



Rochester Hills Minutes City Council Regular Meeting

1000 Rochester Hills Drive
Rochester Hills, MI 48309
(248) 656-4660
Home Page:
www.rochesterhills.org

*Erik Ambrozaitis, Bryan K. Barnett, Jim Duistermars, Barbara Holder,
Linda Raschke, James Rosen, Ravi Yalamanchi*

Wednesday, February 1, 2006

7:30 PM

1000 Rochester Hills Drive

DRAFT

CALL TO ORDER

President Rosen called the Regular Rochester Hills City Council Meeting to order at 7:32 p.m. Michigan Time.

ROLL CALL

Present: Erik Ambrozaitis, Bryan Barnett, Barbara Holder, Linda Raschke, James Rosen and Ravi Yalamanchi

Absent: Jim Duistermars

Others Present:

*Ed Anzek, Director of Planning/Development
Alan Buckenmeyer, Parks Operations Manager
Dan Casey, Manager of Economic Development
Paul Davis, City Engineer
Mike Hartner, Director of Parks & Forestry
Jane Leslie, City Clerk
Roger Rousse, Director of DPS/Engineering
John Staran, City Attorney*

Council Member Duistermars provided previous notice he would be unable to attend and asked to be excused.

PLEDGE OF ALLEGIANCE

APPROVAL OF AGENDA

Resolved that the Rochester Hills City Council hereby approves the Agenda of the Regular Rochester Hills City Council Meeting of February 1, 2006 as amended as follows:

Remove from ORDINANCE FOR ADOPTION:

2006-0044 Acceptance for Second Reading and Adoption - An Amendment to Chapter 138, Zoning, of the Code of Ordinances of the City of Rochester Hills, Oakland County, Michigan, to rezone one parcel of land totaling approximately 9.6 acres, known as Parcel No. 15-22-226-016, from SP (Special Purpose) to PUD (Planned Unit Development) and to prescribe penalties for the violation thereof - City File No. 05-016, Lombardo Rochester Hills, LLC, applicant

2005-0851 Approval of the Final Planned Unit Development Agreement - City File No. 05-016 - Sheffield of Rochester Hills, a proposed 58-unit PUD on

approximately 9.6 acres, located west of Rochester Road and south of Avon, known as Parcel No. 15-22-226-016, Lombardo of Rochester Hills, LLC, applicant.

Add under NEW BUSINESS:

2006-0108 Adoption of a Resolution to meet in Closed Session on Monday, February 6, 2006 at 6:30 p.m., Michigan Time, at the Rochester Hills Municipal Offices to consult with the Attorney regarding trial or settlement strategy in connection with specific pending litigation, Adams/Hamlin Development v. the City of Rochester Hills.

A motion was made by Raschke, seconded by Barnett, to Approve Agenda as Amended.

The motion carried by the following vote:

Aye: Ambrozaitis, Barnett, Holder, Raschke, Rosen and Yalamanchi

Absent: Duistermars

PUBLIC COMMENT

Mr. Steve McGarry, 2164 Clinton View, noting his appreciation that the City has "stood fast" thus far in the matter of development at the north eastern corner of Hamlin and Adams, he suggested that up-to-date comprehensive data regarding the contamination of the area be obtained by the City rather than relying on the estimates provided by the developer. He suggested that there are more desirable development options than commercial and urged Council to defend those residents abutting the property who brought their homes based on the City's Master Land Use Plan.

Ms. Deanna Hilbert, 3234 Quail Ridge Circle, urged that an independent updated environmental study of the Hamlin and Adams property be conducted, stating that such data from developers cannot be trusted. While acknowledging that this is private property, she questioned whether a judge could order the developers to permit testing by a City-contracted consultant.

Mr. Tom Zelinski, 1127 Kingsview, stated that regardless of what is built on the Adams and Hamlin property, the City must ensure a first class cleanup of the area. He further urged Council to conduct a public meeting on this matter to secure public input.

Mr. David Kibby, 558 Whitney, discussed the matter of public distrust of City leaders. He suggested that Council needs to simplify its communications with residents and should not attempt to gain public approval of issues when the Council itself is not in complete agreement.

LEGISLATIVE & ADMINISTRATIVE COMMENTS

Mr. Yalamanchi requested that City Attorney Staran provide Council members with information as to the process of amending the City Charter.

Ms. Raschke noted that the Public Safety Committee meeting had been changed from February 6th to February 13th at 7:00 p.m.

Ms. Holder announced that Mayor Somerville had received a medical treatment for her back injury and would be unable to attend the Council meeting. She also corrected a statement she had made at a previous Council meeting, clarifying that she had spoken to the Oxford Fire Chief, not the Oakland Township Fire Chief.

Mr. Ambrozaitis thanked staff members and Mr. Staran for their assistance on various matters and noted his request that the \$1.7 million variance transfer discussed at a previous Council meeting be transferred to the Local Roads Maintenance Fund.

Mr. Barnett announced that the Rochester Avon Recreation Authority (RARA) was celebrating its 60th year of providing recreational activities for the City of Rochester Hills and urged residents to take advantage of these programs.

