



Rochester Hills

Minutes - Draft

City Council Regular Meeting

1000 Rochester Hills Dr.
Rochester Hills, MI 48309
(248) 656-4600
Home Page:
www.rochesterhills.org

*J. Martin Brennan, Greg Hooper, Nathan Klomp, Vern Pixley, James Rosen,
Michael Webber and Ravi Yalamanchi*

Vision Statement: The Community of Choice for Families and Business

*Mission Statement: "Our mission is to sustain the City of Rochester Hills as the premier
community of choice to live, work and raise a family by enhancing our vibrant residential
character complemented by an attractive business community."*

Monday, July 19, 2010

7:00 PM

1000 Rochester Hills Drive

CALL TO ORDER

*President Hooper called the Regular Rochester Hills City Council Meeting to order
at 7:05 p.m. Michigan Time.*

ROLL CALL

Present 5 - J. Martin Brennan, Greg Hooper, Nathan Klomp, James Rosen and Michael
Webber

Absent 2 - Vern Pixley and Ravi Yalamanchi

Others Present:

*Ed Anzek, Director of Planning and Development
Tara Beatty, Chief Assistant to the Mayor
Trip Brennan, Rochester Hills Government Youth Council Representative
Dan Casey, Manager of Economic Development
Scott Cope, Director of Building and Ordinance Compliance
Jane Leslie, City Clerk
Patrick McKay, Supervisor Interpretive Services
Roger Moore, Professional Surveyor
Roger Rousse, Director of DPS/Engineering
John Staran, City Attorney
Kelly Winters, Deputy Director of Building and Ordinance Compliance*

PLEDGE OF ALLEGIANCE

APPROVAL OF AGENDA

**A motion was made by Webber, seconded by Klomp, that the Agenda be Approved as
Presented. The motion CARRIED by the following vote:**

Aye 5 - Brennan, Hooper, Klomp, Rosen and Webber

Absent 2 - Pixley and Yalamanchi

PUBLIC COMMENT

Scot Beaton, 655 Bolinger Street, announced that the Road Commission For Oakland County is hosting a Public Information Meeting regarding the Tienken Road Improvement Project - Livernois to Sheldon on Wednesday, July 21, 2010 from 4:00 p.m. to 7:00 p.m. at the City Hall Auditorium. He expressed concern regarding a revised Planned Unit Development proposal along Rochester Road and invited residents to attend the next Planning Commission Meeting scheduled for Tuesday, July 27, 2010 at 7:00 p.m.

Lee Zendel, 1575 Dutton Road, referred to residents' comments at the previous Council Meeting regarding the Detroit Sewerage and Water Department communication with the City via an e-mail message versus a letter sent through the United States Postal Service, pointing out that e-mail correspondence played a part in a recent court case and stated that the IRS accepts the electronic filing of taxes. He stated that the City should have constructed the water reservoirs when they were proposed ten years ago.

Melinda Hill, 1481 Mill Race Road, stated her disagreement with Council's decision to delist the property at 1585 S. Rochester Road and spoke of her concerns regarding the revised PUD and the City's sustainability due to the large amount of commercial developments located in the City.

Deanna Hilbert, 3234 Quail Ridge Circle, requested an update on the water reservoir project; specifically the justification for two 3-million gallon tanks. She also requested an update on the Medical Main Street project and asked if the Road Millage issue on the August 3rd ballot would be the sole funding for maintenance and snow plowing of the City's roads.

Kim Russell, 345 Lysander, Rochester, Michigan, reminded residents to vote at the August 3rd primary.

LEGISLATIVE & ADMINISTRATIVE COMMENTS

President Hooper responded to the public comments as follows:

- The road millage issue appearing on the ballot is for a replacement millage for an expiring Debt millage. He stated that although it is not the sole funding source, it will be used for local roads.
- He deferred the Medical Main Street update to Mayor Barnett.
- He stated that the information and documentation regarding the water reservoir discussions is available on the City's website.
- He noted that the Planning Commission will be meeting on July 27, 2010 for the final review and recommendation of the revised Planned Unit Development Agreement and would be available to answer questions regarding the Eddington Property.

Mr. Brennan commented about a recent article in the Oakland Press regarding Rochester Hills Fire Fighter Larry Gambotto and his childhood fight with cancer.

Mr. Klomp wished his wife Happy Anniversary and welcomed his parents as new residents of the City.

Mr. Webber responded to the request for an update regarding Medical Main Street that a similar question had been asked before. He had noted at that time, the Brownfield Redevelopment Authority had met in April and unanimously passed a resolution to apply for a grant from the State. He reported that there had been no news regarding the status of the grant application to date.

Trip Brennan, Rochester Hills Government Youth Council (RHGYC), reported that \$8,000.00 was raised at the 5k Run/Walk Event benefitting C.S. Mott Children's Hospital. He noted that the RHGYC would be saying goodbye to five members going to college and welcoming five new members for the 2010/2011 year.

Mayor Barnett made the following announcements:

- Westinghouse Air Brake Company (WABCO) is moving to the City and will be providing approximately 275 new jobs to the community.
- The Crooks Overpass Plan Project is moving forward. He stated that it has been a number one transportation initiative of Council for several years.
- He announced that the latest issue of the Hills Herald is available and reminded residents to call the Mayor's Office to be added to the distribution list for e-copies or paper copies. He noted that plans are to publish the Hills Herald more frequently to keep residents informed.
- The Primary Election is on August 3rd and residents may obtain Absentee Ballots from the Clerk's Office which will be open on Saturday, July 31, 2010.
- He reported that the City's parks are having a record breaking year. He noted that there were just under 100,000 park attendees at Spencer Park during the month of June and that there is a webcam at Spencer Park.
- He reported that in a recent meeting with Dr. Russi of Oakland University, he was informed that representatives from Oakland County just returned from a trip to Israel where they were promoting the Medical Mainstreet Initiative for Oakland County.

