



The City of Auburn Hills
City Council Meeting
Minutes

October 24, 2016

CALL TO ORDER: 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 Mitchell, Council Members Burmeister, Hammond, Kittle, Knight, Verbeke
Absent: None
Also Present: City Manager Tanghe, Assistant City Manager Grice, Police Lt. Gagnon, City Clerk Kowal, Assessor Griffin, DPW Director Melchert, Community Development Director Cohen, Director of Authorities Mariuz, City Engineer Juidici, City Attorney Beckerleg
6 Guests

4. APPROVAL OF MINUTES

4a. Regular City Council – October 10, 2016

Moved by Verbeke; Seconded by Burmeister.

RESOLVED: To approve the October 10, 2016 City Council meeting minutes.

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

No: None

Resolution No. 16.10.185

Motion Carried (7-0)

4b. City Council Workshop – October 10, 2016

Moved by Knight; Seconded by Verbeke.

RESOLVED: To approve the October 10, 2016 City Council Workshop meeting minutes.

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

No: None

Resolution No. 16.10.186

Motion Carried (7-0)

4c. Executive Session City Council – April 11, 2016; May 23, 2016; June 27, 2016; July 25, 2016; August 8, 2016; August 22, 2016; September 12, 2016

This item will be placed on the November 14, 2016 agenda.

5. APPOINTMENTS AND PRESENTATIONS

6. PUBLIC COMMENT

7. CONSENT AGENDA

7a. Board and Commission Minutes

7a.1. Planning Commission – October 5, 2016

7a.2. Tax Increment Finance Authority – October 11, 2016

7c. Motion – Approve TIFA Parking Structure Space Lease Agreement

RESOLVED: To approve the Parking Structure Space Lease Agreement between the Auburn Hills Tax Increment Finance Authority and Auburn Hills Housing, LLC.

Moved by Kittle; Seconded by Mitchell.

RESOLVED: To approve Consent Agenda 7a., and 7c.

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

No: None

Resolution No. 16.10.187

Motion Carried (7 – 0)

Council Member Knight requested this item be removed from the Consent Agenda.

7b. Motion – Approve Traffic Control Order/Stops Signs - Lake in the Hills Mobile Home Park

Mr. Knight was curious, since the mobile home park is private property, why the City would approve stop signs and asked about the homeowners association, questioning if the lots were owned by individuals. Because this is private property, will the City's patrol officers be the one's patrolling the mobile home park.

Lt. Gagnon explained the neighborhood maintains and owns the stop signs. By law, private neighborhoods, such as a mobile home park, can request authorization for the City to enforce stop sign laws. The law allows the City police to create a temporary traffic control order, which was signed by Police Chief Olko this past July. There were complaints of speeding and running of stop signs, survey of the neighborhood was done by the Police. All of the stop signs were in compliance,

with the exception of the height; so the signs were raised to the proper height. The park has asked the City to enforce the speed limits and stop signs. The temporary traffic control that was signed by the Chief in July, expires after 90 days, unless approved by City Council to make the traffic control order permanent. With Council's approval, it will allow officers to patrol the park and write citations for speeding and ignoring stop signs.

Mr. Knight asked if tickets are written at Avondale High School, where stop signs are present.

Lt. Gagnon stated he will check to see if there is a traffic control order for the high school. He believes this is the fourth, and final mobile home park that has requested assistance with enforcing speeding and stop sign laws.

Mr. Knight is concerned that officers are already spread rather thin, and expecting officers to be in mobile home parks watching for speed or stop sign violations is not the best use of resources.

Mr. Tanghe stated the mobile home parks are no different than any other residential area of the City. Officers will not likely have any more presence than there is currently in this neighborhood, but it will allow the police to issue citations if they see an offender. This allows special enforcement to be done if requested or required, just like any other neighborhood.

Moved by Kittle; Seconded by Verbeke

RESOLVED: To adopt Traffic Control Order SS-16, creating a Traffic Control Order for the stop signs in Lake in the Hills.

