



**City of Rochester Hills
AGENDA SUMMARY
NON-FINANCIAL ITEMS**

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Legislative File No: 2006-0294 V4

TO: Mayor and City Council Members

FROM: Sara Roediger, Director of Planning and Economic Development, ext. 2573

DATE: January 31, 2018

SUBJECT: Request to consider approval of the amended Consent Judgment pertaining to Adams/Hamlin Development Co., LLC, Hamlin Redevelopment Co., LLC and Hamlin Adams Properties, LLC vs the City of Rochester Hills, a Michigan Municipal Corporation, Case No. 04-060730-CZ specifically related to two parcels of land totaling approximately 28 acres located at the northeast corner of Hamlin and Adams, Parcel Nos. 15-29-101-022 and -023

REQUEST:

That the City Council approve the amended Consent Judgment pertaining to Adams/Hamlin Development Co., LLC, Hamlin Redevelopment Co., LLC and Hamlin Adams Properties, LLC vs the City of Rochester Hills, a Michigan Municipal Corporation, Case No. 04-060730-CZ specifically related to two parcels of land totaling approximately 28 acres located at the northeast corner of Hamlin and Adams, Parcel Nos. 15-29-101-022 and -023.

BACKGROUND:

Existing Consent Judgment. The subject property consists of approximately 28 acres and is zoned one-family residential. The development and use of this site is further governed by a consent judgment entered in April 12, 2006 which permits a mixed use 72,600 sq. ft. of retail and 95,500 sq. ft. of office development, environmental remediation, and a reimbursement of remediation costs through an approved brownfield redevelopment plan.

In 2003, the prior owner, Adams/Hamlin Development Co. (Aragona) sought to rezone the property from Residential to B-2 General Business. The property is the site of a former illegal landfill which has been the subject of enforcement action by MDEQ because of extensive contamination. The site is contaminated with hazardous substances that qualify it as a "facility" under environmental laws. The eastern portion of the property is the most contaminated area, although there are a number of known hot spots on the western portion of property as well. Records indicate the MDEQ undertook a four million dollar clean-up operation and removed approximately 6,000 barrels of containments from the easterly 9 acres of the site before running out of funds and stopping work. The work was limited to the removal of the barrels, and the contaminated soils were left.

Consequently, the prior owner contended that rezoning of the property to B-2 was necessary due to the economic unfeasibility of remediating the property to residential standards. Furthermore, the developer would need approval of a brownfield redevelopment plan to recover the cost of remediating the property to commercial (non-residential) levels.

After much consideration, and in the face of significant opposition from City residents to the proposed development, the City Council denied the rezoning. That decision resulted in a zoning lawsuit that was eventually settled, with the assistance of a court-appointed facilitator, with a consent judgment. Due to financing difficulties, the “Great Recession,” and other considerations, the prior owner never proceeded with the project and did not address the environmental contamination. The property has remained vacant and undeveloped, and ownership has since changed hands.

Proposed Consent Judgment Amendment. A new prospective owner, Goldberg Companies, intends to purchase the subject property and has approached the City with a different brownfield redevelopment project, one with more intensive environmental remediation up to residential standards on most of the property, and construction of 368 high-end, multi-family residential units to be known as Legacy Rochester Hills. Goldberg Companies is proposing a higher level of environmental remediation and a multi-family residential development on the subject property instead of remediation to commercial standards and a commercial/office mixed use development as could currently be developed.

Goldberg Companies submitted concept plans and began working with City staff in March of 2017. A number of meetings were held to review the proposed concept plan and the new brownfield plan, with enhanced environmental cleanup efforts. Please refer to the attached ASTI memo for comments related to the updated brownfield plan.

Because this site is regulated by a consent judgment, the first step starts with a willingness by the City Council to amend the consent judgment. The updated plans were presented to the City Council in two closed sessions in December of 2017. Goldberg Companies were very responsive to the comments made by staff and the City Council and continued to modify and improve the plans based on those meetings. In addition, per the City Council’s recommendation, a meeting was held for the 13 properties that abut the site to the north on January 10, 2018. All but one of the 13 property owners attended the meeting, which was generally well received when compared to the development that could be constructed under the current consent judgment.

A summary of the proposed project and the improvements to be made include:

1. 368 high-end, multi-family residential units designed to be architecturally compatible with the surrounding neighborhood. The applicant has provided sample elevations for the City Council to consider.
2. Limit the height of the buildings along the northerly portion of the site to 2 stories, with buildings stepping up to 3 and 4 stories closer to Hamlin Rd.
3. Maintain a 100 feet landscaped buffer requirement from the northern property line.
4. Develop a decorative gateway feature at the northeast corner of Adams and Hamlin Roads.
5. Provide a financial contribution to the 13 properties that abut the site to the north to further enhance landscaping and screening along the shared property line.
6. Develop an outdoor exercise equipment area at the site southeast corner next to Innovation Hills Park, to be available by the general public. This originated as a parking lot expansion area for the park, but in discussions with Park staff, it was deemed more beneficial to be developed as an exercise equipment area instead.
7. Provide environmental clean-up of the western parcel to residential standards, and of the eastern parcel to non-residential standards.

Comparison of Existing and Proposed Amended Consent Judgments. The City has been approached by the owner of the property to develop the property under the current consent judgment or as is being proposed in the amended consent judgment. Understanding that one of the two options will be proceeding for development within the near future, staff compared the impacts of the two developments as summarized in the table below. From the standpoints of consistency in character of the area, compatibility with adjacent homes, level of environmental clean-up, and impact on traffic, staff recommends the proposed amended consent judgment.

	Existing Consent Judgment	Proposed Amended Consent Judgment
Use	95,500 sq. ft. office & 72,600 sq. ft. retail	368 luxury apartments
Height	2.5 story office (north) w/ 1 story retail along Hamlin	2 story residential(north) w/ 3 & 4 story residential along Hamlin
Environmental Clean Up	Non-residential encapsulated	Residential clean up on majority of property (no further action), easternmost non-residential encapsulated
Duration of Tax Relief	15 years	20 years
Traffic	Estimated 8,800 to 9,300	Estimated 2,000 to 2,600

In order to permit the proposed development, it will be necessary for the property owner, the City, and the Court all to agree to amend the existing consent judgment. Furthermore, it will be necessary for the City to terminate the existing, approved brownfield plan and approve a new brownfield redevelopment plan to reimburse the new developer, through tax increment capture, over 19 years (starting in 2019), for the estimated 12 million-plus dollars the new developer proposes to expend on environmental remediation of the subject property.

For Council’s consideration, the applicant has provided the draft amended consent judgment, brownfield plan, site plan, elevations, Frequently Asked Questions (FAQ), and cover letter. City staff along with the John Staran, the city’s attorney and Tom Wackerman, the city’s environmental consultant will be available at the meeting to describe the development proposal and proposed environmental remediation and brownfield plan.

RECOMMENDATION:

Staff recommends that City Council approve the amended Consent Judgment pertaining to Adams/Hamlin Development Co., LLC, Hamlin Redevelopment Co., LLC and Hamlin Adams Properties, LLC vs the City of Rochester Hills, a Michigan Municipal Corporation, Case No. 04-060730-CZ specifically related to two parcels of land totaling approximately 28 acres located at the northeast corner of Hamlin and Adams, Parcel Nos. 15-29-101-022 and -023.

APPROVALS:	SIGNATURE	DATE
Department Review		
Department Director		
Mayor		
City Council Liaison		