

City Council Agenda Summary Sheet (Non Purchases)

Agenda No: 2005-0040 Schedule Public Hearing for expansion of Rochester Hills Local Development Finance Authority District
Date: January 6, 2005
Prepared By: Dan Casey, Planning & Development Department, ext. 2577
City File No: N/A

Meeting Date: January 19, 2005

PURPOSE:

To schedule a Public Hearing date for the expansion of the Rochester Hills Local Development Finance Authority District.

DISCUSSION:

The Treasurer for the State of Michigan, in reviewing the City's plans for the SmartZone, is recommending the City expand the Authority District to be coterminus with the SmartZone's certified technology park boundaries. In reviewing the City's new projects, including those related to the SmartZone, the Treasurer is further recommending that some of the projects be added as an amendment to the LDFA's existing Development Plan and Tax Increment Financing Plan. In order to do so it will be necessary to amend the boundaries of the Authority's District.

The Treasurer also recommends that we redefine the District as a business development area, which allows the City to utilize tax increments generated within the District to fund infrastructure projects located anywhere in the District. Presently, the Plan only permits the use of tax increments from properties that directly benefit from an infrastructure project.

The projects that are being considered for the amended Plan are the following:

1. Demolition of buildings and site preparation of City-owned property on Hamlin Road
2. Extension of Austin Drive to Devondale and extension of water and sewer to support approximately 58 acres of undeveloped or underutilized property and construction of a cul-de-sac on Devondale
3. Phase II of Crooks Road expansion, including the construction of a boulevard and bridge widening over M-59 from approximately Austin Drive north to Hamlin Road – this project contemplates only the City's share of project costs
4. Future expansion of M-59 from two lanes in both directions to three lanes – this project contemplates only the City's share of project costs

Further, the Treasurer is recommending that the Authority and City develop a separate Development Plan and Tax Increment Financing Plan for the SmartZone to fund projects associated with Oakland University, including improvements to its business incubator:

Phase I:

1. Improvements to Oakland University's business incubator

2. Hire a director to manage the incubator as well as SmartZone program on behalf of Oakland University
3. Operating costs
4. Administrative costs

Phase II:

1. Construct a new building or renovate an existing building on the Oakland University campus to house a permanent business incubator

The legislative process that is necessary to expand the boundaries of the District and amend the LDFA's existing Plan is detailed in Public Act 281. The process takes approximately four months to complete and requires several Council approvals. It must be completed by the end of May, prior to the equalization date, or one year of potential capture will be lost.

The steps necessary to complete this process are identified in Attachment A.

FISCAL INFORMATION:

None at this time.

RECOMMENDATION:

Schedule the Public Hearing date to consider the expansion of the Rochester Hills Local Development Finance Authority's District for February 16, 2005.

ATTACHMENTS:

Attachment A – Timeline to Amend LDFA Boundaries and Approve Plans

Department Authorization: Ed Anzek, Director of Planning and Development

Reviewed by:

Fiscal: *Jean Farris*

Clerks: *Susan Koliba-Galeczka*

Approved by: *Pat Somerville*

RESOLUTION

NEXT AGENDA ITEM

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