Rochester Hills

Minutes - Draft

Local Development Finance Authority

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Jeremy Brown, Michael Damone, Michael Ellis, Darlene Janulis, Michael Kaszubski, Donald Price, Peter Provenzano and Stephan Slavik

Thursday, July 21, 2016 | **7:30 AM** | **1000 Rochester Hills Drive**

CALL TO ORDER

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

ROLL CALL

Present 6 - Michael Kaszubski, Michael Damone, Michael Ellis, Darlene Janulis, Donald Price and Stephan Slavik

Absent 2 - Jeremy Brown and Peter Provenzano

Quorum present.

Also present: Pamela Valentik, Manager of Economic Dev.
Ed Anzek, Director of Planning and Econ. Dev.
Paul Davis, Deputy Director, DPS/Engineering
Joe Snyder, Interim Finance Director
Mike Hilfinger, SCS
Maureen Gentry, Secretary

APPROVAL OF MINUTES

2016-0259 April 14, 2016 Regular Meeting

Hearing no comments or corrections, Chairperson Slavik stated that the Minutes were approved as presented.

Approved as Presented

COMMUNICATIONS

Handouts regarding the Hamlin Rd. discussion - list of eligible LDFA expenditures and accompanying memo/proposed motion from Pamela Valentik.

ONGOING BUSINESS

2016-0011 Update on Hamlin Rd./JENOPTIK Automotive Development

Ms. Valentik noted that at the January meeting, the City was getting ready to close on the sale of the Hamlin Rd. property, which did close near the end of April. JENOPTIK Automotive was now the official owner of both parcels. Since then, the company had been working diligently on the site. She explained that JENOPTIK had three phases planned. Phase 1 (commenced) was the construction of a 100,000 square-foot building, consisting of 60% shop and 40% office space. Phase 2, which did not yet have a timeline, would add 40,000 square feet onto the back of Phase 1, but they would lay the pad for Phase 2 right away to lessen disruption. The local representatives for JENOPTIK saw that as a positive message from Germany, showing that Germany was committed to Phase 2. Phase 3 would be a separate, 50,000 square-foot building constructed on the western parcel, and there was not a timeline for that phase. They were looking at potential acquisitions that would be defense related, and they needed to be in a separate building. Ms. Valentik advised that earlier in the week, City Council had approved a real property tax abatement for JENOPTIK. It was for 12 years and about $12.8 million for the building. She had continued to work on the details of the LDFA commitment. At the January meeting, the Board approved a motion defining the dollar amount the LDFA would make available for public site development infrastructure improvements. With the signing of the purchase agreement, there was a specific dollar amount committed. Staff would like to get approval of a new motion to recognize the new dollar amount of $476,894.00, the maximum agreed to in the purchase agreement, which was, in essence, 20% of the sale price. They were also trying to determine how the money could be spent. She explained that under the guidelines for eligible LDFA expenditures, there were two tracks they could follow. There were expenses allowed while the City still owned the property, such as improvements that would make the site marketable and attractive for development or some type of clean up. She referred to the attached list of eligible expenses which showed the work done and paid for before the closing. Now, they were in post-sale, and any expenses they would cover had to have some type of public element - within a public easement or some benefit to the public. She had met with JENOPTIK several times, and as they found things on the site, they had identified expenses. Some of the dollar figures came from their contractor. Once JENOPTIK fine tuned the ones they were interested in, she would work further with the City's Engineering team to verify those expenses. She added that there was $402,891 left to spend.

Ms. Valentik pointed out two items that had come up in the last three weeks. One was concrete removal. When the contractors started moving dirt, they came across foundations from a couple of buildings that had *been demolished on the site that the City was not aware were there. When the City contracted to have the buildings removed, the contract specified that the foundations and footings would also be removed, so it came as a surprise. They were looking to see whether asbestos was involved. She believed that it was an expense that the City should cover through the LDFA, because the City had committed that the site was clean and that everything had been removed.*

Mr. Anzek advised that the contractors had found that it was not as bad as expected, but it did have to be hauled to a special landfill.

