



# Rochester Hills

## Minutes - Draft

### Local Development Finance Authority

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*Jeremy Brown, Michael Damone, Michael Ellis, Daniel Hunter, Darlene Janulis,  
Michael Kaszubski, Rophin Paul, Stephan Slavik, Doug Smith and Dana Taylor*

Thursday, April 12, 2018

7:30 AM

1000 Rochester Hills Drive

## CALL TO ORDER

Chairperson Stephan Slavik called the Regular Meeting to order at 7:35 a.m. in Conference Room 221.

## ROLL CALL

**Present** 5 - Michael Ellis, Darlene Janulis, Daniel Hunter, Michael Kaszubski and Stephan Slavik

**Excused** 5 - Michael Damone, Jeremy Brown, Rophin Paul, Doug Smith and Dana Taylor

No Quorum present.

Also present: Pamela Valentik, Manager of Economic Development  
Paul Davis, Deputy Director of DPS/Engineering  
Allen Schneck, Director of DPS/Engineering  
Joe Snyder, CFO, Director of Finance  
Laurie Taylor, Director of Assessing

## COMMUNICATIONS

*There were no Communications presented.*

## UNFINISHED BUSINESS

[2017-0162](#) Update on Technology Dr. Pathway Project

*Ms. Valentik mentioned that in 2016, as part of the Capital Improvement Plan (CIP), there was a project to extend the pathway system in the City. One of the pieces of that was to create a new pathway along the west side of Technology Dr. It was located in the Rochester Hills Executive Park, where the LDFA had provided a 50/50 beautification grant in 2017. A pathway connection was also approved behind Hi-Lex Controls. Since the Technology pathway would be in the LDFA district, the City had asked the LDFA to fund it, which was approved in 2016. The City was ready to construct, and Engineering wished to give an update.*

*Mr. Davis related that the project was supposed to open for bids on April*

12, 2018, but it would be a little delayed. The design was completed, and Ms. Valentik had met with a number of property owners regarding acquiring temporary easements in order to construct the pathway. Technology Dr. had a lot of hills, so there would have to be a little more grading done than normal. As a result, property owners would be impacted a little more, such as to their sprinkler systems. He stated that the project was moving forward, and he hoped the bids would come in favorably. The bids were not bad for the concrete and asphalt programs. They were lower than what was expected, so the City was able to add more into the program. He believed that in about a week, they would determine the true cost by the contractor.

Mr. Ellis asked if any more temporary easements were needed, or if they expected any problems. Mr. Davis said that there was one permanent easement needed. There was a question about who would do the irrigation repairs - the City or each of the property owners. The City typically required the property owners to cover it. There were different types of irrigation systems, and a lot of different supplies and orders would be needed. They got some pushback for the permanent easement. The owner did not want to sign it unless the City agreed to do the irrigation repairs. As a result, it was agreed that the City would do all the irrigation repairs, which would add a cost to the project, but it would go more smoothly.

Mr. Ellis asked if the LDFA would be responsible for maintaining everything once the project was completed. Mr. Davis said that it would fall within the other 94 miles of the City's pathway system, and it would become something for which the City was responsible, not only for repairs, but for future overlay and plowing. The manager of the Park was proceeding with DTE to have pathway street lighting installed. Mr. Davis observed that it would be nice to have a lit pathway. Previously, DTE would only contract with a community, but they were now agreeing to contract directly with Homeowners' or Business Park Associations.

Chairperson Slavik asked if there was any tie-in with the outlot that went to the industrial complex to the west or if the City never purchased it. Mr. Davis said that it was not part of the project, and there had not been any progress made in trying to secure that property.

Ms. Valentik advised that of the nine properties along the pathway, only one was owner-occupied. The City met with the businesses in February to give them a heads up about the project. All the businesses shared that they were very appreciative, because they had a lot of employees who

walked during lunch. She indicated that it was nice to see the Park treating it like a public/private partnership with the City in paying for the lighting.

Mr. Schneck referred to Mr. Ellis' question about needing more easements, and he noted that the City did not. He added that the City would not solicit projects without securing the easements to build them.

Ms. Valentik explained that there was nothing to be approved for the project, because they did not have exact figures. They had provided estimates about two years ago, but they were now further into the project, and it was coming in a little higher than originally estimated.