ATTORNEY MATTERS

2010-0306 Adoption of Resolution to meet in Closed Session on Monday, July 26, 2010 at 6:00 p.m., Michigan Time, at the Rochester Hills Municipal Offices for the purpose of consulting with the City Attorney to discuss written attorney/client privileged communications

Attachments: [Resolution.pdf](#)

A motion was made by Webber, seconded by Brennan, that this matter be Adopted by Resolution. The motion CARRIED by the following vote:

Aye 5 - Brennan, Hooper, Klomp, Rosen and Webber

Absent 2 - Pixley and Yalamanchi

Enactment No: RES0166-2010

Resolved, that the Rochester Hills City Council hereby agrees to meet in Closed Session, as permitted by State Statute MCLA 15.258, on Monday, July 26, 2010 at 6:00 p.m., Michigan Time, at the Rochester Hills Municipal Offices, 1000 Rochester Hills Drive, Rochester Hills, Oakland County, Michigan. The purpose of the Closed Session is to consult with the City Attorney to discuss written attorney/client privileged communications

President Hooper requested that City Attorney Staran opine as to political campaigning during City Council meetings.

City Attorney Staran stated that meetings of City Council, Boards and Commissions are conducted in accordance with the Michigan Open Meetings Act and the City tries to observe the requirements of that Act. He explained further that the public is invited to address City Council regarding matters related to the business of the City. He stated that people are disallowed from political campaigning at City Council meetings which is consistent with the City's policy of disallowing the distribution of political flyers on City property for the maintenance of political neutrality.

CONSENT AGENDA

All matters under Consent Agenda are considered to be routine and will be enacted by one motion, without discussion. If any Council Member or Citizen requests discussion of an item, it will be removed from Consent Agenda for separate discussion.

2010-0224 Approval of Minutes - City Council Regular Meeting - May 3, 2010

Attachments: [CC Min 050310.pdf](#)
[Resolution.pdf](#)

This Matter was Adopted by Resolution on the Consent Agenda.

Enactment No: RES0167-2010

Resolved, that the Minutes of a Rochester Hills City Council Regular Meeting held on May 3, 2010 be approved as presented.

2010-0296 Approval of Minutes - City Council Joint Meeting with Auburn Hills - May 10, 2010

Attachments: [CC Min Joint Mtg 051010.pdf](#)
[Resolution.pdf](#)

This Matter was Adopted by Resolution on the Consent Agenda.

Enactment No: RES0168-2010

Resolved, that the Minutes of a Rochester Hills City Council Joint Meeting with the Auburn Hills City Council held on May 10, 2010 be approved as presented.

Passed the Consent Agenda

A motion was made by Webber, seconded by Klomp, including all the preceding items marked as having been adopted on the Consent Agenda. The motion carried by the following vote:

Aye 5 - Brennan, Hooper, Klomp, Rosen and Webber

Absent 2 - Pixley and Yalamanchi

ORDINANCE FOR INTRODUCTION

2010-0291 Acceptance for First Reading - an Ordinance to adopt new Chapter 79, Special Events, to the Code of Ordinances of the City of Rochester Hills, Oakland County, Michigan, to regulate and require a permit for special events as defined in the Ordinance, repeal conflicting Ordinances and prescribe a penalty for violations

Attachments: [Agenda Summary.pdf](#)
[Ordinance \(Revised\).pdf](#)
[071910 Agenda Summary.pdf](#)
[Ordinance.pdf](#)
[071910 Resolution.pdf](#)
[Resolution.pdf](#)

Scott Cope, Director of Building and Ordinance Compliance, introduced the development of the new Special Events permit with the following presentation:

Brief Review:

- The previous zoning ordinance did not allow storage and sales outside of the building
- Business owners were not happy with the inability to display products outside of store building or to conduct sidewalk sales
- Ordinance staff experimented with a special event permit over three years to assist business owners
- Sidewalk sales were allowed but were monitored to limit the impact and to ensure compliance with fire safety codes, egress and emergency requirements for exit of the building

Special Events:**Other Special Events that have occurred:**

- Rochester College Fall Festival
- Lion's Club Carnival
- Fix 'n Chips in two locations

- Home Depot Outdoor Display
- Crittenton Hospital Employee Fair
- Village of Rochester Hills - multiple events
- Relay for Life Fund Raiser at Antonio's Pizza

Results of Experiment:

- Special Event permits have increased from four in 2007 to ten in 2009
- Minimal impact on area
- Businesses were thankful

Proposed Special Event Ordinance:

- Anyone with permission from the property owner could apply for a permit
- Sidewalk sales do not require a permit (exception)
- Temporary signs included in Special Event permit fee
- Limited to 30 days three times per year

Mr. Rosen asked if the outdoor displays at ACE Hardware and ACCO would be permanent. He stated that while he supports the businesses, he is not in favor of the cluttered look of the exterior of the store buildings.

Mr. Cope responded that outdoor tables located at the businesses' exterior would not be required to apply for the special permit.

Mr. Webber commented that business owners in downtown Rochester conduct frequent sidewalk sales and expressed his appreciation that the City has been attempting to duplicate similar attention for the Rochester Hills shopping centers. He expressed his support to help business owners during the tough economic times.

President Hooper commented that he would like to see the Ordinance assisting permanent business owners but stated that temporary businesses should pay the brunt of the cost of the special permit because the parking lot owners pay the taxes and utility bills associated with the property.

A motion was made by Webber, seconded by Klomp, that this matter be Accepted for First Reading by Resolution. The motion CARRIED by the following vote:

Aye 4 - Brennan, Hooper, Klomp and Webber

Nay 1 - Rosen

Absent 2 - Pixley and Yalamanchi

Enactment No: RES0176-2010

Resolved, that an Ordinance to adopt new Chapter 79, Special Events, to the Code of Ordinances of the City of Rochester Hills, Oakland County, Michigan, to regulate and require a permit for special events as defined in the Ordinance, repeal conflicting Ordinances and prescribe a penalty for violations is hereby accepted for First Reading.

2010-0292 Acceptance for First Reading - an Ordinance to Amend Section 66-37 of Article II of Chapter 66 Municipal Civil Infractions, of the Code of Ordinances of the

of Rochester Hills, Oakland County, Michigan, to modify the first repeat violation rates, repeal inconsistent or conflicting Ordinances, and prescribe a penalty for violations

Attachments: [Agenda Summary.pdf](#)
[Ordinance.pdf](#)
[071910 Agenda Summary.pdf](#)
[071910 Resolution.pdf](#)
[Resolution.pdf](#)

Mr. Cope explained that the purpose of this amendment is to 'clean up' the section numbering and to maintain consistency with the costs for violation of the repeat violations.