Mr. Ellis asked if there were any potential surprises for the Phase 3 land. Mr. Anzek explained that the Phase 3 land was where they found the concrete. Mr. Ellis asked if the site would be covered once the concrete was removed, and Mr. Anzek felt that once the City had spent the $476k, anything above would be the company's responsibility to bear.

Mr. Damone asked if the $21k for the concrete removal had to be covered in the $476k figure, which was confirmed. Mr. Anzek thought it was a good question that they might have to re-consider. The City guaranteed that there was no concrete. Mr. Damone agreed, and he felt that they would have to add the $21k to the total. If he was the buyer and the seller warranted something, and the warranty was not there, the person doing the warranting was responsible. Mr. Anzek thought that was correct, and that the $21k should be in addition to the $476k. He thought they should be o.k., because the water main would probably come in less at about $112k. Ms. Janulis reminded that the Board did not guarantee 20% of the sales price. Mr. Damone agreed, but he said that the City guaranteed that the site would be clean. Ms. Janulis said that the Board only guaranteed that it would assist in expenses, so it might be less than $476k, whether the $21k was there or not. The figures were estimated, and if it went over $476k because of the $21k, it would. If it ran over because a water and sewer project ran over, the City would still have to cover it. She felt that it was somewhat irrelevant, because the City had to do certain things to make everything work, regardless of the bottom line.

Mr. Anzek believed that if the $21k was above and beyond the $476k, if it should go that high, the City would have to cover it. They had inspectors on site when the building was demolished, but somehow the foundations were missed. It was only a row of concrete about 40 feet long and three feet wide, but it was a major part of the building. Ms. Valentik wondered if the LDFA would fund the $21k if it went over the $476k total. Mr. Anzek thought they would have to further discuss it with Mr. Snyder to see if they *should take it out of the proceeds of the sale (from the Water and Sewer Fund) or if it should come from the LDFA. Because the LDFA contributed money towards roads and water and sewer improvements, they might make it up in future years.*

Ms. Janulis said that the dilemma was that the LDFA did not get the proceeds from the sale. She realized the LDFA was the overseer, but she wondered if the LDFA was responsible. Mr. Anzek reminded that the LDFA did pay for the removal of the building. He thought that if there was a motion, that the $21k should be added to the total. Ms. Janulis asked if a motion was necessary. Mr. Anzek advised that it would help during audits. It would specify the tasks for which the LDFA money was involved, and it would have been approved by the Board. Mr. Snyder added that it would help to set the policy before they discussed the budget numbers.

Ms. Valentik noted that the $21k figure was what JENOPTIK and the contractor had reported to the City. She did not know if there was a chance it could go higher. Mr. Anzek said that since it had just come up, they needed to take a deeper look to see the best way to handle it.

Ms. Valentik next discussed another item that had recently come up, which involved the sewer main and being able to tap into it from the property. She asked Mr. Davis to explain the discovery further.

Mr. Davis commented that he did not like parallel infrastructure on the same road, which was the direction they were headed for a piece of the sanitary sewer. He meant that there was a sanitary sewer on one side of the road and for whatever reason, another public sanitary sewer had to be built on the other side of the road. That had happened with a water main and sanitary sewer in the past. The reason they were thinking about it for the north side of Hamlin Rd. was because of the existing public sewers on the south side. Years ago, the sewer was put in and there were two leads put in for each of the two JENOPTIK parcels. When Hamlin Rd. was widened, there was a 36" storm sewer put in along the north side of the road to serve the Hamlin Rd. improvements and the drainage. It looked like both of the leads were in conflict with the new sewer, and they could not be used. Yesterday, they did a sewer videotaping, and a camera was inserted into the existing sanitary sewer. There was another camera jettisoned into the sewer lead to confirm whether the sewer leads were in good, useable condition. That was not the case, however. In one of the leads, the sewer camera went under the water where the 36" sewer was and they got further with the other lead, and it was also under water, so it did not appear that it would be a useable lead. Instead, they were talking *about extending a public sanitary sewer, which would go from a manhole, bore underneath the road and tie directly to the manhole to make the connection, which was very expensive. There would be a new sewer extended along the north side of Hamlin that would be available for both the properties. They would make it public in the event that one of the two parcels sold. When the Hamlin Rd. project went in with the storm sewer, it changed how the leads could be useable on the property.*