Mr. Snyder advised that the project was phased over two years with LDFA contributions of \$200k in 2017 and \$200k in 2018. The City was requesting to bump the \$200k for 2018 to \$300k. It looked as if the project would come in well over \$500k. If the project came in over \$500k, the City's Pathway Fund would pick it up.

Mr. Schneck related that it was not a standalone project. In combination with the City's other pathway projects, they hoped to get some economies of scale in the pricing. Mr. Hunter asked if the construction would be in the summer. Mr. Schneck said that Purchasing would have to make sure that the bonds were secure, and it would have to go to City Council, but he thought it would be in June.

Mr. Ellis asked if the LDFA had to vote on it and have another meeting to approve the additional funding. Mr. Snyder responded that it would happen at the July meeting. That was typically when the LDFA adopted its budget. There might actually be two budgets to approve - an amendment to the 2018 budget, which would include the pathway dollars, and the 2019-2021 budget. Ms. Valentik did not think a special meeting would be necessary. The City wanted to gauge whether the LDFA was willing to invest more into the project, understanding that by the July meeting, they would have exact figures to be presented. At that time, the LDFA could elect to officially vote on it.

Chairperson Slavik asked if \$200k was originally allocated over two years, which Mr. Snyder confirmed, and Chairperson Slavik asked if they were asking for a total of \$400k. Mr. Snyder said that the City was requesting an additional \$100k for a total of \$500k. Chairperson Slavik stated that he did not have a problem with that. He saw how prices were coming in, and he considered that a 20% increase was rather mild

*compared with what was going on in the market.*

*Mr. Davis noted that pathways were eight feet wide. People thought that it should not be that expensive, but actually, the numbers proved otherwise. The City could overlay 22-foot wide asphalt roadways cheaper than it could build a new pathway. For several years, they tracked the numbers per foot, and the cost of a new pathway was about \$158.00 per foot. If they overlaid an existing asphalt road, it was about \$115.00 per foot.*

*Chairperson Slavik asked what kind of base was installed. Mr. Davis said that a pathway would normally have a four-inch aggregate base with crushed concrete or limestone with a four-inch asphalt layer. Roads would have six-inches of asphalt section at the least. With a pathway, there were other issues, such as driveways and shorter pieces of milling at each.*

*Ms. Janulis felt that it was an important project and not just for that Park. She rode her bike all the time on the trails, and they were very busy places. People took short and long walks and took different exploratory excursions with their kids in strollers, and it was a big part of the community. Considering how busy the roadways were, people wanted to stay off the streets and be on the pathways, and she thought that anything the City could do to enhance and improve them would have an overall effect on the entire community. She was always unhappy when prices went up, but she understood. Even when people had work done in their homes, the prices were going up for everything - lumber, paint, etc. - so it did not surprise her.*

*Ms. Valentik stated that a lot of the need for the pathway was driven by the fact that anyone coming from Auburn Rd. struggled to connect to the Trail. If they used Technology Dr. as it was, families would have to ride bikes in the street alongside trucks. Mr. Davis said that there was a north/south pathway at Adams that connected to the Trail, and there was one at Crooks. There were two miles in between without any type of connection, so the Technology pathway would be a halfway point to be able to reach the Trail from Auburn. The project was initially in the CIP in 2009, so it had been planned for quite a while.*

*Mr. Hunter mentioned that he had heard a presentation a few weeks ago from Oakland County Parks and Recreation. Their Master Plan was recently completed. It was the third five-year plan, and the number one rated customer interest was trails by far. Chairperson Slavik agreed that the City was blessed with natural beauty, and people came from*

*everywhere to use the trails.*

*Ms. Janulis noted that Rochester College was raising funds to enhance the park that traversed the Trail. They were addressing the one feature they had that went through the College and enhancing it. Ms. Valentik said that was why JENOPTIK liked the City property it purchased. They liked that the Trail ran behind their building for their employees to easily use.*

*Mr. Schneck stated that a lot of credit went to Ms. Valentik who garnered the easements. If the City did not get the right-of-way, they would have to build retaining walls. Logistically, pathways had to go through driveways, so they would have had to close one driveway and leave one open. Ms. Valentik did a really good job, because most times, businesses would try to charge the City, but it did not cost the City anything. He remarked that she was a tough negotiator.*

