

A meeting of the Economic Development Corporation was held on Wednesday, March 5, 1986 in the Lower Level Conference Room at City Hall. The meeting was called to order by Chairman Ronald H. Mansell at 7:30 P.M.

PRESENT: Ronald H. Mansell, Chairman

Kenneth L. Courtney
Robert S. Gigliotti
Laurence Keisling
Charles Salgat
Douglas Schroeder (arrived 7:35 p.m.)
(excused 7:58 p.m.)
William Torrace

ABSENT: Ronald B. Briggs (excused)
Nelson Ritner (excused)
Sam Shamie TROY-SAK Associates II
George K. VonBode (TROY-SAK Associates II

APPROVAL OF MINUTES

Resolution #86-1
Moved by Keisling
Supported by Gigliotti

RESOLVED, That the minutes of the meeting of December 18, 1985 be approved.

Yeas: Mansell, Courtney, Gigliotti, Keisling, Salgat, Torrace
Absent: Briggs, Ritner, Schroeder

RESOLUTION OF INDUCEMENT - MODERN ENGINEERING SERVICES (38)

James A. Quire, Treasurer and Robert Schwartz, Dykema, Gossett, reviewed the application and answered questions.

Resolution #86-2
Moved by Salgat
Supported by Gigliotti

WHEREAS, there has been presented to the Board of Directors of The Economic Development Corporation of the City of Troy (the "Corporation") a proposal relating to the construction and operation of an industrial facility to be located in the City of Troy, County of Oakland, Michigan (the "Incorporating Unit") for use by Modern Engineering Services Company, a Michigan corporation, (the "Company"); and

WHEREAS, said proposal appears to have merit as a "Project" as defined in Act 338, Michigan Public Acts of 1974, as amended (the "Act"), and to meet the need for programs, services and facilities as described in the Act; and

WHEREAS, although a "Project Plan" as defined in the Act has not yet been completed or approved with respect to the proposed facility (the "Project"), it is likely that the Project will require issuance of revenue bonds by the Corporation; and

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RESOLUTION OF INDUCEMENT - MODERN ENGINEERING SERVICES - CONTINUED

WHEREAS, it is desirable to begin proceedings under the Act with respect to the Project and to retain the services of bond counsel to begin preparation of documents with respect to such revenue bonds in order to induce the Company to implement the proposal so as to provide to the Incorporating Unit and its citizens necessary programs, services and facilities;

NOW, THEREFORE, BE IT RESOLVED THAT:

1. Pursuant to Section 3(1) of the Act, the Board of Directors of the Corporation upon the advice of the Company hereby proposes that the land area described in Exhibit A attached hereto and made part hereof is the land area which will be acquired in the implementation of the Project and hereby designates to the Incorporating Unit's legislative body said land area described in Exhibit A as the project area for the Project.

2. Upon receipt of an executed Memorandum of Agreement in the form attached hereto as Exhibit B, the Secretary of the Corporation be and is hereby directed to (a) communicate the proposed project area boundaries to the aforesaid legislative body by conveying to the foregoing body a certified copy of this resolution, and (b) notify the Chief Executive Officer of the Incorporating Unit of this Corporation's intent to commence a project that two additional directors of the Corporation representative of neighborhood residents and business interests likely to be affected by the proposed Project may be appointed.

3. In order to more fully induce the location of the Project in the proposed project area and subject to the hereinafter special provisions, the Corporation will issue its economic development limited obligation revenue bonds in an amount presently estimated not to exceed One Million

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RESOLUTION OF INDUCEMENT - MODERN ENGINEERING SERVICES - CONTINUED

Dollars (\$1,000,000), for the purpose of paying all or part of the cost of the Project and the costs incidental to the issuance of the bonds. Said bonds will be issued pursuant to the Act provided that a lease, lease purchase contract, installment sales contract or loan agreement, a memorandum of agreement in the form of Exhibit B attached hereto, and other documents and details pertaining to the bonds are prepared with such provisions and details as are acceptable to and approved by this Board of Directors and provided, further, that all other necessary action is taken in conformance with the Act and provided, further, that the bonds can be sold.