ATTORNEY MATTERS

City Attorney John Staran had nothing to report.

2006-0096

Adoption of Resolution to set Closed Session at the conclusion of tonight's meeting (Wednesday, February 1, 2006) for the purpose of consulting with the Attorney regarding trial or settlement strategy in connection with specific pending litigation, where an open meeting would have a detrimental financial effect on the litigation or settlement position of the City

Attachments: Agenda Summary.pdf; 0096 Resolution.pdf

City Attorney John Staran clarified that the issue to be discussed in closed session was not the Adams/Hamlin rezoning matter, but rather the case of Rochester Hills vs. Morawski

A motion was made by Barnett, seconded by Raschke, that this matter be Adopted by Resolution.

Resolved that the Rochester Hills City Council hereby agrees to meet in Closed Session, as permitted by State Statute MCLA 15.268, on Wednesday, February 1, 2006, at the conclusion of the Regular City Council Meeting for the purpose of consulting with the Attorney regarding trial or settlement strategy in connection with specific pending litigation, where an open meeting would have a detrimental financial effect on the litigation or settlement position of the City.

The motion carried by the following vote:

Aye: Ambrozaitis, Barnett, Holder, Raschke, Rosen and Yalamanchi

Absent: Duistermars

Enactment No: RES0033-2006

2006-0108

Adoption of a Resolution to meet in Closed Session on Monday, February 6, 2006 at 6:30 p.m., Michigan Time, at the Rochester Hills Municipal Offices to consult with the Attorney regarding trial or settlement strategy in connection with specific pending litigation, Adams/Hamlin Development v. the City of Rochester Hills.

Attachments: 0108 Resolution.pdf

A motion was made by Raschke, seconded by Yalamanchi, that this matter be Adopted by Resolution.

Resolved that the Rochester Hills City Council hereby agrees to meet in Closed Session, as permitted by State Statute MCLA 15.268, on Monday, February 6, 2006 at 6:30 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 discuss with the Attorney trial or settlement strategy in connection with specific pending litigation, Adams/Hamlin Development v. the City of Rochester Hills.

The motion carried by the following vote:

Aye: Ambrozaitis, Barnett, Holder, Raschke, Rosen and Yalamanchi

Absent: Duistermars

Enactment No: RES0034-2006

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.

2005-0890 Acceptance of a Watermain Easement granted by The Frank Aragona Trust U/A/D 12/3/79, as Amended and Tienken Partners, LLC, for City Walk, for Part of Parcel No. 15-11-101-032

Attachments: Agenda Summary.pdf; Map.pdf; Easement.pdf; 0890 Resolution.pdf

This Matter was Adopted by Resolution on the Consent Agenda.

Resolved that the Rochester Hills City Council, on behalf of the City of Rochester Hills, hereby accepts a watermain easement granted by The Frank Aragona Trust U/A/D December 3, 1979, as Amended and Tienken Partners, LLC, a Michigan Limited Liability Company, both of 37020 Garfield Road, Suite T-1, Clinton Township, Michigan 48036, for the construction, operation, maintenance, repair and/or replacement of a watermain easement, over, on, under, through and across land more particularly described as Part of Parcel No. 15-11-101-032.

Further Resolved that the City Clerk is directed to record the easement with the Oakland County Register of Deeds.

Enactment No: RES0035-2006

2005-0898 Acceptance of a Sanitary Sewer Easement granted by The Frank Aragona Trust U/A/D 12/3/79, as Amended and Tienken Partners, LLC, for City Walk, for Part of Parcel No. 15-11-101-032

Attachments: Agenda Summary.pdf; Map.pdf; Easement.pdf; 0898 Resolution.pdf

This Matter was Adopted by Resolution on the Consent Agenda.

Resolved that the Rochester Hills City Council, on behalf of the City of Rochester Hills, hereby accepts a sanitary sewer easement granted by The Frank Aragona Trust U/A/D December 3, 1979, as Amended and Tienken Partners, LLC, a Michigan Limited Liability Company, both of 37020 Garfield Road, Suite T-1, Clinton Township, Michigan 48306, for the construction, operation, maintenance, repair and/or replacement of a sanitary sewer easement over, on, under, through and across land more particularly described as Part of Parcel No. 15-11-101-032.

Further Resolved that the City Clerk is directed to record the easement with the Oakland County Register of Deeds.

Enactment No: RES0036-2006

2005-0899 Approval of the Agreement for the Maintenance of the Storm Water Detention System between the City of Rochester Hills and Frank Aragona Trust U/A/D 12/3/79 and Tienken Partners, LLC, for City Walk, for part of Parcel No. 15-11-101-032

Attachments: Agenda Summary.pdf; Map.pdf; Agreement.pdf; 0899 Resolution.pdf

This Matter was Adopted by Resolution on the Consent Agenda.

Resolved that the Rochester Hills City Council, on behalf of the City of Rochester Hills, hereby approves the Storm Water Maintenance Agreement, relative to the details of development and use, repair and maintenance of the storm water system, for City Walk, for City File #98-047.2 between the City of Rochester Hills and Frank Aragona Trust U/A/D 12/3/79 and Tienken Partners, LLC, 37020 Garfield Road, Suite T-1, Clinton Township, Michigan 48036, affecting property identified as Part of Parcel No. 15-11-101-032.

