



# Rochester Hills

## Minutes

### City Council Regular Meeting

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

*J. Martin Brennan, Greg Hooper, Nathan Klomp, Vern Pixley, James Rosen,  
Michael Webber and Ravi Yalamanchi*

*Vision Statement: The Community of Choice for Families and Business*

*Mission Statement: "Our mission is to sustain the City of Rochester Hills as the premier  
community of choice to live, work and raise a family by enhancing our vibrant residential  
character complemented by an attractive business community."*

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Monday, September 20, 2010

7:00 PM

1000 Rochester Hills Drive

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**Pursuant to Resolution RES0192-2010 City Council convened to Closed Session immediately following the Regular Meeting for the purpose of consulting with the City Attorney regarding the possible purchase or lease of real property.**

#### **CALL TO ORDER**

*President Hooper called the Regular Rochester Hills City Council Meeting to order at 7:00 p.m. Michigan Time.*

#### **ROLL CALL**

**Present** 7 - J. Martin Brennan, Greg Hooper, Nathan Klomp, Vern Pixley, James Rosen, Michael Webber and Ravi Yalamanchi

#### **Others Present:**

*Ed Anzek, Director of Planning and Development  
Bryan Barnett, Mayor  
Dan Casey, Manager of Economic Development  
Paul Davis, Acting Director of DPS/Engineering  
Kurt Dawson, Director of Assessing/Treasury  
Derek Delacourt, Deputy Director of Planning  
Jane Leslie, City Clerk  
John Staran, City Attorney*

#### **PLEDGE OF ALLEGIANCE**

#### **APPROVAL OF AGENDA**

**A motion was made by Webber, seconded by Pixley, that the Agenda be Approved as Presented. The motion CARRIED by the following vote:**

**Aye** 7 - Brennan, Hooper, Klomp, Pixley, Rosen, Webber and Yalamanchi

## PUBLIC COMMENT

**Alice Benbow**, 1582 Northumberland, stated that resident Scot Beaton's public comments regarding the Budget at the September 13, 2010 Council Meeting should have been made an agenda item, and he should have been given more time to speak. She expressed concern that the charts presented by Mr. Beaton on the overhead projector were not broadcast on cable. She mentioned that the City should strive to improve its broadcast services pertaining to Council meetings and commented that Community Media Network should be paid any outstanding monies. She stated that C and G News does not adequately report City news and the Budget Hearings should have been front-page items.

**Lee Zendel**, 1575 Dutton, compared the United States' economic difficulties with those of Japan's, noting that Japan experienced a "lost decade" from 1990 to 2000 with ten years of a stagnant economy. He commented that Rochester Hills may experience another 10 to 15 years of depressed revenues. He noted that the City is reducing three Sheriff's Deputies for 2011, and could be forced to reduce another six to nine Deputies by 2015. He noted that Council Members Yalamanchi and Rosen, along with former Council Member Melinda Hill, have expressed concerns over City spending for several years. He stated that the City should hold town hall meetings with residents to prioritize City services over the next decade and explore shared services or possible mergers with neighboring communities.

**Deanna Hilbert**, 3234 Quail Ridge Circle, requested an update on the Water Reservoir Project and questioned whether the City has opened renegotiation of rates with the Detroit Water and Sewerage Department (DWSD). She commented the Water and Sewer Technical Review Committee should be meeting to discuss reservoir construction. She mentioned that the City does not have the funds to repair its roads and is making cuts to the Sheriff's Deputies; yet it is planning to spend millions on reservoirs. She stated that resident Sean Cooper developed a website with information he assembled on the proposed Water Reservoirs.

## LEGISLATIVE & ADMINISTRATIVE COMMENTS

**President Hooper** responded to items mentioned during Public Comment with the following:

- Resident Scot Beaton sent an e-mail prior to last week's meeting requesting more time to address Council. He stated that he informed Mr. Beaton that if there were only a few individuals wanting to address Council, he would be given five minutes to speak. As there were approximately 20 comment cards, he requested Mr. Beaton keep his comments to three minutes. Mr. Beaton utilized five minutes. He pointed out that visual aids brought by residents are not broadcast via cable.
- Rochester Hills Television staff do a very professional job broadcasting meetings.
- C and G News is publisher of the City's official newspaper; however, the paper determines its own content.

- *Water Reservoirs are not included in the City's proposed Budget. Council's only decision thus far is to move forward with design in 2010. When the design is completed, including site plans, construction plans and property recommendations, the topic will come before City Council for a vote. At that time, if approved, the dollar value will be placed into the budget. He stated that the Water and Sewer Technical Review Committee made a recommendation to construct Water Reservoirs to City Council. Water and Sewer Funds are a Utility Bill issue, while funding for Police and Roads is a Property Tax issue.*

**Mr. Rosen** announced that the Rochester Area Heritage Festival is set for Saturday, September 25th and Sunday, September 26th, from 10:00 a.m. to 6:00 p.m. on the grounds of Rochester College.

**Mayor Barnett** made the following announcements:

- *The Brooksie Way Half Marathon, set for October 3, 2010, is still accepting applications online for runners.*
- *The last NoHaz event for 2010 will be held on Saturday, October 2, 2010 from 8:00 a.m. to 2:00 p.m. at the General Motors-Orion Assembly Plant in Orion Township. There is a \$10.00 charge per car for Rochester Hills residents.*
- *The Senior Flu Clinic for residents fifty years of age and older will be held at City Hall on Friday, October 1, 2010 from 9:00 a.m. to 2:30 p.m. Appointment times are available by phoning the Mayor's Office.*
- *Coffee with the Commissioners, will be held at City Hall on Wednesday, September 22, 2010 from 8:00 a.m. to 10:00 a.m. Oakland County Commissioners and County Executives will be in attendance.*
- *The President of Albania will visit Rochester Hills on Wednesday, September 22, 2010 for a luncheon at St. Paul's Albanian Church.*
- *The Administration is planning on bringing a discussion on Pit Bulls in the City to a Council meeting in October.*

## ATTORNEY MATTERS

*City Attorney John Staran had nothing to report.*

## CONSENT AGENDA

All matters under Consent Agenda are considered to be routine and will be enacted by one motion, without discussion. If any Council Member or Citizen requests discussion of an item, it will be removed from Consent Agenda for separate discussion.

**2010-0381** Request for Approval of FY2011 Suburban Mobility Authority for Regional Transportation (SMART) Municipal Credit Contract Application between SMART and the City of Rochester Hills in the amount of \$64,681.00

**Attachments:** [Agenda Summary.pdf](#)  
[Resolution.pdf](#)

**This Matter was Adopted by Resolution on the Consent Agenda.**

Enactment No: RES0207-2010

**Resolved**, that the Rochester Hills City Council hereby approves the transfer application for the Suburban Mobility Authority for Regional Transportation (SMART) for Fiscal Year 2011 Municipal Credits to the Older Persons' Commission as presented.

