



City of Rochester Hills
AGENDA SUMMARY
NON-FINANCIAL ITEMS

1000 Rochester Hills Dr.
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Legislative File No: 2019-0244

TO: Mayor and City Council Members

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

DATE: July 1, 2019

SUBJECT: Request to terminate the Brownfield Redevelopment Plan and Tax Increment Finance for Madison Park (owned by REI Brownstown LLC) consisting of eight parcels of land totaling approximately 78 acres located at the southeast corner of Hamlin and Adams.

REQUEST:

That City Council terminate the Brownfield Redevelopment Plan – Former Cardinal/Veteran’s Landfill Site (the Brownfield Plan) and Tax Increment Finance (TIF) for the Madison Park site, which is owned by REI Brownstown LLC. The site is located at the southeast corner of Hamlin and Adams and includes eight parcels of land totaling approximately 78 acres, Parcel Nos.15-29-176-004 and -006; -008. Along with Parcel Nos. 15-29-151-008 and -011; -012; -015 and -017, all zoned by Consent Judgment.

BACKGROUND:

In 2004, City Council approved the Brownfield Plan for the former Cardinal/Veteran’s Landfill site, which has been titled Madison Park. At the time, the owners of the property, REI Brownstown LLC, proposed to clean up the property and construct over 775,000 square feet of mixed office, research/tech and retail space, creating up to 5,000 permanent jobs on the site. In FY 2006, a TIF was created to capture tax revenue from State Education Tax, Oakland County, OISD, OCC, City of Rochester Hills and Rochester Community Schools jurisdictions to reimburse REI Brownstown LLC for the brownfield clean up expenditures of the proposed project. Due to a downturn in the economy, the project did not commence and as of 2019, no clean up and redevelopment activity has taken place on the Madison Park site.

Currently, the Madison Park Brownfield Fund has a balance of \$535,242.06. There have not been any draws requested by the property owner and the City has not received any plans from the property owner to redevelop the site this year. Michigan’s Brownfield Redevelopment Financing Act states that a City Council can terminate a brownfield plan if the project fails to occur for at least two years following the date of the resolution to approve the plan. Every year, the City must submit a progress report on the Madison Park Brownfield Plan to the Michigan Economic Development Corporation (MEDC). Through the reporting process, the MEDC has shared with staff that it is their preference to dissolve any TIFs capturing funds for projects that have not advanced in a reasonable timeframe.

As of June 30, 2019, the Madison Park Brownfield Fund has a balance of \$535,242.06.

Accumulated Funding Captured (plus accumulated interest)	
City of Rochester Hills	\$ 116,073.78
Rochester Community Schools	\$ 225,021.29
Oakland County	\$ 57,501.06
Oakland County CC	\$ 19,715.86
Oakland County ISD	\$ 41,922.98
State Education Tax	\$ 75,007.10
TOTAL	\$535,242.06

Staff worked with John Staran to prepare all necessary documents for the termination of the Brownfield Plan and TIF including notifying the property owner of the City's plan to terminate the brownfield plan. The property owner has provided a letter supporting this request. Should City Council approve the termination of the Brownfield Plan and TIF, the monies will be refunded to the taxing jurisdictions. City staff has been working with the property owner for the past couple years to market the site to prospective businesses and will continue to provide any assistance necessary to see the property becomes an attractive site for targeted redevelopment.

RECOMMENDATION:

Staff recommends that City Council terminate the Brownfield Redevelopment Plan and TIF for the Madison Park site, which is located at the southeast corner of Hamlin and Adams.

APPROVALS:	SIGNATURE	DATE
Department Review		
Department Director		
Mayor		
Deputy Clerk		

Contract Reviewed by City Attorney Yes N/A