

AGENDA REVIEW MEETING PONTIAC CITY COUNCIL

Thursday, May 8, 2014
5:30 p.m.
20th Session of the 9th Council

Call to order

Invocation

Pledge of Allegiance

Roll Call

Authorization to Excuse Members from Meeting

Amendments to and approve of the agenda

Approval of the Minutes

1. May 1, 2014
2. Closed Session Minutes of May 1, 2014

Closed Session

3. Resolution to go into closed session.
4. Resolution for Michael Dougherty vs. City of Pontiac
5. Resolution for Earnestine vs. City of Pontiac

Mayor or Deputy Mayor Report

Departmental Head Reports

Special Presentation

Community Announcement

Recognition of Elected Officials

Public Hearing- Challenge Manufacturing

Public Comment

Agreements/Contracts

6. Report received from the City Administrator concerning the DTE streetlight master agreement
7. Report received from the City Administrator concerning the PCM Sales Contract Amendment
8. Report received from the City Administrator concerning Challenge Manufacturing.

Miscellaneous

9. Report received from the City Administrator concerning a request for amendment to Oakland County Solid Waste Plan.

Clerk and Council Closing Comments

Adjournment

May 1, 2014

**Official Proceedings
Pontiac City Council
19th Session of the Ninth Council**

A Regular Meeting of the City Council of Pontiac, Michigan was called to order in City Hall, Thursday, May 1, 2014 at 5:30 P.M. by President Patrice Waterman.

Invocation – Pastor Matlock

Pledge of Allegiance

Roll Call

Members Present: Carter, Holland, Pietila, Taylor-Burks, Waterman, Williams and Woodward.

Mayor Waterman was absent.

Clerk announced a quorum.

14-163 **Approval of the Agenda.** Moved by Councilperson Woodward and supported by Councilperson Taylor-Burks.

Ayes: Carter, Holland, Pietila, Taylor-Burks, Waterman and Woodward.

No: Williams

Motion Carried.

14-164 **Journal of April 24, 2014 and study session on April 29, 2014.** Moved by Councilperson Pietila and supported by Councilperson Taylor-Burks.

Ayes: Carter, Holland, Pietila, Taylor-Burks, Waterman, Williams and Woodward.

No: None

Motion Carried.

14-165 **Resolution for Closed Session.** Moved by Councilperson Pietila and supported by Councilperson Williams.

Whereas, the City's attorney has presented the city a letter concerning the status of the case Kellam vs. The City of Pontiac.

Whereas, Section 8 (e), MCL 15.268, permits a public body "[to] consult with its attorney regarding trial or settlement strategy in connection with specific pending litigation, but only if an open meeting would have detrimental financial effect on the litigation or settlement position of the public body": and,

Whereas, the Pontiac City Council believes than an open meeting would have a detrimental financial effect on the litigating or settlement position of the City:

May 1, 2014

Therefore, Be It Resolved that the Pontiac City Council recesses into closed session for the purpose of consulting with its attorney regarding settlement strategy in the case of Kellam vs. The City of Pontiac.

Ayes: Carter, Holland, Pietila, Taylor-Burks, Waterman, Williams and Woodward.

No: None

Resolution Adopted.

City Administrator Report Joseph M. Sobota M.P.A.

Special Presentation – Brent Rasegan Oakland County Planning Supervisor

Recognition of Elected Officials – Darryl Fowlkes (Chairman of Charter Revision Commission)
Rosie Lance Richardson (Pontiac Library Board)

Agenda Address – Billy Swazer, Linda Hassan and Rick David

14-166 **Report received from the City Administrator concerning the City of Pontiac 2014 Water Supply System Improvements Contract.** Moved by Councilperson Woodward and supported by Councilperson Pietila.

BE IT RESOLVED by the City Council of the City of Pontiac, Oakland County, Michigan, that:

- 1.) The City Council hereby approves the contract between the County and the City providing for the acquisition and construction of the City of Pontiac 2014 Water Supply System Improvements (the "Contract"); providing for the payment of the cost thereof by the City to the County in annual installments with interest and expenses; providing for the financing of all or part of the cost by the issuance of County bonds in one or more series secured by the obligation of the City and payable primarily from the annual installments to be paid by the City to the County; providing for the pledging of the full faith and credit and the limited taxing power of the City for the making of such payments; and providing for other matters relating to the Project and the acquisition, construction, financing and operation thereof, all under and pursuant to Act No. 342, Public Acts of Michigan, 1939, as amended.
- 2.) The City Council also hereby approves the preliminary plans for the Project, and the estimates of the cost and period of usefulness thereof, as contained in Exhibits A and B to the Contract.
- 3.) The City Administrator is authorized and directed to execute and deliver the Contract for and on behalf of the City in such number of counterparts as may be desirable.

May 1, 2014

- 4.) The City Clerk is authorized and directed to publish the notice hereunto attached in the Oakland Press and so as to be prominently displayed therein. It is found and declared that said newspaper is a qualified newspaper of general circulation in the City and that said notice contains information which is sufficient to adequately inform all interested persons as to the nature and extent of the full faith and credit obligations of the City under the Contract.
- 5.) A copy of the Contract as presented to the City Council and herein approved and authorized to be executed and delivered shall be attached to the minutes of this meeting and made a part thereof and shall be placed on file with the City Clerk and made available for examination by any interested person during normal business hours.
- 6.) The Project shall consist of the improvements and facilities described in Exhibit A to the Contract. The maximum amount of obligations expected to be issued for the Project is \$6,894,663. The City hereby declares that it expects the County to issue bonds to finance all or part of the cost of the Project and hereby declares that it reasonably expects to reimburse advances of the City to the Project as anticipated by this resolution.
- 7.) The City agrees to reimburse the County for its administrative and legal expenses incurred in connection with the County's assistance pursuant to Act 342 whether or not bonds are ultimately issued for the Project.
- 8.) The City Administrator is authorized to file an application with the Michigan Department of Treasury for its approval of the sale and issuance of any series of County bonds, if necessary, and to take all other actions necessary in connection with such application.
- 9.) The City Administrator is authorized to approve the circulation of a preliminary and final official statement for any series of County bonds, to cause the preparation of those portions of such preliminary and final official statement that pertain to the City, and to do all other things necessary for compliance with Rule 15c2 12 issued under the Securities Exchange Act of 1934, as amended (the "Rule"). The City Administrator is authorized to execute and deliver such certificates and to do all other things necessary to effectuate the sale and delivery of any County bonds.
- 10.) The City Administrator is authorized to execute a certificate of the City, constituting an undertaking to provide ongoing disclosure about the City for the benefit of the holders of any County bonds as required under paragraph (b)(5) of the Rule, and amendments to such certificate from time to time in accordance with the terms of the certificate (the certificate and any amendments thereto are collectively referred to herein as the "Continuing Disclosure Certificate"). The City hereby covenants and agrees that it will comply with and carry out all of the provisions of any Continuing Disclosure Certificate.

Ayes: Carter, Pietila, Taylor-Burks, Waterman, Williams and Woodward

No: Holland

Resolution Adopted.

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14-167 **Defer up to two weeks the report received from the City Administrator concerning the DTE streetlight master agreement.** Moved by Councilperson Williams and supported by Councilperson Pietila.

Ayes: Carter, Holland, Pietila, Taylor-Burks, Waterman, Williams and Woodward

No: None

Deferred for up to two weeks.

14-168 **Resolution for consideration of GERS Ordinance Amendment-IRS Compliance.** Moved by Councilperson Woodward and supported by Councilperson Taylor-Burks.

Whereas, on April 3, 2014, the City of Pontiac received a request from the GERS board to amend the Code of Ordinances concerning provisions required by the IRS to maintain a tax exempt status; and

Whereas, the City Clerk has distributed a copy of the proposed ordinance to each Council member and to the Mayor, filed a reasonable number of copies in the office of the City Clerk, and published a summary of the proposed ordinance in the Oakland Legal News together with a notice of the time and place for consideration by the Council;

Now, Therefore, Be It Resolved, that the Pontiac City Council adopts:

An ordinance to amend Chapter 92 of the Code of Ordinances to add language to comply with IRS requirements.

