



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, Michael Kaszubski, Daniel Romzek, Stephan Slavik*

Thursday, July 11, 2013

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 7 - Michael Kaszubski, Clarence Brantley, Lois Golden, Stephan Slavik, Darlene Janulis, Brandy Boyd and Daniel Romzek

Absent 3 - Michael Damone, Michael Ellis and Lori Hartnell

Quorum present.

Also present: Ed Anzek, Director of Planning and Economic Dev.
Pamela Valentik, Manager of Economic Dev.
Kurt Dawson, Director of Treasury/Assessing
Laurie Taylor, Deputy Director of Assessing
Keith Sawdon, Director of Fiscal
Paul Davis, Deputy Director of DPS/Engineering
John Kerr, Strategic Communication Solutions
Bill Bullard, Strategic Communication Solutions
Maureen Gentry, Secretary

APPROVAL OF MINUTES

2013-0247 April 25, 2013 Special Meeting

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

Aye 7 - Kaszubski, Brantley, Golden, Slavik, Janulis, Boyd and Romzek

Absent 3 - Damone, Ellis and Hartnell

NEW BUSINESS

2012-0245 Discussion and request for approval of the 2nd Quarter Budget Amendments to

the 2013 LDFA Budget and approval of the 2014-2016 LDFA and SmartZone Budgets.

Mr. Anzek introduced the budget agenda item, suggesting that the LDFA needed to have a discussion about the Personal Property Tax (PPT) and its elimination. Staff did some digging for the long-range about what would happen with projected revenue, and they determined that it would drop to \$3 million from \$12 million. He noted that Ms. Taylor (Deputy Director of Assessing) had attended a lot of meetings on the subject, and she would present the loss of revenue that would occur with the elimination of the PPT.

Ms. Taylor handed out some spreadsheets, the first of which was a projection for what would happen if the PPT exemption for industrial manufacturing was approved by voters, and the second sheet showed the numbers without the exemption. The proposed elimination was slated to be implemented in 2016. Any new purchases from 2013, 2014 and 2015 for industrial manufacturing would be exempted, and companies would not file those on PPT returns. The other part of the PPT elimination would be for any company with less than \$40k in taxable value. That would have a very minimal impact in the LDFA area in that the eligible manufacturers generally had substantially more than \$40k in taxable value. The 2016 elimination of new purchases would include a lot of companies, however. In 2016, all new purchases would be eliminated until it phased out in six or seven years.

Mr. Dawson pointed out that one of the things that was not covered when they exempted the industrial manufacturing personal property was that the exempted property was not taken out of the LDFA base for capture calculations. There was no legislation that allowed the exempted PPT to be removed from the LDFA base value, making the negative capture actually work against the LDFA. As the personal property capture became a negative, it offset the real property positive capture. He remarked that it would really be a "whammy" for the LDFA capture well into the future.

Mr. Bullard advised that there were some technical changes to the PPT bills. There were eight bills signed by the Governor last December to phase out the PPT in 2022. The reason the PPT had not been phased out in the last 30 or 40 years was that no one could figure out how to reimburse local units of government for the lost revenue. The legislature and Governor had come up with a plan that would be on a ballot proposal in August 2014, and it would be very confusing. The business groups would present it as an opportunity to take a part of the State Use Tax and

