

Rochester Hills Minutes

Local Development Finance Authority

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Brandy Boyd, Clarence Brantley, Michael Damone, Michael Ellis, Lois Golden, Darlene Janulis, Tammy Muczynski, William Mull, Cassie Patterson, Stephan Slavik, Owen Winnie

Thursday, April 7, 2011 7:30 AM 1000 Rochester Hills Drive

CALL TO ORDER

Chairperson Stephan Slavik called the Regular Meeting to order at 7:30 a.m. in Conference Room 221.

ROLL CALL

Present 7 - Clarence Brantley, Michael Damone, Lois Golden, Stephan Slavik, Owen

Winnie, Brandy Boyd and Darlene Janulis

Absent 4 - Michael Ellis, Tammy Muczynski, William Mull and Cassie Patterson

Also Present: Ed Anzek, Director of Planning and Dev.

Kurt Dawson, Director of Assessing and Treasury

Keith Sawson, Director of Fiscal Paul Shumejko, Traffic Engineer

James Breuckman, Project Manager, McKenna Associates

Maureen Gentry, Recording Secretary

APPROVAL OF MINUTES

2011-0141 January 13, 2011 Regular Meeting

A motion was made by Damone, seconded by Brantley, that this matter be Approved as Presented. The motion carried unanimously.

COMMUNICATIONS

There were no Communications brought forward.

DISCUSSION

2010-0462 M-59 Corridor Study Update; James Breuckman, McKenna Associates,

Consultant

Mr. Anzek introduced the newest members, Ms. Boyd and Ms. Janulis,

and he noted that Ms. Janulis had been on the LDFA about nine years ago.

Mr. Anzek then introduced Mr. Breuckman, who compiled, and was present to give an update about, the M-59 Corridor Study. Mr. Anzek said that the intent of the Study was to create a vision for the Regional Employment Center identified in the Master Land Use Plan, and to develop the Master Infrastructure Plan. When the LDFA first started in 1994, there was a Master Plan done at that time to identify various improvements. Most had been done, and several had been set aside. The LDFA had about 14 remaining years of capture, and they wanted to make sure the monies were best spent.

Mr. Breuckman had brought a power point presentation, and first showed a slide of the Development Plan portion of the document. That set forth what was to happen above ground. Spalding DeDecker, an engineering firm in the City, was currently working on underground infrastructure information, and trying to determine if it was sufficient to support the above ground plan or if there would need to be more work done. Mr. Breuckman stated that the purpose of the Plan was to provide a comprehensive future development vision for the study area. As mentioned by Mr. Anzek, the area was called out as a Regional Employment Center during the Master Land Use Plan update. It was a complex area that had very definite character. There were a lot of 1980's and early 1990's industrial parks. If left to their own devices, they could start showing age, so providing a comprehensive vision was one of the driving forces behind the Plan. Connected to that was a guide for future expenditures - what to plan to support and implement the development. They wanted to maximize the return on investment to quickly leverage private investment afterwards.

Mr. Breuckman noted that the area was about 1,500 acres, and held 90% of the City's industrial area. He recalled the workshop held in November 2009 at Oakland University. The results of that directly formed the recommendations in Chapter 5 of the Study. He summarized the rating results, beginning with development prioritization. He talked about emerging sectors and the new medical school at Oakland University,

which was rated four and five (highest) across the board. Building appearance was also a high priority. The top four were tapping into emerging sectors, building appearance, maintaining dedicated funding sources and expediting the permitting and approval processes. He felt that it was interesting that the top four priorities actually had very little to do with infrastructure; it was more programming and process-oriented. Ordinances could help with the permitting process, and having a defined development vision in advance helped to expedite the approval process.

Mr. Breuckman noted that the fifth-ranked item was the first one involved with infrastructure - which was building new infrastructure necessary to attract new investment. Next was the number of jobs created, businesses that could bring spin-offs, landscaping, attracting blue chip clients and district appearance from M-59 was last. All of those were process and policy oriented. It was also interesting to him that infrastructure was only mentioned once in the development priorities.

He next showed where the LDFA could spend its money on physical projects. The participants were asked to rate those. Road maintenance was the highest priority. Second were image improvements, such as gateway improvements and building improvements. Road construction was third, then pursuing public and private partnerships, streetscape improvements, having a marketing plan and region marketing and street lighting.