Mr. Anzek asked if it was too premature to know whether the number could be higher or lower. Mr. Davis said that he would have to check further. He felt that it was kind of high considering the sewer they would be doing, but when the road had to be bored, the costs could be pretty expensive. The City was not getting any deals on road or water and sewer projects nowadays. Bids were coming in high, and it was not like it was when there were a lot of contractors competing for work.

Chairperson Slavik thought that there was sewer along the River - along the north end of the property. Mr. Davis agreed, but he claimed that it was not accessible, and it was not adjacent to the property. Mr. Slavik was considering not having to bore underneath a divided boulevard. Mr. Davis said that it was a good suggestion, but he did not think it could be handled without doing that.

Mr. Damone asked if it meant that there was another $150k exposure. Mr. Davis said that it would be part of the $476k. He said that it was something that perhaps could have been avoided. As Ms. Janulis had pointed out, the number was a maximum, so if they did not have to do additional public improvements, it could have minimized the amount the LDFA contributed. Mr. Damone considered that the amount would not really go below $476k, but there would be nothing above it.

Ms. Janulis stated that they could not let a $21k expenditure stand in the way of the project. If the $150k ended up being $165k, they still had to do it. It was a huge project and one they wanted to do for a long time. Mr. Damone said that he knew what they had to do; he was just trying to define what the risks were.

Ms. Valentik agreed. When she brought the list to the members back in January, the list of items post sale was pretty short, and they wondered if they would even get to spending $476k. With the new developments, and they were constantly having conversations with JENOPTIK, the City wanted to verify figures provided. They also asked JENOPTIK how they wanted to spend the balance. She felt that something would probably *come off the list.*

Mr. Ellis clarified that at this point, the only exposure above and beyond was the foundations, to which Ms. Valentik agreed. Mr. Anzek reminded when they first discussed the project years ago, the Board agreed to $750k. It was brought down to $600k eventually, and it was now down to $476k. He looked at it like it was still coming down, although there were a few things that bumped up the lower numbers. Mr. Ellis felt that was to be expected.

Ms. Valentik asked if there were any other questions. She had wanted to get the LDFA's input, noting that the project would generate just over $300k in revenue for the City and $1.8 million for all taxing jurisdictions with the tax abatement. Mr. Ellis asked how much the LDFA would get, and Mr. Anzek said all of it, because it was in the LDFA district.

***MOTION** by Damone, seconded by Janulis, the Rochester Hills Local Development Finance Authority hereby approves the amended list of eligible LDFA expenditures (Exhibit A) for the property development at 1500-1600 W. Hamlin Rd. with a not-to-exceed total of $497,894.00, per the signed Purchase Agreement with JENOPTIK Automotive, N.A. and the discussion at the July 21, 2016 meeting.*

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

Aye	6 -	Kaszubski, Damone, Ellis, Janulis, Price and Slavik
Absent	2 -	Brown and Provenzano

Chairperson Slavik stated for the record that the motion had passed.

2008-0355 Rochester Hills Executive Park Improvements

Ms. Valentik noted that last year, she had asked the Board for permission to put an item back in the budget that had been requested by the Rochester Hills Executive Park Association. The Park was made up of Technology and Research Drives. There was access to Adams and Auburn. A few years ago, the Association took advantage of the Gateway Beautification Grant Program with a $5k match from the LDFA to put in signage and lighting at the entrance on Auburn. Last year, they asked her if the grant program was still available, because they would like to do the same thing on Adams. The Board did agree to the money for the program. She was still waiting to receive an application, but they did want *to use the program.*

Ms. Valentik also noted that a couple of properties on Research backed up to the Clinton River Trail. One company, Hi-Lex, was having an issue with pedestrians walking through their parking lot to access the Trail. The Park wanted to build a pathway from Research Dr. to the Trail, and they asked if the City would commit to doing the connection for its property over the Trail. Last year, the LDFA agreed to put in $10k for the trail connection into the budget. The Engineering Dept. was going out there next week to start to clear the land and work on the connection.