**Further Resolved**, that the Mayor is authorized to execute and deliver the transfer agreement on behalf of the City.

**2010-0383** Request for Acceptance of a Highway Easement granted by Steve Stolaruk, President of Star-Batt, Inc., a Michigan Corporation

**Attachments:** [Agenda Summary.pdf](#)  
[Signed Donation.pdf](#)  
[Map.pdf](#)  
[Easement.pdf](#)  
[Resolution.pdf](#)

**This Matter was Adopted by Resolution on the Consent Agenda.**

Enactment No: RES0208-2010

**Resolved**, that the Rochester Hills Council, on behalf of the City of Rochester Hills, hereby accepts a Highway Easement granted by Steve Stolaruk, President of Star-Batt Inc., a Michigan Corporation, 1928 Star-Batt Drive, Suite E, Rochester Hills, Michigan 48309, City File #E03-007C, over, on, under, through and across land more particularly described as Parcel #15-28-102-019.

### **Passed the Consent Agenda**

**A motion was made by Webber, seconded by Klomp, including all the preceding items marked as having been adopted on the Consent Agenda. The motion carried by the following vote:**

**Aye** 7 - Brennan, Hooper, Klomp, Pixley, Rosen, Webber and Yalamanchi

### **The following Consent Agenda Item was discussed and adopted by Separate Motion.**

**2010-0374** Request for Approval to Add Delinquent Charges to the 2010 Winter Tax Roll

**Attachments:** [Agenda Summary.pdf](#)  
[Resolution.pdf](#)

**Mr. Brennan** noted that he has received questions from residents indicating that they do not understand how delinquent charges are added to the Tax Rolls. He requested Mr. Dawson explain the process and how the amounts become liens on the property.

**Kurt Dawson**, Director of Assessing/Treasury, responded that delinquent amounts become a Special Assessment and will be made a part of the December tax bill, due and payable on February 14. Once a part of the tax bill, if not paid by the due date, interest and penalties begin accruing at the rate of a three percent penalty plus one percent per month interest. If the amount is not paid by March 1, the

*County begins charging interest and penalties; if not paid within two years, the County begins foreclosure proceedings. He explained that settlement is made to the City of real property taxes owing by the County after March; the County then collects the delinquent funds. The City turns the delinquent amounts over to the County without any penalty or interest. Once turned over to the County, the County accrues a four percent penalty, plus one percent per month interest. He noted that by virtue of being included on the tax bill, the delinquent amounts become a lien; however, the delinquencies are not recorded separately.*

**Mr. Rosen** noted that the list includes several large charges, commenting that these amounts could accumulate over the years into some very large figures.

**Mr. Dawson** responded that the large amounts are typically for office buildings or apartment complexes. He explained that the City's Ordinance calls for bills beyond 90 days to be tax-assigned annually to the tax rolls.

**Mr. Klomp** questioned whether the banks on the list are owners of foreclosed properties.

**Mr. Dawson** responded that most of the bank-owned properties on the delinquency list have just entered the foreclosure process. He noted that banks typically will pay amounts in arrears.

**A motion was made by Brennan, seconded by Pixley, that this matter be Adopted by Resolution. The motion CARRIED by the following vote:**

**Aye** 7 - Brennan, Hooper, Klomp, Pixley, Rosen, Webber and Yalamanchi

Enactment No: RES0209-2010

**Resolved**, that the Rochester Hills City Council approves the following delinquent charges, as certified by the City of Rochester Hills Treasurer, to be made a part of the 2010 Winter Tax Roll; and

**Further Resolved**, the City Assessor be and is hereby authorized to spread said amount on the 2010 Winter Tax Roll

<u>Roll/Fund</u>	<u>Total</u>	<u>Ordinance</u>
Delinquent W/S Charges Water/Sewer Fund	\$1,001,071.81	Ch. 102-92.(b)
Delinquent Weed Control General Fund	\$ 36,332.50	Ch. 106-125.(e)
Delinquent SAD Local Road Fund	\$ 12,413.97	Ch. 90-114.(b)
Delinquent Costs Incurred Temporary Safeguards General Fund	\$ 3,110.10	Ch. 90-30.(d)
Delinquent False Alarms Special Police Fund	\$ 16,623.75	Ch. 42-65.(f)(2)
Delinquent Solid Waste Collection Allied Waste Services	\$ 199,367.25	Ch. 86-103.(4) and .(5)

Delinquent Costs Incurred	\$ 8,125.00	Ch. 90-30.(d)
Hazardous Building Demolition		
General Fund		
Delinquent Costs Incurred	\$ 1,015.00	Ch. 90-30.(d)
Pathway Maintenance		
General Fund		

## PUBLIC HEARINGS

2010-0365 Request to Establish a Plant Rehabilitation District at 1350 W. Hamlin Road

**Attachments:** [Agenda Summary.pdf](#)  
[Map.pdf](#)  
[Suppl KOSTAL Presentation.pdf](#)  
[Letter MI Hamlin Dev 090910.pdf](#)  
[Memo Assessing 091310.pdf](#)  
[Public Hearing Notice.pdf](#)  
[091310 Agenda Summary.pdf](#)  
[091310 Resolution.pdf](#)  
[Resolution.pdf](#)  
[Resolution \(Revised\).pdf](#)

**Dan Casey**, Manager of Economic Development, stated that KOSTAL Kontakt Systeme, Inc. (KOSTAL), plans to occupy a building at 1350 West Hamlin Road formerly occupied by Tower Automotive. He commented that while a portion of the building was briefly occupied by Fanuc Robotics, the building has been largely vacant for the past seven years. He explained that the building shows obsolescence, including its office areas, an aging roof and infrastructure. KOSTAL proposes to relocate production facilities from Mexico and Germany to manufacture connectors and junction boxes for the hybrid and electric vehicle and solar panel industries. KOSTAL also considered a new building in another community, with assurances from the other community that the tax assessment would be capped at a certain level during the length of occupancy in the building. The Administration has assembled an incentives package to encourage KOSTAL to choose Rochester Hills.

He explained that the City is proposing the use of a variation of a typical tax abatement. A Tax Abatement reduces the tax burden to the company by fifty percent for any new investment that they make in a building that increases its value or for the new personal property that they would be bringing into the building. A Rehabilitation Tax Abatement freezes the assessment of the building at its current level for the length of the abatement. This will allow the company or building owner to reinvest in the infrastructure of the building to bring the building up to competitive standards with similar buildings. The improvements are tax exempt during the abatement period. He commented that this will allow KOSTAL to have a certainty in taxes, and will facilitate an upgrade and return to active reuse of a 93,000 square foot facility on Hamlin Road. The total project investment of \$22.3 million includes \$21 million in equipment, along with a pledge to create 198 jobs within two years of the completion of building improvements. He noted that 247 jobs are pledged over a five-year period. He pointed out that KOSTAL has requested a 12-year abatement.