*Ms. Valentik asked the members if they were comfortable with allocating more than the originally approved \$400k. She reiterated that at the July meeting, there would be a final figure to consider. Ms. Janulis said that she was comfortable with it. She had called Mr. Snyder earlier in the week to make sure she understood. He mentioned that at the next meeting, there would be a potential list of future projects. She felt that would help the board with direction and in being comfortable with allocating more funds to make projects viable. If they knew what was ahead, it would make decisions easier. Ms. Valentik said that there were a lot of internal discussions about the short and long-term plans for the LDFA, recognizing that there were x amount of dollars in the fund balance. There was a few years left in the life of the LDFA. If it was to expire, and it was not extended, the monies would need to be spent. The LDFA funded the M-59 Corridor Study. At that time, there was a downturn in the economy. They wondered how the change in personal property would affect the capture, so they held off with some projects. She said that they wanted to bring the M-59 Corridor Study back at the next meeting so they could look through it. There had been a lot of time and energy spent to come up with ideas for projects and possible financing by the LDFA. She reminded that the money had to be spent in the district. She said that there might be other new ideas the board might have, and there were some new members since the Study was completed.*

*Chairperson Slavik wondered (jokingly, at first) about allocating some money to Livernois. Ms. Valentik said that was a great segue way into the next agenda item, and she turned it over to Mr. Snyder.*

Discussed

2018-0143 Update on Hamlin Rd. Reconstruction

*Mr. Snyder recalled that when the board met a year ago, the City was considering the Auburn Rd. corridor project for 2019 and Hamlin Rd. for 2018, and they talked about someday tackling Livernois. It was not on the County's list, and it had not achieved any Federal money. A year later, Livernois had been approved for Federal funding in 2021; however, the road would not last that long. He and Mr. Schneck went to the Road Commission to ask what they could do to move up the project. The Road Commission advised that it could be done in 2019, and they would allocate 10%, but the Federal money (80%) would not come until 2021. If the City wanted to do it in 2019, it would have to front the money. The current agreement with the LDFA was to do a 50/50 split of the local share up to \$1 million. That would allow them to use major road funds City-wide on Auburn, Livernois and other areas in the City in the LDFA district. Hamlin Rd. was the northern end of the LDFA district, and they discussed that if the LDFA could help with a piece of Hamlin, it would free up monies for the City to use for some of the other roads. The Auburn Rd. corridor had been extended. It had involved Culbertson to Dequindre, and now it would be from Rochester Rd. to Dequindre. He stated that 2019 would be a big year for major roads. If they did everything as mentioned, it would drop the major road fund balance to \$1 million. The LDFA would have \$3 million in its fund next year. The recommendation for consideration by the board was to reconsider the 50% share up to \$1 million to a 75% share up to a \$2 million cap. The LDFA monies were restrictive and had to be used in the district. The next monies would come from the major road fund. Ultimately, it might take some general fund dollars to make everything work. General fund dollars could be used for roads, storm sewer, fire trucks, etc. The ability to use LDFA monies for Hamlin Rd. would be acceptable. The City just completed the 2019-2024 CIP, but there was nothing LDFA related in it. He pointed out that if everything was approved, the LDFA fund would drop to approximately \$1.9 million. He noted that the LDFA contributed approximately \$350k into its fund balance, and that was essentially net profit each year. It quickly built the fund balance. If there was an LDFA project besides Hamlin Rd., there would be about \$2.5 million to take care of it. There was a big crunch on major roads coming in 2019 between Auburn and Livernois. Before the reimbursement came in 2021, it would be pretty slim. If there was an LDFA road project in 2020 or 2021 and the LDFA was a little short, he suggested that perhaps the major roads fund could provide something for*

*that. As mentioned, LDFA monies could not be used for any roads besides those in the district, but the major road fund could be used City-wide, and he felt that could be an option.*

