



Legacy Rochester Hills FAQ

Question: What are the two options for the Hamlin & Adams site?

The northeast corner of Hamlin and Adams will undergo development in 2018. There was a Consent Judgment agreed upon in 2006 which specified that the property could be developed for retail and office use. A retail developer purchased the property in 2017, with the intent to develop the retail and commercial buildings. We approached that developer and have proposed to construct a multifamily residential development (called Legacy Rochester Hills) that will be more beneficial for the City and neighbors than was contemplated in the Consent Judgment.

Retail & Commercial Site Plan



The current Consent Judgement calls for retail & office. This siteplan has 2.5 story office that is far closer to many homes than our residential siteplan considers. Additionally it offers no conservation space and does not blend in with either the residential or park communities. Our development hopes to amend these glaring issues and best serve the community.

Residential Site Plan



Question: What is the Consent Judgment?

The Consent Judgment is a legally binding agreement that was negotiated between the former landowner and the City. It was reviewed and approved by an Oakland County Judge through a formal court process. Prior to its approval, from 2000-2006 there were contentious arguments advanced by the neighbors about rezoning and the best use of the site. There were also negative feelings about the minimal environmental cleanup. The former landowners went through the court system and received permission to build retail and commercial buildings. At the time, and we believe so today, nearby residents strongly preferred a residential development to best maintain the character of the neighborhood. The Consent Judgment will be amended to reflect a residential multifamily project, to replace the retail and commercial development.

Question: What are the environmental concerns?

The property was used as a commercial landfill in the 1960s and 1970s. Environmental assessments have demonstrated the presence of soil and groundwater contamination, including metals, volatile organic compounds, and PCBs at concentrations exceeding Michigan’s residential cleanup criteria. During construction, extensive environmental cleanup activities will be conducted. The residential portion of the property will be remediated – primarily through excavation and removal of several thousand tons of contaminated soils – such that it meets MDEQ’s highest (i.e., cleanest) standard for residential use. Excavation activities will also be conducted on the conservation area to the east. And in the area of former paint waste disposal on the far eastern edge of the property where soil excavation is not economically feasible, an engineered hydraulic barrier system will be installed to encapsulate the paint waste. Long term groundwater monitoring will be conducted to ensure the integrity of the hydraulic barrier. Once the barrier system is in place, a natural green space will be cultivated on the eastern portion of the property.

Question: What is the cost and benefits of the residential cleanup?

The proposed residential development will result in a cleaner community. The residential cleanup is far more thorough than was contemplated previously and which stymied prior development plans. Our plan includes cleanup to an “unrestricted” residential standard for 23 acres – the most stringent standard. We proposed this standard because it is the absolute most conservative standard promulgated by the State of Michigan and provides the greatest flexibility and security to the City and surrounding community. This parcel will simply become clean – therefore the city of Rochester Hills replaces 23 contaminated acres with clean land that will no longer be a concern to the nearby residents. Our cleanup is estimated to cost \$12.6m versus only the \$3.5m required under the previously approved Brownfield plan. Our new plan will be a significant improvement to the Rochester Hills environment, benefitting the entire community, and providing a model for future development. This remedial work will not cost the City anything and will create value, some of which will be used to reimburse the remedial work and some of which will be used to fund a Brownfield Revolving Fund for the City to fund future investigatory and remedial work elsewhere.

Plan	Current Plan in Place		Recommended Plan	
	Parcel A	Parcel B	Parcel A	Parcel B
Parcel	Parcel A	Parcel B	Parcel A	Parcel B
Use	Retail	Commercial	Residential	Conservation
Cleanup	Non-Residential	Non-Residential	Unrestricted Residential	Non-Residential
MDEQ Review	None	None	No Further Action Letter	Due Care Plan
Estimated Cost	\$1m	\$2.5m	\$8m	\$4.6m

Question: Can the entire site be cleaned to residential standards?

A much more costly and significant cleanup effort is required for unrestricted residential use. While prior developers could not provide a workable solution to develop a residential property, we have been creative to deliver a roadmap to entirely clean much of the site and still help address the eastern portion, which cannot realistically become residential. Our residential cleanup costs millions of dollars extra and should really help the neighbors feel comfortable with the environmental cleanup to the overall property.

Mr. Delacourt explained... **residential cleanup** criteria was a **much higher standard**, noting in order to place residential on a site of former fill was a much higher standard and **cost a significant** more amount of money.