A motion was made by Brennan, seconded by Klomp, that this matter be Accepted for First Reading by Resolution. The motion CARRIED by the following vote:

Aye 5 - Brennan, Hooper, Klomp, Rosen and Webber

Absent 2 - Pixley and Yalamanchi

Enactment No: RES0177-2010

Resolved, that an Ordinance to Amend Section 66-37 of Article II of Chapter 66 Municipal Civil Infractions, of the Code of Ordinances of the City of Rochester Hills, Oakland County, Michigan, to modify the first repeat violation rates, repeal inconsistent or conflicting Ordinances, and prescribe a penalty for violations is hereby accepted for First Reading.

2010-0293 Acceptance for First Reading - an Ordinance to Amend Section 134-178 of Article VI of Chapter 134 Signs, of the Code of Ordinances of the City of Rochester Hills, Oakland County, Michigan, to modify regulations for signs permitted on office, professional and research premises, repeal conflicting Ordinances, and prescribe a penalty for violations

Attachments: [Agenda Summary.pdf](#)
[Ordinance.pdf](#)
[071910 Agenda Summary.pdf](#)
[071910 Resolution.pdf](#)
[Resolution.pdf](#)

Mr. Cope stated that the Ordinance amendment removes the word 'not' in the first sentence of Section 134-178 Ordinance language.

Mr. Webber commented that he had been in receipt of feedback from some new businesses located within the City and requested the Administration's thoughts regarding temporary signage for new businesses coming to the City.

Mr. Cope responded that a revision had been made approximately a year ago to permit more temporary signage. He stated that the challenge comes when the business wants to place signage on other properties or locations other than their own.

A motion was made by Webber, seconded by Brennan, that this matter be Accepted for First Reading by Resolution. The motion CARRIED by the following vote:

Aye 5 - Brennan, Hooper, Klomp, Rosen and Webber

Absent 2 - Pixley and Yalamanchi

Enactment No: RES0178-2010

Resolved, than an Ordinance to Amend Section 134-178 of Article VI of Chapter 134 Signs, of the Code of Ordinances of the City of Rochester Hills, Oakland County, Michigan, to modify regulations for signs permitted on office, professional and research premises, repeal conflicting Ordinances, and prescribe a penalty for violations is hereby accepted for First Reading.

2010-0294 Acceptance for First Reading - an Ordinance to amend Section 84-16 of Article I of Chapter 84 Property Maintenance Code, of the Code of Ordinances of the City of Rochester Hills, Oakland County, Michigan, to update Zoning Ordinance reference, repeal conflicting Ordinances, and prescribe a penalty for violations

Attachments: [Agenda Summary.pdf](#)
[Ordinance.pdf](#)
[071910 Agenda Summary.pdf](#)
[071910 Resolution.pdf](#)
[Resolution.pdf](#)

Mr. Cope stated that this amendment updates the section references to the updated Zoning Ordinance.

Public Comment:

Alice Benbow, 1582 Northumberland, stated the historic property located on Rochester Road is no longer being maintained.

President Hooper asked if the Ordinance Amendment is applicable to all residential property.

Mr. Cope confirmed that it does.

A motion was made by Brennan, seconded by Webber, that this matter be Accepted for First Reading by Resolution. The motion CARRIED by the following vote:

Aye 5 - Brennan, Hooper, Klomp, Rosen and Webber

Absent 2 - Pixley and Yalamanchi

Enactment No: RES0179-2010

Resolved, than an Ordinance to amend Section 84-16 of Article I of Chapter 84 Property Maintenance Code, of the Code of Ordinances of the City of Rochester Hills, Oakland County, Michigan, to update Zoning Ordinance reference, repeal conflicting Ordinances, and prescribe a penalty for violations is hereby accepted for First Reading.

NEW BUSINESS

2010-0250 Request for Tax Abatement under Public Act 376 of 1996, Tool & Die Recovery Zone, by Hommel-Etamic America Corporation

Attachments: [Agenda Summary.pdf](#)
[Hommel Letter 051410.pdf](#)
[Hommel Tax Exemption Analysis.pdf](#)
[2009 Incentive Report Synopsis.pdf](#)
[Resolution.pdf](#)

Dan Casey, Manager of Economic Development, stated that Hommel-Etamic America Corporation is requesting a ten-year exemption of its real and personal property taxes subject to Public Act 376 of 1996. He explained that the Tool and Die Recovery Zone is an area defined by a municipality that consists of one or more parcels of property in which real and personal property are exempted for a minimum of five years and a maximum of fifteen years. He pointed out that the intent of the program is to strengthen tool and die companies that have been impacted by foreign competition.

He noted that the State of Michigan addressed this issue in 2005 by creating a program under the Renaissance Zone Program (RZP). He explained that this is a variation on the RZP that applies only to Tool and Die companies with the significant difference being that the area is specific to a parcel of property that is associated with a specific company. He stated that the taxes eligible for an exemption for a Tool and Die Recovery Zone are all of the taxing authorities that levy mills in Oakland County. The exemption is 100 percent of their existing real and personal property for a minimum of five years. He noted that an exception to this would be the City and School District debt mills; the company would continue to pay these taxes. He also pointed out that for most of these jurisdictions the State of Michigan reimburses them for their lost revenue with the two exceptions being the City and County millage. However, the City's millage includes the Public Library which is reimbursed. He stated that the exemption phases out over the final three-years of the period approved in 25% increments: the third to last year is 75%, the second to last year is 50% and the last year is 25%. He referred to the Incentives Report stating that since 2006 the Tool and Die Recovery Zone exemptions approved by Council have generated a tax savings of approximately \$180,000.00 for three companies; the City's portion of lost revenue totals \$44,000.00, and ninety-eight jobs have been retained.

Mr. Casey introduced Andreas Blind, Vice President of Sales, and Kurt Andrews, Director of Finance, of Hommel-Etamic America Corporation.