give it to metropolitan areas throughout the State. It was something in the Constitution that was never used before. He commented that it would be an interesting campaign, because the business groups would state that eliminating the onerous PPT would make the business climate better and would create jobs. The opponents would state that local units of government would be hurt, and they would lose revenue for police, fire and other essential services. The counter to that was that if the proposal was passed, part of the State Use Tax would go to the metropolitan entities and be distributed to local units of government. There was also a provision in one of the bills that allowed a local unit to have an essential services assessment, which would be an increased millage. That would put Mayors and City Councils in a difficult spot. If the ballot proposal passed in August 2014 and the PPT phase out went forward, they would have to decide whether to increase the millages that funded police and fire. Overall across the State, it would be very difficult to figure out how eliminating the PPT would affect each municipality. The State was saying that 80% of lost revenue would be replaced through one of the two mechanisms. They knew there would not be 100% reimbursement. The Governor was going to be up for re-election, and Mr. Bullard believed that the August 2014 proposal would be a referendum on the Governor's policies. Mr. Bullard thought that not only from the PPT, but the opponents of the proposal would say that the Governor had already cut taxes for business by going from the Business Tax to the Corporate Income Tax. That was a cut of hundreds of millions of dollars in business taxes, and it was funded by increasing taxes on individuals (i.e., Pension Tax increased, Earned Income Tax Credit eliminated, limitations on the Homestead Property Tax Credit). The primary election typically had a 20-24% turnout. If it was a close vote, perhaps 12% of the registered voters would decide whether the PPT was phased out or not. He thought that the ballot language was very complicated, and he did not know how it could be explained in 30-second commercials. Mr. Bullard introduced Rachael Lombardo, who was interning for SCS for the summer. She had contacted the State Chamber and some other business groups, and SCS would be meeting with the Michigan Municipal League (MML) soon. He reiterated that there were some technical changes to the bills in the works, and indicated that they could address some of the issues raised by Staff.

Ms. Taylor asked if there was a Sales Tax increase included in the proposal. Mr. Bullard stated that it was not, and he explained that it was part of the transportation package, which had not been passed. The Governor had two priorities, the first being Transportation Tax increases - increased registration fees and gasoline taxes - which would still be debated. There might be a Sales Tax increase as part of that. A lot of

people thought that nothing would get done, and that there would be no transportation reform. The other thing the Governor was pushing for was Medicaid expansion, which Mr. Bullard had been working on very closely. The House passed it; the State would get about \$2 billion for a couple of years of increased Federal funds in Michigan, which would be spent on health care for about 400,000 people. Some people have wondered why the State would not accept Federal money. In the normal atmosphere, people felt that if the State got Federal money for the citizens, it would be a good thing. The opposition, led by Tea Party Republicans, believed that the State would be embracing Obamacare, and they did not want to have anything to do with it. The Medicaid reform bill passed the House in a bi-partisan vote. It stalled in the Senate, but there were groups working on it, and many expect that the bill will pass by the middle of September. Then they would address the transportation issue, but he was not sure they would come to a solution about that before the next election.

Ms. Taylor continued that regarding the PPT exemption, she projected out until 2024 an estimated amount of the increase in taxable value and the elimination of the PPT for eligible industrial manufacturing and what it meant to revenue for the LDFA. She referred to the ad valorem real property numbers and the increase in taxable value based on the consumer price index, and said that it would be flat for next year at 0% then down to 1 ½% and 2% projected out. The sheet showed the taxable value in 1994, the base year for the LDFA, and the projected taxable value and the amount of capture. She had listed the real property ad valorem and the personal property ad valorem, and it showed that 2016 personal property ad valorem taxable value would substantially drop from \$38 million to just over \$6 million because of the elimination of the purchases from 2013, 2014 and 2015. The majority of the taxable value would be in new purchases that were a result of less depreciation. She reminded that as the equipment aged, depreciation increased. The third group showed the real property industrial facilities tax, which had a lesser millage rate. It had no base because it did not exist in 1994. The projected revenue in 2013 was over \$600k and dropped to \$177k in 2016. Overall, it showed a taxable capture of \$3.5 million. Ms. Taylor then referenced a table which showed projected capture of \$8.8 million if the PPT was not eliminated.

Mr. Romzek referred to the personal property exempt schedule, and said that it showed that the capture value dropped below zero. Beginning in 2016 and beyond, he wondered if those were payback periods.

Mr. Dawson explained that the negative went against the real capture, so

in 2016, there was a minus \$11k, which would go against the \$180k, and it would net out. There was no legislation currently for whether they would eliminate personal property as a capture to take it out of the base. They would be able to modify the plan to eliminate those parcels that only captured on real. It would not make a huge difference, because they would lose \$.5 million revenue by the exemption, but starting in 2016, there would be some negative offset for some of the capture on the real property.