4. The proceedings and agreements relating to the Corporation's financial assistance of the Project and issuance of the bonds shall contain such provisions and details as shall absolutely and completely make certain that under no circumstances will the Corporation, the Incorporating Unit, the State of Michigan or any of its taxpayers or citizens, ever be required to pay the principal of and interest on, or any costs relating to the bonds from tax revenues or other funds of such governmental units, and shall in addition contain provisions fully protecting the Corporation, the Incorporating Unit and the State of Michigan against any other liability and all costs relating to the bonds or the Project.

5. By adoption of this resolution the Corporation assumes no obligation or liability to the Company for any loss or damage that may result to the Company from the adoption of this resolution and all costs and expenses in connection with the construction of the Project and all costs of the issuance of the bonds and any and all other costs relating to the acquisition, financing, ownership or operation of the Project shall be paid from the proceeds of sale of the bonds or by the Company.

6. The Memorandum of Agreement between the Company and this Corporation attached hereto as Exhibit B be and is hereby approved and the Secretary of this Board be and is hereby directed to execute said Memorandum on behalf of this Corporation.

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RESOLUTION OF INDUCEMENT - MODERN ENGINEERING SERVICES - CONTINUED

7. The Chairman and Secretary of the Corporation and bond counsel are each hereby authorized to execute and submit to the Department of Treasury of the State of Michigan, when appropriate, an application requesting allocation of bonds for private purpose bond issues which states that the information contained therein is correct and that there have not been made or received any bribe, gift or direct or indirect contribution to any political campaign for consideration by the State Treasurer of the allocation request or of the Corporation of a request to induce the Project and seek allocation.

8. The firm of Miller, Canfield, Paddock and Stone of Detroit, Michigan, is hereby designated and retained by the Corporation as bond counsel with respect to the revenue bonds to be issued in connection with the Project, and is authorized and directed to prepare and submit to all appropriate parties all proceedings, agreements and other documents as shall be necessary or appropriate in connection with the issuance of such bonds, to make application on behalf of the Corporation to the United States Internal Revenue Service and other governmental agencies for such income tax and other rulings and approvals as may be necessary in relation to the issuance of such bonds, and the Secretary of this Corporation is authorized to execute such powers of attorney and other documents as may be appropriate in connection with the foregoing. The legal fees of Miller, Canfield, Paddock and Stone for work done in connection with the Project shall be paid from the proceeds of sale of such bonds or by the Company and in any event shall be at no cost to the Corporation.

Yeas: Mansell, Courtney, Gigliotti, Keisling, Salgat, Schroeder, Torrace
Absent: Briggs, Ritner

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RESOLUTION APPROVING PROJECT PLAN - TROY-SAK ASSOCIATES, II (39)

Jim Taylor explained the project plan and answered questions.

Resolution #86-3
Moved by Gigliotti
Supported by Torrace

WHEREAS, there exists in the City of Troy, County of Oakland, Michigan (the "City") the need for certain programs to alleviate and prevent conditions of unemployment, to revitalize the City's economy, to assist industrial and commercial enterprises, and to encourage the location, expansion or retention of industrial and commercial enterprises, to provide needed services and facilities to the City and its residents and to retain employment opportunities in the City; and

WHEREAS, a program to alleviate the aforesaid conditions has been initiated by the Corporation; and

WHEREAS, on August 6, 1984 the Corporation, adopted a Resolution of Inducement, Determination of Proposed Project Area and Retention of Bond Counsel authorizing the Corporation to issue its limited obligation revenue bonds (the "Bonds") in an amount not to exceed \$3,000,000; and

WHEREAS, on December 28, 1984 the Corporation issued its Bonds in the amount of \$950,000; and

WHEREAS, the Corporation has found it necessary and desirable to issue additional Bonds in an amount not to exceed \$1,250,000; and

WHEREAS, the Corporation in conformity with Act No. 338, Public Acts of Michigan, 1974, as amended ("Act No. 338"), and the Internal Revenue Code of 1954, as amended (the "Code"), has prepared a project plan (the "Project Plan"), providing all information and requirements necessary for a project to be undertaken for the benefit of the TROY-SAK Associates II Project (the "Project"), including the issuance Bonds by the Corporation;

NOW, THEREFORE, BE IT RESOLVED:

1. The Project Plan, as attached hereto and made a part hereof, reflecting that the Corporation issue its Bonds in an amount not to exceed \$1,250,000 meets the requirements set forth in Section 8(4) of Act No. 338, and is hereby adopted and approved.