Chairperson Ferrera restated that the three and a half million dollars they identified in costs was to take it to commercial standards, and it would be a lot more to take it to residential standards.

Unfortunately, we think that cleaning up the entire site is impossible, having obtained estimates of a \$20m cleanup for the eastern area with the risk of million more in cost once the cleanup for the eastern parcel begins. In fact, our understanding is that DEQ began to clean the eastern parcel, spent millions of dollars blowing through their budget, and then stopped, leaving this mess for the city and landowners.

Mr. Delacourt told him that City Staff had the report because the DEQ worked with the City during their cleanup efforts. Mr. Kashat said one of the challenges of developing this property was that the DEQ left a lien of close to four million dollars on the property to cover the cost of their removal actions.

Mr. Kashat... “the east parcel that was historically used as a landfill. He explained the fill consisted of contaminated materials that at one time contained drums and other buried hazardous materials. The DEQ did a response action there to remove the materials, however because the costs were escalating on the project their initial response action was limited to just removing the drums.”

Question: What ensures that the cleanup will happen?

The original cleanup for the retail/commercial have very few checks in place to ensure compliance with the Brownfield Plan. On the other hand, our residential plan offers many assurances of completion. The residential component will be committed, under the amended Consent Judgment, to earning a No Further Action (NFA) letter from the Michigan Department of Environmental Quality (MDEQ) and the eastern parcel will have a due care plan that is also approved by MDEQ. Finally, the residential developer will be spending millions of their own dollars on this residential development and therefore has much more at stake to lose if the site is not cleaned.

Question: Why is Residential preferable to Retail?

A multifamily residential development is more consistent with the City’s Master Plan and the current zoning of the Property than the previously permitted office and retail development allowed under the Consent Judgment. The importance of maintaining the neighborhood character of a residential intent was raised many times during the meetings leading up to the entry of the Consent Judgment in 2006. Residents pointed out that everything north of Hamlin Road was residential and that a residential development was essential to comply with the City’s Mater Plan and to be consistent with the neighborhood’s character. The area surrounding the site includes single-family homes, the Oakwood Park condominiums, and multifamily residential at River Oaks Apartments. To the east of the site is Innovation Park, Lake Village Apartments, and additional single-family neighborhoods. Here are some concerns on the **residential** intent, that were expressed by Rochester Hills residents, during the City’s consideration of the Consent Judgment.

Chairperson Cockey “noted there were issues about not altering the essential character of the area and locality. He felt the applicant should be requesting a use that would be as compatible as possible with the general area, creating the least amount of change from what the zoning was.”

Chairperson Cockey “questioned whether that meant the section located close to Adams Road could not be developed **as residential**. He stated there was also the cost of remediation to allow **residential**, noting numbers ranging from \$5 Million to \$14 Million Dollars had been mentioned.”

Resident on Vreeland Drive, “to change it from **residential** to a business use, would substantially change the character of the City... the site should be retained... for **residential** purposes”.

Resident on Walton Boulevard, was concerned about a commercial development, “the plan as presented had no buffer transitional zoned from **residential** to commercial... the City was built out on commercial zoning” and disagreed with “commercial development on a **residential site**... **residential** zoning was good yesterday, and it was still good today.”

Residents on Quail Ridge Circle and Mapleridge Court explained their “preference is that the property remain **park or residential**” and had concerns about noise and how a commercial development would not compliment the neighborhood”.

Resident on Portage Trail, “was informed there could be **residential** housing, which he was “OK” with” He is concerned with noise and pollution from commercial use and wants to best enjoy “his nice quiet deck”.

Resident on Quail Ridge Circle, stressed desire to maintain “character” of residential while viewing commercial as redundant. “Zoning should be maintained as **residential**”

Resident on Quail Ridge Circle, stressed “keeping with the **residential character** and the Master Plan” and urged “landfills were being remediated all over the country to **residential cleanup standards** and built upon”.

Resident on Mapleridge Road, believed that “the property was fit for **residential** building”.

Resident on Portage Trail, “thought the essential character of the area would be impacted because the trees would be gone.”

Resident on Northumberland Drive, stated that Rochester Hills “was a **residential community**, originally planned as an 80% residential community... currently down to between 70% and 75% residential... **residential** zoning should be maintained”.

The residential plan that we propose should help the residents on Portage Trail continue to enjoy their quiet decks. Additionally, far more of the trees behind their homes will be preserved. The neighbors are far better off with our plan, as opposed to the plan under existing Consent Judgment, because our plan includes a wider buffer and two-story residential neighbors, among other advantages. The neighbors on the north side of our project will continue to enjoy the tranquility of the trees and residential feel of the area.

