



Rochester Hills

Minutes

Local Development Finance Authority

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*Jeremy Brown, Michael Ellis, Daniel Hunter, Darlene Janulis,
Michael Kaszubski, Rophin Paul, Ryan Price, Stephan Slavik, Jessica Thomas (RCS)*

Thursday, February 11, 2021

7:30 AM

1000 Rochester Hills Drive

The Local Development Finance Authority regular meeting was made available via video conference to limit the potential exposure of the public and staff to the COVID 19 virus.

CALL TO ORDER

Chairperson Stephan Slavik called the Local Development Finance Authority regular meeting to order at 7:30 a.m. via Zoom Teleconference.

Sara Roediger, Planning and Economic Development Director, noted that members in replying to Roll Call must disclose the location from where they were attending.

ROLL CALL

- Present** 7 - Michael Ellis, Darlene Janulis, Daniel Hunter, Michael Kaszubski, Rophin Paul, Stephan Slavik and Ryan Price
- Absent** 2 - Jeremy Brown and Jessica Thomas

Others Present:

*Sara Roediger, Planning and Economic Development Director
Pamela Valentik, Economic Development Manager
Michelle Carley, Economic Development Specialist
Allan Schneck, Public Services Director
Paul Davis, City Engineer/Deputy Public Services Director
Laurie Taylor, Assessing Director
Joe Snyder, Chief Financial Officer
Mary Jo Pachla, Recording Secretary*

Board Members announced during roll call the location from where they were calling:

*Chairperson Slavik - Rochester Hills
Vice Chairperson Ellis - Rochester Hills
Mr. Hunter - Waterford
Ms. Janulis - Rochester
Mr. Kaszubski - Rochester Hills
Mr. Paul - Rochester Hills
Mr. Price - Rochester Hills*

PUBLIC COMMENT

None.

APPROVAL OF MINUTES

[2021-0035](#) Approval of Minutes - July 9, 2020

Attachments: [LDFA Draft minutes 07-09-20.pdf](#)
[Minutes resolution.pdf](#)

A motion was made by Janulis, seconded by Ellis, that this matter be Approved as Presented. The motion carried by the following vote:

Aye 7 - Ellis, Janulis, Hunter, Kaszubski, Paul, Slavik and Price

Absent 2 - Brown and Thomas

Resolved, that the Rochester Hills Local Development Finance Authority approves the minutes of their July 9, 2020 Regular Meeting as presented.

APPROVAL OF MEETING SCHEDULE

[2021-0034](#) Approval of 2021 Meeting Schedule

Attachments: [LDFA 2021 schedule memo.pdf](#)

A motion was made by Ellis, seconded by Janulis, that this matter be Approved. The motion carried by the following vote:

Aye 7 - Ellis, Janulis, Hunter, Kaszubski, Paul, Slavik and Price

Absent 2 - Brown and Thomas

Resolved, that the Rochester Hills Local Development Finance Authority hereby establishes its 2021 meeting schedule at the February 11, 2021 Regular Meeting as follows:

ROCHESTER HILLS
LOCAL DEVELOPMENT FINANCE AUTHORITY
2021 MEETING DATES**

February 11, 2021

April 8, 2021

July 8, 2021

October 14, 2021

**Meetings will be held quarterly on Thursday mornings at 7:30 a.m. at the City Hall Municipal Building, Conference Room 221, 1000 Rochester Hills Drive, Rochester Hills, Michigan 48309. The Local Development Finance Authority reserves the right to add Special Meetings or Workshops as necessary. Meetings may be cancelled if no business arises in the appropriate timeframe.

COMMUNICATIONS

None.

NEW BUSINESS

[2021-0036](#) Department of Public Services update

Attachments: [Proposed HAWK Signal.pdf](#)
[Aerial View.pdf](#)
[WaterviewDrReconstruct.pdf](#)

Pamela Valentik, Economic Development Manager, stated that there are two projects requested for LDFA funding, including the crossing at Adams and Marketplace and pre-engineering for Waterview Drive.

