



**City of Rochester Hills
AGENDA SUMMARY
NON-FINANCIAL ITEMS**

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Legislative File No: 2005-0191 V4

TO: Mayor and City Council Members
FROM: Ed Anzek, Planning & Development Director, ext. 2572
DATE: January 11, 2008
SUBJECT: Amendment of LDFA Development and Financing Plan

REQUEST:

To schedule a public hearing for City Council's Regular Meeting of February 25, 2008 regarding the proposed amendments to the Rochester Hills Local Development Finance Authority Development Plan and Financing Plan.

BACKGROUND:

At its October 4, 2007 meeting, the Rochester Hills Local Development Finance Authority approved an amended Development Plan and Financing Plan and has forwarded it to City Council for a public hearing and consideration as per the requirements of Public Act 281 of 1986, Sec. 17 (2).

The reasons that necessitated the Plan's amendment are many, but it was generally precipitated by City Council's decision in 2007 to discontinue the practice in 2008 of transferring ineligible tax capture within the LDFA District to the LDFA for purposes of funding its projects. This decision was based on a recommendation of the Mayor during the 2008 Budget review process, which Council concurred with. When the LDFA was first established in 1995, the original Development Plan and Financing Plan called for the transfer of these funds to the LDFA to help fulfill the purposes of the Plan. The projects in the original Plan primarily involved the construction of realigned Adams Road, as well as the connections of Waterview Dr., to Leach Road, Leach Road to Adams Road, and Technology Dr. to Adams Road. The completion of these projects in 2007, with the exception of the Technology Dr. connection, eliminated the necessity of continuing this practice; however, the Plan required an amendment in order to delete any reference to the transfer of ineligible capture to the LDFA Budget.

There are many other reasons why the Plan needed to be updated and amended. First, the principal project of the Plans, the realignment of Adams Road, has been completed. Secondly, other remaining projects required an update in terms of scope of work, cost and timing. Third, two new projects were added, and one project was deleted.

The changes to the Plan are summarized below:

1. A clarification throughout the document to any reference to ineligible capture indicating that it occurred from 1995 through 2006 only.
2. The addition of Project 4a, an alternative to Project 4, which is the connection of Technology Drive to Leach Road.
3. Elimination of Project 6 B, Leach St. Paving north of the Clinton River Trail.

4. Amendment to Project 7, the Interchange Technology Park, adding the construction of an access road and other infrastructure to the project description.
5. The addition of Project 9, a floating three-year fund to upgrade intelligent infrastructure, such as fiber optics, on a case-by-case basis within the District.
6. The addition of Project 10, an annual road maintenance and repair fund for public road improvements within the District, subject to annual review and approval by the LDFA Board.
7. The *Tax Capture Chart by Jurisdiction* has been amended to show actual taxable value captured from 1995 through 2006, including ineligible capture. In addition, it projects future capture that excludes City donations of ineligible taxable value.
8. Revised millage rates.
9. *Table 1*, modified by adding Projects 4a, 9 and 10.
10. *Table 4*, shows a modified bond schedule (example) - although the LDFA has no current bonded indebtedness, the LDFA is required in its Plan to demonstrate a sample bond schedule
11. Other minor modifications, including text amendments and corrections.

A copy of the amended RHL DFA Plan with proposed changes has been included in your packet. For purposes of reference, italicized text is proposed for deletion and bolded text indicates additions to text or changes to previous text.

It is expected that Council approval of the amended Plans indicate an acceptance of these changes.

The process to approve an amended LDFA Development Plan and Financing Plan is straightforward. It requires two public notices in a paper of general circulation and a public hearing no sooner than 20 days after the initial notice. In addition, the taxing jurisdictions will be notified by certified mail as a courtesy.

RECOMMENDATION:

Schedule the public hearing for the Regular Meeting of February 25, 2008.

RESOLUTION

NEXT AGENDA ITEM

RETURN TO AGENDA

APPROVALS:	SIGNATURE	DATE
Department Review		
Department Director		
Mayor		
City Council Liaison		

