



# Rochester Hills Minutes City Council Regular Meeting

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

*Erik Ambrozaitis, Jim Duistermars, Barbara Holder, Greg Hooper,  
Linda Raschke, James Rosen, Ravi Yalamanchi*

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Wednesday, August 16, 2006

7:30 PM

1000 Rochester Hills Drive

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DRAFT

## CALL TO ORDER

*President Rosen called the Regular Rochester Hills City Council Meeting to order at 7:33 p.m. Michigan Time.*

## ROLL CALL

**Present:** Erik Ambrozaitis, Jim Duistermars, Barbara Holder, Greg Hooper, Linda Raschke, James Rosen and Ravi Yalamanchi

Others Present:

*Ed Anzek, Director of Planning/Development  
Bryan Barnett, Mayor  
Dan Casey, Manager of Economic Development  
Derek Delacourt, Deputy Director of Planning  
Lance DeVoe, Park Ranger II  
Susan Galeczka, Deputy Clerk  
Julie Jenuwine, Director of Finance  
Jane Leslie, City Clerk  
Roger Rousse, Director of DPS/Engineering  
John Staran, City Attorney*

## PLEDGE OF ALLEGIANCE

## APPROVAL OF AGENDA

Resolved that the Rochester Hills City Council approves the Agenda for the August 16, 2006 Regular City Council meeting with the following amendment:

Add under PRESENTATIONS following Legislative File 2006-0592:

Legislative File 2006-0631 - Recognition - India Day - August 20, 2006

## PUBLIC COMMENT

*Mr. Lee Zendel, 1575 Dutton Road, expressed his opposition to the Mayor's proposed plan to pave the roads in the Shadow Woods subdivision as outlined in the proposed 2007 Budget. He also indicated that the Mayor may have unintentionally misinformed residents and Council members when he identified the City's budget as being \$124 million. He explained that, the total amount includes various internal transfers of money, but does not represent actual, spendable dollars.*

*Mr. Jim Lewis, 3223 Parkwood Drive, expressed his opposition to a proposed registration fee for residents with security alarm systems. He noted that it penalizes law*

*abiding residents who operate their alarm systems responsibly. He did express support for the fine schedule for violators of the proposed false alarm ordinance.*

**Ms. Siegrid Stern**, 1185 Concord, described the difficulties she has had with deer on her personal property as well as the problem of deer in the community in general. She suggested a deer relocation program and asked Council to solicit funds from the State of Michigan for the program.

**Mr. David Kibby**, 558 Whitney, noted that, while Rochester Hills has a good reputation in the area, there are some individuals who make discouraging remarks about the community. He noted that people should question the general comments made by these individuals and urged residents to "base our decisions on real facts rather than false claims."

**Mayor Barnett** acknowledged Ms. Stern's concerns and asked that Mr. Lance DeVoe, Park Ranger II, be permitted to respond.

**Mr. Lance DeVoe**, Park Ranger II, noted that a survey of the deer population in the area two years ago showed that the population was remaining steady. He explained that trapping and transferring deer is typically only viable in fenced in areas where the deer can be controlled. He further noted that transplanted deer have a mortality rate of approximately 80% within the first year and 25% do not survive the trapping process. He further explained that there are very few areas that will accept transferred deer. He urged residents to educate themselves in methods to discourage deer from invading their properties.

## LEGISLATIVE & ADMINISTRATIVE COMMENTS

**Mayor Barnett** thanked and praised the City Clerk, Jane Leslie and her staff for their work on the recent Primary Election. He also announced local road closings. In response to Mr. Zendel's comments, Mayor Barnett acknowledged the confusing nature of municipal financing.

**Ms. Jane Leslie**, City Clerk, thanked the Mayor for permitting other City staff members to assist in the Primary Election.

**Mr. Yalamanchi** concurred with Mr. Lewis' comments and asked that Captain Bob Smith of the Oakland County Sheriff's Department and City Attorney John Staran consider eliminating the registration fee from the False Alarm Ordinance, as well as eliminating the need to register entirely. He then thanked Deputy Clerk, Susan Galeczka and Charlotte Taravella from the Mayor's Office for working so quickly with him to provide a proclamation for this evening's meeting.

**Mr. Duistermars** noted that Kensington Metro Park had recently attempted a deer control program that was extremely expensive. He urged residents to educate themselves on making their properties less inviting to the local deer population.

**Mr. Ambrozaitis** noted his support for repaving the roads in Shadow Woods subdivision and praised resident John Strzalka for his hard work in this matter. He also noted his support for paving the Cumberland subdivision in 2008. He then asked the City administration to look into the matter of a gas station in the City that he felt was in need of maintenance, as well as an alley with an excessive weed problem. Finally, he thanked Ms. Leslie for her work on the Primary Election and asked that perhaps some color coding could be added to ballot instructions that remind voters that the ballot is double sided.

**Ms. Holder** noted that all of Council supports repairing local roads, however, the challenge is in finding the funding and viable solutions. Regarding the deer population, Ms. Holder noted that when this matter was brought up several months previously she

received many emails in support of the deer population. She urged residents to educate themselves as to how to deter deer from venturing onto their property. She then announced a joint effort by Oakland County and the National Association of Counties to provide a drug prescription discount plan for County residents.

## PRESENTATION

**2006-0513** 2005-2006 Rochester Hills Government Youth Council (RHGYC) Final Report to City Council

**Attachments:** Agenda Summary.pdf

**Ms. Kelley Kosuda**, Chair and **Mr. Andy LeBlanc**, Vice Chair, of the Rochester Hills Government Youth Council (RHGYC) provided an overview of the RHGYC and their various activities and projects, including the following:

- Voter registration drive
- Survey regarding a proposed teen center
- Videos promoting projects
- Mock council meeting held during a Michigan Municipal League conference
- Surveys gathered during the City's Festival of the Hills
- Participation by individual members on the various Communication Committees

RHGYC 2005-2006 participants were presented with certificates of achievement and a small gift of appreciation.

### **Presented**

**2006-0535** Swearing In Ceremony - 2006-2007 Rochester Hills Government Youth Council (RHGYC)

**Attachments:** Agenda Summary.pdf; 080206 Agenda Summary.pdf; 0535 Resolution.pdf

The 2006-2007 Rochester Hills Government Youth Council members were sworn in for the coming program year.