Paul Davis, City Engineer/Deputy Director of Public Services, explained that the Adams Road crossing was submitted in the Capital Improvement Plan in 2012, and was moved up one year sooner than was originally planned to include it with another city project to take advantage of economies of scale. He mentioned that Spalding DeDecker is undertaking the design, will be looking at road alignment and speed limit, and may arrive at either a straight across or V-pattern configuration.

He explained that Adams Road is under the jurisdiction of the Road Commission for Oakland County (RCOC), and it is not yet sure what will be required. He noted that a rapid flashing beacon would be preferred; however, a Hawk signal similar to the roundabout at Livernois and Tienken may be required. He mentioned that information was requested regarding pedestrian count for the Clinton River Trail, but there is none available.

Chairperson Slavik commented that the crossing is centered in between two turnarounds.

Mr. Davis responded that there are deceleration lanes going east on Adams and at Marketplace Circle, which would add additional movement to the crosswalk. He noted that a location is being proposed that will be as close as it can be yet stay out of those lanes.

He stated that the next project proposed for design this year and construction next year is 3,200 feet of Waterview Drive between Leach and Auburn Roads. He explained that the roadway is in poor condition and will require a full reconstruction. He mentioned that this project will be different that the project that the LDFA participated in on Technology Drive as it will include five-foot sidewalks which will be the responsibility of adjacent property owners. He stated that it will likely be built in the right-of-way; however, until the design phase is underway it is not yet known whether additional grading easements will be required. He noted that a design consultant has not yet been selected but will be soon.

Chairperson Slavik stated that the pavement in that location is curb and gutter and the commercial park is fully developed. He commented that the LDFA was formed to promote development and questioned how the reconstruction of Waterview would come ahead of developing Leach Road where it could promote development.

Mr. Davis responded that a portion of Leach Road was done during the Adams Road project. He stated that because the remainder of Leach is currently gravel, it is expected that it will be going under the City's Special Assessment District (SAD) Policy. He mentioned that it was posed previously as a City project but did not have much support. He noted that Waterview is in poor condition and does not have the lack of support.

Chairperson Slavik stated that while he is not saying that Waterview should not be done, he questioned what the LDFA could do to help push Leach Road forward.

Mr. Davis explained that an SAD requires 50 percent-plus-one of the property owners to be in agreement, along with a City contribution. He noted that the current policy is set so that there is potentially a \$12,000 contribution by property owners per buildable property; and at a 60/40 ratio, a City contribution of \$8,000 per property. He stated that a SAD takes approximately three years to complete and takes much effort. He added that petitions for paving gravel roads are only accepted for two months during the year, and must proceed through a number of public design meetings and other public hearings. He noted that the reconstruction of Waterview will take two years.

Allan Schneck, Public Services Director, stated that ideally roads should not be allowed to reach the condition where there is total failure. He mentioned that ride quality, drainage concerns, and damage claims must also be considered.

Chairperson Slavik commented that Waterview is not impassible; and stated that paving Leach Road would make the land on both sides very desirable from a development standpoint.

Mr. Paul stated that he would support paving Leach Road as it is an eyesore for the adjacent complex. He commented that the attractiveness of the area would improve.

Ms. Roediger stated that if this is something that the LDFA wants to pursue, it can be added. She commented that per the direction of City Council, a SAD route was preferred. She noted that if it is started this year, with the support of adjacent property owners the project can get into the queue.

Vice Chairperson Ellis stated that he would like to see the plusses and minuses of the project and requested something be put together by the next meeting as to what could be gained or lost if the LDFA supported the project.

Ms. Valentik noted that from the Planning and Economic Development

standpoint Leach has always been on the list. She stated that if the LDFA is receptive to looking at funding a portion of paving Leach, the process will be investigated and presented to the Board.

Ms. Janulis stated that she was under the impression that people living on Leach were surveyed and were not wanting the road paved. She noted that at the time Leach was pushed aside and Waterview was made a priority.

Ms. Valentik responded that the property owners were not formally surveyed when the projects were prioritized. She pointed out that Laurie Taylor, Assessing Director, pulled data which showed that at one point in time the majority of the properties were residential; however, over the last five years businesses have picked up these properties. She stated that while at one time the residents on Leach did not want the road paved, now the majority of properties have commercial uses. She commented that this is worth exploring further.

