



Rochester Hills Agenda Report

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File Number: 2006-0612

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File Type: Project

Status: In Council

Version: 2

Reference: Madison Park

Controlling Body: City Council Special Meeting

Requester:

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Introduced: 08/11/2006

File Name: Madison Park - CMI Grant/Loan Request

Final Action:

Title: Consider a Pledge of the City's Full Faith and Credit for the Amount of the Proposed Clean Michigan Initiative (CMI) Grants and Loans

Notes: City File #03-023

Code Sections:

Agenda Date: 08/17/2006

Indexes:

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Enactment Date:

Attachments: Agenda Summary CMI.pdf, Final CMI grant and loan app.pdf, 081606 DEQ Review Comments on Madison Park CMI Brownfield Redevelopment Grant Loan Funding Request.pdf, 081706 Email S. Erickson.pdf, 081706 Memo R. Wackerman, ASTI.pdf, BRA Motion re Madison Park Project.pdf, DEQ Brownfield Grant Agreement.pdf, DEQ Brownfield Loan Agreement.pdf, 08-17-06 Draft BRA Minutes.pdf

Enactment Number:

History of Legislative File

Ver- sion:	Acting Body:	Date:	Action:	Sent To:	Due Date:	Return Date:	Result:
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Text of Legislative File 2006-0612

..Title

Consider a Pledge of the City's Full Faith and Credit for the Amount of the Proposed Clean Michigan Initiative (CMI) Grants and Loans

..Body

Whereas, pursuant to the Brownfield Redevelopment Financing Act, Act 381, Public Acts of Michigan, 1996, as amended (“Act 381”), the City of Rochester Hills Brownfield Redevelopment Authority (the “Authority”), by resolution adopted on March 4, 2004, and the City Council of the City of Rochester Hills (the “City”), by resolution adopted on May 19, 2004, approved a Brownfield Plan (the “Brownfield Plan”) for the site of the former Cardinal Landfill and Veteran's Landfill and adjoining properties located near the southeast corner of Hamlin Road and Adams Road in the City (collectively, the “Property”), which Property is owned by REI Brownstown, LLC (the “Developer”); and

Whereas, the Brownfield Plan provides for the tax increment revenues (as defined in Act 381) derived from the Property (the “Tax Increment Revenues”) to be used to reimburse the Developer and the Authority for the cost of eligible activities permitted under Act 381, consisting generally of the removal and offsite disposal of waste and the relocation of waste on the Property, the installation of methane and leachate collection systems, the re-engineering and installation of a cap and the installation of special footings and foundations to support the foregoing (collectively, the “Eligible Activities”); and

Whereas, at the request of the Developer, the Authority, at its meeting on August 17, 2006, approved the submission of an application to the Michigan Department of Environmental Quality (“MDEQ”) for a grant in the amount of \$1,000,000 and a loan in the amount of \$1,000,000 from funds available through the Clean Michigan Initiative (CMI) program administered by the MDEQ for the purpose of paying part of the cost of the Eligible Activities, subject to certain conditions, one of which is the adoption of a resolution by the City Council that pledges the full faith and credit of the City to the repayment of the CMI loan; and

Whereas, the balance of the cost of the Eligible Activities is expected to be funded by the proceeds of bonds (the “Drain Bonds”) to be issued by a drainage district (the “Drainage District”) to be formed by the Oakland County Drain Commissioner pursuant to a petition to be filed by the City with the Drain Commissioner pursuant to Chapter 20 of the Michigan Drain Code (Act 40, Public Acts of Michigan, 1956, as amended).

Now, Therefore, Be It Resolved, by the City Council of the City of Rochester Hills, Oakland County, Michigan, as follows:

1. The submission of the application for the CMI loan and grant to the MDEQ is approved.
2. The City Council hereby pledges the full faith and credit of the City to the payment of principal of and interest on the CMI loan, and agrees that in the event that there are insufficient tax increment revenues or other revenues provided by the Developer available to pay such principal and interest when due, then the amount thereof shall be advanced from City funds, and City Treasurer is directed to immediately make such advancement to the extent necessary.
3. In the event that, pursuant to the foregoing pledge of full faith and credit, the City advances out of City funds, all or any part of the principal of and interest on the CMI loan when due, it shall be the duty of the City Treasurer, for and on behalf of the City, to take all actions and proceedings and pursue all remedies permitted or authorized by law for the reimbursement of such sums so paid.
4. No requests for reimbursement shall be submitted under the CMI loan and the foregoing pledge of full faith of credit shall not become effective until all of the following shall have occurred:

- (a) The Developer shall have executed a guarantee, in form and substance satisfactory to the City, that guarantees the prompt payment of the principal of and interest on the CMI loan and the repayment of the CMI grant, if required by the MDEQ, and that is secured by one or more letters of credit in form and substance satisfactory to the City.
- (b) The Brownfield Plan shall have been amended to specifically authorize the use of the Tax Increment Revenues for the payment of the principal of and interest on the CMI loan and the Drain Bonds and, if required by the MDEQ, the repayment of the CMI grant.
- (c) The MDEQ shall have approved a work plan for the Eligible Activities in accordance with Act 381.
- (d) The City, the Authority, the Developer and the Drainage District shall have entered into a Development and Reimbursement Agreement, which agreement shall, among other things, obligate the Drainage District to undertake and supervise the Eligible Activities and provide for the use of Tax Increment Revenues in accordance with the amended Brownfield Plan.
- (e) The Developer shall obtain site plan approval and satisfy and fulfill any and all conditions attached thereto.

All prior resolutions and parts of resolutions insofar as they may be in conflict with this resolution are hereby rescinded.