Ms. Taylor thought that in the past, the Board had talked about the SmartZone, and the fact that it was in a negative capture. It did not mean that the City had to pay down anything; they just did not capture anything. If it went below zero, there was no capture, and nothing was paid to the SmartZone. Mr. Dawson added that it had been at zero since 2011. Mr. Anzek further added that it was projected to stay at zero.

Mr. Anzek remarked that they were "crystal-balling," and they really did not know where the PPT would end up. They wanted to show the LDFA Board, because it had some expenditures in the proposed budget that posed a policy question. They needed to determine whether they wanted to keep spending, knowing that the capture might drop by \$5 million between now and the end of the LDFA's term. They had talked about the need for the money for infrastructure improvements, but they would have less capture for regenerating the area. There was \$300k in the budget for major road improvements in the LDFA area, and he wondered if the LDFA wanted to start slowing it down. The proposed budget showed flat revenues over the next three years, because they did not know what would happen. They tried to take a conservative approach, and striking something out of the budget at this time could be premature. He wished to have that discussion.

Mr. Slavik stated that they would definitely have to look at their priorities and talk with Mr. Davis. If they were going to take money out of some of the street repairs, they had to make sure they were not shooting themselves in the foot and creating a different problem down the road. Some things would cost more in the long run. Mr. Anzek agreed that a \$200k fix today could cost \$1 million in five years.

Ms. Golden said that for future meetings, she would appreciate input from Staff regarding some of the pros and cons of doing different things. She reminded that they were not alone; DDAs and other groups were also affected. Going forward, she would really like to hear Staff's opinion.

Mr. Anzek noted that he had not even had a chance to brief Mr. Davis on the potential loss of PPT and what that would mean. Every spring, Planning and Engineering Staff talked about road repairs and how much they would cost. The purpose of LDFA capture was to maintain infrastructure, and with the potential for the PPT elimination, it was difficult to know what to plan.

Ms. Janulis stated that she would not be in favor of reducing anything when it came to street repair. She thought it was a sore spot in the community. She said that she would not mind revisiting some of the beautification projects that oftentimes were necessary but if they did not get done, it would not cause a bigger problem down the road. She was uncomfortable with anything that would eliminate street repair or not improve sidewalk safety. She thought they could talk as a group about what different priorities they might have while maintaining what they had. She suggested that the order could be safety and then beautification. She indicated that she did not want it to cause a bigger problem later on if they did not continue with street repairs.

Mr. Anzek recalled that about a year ago, he introduced the subject of doing a five-year sidewalk program in the industrial parks. In working with Mr. Kerr and Mr. Bullard, he found that they had a good shot at some grant money for that. They would not have to rely on LDFA money, but they could still try to get the sidewalks completed.

Chairperson Slavik said that was a good example of reprioritizing. He thought that going forward, until they knew more after the August 2014 ballot, they could take the worst-case scenario, reprioritize, and get a game plan based on that scenario. If things went the other way, they could always reassess.

Mr. Anzek reflected that being conservative had always been the City's policy. He summarized that the Board would like to continue funding the street program at the levels identified in the budget; that they should not spend money on sidewalks at this point; that efforts towards beautification should be reduced; and they would monitor what happened at the State levels with the assistance from SCS.

Chairperson Slavik commented on his experience with the infrastructure improvements that had taken place in the City in the past year, which he observed had been dramatic. He felt that everyone had been impressed. He especially noted Crooks over M-59, and remarked that it was like a brand new world.

Ms. Golden thanked Staff for the presentation and information, and agreed that it had been very helpful. Mr. Anzek said that they wanted to express it before the LDFA approved its budget. Last year was the first time the LDFA actually approved its budget before Mr. Sawdon included it in the budget that went to Council. It was important to Staff to stand before Council and state that the LDFA had reviewed and approved its budget. It was much better than doing so after the fact. He reminded that they were really only locking into 2014 numbers. 2015 and 2016 were projections and could be amended after a vote. Mr. Romzek observed that a year from now, the Board would be a lot closer to the selection and would perhaps be more able to "read the tea leaves," and he moved the following motion from the packet:

MOTION by Romzek, seconded by Janulis, that at the July 11, 2013 Regular Meeting, the Rochester Hills Local Development Finance Authority hereby approves the 2nd quarter amendments to the 2013 LDFA Budget and approves the 2014-2016 LDFA budget.