The retail/commercial plans were asked to have two-and-half story buildings on the northernmost boundary, with an exterior that would most closely resemble residential. This might be difficult for retail since they have deliveries and other specifics to support business. Further, why try to emulate a residential feel when a residential feel can simply be provided? Also, the residential development utilizes far less parking and therefore can preserve more open green space and should also save far more trees in the buffers.

The proposed apartments fit better with the character of the neighborhood by retaining a residential use while transitioning from single-family residential to multi-family residential to eventual commercial on the south side of Hamlin, providing a perfect buffer to future developments across Hamlin. The property will also transition properly with Innovation Hills by providing green/open space instead of hundreds of parking spaces required for retail. Two-story residential buildings on the north side of the property will provide the best transition with the adjacent neighborhood.

In addition to our project helping maintain the residential character of the neighborhood, our project is also better than commercial alternatives because it provides for a more thorough environmental cleanup and a unique product offering, currently unavailable in Rochester Hills.

Finally, a residential apartment property will be the most caring neighbor. Residents that live at the proposed development will have much more of a vested interest about the property being remediated and its aesthetic appearance, than any other type of development would. This is particularly important to the Goldberg Companies as the developer, since we build best-in-class communities and hold for the long-term. To obtain and retain tenants, we need a superior property which will be a good neighbor to the community. While the prior developers could not achieve a residential use or cleanup, the Goldberg Companies are uniquely positioned, creative, and financed to develop the property with residential housing despite the increased cost of doing so.

Question: What is the traffic impact of Residential vs Retail?

Traffic should not be a major concern because the roads to the development flow directly into M-59 instead of through neighborhood streets. Further, the residential plan will drastically reduce the traffic impact to the intersection of Hamlin and Adams since residential apartments are projected to have one-fourth of the traffic impact of the retail/commercial project. Apartments would reduce traffic from ~9,500 daily trips to only ~2,300. Residential apartments have far less traffic than retail, in fact the value of retail land is highly correlated with traffic whereas our residents prefer a quiet community. This is further proven anecdotally, if you consider the difference in traffic on Adams around Adams/Walton (retail) versus near Adams/Butler (residential apartments).

Question: Would Retail be helpful to the Community?

The property is a good location for new retail, especially with its highway access and ability to generate traffic. New retail would likely do well, but also would likely take away from existing shops in the area. During the 2004 hearings, many residents noted significant commercial vacancies in Rochester Hills retail, noting the lack of demand for additional commercial.

Resident on Vreeland Drive, noted “significant vacancies in that strip center [on Walton and Adams], perhaps because there was too much commercial development in the area... for another commercial development to be put up two and a half miles away from an area that was currently built as commercial, strip property and not fully occupied seemed fairly curious... commercial sprawl in putting a strip center or commercial center at every major intersection was very poor land planning... the site should be retained... for **residential** purposes”.

Resident on Riverside Drive, “the **City has enough commercial** and retail in the area” noting several vacancies around Walton retail areas, and that retail was close enough for this neighborhood.

Resident on Mapleridge Road, noted retail “developments associated with the realignment of the Adams overpass were half as successful as promised... would be better if the subject development not be added to the failure.”