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RESOLUTION APPROVING PROJECT PLAN - TROY-SAK ASSOCIATES, II - CONTINUED

2. The persons who will be active in the management of the project for not less than one year after approval of the Project Plan have sufficient ability and experience to manage the plan properly.

3. The proposed methods of financing the Project as outlined in the Project Plan are feasible and this Corporation has the ability to arrange, or cause to be arranged, the financing.

4. The Project Plan contains a statement by a person described in Section 8(4)(j) of Act No. 338 indicating the payment to all persons performing work on the construction project of the prevailing wage and fringe benefit rates for the same or similar work in the locality in which the work is performed and the Corporation hereby conclusively relies thereupon.

5. The Project as submitted is reasonable and necessary to carry out the purposes of the Act No. 338.

6. Based upon the information submitted and obtained, the Project Plan as submitted and the Project to which it relates serves to alleviate and prevent conditions of unemployment and strengthen and revitalize the City's economy and, therefore, constitutes a vital and necessary public purpose.

7. The Secretary of this Board (the "Secretary") be and is hereby authorized to convey this resolution and the Project Plan to the legislative body of the City for its review.

8. The Secretary is further directed to certify to the legislative body of the City that upon advice of the Project's applicant and upon this Board's investigation the Project will not have the effect of transferring employment of more than 20 full-time persons from another Michigan municipality to the City.

9. All resolutions and parts of resolutions insofar as they conflict with the provisions of this resolution be and the same hereby are rescinded.

Yeas: Mansell, Courtney, Gigliotti, Keisling, Salgat, Schroeder, Torrace
Absent: Briggs, Ritner, Shamie, VonBode

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RESOLUTION OF INDUCEMENT - TESTING ENGINEERS & CONSULTANTS, INC. (40)

Kathy and John Banicki, the owners, and Robert Schwartz, Dykema, Gossett, explained the project and answered questions.

Resolution #86-4
Moved by Courtney
Supported by Gigliotti

WHEREAS, there has been presented to the Board of Directors of The Economic Development Corporation of the City of Troy (the "Corporation") a proposal relating to the construction and operation of an industrial facility to be located in the City of Troy, County of Oakland, Michigan (the "Incorporating Unit") for use by Testing Engineers & Consultants, Inc., a Michigan corporation and/or John Banicki and Katherine Banicki, (the "Company"); and

WHEREAS, said proposal appears to have merit as a "Project" as defined in Act 338, Michigan Public Acts of 1974, as amended (the "Act"), and to meet the need for programs, services and facilities as described in the Act; and

WHEREAS, although a "Project Plan" as defined in the Act has not yet been completed or approved with respect to the proposed facility (the "Project"), it is likely that the Project will require issuance of revenue bonds by the Corporation; and

WHEREAS, it is desirable to begin proceedings under the Act with respect to the Project and to retain the services of bond counsel to begin preparation of documents with respect to such revenue bonds in order to induce the Company to implement the proposal so as to provide to the Incorporating Unit and its citizens necessary programs, services and facilities;

NOW, THEREFORE, BE IT RESOLVED THAT:

1. Pursuant to Section 8(1) of the Act, the Board of Directors of the Corporation upon the advice of the Company hereby proposes that the land area described in Exhibit A attached hereto and made part hereof is the land area which will be acquired in the implementation of the Project and hereby designates to the Incorporating Unit's legislative body said land area described in Exhibit A as the project area for the Project.