Voice Vote: All Ayes

Absent: Damone, Ellis, Hartnell

MOTION CARRIED

Hearing no further discussion from the Board, Ms. Janulis moved the following motion:

MOTION by Janulis, seconded by Romzek, that at the July 11, 2013 Regular Meeting, the Rochester Hills Local Development Finance Authority hereby approves the 2014-2016 SmartZone budget.

Voice Vote: All Ayes

Absent: Damone, Ellis, Hartnell

MOTION CARRIED

Approved

Chairperson Slavik stated for the record that both motions had passed unanimously.

COMMUNICATIONS

There were no Communications brought forward.

UNFINISHED BUSINESS

2013-0139 Update from Strategic Communication Solutions - John Kerr, SCS

Mr. Kerr said that he and Mr. Bullard appreciated that the Board had changed the agenda order to allow the budget presentation first, because they also wanted to see the numbers. Although they might be a year away from really figuring out which way the PPT would go, he thought everyone would see a pretty drawn-out campaign. He felt that even at the October meeting, they would know a lot more than they did now. There were groups working in Lansing now, and he noted that the MML was not a part of that. They were very offended, and they felt that the Governor was setting their membership, which included municipalities, townships and counties up for defeat. Mr. Kerr indicated that there was a long way to go, and he would be surprised if the tax was completely exempt, but there would be a lot of negotiations with regard to reimbursement.

Mr. Bullard stated that the bottom line was that if the ballot proposal passed in August 2014, every city and township in the State would have less revenue, although how much less was unsure. There were two buckets to get reimbursement; one was from the Metropolitan Authority and the other was a special assessment, which would require action by City Council. That would be a decision he did not think the City Council would want to make, but if it passed, they would have to. He was not sure if cities would end up with 80% of their revenues, and it could be only 50-80%.

Ms. Janulis pointed out that Rochester Hills had been a little luckier than some communities, because some had been in a tight deficit before the downturn. She added that when the local revenue and property taxes dropped with the Headlee Amendment, they would never get caught up. It would be 25 years before they could get back to 2007 or 2008 numbers. There were a lot of communities that did not have the capacity for growth to make it up in any way.

Mr. Kerr noted that the battle had been taking place for almost two years. Ms. Janulis recalled mentioning at the last meeting that the Governor had been talking about it for awhile. She had been to the MML meetings and other conferences he had been at, and he definitely had not been keeping it a secret.

Mr. Kerr agreed, and said that was why campaign season might pick up

early this year, especially for an issue like this. He thought that the Democrats would, in a sense, probably use it as an opportunity to begin their campaign. Mr. Bullard had been very active in Lansing with Medicaid expansion, and Mr. Kerr thought it would become a priority for him as well. In April, he had talked about what SCS could do as far as researching opportunities for creative financing and Federal and State funding opportunities. He wanted to make sure the Board knew that SCS had a very aggressive legislative monitoring and advocacy service they provided the City and the LDFA. Their commitment was to be on the front line of this issue and to make the City aware of the latest discussions, because they knew it would have a serious impact in a host of communities. He said that they would be happy to come back in October and report on the latest happenings, which could, hopefully, help with budget projections. He hoped the Board could see the value SCS could bring from legislative monitoring. He reiterated that transportation funding would be a big piece of the package, especially as it related to some of the non-motorized improvements. He mentioned his teammate, Ron DeCook, who was a former MDOT Government Affairs Director who was helping SCS navigate through some of the transportation language. Mr. Kerr stated that Mr. DeCook was fantastic at finding pots of money that could be helpful in the LDFA district. The legislative piece would be a big part of what they would work on over the next year. He reiterated that they would pursue Federal and State financing opportunities. He noted that he was fortunate to take a driving tour of the LDFA area, and he got to see the road improvements, but he stressed that there were still things to do in the industrial areas.