Mr. Casey introduced **Wolfgang Dimmich**, General Manager, KOSTAL Kontakt Systeme, Inc., and **Christof Spangemacher**, Director, Chief Engineering and Facilities, KOSTAL Automotive Electrical Systems.

**Mr. Dimmich** noted that KOSTAL has established two new companies in the United States, KOSTAL Kontakt Systeme, Inc., and KOSTAL Industrial Electronics, Inc. Both companies were founded by July 1, 2010 and will be represented in this building. He gave the following presentation:

The KOSTAL group represents four individual divisions:

- Automotive Electrical Systems.
- Connectors (KOSTAL Kontakt Systeme, Inc., to be represented in this facility).
- Industrial Electronics (KOSTAL Industrial Electronics Inc., to be represented in this facility).
- SOMA Test Systems.

Key Facts:

- Founded in 1912.
- In 1927, developed its first automotive products.
- In 1973, first foreign subsidiary founded in Mexico.
- Employs 11,000 individuals in 17 countries; represented in the United States since 1995.
- Automotive Division shows growth.
- An alternative considered would be to locate this facility in Mexico, where KOSTAL employs 1,100 individuals.
- A United States location was chosen for its proximity to KOSTAL's customers.

Mr. Dimmich stated that KOSTAL encompasses four generations of leadership. He noted that revenues for the two company divisions have been steadily increasing, even through the economic crisis of the past year, showing growth potential:

- 2010 European revenues for KOSTAL Kontakt Systeme, Inc., are targeted at \$120 million Euro (\$160 million US dollars)
- 2010 European revenues for KOSTAL Industrial Electronics, Inc., are targeted at \$130 million Euro (\$170 million US dollars)
- Total revenue of KOSTAL worldwide is currently approximately \$1.2 billion Euro (\$1.6 billion US dollars)

He displayed an aerial photo of the proposed plant location and interior photos, along with the current layout and proposed layout after modifications, noting the areas that will be removed and how the manufacturing facility will be laid out for hybrid and solar technology. He noted that once the growth of both companies exceed the building capacity, one division would be required to move out.

Mr. Dimmich showed a video of KOSTAL's manufacturing operations.

**Mr. Casey** explained that the Michigan Economic Growth Authority (MEGA) Board has approved the project, contingent upon City Council's approval of the abatement. He gave the following estimates of the tax implications with and without the abatement:

- Without the abatement, the project would generate approximately \$2.2 million in total taxes over 12 years to all jurisdictions. The City's portion would be \$755,000.
- With the abatement, the real property assessment would be frozen at current levels. The City would continue to receive the same amount of taxes it is currently receiving from the building. The new property will also generate significant new revenue, subject to a 50 percent reduction over twelve years. Total tax generated over 12 years would be \$1.48 million. The City's portion would be \$460,000.

He noted that the City has two other Rehabilitation Districts that were established many years ago, including the former Twist Drill facility at Rochester and Tienken Roads and the Hamlin Tool stamping facility on Hamlin Road, just west of Dequindre Road. He stated that the City has never been requested to process a tax abatement for either of those locations.

**President Hooper Opened the Public Hearing at 7:43 p.m. Seeing no public input, President Hooper Closed the Public Hearing at 7:44 p.m.**

**Council Discussion:**

**Mr. Webber** extended a welcome to the KOSTAL representatives, and commented that he had the opportunity to tour the company's facility in Troy a few years back.

**Mr. Rosen** questioned whether this abatement would also freeze the assessment on personal property.

**Mr. Casey** responded that it could, if the company replaces current equipment with new equipment that performs the same function. He noted, however, that this would not be the case with this project, as the company will be incorporating all new equipment. He explained that the new equipment will be treated as a normal tax abatement and will receive a 50 percent tax reduction.

**Mr. Rosen** questioned whether this could be considered as two abatements, one on the building and one on the new equipment. He questioned whether the property is currently taxed as an obsolete building and whether the abatement would include a clawback provision.

**Mr. Casey** responded that it is structured as one abatement. He commented that the building has been declining in value in recent years and mentioned that a prior tax appeal on the building was recently settled. He noted that the current assessment reflects the fact that the building has been vacant for seven years. He stated that a clawback provision would be the same for this abatement as for any other abatement granted.

*Mr. Yalamanchi suggested that the Agreement should include that the Rehabilitation District should be frozen at the 2010 level and will run concurrent with the IFET.*

*Mr. Casey concurred with including this language.*

*Mr. Brennan questioned whether there would be a reduction in taxes if values continue to decrease and how a clawback provision would be put into motion if the appropriate number of jobs were not created.*

*Mr. Casey responded that the building assessment would be frozen at the current amount. He noted that the company must notify the City in the event that it must lay off employees due to economic conditions, up to a fifty-percent level, or if the total number of jobs specified are not created within two years of completing the project. Council would have the ability to reduce the number of years that they have approved. He noted that the City does monitor the provisions of the abatement.*

*Mayor Barnett stated that this proposal speaks for itself and noted that this vacant property has been a struggle for the City for quite some time. He commented that there is not a significant market for a building this size. He stated that the Administration is pleased to welcome KOSTAL to the community and expressed his thanks to the City's Economic Development Team for working to bring this proposal forward.*

**See also Legislative File 2010-0367.**

**A motion was made by Webber, seconded by Klomp, that this matter be Adopted by Resolution. The motion CARRIED by the following vote:**

**Aye** 7 - Brennan, Hooper, Klomp, Pixley, Rosen, Webber and Yalamanchi

Enactment No: RES0210-2010

**Whereas**, the City of Rochester Hills Administration is requesting that a Plant Rehabilitation District be established at 1350 W. Hamlin Road., further known as Tax Parcel No. 15-21-476-054, and further described as:

T3N, R11E, SEC 21 PART OF S ½ OF SEC BEG AT PT DIST N 86-10-50 E 2305.96 FT FROM SW SEC COR, TH N 03-49-10 W 662.30 FT, TH N 86-10-50 E 99.46 FT, TH ALG CURVE TO LEFT, RAD 24.25 FT, CHORD BEARSN 41-54-25 E 33.86 FT, DIST OF 37.48 FT TH N 02-22-00 W 36.13 FT TH N 88-18-43 E 1.29 FT, TH N 03-48-58 W 35.16 FT, TH N 86-02-13 E 187 FT, TH N 03-48-32 W 205.40 FT, TH N 86-02-13 E 100 FT, TH S 03-48-32 E 965.77 FT, TH S 86-45-45 W 245.14 FT, TH S 86- 10-50 W 167.64 FT TO BEG 7.39 A 09-05-00 FR 048 & 049; and

**Whereas**, the Rochester Hills City Council held a public hearing regarding this request at the Regular Meeting of September 20, 2010 at 7:00 p.m. in the Council Chambers, at 1000 Rochester Hills Dr., Rochester Hills, Michigan, during which the owner of the property, taxing authorities, and all interested parties were given the opportunity to be heard, and

**Whereas**, the establishment of a Plant Rehabilitation District is consistent with the objectives of the City for industrial development and the creation of new employment opportunities.

