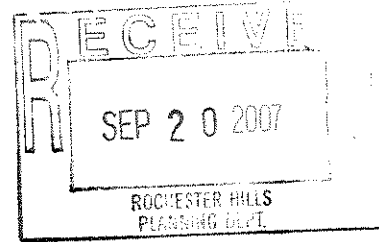




855 South Rochester Road
Rochester Hills, Michigan 48307
Phone (248) 651-5500

September 19, 2007



William Boswell, Chairman
Planning Commission
City of Rochester Hills
1000 Rochester Hills Drive
Rochester Hills, Michigan 48309

RE: SHELTON PONTIAC BUICK GMC, INC., DEALERSHIP

Dear Chairman Boswell and Commissioners:

I would like to provide the Planning Commission with an update on the progress for plans for my new dealership. It has been a little over a year since the City re-zoned the former House of Denmark's adjacent property to support incorporation of the new GMC dealership with my Pontiac and Buick dealerships. In the interim, together with my consultants, I have been working steadily to prepare plans for a development that will best serve my long term needs, allow me to be competitive in the auto sales and service industry and be an asset to our community. General Motors, by the terms of my franchise, has been and will be a necessary party in this planning process.

When I initiated negotiations for purchase of the Denmark property in early 2006, I planned to use the site for additional vehicle display and the rear portion of the existing building for service. I intended to demolish the front portion of the Denmark building. However, in working with GM, evaluating my existing facilities and discussing options with my consultants, I have concluded that complete redevelopment from the ground up of the Denmark parcels with a new dealership building to serve my three franchises is the best course of action despite being the most expensive.

During the re-zoning process we discussed the fact that the Denmark parcels in total did not meet the minimum lot size requirements of the B-3 district and the City required, as a condition of re-zoning, that the southern parcel (ID 15-14-351-055) of my existing dealership property be joined with the three parcels I purchased from House of Denmark. Accordingly, the three Denmark parcels were combined with my adjacent southern most parcel and the four parcels were combined and given a separate ID number (15-14-351-063). My existing dealership remains as a separate parcel with its own ID number (15-14-351-006). Both my original dealership parcel and the Denmark parcel have access to Avon Road by easement purchased from Denmark and to Rochester Road because both parcels front on Rochester Road.

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Page Two

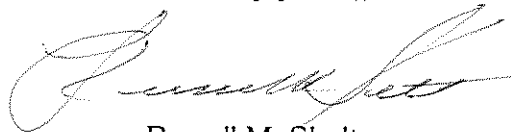
In a meeting with City staff to review my preliminary plan, it was pointed out that neither parcel by itself meets the minimum standards for a B-3 parcel. However, this will not be a problem because both parcels will remain under my ownership and will function as an integrated development. The new dealership will be developed so there will be cross access drives and parking with the existing dealership site. For financing reasons and the GM requirements, these parcels need to remain as two separately described parcels.

In discussing this matter with staff, I have been advised that these parcels will be considered contiguous non-conforming lots under common ownership and are to be considered as one for the purposes of site planning and use of the two parcels. My plan for development has taken this advice into consideration. The new building, as it is designed, meets the setback requirements for a B-3 district on the southern parcel. The site plan is designed to function and appear as one operation over the entire site. I believe this is the intent of the ordinance dealing with non-conforming parcels.

After my new dealership and premises are complete, the original dealership building, which has been recently remodeled, will continue to be used for automotive sales, display, storage and service such as quick lubrication, car wash, brakes and mufflers until such time as an appropriate new automotive dealership franchise opportunity is available. At that time my plan is to purchase it and locate it in the original dealership building. At that time both franchise and City requirements may necessitate changes to building and site.

I have asked Mr. Anzek for an opportunity to informally present and discuss my preliminary plans at your October 2, 2007 meeting. I will bring my architect, engineer and contractor with me so we should be able to answer any questions arising at the time. I am hopeful you will be able to schedule us at that time. I look forward to discussing my project with you in more detail.

Sincerely yours,,



Russell M. Shelton
President, Shelton Pontiac, Buick, GMC, Inc.

cc: Ed Anzek, Director Department of Planning