Mr. Kerr related that another big piece was the very visible parcel on the M-59 Corridor - the Suburban Softball site. It was a gem that they had looked at for a number of years. One thing they put in their scope was establishing a working group to advance what they needed to do for the site to become active. They had met with the Schostak team to talk about their priorities, what had happened in the past and where they thought the City could go. He claimed that it was a very productive discussion. He found it interesting that less time was spent talking about some of the brownfield and remediation challenges and more time was spent talking about efficient ways to tackle the financing, and time was of the essence. Schostak had a hard time convincing potential end users that it was a place to be, because they were not sure how Washington or Lansing might move on brownfield funding. SCS put together a couple of ideas for them, and they seemed very receptive as far as how to speed up the process. Mr. Kerr felt that if they could somehow speed the financing process, at least in the up front stages, it could bring people on board,

including the State and Washington. Schostak was committed to working with SCS, and the group was making progress.

Mr. Kerr indicated that they spent a lot of time talking about the PPT, but there was also a wave of momentum behind TIF reform and how DDAs were funded. There were updated bills recently regarding the Zoo and the DIA millages that included LDFAs. That generated statements in Lansing about economic development reform and what it would mean. There were State reps who had decided that it might be a big issue for them to take up, but they were not quite sure what to do with it. SCS had approached those reps to make them aware that it was of interest to SCS and to its constituents. TIF reform was going to be as relevant as the PPT, perhaps not in the fall, but definitely by the first of next year. That also could have an additional impact on the LDFA's budget. SCS had meetings lined up with some of the State reps, and he thought they would have more information in October.

Mr. Bullard stated that he and Mr. Kerr wanted to be proactive about this issue. There was no bill introduced regarding TIF reform, but the discussion had started among the legislators because of the DIA and Zoo millage issue. He and Mr. Kerr met with the Chair of the Tax Committee in the House (Representative Farrington) to get his thoughts. Representative Farrington told them that he was turning it over to Representative Eileen Kowall from Oakland County. Mr. Bullard had talked with her informally, and she had a few thoughts, but he believed that if they got in early and talked with her and other key legislators, that they could hopefully shape their thinking in positive directions. Ms. Kowall was term-limited, so she had a year-and-a-half left to work on this project, which she hoped would be one of her legacies. She was more than willing to get input from municipal governments, which he felt was good news.

Mr. Kerr summarized that their line of work for the upcoming year would be two-fold. One was researching and identifying Federal and State opportunities that would help the LDFA accomplish some of the infrastructure goals for the coming year. They would also spend a lot of time monitoring the legislature to see how it decided to move forward on tax capture authorities and what would happen with the PPT. He opened the floor to questions.

Ms. Golden said that she was very glad SCS was on board, especially in light of the presentation on the potential loss of revenue. She asked if SCS had a website, noting that she did web design, so it was the first thing

she looked for. She had looked for it back when the City was thinking about partnering with SCS.

Mr. Kerr clarified that the way the firm was created, there were separate companies in different lines of work. Historically, the firm spent most of its time handling Federal affairs, and they had a Strategic Federal Affairs website that focused on the work they did in Washington. There was also Strategic Public Affairs, which was the Lansing lobbying advocacy arm and Strategic Communication Solutions, which was the more active company with Rochester Hills that handled most of the grant writing and development strategies. He believed it was Strategic Communication Solutions.us.

Ms. Golden explained that she would like to be able to recommend SCS, because a lot of communities needed help. Mr. Kerr advised that they were going through a major restructuring currently in terms of how the websites would direct to each other. He promised to get Ms. Golden the information.

Ms. Janulis said that she appreciated the graphs, so they would know what to expect in 2014. She was not as panic-stricken as some in other communities might be, because Rochester Hills was fortunate to still have some space and room for growth. She felt that in the end if the bill passed, it would not be as devastating for the LDFA as perhaps some of the new legislation might be. She would be even more interested in hearing about the TIF reform and how it might impact the LDFA.

Chairperson Slavik commented that the property values in Rochester Hills were rising again. Ms. Janulis noted that with Headlee, though, things would never get back to what some cities needed, but Rochester Hills was able to adjust, and the schools were able to adjust programs. Some communities were already at rock bottom when property values went down, and they were boxed in with no where to go, and she was not sure how it would work out for them. She appreciated the information, and pointed out that it gave the LDFA a good planning tool.