Mr. Breuckman showed pictures of various buildings on which the participants voted. He asked about new buildings on major roads, and it was consistent that people liked buildings closer to the street, without parking in front of the building, and those that were pedestrian friendly. A lot of the preferred buildings were LEED compliant.

He did a change analysis, to quantify where areas were likely to change, versus just evolve. That was based on property values, how much of the parcels were already covered by buildings, what the land use was and the natural features limitations. Some parcels were more likely to be reinvested in over time and to grow by addition, and some would experience some kind of wholesale change. He showed a map with areas

where radical change could occur. A lot of those were residential, which would change over time - more of a 30-year process. There were some large, vacant parcels, such as the former Suburban Softball site that were likely to be redeveloped. There was land at the end of Devondale, where the connection to Austin was made. He showed the potential areas to evolve, and said that they had to think about how to allow them to evolve so businesses would grow in place. He showed the areas where there was the potential to intensify with major building additions.

Mr. Breuckman described the development areas in the Study. First was workplace, which encompassed most of the existing industrial developments. They wanted to provide additional flexibility in those areas. He showed the technology and office image corridor, which was located along M-59 and included taller buildings. They had an opportunity to start building a better image for the M-59 study area. The Crooks Rd. interchange was a major entrance, and it was now underutilized in terms of the land uses. There was the opportunity for some taller, mixed-use buildings that were consistent with the technology and office image corridor. He pointed out the regional commercial area along Adams, where the new marketplace center was. He stated that the big box stores had a place, and he had heard it was a great benefit for the study area. They had heard that the connection of Leach and Technology to Adams was a great benefit, because it was a lot easier for people to get to the new restaurants in the marketplace. It had improved the quality of workplace life for people, and they had the opportunity to leverage that area further.

Mr. Breuckman showed future possible road connections. One of the limitations of the study area was that there were a lot of streets that went off of Auburn but did not connect to each other. It limited business clustering and other strategies. It also required everyone to drive down to Auburn and over to Crooks or Adams and back to M-59. Providing the secondary cross connection to the east and west would help them support a little more intense development. If they started adding more cars and people to Auburn, they would need a secondary access. That could be accomplished through public action or over time as development occurred. The City could ask for right-of-way more opportunistically. He

gave some recommendations for development standards (lot dimensions, building setbacks, building height, etc.). He noted a general description of what types of uses were appropriate and what kind of character the buildings should have. All this would provide a basis for the zoning amendment and also help create a shared vision for the development area.

Mr. Breuckman referred to page 66, which listed some basic building design guidelines. Those would be further flushed out in the zoning amendment, but they wanted to keep the guidelines basic, so as to not dictate architectural style. They wanted to allow creativity and freedom of expression without defaulting to the lowest common denominator. There was a parking analysis included with parking recommendations. There were now older buildings built to an industrial standard, and new standards would allow flexible or hybrid-type uses, where there would be more office. Parking would be a challenge in those areas. They recommended on-street parking for at least one side of the street to create a parking supply. They would have to provide flexibility in the ordinance. He had included a non-motorized circulation plan with street guidelines that moved toward the complete streets look, rather than the unfinished, industrial-parked street look.

Mr. Breuckman referred to street design guidelines on page 69, which showed attractive streets in the study area. They were important for people entering the area. Even if a lot of people did not walk on them everyday, the improvements would send a message that it was a quality place that people cared about and invested in. On page 70, there was a small example of how an existing street could be upgraded. Buildings were brought closer to the street to allow for expansion. There were fairly large setbacks in the area now. They added sidewalks, street trees and on-street parking to show how the streets could be evolved over time.

Mr. Breuckman talked about gateway improvements, which could create an awareness driving into the research corridor. He included three examples of potential gateway signage, including one that was directly based off of some of the elements of the City's new logo with a more industrial and modern look appropriate for the study area.

The next steps would include the Regional Employment Center zoning amendment and the Infrastructure Improvement Plan and the project list to be implemented over the next 14 years. There would be some cost estimates so they could start thinking about what the LDFA wanted to take on over time. He commented that the list of projects would be bigger than the money available to do them all.