**Now, Therefore, Be It Resolved**, that the Rochester Hills City Council determines that the levies of ad valorem taxes are at a rate, when taken together with the rates of ad valorem taxes levied by any other taxing authority which levies taxes within the City of Rochester Hills, equals or exceeds \$30.00 for each \$1,000.00 of taxable value, and therefore is eligible for designation as an Industrial Development District pursuant to said Act, and

**Be It Further Resolved**, that property comprising not less than 50% of the state equalized valuation of the industrial property within the district is obsolete, and

**Be it Further Resolved**, that the tax assessments will be frozen at the current level of 2010 and run concurrent with the Industrial Facilities Exemption Certificate; and

**Be It Further Resolved**, that the above listed legal description is hereby designated a Plant Rehabilitation District subject to the following condition:

That KOSTAL Kontakt Systeme, Inc. signs a lease agreement to occupy the building on or before October 31, 2010.

**2010-0367** Request for Approval of an Industrial Facilities Exemption Certificate for KOSTAL Kontakt Systeme, Inc.

**Attachments:** [Agenda Summary.pdf](#)  
[Development Agreement.pdf](#)  
[Analysis 12 Years.pdf](#)  
[Public Hearing Notice.pdf](#)  
[091310 Agenda Summary.pdf](#)  
[Application.pdf](#)  
[Map.pdf](#)  
[091310 Resolution.pdf](#)  
[Resolution.pdf](#)  
[Resolution \(Revised\).pdf](#)

**President Hooper Opened the Public Hearing at 7:54 p.m. Seeing no public input, President Hooper Closed the Public Hearing at 7:55 p.m.**

**Council Discussion:**

**Mr. Yalamanchi** stated that he would favor approving the Industrial Facilities Exemption for KOSTAL Kontakt Systeme, Inc., for a period of eight years.

**Mr. Webber** commented that he would support the exemption for a period of 12 years.

**Mr. Rosen** stated that while he is not against an exemption for 12 years, he favors an eight-year exemption more. He mentioned that the world might be very different in eight years, and commented that the company could return to Council for an extension of the abatements.

**Mr. Yalamanchi** concurred, noting that he is not opposed to the abatement, as it creates jobs and provides a good business model. He stated that an eight-year abatement would provide an opportunity for a future Council to review the company's business model.

*Mr. Pixley stated that he would support a 12-year exemption, noting that the taxes are incremental to the City.*

*President Hooper noted that he would be in support of either length of abatement. He questioned whether the City has granted any abatements for a duration of 12 years.*

*Mr. Casey responded that Council has previously approved 12-year exemptions; however, they have not extended any abatement for this length under the current Abatement Policy. He noted that Council's current Policy specifies a period not to exceed eight years for personal property. He noted that Council has the authority to make an exception for Michigan Economic Growth Authority projects and those projects deemed to have an exceptional economic value to the community.*

*Mr. Klomp commented that he was delighted that KOSTAL chose Rochester Hills for their facility and stated that he was in agreement with a 12-year exemption.*

**See also Legislative File 2010-0365.**

**A motion was made by Yalamanchi, seconded by Rosen, that this matter be Adopted by Resolution. The motion FAILED by the following vote:**

**Aye** 3 - Hooper, Rosen and Yalamanchi

**Nay** 4 - Brennan, Klomp, Pixley and Webber

Enactment No: RES0214-2010

**Whereas**, KOSTAL Kontakt Systeme, Inc, is proposing to locate within a Plant Rehabilitation District under the "Plant Rehabilitation and Industrial Development Districts Act of 1974," as amended, and

**Whereas**, the Plant Rehabilitation District is that property located at 1350 W. Hamlin Rd., also known as Tax Parcel No. 15-21-476-054, and further described as:

T3N, R11E, SEC 21 PART OF S ½ OF SEC BEG AT PT DIST N 86-10-50 E 2305.96 FT FROM SW SEC COR, TH N 03-49-10 W 662.30 FT, TH N 86-10-50 E 99.46 FT, TH ALG CURVE TO LEFT, RAD 24.25 FT, CHORD BEARSN 41-54-25 E 33.86 FT, DIST OF 37.48 FT TH N 02-22-00 W 36.13 FT TH N 88-18-43 E 1.29 FT, TH N 03-48-58 W 35.16 FT, TH N 86-02-13 E 187 FT, TH N 03-48-32 W 205.40 FT, TH N 86-02-13 E 100 FT, TH S 03-48-32 E 965.77 FT, TH S 86-45-45 W 245.14 FT, TH S 86- 10-50 W 167.64 FT TO BEG 7.39 A 09-05-00 FR 048 & 049; and

**Whereas**, the Plant Rehabilitation District was established on September 20, 2010, and

**Whereas**, KOSTAL Kontakt Systeme, Inc has made application to the Rochester Hills City Council for an Industrial Facilities Exemption Certificate under the above noted legislation, and

**Whereas**, a Public Hearing regarding this request was held at City Council's Regular Meeting of September 20, 2010 in which the taxing authorities, applicant and public were

given an opportunity to be heard, and

**Whereas**, the Rochester Hills City Council has reviewed the application and made the following findings:

- a. The granting of the Industrial Facilities Exemption Certificate, considered together with the aggregate amount of Industrial Facilities Exemption Certificates previously granted and currently in force, does not have the effect of substantially impeding the operation of the City of Rochester Hills or impairing the financial soundness of a taxing unit which levies an ad valorem property tax in the City of Rochester Hills in which the facility is located.
- b. Completion of the facility is calculated to, and will at the time of issuance of the certificate, have the reasonable likelihood to create employment.
- c. Completion of the facility does not constitute merely the addition of machinery and equipment for the purpose of increasing productive capacity, but rather is primarily for the purpose and will primarily have the effect of providing a new facility on industrial property.
- d. The construction of the industrial facility meets the objectives of job creation within the established industrial corridor of the City of Rochester Hills.

**Now, Therefore, Be It Resolved**, that pursuant to Section 9, (1) and (2) of Act 198 of Public Acts of 1974, as amended, the City Council of the City of Rochester Hills hereby approves the request of KOSTAL Kontakt Systeme, Inc. for an Industrial Facilities Exemption Certificate for a period of eight (8) years after project completion for personal property only, subject to the following condition:

That KOSTAL Kontakt Systeme, Inc. signs a lease agreement to occupy the building on or before October 31, 2010, and

**Be It Further Resolved**, that the accompanying agreement between Kostal Kontakt Systeme, Inc. and the City of Rochester Hills is hereby approved and is to be sent to the Department of Treasury and the State Tax Commission along with this resolution no later than October 31, 2010, and

**Be It Finally Resolved**, that the Mayor is authorized to sign the agreement after review by the City Attorney's office as to form.

