



Rochester Hills

Minutes

Local Development Finance Authority

1000 Rochester Hills Dr
Rochester Hills, MI
48309
(248) 656-4600
Home Page:
www.rochesterhills.org

Brandy Boyd, Michael Damone, Michael Ellis, Lois Golden, Darlene Janulis, Michael Kaszubski, Daniel Romzek, Stephan Slavik, John Stoner, Charles Thomas

Thursday, July 10, 2014

7:30 AM

1000 Rochester Hills Drive

CALL TO ORDER

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

ROLL CALL

Present 6 - Michael Damone, Michael Ellis, Stephan Slavik, Darlene Janulis, Brandy Boyd and John Stoner

Absent 4 - Michael Kaszubski, Lois Golden, Daniel Romzek and Charles Thomas

Quorum present.

Also present: Ed Anzek, Director of Planning & Economic Dev.
Pamela Valentik, Manager of Economic Dev.
Kurt Dawson, Director of Assessing/Treasury
Joe Snyder, Senior Financial Analyst
Paul Davis, Deputy Director of DPS/Engineering
Amy Butler, Executive Director, OU INCubator

APPROVAL OF MINUTES

[2014-0273](#) April 10, 2014 Regular Meeting

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

Aye 6 - Damone, Ellis, Slavik, Janulis, Boyd and Stoner

Absent 4 - Kaszubski, Golden, Romzek and Thomas

COMMUNICATIONS

There were no communications presented.

NEW BUSINESS

2014-0274 Request for approval of the 2015-2017 LDFA Budget

Mr. Anzek explained the narrative for the budgets which had been provided. He stated that when the Board met in April, they talked again about the possibility of a company coming to town and the potential need for expenditure of some LDFA monies in support of that project. From that discussion, Staff added back \$750,000.00 in the initial 2014 budget that had been taken out in 2010. At that time, it had inflated the budget unnecessarily. It was a significant amount, and Staff decided that it could be put back in the budget, should the occasion arise. He asked Mr. Snyder to explain how that process worked.

Mr. Snyder said that typically, if a project was brought forward, they first looked to see if there was money in the budget. In this instance, they did not really know how much would be needed, so they were a little hesitant to put in a number. They did not know if the money would be for just the roads or for the water and sewer or for other infrastructure. Once there was a better handle on what the number was, it would go before City Council. He indicated that it was great to have a Capital Improvement Plan, because the project Mr. Anzek mentioned was identified in that. They moved it from the CIP to just past the budget horizon of 2018. They did that for projects that were valuable, but not necessary to go into the next three-year horizon. He indicated that Council saw the benefit of the CIP. In the next budget amendment, they would put the \$750,000 into the budget. As soon as Council agreed that it was a viable project, zero budget or not, it would be approved and could move forward. He referred to the bottom of the page that said Local Development Finance Authority Revenue and under the revenue numbers, there were some estimated fund balances. This year, they projected \$2.9 million in fund balance, and they would actually be adding to the fund balance in the next few years. He thought that \$750,000 could definitely be pulled out for the project on Hamlin. There were no other projects that needed money at this time. From that standpoint, they had the money; it was just not technically in the budget yet. They would have a much closer approximation for the dollar amount rather than throwing a ballpark number out.

Mr. Anzek added that it also went to the concerns raised by Ms. Janulis at the last meeting that before the money was ever spent, the LDFA would want to know the project and the company specifics. He advised that it

would have to be brought back to the LDFA for approval.

Ms. Janulis asked for clarification about the 15% for personal property tax and the percentages used under the municipal contribution and what the percentages were based on. Mr. Snyder responded that the numbers came from Assessing. Ms. Janulis felt that they were somewhat high.

Mr. Dawson explained that real property was fairly flat, and personal property in the past few years had been growing greater than 3%. Mr. Snyder clarified that it would just be "of the district."