Mr. Damone alluded to command and control elements in the study. He asked Mr. Breuckman if he ever considered how the City competed with its neighboring communities. He maintained that Rochester Hills ultimately had standards and requirements that made it uncompetitive with surrounding communities. He felt that there were a lot of esoteric concepts in the study. They wanted to control building materials, but he was not sure that was constitutional. It could be put in the ordinance, and a lot of people might not challenge that, but he was not sure it was legal. Economically, the study might not enhance, but make it more difficult to locate businesses here.

Mr. Breuckman said that the idea was to actually remove impediments. Mr. Damone said he was not sure it was doing that. Mr. Breuckman said that it talked mostly about things that were already regulated. They were trying to move forward with a vision for how buildings should look, but the intent was that the ordinance amendment would allow for more things to happen than it currently did. Mr. Damone suggested that if they put things in the ordinance like streetscaping and building materials, they might not end up with the result they were trying to achieve. They were ignoring the economics of business - building and operating a building. He suggested that unless they took that into consideration, they might end up with unintended consequences.

Mr. Breuckman said they would take that into consideration. Mr. Damone observed that a lot of it was not fundamental for people building and operating. Mr. Breuckman asked him to give an example. Mr. Damone said that if they required building materials that were more expensive than the neighboring community, which raised occupancy costs, someone would go to a neighboring community.

Mr. Breuckman looked up the suggested building materials. Mr. Damone noted that block was excluded, which he did not think should be. Regarding metal siding, he stated that some people liked it for heat transfer reasons. The building envelope had to meet certain energy requirements. He reviewed the ordinance requirements for parking, and asked what a typical parking space size was. Mr. Anzek said that the ordinance now required 9 x 18 for employee concentrated developments. Mr. Damone suggested that some of the older places could re-stripe and pick up additional parking. Mr. Breuckman agreed, and said that they based parking on 9-foot spaces.

Mr. Breuckman acknowledged that there would be different tastes regarding building materials. Foreign companies might like something very different than what people were used to here. He did not want building materials to be the thing they got hung on. Mr. Anzek indicated that if someone came and put up expensive materials, he would not want the building next to it to be unattractive. They wanted to create a theme and to strongly encourage a certain look. The Planning Commission encouraged all developments to be high quality, with brick and stone. He said that Mr. Damone and Mr. Breuckman were both right; they did not want to put in any impediments to redevelopment. He thought the materials were there only as guidelines. Mr. Damone commented that he was not sure that government had the right to regulate aesthetics.

Mr. Winne disagreed somewhat. As a former Planning Director, he was aware that the development of a project was steered through ordinance requirements and the site plan review process of negotiation. He felt that the guidelines were critical to that process. He recalled that Oak Tech Park was an extremely well designed, well done park. There were a lot of things done that went beyond what could normally be required through ordinance, and they used negotiation. He felt that a lot of what Mr. Damone was saying was covered by building regulations and permitting. For the aesthetics, there were a lot of things that should be built into the process, but they were guidelines that allowed flexibility.

Ms. Golden stated that they key thing to remember was that they were

working with a plan and recommendations. The study did not say someone could not do something. Just like dealing with historic districts ordinances or a PUD, there were ways to inspire good design. The City might offer a façade improvement grant, which would inspire improvements without requiring them. She felt that what the competition was doing was a good point. She thought that there were a lot of good things in the study, for example, building height that could spur investment in the area. A lot of the office parks now did not look very good and had single-story buildings.

Mr. Damone asked Mr. Dawson if he would be willing to lower the assessed value and get less tax dollars. Mr. Dawson said properties would be assessed according to value. He remarked that if someone wanted to do a cheap development, they could go to another city.

Ms. Janulis referred to page 66, and said that it was very well written. It said "non-recommended." If people wanted to move to Rochester Hills and something was a sticking point, they could show the plans they wanted to do and ask for an exemption. She said they could not regulate bad taste, but people did have to provide a plan. Her homeowner's association laws stated what building materials could be used in her subdivision, and it was enforced through the By-laws. Mr. Damone agreed a homeowner's association could regulate, but he noted that it was private. Ms. Janulis believed that the way the study was written, it was not prohibitive. It was not too restrictive, and it was setting guidelines. If people wanted to break with that, they would have to talk to the City and they could negotiate.

