

**CITY OF ROCHESTER HILLS
LOCAL DEVELOPMENT FINANCE AUTHORITY
SPECIAL MEETING
Thursday, April 10, 2008
Rochester Hills Municipal Office, Conference Room #221**

The regular meeting was called to order at 7:30 a.m. by Chairperson Slavik.

ROLL CALL:

Present: Clarence Brantley, Michael Damone, Michael Ellis, Lois Golden, Kris Pawlowski, Romaneir Polley, Marty Siebert, Stephan Slavik, Owen Winnie
Quorum Present

Absent: Tammy Muczynski, William Mull, Theresa Mungoli, Cassie Patterson

Also Present: Clarinda Barnett-Harrison, Economic Development Assistant
Dan Casey, Manager, Economic Development
Paul Davis, City Engineer
Kurt Dawson, Assessing/Treasury Director

COMMUNICATIONS: None

As there are a few new members in attendance, the Board took time to introduce themselves and explain their roles. Mr. Casey then gave a brief overview of the Commission's responsibilities.

APPROVAL OF JANUARY 10, 2008 MINUTES:

MOTION by Damone, supported by Ellis, *Resolved*, that the Minutes of the Local Development Finance Authority Regular Meeting of October 4, 2007 be approved as presented.

Ayes: All Nays: None **MOTION CARRIED.**

ELECTION OF OFFICERS: (Chairperson, Vice Chairperson and Secretary) for a one-year term to expire the first meeting in April 2009. The floor was opened for nominations.

MOTION by Ellis, supported by Damone, nominating Mr. Slavik for Chairperson.

MOTION by Ellis, supported by Damone, to close nominations and move the unanimous ballot for Mr. Slavik as Chairperson.

Ayes: All Nays: None **MOTION CARRIED.**

MOTION by Slavik, supported by Damone, nominating Mr. Ellis for Vice Chairperson.

MOTION by Slavik, supported by Damone, to close nominations and move the unanimous ballot for Mr. Ellis as Vice-Chairperson.

Ayes: All Nays: None **MOTION CARRIED.**

The Planning and Development Department will continue to serve as secretary to the Board.

OVERVIEW OF MR-10 PRELIMINARY ENGINEERING FOR AUSTIN AVE. and RESOLUTION AUTHORIZING CITY OF ROCHESTER HILLS ADMINISTRATION TO PROCEED WITH AND MANAGE MR-10, PRELIMINARY ENGINEERING FOR AUSTIN AVE.:

Mr. Casey explained that in 2004, the LDFA amended their plan to include a new project – Extension of Austin Drive. That project also included paving Devondale northward to its termination and construction of a cul-de-sac where the residential property abutted the industrial property. The timeline includes conducting right-of-way acquisition and

preliminary engineering in 2008 and construction in 2010, possibly in 2009. The Engineering Department will likely contract the preliminary engineering to Hubell, Roth and Clark, with whom the department maintains a contract for road and sewer design and engineering. There are three phases to the preliminary engineering; survey work/wetland delineations of the project area, soil borings and the actual preliminary conceptual design. Mr. Casey is requesting that the LDFA authorize City Administration to oversee the preliminary engineering and right-of-way acquisition, including bidding, management of contracts, oversight of work, soil testing and surveying on the subject land.

MOTION by Golden, seconded by Ellis,

Whereas, the Rochester Hills Local Development Finance Authority approved an amended Development and Financing Plan (“the Plan”) that identifies its projects and the funding mechanism to construct those projects, and the Plan was approved by the Rochester Hills City Council on February 25, 2008, and

Whereas, one of the projects identified in the Plan is “8: Extension of Austin Drive”, which includes: preliminary engineering; construction engineering; right-of-way acquisition; extension of Austin Ave. west to connect to Devondale; paving of Devondale north to its termination; extension of an existing water line from its current termination point on Austin Ave. west to Devondale, to connect to an existing water line; and construction of a cul-de-sac on Devondale at the residential property boundary, and

Whereas, the City of Rochester Hills Planning Commission approved a Capital Improvement Project, MR-10, in its 2007-2012 Plan, which estimated the cost to complete the entire Austin Ave. extension project at \$1,346,800, and

Whereas, the Rochester Hills City Council approved the funds needed to begin the project in the Authority’s 2008 budget, specifically to conduct the preliminary engineering in the amount of \$100,000 and acquire the needed right-of-way in the amount of \$266,800.