Mr. Damone said that fund balance was confusing. For 2015, there was \$3,318,000.00 in fund balance shown. Mr. Snyder said that it was essentially the money rolling into fund balance. If they took the \$2.9 million ending fund balance for 2014 projected, plus \$403,000.00, it came to the \$3.3 million. In governmental budgeting and accounting, revenues had to equal expenditures. In this case, there was more revenue than expenditures, so the \$403k was shown as an expense item, although it was not an expense at all. It was money that would go into savings at the end of the year. Mr. Damone observed that the \$403,000 was essentially net income.

Mr. Snyder continued that the caveat was what would happen with the personal property tax. He said that they were taking an ultra-conservative approach with it. If the personal property tax went away, they would still be in a net positive situation.

Ms. Janulis pointed out that the situation could change, and assuming that it did, she wondered when the figures would be updated. She asked if it would be updated at the end of the year. Mr. Snyder noted that the election was in August, and the packet would have to go to Council the next day, so they would not have time to do anything about it then. Ms. Janulis said that she realized that, but she wondered when they would update the numbers so that there were good planning numbers. Mr. Dawson said that even if the ballot failed, they would not know what would happen afterwards and whether personal property tax would be eliminated. Ms. Janulis thought they should consider leaving the \$300k for PPT alone. In her mind, they really did not have \$3.3 million for a project. Mr. Anzek indicated that they had scaled back considerably. As they projected forward, they were looking at \$8 million for over the life of the LDFA. If the personal property tax went away, that number would drop to \$2.5 million. They took out the sidewalk projects and everything but street improvements. Ms. Janulis questioned whether they should put in

*an * or some type of mark so that when the budget went to Council, they were reminded that the number could go away.*

Ms. Valentik said that the number was for personal property that was already on the tax rolls. The way the legislation would be written, anything that was currently on the tax rolls would be phased. While the number might not grow in 2016 or 2017, it would not go from \$300k to zero; it would start to go down. Mr. Dawson added that the 2016 budget was based on the 2014 assessments, which were already billed, so it would not change. They were good with the 2015 and potentially the 2016 budget year numbers. Mr. Snyder reminded that they always did budget amendments on a quarterly basis, so they were never more than a few months away. If there was a decision from the LDFA Board to move forward with the Hamlin Rd. property, they could let Staff know, and they would do an amendment.

Ms. Valentik advised that she had spoken with Mr. John Kerr of SCS a few weeks ago, and the plan was to bring him back to the next LDFA meeting so he could give an update, because the vote would have already taken place. He would know more then as to how it would impact the LDFA.

Mr. Anzek noted that Council approved a two-year extension of SCS's contract recently. There was an increase from \$60k to \$72k in the contract, adding \$4k to LDFA's portion. Other than that, there were really no other changes, except the drop in the transfer out to the Major Road Fund from \$300k to \$200k. He thought they could put that back up if things stayed good. Ms. Valentik said that she had recently driven Research Dr., and it had been improved quite a bit.

Ms. Janulis asked if the auditors gave any type of indication or if there had been any discussion with them about what the LDFA should have for a fund balance. Mr. Snyder advised that City-wide, they liked to see 20% of operations as fund balance, so they were not really going there with LDFA. The SmartZone did not really have any operations; it was kind of a pass through that did not really qualify as much. Mr. Anzek stated that the LDFA should not be considered a savings account. They had to gear things toward bricks and mortar. It did them no good at the end of the LDFA life cycle if there was a pot of money. Ms. Janulis said that the overhead was the projects; that was why she questioned if the auditors even mentioned the LDFA having to have a fund balance or if they should keep it general with regards to the City. Mr. Snyder did not feel that the auditors really zoned in on the LDFA. 20% of operations was a

good thing to have, but the LDFA's budget was not very large, and they were mainly saving up for a big project or for major road rehab each year. Mr. Anzek mentioned that the M-59 Corridor Plan identified \$22 million of those projects. As they moved forward in support of business and redevelopment, they would have a lot more discussions about prioritizing the money.