Discussed

ANY OTHER BUSINESS

Chairperson Slavik asked Mr. Davis if he had any road updates. Mr. Davis said that he just received an email from the Mayor, who was on vacation in California. The Mayor had asked Mr. Davis to follow up with a

neighbor who was very unhappy with the Tienken Rd. construction. The Road Commission was constructing that project, which was broken into two phases. They were currently working between Rochester and Sheldon Rd., and it would be completed this year. Next year, they would construct Tienken between Livernois and Rochester Rd. That portion would also include the construction of a dual-lane roundabout. The Road Commission had not acquired all of the right-of-way yet, and there were some agreements that needed to be finalized. There were several total takes, including some from homeowners and some from a couple of businesses.

Mr. Davis mentioned that participants, including Mr. Kerr, from several cities had met regarding forming a Water Authority. Mr. Davis felt that it was something that could affect the LDFA. He recalled that a couple of years ago, the City looked at constructing water reservoirs, but it was not supported in a residential area, and Council ultimately decided not to support it. The residents were not necessarily opposed to water reservoirs; they just did not want them built in a residential park area. One of the options that had surfaced was the ability to use the City of Pontiac's water reservoirs. Orion Township, Auburn Hills, the City of Pontiac, which was now being overseen by the Oakland County Water Resources Commissioner, and Rochester Hills were looking at the possibility of forming a Water Authority. The purpose was to get the water rates lower. They had met several times, and it would either move forward or not. It was getting to the point where they were looking at details such as how an Authority would be put together, who would control it and how it would be handled by the Detroit Water and Sewer system. The timing was probably good. In the fall, the City would have a water contract re-opener. That would set the rate for water purchases throughout the next five years. He added that on the water side, there were a couple of efforts going on.

Ms. Golden asked about sewer. She knew that about 10 years ago, when she was on City Council, there was an editorial that stressed partnering. The rates from Detroit were discussed a lot.

Mr. Davis said that he just found out two days ago that on the sewer side, the Oakland County Water Resources Commissioner had taken over a large piece of what used to be Detroit's Interceptor System. On the water side, the City was a tier-one customer, which meant it had a direct contract with Detroit Water and Sewer. On the sewer side, the City was a tier-two customer. It was one step removed from Detroit in that the contract was with Oakland County. Oakland County was taking over the Interceptor

from Detroit Water, and there had been a lot of rehabilitation work. In the short term, there had been a lot of expense incurred by the City because the County had bonded out the projects, and rates would be affected to pay for the repairs. Detroit probably would have repaired the Interceptors, but Oakland County definitely was, and they had moved forward aggressively. Because they had taken over the City of Pontiac's infrastructure and the treatment facilities there, they were trying to utilize the sewage treatment facility in Pontiac to a greater extent. It was an under-utilized asset. Oakland County wanted to take more flow than would normally go in the Clinton-Oakland system and eventually down to the Detroit system to be treated and direct it to Pontiac. It was felt that if they took less flow away from the Detroit system, over the years it would be a cost savings, because they could treat it more effectively and cheaply, and it would also have a benefit to the environment because the discharged water from that plant went into the Clinton River. The discharge from the sewage treatment facility actually improved the water quality of the River, so there was great benefit to do that. He recently learned that the effort to try and do a couple of the capital improvement projects to make that happen was kind of thwarted by the City of Rochester. All the Clinton-Oakland communities had a contract that would expire in 2017, but Rochester's went to 2024. Rochester did not want to enter into a new contract. Either the remaining communities would pull out and form a new contract separate from Rochester's, or the projects would just be delayed. On the water and sewer side, there were efforts being done to try to save money, short-term and long-term.

Chairperson Slavik asked Mr. Davis how the discharge out of the treatment plant would enhance the water quality of the Clinton River.

Mr. Davis assured that it was treated, and the treated water at the end was of pretty good quality. The Clinton River at times suffered from not having much volume. A greater volume flowing through the River was better for water quality. When there were big storms, the River raged. There would be more dissolved oxygen added into the water, and that was good for some of the fish. He did not have all the particulars, but it was what he had been told, and he believed it.

