



Rochester Hills

Minutes

Local Development Finance Authority

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*Brandy Boyd, Clarence Brantley, Michael Damone, Michael Ellis, Lois Golden, Lori Hartnell,
Darlene Janulis, Daniel Romzek, Stephan Slavik, Owen Winnie*

Thursday, April 12, 2012

7:30 AM

1000 Rochester Hills Drive

CALL TO ORDER

Chairperson Stephan Slavik called the Regular Meeting to order at 7:30 a.m. in Conference Room 221.

ROLL CALL

Present 6 - Clarence Brantley, Lois Golden, Stephan Slavik, Brandy Boyd, Darlene Janulis and Lori Hartnell

Absent 4 - Michael Damone, Michael Ellis, Owen Winnie and Daniel Romzek

Quorum present

Also present: Ed Anzek, Director of Planning and Economic Dev.
Pamela Valentik, Manager of Economic Dev.
James Breuckman, Manager of Planning
Keith Sawdon, Director of Fiscal
Paul Davis, City Engineer
Laurie Taylor, Deputy Director of Assessing
Maureen Gentry, Recording Secretary

APPROVAL OF MINUTES

2012-0103 October 6, 2011 Regular Meeting

A motion was made by Boyd, seconded by Golden, that this matter be Approved as Presented. The motion carried by the following vote:

Aye 5 - Brantley, Golden, Slavik, Boyd and Janulis

Abstain 1 - Hartnell

Absent 4 - Damone, Ellis, Winnie and Romzek

COMMUNICATIONS

There were no Communications brought forward.

NEW BUSINESS

2012-0105 Election of Officers (Chairperson, Vice Chairperson, Secretary and Treasurer) for a one-year term to expire the first meeting in April 2013.

Upon nomination by Golden, seconded by Janulis, Stephan Slavik was unanimously re-elected as Chairperson of the Local Development Finance Authority for a one-year term to expire the first meeting in April 2013.

Upon nomination by Slavik, seconded by Golden, Michael Ellis was unanimously re-elected as Vice Chairperson of the Local Development Finance Authority for a one-year term to expire the first meeting in April 2013.

Upon nomination by Hartnell, seconded by Golden, Darlene Janulis was unanimously elected as Secretary of the Local Development Finance Authority for a one-year term to expire the first meeting in April 2013.

Upon nomination by Golden, seconded by Boyd, Kurt Dawson was unanimously re-elected as Treasurer of the Local Development Finance Authority for a one-year term to expire the first meeting in April 2013.

2012-0104 Request for Approval of the 2012 LDFA Meeting Schedule

MOTION by Golden, that the Rochester Hills Local Development Finance Authority hereby establishes its 2012 meeting schedule at the April 12, 2012 Regular Meeting as follows:

January 12, 2012 (Cancelled)

April 12, 2012

July 12, 2012

October 4, 2012

*****Meetings will be held quarterly on Thursday mornings at 7:30 a.m. at the City Hall Municipal Building, 1000 Rochester Hills Drive, Rochester Hills, Michigan 48309. The Local Development Finance Authority reserves the right to add Special Meetings or Workshops as necessary. Meetings may be cancelled if no business arises in the appropriate timeframe.***

A motion was made by Golden that this matter be Approved . The motion PASSED by an unanimous vote.

Aye 6 - Brantley, Golden, Slavik, Boyd, Janulis and Hartnell

Absent 4 - Damone, Ellis, Winnie and Romzek

2012-0101 Request for Approval of the 2012 LDFA Budget

Mr. Anzek stated that the LDFA budget was fairly straight-forward. They tried to minimize expenses as best as they could, until the M-59 Corridor Plan was completed, which he pointed out was also on the agenda. That study had been underway for about a year-and-a-half, to identify a vision and infrastructure needs to support development, should it occur, for the corridor. For the 2012 LDFA budget, there was a \$200,000.00 transfer to Major Roads, to do appropriate repairs on streets in the industrial parks, and a 50% portion of the Manager of Economic Development's compensation. There were some dollars for right-of-way issues and the Gateway Grant Program. He explained that it was a 50/50 match to encourage the business park associations to do beautification upgrades, whether it was for entry signs or landscaping. It was an incentive to reinvest by matching up to 50% or \$5,000.00. They were now doing a three-year budget, and several years ago, they identified a projected need to totally reconstruct Research Drive in the business park. That would get re-evaluated every spring, and they would not do it if it had not deteriorated to a certain point. In the meantime, they would do slab replacement.

