

~~Resolved, that the Rochester Hills City Council authorizes the Mayor or his agents to make application to the Road Commission for Oakland County for the necessary permits for posting road closures and detours; and~~

~~**Be It Further Resolved**, that the parade detour routes be scheduled for Sunday, December 7, 2008, between the hours of 12:30 p.m. and 4:00 p.m. on Livernois, Avon, Rochester, and Tienken Roads; and~~

~~**Now Therefore Be It Resolved**, that the City of Rochester Hills will faithfully fulfill all permit requirements, and shall save harmless, indemnify, defend, and represent the Board of County Road Commissioners against any and all claims for bodily injury or property damage, or any other claim arising out of or related to operations authorized by such permit(s) as issued; and~~

~~**Be It Further Resolved**, that a certified copy of this Resolution be filed with the City Clerk of Rochester Hills, Oakland County, Michigan and with the Road Commission for Oakland County, Waterford, Oakland County, Michigan~~

2008-0593 Discussion regarding the development of a City-wide Brownfield Policy

**Attachments:** [Agenda Summary.pdf](#)  
[ASTI Documents.pdf](#)

*Derek Delacourt, Deputy Director of Planning introduced the City's consultant, Thomas Wackerman, CHMM, Director of Brownfield Redevelopment, ASTI Environmental.*

*Mr. Delacourt stated that discussion has been ongoing for several months regarding the development of a City-wide Brownfield Policy to guide the City as it reviews potential projects requesting Tax Increment Financing (TIF) for properties that may have, or have the perception of, contamination. He stated that the goal of this meeting was to provide the consultant with information so that a draft policy could be formulated.*

*Thomas Wackerman, CHMM, Director of Brownfield Redevelopment, ASTI Environmental, commented that without a formal Brownfield policy, there is a lot of variability in what municipalities do; and it is fairly common for these municipalities to eventually develop a Brownfield policy. He explained that the goal of this meeting would be to get a direction, or framework, that could be incorporated into a policy document.*

*He reviewed the six funding options generally used for eligible properties and funding Brownfield Redevelopment:*

- Grants
- Tax Increment Finance
  - \* All Communities in Michigan (which would include Rochester Hills)
  - \* Core Communities (Rochester Hills is not in the Core Communities group)
- Michigan Business Tax (MBT) Credit
- A Revolving Loan Fund, a way to generate seed capital for additional Brownfields.
  - \* Local Capture

*\* State Capture*

*There are three categories of investment that are eligible for some sort of Brownfield reimbursement, including:*

- Eligible Activities*
- Eligible Investment*
- Other*

*These categories have multiple incentives, and the City's policy should address the following:*

- What types of projects the City will make Brownfield Tax Credits available for.*
- The determination of eligibility of a specific applicant or project.*
- The overall objectives, highlighting the preference for source control and active remediation.*
- Whether the City's policy will follow or exceed the State's standards for cleanup.*

**Mr. Ambrozaitis** *questioned what percentage of communities go beyond the State's minimum standards and what the value would be to the City to clean beyond the State's standards.*

**Mr. Wackerman** *responded that only a few communities go beyond the State standards. He commented that the State allows a number of different closures to the site under the 201 Regulations, including no cleanup and capping the site with a parking lot; and stated that the State's 201 standards meet the objective of protection of human health and environment. He questioned what Rochester Hills saw as an objective of Brownfield tax credits relative to cleanup and commented that the level of cleanup could be influenced by whether the site involves a sensitive resource.*

**Mr. Ambrozaitis** *questioned whether going beyond the 201 Standards made sense financially.*

**Mr. Wackerman** *responded that it did not, and explained that there would be a longer payback for a developer to go beyond the standard, with negative financial incentives.*

**Mr. Rosen** *stated that ultimately the taxpayers pay for cleanup activities, and commented that they should get the amount of cleanup they are willing to pay for.*

**Mayor Barnett** *commented that if the City is looking at impacting the community significantly with a policy, it should be one which makes Rochester Hills attractive to developers.*

**Mr. Delacourt** *stated that nothing would preclude the City from requesting a higher standard of cleanup on an individual project basis. He commented that a site could be evaluated on an individual basis to determine its potential threat to the environment.*

**President Hooper** *questioned whether the Hamlin and Adams site was considered an active remediation.*

**Mr. Delacourt** replied that it was.

**Mr. Wackerman** explained that engineered controls keep the contamination in place or manage it, while active remediation removes the contamination. He stated that the choice between the two actions often depends on the nature of the contamination.

**Mr. Rosen** commented that the degree of cleanup should be evaluated on a case-by-case basis.

**Mr. McGarry** questioned whether cases have been found where a community has required cleanup beyond the State standard, and the requirements are so high that the TIF does not support development.

