

**THE ECONOMIC DEVELOPMENT CORPORATION  
OF THE CITY OF ROCHESTER HILLS  
Oakland County, Michigan**

**Vehma International Project**

**PROJECT PLAN**

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## **PROJECT PLAN**

### **SUMMARY DESCRIPTION OF VEHMA INTERNATIONAL PROJECT**

#### **OWNER OF PROJECT:**

The Economic Development Corporation of the City of Rochester Hills (“EDC”)

#### **CONTACT PERSON:** (Name, address, telephone number)

Dan Casey  
Manager of Economic Development  
Corporation of the City of Rochester Hills  
1000 Rochester Hills Drive  
Rochester Hills, MI 48309  
(248) 841-2577

#### **LOCATION OF PROJECT:** (Local municipality)

The Project Area is located on Hamlin Road, east of Crooks Road, consisting of two parcels totaling 15.64 acres, all presently owned by the City of Rochester Hills.

#### **PROJECT AREA/DISTRICT AREA:** See Exhibit A

#### **NATURE OF PROJECT:**

Construction of an approximately 160,000 – 180,000 square foot facility, including fixtures and site preparation, for lease to Vehma International of America, Inc., as its corporate headquarters and research and development activities.

#### **EMPLOYMENT CREATED OR RETAINED:**

Vehma will retain 302 positions from the metro Detroit area and create 50 new jobs.

#### **TOTAL PROJECT COST:**

Presently estimated not to exceed \$15 million

#### **BONDS TO BE ISSUED:**

Up to \$16 million

**PROJECT PLAN  
STATUTORILY REQUIRED INFORMATION REGARDING  
VEHMA INTERNATIONAL PROJECT**

I. THE LOCATION AND EXTENT OF EXISTING STREETS AND OTHER PUBLIC FACILITIES WITHIN THE PROJECT DISTRICT AREA; THE LOCATION, CHARACTER, AND EXTENT OF THE CATEGORIES OF PUBLIC AND PRIVATE LAND USES NOW EXISTING AND PROPOSED FOR THE PROJECT AREA, INCLUDING RESIDENTIAL, RECREATIONAL, COMMERCIAL, INDUSTRIAL, EDUCATIONAL, AND OTHER USES; AND A LEGAL DESCRIPTION OF THE PROJECT AREA:

The land constituting the Project Area and Project District Area on which the Project is to be constructed is currently vacant and not being used for any purpose.

Legal description of Project Area attached as Exhibit A.

II. A DESCRIPTION OF EXISTING IMPROVEMENTS IN THE PROJECT AREA TO BE DEMOLISHED, REPAIRED, OR ALTERED; A DESCRIPTION OF REPAIRS AND ALTERATIONS; AND AN ESTIMATE OF THE TIME REQUIRED FOR COMPLETION:

The Project Area is presently vacant and, therefore, no demolition, repair or alteration is necessary.

III. THE LOCATION, EXTENT, CHARACTER, AND ESTIMATED COST OF THE IMPROVEMENTS, INCLUDING REHABILITATION CONTEMPLATED FOR THE PROJECT AREA, AND AN ESTIMATE OF THE TIME REQUIRED FOR COMPLETION:

The improvements constituting the Project are comprised of a two-story 160,000 – 180,000 square foot facility, including site preparation and fixtures, suitable for use as offices and light industrial, such as research and development.

The improvements will be located in the approximate [center] of the Project Area.

Construction is presently anticipated to be complete by February 31, 2012, with a tenant move-in on or before April 1, 2012.

The cost of the Project is as follows:

Site preparation	\$750,000
Construction	\$14,000,000
Fixtures	\$250,000

IV. A DESCRIPTION OF THE CONSTRUCTION OR STAGES OF CONSTRUCTION PLANNED, AND THE ESTIMATED TIME OF COMPLETION OF EACH STAGE:

Site preparation is anticipated to begin on or before January 1, 2011.

Construction will commence on or before April 1, 2011, and proceed continuously until completion on or before March 31, 2012.

V. A DESCRIPTION OF THE PARTS OF THE PROJECT AREA TO BE LEFT AS OPEN SPACE AND THE USE CONTEMPLATED FOR THE SPACE:

Approximately one (1) acre of the Project Area surrounding the Project will remain as open space. This will include a green belt of land at the street and an additional picnic area at the rear of the property.