Hearing no further discussion regarding the LDFA budget, Chairperson Slavik asked for a motion. Ms. Janulis moved the following, seconded by Ms. Boyd:

MOTION *by Janulis, seconded by Boyd, that at the July 10, 2014 Regular Meeting, the Rochester Hills Local Development Finance Authority hereby approves the 2015-2017 LDFA Budget.*

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

Aye 6 - Damone, Ellis, Slavik, Janulis, Boyd and Stoner

Absent 4 - Kaszubski, Golden, Romzek and Thomas

2014-0275

Request for approval of the 2015-2017 SmartZone Budget

Ms. Janulis brought up the SmartZone Fund and Other Services. She asked if someone could give her an example of what Other Services was. There was \$90k put aside for that. There was nothing budgeted in 2014, but there was in 2013. Mr. Snyder replied that it was for tax tribunals. Ms. Janulis clarified that there was nothing budgeted for 2014. Mr. Snyder said there was \$100k to go to OU INCubator, and he believed that it had already been sent to them. Ms. Janulis asked if it was under Other Services, and Mr. Snyder said that it should be under Professional Services, which was an error he would correct. He remarked that it was a great catch.

Chairperson Slavik asked what the Board needed to know about the SmartZone budget. Mr. Anzek said that the SmartZone operated with capture of school tax funds over and above the LDFA capture, of which they lost capture during the recession. The value of properties dropped below the base reference year, and no money was collected. There were a lot of tax tribunals going on, and what they had captured on reserve they kept to resolve the tribunals. They had paid Oakland University nothing for three years. As the tax appeals were resolved over the last three years, the City released \$100k a year. There was a balance of \$85k, and

the obligation was to pay that to the OU INCubator in 2015.

Hearing no further discussion, Chairperson Slavik called for a motion.

MOTION by Boyd, seconded by Janulis, that at the July 10, 2014 Regular Meeting, the Rochester Hills Local Development Finance Authority hereby approves the 2015-2017 SmartZone Budget.

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

Aye 6 - Damone, Ellis, Slavik, Janulis, Boyd and Stoner

Absent 4 - Kaszubski, Golden, Romzek and Thomas

Chairperson Slavik stated for the record that the motions had passed as presented.

ANY OTHER BUSINESS

Mr. Anzek asked Ms. Butler, Executive Director of the OU INCubator if she would give a brief synopsis of the accomplishments and initiatives that were happening.

Ms. Butler remarked that every day was exciting, because new, potential clients walked in the door. They continued to try to focus on information technology, energy, and automotive and medical devices, because those were areas that seemed to be the growing emerging sectors in the region. They worked very closely with Oakland County and Rochester Hills to try to serve clients that had an interest in the region and that would also serve existing companies in the region. Their strategy was to build new companies and also to help companies grow. They did the standard SmartZone things with new companies - helping them find money, helping them put plans together, introducing them to people, and helping them find service providers, etc. They also worked closely with the University, and they engaged faculty and students to become involved with companies. They had several teams, and one had already filed an LLC. They were doing amazing things, and they were starting to grow that culture within the University. They also did technology development, which involved an existing company that might want to grow through innovation or test a new technology or need a third party to look at the technology, and say that it did or did not make sense. That was one area where they differed from other SmartZones. Another area they were distinct from other SmartZones was the background of their people. Ms.

Butler came from State government, doing a lot of economic development and community development, and she also worked with companies to understand Federal and State regulations. She believed that she brought a real asset to the region to help companies figure things out. Her knowledge of State government regulations had been really helpful for a number of their clients, because of the challenges they had to go through to develop a business. Ms. Butler commented that there had been a number of unique things that she had done during her career.

