Plastics Plus is sharing space with LXR Biotech and has been using a warehouse for storage in located in Auburn Hills.

Ms. Doyle asked if the plan had always been for Plastics Plus to build on the adjacent lot.

Mr. Ziembra stated no, he wasn't sure if he would be able to construct the building he wanted on the site.

Mr. Knight had concerns with the loading docks and whether there would be an issue with large trucks.

Mr. Reb assured Mr. Knight there was sufficient space.

**Moved by Doyle; Seconded by Verbeke.**

**RESOLVED: To accept the Planning Commission's recommendation and approve the Site Plan for *Plastics Plus, Inc.* subject to staff and consultant conditions.**

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

**No: None**

**Motion carried (7-0)**

**RESOLUTION NO. 12.07.103**

9f. Motion – Receive and Place on File the Amendment to the City of Auburn Hills Master Land Use Plan / Auburn Road Corridor – West Side

Mr. Cohen welcomed Planning Commissioner Chair Ouellette to say a few words.

Mr. Ouellette asked Council, on behalf of the Planning Commission to accept the Master Plan. It has been reviewed by the City's border communities and accepted by Oakland County, noting it will be an outstanding fit for the community. Continuing, Mr. Ouellette explained though that section of Auburn Road is mostly residential homes, the zoning is Commercial. The primary change has been to rezone the Commercial back to Residential at the request of many of those residents. The Commercial zoning restricted many of the residents from improving, refinancing and/or selling their properties.

Responding to Ms. Doyle, Mr. Ouellette stated the turn-out of residents and the participation of those residents was unbelievable for the three meetings that were held; even a snowstorm didn't stop residents from attending the meeting. These residents want to stay where they are and have a sense of community.

Mr. Ouellette explained this will now be residential zoning. A new mixed zoning will be introduced into specific areas which could include commercial as well as residential, similar to that in the downtown area.

Mr. Knight asked if the Planning Commission would implement the rezoning once approved by Council.

Mr. Cohen explained once approved by Council, the Planning Commission will hold a public hearing August 14, 2012, and potentially bring to the next Council meeting. Mr. Cohen will be in contact with Mr. Beckerleg to determine how the rezoning will be broken up, with two or three rezoning requests.

Mr. Kittle asked about the possibility of bike lanes in the downtown, since downtown is being made to accommodate students and promoting a walkable community.

Mr. Juidici explained this topic was discussed at Planning Commission meetings and looking at the new legislation called Complete Streets. Bike lanes must be included in the entire master plan, to tie the entire City together; constructing a bike lane with it abruptly ending isn't a good plan. There are currently no plans to increase the road right-of-ways or the road width, which would be needed to create the bike lanes. There are some enhancements being considered for the next road project in the area, but nothing at this time.

Ms. Doyle asked in promoting the Complete Streets concept, what the difference is between a bike path and a bike lane, noting many bikers don't use the bike path. How can a city encourage biking, but not be burdened with a duplicate expense.

Mr. Juidici explained the basic definition of the complete street is a street that can accommodate all users, not just cars. It could include cars, bikes, walkers, transit, whether it be bus transit or mass transit. A complete street doesn't necessarily include a bike lane, it could be Squirrel Road that has walkways on both sides and SMART bus stops.

**Moved by Hammond; Seconded by Kittle.**

**RESOLVED: To receive and place on file the amendment to the City's Master Land Use Plan for the Auburn Road Corridor – West Side. The amendment was adopted by the Planning Commission on June 26, 2012.**

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

**No: None**

**Motion carried (7-0)**

**RESOLUTION NO. 12.07.104**

9g. Motion – Approve Renewal of Comcast Agreement

Ms. Carroll presented the Uniform Video Service Local Franchise Agreement renewal explaining there have been no changes to the agreement. The agreement has been reviewed by the City Attorney and the Council for the ICCA and is in order and ready for approval.