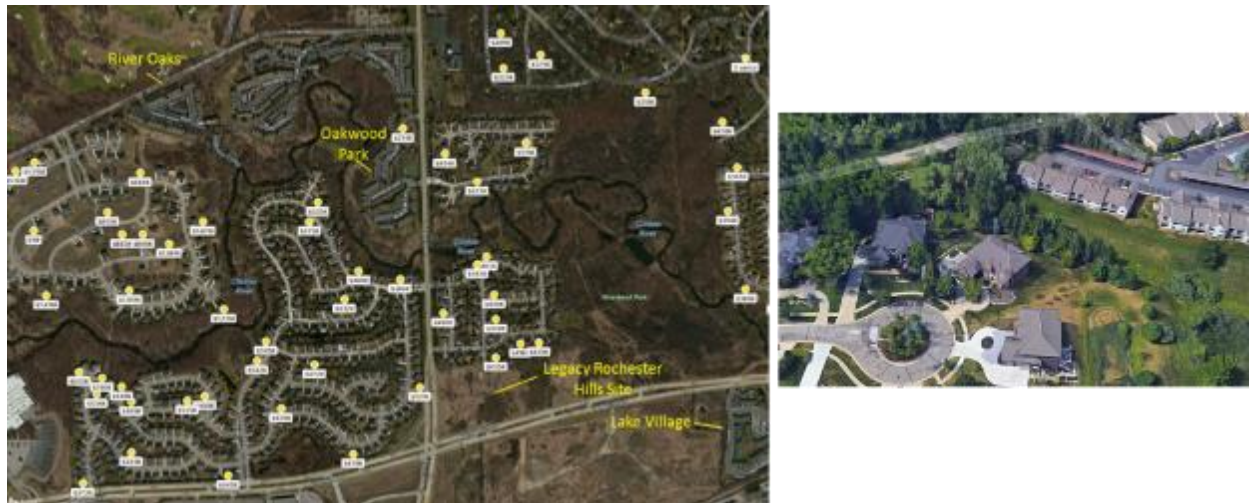
These comments depict an overabundance of commercial property in Rochester Hills in 2004. However, the current owners understand that this corner has significant value for retail and seem likely to pursue the commercial development if our residential option fails. For instance, they negotiated very hard to keep the corner of Adams and Hamlin for a gas station or drugstore; we refused. Instead, our luxury residential option fills a void and offers the only truly modern apartments in the area. An amended Consent Judgment allowing our residential development would prohibit all commercial and retail activities at the site. Further, our residential project seems to be more helpful for Rochester Hills since it will not compete with future uses for the south side of Hamlin road, and instead should provide an example to the community that successful environmental cleanup and consistent uses are preferred.

Question: How does Residential impact home values?

Goldberg Companies is the perfect developer and operator since we specialize in luxury apartments in affluent neighborhoods that are similar to Rochester Hills. The below chart depicts how our Rochester Hills property fits among much of the developer’s experience and this helps explain why we are a perfect match for the property. Most of our apartment communities are located in communities similar to Rochester Hills and are located adjacent to very affluent neighborhoods. We have never harmed neighboring property values and have instead observed neighboring values skyrocket over the past decades.

Property	Location	Home Values			Median Income	Census: City	
		Adjacent Homes	Neighborhood	Median		Median Home	Median Income
Legacy 521	Ballantyne, NC	\$400k-\$450k	\$400k-\$1.25m	\$341,100	\$119,580	-	-
Legacy Wake Forest	Wake Forest, NC	\$300k-\$750k	\$300k-\$1.25m	\$350,800	\$99,830	\$270,300	\$81,200
Legacy Rochester Hills	Rochester Hills, MI	\$400k-\$500k	\$300k-\$1m	\$359,500	\$110,563	\$247,500	\$83,507
Four Seasons	Beachwood, OH	\$300k-\$550k	\$300k-\$1m	\$365,400	\$149,500	\$274,400	\$88,287
Legacy Crossroads	Cary, NC	\$300k-\$500k	\$300k-\$600k	\$390,500	\$101,348	\$309,800	\$94,617
Legacy Union Square	Celebration, FL	\$350k-\$600k	\$350k-\$1m	\$401,400	\$85,047	\$401,400	\$81,064
Legacy Mount Pleasant	Mt. Pleasant, SC	\$400k-\$550k	\$400k-\$550k	\$437,000	\$102,464	\$393,800	\$83,490
Legacy Cornelius	Cornelius, NC	\$350k-\$500k	\$350k-\$3m	\$491,500	\$106,711	\$258,800	\$86,355
Legacy Arboretum	Providence, NC	\$450k-\$1.3m	\$400k-\$1.3m	\$514,900	\$106,266	-	-
La Costa Villas	Medial City Dallas, TX	\$700k-\$3m	\$500k-\$3m	\$610,700	\$115,299	-	-

This neighborhood and other parts of Rochester Hills already have apartments near homes and the values remain high. Butler Ridge has many nice homes and it borders River Oaks Apartments. The adjacent neighborhood is also close to Oakwood Park, and the less desirable Lake Village Apartments are already on Hamlin Road, across from our site.



Mr. Verschueren... pointed out when the Village of Rochester Hills mall was in the planning process, it was objected to by the residents in the surrounding neighborhoods for many of the same reasons... He noted today everyone was happy and the real estate increased for the adjacent property owners.

We anticipate that everyone will be happy with at the end result. Further, residential apartments should have far more beneficial impact on neighboring home values than commercial uses since residential brings more cleanup, less traffic, and best fits the neighborhood’s character.