Ms. Butler noted that the engineer on her team had a background in energy and facilities management. They had an operations manager on staff. There were three "really awesome" students, and for the next year-and-a-half, they would have a student prepare all of their standard operating procedures for the processes they did. They had to establish an entire set of health and safety operating procedures, and they now had a process where any new company client, employee or volunteer would have a health and safety orientation they had to go through. Another shift away from the traditional INCubator and more towards an innovation center was that they repurposed a couple of the rooms in their building to be able to provide services to multiple clients, rather than having a room dedicated to just one client. For example, they partnered with Automation Alley on a Product Lifecycle Management Center. That was designed to help small and medium-sized businesses. She was going to talk with Ms. Valentik about getting the word out to Rochester Hills businesses that those services were available. The software they had could do 3-D printing all the way to setting up a manufacturing line and being able to test it. They were developing an entire Master's program on the academic side for this. Not only were they helping companies learn how to use those tools to be successful, they were also developing the talent to be able to continue to use those tools. Their philosophy was to look at how they could help a company and also provide long-term, sustainable talent to help. That was one area she had placed a lot of emphasis - how she could engage students. She had been working quite a bit with the MBA program and actually brought several of her clients in and introduced them to a program, and a lot of contacts were made. They recently went through a strategic planning process which should come out within the next month or so. She noted that the University recently selected a new President, and before she published a final strategic plan for the INCubator, she wanted to make sure that she could align it with the school's goals.

Ms. Butler advised that they also had a service provider center, which was one office that was repurposed for service providers to rent. It could be

one day a week or even a half a day per week for a whole year. Companies could stop in and get a consultation. There was one tenant in there now. It was a printing company that was starting to do very well in the region. The INCubator had a full time company that did grants management and skills assessment. They had been expanding also. They wanted to get three or four more good service providers. She noted that most of her clients were not in the building. They had about 38, and averaged about 45 clients on a regular basis, and it was a continually evolving group. It looked like they might graduate a couple of their virtual clients this year. In the last week, she had met with 10 companies, and it looked as if three would be coming in pretty solidly. She generally took one or two out of ten, because the important thing they looked at was if the company was able to be helped, and if they were in the area of specialty, and if not, whether they still had an OU presence. If they were not in the area, they would steer them to the Macomb INCubator. They shared a couple of staff members and resources there. They might steer them to the Oakland County One Stop. They had made a lot of advancement in the awareness and reputation of an INCubator. Companies had been referred to them from the Small Business Development Center and from Oakland County and Automation Alley. That was not the case when she took over three years ago. There was no integration or communication with those parties. They now had very strong relationships and a joint grant with Automation Alley. They also did a joint grant application with Oakland County. They did not get it, but they had been told by the MEDC that it had a little money to throw at them to do what was in part of the grant. She hoped that by the next time, she could come back and say they would be doing things to support the growing IT sector.

Mr. Anzek asked what the word was with the new President of OU. Ms. Butler said that they brought in three final candidates. She did not have a chance to go to all of the events, but the credentials for each one looked very strong to her. She knew some of the people on the committee, and they seemed to feel really good about the choices. Personally, she had not talked with too many people yet, but she could say that she liked the direction she saw. Raising visibility on a national basis and in the community would help Oakland University, and it would raise visibility in Rochester Hills and the region. That had been part of her strategy and goals all along. She traveled a lot internationally and worked with international INCubators. They had a memo of understanding with other universities in other countries, and the School of Engineering had five with China. They were working closely with Turkey to see about bringing business here. They had many Chinese engineering students coming in August that would fill the new Engineering Center. They were already full,

and it was not even opened yet. It was impressive what Dean Chamra had done with the School of Engineering over the past five years. Their growth was up another 28%. Mr. Anzek asked if his contract had been renewed, which Ms. Butler confirmed was for five more years.