VI. A DESCRIPTION OF PORTIONS OF THE PROJECT AREA WHICH THE ECONOMIC DEVELOPMENT CORPORATION DESIRES TO SELL, DONATE, EXCHANGE OR LEASE TO OR FROM THE MUNICIPALITY AND THE PROPOSED TERMS:

The EDC will lease the entire Project to Vehma International of America, Inc., a Delaware corporation ("Vehma") under a triple net lease the term of which will be coterminous with the term of the Bonds, presently anticipated to be fifteen years with options to extend the term twice for five years. The EDC will continue to own the Project and underlying land throughout the term of the lease and Bonds. Vehma will be responsible for all maintenance, taxes and insurance on the Project.

VII. A DESCRIPTION OF DESIRED ZONING CHANGES AND CHANGES IN STREET, STREET LEVELS, INTERSECTIONS AND UTILITIES:

None. There are no zoning changes or other street or utility configurations contemplated.

VIII. A DESCRIPTION OF THE PROPOSED METHOD OF FINANCING THE PROJECT:

The costs of the Project, including the costs of issuing the Bonds, will be paid with the proceeds of sale of limited obligation revenue bonds to be issued by the EDC. See also VI above and XI below.

Copy of letter of interested financial institution attached as Exhibit B.

IX. A STATEMENT REGARDING THE PAYMENT OF PREVAILING WAGE AND FRINGE BENEFIT RATES AS DETERMINED PURSUANT TO ACT NO. 166 OF THE MICHIGAN PUBLIC ACTS OF 1965, AS AMENDED (REGARDING WAGES ON STATE CONTRACTS):

See Exhibit D

X. A LIST OF PERSONS WHO WILL MANAGE OR BE ASSOCIATED WITH THE MANAGEMENT OF THE PROJECT FOR A PERIOD OF NOT LESS THAN 1 (ONE) YEAR FROM THE DATE OF APPROVAL OF THE PROJECT PLAN:

Dan Casey  
Manager of Economic Development  
Corporation of the City of Rochester Hills

XI. DESIGNATION OF THE PERSON OR PERSONS, NATURAL OR CORPORATE, TO WHOM THE PROJECT IS TO BE LEASED, SOLD OR CONVEYED AND FOR WHOSE BENEFIT THE PROJECT IS BEING UNDERTAKEN, TO THE EXTENT THAT INFORMATION IS PRESENTLY AVAILABLE:

The Project will be leased by the EDC under a 15-year triple net lease to Vehma International of America, Inc., for use as its corporate headquarters and research and development activities. The lease will contain two, five-year options on the part of Vehma to extend the lease. The lease payments will be sufficient to pay all debt service on the Bonds and any costs and expenses associated therewith.

XII. IF THERE IS NOT AN EXPRESS OR IMPLIED AGREEMENT WITH A PERSON OR PERSONS, NATURAL OR CORPORATE, THAT THE PROJECT WILL BE LEASED, SOLD, OR CONVEYED TO THOSE PERSONS, THE PROCEDURES FOR BIDDING FOR THE LEASING, PURCHASING OR CONVEYING OF THE PROJECT UPON ITS COMPLETION:

Not applicable

XIII. ESTIMATES OF THE NUMBER OF PERSONS RESIDING IN THE PROJECT AREA AND THE NUMBER OF FAMILIES AND INDIVIDUALS TO BE DISPLACED. IF OCCUPIED RESIDENCES ARE DESIGNATED FOR ACQUISITION AND CLEARANCE, INCLUDE A SURVEY OF THE FAMILIES AND INDIVIDUALS TO BE DISPLACED, INCLUDING THEIR INCOME AND RACIAL COMPOSITION, A STATISTICAL DESCRIPTION OF THE HOUSING SUPPLY IN THE COMMUNITY, INCLUDING THE NUMBER OF PRIVATE AND PUBLIC UNITS IN EXISTENCE OR UNDER CONSTRUCTION, THE CONDITION OF THOSE IN EXISTENCE, THE NUMBER OF OWNER-OCCUPIED AND RENTER-OCCUPIED UNITS, THE ANNUAL RATE OF TURNOVER OF THE VARIOUS TYPES OF HOUSING AND THE RANGE OF RENTS AND SALE PRICES, AN ESTIMATE OF THE TOTAL DEMAND FOR HOUSING IN THE COMMUNITY, AND THE ESTIMATED CAPACITY OF PRIVATE AND PUBLIC HOUSING AVAILABLE TO DISPLACED FAMILIES AND INDIVIDUALS:

Not applicable

XIV. A PLAN FOR ESTABLISHING PRIORITY FOR THE RELOCATION OF PERSONS DISPLACED BY THE PROJECT IN NEW HOUSING IN THE PROJECT AREA:

Not Applicable

XV. PROVISION FOR THE COSTS OF RELOCATING PERSONS DISPLACED BY THE PROJECT AND FINANCIAL ASSISTANCE AND REIMBURSEMENT OF EXPENSES, INCLUDING LITIGATION EXPENSES AND EXPENSES INCIDENT TO THE TRANSFER OF TITLE, IN ACCORDANCE WITH THE STANDARDS AND PROVISIONS

OF THE FEDERAL UNIFORM RELOCATION ASSISTANCE AND REAL PROPERTY ACQUISITION POLICIES ACT OF 1970, 42 U.S.C. 4601 TO 4655:

Not Applicable

XVI. A PLAN FOR COMPLIANCE WITH ACT NO. 227 OF THE MICHIGAN PUBLIC ACTS OF 1972, WHICH PERTAINS TO PROVIDING FINANCIAL ASSISTANCE, ADVISORY SERVICES AND REIMBURSEMENT OF CERTAIN EXPENSES TO DISPLACED PERSONS:

Not Applicable

XVII. OTHER MATERIAL AS THE ECONOMIC DEVELOPMENT CORPORATION CONSIDERS PERTINENT:

Not Applicable

**Exhibit A**

**PROJECT AREA LEGAL DESCRIPTION**

**Exhibit B**

**LETTER FROM FINANCIAL INSTITUTION  
REGARDING PROPOSED EDC BONDS**

**Exhibit C**

**CERTIFICATE REGARDING  
TRANSFER OF EMPLOYMENT**

**(Vehma International Project)**

The undersigned, Vehma International of America, Inc., a Delaware corporation (the "Company"), hereby certifies to The Economic Development Corporation of the City of Rochester Hills (the "EDC") as follows:

1. This Certificate is made and based upon the best of the Company's knowledge and belief, only after thorough investigation and discussion with the principal persons the Company believes have knowledge regarding the subject matter.

2. The Company acknowledges that this Certificate will be employed by the EDC as the sole basis for the EDC's certification to the City Council of the City of Rochester Hills as to transfer of employment as required by Section 8(3) of the Economic Development Corporations Act, Act No. 338 of the Michigan Public Acts of 1974, as amended (the "Act").

3. As of the date hereof, the Project shall not have the effect of transferring employment of more than 20 full-time persons from any municipality (as that term is defined in the Act) of this State (other than the City of Troy, from whose City Council the EDC will obtain a consent to such transfer of employment, as required by the Act) to the City of Rochester Hills, Michigan, the municipality in which the Project will be located.

VEHMA INTERNATIONAL OF AMERICA, INC.,  
a Delaware corporation

By: \_\_\_\_\_

Its: \_\_\_\_\_

Dated: \_\_\_\_\_

**Exhibit D**

**CERTIFICATE REGARDING  
PAYMENT OF PREVAILING WAGES**

**(Vehma International Project)**

The undersigned, Vehma International of America, Inc., a Delaware corporation (the "Company"), hereby certifies to The Economic Development Corporation of the City of Rochester Hills (the "EDC") as follows:

1. The Company understands that the representation of the Company regarding the payment of prevailing wages in this Certificate is a statutory requirement under the Economic Development Corporations Act, Act No. 338 of the Michigan Public Acts of 1974, as amended (the "Act").

2. Within the meaning and intent of Section 8(4)(h) of the Act, all persons performing work on the construction of the Project will be paid the prevailing wage and fringe benefit rates for the same or similar work in the locality in which the work is to be performed, as determined pursuant to Act No. 166 of the Michigan Public Acts of 1965, as amended.

VEHMA INTERNATIONAL OF AMERICA, INC.,  
a Delaware corporation

By: \_\_\_\_\_

Its: \_\_\_\_\_

Dated: \_\_\_\_\_