**2010-0367** Request for Approval of an Industrial Facilities Exemption Certificate for KOSTAL Kontakt Systeme, Inc.

**Attachments:** [Agenda Summary.pdf](#)  
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[Analysis 12 Years.pdf](#)  
[Public Hearing Notice.pdf](#)  
[091310 Agenda Summary.pdf](#)  
[Application.pdf](#)  
[Map.pdf](#)  
[091310 Resolution.pdf](#)  
[Resolution.pdf](#)  
[Resolution \(Revised\).pdf](#)

**A motion was made by Webber, seconded by Pixley, that this matter be Adopted by Resolution. The motion CARRIED by the following vote:**

**Aye** 6 - Brennan, Hooper, Klomp, Pixley, Rosen and Webber

**Nay** 1 - Yalamanchi

Enactment No: RES0214-2010

**Whereas**, KOSTAL Kontakt Systeme, Inc, is proposing to locate within a Plant Rehabilitation District under the "Plant Rehabilitation and Industrial Development Districts Act of 1974," as amended, and

**Whereas**, the Plant Rehabilitation District is that property located at 1350 W. Hamlin Rd., also known as Tax Parcel No. 15-21-476-054, and further described as:

T3N, R11E, SEC 21 PART OF S ½ OF SEC BEG AT PT DIST N 86-10-50 E 2305.96 FT FROM SW SEC COR, TH N 03-49-10 W 662.30 FT, TH N 86-10-50 E 99.46 FT, TH ALG CURVE TO LEFT, RAD 24.25 FT, CHORD BEARSN 41-54-25 E 33.86 FT, DIST OF 37.48 FT TH N 02-22-00 W 36.13 FT TH N 88-18-43 E 1.29 FT, TH N 03-48-58 W 35.16 FT, TH N 86-02-13 E 187 FT, TH N 03-48-32 W 205.40 FT, TH N 86-02-13 E 100 FT, TH S 03-48-32 E 965.77 FT, TH S 86-45-45 W 245.14 FT, TH S 86- 10-50 W 167.64 FT TO BEG 7.39 A 09-05-00 FR 048 & 049; and

**Whereas**, the Plant Rehabilitation District was established on September 20, 2010, and

**Whereas**, KOSTAL Kontakt Systeme, Inc has made application to the Rochester Hills City Council for an Industrial Facilities Exemption Certificate under the above noted legislation, and

**Whereas**, a Public Hearing regarding this request was held at City Council's Regular Meeting of September 20, 2010 in which the taxing authorities, applicant and public were given an opportunity to be heard, and

**Whereas**, the Rochester Hills City Council has reviewed the application and made the following findings:

- a. The granting of the Industrial Facilities Exemption Certificate, considered together with the aggregate amount of Industrial Facilities Exemption Certificates previously granted and currently in force, does not have the effect of substantially impeding the operation of the City of Rochester Hills or impairing the financial soundness of a taxing unit which levies an ad valorem property tax in the City of Rochester Hills in which the facility is located.
- b. Completion of the facility is calculated to, and will at the time of issuance of the certificate, have the reasonable likelihood to create employment.
- c. Completion of the facility does not constitute merely the addition of machinery and equipment for the purpose of increasing productive capacity, but rather is primarily for the purpose and will primarily have the effect of providing a new facility on industrial property.
- d. The construction of the industrial facility meets the objectives of job creation within the established industrial corridor of the City of Rochester Hills.

**Now, Therefore, Be It Resolved**, that pursuant to Section 9, (1) and (2) of Act 198 of Public Acts of 1974, as amended, the City Council of the City of Rochester Hills hereby approves the request of KOSTAL Kontakt Systeme, Inc. for an Industrial Facilities Exemption

Certificate for a period of twelve (12) years after project completion for personal property only, subject to the following condition:

That KOSTAL Kontakt Systeme, Inc. signs a lease agreement to occupy the building on or before October 31, 2010, and

***Be It Further Resolved***, that the accompanying agreement between Kostal Kontakt Systeme, Inc. and the City of Rochester Hills is hereby approved and is to be sent to the Department of Treasury and the State Tax Commission along with this resolution no later than October 31, 2010, and

***Be It Finally Resolved***, that the Mayor is authorized to sign the agreement after review by the City Attorney's office as to form.

## NEW BUSINESS

- 2009-0274** Request for Approval of the Revised PUD for City Place, located on the east side of Rochester Road, north of Hamlin, zoned PUD (B-2, General Business), Parcel Nos. 15-23-301-002, 15-23-152-022, -023, 15-23-300-035 and 15-23-152-021; G&V Investments, LLC, applicant

**Attachments:** [Agenda Summary.pdf](#)  
[Revised PUD 072010.pdf](#)  
[Letter Staran 072210.pdf](#)  
[Comparison Chart.pdf](#)  
[Minutes PC 072710.pdf](#)  
[Minutes PC 071310.pdf](#)  
[Minutes PC 070610.pdf](#)  
[Minutes PC 042010.pdf](#)  
[Minutes CC 030110.pdf](#)  
[Letter Gaber 072010.pdf](#)  
[Memo Delacourt 072710.pdf](#)  
[Letter Gaber 062110.pdf](#)  
[Staff Report 070210.pdf](#)  
[PUD Comparison Chart.pdf](#)  
[Letter Hill 072310.pdf](#)  
[Letter Weston 062810.pdf](#)  
[PUD Public Hearing Notice 070610.pdf](#)  
[Letter Wagner 062710.pdf](#)  
[PUD Amend Michael 081809.pdf](#)  
[Letter Gaber 041610.pdf](#)  
[Staff memo to PC 42010.pdf](#)  
[Plan PC 081809.pdf](#)  
[Minutes PC 073002.pdf](#)  
[Minutes Joint PC & CC 092402.pdf](#)  
[Minutes PC 071503.pdf](#)  
[Minutes PC 031604.pdf](#)  
[Minutes PC 081809.pdf](#)  
[Memo Delacourt 081809.pdf](#)  
[Letter Michael 070209.pdf](#)  
[Resolution.pdf](#)

*In attendance for the Applicant were **Mr. William Gilbert**, G&V Investments, Inc. (G&V) and **Mr. John Gaber**, Esq., Williams, Williams, Rattner & Plunkett, PC.*

*Mr. Gaber summarized the changes requested to the original Planned Unit Development (PUD) for City Place, noting that building heights and densities are reduced in exchange for flexibility in building locations, type and design. Limited commercial uses are now proposed along Rochester Road, in exchange for a reduction in a portion of the residential and office use.*

