

**City of Rochester Hills**  
**Department of Planning and Development**

**STAFF REPORT TO THE PLANNING COMMISSION**  
**June 14, 2004**

<b>Rezoning Request</b>	
<b>APPLICANT</b>	City of Rochester Hills 1000 Rochester Hills Dr. Rochester Hills, MI 48309
<b>PARCEL NOS.</b>	15-21-376-004, 15-21-376-007, 15-21-376-006, 15-21-352-001, 15-21-352-002
<b>ACREAGE</b>	20.88± acres
<b>LOCATION</b>	Hamlin Road, West of Livernois, East of Crooks
<b>CITY FILE NO.</b>	04-017
<b>ZONING</b>	I-1, Light Industrial
<b>STAFF</b>	Dan Casey, Economic Development Manager
<b>REQUEST</b>	<b>Rezoning to ORT, Office, Research and Technology</b>

**SUMMARY**

The referenced application concerns a proposal to rezone approximately 20.88 acres of property located on Hamlin Road, west of Livernois and east of Crooks from I-1, Light Industrial to ORT, Office-Research-Technology. The City of Rochester Hills currently owns the property

**BACKGROUND INFORMATION**

The properties consist of five parcels, further identified as 1750, 1700, 1600 and 1544 W. Hamlin and a vacant parcel on .51 acres. The properties consist of 20.88 total acres. Three existing buildings reside on three parcels. The first is a 6,486-square-foot industrial building, which includes 1,426 square feet of office. The second is an 83,410-square-foot industrial building, including 3,360 square feet of office. The third building is an 11,000-square-foot office building. The five parcels are bordered to the northwest by property zoned RM-1, Multiple Family Residential, and RCD, One Family Cluster. The properties bordering the remainder of the parcels are zoned I-1, except for the southeast corner of the eastern most parcel, which is zoned RCD. A map of the properties in question is attached for your review.

Letica Corporation formerly owned and utilized the property at 1600 W. Hamlin for a manufacturing operation. The 1700 W. Hamlin building served as Letica Corporation's headquarters and housed its administrative divisions.

The City acquired these properties in 1999 and intended to demolish the existing buildings and construct a new DPS Yard. However, Council decided in 2003 to dispose of the property and has been seeking a buyer.

## **ADJACENT LAND USES AND ZONING**

The subject properties are bordered to the west and northwest by RM1, Multiple Family zoning, the Streamwood Condominiums. Further, the properties are buffered by the former Grand Trunk Western Railroad right-of-way, which now serves as the Clinton River Trail. To the south and east, the properties are bordered by I-1. The southeast corner abuts RCD, Residential Cluster. The properties south of Hamlin Road consist of flexible industrial buildings containing a combination of office and open floor uses. Unique Fabricating owns three vacant buildings directly south of the subject properties. The first of those buildings is located on Hamlin Road and primarily has been built out as an administrative building consisting of offices. A large 92,245 manufacturing and engineering building is located east of and adjacent to one of the subject properties. This building has just become vacant. It consists of 34,583 square feet of office and 57,662 square feet of open floor. To the northeast of the subject properties is an approximately 12-acre vacant site, which is partially impacted by wetlands.

## **EXISTING AND PROPOSED ZONING DISTRICTS**

The intent of the existing I-1 zoning is to provide sufficient space, in appropriate locations, to meet the needs of the city's expected future economy for selected types of manufacturing and related uses, protect abutting residential districts by separating them from manufacturing activities, and protect the character and established pattern of adjacent development. The intent of the proposed ORT zoning is to provide for orderly and integrated planning, so as to avoid fragmentary development, to optimize the City's tax base, to encourage economic development, and to provide for satisfactory transitions to surrounding land use areas. Principal uses permitted within the proposed ORT District are specifically listed in Section 138-977 of Chapter 138 of the Code of Ordinances of Rochester Hills, with special approval uses noted in Section 138-979 and accessory uses addressed by Section 138-978.

## **MASTER LAND USE PLAN CONSISTENCY**

### **Master Land Use Plan Consistency**

While the properties are master planned for I-1, circumstances warrant consideration of a zoning change. They are:

1. In late 2002, the City of Rochester Hills was successful at receiving designation by the State of Michigan as a SmartZone. The boundaries of the SmartZone extend along the industrial properties north of Auburn Rd., west of Adams Road., south of the Grand Trunk Railroad right-of-way, and west of Livernois Road and also covers the parcels

under consideration. The SmartZone designation entitles the City to market this area for high-tech related business. Further, City Council entered into a Cooperative Agreement with the other partners in the Oakland Automation Alley SmartZone, and agreed to abide by a SmartZone Plan approved by all partners and the Michigan Economic Development Corporation. The SmartZone Plan requires that all SmartZone areas conform to zoning that supports the development of research and development parks. These parks by their nature must be flexible, providing for a mixture of office, flexible space and open floor. Further, they must conform to the requirements of a certified business park. In Rochester Hills, the ORT zoning is most consistent with the requirements detailed in the SmartZone Plan. Finally, the SmartZone program did not exist during the City's previous review and amendment to the Master Plan.