Ayes: Holland, Pietila, Taylor-Burks, Waterman, Williams and Woodward

No: Carter

Resolution Adopted.

14-169 **Resolution for consideration of GERS Ordinance Amendment-420 Transfer.** Moved by Councilperson Williams and supported by Councilperson Holland.

Whereas, on April 3, 2014, the City of Pontiac received a request from the GERS board to amend the Code of Ordinances concerning provisions required by the IRS to maintain a tax exempt status; and

Whereas, the City Clerk has distributed a copy of the proposed ordinance to each Council member and to the Mayor, filed a reasonable number of copies in the office of the City Clerk, and published a summary of the proposed ordinance in the Oakland Legal News together with a notice of the time and place for consideration by the Council;

Now, Therefore, Be It Resolved, that the Pontiac City Council adopts:

An ordinance to amend Chapter 92 of the Code of Ordinances to add language to authorize a Section 420 transfer.

May 1, 2014

Ayes: Holland, Pietila, Taylor-Burks, Waterman, Williams and Woodward

No: Carter

Resolution Adopted.

14-170 **Resolution for the IT Subcommittee meeting on April 14, 2014.** Moved by Councilperson Woodward and supported by Councilperson Holland.

Be It Further Resolved that The Pontiac City Council has accepted the written and oral report for the April 14, 2014 IT Subcommittee Meeting, The City Clerk will properly file and keep all records.

Ayes: Carter, Holland, Pietila, Taylor-Burks, Waterman, Williams and Woodward

No: None

Resolution Adopted.

14-171 **Resolution for the Community Development Subcommittee meeting on April 15, 2014.** Moved by Councilperson Taylor-Burks and supported by Councilperson Woodward.

Be It Further Resolved that The Pontiac City Council has accepted the written and oral report for the April 15, 2014 Community Development Subcommittee Meeting, The City Clerk will properly file and keep all records.

Ayes: Carter, Holland, Pietila, Taylor-Burks, Waterman, Williams and Woodward

No: None

Resolution Adopted.

14-172 **Resolution for the Law and 50th District Court Subcommittee meeting on April 22, 2014.** Moved by Councilperson Woodward and supported by Councilperson Taylor-Burks.

Be It Further Resolved that The Pontiac City Council has accepted the written and oral report for the April 22, 2014 Law & 50th District Subcommittee Meeting, The City Clerk will properly file and keep all records.

Ayes: Carter, Holland, Pietila, Taylor-Burks, Waterman, Williams and Woodward

No: None

Resolution Adopted.

14-173 **Resolution for the Downtown Pontiac Transportation Assessment Resolutions of Support.** Moved by Councilperson Williams and supported by Councilperson Pietila.

May 1, 2014

Whereas, the City Council of the City of Pontiac, Michigan, does hereby find as follows:

Whereas, during the 1960's the construction of a 4-6 lane, one-way road, now known as the Woodward Loop directed traffic around and away from downtown; and

Whereas, traffic volumes on the Woodward Loop never reached those projected when the road was planned and designed; and

Whereas, the impact of the Woodward Loop has been to reduce traffic to businesses in downtown Pontiac, isolate downtown from the city and broader region, and impede local neighborhood pedestrian access to downtown; and

Whereas, Oakland County, on behalf of and, partnering with the City of Pontiac applied for and received a \$300,000 United States Department of Transportation grant to develop a plan to retrofit the Woodward Loop, and

Whereas, the plan modeled current and projected traffic volumes and engaged over 400 community stakeholders to select an appropriate alternative that will improve traffic circulation, neighborhood connections and pedestrian access to downtown; and

Whereas, the Pontiac Planning Commission is currently updating the City's Master Plan; and

Whereas, the incorporation of the Downtown Pontiac Transportation Assessment report into the City of Pontiac Master Plan is a critical step in demonstrating the City's support for the recommendations.

Now Therefore Be It Resolved, by the City Council of the City of Pontiac, Michigan, that Council hereby receives the Downtown Pontiac Transportation Assessment report and supports its incorporation into the City Master Plan.

Ayes: Carter, Holland, Pietila, Taylor-Burks, Waterman, Williams and Woodward

No: None

Resolution Adopted.

14-174 **Defer for one week the resolution for Woodcrest Commons right-a-way vacation request. (Balboa Place, Valencia and Desota Place)** Moved by Councilperson Williams and supported by Councilperson Taylor-Burks.

Ayes: Holland, Taylor-Burk and Williams

No: Carter, Pietila, Waterman and Woodward

Motion Failed.

14-175 **Resolution for Woodcrest Commons right-a-way vacation request. (Balboa Place, Valencia and Desota Place)** Moved by Councilperson Woodward and supported by Councilperson Taylor-Burks.

Whereas, the Pontiac City Council is in receipt of the Planning Staff's report relative to the request submitted by Erie Investments #14 (Woodcrest Commons); 28400 Northwestern Hwy 3rd Floor; Southfield, MI; for abandonment of the City's interest in a portion of Desota Place; Balboa Place; and Valencia Drive north of Martin Luther King Jr. Blvd. legally described as:

May 1, 2014

The public streets known as Desota Place, Balboa Place, and Valencia Drive lying within Assessor's Re-Plat of Green and Sarko Subdivision No. 1 being park of the E ½ of Section 21, T.3N, R.10E, City of Pontiac, Oakland County, Michigan more particularly described as follows: All of Desota Place (60 feet wide) within said Subdivision and;

Balboa Place (60 feet wide) lying east of the east line of lot 142 as extended to the southeast corner of lot 81 and west of the west line of Granada Drive (60 feet wide) and;
Balboa Place lying westerly of the northwesterly line of lot 130 as extended to the northerly Right-of-Way line of Balboa Place and easterly of the west line of said Subdivision and;
Valencia Drive (60 feet wide) lying north of the north line of Lot 86 as extended to the westerly Right-of-Way line of Valencia Drive and south of Desota Place (60 feet wide) and;
Valencia Drive (60 feet wide) lying south of the south line of lot 140 extended to the easterly Right-of-Way line of Valencia Drive and northerly of Desota Place (60 feet wide) and;
Valencia Drive (60 feet wide) lying northerly of the northerly Right-of-Way line of Martin Luther King Jr. Boulevard (120 feet wide) and Southerly of Desota Place (60 feet side)

Whereas, the Pontiac City Council finds that the proposed street vacation will not restrict / hinder access and service to surrounding properties; and

Whereas, the City Council finds that, with the retention of a full-width easement to construct, maintain, operate, replace, remove, and renew sanitary sewers and storm drains and appurtenant structures, and to construct, maintain, operate, replace, remove, renew, and enlarge lines of pipe, conduits, cables, wires, poles, and other structures, equipment, and fixtures for the operation of gas pipelines, and telephone lines, in, upon, over, and across the proposed Desota Place; Balboa Place; Valencia vacation as legally described in "Exhibit A," would not adversely affect surrounding properties.

Now, Therefore, Be It Resolved, that the request submitted by Erie Investments #14 (Woodcrest Commons); 28400 Northwestern Hwy 3rd Floor; Southfield, Michigan; for abandonment of the City's interest in a portion of Desota Place; Balboa Place; and Valencia Drive north of Martin Luther King Jr. Blvd.; as above described is hereby APPROVED by the City Council on this 1 day of May, 2014, subject to the retention of a full-width utility easement for maintenance of utilities.

Ayes: Carter, Pietila, Taylor-Burks, Waterman and Woodward

No: Holland and Williams

Resolution Adopted.

14-176 **Defer up to one week a request for an amendment to the Oakland County Solid Waste Plan.** Moved by Councilperson Taylor-Burks and supported by Councilperson Holland.

Ayes: Carter, Holland, Taylor-Burks, Waterman, Williams and Woodward

No: Pietila

Deferred up to one week.

May 1, 2014

There were 9 individuals who addressed the body during public comments.

Councilman Randy Carter, Councilwoman Taylor-Burks, Councilman Don Woodward, Councilman Mark Holland, Councilman Kermit Williams, Pro-Tem Mary Pietila and President Patrice Waterman made closing comments. City Clerk Sherikia Hawkins had no closing comments.