### **Appointed**

## ATTORNEY MATTERS

**City Attorney John Staran** had nothing to report.

## PRESENTATIONS

**2006-0511** Proclamation in Recognition of Kevin Ostby for his significant achievement in the areas of leadership, application, education and technology development

**Attachments:** Agenda Summary.pdf; Proclamation.pdf

**Mayor Barnett** read the following proclamation. *Mr. Ostby was not available to attend the meeting.*

**Whereas, Mr. Ostby has been a leader in the field of robotics for more than 30**

years; and

Whereas, while working at General Motors, he was responsible for the first robots installed at Buick Motor Division; and

Whereas, Mr. Ostby was responsible for the significant expansion of FANUC Robotics into a variety of markets including food, beverage, plastics, consumer goods and others; and

Whereas, Mr. Ostby is a leader within the RIA, including eleven years on the board of directors and a two-year term as president. He has been both board member and chairman of the Automation Technologies Council; and

Whereas, Mr. Ostby currently serves as chairman of the International Federation of Robotics Supplier Council along with several other leadership positions; and

Whereas, the Robotic Industries Association has presented the 2006 top honor Engelberger Robotics Award for Leadership to Kevin Ostby.

Now, Therefore, Be It Known, that the Mayor and City Council of Rochester Hills hereby recognize Vice President Kevin Ostby for his significant achievement in the area of leadership, application, education and technology development.

Presented

2006-0592

Mayoral Proclamation in Recognition of Constitution Week, September 17-23, 2006

**Attachments:** Agenda Summary.pdf; Proclamation.pdf

*Mayor Barnett read the following proclamation and a representative from the Daughters of the American Revolution briefly described the organization.*

Whereas, September 17, 2006 marks the two hundred nineteenth anniversary of the drafting of the Constitution of the United States of America by the Constitutional Convention; and

Whereas, it is the privilege and duty of the American people to commemorate the two hundred nineteenth anniversary of the drafting of the Constitution of the United States of America; and

Whereas, the Constitution of the United States of America, the guardian of our liberties, embodies the principles of limited government in a Nation dedicated to rule by law; and

Whereas, it is fitting and proper to accord official recognition to this magnificent document and its memorable anniversary, and to the patriotic celebrations which will commemorate it.

Now, Therefore, Be It Resolved, that the Mayor of Rochester Hills hereby recognizes the week of September 17 through September 23, 2006 as Constitution Week, and further urges all citizens to study the Constitution and reflect on the privilege of being an American with all the rights and responsibilities which that privilege involves.

Presented

2006-0631

Recognition of India Day - August 20, 2006

**Attachments:** Recognition.pdf

*President Rosen read the following proclamation.*

**Whereas, The India League of America (ILA) celebrates India Day on August 20, 2006 in Novi, Michigan. The event celebrates India's Independence Day and promotes greater understanding between Indians and Americans; and**

**Whereas, India Day is a holiday that brings together the millions of Indians who share a country, but who speak 14 different languages and hundreds of dialects, and who observe distance cultures and customs which vary from region to region, and the vastly different religions of Hindu, Muslim and Judeo-Christianity; and**

**Whereas, the ILA was formed in 1978 with a mission to build a cohesive Indian community in Michigan , to promote the cultural, social, educational and economic interests of the people of Indian origin and to foster better understanding between the Indian origin and to foster better understanding between the Indian and American communities.**

**Now, Therefore, Be It Known, that the Mayor and City Council of Rochester Hills hereby join the ILA in celebrating India's Independence Day, and recognize the ILA for their efforts in bringing the Indian community together by organizing various cultural and social events for the entire Indian community living in Michigan.**

Presented

## 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.

**2006-0568** Approval of Minutes - Work Session City Council Meeting - March 29, 2006

**Attachments:** CC Min WS 032906.pdf; 0568 Resolution.pdf

**This Matter was Adopted by Resolution on the Consent Agenda.**

**Resolved that the Minutes of a Rochester Hills City Council Work Session Meeting held on March 29, 2006 be approved as presented.**

**Enactment No:** RES0264-2006

**2006-0571** Approval of Minutes - Special City Council Meeting - April 5, 2006

**Attachments:** CC Min Spec. 040506.pdf; 0571 Resolution.pdf

**This Matter was Adopted by Resolution on the Consent Agenda.**

**Resolved that the Minutes of a Special Rochester Hills City Council Meeting held on April 5, 2006 be approved as presented.**

**Enactment No:** RES0265-2006

**2006-0579** Approval of Minutes - Regular City Council Meeting - April 5, 2006

**Attachments:** CC Min Reg 040506.pdf; 0579 Resolution.pdf

**This Matter was Adopted by Resolution on the Consent Agenda.**

Resolved that the Minutes of a Regular Rochester Hills City Council Meeting held on April 5 2006 be approved as presented.

Enactment No: RES0266-2006

2006-0558

Acceptance of a Watermain Easement granted by The Boulevard Shoppes, LLC, for The Boulevard Shoppes, for Parcel No. 15-10-351-079

Attachments: Agenda Summary.pdf; Map.pdf; Easement.pdf; 0558 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 Boulevard Shoppes, 4036 Telegraph Road, Suite 201, Bloomfield Hills, Michigan 48302, 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. 15-10-351-079.

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

Enactment No: RES0267-2006

2006-0559

Acceptance of a sanitary sewer easement granted by The Boulevard Shoppes, LLC, a Michigan limited liability company, for The Boulevard Shoppes, for Parcel No. 15-10-351-079

Attachments: Agenda Summary.pdf; Map.pdf; Easement.pdf; 0559 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 Boulevard Shoppes, LLC, 4036 Telegraph Road, Suite 201, Bloomfield Hills, Michigan 48302 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. 15-10-351-079.

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

Enactment No: RES0268-2006

2006-0569

Acceptance of a Watermain Easement granted by Rochester Community Schools, a Public School System, for Van Hoosen Middle School, for Parcel No. 15-06-400-002

Attachments: Agenda Summary.pdf; Map.pdf; Easement.pdf; 0569 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 Rochester Community Schools, a Public School System, 501 West University Drive, Rochester, Michigan 48307, 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. 15-06-400-002.

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

Enactment No: RES0269-2006

2006-0595

Approval of the 2006-2007 Winter Maintenance Agreement for Livernois Road between the City of Rochester Hills and the Board of Road Commissioners for Oakland County (RCOC)

Attachments: Agenda Summary.pdf; Agreement.pdf; 0595 Resolution.pdf

**This Matter was Adopted by Resolution on the Consent Agenda.**

**Resolved that the Rochester Hills City Council approves the 2006-2007 Winter Maintenance Agreement between the City of Rochester Hills and the Board of Road Commissioners for Oakland County (RCOC) and authorizes the Mayor and Clerk to execute the agreement on behalf of the City.**

Enactment No: RES0270-2006

### Passed The Consent Agenda

A motion was made by Raschke, 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, Duisternars, Holder, Hooper, Raschke, Rosen and Yalamanchi

### The following Consent Agenda Items were discussed and adopted by separate Motions:

2006-0570

Approval of the Storm Water Detention System Maintenance Agreement, between the City of Rochester Hills and Rochester Community Schools, for Van Hoosen Middle School, for Parcel No. 15-06-400-002

