



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

**1000 Rochester Hills Dr.  
Rochester Hills, MI 48309  
248.656.4630  
[www.rochesterhills.org](http://www.rochesterhills.org)**

---

**Legislative File No: 2005-0377 V3**

**TO:** Mayor and City Council Members

**FROM:** Sara Roediger, Director of Planning and Economic Development, ext. 2573

**DATE:** April 13, 2018

**SUBJECT:** Request to consider approval of the Sixth Amendment to the Consent Judgment pertaining to Grand/Sakwa Acquisitions, LLC vs the City of Rochester Hills, a Michigan Municipal Corporation, Case No. 02-046199-AW concerning the development and use of property located south of M-59, north of Adams.

---

**REQUEST:**

That the City Council approve the proposed 6<sup>th</sup> amendment to the Consent Judgment pertaining to Grand/Sakwa Acquisitions, LLC vs the City of Rochester Hills, a Michigan Municipal Corporation, Case No. 02-046199-AW concerning the development and use of property located south of M-59, north of Adams, Parcel Nos. 15-30-176-003, -005, -006, -010, -011, 15-30-276-006, -007, 15-30-301-014, -039, -040, 15-30-302-030, -031, -039, -040, 15-30-326-015, -016 and 15-30-401-008 in the City of Rochester Hills, Oakland County, MI.

**BACKGROUND:**

**Existing Consent Judgment.** The subject property consists of approximately 104 acres and the northern portion is zoned ORT Office, Research & Technology, with the southern portion zoned I Industrial. The development and use of this site is further governed by a consent judgment entered in April 3, 2003 which permits 800,000 sq. ft. of ground floor building area consisting of a coordinated mixture of uses including commercial, lodging, office, research, and light industrial. The consent judgment further regulates dimensional standards including height and setbacks, parking, and site design standards including signs, lighting, and building design.

The consent judgment resulted from settlement of a lawsuit between the City and Grand/Sakwa and facilitated the M-59 interchange and realignment of Adams Rd. In exchange for the necessary right of way, the City allowed for agreed upon flexible uses and site design for the subject property. That consent judgment has been amended five times since to cover adjacent properties acquired by Grand/Sakwa.

**Proposed Consent Judgment Amendment.** The City has been approached by an existing business in the City, [KOSTAL Kontakt Systeme, Inc.](#), which intends to purchase roughly 16 acres of the subject property, located at the site's northwest corner immediately abutting Old Adams Rd. and M-59, to construct their North American headquarters consisting of office, production, and warehousing uses. KOSTAL Kontakt Systeme, Inc is a division of KOSTAL Group, a 4th generation company headquartered in Germany that develops and produces electrical connectors for the automotive industry. KOSTAL must relocate by 2021 due to size limitations of the leased current building at 1350 West Hamlin Rd.

The initial \$35 million investment will be to construct a 120,000 sq. ft. building that will consist primarily of two story offices and production, with a small portion of the building used for warehousing with a 60 ft. height. KOSTAL expects to employ over 180 employees after this first phase. At buildout, estimated by 2032, the facility will be expanded 300,000 sq. ft. with a footprint of 260,000 sq. ft. and with anticipated employee count of nearly 350 people.

For KOSTAL to locate on the site, the consent judgment needs to be further amended to increase the overall square footage for the property and to modify some of the specific design requirements. A concept plan was presented to the City Council in closed session on March 26, 2018. As a result of discussions between City administration, KOSTAL, and Grand/Sakwa further changes to the proposed amended consent judgment were made to improve the plans. A summary of the proposed changes to the consent judgment are as follows:

1. Increase in ground floor building area to 840,000 sq. ft. and dedicate 260,000 sq. ft. for KOSTAL. The site currently has 523,000 sq. ft. of developed ground floor area, and with the proposed KOSTAL development, only 17,000 sq. ft. of ground floor development remains, while there are still over 8 acres of vacant land on the site.
2. Prohibit the construction of any additional hotels on the site.
3. Allow for a building height of 60 feet plus 5 feet for parapets to screen roof mounted units for the warehouse portion of the building.
4. Limit the building height of remaining buildings to be constructed on the site to 2 stories.
5. Allow KOSTAL to construct on freestanding monument sign.
6. Allow KOSTAL the ability to use metal panels at the principal building material and not require decorative canopies or awnings.

In order to permit the proposed development, it will be necessary for Grand/Sakwa, the City, and the Court all to agree to amend the existing consent judgment. Representatives from the property owner, KOSTAL, City staff and attorney will be available at the meeting to discuss the proposed development and to answer any questions on the proposed amendment. Note that if the consent judgment is amended, the development will still have to go through the site plan review process and full site plans will be submitted for review by City staff and City Council at a future date.

**RECOMMENDATION:**

Staff recommends that City Council approve the 6<sup>th</sup> amendment to the Consent Judgment pertaining to Grand/Sakwa Acquisitions, LLC vs the City of Rochester Hills, a Michigan Municipal Corporation, Case No. 02-046199-AW concerning the development and use of property located south of M-59, north of Adams, Parcel Nos. 15-30-176-003, -005, -006, -010, -011, 15-30-276-006, -007, 15-30-301-014, -039, -040, 15-30-302-030, -031, -039, -040, 15-30-326-015, -016 and 15-30-401-008 in the City of Rochester Hills, Oakland County, MI.

---

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