Further Resolved that the City Clerk is directed to record the easement with the Oakland County Register of Deeds.

Enactment No: RES0037-2006

2006-0056

Acceptance of a Watermain Easement granted by Speedway SuperAmerica LLC, a Delaware limited liability company, for Parcel No. 15-03-477-033

Attachments: Agenda Summary.pdf; Map.pdf; Easement.pdf; 0056 Resolution.pdf

This Matter was Adopted by Resolution on the Consent Agenda.

Resolved that the Rochester Hills City Council, on behalf of the City of Rochester Hills, hereby accepts a watermain easement granted by Speedway SuperAmerica LLC, a Delaware limited liability company, c/o 539 South Main Street, Findlay, Ohio 45840, for the construction, operation, maintenance, repair and/or replacement of a watermain easement over, on, under, through and across land more particularly described as Parcel No. 15-03-477-033.

Further Resolved that the City Clerk is directed to record the easement with the Oakland County Register of Deeds.

Enactment No: RES0038-2006

2006-0071

Approval of the Agreement for the Maintenance of the Storm Water Detention System between the City of Rochester Hills and P.E.G. Construction Company, for Parcel No. 15-13-151-019

Attachments: Agenda Summary.pdf; Map.pdf; Agreement.pdf; 0071 Resolution.pdf

This Matter was Adopted by Resolution on the Consent Agenda.

Resolved that the Rochester Hills City Council, on behalf of the City of Rochester Hills, hereby approves the Storm Water Detention System Maintenance Agreement, relative to the details of the development and use, repair and maintenance of the storm water system, for Bloomer Park Estates Condominiums, for City File #04-007, between the City of Rochester Hills and P.E.G. Construction Company, 2437 Munster, Rochester Hills, Michigan 48309, affecting property identified as Parcel No. 15-13-151-019.

Further Resolved that the City Clerk is authorized to execute and deliver the Agreement on behalf of the City.

Enactment No: RES0039-2006

2005-0902

Adoption of Resolution placing Streets into City Local Street System - Clear Creek Subdivision No. 4

Attachments: Agenda Summary.pdf; Map.pdf; 0902 Resolution.pdf

This Matter was Adopted by Resolution on the Consent Agenda.

Whereas, the City of Rochester Hills has acquired the title to said streets; and

Whereas, it is necessary to furnish information to the State of Michigan to place said streets within the City Local Street System for the purpose of obtaining funds under Act 51, P.A. 1951 as amended.

Now, Therefore, Be It Resolved:

1. That the said streets described as:

Traceky, Petosky, Serene and Passive as depicted in the subdivision plat of "Clear Creek Subdivision No. 4", as recorded in Liber 293, Pages 28 through 33 of Oakland County Records, being part of the northeast ¼ of Section 2, T. 3. N., R.11 E. City of Rochester Hills, Oakland County, Michigan.

2. That said streets are located within the City right-of-way and are under the control of the City of Rochester Hills.
3. That said streets are certified as public streets and are for public street purposes.
4. That said streets are accepted into the City Local Street System.
5. That said streets are open for traffic on August 19, 2005 and have been constructed according to City standards.

Enactment No: RES0040-2006

2005-0903

Adoption of Resolution placing Streets into City Local Street System - Falcon Estates Subdivision No. 4

Attachments: Agenda Summary.pdf; Map.pdf; 0903 Resolution.pdf

This Matter was Adopted by Resolution on the Consent Agenda.

Whereas, the City of Rochester Hills has acquired the title to said streets; and

Whereas, it is necessary to furnish information to the State of Michigan to place said streets within the City Local Street System for the purpose of obtaining funds under Act 51, P.A. 1951 as amended.

Now, Therefore, Be It Resolved:

1. That the said street described as:

Coachwood Lane as depicted in the subdivision plat of "Falcon Estates Subdivision No. 4", as recorded in Liber 294, Pages 10 through 12 of Oakland County Records, being part of the northwest ¼ Section 7, T. 3. N., R.11 E. of City of Rochester Hills, Oakland County, Michigan.

2. That said street is located within the City right-of-way and is under the control of the City of Rochester Hills.
3. That said street is certified as a public street and for public street purposes.
4. That said street is accepted into the City Local Street System.

5. That said street is open for traffic on June 9, 2005 and has been constructed according to City standards.

Enactment No: RES0041-2006

2006-0069

Adoption of Resolution placing Streets into City Local Street System - Coachwood Lane

Attachments: Agenda Summary.pdf; Map.pdf; 0069 Resolution.pdf

This Matter was Adopted by Resolution on the Consent Agenda.

Whereas, the City of Rochester Hills has acquired the title to said streets; and

Whereas, it is necessary to furnish information to the State of Michigan to place said street within the City Local Street System for the purpose of obtaining funds under Act 51, P.A. 1951 as amended.

