



Rochester Hills Minutes

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Financial Services/Community Development & Viability Joint Committee

FINANCIAL SERVICES COMMITTEE:

Donald Atkinson, David Byrne, John Dalton, Kurt Dawson, Melinda Hill, Barbara Holder, Julie Jenuwine, Jillian Rataj, Lee Zendel

COMMUNITY DEVELOPMENT & VIABILITY COMMITTEE:

Ed Anzek, Bryan Barnett, Scott Cope, Frank Cosenza, Jim Duisternars, Barbara Holder, Michael Kaszubski, Erin Mozer, Roger Rousse, Katie Talbert, Mark Witte

Thursday, April 28, 2005

6:30 PM

1000 Rochester Hills Drive

SPECIAL JOINT MEETING CDV approved 10/27/05

CALL TO ORDER

Chairperson Barnett called the Joint Financial Services/CDV Committee meeting to order at 6:50 p.m.

ROLL CALL

Present: Bryan Barnett, John Dalton, Jim Duisternars, Melinda Hill, Barbara Holder, Donald Atkinson, Frank Cosenza and Michael Kaszubski

Absent: Lee Zendel

CDV Non-Voting Members Present: Ed Anzek, Roger Rousse, Erin Mozer, Katie Talbert and Mark Witte

CDV Non-Voting Members Absent: Scott Cope

FS Non-Voting Members Present: Kurt Dawson, Julie Jenuwine

FS Non-Voting Members Absent: David Byrne, Jillian Rataj

Committee Member Jillian Rataj provided previous notice she would be unable to attend and asked to be excused.

APPROVAL OF MINUTES

None Presented

COMMUNICATIONS

None Presented

2005-0312

Review of Oil and Gas Lease for property in Sections 24 and 25 - Energy Quest, Inc., applicant

Attachments: Agenda Summary.pdf; Public Hearing Notice.pdf; 070605 Agenda Summary.pdf; 051805 Agenda Summary.pdf; Energy Quest Oil Gas Lease1.pdf; Memo Casey 20050426.pdf; Resolution to Set Public Hearing.pdf; 0312 Resolution.pdf; Final Signed Lease.pdf

Dan Casey, Planning Development, gave an overview of Energy Quest Inc's request as follows:

- * Energy Quest Inc is a company that engages in searching for oil and gas on properties.
- * Preliminary testing running east and west on Hamlin Road leads the company to believe that there may be an Oil and/or Gas structure located there.
- * Additional testing running north and south on Hamlin Road is needed to verify possible existing structure.
- * Energy Quest would like to enter into a lease agreement with the City to conduct additional testing on City property.
- * Energy Quest would like to lease 141.77 acres from the City with an option on an additional 10 (ten) acres located in Borden Park.
- * Proposed Lease area is zoned light industrial.
- * If the City agrees to the lease, the City would be compensated with a non-refundable signing bonus of \$14,700 regardless if structure exists or not.
- * Energy Quest will obtain lease agreements from private land owners if necessary.
- * With the exception of Oil and Gas, the lease protects the City and reserves the City's mineral rights.
- * If a structure is found with hydro carbons, oil or gas, the City would share in the revenue.

Committee members discussed possible worse case scenarios, such as, un-captured gas odor and methane danger. It was noted that the State of Michigan has issued over 50,000 well drilling permits without incident.

Committee members viewed and discussed pictures of the proposed facility.

- * Type of facility built depends on whether its Oil or Gas.
- * The lease term is for three (3) years with a two (2) year extension.
- * The lease remains in place until the concentration of Oil and Gas are expended.
- * Usually structures exist from seven (7) to ten (10) years.
- * At the end of agreement, Energy Quest would remove the facility, and restore the grounds back to equal or better condition.
- * Shut-In Provision would allow Energy Quest to keep the lease "alive" or extend the primary term of lease when/if a structure is found and if there is a problem in bringing the Oil and/or Gas to market. Lease term extended until the problem is solved.

Committee recommended that the Proposed Oil and Gas Lease go to a Council Workshop.

Committee requested that John Staran, City Attorney, be present at Council Workshop.

A motion was made by Dalton, seconded by Holder, that this matter be Referred to the City Council Work Session.

The motion carried by the following vote:

Aye: Barnett, Dalton, Duistermars, Hill, Holder, Atkinson, Cosenza and Kaszubski

Absent: Zendel

YOUTH COMMENTS

None Presented

ANY OTHER BUSINESS

None Presented

NEXT MEETING DATE

Regular CDV Committee meeting Thursday, May 26, 2005 at 5:30 p.m.

ADJOURNMENT

There being no further business to discuss, Chairperson Barnett adjourned the meeting at 7:50 p.m.

Minutes prepared by Sue Busam

Joint Minutes were approved as presented at the October 27, 2005 Regular CDV Committee Meeting.

Joint Minutes were approved as presented at the January 12, 2006 Regular Financial Services Committee Meeting.