Mr. Winnie reminded that they were attempting to develop a character and a destination point for the M-59 corridor. It was what was seen from the street that drew people into a development. He did not see anything in the study about being prohibitive.

Mr. Damone said that when he developed, they recorded covenants and private deed restrictions, so he was not against aesthetics. He did not think the City could do something like that under the current enabling legislation. They wanted to be sure they ended up with the desired result

and not something that was economically discouraging.

Ms. Golden said she felt everyone agreed with that, but the plan should be viewed as a guide. She agreed that circulation was very important. She asked how far McKenna would take the plan, or whether it would be left up to Staff. She said she was excited about it, and she added that she was happy about the connections of Leach and Technology. She said it would be nice to prioritize in their budgeting, and she wondered if Staff would give them an infrastructure field analysis.

Mr. Breuckman said there would be cost estimates on a per-foot basis. He noted that the road connection locations were conceptual and the land acquisition costs would be the wild card. Mr. Anzek said that subsequent to the 1998 Master Land Use Plan effort, there were five focus areas, and one was the Austin Ave. extension. It was a way to get access into an area prime for industrial and light manufacturing development. They tried for several years to get that built, but the land owner would not cooperate. Then a new company, Rayconnect, saw the site, fell in love with it and built a building. The City had the impetus to build the road because of the tax dollars that would be coming. If they got the road connections in a plan and the opportunity presented itself, they would have priorities. The road concept was critical to get movement in the area.

Mr. Slavik said that he would like to see the Clinton River Trail woven into the plan for pedestrian traffic and employees. There was a huge lineal park down the trail. Everyone that came to the area wanted their employees to be able to tie into the Trail.

Mr. Anzek agreed. He said that the general manager of KOSTAL Kontakt, which was coming into the Tower Automotive building on Hamlin, was a bicyclist and pedestrian, and he really liked the Trail. It was a big selling point.

Mr. Breuckman noted the circulation plan on page 68, and said that it designated major, non-motorized routes to get people to the Trail. There were major intersection routes at Hamlin, and they envisioned Leach,

Austin, Devondale and other major roads which could include on-street bike lanes or wider sidewalks.

Mr. Slavik said that if they were trying to purchase right-of-ways for streets, easements to the Trail were very doable.

Ms. Golden said that she completely agreed with Mr. Slavik. She had previously suggested that they send information to the Oakland Trails Advisory Council. Since they had so much potential within the corridor and there might be the potential for revenue grants for a pathway system connection, she felt it would be a good idea if they had more of a formal dialogue between the LDFA and the Council.

Mr. Anzek said that all the comments were excellent and tied into the public-private partnership to incentivize people to do things. There was some work going on with the Friends of the Clinton River Trial to try and create an identity. The Parks and Forestry Department had put a project in the Capital Improvement Plan to try to put some City money towards it in the hopes of getting grants for signage or way finding. It would identify that to the right a quarter mile was a certain restaurant, for example. He thought they should go after private sponsorships to create the connection Mr. Slavik mentioned.

Mr. Winnie thought that Mr. Slavik had a very good point. He would like to see the Trail somehow integrated into the process in more detail. As the City began to negotiate with builders and developers in the corridor that backed up to the Trail, they should have some wiggle room to negotiate resting stops on people's property. He could visualize that some employees might want to ride a bike to work in the summertime.

Mr. Breuckman referred to recommendations on page 67 for bicycle parking. Companies could even think about having showers for employees. One of the things they heard from stakeholders was that Rochester Hills did not have a terribly advantaged location within the regional economy. The epicenter was moving toward the airport and the M-14 corridor. People came here because of the quality of life benefits. He agreed that leveraging the Trail was important. People came not for a

purely economic decision but because of the things the City had to offer.

Mr. Winnie noted the parcel on the northeast corner of Hamlin and Adams, and he asked how big it was and what it was zoned. Mr. Anzek replied that there had been a consent judgment agreed to for mixed-use office and retail. It was a highly contaminated site. There was money spent to try to clean it, but the work stopped. Mr. Anzek said that Staff was working with the owner, trying to find a user for office, because of the medical school at Oakland University.