Responding to Mr. Kittle, Ms. Carroll explained a PEG, Public, Education and Government is the local government channel that airs the Council meetings which is offered by Comcast. Comcast gives the City 1% of each quarter's revenue to use strictly for local cable use. The percentage received is based on each community's number of subscribers. The franchise fee is 5% for any right-of-way disturbance, and the City has generally used those dollars for AV investments.

Mr. Kittle asked if there was any obligation from a competitive offer or restriction of trade.

Ms. Carroll stated there is not; in 2006 AT&T lobbied the legislature when they began their cable service, to have local franchise service language drawn up stating specifically that any cable company coming to a community cannot be discriminated against.

Mr. Kittle noted parts of the City has AT&T cable available; however, for a cable company to come into a city they must provide the infrastructure.

Ms. Carroll explained when a cable company approaches a community to bring in their product the community must guarantee there will be a certain number of subscribers. Ms. Carroll gave the example that many residents have asked why Rochester Hills has WOW and Auburn Hills does not. She explained based on the population of Auburn Hills compared to Rochester Hills, there aren't enough residents to subscribe to three cable companies.

Responding to Mr. Kittle's frustrations with not having many cable options, Ms. Carroll stated at the ICCA meetings she regularly attends, she always asks the WOW representative to take another look at Auburn Hills.

Ms. Carroll explained that the 1% PEG fee is only collected on the cable service, not the other portions of services cable companies offer such as telephone and internet services.

Ms. Doyle asked if these other fees could be negotiated in the agreement renewals.

Ms. Carroll stated she has lobbied to get the fee raised to 2%, as allowed by federal statute; but Comcast was not interested in discussing the matter.

Regarding public access to the cable equipment, Ms. Carroll explained the ICAA contracts the local cable programming through Community Media Networks. She includes information in the City's quarterly newspaper that residents have the opportunity to get training, because Auburn Hills is a paying member of the 11 community consortium. Ms. Carroll noted there are a number of residents who have taken the opportunity to go to the studio and learn enough to produce their own programming.

Responding to Mr. Knight, Ms. Carroll explained the fees are only collected from the cable companies, not from dish programming.

**Moved by Kittle; Seconded by Verbeke.**

**RESOLVED: To approve the Uniform Video Service Local Franchise Agreement with Comcast for a term of 10 years and authorize the Mayor and City Clerk to sign the agreement on behalf of the City.**

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

**No: None**

**Motion carried (7-0)**

**RESOLUTION NO. 12.07.105**

**10. COMMENTS AND MOTION FROM COUNCIL**

Ms. Hammond:

- Noted many times on the Meeting Schedule that it is not updated with cancellations and asked if the information was not reaching the Clerk's office.

Ms. Kowal stated when the Clerk's Office receives the information, the schedule is immediately updated.

- Summerfest was wonderful.

Mr. Kittle:

- Asked Council if they would be interested in having a workshop prior to every other meeting.

Mayor McDonald asked that Mr. Auger give Council the updated open issue log and a topic can be discussed at a study session prior to every other Council meeting.

Mr. Auger believed there would be a meeting once a month where Council would meet as a whole and discuss ongoing projects or to ask questions, or open discussion.

Mr. Kittle explained he would like these meetings to perpetuate communication between Council members and to discuss some of the workshop items.

Ms. Doyle asked for clarification that these meetings would be open meetings starting at 5:30 p.m., prior to the formal meeting starting at 7:00 p.m.

Mr. Kittle stated that was correct.

The majority of Council agreed to the meetings.

- Would like, as discussed was a list of workshop items to be prioritized for discussion prior to Council meetings.

Mr. Auger suggested that should be the first meeting.

Mr. Knight suggested determining whether the first or second meeting also be discussed at the first meeting.

It was decided the first meeting would be held August 13, 2012.

- Suggested the document created by Dr. Piskulich be refined and used, and maybe that could be a topic for a workshop meeting.

- Is Council interested in working towards a new ethics policy?

Mr. McDaniel suggested this also be a workshop discussion.

Mr. Kittle suggested all these items be added to the open issues list.

- The open issues log should be kept up-to-date.