Now, Therefore, Be It Resolved:

1. That the said centerline street described as follows:

Coachwood Lane described as running northerly from the centerline of Crestwood Lane (Falcon Estates #3) 144.59 feet to the centerline of Coachwood Lane, (Falcon Estates #4), more particularly described as:

Part of NW 1/4 of Section 7, T3N, R11E, City of Rochester Hills, Oakland County, Michigan. Beginning at Pt Dist N 87°44'06" E 60.00 feet & S 02°03'00" E 719.04 feet & N 87°16'31" E 120.38 feet from NW Sec Cor, thence N 02°01'47" W 25.44 feet; thence easterly 60.48 feet along the arc of a curve to the right (radius 50.00 feet, central angle 69°18'18", long chord bears N 32°37'22" W 56.86 feet); thence N 67°16'32" E 58.67 feet to the point of ending.

2. That said street is located within the City right-of-way and is under the control of the City of Rochester Hills.
3. That said street is certified as a public street and is for public street purposes.
4. That said street is accepted into the City Local Street System.
5. That said street is open for traffic on June 9, 2005 and has been constructed according to City standards.

Enactment No: RES0042-2006

2006-0072

Request for Purchase Authorization - DPS: Ready Mix Concrete Materials, blanket purchase order not-to-exceed \$75,000.00; Clawson & Killins Concrete, Wixom Michigan, as the Primary Vendor, and Superior Materials, Farmington Hills, Michigan, as the Secondary Vendor

Attachments: Agenda Summary.pdf; Tabulation.pdf; 0072 Resolution.pdf

This Matter was Adopted by Resolution on the Consent Agenda.

Whereas, sealed bids for Ready Mix Concrete were solicited and awarded to Clawson & Killins Concrete, as the Primary Vendor, and Superior Materials, as the Secondary Vendor; and

Whereas, the contract with Clawson & Killins Concrete and Superior Materials offers value to the City through price and the quality of service; and

Whereas, the City wishes to exercise its option to renew through December 31, 2006.

Resolved that the Rochester Hills City Council hereby authorizes a Blanket Purchase Order to Clawson & Killins Concrete, of Wixom, Michigan, as the Primary Vendor and Superior Materials, of Farmington Hills, Michigan, as the Secondary Vendor for the purchase of Ready Mix Concrete, in the amount not-to-exceed \$75,000.00 through December 31, 2006.

Enactment No: RES0043-2006

2006-0048

Request for Purchase Authorization - CLERK: Pre-sort permit postage blanket purchase order not-to-exceed \$32,000.00; Rochester Postmaster, Rochester, MI

Attachments: Agenda Summary.pdf; 0048 Resolution.pdf

This Matter was Adopted by Resolution on the Consent Agenda.

Resolved, that the Rochester Hills City Council hereby authorizes a blanket purchase order to Rochester Postmaster of Rochester, Michigan for pre-sort permit postage in the amount not-to-exceed \$32,000.00 through December 31, 2006.

Enactment No: RES0044-2006

2006-0074

Approval of Amendment 1 to the Development Project Agreement for the Clean Michigan Initiative Bond Program

Attachments: Agenda Summary.pdf; Agreement Amendment.pdf; 011606 Attorney review.pdf; 0074 Resolution.pdf

This Matter was Adopted by Resolution on the Consent Agenda.

Whereas, the Rochester Hills Museum at Van Hoosen Farm is implementing a Museum Membership program as a revenue source to offset Museum operating costs; and

Whereas, the State of Michigan Department of Natural Resources has reviewed and approved the proposed amendment to the Development Project Agreement for the Clean Michigan Initiative Recreation Bond Program (CM 99-316) that will allow the Rochester Hills Museum at Van Hoosen Farm to implement a Museum Membership program; and

Whereas, the City Attorney's office has reviewed and approved the proposed Amendment 1 to the Development Project Agreement for the Clean Michigan Initiative Recreation Bond Program.

Resolved that the Rochester Hills City Council approves this proposed amendment to implement a Museum Membership program for the Rochester Hills Museum at Van Hoosen Farm and authorizes the Mayor to sign this Amendment 1 to the Development Project Agreement of the Clean Michigan Initiative Recreation Bond Program (CM 99-316).

Enactment No: RES0045-2006

Passed The Consent Agenda

A motion was made by Barnett, seconded by Ambrozaitis, including all the preceding items marked as having been adopted on the Consent Agenda. The

motion carried by the following vote:

Aye: Ambrozaitis, Barnett, Holder, Raschke, Rosen and Yalamanchi

Absent: Duistermars

The following Consent Agenda Item was discussed and adopted by separate Motion:

2006-0042 Approval of Cost Participation Agreement with Road Commission for Oakland County (RCOC) for Crooks Road (Auburn Road to Hamlin Road) utility relocation

Attachments: Agenda Summary.pdf; Cost Participation Agreement.pdf; DTE Costs.pdf; MDOT Agreement.pdf; 0042 Resolution.pdf

Mr. Roger Rousse, Director of DPS/Engineering and Mr. Paul Davis, City Engineer, provided the following information on this project:

- Construction includes conversion from a two-lane road to a boulevard, considerable widening, utility relocation, signaling and intersection improvements.

