



Planning and Economic Development
Ed Anzek, AICP, Director

From: Ed Anzek, AICP
To: Brownfield Redevelopment Authority
Date: 6/10/2014
Re: General Trucking Brownfield Plan – City File No. 14-002

Attached is the revised brownfield plan submitted by PM Environmental for the above referenced site, and a review letter prepared by Tom Wackerman of ASTI. The applicant is requesting support for the brownfield plan that will allow the use of Tax Increment Financing for certain specified activities involved in the redevelopment of the site.

At this time, the BRA is being asked to determine if the proposed plan meets the intent of our brownfield program. As noted in Mr. Wackerman's memo, the plan is now compliant with the statutory requirements of PA 381 (with a few conditions and suggested revisions). As such, the BRA may choose to recommend approval to the City Council, or decline to support the plan.

Should the BRA choose to recommend that City Council approve the plan (after a public hearing), the following is a sample motion for your consideration:

MOTION by _____, seconded by _____, in the matter of City File No. 14-002, the Brownfield Redevelopment Authority recommends that City Council approves the Brownfield Plan dated June 2, 2014 for General Trucking, with the following findings and subject to the following conditions:

Findings:

1. The submitted plan meets the requirements for a Brownfield Plan under State Act 381 and the City of Rochester Hills.
2. The subject parcels qualify as a "facility" under the terms of Act 381.
3. The submitted plan qualifies for the use of tax increment financing based on the policies and goals of the Brownfield Redevelopment Authority.
4. If implemented, the amount, pay-back period, and use of tax increment financing is reasonable for the eligible activities proposed.

Conditions (subject to adjustment by the BRA)

1. Compliance with the recommendations of the ASTI memo dated June 10, 2014.
2. Revision of the plan to limit local tax capture to the proportional share in the event that the MDEQ does not approve any or all activities for school tax capture.
3. A reimbursement agreement shall be negotiated between the City and the applicant prior to any TIF monies being paid out for eligible activities. The reimbursement agreement and the brownfield plan will dictate the total cost of eligible activities subject to payment, provided that the total cost of eligible activities subject to payment or reimbursement under the reimbursement agreement shall not exceed the estimated costs set forth in the brownfield plan by more than 15% without requiring an amendment to the brownfield plan.

Deleted:

4. That if the extent of due care activities related to the subject site is altered or revised due to a change in the proposed development plans or proposed use of the site, the applicant shall submit for an amended Brownfield Plan to the Brownfield Redevelopment Authority.
5. In order to assure sufficient funding for the local revolving loan fund, the Brownfield Redevelopment Authority should consider limiting recapture to \$759,573 (including contingency) or 24 years, whichever comes first.
6. Correct calculation error in determining the tax revenue amounts for the ZOO and Art Institute, as they are slightly overstated. The formula is not accessible to determine the source of this calculation error.

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