Ms. Janulis had read about the new President saying that his goal was to have more students live on campus and for it to be less of a commuter college. The article did not say where he was from. Ms. Butler advised that he came from South Charleston, South Carolina. He was President of a small college there. He had been in leadership roles in other places as well. He had a doctorate in education. They would never really change the fact that they were a commuter school, but they did want to have a greater presence on campus and to create an environment so their students could have a college experience. They wanted to get more people on campus and keep them there, which would bring an economic value to the area. From Ms. Butler's prospective in working with clients, the fact that OU was a commuter school actually had an advantage, because it meant that the students were different. The students were already working and had experience or were developing experience. They placed a huge emphasis on internships. One of the things that really distinguished Oakland University from the other 14 public universities in Michigan was the fact that they worked so closely with business. When she was working on the Manufacturing Communities of Practice Designation from the Federal Government, of which southeast Michigan got one of the designations, it was a 13-County partnership that got together to write an application. There were six universities involved. She had to do all the research OU was doing in the focus areas of automotive, fuel efficiency in connected vehicles and in safety. It would open up some funding opportunities for OU in the future in things that helped moved projects in those areas along. She was asked what made OU unique, and she knew there was the Big Three - the universities that put the big research dollars out there. They also had OU, which had direct ties to the community business leaders. A number of their labs were established through corporate donations, and some of their students and faculty worked right next to researchers from the companies. Their research solved problems for companies. It was not that they were trying to create the next better mouse trap; they were out there fixing the mouse trap for their businesses to move forward. The fact that they had that range in southeast Michigan distinguished them. They went from basic research all the way to building and programming the robot. She remarked that it was amazing to have 40-50 partners working together. She thought that something might get announced at the Mackinac Policy Conference, but as things developed further, she would have more

information to share on how it would impact the region.

Mr. Anzek thanked Ms. Butler for sharing that information. He asked Mr. Davis if he had any road updates.

ANY FURTHER BUSINESS

Mr. Davis related that one of the things that happened in the LDFA district was the completion of the 2014 concrete slab program. Last year's program was incomplete, and it was carried over to this year. Because they had two different contractors, they felt that it made sense to have one contractor do both years' work. He indicated that it was a good thing, because it got done. The other project was a fairly aggressive one for the subdivisions. Constructing a whole subdivision was the biggest concrete program they had done since he had been with the City. They were 30% through that contract. Regarding the Avon Road work, Mr. Davis advised that it was on schedule. They had planned to switch over to Phase Two on July 1, so that project was moving along. One project that had started and stopped and started was the Tienken Rd. project. Originally, that project, from Livernois to Rochester Rd. was supposed to be completed in 2014. It should have already started, but because of a bidding problem, it had to be re-bid. The low bidder was the same, except that they got an additional three-and-a-half months and almost \$400k more to do the same project over two construction seasons. He commented that it was unfortunate that the process had to go that way. He had a pre-construction meeting after the meeting, so the project would start shortly. They would do the roundabout at Tienken and Livernois first, and that intersection would be completely shut down until November. Next year they would do the remainder of Tienken to Rochester.

Mr. Davis advised that the Sheldon Rd. project had started. They would pave from Placid Ct., which was halfway between Tienken and Mead, to Mead.

Ms. Janulis asked if it would be curb and gutter, and Mr. Davis agreed that it would. There were two gas mains on the east side of Sheldon Rd., and they would be very expensive to relocate. Consumers Energy had an easement, and it would cost over \$100k to relocate just a small portion of the gas main. The City elected to build spillways on the road. They did not like to do that typically with curb and gutter. They would normally want to build storm sewer and have the drainage structures transfer drainage into the storm sewer and not have curb spillways. He noted that there was one on Avon Rd. out of necessity. He stated that Sheldon Rd. should be

wrapped up a couple weeks after school started.

Mr. Davis noted that the bridge on Orion Rd. in Oakland Township was under construction. There had been a total closure of that section of road. The Road Commission intended to do an overlay of Orion Rd. from the Village of Lake Orion to Rochester Rd. It would be done right after the bridge project, and it would probably start in August and be done by the end of September.

Mr. Stoner noted that Tienken from Livernois to Adams would be done next year, so all of Tienken, from Rochester to Adams, would be affected. Mr. Davis said that the City was planning on that, but it was something that Council had to decide. The project was in design currently, because the City had decided to move forward with the Road Commission and design it. It would not be a full reconstruction but a re-paving. Adams to Livernois was planned to be under construction in 2015 assuming that Council fronted the money. The Road Commission did not have the money. They budgeted that portion of the road for 2017, but the City could front the money to have it done sooner. He did not think anyone would complain, as it was a "lousy" stretch of road.