- The request for \$95,200 is the City's share of the cost for utility work that was underestimated.

- The total budget of \$531,250 is for construction anticipated to be completed in 2006.

- It is expected that additional funds will need to be budgeted for 2007 to complete the project.

A motion was made by Yalamanchi, seconded by Ambrozaitis, that this matter be Adopted by Resolution.

Resolved that the Rochester Hills City Council approves the Cost Participation Agreement for Phase Z Force Account Work between the Road Commission for Oakland County and the City of Rochester Hills, and authorizes the Mayor and Clerk to execute the agreement on behalf of the City.

Be It Further Resolved that the Rochester Hills City Council authorizes the payment of the City's share, identified in the Cost Participation Agreement, in the amount of \$95,200.00 and any additional cost that accrues through the term of the agreement, if funds are budgeted.

The motion carried by the following vote:

Aye: Ambrozaitis, Barnett, Holder, Raschke, Rosen and Yalamanchi

Absent: Duistermars

Enactment No: RES0046-2006

ORDINANCE FOR INTRODUCTION

2006-0094 Acceptance for First Reading - An Ordinance to Amend Section 54-470, of Article VIII, Parks and Recreation, of Chapter 54, Fees, of the Code of Ordinances of the City of Rochester Hills, Oakland County, Michigan, to establish Fees for the Museum Membership Program, and to repeal conflicting or inconsistent Ordinances

Attachments: Agenda Summary.pdf; Ordinance.pdf; 020106 Agenda Summary.pdf; Fees Memo.pdf; First Reading Resolution.pdf; 0094 Resolution.pdf

Mr. Mike Hartner, Director of Parks & Forestry and **Mr. Alan Buckenmeyer**, Parks Operations Manager, explained that the request before Council would not make the Rochester Hills Museum a charitable organization, but rather would allow fees to be processed through the Community Foundation of Greater Rochester, thus affording patrons the same tax benefits of contributing to a charity while generating revenue for the Museum.

Mr. Buckenmeyer assured Council that the fees, as proposed, were "right in line" with those of similar organizations and are "what the market would bear."

A motion was made by Raschke, seconded by Holder, that this matter be Accepted for First Reading by Resolution.

Whereas, the Rochester Hills Museum at Van Hoosen Farm has proposed a fee schedule for their new Museum Membership program; and

Whereas, the added revenue from these proposed Museum Membership fees will help fund the Museum operations; and

Whereas, the State of Michigan Department of Natural Resources has reviewed and approved the proposed fee schedule for this Museum Membership program.

Now, Therefore, Be it Resolved, that an Ordinance to Amend Section 54-470, of Article VIII, Parks and Recreation, of Chapter 54, Fees, of the Code of Ordinances of the City of Rochester Hills, Oakland County, Michigan, to establish Fees for the Museum Membership Program, and to repeal conflicting or inconsistent Ordinances is hereby accepted for First Reading.

The motion carried by the following vote:

Aye: Ambrozaitis, Barnett, Holder, Raschke, Rosen and Yalamanchi

Absent: Duistermars

Enactment No: RES0061-2006

NOMINATIONS/APPOINTMENTS

2006-0055 Appointment of one (1) Citizen Representative to the Building Authority Board to fill the unexpired term of Raymond Stickradt expiring December 31, 2007

Attachments: Agenda Summary.pdf; Allan Schneck CQ.pdf; 020105 Agenda Summary.pdf; Nomination Form.pdf; Thomas Neveau CQ.pdf; Jason Thompson.pdf; Notice of Vacancy.pdf; 020106 Draft Resolution.pdf; 0055 Resolution.pdf

Mr. Barnett nominated Mr. Allan Schneck to serve on the Building Authority Board.

Appointed

NEW BUSINESS

2006-0097 Request from the Rochester Avon Recreation Authority (RARA) to place a Millage proposal on the August 8, 2006 State Primary Election ballot

Attachments: Agenda Summary.pdf; 022006 Letter Brice w Ballot Language.pdf; 020106 Agenda Summary.pdf; 011006 Letter RARA.pdf; 012706 Memo Leslie.pdf; 020106 Resolution.pdf; Supplemental Info.pdf; 0097 Resolution.pdf

Council member **Barnett**, the Council's representative to the Rochester Avon Recreation Authority (RARA) and **Mr. John Anderson**, Director of RARA, explained their request that the millage proposal be placed on the August Primary Election ballot rather than the May Election Ballot, noting the following:

- A millage request in May would require that the City rather than the School District pay for the election.
- While the RARA office lease expires at the end of July, the space can be rented on a month-by-month basis until the funding issue is resolved.
- Bringing the matter forward in August provides some flexibility if it were to fail; however, a failed millage request in November "would essentially kill RARA."
- The millage request is a renewal of the previous amount as well as a slight increase that would amount to approximately \$2 or \$3 per year from each homeowner.
- RARA is in discussions with non-profit organizations to consider partnerships that may result in cost savings.

Mr. Ambrozaitis suggested that the millage request be placed on the November ballot to ensure that it benefits from the greatest voter turnout.