Mr. Winnie wondered if the study would require any amendments to the City's existing Master Plan. Mr. Anzek advised that the Master Plan called the area out as the Regional Employment Center to be further studied when developed. They tried at the time to tie development standards to it with form based zoning, but they decided to do the M-59 Corridor Study first. Mr. Winnie said his concern was the land use aspects being consistent with the study. If they had to get involved with zoning changes that were inconsistent with the Master Plan, he felt that there should be comments in the plan about timing issues.

Mr. Anzek said that was a very strategic concern. They questioned whether the City would initiate a rezoning as the carrot for redevelopment or wait for a plan and support it. Mr. Winnie suggested that the plan had to make comments to that process. Mr. Anzek said that if a resident of the area looked at the street concept in the plan, it could be concerning. The City was cutting a road right through the manufactured housing complex, but people had to know it was just a strategy.

Mr. Breuckman said that he thought about how they should go forward tactically. The Master Land Use Plan did have recommendations about the area being the Regional Employment Center (REC). When the development plan was implemented, it would be one zoning district (REC). The zoning district would relate to the Master Plan, and the standards in the REC district would accomplish the development plan. It was consistent with the Master Plan and at adoption of the new REC district, they would leave in place the industrial and other appropriate non-residential zonings. They would leave the residential parcels zoned

the way they were. An owner would have to request a rezoning. The Master Plan had some specifications that an area should not be rezoned unless there was a significant assemblage of land in the residential areas. It was somewhat discretionary, and the Master Plan did recognize that there could be an issue if it did not go all at once. Mr. Winnie asked and received confirmation that the Zoning Plan was consistent with the Land Use Plan.

Discussed

ANY OTHER BUSINESS

Mr. Shumejko discussed the 2011 concrete program, noting that the work would start next month for the areas in the Tan and Northfield Industrial Parks. They would work on five concrete slab replacements along Product and Commerce Drives. The Crooks Rd./M-59 interchange should be completed by November. It will include a new bridge over M-59 and widening Crooks to five lanes up to Star Batt. The Road Commission recently received word from MDOT that the funding was approved to continue the Crooks Rd. improvement up to Hamlin. Council approved the cost for the design last week. Mr. Anzek added that the City could not have qualified for a grant unless it had new jobs. Once KOSTAL Kontakt signed the lease on Hamlin, the grant was pursued and the City was awarded. They were bringing almost 300 jobs.

Mr. Shumejko advised that M-59 would be resurfaced from Opdyke to Crooks, which should last until November. He also advised that the sound wall barriers on M-59 were approved by MDOT. The contract had been awarded; however, the installation would not begin until July. He noted that Adams Rd would be resurfaced from South Boulevard to Auburn this summer, and that they would install three-foot, paved shoulders along that corridor and extend the existing left turn lane south from Auburn. He added that the Walton Blvd. project was scheduled to begin April 15 for resurfacing east of Adams to Crittenton and would last through August. He explained that the road would be down to one lane in each direction, and there would be a turnaround added in front of Bootlegger's. At the high school, there were a lot of cars that stacked on eastbound Walton, so they were going to install a dedicated right turn

lane to the entrance of the parking lot to relieve traffic congestion.

Mr. Shumejko advised that Dequindre would be improved from South Boulevard to Auburn. It was scheduled for 2013, but the Road Commission was going to make a request to move it to this year, and it could start in late summer. City Council approved the contract to share the design for the Avon and Livernois bridge work. Ms. Janulis asked if anyone had contacted the County Commissioners about the Road Commission not reimbursing the City for its 50% contribution for design in 2011. Mr. Sawdon said that Council made it clear to the Road Commission that the City was not happy it had to share on a project that was not the City's, but in reality, if they did not share, it would not get fixed. Ms. Janulis wondered if they would get reimbursed when it became that year's budget item. That made sense to her, but the answer would still no. She stated that the County Commission was responsible to the electorate, and the Road Commissioners were appointed by the County Commissioners, which was why she asked the question. Ms. Golden said they also received benefits such as cars and other things, and the Commissioners tried to find out about that and were not informed. Ms. Janulis said it was interesting that Macomb just abolished its Commission.