Ms. Janulis asked if the City was doing its part before the Park, and Ms. Valentik believed that they were working together and would have their crews out at the same time. The pathway should be completed this summer. She noted that the businesses had seen a significant increase in pedestrian traffic in the park. All of the buildings were full, and there had been a couple of sales recently. The Park had a 0% vacancy rate, and employment was way up. There were people that came in from Auburn Rd. to pick up the Trail as well. She felt that it was good timing, because in the Capital Improvement Plan for the City as a whole, there was a pathway system plan that really tried to extend pathways and provide more accessibility to the Trails. One of the areas identified as a potential pathway connector was Technology Dr.

Mr. Davis agreed that the project would mostly be completed this year, but he advised that DPS would start before and end up the project. They would be doing a lot of filling in the Trail right-of-way. They would place an 18" culvert in the area and a lot of fill material above it. They would most likely need to revisit it next spring and spruce it up. It would probably be made into a compacted gravel surface that could be used in the meantime, but there would be some settlement over the winter, and they would finalize it next year.

Ms. Valentik said that as they looked at the LDFA budget and at making the Trail accessible, she felt it was good timing to look at the plan for 2018 to put in a complete pathway along Technology Dr.

Mr. Davis said that one of the things they questioned with the pathway system was that once the millage language was changed whether there were other areas they could put in pathways. They looked at the distance between Adams and Crooks, and thought it might be nice to have another north/south connection and perhaps one through one of the technology parks. The pathway proposed was a little more unique, and it would *provide a connection from the Trail to Auburn Rd. They would need cooperation from the property owners in the Park, and the project ranked high in the system. It would minimize the distance someone would have to travel between Adams and Crooks in order to access the Trail.*

Mr. Damone asked if a pathway was equivalent to a sidewalk. Mr. Davis advised that sidewalks were typically five feet wide. They were usually constructed out of concrete within subdivisions. The City's pathway system on the major roads was an eight-foot wide section which was typically asphalt, although they did have concrete pathways that wide. Some were even ten feet wide. When they had done Federally required projects, MDOT required ten feet. The City had kind of a hybrid; it was not a multi-use path or trailway per other standards. They had minimized down to eight feet, but it was not technically a sidewalk. A sidewalk, per the City's Ordinance, was required to be maintained by the adjacent property owners. Pathways were maintained and replacement responsibilities were done by the City. The City plowed them and repaired or whatever was needed through the millage dollars generated. The subject pathway would ultimately be plowed and maintained by the City, but they would need cooperation from the property owners. The City would not want to pay for a lot of easements across the properties. It would be a more expensive pathway project because of some of the driveway thicknesses. When they built pathways through residential drives, they only had to go through a six-inch section, but it would be much thicker through the industrial driveways.

Mr. Damone thanked Mr. Davis. Ms. Valentik said that she had asked Mr. Davis the same question. Mr. Ellis assumed that the pathway would not be in the road right-of-way but rather on private property. Mr. Davis said it would be in the road right-of-way, so he agreed that they might not need easements. Mr. Davis said that the cooperation would involve determining what side of a street the pathway was installed. There might be someone who objected to a pathway or someone who objected even if it were to be in the right-of-way. Mr. Ellis considered that they were so early in the project that they did not even have a sense of what the owners' wanted. Mr. Davis believed that it would be on the west side. Mr. Ellis questioned whether the City had any feedback from the owners and tenants because it was so early in the project. Mr. Davis agreed that they had not approached anyone yet. He did not think the City had even identified all the potential conflicts such as landscaping.

