



The City of Auburn Hills

City Council Meeting

Minutes

April 21, 2014

CALL TO ORDER: by Mayor McDaniel at 7:00 p.m.

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

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

Absent: None

Also Present: City Manager Auger, Assistant City Manager Tanghe, Director Olko, Deputy Director/Police Hardesty, DPW Director Melchert, DPW Deputy Directors Grice & Herczeg, Director of Community Development Cohen, City Assessor Lohmeier, City Clerk Kowal, Senior Director Adcock, Public Utilities Manager Michling, City Attorney Beckerleg, City Engineer Juidici

Guests 38

4. APPROVAL OF MINUTES

4a. Regular City Council – April 7, 2014

Moved by Verbeke; Seconded by Mitchell.

RESOLVED: To approve the April 7, 2014 City Council meeting minutes.

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

No: None

Motion Carried (7-0)

Resolution No. 14.04.071

4b. City Council Workshop – April 7, 2014

Moved by Mitchell; Seconded by Verbeke.

RESOLVED: To approve the April 7, 2014 City Council Workshop minutes.

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

No: None

Motion Carried (7-0)

Resolution No. 14.04.072

5. APPOINTMENTS AND PRESENTATIONS

5a. Presentation - LED Street Light Conversion Program

Mr. Grice explained the DPW has been working with the Energy Reduction Coalition (ERC) for approximately a year to determine if Auburn Hills would be a good candidate for the new funding available for converting street lights to LED lights. The ERC is a Michigan non-profit corporation whose mission is more rapid implementation of energy efficient technologies. The ERC provides the up-front funding for the conversion to energy efficient technology for communities who don't either have the capital for these types of improvements or for communities who are using capital for higher priority items, such as a bridge over I-75.

Michael McClear, ERC Vice President of Business Development explained his corporation sells a process, not products. The ERC works with a number of coalition partners in the industry, such as end users, manufacturers, installation contractors, financial partners who help fund the projects, lightening designers, product engineers, and specialists. Their mission is to facilitate more widely adopted programs of energy efficient technologies. To accomplish their mission, they have developed a lighting conversion program, enabling municipalities and other organizations to immediately convert their lights to energy efficient LEDs and permanently reduce the lighting expenses, while incurring no upfront costs, no risks, or long-term commitments. The lighting costs are guaranteed by ERC to decrease by 20% in the first year and grow to a 60% savings over the life of the program. The ERC bears the entire cost of the conversion process, with three distinct phases; the pre-conversion process, the conversion – installation of the lights, and the ongoing maintenance for the life of the program. Each phase is carefully followed and verified.

There are approximately 961 lights the City owns that could be converted to this program. Based on the City's data, the City currently spends approximately \$240,000 annually on street lighting; \$175,000 in energy use, \$45,000 in maintenance and \$15,000 in lamp supplies and disposal. In the first year, ERC would save the City approximately \$4,600 in energy costs. After conversion, it is estimated the cost of energy to the City would be less than \$70,000, so the payment to the ERC would be net. At the end of the 15th year of the program, assuming all costs stay stable, the cost reduction rate for the City would be 60%; a little better than \$140,000, with a payment to the ERC of \$24,000.

If the City wishes to terminate the contract, the City can buy ERC out for the total cost of the installation or the lights may be returned to ERC. There is a clause explaining that the lights must be kept through the first year, a review period, and then can be terminated with a one-year notice.

Mr. Knight asked for clarification of the converted cost of energy.

Mr. McClear explained the City's payment to the ERC is the difference between what was originally being paid, prior to the LED replacements and the new amount because of the LED lighting.

Mr. McClear confirmed for Ms. Hammond it is possible to do different sections of the City at intervals.

Ms. Hammond noted if the installation takes places, the ERC would dispose of the current lighting when installing the new. If the City wished to terminate the contract and return the LED lighting, the previous equipment being discarded a new purchase would be required.

Mr. McClear stated the removed equipment could be give to the City for storage.

Mr. Grice confirmed the cost includes disposal, but keeping the current equipment and storing at the DPW it was discussed.

Ms. Mitchell asked if the City solely funded the project, the cost to the City would be \$800,000.

Mr. Grice confirmed that is correct; there are three options, the ERC program, sole funding, or continue slowly replacing fixtures as is currently being done. Thus far, the City has replaced over 100 lights with LED lighting, with budgeted money and plans to continue replacing more this year. The return on investment of the City solely funding the project would be approximately 4.9 years, which is typical. DTE also has a program and will convert their lights to LED. The downtown decorative lights are slowly being converted, as they fail.

6. PUBLIC COMMENT

Stephanie Carroll introduced Shylah Petkus, the new Community Promotions Coordinator.

Shylah Petkus, noted she received her bachelor degree from the College of Creative Studies in Detroit, and furthered her education at Schoolcraft College. She started her career in magazine editorial design, proceeding to event planning coordination design; she believes her prior experience lends her to this position. Over the next year, she hopes to learn the integral workings of the City.

Mayor McDaniel on behalf of City Council welcomed Ms. Petkus.

Ms. Carroll noted she placed at each Council Member's seat information regarding the 2013 Holiday Extravaganza Parade. She and Mayor McDaniel attended a leadership breakfast with leaders from Pontiac, Waterford and White Lake, moving the planning process forward; some portions of the parade may be revamped. The parade date will be December 6, 2014. Seven years ago when Auburn Hills became involved with the parade there were approximately 4,000 attendees; as of last year the number has increased to over 15,000 attendees.

Robert Townsend, 3461 Squirrel Court, and has lived there for 31 years. In 1989 the streets in the neighborhood were paved and his neighbor's property was raised and he has been battling the results ever since. Over the years he has tried working with both the City and his neighbors, with little positive results. He has photos available if Council wishes to see the pictures.

Mayor McDaniel noted he heard from the City Manager's office regarding this situation, and asked Mr. Townsend if he had met with any City staff.

Mr. Townsend stated City Manager Auger went to the property and saw the situation. The neighbor ran a pipe to carry the water, but it wasn't installed correctly.

Mayor McDaniel asked Mr. Townsend to leave copies of the photos with Mr. Auger and staff will discuss the situation and see if there is something that can be done by the City, or it may be a civil matter that the City has no control over.

Mr. Townsend stated he had the City's Nuisance Ordinance and believes the neighbor may be in violation.

Mayor McDaniel stated someone at the City will be in contact.

George Luenberger remarked, looking at the City's website, he noted all of the businesses located in Auburn Hills; technology parks, retail, entertainment, manufacturing, world headquarters, and international corporations. It was an interesting time as the growth began because the ordinances and master plans didn't support the types of businesses that were being proposed. So with those proposals master plans and ordinances were changed, to meet the new ideas. He wanted to share the past and note that it is good for a city to be adaptable to changes.

Mr. Knight explained the City has continually changed the zoning ordinance and the requirements as the City has evolved. The master land use plan was established in 1974 or 1975, with predominately residential, non-residential and

undevelopable land and has changed very little since that time. It has been the zoning ordinance that has evolved to keep up with the changes.

Dawn DeRose, visiting at 3778 Tienken Road, stated donations are needed to help keep the bomber plant from WWII from being raised, through the Yankee Air Museum and Willow Run Airport.

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.

Mr. Burmeister removed 7a.3., Tax Incentive Review Committee meeting minutes; Mr. Knight requested 7b., Council Meeting Cancellation to be removed from the Consent Agenda.

7a. Board and Commission Minutes

- 7a.1. Tax Increment Finance Authority – April 8, 2014
- 7a.2. Planning Commission – April 10, 2014

Moved by Verbeke; Seconded by Hammond.

RESOLVED: To approve Consent Agenda Items 7a.1 and 7a.2.

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

No: None

Motion Carried (7-0)

Resolution No. 14.04.073

7a.3. Tax Incentive Review Committee – April 14, 2014

Mr. Burmeister noted the amount in Mr. Iacobelli's motion should be corrected to \$11,609,678 in the minutes.

Moved by Burmeister; Seconded by Verbeke.

RESOLVED: To approve the Tax Incentive Review Committee corrected minutes.

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

No: None

Motion Carried (7-0)

Resolution No. 14.04.074

7b. Motion – Approve Cancellation of May 5, 2014 City Council Meeting and Workshop

Mayor McDaniel noted he requested this item be placed on the agenda, explaining the May 5, 2014 Council meeting conflicts with some of the Council Members, including himself and Mayor Pro Tem Kittle who both will be out of town. The Charter notes two Council meetings held each month; however, there is a scheduled joint-Council meeting with Rochester Hills, which will be the second Council meeting for the month. Continuing, Mayor McDaniel stated he didn't want staff to prepare agenda items for a meeting, when there likely wouldn't be a Council quorum.

Mr. Knight never recalls the cancellation of a Council meeting and was surprised to see the request on the agenda. He believes City Council Members should arrange their schedules to not conflict with Council meetings. If there is no business to be taken care of, then it would be okay, but if there would be a quorum he would prefer to hold the meeting.

Mayor McDaniel assured Mr. Knight, after checking with Mr. Auger, that there is no business that is time sensitive. It doesn't seem right to have the staff, not knowing if there will be a quorum, to hold the meeting. There is also an expense involved of paying the staff to stay and then no quorum to hold the meeting.