14-177 **Adjournment.** Moved by Councilperson Taylor-Burks and supported by Councilperson Woodward.

Ayes: Carter, Holland, Pietila, Taylor-Burks, Waterman, Williams and Woodward
No: None

Meeting Adjourned at 9:42 P.M.

SHERIKIA L. HAWKINS
CITY CLERK

CLOSED SESSION

City of Pontiac

Pontiac City Council

Whereas, the City's attorney has presented The City letters concerning the status' of the cases of Michael Dougherty vs. The City of Pontiac, and Earnestine Malcheff vs. The City of Pontiac; and

Whereas, Section 8 (e), MCL 15.268, permits a public body "[to] consult with its attorney regarding trial or settlement strategy in connection with specific pending litigation, but only if an open meeting would have detrimental financial effect on the litigation or settlement position of the public body": and,


Whereas, the Pontiac City Council believes than an open meeting would have a detrimental financial effect on the litigating or settlement position of the City:

Therefore, Be It Resolved that the Pontiac City Council recesses into closed session for the purpose of consulting with its attorney regarding settlement strategy in the cases of Michael Dougherty vs. The City of Pontiac and Earnestine Malcheff vs. The City of Pontiac.

AGREEMENTS/CONTRACTS

Memorandum

To: Pontiac City Council

From: Joseph M. Sobota, M.P.A., City Administrator 

Date: April 29, 2014

Re: DTE streetlight master agreement

In an effort to reduce costs in the General Fund and provide better service to our residents, DPW Director King has been in contact with DTE Energy to identify ways to reduce the cost of streetlights and improve service. He reported this project at the last Public Works Committee meeting.

DTE has agreed to convert all 3,377 of the DTE-owned streetlights to LED for the cost of \$1,110,733. This conversion will reduce the annual street lighting bill by \$246,046.

Mr. Schimmel authorized \$1,225,000 for street lighting improvements in the two-year budget. Although the intention was to convert the City-owned streetlights, upon closer analysis, we determined that the City would receive a greater savings by converting DTE-owned streetlights.

DTE has committed to completing the conversion by December 31, 2014 if the attached agreement is approved by the TAB at its May 23, 2014 meeting.

The City Attorney has reviewed the agreement and finds the agreement in order. He noted the cost of the project and deferred judgment on use of funds to the City.

Because DTE is the owner of streetlights, they are considered a single-supplier and thus the bid requirement is waived.

If the City Council agrees with the investment, then City Council is requested to pass the following resolution:

Resolved, that the City Council approves the Master Agreement for Municipal Street Lighting dated February 24, 2014 and authorizes the City Administrator to execute the agreement.



MASTER AGREEMENT FOR MUNICIPAL STREET LIGHTING

This Master Agreement For Municipal Street Lighting ("Master Agreement") is made between The Detroit Edison Company ("Company") and City of Pontiac ("Customer") as of February 24, 2014.

RECITALS

A. Customer may, from time to time, request the Company to furnish, install, operate and/or maintain street lighting equipment for Customer.

B. Company may provide such services, subject to the terms of this Master Agreement.

Therefore, in consideration of the foregoing, Company and Customer hereby agree as follows:

AGREEMENT

1. Master Agreement. This Master Agreement sets forth the basic terms and conditions under which Company may furnish, install, operate and/or maintain street lighting equipment for Customer. Upon the Parties agreement as to the terms of a specific street lighting transaction, the parties shall execute and deliver a Purchase Agreement in the form of the attached Exhibit A (a "Purchase Agreement"). In the event of an inconsistency between this Agreement and any Purchase Agreement, the terms of the Purchase Agreement shall control.

2. Rules Governing Installation of Equipment and Electric Service. Installation of street light facilities and the extension of electric service to serve those facilities are subject to the provisions of the Company's Rate Book for Electric Service (the "Tariff"), Rule C 6.1, Extension of Service (or any other successor provision), as approved by the The Michigan Public Service Commission ("MPSC") from time to time.

3. Contribution in Aid of Construction. In connection with each Purchase Agreement and in accordance with the applicable Orders of the MPSC, Customer shall pay to Company a contribution in aid of construction ("CIAC") for the cost of installing Equipment ("as defined in the applicable Purchase Agreement") and recovery of costs associated with the removal of existing equipment, if any. The amount of the CIAC (the "CIAC Amount") shall be an amount equal to the total construction cost (including all labor, materials and overhead charges), less an amount equal to three years revenue expected from such new equipment. The CIAC Amount will be as set forth on the applicable Purchase Agreement. The CIAC Amount does not include charges for any additional cost or expense for unforeseen underground objects, or unusual conditions encountered in the construction and installation of Equipment. If Company encounters any such unforeseen or unusual conditions, which would increase the CIAC Amount, it will suspend the construction and installation of Equipment and give notice of such conditions to the Customer. The Customer will either pay additional costs or modify the work to be performed. If the work is modified, the CIAC Amount will be adjusted to account for such modification. Upon any such

suspension and/or subsequent modification of the work, the schedule for completion of the work shall also be appropriately modified.

4. Payment of CIAC Amount. Customer shall pay the CIAC Amount to Company as set forth in the applicable Purchase Agreement. Failure to pay the CIAC Amount when due shall relieve Company of its obligations to perform the work required herein until the CIAC Amount is paid.

5. Modifications. Subject to written permission of the respective municipality, after installation of the Equipment, any cost for additional modifications, relocations or removals will be the responsibility of the requesting party.

6. Maintenance, Replacement and Removal of Equipment. In accordance with the applicable Orders of the MPSC, under the Municipal Street Lighting Rate (as defined below), Company shall provide the necessary maintenance of the Equipment, including such replacement material and equipment as may be necessary. Customer may not remove any Equipment without the prior written consent of Company.

7. Street Lighting Service Rate.

a. Upon the installation of the Equipment, the Company will provide street lighting service to Customer under Option 1 of the Municipal Street Lighting Rate set forth in the Tariff, as approved by the MPSC from time to time, the terms of which are incorporated herein by reference.

b. The provision of street lighting service is also governed by rules for electric service established in MPSC Case Number U-6400. The Street Lighting Rate is subject to change from time to time by orders issued by the MPSC.

8. Contract Term. This Agreement shall commence upon execution and terminate on the later of (a) five (5) years from the date hereof or (b) the date on which the final Purchase Agreement entered into under this Master Agreement is terminated. Upon expiration of the initial term, this Agreement shall continue on a month-to-month basis until terminated by mutual written consent of the parties or by either party with thirty (30) days prior written notice to the other party.

9. Design Responsibility for Street Light Installation. The Company installs municipal street lighting installations following Illuminating Engineering Society of North America ("IESNA") recommended practices. If the Customer submits its own street lighting design for the street light installation or if the street lighting installation requested by Customer does not meet the IESNA recommended practices, Customer acknowledges the Company is not responsible for lighting design standards.

10. New Subdivisions. Company agrees to install street lights in new subdivisions when subdivision occupancy reaches a minimum of 80%. If Customer wishes to have installation occur prior to 80% occupancy, then Customer acknowledges it will be financially

responsible for all damages (knockdowns, etc.) and requests for modifications (movements due to modified curb cuts from original design, etc.).

11. Force Majeure. The obligation of Company to perform this Agreement shall be suspended or excused to the extent such performance is prevented or delayed because of acts beyond Company's reasonable control, including without limitation acts of God, fires, adverse weather conditions (including severe storms and blizzards), malicious mischief, strikes and other labor disturbances, compliance with any directives of any government authority, including but not limited to obtaining permits, and force majeure events affecting suppliers or subcontractors.

12. Subcontractors. Company may sub-contract in whole or in part its obligations under this Agreement to install the Equipment and any replacement Equipment.

13. Waiver; Limitation of Liability. To the maximum extent allowed by law, Customer hereby waives, releases and fully discharges Company from and against any and all claims, causes of action, rights, liabilities or damages whatsoever, including attorney's fees, arising out of the installation of the Equipment and/or any replacement Equipment, including claims for bodily injury or death and property damage, unless such matter is caused by or arises as a result of the sole negligence of Company and/or its subcontractors. Company shall not be liable under this Agreement for any special, incidental or consequential damages, including loss of business or profits, whether based upon breach of warranty, breach of contract, negligence, strict liability, tort or any other legal theory, and whether or not Company has been advised of the possibility of such damages. In no event will Company's liability to Customer for any and all claims related to or arising out of this Agreement exceed the CIAC Amount set forth in the Purchase Order to which the claim relates.