Mr. Davis said that it was busy this year, but it would be even busier next. In addition to everything else, the City had a five-mile subdivision road project that it decided not to award in 2014. They opened bids for that a couple of weeks ago.

Mr. Anzek observed that Dequindre would be huge if it started in late 2016 or in 2017. Mr. Davis advised that there was a public hearing for that project the night before. It was for the environmental assessment and for the public to come and provide comments. The meeting was in Shelby Township, because the project went from Long Lake to Auburn Rd. The recommendation was for a five-lane road, but it had not been determined. He believed that the estimated cost was \$23 million. That would include right-of-way acquisition, design and construction. It still had the potential to change. Until the environmental assessments were approved, the road section could be adjusted based on the public comments received. He reminded that Dequindre Rd. was the number one project in the City's Master Thoroughfare Plan.

Mr. Ellis mentioned that as he drove down Avon each day, he had been curious about what had been going on where they had wood planks to drive in, and where they were putting in another paved road. Mr. Anzek said that was for replacement of the Sunoco Pipeline that ran from

western Pennsylvania to Sarnia. They put in a new 8" pipe with thicker wall construction. Instead of pumping fluids, they would pump compressed ethane. It was the gas they were getting from fracking in western PA. If it were compressed over 1440 psa, it would turn to liquid. The first area of scorched earth, where they wiped out the trees, was done to be able to do directional boring underneath the manufactured housing park and under the Clinton River underneath Borden Park. The second action taking place was the pumping station. The City had worked with the contractors to design it on a curvature road which would be hidden from the street. The station was a small, 20 x 40-foot single-story room, and they wanted to keep the pump in an enclosure. They would also be planting over 100 trees in the area they cleared, with the exception of the area over the pipe. The valve installation off of Livernois was mentioned, and Mr. Anzek explained that there had to be automatic shutoffs every five miles in the 600-mile route, so they had a system of sensors on both sides of the valve. If there was a drop in pressure on either side, it would automatically shut down. The pipeline folks bought a single-family property on Livernois to put in the valve, and they hoped to sell the remainder of the property, although Mr. Anzek did not feel it was very attractive for single-family use. Upon questioning by Mr. Ellis, Mr. Anzek said that its location was about 300 feet north of South Boulevard on the east side of Livernois. They planted some trees, although not as much as the City requested. He did say that Sunoco had been very good to work with. They tore up people's backyards in Cumberland Hills and in several other neighborhoods last year. Mr. Anzek checked the work to repair the yards a few weeks ago, and the grass was now better than what the neighbors had before. The sod installed was of very high quality, and it looked like it was not even touched.

Ms. Janulis asked if there was hydro-seed over the utilities. She did not think they would put in sod. There was a gas line in back of her house, and her property was torn up a few times, and they just added hydro-seed.

Mr. Anzek felt that it was important to note that when the City went through the Master Thoroughfare Plan update about five years ago, a conscious decision was made to try to emphasize the improvement to Dequindre to take traffic from Washington Twp. down Dequindre, instead of pushing it through Tienken. They did not want to intensify the capacity of Tienken from a safety standpoint. He stated that it was important that they handled the traffic flow on Dequindre as they went forward.

Mr. Davis also mentioned that another bridge in the community that would be affected was on Avon road, where it crossed the Clinton River by

Yates Cider Mill. There would not be a full reconstruction of the bridge, but the pavement would be removed, and a water-proofing membrane would be put on the decking, and then it would be repaved. That project would have a total closure for about three weeks. The Cider Mill would shut down for two of those weeks, but he did not know if that was a busy time for them. He added that the work should occur towards the end of July.

Mr. Anzek asked what the detours would be when they closed Livernois and Tienken for the roundabout. He thought it would be Walton to Rochester. Mr. Davis believed that was the official detour. He said that he talked to a woman who lived on Livernois by Tienken, and he knew that they would really be impacted. People were looking for ways to cut through subdivisions, and one of the first things that happened was that the City tried to barricade entrances and sent the Sheriff to write tickets. They wrote quite a few early on for the Avon Rd. project. When a sign said, "Closed to Thru Traffic," some people still went through.