Mr. Knight asked who the other Members are that won't be present at the meeting, noting two previous Mayor Pro Tems currently on Council are able to run a meeting.

Mayor McDaniel noted the workshop will be moved to the May 19th meeting.

Ms. Mitchell believes Council Members do prioritize their schedules to accommodate the Council meetings, but sometimes there may be a conflict, such as this time. She supports cancelling this meeting, noting a second Council meeting is the joint meeting to be held with Rochester Hills.

Mayor McDaniel agreed, Council Members do prioritize and plan for the meetings, however, Council Members have families, things come up unexpectedly, emergencies require out of town travel, and rather than share Council Members personal business, he requested the meeting be canceled.

Mr. Knight believes there are five Council Members that will be present at the May 5th meeting, and the meeting should not be canceled.

Moved by Mitchell; Seconded by Kittle.

RESOLVED: To approve the Cancellation of the May 5, 2014 City Council Meeting and workshop.

Responding to Mayor Pro Tem Kittle, Mayor McDaniel stated the joint meeting will be held May 12, 2014. Joint business will be conducted and discussing joint collaborations with Rochester Hills. All meetings are open to the public.

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

No: Hammond, Knight

Motion Carried (5-2)

Resolution No. 14.04.075

8. OLD BUSINESS

8a. Public Hearing/Motion – Approve Vacation of a Portion of Lonedale Road Right-of-Way (ROW)

Mr. Melchert noted the Lonedale Road Right-of-Way (ROW) being considered for vacation is tied to the acquisition of property on the north side of Butler Road for the extension of the ROW of an additional 34 feet. The Lonedale Road vacation is also tied to an agreement with Oakland University (OU) to connect the extension of Library Drive to North Squirrel Drive on the east side at Cross Creek Parkway. Oakland University is reviewing the agreement that was drafted by City Attorney Beckerleg, and is not ready for Council's review at this time.

Mr. Melchert noted the public hearing could continue as posted, but no City Council action recommended at this time.

Referring to the drawing, Mr. Knight sees the portion of the ROW to be vacated, but asked about the remainder of the road that extends to the house and if that road is private or public.

Mr. Melchert believes that portion of the road is statutory right-of-way. The property owners to the north and south would maintain ownership.

Mr. Beckerleg explained the only portion of the road the City has the right to vacate is the portion from Squirrel Road to Library Drive.

Mr. Knight believed the City maintained the road all the way to the east end of the property.

Mr. Beckerleg noted after meetings with all the stakeholders, it was not determined that Lonedale Road is a City owned road. The property owner will still have access, via Library Drive, to Squirrel Road and that is part of the agreement.

Responding to Mr. Burmeister, Mr. Melchert explained Library Drive will extend as far south as Cross Creek and then westward to Squirrel Road.

Mayor McDaniel opened the public hearing at 7:57 p.m. and hearing no comment, closed the public hearing at 7:57 p.m.

No action taken.

8b. Motion – Approve the purchase of Rapidview/IBAK Sewer Televising/Inspection System and Ford E450 Cab and Chassis

Mr. Herczeg explained this is a televising system for the sewer inspection camera and also ties in with the grant program presented to Council this past fall. The resolution approved last October by Council was to pursue a Storm Water Asset Management and Wastewater Grant (SAW). Auburn Hills is the recipient of \$1.9M SAW Grant from the Michigan Department of Environmental Quality (MDEQ).

This new system will replace the old system that was purchased in 2007. The request is to purchase the IBAK camera System, through the National Intergovernmental Purchasing Alliance Cooperative.

Mr. Herczeg explained the program allows for equipment and employee wage reimbursement for services, meaning the work the sewer televising crew does will be reimbursed by the SAW Grant.

Ms. Mitchell asked how frequently the sewer inspections are done.

Mr. Michling stated the equipment will be used daily, if possible, from approximately March through December for the next three years.

Mr. Herczeg stated the reimbursement is based on approximately 1208 hours per year; or 42 weeks at 30 hours per week.

Mr. Herczeg explained the bidding process; a coalition was formed and headed by Rochester Hills Purchasing Agents, and included some other communities. The bid is let and the evaluation committee determines from the received bids, which bid is the most qualified bid, and that company is chosen as the National Intergovernmental Purchasing Alliance Cooperative (NIPAC).

Mr. Kittle asked what will become of the old equipment that is currently being used and if there is any trade-in value or if it could be passed on to another community.

Mr. Michling stated the intention is to sell the equipment on the MITN website.

Mr. Kittle noted the equipment cost is \$243,714.90 and the grant is \$278,476.80, less 25% match funds equaling \$208,857.60, and asked if this total amount included the equipment, hourly rate, and the manpower associated with the work.

Mr. Michling stated the amount is only for the equipment rental costs.

Mr. Michling confirmed for Mr. Kittle the amount of time currently spent to examine the sewer system will be the same or possibly a little more with the new equipment.

Mr. Kittle asked if the recently purchased vector is also eligible with this SAW grant.

Mr. Michling confirmed it is.

Mr. Knight noted he has seen how this type of machinery is used and is very pleased with results and suggested if given the chance, other Council Members should see the demonstration.

Moved by Knight; Seconded by Burmeister.

RESOLVED: To approve the purchase of (1) Rapidview/IBAK Camera System from the Jack Doheny Companies for \$243,714.90 to be paid from Fleet Budget GL # 661-442-977-000.

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

No: None

Motion Carried (7-0)

Resolution No. 14.04.076

8c. Motion – Approval of Construction Engineering Services for Featherstone Road Concrete Overlay and Water Main Replacement

Mr. Herczeg explained this is the continuation of the overlay and water main replacement, scope of engineering services.

Mr. Kittle asked how Featherstone Road ranked in priority for road projects in comparison with other City roads.

Mr. Juidici explained Auburn Hills has an ongoing five year road maintenance plan; all the roads in the community are evaluated as part of the Federal Aid Eligible Roads program. The eligible roads are evaluated to determine which road is the best candidate to receive funding. Throughout the process, Featherstone Road rose to the top. With Featherstone receiving funding for the work, it frees up City funds for other construction projects. Continuing, Mr. Juidici explained the road seems to be fine when driving, but there is significant joint damage done to the road. The overlay will cap the road and seal it off; this preventative maintenance will protect the road for many years. If Featherstone remains as is, the joint damage will continue, resulting in significant reconstruction costs at a later date.

Mr. Kittle asked with the new calculated cost, which increased the cost to the City by \$500,000 more than originally estimated, does the grant amount remain the same.

Mr. Juidici explained the original grant amount was \$1.6 million, and \$400,000 more was added to the grant; the maximum amount the City could receive for this project. Mr. Juidici clarified, the additional \$400,000 has been calculated into the equation and the project is still approximately \$550,000 shy.

Mr. Knight noted the new project cost is \$5.72 million, and he isn't sure it is such a good deal. The sewer work is being done because the road work is being done, not that the sewer is necessary.

Mr. Auger stated the \$900,000 cost overrun is an unanticipated cost. Construction costs are up all over the state, mainly due to a major construction company falling out of the running because of the large project in Detroit. The smaller companies are now fighting for all the other work. This project has been in the works for the last two and a half or three years, and the closer to the actual work, the more accurate the amounts. With the proposed overlay, it will be much less expensive than having to tear out the entire road and reconstruct it and should last another 20 years with ongoing maintenance. The secondary portion of the project is replacing the 40 to 50 year old pipes and new pipes are needed to get an adequate water supply to Opdyke Road.

Mr. Juidici explained the water main component is about \$2.5 million of a \$6 million project. The water infrastructure is on the to-do plan; the water main is a smaller size and an older asbestos cement type of material. It is a critical piece of water main infrastructure; if let alone and it breaks, it will have a great impact on the City.

Mr. Kittle asked if there was any way to cut some of the costs of the project.

Mr. Juidici noted MDOT had just released the bids tabs and officially awarded the low bidder this morning. OHM will sit down with the contractor and see if there is any way to cut costs and still meet the specifications of the long term product.

Mr. Knight understands the reasoning of this project, but notes there are other roads that need work and construction costs are going to continue to rise. Over the next five years, there may not be the funds available to do other projects.

Mr. Auger noted over the last five years, the City has deferred many projects, anticipating large projects that need to be done. Over the next three years, there are large infrastructure projects that will cost in the millions of dollars. The money has been building over the last several years, so the projects could be completed. The numbers for this project arrived late this afternoon, and the cost is more than anticipated, however, staff is already reviewing projects that may be able to be put off for another year, to allow for those funds to support this project's overrun.

Mr. Kittle believes one of the best investments the City has made is the small milling machine that allows small spot road repair. The ability for the City to do small patchwork will be very beneficial especially this year, with all the road damage from this winter.

Moved by Verbeke; Seconded by Hammond.