Regarding the SmartZone budget, Mr. Anzek advised that the City had not been capturing any revenue for three years because of property value decline. He noted that under expenditures, they had to transfer \$80,000.00 from fund balance for tax tribunal settlements. There had been numerous tax appeals, but they were slowing down. They hoped the property values would start rising in the next few years to capture funds for the SmartZone. He reminded that all capture went to the Oakland University INCubator. Oakland University was somewhat frustrated because the City had not transferred any money, but he thought things were turning around.

Ms. Golden agreed that there were no surprises and hearing no further discussion, she moved the following motions, seconded by Ms. Boyd:

MOTION by Golden, seconded by Boyd, Resolved, that the Rochester Hills Local Development Finance Authority hereby approves the 2012

LDFA Budget as presented.

**A motion was made by Golden, seconded by Boyd, that this matter be Approved.
The motion carried by the following vote:**

Aye 6 - Brantley, Golden, Slavik, Boyd, Janulis and Hartnell

Absent 4 - Damone, Ellis, Winnie and Romzek

2012-0102 Request for Approval of the 2012 SmartZone Budget

MOTION by Golden, seconded by Boyd, Resolved, that the Rochester Hills Local Development Finance Authority hereby approves the 2012 SmartZone Budget as presented.

**A motion was made by Golden, seconded by Boyd, that this matter be Approved.
The motion carried by the following vote:**

Aye 6 - Brantley, Golden, Slavik, Boyd, Janulis and Hartnell

Absent 4 - Damone, Ellis, Winnie and Romzek

UNFINISHED BUSINESS

2010-0462 Request for Approval of the M-59 Corridor Plan

(Memo, prepared by Mr. Breuckman, dated April 5, 2012 and Draft M-59 Corridor Plan had been placed on file and by reference became part of the record thereof).

Mr. Anzek recalled that the last time the LDFA Board met, Mr. Breuckman gave an in depth review of the M-59 Corridor Plan. There were two distinct actions within the plan; one was to set a vision for the Regional Employment Center, which ran from the western boundary of the City to Livernois and from Hamlin to Auburn. He mentioned the workshop at the OU INCubator Collaboratory, where members from the LDFA, the Planning Commission and City Council had an opportunity to discuss preferred images and what they thought would be best for the area. In the 2007 Master Land Use Plan, the City identified the need to be more flexible in the area, because they did not know what the future business needs would be in terms of bulk, mass and height of structures, location on the property, parking and so on. They wanted to establish a component of the Zoning Ordinance that would establish flexibility. The second part of the study was to update the Master Infrastructure Plan. That was first developed in 1995, and it showed how money captured

through the LDFA could be spent in support of the area. They had pretty much exhausted all of those projects; there had been some projects determined to be of no value that were not done. The Plan also identified a "shopping list" of projects (page 90). It was a significant dollar amount and more than they would ever collect for the LDFA.

Mr. Anzek advised that the Plan had been presented to the Planning Commission twice in a workshop setting, to make sure it met their vision and to ensure that they felt the infrastructure was reasonably identified. The Planning Commission passed a unanimous Resolution endorsing adoption of the Plan by the LDFA. It would be the LDFA's guide for decision making in the future. Subsequent to that recommendation, Staff submitted LDFA projects to the Capital Improvement Plan program. The strategy was that if a project came forward with significant private investment, they wanted to be able to discuss the project with City Council and the LDFA. It would be viable because it was in the CIP, and they needed the LDFA to approve the Plan so Council could transfer the City's share of money to make it happen. The public share could include road improvements, water and sewer enhancements or similar. They also added the LDFA Street Enhancement Program into the CIP and proposed \$50,000.00 to be spent next year and \$100,000.000 per year after that. The program would try to organize the business parks to have a common appearance and have pedestrian access throughout. They had learned in the last year or so that with the punch-through of Leach and Technology, which were part of the original Master Plan, the employment base used them to get to the restaurants across Adams. The people were now asking for pedestrian access so they did not have to drive. Mr. Davis and his Staff were looking into getting a safe crosswalk across Adams. In the meantime, Planning was looking into partnerships with individual property owners to build sidewalks within the business parts and to add street trees. Ms. Janulis had asked prior to the meeting about the projects' sustainability and how they would be maintained over time. It was the City's opinion that once a sidewalk was built, it became the responsibility of the property owner. That was why they would do sidewalks rather than pathways. Pathways were the City's responsibility, and sidewalks were the property owners' responsibility.