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RESOLUTION OF INDUCEMENT - TESTING ENGINEERS & CONSULTANTS, INC. - CONTINUED

2. Upon receipt of an executed Memorandum of Agreement in the form attached hereto as Exhibit B, the Secretary of the Corporation be and is hereby directed to (a) communicate the proposed project area boundaries to the aforesaid legislative body by conveying to the foregoing body a certified copy of this resolution, and (b) notify the Chief Executive Officer of the Incorporating Unit of this Corporation's intent to commence a project that two additional directors of the Corporation representative of neighborhood residents and business interests likely to be affected by the proposed Project may be appointed.

3. In order to more fully induce the location of the Project in the proposed project area and subject to the hereinafter special provisions, the Corporation will issue its economic development limited obligation revenue bonds in an amount presently estimated not to exceed Two Million Dollars (\$2,000,000), for the purpose of paying all or part of the cost of the Project and the costs incidental to the issuance of the bonds. Said bonds will be issued pursuant to the Act provided that a lease, lease purchase contract, installment sales contract or loan agreement, a memorandum of agreement in the form of Exhibit B attached hereto, and other documents and details pertaining to the bonds are prepared with such provisions and details as are acceptable to and approved by this Board of Directors and provided, further, that all other necessary action is taken in conformance with the Act and provided, further, that the bonds can be sold.

4. The proceedings and agreements relating to the Corporation's financial assistance of the Project and issuance of the bonds shall contain such provisions and details as shall absolutely and completely make certain that under no circumstances will the Corporation, the Incorporating Unit, the State of Michigan or any of its taxpayers or citizens, ever be required to pay the principal of and interest on, or any costs relating to the bonds from

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RESOLUTION OF INDUCEMENT - TESTING ENGINEERS & CONSULTANTS, INC. - CONTINUED

tax revenues or other funds of such governmental units, and shall in addition contain provisions fully protecting the Corporation, the Incorporating Unit and the State of Michigan against any other liability and all costs relating to the bonds or the Project.

5. By adoption of this resolution the Corporation assumes no obligation or liability to the Company for any loss or damage that may result to the Company from the adoption of this resolution and all costs and expenses in connection with the construction of the Project and all costs of the issuance of the bonds and any and all other costs relating to the acquisition, financing, ownership or operation of the Project shall be paid from the proceeds of sale of the bonds or by the Company.

6. The Memorandum of Agreement between the Company and this Corporation attached hereto as Exhibit B be and is hereby approved and the Secretary of this Board be and is hereby directed to execute said Memorandum on behalf of this Corporation.

7. The Chairman and Secretary of the Corporation and bond counsel are each hereby authorized to execute and submit to the Department of Treasury of the State of Michigan, when appropriate, an application requesting allocation of bonds for private purpose bond issues which states that the information contained therein is correct and that there have not been made or received any bribe, gift or direct or indirect contribution to any political campaign for consideration by the State Treasurer of the allocation request or of the Corporation of a request to induce the Project and seek allocation.

8. The firm of Miller, Canfield, Paddock and Stone of Detroit, Michigan, is hereby designated and retained by the Corporation as bond counsel with respect to the revenue bonds to be issued in connection with the Project, and is authorized and directed to prepare and submit to all

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RESOLUTION OF INDUCEMENT - TESTING ENGINEERS & CONSULTANTS, INC. - CONTINUED

appropriate parties all proceedings, agreements and other documents as shall be necessary or appropriate in connection with the issuance of such bonds, to make application on behalf of the Corporation to the United States Internal Revenue Service and other governmental agencies for such income tax and other rulings and approvals as may be necessary in relation to the issuance of such bonds, and the Secretary of this Corporation is authorized to execute such powers of attorney and other documents as may be appropriate in connection with the foregoing. The legal fees of Miller, Canfield, Paddock and Stone for work done in connection with the Project shall be paid from the proceeds of sale of such bonds or by the Company and in any event shall be at no cost to the Corporation.

Yeas: Mansell, Courtney, Gigliotti, Keisling, Salgat, Torrace
Absent: Briggs, Ritner, Schroeder

STATUS CHART

The status chart was reviewed. The Secretary will send a letter inquiring if the project for Mosaic Systems, No. 24, is still active.

OTHER BUSINESS

Four members terms expire on April 30, 1986. Mr. Courtney will send the attendance record to Council.

The meeting was adjourned at 8:30 P.M.