

June 16, 2006

John McCulloch
Oakland County Drain Commissioner
One Public Works Drive
Building 95 West
Waterford, MI 48328

Re: Madison Park of Rochester Hills

Dear Mr. McCulloch:

In follow-up to our recent meeting wherein you expressed your interest in having the Oakland County Drain Commissioner's office participate in the funding for environmental remediation of the subject site through the Chapter Twenty Drain process, I am offering the following questions in an effort to gain a better understanding of your approach and to work toward a mutually beneficial result. The City is pleased and encouraged about your possible involvement in the project. It is my opinion that it may benefit the City in assuring the proposed remediation is done to the standard required to insure the long-term safety of the proposed development and protection of the City's environmental resources. Also, we are willing and motivated to work with OCDC, DEQ and REI to provide a reliable funding source to insure the above stated goals are met.

I would also like to add that I regret any delays for a response to your discussions that began in February with City staff. As you are aware, the City has been through a transition in our local government with the previous Mayor resignation due to health reasons.

As you and I discussed in our meeting a few weeks ago, I am providing the following questions in writing. I believe these questions and their answers will better enable the City Council and my Administration to consider and address all the issues associated with the Drain Commissioner's office's proposal in taking the lead in the site's cleanup and remediation. The questions are a compilation based on input by staff, our City Attorney, and myself.

1. Is the Chapter Twenty process, if utilized, contingent on the Oakland County Brownfield Redevelopment Authority reviewing and approving separate plans? What is the process for adopting or incorporating the plans currently approved by the City regarding the Tax Increment Financing and remediation of the site?
2. If so, where in the review process is the City involved in concurring resolutions, review of the remediation and reimbursement agreement, and to what extent can the proposed remediation be modified or materially changed without the City's approval?
3. Also, the original proposal regarding OCDC's involvement did not include the County's Brownfield Authority. Why is this necessary or why is it preferred over the City's Brownfield Authority since the bonding will be through the OCDC for the proposed remediation?

4. If OCDC bonds for the project, will they be responsible for bidding the project and serve as the authority responsible for review of the work on site? Will OCDC replace REI as the on-site manager of the remediation project and be responsible to insure that work is conducted in accordance with and completed with approved Due Care Plans?
5. If drain bonds are issued, how will the City be assured that if there is not sufficient TIF generated from the subject site that the City would not be responsible at any point in the future for repayment of the bonds. How will this be accomplished?
6. Has OCDC been in contact or held meetings with the DEQ regarding this proposal? Does the DEQ feel that the proposed process is acceptable to ensure that school tax capture and proposed repayment of interest will be approved?
7. The City's Consent Agreement with REI discusses a proposed Covenant Not to Sue between REI and the DEQ, will the County now be a party to this agreement?
8. What assurances would be put in place that the work is completed should the worst-case scenario happen that the developer couldn't complete the work for whatever reason?
9. What role does the OCDC envision for the City in terms of coordination and communication regarding reviewing and commenting on plans, monitoring the work, and general involvement?

The City of Rochester Hills looks forward to and appreciates your and the County's proposed involvement in this project. Establishing partnerships with the County and the DEQ in relation to this large and complex project is a benefit to all involved parties. The participation of the County can only help the City provide the quality of remediation, long-term protection and environmental benefits agreed to with REI to allow the future development of the site.

On behalf of the City, I look forward to clarification of the above stated questions so we can better understand the process and what the City can do to move forward in an effective and efficient manner. I realize that the responses to these questions may generate more questions. However, at this time I prefer to discuss processes and means and deal with finite issues later.

Sincerely,

Bryan K. Barnett, Mayor
City of Rochester Hills