Mr. Anzek indicated that the Planning Commission wanted the LDFA to approve the Plan so that when the next Master Land Use Plan update was done, they could incorporate the M-59 Corridor Plan. The Master Land Use Plan would become the basis for the Zoning Ordinance update for the Regional Employment Center.

Mr. Davis advised that the City had a pathway project proposed along Technology. They looked at the area between Adams and Crooks and determined there was not a good linkage between Auburn and the Clinton River Trailway. They saw that when Technology was opened to the re-located Adams Rd., it would be a good place for a pathway. They actually had proposed and rated a project that would construct the pathway, and the City would maintain it as part of another amenity to the north/south linkage. Other than that, he agreed that there were sidewalks everywhere else.

Mr. Anzek noted the "second generation" of pathway development, which was added to the Master Thoroughfare Plan in 2006. They realized that the Pathway Plan of the 1980's was not complete, although it was very successful. They were looking for the next generation, or to get people connected to the major pathways. In the pathway millage that was approved, there was language that allowed for connectivity to major generators; the Clinton River Trail was a major generator that people wanted to access. They wanted to get pathways to schools and to the library, for example.

Chairperson Slavik asked if the right-of-way for sidewalks was in place in the industrial parks. Mr. Davis stated that Technology Drive was a good example, because the right-of-way was there, and everything was set back with no trees.

Chairperson Slavik asked if the projects were listed by priority. Mr. Anzek answered that they were not; they did not think it was important to prioritize, because there was so much there, and they could never pay for it all. They wanted to be able to openly market the area if they had a project identified that could support someone who wanted to redevelop. Staff would have to come back to the LDFA for an amended Plan to bring a project to a priority status then go to Council for a budget adjustment. They used to carry money in the budget on a just-in-case basis, but that artificially inflated the budget. Mr. Sawdon advised him that they really did not need to do that, because they had mechanisms in place to bring money forward quickly through budget adjustments. Whatever viable opportunities came forward first, there would be funding put toward them. Chairperson Slavik agreed that it made a lot of sense.

Ms. Golden said that she realized the Planning Commission had unanimously recommended approval, but she wondered if they had any points of concern. She had attended the first joint meeting, but that was to get input. Mr. Anzek said that they talked about how projects would be

funded, and they were told the projects would be put into the CIP. He did not think there were any criticisms, and no changes were requested. The Planning Commission identified the need for the M-59 Corridor Study when they did the 2007 Master Land Use Plan update. The entire area was called the Regional Employment Center, and they would not make one piece office or one piece something else. Ms. Golden agreed that it was a framework and a guide. She said that she was very pleased, and she felt that the Plan was long overdue. She congratulated Staff on a great job, and she felt that moving it forward would enhance the area and help the City attract development.

Mr. Anzek noted that with the adoption of the Plan, Staff would be in a position to start seeking grants. Ms. Golden pointed out that if necessary, they could always amend the Plan. Mr. Anzek indicated that Staff might have the need to call a Special Meeting at some point.

Chairperson Slavik referred to implementation projects such as connectors, and he asked if land acquisition dollars were built into the numbers. Mr. Breuckman said that land acquisition was not built into them because putting them in a Plan was the first step, and if people came forward with proposed development, they would discuss building in the right-of-way at that time. Mr. Anzek added that if someone wanted a water line, they would give the City the land to put it in. It would be a partnership. Mr. Breuckman said that they did not have any intent of going out and actively acquiring land and building something; it was more that they would reshape things over time.

Chairperson Slavik asked if there had been any conclusions on the testing for the old softball site. Mr. Anzek said that Staff had not had any contact with them in quite a while. He said the site was being marketed as medical mainstreet, so Staff was doing what they could internally to make the site ready for that. It would be a multi-year approach. The City was working with the property owner of the northeast corner of Hamlin and Adams, to try to get them to realize that medical offices were the strongest market, especially with the medical school opening up at Oakland University.

Chairperson Slavik asked about the City-owned property on Hamlin. Mr. Anzek advised that they had a couple of nibbles last year. The company looking at it was moving slowly. He was hopeful it would get reactivated, because the company had a very profitable 2011, and the City was still under their radar.