RESOLVED: To approve the Scope of Construction Engineering Services provided by OHM for the not exceed amount of \$497,000.00 and the material testing services estimate provided by Testing Engineering and Consultants, Inc. for \$80,000.00. Also, to accept the approval of the TIFA Board of Director's to fund the concrete overlay portion of the project. Funding distribution of \$198,000.00 (construction services) and \$36,000.00 (testing) from Water GL 592-526-977.001-FSTONWTRMAIN; \$109,340.00 (construction services)

and \$17,600.00 (testing) from TIFA B GL 252-736-973.000-14STP-GRANT; \$188,860.00 (construction services) and \$30,400.00 (testing) from TIFA D GL 253-737-973.000-14STP-GRANT.

Ms. Mitchell asked if this project does not move forward this evening, then when would Featherstone be updated, what would happen.

Mr. Auger explained the road will continue to deteriorate to a point where the road would have to be totally reconstructed; removing all the concrete and beginning the road from the base up, which is much more costly than this proposed project. This project is capping the road, which will keep water from deteriorating the base of the road, giving the road another 20 years.

Ms. Mitchell asked if there was any idea of which projects may be delayed because of the additional costs of Featherstone.

Mr. Auger stated it has been narrowed down to either a project in the south end of the City or one in the north end. The continued review includes the TIF district, and water fund, to determine where the actual money will come from. The projects being considered can last another year; neither has gone out for bid yet.

Ms. Mitchell asked if it can be determined when an overlay for Featherstone is no longer possible.

Mr. Juidici stated it is difficult to predict, but if there are more winters like this one, it will be within a few years. Continuing, Mr. Juidici understands it is an expensive project, \$6 million, explaining there is no federal funding available for the water main project, but the road portion cost of the project is \$3.7 million, with \$2 million of federal funding. On the water main portion of the project, the City will take advantage of economy of scale, taking a \$2 million project; if we were to do the water main project as a standalone project the cost would be significantly higher – 30% to 40%.

Mayor McDaniel asked how many years has this Featherstone project been deferred.

Mr. Juidici believes the project was originally slated for 2012; it was deferred because of the availability of the federal funding for 2014.

Mr. Kittle questioned what economy of savings there would be with the water main reconstruct.

Mr. Juidici stated the new water main will be on the south side of the road, the current water main is on the north side of the road, and a portion runs beneath the road. To replace the water main, the portion of the road, where the piping lies, would be removed and then replaced. There would be piece mill sections, and at different time the road would be closed one half at a time, there would be staging, traffic control, mobilization of equipment; the economy of scale wouldn't be had because equipment wouldn't be on site, it would only be available at different times for each section of the project.

Mr. Juidici confirmed for Mr. Kittle, if it is necessary to access the water main, portions of the road would have to be removed especially because of all the feeds.

Mayor McDaniel understood the road work will be almost a 50-50 match between the federal funding and the City, and the water main would cost more to do as an alone project rather than in conjunction with the road work.

Mr. Juidici stated that is correct.

Mr. Knight stated he will support this, provided he has the assurance that this project will not jeopardize any work for the University / I-75 bridge.

Mr. Auger assured Mr. Knight the Featherstone project is completely separate from the University/I-75 bridge project and will have no impact on moving forward with the bridge. Mr. Auger wants to remind everyone of the water main break a few years ago on Featherstone which resulted in closing the road, while the water main was fixed as well as the concrete beneath the road that was affected by the water main break.

Mr. Kittle noted the asbestos cement pipe carrying water will no longer be in use.

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

No: None

Motion Carried (7-0)

Resolution No. 14.04.077

9. NEW BUSINESS

9a. Public Hearing/Motion – Approve request by Shannon Precision Fastener, LLC for approval of IFEC for new personal property at 4425 Purks Road

Mr. Lohmeier noted there are six agenda items all related to this company, Shannon Precision Fastener, LLC. He introduced two financial officers, Jerry Bendert and Ed Boccaccio, who represent the company.

This application is for new personal property, located at 4425 Purks Road, that was purchased in December 2013, and at that time the company started installing some personal property. The company asked the TIRC for forgiveness for starting the project prior to submitting an application and is asking the same from City Council. The application does not include any real property; the personal property investment is \$11,609,678.

The company will be occupying a new building, therefore there will be no jobs retained at this location, however, there will be a creation of 20 new jobs. The company owns the real property and will be applying for eight year abatement. The

company has signed the Tax Abatement Agreement, which requires the company to remain in the City for an additional two years after the expiration of the tax abatement. This company has no other abatements in the City.

If this abatement is granted for the eight year maximum, the potential property tax savings for the applicant will be approximately \$285,000. The company will receive approximately \$37,000 in total savings in the first year and because of additional investments the second year the savings will increase to approximately 48,000. There will be a reduced saving each year as the personal property depreciates according to the state multipliers.

As a result of this investment the City will receive additional revenues of approximately \$143,700, with approximately \$18,000 the first year and \$24,000 the second year and reduced each year thereafter as the personal property depreciates.

Mr. Lohmeier noted, the tax savings and additional tax revenue estimates are subject to change depending on Michigan's August 2014 public vote; if the legislation passes, personal property will be exempt beginning in 2016.

There are no pending appeals for this property or with the applicant. The Tax Incentive Review Committee recommends approval for this application as well as City staff based on the policy.

Mr. Kittle asked Mr. Lohmeier for a brief summation of the remaining agenda items pertaining to Shannon Precision Fastener; the first request being for new equipment and the others for transfers.

Mr. Lohmeier stated the first request is for new personal property and the other five applications are for existing used machinery that will be installed at the Purks Road facility. Because the five are each approved as individual exemption certificates, each must be approved / denied as individual agenda items. All five are related to machinery and equipment to be installed at the facility within the same two-year period.

Mr. Lohmeier confirmed for Mr. Knight all the equipment transfers were abatements given by Madison Heights. There will be some equipment left at the Madison Heights location which will continue to receive those abatements, and the equipment being transferred to Auburn Hills is seeking the same abatement to be transferred with that equipment. Each application transfer has different expiration years, some as soon as next year. With the possible new legislation each transfer will have a new sunset period.

Mr. Kittle asked for clarification regarding the estimated savings for the new equipment.

Mr. Lohmeier explained the \$143,700 is what the City will collect over the life of the certificate. The personal property will be installed in two stages, so there will be an incremental amount this year and another incremental amount next year. The remaining six years will be another amount, which diminishes after the second year because of depreciation.

Mayor McDaniel opened the public hearing at 8:36 p.m.

Jerry Bendert, Treasurer and Chief Financial Officer for Shannon Precision Fasteners and Ed Boccaccio, Controller for Shannon Precision Fasteners, introduced themselves.

Mr. Bendert explained the company has been located in Madison Heights since 2004 and is happy to be expanding into Auburn Hills. The company will not be leaving Madison Heights, the company needed additional room to further grow the company and to accommodate the growth in sales. It has taken nine months for the company to find a suitable facility, which is this location on Purks Road in Auburn Hills. The difficulty in finding a facility was the need of 100,000 square feet and 22 foot high ceilings, near the I-75 corridor. The intent is to break the company into sections, one making smaller fasteners and the other, making larger fasteners. The larger fasteners need larger machines, and that will be moved to the Auburn Hills location. There will be approximately 20 cold headers installed, over the next five years.

It has been a pleasure to work with the City thus far, and he has received assistance when needed, especially from Laurie Renaud and Micheal Lohmeier. Both have been extremely helpful, and the company is very thankful.

Mr. Kittle asked why the installation of equipment began before the application was made.

Mr. Bendert explained he has worked with Madison Heights and Grand Blanc, and neither had the requirements of filing the application before moving the equipment in, so he was unfamiliar with the Auburn Hills policy. The other reason, because of the growth of the company they needed to move on getting the machinery made, which has a very long lead time to manufacture.

Mr. Kittle asked if the 198 is a City or State policy.

Mr. Lohmeier stated the State allows the City to go back six months from the date of allocation, providing the district already exists. The City policy requires the abatement be applied for prior to the installation of equipment; however the policy also allows at the discretion of City Council to waive the penalty of installation of personal property or construction of real estate prior to an application being made.

Mayor McDaniel closed the public hearing at 8:42 p.m.

Moved by Burmeister; Seconded by Knight.

RESOLVED: To approve the request for an 8-year IFEC pertaining to new personal property for Shannon Precision Fastener, LLC with a personal property investment of \$11,609,678 by adopting the attached resolution (Attachment A).

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

No: None

Motion Carried (7-0)

Resolution No. 14.04.078

9b. Public Hearing/Motion – Approve request by Shannon Precision Fastener, LLC for approval of transfer of IFEC 2004-373 to 4425 Purks Road from Madison Heights

Mr. Lohmeier noted this is a request to transfer part of the IFEC to Auburn Hills from Madison Heights. The company will receive approximately \$2,800 in total savings and the City will receive additional revenues totaling approximately \$1,200; the certificate expires in 2015. Due to existing personal property legislature, subject to the August 2014 vote, the property would become exempt.

Mr. Lohmeier confirmed for Mr. Knight, the two year residency requirement has been included for each application.

Mr. Kittle asked if the \$1,330,000 is the depreciated value of the equipment as of today and the amount has been verified.

Mr. Lohmeier stated that is the original installation costs that are applied to the multipliers, and why the incremental amount of revenue is smaller than the other application.