Andreas Blind, Vice President of Sales, gave a presentation on the Company and its structure as follows:

Jenoptik Group - Overview - Group Structure

Corporate Center is comprised of the following five divisions:

- Optical Systems: Optics, Micro Optics, Digital Imaging, Optoelectrical Systems
- Lasers and Material Processing: Diode Lasers, Laser Systems, Laser Processing Systems
- Industrial Metrology: Surface Roughness and Contour, Form & Position Measurement, Dimensional Measurement

- Traffic Solutions: Equipment, Service Providing
- Defense and Civil Systems: Mechatronics, Optronics, Sensor Systems

History of Hommel-Etamic American Corporation:

- Founded as Detroit Precision Tool (DPT) in Hazel Park in 1945; incorporated in Michigan in 1967 and moved to Troy; moved to Rochester Hills in 1986
- Hommelwerke AG was acquired by Jenoptik Ag in 2000 and entered into a joint venture with (DPT) in 2002, called Detroit Precision Hommel (DPH)
- DPH was fully acquired by Hommel-Etamic GmbH, a subsidiary of Jenoptik AG in 2007
- The Plymouth, MI facility of EtamicMovomatic, also part of Hommel-Etamic GmbH, was merged into the Rochester Hills facility in 2007, increasing employment to 91 people and forming Hommel-Etamic America Corporation
- Currently has 80 employees, 70 of which are based on Hamlin Road, including 8 Rochester Hills residents and a total of 34 residents of Oakland County
- The average base hourly rate is just over \$30 per hour, not including the cost of the full benefits package, provided to a mature, skilled and specialized workforce.
- The lease continues through 3/31/12 and currently has excess capacity within its facility

Hommel-Etamic North American Facility:

Rochester Hills, Michigan - 51,000 Square Foot Manufacturing Facility

- (8) Sales Engineers
- (5) Proposal Engineers
- (5) Controls Engineers
- (8) Mechanical Engineers
- (2) Project Managers
- (17) Manufacturing Personnel
- (2) Software Development
- (2) Purchasing Department
- (6) Finance and Administration
- (3) Standards Repair
- (14) Service
- (2) Metrology
- (5) OPTICLINE Products Group
- (1) Technical Documentation

North American In-House Capabilities:

- Sales and Quotation
- Standards Department
- Project Management
- Mechanical and Controls Engineering
- Purchasing Department
- Software Development
- Assembly and Final Check (1 of 2 Assembly Bays; Machine Shop)
- Documentation and Training

- Accounts Receivable
- Repair Department
- Service and Installation Department (2 Product Demonstration Rooms)
- Logistics

Application For Tax Relief:

Requirements of Jenoptik AG:

- Due to lack of profitability no cap-ex spending
- Organic growth (mostly for products from Europe); work on United States infrastructure, increase presence in United States
- Consolidate 14 LLC's in North America (NA) to larger entities (synergies)
- Consolidate locations with North America: one center for optical technology East Coast; one center for mechanical technology Mid West, and one center for sales and service West Coast
- There is a need to invest in current location/infrastructure in order to stay competitive internally (sustainability) and externally (other foreign competitors)

Plans for Tax Relief Funds:

Machine Shop:

- Upgrade; retool and replace existing machine shop
- Enable higher accuracy/efficiency on processing current workpieces
- Provide with ability to deliver back to other members of the Metrology Group
- Run projects for other JENOPTIK divisions in the U.S.

Engineering:

- Upgrade existing outdated CAD solutions to modern 3D environment
- Higher efficiencies in standardizing
- Possibility to share concepts with "the world" (mid to low technical global sales markets)
- Update CAD solution to modern 3D environment (includes licenses and employee training)

Commitment of President of Hommel-Etamic Group to invest 100% of tax relief funds into current organization, facility and personnel.

Community Benefits:

Targets to grow the business organically:

- Plan to add fifteen new positions until 2015 (organically)
- HEA assumes 10-15 employees will be hired within the next 3-5 years as replacements (college grads/skilled labor - average age is 51)
- Currently does not pay significant personal property taxes (due to age of existing equipment) - bring in new tax base with fresh investment in equipment

Targets to integrate other JENOPTIK businesses:

- Jenoptik Defense will incorporate in Rochester Hills with three direct hires until 2012 (president and two sales) due to proximity to TACOM and other military suppliers
- Jenoptik Defense potentially could create 3-5 positions over the next three years
- Jenoptik Laser Technologies to move production to the USA (currently providing laser cutting systems for solar panels)

Mr. Andrews, Director of Finance, added that Jenoptik manufactures the on-board generators used in the Hum-Vee, ballistic glass and other items of interest to the United States Military. He stated the company is interested in having an installation base located in the City.

Mr. Casey concluded with the following summary:

- The projected total savings to the Company over a ten-year period would be approximately \$595,000.00 (as shown on the Exemption Analysis) from all taxing jurisdictions
- The City would lose an approximate estimated revenue loss of \$116,000.00 over a ten-year period if the exemption is approved
- The Company would pay the City approximately \$20,700.00 due to the debt mills and the phase-out period over the final three years of the exemption period
- The Rochester Hills Public Library would be reimbursed approximately \$11,000.00 during the ten-year period.

Council Discussion:

Mr. Rosen asked if the Company would be joining an existing consortium or forming a new one and why an exemption period of ten years is being requested.

Mr. Andrews stated that there are no openings in any of the current collaboratives. The Company would be forming a new collaborative and with a ten-year abatement; the desire is to match the influx with the tax relief periods that are being established at this time. He reported that most military contracts are for ten years.

Mr. Rosen questioned if the abatement were granted for a five-year period, could it be renewed. He stated that ten years seemed too long and noted that the City should begin to capture the tax revenue when it is reasonable to do so.

Mr. Casey responded that they can request an extension at anytime.

Mr. Klomp questioned how long the company has been located within the City and which mills would be reimbursed. He inquired as to the operating budget and questioned how much the business unit attributes to the overall parent company.

Mr. Andrews responded that they have been located in Rochester Hills since 1986.

Mr. Casey responded that the State Education Tax, the operating mills of the

school district, Oakland Community College millage and the Library millage are reimbursed.

Mr. Blind reported that the company contributes approximately 18% to the overall division.

Mr. Klomp stated that although they want to do all they can for businesses, he expressed concern as to what the abatement cost would be to the residents in light of the dollar amount being requested in comparison to a fairly small job base.

Mr. Andrews surmised that it could be viewed as approximately \$150 per job per year.

Mr. Brennan expressed his appreciation for Mr. Blind and Mr. Andrews for their presentation to Council and their location within the City but commented that he is finding the request difficult to approve because the company has corporate structural support and the City's support is dependent on its residents. He stated his concerns that the exemption does not guarantee that the company will become stronger; does not require the company to create and retain jobs, and that this is a business decision concerning a large amount of money that will impact the City.

