



The City of Auburn Hills

City Council Meeting

Minutes

January 9, 2012

CALL TO ORDER: by Mayor McDonald at 7:00 p.m.
LOCATION: City Council Chamber, 1827 N. Squirrel Road, Auburn Hills, MI 48326
Present: Mayor McDonald, Mayor Pro Tem Hammond, Council Members Doyle, Kittle, Knight, McDaniel, Verbeke
Absent: None
Also Present: City Manager Auger, Assistant City Manager Tanghe, Police Chief Olko, DPS Director Melchert, City Assessor Bennett, Water & Sewer Manager Harran, Library Director McCoy, City Attorney Beckerleg, City Engineer Juidici, TIFA Chair Bennett, TIFA Member Ardelean, Planning Commissioner Mitchell
18 Guests

4. APPROVAL OF MINUTES

4a. Regular City Council Meeting – December 19, 2011

Moved by Mr. Knight; Seconded by Mr. McDaniel.

RESOLVED: To approve the December 19, 2011 Regular City Council Meeting Minutes.

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

No: None

Motion carried (7-0)

RESOLUTION NO. 12.01.001

5. APPOINTMENTS & PRESENTATIONS

6. PUBLIC COMMENT

David Lonier, 1842 Commonwealth, asked if all Council Members had received the e-mail that was sent them regarding the Sterling Heights resolution and the moratorium for DTE and the smart meters. He asked that Council put the smart meter item on a future agenda. He believes there is much more to these meters than cost savings for DTE to read the meters remotely and to record the amount of power being used. The cost is \$85 million dollars and the federal government is helping to pay for the installation of these meters across the country. New appliances will have smart chips inside of them which will transmit information from the appliance to the smart meter which can then be interpreted from a remote location. There is a company, Z Prime set to collect the data and sell the information to others.

Toni Whitley, Adams Ridge, is sure Council was aware of her opposition to the single trash hauler being decided by the City and not the vote of the people; and has been picking up trash blowing around for the last two days.

Glenna Long, 1842 Commonwealth, showed a book, the Latest in the Bio Hazard Technology by Orlean Kohel, state president of the Eagle Forum of California, regarding smart meters. She read a portion of the book pertaining to the smart meters, citing the health hazards, security and privacy issues, use of federal stimulus money, how these facilitate government mandated energy use reduction, unknown future costs and possibly causing house fires. She would prefer to not worry about her health and privacy.

7. CONSENT AGENDA

7a. Board and Commission Minutes

7a.1. Tax Abatement Review Committee – December 12, 2011

7b. Motion – Approve Performance Resolution For Governmental Bodies

RESOLVED: To approve the “Performance Resolution for Governmental Bodies” as required by MDOT for the purposes of receiving the 2012 annual permit for miscellaneous operations within the State trunk line right of way.

Moved by Ms. Doyle; Seconded by Ms. Hammond.

RESOLVED: To approve Consent Agenda Items 7a. and 7b.

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

No: None

Motion carried (7-0)

RESOLUTION NO. 12.01.002

8. OLD BUSINESS

9. NEW BUSINESS

9a. Public Hearing and Request to Approve Commercial Rehabilitation Exemption Certificate, (CREC) TD Joslyn Road, LLC (LaSorda Group)

Mayor McDonald opened the public hearing at 7:21 p.m.

Tyler Tennent, Attorney, Sarah Olson, Project Coordinator, and Mauro Bianchini, Developer, was present and open to questions.

Mr. Tennent explained at a previous meeting the LaSorda Group received a commercial rehab district from Council; the use for the facility was explained at that time.

Mr. Tennent confirmed this site is the old grocery store.

Mayor McDonald closed the public hearing at 7:23 p.m.

Moved by Mr. Knight; Seconded by Ms. Verbeke.