Ms. Doyle:

- She agreed it will be good to have the early meeting once a month.

- Noted that Engine 3 is out of commission, with 88,000 miles and questioned if there is a determination of how many emergency vehicles are sent on a call.

Mr. Auger stated those issues are currently being investigated; however, safety must be a priority. He noted that dispatch has been working with fire and police to determine what and who is needed in any given situation.

- Asked Council if they were still interested in a Lunch and Learn with Plante Moran as suggested during the audit presentation.

- Questioned if the information she requested regarding how long Plante Moran has been the auditors for the City.

Mr. Auger understood Plante Moran has been doing the audits since 1975; however, six or seven years ago the City went out for bids. There are two other long term consultants, Secret Wardle and OHM and those can be reviewed when the term is up. The Plante Moran contract is up for renewal and there will be an RFP or RFQ once the Finance department is done with the budget.

Ms. Doyle is in favor of new audit eyes looking at the City's financials and processes.

Mr. Knight would like the report to not be so complicated.

Mr. Kittle would like a list of all the extended contracts, anyone that is getting more than a year or two contract. The history of extended contracts would be good information to have possibly including when they started, last time it was renewed, competitively bid, and the current status.

Mr. McDaniel asked Director Olko if Chief Burmeister as quoted in the newspaper was correct in stating the fire department's response time to the Lake Angelus fire was eight minutes.

Director Olko explained she wasn't sure how long it took, but understood the fire was not called in right away; the homeowners tried putting the fire out by themselves.

Ms. Verbeke:

- Talking with a firefighter over the weekend, he stated the department's response time is generally about four minutes, not the eight minutes as reported in the paper.
- Asked how Friday's concert at the Palace went.  
Director Olko stated it went very well, with larger than expected traffic crush earlier in the day on south bound I-75. Next year it will be dealt with differently. She doesn't have a crowd estimate yet, but the Palace felt the event was very successful. There were a few medical emergencies, but there were no real problems or complaints.
- Congratulated Ms. Kowal on her new appointment as the Regional Director of the National Institute of Municipal Clerks.
- Spoke with Ms. Sendegas and was informed Ordinance Enforcement Officer Darge has been out to the golf dome, and nothing has changed yet after talking with the new owners.
- Asked for an update on the directional signs on the pavement at Joslyn and southbound I-75.  
Mr. Auger isn't sure how it is going, but will get an update.  
Mr. McDaniel asked for an update on the golf dome.

Mr. Knight:

- Heard accolades from an acquaintance of what a wonderful appraiser Mr. Lohmeier is and the many people that too, respect Mr. Lohmeier's advice.
- The downtown clock isn't working and hasn't been on time for at least three months.
- Was assured by Director Olko that water was available for the Lake Angelus fire, not as reported in the paper that water wasn't available.
- Chuckled when he read Independence Township meetings run until midnight. He thanked staff for providing enough information that the City's Council meetings don't last that long. He also noted care should be taken to submit correct packet information.
- Appreciated the community support for the car show at the Summerfest.
- Noted the City will be celebrating its 30<sup>th</sup> Anniversary and suggested instead of the December 31<sup>st</sup> date, that a special Friday night concert in the park be held.
- Asked with more bikers riding in the street, is it allowed or should they be riding on the pathway.  
Mr. Auger stated bikes are allowed in the roadway and must obey all traffic laws as stated in the Motor Vehicle Code.  
Director Olko added the riders must be to the far left of a lane, they are not allowed to use an entire lane.
- Would like the Open Issues Log to list the completed items at the bottom and open items at the top, with a comments column noting completed, in process, to do; he isn't in favor of the color coding.
- After talking with Director Olko, we, the City, should be prepared to purchase two new fire trucks; one to replace the retired truck and the other a specialty truck.