Question: What are some of the items being addressed in consideration of the neighbors?

In addition to providing the community with far more benefits in comparison to the original Consent Judgment & Brownfield Plan, much time and effort has been spent on the residential site plan in consideration of the neighbors. We have gone through many site-plan revisions to accommodate potential concerns.



1. Better Setbacks than Required for other Residential Housing: The 100' setbacks to the north are 65' larger than typical for residential. This, plus the proposed restrictive covenant renders over 30%+ of the land permanently set aside for wildlife habitat, provides greenspace and a scenic amenity for the greater community. Additionally, we will try to retain most trees in the north setback area as feasible under the proposed cleanup plan.
2. Better Buffering to the North: The northern buildings will be two stories and all garages will be front entrance so as not to disturb the neighborhood to the north. We also will attempt to preserve trees in the 100' setback and will provide \$3k in additional landscaping improvements for each adjacent homeowner, in the buffer area. Please also note that we often build adjacent to nice homes in affluent neighborhoods and we benefit those communities.
3. Better Lighting: Our plan offers restricted site lighting to ensure that both neighbors and residents are not adversely impacted. This is far more beneficial to neighbors than the lighting that would ordinarily accompany a commercial parking lot.
4. Invisible Storm Water System: Per the request of our neighbors, underground detention is being used instead of a retention pond. This limits potential groundwater issues, allows for more surface greenspace, and will cost the development an additional \$500k.
5. Relocated Dog Park and Walking Path: Our residential apartments will include many site amenities for our residents. We moved the project's dog park from the northern boundary to the eastern boundary to limit potential resident concerns. We also removed a walking path in the back that connected the residential area to the park – instead we will have a connection up front. This will remove concern of residents walking behind the homes to the north.
6. Additional Benefits for the Public: In addition to more green space, our project provides outdoor fitness equipment as an amenity for the public, along the path towards Innovation Park.
7. Additional Testing & Prevention of Migration of Contamination: We have conducted far more testing around the land and this helps residents remain at ease that their homes are safe from contaminants. We will remediate 3+ acres of the eastern parcel with MDEQ oversight which will prevent migration concerns.

Afterwards we will have a thorough monitoring plan in place to ensure the encapsulation is intact as planned. Work for this parcel includes a slurry wall created to benefit the surrounding community and adjacent park. The slurry wall, more extensive encapsulation system, and long-term monitoring, costs \$3.6m extra and blocks contaminants from flowing downward to the park and river.

8. Additional Density Reductions: Fully using the property for residential buildings is pivotal since there will be a very costly environmental cleanup cost undertaken. Plans to maximize use of the property could provide for 478 potential units with extra parking provided on eastern parcel. This would help provide for a phased buildout and help investor returns. After hearing the City’s comments, we internally modified those plans, originally to 400 units. Now, we are only proposing 368 units (removing almost 25% of the potential units). This removes many fourth-story units that are closest to neighbors to provide a more peaceful project while minimizing traffic concerns and providing more green space.

Question: How will the Development impact neighbors’ views?

The residential development will be far less intrusive to neighbors than a retail/commercial project. Our plan maintains far more trees in the buffer than a retail and commercial development would. The large trees that currently are in the buffer will block almost all of the apartment project. As pictured below, the homes are barely visible behind these trees, even at far closer distances than the buffer.



Additionally, the chart below shows the approximate buffer distance of the homes to the first two-story building and the closest fourth-floor unit. While the minimal buffer is 100ft which is far greater than for other residential areas, the average true buffer is over 130’ ft. The closest fourth-floor unit is over 400’ from any house and on average that distance is 485 ft. Also, the final six homes average 168 ft of buffer whereas they would only have a 100ft buffer under the retail and commercial plan.

Address	2975	2963	2951	2945	2939	2927	2915	2905	2893	2881	2875	2869	2863	Average
Buffer Distance	100'	100'	100'	100'	100'	100'	100'	200'	180'	150'	125'	150'	200'	131
to 4th Floor	525'	515'	550'	525'	475'	450'	460'	525'	500'	475'	435'	435'	440'	485

After the trees and buffer is two-story residential which blocks any remaining view of the three or four-story buildings. This is especially better for residents since the retail and commercial plan allowed for many 2.5 story buildings near the northern boundary.