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

No: Knight

Resolution No. 16.10.188

Motion Carried (6 - 1)

Council Member Mitchell requested this item be removed from the Consent Agenda.

7d. Motion – Approve Membership in Taxpayers for Michigan Constitutional Government

Ms. Mitchell asked if there are other types of memberships, besides this Association Membership that the City is proposing.

Mr. Tanghe stated this is the only membership available; this membership is supporting the 14 communities who are the plaintiffs in a lawsuit filed against the State.

Ms. Mitchell asked if this lawsuit is successful, then all Michigan communities will be eligible for revised payment whether or not they have a membership to this group.

Mr. Tanghe stated that is correct and confirmed the \$1,500 membership fee is a one-time fee.

Ms. Mitchell asked Mr. Beckerleg if there is any case law to support this lawsuit.

Mr. Beckerleg stated he has not read the pleadings, so he doesn't know what the legal theory is behind the suit.

Ms. Mitchell stated she supports this request in spirit, but she isn't sure this is the appropriate step to take as a community and will not support the request.

Mr. Kittle noted the State Constitution is written that a calculated portion of the sales tax revenue is to be distributed to local governments and those calculations have not been calculated correctly. With so many governments struggling, this may be the only way to get some action on this issue.

Moved by Kittle; Seconded by Knight.

RESOLVED: To approve the membership agreement between the City of Auburn Hills and Taxpayers for Michigan Constitutional Government and authorize the City Manager to execute the Agreement on behalf of the City and to effectuate the membership payment.

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

No: Mitchell

Resolution No. 16.10.189

Motion Carried (6 - 1)

8. OLD BUSINESS

8a. Public Hearing/Motion – Approve IFEC Extension / PyeongHwa Automotive USA (PHA)

Mr. Griffin explained this is a request for a five year extension for real property only and PHA has agreed to continue residency for an additional four years beyond the five year abatement. The real property cost is estimated at \$2,400,000.

Eugene Paik, President of the North American Headquarters for PHA – USA, explained the company is a tier one supplier for the automotive industry.

Responding to Mr. Knight, Mr. Griffin stated the original abatement was a five year abatement. Under the current statute, the request could have been up to seven years.

Mayor McDaniel opened the public hearing at 7:18 p.m. and hearing no comment, closed the public hearing at 7:19 p.m.

Mr. Knight is not in favor of an additional five years, he would support an additional three years. There have been a few 12 year abatements, but generally eight years has been a reasonable number of years.

Mr. Tanghe explained the original request could have been for an eight year abatement and an additional four years could have been granted for a total of 12 years, which Council has approved for other companies. PHA asked only for five years originally and is now seeking an addition five, which is still less than the 12 they were eligible to receive.

Mr. Knight understands, but he is not in favor of this approach. The overall policy has been an eight year abatement.

Mr. Tanghe explained the 12 year abatements are rare and were granted up front, classified as special projects. The extension in the new policy is being eliminated. He reminded Council there are a couple of companies that will be seeking extensions, who fall under the existing policy; this is one of the two.

Mr. Kittle asked with all taxing entities, the benefit to PHA is \$155,460; so in the additional five years the City's portion will be \$31,780.

Moved by Mitchell; Seconded by Burmeister.

RESOLVED: To approve the request for an additional five (5) years of Real Property abatement for PyeongHwa Automotive USA and IFEC 2011-466 by adopting the attached resolution (Attachment A).

Ms. Mitchell noted this request falls under the parameters of the current policy.

Mayor McDaniel also noted the City accepted this request under the current policy.

Mr. Knight explained the policy states a company can ask for an extension, but it shouldn't be automatically assumed the extension will be granted. He is not in support and three years is more prudent.

Mayor McDaniel stated the original request could have been an eight year abatement with an extension of four, for a total of 12 years, but this company will only receive a total of 10 years.