RESOLVED: To approve the request for a 10-year Commercial Rehabilitation Exemption Certificate for TD Joslyn Road, LLC, by adopting the attached resolution (attachment A), conditioned upon the applicant signing a Tax Abatement Development Agreement approved by the City Attorney.

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

No: None

Motion carried (7-0)

RESOLUTION NO. 12.01.003

9b. Public Hearing and Request to Approve IFEC – Dynamic Corporation

Mayor McDonald opened the public hearing at 7:29 p.m.

Ray Atwood, Vice President of Manufacturing and Sales and Manager the Auburn Hills Facility was present.

Ms. Hammond asked if the company is aware of the tax abatement policy of applying for the abatement prior to purchasing equipment.

Mr. Atwood stated the company is aware of the policy, having gotten other abatements. He explained with the main offices being in Holland, Michigan, sometimes the communication gets lost. He did state their business is a customer driven business and when a customer approached them, the need was to get the equipment to supply the customer as soon as possible. There was only one of these particular machines available and it was located in Seattle, sitting and ready to go. If they had waited, another like machine would not be available until March.

Mr. Atwood apologized for not taking things in order and stated he talked with the corporate office and explained to them in the future it would be necessary to follow procedure.

Mr. Knight stated he doesn't have a concern with being tardy on applying for the tax abatement after the machine had arrived; however, he is concerned with a company that currently has an abatement, is requesting another and is fighting their taxes, though the building value could be a legitimate complaint.

Mr. Knight suggested postponing a decision on the additional abatement until the tax issue has been resolved; sometimes a little pressure helps to get things resolved quickly.

Mr. Atwood noted his company is a small company and are very fortunate to still be in business. In 2009, this facility was down to five jobs and almost closed the doors. Though they could have moved this facility in with another, they have continued to stay in Auburn Hills. Mr. Atwood noted with this equipment they are creating jobs and boost the economy. It's not just the current dollar and cents, they are trying to grow the economy and make the effort to stay in Auburn Hills.

Mr. Atwood stated the company will be here after the abatements expire and will be continuing to pay property taxes for a number of years.

Mr. Knight stated he appreciated that, but the residents don't get a break on their taxes even though their values have gone down.

Ms. Doyle stated she spoke with Mr. Bennett this afternoon, and there are possibly two jobs being created.

Mr. Atwood stated there could be more; they are now running a night shift.

Responding to Ms. Doyle, Mr. Atwood stated the company has been in Auburn Hills for 15 years.

Ms. Doyle asked Mr. Bennett of those 15 years how many years was there an abatement.

Mr. Bennett guessed at least 8 years and clarified, the tax appeal request was requested for years 2010 and 2011, not when the abatements ended.

Ms. Doyle asked Mr. Bennett if the tax appeals are legitimate.

Mr. Bennett explained they are looked at a case-by-case basis. The real estate market has dropped dramatically and the City has lowered assessments across the board for the last three years. The current rules make it difficult to be completely up-to-date with the market, we generally trail the market a little.

Mr. Bennett stated he stands behind the assessments and in 2010 and 2011 there were many reductions made from those in 2009. He is fairly certain this property was included in the reductions, but is willing to take a closer look at the market and this particular property to see if a reduction is warranted.

Mr. Bennett explained the City and company may be able to come to an amount agreement and have the issue resolved in a matter of months, as opposed to a tax appeal that could take a number of years.

Mr. Bennett suggested the possibility of tabling this request for a few months and see if the issue can be resolved.

Ms. Doyle agreed with Mr. Knight, and doesn't support giving abatements to companies while taxes are being challenged.

Mr. Atwood confirmed there are currently 20 employees.

Mr. McDaniel explained for the Council some of the thought the Tax Abatement Review Committee had put into the request, such as retaining 17 jobs and keeping a building from standing vacant. Though this equipment will save two jobs, the machinery has the potential of obtaining new jobs. The \$9,400 that will be saved by the company would act as an investment to keep people working. The TARC didn't feel it was their place to act on the tax appeal since it isn't noted in the policy.

