



**City of Rochester Hills
AGENDA SUMMARY
NON-FINANCIAL ITEMS**

**1000 Rochester Hills Dr.
Rochester Hills, MI 48309
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Legislative File No: 2009-0073

TO: Mayor and City Council Members
FROM: Ed Anzek, Director, Planning & Development Department, ext. 2577
DATE: February 11, 2009
SUBJECT: Amendment to Rochester Hills Economic Development Corporation Bylaws

REQUEST:

To amend the Bylaws of the Rochester Hills Economic Development Corporation

BACKGROUND:

At a Board meeting on Thursday, November 15, 1984 the Charter Township of Avon Economic Development Corp. (the "EDC") amended its bylaws to reflect necessary changes related to the incorporation of the City. These changes were needed to replace references in the bylaws to Avon Township, replacing them with the "City of Rochester Hills." In addition, all references to the "Township Supervisor" were replaced with the term "Mayor" and "Township Board" was replaced with "City Council." To the best of my knowledge, after reviewing the minutes from that meeting, no other changes to the bylaws were made.

The amended bylaws were then forwarded to City Council for approval, and later were to be filed with the Secretary of State as required by Public Act 338, of 1974.

In 2007, the Planning and Development Department, which has administered the EDC since 2004, discovered that a copy of the amended bylaws could not be found. Neither the City Clerk's office nor the Planning Department could find a copy of the amended bylaws in the City's records. Only the original bylaws were available.

Given these findings, it was determined that the best course of action was for the EDC to amend its bylaws once again to reflect these changes. The EDC Board amended its bylaws to reflect these and two additional changes on November 6, 2008. The two additional changes are:

1. To change the EDC's place of business from 1275 W. Avon Road in the Township of Avon to 1000 Rochester Hills Dr., Rochester Hills, MI 48309
2. To change the amount of per diem paid to Board members from \$50 per meeting to \$65 per meeting, which is the amount that is annually budgeted and approved by City Council

It is not known at this time if the Articles of Incorporation also were amended in 1984 to reflect these changes. City staff will work with the Secretary of State and City Attorney to further review this matter.

The EDC has largely been dormant since the mid 1990's. Its role is to provide EDC bonds to fund the development of manufacturing facilities or non-profit housing. The bonds are issued through various

financial institutions, primarily banks. The Rochester Hills EDC historically took a sublimated lean position in the asset. Once the bonds are retired, the EDC's interest in the asset is transferred to the building owner. Currently, two outstanding leans exist. All other EDC projects have been closed out.

RECOMMENDATION:

Approve the bylaws as amended and direct the City Clerk's office file a copy with the Secretary of State.

RESOLUTION

NEXT AGENDA ITEM

RETURN TO AGENDA

APPROVALS:	SIGNATURE	DATE
Department Review		
Department Director		
Mayor		
City Council Liaison		