*Ms. Janulis thought that it was a good plan when she read it. The members were just in charge of the LDFA space, but people came to see all the amenities the City offered. They would drive Livernois as much as any other road, and they could see that the infrastructure was crumbling. She said that she was in favor of the plan because for the overall big picture, it would benefit the community as a whole. In addition, there was not a grocery list of things that had to be done or promises made that could not be fulfilled with the plan. In the past, she maintained that the LDFA had been very prudent and cautious with projects, and they made sure that it really did benefit the district. She thought that it was a good way of servicing the community as a whole by taking care of a bigger piece of their responsibility. She thought that the City had done a really stellar job in managing the infrastructure issues, given that they tried for years to pass a dedicated millage. The Administration found alternative ways to improve the roads, and she felt that they could be trusted to do a good job. She felt that it would be money well spent.*

*Ms. Kaszubski remembered sitting on a couple of committees talking about the infrastructure of the roads and the direct impact on housing values. If Livernois was someone's main access into the City, it was definitely not the image they wanted.*

*Mr. Ellis asked if Livernois had exhausted its anticipated life expectancy, or if it had been a lot shorter. Mr. Snyder said that they talked with Mr. Schroeder, who was a former City Engineer, and he said that when they built Livernois, there was a new way of building concrete roads. They tried making very small concrete cross sections. Every section crumbled, so rather than crumbling every 50 feet, it was every 10-25. That experiment did not work out very well.*

*Ms. Janulis pointed out that a lot of school busses traveled that road to get to the parking lot. The school district tried to move the bus garage off of Livernois onto Hamlin, but it did not pan out. She was disappointed that people in the community would not pay \$2.54 per year for a new bus garage. She thought that Livernois got more wear than normal from the busses. Mr. Davis agreed. He said that typically, a road was designed for a 20-year service life, and Livernois had lasted 20 years. Oftentimes, concrete roads would go longer, but there were a lot of factors. A fully loaded garbage truck was the equivalent to a lot of cars on the same*

*stretch of road. If there were a lot of heavy vehicles on a road, it would be affected differently. There were some joint repairs done about five years ago. All those concrete pieces that had blown out were from those repairs. It was a temporary repair, but it did not work. There were other problems unique to concrete roads from a material standpoint, and that affected both Livernois and Hamlin.*

*Mr. Ellis asked Mr. Davis if he anticipated a complete rebuild. Mr. Davis said that it would have to be. Mr. Snyder said that the engineering was beginning, and they were looking at asphalt in that stretch. Mr. Schneck noted that there was an asphalt section to the north and to the south, so they questioned why they would have concrete cross sections in between. From a constructability standpoint, it was sometimes easier to work with asphalt to get vehicles back on it, where concrete had to be poured and cured. Mr. Ellis asked if asphalt would hold up as well for the busses. Mr. Schneck said that in pavement design, they would come up with a structural number. There would be traffic loading, weather, material drainage concerns, etc. plugged into the software. There might be a nine-inch concrete with six inches of aggregate. The equivalent asphalt section might be ten inches of asphalt with eight-inches of aggregate. They were different sections, but they would perform the same.*

*Mr. Davis explained that the original service life would be a 20-year road. They could build roads that would last longer, but they would be a lot more expensive, so they would use maintenance to prolong the service life.*

*Chairperson Slavik said that it seemed that there were more options for repair with an asphalt road. It was almost self-healing in the summer. Mr. Davis claimed that they would see cracks earlier a lot of times with an asphalt road.*

*Mr. Davis said that when they looked at how much it cost to build a concrete over asphalt, they could mill an overlay several times, and it would still be overall cheaper than if they had to reconstruct a concrete road. It was a little more demanding to stay on top of them, but cost factored into everything their department did. For Hamlin Rd., between Adams and Adams they would go with concrete, because from Livernois west it was all concrete, and they felt it would be better.*

*Mr. Schneck mentioned that he had worked at the Road Commission and had designed the project. As with any industry, things evolved. As to Livernois failing, the joints were done diagonally because of noise. They*



*used a rubberized joint and without proper maintenance, there were incompressibles. When the concrete went, there was nowhere to expand, and the joints shattered. If people saw little rubber pieces, that was what it was. They did not use those joints any longer - they used hot poured rubber. The preventative maintenance was very important, and he was satisfied that the City did a good job with it.*