Mayor McDaniel opened the public hearing at 8:45 p.m.

Mr. Bendert explained with each of the transfer abatements is for machinery that was previously purchased and is being moved to the Auburn Hills location. The larger machinery will be backfilled with smaller machinery that is being transferred; there will also be additional new equipment purchases.

Mayor McDaniel closed the public hearing at 8:46 p.m.

Ms. Hammond doesn't recall a transfer from another City and asked if the other City had to sign off on the transfer.

Mr. Lohmeier stated no.

Moved by Knight; Seconded by Verbeke.

RESOLVED: To approve the request for a transfer of IFEC 2004-373 for Shannon Precision Fastener LLC by adopting the attached resolution (Attachment B).

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

No: Kittle

Motion Carried (6-1)

Resolution No. 14.04.079

9c. Public Hearing/Motion – Approve request by Shannon Precision Fastener, LLC for approval of transfer of IFEC 2005-565 to 4425 Purks Road from Madison Heights

Mr. Lohmeier stated this is another transfer and he will answer any questions.

Mayor McDaniel opened the public hearing at 8:47 p.m. and hearing no comments closed the public hearing at 8:47 p.m.

Moved by Verbeke; Seconded by Burmeister.

RESOLVED: To approve the request for a transfer of IFEC 2005-565 for Shannon Precision Fastener LLC by adopting the attached resolution (Attachment C).

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

No: Kittle

Motion Carried (6-1)

Resolution No. 14.04.080

9d. Public Hearing/Motion – Approve request by Shannon Precision Fastener, LLC for approval of transfer of IFEC 2011-251 to 4425 Purks Road from Madison Heights

Mr. Lohmeier stated this is another transfer and will remain on the tax rolls until 2021.

Mr. Kittle asked if the amounts are based on the new PPT tax law.

Mr. Lohmeier stated the amounts are based on the existing tax law; if the changes are approved in August, the City will lose the total taxable incremental revenue.

Mayor McDaniel opened the public hearing at 8:49 p.m. and hearing no comments closed the public hearing at 8:49 p.m.

Moved by Knight; Seconded by Mitchell.

RESOLVED: To approve the request for a transfer of IFEC 2011-251 for Shannon Precision Fastener, LLC by adopting the attached resolution (Attachment D).

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

No: None

Motion Carried (7-0)

Resolution No. 14.04.081

9e. Public Hearing/Motion – Approve request by Shannon Precision Fastener, LLC for approval of transfer of IFEC 2013-213 to 4425 Purks Road from Madison Heights

Mr. Lohmeier stated this is another transfer and he will answer any questions.

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

Moved by Knight; Seconded by Hammond.

RESOLVED: To approve the request for a transfer of IFEC 2013-213 for Shannon Precision Fastener, LLC by adopting the attached resolution (Attachment E).

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

No: Kittle

Motion Carried (6-1)

Resolution No. 14.04.082

9f. Public Hearing/Motion – Approve request by Shannon Precision Fastener, LLC for approval of transfer of IFEC 2013-217 to 4425 Purks Road from Madison Heights

Mr. Lohmeier stated this is another transfer and he will answer any questions.

Mayor McDaniel opened the public hearing at 8:52 p.m. and hearing no comments closed the public hearing at 8:52 p.m.

Moved by Hammond; Seconded by Mitchell.

RESOLVED: To approve the request for a transfer of IFEC 2013-217 for Shannon Precision Fastener, LLC by adopting the attached resolution (Attachment F).

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

No: None

Motion Carried (7-0)

Resolution No. 14.04.083

9g. Motion – Approve Contract with BAIR Analytics for Full-Time Data/Crime Analyst

Deputy Director Hardesty explained funding for a full-time data/crime analyst was approved in the 2014 police budget. During the search for a qualified analyst, staff was contacted by BAIR Analytics who proposed providing Auburn Hills a full-time analyst as a contract employee as opposed to the City hiring their own employee.

BAIR Analytics is a small intelligence, behavioral, and crime analysis company, based in Colorado. This company provides contract personnel and analysis services for federal, state, and local government agencies and also sells software programs for data analysis.

Under the terms of the proposed contract, BAIR Analytics would provide a full-time analyst that will be embedded at the Police Department. The contracting advantages are: the analyst will be fully trained to meet the City's qualifications on day one; the contract employee will be provided with analysis software and a computer workstation; back-up support in the absence of the analyst; if the analyst provided does not work out, another candidate will be provided.

The cost is comparable, and in speaking with many of their references, BAIR is a very reputable company. The analysts are able to receive clearance, up to top secret clearance, working with the FBI.

Ms. Verbeke didn't recall approving a crime analyst in the budget and asked where it is located and under what name.

Deputy Director Hardesty said it would be listed under the staffing section of the budget as Crime Data Analyst.

Ms. Verbeke isn't sure this is a needed position and asked to be convinced.

Deputy Director Hardesty explained the data that was submitted for the evaluation of medical services, was compiled by an analyst who volunteered at the Police Department prior to accepting a job with the federal government. These analysts have master degrees specifically in crime and data analysis. The analysts look at crime, traffic crashes, fire department runs, medical runs, how many people are at any one particular location in the City, or when; all this is analyzed to provide City services in a better and smarter way. This also provides better intelligence on what is being done. The analysis can be broken down further, such as four cars are broken into, which two cars were broken into by this group because of the way it was done and the specific items that were taken, and following through, that there were two released from prison recently who in the past did identical type break-ins. All the information ties together.

The Midwest has been slower in using crime analysis; long time proponents are on both the east and west coasts and the south, and now it is coming to Michigan and Oakland County. This is a project he has personally been pushing for the last few years, he believes this will help the Department to determine how many officers are needed to provide the best possible police service and least expensively. An analyst will be able to constantly evaluate the needs and services.

Mr. Knight asked if the analyst would be a local person.

Deputy Director Hardesty explained University of Detroit and Michigan State University both have master level crime analysis programs. Prior to finding BAIR, the person that was being considered grew up in Sterling Heights, has a master degree from Michigan and is an analyst for Baltimore, Maryland. She would like to come back to Michigan to work. BAIR has already looked at her resume and has interviewed her, and feels she is an absolute candidate for the job.

The one drawback might be with such a new small company, people may be transferring to other locations.

Mr. Burmeister asked if this was reviewed by the Public Safety Advisory Committee.

Deputy Director Hardesty stated it was not, because the position was already approved in the budget.

Deputy Director Hardesty clarified that there are no other communities in Michigan that he is aware of that use BAIR, but do have analysts. He has spoken with communities outside of Michigan that use the services BAIR provides such as

Sacramento, California, communities in Colorado, and others out west. Recently, Troy hired an analyst as has Oakland County. Other communities are also looking into hiring analysts, but not through BAIR. There was a community in South Dakota that he spoke with that is smaller than Auburn Hills.

Director Olko explained predictive policing is becoming the new trend, trying to use limited resources in a more effective way. This person can help determine where the trends are. The Department already has access to the kind of software the analysts use, through the CLEMIS program. The Department would need the person to utilize the software and predict live, on time, data to determine where to put the police to have the best impact.

Ms. Mitchell thanked the Police Department for all the detail given to Council. She understands this may be new to Michigan and be beneficial from an analytical standpoint; however, she isn't sure it is best to hire the person through a contractual service. She sees a contractual employee where there is a great cost savings or it is a short term assignment. Those issues don't seem to be pertinent in this case. She would agree with Mr. Knight, and would like to see someone who is invested in the community. That is the only concern she has with this plan.

Deputy Director Hardesty is not opposed to hiring a full time person, but he recognizes that sometimes we can make mistakes with hiring. With this plan, we can see how this person works out and at the end of the year decide whether or not to keep them. If you hire someone full time, they may be here for a long time, and could be more costly in the end. Another benefit to using BAIR is that they use different software than our current CLEMIS, which will then give us one more source to have to gather information.

Ms. Mitchell inquired as to whether he is aware of what kind of software the person being considered is using currently. Mr. Hardesty replied that they don't use CLEMIS, but use a similar product. They would be trained for a week in Colorado to learn CLEMIS, and then we would get free training here to make sure they are qualified.

Mr. Knight stated that he understands that sometimes contract workers are hired full time after being contracted for a while. Mr. Hardesty responded that there is a clause that we could not hire the person full time for a year after the contract ends.

Mayor McDaniel asked how this changed from hiring a person to hiring a company, as there doesn't appear to be a cost savings. Deputy Director Hardesty replied that when we advertised to hire for this position, BAIR sent information about their company. We had not hired anyone yet, so we evaluated the company.

Mr. Kittle stated he is struggling with a city our size needing an analyst at all. Perhaps larger cities could benefit, but there doesn't seem to be that much crime in Auburn Hills. Deputy Director Hardesty responded that the analyst will not evaluate just crime but also accidents. Analysts are being used more and more to determine when the count and types of calls are being received.

What sold this program for Deputy Director Hardesty was the fire report that was developed for the City. He feels it may not have been perfect, but it was really good and done by our temporary analyst at the time.