Mr. Tanghe explained in the current policy and the proposed new policy, there is/was no promise or guarantee of an abatement extension.

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

No: Kittle, Knight

Resolution No. 16.10.190

Motion Carried (5 - 2)

9. NEW BUSINESS

9a. Motion – Approve Special Land Use Permit / Unique Fabricating

Mr. Cohen explained this is a request to increase the size of the outside storage area to approximately 12,960 square feet, up from 3,000 square feet. In July, staff met with General Development and Unique Fabricating to determine how to properly screen the site. The proposal is to install an eight foot tall fence between the trees and to replace all the dead trees.

There were a few residents attending the Planning Commission meeting who were concerned with noise. Unique Fabricating has agreed the operation of forklifts or any other noise making equipment, will be prohibited between the hours of 10:00 p.m. and 6:00 a.m.; the residents seemed satisfied.

It is suggested to limit the Special Land Use permit again, to correspond with the terms of the building lease, which will expire in 2020, a four year lease. The Special Land Use permit is only for use by Unique Fabricating and no other tenant should Unique Fabricating vacate the site.

Ms. Verbeke questioned how the no noise hours were determined, since the City generally requires quiet time from 9:00 p.m. until 7:00 a.m.

Mr. Cohen explained Unique Fabricating as well as a neighboring business have third shift operations; the 10:00 p.m. and 6:00 a.m. time frame mirrors the third shift operation. The residents agreed that the 10:00 p.m. to 6:00 a.m. time period is acceptable. General Development and Unique Fabricating have talked with the residents to determine what time periods work best.

Ms. Verbeke questioned why the dead trees haven't been replaced as needed, instead of waiting for the City to mandate the replacements to satisfy the terms of the Special Land Use permit.

Stacy Fields, General Development Asset Manager, stated she has never received any complaints about dead trees. The company's policy is to replace all dead trees, and two were replaced about two and a half years ago. While looking to plant more filler trees, three dead trees were noticed, but they had never been reported.

Ms. Verbeke stated the tree line gets thinner the closer to Joslyn Road and she would like to see more trees. Also, the outside storage is quite visible and continues to get worse. She will not support this request because the quiet hours aren't consistent with other quiet hours within the City.

B.J. Tallent, Unique Fabricating Plant Manager, introduced himself.

Ms. Hammond asked if the business is operating seven days a week.

Mr. Tallent stated the business is based on a five day operation, very seldom will they work on a Sunday.

Ms. Hammond too, is concerned with the hours not being in alignment with City policy and wants absolutely no noise on Sunday's.

Mr. Tallent stated there is a Sunday night shift that begins at 10:00 p.m., but no outside noise is allowed, and that all doors remain shut. GM picks up product beginning at 6:45 a.m., and that is why the company can't amend the hours until 7:00 a.m.

Mr. Burmeister stated as the Council liaison to the Planning Commission, he too struggled with the quiet hours, but at the Planning Commission meeting it was the residents of the area that proposed the 10:00 p.m. until 6:00 a.m. hour restriction. He doesn't believe those neighbors were told the typical quiet hours for City businesses is between 9:00 p.m. and 7:00 a.m. Mr. Cohen stated there aren't hours of operation for businesses within the City.

Ms. Verbeke noted for construction operations there are stipulated hours. She is basing all noisy businesses on those same hours.

Mr. Beckerleg confirmed for Mr. Knight, that this Special Land Use permit can be revisited after approval, if there are complaints. Special Land Uses do not run with the land, so there is always the opportunity to amend as necessary.

Mr. Kittled asked what this company manufactures.

Mr. Tallent explained the company isn't a manufacturer of the plastic or polyurethane, but converting it into parts for the auto industry.

Mayor McDaniel stated he is supportive of this request because the process was followed with the public hearing at the Planning Commission, residents speaking about their concerns, who are satisfied with the proposed hours for quiet time. There is also always the possibility of revisiting the Special Land Use if necessary, and make appropriate revisions and/or modifications.