Chairperson Slavik knew that there was a commission working to try to increase the flows and stabilize them through the summer low months.

Mr. Davis agreed, and said there were a series of weir systems. It was a complicated balance, because there were lake owners that wanted to maintain a certain level at their lake, but sometimes in order to do that, it

was at the expense of the flow downstream in the River. At times, the River got pretty low. About three years ago, during the Paddlepalooza on the Clinton River, many areas needed portages because the level was so low. With the treatment facility discharging, he felt there would be a better ability to maintain some river flow at a higher level, and it would also make the lake levels higher.

Regarding road projects, Mr. Davis advised that there were a number going on. One that would start soon was Firewood and Falcon between Walton and Tienken. It would be a reconstruct, and it would probably start at the beginning of August. He advised that it was going to Council on July 15th. Another project starting on July 15th was Livernois between Harding and New Life Lane. The joints needed repair, and there would be some slab replacement. It was a project that was wrapped into the Local Concrete Slab program, and it was coordinated with the Road Commission. The City was able to take advantage of an additional source of funding through tri-party. Because Rochester Hills was in a good position and had monies in its road fund balances, it could afford the City's share and take advantage of monies other communities were not able because they were so strapped. At the same time as the Livernois project, they would go forward with the Local Slab Replacement program. That would include LDFA roadwork repair for which they had budgeted \$300k the last few years. He believed they would start in subdivisions and towards the later end of the project move to the LDFA area.

Mr. Davis noted that there was some work proceeding by Adams Road Marketplace. They had a pre-construction meeting for the Holiday Inn Express. There was also a bank going in there. One disappointment was that Tienken Rd. between Adams and Brewster, which was one of the worst sections of roads in the City, was not scheduled for repair. The City was working with the Road Commission to try and identify a funding source to move that project forward. At the earliest, they had applied for 2016 funding for that section, but it did not get selected. The City would submit for 2017, which was really far off. It might be possible that the City would advance funds to repair it, and they would propose that to Council. His Staff was going to work with the Road Commission to get an overlay or something done. He concluded that he received the most complaints about that section of road.

Ms. Janulis asked if any traffic lights were proposed, and she mentioned Adams and Butler. Mr. Davis thought that would probably not happen. The hold up had been the portion of Butler in Auburn Hills, which was

gravel. He thought that if it were paved, it might meet signal warrants. There was not enough traffic currently that warranted the installation of a traffic signal there. Mr. Davis mentioned that a more likely signal that was moving forward was on Rochester Rd. with the possible realignment of Drexelgate and Eddington Blvd. There had been some discussion at the Council level with the developer. There were some people in the Eddington subdivision that were opposed, and they would prefer to see a signal at Yorktowne and Meadowfield. The City tried to get a light installed there, and it was the purpose of realigning that section of roadway, and there was a development going in on Meadowfield (a senior housing development), which would increase traffic trips. Out of the two, however, he felt that Drexelgate and Eddington had a better chance for success, and MDOT agreed.

Ms. Janulis asked if any were planned for the LDFA area. Mr. Davis related that there were no traffic signals planned. He mentioned the roundabout at Livernois and Tienken, and said that it would have a hawk signal. That was pedestrian actuated to allow pedestrians to cross, and it would be different than the City had at any of the other roundabouts. With the Paint Creek Trail and higher pedestrian movements at the intersection of Tienken and Livernois, they felt it would be good to have one at that location.

Mr. Anzek thanked Mr. Bullard and Mr. Kerr for attending, and Chairperson Slavik added that he was glad they were on board so they had a bigger presence in Lansing.

NEXT MEETING DATE

Chairperson Slavik reminded the LDFA Board that the next Regular Meeting was scheduled for October 10, 2013.

ADJOURNMENT

Hearing no further business to come before the LDFA Board, and upon motion by Janulis, seconded by Boyd, Chairperson Slavik adjourned the Regular Meeting at 8:34 a.m.

Respectfully Submitted,

Stephan Slavik, Chairperson
Rochester Hills
Local Development Finance Authority

Maureen Gentry
Recording Sec'y.