Mr. Davis stated that paving Leach will be more expensive and will require the cooperation of property owners. He pointed out that a number of properties on Leach go to the center of the roadway and there is not a 60-foot right-of-way. He stated that while he believes the utilities and storm sewers are there, there will be an added challenge of potential right-of-way conflicts. He added that subdivisions typically put down four-inches of pavement; however, in this instance eight or nine inches of concrete will be required, resulting in a project that will be more expensive than paving a subdivision.

Chairperson Slavik stated that Leach Road will obviously be paved at some time in the future, and the LDFA might as well research it now to determine what the difficulties will be.

Mr. Davis commented that when Adams Road was paved, it was hoped that a developer would assemble properties.

Mr. Paul stated that the LDFA should look at every opportunity, and commented that in his viewpoint Leach should go above Waterview. He stated that both roads should be done, and questioned why it is being put off if it will be a three or four year process.

Chairperson Slavik commented that as Waterview is a rebuild, it would not cost more to delay the project.

Joe Snyder, Chief Executive Officer, stated that the next project besides Waterview is Leach. He commented that the only other project is Industrial Drive, and noted that the City has undertaken just about all of the other projects.

Chairperson Slavik commented that Industrial Drive is paved; however, it is not improved.

Mr. Davis pointed out that Industrial Drive is a private road.

Ms. Roediger stated that the LDFA's comments on Leach are heard loud and clear, and the SAD process will be explored.

Mr. Hunter questioned whether Waterview is 30 years old, and whether this is typical of the length of wear on a road.

Mr. Davis responded that he is unsure how old the existing pavement is on Waterview; however, he noted that roads deteriorate at different levels depending on the amount of general and truck traffic. He added that underlying soil is a factor. He noted that Waterview would have been designed to last at least 20 years, and commented that he has been at the City 20 years and knows that the road is older than that. He stated that it has probably reached a point where it needs a full reconstruction because of age.

Discussed

[2021-0037](#)

Presentation of the City's Economic Development Strategy

Attachments: [ED Strategy 2021.pdf](#)

Ms. Valentik stated that the Department has been working on its Economic Development Strategy since 2019. She commented that while economic development and supporting business is not new to the City of Rochester Hills, working off of a strategy is. She explained that the strategy was presented at a joint meeting of City Council and the Planning Commission on February 1, and received great feedback and fantastic support. She noted that the strategy will be taken before City Council later this month to request their official endorsement.

She commented that 2020 was the perfect timing to roll out the strategy, noting that MEDC and Oakland County both adopted new strategies. She mentioned that last year she sat on a task force with SEMCOG and she reported that they are finalizing a regional economic strategy for southeast Michigan. She pointed out that this board was created to spur economic development, attract more businesses and create jobs. She noted that much of the City's success is because of the work and actions that the LDFA has undertaken.

She explained that the City does not undertake its strategy in a vacuum, and relies on many strategic partners including MEDC, Oakland County, Automation Alley, and more who set the stage and provide support at a higher level and beyond to attract business to the area. She mentioned that the partnership with Oakland Community College, Rochester Community Schools, Avondale Schools, Oakland University, and Rochester University help bring the talent that the businesses need.

Ms. Valentik stated that who the customer is must be determined; and she noted that the role in Economic Development is to be the salesperson to promote the city. She commented that any good marketing strategy must be taken to the customers, who may be a small business/storefront or

home-based entrepreneur that now needs office space, a medium-sized retailer, or a large global company. She mentioned Molex and Pari Robotics and stated that the City's obvious customers are the business community. She stated that the two biggest considerations are the labor market/availability of labor workforce and real estate options. She pointed out that tomorrow's workforce must be viewed as a customer of the City, along with property owners, and developers. She commented that their needs must be understood and support given to help them fill their buildings.

She explained that trends were reviewed, strengths and weaknesses were determined, and a strategy developed which included The Big Five: Foster Entrepreneurship, Welcome Talent/Workforce, Attract National Movers and Shakers, Support Property Owners and Developers, and Boost International Development. She reviewed each component of the Strategy.