President Hooper noted his support of previous tax abatement requests but commented that this is a different structure of tax abatement than the usual abatement request made to Council. He further noted that while he could agree with a five-year request, ten years is too long. He stated he would like to see the Company remain in the City but at the same time has to weigh the balance of the whole situation.

Mr. Rosen asked Mr. Casey if there is a "claw back" provision if the Company was to move to Warren or Sterling Heights.

Mr. Casey responded no.

Mayor Barnett stated that the legislative bill needs to be revised so that the cities are among the jurisdictions that get reimbursed by the State as they provide the major services; such as roads and fire services.

President Hooper summarized that the cost to the City would be \$47,000.00 in City taxes over a five-year period.

A motion was made by Rosen, seconded by Webber, that this matter be Adopted by Resolution that the State of Michigan designate Hommel-Etamic America Corporation as a Renaissance Recovery Zone under Public Act 376 of 1996 for a duration of up to five years. The motion CARRIED by the following vote:

Aye 3 - Hooper, Rosen and Webber

Nay 2 - Brennan and Klomp

Absent 2 - Pixley and Yalamanchi

Enactment No: RES0169-2010

Whereas, the City of Rochester Hills desires to promote economic activity and maintain/increase the number of jobs available to residents of the area, and;

Whereas, certain industries in the state are facing difficult times and the tool and die industry, in particular, has sustained losses due to foreign competition and increased productivity; and

Whereas, the designation of a Renaissance Recovery Zone will temporarily reduce the tax burden paid by Hommel-Etamic America Corporation enabling it to reposition itself to compete globally; and

Whereas, Hommel-Etamic America Corporation has entered into a collaborative agreement with other business entities having the appropriate North American Industry Classification System (NAICS) codes; and

Whereas, the qualified tool and die business property is property leased or owned by a tool and die business and used primarily for tool and die operations; and

Whereas, should the area be designated a Renaissance Recovery Zone, property within that zone will be exempt from taxes levied by the city, county and other units of government as provided under this Act; and

Whereas, we estimate that the tax revenue lost would be a small fraction of the benefits the designation of a Renaissance Recovery Zone will bring the community.

Resolved, that the Rochester Hills City Council hereby requests that the State of Michigan designate Hommel-Etamic America Corporation, located at 1505 Hamlin Rd., and further described as parcel 70-15-28-126-023, a Renaissance Recovery Zone under Public Act 376 of 1996 for a duration of up to five years.

(Mr. Rosen exited at 9:04 p.m. and re-entered at 9:06 p.m.)

2010-0295 Request to Accept the Gift of the 1848 Stoney Creek Schoolhouse from Rochester Community Schools

Attachments: [Agenda Summary.pdf](#)
[Quit Claim Deed.pdf](#)
[Easement.pdf](#)
[Resolution.pdf](#)

Mayor Barnett briefly described this matter as a great example of private and public partnership and the efforts of the City Administration to enable the Rochester Hills Museum at Van Hoosen Farm to be self-sustaining and less reliant on the City's General Fund. He introduced Patrick McKay, Supervisor Interpretive Services, and John Stoner, Director of Facilities, Operations and Transportation, Rochester Community Schools (RCS) to introduce the proposal.

Mr. McKay stated that the Museum is part of the City's Parks Department and is visited by 30,000 to 35,000 people per year. He reported that a private donor has provided funding so that Frank Cardimen can work with the Museum to develop and fund the following five strategies to reduce its financial dependence on the City's tax dollars:

- The Museum plans to apply for National Accreditation Status which notifies donors that the Museum is a high-level operation; from donation collection to ethical management. The Museum is conducting a self-study which will conclude in November and be submitted for review by the American Association of Museums (AAM). This will result in several staff members from the AAM throughout the United States coming to visit and evaluate the Museum.

- Acquisition of the Stoney Creek Schoolhouse will significantly aid in the Museum's desire to become financially independent.

- Restoration of the 1927 Calf Barn which is listed on the National Register of Historic Places. It was acquired in 1989 and the building structure and ceiling have been stabilized but need restoration before it can be safely used to its fullest capacity. As part of the Museum's Master Plan, it was determined that in the long-term the Calf Barn could be used for storage, exhibits, programming, archives and collections. Congressman Broomfield has pledged \$100,000.00 toward the building and are currently in the third year of that pledge.

- Establishment of an endowment fund to support the initiatives being described this evening. There are currently two private donors in the endowment fund at this time. One is funding Frank Cardimen who is doing some development work for the Museum and the other is a \$200,000.00 Irrevocable Pledge to the Museum for the acquisition and support of the Stoney Creek Schoolhouse.

- Rebuild the 101-foot long barn that was built in 1872 and unfortunately burned to the ground in 1968. The structure coincides with the Parks Department Master Recreation Plan that identifies the need for a community center which could be used for recreational, educational and cultural programs and generate revenue as well as replicate the Van Hoosen Farm as it was in the 1940s; a significant time in the Farm's history.

Mr. McKay described the Mayor's implementation of the Museum Advisory Board in January which has a total of fifteen members. He read the Board's Mission Statement and Overview and noted that the Board works in partnership with Community Foundation of Greater Rochester since the Museum is not a 501(c)(3) organization.

He then gave a brief history of schoolhouses in the area stating that of the approximate twelve one-room schoolhouses, there are only two remaining. One is now a residence at the corner of Tienken and Brewster and the other is the Stoney Creek Schoolhouse. Stoney Creek Schoolhouse was the last remaining one-room schoolhouse until 1952 when it became part of the RCS system. After some years of various uses, it was restored by Dr. Max Mallon in 1976 as part of the community's bicentennial community project and opened for visitors beginning in 1981. He stated that Mr. Stoner had contacted him approximately two years ago to see if the Museum was interested in the transfer of the ownership of the Schoolhouse. He reported that the Schoolhouse has been used for approximately two months per year but there could be many opportunities to utilize the Schoolhouse throughout the entire year. He noted that he contacted Mr. Cope,

Director of Building/Ordinance Enforcement, to utilize the city's inspectors along with the Fire Department, to make a punch list of issues with the Schoolhouse structure to ensure the acquisition would not have costly structural issues that the City would be liable for. THA Architects, who had worked on the renovation of the Dairy Barn project and City Hall, contacted the City to make a gift of twenty architectural hours and made a full facility assessment of the Schoolhouse structure. He then discussed the punch list items with Mr. Stoner to determine the best way that the Museum could acquire the Schoolhouse without creating a financial burden to the City. He explained that there would be no initial start up cost or additional personnel necessary; RCS would provide \$10,000.00 per year to the Museum for three years which would adequately accommodate the approximate \$7,500.00 per year in utility fees as well as some custodial supplies. He added that the Museum is interested in obtaining necessary water and sewer connections to aide in the remediation of portions of the building. He continued that for the following seven years, the fee from RCS would then be \$4,000.00 until the year 2020 to cover the students' use of the building, when the fee schedule would be revisited at that time. Both the Museum and RCS are hopeful that they will have received enough donations to support the Schoolhouse operations. He noted that they have been fortunate to receive a three-year Irrevocable Pledge in the amount of \$200,000.00, \$100,000.00 has been put into the endowment fund to generate operating dollars and the other \$100,000.00 will be used for capital improvements. He reported that they are entering the second year of that pledge.