2. The State of Michigan developed the SmartZone program as a means to further diversify the State's economy, acknowledging that its manufacturing base is eroding and much of the industry is relocating out of state or overseas. Consequently, the demand for land zoned for industrial purposes is low. A significant percentage of vacant industrial inventory exists, averaging 20% in the Auburn Hills/Rochester Hills sub-market. The State is promoting the attraction of research and development, engineering, computer-related technologies, nano-technology and biomedical industries as a replacement for losses in the manufacturing industry. Its designation of 10 SmartZones in the State is an attempt to identify defined areas for the attraction of these industries, which typically locate in flexible buildings that consist of varying amounts of office and easily convertible open floor space.
3. The proposed ORT zoning will act as a buffer to the residential to the northwest and southeast.
4. The City hired Value Trends Inc. to complete an appraisal of the five subject parcels in early 2003. The appraiser concluded that the two manufacturing buildings are functionally obsolete. Further, the appraiser stated in a report dated March 28, 2003, "it is my opinion that the highest and best use of the subject is for development with an office, research, or technology type use." His findings were based in part on two key factors: the over saturation of inventory in the industrial market, resulting in high vacancy rates and little demand; and the SmartZone designation which, in his opinion, would generate enhanced land value that exceeded that typically found in industrially zoned areas.
5. The office building, located at 1700 W. Hamlin, if leased or sold separate from the manufacturing building to the east, will result in a non-conforming use to the current I-1 zoning.
6. The Planning and Development Department, during the currently proposed Master Land Use Review process, intend to propose that the subject properties be designated as ORT. In addition, during this process staff wishes to discuss the viability of an ORT zoning overlay that would encompass all current industrial property in the designated SmartZone. The full implications of this proposal will be explored during the review.

It is staff's opinion that the current I-1 zoning of the subject properties is no longer compatible with the needs of the community and does not provide maximum economic development benefit. Conversely, it is in character with the proposed development in the surrounding area, including the future M-59 interchange and ORT development to the west on Hamlin Road. The proposed ORT zoning for the subject site would be generally consistent with the Master Land Use Plan's Office-Research-Technology Policies. Therefore, while the Master Land Use Plan's Future Land Use Map calls for continued industrial use of the subject site, it is staff's opinion that ORT zoning would be more consistent with the policies of the Master Plan than the current I-1 zoning.

### **Parcel Size**

The Zoning Ordinance requires screening and buffering of ORT developments from adjacent residential districts. Therefore, a Type A screen (i.e., 50 feet buffer width) would normally be required for any development on the site where it abuts residential zoning (i.e., along the west and northwest portions of the property lines). The Clinton River Trail, situated along the former Grand Trunk Western Railroad, provides a buffer of approximately 94 feet.

### **RECOMMENDATION**

Staff recommends that the Planning Commission recommend Approval of the proposed rezoning from I-1, Light Industrial to ORT, Office-Research-Technology for File No. 04-017 for the following reasons:

1. Uses permitted within the proposed ORT District would be compatible with existing and proposed uses south of Hamlin Road.
2. ORT zoning would be a buffer to the RM-1 zoning to the northwest and RCD zoning to the southeast.
3. ORT zoning would bring the office building at 1700 W. Hamlin into compliance.
4. Development of the subject site under the proposed ORT zoning would be generally consistent with the Office-Research-Technology Policies of the City's Master Land Use.

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References: Aerial; Surrounding Zoning Designations; Sections 138-796 thru 138-799 and Sections 138-935 thru 138-979 of the City of Rochester Hills Zoning Ordinance; Notice of Public Hearing; Application to Rezone; Environmental Impact Statement dated June 17, 2004;

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For the reasons listed above, **staff recommends the following motion relative to City File No. 04-017.**

**MOTION** by \_\_\_\_\_, seconded by \_\_\_\_\_, in the matter of City File No. 04-017, the Planning Commission **recommends** to City Council **approval** of the request to rezone 20.88± acres of Parcel Nos. 15-21-376-004, 15-21-376-007, 15-21-376-006, 15-21-352-001, 15-21-352-002, **from** I-1, Light Industrial **to** ORT, Office, Research, Technology.