14. Notices. All notices required by the Agreement shall be in writing. Such notices shall be sent to Company at The Detroit Edison Company, Community Lighting Group, 8001 Haggerty Rd, Belleville, MI 48111 and to Customer at the address set forth on the applicable Purchase Agreement. Notice shall be deemed given hereunder upon personal delivery to the addresses set forth above or, if properly addressed, on the date sent by certified mail, return receipt requested, or the date such notice is placed in the custody of a nationally recognized overnight delivery service. A party may change its address for notices by giving notice of such change of address in the manner set forth herein.

15. Representations and Warranties. Company and Customer each represent and warrant that: (a) it has full corporate or public, as applicable, power and authority to execute and deliver this Agreement and to carry out the actions required of it by this Agreement; (b) the execution and delivery of this Agreement and the transactions contemplated hereby have been duly and validly authorized by all necessary corporate or public, as applicable, action required on the part of such party; and (c) this Agreement constitutes a legal, valid, and binding agreement of such party.

16. Miscellaneous.

a. This Agreement is the entire agreement of the parties concerning the subject matter hereof and supersedes all prior agreements and understandings. Any amendment or modification to this Agreement must be in writing and signed by both parties.

b. Customer may not assign its rights or obligations under this Agreement without the prior written consent of Company. This Agreement shall be binding upon and shall inure to the benefit of the parties' respective successors and permitted assigns. This Agreement is made solely for the benefit of Company, Customer and their respective successors and permitted assigns and no other party shall have any rights to enforce or rely upon this Agreement.

c. A waiver of any provision of this Agreement must be made in writing and signed by the party against whom the waiver is enforced. Failure of any party to strictly enforce the terms of this Agreement shall not be deemed a waiver of such party's rights hereunder.

d. The section headings contained in this Agreement are for convenience only and shall not affect the meaning or interpretation thereof.

e. This Agreement shall be construed in accordance with the laws of the State of Michigan, without regard to any conflicts of law principles. The parties agree that any action with respect to this Agreement shall be brought in the courts of the State of Michigan and each party hereby submits itself to the exclusive jurisdiction of such courts.

f. This Agreement may be executed in one or more counterparts, each of which shall be deemed an original but all of which together will constitute one and the same instrument.

g. The invalidity of any provision of this Agreement shall not invalidate the remaining provisions of the Agreement.

Company and Customer have executed this Purchase Agreement as of the date first written above.

Company:	Customer:
The Detroit Edison Company	City of Pontiac
By: _____	By: _____
Name: _____	Name: _____
Title: _____	Title: _____

Exhibit A to Master Agreement

Purchase Agreement

This Purchase Agreement (this "Agreement") is dated as of February 24, 2014 between The Detroit Edison Company ("Company") and City of Pontiac ("Customer").

This Agreement is a "Purchase Agreement" as referenced in the Master Agreement for Municipal Street Lighting dated February 24, 2014 (the "Master Agreement") between Company and Customer. All of the terms of the Master Agreement are incorporated herein by reference. In the event of an inconsistency between this Agreement and the Master Agreement, the terms of this Agreement shall control.

Customer requests the Company to furnish, install, operate and maintain street lighting equipment as set forth below:

1. DTE Work Order Number:	38076324	
2. Location where Equipment will be installed:	Various locations in the City of Pontiac, as more fully described on the map attached hereto as <u>Attachment 1</u> .	
3. Total number of lights to be installed:	3,377	
4. Description of Equipment to be installed (the " <u>Equipment</u> "):	<p>Convert 3,377 Option I lights to LED</p> <p><u>Underground</u></p> <p>5 – 400 watt MV to 135 watt LED 67 – 100 watt HPS to 65 watt LED</p> <p><u>Overhead</u></p> <p>2,773 – 175 watt MV to 65 watt LED 396 – 400 watt MV to 135 watt LED 1 – 1000 watt MV to 135 watt LED 89 – 100 watt HPS to 65 watt LED 4 – 150 watt HPS to 135 watt LED 31 – 250 watt HPS to 135 watt LED 7 – 400 watt HPS to 135 watt LED 4 – 1000 watt HPS to 280 watt LED</p>	
5. Estimated Total Annual Lamp Charges	\$485,252	
6. Computation of Contribution in aid of Construction (" <u>CIAC Amount</u> ")	Total estimated construction cost, including labor, materials, and overhead:	\$1,110,733
	Credit for 3 years of lamp charges:	N/A
	CIAC Amount (cost minus revenue)	\$1,110,733
7. Payment of CIAC Amount:	<p>Check for \$370,244 to be paid upon execution of the agreement</p> <p>Check or PO for \$370,244 to be paid when 50% of lights are converted</p> <p>Check or PO for \$370,245 to be paid at completion of project</p>	

8. Term of Agreement	5 years. Upon expiration of the initial term, this Agreement shall continue on a month-to-month basis until terminated by mutual written consent of the parties or by either party with thirty (30) days prior written notice to the other party.
9. Does the requested Customer lighting design meet IESNA recommended practices?	(Check One) <input type="checkbox"/> YES <input checked="" type="checkbox"/> NO If "No", Customer must sign below and acknowledge that the lighting design does not meet IESNA recommended practices _____
10. Customer Address for Notices:	Terry King 47450 Woodward Pontiac MI 48341

11. Special Order Material Terms:

All or a portion of the Equipment consists of special order material: (check one) YES NO

If "Yes" is checked, Customer and Company agree to the following additional terms.

A. Customer acknowledges that all or a portion of the Equipment is special order materials ("SOM") and not Company's standard stock. Customer will purchase and stock replacement SOM and spare parts. When replacement equipment or spare parts are installed from Customer's inventory, the Company will credit Customer in the amount of the then current material cost of Company standard street lighting equipment.

B. Customer will maintain an initial inventory of at least ___ posts and ___ luminaires and any other materials agreed to by Company and Customer, and will replenish the stock as the same are drawn from inventory. Costs of initial inventory are included in this Agreement. The Customer agrees to work with the Company to adjust inventory levels from time to time to correspond to actual replacement material needs. If Customer fails to maintain the required inventory, Company, after 30 days' notice to Customer, may (but is not required to) order replacement SOM and Customer will reimburse Company for such costs. Customer's acknowledges that failure to maintain required inventory could result in extended outages due to SOM lead times.

C. The inventory will be stored at _____. Access to the Customers inventory site must be provided between the hours of 9:00 am to 4:00 pm, Monday through Friday with the exceptions of federal Holidays. Customer shall name an authorized representative to contact regarding inventory: levels, access, usage, transactions, and provide the following contact information to the Company:

Name: _____ Title: _____

Phone Number: _____ Email: _____

The Customer will notify the Company of any changes in the Authorized Customer Representative. The Customer must comply with SOM manufacturer's recommended inventory storage guidelines and practices. Damaged SOM will not be installed by the Company.

D. In the event that SOM is damaged by a third party, the Company may (but is not required to) pursue a damage claim against such third party for collection of all labor and stock replacement value associated with the damage claim. Company will promptly notify Customer as to whether Company will pursue such claim.

E. In the event that SOM becomes obsolete or no longer manufactured, the Customer will be allowed to select new alternate SOM that is compatible with the Company's existing infrastructure.

F. Should the Customer experience excessive LED equipment failures, not supported by LED manufacturer warranties, the Company will replace the LED equipment with other Company supported Solid State or High Intensity Discharge luminaires at the Company's discretion. The full cost to complete these replacements to standard street lighting equipment will be the responsibility of the Customer.

12. Experimental Emerging Lighting Technology ("EELT") Terms:

All or a portion of the Equipment consists of EELT: (check one) YES NO

If "Yes" is checked, Customer and Company agree to the following additional terms.

A. The annual billing lamp charges for the EELT equipment has been calculated by the Company are based upon the estimated energy and maintenance cost expected with the Customer's specific pilot project EELT equipment.

