COUNTY MICHIGAN

BOARD OF COMMISSIONERS

1200 N. Telegraph Road, Bldg. 12 East, Pontiac, MI 48341

Board of Commissioners

David T. Woodward, Chair
July 27, 2023 at 8:30 AM

MINUTES

1. **Call Meeting to Order**
   Chair David T. Woodward called the meeting of the Board of Commissioners to order at 11:23 AM in Commissioners' Auditorium 1200 N. Telegraph Road, 12 E, Pontiac, MI 48341.

2. **Roll Call**
   MEMBERS PRESENT: Janet Jackson, Brendan Johnson, Charles Cavell, William Miller III, Ajay Raman, Yolanda Smith Charles, Angela Powell, Kristen Nelson, Gwen Markham, Karen Joliat, Marcia Gershenson, Robert Hoffman, Christine Long, Philip Weipert, David Woodward, Michael Spisz (16)

   MEMBERS ABSENT WITH NOTICE: Penny Luebs, Michael Gingell, Gary McGillivray (3)

3. **Invocation - Gwen Markham**

4. **Pledge of Allegiance to the Flag**

5. **Approval of Minutes**

   a. **Board of Commissioners - dated July 20, 2023**

      Resolution #2023-3205 _
      Charles Cavell moved **approval of the Minutes dated July 20, 2023, as presented**. Seconded by Janet Jackson.

      Motion Passed.

      Vote Summary (16-0-0)
      Yes: David Woodward, Michael Spisz, Karen Joliat, Kristen Nelson, Christine Long, Robert Hoffman, Philip Weipert, Gwen Markham, Angela Powell, Marcia Gershenson, Janet Jackson, William Miller III, Yolanda Smith Charles, Charles Cavell, Brendan Johnson, Ajay Raman
      No: None
      Abstain: None

6. **Approval of Agenda**
   Yolanda Smith Charles moved **approval of the agenda, as presented**. Seconded by Angela Powell.

   Motion Passed.

   Vote Summary (16-0-0)
   Yes: David Woodward, Michael Spisz, Karen Joliat, Kristen Nelson, Christine Long, Robert Hoffman, Philip Weipert, Gwen Markham, Angela Powell, Marcia Gershenson, Janet Jackson, William Miller III, Yolanda Smith Charles, Charles Cavell, Brendan Johnson, Ajay Raman
   No: None
   Abstain: None

7. **Public Comment**
   The following people addressed the Board during Public Comment #1: Michael McGuinness, Melanie Rutherford and Khalfani Stephens.

8. **Regular Agenda**

   a. **Executive's Office - Approval and Acceptance of Assignment of Purchase Agreement to Purchase and Lease Certain Property in the City of Pontiac**

   Resolution #2023-3203 _ 23-128
   Chair David Woodward addressed the Board to announce Finance Committee item entitled Executive's Office - Approval and Acceptance of Assignment of Purchase Agreement to Purchase and Lease Certain Property in the City of Pontiac to include public space rights.

   MR #23128
   Contract Approval and Acceptance of Assignment of Purchase Agreement to Purchase and Lease Certain Property in the City of Pontiac
   Sponsored By: David Woodward

   WHEREAS on May 17, 2023, the Economic Development & Infrastructure Committee approved an Assignment of Purchase Agreement for the purchase and lease of the following (collectively referred to as the "Properties"):

   A. Office building located at 51111 Woodward Avenue, Pontiac, Michigan 48342, known as Ottawa Tower 1
   B. Vacant office building located at 31 East Judson Street, Pontiac, Michigan 48342, known as Ottawa Tower II
   C. Vacant land parcels as more thoroughly described in the Purchase Agreement
   D. Assignment of Ottawa Tower I office leases
   E. Assignment of all interest in a Lease that covers the Phoenix Center Parking Structure;

   WHEREAS the Purchase Agreement outlined an Inspection Period for purchaser, Farbman Acquisition LLC (Farbman Group), to conduct their due diligence on the purchase of the Properties;

WHEREAS due diligence was conducted by the Farbman Group and various professional organizations on the Properties.

WHEREAS the due diligence covered environmental reports, property condition reports, surveys, title, parking deck report, lease abstract reports on Ottawa Tower I and lease abstract on the Phoenix Center Parking Structure, and income and expense reports on Ottawa Tower I and on the parking lease.

WHEREAS the due diligence did not uncover any material finding during the inspection period. The inspection period concludes on July 24, 2023.

WHEREAS during the inspection period two appraisals were conducted. Integra Realty Resources performed one appraisal of the Properties and found a prospective market value as stabilized of $19.9 million dollars. Newmark Valuation & Advisory, LLC performed the other appraisal of the Properties and found a market value as is of $19.6 million dollars.

WHEREAS the County Executive's Office desires to purchase for $19,200,000.00 the Properties, has reviewed and approved the attached Assignment of Purchase Agreement, and recommends that the Oakland County Board of Commissioners approve and execute the attached Assignment of Purchase Agreement.

