

City of Pontiac  
Town Hall Meeting  
November 18, 2009

I) Status of Silverdome Auction

A) The auction was advertised all over the world in a multi-media advertising and publicity campaign that attracted interest from 84 countries and generated over 150 inquiries from potential buyers. The auction was held on schedule on Tuesday, November 16, 2009 with approximately 17 people present in the room including Leon Jukowski (Mayor-elect), Lee Jones (City Councilman), Mark Hotz (City Attorney), David Domzal (Williams Acosta, attorney representing the City), four members of Williams & Williams, auctioneers (including Tommy Williams, the President), and the bidders.

B) Sealed bids (excluding the 6% buyer's premium) were:

- 1) \$500,000 from Andreas Apostolopoulos in Trust for a corporation to be formed (the winning bidder) from Toronto, Canada
  - (a) Real estate investors, property managers of industrial and commercial properties.
  - (b) Intentions are to refurbish the Silverdome and use it for Major League Soccer and professional women's soccer.
- 2) Contingent bid of \$13,500,000 inclusive of buyer's premium and alternate bid of \$22,500,000, inclusive of buyer's premium subject to terms and conditions of attached addendum to bid agreement and contract for sale of commercial real estate at auction dated November 12, 2009 from Greendome Development LLC, represented by Greg L. Orley. The contingencies included:
  - (a) A binding and enforceable Host Community Agreement relating to Buyer's proposed use of the property as a resource recycling, alternative energy facility and bio-conversion disposal facility with a full unconditional commitment by the City to take whatever actions are necessary to obtain any necessary approvals.
  - (b) Seller shall have obtained approval of a Brownfield Redevelopment Plan sufficient to finance Buyer's Eligible Activities....

- (c) Buyer shall have received from the Seller all necessary land use, related approvals and permits for the proposed Alternative Energy and Resource Recycling Park
  - (d) Buyer shall have received all necessary approvals and permits from Seller, Oakland County authorities (including any necessary local community approvals in addition to Seller's) and the State of Michigan, relating to the proposed use of the Property, all appeal periods have run and there shall be no further conditions or challenges to the effectiveness of the approvals and permits.
- 3) M. Shapiro Development Company, LLC, represented by Mark Kassab, Senior Vice President
  - 4) \$16.9 million from H. Wallace Parker, CEO of Silver Stallion Development Corporation, LLC—this bid was disqualified by Williams & Williams because the Bid Agreement stated “Bidder shall place with the Auctioneer a “Bid Deposit” in the amount of TWO HUNDRED FIFTY THOUSAND AND 00/100 (\$250,000).... The Bid deposit must be received prior to, or at the time of, Bidder's submission of the Sealed Bid and an Executed Copy of this Agreement.” The sealed bid deadline was 4:00 P.M. EST on November 12, 2009.
- C) Open auction bidding took place on schedule at approximately 1:00 P.M. on November 16, 2009. Mr. Apostolopoulos raised his bid by \$50,000 to a total of \$550,000 plus the buyer's premium. No other increased bids were received. The total purchase price for the Silverdome property, including buyer's premium was \$583,000.
  - D) Causes of the decline in value of the Silverdome property
- II) Partial list of staff accomplishments since March 2009
  - III) Significant projects currently underway
  - IV) Comparison to the budget for Fiscal Year 2010 (ending June 30, 2010)
  - V) Risks
    - A) Approximately 90 Michigan tax tribunal cases underway
    - B) Further cuts in State Revenue Sharing, income tax and property tax revenues
    - C) Continued delays in union negotiations
    - D) Continued delays in property sales
    - E) Continued job losses and the depressed economy
  - VI) Intention to continue Town Hall meetings approximately every six weeks