B. Upon the approval of any future MPSC Option I tariff for EELT street lighting equipment, the approved rate schedules will automatically apply for service continuation to the Customer under Option 1 Municipal Street Lighting Rate, as approved by the MPSC. The terms of this paragraph B replace in its entirety Section 7 of the Master Agreement with respect to any EELT equipment purchased under this Agreement.

Company and Customer have executed this Purchase Agreement as of the date first written above.

Company:

Customer:

The Detroit Edison Company

City of Pontiac

By: _____

By: _____

Name: _____


Name: _____

Title: _____

Title: _____

Memorandum

To: Pontiac City Council

From: Joseph M. Sobota, M.P.A., City Administrator 

Date: April 8, 2014

Re: Amendment of TIFA district boundaries (revised legal description)

Last month, the City of Pontiac received a request from Challenge Mfg. to establish a brownfield on a portion of a parcel behind the Residence Inn off Centerpoint Parkway. Challenge is proposing a \$50 million real and personal property investment in Pontiac and anticipates creating 450 jobs within three years of construction. Under Order S-334, the brownfield request will be forwarded to the Oakland County Brownfield Redevelopment Authority once authorized by the TAB. Because the parcel in which the brownfield would be designated is part of an existing Tax Increment Finance Authority district, either the parcel must be entirely removed from the district or the development plan must be amended. Generally, because the brownfield has a shorter duration than a TIFA, the recommendation from Oakland County Equalization is to remove the parcel from the development plan; however, because the parcels value is significantly under the base value and the brownfield would expire after the last TIFA bond is paid off, the City would have a better benefit if the parcel was removed from the TIFA district.

The process to remove a parcel from a TIFA district is the same as creating a TIFA district, and is governed by MCL 125.1803. First, the City Council must pass a resolution of intent to amend the boundaries and in that resolution set a date for a public hearing with notice published twice in a newspaper of general circulation not less than 20 days and not more than 40 days before the date of the hearing. In addition, notice must be mailed to the property taxpayer of record in the effected area, and the notice of the hearing must be mailed by certified mail to the governing body of each taxing jurisdiction levying taxes that would be subject to capture if the amendment is approved. The notice shall state the date, time, and place of hearing, and shall describe the boundaries of the proposed district. At the hearing, a citizen, taxpayer, or the property owner of the City has the right to be heard in regard to this matter. After the hearing, if the City Council intends to proceed with the amendment, the City Council shall adopt, by majority vote of its members, a resolution designating the boundaries as amended. Such resolution is subject to the veto process established by the city charter. Upon final approval, the resolution is to be filed with the secretary of state and published at least once in a resolution of general circulation.

In addition to the request for a brownfield, the developer will also be requesting an Act 328 personal property tax abatement for eight years and an Act 198 real property tax abatement for twelve years. These requests have not yet been submitted to the City and cannot be submitted until the parcel has a legal lot split approved and recorded. An application is in the process of being filed with the Building Safety Department for the lot split and site plan approval. Upon receipt, the tax abatement requests will be submitted to the City Council for consideration.

I have attached a map of the subject parcel and a copy of the information that Challenge Mfg. has submitted to the Michigan Economic Development Corporation in order to receive incentives from the State of Michigan.

The developer is working on a tight time schedule, so Council action is requested as follows:

1. At the Council meeting on April 10, 2014, adopt the attached resolution setting the date and time of the required public hearing.
2. The City Clerk is to publish the notice of public hearing to appear on Monday, April 14 and Tuesday, April 15 in the Oakland Press.
3. The City Council holds the public hearing as part of the meeting on Thursday, May 8.
4. The City Council votes on the resolution amending the district boundaries on Thursday, May 8 after the public hearing.

The schedule outlined above will allow the TAB to confirm Council's action to amend the TIFA district at the TAB meeting of May 21, 2014.

If Council concurs, please pass the following resolution:

Whereas, the City of Pontiac has received a request to establish a brownfield district within an existing TIFA district; and,

Whereas, in order for the brownfield district to be established, the parcel must either be removed from the TIFA district or the district must be removed from the TIF development plan; and,

Whereas, because the current parcel's taxable value is significantly below the base value of the parcel, removal from the TIFA district is most desirable; and,

Therefore, be it resolved that the Pontiac City Council shall hold a public hearing during its regular scheduled City Council meeting at 5:30 p.m. on Thursday, May 8, 2014 in Pontiac City Hall, City Council Chambers, 47450 Woodward Ave. for the purpose of receiving public comment on the proposal to remove from the boundaries of the Tax Increment Finance Authority parcel 64-19-03-200-019, commonly known as 2100 S. Opdyke, and legally described as:

LAND IN THE CITY OF PONTIAC, OAKLAND COUNTY, MICHIGAN, BEING ALL THAT PART OF LOTS 5-9, ALL OF LOT 10, PART OF LOT 11 AND PART OF BELT LINE RAIL ROAD, AS PLATTED, A PART OF "ASSESSOR'S PLAT NO. 110", A PART OF SECTION 3, T. 2 N., R.10 E., AS RECORDED IN LIBER 52 OF PLATS, PAGE 26 OF OAKLAND COUNTY RECORDS, LYING WITHIN THE FOLLOWING DESCRIBED PARCEL: COMMENCING AT THE NORTHEAST PROPERTY CONTROLLING CORNER OF SECTION 3 (AS PREVIOUSLY SURVEYED BY NOWAK & FRAUS 04-05-07), T. 2 N., R.10 E., CITY OF PONTIAC, OAKLAND COUNTY, MICHIGAN; THENCE S. 00°36'21" W. ALONG THE EAST LINE OF SAID SECTION 3, 1215.50 FEET; THENCE N. 89°23'39" W., 60.00 FEET TO A POINT, SAID POINT BEING THE INTERSECTION OF THE SOUTH LINE OF CAMPUS DRIVE (WIDTH VARIES) WITH THE WEST LINE OF OPDYKE ROAD (120 FEET WIDE) AND BEING THE POINT OF BEGINNING; THENCE S. 00°36'21" W. ALONG THE WEST LINE OF OPDYKE ROAD, 2060.01 FEET TO A POINT OF DEFLECTION; THENCE S. 00°24'47" E. ALONG THE WEST LINE OF OPDYKE ROAD, 901.82 FEET TO THE NORTHEAST CORNER OF UNIT 5 OF