WHEREAS Oakland County has been awarded a $50,000,000.00 enhancement grant by the State of Michigan for public infrastructure purposes, has allocated $10,000,000.00 of federal Local Fiscal Recovery Funds for the Pontiac office relocation project, and may consider issuing bonds in the future for a portion of the overall project.

NOW THEREFORE BE IT RESOLVED that the Oakland County Board of Commissioners approves the attached Assignment of Purchase Agreement and authorizes and directs its Chairperson to execute the attached Assignment of Purchase Agreement upon receiving a fully executed Memorandum of Agreement for the Pontiac Redevelopment Project between The County of Oakland and the City of Pontiac prior to the closing date.

BE IT FURTHER RESOLVED that the Oakland County Board of Commissioners authorizes an appropriation in the amount of $19,200,000.00 for the purchase of the Properties and an additional amount not to exceed $350,000 in closing costs related to the purchase of the Properties, both from the General Fund Strategic Investment Plan Assigned Fund Balance (GL Account #383554).

BE IT FURTHER RESOLVED that the Oakland County Board of Commissioners authorizes an appropriation in the amount of $250,000.00 from the General Fund Strategic Investment Plan Assigned Fund Balance (GL Account #383554) for the management of the properties listed above for a period of 12 months, to begin on the closing date identified in the Purchase

Agreement.

BE IT FURTHER RESOLVED that County Executive Office and Board of Commissioners intend to reimburse the General Fund at a later date for these appropriation with revenues received from a combination of the State of Michigan's $50,000,000 enhancement grant to Oakland County and $10,000,000 in Local Fiscal Recovery Funds received under the federal American Rescue Plan Act.

BE IT FURTHER RESOLVED that Oakland County intends to issue bonds to pay for the costs associated with acquiring the Properties and the purchase price for the Properties and makes the following declarations for the purpose of complying with the reimbursement rules of Treas. Reg. § 1.150-2 pursuant to the Internal Revenue Code of 1986, as amended:

a. Oakland County reasonably expects to reimburse itself with proceeds of the bonds for certain costs of the Properties which were paid or will be paid from funds of Oakland County subsequent to sixty (60) days prior to today.
b. The maximum principal amount of debt expected to be issued for the acquisition of the Properties, including issuance costs, is $20,000,000.
c. A reimbursement allocation of the capital expenditures described above with the proceeds of the Bonds will occur not later than 18 months after the later of (i) the date on which the expenditure is paid, or (ii) the date the Properties are placed in service or abandoned, but in no event more than three (3) years after the original expenditure is paid. A reimbursement allocation is an allocation in writing that evidences Oakland County's use of the proceeds of the bonds to reimburse Oakland County for a capital expenditure made pursuant to this resolution.

BE IT FURTHER RESOLVED that the Oakland County Board of Commissioners authorizes and directs Deputy County Executive Sean Carlson to execute all closing documents and any other documents required during the closing process for the transaction contained in the Assignment of Purchase Agreement and all other documents which may be required to effectuate the transaction contained in the Assignment of Purchase Agreement.

BE IT FURTHER RESOLVED that the FY 2023 budget is amended as reflected in the Schedule A – Budget Amendment document.

Angela Powell moved to **adopt the attached Approval and Acceptance of Assignment of Purchase Agreement to Purchase and Lease Certain Property in the City of Pontiac.** Seconded by Kristen Nelson.

Discussion followed.

Motion Passed.

Vote Summary (11-5-0)
Yes: David Woodward, Kristen Nelson, Gwen Markham, Angela Powell, Marcia Gershenson, Janet Jackson, William Miller III, Yolanda Smith Charles, Charles Cavell, Brendan Johnson, Ajay Raman
No: Michael Spisz, Karen Joliat, Christine Long, Robert Hoffman, Philip Weipert
Abstain: None

Attachments:

1. Schedule A - Budget Amendment - Property City of Pontiac
2. Assignment of Purchase Agreement - Ottawa Tower Properties - Farbman - Oakland County (Final Version)
3. FinalReport Ottawa Tower Property.7.26.23
4. 23-0188994-1 - 31 E Judson St 51111 Woodward Ave Pontiac MI.Final.7.26.23
5. County-Pontiac MOA re Phoenix Center Ottawa Towers (DRAFT. 7.27.23).v12 as Amended, Exhibit A and B

9. New & Miscellaneous Business

10. Announcements

Commissioner Gwen Markhan addressed the Board to announce the Pioneer Historical Society will be hosting their annual ice cream social this Saturday and Sunday.

Commissioner Michael Spisz addressed the Board to announce the Oakland County Circuit Court case regarding the Oxford hearing.

11. Public Comment

The following people addressed the Board during Public Comment #2: Michael McGuinness and Melanie Rutherford.

12. Adjournment to August 3, 2023, or the Call of the Chair

The meeting adjourned at 12:05 PM.