*He explained that after G&V came before City Council regarding the PUD in March, meetings were held with adjacent neighbors, and adjustments were made based on these conversations. He reported that the Planning Commission voted seven-to-one on July 1, 2010 to recommend to Council that the PUD be amended as proposed. He recapped the project's history, noting that this section of Rochester Road has very little residential property along the roadway and contains mostly commercial frontage, and commenting that this site, along with the Bordines site to the south, were designated as Mixed Use since the 1998 Master Plan. He explained that Mixed Use provides a transition buffer between the busy Rochester Road corridor and the subdivision behind. He pointed out that the original PUD approved in 1994 allowed little flexibility and planned for a greater density of development. He recalled that a PUD was used at that time as the City's Zoning Ordinance did not allow for mixed-use development. The underlying zoning of the project was changed to B-2 because that was the zoning district that would accommodate all the uses that were requested.*

*He reported that when the City's new Zoning Ordinance was approved in 2009, an FB-2 overlay was imposed on the project, allowing residential, office and commercial uses. He noted that the only portion of the site developed to date includes the Fifth-Third Bank, which has a high-quality architectural look consistent with the theme approved by the PUD in 2004. He explained that G&V has aggressively and unsuccessfully attempted to market the site since 2004. He commented that the original PUD is so specific that it requires one developer for the entire 24-acre project. Opportunities for smaller developments within the project require amendments to the PUD. He explained the financing for mixed-use projects is difficult, presenting an impediment to the development of the project. He also noted that the live-work concept proposed in the original PUD has no market in Rochester Hills, pointing out difficulties with the Lorna Stone project. He stated that a PUD is the right approach for the site, in conjunction with Flex Zoning standards. He pointed out that the proposed revision to the PUD remains consistent with the Master Plan designation for the site, and future development would be subject to all normal City approval processes. He stated that the Owners need greater flexibility for future mixed use development of this property and are requesting the amendment to the PUD now to be ready when the market improves. He stated that developers are not willing to invest in sites with uncertain outcomes for approval.*

*Mr. Gaber listed the specific changes proposed to the PUD agreement:*

- (Paragraph) 1. Provision amends and restates the original PUD and provides that it is subject to obtaining site plan approval along with all the other processes of the City.*
- 2. The use and development of the land shall be subject to the requirements of the FB-1 zoning overlay district.*

- 3. *Permitted Uses:*

\* A. *No more than 50,000 square feet of retail and restaurant uses, with conditional land use approval required for buildings proposed to exceed 12,500 square feet in size or closer than 50 feet to Eddington Boulevard.*

\* B. *Density of office and residential uses shall be controlled by the FB-1 requirements.*

\* C. *A provision is added to prohibit drive-through restaurants or food facilities. The only drive-throughs permitted will be banks, credit unions or other financial institutions.*

\* D. *No bars or night clubs will be permitted. This requirement will be controlled by a guarantee that the gross revenues of any restaurant liquor sales cannot exceed more than 35 percent of total gross revenues. Posted hours of operation will be limited as well from 7:00 a.m. to 11:00 p.m. The Applicant is requesting this proposed change be amended to allow an establishment to be open until Midnight on Friday and Saturday nights, to be competitive and consistent with other similar businesses.*

\* E. *Total square footage ratios will be subject to the design requirements of the FB-1 zoning, and shall not exceed:*

i. *500,000 square feet maximum if developed exclusively as multi-family residential units with no retail, restaurant or office.*

ii. *435,000 square feet maximum if developed with 50,000 square feet of retail/restaurant, 25,000 square feet of office and 360,000 square feet of multi-family residential units.*

iii. *350,000 square feet maximum if developed exclusively as office with no retail, restaurant or residential.*

4. *Building Setbacks have been adjusted subject to the requirements of the FB-1 standards. (An overhead was displayed noting the setbacks and the use permitted for each distance from the property line. Mr. Gaber mentioned that this change protects the Eddington property owners.)*

5. *Building Heights have been revised from a previously-allowed maximum of up to four stories to the following:*

A. *Between 0 to 50 feet of the property line adjoining the Eddington Farms Subdivision, no building allowed. Between 50 to 100 feet of this property line, not higher than two stories of residential only. Beyond 100 feet from this boundary, residential shall not exceed three stories.*

B. *Between 100 and 150 feet from this boundary, office buildings may not exceed two stories. Beyond 150 feet, office buildings shall not exceed three stories.*

C. *Retail, restaurant, residential and/or office buildings located anywhere else on the site may be up to, but not higher than 45 feet above grade. Buildings used solely for retail and/or restaurant uses shall not exceed two stories. Any buildings used for residential, office, or mixed retail/office uses shall not exceed three stories. Mr. Gaber noted that this change is in consideration of sight lines and visual barriers to the neighborhood to the east.*

6. *Architectural Standards for the retail, restaurant and office frontage along Rochester Road will be compatible and harmonious with the current look of the Fifth-Third Bank. FB-1 standards will control the remaining areas.*

7. *Trees and Woodlands regulated will comply with the City Ordinance.*

8. *Wetlands will comply with all regulations.*

9. *Natural Features Setback: The developer is requesting a relaxation of this requirement, asking that the setback be reduced to five feet from any regulated wetland.*

10. *Open Space and Landscaping:*

A. A 35-foot greenbelt is proposed to the Eddington Farms Subdivision boundary for all residential development. The greenbelt to any office development shall be 50 feet from this boundary. The existing berm will be enhanced with trees and screening to create a green wall. Six feet of opaque green screening will add protection. He noted that if at all possible, the landscape buffer will be installed before, or as soon as possible after construction commences.

B. The landscape island at the entrance to Eddington Boulevard will be kept as-is, and will remain the responsibility of the Eddington Farms Subdivision property owners.

11. *Right of Way (ROW): Vehicular Access*

A. The original PUD provided that the ROW would be 75 feet from the center line of Rochester Road. The ROW proposed will recognize the section line of the road, instead of the center line, actually giving the City 18 feet additional to the east. As such, the Applicant is requesting that a ten-foot easement of additional land specified in the proposed PUD revision be eliminated.

B. Only one new curb cut to Rochester Road is being requested.

C. Continuous cross-access between Eddington Boulevard and the adjacent Bordine's property will be provided.

D. The owner will consider the possible realignment of Eddington Boulevard to facilitate the installation of a traffic signal.

12. *Street and Utility Construction will require the City Engineer's approval and be in compliance with all City Ordinances.*

13. *The City acknowledges that the Fifth Third Bank branch is in compliance with the original PUD and Zoning Ordinance.*

14. *Signage will comply with all City requirements.*

15. *A list is provided of all parties to be notified in regard to the PUD.*

16. *Government Approvals: All final site plans will be submitted for Planning Commission approval and will also be subject to review and approval of the City Engineer and the Fire Department.*

17. *Development Sequence and Timing:*

A. The proposed PUD amendment provides that the site may be developed in phases over time.

B. The Owner shall have three years to come forward with the first site plan, subject to two one-year extensions.

C. If the project is not substantially completed within ten years of the PUD agreement (defined as 75-percent of the land developed), the City can send a Notice of Abandonment. If the Owner does not respond within thirty days, the City can take steps to rezone the balance of the property. The Owner may come before City Council to object to the rezoning. The original PUD did not contain a mechanism for this process.