Ms. Valentik said that because the project had been in the CIP for a couple of years and then the Park had shared its interest in a trail *connection and the Gateway Beautification Program, she had brought up with them that the City had a long term, City-wide pathway system plan and that Technology was a part of it. She asked people if they would be interested in that when she was on retention visits. The President of the Association had said that they would definitely be interested. He felt that if they could get people out of the street and away from the trucks it would be a good thing. She said that it was just surface talk, and they would have to get into the details. In general, most business owners seemed positive about it, and they did have a pretty active Association.*

Mr. Davis commented that it would be really nice if it could be contained all within the right-of-way. The recent pathway projects the City had done had been outside of the right-of-way. Requiring easements was a lengthy process, and sometimes it was adversarial. When they did Hamlin Rd., the City had to go to court to condemn a couple of properties. Mr. Ellis agreed that it would really cut the cost.

Ms. Valentik asked Mr. Davis if he could talk about the timeline for the project, and what would have to be done in 2017 and 2018. Mr. Davis responded that a lot of times, a project would be designed in one year and built in the next. Even if no right-of-way was required, the City would try to do the projects in house. Their workload had been pretty busy this year. That was not necessarily due to an overabundance of projects, but there had been a lot of retirements, and they were trying to backfill positions. The last couple of years there had been many changes in DPS with a lot of senior, experienced employees leaving. They had been using consultants to assist with the workload. He was not sure at this point if they would bid the project out or try to design it in house, but it would be bid it out as early in the year as possible. Construction would start then in May or June.

Mr. Ellis referred to page 41 of the CIP which showed the estimated cost. He asked if it was anticipated to only cost $540 per year to maintain (snowplow). He asked if that number was right, and Mr. Snyder said that it was an average of all the maintenance costs of all 80 miles of pathways. Mr. Ellis asked if that was to maintain year to year and not for repaving or something else. Mr. Snyder agreed.

Ms. Valentik noted that for the City-wide plan, there were a number of different elements or potential pathways the City would like to install between 2017 and 2022. Technology Dr. ran right through an LDFA capture area, so staff was looking to the LDFA to pay for the Technology Dr. pathway. The LDFA would cover $400k of the $418k, and it would be *broken up into $200k per year increments. They would commit $200k in the 2017 budget and $200k in the 2018 budget. She mentioned that for the last few years, the LDFA had been committing about $200k per year towards road rehabilitation. In looking at the condition of the roads in the LDFA, she pointed out that they were in good shape, and staff felt that now would be a good time to do the pathway and re-direct the $200k per year towards the pathway project. She asked if anyone had any questions.*

Mr. Anzek noted that Mr. Davis worked very closely with the Pathway Committee, and the group set its priorities for which ones should go in first. Staff had a concern about the loss of revenues from the Personal Property Tax (PPT); however, Mr. Snyder had been looking into a reimbursement program the State was proposing. It would not make the City totally whole, but close to it. They would pretty much have the same dollars, but they would just be using it for the pathway instead of roads for the next two years. They felt it would be good for the Park, its employees and others. The Pathway Fund was not very flush, even though there was a dedicated millage. There were a lot of costs spent annually for maintenance and upkeep, and he mentioned the pathway work being done on Old Perch as an example. They felt that it would be an opportunity. The LDFA would not be out money; it would just go to pathways rather than roads for two years.

Ms. Janulis clarified that if the Board approved the budget, that it would include the money for the pathway. Ms. Valentik said that was correct; she had just wanted to give some background before they got into the budget discussion.

Discussed

NEW BUSINESS

2016-0264 Request for Approval of the 2017-2019 LDFA Budget, Joe Snyder, RH Acting Finance Director

Mr. Snyder first discussed the LDFA revenues. He stated that taxable values in the district were going up for real property fairly strongly for 2017. He mentioned that the 2017 numbers were pretty well set based on the December 2016 taxes that would be going out, and they would fund 2017. He pointed out the 64% decrease in Personal Property Tax. The line below that showed the PPT exempt reimbursement, which would be from the State. He felt that it looked pretty good that the City would be getting something close to that if not more. It was not a full 100%

reimbursement, but it would be close to offsetting the PPT decrease. The bottom line taxes showed an increase of 1.6% next year and staying steady. They would see the impact of the PPT decrease on all the municipal contributions or those that come from Oakland County, the library and Oakland Community College. The projected LDFA fund balance was about $3.8 million for this year and next year, and it was projected to grow in 2018 and 2019.