Mr. Kittle thinks we should be conservative with hiring right now, based on the amount of money we are expending on roads and intersection construction, as well as the budget in general. Deputy Director Hardesty responded that he understands that Council Member Kittle is looking at the budget as a whole and not just the Police budget. Their goal is to utilize their budget as well as they can. When he first discussed this position with Mr. Auger, he was asked if he would rather have this person or an officer, and he responded this position. With an analyst, they will be able to determine their hiring needs into the future.

Mr. Kittle read in the contract that this is basically a software company. He dislikes the automatic three percent increases annually. He feels it is not the best move for us. He will not be able to support it, but he appreciates them bringing it forward.

Mr. Auger pointed out that the analyst would not just be analyzing crimes. It is a total data analysis. He feels this person could be used in community development, assessing, and can predict trends based on data for hiring and staffing all over the City.

Mayor McDaniel asked what the persons contacted for a reference relayed about their results from this position. Deputy Director Hardesty replied that he cannot state what percentage of crime or accidents will be reduced. He believes they will have an impact on the numbers of crimes, but he cannot say what the number will be. He feels methods of crime will help prevention.

Mayor McDaniel feels that crime can be transient also. It may be more beneficial to us to join a consortium to share one person so the crimes that move around can be used for the data also.

Deputy Director Hardesty stated he would not have felt this position would have enough to do until we had the volunteer position for a few months. That person could not even get through all the tasks they had for them and we had him here for 37 hours a week for three months.

Mayor McDaniel feels that the economy might not be suited to a position like this right now. We are 17 ½ miles total, it seems like it would be more helpful in a large city. Even though the position was approved in a budget does not mean it is

going to be approved at Council. In addition, he would like this issue to be referred to the Public Safety Advisory Committee for comment. Perhaps they can advise us on the position.

Mr. Kittle would also like the vendor to give a presentation to Council. Usually most requests from the Police Dept. are approved, but this one needs more research and understanding.

Mayor McDaniel understands that we use CLEMIS that also gives us information on crime and accidents. The new Council is not familiar with the budget. He feels there is some value to using this vendor, but we are not seeing a significant savings with the vendor over a staff member.

Mr. Knight stated we have been on the cutting edge over the last 20 years. He would like to move forward with a one year contract. He thinks it is worth the investment. We have 100,000 people in the city daily, and since it is universally adaptable to all departments it would be valuable.

Mayor McDaniel thinks there is some value, but would like to give the Public Safety Advisory Committee (PSAC) some input, as well as the public.

Mr. Knight stated if a position is budgeted, we don't have to go to the Committee or Council. He feels that just because there are two new people on the Council, we should still move forward.

Mayor McDaniel still feels that all Council Members need to have the opportunity to make a good decision and have all questions answered.

Mr. Knight realizes that just because a position is budgeted doesn't mean it is carved in stone; however, he feels this position could be beneficial.

Mr. Kittle stated that if the person can analyze anything in the city, it would be great. However, the contract doesn't state that. Deputy Director Hardesty responded that he talked to the company about that issue, and they said they would be open to working across the City.

Mr. Auger stated that normally this wouldn't come back to Council because it was budgeted. It did this time because it is a contract. It went to PSAC with the budget. The analysis could help us determine if we should replace the retiring positions.

Ms. Mitchell stated that she is one of the two new people on Council. She trusts the opinions of the PD and has confidence in them. She still feels we should hire a person if we feel we need them. She is not in favor of the contracted person. She doesn't feel the benefits outweigh the potential risks.

Mr. Kittle would like the company to convey to us that they will do more than just crime analysis.

Moved by Knight; Seconded by Hammond.

RESOLVED: To direct the City Manager to sign a one year contract with BAIR Analytics for a full-time analyst at a cost of \$78,500.

VOTE: Yes: Hammond, Knight

No: Burmeister, Kittle, McDaniel, Mitchell, Verbeke

Motion FAILED (2-5)

Resolution No. 14.04.084

9h. Motion – Adopt Text Amendment to the Zoning Ordinance Regulating Oil & Gas Well Drilling and Exploration

Mr. Cohen reminded Council that gas and oil drilling became an issue for us in November, when West Bay Exploration came to the City inquiring about drilling at Apostolic Church, near Pinecrest Way between Bald Mountain Road and Squirrel Road. Before Council tonight is a proposed ordinance. In the months following, neighbors saw stakes going up without West Bay Exploration coming formally to the City. Concerns regarding fracking, land values, danger with drilling, etc., were brought forward. City Council took the concerns very seriously, and began discussion concerning drilling at a workshop in January, 2014. At that time, we invited Department of Environmental Quality (DEQ,) and West Bay Exploration to give a presentation for Council and the residents. Jack Lanigan, a Geologist at the office of Oil, Gas and Minerals of the Michigan (OOGM-DEQ) explained that the DEQ has control over the oil and gas drilling "cradle to grave". They have 58 employees overseeing about 13000 active wells. He is in charge of the Detroit area. He spoke about permitting, drilling, and oversight. West Bay Exploration also spoke at the workshop, and explained that they generally drill on an angle and send the pipe one to two miles underground until they locate the gas or oil.

Mr. Cohen would like to reassure the public that the City has thoroughly investigated every aspect of drilling, and has been very transparent in our discussions. As a group several staff members and CC members visited West Bay Exploration wells and processing plant in Livonia. Located near 275, the well was drilled about one mile south under a residential area. They also visited a production facility, on Haggarty Road north of 7 Mile, which hosted commercial and residential areas. The residents have had concerns regarding the production facilities. White Lake Township, which has been mentioned frequently, has a production facility where several wells are combined and is a much more intense use than what was seen in Livonia.

There are some very key points to note when considering the ordinance. First of all, without an ordinance, oil and gas wells can be installed anywhere in the City. Wells need to be set back from water wells and residences, and if they comply they qualify for a state permit. In addition we wouldn't even be notified as we are too small in population. A city needs at least 70,000 residents to have say in the approval process. DB drafted this based on the planning and zoning enabling act. He noticed that it regulates counties and townships, not cities. Our local ordinance cannot be in direct conflict of state law, cannot prohibit all drilling, and cannot be exclusionary, meaning we cannot make it almost impossible to drill here. Our ordinance must not be over reaching or be rejected by the courts. This ordinance requires the drilling company to get a permit from us. We have prohibited fracking completely. West Bay Exploration explained that they will not need to use fracking in Auburn Hills, so we felt comfortable with this in the ordinance. The areas for drilling have been limited to industrial zoning areas. The residential areas will require a 1000 feet in a circular area away from the residential area. The Planning Commission worked with West Bay Exploration to determine a typical time frame, and 16 days seemed to be the norm.

Ms. Verbeke questioned why we are allowing drilling in I-1 districts when we are also allowing it in I-2 and I-3 also. Mr. Beckerleg responded that we have to have a reasonable number of areas in which the wells can be located. If you removed I-1, we would be severely limiting the remaining optional areas. His concern is that restriction would not stand up in court as it would appear to be exclusionary. Ms. Verbeke went on to ask what the number of properties remaining would be if you removed I-1, Mr. Cohen responded about 15 of which 11 parcels are already developed. It needs to be noted that we are discussing wells, which are relatively benign once they are functioning. Some of the Council Members have seen the wells in service. He believes the comparison of an operating well would be to a gas meter in a yard as far as odor and sound are concerned. Mr. Beckerleg went on to say that the processing facilities are only allowed in I-2 and I-3 and need a special land use permit. Ms. Verbeke inquired about changing the 1000 feet measurement to the lot line rather than to the residence itself. Mr. Beckerleg responded that the DEQ uses the measurement from the building as a standard, and it is best to mirror that. In fact, the DEQ uses 350 feet to the lot line for communities our size, and 450 feet for larger communities. The 1000 feet in our ordinance was used because there is legislation currently pending that uses that number. Ms. Verbeke went on to ask if it would be difficult to change that number; Mr. Beckerleg responded that he could better defend it as it stands.

Mayor McDaniel inquired if someone decided to build a structure on their land closer than 1000 feet to the well, would there be a violation of the ordinance? Mr. Beckerleg replied that the 1000 feet is from the structure in which someone resides.

Mr. Knight remarked that he has ten or twelve items he would like to mention for possible inclusion in the ordinance. Some may be outside the box, but should be considered. He would like the oil company to put up a liability and "hold harmless" policy; some penalty for fracking; no injection drilling; a deposit paid to the City as a bond; the ability to combine lots to reach the minimum 40 acres needed for drilling; tank farms need a special land use approval; a well may be an ancillary use to an industrial facility; a special land use can be obtained for drilling on city owned land regardless of size of the property; the capture of a 3% fee to the City on all oil removed; the drilling company must have the mineral oil rights to the property; allow tank farms on Brownfield sites if the other requirements are met; and all pipeline routing needs to be approved by City Council. These are just ideas that can be incorporated into the ordinance, especially the "tipping fee" concept of collecting some fees for the City.