**CITY ATTORNEY'S REPORT** – none.

**CITY MANAGER'S REPORT**

- Regarding the Auburn Hills Golf Center at 141 S. Opdyke Road, Mr. Cohen met with the owners earlier today and discussed the issues the City has on file, dating back to 1984, including the 2004 complaints and report with Council's recommendation of revoking the Special Land Use permit; the owner was not aware of all the issues. Mr. Cohen verified short distance balls are being used, there are repairs all along the net, there is a new tear from the high winds that the owners are aware of, five golf lanes have been shut down that are angled. The owners are being very responsive, including a golf ranger posted during the busy hours.

**ADJOURNMENT**

Hearing no objections, the meeting adjourned at 8:37 pm.

**CITY OF AUBURN HILLS  
RESOLUTION  
ESTABLISHING A INDUSTRIAL DEVELOPMENT DISTRICT  
FOR MAGNA ELECTRONICS**

At a meeting of the City Council held on the **9th day of July, 2012** at the City Council Chambers at 1827 N. Squirrel Rd., Auburn Hills MI 48326

It was moved by Council Member Knight and supported by Council Member Doyle.

WHEREAS, Act 198 of the Public Acts of 1974, as amended, authorizes the City Council of Auburn Hills to establish an Industrial Development District; and

WHEREAS, Magna Electronics, Inc. has petitioned this City Council to establish an Industrial Development District on the property herein described; and

WHEREAS, construction, acquisition, alteration, or installation of a proposed facility within the district has not commenced as of this date of the filing of the request to establish the district; and

WHEREAS, the City Council of the City of Auburn Hills, has given written notice by certified mail to the owners of real property within the proposed Industrial Development District and to the public by newspaper advertisement in the Oakland Press, and public posting of the hearing on the establishment of the proposed district; and

WHEREAS, a public hearing was held on **July 9, 2012** at which all of the owners of real property within the proposed Industrial Development District and all residents and taxpayers of Auburn Hills were afforded an opportunity to be heard; and

WHEREAS, the City Council deems it to be in the best interest of the City of Auburn Hills to establish the Industrial Development District as proposed;

NOW, THEREFORE, BE IT RESOLVED by the City Council of Auburn Hills that the following described parcel of land situated in the City of Auburn Hills, County of Oakland, State of Michigan, to wit:

Parcel identification: 02-14-35-101-013

Legal description: T3N, R10E, SEC 35 PART OF NW 1/4 BEG AT PT DIST S 00-49-23 E 1855.02 FT & S 72-49-00 E 18.84 FT & N 00-34-24 E 1128.39 FT FROM NW SEC COR, TH N 00-34-24 E 13.99 FT, TH S 89-26-32 E 10 FT, TH N 00-34-24 E 200 FT, TH N 89-26-32 W 10 FT, TH N 00-34-24 E 277.48 FT, TH N 46-01-26 E 252.54 FT, TH S 88-31-32 E 490.90 FT, TH S 00-24-00 E 670.45 FT, TH N 88-38-06 W 682.26 FT TO BEG 10.10 A

be and here is established as a Industrial Development District pursuant to the provisions of Act 198 of the Public Acts of 1974 to be known as the **Magna Electronics Industrial Development District**.

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

**NAYS: None**

**ABSENT: None**

**ABSTENTIONS: None**

**RESOLUTION 12.07. 99 ADOPTED (7-0)**

STATE OF MICHIGAN)

) SS

COUNTY OF OAKLAND)

I, the undersigned, the duly qualified and appointed City Clerk of the City of Auburn Hills, Oakland County, Michigan do hereby certify that the foregoing is a true and complete copy of a resolution adopted at a regular meeting of the City Council held on the **9th day of July, 2012**, the original of which is on file in my office.

IN WITNESS WHEREOF, I have hereunto affixed my official signature on this 17th day of July 2012.

\_\_\_\_\_  
Terri Kowal, City Clerk



**CITY OF AUBURN HILLS  
RESOLUTION  
APPROVING AN INDUSTRIAL FACILITIES EXEMPTION CERTIFICATE  
FOR MAGNA ELECTRONICS, 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 **9th day of July, 2012**.

The following resolution was offered by Councilperson Knight and supported by Councilperson Verbeke.