Mr. Atwood explained this is a subsidiary of Dynamic Corporation that employees approximately 100 people. The company is privately owned U.S. company and has been in existence for 34 years.

Mayor McDonald gave Mr. Atwood an option of postponing this request for six months, until the tax appeal may be settled or have a motion made by a Council member.

Mr. Auger asked for clarification that the time postponed would not be held against the company for the abatement request and the Mayor concurred.

Mayor McDonald closed the public hearing at 7:46 p.m.

Moved by Mr. Knight; Seconded by Ms. Doyle.

RESOLVED: To postpone the consideration of the IFEC for up to six months, with the understanding the time lapse will not affect the application.

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

No: None

Motion carried (7-0)

RESOLUTION NO. 12.01.004

9c. Motion - Award Bid for the HURCOVAC250D Valve & Vac Maintenance System

Moved by Mr. Knight; Seconded by Ms. Verbeke

RESOLVED: To award the purchase of the HURCOVAC250D Valve & Vac Maintenance System to Lewis Municipal Sales, 651 Hawthorne, Carmel, IN 96033 in the amount of \$54,500.00.

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

No: None

Motion carried (7-0)

RESOLUTION NO. 12.01.005

10. COMMENTS AND MOTIONS FROM COUNCIL

Mr. Kittle:

- Trash week two, no problems in Heritage in the Hills.
- Apologized for missing the TARC meeting, and suggested being electronically notified if possible.

Ms. Hammond:

- Nana's locked their doors the Friday before Christmas.
- Wished all a happy new year.

Ms. Doyle:

- Regarding the trash, things seem to be going very well and thanked staff and Waste Management for doing a great job and is pleased to see DPS taking the lead in customer complaints.

- Congratulated Chrysler on such a great come back, noting Automotive Industry Leadership Awards were given to two Chrysler executives – Sergio Marchionne, Auto Executive of the Year and the other to the head of Advertising and Marketing.

Ms. Verbeke:

- Noted after speaking with Mr. Greve at the last meeting, recycle bins were delivered to her neighborhood and were placed very neatly next to mailboxes on the curb.

Mr. Knight:

- Trash collection seemed to go very well in his neighborhood.
- Asked if there are similarities between the water meters the City has installed and the meters DTE will be installing.

Mr. Auger stated the City meters can be read in mass and isn't sure of the differences or the similarities of the DTE meters.

Mr. Melchert understood the smart meters to be able to monitor when appliances are being used to note when demand is the highest.

The water meters allow the monitoring of when a large amount of water is being used and to notify the customer if there is excessive usage, which may mean a leak.

Mr. Harran explained most of the meters are going the way of smart meters; the City's meters allow notification in the event high or low consumption and to investigate further.

- Asked if there is any progress regarding the University Drive & I-75 bridge.
Mr. Auger explained the City did not receive TIGER III grant for the bridge; which means the City must continue working with the state to determine how traffic will be rerouted if the bridge is closed.
Mr. Melchert confirmed a grant limiting asphalt work on the east side of the University Drive bridge is to begin in 2014; and the west side is anticipated to begin either this year or next through the City's regular concrete maintenance program.

11. CITY ATTORNEY'S REPORT – none.

12. CITY MANAGER'S REPORT – none.

13. ADJOURNMENT

Hearing no objections, the meeting adjourned at 8:15 p.m.

James D. McDonald, Mayor

Terri Kowal, City Clerk

**CITY OF AUBURN HILLS
RESOLUTION**

APPROVING A COMMERCIAL REHABILITATION EXEMPTION CERTIFICATE FOR TD JOSLYN ROAD, 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 9th day of January, 2012.