Attachments: Agenda Summary.pdf; Map.pdf; Agreement.pdf; 0570 Resolution.pdf

*Mr. Yalamanchi questioned why this agreement was apparently entered into over a year ago but is being enacted now. He also asked if the City charges homeowners associations for this type of work if such an agreement is entered into with a subdivision.*

*Mr. Roger Rousse, Director of DPS/Engineering, explained that it has been rare that the City was forced to intervene in such a circumstance and noted that the cost of rehabilitation is handled in a similar manner to a Special Assessment District. He noted that such agreements signed before the 70's were "much weaker" and the City has made efforts to strengthen them.*

*Mr. Staran, City Attorney, explained that it was likely that City staff was still gathering pertinent information following his original approval of the agreement last year before presenting it to Council at this time, thus the apparent delay.*

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

**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 Van Hoosen Middle School, for City File #05-013, between the City of Rochester Hills and Rochester Community Schools, of 501 West University Drive, Rochester, Michigan 48307.**

**Further Resolved that the City Clerk is authorized to execute and deliver the**

agreement on behalf of the City.

The motion carried by the following vote:

**Aye:** Ambrozaitis, Duistermars, Holder, Hooper, Raschke, Rosen and Yalamanchi

**Enactment No:** RES0271-2006

**2006-0572**

Approval of the Storm Water Detention System Maintenance Agreement, between the City of Rochester Hills and Rochester Community Schools, for ACE High School, for Parcel No. 15-23-400-002.

**Attachments:** Agenda Summary.pdf; Map.pdf; Agreement.pdf; 0572 Resolution.pdf

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

**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 ACE High School, between the City of Rochester Hills and Rochester Community Schools, of 501 West University Drive, Rochester, Michigan 48307.**

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

The motion carried by the following vote:

**Aye:** Ambrozaitis, Duistermars, Holder, Hooper, Raschke, Rosen and Yalamanchi

**Enactment No:** RES0272-2006

**2006-0573**

Acceptance of a Watermain Easement granted by Rochester Community Schools, a Public School System, for ACE High School, for Parcel No. 15-23-400-001

**Attachments:** Agenda Summary.pdf; Map.pdf; Easement.pdf; 0573 Resolution.pdf

**PUBLIC COMMENT:**

*Mr. Lee Zendel, 1575 Dutton Road, questioned why the agreements for ACE High School showed two different parcel numbers.*

*Mr. Roger Rouse, Director of DPS/Engineering, explained that there are two separate parcels involved: one for the storm water detention system and one for the water main easement.*

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

**Resolved that the Rochester Hills City Council, on behalf of the City of Rochester Hills, hereby accepts a Watermain Easement granted by Rochester Community Schools, a Public School System, of 501 West University Drive, Rochester, Michigan 48307, 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. 15-23-400-001.**

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



The motion carried by the following vote:

**Aye:** Ambrozaitis, Duistermars, Holder, Hooper, Raschke, Rosen and Yalamanchi

**Enactment No:** RES0273-2006

## PUBLIC HEARINGS

**2006-0590** 2006 3rd Quarter Budget Amendments

**Attachments:** Agenda Summary.pdf; 3rd Budget Amendments.pdf; Public Hearing Notice.pdf; 0590 Resolution - Supplemental Information.pdf

*Ms. Julie Jenuwine, Director of Finance, explained that many of the budget amendments for Council consideration were due to a look back for MIS services, general administration and occupancy costs such as utilities and custodial work. She noted that there were explanations next to each line item and that all of the information was reviewed during the August Financial Services Committee meeting.*

*Mr. Ambrozaitis questioned the line item that identified an \$18,000 expense to replace a humidifier in City Hall, specifically wondering why a new building would need a new humidifier.*

*Mr. Roger Rouse, Director of DPS/Engineering, explained that the humidifier in question was located in the existing portion of the building and was, in fact, nearly 20 years old.*

*President Rosen **Opened the Public Hearing at 9:27 p.m.***

*There being no public comment, President Rosen **Closed the Public Hearing at 9:28 p.m.***

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

**Whereas, in accordance with the provisions of Public Act 2 of 1968 the Uniform Budgeting and Accounting Act and the Charter for the City of Rochester Hills, Chapter III, Section 3.7, the City Council may amend the budget during the fiscal year, either on its own initiative or upon recommendation of the Mayor; and**

**Whereas, the proposed 2006 3rd Quarter Budget Amendment was available for public viewing starting August 4 2006; and**

**Whereas, at its August 16, 2006 meeting City Council held a Public Hearing on the proposed 3rd Quarter Budget Amendments.**

**Now, Therefore, Be It Resolved that the Rochester Hills City Council hereby approves the following 2006 fund totals as amended:**

101 - General Fund	\$24,108,750
202 - Major Road Fund	\$7,159,730
203 - Local Road Fund	\$3,833,760
206 - Fire Fund	\$7,449,390
207 - Special Police Fund	\$7,859,560
214 - Pathway Maintenance Fund	\$437,090
226 - Solid Waste Fund	\$40,020
232 - Tree Fund	\$171,660*
244 - Drain Maintenance Fund	\$2,923,170

299 - Green Space Fund	\$1,006,240
331 - Drain Debt Fund	\$2,279,760
368 - OPC Building Debt	\$739,450
391 - 1998 Refunding Debt Fund	\$187,840
392 - 2002 Refunding Debt Fund	\$1,398,600
402 - Fire Capital Fund	\$972,030
403 - Pathway Construction Fund	\$370,000*
420 - Capital Improvement Fund	\$1,161,430
592 - W&S Operating Fund	\$33,476,960
593 - W&S Capital Fund	\$13,646,460
631 - Facilities Fund	\$5,521,490
636 - MIS Fund	3,127,710
661 - Fleet Equipment Fund	\$2,768,860
848 - L.D.F.A. Fund	\$2,152,610

\* Note: There is no change in fund total.