Mr. Stoner stated that the RCS has had a cooperative going with the Museum for many years regarding the use of the Schoolhouse. However, the RCS does not have the expertise when it comes to the care and maintenance of historical buildings, securing donors, or creating other uses for the building. He noted that the agreement reached between the RCS and the City is a win-win for both.

Mr. McKay mentioned the numerous partnerships and collaborations the Museum has had with various community organizations. He expressed his confidence that many local community organizations would continue to support the Museum and the Schoolhouse.

Public Comment:

Ginger Ketelsen, 1361 Axford Place, stated that she had taught third grade for most of her twenty-six year teaching career with RCS and that she was intimately involved in the initial set-up of the Stoney Creek Schoolhouse. She stated the importance of the community's children participating in the education program at the Schoolhouse and reflected on the magic of them pretending to be pioneers coming to school in the 1800s. She mentioned that the Stoney Creek Schoolhouse is a unique asset that will expand on the image of Rochester Hills as a city that values its heritage.

Paul Miller, 1021 Harding, spoke in support of the acquisition and the historical value to the City. He noted that due to the economy, RCS have limited field trips to those located within the District. He stated that years ago, the educational program at Stoney Creek covered several days rather than the one day it currently covers.

Don Booth, 481 E. Maryknoll, spoke in support of the schoolhouse acquisition noting that it would be a great addition to the City's Historical District.

David Desteiger, 790 Augusta Court, Chairperson of the Community Foundation of Greater Rochester, stated that the community has been blessed with many unique historic structures which add to its character. He commended Mr. McKay and the Committee for the preservation of these historical structures.

Sally Edwards, 681 Sandstone, President of Women's National Farm and Garden Association, Rochester Branch, reported that they have 150 members who have spend thousands of hours planting and maintaining the gardens at the Van Hoosen Farm. She stated that Sara Van Hoosen was a member of the Rochester Branch and that she strongly supports the acquisition of the Schoolhouse.

Juanita Mallman, 412 Wyngate, stated that as a Realtor she brings everyone she can to the Stoney Creek Village. She commented that the Museum and its grounds, as well as the Schoolhouse, are very important to the community.

Council Discussion:

Trip Brennan, RHGYC Representative and student of RCS, shared his experience as a third grader when he attended Stoney Creek Schoolhouse. He commented that hands-on-learning like that done at the Schoolhouse is valuable for children who will remember that experience for a lifetime.

Mr. Klomp expressed his appreciation for Mr. McKay's dedication to the Museum and stated his support of this acquisition.

Mr. Webber thanked Mr. McKay for his presentation and stated the synergy makes sense. He expressed his support of the acquisition.

Mr. Rosen stated he would like to review a business plan prior to making a decision.

Mayor Barnett stated that the schoolhouse acquisition has been well thought out and not only does it make good business sense, there is also the sense of duty to protect a valuable asset in this community. The City utilized various inspectors and THA volunteered time to conduct a full analysis of the building. He noted that along with partnering with RCS, donations have been received by people in the community who share a passion for protecting this resource. He concluded that he is confident that the necessary research has been done to provide Council with the basis to make a decision.

Mr. Brennan questioned if additional insurance coverage would be necessary.

City Attorney Staran responded that the Schoolhouse would be covered along with other City-owned buildings under the existing plan and stated that there

should be no additional costs. He clarified that RCS would be responsible for the liability during the periods that the schools use the Schoolhouse.

President Hooper stated his appreciation and support of the preservation of the Schoolhouse. He noted that he was in receipt of an e-mail from Council Member Yalamanchi which communicated his support and also requests that an annual report of sustainability and status of the operations of the Museum be provided.

Mr. McKay responded that the Museum currently has to provide an annual report to Michigan State University because of the agreements with the Farm House and the Red House and stated that this could certainly be a part of that.

A motion was made by Klomp, seconded by Webber, that this matter be Adopted by Resolution. The motion CARRIED by the following vote:

Aye 5 - Brennan, Hooper, Klomp, Rosen and Webber

Absent 2 - Pixley and Yalamanchi

Enactment No: RES0170-2010

Whereas, the Rochester Community Schools has offered to donate the 1848 Stoney Creek Schoolhouse to the City of Rochester Hills as part of the Rochester Hills Museum at Van Hoosen Farm; and

Whereas, the Stoney Creek Schoolhouse is listed on the National Register of Historic Places, is a contributing structure in the Stoney Creek Village National Register of Historic Places, is listed in the Rochester Hills Stoney Creek Historic District, and represents one of two remaining schoolhouses in Rochester Hills; and

Whereas, the City of Rochester Hills has received an irrevocable pledge to provide financial support in addition to financial support from the Rochester Community Schools to preserve and promote this building; and

Whereas, the Stoney Creek Schoolhouse will enhance the Rochester Hills Museum operation by providing an additional revenue source to cover Museum operations.

Now, Therefore, Be It Resolved, that the City of Rochester Hills accepts the gift of the Stoney Creek Schoolhouse from the Rochester Community Schools and looks forward to continuing our community efforts to preserve the historic structures that make our community the preeminent location to live, work and raise a family.

2010-0283 Request for Purchase Authorization - DPS/ENG: John R Pathway Improvement Project in the amount of \$359,881.45 plus a 10% contingency of \$35,988.15 for a not-to-exceed total of \$395,869.60; Florence Cement Company, Shelby Twp, MI

Attachments: [Agenda Summary.pdf](#)
[Bid Tab.pdf](#)
[Resolution.pdf](#)

President Hooper stated that while he works in the construction industry, he has had no involvement in this contract and sees no reason to recuse himself.