Mr. Beckerleg responded to a few of the items suggested. The liability policy idea would be a problem because we don't make anyone else working in the City have one. As mentioned earlier, we cannot treat oil and gas drilling differently than any other business. As to the penalties for fracking or the other items, we are limited in the City to misdemeanor or civil infractions. Felonies are governed under state law. The most we could do is a \$500 fine or 30 days in jail. He feels the fees to the City would be a problem as no one else has to pay a portion of the revenues they make. The mineral rights issue is a good one. Most people don't own their own mineral rights. What they do own is the ability to allow people to go under your property.

Mayor McDaniel inquired of Mr. Beckerleg the possibility of using Mr. Knight's suggestion to charge a \$100,000.00 fee for the permit then return the majority of it when it is completed. The response is that we do not charge other businesses a

fee like that. Mr. Beckerleg went on to say that if the drilling company needed to use city rights of way or easements, we may be able to charge them.

Ms. Mitchell stated that there were a few items discussed at the Planning Commission that don't appear in the ordinance. Many people were concerned about the types of well heads used, and Mr. Cohen replied that the DEQ informed us that we cannot regulate the types of drill or well heads used. The MDEQ also went on to explain to Mr. Cohen that the noise from the well and drills in White Lake would not be present here. The noise at the White Lake site is mainly from the generator, which will not be needed in Auburn Hills as there is electricity to all our industrial sites. Ms. Mitchell went on to inquire about the request from residents to have their water quality checked prior to drilling and post-drilling. Mr. Cohen responded by saying that the water quality is watched closely by the DEQ. The geologists are onsite and often checking the sites. The drilling is done below the water level.

Mr. Kittle inquired about the law that indicates cities can regulate drilling but that counties and townships are unable to do so. Mr. Beckerleg responded that counties have no jurisdiction, except in areas where counties have unincorporated townships. Mr. Kittle asked if we can recover costs from any hazards that occur, or road damage, or tree restoration, etc. Mr. Beckerleg replied that most of the hazard recovery is federally controlled but perhaps we should draft some sort of cost recovery resolution or ordinance. Mr. Kittle would like to see that enacted.

Mr. Knight asked if Chrysler could put a well on their property. The response was negative; Chrysler is zoned research and development. He then asked if an industrial building that met the land size requirements could have a well as a secondary business on their land.

Ms. Verbeke commented on the City's inability to request a bond or a deposit. Mr. Cohen responded that the state requires a \$25,000.00 bond. Mr. Beckerleg stated that there are other businesses in the City that use gases and propane that are not charged for potential dangers. It needs to be remembered that the DEQ oversees the main process and addresses these issues. We don't have the expertise to do it ourselves and would have to hire someone to do it.

Mayor McDaniel realizes the ordinance is on the agenda for adoption, and the public hearing took place at the Planning Commission. There seems to be a lot of great points to be considered by Council. The floor was opened for comment.

Mr. Runk, of Riverside Drive, has been a taxpayer in Auburn Hills for over 13 yrs. He would like thank City Council and the Planning Commission for all their hard work and in bringing the residents' concerns forward on the oil and gas drilling issue. While he is disappointed that the drilling will be allowed in I-1 zoning, it is because he is concerned for the neighbors that will be bothered by it. He feels the timeline given to set up the wells is the ideal, not necessarily realistic. But thank you also for all the hard work.

Ms. Heilbrun, of Bald Mountain Road, lives on the uphill side where some of the property was purchased by Kensington Church and a soccer field will be built on the back side of the property. They feel hemmed in already. She feels the wells will make it even worse. She doesn't want the property just taken and no compensation given to them. The DEQ visiting the site twice in a year is not sufficient. You need to consider the residents.

Ms. Verbeke asked follow up questions: if the oil and gas companies drilled on her property, wouldn't they need permission and wouldn't she get paid? Mr. Beckerleg replied in the affirmative. Mr. Knight added that the company has to publically say where the drilling will be, so everyone is notified. Mr. Auger stated that the residents will get a royalty if they have the mineral rights on their property.

Ms. Verbeke continued, asking about the water well, will it be monitored? Mr. Cohen said the DEQ uses a monitoring program, so they would monitor the removal of water from the ground and if the limit hits over 70 gallons a minute they are on it. They make sure the drilling is far enough away.

Mr. Burmeister asked if each person has to give approval or if there is a majority of approvals will it take place anyway. Mr. Beckerleg will follow up on that but he believes that each person must have a lease. Mr. Kittle added that condominium associations are different; there is one vote for all the condos.

Mr. Przyblo, on Tienken, wants to thanks City Council, the Planning Commission and staff for their patience in listening to the residents. This is not a perfect ordinance. He has a few points he would like to see added. The first point is that in Ohio they have confirmed that injections drilling caused earth quakes. The second point is regarding the water. It is said that the oil companies have never had a case of groundwater contamination. That is because they never do a baseline test. If something happened, there is a gag order in place so it cannot be discussed. He has lived here 41 years, and hopes we will protect our parks and not sign leases for City land.

Mr. Beckerleg pointed out that the proposed ordinance does not allow for injection drilling.

Ms. DeRose, Tienken Rd., thanked Council and staff again for the ordinance. She would like it tabled until there is more information. She would like the points made on the screen be read onto the record. There are other things like drug use, guns, etc. that are not allowed because they are dangerous, like this is also. Just like chemical spills happen in other areas, there is the possibility of the water being contaminated. People need to go to the state to get legislation changed also. We need to think about our environmental issues, home insurance and mortgages, what is the cost to the individual property owners. Mr. Cohen said there are a lot of unknowns, and we need to find them out. Everybody needs to know that they can say “no” and we can be more restrictive within the law.

Mayor McDaniel senses some unanswered questions and pointed out there are a lot of options out there, and we can move on this tonight or table it until later.

Ms. Verbeke made a motion to table, amended to postpone action. She would like the points that Council made added to the ordinance. Ms. Verbeke would like to see the 1000 feet from property line included, and still would like to see how many residences in I-1 zoning will abut a drilling site. Mr. Beckerleg responded that his notes for changes include cost recovery, verifying individual lease necessity, I-2 and I-1 zoning and will do a comparison. Mayor McDaniel inquired if the motion to postpone passes, do we have to select a date tonight? Mr. Beckerleg responded no, but would like Council to consider that while we do not have an ordinance, drilling companies can get the permits from the state and we will not be notified. A Moratorium is ready to go, but the clocks will start ticking once they apply with the state.

Mr. Knight believes we should move on the ordinance, so that we are well aware of when applications are received by the state. We can revise it as we go along. We would need a public hearing at the Planning Commission if changes are made. Mr. Beckerleg concurs that we can do that. Ms. Mitchell agrees that Council should adopt it then refine it at a later date so that we have something in place.

Ms Verbeke withdrew her motion to postpone.

Mr. Knight added that drilling in Michigan has been here for 80years. Not a new process.

Moved by Knight; Seconded by Mitchell.

RESOLVED: To accept the Planning Commission’s recommendation and approve the enclosed Text Amendment to the Zoning Ordinance regulating oil and gas well drilling and exploration. The amended ordinance shall be referenced as Ordinance 14-859.

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

No: Hammond, Verbeke

Motion Carried (5-2)

Resolution No. 14.04.085

Council Member Comments

Mr. Kittle - no comments.

Mr. Knight wanted to explain that the fuss he made about cancelling the meeting was in part because he was not aware of it in advance. He hopes that in the next month a downtown striping plan is approved. We need 12” wide bands to mark the lanes to get people into the right ones. He is self-appointed charging Station Custodian with his new Volt. It is not clear if the charging stations are for staff, public or a combination. We need 4 or 5 more in the City Hall lot. We also need 2 fixed downtown. He feels it would be beneficial to place signs on them, limiting charging to 4 hours. There are some cars parked at the chargers all the time, blocking them from use others by others. They should move their car at four hours.

Ms. Hammond stated that the construction traffic downtown is very bad. It is backed up onto S. Squirrel, also on Auburn Road, especially at the times the school buses are trying to get to the high school. It seems as if the light at the left turn was longer it may relieve some of it. Director Chief Olko responded that the light timing is being evaluated now.

Continuing, Ms. Hammond asked the date of the joint meeting with Rochester Hills, and was told it is May 12th. She confirmed the meetings are then May 12th and May 19th.

Ms .Mitchell – thanks to all the staff for the energy being expended for the senior swimmers to find them a replacement pool. She appreciated all the information from the Senior Center and Mr. Auger. If they can find more options for the swimmers she would appreciate it. Congratulations to Community Development and the Senior Center for the Visioning meeting held on April 24th. It was well attended and more refined each time she sees it. She also wanted to mention a sidewalk on Southampton and South Boulevard. It doesn’t seem to go anywhere and comes to a stop. People are trying

to make a path where it ends and she is concerned it may turn into a safety hazard. If that could be looked at she would appreciate it.

Mr. Burmeister reiterated Mr. Knight's comments about the parking downtown. It needs improvement.

Ms. Verbeke questioned Mr. Beckerleg regarding the need for a cost recovery ordinance. Mr. Beckerleg responded that he believes it would go in the penal code, and not in the oil and gas drilling ordinance. In addition, she and her family had a great time at the Easter Egg Hunt on the weekend, but there did not appear to be a photographer here. She is hoping there were pictures taken. Mr. Auger will look into it.