CENTERPOINT BUSINESS CAMPUS CONDOMINIUM, A CONDOMINIUM ACCORDING TO THE MASTER DEED THEREOF RECORDED IN LIBER 16667, PAGE 11, OAKLAND COUNTY RECORDS, AND DESIGNATED AS OAKLAND COUNTY CONDOMINIUM PLAN NO. 1004, AND ANY AMENDMENTS THERETO, AS LAST AMENDED BY EIGHTH AMENDMENT TO MASTER DEED RECORDED IN LIBER 35596, PAGE 855, OAKLAND COUNTY RECORDS; THENCE THE FOLLOWING FIVE (5) COURSES ALONG THE NORTH LINE OF SAID UNIT 5 AND UNITS 21, 22, 40, AND 24 OF SAID CENTERPOINT BUSINESS CAMPUS CONDOMINIUM: (1) S. 89°35'13" W., 35.00 FEET, AND (2) N. 00°24'47" W., 20.00 FEET, AND (3) 210.91 FEET ALONG A CURVE TO THE LEFT (RADIUS 215.00 FEET, CENTRAL ANGLE 56°12'23", LONG CHORD BEARS S.61°29'01" W., 202.56 FEET) TO A POINT OF REVERSE CURVATURE, AND (4) 226.24 FEET ALONG A CURVE TO THE RIGHT (RADIUS 225.00 FEET, CENTRAL ANGLE 57°36'46", LONG CHORD BEARS S. 62°11'13" W., 216.83 FEET), AND (5) N. 89°00'24" W., 1422.62 FEET TO A POINT ON THE EASTERLY LINE OF CENTERPOINT PARKWAY (WIDTH VARIES); THENCE THE FOLLOWING SEVEN (7) COURSES ALONG SAID EASTERLY LINE OF CENTERPOINT PARKWAY: (1) N. 45°10'30" W., 432.89 FEET, AND (2) 519.48 FEET ALONG A CURVE TO THE RIGHT (RADIUS 400.00 FEET, CENTRAL ANGLE 74°24'38", LONG CHORD BEARS N. 07°58'11" W., 483.74 FEET), AND (3) N. 29°14'08" E., 299.59 FEET, AND (4) 364.33 FEET ALONG A CURVE TO THE LEFT (RADIUS 750.00 FEET, CENTRAL ANGLE 27°49'59", CHORD BEARS N. 15°19'08" E., 360.76 FEET), AND (5) N. 01°24'09" E., 632.31 FEET, AND (6) 410.89 FEET ALONG A CURVE THE LEFT (RADIUS 750.00 FEET, CENTRAL ANGLE 31°23'22", LONG CHORD BEARS N. 14°17'32" W., 405.77 FEET), AND (7) N. 29°59'13" W., 24.18 FEET TO THE MOST SOUTHERLY CORNER OF UNIT 10 OF SAID CENTERPOINT BUSINESS CAMPUS CONDOMINIUM; THENCE THE FOLLOWING THREE (3) COURSES ALONG THE EASTERLY AND NORTHERLY LINE OF SAID UNIT 10: (1) N. 01°32'01" E., 299.48 FEET, AND (2) N. 87°51'44" W., 61.57 FEET, AND (3) N. 02°32'55" E., 124.59 FEET TO A POINT, SAID POINT BEING AN INTERIOR LOT CORNER ON THE SOUTH LINE OF UNIT 11 OF SAID CENTERPOINT BUSINESS CAMPUS CONDOMINIUM; THENCE S. 87°25'59" E., 287.26 FEET TO THE SOUTHEAST CORNER OF SAID UNIT 11; THENCE N. 00°11'13" E. ALONG THE EAST LINE OF SAID UNIT 11, 616.94 FEET, TO A POINT ON THE SOUTHERLY LINE OF CAMPUS DRIVE (WIDTH VARIES), SAID POINT BEING THE NORTHEAST CORNER OF SAID UNIT 11; THENCE THE FOLLOWING NINE (9) COURSES ALONG SAID SOUTHERLY LINE OF CAMPUS DRIVE: (1) 66.00 FEET ALONG A CURVE TO THE LEFT (RADIUS 450.00 FEET, CENTRAL ANGLE 08°24'14", LONG CHORD BEARS N. 47°58'00" E., 65.95 FEET), AND (2) N. 44°34'41" E., 56.60 FEET, AND (3) 286.91 FEET ALONG A CURVE TO THE RIGHT (RADIUS 357.00 FEET, CENTRAL ANGLE 46°02'49", CHORD BEARS N. 67°36'06" E., 279.25 FEET), AND (4) S. 89°22'30" E., 723.10 FEET, AND (5) S. 85°22'15" E., 200.49 FEET, AND (6) 253.43 FEET ALONG A CURVE TO THE RIGHT (RADIUS 190.00 FEET, CENTRAL ANGLE 76°25'20", LONG CHORD BEARS S. 51°09'50" E., 235.05 FEET), AND (7) S. 12°57'10" E., 184.05 FEET, AND (8) 333.54 FEET ALONG A CURVE TO THE LEFT (RADIUS 250.00 FEET, CENTRAL ANGLE 76°26'28", LONG CHORD BEARS S. 51°10'24" E., 309.35 FEET), AND (9) S. 89°23'39" E., 95.72 FEET TO THE POINT OF BEGINNING. THE DESCRIBED PARCEL CONTAINS 7,075,179 SQUARE

April 9, 2014

FEET OR 162.424 ACRES AND SUBJECT TO ALL EASEMENTS AND RESTRICTIONS OF RECORD.

Be it further resolved that the Pontiac City Clerk shall cause notice of such hearing to be published in the Oakland Press on April 14 and April 15; and,

Be it further resolved that the Pontiac City Clerk shall cause notice of such hearing to be mailed by certified mail to all taxing jurisdictions that have property taxes subject to capture; and,

Be it further resolved that the Pontiac City Clerk shall cause notice of such hearing to be mailed to the property tax payer of record not less than 20 days before the hearing.



Whereas, the City of Pontiac has received a request to establish a brownfield district within an existing TIFA district; and,

Whereas, the Pontiac City Council held a public hearing on the request on May 8, 2014 after providing notice as required by law; and,

Whereas, in order for the brownfield district to be established, the parcel must either be removed from the TIFA district or the district must be removed from the TIF development plan; and,

Whereas, because the current parcel's taxable value is significantly below the base value of the parcel, removal from the TIFA district is most desirable; and,

Therefore, be it resolved that the Pontiac City Council shall amend the boundaries of the Tax Increment Finance Authority by removing parcel 64-19-03-200-019, commonly known as 2100 S. Opdyke, and legally described as:

LAND IN THE CITY OF PONTIAC, OAKLAND COUNTY, MICHIGAN, BEING ALL THAT PART OF LOTS 5-9, ALL OF LOT 10, PART OF LOT 11 AND PART OF BELT LINE RAIL ROAD, AS PLATTED, A PART OF "ASSESSOR'S PLAT NO. 110", A PART OF SECTION 3, T. 2 N., R.10 E., AS RECORDED IN LIBER 52 OF PLATS, PAGE 26 OF OAKLAND COUNTY RECORDS, LYING WITHIN THE FOLLOWING DESCRIBED PARCEL: COMMENCING AT THE NORTHEAST PROPERTY CONTROLLING CORNER OF SECTION 3 (AS PREVIOUSLY SURVEYED BY NOWAK & FRAUS 04-05-07), T. 2 N., R.10 E., CITY OF PONTIAC, OAKLAND COUNTY, MICHIGAN; THENCE S. 00°36'21" W. ALONG THE EAST LINE OF SAID SECTION 3, 1215.50 FEET; THENCE N. 89°23'39" W., 60.00 FEET TO A POINT, SAID POINT BEING THE INTERSECTION OF THE SOUTH LINE OF CAMPUS DRIVE (WIDTH VARIES) WITH THE WEST LINE OF OPDYKE ROAD (120 FEET WIDE) AND BEING THE POINT OF BEGINNING; THENCE S. 00°36'21" W. ALONG THE WEST LINE OF OPDYKE ROAD, 2060.01 FEET TO A POINT OF DEFLECTION; THENCE S. 00°24'47" E. ALONG THE WEST LINE OF OPDYKE ROAD, 901.82 FEET TO THE NORTHEAST CORNER OF UNIT 5 OF

CENTERPOINT BUSINESS CAMPUS CONDOMINIUM, A CONDOMINIUM ACCORDING TO THE MASTER DEED THEREOF RECORDED IN LIBER 16667, PAGE 11, OAKLAND COUNTY RECORDS, AND DESIGNATED AS OAKLAND COUNTY CONDOMINIUM PLAN NO. 1004, AND ANY AMENDMENTS THERETO, AS LAST AMENDED BY EIGHTH AMENDMENT TO MASTER DEED RECORDED IN LIBER 35596, PAGE 855, OAKLAND COUNTY RECORDS; THENCE THE FOLLOWING FIVE (5) COURSES