*Ms. Valentik asked if the City would take over jurisdiction of Livernois, which Mr. Schneck denied. Ms. Valentik clarified that the Hamlin stretch would be taken over. She added that the City would take over jurisdiction of Auburn Rd. from Dequindre to Rochester from MDOT. She indicated that taking over jurisdiction of roads would cause future maintenance costs to the City.*

*Mr. Ellis asked why the City would want to take over jurisdiction. Mr. Davis said that the Road Commission previously needed that section of Hamlin for connectivity. Adams was relocated, and that stretch of Hamlin was not needed any longer. The jurisdiction transfer should have happened when Adams was first relocated. The Road Commission would rebuild Hamlin Rd. and share in some of the costs, but they wanted the jurisdiction to occur as a condition of doing Hamlin sooner. Regarding Adams, Forrester Blvd. and the two old Adams pieces north and south of M-59 would probably also be taken over. They were all related to the original relocation of Adams.*

*Mr. Ellis clarified that the City would get an immediate benefit but down the line, there would be increased costs. Mr. Davis agreed. The City would start collecting the Act 51 gas tax revenues. Mr. Snyder had done comparisons as to how much revenue the City would get versus what the maintenance and replacement responsibilities would be. The City did a good job of plowing the roads and maintaining them better than the Road Commission or MDOT did. Years ago, the City plowed that portion of Hamlin even though it was not the City's. Ms. Janulis remarked that the City got the phone calls. Mr. Davis said that they would take jurisdiction of Auburn mainly for the Auburn Rd. corridor project. They wanted to have more control over the success of the project between Culbertson and Dequindre. The City approached MDOT about taking over that half mile stretch, but MDOT said that it was not enough to entice them; they wanted the City to take over two miles from Rochester to Dequindre.*

*Mr. Ellis said that he understood, but if a road's traffic volume was higher, such as Rochester's, he wondered if there would be a break point where there was no longer an advantage of taking control of the road. Mr. Davis*

*agreed that there definitely was.*

*Mr. Schneck added that there were competing interests. The City's \$13 million DPS building was on Auburn, and the City did not maintain the road there. The plow trucks left that facility without the blades down, and they had to go back and forth from the building on a road that MDOT might not have plowed. He said that oftentimes, if there was another agency that had jurisdiction over a road, the City had to go to them to get permission to do things. He felt that it made sense to convey that portion of the roadway to the City. He acknowledged that it came with an expense, but the City was cognizant about the level of service it provided. The pathway system was bigger than when he started. When he started, there were 86 miles, and they were up to 96 miles without having added any staff. The citizens expected a high level of service, and the City tried to invest in new technologies and equipment to provide that service.*

*Mr. Kaszubski agreed with Ms. Janulis that the City had done a really good job of managing the infrastructure. For the long-term strategy, from a business perspective, he maintained that it would make more sense to control as much as they could. He thought that the strategy alignment with the City's long-term vision of how it would continue to control costs across the board and absorb the new responsibilities would be really important.*

*Mr. Davis said that they were very sensitive to that. They were looking at getting another three miles of major roads, and they would not be increasing equipment or staff. The community would still expect the same level of service. At some point, that would not work - they would either need to add staff or equipment, and there would be more responsibility placed on DPS to pull it all off without a noticeable decrease in the level of service.*

*Mr. Kaszubski agreed with Mr. Schneck that there were some competing interests. It went back to the fundamental component of keeping up the image of the City to attract businesses and residents and keeping the home values up. The offset would be that it might cost a little more, but strategically, if they were keeping that level on a slight uptick, it would bring the intrinsic values. He said that there had to be some strategy, and they had to determine the hard and soft benefits, and that would be the story that allowed the longer-term strategy to make sense. They all knew costs would go up at some point, but with the context around that, there would be other benefits that came with it. He thought that it would be good to explain to the community. He remembered speaking at public forums*