Chairperson Slavik asked if there were any other questions. Hearing no further discussion, Ms. Golden moved the following motion, seconded by Ms. Boyd:

Motion by Golden, seconded by Boyd, the Rochester Hills Local Development Finance Authority hereby passes the following Resolution approving the M-59 Corridor Plan, which shall serve as the LDFA's new Master Infrastructure Plan:

Whereas, in early 2007, the Planning Commission approved the Master Land Use Plan update which included created a Regional Employment Center land use category that is intended to accommodate a range of technology, innovation, office, and commercial uses; and

Whereas, the Regional Employment Center includes the City's Local Development Finance Authority which is charged with completing infrastructure improvements in support of private development; and

Whereas, the LDFA's 1996 Master Infrastructure Plan has served as the guide for project and funding decisions until recently when the list of projects was exhausted; and

Whereas, in 2009 the City selected a consultant (McKenna Associates) to evaluate existing infrastructure and provide a combined study for the M-59 corridor area and updated Master Infrastructure Plan for the LDFA; and

Whereas, on March 6, 2012 the Planning Commission passed a Resolution of Support for the M-59 Corridor Plan which was forwarded to the LDFA; and

Whereas, the M-59 Corridor Plan was reviewed in detail by the Local Development Finance Authority at its April 7, 2011, October 6, 2011 and April 12, 2012 meetings.

Resolved, that the Rochester Hills Local Development Finance Authority hereby approves the City's the M-59 Corridor Plan and finds the development objectives and recommendations appropriate to serve as the LDFA's new Master Infrastructure Plan to guide public improvements.

Be It Further Resolved that the Local Development Finance Authority supports the Planning Commission's intent to adopt the M-59 Corridor Plan into the Master Land Use Plan as part of the next Land Use Plan

review and update process.

**A motion was made by Golden, seconded by Boyd, that this matter be Approved.
The motion carried by the following vote:**

Aye 6 - Brantley, Golden, Slavik, Boyd, Janulis and Hartnell

Absent 4 - Damone, Ellis, Winnie and Romzek

ANY OTHER BUSINESS

Ms. Golden asked Staff if they were familiar with Ann Arbor's Shifting Code initiative, which involved some of the other SmartZones. The State was very concerned because there was not enough skilled IT labor, and technology was changing every day. The State was losing jobs to other states, and they were getting so desperate to fill jobs that businesses were now willing to train. She indicated that she was a perfect candidate - a mature female with more of a web design background who needed coding skills. The State was giving free or nearly free 12-week sessions to bring people up to speed. She said that it was unfortunate that there were no SmartZone funds to do anything with the University. The locations for the sessions were in Ann Arbor and Detroit, and she felt that it would be beneficial to find a location in the Rochester Hills area. She said she would send some links to the members.

Mr. Anzek stated that a lot of that type of effort was happening. The businesses were also desperate for trained tool and die makers. Ms. Valentik had been working with Oakland and Macomb Community Colleges, the Chamber, the State and Michigan Works to try to get the appropriate training programs going.

Ms. Valentik added that MI-Talent.org was the website where people could find information about it. The State established the site, and it talked about talent recruitment, job openings and postings. It talked about Shifting Code, and it was her understanding that they had confirmed locations to pilot the sessions, and then they would open it to additional locations. Oakland County was fortunate to be a site for Shifting Gears. Shifting Code was a program that came out of Shifting Gears. Shifting Gears was focused on individuals that might have been laid off from larger organizations and needed to understand the environment of going from a large organization to a small business environment. It was taking on some of the same components, such as mentoring. It was her understanding that Shifting Gears would be a part of the Shifting Code program. Ms. Golden said that she recently got an

email that said they would announce future locations, and she volunteered to assist with Oakland County.

Mr. Anzek related that the SmartZone was doing much better. There was a change in leadership there, and they were getting a lot of new businesses and entrepreneurs trying to grow businesses. The strategy was that a business would start at the INCubator and when they needed more space, they would move into the City. There were some good programs in play. Chairperson Slavik commented that it was encouraging. Mr. Anzek stated that the City had contributed over \$1 million since the SmartZone's inception, although they had not given anything the last three years. The INCubator was starting to establish a Clean Energy Research Center, and they were also focused on medical and finance areas. There was a push to get it established as a medical INCubator. They were working with the State and medical institutions to get appropriate funding for that focus. It was all part of Medical Mainstreet and part of the Oakland University/Beaumont Hospital medical school. Staff's job was to make sure they had the space for people.

NEXT MEETING DATE

Chairperson Slavik reminded the LDFA Board that the next meeting was scheduled for July 12, 2012.

ADJOURNMENT

Hearing no further business to come before the LDFA Board, and upon motion by Golden, seconded by Janulis, Chairperson Slavik adjourned the Regular Meeting at 8:02 a.m.

Stephan Slavik, Chairperson
Rochester Hills
Local Development Finance Authority

Maureen Gentry, Recording Secretary