Ms. Holder noted that other issues on the November ballot, such as the Governor's race, may distract residents from voting for a small City millage request.

A motion was made by Holder, seconded by Yalamanchi, that this matter be Adopted by Resolution.

Resolved that the Rochester Hills City Council hereby approves the placement of the Rochester Avon Recreation Authority Millage proposal on the August 8, 2006 State Primary Election ballot.

Further Resolved that the City Council directs City Attorney John Staran to prepare the proposed ballot language to be reviewed and approved by City Council at a subsequent regular meeting.

The motion carried by the following vote:

Aye: Barnett, Holder, Raschke, Rosen and Yalamanchi

Nay: Ambrozaitis

Absent: Duistermars

Enactment No: RES0166-2006

2006-0070

Request for Purchase Authorization - DPS/Engineering Facilities: Architectural Services for Outdoor ADA Site Compliance, Rochester Hills Museum Master Plan and design, construction drawings and specifications for the Calf Barn, blanket purchase order not-to-exceed \$74,730.00; THA Architects Engineers, Flint, MI

Attachments: Agenda Summary.pdf; Request for Proposals.pdf; 020106 Agenda Summary.pdf; 020106 Resolution.pdf; 0070 Resolution.pdf

Council included four different projects, only one of which would be constructed this year. He noted that having the architectural plans for the other projects would assist City staff in raising funds via grant applications, etc. He addressed the questions and concerns of Council members as follows:

** These plans will assist the Parks Department in more accurately determining the construction cost of the projects.*

** THA Architects has been providing architectural services to the City for five years with no problems or complaints.*

** It is anticipated that these improvements will provide more space for more programs resulting in increased revenue.*

** With these designs every attempt will be made to complete these projects using funds other than tax dollars, as was the case with the renovation of the Dairy Barn.*

** The overall plan is to attract people to visit the museum and learn about the history of this area.*

** The purpose of bundling the design plans for all four projects together was not to obtain a discount on the fee, but rather to ensure that any overlapping design issues were taken into account for each project.*

** The specifications for construction of the calf barn were included in the plans because it is the only structure that has retained its foundation and all four walls.*

** The plans call for the calf barn to retain its original exterior appearance and with the interior providing approximately 2,000 square feet of meeting space, storage, etc.*

** The calf barn construction is estimated to cost approximately half a million dollars through the Capital Improvement Program.*

** The City has not been cited for violations, nor is there an official order from the State to complete the ADA site compliance project for Spencer Park, however, it would provide access to the boat livery and the swimming area and rental tents.*

** When read to be constructed, the final plans for these projects will be brought back before Council for approval.*

Ms. Holder expressed difficulty approving items that are not critical to the health, safety and welfare of the residents of Rochester Hills.

Ms. Raschke strongly supported the request, stressing that the designs are a key component of attracting non-taxpayer dollars to fund these projects. She further noted the loss of revenue to the City by not providing meeting places for conferences, etc.

Mr. Yalamanchi expressed his concern that there is no guarantee that private funds can be raised once these design plans have been created.

Mr. Barnett suggested that, should the motion before Council fail, the proposal be brought back at a future date in a different form. He specifically noted he would support the ADA compliance aspect of the request.

Mr. Buckenmeyer asked for more guidance from Council as to what they would like him to present to Council at the next meeting.

Following the failure of the resolution, it was determined that the issue could be brought back before Council at its next regular meeting on February 15th. Council requested the following information be provided and questions be addressed at that meeting:

- * *Some sort of "definitive proof" that there has been a demand for these types of facilities.*
- * *How much revenue will these projects generate for the City?*
- * *What opportunities are there to raise private funds using these design plans?*
- * *Is there another firm that could provide the plans for the ADA compliance at a reduced cost?*
- * *Will separating these projects result in any cost increase for these designs?*

Ms. Raschke stressed that Pat McKay, Supervisor of Interpretive Services for the Museum, be in attendance at the next meeting to make the presentation.

A motion was made by Raschke, seconded by Rosen, that this matter be Adopted by Resolution.

Resolved that the Rochester Hills City Council hereby authorizes a Blanket Purchase Order to THA Architects Engineers of Flint, Michigan, for architectural services for Outdoor ADA Site Compliance, Rochester Hills Museum Master Plan and design, construction drawings and specifications for the Calf Barn in the amount of \$72,730.00, plus reimbursables of \$2,000 for the total not-to-exceed amount of \$74,730.00 through December 31, 2006.

Further Resolved that the Mayor is authorized to execute the contract(s) on behalf of the City.

The motion failed by the following vote:

Aye: Raschke and Rosen

Nay: Ambrozaitis, Barnett, Holder and Yalamanchi

Absent: Duistermars

Enactment No: RES0062-2006

2006-0075

Update on Sale of City Property on Hamlin Road

Attachments: Agenda Summary.pdf; 0075 Resolution.pdf

Mr. Dan Casey, Manager of Economic Development, provided a brief history of the Hamlin Road property and the City's efforts to sell it, noting the following:

- * *The City purchased 20.88 acres in 1999 with the intent to relocate the DPS Facility to that location in a joint effort with the School District.*
- * *The property became expendable when the DPS Facility plan changed.*
- * *The property was rezoned from light industrial to ORT (Office, Research, Technology).*
- * *This is the one property in the SmartZone that the City owns and, thus, controls.*
- * *Council's original intent was to seek a single buyer for the entire property, preferably a business in a high-tech field.*
- * *In December of 2005 the City sold three of the five parcels for the following uses:*

- A medical facility
- An office building for a technology company

* The two remaining pieces totaling 15.6 acres consist of a manufacturing building slated for demolition using LDFA funds, and a ten-acre former farm.