*about the roads and getting bludgeoned.*

*Ms. Valentik said that regarding Hamlin Rd., there were a number of large companies that had headquarters in that little half-mile stretch. FANUC, the City's largest employer, had over 800 employees there. Borg Warner was on the border of Rochester Hills and Auburn Hills, and it was their world headquarters. They were very helpful to the City in trying to advocate for a State grant, which, unfortunately, was not awarded. The old Volkswagen building had been vacant for years. She felt that a lot of it had to do with the condition of Hamlin. Molex purchased the building, and they added onto it. They got a temporary C of O last week, and they were turning it into their global transportation and industrial division. They would be moving 400 people into the building, and the increase in taxable value would go into the LDFA fund. Molex was very appreciative that the City was making improvements to Hamlin.*

*Mr. Hunter said that there were about 1,500 people working in that immediate area. Ms. Valentik agreed. FANUC told them that it was not just the employees, but it was also their customers and suppliers. It was FANUC's North American showroom, so customers and suppliers came from all over the world to be trained on their equipment. When they got off of M-59 and drove Hamlin, it was what they saw, and that was not the image the City wanted to project.*

*Mr. Ellis asked Ms. Valentik if she was looking for the LDFA to make a recommendation whether or not it would accept the allocation. Ms. Valentik said that she would like to know if they were comfortable bumping up the commitment from 50 to 75% of the City share, understanding that the City did not have exact figures. It would be an adjustment to the 2018 budget.*

*Mr. Snyder said that the timeline of the Hamlin bid was possibly coming in with the July LDFA meeting. He thought they would have exact figures in June. Mr. Ellis said that he would support it, as long as they could be assured that the LDFA would not run out of funds. Mr. Snyder said that the LDFA's minimum fund balance should be \$80k. There was quite a bit of cushion, and they were projecting \$1.9 million. \$350k per year net profit would go into the fund going forward, and that did not count Molex.*

*Ms. Janulis pointed out that they had fulfilled all the promises made, and they did not have a growing list of needs they would be taking away from in order to make the roadwork possible. She thought that it would benefit the overall health of the community, and she was very much in favor.*

*Mr. Snyder thanked the board. It was a huge shot in the arm for the major road network, and he stated that it was vital. They would not ask if that were not true, and they realized that it was a major ask. He jokingly promised a case of suds at the next meeting.*

*Mr. Hunter asked if MDOT would still own Auburn west of Rochester, which was confirmed. Mr. Davis agreed that there was a six-mile stretch they currently owned in Rochester Hills. Auburn was owned by Auburn Hills in that city. The Macomb County Road Commission owned Auburn east of Dequindre. He stated that it was very low priority for MDOT.*

*Mr. Schneck noted that they did approach Auburn Hills about Hamlin to ask if they had any interest in adding sections west of the City's border. Auburn Hills wanted to do some panel replacement, so the project would go from Squirrel past Adams. Ms. Janulis considered that it would benefit them, because all the equipment would already be there, so it would not have to be a special project, and the pricing would be better.*

**Discussed**

## **ANY OTHER BUSINESS**

*Mr. Slavik asked if there was any news about the brownfield sites on Hamlin. Ms. Valentik advised that the City was working with a developer out of Ohio who had the northeast corner of Hamlin and Adams under contract. They would like to construct high-end apartments (368 luxury). The property had a Consent Judgment, and it had an existing Brownfield Plan. Ms. Roediger had been working closely with the developer, with ASTI, the City's environmental consultant, with the City Attorney, City Council, the Brownfield Redevelopment Authority and the seller on a new Brownfield Plan. The Brownfield Redevelopment Authority approved a new Plan a couple of days ago, and it would be going to City Council on April 23, 2018. Under the original Consent Judgment, the property could be used for office with some retail, and the site would have been cleaned to commercial standards. With the proposed development, the property would be cleaned to residential standards, which was far better. She indicated that it was great news, because there would be a nice development, and the property would be cleaned to a Greenfield. The applicants hoped to start working on the cleanup in the summer. Ms. Janulis noted that it would connect to the bike path as well.*

*Ms. Valentik advised that there would be work done to Innovation Hills in*

*the summer. As for Madison Park, on the southeast corner of Adams and Hamlin, there had been a lot of interest, but it had gone quiet, and there was nothing in the works for that site.*

*Mr. Schneck related that DPS had an interactive construction map on the City's website, which showed all the construction projects in the City, even those not under the City's jurisdiction. If someone hovered over a project, it showed the contractor, owner, cost of the project, project duration, etc. He suggested that it was a really good resource.*