The motion carried by the following vote:

**Aye:** Duistermars, Holder, Hooper, Raschke, Rosen and Yalamanchi

**Nay:** Ambrozaitis

**Enactment No:** RES0274-2006

## ORDINANCE FOR INTRODUCTION

2006-0581

Acceptance for First Reading an Ordinance to Amend Section 102-479, Contractor's License, Article IV, Sewer Service, of Chapter 102, Utilities, of the Code of Ordinances of the City of Rochester Hills, Oakland County, Michigan, to delete prerequisite requirements of City application and Drainlayer's License exam formerly administered by the City of Pontiac, repeal conflicting ordinances, and prescribe a penalty for violations

**Attachments:** Agenda Summary.pdf; First Reading Agenda Summary.pdf; Plumbing Act 733.pdf; Ordinance Amendment.pdf; 0581 First Reading Resolution.pdf; 0581 Resolution.pdf

*Mr. Yalamanchi questioned whether the City could continue to require the contractor's license application even if the State did not mandate it, and whether there was some other agency administering the drainlayer's test. He asked for the "pros and cons" of retaining these requirements.*

*Mr. Roger Rousse, Director of DPS/Engineering, noted that the drainlayer's test is obsolete and has been replaced by other requirements in the plumbing code. He further noted that the City requires a bond for this type of plumbing work done within the City, thus providing funds for any necessary corrections as a result of inadequate work.*

*Mr. Duistermars noted that he saw no need for administering a test that has been replaced by provisions in the plumbing code.*

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

**Resolved that an Ordinance to Amend Section 102-479, Contractor's License, Article IV, Sewer Service, of Chapter 102, Utilities, of the Code of Ordinances of the City of Rochester Hills, Oakland County, Michigan, to delete prerequisite requirements of City application and Drainlayer's License exam formerly administered by the City of Pontiac, prescribe penalties for violations, and to**

repeal conflicting Ordinances, is hereby accepted for First Reading.

The motion carried by the following vote:

**Aye:** Ambrozaitis, Duistermars, Holder, Hooper, Raschke, Rosen and Yalamanchi

**Enactment No:** RES0295-2006

## ORDINANCE FOR ADOPTION

**2006-0567**

Acceptance for Second Reading - An Ordinance to Amend Sections 54-744 and 54-745 of Article XII, Utilities, of Chapter 54, Fees, of the Code of Ordinances of the City of Rochester Hills, Oakland County, Michigan, to Modify Water and Sewer Rates and Fees, Repeal Conflicting Ordinances, and Prescribe a Penalty for Violations

**Attachments:** Agenda Summary.pdf; First Reading Agenda Summary.pdf; OCDC Letter 070606.pdf; Ordinance Amendment Chapter 54 Fees.pdf; First Reading Resolution.pdf; 0567 Resolution.pdf

*At the request of Mr. Ambrozaitis, Ms. Julie Jenuwine, Director of Finance, confirmed that the changes in the fee ordinance were for non-residential surcharges only and would have no impact on the water and sewer rates of residents.*

**A motion was made by Yalamanchi, seconded by Raschke, that this matter be Accepted for Second Reading and Adoption by Resolution.**

**Resolved that an Ordinance to Amend Sections 54-744 and 54-745 of Article XII, Utilities, of Chapter 54, Fees, of the Code of Ordinances of the City of Rochester Hills, Oakland County, Michigan, to Modify Water and Sewer Rates and Fees, Repeal Conflicting Ordinances, and Prescribe a Penalty for Violations is hereby accepted for Second Reading and Adoption and shall become effective on Friday, August 25, 2006 the date following its publication on Thursday, August 24, 2006 in the Rochester Eccentric Newspaper.**

The motion carried by the following vote:

**Aye:** Ambrozaitis, Duistermars, Holder, Hooper, Raschke, Rosen and Yalamanchi

**Enactment No:** RES0275-2006

## UNFINISHED BUSINESS

**2006-0436**

Approval of the ballot language for the Pathway Millage proposal to be placed on the November 7, 2006 State General Election ballot

**Attachments:** Agenda Summary.pdf; Current Pathway Ballot Language.pdf; 080206 Agenda Summary.pdf; Referral Pathway Millage Resolution.pdf; Referral Pathway Millage Notice.pdf; 0112 Agenda Report.pdf; 0436 Agenda Report.pdf; 080206 Resolution.pdf; 0436 Supplemental Info

*Mr. John Staran, City Attorney, noted that the two ballot language options he submitted for Council consideration were essentially the same, but just phrased differently depending on Council's desired emphasis on replacement and/or renewal.*

**PUBLIC COMMENT:**

*Ms. Melinda Hill, 1481 Mill Race, noted her opposition to the change in the ballot language that would permit greater flexibility in applying the millage dollars to Pathways*

construction. She noted that under the current millage the City can build pathways along major and minor roads, which will accommodate most schools, parks and other destinations. She stated that she understood Council's desire for more spending flexibility but expressed her concern that this change may prevent the ballot proposal from passing.

**Mr. Barry Lawler**, 520 Campus Road, expressed his support for the replacement language, which would allow more spending flexibility.

#### **COUNCIL DISCUSSION:**

**Mr. Ambrozaitis** noted that he preferred maintaining the original ballot language with a straight renewal.

**Mr. Hooper** expressed his support for more flexibility in how the millage dollars can be spent and also suggested that the length of the millage be extended from 10 to 20 years. He stated that he would like to see the City reduce the number of times millage renewal requests are brought forward.

**Mr. Yalamanchi** agreed with Mr. Hooper, expressing his support for Option 2 of the proposed ballot language with the millage duration extended to 20 years. He specifically noted he was in support of more flexibility in spending.

**Ms. Holder** also noted support for Option 2 and more flexibility.

**Mr. Duistermars** expressed opposition to including funds to pave the trailways, noting that the Paint Creek Trail is nearly completed and is already supported through the Paint Creek Trailways Commission. He further questioned the definition of "destinations in the City."

**Mr. Staran** explained that the term "destinations" can be defined in any manner Council determines.

**Mr. Duistermars** expressed support for language Option 2, which would result in the same amount of funds but would provide "a bigger bang for the same buck."

**Ms. Raschke** noted her support for ballot language Option 2 with the duration increased to 20 years.

**President Rosen** expressed his desire to maintain the millage as is, noting that it provides a sufficient level of flexibility and funds can be sought from other sources if needed for something beyond the current parameters. He further stated his belief that a strict millage renewal will provide the greatest chance for a successful passage.

**Mr. Hooper** reminded his colleagues that the new language does not obligate the City to pave anything, but merely provides more flexibility when making the determination of what to pave.

**Ms. Holder** indicated that the City specifically chose to avoid involving the Clinton River Trail in any commission when it was originally purchased.

**Mr. Staran** suggested that the ballot language could specifically note the Clinton River Trail as opposed to simply indicating the trailways.

**Mr. Yalamanchi** encouraged his fellow Council members to come to a unanimous consensus on this language as a means of sending "a good message."

**Mr. Hooper** made the motion, with support from Mr. Yalamanchi, to adopt ballot language Option 2 changing the duration from 10 to 20 years, replacing the reference to

*the trailways with specifically noting the Clinton River Trail and removing the reference to "destinations in the City."*

**Mr. Duistermars** requested that Parks be added to the ballot language.

**Ms. Holder** opposed that addition, noting that the parks have other sources of funding including grant dollars.

**Mr. Yalamanchi** noted that he did not want to increase any confusion by including Parks in the millage request.

**Mr. Staran** assured Council that State law permits a millage request of 20 years. He explained that it is not possible for the Headlee Amendment to reduce the millage to zero within those 20 years but, depending on the rate of inflation, it could come close.