* It was determined that the demolition of the manufacturing building would increase the property's saleability.

* Estimates for the demolition have proven to be well below the originally anticipated cost.

* The right-of-way in front of the remaining property has been separated and will remain the property of the City.

Mr. Casey noted that there were four items he would like to discuss with Council and for which he sought feedback and direction:

1) Splitting the property to be sold piece meal.

* There are potential buyers interested in only portions of the remaining property.

2) General Development has made an offer on the whole property, however, for substantially less than the City is requesting.

* The purchase proposal expired before it could be brought before Council for consideration.

* Further discussion with General Development's broker has indicated that they may be willing to increase their offer.

* General Development has asked the City to consider the following:

- Creation of an Industrial Development District (IDD) to cover the entire property, which would make the property eligible for tax abatements for eligible companies.

- It is anticipated that an IDD designation would assist in marketing the development.

- Establishment of the IDD does not guarantee a tax abatement; that would still be evaluated by City Council on a case-by-case basis

- If a tax abatement is brought forward in conjunction with an IDD and denied by Council, the State Tax Commission does have the authority to over rule that decision, thus resulting in a minimum one-year abatement.

- Establishment of an IDD is not typically recommended on a property without an existing project.

3) Development incentives provided by the City as a means of offsetting the cost differential.

* To price the property in a way that would recoup the price the City originally paid, the property is priced higher per acre than any other high-tech property in the area other than Ann Arbor, thus putting the City at a competitive disadvantage.

* The current vacancy rate puts the City at a disadvantage.

* Offering development incentives to lower a potential buyer's development costs will make the project more feasible for the buyer.

* Incentives can be funded through the LDFA by providing public infrastructure. For example:

- A public road built on the pad.
- Sewer and water extended along the new road.
- Fiber optic upgrades on Hamlin and the new road.

* Incentives are not an unusual practice for LDFAs in the State of Michigan.

4) Kirco Development is proposing a joint public/private partnership with the City to design and develop a technology park to City standards and sell it piece meal.

* For a lower sales price, Kirco Development will negotiate deals with tenants to ensure that the product built on the site is the type of company the City wants and the State wants in a SmartZone.

* This could ultimately result in a higher land value, with the City being paid the land value at the conclusion of the sale.

* The downside would be that this process will spread out the amount of time it takes to sell all of the property due to the piece meal approach.

COUNCIL DISCUSSION:

Mr. Casey and Mr. Ed Anzek, Director of Planning/Development, addressed specific questions and concerns of Council:

* Although the entire property was purchased for \$6.26 million, some portions have already been sold.

* Maintenance of the existing buildings has been estimated at approximately \$60,000 annually.

* The City is moving forward with the bid process for the demolition of the manufacturing building.

* A professional real estate broker has not been engaged to assist in this process, as previous Councils did not wish to pay a brokerage fee.

* The difference in price between what is being offered and the City's asking price is less than a million dollars.

* The current carrying costs will be reduced significantly once the manufacturing building is demolished.

* Some of the buildings provided some use to the City since their purchase, in particular the office building.

* As these properties are owned by the City, they are currently tax exempt.

* New tax dollars generated following the sale of these properties could be captured for up to five years to fund the public infrastructure that could help sell the property.

* A tax abatement would impede TIF capture, as a tax abatement is a 50% reduction in local mills.

* The school district has nearly completed the building they are constructing on approximately six acres of their adjoining property.

* The City sold the other two and a half acres for approximately \$510,000 having purchased them in 1999 for approximately \$399,000.

* The joint venture suggested by Kirco Development offers both advantages and disadvantages:

- Advantage: The City would have more control over the final product.
- Disadvantage: The City is tied to a single developer and it will extend the amount of time it will take to sell the entire property.

* A base line environmental assessment of the property was conducted in 1999 and no environmental issues were found.

* In preparing for the demolition of the manufacturing building small traces of asbestos were found resulting in a cost of approximately \$1,300.

* Any contaminants within the building to be demolished will be addressed by the City's environmental contractor.

* The property is being marketed on various free Internet real estate data bases, via flyers and informational packets, as well as on the City's website and that of the SmartZone.

* Real estate brokers consulted prior to Mr. Casey's involvement in the process recommended that the City market the property as one piece only without broker representation, as the brokers would have charged a broker fee and marketed the property for only half the price the City needed.

Mr. Ambrozaitis strongly suggested engaging a professional brokerage firm to assist the City in selling the property as expediently as possible. He further stressed that property should never be purchased without an appraisal.