Mr. Snyder next talked about the expenditure side. They would be putting in $460k and nothing for next year. Professional Services had previously shown a governmental strategist, which was taken out of the budget. In 2016 for Professional Services, it showed a lot of the Hamlin Rd. property items which had yet to be added into the budget, but it would be done closer to the end of the year. He commented that there was definitely an adequate fund balance to take care of those. He went to the last page and suggested that they might want to change the $385k number for Contractual Services. It was based off of the $460k amount offered. Since that had been bumped up to $476k, he thought they should take the $385k and go to $403k. Everyone was in agreement. He went over some other expenses, and said that the tax tribunals had been going along nicely. They had talked about deferring the Major Road annual transfer over to Pathways to do the Technology pathway and in 2019, it would go back to business as usual.

Ms. Valentik thought it was refreshing to hear that the State would reimburse them for the PPT reduction. She pointed out what was collected in 2015-2016 and what was proposed to be collected in 2017-2018, and said that it was a big dip. The way the schedule was going to work for the elimination of the PPT for industrial property, it would be 100% gone by 2023. It depended on the age of equipment as to whether it was 100% exempt in 2017 or it would go into a sliding scale where the tax was slowly eliminated. Mr. Snyder said that the reimbursement was set to increase as the personal property decreased to always offset. For now, it would be indefinitely, but if there was a shift, he would advise. He did not think they would change anything too significantly. He was working with the State to try to get some extra dollars because the way they calculated the formula, it did not do the City any favors.

Mr. Ellis asked if the motion would be approved as written or if it needed to be changed in order to accommodate the other $21k. Mr. Snyder suggested that they could approve the LDFA budget "as adjusted."

Mr. Slavik asked if the $400k from the roads would all be going into the Technology Park, which was confirmed. Mr. Snyder felt that if they waited for the Pathway Fund to complete it, it could take a decade or longer. Ms. Valentik said that the Park was engaging with the City, and she felt it was good timing. They wanted to partner with the connection to the Trail and the entrance sign. The Park brought it to the City's attention that there was a lot of pedestrian traffic. She felt that there might be the right property owners and decision makers in play to work together on the project.

Mr. Ellis presumed that there were no major tax appeals in the district where there would be exposure. Mr. Snyder had checked with Mr. Dawson, and there were zero outstanding appeals.

***MOTION** by Ellis, seconded by Price,*

***Whereas**, in accordance with the provisions of Public Act 2 of 1968, Public Act 621 of 1978, the Uniform Budgeting and Accounting Act for Local Government, the Special Appropriations Act pursuant to PA 493 of 2000, and Section III of the Charter for the City of Rochester Hills, the Mayor, as the Chief Executive Officer, prepared the proposed budget for the ensuing year and submitted it to the LDFA Board at its July 21, 2016 meeting; and*

***Resolved**, that the following Local Development Finance Authority budget for the City of Rochester Hills is approved as adjusted and ready for submittal to the City Council for final adoption for Fiscal year 2017.*

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

Aye	6 -	Kaszubski, Damone, Ellis, Janulis, Price and Slavik
Absent	2 -	Brown and Provenzano

Chairperson Slavik stated for the record that the motion was approved.

ANY OTHER BUSINESS

Chairperson Slavik asked if the new Pulte Sub on Hamlin was multi or single-family. Mr. Anzek advised that there would be 48 single-family homes.