**Mr. Ambrozaitis** stated, he is against any dedicated millage in this City for 20 years.

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

**Resolved that the Rochester Hills City Council hereby approves the placement of the Pathway Millage proposal on the November 7, 2006 State General Election ballot as follows:**

**BALLOT QUESTION**

**Pathway Millage**

**To replace the previously authorized 0.2 mill pathway millage which has expired, shall the City of Rochester Hills levy a new millage of up to 0.1858 mill (\$0.1858 per \$1,000 of taxable value) on the taxable value of all property assessed for taxes in the City for a period of twenty (20) years, beginning in 2006, and continuing through 2025, inclusive, to establish, construct, maintain and repair pathways and surfaces for use by bicycles, non-motorized vehicles and pedestrians along main, arterial and collector roads and on the Clinton River Trail and to create linkages to pathways and schools in the City? The estimated amount of revenue that will be collected in the first full year if the millage is authorized and levied in full is \$669,200.00.**

Yes

No

**The motion carried by the following vote:**

**Aye:** Holder, Hooper, Raschke and Yalamanchi

**Nay:** Ambrozaitis, Duistermars and Rosen

**Enactment No:** RES0276-2006

## **NEW BUSINESS**

**2005-0107**

Request for Approval of the 2005/2006 Master Land Use Plan Distribution Draft as required to be sent to adjacent communities, schools and required State agencies for a 95-day review and comment period

**Attachments:** Agenda Summary.pdf; Letter McKenna 02-02-05.pdf; Executive Summary.pdf; MLUP Distribution Copy.pdf; 0107 Supplemental Info.pdf; 0107 Resolution and PC Minutes.pdf

**President Rosen** explained that the presentation and discussion of the draft Master Land Use Plan was not intended to be so thorough; Mr. Yalamanchi had asked for a

more detailed presentation. He noted that this would begin a 95 day review process, however,

**Mr. Derek Delacourt**, Deputy Director of Planning, noted that this 95 day review period involved distribution of the draft Plan to surrounding communities, state agencies and SEMCOG. He provided a brief history of the various meetings involving the Planning Commission and City Council, including a joint meeting as recently as June. He explained that following the review process all comments will be evaluated and the document will be finalized.

**Ms. Amy Chestnut**, Project Manager, McKenna Associates, 235 East Main Street, Northville, provided the following presentation:

### **MASTER LAND USE PLAN: DISTRIBUTION DRAFT**

#### **Recap**

- Survey and Analysis - November 2004 - February 2005
- Stakeholder Workshops - February 2005
- Community Survey (on-line) - March/April 2005
- Develop Future Land Use Plan - September 2005 - January 2006
- Technical Committee refines Future Land Use Plan and develops Implementation Plan - January 2006 - May 2006

### **ADOPTION PROCESS OVERVIEW**

- Multi-Stage Master Land Use Plan adoption process:
  - Distribution to other communities and agencies for review and comment
  - Master Plan Community Open House (August)
  - Receive comment from other communities and agencies (95 days after distribution of the plan)
  - Planning Commission public hearing
  - Planning Commission approval of the plan

#### **Distribution of Plan**

- First step in the adoption process
- The Planning Commission recommends the Plan for distribution to the City Council (June 26)
- City Council approves the plan for distribution
- The plan is sent to adjacent communities, the County, and SEMCOG for review and comment
- Comment period is 95 days long

- *The Planning Commission has recommended the draft plan to the City Council for distribution*
- *Nothing is being adopted and nothing is final at this stage*
- *There are still opportunities for the public to comment on the Plan and for the Planning Commission to revise the plan*

#### **Community Open House**

- *Master Land Use Plan Community Open House scheduled for August 29*
  - \* *Internal event*
  - \* *Will give the public a chance to comment on the Plan in a less formal setting than a public hearing*
  - \* *Will occur during the 95 day comment period*

#### **Receive and Review Comments**

- *After the 95 day comment period is over, the Planning Commission will:*
  - \* *Review comments received from neighboring communities and other governmental agencies*
  - \* *Review comments received from the public at the Community Open House*
  - \* *Revise the draft Plan based on comments received (if necessary)*

#### **Public Hearing**

- *The Planning Commission will hold a Public Hearing to receive additional public comment on the final draft of the Master Land Use Plan*

#### **Adoption**

- *Following the Public Hearing and any revisions to the Plan as a result of the hearing, the Planning Commission may adopt the Plan*
- *Adoption requires a 2/3 affirmative vote of the full membership of the Commission (6 yes votes)*

#### **SURVEY AND ANALYSIS**

##### **Demographic Analysis Findings**

- *Population continuing to grow, but growth rate slowing since mid-1960s*
- *Higher percent of mature families (45-64 years old)*
- *Housing is affordable for residents*
- *Median owner occupied housing value discrepancy*

##### **Housing Analysis Findings**

- Older housing has lower market value than newer housing
- Older housing is smaller than newer housing

### **COMMUNITY INPUT**

#### **Public Input Opportunities**

- Public Workshops (February 28, 2005)
  - \* Residential Stakeholders
  - \* Business Stakeholders
- On-Line Community Forum (March/April 2005) [www.rhmasterplan.com](http://www.rhmasterplan.com)

#### **Public Input Results**

- Over 400 residents and business owners participated in the on-line forum
- 55 residents and business owners participated in the public workshops

#### **Business Workshop Findings**

- Rochester Hills is a good place to do business
  - \* Good name recognition
  - \* Property taxes in line
  - \* Proximity to Big 3 and auto suppliers
  - \* Excellent police, fire and EMT services
- Challenges to doing business in Rochester Hills
  - \* City's codes and ordinances are not flexible
  - \* Expansion of existing businesses are limited by current regulations
  - \* Traffic congestion
  - \* Community opposition to development
- Suggestions on how to address challenges
  - \* Streamline development approval process
  - \* Create performance based zoning incentives
  - \* Improve customer service at City Hall
  - \* Community education on fiscal impacts



- \* *Good location*
- \* *Quality of living*
- \* *Good schools*
- \* *Family-oriented community*
- \* *Natural features and open space character*
- \* *Not Southfield/Troy/Sterling Heights*
- \* *Low taxes and increasing property values*
- *Aspects of Rochester Hills to keep or change*
  - \* *Limit commercial development to established commercial areas*
  - \* *Improve traffic congestion*
  - \* *Preserve open space through conservation easements*
  - \* *Encourage office and research development*
  - \* *Reclaim landfills for commercial use*
  - \* *Discourage big box retail*
  - \* *Permit higher story buildings along M-59*
- *Suggested implementation techniques*
  - \* *Revise Zoning Ordinance to discourage big box retail*
  - \* *Open space millage*
  - \* *Permit high density residential development with commercial development*
  - \* *Streamline development review process*
  - \* *Share more services with surrounding communities*
  - \* *Prohibit expansion of commercial into existing residential areas*
  - \* *Relax height restrictions for strategic areas*
  - \* *Offer tax incentives*