President Hooper stated that Council Member Yalamanchi had inquired at a

previous meeting why the pathway is being constructed on the east side of John R. Road rather than the west side.

Mr. Rousse responded that the Pathway Master Plan indicates the desire to have a pathway on both sides of major roads, and as the City was performing work on the water and sewer lines in that area they acquired pathway easements as well. He explained the pathway is being constructed on the east side of John R because fewer trees need to be removed, it is less costly and there will be less of an impact on the property owners.

Public Comment:

Scot Beaton, 655 Bolinger, stated that when someone from the private sector removes a tree of a certain size and diameter, the City's Tree Ordinance requires that they replace it. However, upon review of the plan, he noted provisions for seeding and sod, but did not see any tree replacement. He stated that the Tree Fund should be utilized to replace those trees.

Mr. Rousse commented that each year the City's Forestry Division replaces a number of trees within the community. He noted that 54 trees were planted in the Crooks Road pathway within this last year.

President Hooper noted his understanding that there are 200 trees approved to be planted per year.

A motion was made by Brennan, seconded by Klomp, that this matter be Adopted by Resolution. The motion CARRIED by the following vote:

Aye 5 - Brennan, Hooper, Klomp, Rosen and Webber

Absent 2 - Pixley and Yalamanchi

Enactment No: RES0171-2010

Resolved, that the Rochester Hills City Council hereby authorizes the contract for the John R Pathway Improvement Project to Florence Cement Company, Shelby Township, Michigan in the amount of \$359,881.45 plus a 10% contingency of \$35,988.15 for a not-to-exceed total of \$395,869.60 and further authorizes the Mayor and Clerk to execute a contract on behalf of the City.

2010-0285 Request for Purchase Authorization - DPS/ENG: 2010 Concrete Road Slab Replacement Program in the amount of \$375,225.00 plus a 10% contingency of \$37,522.50 for a total not-to-exceed \$412,747.50; Hard Rock Concrete, Inc., Westland, MI

Attachments: [Agenda Summary.pdf](#)
[City Wide Map.pdf](#)
[Sec 5 & 6 Map.pdf](#)
[Sec 9, 23 & 30 Map.pdf](#)
[Bid Tab.pdf](#)
[Resolution.pdf](#)

President Hooper stated that while he works in the construction industry, he has had no involvement in this contract and sees no reason to recuse himself.

Mr. Rousse reported that each year the City conducts concrete slab replacement projects and this year, the five particular areas are Avon Tech Park (LDFA), Eddington Subdivision, North Fairview Farms Subdivision, Thornridge Subdivision and Valley Stream Subdivision.

President Hooper inquired if this is a 'worst-first' scenario; were these areas found to be in the worse condition under the pavement management survey.

Mr. Rousse responded that the City prioritizes intersections as follows: Intersections of major roads with County major roads; intersections within a subdivision of a major road; then areas that have drainage problems and have midblock deterioration. This project targets those areas that are primarily intersections within subdivisions.

Mr. Webber, referring to the fact that the bid came in under budget, inquired if additional projects could be performed.

Mr. Rousse responded that there are other locations that could be addressed if City Council wishes to expand this program.

President Hooper added that as money becomes available, additional projects could come back before Council for further discussions.

Mr. Brennan stated that he would like to see the funds used to get as much road repair work completed as possible.

Mr. Rosen stated his preference to use any remaining funds on projects that may come up next year.

A motion was made by Webber, seconded by Brennan, that this matter be Adopted by Resolution. The motion CARRIED by the following vote:

Aye 5 - Brennan, Hooper, Klomp, Rosen and Webber

Absent 2 - Pixley and Yalamanchi

Enactment No: RES0172-2010

Resolved, that the Rochester Hills City Council hereby authorizes the contract for the 2010 Concrete Road Slab Replacement Program to Hard Rock Concrete, Inc., Westland, Michigan in the amount of \$375,225.00 plus a 10% contingency of \$37,522.50 for a total not-to-exceed of \$412,747.50 and further authorizes the Mayor and Clerk to execute a contract on behalf of the City.

2010-0286 Request for Purchase Authorization - DPS/ENG: Contract for Clinton River Trail Bank Stabilization Project for Division 1 and Division 2 in the amount of \$99,948.00 plus a 10% contingency of \$9,994.80 for a total not-to-exceed amount of \$109,942.80; Inland Lakes Landscaping Corp, Pontiac, MI

Attachments: [Agenda Summary.pdf](#)
[Map.pdf](#)
[Proposal.pdf](#)
[Picture 1.pdf](#)
[Picture 2.pdf](#)
[Picture 3.pdf](#)
[Resolution.pdf](#)

Roger Rousse, Director of DPS/Engineering, stated that the primary emphasis is to protect the pathway, control the erosion and re-establish the width of the river. He stated the cause of the erosion is the acceleration of the water and that steps can be taken to slow down the velocity of the water to minimize the cause of the erosion. He introduced Roger Moore, Professional Surveyor, as the project architect available to answer any questions Council may have.

President Hooper asked how the water would be slowed down.

Mr. Moore responded that large, natural stones along with a gravel bed will be used to narrow down the path of the water.

President Hooper inquired how canoers would pass through the areas narrowed down.

Mr. Moore stated that water paths would be still be passable. He explained that they will be restoring the channel to its natural width so that it will be deeper and narrower.

Public Comment:

Paul Miller, 1021 Harding, supports the project but stated that it is a Band-Aid attempt to fix the problem. He commented that the cause of erosion is due to development of the City and the areas developed upstream, causing the rainwater to move into the water system quicker. He stated that he would like to see land uses addressed as well as the size of parking lots and storm water systems to prevent the ramifications of water erosion.

City Council Discussion:

Roger Rousse exhibited pictures which showed that the railroad had placed riprap in the past as an attempt to control the water velocity and erosion, as well as the close proximity to the pathway and the increase to the velocity from the land use.

Mr. Klomp concurred that this project will help to mitigate the process in a natural way with the use of boulders.

Mr. Moore pointed out that relocating the river away from the bank would stabilize the bank, slowing down the erosion process.