**Mr. Wackerman** stated that he has not seen a cleanup so burdensome that goes beyond a thirty-year period, but it certainly was a possibility.

**Mr. Justin** questioned what the City's expectation should be if its policy is to meet the State standard.

**Mr. Wackerman** stated that if developers were to assume that they must meet the State standard to develop, each site would have the option to develop an engineering institutional administrative control or remediation plan to meet the intended future use of the site.

**Mr. Stevenson** commented that the City's policy, once drafted, should be one that would encourage developers to choose Rochester Hills. He noted that requiring the highest standard for cleanup for a site would eliminate certain projects from consideration.

**Mr. Webber** questioned how Ann Arbor's more restrictive policy of requiring higher levels of cleanup has affected development.

**Mr. Wackerman** stated that Ann Arbor's policy requires going beyond the site if a plume is affecting neighboring properties. He commented that he did not believe this policy deterred building in Ann Arbor.

**Ms. Morita** questioned whether the City was looking at creating a policy to look at other types of properties in addition to those contaminated, including those in a deleterious state or needing rehabilitation.

**Mr. Wackerman** referred to the Michigan definition of a Brownfield and explained that there are three criteria to define a Brownfield:

- In the City, it is:

\* Contamination greater than the applicable Residential Cleanup Criteria under Part 201, or

\* Is in a Land Bank Fast Track Authority

- Adjacent and Contiguous Properties

*He stated that including categories for functional obsolescence or blight refer only to core communities. The only exception in a non-core community would be a facility that could be deemed functionally obsolete for purposes of demolition, asbestos abatement and lead abatement only, and have access to the Brownfield legislation for TIF reimbursement for those expenses only.*

*Members made the following suggestions to be considered in developing the policy:*

*- The City should not develop a policy that offers TIF to just any developer for any project, however, at the same time the City does not want a policy to discourage development.*

*- The policy should incorporate all possibilities, including the very limited, and consider surrounding communities and their requirements for cleanup.*

*With regard for cleanup, **Mr. Staran** advised cleanup activities are the exclusive authority of DEQ and not local regulation.*

*It was noted that Policy should not discourage investment. The 600-plus acres of landfill should be a priority for adaptive reuse.*

*Other comments included:*

- The site has to be eligible.*
- The Policy needs to be as broad as possible.*
- A policy can be flexible and would not prevent imposing more than 201 Standards to a project.*

***Mr. Wackerman** moved on to discuss the creation and funding of a Revolving Loan Fund (RLF). He explained that the RLF under the Brownfield Program in Michigan provides that once created, it allows capture of the back five years of taxes on any Brownfield, with some restrictions. This money is then put into a fund which can be used as a direct expense for other Brownfields, for areas such as assessment, remediation, demolition or any eligible activity on that Brownfield.*

*Mr. Wackerman suggested the City develop a RLF policy separate from a Brownfield policy. He stated that a RLF is used for eligible activities that a developer would otherwise not be able to access without incentive, for instance, a functionally obsolete or blighted building, a landfill where the developer cannot get a payback in a reasonable amount of time, or a site that the City wants to get ready for development and there is no developer around to do the TIF. Some RLFs are also used for municipal-initiated developments as a direct loan to the developer and the City is paid back with interest.*

*In response to questions, Mr. Wackerman noted that RLF could be used to:*

- Inventory properties.*
- Assess properties to get them development ready.*

The discussion continued regarding eligibility criteria for RLF applicants and identified bonding or City involvement in a project:

- A need for information on the financial soundness to be confidential and not FOIAble.
- Processing fee.
- Specifics about the engineering review fee.
- Include, or not, considerations for a mandated minimum investment for TIF funding.
- Time limits for reimbursement/payback of administrative fees.

Mr. Wackerman stated that his next step would be to put an outline together with key points for the policy. He recommended the City put together a group to begin working on the details, including the following:

- The application process
- Who is in charge of what component
- What forms will be incorporated
- Terms and conditions for mundane things

Mr. Stevenson questioned the timeline on policy development.

Mr. Wackerman estimated that it would take three to six months for this process.

Discussed.

**ANY OTHER BUSINESS**

None

**NEXT MEETING DATE**

Regular Meeting - Monday, December 1, 2008 - Cancelled; Regular Meeting - Monday, December 8, 2008 - 7:30 PM

**ADJOURNMENT**

There being no further business before Council, President Hooper adjourned the meeting at 9:14 p.m.

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GREG HOOPER, President  
Rochester Hills City Council

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JANE LESLIE, Clerk  
City of Rochester Hills