



Rochester Hills

Agenda Report

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File Number: 2007-0255

File Number: 2007-0255 **File Type:** Project **Status:** Held in Council
Version: 1 **Reference:** N/A **Controlling Body:** City Council
Regular Meeting
Requester: Planning/Development **Cost:** **Introduced:** 04/10/2007
File Name: Urban Land Assembly Loan Proposal **Final Action:**

Title: Request to authorize application for an Urban Land Assembly Loan through the Michigan Economic Development Corp. for the Devondale Property

Notes:

Code Sections:

Agenda Date:

Indexes:

Agenda Number:

Sponsors:

Enactment Date:

Attachments: Agenda Summary.pdf, Map.pdf, CIP Project App.pdf

Enactment Number:

History of Legislative File

Ver- sion:	Acting Body:	Date:	Action:	Sent To:	Due Date:	Return Date:	Result:
1	City Council Work Session	04/18/2007		City Council Regular Meeting			

Text of Legislative File 2007-0255

..Title

Request to authorize application for an Urban Land Assembly Loan through the Michigan Economic Development Corp. for the Devondale Property

..Body

Whereas, Public Act 281 of 1986, as amended, 125.2151, Section 1 (g) states that "the creation of jobs and the promotion of economic growth stabilize and strengthen the tax bases upon which local units of government rely and that government programs to eliminate causes of unemployment, underemployment, and joblessness benefit local units of government and are for the use of those local units of government," and

Whereas, Public Act 281 of 1986, as amended, 125.2151, Section 1 (f) states "that the creation of jobs and the promotion of economic growth in the state are essential governmental functions and constitute essential public purposes," and

Whereas, Public Act 281 of 1986, as amended, 125.2152, Section 2 (aa)(ii) defines a "Public

Facility" to mean 1 or more of the following: "the acquisition and disposal of land that is proposed or intended to be used in the development of eligible property or an interest in that land, demolition of structures, site preparation, and relocation costs," and

Whereas, Public Act 281 of 1986, as amended, 125.2152, Section 2 (p)(i), as summarized, defines eligible property as that real and personal property located within an authority district, of which the primary purpose and use is "the manufacture of goods or materials or the processing of goods or materials by physical or chemical change," and

Whereas, the Michigan Economic Development Corp. may provide to the City of Rochester Hills and the Rochester Hills Local Development Finance Authority a loan through the Urban Land Assembly Loan Program, and

Whereas, tax increment revenue from within the Rochester Hills Local Development Finance Authority district may be used as a mechanism to repay the loan, subject to a negotiated agreement between the City of Rochester Hills, the Rochester Hills Local Development Finance Authority and the Michigan Economic Development Corp., and

Whereas, the loan funds may be used to acquire land as permitted by Public Act 281 of 1986, as amended, as the board of the authority deems appropriate, and

Whereas, land acquired by an authority may be disposed of to benefit eligible uses, and

Whereas, an eligible use has been identified that fulfills the purposes of the Act as stated above, and

Whereas, the Rochester Hills Local Development Finance Authority recommends to the City Council of the City of Rochester Hills that it authorize the Mayor to apply for a State of Michigan Urban Land Assembly Loan through the Michigan Economic Development Corp. subject to a project, an eligible use, and demonstrated need

Be It Resolved that the Rochester Hills City Council authorizes the Mayor of Rochester Hills to apply for an Urban Land Assembly Loan, "the Loan," through the Michigan Economic Development Corp. subject to the following conditions:

1. An eligible use, "the Company", commits to develop land in the City of Rochester Hills
2. The Company agrees to sign a Development Agreement whereby it commits to remain in the City for a period of 12 years; and, should it relocate outside of the City, any abated taxes must be paid back and the land apportioned for its project paid for at fair market value
3. The Company shall pay a nominal fee for the land and the fee shall be determined by the Mayor of Rochester Hills
4. The Company must invest a minimum of \$8-million in real and personal property improvements within the first two years of ownership from the date of the Development Agreement
5. In addition, the Company must invest at least \$2-million in improvements within the first six years of ownership from the date of the Development Agreement
6. Neither the City nor any agency it has incorporated shall retain interest in any real or personal

property to be located on land acquired by the Loan other than public facilities, as defined by Public Act 281 of 1986, as amended

Be It Further Resolved that the Planning and Development Department should provide a letter to the Company stating the above conditions no later than May 1, 2007.

Be It Finally Resolved that should the Company not accept the above conditions, the offer by the Michigan Economic Development Corp. for an Urban Land Assembly Loan shall be declined by the Mayor's office by written correspondence.

- OR -

Resolved that the City of Rochester Hills declines the offer by the Michigan Economic Development Corporation for an Urban Land Assembly Loan.