Fostering Entrepreneurship:

Ms. Valentik stated that small businesses make up the majority of the community and must be embraced and supported in any way possible. She mentioned the Auburn Road Corridor Project, and noted that the project would not be successful without the support of business and property owners in that corridor. The City needed to show them that they could survive the project, and held a number of seminars, shared marketing ideas, promoted free counseling and training that Oakland County provides, and connected with the Rochester Regional Chamber of Commerce. During the preceding tough year, the Economic Development Team's efforts assisted over 600 Rochester Hills businesses in their immediate and long-term needs, and handed out PPE kits, connected businesses to financing and grant programs, and undertook promotional efforts to get the word out.

Attracting Movers and Shakers:

Ms. Valentik noted that the economic development world strives for that great headline; and she highlighted the openings of Soft Surroundings and 2941 Street Food, and the relocation of Molex headquarters to Rochester Hills. She stated that positive PR for the community has a global reach. She mentioned that the first time she attended Automate in Chicago, she met a couple of business owners from New Zealand that were not only familiar with where Rochester Hills was, they had actually visited the City as it is home to FANUC Robotics. She stated that these kinds of companies put the city on the map and it is desirable to attract more.

International Business Development:

Ms. Valentik stated that Rochester Hills sought out opportunities for foreign investment and has excelled at it over the years, celebrating the opening of French company Rayconnect. LDFA's support funding paving and roadway development to the property made it accessible for development, and eventually led to A Raymond Group bringing five other divisions to the community employing over 400 people. She added that the LDFA had a huge

role in selling the vacant land on Hamlin Road to German company Jenoptik, finding the right user to build a state-of-the-art campus in North America. Most recently, the City partnered with AdduXi to create the French Corner, a soft landing place for French companies to test the US market, and bringing in 14 French companies in 14 months. Since 2015, international companies have brought \$120 million in new investment to Rochester Hills, creating and retaining 1,025 jobs.

Talent and Workforce:

Ms. Valentik stated that during her retention visits, over the past few years the biggest issue for firms is finding talent and qualified candidates. She noted that in 2014, the Mayor's Business Council hosted a meeting for businesses where a number of resources and professionals were brought in. The City also partnered with Oakland University and Rochester University Talent Connect, inviting recent graduates to attend Mayor's Business Council meetings and network in the hopes of retaining talent coming out of the two universities. The City also engages with youth in the school systems to make sure they have a workforce in the future. She commented that during site selection conferences she attended, labor availability beat out real estate options and taxes and will not go away anytime soon.

Property Owners:

Ms. Valentik noted that the real estate that the City has such as the Village of Rochester Hills is enticing to national retailers as it provides a downtown feel and a lifestyle image with free parking to national retailers. She mentioned that from the road you would never know that EEI Global is a manufacturing building. She commented that to attract the next generation of talent, businesses have to be creative in their workspaces to develop a welcoming environment and culture. She stated that while during current circumstances there are not many people are in these buildings presently, at some point in time people will be getting back to their offices. The City wants to partner with its existing property owners to ensure that its commercial space is attractive and affordable at the Class A level, and Rochester Hills is promoted to developers in the Metro Detroit area.

She commented that the strategy is to create an action plan incorporating specific programs and initiatives that will assist in accomplishing the Big Five. She stated that in the next couple of months staff will work to develop a more thorough action plan and identify initiatives and resources that will be needed to roll out these programs. She noted that the City's strategic partners are bringing their ideas and want to help, and the action plan will be developed to track successes. She mentioned that City Council will review the action plan to gauge its investment, and it is hoped that the plan will be presented to the LDFA Board at the April meeting to share programs and ideas and receive feedback on what it is willing to invest in.

She noted that while there are a couple of capital projects, there is a pool of funds to contribute to projects that support the economic strategy of the city.

She commented that much of the City's economic development success has been working with the LDFA Board, and staff looks forward to the LDFA's role going forward.

