



Rochester Hills Agenda Report

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File Number: 2006-0646

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File Type: Project

Status: To Council

Version: 1

Reference:

Controlling Body: City Council Special Meeting

Requester:

Cost:

Introduced: 08/22/2006

File Name: Resolution verifying that the Madison Park Project is to be undertaken

Final Action:

Title: Consider a resolution verifying that the Madison Park Project is to be undertaken if the project funding is awarded

Notes:

Code Sections:

Agenda Date:

Indexes:

Agenda Number:

Sponsors:

Enactment Date:

Attachments:

Enactment Number:

History of Legislative File

Ver- sion:	Acting Body:	Date:	Action:	Sent To:	Due Date:	Return Date:	Result:
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Text of Legislative File 2006-0646

..Title

Consider a resolution verifying that the Madison Park Project is to be undertaken if the project funding is awarded

..Body

WHEREAS, pursuant to the Brownfield Redevelopment Financing Act, Act 381, Public Acts of Michigan, 1996, as amended (“Act 381”), the City of Rochester Hills Brownfield Redevelopment Authority (the “Authority”), by resolution adopted on March 4, 2004, and the City Council of the City of Rochester Hills (the “City”), by resolution adopted on May 19, 2004, approved a Brownfield Redevelopment Plan (the “Brownfield Plan”) for the site of the former Cardinal Landfill and Veteran's Landfill and adjoining properties located near the southeast corner of Hamlin Road and Adams Road in the City (collectively, the “Property”), which Property is owned by REI Brownstown, LLC (the “Developer”); and

WHEREAS, the Brownfield Plan provides for the tax increment revenues (as defined in Act 381) derived from the Property (the “Tax Increment Revenues”) to be used to reimburse the Developer and the Authority for the cost of eligible activities permitted under Act 381, consisting generally of the removal and offsite disposal of waste and the relocation of waste on the Property, the installation of methane and

leachate collection systems, the re-engineering and installation of a cap and the installation of special footings and foundations to support the foregoing (collectively, the “Eligible Activities”); and

WHEREAS, at the request of the Developer, the Authority, at its meeting on August 17, 2006, approved the submission of an application to the Michigan Department of Environmental Quality (“MDEQ”) for a grant in the amount of \$1,000,000 and a loan in the amount of \$1,000,000 from funds available through the Clean Michigan Initiative (CMI) program administered by the MDEQ for the purpose of paying part of the cost of the Eligible Activities, subject to certain conditions, one of which is the adoption of this resolution; and

WHEREAS, the balance of the cost of the Eligible Activities is expected to be funded by the proceeds of bonds (the “Drain Bonds”) to be issued by a drainage district (the “Drainage District”) to be formed by the Oakland County Drain Commissioner pursuant to a petition to be filed by the City with the Drain Commissioner pursuant to Chapter 20 of the Michigan Drain Code (Act 40, Public Acts of Michigan, 1956, as amended).

NOW, THEREFORE, IT IS RESOLVED, subject to the conditions that follow, the City Council verifies its intent that the project will be undertaken if the CMI grant and loan is awarded.

IT IS FURTHER RESOLVED the City Council, subject to the conditions that follow, certifies the proposed Madison Park development will be consistent with local development and redevelopment plans and zoning ordinances as governed or modified by the February 12, 2004 Amended Consent Order and Judgment entered in Oakland County Circuit Court Case No. 81-226225.

IT IS FURTHER RESOLVED that the verification and certification set forth in this Resolution is subject to the following conditions:

1. The remediation and development of the site shall be subject to and in accordance with the terms and conditions of the aforesaid Amended Consent Order.
2. The Developer shall obtain site plan approval and satisfy and fulfill any and all conditions attached thereto.
3. The Developer shall execute a guaranty in form and substance satisfactory to the City, that guarantees the prompt payment of the principal of and interest on the CMI loan and the repayment of the CMI grant, if required by the MDEQ, and that is secured by one or more letters of credit in a form and substance satisfactory to the City.
4. The Brownfield Plan shall be amended to specifically authorize the use of the Tax Increment Revenues for the payment of the principal of and interest on the CMI loan and the Drain Bonds and, if required by the MDEQ, the repayment of the CMI grant.
5. The MDEQ shall approve a work plan for the Eligible Activities in accordance with Public Act 381.
6. The City, the Authority, the Developer and the Drainage District shall have entered into a Development and Reimbursement Agreement, which Agreement shall, among other things, obligate the Drainage District to undertake and supervise the Eligible Activities and provide for the use of Tax Increment Revenues in accordance with the Amended Brownfield Plan.