Be It Resolved to authorize the Rochester Hills City Administration to bid and manage the preliminary engineering and right-of-way acquisition for Project 8, “Extension of Austin Drive (sic. Ave.) from the Rochester Hills Local Development Finance Authority’s approved 2008 Amended Development and Financing Plan, including the contracting and subcontracting of services as needed.

Ayes: Brantley, Damone, Ellis, Golden, Pawlowski, Polley, Siebert, Slavik, Winnie

Nays: None

Absent: Muczynski, Mull, Mungioli, Patterson

MOTION CARRIED.

Brief update on Technology Drive: Mr. Davis indicated MDOT has completed their review of Technology Drive, but he has yet to receive written comments. This information has been forwarded to the Federal Highway Administration for their review.

M-59 CORRIDOR STUDY DISCUSSION: Mr. Casey explained that a Capital Improvement Plan project was recently drafted and is being considered by Administration to conduct an M-59 Corridor Study in 2009, funded by the LDFA with an estimated cost of \$50,000. The project is a result of the 2006 Master Land Use Plan. In that Plan, a large area was established, all within the LDFA district, identified as the Regional Employment Center (REC). The REC is deemed to be a key area within the City for the growth of future tax base. The M-59 Corridor Study will assess

the makeup of the REC, evaluating land uses, zoning and interconnectivity. The Auburn Road corridor from Crooks west to Adams will also be evaluated. Before the Infrastructure Master Plan is revised, this corridor study needs to be completed. No action is needed from the Board at this time. This item will be coming back to the Board for further consideration once the Planning Commission approves the amended Zoning Ordinance. The LDFA Plan would have to be amended to include this corridor study as a project.

INFRASTRUCTURE MASTER PLAN DISCUSSION: Mr. Casey indicated that in 1996 a Master Plan for Infrastructure Development was developed by consultants. This Plan identified all the projects in the LDFA's Plan that were proposed for construction, and evaluated existing and future base mapping, roadways, storm water management plans, wetland determinations and environmental site assessments for known contamination. The 2004 and 2007 amendments to the LDFA Plan and the expansion of the district in 2004, create the need for an amended Master Plan for Infrastructure Development. It is Mr. Casey's recommendation that the Board wait until the results of the M-59 corridor study are completed before pursuing an amendment to the Master Plan. No cost estimates have been determined, but the Board should probably add this as a project to the LDFA Plan because of the cost.

UPDATE ON LOST SMARTZONE REVENUES: Mr. Casey advised that the Treasury Department will not know the estimated capture for the SmartZone until the end of April. The SmartZone budget is expected to take a hit in 2009 due to the new Michigan Business Tax. OU is concerned about the loss of revenue to fund OU INCubator as a result of this change. A new law was passed that would reimburse lost revenue to authorities who had bond indebtedness, but this new law will not help us. Depending on the severity of the loss, OU may request an action by the LDFA and City Council to make up the lost revenue. Potential actions include a loan to OU INC by the City, Oakland University or another entity to be repaid from future revenues, expansion of the capture area or grants and other funding sources that can offset lost revenue. Mr. Casey will update the Board once he receives information from the Treasury Department.

OU INCUBATOR EXPANSION DISCUSSION: Mr. Casey explained that this summer, OU INC will take full possession of the Gustaffson Pavilion, which provides an opportunity for expansion into another 20,000 sq. ft. of space. OU INC is estimating costs to build out this area as there is a great demand for the space. Because the annual tax capture is currently not enough to fund the build out, Oakland University is seeking alternative funding sources. Four funding sources are available for consideration: expansion of the capture area, grants, bonds or loans. Oakland University is expected to create a space plan and estimate construction costs. This information will be provided to the LDFA before it is asked to consider funding the activity.

NEXT MEETING DATE: July 10, 2008 at 7:30 a.m.

ADJOURNMENT:

MOTION by Damone, seconded by Winnie, to adjourn the LDFA Special Meeting of April 10, 2008 at 9:00 a.m.

Respectfully submitted,

STEPHAN SLAVIK, Chairperson
Local Development Finance Authority