She stated that staff is not working in a vacuum and has shared its strategy and direction with the City's customers and strategic partners; and she noted several of their comments. She thanked the LDFA Board for its continued support, noting that many have been members for a long time. She commented that the Board has funded many exciting projects and activities, pays a portion of her salary and marketing materials, and funded trips to Automate and to Europe where a deal to bring KOSTAL to Adams Road was signed. She stated that while the City is coming to the last five years what she called the first term of the LDFA, it is hoped to finish strong and determine whether the LDFA should be extended. She thanked the taxing jurisdictions involved for helping make this a success.

Mr. Hunter stated that the strategy is fantastic and offered that Oakland County has great resources available. He commented that he likes the comprehensiveness of the plan and suggested that there should be a strong thread for redevelopment. He stated that perhaps a task force of developers and property owners could be assembled, and mentioned that Southfield has done a great job working with their owners and developers.

Ms. Janulis concurred, stating that having been successful makes moving forward very difficult. She stated that the strategy should build on some of the things that have been very successful. She questioned where income numbers were obtained that were on Page 7 of the strategy, and commented that it the wide variation between median household income and per capita income struck her as odd.

Ms. Valentik responded that the income figures came from SEMCOG and from MEDC's Zoom Prospector tool, providing specific demographic information on a community. She commented that she will provide the source.

Mr. Ellis relayed where SEMCOG's figures were located on their website.

Mr. Paul commented that the strategy is great, and commented that over the last year the entire workforce has started to move toward work-at-home. He stated that while there will be a return to normalcy in three to six months, he believed that there will be a shift in the entire office work-from-home paradigm. He offered that living in Rochester Hills should be promoted as a marketing campaign as well.

Ms. Valentik responded that it is not presently known what will happen to the office market. She commented that the City has a concentration of professional residents that have the ability to work from home and looks to them as customers who will need support as they work in the community. She mentioned flex office space, noting that she has seen some companies create a hybrid situation of smaller offices to support their workforce living in the suburbs. She stated that the City looks to what it can do to ensure it has the

real estate to support the businesses and the workforce; and she stated that it is an advantage to live in a community with great schools, access to amenities, and great quality of life.

Mr. Paul questioned whether the LDFA could support any of these marketing campaigns.

Ms. Valentik responded that it absolutely could, and noted that it is staff's plan to bring some of the ideas in the Big Five to the LDFA before the Budget is approved; and if it is the Board's decision to support some of these ideas it would be greatly appreciated. She commented that some of the ideas will require resources and some will require partners, and it would be great for the LDFA to help in supporting the strategy.

She introduced Michelle Carley, Economic Development Specialist, noting that she has been on board with the Planning and Economic Development team for four months.

Ms. Carley commented that she has met Mr. Paul and hopes that 2021 will allow her to meet many others on the LDFA Board. She stated that her background is in marketing in several different sectors, and noted that she is excited to work with the Economic Development team and fascinated by the awesome strategy.

Mr. Slavik questioned whether the old Softball City/Madison Park property has had any potential inquiries.

Ms. Valentik responded that the City has had inquiries; however, the largest hurdle is the cost of cleanup and timing involved. She commented that the City has been working with the owner, Schostak is marketing the property, and the City is working hard to identify any funding resources available to attract a great user. She stated that the City must find that buyer who has the time and is willing to become a partner between the property owner, buyer and the public sector.

Mr. Ellis questioned whether there was a known range of the cost of environmental cleanup.

Ms. Roediger responded that it is a variable cost depending upon the end user and would most likely be multiple millions of dollars.

Ms. Valentik stated that the property is getting interest, and has a benefit of its accessibility and visibility from M-59, and location down the street from Oakland University. She commented that finding the right user is her next big target.

Discussed

ANY OTHER BUSINESS

None.

NEXT MEETING DATE

April 8, 2021

ADJOURNMENT

There being no further business to discuss, it was moved by Janulis, seconded by Hunter to adjourn the meeting at 8:44 a.m.

Minutes prepared by Mary Jo Pachla.

Minutes were approved as presented at the _____ Regular Local Development Finance Authority Meeting.

Stephan Slavik, Chairperson