Mayor McDaniel would like to point out that staff, Council, Planning Commission and residents, and especially Mr. Beckerleg were very transparent and open about the process of drafting the ordinance adopted tonight. He thanks them all for all the effort that went into it.

Comments from the Attorney:

Mr. Beckerleg – no comment.

Comments from the City Manager:

Mr. Auger – He will be out of town for a few days, but Mr. Tanghe will be available and he will be able to be reached by email and cell phone. If any City Council Member is interested in attending Auburn Hills University, it is a great way to learn about the different departments and how they function.

14. ADJOURNMENT

Moved by Verbeke, Seconded by Burmeister, to adjourn.

Without objection, the meeting adjourned at 10:53 p.m.

Kevin R. McDaniel, Mayor

Terri Kowal, City Clerk

**CITY OF AUBURN HILLS
RESOLUTION 14.04.078
APPROVING AN INDUSTRIAL FACILITIES EXEMPTION CERTIFICATE
FOR SHANNON PRECISION FASTENER, LLC**

At a regular meeting of the City Council of the City of Auburn Hills, Oakland County, Michigan, held in the Council Chambers at 1827 N. Squirrel Road, Auburn Hills MI 48326 on the **21st day of April, 2014**.

The following resolution was offered by Councilperson Burmeister 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 December, 2009**, the City of Auburn Hills, established an Industrial Development District, commonly referred to as the **ALTe, LLC Industrial Development District; and**

WHEREAS, **Shannon Precision Fastener, LLC** has filed an application for an Industrial Facility Exemption Certificate with the Clerk of the City of Auburn Hills with respect to proposed new **personal property** within the **ALTe, LLC Industrial Development District; and**

WHEREAS, before acting on said application, the City Council of Auburn Hills held a hearing on the **21st day of April, 2014** 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 **27th day of March, 2014**, the date of the acceptance of the application for the Industrial Facility Exemption Certificate; and

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

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

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

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

The real property parcel the facility is located on is identified as tax parcel 02-14-24-100-002, having an address along 3301 Cross Creek Parkway, Auburn Hills, MI 48326, including:

Legal Description: T3N, R10E, SEC 3 PART OF NE 1/4 BEG AT PT DIST S 00-00-47 W 1362.69 FT & N 89-59-57 E 350 FT FROM N 1/4 COR, TH N 00-00-47 E 513.66 FT, TH N 89-59-57 E 597.81 FT, TH S 00-28-37 W 639.92 FT, TH N 89-42-35 E 320.36 FT, TH S 00-00-47 W 175.38 FT, TH S 89-59-57 W 861.32 FT, TH N 00-00-47 E 265 FT, TH N 55-52-40 W 62.39 FT TO BEG 12.06 A12-16-97 FR 004,014, 251-001

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

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, 2014** and the ending date is **December 30, 2022**.

4. The total project investment approved is **\$11,609,678**.

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

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

NAYS: None

ABSENT: None

ABSTENTIONS: None

RESOLUTION 14.04.078 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 **21st day of April, 2014.**

IN WITNESS WHEREOF, I have hereunto affixed my official signature on **this 22nd day of April, 2014.**

Terri Kowal, City Clerk

**CITY OF AUBURN HILLS
RESOLUTION 14.04.079
APPROVING A TRANSFER
OF AN INDUSTRIAL FACILITIES EXEMPTION CERTIFICATE
2004-373
FOR
SHANNON PRECISION FASTENER 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 **21st day of April, 2014**.

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

WHEREAS, Industrial Facility Exemption Certificate 2004-373 was approved by the State Tax Commission for a period of **11 years** with an ending date of December 30, **2015**, and

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 December, 2009**, the City of Auburn Hills, established an Industrial Development District, commonly referred to as the **ALTe, LLC** Industrial Development District; and

WHEREAS, **Shannon Precision Fastener LLC** has filed an application with the Clerk of the City of Auburn Hills and has requested that the City of Auburn Hills approve a transfer of the personal property portion of the Industrial Facility Exemption Certificate **2004-373** from **31600 Stephenson, City of Madison Heights, Oakland County, Michigan, to 4425 Purks Road, Auburn Hills, Oakland County, Michigan** within the **ALTe, LLC** Industrial Development District; 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 with 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 **21st day of April, 2014** at a regularly scheduled meeting; and

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

WHEREAS, construction and installation of the facility has not begun earlier than six (6) months before **27th day of March, 2014**, the date of the acceptance of the application for the transfer of Industrial Facility Exemption Certificate **2004-373**; 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; and

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

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 the transfer 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 from **Shannon Precision Fastener LLC** for transfer of the personal property portions of Industrial Facility Exemption Certificate **2004-373** to the following described parcel of real property situated within the **ALTe, LLC** Industrial Development District; to wit;

The real property parcel the facility is located on is identified as tax parcel **02-14-03-201-019**, having an address along 4425 Purks Road, Auburn Hills, MI 48326, including:

T3N, R10E, SEC 3 PART OF NE 1/4 BEG AT PT DIST S 00-00-47 W 1362.69 FT & N 89-59-57 E 350 FT FROM N 1/4 COR, TH N 00-00-47 E 513.66 FT, TH N 89-59-57 E 597.81 FT, TH S 00-28-37 W 639.92 FT, TH N 89-42-35 E 320.36 FT, TH S 00-00-47 W 175.38 FT, TH S 89-59-57 W 861.32 FT, TH N 00-00-47 E 265 FT, TH N 55-52-40 W 62.39 FT TO BEG 12.06 A12-16-97 FR 004,014, 251-001

is hereby **approved**.

3. The total project investment transferred approved is **\$1,330,000**.

4. Shannon Precision Fastener LLC agrees to operate the facility for which the Industrial Facilities Exemption Certificate is granted for the term of the certificate, plus an additional **two years** after the date of the certificate's expiration.

AYES: Mayor McDaniel, Council Members Burmeister, Hammond, Knight, Mitchell, Verbeke
NAYS: Mayor Pro Tem Kittle
ABSENT: None
ABSTENTIONS: None

RESOLUTION 14.04.079 ADOPTED (6-1)

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 **21st day of April, 2014**.

IN WITNESS WHEREOF, I have hereunto affixed my official signature on **this 22nd day of April, 2014**.

Terri Kowal, City Clerk

**CITY OF AUBURN HILLS
RESOLUTION 14.04.080
APPROVING A TRANSFER
OF AN INDUSTRIAL FACILITIES EXEMPTION CERTIFICATE
2005-565
FOR
SHANNON PRECISION FASTENER 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 **21st day of April, 2014**.

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

WHEREAS, Industrial Facility Exemption Certificate **2005-565** was approved by the State Tax Commission for a period of **12 years** with an ending date of December 30, **2017**, and

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 December, 2009**, the City of Auburn Hills, established an Industrial Development District, commonly referred to as the **ALTe, LLC** Industrial Development District; and

WHEREAS, **Shannon Precision Fastener LLC** has filed an application with the Clerk of the City of Auburn Hills and has requested that the City of Auburn Hills approve a transfer of the personal property portion of the Industrial Facility Exemption Certificate **2005-565** from **31600 Stephenson Hwy, City of Madison Heights**, Oakland County, Michigan, to **4425 Purks Road**, Auburn Hills, Oakland County, Michigan within the **ALTe, LLC** Industrial Development District; 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 with 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 **21st day of April, 2014** at a regularly scheduled meeting; and

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

WHEREAS, construction and installation of the facility has not begun earlier than six (6) months before **27th day of March, 2014**, the date of the acceptance of the application for the transfer of Industrial Facility Exemption Certificate **2005-565**; 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; and

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

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 the transfer 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 from **Shannon Precision Fastener LLC** for transfer of the personal property portions of Industrial Facility Exemption Certificate **2005-565** to the following described parcel of real property situated within the **ALTe, LLC** Industrial Development District; to wit;

The real property parcel the facility is located on is identified as tax parcel **02-14-03-201-019**, having an address along 4425 Purks Road, Auburn Hills, MI 48326, including:

T3N, R10E, SEC 3 PART OF NE 1/4 BEG AT PT DIST S 00-00-47 W 1362.69 FT & N 89-59-57 E 350 FT FROM N 1/4 COR, TH N 00-00-47 E 513.66 FT, TH N 89-59-57 E 597.81 FT, TH S 00-28-37 W 639.92 FT, TH N 89-42-35 E 320.36 FT, TH S 00-00-47 W 175.38 FT, TH S 89-59-57 W 861.32 FT, TH N 00-00-47 E 265 FT, TH N 55-52-40 W 62.39 FT TO BEG 12.06 A12-16-97 FR 004,014, 251-001

is hereby **approved**.

3. The total project investment transferred approved is **\$2,500,000**.

4. Shannon Precision Fastener LLC agrees to operate the facility for which the Industrial Facilities Exemption Certificate is granted for the term of the certificate, plus an additional **two years** after the date of the certificate's expiration.

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

NAYS: None

ABSENT: None

ABSTENTIONS: None

RESOLUTION 14-04-080 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 **21st day of April, 2014**.

IN WITNESS WHEREOF, I have hereunto affixed my official signature on **this 22nd day of April, 2014**.