WHEREAS, pursuant to P.A. 198, 1974, M.C.L. 207.551 et seq., after a duly noticed public hearing held on the **July 9, 2012**, the City of Auburn Hills, established an Industrial Development District, commonly referred to as the **Magna Electronics Industrial Development District**; and

WHEREAS, **Magna Electronics, Inc.** has filed an application for an Industrial Facility Exemption Certificate with the Clerk of the City of Auburn Hills with respect to proposed new **personal property** to be acquired and installed within the **Magna Electronics Industrial Development District**; and

WHEREAS, before acting on said application, the City Council of Auburn Hills held a hearing on the **9th, of July 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 **May 11, 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 **Magna Electronics Industrial Development District**; to wit;

Legal Description

T3N, R10E, SEC 35 PART OF NW 1/4 BEG AT PT DIST S 00-49-23 E 1855.02 FT & S 72-49-00 E 18.84 FT & N 00-34-24 E 1128.39 FT FROM NW SEC COR, TH N 00-34-24 E 13.99 FT, TH S 89-26-32 E 10 FT, TH N 00-34-24 E 200 FT, TH N 89-26-32 W 10 FT, TH N 00-34-24 E 277.48 FT, TH N 46-01-26 E 252.54 FT, TH S 88-31-32 E 490.90 FT, TH S 00-24-00 E 670.45 FT, TH N 88-38-06 W 682.26 FT TO BEG 10.10 A

Also Known as parcel identification Number-02-14-35-101-013, having an address of 2050 Auburn Road, Auburn Hills, MI 48326

is hereby approved.

3. The Industrial Facilities Exemption Certificate shall remain in force and effect for a period of **five years**, and the starting date for the certificate is **December 30, 2012** and the ending date is **December 30, 2017**.
4. The total project investment approved is **\$3,407,977**.
5. Magna Electronics, 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, Knight, McDaniel, Verbeke  
**NAYS:** None  
**ABSENT:** None  
**ABSTENTIONS:** None

**RESOLUTION 12.07.100 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 **9<sup>th</sup> day of July, 2012.**

IN WITNESS WHEREOF, I have hereunto affixed my official signature on this 17th day of July, 2012.

\_\_\_\_\_  
Terri Kowal, City Clerk

**CITY OF AUBURN HILLS  
RESOLUTION  
APPROVING A TRANSFER  
OF AN INDUSTRIAL FACILITIES EXEMPTION CERTIFICATE  
2004-593  
FOR LXR BIOTECH, LLC**

At a regular meeting of the City Council of the City of Auburn Hills, Oakland County, Michigan, held in the Council Chambers at 1827 N. Squirrel Road, Auburn Hills MI 48326 at 7:00 p.m. on the **9<sup>th</sup> day of July, 2012**.

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

WHEREAS, Industrial Facility Exemption Certificate for 4225 N. Atlantic Blvd. was approved by the State Tax Commission for a period of 8 years with an ending date of December 30, 2012, and

WHEREAS, **LXR Biotech, LLC** has leased the facility at 4225 N. Atlantic Blvd., and has requested that the City of Auburn Hills approve a transfer of the real property portion of Industrial Facility Exemption Certificate **2004-593**, and

WHEREAS, the Clerk has notified in writing the Assessor of the City of Auburn Hills and the legislative body of each taxing unit which levies ad valorem property tax within the City of Auburn Hills

and given notice to the general public so that they shall be afforded an opportunity to be heard at this public hearing to determine whether the transfer of the Industrial Facilities Exemption Certificate shall be approved or disapproved; and

WHEREAS, said public hearing having been held on the **9<sup>th</sup> day of July, 2012** at a regularly scheduled meeting; and

WHEREAS, comments on the transfer of the Industrial Facilities Exemption Certificate were heard and considered; and

WHEREAS, it is hereby found and determined by the City of Auburn Hills Council that the transfer of the real property portions of Industrial Facility Exemption Certificate **2004-593** to **LXR Biotech, LLC** is proper under the provisions of Public Act 198, of 1974 as amended, and the granting of the transfer considered together with the aggregate amounts of other tax abatements granted will not impair the financial soundness of the tax units, and

NOW, THEREFORE, BE IT RESOLVED that the application for transfer of the real property portions of Industrial Facilities Exemption Certificate **2004-593** to **LXR Biotech, LLC** is hereby approved.