Ms. Verbeke asked Mr. Tallent to speak with the employees and truck drivers to make sure they are being courteous to other drivers when exiting the site; there have been some near misses.

Mr. Tallent stated he will have the logistics supervisor take care of the problem.

Mr. Burmeister asked Mr. Cohen what hours are stated in the noise ordinance.

Mr. Beckerleg believes the ordinance being discussed, is the construction activity ordinance which doesn't apply to this situation.

Mr. Cohen explained there is a consent judgement that governs this property, three parcels, including no alarms from 7:00 p.m. until 7:00 a.m., as well as no trash pickup between those hours.

Mayor McDaniel noted it is important to point out, that the business and the residents were able find an amicable resolution.

Moved by Knight; Seconded by Burmeister.

RESOLVED: To accept the Planning Commission's recommendation and approve of the expansion of the outside storage area and the four-year extension of the previously approved Special Land Use Permit for Unique Fabricating, Inc., subject to the conditions of the Planning Commission and Administrative Review Team.

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

No: Mitchell, Verbeke

Resolution No. 16.10.191

Motion Carried (5 - 2)

9b. Motion – Approve Special Assessment District Step One – Deepwood Drive

Mr. Melchert noted this and the next two agenda items are all related to the assignment of a special assessment district for road projects to be constructed in 2017.

The three owners that front Deepwood Drive have agreed to the terms of the special assessment district. Once the agreement is executed, it will come back to City Council for review and approval. When the agreement is executed by all parties, it will become a contract and fulfill the special assessment district procedure as outlined in the ordinance.

Mr. Melchert noted Bernie Sinz, Vice President of Operations for Hirotec America and Stacy Fields, Asset Manager for General Development are available for questions, however, Tim Griswold, Renshaw Operations Manager was unable to make this evening's meeting.

When asked by Mayor McDaniel if either Ms. Fields or Mr. Sinz had further information to share; both stated they had no other information.

Moved by Mitchell; Seconded by Hammond.

RESOLVED: To Approve Resolution No. 1 to Proceed with Preparation of Plans, Specifications and Cost Estimates for Proposed Special Assessment District regarding the repair of and improvements to Deepwood Drive.

Mayor McDaniel confirmed for Mr. Kittle, this is step one in the process, with plans, specifications, and cost estimates.

Mr. Tanghe confirmed for Mr. Knight, OHM are the engineers that will perform this work. The property owners will be entering into an agreement, which will initiate the estimates and then enter into a contract. The Deepwood property owners decided to sign a contract and not go through the SAD process.

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

No: None

Resolution No. 16.10.192

Motion Carried (7-0)

9c. Motion – Special Assessment District Step One – Pacific Drive

Mr. Melchert explained adopting Resolution No. 1, will begin the SAD process for the construction of Pacific Drive. Not all the property owners agreed to the terms of the SAD. The main disagreement among the property owners is over the equal division. Kevin Nehilla, Director, ATC Engineering, representing Auto Liv, is present at this evening's meeting and is ready to answer any questions.

Sam Ashley, representing Haden Company, explained their parcel is 3.6 acres and currently undeveloped. The property owners believe the cost share should be proportionate to size.

Moved by Kittle; Seconded by Mitchell.

RESOLVED: To approve Resolution No. 1 to Proceed with Preparation of Plans, Specifications and Cost Estimates for proposed Special Assessment District regarding the repair of and improvements to Pacific Drive.

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

No: None

Resolution No. 16.10.193

Motion Carried (7–0)

9d. Motion – Special Assessment District Step One – North Atlantic and Continental

Mr. Melchert explained adopting Resolution No. 1, will begin the SAD process for the construction of North Atlantic and Continental Drives. Some of the property owners don't feel they should have to participate in the assessment district.