**Derek Delacourt**, Deputy Director of Planning and Development, recapped the original PUD development process and noted that both City Council and the Planning Commission have reviewed the PUD a number of times. He commented that the current PUD zoning is still in good standing and this amendment, if approved, will be recorded to replace the existing document. He stated that upon review, Mr. Gaber's request to eliminate the 10-foot utility easement noted in Section 11(A) of the revised PUD would be acceptable.

**President Hooper** questioned whether extending the hours of operation of any restaurant to midnight is acceptable.

**Mr. Delacourt** responded that City Staff and the Planning Commission are agreeable to either 11:00 p.m. or 12:00 Midnight.

**Public Comment:**

**Deanna Hilbert**, 3234 Quail Ridge Circle, commented that surveys conducted report that residents do not want more strip centers. She questioned whether the reduction in right-of-way might interfere with a possible future boulevard for Rochester Road. She noted that Council Member Rosen had expressed concerns during the Master Land Use Plan update process regarding form-based zoning.

**Alice Benbow**, 1582 Northumberland, stated that the City has too many vacant retail locations and commented that the City Attorney should object to this project. She mentioned that the City should be enforcing its Blight Ordinance on the property and expressed concern over the removal of the Historic Designation of the home on the property.

**President Hooper** questioned whether the agreement would provide enough right of way for a boulevard of Rochester Road.

**Mr. Delacourt** responded that the proposed agreement provides for more right of way than what currently exists in the City on any road project, and is consistent with the Michigan Department of Transportation's (MDOT) current plans.

**Paul Davis**, Acting Director of DPS/Engineering, commented that Hamlin Road is a four-lane boulevard within a 120-foot right-of-way. He explained that two 75-foot half-right-of-ways would allow for a tight six-lane boulevard, with additional right-of-way required at intersections. He noted that there are no plans for a six-lane boulevard on Rochester Road. He commented that MDOT has tried to turn over jurisdiction of the road to the local communities; however, neither Rochester Hills nor Rochester desire to take over control at this point. He mentioned that there is the possibility of roundabouts at intersections negating the need for a six-lane boulevard. He commented that the notion is to "widen the nodes, not the roads" to increase capacity.

**Mayor Barnett** noted that in conversations with Mr. Gilbert, the City's desire to have the home saved from demolition as long as possible was discussed. He requested Council consider as an amendment to the PUD that the home not be destroyed for a period of one-year from the date of PUD approval unless the applicant can produce a viable site plan that requires the use of the land the home sits on. It was also discussed and agreed to by Mr. Gilbert that should the group that came forward to raise funds be successful, G&V would contribute \$20,000 toward the refurbishing of the home on its new location. He stated that Mr. Gilbert further agreed that the commercial square footage maximum would be reduced from 50,000 square feet to 45,000 square feet, a reduction of 10 percent.

**President Hooper** questioned whether Mr. Gilbert would be agreeable to these additional changes and conditions. He noted that in July, resident Martha Black had requested a month to raise money to relocate the home.

**Mr. Gilbert** responded that he would agree with the additional changes and conditions, and noted that upon the group's success in locating a site and moving the building, he would contribute \$20,000 toward its restoration. He commented that he has not heard anything regarding the progress of fund raising efforts for relocation.

**Council Discussion:**

**Mr. Klomp** stated that he is pleased with G&V's efforts to work with the community, commenting that many of the residents' concerns were addressed in this revision and noting that no one is in attendance from the adjacent subdivision to speak in opposition. He concurred with allowing a later hour of operation for restaurants on Friday and Saturday nights. He questioned whether a possible realignment of Eddington Boulevard would loop the roadway southward to line up with Drexelgate to the west.

**Mr. Delacourt** responded that the realignment of Eddington Boulevard would be considered if part of a proposed site plan if all parties, including MDOT, would be agreeable.

**Mr. Yalamanchi** questioned the following:

- Whether adoption of this revision voids the existing PUD agreement.
- Whether the revision would start a new ten-year period.
- Why the PUD Agreement is needed.
- Why the Fifth Third Bank is included in the PUD and whether it owns the property it is on.
- Whether G&V would consider a lesser percentage of retail development, noting that he would consider a retail/loft apartment mix.
- Why the PUD revision is required at this time; and whether it could instead be revised later.

**Mr. Gaber** responded that the revised PUD would replace the original agreement. He noted that the ten-year time period would begin with the acceptance of the revised PUD. He stated that the bank owns their own parcel and is included in the revision because the site is a part of the original PUD.

**Mr. Gilbert** commented that including the Fifth Third Bank site in the revised PUD will make them a party to the agreement to protect them.

**Mr. Delacourt** noted that as a PUD was in place before, a PUD amendment is called for now.

**Mr. Gaber** commented that the square footage for each use could be adjusted, pointing out FB-1 zoning specifies maximums.

**Mr. Gilbert** commented that if the existing PUD remains in place and a developer comes along with a plan requiring an Amendment, it could take a year or longer for approvals. He noted the proposed revisions provide for 30 percent less density than the original PUD and stated that he would not consider additional reductions in retail square footage maximums. He commented that G&V is looking for flexibility, noting that the market will drive the percentage for each use and stated that it was entirely possible that a future proposed plan might include offices and condos and no retail.

**Mr. Gaber** noted that densities were reduced as a trade-off to achieve some commercial road frontage. If further reductions in the retail component were required, the development would no longer be financially feasible.

**Mr. Delacourt** stated that the FB-1 Zoning District, along with requirements for trees, parking spaces and setbacks will dictate the density on the site. The only specific cap on use is the addition of a limitation on retail to 45,000.

**Mr. Pixley** expressed his appreciation for the applicant's willingness to compromise and spend time with the residents. He commented that his only concern is the extension of restaurant hours to midnight. He questioned whether any proposals for use have come forward.

**Mr. Delacourt** responded that while this extension was not acted upon by the Planning Commission, discussion at that level indicated that it was not a large issue to increase the operation by an hour.

**Mr. Gilbert** stated that he has not received any proposals yet and commented that the market is still pretty quiet.

**Mr. Webber** expressed his appreciation to the residents who came forward at the Planning Commission level and stated that the market will dictate the site's development. He noted that the proposed PUD revision attempts to alleviate traffic concerns.

**Mr. Rosen** questioned what the limit to the amount of office use would be if the site were developed exclusively as office. He stated that he wished to ensure that the percentage of office could not go higher. He questioned how much of the land would be utilized if the development consisted of all office and whether it could be dictated in the Agreement that the most green space could be located on the east side.