In conclusion, we plan to retain large buffers with tall trees behind the neighboring homes. This should significantly shield the neighboring views. We are also offering an additional \$3k per neighbor to help landscape the buffer area. Next, we only have two-story residential buildings that will shield the vast majority of any remaining visibility of four story buildings. Finally, we removed many of the four-story units and therefore these units now average approximately 450'ft (one and a half football fields) in distance from the homes.

Question: What Green Space is being added?

The old retail/commercial plan allotted no green space on the property. Instead of green space, the former project included a lot of pavement for retail traffic. The residential plan includes a restrictive covenant that prohibits building on the eastern parcel and adds over 3 acres of additional green space for the community.



Question: What will the green space look like?

Under the residential development, any large trees that are permitted to be retained per the environmental cleanup effort, will be maintained. Additionally, access to the area proposed for capping and control to the east of the proposed apartment community will be far more attractive. Currently the site is surrounded by a barbed-wire fence. We hope to leave an open field that has a natural feel and if MDEQ requires fencing after the encapsulation, we would use a decorative fence in place of the current barbed wire, for that portion of the property.



Current fence with barbed wire top



Planned decorative fence

Question: What will the buildings look like?

The residential development will fit with the character of the neighborhood. We were presented with three examples of desired architecture; these included Meadow Brook Hall, the Royal Park Hotel, and a property in downtown Birmingham. While these include some of the most lavish properties in the region, the intent of the residential property, as further demonstrated by the renderings, will fit nicely with this character.



Question: How many units are expected?

The residential project requires 368 units to help offset the cost of the environmental cleanup. This plan still provides for far less traffic and more green space than the retail and commercial alternative.

Question: What is the timing for the project?

We plan to begin the environmental cleanup once all permits are granted. Once the residential parcel receives the “No Further Action Letter” from MDEQ, we will then commence construction. Construction for the entire project should take approximately two years and the northern most units should be done sooner.

Question: Can the site become single family residential?

Our development team has worked very hard for over a year and are pleased to offer a residential alternative to retail and office. Unfortunately, single family alternatives cannot fiscally work on the property since the land requires a costly environmental cleanup. Also, it is cost prohibitive to clean the eastern parcel to residential standards and therefore the land use is limited.

Question: How does the project impact the school district?

While we do not anticipate many students living at the property, for the few that we get, Rochester Schools will benefit. Under Michigan law, the residential development would result in additional funding towards the local schools based on residents of the project.

Question: What type of residents can we expect at Legacy Rochester?

The proposed development will provide Rochester Hills with its first modern, A+ apartment community. Goldberg is different than other developers since we are long-term owners that build nicer and larger units. We will attract well-educated millennials with solid jobs that are starting families, professors at nearby universities, and also serve a niche for current Rochester Hills residents who desire to downsize while keeping many housing luxuries. These residents often prefer larger apartments than what competitors offer, and high-end amenities, while not having to worry about maintenance and upkeep. Another retail/office site would not provide this element missing from the City’s portfolio of developments.



Goldberg Developments feature larger units with best-in-class finishes and amenities

It is worth noting that our property should not be very attractive to students for many reasons.

- Legacy Rochester Hills will be priced at the top of the market, far more expensive than student housing option.
- Students prefer and have many housing options that are closer campus. Our property is located too far from campus and students cannot walk to class and retail.
- Students would not want to live at our property since we are not offering the types of amenities and units that are geared to fit student desires.

Finally, students do not want stringent rules that inhibit their “freedom”. Our properties ensure that residents are quiet and do not disturb their neighbors. We also have guest quotas for amenity usage, and prohibit smoking. Additionally, we have among the industry’s most stringent income, credit, and background requirements. Perhaps this helps explain that while many of our properties are located in close proximity to Universities, we do not seem to have student residents.

Property	City	University	Approximate Distance
Four Seasons	Beachwood, OH	John Carroll University	2mi
Four Seasons	Beachwood, OH	Case Western University	5mi
Legacy Wake Forest	Wake Forest, NC	Wake Forest Seminary	2.3mi
Cobblestone Village	Painesville, OH	Lake Erie College	2.3mi
Legacy Rochester	Rochester Hills, MI	Oakland University	3.3mi
Legacy Crossroads	Cary, NC	NC State University	3.5mi
Legacy Gateway	Esteros, FL	Florida Gulf Coast University	5mi
La Costa Villas	Dallas, TX	SMU	5mi

While we cannot and will not discriminate against students, since our property will not prioritize students’ needs or desires, they will not try to pay a large premium to live at Legacy Rochester Hills.