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

WHEREAS, pursuant to P.A. 210, 2005, M.C.L. 207.841 et seq., after a duly noticed public hearing held on the 14th day of November, 2011, the City of Auburn Hills, established a Commercial Rehabilitation District, commonly referred to as the LaSorda Group Commercial Rehabilitation District; and

WHEREAS, TD Joslyn Road, LLC has filed an application for a Commercial Rehabilitation Exemption Certificate with the Clerk of the City of Auburn Hills with respect to proposed rehabilitation investment within the LaSorda Group Commercial Rehabilitation District; and

WHEREAS, before acting on said application, the City Council of Auburn Hills held a public hearing on the 9th day of January, 2012 at a regularly scheduled public 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, completion of the proposed rehabilitation 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 establish a viable business in a currently vacant facility; and

WHEREAS, the taxable value of the property proposed to be exempt plus the aggregate taxable value of property previously exempt and currently in force under Public Act 210 of 2005 or under Public Act 198 of 1974 (IFT's) does exceed 5% of the total taxable value of the City of Auburn Hills; and

WHEREAS, exceeding 5% will not have the effect of substantially impeding the operation of or impairing the financial soundness of the City of Auburn Hills; and

WHEREAS, the application is for commercial property as defined in section 2(a) of Public Act 210 of 2005; and

WHEREAS, TD Joslyn Road, LLC is not delinquent in any taxes related to the facility; and

WHEREAS, TD Joslyn Road, LLC has provided answers to all required questions under the application instructions to the City of Auburn Hills; and

WHEREAS, the City of Auburn Hills requires that rehabilitation of the facility shall be completed by June 31, 2012; and

WHEREAS, the commencement of the rehabilitation of the facility did not occur more than six months prior to the filing of the application for exemption; and

WHEREAS, the application relates to a rehabilitation program that when completed constitutes a qualified facility within the meaning of Public Act 210 of 2005 and that is situated within a Commercial Rehabilitation District established under Public Act 210 of 2005; and

WHEREAS, the rehabilitation includes improvements aggregating 10% or more of the true cash value of the property at commencement of the rehabilitation as provided by section 2(j) of Public Act 210 of 2005.

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

1. The application for a Commercial Rehabilitation Facilities Exemption Certificate with respect to a facility on the following described parcel of real property situated within the LaSorda Group Commercial Rehabilitation District to wit;

T3N, R10E, SEC 4 PONTIAC ACRES SUB PART OF LOTS 1 TO 7 INCL, ALSO PART OF LOT 15, ALSO ALL OF LOT 16, ALSO PART OF LOT 17, ALSO PART OF SE 1/4 ALL DESC AS BEG AT PT DIST N 02-42-27 W 60 FT & S 87-27-26 W 894.36 FT FROM SE SEC COR, TH S 87-27-26 W 175.64 FT, TH N 08-58-12 W 420.79 FT, TH S 81-01-48 W 18.76 FT, TH

N 08-58-12 W 160.75 FT, TH S 81-01-48 W 436.72 FT, TH N 08-58-12 W 567.64 FT, TH N 81-01-48 E 7.56 FT, TH N 74-33-21 E 507.17 FT, TH N 81-00-24 E 234.27 FT, TH N 87-27-26 E 22.23 FT, TH S 02-32-34 E 1231.38 FT TO BEG 10-26-11 FR 011, 012 & 452-016.

Also Known as Tax Parcel 02-14-04-476-013.

is hereby approved.

2. The Commercial Rehabilitation Exemption Certificate shall remain in force and effect for a period of 10 years, and the starting date for the certificate is December 30, 2012 and the ending date is December 30, 2022.

3. The total project investment approved is \$770,000.

4. TD Joslyn Road, LLC agrees to operate the facility for which the Commercial Rehabilitation Exemption Certificate is granted for the term of the certificate, plus an additional four (4) years after the date of the expiration.

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

NAYS: None

ABSENT: None

ABSTENTIONS: None

RESOLUTION 12.01.03 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 9th day of January, 2012.

IN WITNESS WHEREOF, I have hereunto affixed my official signature on this 12th day of January, 2012.

Terri Kowal, City Clerk