A motion was made by Klomp, seconded by Webber, that this matter be Adopted by Resolution. The motion CARRIED by the following vote:

Aye 5 - Brennan, Hooper, Klomp, Rosen and Webber

Absent 2 - Pixley and Yalamanchi

Enactment No: RES0173-2010

Resolved, that the Rochester Hills City Council hereby authorizes a contract for the Clinton River Trail Bank Stabilization Project Division 1 and Division 2 to Inland Lakes Landscaping Corp, Pontiac, Michigan in the amount of \$99,948.00 plus a 10% contingency of \$9,994.80 for a total not-to-exceed amount of \$109,942.80.

2010-0297 Request to Consider a Medical Marihuana Moratorium

Attachments: [Agenda Summary.pdf](#)
[Memo Mayor 071410.pdf](#)
[July 2010 Medical Marihuana Article.pdf](#)
[Resolution.pdf](#)

Mayor Barnett stated that there has been a lot of interest as to where the City stands as far as medical marihuana dispensaries. He noted that unfortunately the legislation passed in 2008 was silent on many aspects of the application of this particular law. He explained that many cities are going in different directions and the City Administration is requesting this time to review and evaluate the pros and cons in order to present some options for the City Council to consider.

Public Comment:

Alice Benbow, 1582 Northumberland, stated her support of medical marihuana.

Teresa Mungioli, President of Rochester/Auburn Hills Community Coalition, announced that at its next meeting there will be a discussion of medical marihuana and zoning ordinances on Tuesday, September 14, 2010 at 7 p.m. at 52nd District Court.

City Council Discussion:

Mr. Rosen commented his concern that 180 days may not be a long enough time period and inquired if the moratorium could be extended further. He suggested that if Council waits, there may be more guidance from the position and direction other communities follow regarding regulation, restriction or prohibition of medical marihuana.

City Attorney Staran responded that a 180-day moratorium seems to be acceptable to the courts as long as the City is discussing medical marihuana. He did caution that a longer period of time could become problematic, however, it could be extended as long as the Administration is diligently and in good faith continuing their study and moving toward a decision. He concurred that medical marihuana is a hot topic on many community agendas and many legal issues and questions have arisen that have not been addressed by the law regarding distribution, business facilities, security and traffic.

Mr. Brennan asked City Attorney Staran about the legal authority of Council's imposition of a moratorium.

City Attorney Staran responded that there is ample legal authority to impose a moratorium which does not render illegal the medical use of marihuana. He stated that the Act does not address the supply and distribution of the medical marihuana and the regulation of smoke rooms and land use, which is the focus of the moratorium. He further stated that business proposals would be informed of the moratorium in place until City Council, the City Administration and Planning Commission had sufficient time to process the information and reach a decision regarding regulation or zoning.

A motion was made by Rosen, seconded by Klomp, that this matter be Adopted by Resolution. The motion CARRIED by the following vote:

Aye 5 - Brennan, Hooper, Klomp, Rosen and Webber

Absent 2 - Pixley and Yalamanchi

Enactment No: RES0174-2010

Whereas, on November 4, 2008, Michigan, Oakland County and Rochester Hills voters approved a state-wide initiative legalizing the medical use of marihuana; and

Whereas, on December 4, 2008, Michigan's Medical Marihuana Act ("MMMA"); MCL 333.26421 et seq, went into effect; and

Whereas, on April 4, 2009, the Michigan Department of Community Health promulgated rules to implement the MMMA; and

Whereas, there remains a great deal of uncertainty and different approaches among municipalities as to whether and how to regulate the medical use of marihuana and related activities, businesses and facilities; and

Whereas, the medical use of marihuana and related activities, businesses and facilities were not specifically contemplated or provided for in the City of Rochester Hills Zoning Ordinance; and

Whereas, the City of Rochester Hills desires to determine a reasoned, appropriate and effective approach to the medical use of marihuana consistent with the MMMA and the Michigan Zoning Enabling Act in order to protect and promote the public health, safety, and welfare; and

Whereas, the City desires to explore whether and how to best regulate the medical use of marihuana and related activities, businesses and facilities, which will require thorough study and possible amendment of the City's Zoning Ordinance and Master Land Use Plan pertaining to land uses, zoning classifications and other requirements; and

Whereas, the Rochester Hills City Council believes that while this subject matter is under consideration and study, no new or expanded uses, activities, businesses or facilities relating to medical use of marihuana, and no zoning or building permits, approvals or certificates for such uses, activities, businesses or facilities should be allowed, established, processed or permitted to proceed; and

Whereas, the City Council concludes further that during the course of review and consideration of possible zoning ordinance amendments, all applications for zoning or building permits, approvals or certificates for uses, buildings, facilities or properties related to medical use of marihuana should be deferred; and

Whereas, the process of exploring, developing and adopting an amendment to the zoning ordinance and/or master land use plan for land uses relating to medical use of marihuana, including proceedings and hearings before the Planning Commission and City Council, may take up to 180 days.

Therefore, It Is Resolved by the Rochester Hills City Council that:

1. A moratorium is hereby declared effective immediately for a period of 180 days.
2. During this moratorium, there shall be no consideration or action by the City or any City board, commission, official, employee and/or agent on any proposal to establish a land use, activity, business or facility relating to the "medical use" (as defined in MCL 333.26423(e)) of marihuana in the City, nor shall the City accept, process or act on any application for a zoning or building permit, approval or certificate for such a land use, activity, business or facility; nor shall medical marihuana land uses, activities, businesses or facilities be permitted in the City.
3. The City Planning Commission, with assistance from the City's Planning and Building Departments, Planning Consultant, City Attorney and the Sheriff's Department, shall study, deliberate and recommend to the City Council whether, how and where medical marihuana land uses, activities, businesses or facilities should be permissible in the City and under what conditions or circumstances.

COUNCIL COMMITTEE REPORTS

None.

ANY OTHER BUSINESS

None.

NEXT MEETING DATE

- Regular Meeting - Monday, July 26, 2010 - 7:00 PM

ADJOURNMENT

There being no further business before Council, President Hooper adjourned the meeting at 10:02 p.m.

*GREG HOOPER, President
Rochester Hills City Council*

*JANE LESLIE, Clerk
City of Rochester Hills*

*CHRISTINE A. WISSBRUN
Administrative Secretary
City Clerk's Office*

Approved as presented at the (insert date, or dates) Regular City Council Meeting.