Mr. Barnett praised Mr. Casey's efforts, and expressed his belief that a single buyer should still be sought for the remaining property. He noted that property values in Rochester Hills will likely continue to rise and there is no need to sell the property immediately.

Mr. Yalamanchi, while noting that he felt Mr. Casey was "really working on some good ideas" in terms of the various scenarios described, indicated that he would not be in support of any plan where the property was sold for less than the City's negotiating price in addition to tax incentives.

City Attorney John Staran clarified that while no formal appraisal of the property was conducted, the City's Assessing Department was involved in the purchasing process. He noted that, although it was generally recognized at the time that the property "was probably at the high end of supportable value," it was assumed that the property would increase in value over time. No one had anticipated the economic stagnation in the market for this type of property.

President Rosen noted that he was not in support of the Kirco Development scenario, stating that "we're better off out of that business." He indicated that the City should continue to pursue a single buyer or possibly splitting the remaining property into two pieces. With regard to the infrastructure incentives, he was not in favor of the road, stating "it depends on whether it's a public or private road."

Mr. Casey noted he had conducted a "quick financial analysis" assuming a development of 80,000 square feet of straight office space and 95,000 square feet of flex space could generate approximately \$150,000 in tax capture that could be recaptured by the LDFA, thus paying for the demolition of the manufacturing building within two years.

Mr. Anzek, citing the very brief turnaround time for General Development's offer, suggested that, should this situation arise in the future, the Financial Services Committee could be consulted in an "emergency" manner to evaluate the offer.

President Rosen concurred with the suggestion noting that, should the Financial Services Committee deem it recommendable, a City Council closed session meeting could be convened.

A motion was made by Barnett, seconded by Yalamanchi, that this matter be Adopted by Resolution.

Resolved to authorize the Manager of Economic Development to reject the offer of General Development to purchase City property at 1544 and 1600 Hamlin Road, and conduct further negotiations.

The motion carried by the following vote:

Aye: Ambrozaitis, Barnett, Holder, Raschke, Rosen and Yalamanchi

Absent: Duistermars

Enactment No: RES0050-2006

COUNCIL COMMITTEE REPORTS

Community Development & Viability Committee (CDV)

Mr. Barnett, Chairperson of the CDV Committee, indicated that the Committee had reviewed the single waste hauler issue and suggested that it be brought forward for full Council to discuss at a Work Session meeting in an attempt to "take Council's temperature" in terms of how or if to move forward with this matter.

President Rosen was amenable to scheduling such a meeting.

Leisure Activities Committee (LAC)

Ms. Raschke, Chairperson of the LAC, indicated that the Committee did not have a quorum at their most recent meeting and that the next meeting would be moved due to the observance of Presidents Day.

Planning Commission

Ms. Holder, Council representative to the Planning Commission, noted they had discussed a draft of the Parks and Recreation Master Plan as well as the Master Land Use Plan update.

ANY OTHER BUSINESS

President Rosen indicated that he had been advised by City Attorney John Staran that Council would like need to reconvene from their Closed Session meeting to open session.

ADJOURN TO CLOSED SESSION

City Council members adjourned to Closed Session at 10:09 p.m.

RECONVENE TO OPEN SESSION

City Council members reconvened to Open Session at 10:59 p.m.

2006-0120

Settlement of the case of City of Rochester Hills vs. Edward Morawski, Annette Morawski, Vito A. Pampalona, Angela Pampalona, First State Bank of East Detroit, Detroit Edison Company and County of Oakland

Attachments: Morawski Settlement.pdf

City Attorney John Staran briefly noted that during the Closed Session meeting he discussed with Council a proposed settlement in the case of Rochester Hills vs. Morawski. He indicated that it was a condemnation case involving Parcel 13 of the Adams Road relocation process. He explained that the settlement provides payment to the property owner of approximately \$340,000, including compensation, attorney fees, etc. Mr. Staran requested that Council authorize the attorneys for the City to arrange to have the order for settlement entered with the court to settle and conclude this litigation.

A motion was made by Yalamanchi, seconded by Barnett, that this matter be Adopted by Resolution.

Resolved that the Rochester Hills City Council authorizes the attorneys for the City to arrange to have the Order for Settlement in the case of City of Rochester Hills vs. Edward Morawski, Annette Morawski, Vito A. Pampalona, Angela Pampalona, First State Bank of East Detroit, Detroit Edison Company and County of Oakland entered with the Circuit Court for the County of Oakland to settle and conclude this litigation.

The motion carried by the following vote:

Aye: Ambrozaitis, Barnett, Holder, Raschke, Rosen and Yalamanchi

Absent: Duistermars

Enactment No: RES0051-2006

NEXT MEETING DATE

- Closed Session - Monday, February 6, 2006 at 6:30 p.m.
- Special Budget Work Session - Wednesday, February 8, 2006 at 7:30 p.m.

ADJOURNMENT

There being no further business before Council, President Rosen adjourned the meeting at 11:02 p.m.

JAMES ROSEN, President
Rochester Hills City Council

JANE LESLIE, Clerk
City of Rochester Hills

MARGARET A. MANZ
Administrative Secretary
City Clerk's Office

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