*Ms. Valentik shared that as mentioned, Molex was officially moving in. They purchased the building in 2016, and they were just moving in. There was an addition and a rehab on all three floors. Molex outgrew its facility in Auburn Hills, and they wanted to be able to expand their engineering and lab testing. Another project that received a C of O was ARaymond. They purchased vacant land on Devondale, which was in the district and would bring new income into the LDFA. She noted that ARaymond was a French, privately-owned, fourth generation company. They owned Rayconnect, which was across the street, and the LDFA had funded the paving of Devondale and Austin Ave. for Rayconnect. ARaymond also owned ARaymond Tinnerman. Last year, the latter bought the building next door to extend their operations. They also owned Raynet and RACE, which was their engineering and product development center, and ARaymond Tinnerman Industrial, which was in Auburn Hills but was consolidating into the building on Devondale. Their North American offices had been in a building on Livernois.*

*Ms. Valentik noted that the City was working with a company already in the City that was growing. They anticipated outgrowing their building by 2021, and they were in the market to buy land to construct a facility. They were looking at Michigan and Alabama. They were an automotive supplier, and a lot of their product shipped to Mexico and the southern part of the U.S. The City was doing its best to retain them. They have property next to the Meijers at Adams Marketplace under contract. She said that the property was owned by Grand Sakwa, and there was also a Consent Judgment governing the site. The City had been involved in negotiations with the sale of the property, because some amendments needed to be made to the Consent. They would take it to Council on April 23rd with a proposed amendment that would allow the company to build a 120k s.f. headquarters and manufacturing facility with the potential to grow up to almost 300k s.f. If the project happened, it would retain 180 jobs in town and add another 50 immediately with the first phase. It was a German company, and they were taking a similar approach as*

*JENOPTIK.*

*Mr. Hunter asked if it would be in the LDFA district. Ms. Valentik agreed, and added that it was another great news project. There was not a lot of vacant land in the LDFA capture, but between JENOPTIK and the proposed development, there would be added revenue coming into the LDFA.*

*Ms. Janulis asked if the company under contract would be asking for any tax abatements. Ms. Valentik agreed that they would. They were pursuing incentives from the State, and whenever the State presented a package, the local community had to provide a match. The project would meet the eligibility for a real tax abatement. She thought that it was nice when a company bought a property, because it showed a long-term investment to the community. Ms. Janulis added that having that many jobs brought in also helped maintain a stable residential community. People liked to live close to where they worked. Mr. Hunter agreed that it was a commitment. He had been with Oakland County Economic Development for a long time. He worked with ARaymond when they came to Rochester Hills. They could see how they had grown. He remembered that they had tickets to the World Cup at the Silverdome. Several European companies drove over to pick up the tickets. He said that it was nice to see how immensely ARaymond had grown.*

*Ms. Valentik noted that she had a meeting with a different division of JENOPTIK that was looking to expand in North America. They were looking at Rochester Hills because of JENOPTIK's industrial metrology division doing so well in the area. Sometimes in working with international companies, if they could get one division in, others could see the experiences they had and the relationships developed with the City. When other divisions wanted to come to the U.S., they looked at the communities where their other divisions had success.*

*Ms. Valentik related that the City was in the process of updating its Master Plan. She encouraged everyone to go on the City's website and complete a survey. They were still at the public input phase, but that would be wrapped up in the next month or so. There were still opportunities for people to share ideas and thoughts. There would also be an Open House on April 23, 2018 from 4:30 p.m. to 7:00 p.m. at Rochester College. She said that they would love the board to attend (and for them to spread the word) to hear their thoughts and share what they would or would not like to see in the community.*

### **NEXT MEETING DATE**

Chairperson Slavik reminded the LDFA board that the next Regular Meeting was scheduled for July 12, 2018 (subsequently rescheduled to June 28, 2018).

### **ADJOURNMENT**

Hearing no further business to come before the LDFA board and upon motion by Ms. Janulis, seconded by Mr. Hunter, Chairperson Slavik adjourned the Regular Meeting at 8:49 a.m.

Respectfully submitted,

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Stephan Slavik, Chairperson  
Rochester Hills  
Local Development Finance Authority

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Maureen Gentry, Secretary