Don Bailey, Suburban Tool, questioned why the SAD approach is being taken. Suburban Tool was the first to construct a building in this area 21 years ago, and the developer built the road. The road was dedicated to the City, at no cost to the City. He understands a SAD is to enhance the property values, but he can't find any information to support that theory. When the SAD was presented to the businesses and property owners, noting they are the principle users of the roads, he explained that isn't a true statement. He explained during Palace events, the road is blocked at North Atlantic and Harmon Road is blocked and diverted down North Atlantic Drive to reach Brown Road, which generates hundreds of vehicles using the road as a through road. He noted Taylor Road was recently improved without a SAD, noting the same situation with businesses as well as general travel.

He understands the current cost estimate will be \$3.4 million for the project, with the City contributing \$1.7 million. He suspects the cost will increase. He asked the City but asked where the City has found the \$1.7 million, for half the project, and if it is possible for the City to use the same source for the other \$1.7 million to complete the project. He is also concerned with the method of how payments are divided.

Mr. Kittle asked if any of the questions raised by Mr. Bailey will be addressed.

Mayor McDaniel explained the businesses have had meetings with staff and the issues have been discussed and addressed.

Mr. Kittle explained the \$1.7 million comes from the general fund; a savings account set aside by the City when revenues exceeded expenditures for a number of years. The economic conditions for communities throughout the State has changed dramatically and has continued to worsen. The vast majority of roads across the City will constitute many more \$1.7 million's, so the City is trying to disperse the funds in a manner that allows the City to have a great infrastructure and balancing the available funds. The City's taxable value seven years ago was \$2.6 billion and has dropped to \$1.5 billion this year. The City is not generating the revenue that it once did, so there is less money to share and the City is asking businesses for help.

Mr. Kittle suggests business owners write letters to Lansing and suggest the legislatures lighten up the squeeze they are putting on local governments, so local governments can receive the funds they are supposed to.

Mr. Kittle stated he has struggled with the SAD's for businesses, especially those that have not received any tax abatements; there should be some considerations.

Mayor McDaniel noted many communities require property owners to support 100% of the cost of a SAD. Auburn Hills decided to adopt a policy of a 50/50 share in cost between property owners and the City. As Mr. Kittle noted, the policy change was created because of the taxable value, the elimination personal property revenue, and the economic incentives within the business community that have led the City to the SAD policy.

Ms. Verbeke asked if this SAD is for the entire length of North Atlantic.

Mr. Melchert stated it is the entire North Atlantic Boulevard and Continental Drive, as one project. Any property that front either of the roads will be required to pay their portion.

Moved by Kittle; Seconded by Mitchell.

RESOLVED: To Approve Resolution No. 1 to Proceed with Preparation of Plans, Specifications and Cost Estimates for proposed Special Assessment District regarding the repair of and improvements to North Atlantic Boulevard and Continental Drive.

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

No: None

Resolution No. 16.10.194

Motion Carried (7–0)

9e. Motion – Approve Amendment to the City’s Property Tax Incentive Policy

Mr. Tanghe explained the revised policy was reviewed in detail at the City Council’s October workshop. The changes that were made are:

1. Set a minimum investment threshold for tax incentives for real property at two million dollars
2. Eliminated tax incentives for personal property
3. Reduced the length of tax incentives to four, six, and eight years based on set investment levels
4. Eliminated the “special projects” provision since tax incentive length will be based on set investment levels
5. Increased the business residency “clawback” requirements
6. Eliminated extensions for existing and future tax incentives
7. Discontinued the tax incentive review subcommittee (TIRC)

Mr. Kittle explained this coincides with the special assessment districts, by revamping the tax incentive policy. There are benefits to offering corporation economic incentives. He understand the frustration of companies who have received tax abatements from the City, and years later are being asked to contribute 50% for road improvements. The policy changes are needed and a step in the right direction. The road funding is a long term issue that needs to be addressed, maybe in another way, not the 50% SAD funding.

Moved by Knight; Seconded by Mitchell.