Upon questioning, Mr. Shumejko said that the construction for the Tienken Rd. widening had been pushed back to 2013. They needed about a year's worth of right-of-way acquisition, and there were a lot of utilities in that corridor, so there would be about a year-and-a-half of relocations. Another reason it was pushed back was because the City of Rochester would be redoing downtown Main St. next year. That would be a building- to-building complete removal and reconstruct, and Tienken would be used as a detour.

Mr. Owen asked about Hamlin from Livernois to Rochester. He said that the traffic circle worked well, except at 5:00 p.m. Mr. Shumejko said that in the past submittal for the Federal funding, Hamlin Rd. was submitted from Livernois to Rochester as a 3-R project (restoration, rehabilitation and reconstruct), and it was approved for 2015. In the CIP, they proposed to build a center turn lane and towards Rochester, and there would be five

lanes at the intersection. Mr. Winnie asked if they had the right-of-way from the roundabout to Rochester. Mr. Shumejko said that they did from the subdivisions on the south side because they were built at 60 feet, but they would have to negotiate for the older acreage parcels. They also wanted to do an overlay from Rochester to John R, and that was approved for 2015.

Any Further Business:

Mr. Damone asked about the status of the Magna project on Hamlin, recalling that there would be some financial support needed from the LDFA. Mr. Anzek said that the City supported the issuance of tax exempt bonds through the Economic Development Corporation (EDC), but Magna took its time making a decision, and they missed the window of opportunity for the bonds, but Magna decided to do the project in-house. They sent a series of questions that he and the Mayor responded to, and they were very careful not to make any financial commitments. They were willing to make commitments for expedited permits and approvals and to give a single point of contact. Magna was still very much a player; they were just taking their time. He still believed the project was a go, and that Rochester Hills was number one. Mr. Damone remembered that the EDC was going to lease the building to them. Mr. Anzek said the City was looking at a lot of different things. EDC could have owned the building and leased it: they could have owned the building and leased the land: the LDFA could have been involved, and there were other variations. In the last conversation, they said they wanted to buy the land and own the building.

Ms. Golden reminded that when Mr. Casey was at the City, they had talked about taking a bus tour of the district to look at the infrastructure. Mr. Anzek said that when they get Staff back on board, they would take that up again.

Mr. Anzek said that at the last meeting, Mr. Ellis had suggested that the LDFA might have to take a stronger support role for the SmartZone. The OU INCubator would be the support wing of the Clean Energy Research Center that the School of Engineering was establishing at the Shotwell Gustafson Pavillion. He stated that currently, the City was not contributing

anything to the INCubator. Dr. Russi, President of OU, was concerned because OU was solely funding the INCubator. They had asked for any type of financial support from the LDFA. They could possibly do a grant or partial loan, to be recovered from future SmartZone captures when the economy picked up. Mr. Winnie felt it should be on the next meeting's agenda, if not sooner. Ms. Golden said that as far as she was concerned, it was a huge priority and part of her argument to be reappointed to the Board. She realized they had some tough calls, but the last thing they needed was to not be pursuing things that would bring jobs to the area. If they could not find a way to assist the business INCubator, there would be no future revenue for the plans. Mr. Anzek thought it was imperative that the INCubator survived, especially with its new market niche. He stated that the new Dean of the School of Engineering was very impressive. In addition to the Clean Energy Research Center, there would be commercialization of medical technologies. When another medical school opened in the country, it produced seven billion dollars worth of spinoff supporting activities. They wanted to capture some of that here, and that was why they were looking at the Hamlin/Adams corner for office.

Mr. Anzek advised that there was 15 years of capture for the SmartZone, and they had not been paid a penny for two years. The City had been holding money back for tribunal resolutions, and it did not seem as if the City was living up to its commitment. He thought perhaps a combination of an annual grant for two years and annual loan could be paid back from future SmartZone captures.

Mr. Breuckman reminded that at the workshop, supporting OU was a top priority. Mr. Winnie agreed it was critical to the corridor.

NEXT MEETING DATE

The Chair reminded the Board that the next Regular Meeting was scheduled for July 14, 2011.

ADJOURNMENT

Hearing no further business to come before the Board, the Chair adjourned the Regular Meeting at 8:50 a.m.

Respectfully Submitted,

Stephan Slavik, Chairperson
Rochester Hills
Local Development Finance Authority

Maureen Gentry, Recording Secretary