ALONG THE NORTH LINE OF SAID UNIT 5 AND UNITS 21, 22, 40, AND 24 OF SAID CENTERPOINT BUSINESS CAMPUS CONDOMINIUM: (1) S. $89^{\circ}35'13''$ W., 35.00 FEET, AND (2) N. $00^{\circ}24'47''$ W., 20.00 FEET, AND (3) 210.91 FEET ALONG A CURVE TO THE LEFT (RADIUS 215.00 FEET, CENTRAL ANGLE $56^{\circ}12'23''$, LONG CHORD BEARS S. $61^{\circ}29'01''$ W., 202.56 FEET) TO A POINT OF REVERSE CURVATURE, AND (4) 226.24 FEET ALONG A CURVE TO THE RIGHT (RADIUS 225.00 FEET, CENTRAL ANGLE $57^{\circ}36'46''$, LONG CHORD BEARS S. $62^{\circ}11'13''$ W., 216.83 FEET), AND (5) N. $89^{\circ}00'24''$ W., 1422.62 FEET TO A POINT ON THE EASTERLY LINE OF CENTERPOINT PARKWAY (WIDTH VARIES); THENCE THE FOLLOWING SEVEN (7) COURSES ALONG SAID EASTERLY LINE OF CENTERPOINT PARKWAY: (1) N. $45^{\circ}10'30''$ W., 432.89 FEET, AND (2) 519.48 FEET ALONG A CURVE TO THE RIGHT (RADIUS 400.00 FEET, CENTRAL ANGLE $74^{\circ}24'38''$, LONG CHORD BEARS N. $07^{\circ}58'11''$ W., 483.74 FEET), AND (3) N. $29^{\circ}14'08''$ E., 299.59 FEET, AND (4) 364.33 FEET ALONG A CURVE TO THE LEFT (RADIUS 750.00 FEET, CENTRAL ANGLE $27^{\circ}49'59''$, CHORD BEARS N. $15^{\circ}19'08''$ E., 360.76 FEET), AND (5) N. $01^{\circ}24'09''$ E., 632.31 FEET, AND (6) 410.89 FEET ALONG A CURVE THE LEFT (RADIUS 750.00 FEET, CENTRAL ANGLE $31^{\circ}23'22''$, LONG CHORD BEARS N. $14^{\circ}17'32''$ W., 405.77 FEET), AND (7) N. $29^{\circ}59'13''$ W., 24.18 FEET TO THE MOST SOUTHERLY CORNER OF UNIT 10 OF SAID CENTERPOINT BUSINESS CAMPUS CONDOMINIUM; THENCE THE FOLLOWING THREE (3) COURSES ALONG THE EASTERLY AND NORTHERLY LINE OF SAID UNIT 10: (1) N. $01^{\circ}32'01''$ E., 299.48 FEET, AND (2) N. $87^{\circ}51'44''$ W., 61.57 FEET, AND (3) N. $02^{\circ}32'55''$ E., 124.59 FEET TO A POINT, SAID POINT BEING AN INTERIOR LOT CORNER ON THE SOUTH LINE OF UNIT 11 OF SAID CENTERPOINT BUSINESS CAMPUS CONDOMINIUM; THENCE S. $87^{\circ}25'59''$ E., 287.26 FEET TO THE SOUTHEAST CORNER OF SAID UNIT 11; THENCE N. $00^{\circ}11'13''$ E. ALONG THE EAST LINE OF SAID UNIT 11, 616.94 FEET, TO A POINT ON THE SOUTHERLY LINE OF CAMPUS DRIVE (WIDTH VARIES), SAID POINT BEING THE NORTHEAST CORNER OF SAID UNIT 11; THENCE THE FOLLOWING NINE (9) COURSES ALONG SAID SOUTHERLY LINE OF CAMPUS DRIVE: (1) 66.00 FEET ALONG A CURVE TO THE LEFT (RADIUS 450.00 FEET, CENTRAL ANGLE $08^{\circ}24'14''$, LONG CHORD BEARS N. $47^{\circ}58'00''$ E., 65.95 FEET), AND (2) N. $44^{\circ}34'41''$ E., 56.60 FEET, AND (3) 286.91 FEET ALONG A CURVE TO THE RIGHT (RADIUS 357.00 FEET, CENTRAL ANGLE $46^{\circ}02'49''$, CHORD BEARS N. $67^{\circ}36'06''$ E., 279.25 FEET), AND (4) S. $89^{\circ}22'30''$ E., 723.10 FEET, AND (5) S. $85^{\circ}22'15''$ E., 200.49 FEET, AND (6) 253.43 FEET ALONG A CURVE TO THE RIGHT (RADIUS 190.00 FEET, CENTRAL ANGLE $76^{\circ}25'20''$, LONG CHORD BEARS S. $51^{\circ}09'50''$ E., 235.05 FEET), AND (7) S. $12^{\circ}57'10''$ E., 184.05 FEET, AND (8) 333.54 FEET ALONG A CURVE TO THE LEFT (RADIUS 250.00 FEET, CENTRAL ANGLE $76^{\circ}26'28''$, LONG CHORD BEARS S. $51^{\circ}10'24''$ E., 309.35 FEET), AND (9) S. $89^{\circ}23'39''$ E., 95.72 FEET TO THE POINT OF BEGINNING. THE DESCRIBED PARCEL CONTAINS 7,075,179 SQUARE FEET OR 162.424 ACRES AND SUBJECT TO ALL EASEMENTS AND RESTRICTIONS OF RECORD.

Capital Investment	Year 1 2014	Year 2 2015	Year 3 2016	Total	
Land Costs	\$3,500,000	\$0	\$0	\$3,500,000	Real Property Investment
Building - New Construction	\$18,000,000	\$2,500,000	\$0	\$20,500,000	
Building - Purchase of Existing				\$0	
Building - Renovations				\$0	
Building - Annual Lease Cost				\$0	
Building - Leasehold Improvements				\$0	Personal Property Investment
Machinery & Equipment - Purchased	\$14,500,000	\$9,500,000	\$1,000,000	\$25,000,000	
Machinery & Equipment - Leased				\$0	
Furniture & Fixtures - Purchased	\$100,000	\$100,000	\$50,000	\$250,000	
Furniture & Fixtures - Leased				\$0	
Office Machinery - Purchased	\$250,000	\$200,000	\$50,000	\$500,000	
Office Machinery - Leased				\$0	
Computers - Purchased	\$150,000	\$50,000	\$50,000	\$250,000	
Computers - Leased				\$0	
Pollution Control Equip				\$0	
Special Tooling				\$0	
Other Pers. Prop. - Purchased (Explain)				\$0	
Other Pers. Prop. - Leased (Explain)				\$0	
Total Capital Investment	\$36,500,000	\$12,350,000	\$1,150,000	\$50,000,000	

New Jobs by Year	Year 1 2014			Year 2 2015			Year 3 2016			Cumulative Job Creation
	New Full Time Jobs Created	Avg. Weekly Wage	Avg. Weekly Employer-Paid Health Care	New Full Time Jobs Created	Avg. Weekly Wage	Avg. Weekly Employer-Paid Health Care	New Full Time Jobs Created	Avg. Weekly Wage	Avg. Weekly Employer-Paid Health Care	
Managerial	5	\$962	\$173	5	\$962	\$173	0	\$0	\$0	10
Professional	8	\$1,154	\$173	10	\$1,154	\$173	7	\$1,154	\$173	25
Technical	5	\$1,080	\$173	50	\$1,080	\$173	15	\$1,080	\$173	70
Sales	0	\$700	\$173	0	\$0	\$0	0	\$0	\$0	0
Clerical	0	\$700	\$173	5	\$700	\$173	0	\$0	\$0	5
Craftsman (skilled)	2	\$800	\$173	20	\$800	\$173	13	\$800	\$173	35
Operators (semi-skilled)	20	\$560	\$173	55	\$560	\$173	15	\$560	\$173	90
Laborers (unskilled)	10	\$380	\$173	130	\$380	\$173	75	\$380	\$173	215
Service	0	\$0	\$0	0	\$0	\$0	0	\$0	\$0	0
Total	50			275			125			450

Benefits - Please provide a brief description of the benefit package offered to employees in the area below.

Group medical, dental and prescription benefits. Term life & accidental death/dismemberment (AD&D) and short-term disability. A tax-deferred 401K retirement plan with competitive employer contribution matching. Flexible spending and cafeteria plans.

Taxable Income	Year 1 2014	Year 2 2015	Year 3 2016
Federal Taxable Income (Unitary Basis)	\$0	\$0	\$0
Percentage of Sales in Michigan	N/a	N/a	N/a

Financing	Project Costs	Amount of Funding	Source of Funding
3 Year Cost of Project	\$50,000,000		
Banking Group		\$50,000,000	Existing bank group
Funding Source #2			
Funding Source #3			
Funding Source #4			
Funding Source #5			
Total Secured Funding		\$50,000,000	
Percentage of Project Financed		100%	

Briefly describe the financing structure for this project, how much financing is needed, what type, and include description on why funding is needed:

This project will be financed through our existing lender group, which includes PNC, Comerica and First Merit. Challenge anticipates funding to be secured through a combination of the following: revolver / line of credit, term loan, capital expenditure facility and/or equipment leasing. Challenge has historically funded growth through our banking relationships.