Terri Kowal, City Clerk

**CITY OF AUBURN HILLS
RESOLUTION 14.04.081
APPROVING A TRANSFER
OF AN INDUSTRIAL FACILITIES EXEMPTION CERTIFICATE
2011-251
FOR
SHANNON PRECISION FASTENER, 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 **21st day of April, 2014**.

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

WHEREAS, Industrial Facility Exemption Certificate **2011-251** was approved by the State Tax Commission for a period of **9 years** with an ending date of December 30, **2020**, and

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 December, 2009**, the City of Auburn Hills, established an Industrial Development District, commonly referred to as the **ALTe, LLC** Industrial Development District; and

WHEREAS, **Shannon Precision Fastener, LLC** has filed an application with the Clerk of the City of Auburn Hills and has requested that the City of Auburn Hills approve a transfer of the personal property portion of the Industrial Facility Exemption Certificate **2011-251** from **31600 Stephenson Hwy, City of Madison Heights, Oakland County, Michigan, to 4425 Purks Road, Auburn Hills, Oakland County, Michigan** within the **ALTe, LLC** Industrial Development District; 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 with 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 **21st day of April, 2014** at a regularly scheduled meeting; and

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

WHEREAS, construction and installation of the facility has not begun earlier than six (6) months before **27th day of March, 2014**, the date of the acceptance of the application for the transfer of Industrial Facility Exemption Certificate **2011-251**; 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; and

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

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 the transfer 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 from **Shannon Precision Fastener LLC** for transfer of the personal property portions of Industrial Facility Exemption Certificate **2011-251** to the following described parcel of real property situated within the **ALTe, LLC** Industrial Development District; to wit;

The real property parcel the facility is located on is identified as tax parcel **02-14-03-201-019**, having an address along 4425 Purks Road, Auburn Hills, MI 48326, including:

T3N, R10E, SEC 3 PART OF NE 1/4 BEG AT PT DIST S 00-00-47 W 1362.69 FT & N 89-59-57 E 350 FT FROM N 1/4 COR, TH N 00-00-47 E 513.66 FT, TH N 89-59-57 E 597.81 FT, TH S 00-28-37 W 639.92 FT, TH N 89-42-35 E 320.36 FT, TH S 00-00-47 W 175.38 FT, TH S 89-59-57 W 861.32 FT, TH N 00-00-47 E 265 FT, TH N 55-52-40 W 62.39 FT TO BEG 12.06 A12-16-97 FR 004,014, 251-001

is hereby **approved**.

3. The total project investment transferred approved is **\$1,427,833**.

4. Shannon Precision Fastener, LLC agrees to operate the facility for which the Industrial Facilities Exemption Certificate is granted for the term of the certificate, plus an additional **two years** after the date of the certificate's expiration.

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

NAYS: None

ABSENT: None

ABSTENTIONS: None

RESOLUTION 14-04-081 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 **21st day of April, 2014**.

IN WITNESS WHEREOF, I have hereunto affixed my official signature on **this 22nd day of April, 2014**.

Terri Kowal, City Clerk

**CITY OF AUBURN HILLS
RESOLUTION 14.04.082
APPROVING A TRANSFER
OF AN INDUSTRIAL FACILITIES EXEMPTION CERTIFICATE
2013-213
FOR
SHANNON PRECISION FASTENER, 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 **21st day of April, 2014**.

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

WHEREAS, Industrial Facility Exemption Certificate **2013-213** was approved by the State Tax Commission for a period of **4 years** with an ending date of December 30, **2017**, and

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 December, 2009**, the City of Auburn Hills, established an Industrial Development District, commonly referred to as the **ALTe, LLC** Industrial Development District; and

WHEREAS, **Shannon Precision Fastener, LLC** has filed an application with the Clerk of the City of Auburn Hills and has requested that the City of Auburn Hills approve a transfer of the personal property portion of the Industrial Facility Exemption Certificate **2013-213** from **800 E 14 Mile Road, City of Madison Heights**, Oakland County, Michigan, to **4425 Purks Road**, Auburn Hills, Oakland County, Michigan within the **ALTe, LLC** Industrial Development District; 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 with 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 **21st day of April, 2014** at a regularly scheduled meeting; and

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

WHEREAS, construction and installation of the facility has not begun earlier than six (6) months before **27th day of March, 2014**, the date of the acceptance of the application for the transfer of Industrial Facility Exemption Certificate **2013-213**; 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; and

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

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 the transfer 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 from **Shannon Precision Fastener LLC** for transfer of the personal property portions of Industrial Facility Exemption Certificate **2013-213** to the following described parcel of real property situated within the **ALTe, LLC** Industrial Development District; to wit;

The real property parcel the facility is located on is identified as tax parcel **02-14-03-201-019**, having an address along 4425 Purks Road, Auburn Hills, MI 48326, including:

T3N, R10E, SEC 3 PART OF NE 1/4 BEG AT PT DIST S 00-00-47 W 1362.69 FT & N 89-59-57 E 350 FT FROM N 1/4 COR, TH N 00-00-47 E 513.66 FT, TH N 89-59-57 E 597.81 FT, TH S 00-28-37 W 639.92 FT, TH N 89-42-35 E 320.36 FT, TH S 00-00-47 W 175.38 FT, TH S 89-59-57 W 861.32 FT, TH N 00-00-47 E 265 FT, TH N 55-52-40 W 62.39 FT TO BEG 12.06 A12-16-97 FR 004,014, 251-001

is hereby **approved**.

3. The total project investment transferred approved is **\$2,482,857**.

4. Shannon Precision Fastener, LLC agrees to operate the facility for which the Industrial Facilities Exemption Certificate is granted for the term of the certificate, plus an additional **two years** after the date of the certificate's expiration.

AYES: Mayor McDaniel, Council Members Burmeister, Hammond, Knight, Mitchell, Verbeke
NAYS: Mayor Pro Tem Kittle
ABSENT: None
ABSTENTIONS: None

RESOLUTION 14-04-082 ADOPTED (6-1)

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 **21st day of April, 2014**.

IN WITNESS WHEREOF, I have hereunto affixed my official signature on **this 22nd day of April, 2014**.

Terri Kowal, City Clerk

**CITY OF AUBURN HILLS
RESOLUTION 14.043.083
APPROVING A TRANSFER
OF AN INDUSTRIAL FACILITIES EXEMPTION CERTIFICATE
2013-217
FOR
SHANNON PRECISION FASTENER, 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 **21st day of April, 2014**.

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

WHEREAS, Industrial Facility Exemption Certificate **2013-217** was approved by the State Tax Commission for a period of **8 years** with an ending date of December 30, **2021**, and

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 December, 2009**, the City of Auburn Hills, established an Industrial Development District, commonly referred to as the **ALTe, LLC** Industrial Development District; and

WHEREAS, **Shannon Precision Fastener, LLC** has filed an application with the Clerk of the City of Auburn Hills and has requested that the City of Auburn Hills approve a transfer of the personal property portion of the Industrial Facility Exemption Certificate **2013-217** from **31600 Stephenson Highway, City of Madison Heights**, Oakland County, Michigan, to **4425 Purks Road**, Auburn Hills, Oakland County, Michigan within the **ALTe, LLC** Industrial Development District; 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 with 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 **21st day of April, 2014** at a regularly scheduled meeting; and

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

WHEREAS, construction and installation of the facility has not begun earlier than six (6) months before **27th day of March, 2014**, the date of the acceptance of the application for the transfer of Industrial Facility Exemption Certificate **2013-217**; 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; and

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

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 the transfer 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 from **Shannon Precision Fastener LLC** for transfer of the personal property portions of Industrial Facility Exemption Certificate **2013-217** to the following described parcel of real property situated within the **ALTe, LLC** Industrial Development District; to wit;

The real property parcel the facility is located on is identified as tax parcel **02-14-03-201-019**, having an address along 4425 Purks Road, Auburn Hills, MI 48326, including:

T3N, R10E, SEC 3 PART OF NE 1/4 BEG AT PT DIST S 00-00-47 W 1362.69 FT & N 89-59-57 E 350 FT FROM N 1/4 COR, TH N 00-00-47 E 513.66 FT, TH N 89-59-57 E 597.81 FT, TH S 00-28-37 W 639.92 FT, TH N 89-42-35 E 320.36 FT, TH S 00-00-47 W 175.38 FT, TH S 89-59-57 W 861.32 FT, TH N 00-00-47 E 265 FT, TH N 55-52-40 W 62.39 FT TO BEG 12.06 A12-16-97 FR 004,014, 251-001

is hereby **approved**.

3. The total project investment transferred approved is **\$1,449,000**.

4. Shannon Precision Fastener, LLC agrees to operate the facility for which the Industrial Facilities Exemption Certificate is granted for the term of the certificate, plus an additional **two years** after the date of the certificate's expiration.

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

NAYS: None

ABSENT: None

ABSTENTIONS: None

RESOLUTION 14-04-083 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 **21st day of April, 2014**.

IN WITNESS WHEREOF, I have hereunto affixed my official signature on **this 22nd day of April, 2014**.

Terri Kowal, City Clerk