Ms. Janulis said that people just did not think things applied to them. As an example, she biked up to Goodison to have lunch to support a gentleman's business that was down due to the road closure, and a lady pulled in and asked how she could get around the closure to get to Rochester Rd. Ms. Janulis told her that she would have to go back to the detour sign, and she explained how to go around to get to Rochester Rd. The lady said that she did not want to go back that way.

Ms. Janulis asked if the October meeting would be the last one of the year. Mr. Anzek advised that usually, four meetings a year were scheduled, although Staff always reserved the right to call a Special Meeting. Ms. Janulis said that when they put the quarterly meeting schedule together, she wondered if it was possible to know in advance what location the topic of discussion concerned, so some members could drive by it. Then when they discussed projects and budgets, they would have something fixed in their heads without having to just look at a map.

Mr. Anzek felt that was definitely do-able. Ms. Janulis remembered talking about going on a tour, but that did not happen, which she was fine with. She might want to travel to an area they were going to discuss, to see what Staff was talking about. Sometimes when they got the agenda, there was not enough time. She was not really familiar enough with the LDFA and SmartZone areas that she could get it right away by looking at a map. She just wanted them to think about it for next year's schedule. If there was even an email that gave the location that they were going to talk

about, people who were not as familiar with the area could drive around and take a look.

Mr. Anzek said that if there were project specific sites, they could definitely advise the members. Ms. Janulis felt that would be more meaningful to her than taking a tour, because they would be talking about something relative to a current discussion. It would let her know better how bike paths or sidewalks might impact an area.

Chairperson Slavik asked if anything transpired with the property on Hamlin. They had discussed a prospective company. Mr. Anzek agreed that at the last meeting, Staff told the members about a company that they were working with. They had lost five companies to General Development's property in Auburn Hills, when they picked up all that land from Chrysler when it filed for bankruptcy. The company Staff had mentioned chose to go there, as well. General Development offered a huge land discount, because they got it so cheaply. The City would probably be stuck with the Hamlin property until General Development filled its site. The last four companies that eventually went to Auburn Hills all looked at the City property on Hamlin with sincere consideration of purchasing it.

Ms. Valentik said that about four weeks ago, they were notified by a business representative from Oakland County that the company had chosen Auburn Hills. Chairperson Slavik asked if General Development was charging 50% less than the City. Mr. Anzek advised that the City was asking \$190k per acre. General Development was selling its land for \$10-20k an acre. They bought it for \$10k per acre. Ms. Valentik noted that their price was going up, because there were only so many lots left. She had been informed that they were also being more selective of who they were letting in. Mr. Anzek said that Auburn Hills had also revised its zoning to not permit outdoor storage. The first company that went in had acres of pallets in the back for storage, and Auburn Hills was offended by that appearance in one of its business parks. They worked with the owner of the property and eliminated quite a few enterprises. The City did not want that for the Hamlin property, either, because there was residential to the north. They had to be careful who went in there; that was why they zoned it Office, Research and Technology and away from Industrial - to control the use better. They did not want the stamping companies, but more of a research and development operation. He and Ms. Valentik visited a company in Madison Heights that was very interested in the site, but it was the noisiest place he had ever been in. They stood outside and they could not even talk. The company cut metal and made screws and

bolts and outside, there were coils and coils of steel. Mr. Anzek assured that they would keep the Board posted.

NEXT MEETING DATE

Chairperson Slavik reminded the LDFA Board that the next Regular Meeting was scheduled for October 9, 2014.

ADJOURNMENT

Hearing no further business to come before the LDFA Board, Chairperson Slavik adjourned the Regular Meeting at 8:40 a.m.

Respectfully Submitted,

Stephan Slavik Chairperson
City of Rochester Hills
Local Development Finance Authority

Sandra DiSipio, Recording Secretary