RESOLVED: To adopt the City’s Property Tax Incentive Policy, as amended, effective October 24, 2016. Current applications for FEV, Martinrea, and ABB, processed in coordination with the Michigan Economic Development Corporation, may proceed under the former policy (i.e., allowable eight year tax incentive with required two year business residency) provided said applications are completed and become effective by December 31, 2017.

Ms. Mitchell asked if the businesses mentioned in the motion, have not completed their applications by December 31, 2017 what will happen.

Mr. Tanghe stated they will be reviewed under the new policy.

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

No: None

Resolution No. 16.10.195

Motion Carried (7–0)

10. COMMENTS & MOTIONS FROM COUNCIL

Ms. Hammond:

- Noted watering the flowers downtown is still taking place, even though it’s been raining; she thought the irrigation was being winterized.

Mr. Melchert believed the watering was continuing because of the fall mum plants, but he’ll take a look.

Mr. Kittle:

- He thinks renting the parking spaces for \$30.00 is pretty cheap and would like a market rate comparison done.
- He’d like to review the special assessment; he would like a workshop with some bond counsel to look at available options relative to leveraging the City’s financial position.

Mr. Knight:

- He would like to recruit as many people as possible to contact Lansing and make some noise about abatements and revenue sharing.

Mr. Kittle stated there were two things for Lansing to get rid of, one is the Headlee and the other is term limits. There will be 42 new representatives elected next year and will be clueless with local units and how they’re funded.

- The Bluegrass Festival is a great asset for the City, but staff should be soliciting hotels and other businesses that are reaping the rewards of the out-of-town guests and help fund the event. The Friday night concert series has a good following, but there isn’t any opportunity for people to make contributions at the event. He isn’t suggesting charging for the concerts, but to make known donations are appreciated.
- He would like to see \$40,000 to \$60,000 set aside for City Council to give to various organizations so Block Grant money isn’t being used.

Mr. Burmeister:

- Noted how beautiful the mums are downtown.
- He has heard nothing but rave reviews of the Fall Festival and how much it was enjoyed.

Ms. Verbeke:

- This Thursday is the Halloween Trail at the Community Center, 6:00 p.m. until 7:30 p.m.
- Downtown on Saturday, is the Spooktacular from noon until 1:30 p.m.

Ms. Mitchell:

- The Boys and Girls Club will be having their Halloween party on October 31, 7:30 p.m. until and Lego Land is having Brick or Treat, a scavenger hunt, now through the end of the month.
- She was happy to see the daily average attendance at the DEN has doubled.
- Thanked staff for the update for Main Street Oakland.
- She asked on October 15th about the video from the Council meeting of September 12th. Residents had complained they weren't able to view it and asked that it be played again.
- She had read in one of the Authority meeting, there was talk about using 4k cameras to live-stream Council meetings and there isn't a lot of cost involved. She would like the option investigated.
- Thanked everyone that attended her coffee hour.

Mayor McDaniel:

- Recognized the Chamber Board Chairman, Bernie Sinz, attending this evening's meeting, and congratulated him and the new Executive Director Jean Jernigan on a great Taste of Auburn on the awesome and well attended event.

11. CITY ATTORNEY'S REPORT

12. CITY MANAGER'S REPORT

- Jean Jernigan is the new Executive Director of the Chamber of Commerce, coming from the Michigan Association of Certified Public Accountants, where she was a vice president.
- Congratulated the Rochester Neighborhood House who moved into their new Rochester Hills home. The Rochester Neighborhood House is a non-profit that serves area residents who need a hand up. For more information their website is www.ranh.org.
- The citizens of Auburn Hills approved a millage increase in August allowing the hiring of additional personnel to staff the three fire stations, and that hiring process is moving forward. All the new hires are expected to be on board within the next two to three months.
- Congratulated Encore Automation on their expansion and ribbon cutting, as well as Martinrea on ground breaking of their new U.S. Headquarters.
- Two family events this week will be the Halloween Trail at the Community Center and Spooktacular sponsored by the downtown merchants on Saturday. More information can be found at www.auburnhills.org.
- Mr. Knight noted, the Boys and Girls Club will have their annual Halloween activity from 7:00 p.m. until 8:30 p.m. and Saturday, Avondale Youth Assistance and the high school Senior Leadership group are hosting a pumpkin painting and cookie decorating station at the Spooktacular.
- Mayor McDaniel stated Trick or Treat hours for the City is 6:00 p.m. until 7:00 p.m.