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

**NAYS: None**

**ABSENT: None**

**ABSTENTIONS: None**

**RESOLUTION 12.07.101 ADOPTED (7-0)**

STATE OF MICHIGAN)

) SS

COUNTY OF OAKLAND)

I, the undersigned, the duly qualified and appointed Clerk of the City of Auburn Hills, Oakland County, Michigan do hereby certify that the foregoing is a true and complete copy of a resolution adopted at a regular meeting of the City Council held on the **9<sup>th</sup> day of July, 2012** the original of which is on file in my office.

IN WITNESS WHEREOF, I have hereunto affixed my official signature on this 17th day of July, 2012.

\_\_\_\_\_  
Terri Kowal, City Clerk

**RESOLUTION  
APPROVING ADDITIONAL YEARS  
FOR THE FACILITY  
UNDER INDUSTRIAL FACILITIES EXEMPTION CERTIFICATE  
2004-593 for LXR BIOTECH, LLC.**

At a regular meeting of the City Council of the City of Auburn Hills, Oakland County, Michigan, held in the Council Chambers at 1827 N. Squirrel Road, Auburn Hills MI 48326 at 7:00 p.m. on the **9<sup>th</sup> day of July, 2012.**

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

WHEREAS, the City of Auburn Hills and the State Tax Commission approved an Industrial Facility Exemption Certificate in the year **2004 for Plastics Plus** for a facility located at **4225 N. Atlantic Blvd.**, and

WHEREAS, on **July 9, 2012** the City of Auburn Hills approved the transfer of Industrial Facility Exemption Certificate 2004-593 to LXR Biotech, LLC, and

WHEREAS, the certificate, known as Industrial Facility Exemption Certificate **2004-593** , was approved for 8 years for real property, and

WHEREAS, **LXR Biotech, LLC.** has requested that another certificate be granted for additional years for the facility under Industrial Facility Exemption Certificate **2004-593** as provided by Public Act 198, of 1974, Sec 16a, and

WHEREAS, it is hereby found and determined by the City of Auburn Hills Council that the granting of another certificate for the facility previously approved under Industrial Facility Exemption Certificate **2004-593** is reasonable and proper, and

**NOW, THEREFORE, BE IT RESOLVED that the request for another certificate to extend the years approved under Industrial Facilities Exemption Certificate 2004-593 for real property only for the facility located at 4225 N. Atlantic Blvd. is hereby approved, and**

**That another certificate be granted to extend the years approved under Industrial Facility Exemption Certificate 2004-593 for an additional four (4) years for real property, and**

That **LXR Biotech, LLC.** hereby agrees to occupy and operate the facility approved for the new Industrial Facility Exemption Certificate and located at **4225 N. Atlantic Blvd. for an additional four (4) years beginning on 12/30/2016.**

The clerk shall send an original copy of this resolution to the State Tax Commission.

- AYES: Mayor McDonald, Mayor Pro Tem Hammond, Council Members Doyle, Knight, McDaniel, Verbeke**
- NAYS: None**
- ABSENT: None**
- ABSTENTIONS: None**

**RESOLUTION 12.07.102 ADOPTED (7-0)**

STATE OF MICHIGAN)

)SS

COUNTY OF OAKLAND)

I, the undersigned, the duly qualified and appointed Clerk of the City of Auburn Hills, Oakland County, Michigan do hereby certify that the foregoing is a true and complete copy of a resolution adopted at a regular meeting of the City Council held on the **9<sup>th</sup> day of July, 2012** the original of which is on file in my office.

IN WITNESS WHEREOF, I have hereunto affixed my official signature on this 17h day of July, 2012.

\_\_\_\_\_  
Terri Kowal, City Clerk