PURE MICHIGAN®

Key Financial Information	12 Month Trailing	12 Month Projected	Previous 3 Year Average
Gross Profit	\$1,796,731	\$5,000,000	\$5,059,702
EBITDA	\$16,020,775	\$20,000,000	\$12,544,681
Monthly Burn Rate	Not Applicable	Not Applicable	Not Applicable
Short Term Assets	\$78,663,260		
Long Term Assets	\$103,619,450		
Total Assets	\$182,282,710		
Short Term Liabilities	\$48,363,169		
Long Term Liabilities	\$54,175,132		
Total Liabilities	\$102,538,301		
Equity	\$79,744,409		
Current Bank Relationships			
	Loan Amount	Rate	Secured By
PNC	\$30,000,000	3.00%	Substantially all assets of the Company
Comerica	\$25,000,000	3.00%	Substantially all assets of the Company
First Merit	\$20,000,000	3.00%	Substantially all assets of the Company
Venture Capital Relationships			
	Total Invested	Total Reserved	Ownership %
Not applicable			

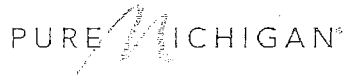
Historic Michigan Staffing by Location	Employer Identification Number (EIN)	Current Full-Time Michigan Employment as of 12/31/2013
3079 Three Mile Rd. NW, Walker, MI 49534	38-2373161	732
2969 Three Mile Rd. NW, Walker, MI 49534	38-2373161	35
3200 Fruit Ridge Ave NW, Walker, MI 49544	38-2373161	281
1401 S. Washington Ave., Holland, MI 49423	38-2373161	1,117
Total		2,165

Company Employment History - How has the full time employment level of the company and company affiliates in Michigan changed over the last year? Explain any major changes.

Over the last year, Challenge has grown its Michigan workforce by >450 employees, or 25%. Currently, our full-time employees stands at 2,165 (as of 12/31/13). Challenge's growth has significantly outpaced the resurgence of the automotive industry, signalling that we are growing and increasing market share due to execution and strong management as well as macroeconomic tailwinds.

In February 2013, Challenge received a performance-based grant (Case 40794) from the MBDP and on 1/5/2014, Challenge filed an application for payment for the first milestone (\$600,000) of Incentive '00037319' after just 10 months after grant and 6 months before the disbursement deadline.

With support from the State of Michigan, Challenge looks to continue growing in our home state.



Project Information	
Company or Project Name:	Challenge Mfg. Company, LLC
Business Legal Structure:	LLC
NAICS Code	336370
Year Company Established	1981
Anticipated Project Start Date (M/D/YR)	9/1/14
# of Global Employees	2,186
Annual Revenue	\$350,000,000
Project Street Address:	2100 S. Opdyke Rd, Pontiac, MI 48341
School District (if known):	Unknown
Project County:	Oakland
Completed By:	Mike Rodgers
Phone Number:	616-735-6559
Email Address:	Mrodgers@Challenge-mfg.com
Date:	1/15/2013

Project Description - Please include the product/service and a brief description of the project including planned project start date.

*Challenge Mfg. Company, LLC ("Challenge" or the "Company"), founded in 1981, is a Tier 1 manufacturer of modular assemblies and engineered metal stampings for the automotive industry. The Company is majority employee-owned through an Employee Stock Ownership Plan ("ESOP"). Headquartered in Walker MI, Challenge currently operates 4 facilities in Michigan totaling 1,100,000 sq. ft. with over 2,000 Michigan-domiciled employees.

In 2013, Challenge received \$120 million worth of annual contracts to support new vehicles GM will manufacture in Hamtramck. Challenge will be locating a new production facility in the Detroit/Windsor area to support the GM plant locally.

Challenge is debating whether to locate the facility as a brownfield redevelopment within a core community site in Pontiac, MI (Oakland Country) or refurbish an existing building in Windsor, Ontario (Canada).

This project will result in 450 jobs and \$50,000,000 of investment in the State of Michigan, Oakland County and City of Pontiac.

Project Alternatives - Are other sites or project configurations under consideration? Please list other potential locations.

*Challenge has narrowed down options to two (2) finalists: a brownfield redevelopment site in Pontiac, MI (Oakland Country) or an existing building in Windsor, Ontario (Canada). Factors impacting our decision include economic development assistance, utilities assistance, local tax benefits and workforce training, distance to GM Hamtramck, utilization of existing versus new capital, etc.

Challenge prefers the Pontiac, MI option due to our long-term relationship and familiarity with Michigan; however, this option is significantly more expensive.

Logistics costs resulting to the additional 20 miles of distance total \$2.65 million over the life of the contracts. This includes freight costs, container requirements, floor space and indirect labor implications.

Upfront capital costs are also significantly higher, mostly due to new building requirements and existing equipment utilization. Additional equipment, facilities and utilities infrastructure will entail an estimated \$3.0 million of incremental funds.

Between these factors, Challenge sees a project cost increase of \$5.65 million between these two sites, which we look to bridge primarily through a grant from the MBDP. Challenge will be evaluating the MEDC proposal in comparison with potential assistance from the Windsor/Essex Development Commission in finalizing our decision asap.

MISCELLANEOUS

Solid Waste Management Plan Amendment Resolution

WHEREAS, Oakland County ("County") has a Solid Waste Management Plan ("Plan") that was prepared in accordance with Public Act 451, as amended, 1994, Part 115; Solid Waste Management; and

WHEREAS, the law requires that the Plan identify all solid waste landfills, Type A Transfer Stations, and Waste Processing Facilities within the County and that the Plan must be amended if the County desires to include new facilities or sites; and

WHEREAS, the Oakland County Executive received a request to amend the County Solid Waste Management Plan for the inclusion of a proposed Type A Transfer Station and a Waste Processing Facility to be located on the same piece of property in Pontiac at 900 Baldwin Avenue from Pontiac Baldwin, LLC and Rizzo Properties LLC ("Requested Amendment"); and

WHEREAS, The Oakland County Solid Waste Planning Committee ("SWPC"), along with the staff of the Oakland County Economic Development & Community Affairs Department, which is the Designated Planning Agency ("DPA") for Oakland County have met and discussed this requested amendment to the Plan; and

WHEREAS, the Oakland County Solid Waste Planning Committee authorized by resolution that the requested amendment be released for the required 90-day public comment period which was held from December 14, 2013-March 17, 2014 and was widely publicized to all Oakland County municipalities, adjacent counties, the Board of Commissioners, the MI Department of Environmental Quality, SEMCOG and other interested parties; and

WHEREAS, notice of the public comment period and date of a public hearing was published in The Oakland Press on December 13, 2013 and all corresponding documents were available for public review in the Oakland County One Stop Shop, as well as on the Oakland County website; and

WHEREAS, the applicants ,Baldwin Pontiac, LLC and Rizzo Properties LLC have entered into a host community agreement with the City of Pontiac to provide the City of Pontiac additional benefits; and

WHEREAS, a public hearing was held on February 26, 2014 at the Oakland County Executive Office Building; and

WHEREAS, the SWPC met after the end of the 90-day public comment period and reviewed the transcript of the public hearing and considered all written and verbal public comments received during the meetings and public comment period. The SWPC approved the requested amendment and recommended that it be forwarded to the Oakland County Board of Commissioners for consideration; and

WHEREAS the Oakland County Board of Commissioners approved the requested amendment at its April 17, 2014 meeting; and

WHEREAS, per Public Act 451, Part 115, Solid Waste Management, Section 11536, it is a requirement that a solid waste plan amendment must receive support via resolution by no less than 67% of the local units of government within the respective county before being sent to the Michigan Department of Environmental Quality for approval;

NOW, THEREFORE BE IT RESOLVED, that the

_____ of the _____
(Board/Council) (Municipality name)

does hereby approve the requested amendment to the Oakland County Solid Waste Plan for the inclusion of a Type A Transfer Station and Solid Waste Processing Facility to be located at 900 Baldwin Avenue in Pontiac, MI.

AYES:

NAYS:

DATE:

NOTES