**On-Line Forum Findings**

- *73% of respondents are 26 - 54 years old*
- *98% are home owners*
- *72% have lived in the City for 6+ years*

- 60% rate overall development as excellent or good
- 50% would like to see sit-down restaurants encouraged
- 33% would like to see grocery stores encouraged
- "Nowhere" was the most common answer for where new commercial development should go
- 92% felt housing was affordable and met current needs
- 30% felt additional ranch homes were needed
- Respondents were evenly split over value of needed housing (</> \$250,000)

#### **Visual Preference Findings**

Shown samples of what the desired commercial appearance looks like as well as type of commercial that is not desirable, as well as office development and residential. Most and least desirable of both.

### **BASICS OF THE FUTURE LAND USE PLAN**

#### **Background Conditions**

- Rochester Hills is entering a new era in this development
- New development will be on smaller infill sites or the redevelopment of existing sites
- New development on larger parcels of vacant land will become increasingly rare
- Existing zoning regulations tailored for growing community, but do not anticipate redevelopment
- New planning and zoning tools are needed to deal effectively with new challenges
- Flexibility in permitted land uses for non-residential use areas
- Traditional use-specific approach used for residential land use areas

#### **Key Goals**

- *Protect Residential Area* - No density or land use changes proposed for single family areas
- *Prohibit Expansion of Commercial Land* - Do not permit commercial uses to expand beyond where they are currently located or zoned
- *Maintain Non-Residential Tax Base* - Keep non-residential properties from becoming obsolete
- *Permit Mixed Uses* - Allow the mixing of compatible uses on existing non-residential sites
- *Require Quality Redevelopment* - Redevelopment of existing sites should improve the appearance of the City

- Residential
  - \* Estate Residential: 1 d.u./acre. Most rural in character
  - \* Residential 2, 2/3, 3 and 4: 2-4 d.u./acre. Match existing residential zoning districts
  - \* Multiple Family: Permit apartment complexes, senior housing, or attached single-family (condominium) units
- Mixed Residential
  - \* Permits construction of different types of residential units - including both attached and detached units
  - \* Will permit senior housing, assisted living, active adult communities
- Regional Employment Center
  - \* Permit a wide range of non-residential uses
    - Light manufacturing
    - Research and development
    - Office/corporate headquarters
  - \* Design standards will guide how development looks
- Office
  - \* Intended to accommodate office development
  - \* Higher intensity office development located along M-59
- Flexible Use Areas
  - \* Replace traditional commercial land use designations
  - \* Flexible development and redevelopment, can include mixed uses
    - Residential
    - Commercial
    - Office
    - Public/Institutional
  - \* Will permit better utilization of existing commercial sites
  - \* Mixed uses can be located in the same building, or in separate buildings on the same site.
- Business/Flexible Use 1
  - \* Lowest intensity mixed use district
  - \* Permitted uses include:
    - Residential
    - Office
    - Public
    - Institutional

- *Business/Flexible Use 2*

\* *Medium intensity mixed use district*

\* *Permitted uses include:*

- *Residential*
- *Office*
- *Commercial*
- *Public*
- *Institutional*

\* *Transition between residential areas and higher intensity development*

- *Business/Flexible Use 3*

\* *Most intense flexible use district*

\* *Permitted uses include:*

- *Residential*
- *Office*
- *Commercial*

\* *Accommodates highest impact commercial uses (i.e. super grocery stores, big boxes, etc.)*

- *Landfill Planning Area*

\* *Includes landfill sites and surrounding sites*

\* *Most appropriate land uses are not known at this time - extensive study required*

\* *Intended to integrate development on clean parcels with any potential development on landfill parcels*

\* *Clean parcel development must comply with standards of underlying land use designation*

***Differences from the Existing Master Land Use Plan***

- *Regional Employment Center - Flexibility to permit a range of light industrial, research and development, corporate office, and high tech businesses in the Great Lakes Interchange area*

- *Residential Mixed Use - Provide flexibility for development on residential infill parcels WITHOUT a density increase*

- *Landfill Planning Area - The Master Plan anticipates a range of uses in this special study area*

- *Business/Flexible Use Areas - Provide flexibility for redevelopment of commercial parcels*

**IMPLEMENTATION**

- *Any plan is only as good as its implementation*

- Chapter 8 outlines specific implementation tasks:
  - \* Zoning Ordinance amendments
  - \* Natural features activities
  - \* Economic development activities
  - \* Historic districts
  - \* Continuous planning

### **Zoning Ordinance Amendments**

- Create New Zoning Districts
  - \* Create new Regional Employment Center zoning district
  - \* Create overlay zoning districts for Mixed Residential, Business/Flexible Use, and Landfill Planning areas
- Update Existing Zoning Regulations
  - \* Revise landscaping, parking, and other conventional zoning requirements to raise the minimum standards
  - \* Ensure that conventional development is compatible with development that uses the new overlay districts

### **Natural Features**

- Update City floodplain map
- Adopt a steep slope ordinance
- Clinton River riverbank restoration
- Establish protected woodland areas
- Develop a comprehensive stormwater management program
- Require or encourage LEED certification

### **Economic Development**

- Establish an Economic Development Committee
- Investigate continued relevance of Olde Towne Corridor Study
- Promote redevelopment of key corridors and commercial areas
- Develop M-59 corridor as a premier office location
- Address parking issues in the Regional Employment Center

### **Historic Districts**

- Designate historic and cultural resources
- Raise public awareness of Historic Districts

***Continuous Planning***

- Periodically review the Master Land Use Plan
- Review and update the Parks and Rec Plan every five years
- Update the Master Thoroughfare Plan
- Implement the Gateways Plan

**MASTER PLAN NEXT STEPS . . .**

- Planning Commission recommends draft plan for distribution to City Council
- City Council approval to distribute Plan
- Community Open House - August 29

**Mr. Yalamanchi** asked what processes the City and McKenna Associates used to gain more input from residents.

**Mr. Delacourt** indicated that the process had included utilizing an on-line survey resulting in approximately 400 responses as well as open house meetings. Residents were notified of different events via Channel 55 and the local newspaper, as well as direct mailings.