Mr. Ellis noted that MJC had a project going in on John R. He *understood that there was a condemnation by the utility company for land on either side to be clear cut. He asked if that would affect the Site Plan approval. Mr. Anzek said it would not, because they stayed out of the easement with the structures. ITC wanted to expand their easements, under Federal dictate, but the expanded easements would still not hit any structure proposed. It would affect some landscaping, and they did not want any trees or shrubs in the easement. They would work the payment out with MJC.*

Mr. Ellis clarified that MJC did not have to come back to the City for review and approval. Mr. Anzek said they did not, according to the attorney for ITC. Mr. Ellis said he had been curious because he received a call about it. Mr. Anzek said that if MJC was going to lose structures, they would have to have been compensated, because they had a Land Improvement Permit and were all set. Sunoco did come through with a new pipeline, and they did not put it in as deep, and they needed four feet of clearance, so the road had to be raised over the pipeline and some adjustments made to some of the driveways.

ROAD UPDATES

Mr. Davis remarked that he assumed that everyone was enjoying all the inconvenience from the road projects. The Avon and Rochester intersection started July 5, and it was progressing on schedule. They had completed one lane. Ms. Janulis asked when it would be completed. Mr. Anzek said it should be the middle of August. Mr. Davis said that it did get a little later start; they were going to try to start right after school ended, but because of South Boulevard and Rochester, it was pushed back.

Mr. Davis advised that the Concrete Road Program was going well. There was some work being done in the LDFA area. There was still one section on Bond that needed to be completed by the contractor. He stated that the projects were really moving along. The Asphalt Program was about 85% complete and would be done shortly. It was a $3.4 million project, and the Concrete Program was $2.6 million. He mentioned that every year the City had a water consumption campaign. There were sandwich boards at subdivision entrances asking people and business owners with programmable or automatic sprinkler systems, per the City's Ordinance, to re-program to irrigate at night. The City went from being an individual customer with DWSD, which was now Great Lakes Water Authority, to being in a regional system. The City had partners and was a Tier 2 customer in the NOCWA (North Oakland County Water Authority) system. It was the City's duty, within the NOCWA system, to keep its *peaks down. They relied on education and cooperation to have irrigation done between midnight and 5:00 a.m. They had been peaking at 4:00 a.m. in the past, which was perfect. Even if they were above their contracted values, it would still be o.k. because the system never peaked that early. A lot of times, the whole DWSD regional system would peak between 6 and 8:00 a.m. or in the afternoon. He was not sure what the drivers were for that. The City could affect the numbers, and they tried to keep track of it.*

Ms. Janulis asked if the midnight to 5:00 a.m. was in force now. Mr. Davis agreed that it had been in force for a while. The City did not go out and write tickets. If they started to consistently go over a certain dollar number, they would have to kick up the education.

Mr. Davis mentioned that the Adams Rd. bridge project was scheduled to be done about August 19, and it was on schedule. It was a Road Commission project, and he knew it affected a lot of commuters. He said that the City had found with a lot of projects that Consumers Energy was becoming difficult at responding and doing the work they had to do when there were conflicts with their facilities. For the project at Brewster and Walton, the City had been waiting for them to re-locate and lower one of their mains. People might be getting frustrated that projects were not moving forward, but it was not the City's fault in that case. It had also affected the special assessment district projects on Norton Lawn and Hickory Lawn, so much that the City finished the projects, but there were still a couple of gas mains above the ground. Overall, however, they were ahead of where they normally were for projects.

Mr. Price said that he saw an article that work on I-75 was starting in August. He realized that it was out of the LDFA area, but he maintained that it would be a mess. He thought it would be on two lanes in both directions, starting between Squirrel and Coolidge. He believed that it was a 15-year plan, and Mr. Davis agreed. He said that almost all of the State money for the region was going towards that project for many years.

NEXT MEETING DATE

Chairperson Slavik reminded the LDFA Board that the next Regular Meeting was scheduled for October 13, 2016.

ADJOURNMENT

Hearing no further business to come before the LDFA Board and upon motion by Ms. Janulis, seconded by Mr. Ellis, Chairperson Slavik adjourned the Special Meeting at 8:40 a.m.

Respectfully Submitted,

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Stephan Slavik, Chairperson
Rochester Hills
Local Development Finance Authority

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Maureen Gentry, Secretary