**Mr. Gaber** noted that section E.3. of the Agreement specifies the maximum that could be developed. If FB-1 design standards kick in, the amount could be less.

**Mr. Gilbert** responded only a few acres would be used if all office use was developed at a height of three-stories. He noted that dictating the location of development would only be easy to accomplish if one office development came in for the entire site rather than development in phases.

**Mr. Delacourt** noted that whether one overall office development or a phase development was proposed, the opportunity exists for the Planning Commission to review all site plans. He commented that the practice of the Planning Commission is to push development away from adjacent residential properties.

**Mr. Rosen** commented that the world has changed and there is not likely to be an spec retail development similar to what existed 20 or 30 years ago anytime in the near future. He noted that there is no market for a live/work concept in this area of the country. He mentioned that a big inducement for his support of the original PUD was a preservation of the previously listed historic home, commenting that he thought it might have an effect on the character of the development.

**President Hooper** pointed out that this recent proposed revision has been before the Planning Commission five times and had been previously discussed at City Council. He commented that he wishes to see the property developed to become an added-benefit for the City.

**A motion was made by Pixley, seconded by Klomp, that this matter be Adopted by Resolution. The motion CARRIED by the following vote:**

**Aye** 5 - Brennan, Hooper, Klomp, Pixley and Webber

**Nay** 2 - Rosen and Yalamanchi

Enactment No: RES0211-2010

**Resolved**, that on behalf of the City of Rochester Hills, the Rochester Hills City Council hereby approves the Revised City Place Planned Unit Development Agreement, a mixed-use development on approximately 28 acres located on the east side of Rochester Road, north of Hamlin, zoned PUD, dated received July 20, 2010 between G&V Investments, LLC (G&V), whose address is 2565 S. Rochester Rd., Rochester Hills, Michigan 48307 and the City of Rochester Hills, 1000 Rochester Hills Drive, Rochester Hills, Michigan 48309.

**Be It Further Resolved**, that the Mayor and the City Clerk are authorized to execute and deliver the Agreement on behalf of the City, subject to the five following conditions:

1. The posted hours of operation of any restaurant that sells alcoholic beverages shall not be earlier than 7:00 a.m. or later than 12:00 midnight on Friday and Saturday nights; 11:00 p.m. on Sunday through Thursday nights.
2. The ten foot (10') easement for utilities and construction purposes east of the right of way is eliminated.
3. The previously-listed Historic Home will not be demolished for one year from the date of approval of the PUD unless a viable site plan has been approved for that subject location.
4. Should the group that previously felt they could be successful in relocating the home obtain the funds and relocate the home, G&V will contribute \$20,000.00 toward its restoration.
5. The Retail Component shall be reduced to no more than 45,000 square feet.

**2010-0364** Request for Support for Funding - DPS/ENG: City Council support for funding to assist the Road Commission for Oakland County for the proposed additional road safety improvements as part of the Adams Road from South Boulevard to Auburn Road RRR Project

**Attachments:** [Agenda Summary.pdf](#)  
[091310 Agenda Summary.pdf](#)  
[Resolution.pdf](#)

**Paul Davis**, Acting Director of DPS/Engineering, explained that this is a Resurfacing, Restoration and Rehabilitation (RRR) Project. He noted that these types of projects are intended to extend and preserve road life. He stated that this section of Adams Road currently consists of five inches of hot-mix asphalt on top of eight inches of concrete. The current rehabilitation project is to mill the existing hot-mix asphalt and replace it with a three-inch overlay. The underlying pavement will be patched with concrete or asphalt, removing degraded joints and replacing with hot-mix asphalt where necessary, and replacing small sections of curb and gutter as necessary. The current project is included in the Capital Improvement Project (CIP) and the budget. The existing current project total is \$688,000.

He explained that Auburn Hills approached the City in mid-July to inquire whether Rochester Hills would be willing to expand the scope of the project. The project will be designed by the Road Commission for Oakland County (RCOC) and overseen by the RCOC during the construction phase. Slated for Fiscal Year 2011 Federal Funding, the RCOC needs to know what the extent of the project will be in order to complete design, receive project bids, and award the contract for construction next spring. He noted the proposed project additions and their cost breakdowns were included in the Agenda Summary to Council and include three-foot paved shoulders, extending a center-turn lane for northbound Adams to westbound Auburn, a center-turn lane at Woodcrest Drive and lengthening the taper at Adams and South Boulevard for northbound traffic, in addition to a number of pedestrian intersection improvements and ADA upgrades. Auburn Hills has asked for the City's contribution toward the full cost of the upgrades, while the RCOC will donate the project "soft costs", including design, easement or right-of-way acquisition, contract administration, pay estimate preparation and necessary inspections. He noted that the soft costs absorbed by the RCOC could encompass another two-hundred thousand dollars or more for the increased scope.

**Council Discussion:**

**President Hooper** questioned whether the City's amount of contribution could exceed the estimate of \$275,000.

**Mr. Davis** responded that the City would have a fifty-fifty share of the costs, provided for by an Inter-Local Agreement, and determined by the project bid. He explained that it was expected that \$500,000 would be available from a Federal Grant for the project; and noted that currently, the grant monies available are estimated to have increased to \$539,000. He mentioned that there could be opportunities to secure additional funding, as monies allocated to the region and not used by other counties could be reallocated to Oakland County. He stated that the estimate of \$275,000 for the City's contribution is a conservative high-end figure.

*Mr. Rosen* noted that the additions to the project scope included very good ideas to improve the roadway.

*Mr. Davis* stated that Oakland County is currently working to finalize their budget, and has asked its communities to determine where their remaining Tri-Party monies would be spent.

**A motion was made by Yalamanchi, seconded by Brennan, that this matter be Adopted by Resolution. The motion CARRIED by the following vote:**

**Aye** 7 - Brennan, Hooper, Klomp, Pixley, Rosen, Webber and Yalamanchi

Enactment No: RES0212-2010

**Resolved**, that the Rochester Hills City Council hereby authorizes its support for funding to assist the Road Commission for Oakland County for the proposed additional road safety improvements as part of the Adams Road from South Boulevard to Auburn Road Resurfacing, Restoration, and Rehabilitation (RRR) Project in the amount of \$275,000.00.

## **COUNCIL COMMITTEE REPORTS**

*None.*

## **ANY OTHER BUSINESS**

*None.*

## **NEXT MEETING DATE**

*Regular Meeting - Monday, September 27, 2010 - 7:00 PM*

## **ADJOURNMENT**

*There being no further business before Council, President Hooper adjourned the meeting to Closed Session at 9:40 p.m.*

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*GREG HOOPER, President  
Rochester Hills City Council*

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*JANE LESLIE, Clerk  
City of Rochester Hills*

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*MARY JO WHITBEY  
Administrative Secretary  
City Clerk's Office*

*Approved as presented at the November 22, 2010 Regular City Council Meeting.*