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

**Whereas, the State's Municipal Planning Act, Act 168 of the Public Acts of 1959, as amended, requires that cities update their Master Plans every five years; and**

**Whereas, a draft of the Plan is required to be sent out for a 95-day review and comment period to surrounding communities and other required agencies; and**

**Whereas, the 2005/2006 updated draft of the Master Land Use Plan was recommended for approval for distribution by the Rochester Hills Planning Commission at a publicly noticed meeting on June 27, 2006.**

**Resolved that the Rochester Hills City Council hereby approves the 2005/2006 draft of the Master Land Use Plan for a 95-day distribution period to adjacent communities, the County, schools and State and other agencies registered with the City of Rochester Hills.**

**The motion carried by the following vote:**

**Aye:** Ambrozaitis, Duistermars, Holder, Hooper, Raschke, Rosen and Yalamanchi

**2006-0609**

Request to accept petitions to create a Special Assessment District (SAD) for Street Lighting and set a Public Hearing for Denison Acres and Rochester Hills Heathers Subdivisions

**Attachments:** Agenda Summary.pdf; Public Hearing Notice - SAD Roll.pdf; Assessor's Certificate.pdf; 101806 Agenda Summary.pdf; SAD Roll - 2006.pdf; 081606 Agenda Summary.pdf; 090206 Agenda summary.pdf; 092806 Agenda Summary.pdf; 1984 Lighting Agreements.pdf; Denison Le

**Mr. Yalamanchi** expressed his opposition to this process, noting that it unduly burdens City staff.

*Mr. John Staran, City Attorney, explained that there is a long history of this type of arrangement with the City and Detroit Edison prefers that municipalities collect these fees.*

*Mr. Yalamanchi noted that his subdivision recently contracted directly with Detroit Edison for this type of service and stated that he would prefer that homeowners be directly responsible for these costs.*

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

**Whereas, the City of Rochester Hills has received petitions requesting the City to create a Special Assessment District (SAD) for the purpose of maintaining and operating the existing public improvement of street lighting on an ongoing basis in Section 27 and more particularly described as:**

**Denison Acres and Rochester Hills Heathers Subdivisions located at Harrington and West Auburn Road, and at Walbridge and West Auburn Road.**

**Whereas, the City Clerk has referred the petitions to the City Assessor, who has checked the petitions to determine whether or not they conform to the requirements of Section 90-62 of the Code of Ordinances and has reported his findings to the Mayor.**

**Now, Therefore, Be It Resolved, that the Rochester Hills City Council does hereby accept the petitions to create a Special Assessment District (SAD) for the purpose of maintaining and operating the existing public improvement of street lighting in Section 27 and more particularly described as:**

**Denison Acres and Rochester Hills Heathers Subdivisions located at Harrington and West Auburn Road, and at Walbridge and West Auburn Road.**

**Be It Further Resolved that the City Council will, on September 6, 2006, at 7:30 p.m. at 1000 Rochester Hills Drive, hold a Public Hearing on the advisability of proceeding to establish a Special Assessment District (SAD) for maintaining and operating the existing public improvement of street lighting on an ongoing basis for Denison Acres and Rochester Hills Heathers Subdivisions.**

**The motion carried by the following vote:**

**Aye:** Ambrozaitis, Duisternars, Holder, Hooper, Raschke and Rosen

**Nay:** Yalamanchi

**Enactment No:** RES0368-2006

**2006-0596**

Request to schedule a Public Hearing to consider the request for an Industrial Facilities Exemption Certificate by Energy Conversion Devices, Inc.

**Attachments:** Agenda Summary.pdf; Updated Application.pdf; Financial Analysis-Real Personal.pdf; Development Agrmnt.pdf; Map.pdf; Public Hearing Notice.pdf; 081606 Agenda Summary.pdf; Original Application.pdf; 081606 Resolution Set Public Hearing.pdf; 0596 Resolution.p

*Mr. Dan Casey, Manager of Economic Development, explained that Energy Conversion Devices, Inc. (ECD) had applied for a tax abatement. He noted that ECD currently operates in Rochester Hills and is proposing the following expansion:*

- Planned investment of \$2.43 million
- Retention of 72 jobs

- Immediate creation of 41 jobs
- Creation of 55 total new jobs within two years

Mr. Casey noted that the first step in this process is for City Council to schedule two public hearings: one to consider ECD's request for an Industrial Facilities Exemption Certificate and the second for Council to consider the establishment of an Industrial Development District.

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

**Whereas, Joel Nosanchuk has filed a request for the establishment of an Industrial Development District for property he owns, identified as 2923 Technology Drive, also known as Parcel number 15-30-477-012; and**

**Whereas, Energy Conversion Devices has signed a lease with Joel Nosanchuk to occupy 2923 Technology Drive for a period of five years with a five-year renewable extension, which is contingent upon receiving state and local incentives, including a tax abatement; and**

**Whereas, Energy Conversion Devices filed an application for an Industrial Facilities Exemption Certificate on August 1, 2006; and**

**Whereas, Public Act 198, of 1974, as amended, requires that City Council hold a public hearing before considering the request and must render a decision within 60 days of receipt of the application.**

**Resolved that the Rochester Hills City Council hereby schedules the Public Hearing for City Council's Regular Meeting of September 6, 2006, and**

**Be It Further Resolved that City Council hereby authorizes the City Clerk's office to publish notice of the public hearing in the Rochester Eccentric on August 24, 2006; and**

**Be It Further Resolved that a copy of the public hearing notice be sent to Energy Conversion Devices, attention Nancy Bacon, at 2956 Waterview Drive in Rochester Hills, Michigan 48309, no later than August 24, 2006; and**

**Be It Finally Resolved that a copy of the public hearing notice be sent to all taxing jurisdictions and the City's Assessor no later than August 24, 2006.**

**The motion carried by the following vote:**

**Aye:** Ambrozaitis, Duistermars, Holder, Hooper, Raschke, Rosen and Yalamanchi

**Enactment No:** RES0300-2006

**2006-0597**

Request to schedule a Public Hearing regarding the request to establish an Industrial Development District at 2923 Technology Drive, Rochester Hills, MI

**Attachments:** Agenda Summary; Map.pdf; 081606 Agenda Summary.pdf; 081606 Set Public Hearing Resolution.pdf; Public Hearing Notice.pdf; 0597 Resolution.pdf

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



Whereas, Joel Nosanchuk has filed a request for the establishment of an Industrial Development District for property he owns, identified as 2923 Technology Drive, also known as Parcel number 15-30-477-012; and

Whereas, Public Act 198 of 1974, as amended, requires that City Council hold a public hearing before considering the request.

Resolved that the Rochester Hills City Council hereby schedules the Pubic Hearing for City Council's Regular Meeting of September 6, 2006; and

Be it Further Resolved that a certified copy of this Resolution be sent to Joel Nosanchuk at P.O. Box 668, Bloomfield Hills, Michigan, 48303-0668 no later than August 24, 2006.