13. ADJOURNMENT

Hearing no objections, the meeting adjourned at 8:23 p.m.

Kevin R. McDaniel, Mayor

Terri Kowal, City Clerk

Attachment A

**RESOLUTION 16.10.190
APPROVING ADDITIONAL YEARS
FOR THE FACILITY
UNDER INDUSTRIAL FACILITIES EXEMPTION CERTIFICATE
2011-466 for PYEONGHWA AUTOMOTIVE USA, 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 **24th day of October, 2016**.

The following resolution was offered by Mayor Pro Tem Mitchell and supported by Councilperson Burmeister:

WHEREAS, the City of Auburn Hills and the State Tax Commission approved an Industrial Facility Exemption Certificate in the year **2011 for Pyeonghwa Automotive USA, LLC**, for a facility located at **765 Standard Parkway** and,

WHEREAS, the certificate, known as Industrial Facility Exemption Certificate **2011-466** , was approved for **5 years** for **real property** and **personal property**, and

WHEREAS, **Pyeonghwa Automotive USA LLC**, completed construction of the **real estate** on **July 6, 2011** and completed installation of **personal property** on **October 1, 2011**, and

WHEREAS, **Pyeonghwa Automotive USA LLC** has requested that another certificate for **real property** only be granted for additional 5 years for the facility under Industrial Facility Exemption Certificate **2011-466** as provided by Public Act 198, of 1974, Sec 16a, and

WHEREAS, the Clerk has notified in writing the Assessor of the City of Auburn Hills and the legislative body of each taxing unit which levies ad valorem property tax within the City of Auburn Hills and given notice to the general public so that they shall be afforded an opportunity to be heard at this public hearing to determine whether the extension of the Industrial Facilities Exemption Certificate shall be approved or disapproved; 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 exempted.

WHEREAS, it is hereby found and determined by the City of Auburn Hills Council that the granting of another certificate for **real property** for the facility previously approved under Industrial Facility Exemption Certificate **2011-466** is reasonable and proper, and

NOW, THEREFORE, BE IT RESOLVED that the request for another certificate to extend the years approved under Industrial Facilities Exemption Certificate **2011-466** for **real property** for the facility located at **765 Standard Pkwy.** is hereby approved, and

The City Council of Auburn Hills finds and determines that 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 255 of 1978, **shall not** have the effect of substantially impeding the operating 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.

That another certificate be granted to extend the years approved under Industrial Facility Exemption Certificate **2011-466** for an additional **Five (5) years** for **real property**, and

That **Pyeonghwa Automotive USA LLC** hereby agrees to occupy and operate the facility approved for the Industrial Facility Exemption Certificate and located at **765 Standard Pkwy.** for an additional **four (4) years** beginning on 12/31/2016.

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

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

NAYS: Council Members Kittle, Knight

ABSENT: None

ABSTENTIONS: None

RESOLUTION 16.10.190 APPROVED (5-2)

STATE OF MICHIGAN)
)SS
COUNTY OF OAKLAND)

I, the undersigned, the duly qualified and appointed Clerk of the City of Auburn Hills, Oakland County, Michigan do hereby certify that the foregoing is a true and complete copy of a resolution adopted at a regular meeting of the City Council held on the 24th day of October, 2016 the original of which is on file in my office.

IN WITNESS WHEREOF, I have hereunto affixed my official signature on this 25th day of October, 2016.

Terri Kowal, City Clerk