The motion carried by the following vote:

**Aye:** Ambrozaitis, Duisternars, Holder, Hooper, Raschke, Rosen and Yalamanchi

**Enactment No:** RES0299-2006

**2006-0599**

Update on City Property on Hamlin Road

**Attachments:** Agenda Summary.pdf

**Mr. Dan Casey**, Manager of Economic Development, described the current status of the City-owned property on Hamlin Road:

- The City has sold three of what was originally five parcels of property.
- There are 15.6 acres of property remaining.
- The property is being marketed as the Interchange Technology Park to take advantage of the Great Lakes Interchange name for the Smart Zone.
- Activity on the remaining property has been very slow for the past year.
- Recent inquiries have been from light industrial users.
- Based on the City's asking price for the property, light industrial development is not feasible for this property.
- The property is zoned ORT (office, research, technology), which would limit a light industrial use to only some light assembly.
- A flex building is more appropriate allowing higher ceilings to accommodate easier conversion from research and development to office space, or any use in between.
- The lease rate range would be \$15.00 to \$24.00 per square foot.

**Mr. Casey** explained that he had recently been approached by a real estate broker representing a Troy-based company possibly interested in a portion of the Hamlin Road property. Noting that certain aspects of the negotiations were confidential, he provided the following information:

- The company is currently leasing space in Troy with their current lease expiring at the end of August 2007.
- They are interested in establishing a corporate presence and a building upon which to place their name.

- Their site search was originally initiated in Troy, as they are satisfied with that location.
- Originally they did not want to extend their site search north of M-59.
- The original parameters of their search did not result in an appropriate location or building.
- Although the Hamlin Road property was beyond their target area, they were very pleased with the site itself, including its location in the SmartZone, the eventual boulevard, etc.
- The Hamlin Road site eventually ended up being one of two locations they are considering, the other being located in Troy.

**Mr. Casey** then outlined the challenges with this project, specifically as it relates to the price of the property. He noted the following:

- For the City to break even financially on the property it must sell for \$277,000 per acre.
- That price point is a bit high for flex space in today's market, but is on the low end for office space.
- To remain within the needed price point the product would need to be either a high-end flex building or a low-end office-type development in terms of construction value.
- The other property in Troy being considered by the company is priced at \$250,000 per acre, with additional development costs of approximately \$200,000.
- The company's real estate broker has inquired as to whether Rochester Hills will consider selling the property for \$250,000 an acre.

**Mr. Casey** asked Council if they would support continued negotiations with this company.

**President Rosen**, acknowledging the confidential aspect of this discussion, asked Mr. Casey to explain the benefits of agreeing to this sale.

**Mr. Casey** noted the following:

- The opportunity is a perfect fit for the City-owned property as it is a corporate headquarters, an automotive supplier, primarily an engineering operation with some research and development, and would be a flex building of 30,000 square feet with plans to expand to 50,000 square feet.
- It is possible that a product of this type could help sell the remaining properties.
- This development could influence future development in this area.
- As the City has been looking for research and development uses for this property, this development could "kick start" that process.
- The tax revenue generated by this property is roughly estimated at approximately \$17,000 to \$20,000 per year, which could result in a break even return on the property within two to three years, although more information is needed to make that determination.

- Based on the current market, \$250,000 per acre would appear to be the market rate at the current time for this sort of flex-type development.

**Mr. Yalamanchi** questioned the likelihood of this company seeking a tax abatement from the City in the near future.

**Mr. Casey** acknowledged that the subject of a tax abatement had been broached, but he had informed the real estate broker that approval would be unlikely if the City were to sell the property at a loss.

**Mr. Yalamanchi** noted that more specific information regarding the financial risks and benefits of the project would assist him in making a decision.

**Mr. Ambrozaitis** questioned how many jobs this company would bring to the community.

**Mr. Casey** was unable to provide a specific number of jobs, but did note that the company would employ primarily engineers with some administrative staff and some tool and die workers.

**Mr. Hooper** questioned how the specific acres chosen for this potential project would impact the remaining acres.

**Mr. Casey**, noting that the specific acres had not been identified as of yet, explained that the City's administrative staff has had extensive discussions regarding where to place a road on the property. The most recent discussions regarding the road provide about five acres of property on the west side that would be isolated from the larger 10-acre chunk of land. He acknowledged that that five-acre portion could be made available for this project.

**Mr. Duistermars** clarified that Mr. Casey was not asking Council for a final decision, but rather whether to continue negotiations in this matter.

**President Rosen** noted that the general consensus of Council was for Mr. Casey to continue negotiations.

Discussed

## COUNCIL COMMITTEE REPORTS

### Financial Services Committee

**Ms. Holder**, Chair of the Financial Services Committee, noted that the Committee had reviewed the Budget Amendments discussed earlier and the proposed 2007 Budget. She further indicated that Mr. Yalamanchi had invited State Senator John Garfield to attend the next Committee meeting to discuss newly proposed cable franchising legislation.

### Public Safety Committee

**Ms. Raschke**, Chair of the Public Safety Committee, noted that the most recent meeting had been cancelled. She indicated that the next meeting would begin discussions on development of a new Fire Department five-year plan. She further noted that she had distributed to her fellow Council members copies of a letter from the Avondale School District Superintendent requesting that the district be reinstated in the Police School Liaison program.

### Planning Commission

*Mr. Hooper, Council's representative on the Planning Commission, explained that the Steep Slope Ordinance had been discussed at the most recent meeting.*

## ANY OTHER BUSINESS

*Ms. Holder indicated that there had been some discussion with the Clerk's Department regarding the possible elimination of the five Council Communication Committees. She noted it had been proposed that the Council change their meeting schedule for the upcoming year to alternate between Regular meetings and Work Sessions, with the Work Sessions addressing many of the topics discussed during Committee meetings. She further noted that Council could create technical committees to deal with specific issues that require more detailed discussion or research.*

*President Rosen indicated that the issue would be added to a list of items that Council needs to address in the coming months. He then suggested that the upcoming 2007 Budget meetings focus primarily on changes to the budget, rather than reviewing each item line by line.*

## NEXT MEETING DATE

- Special Work Session - Tuesday, August 22, 2006 at 7:30 p.m.
- Regular Work Session - Wednesday, August 23, 2006 at 7:30 p.m.
- Special Work Session - Thursday, August 24, 2006 at 7:30 p.m.

## ADJOURNMENT

*There being no further business before Council, President Rosen adjourned the meeting at 11:38 p.m.*

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*JAMES ROSEN, President  
Rochester Hills City Council*

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*JANE LESLIE, Clerk  
City of Rochester Hills*

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*MARGARET A. MANZ  
Administrative Secretary  
City Clerk's Office*