



October 29, 2018

TO: City of Rochester Hills Planning Commission
c/o Sara Roediger, Director of Planning and Economic Development

Thank you for your consideration of a preliminary plan to amend the Rochester College PUD to facilitate the sale of approximately 7.9 acres of property to the Pulte Group. Please know the sale of this property and its development is very important to the success of Rochester College.

As noted in the Pulte development proposal, the property is to be used for residential, in a location and layout consistent with the College Master Plan and PUD. While the property was originally projected to be used for future residential housing to be owned by the College, the College is very focused on improving and adding to its residential and academic facilities close to the core of the current campus. Based on these future plans, the College explored selling for development the 7.9 acre parcel for residential development. After careful consideration, the College has determined the sale and development of this parcel will benefit the College in the following ways:

- 1) It will convert a fixed property asset with low balance sheet impact (less than \$40,000) to a cash asset. This provides much better financial ratios with the Higher Learning Commission (HLC) and the Department of Education (DOE).
- 2) Cash from sale to be used toward multiple items:
 - a. Soccer/Lacrosse/Softball Athletic Complex (planned for Spring 2020):
 - i. This project will allow Rochester College to start three new collegiate athletic teams, recruiting up to 100 new students;
 - ii. The new facility will be available for local community groups during late spring and summer months. As the City is aware, there is a shortage of all-weather fields in our community. The use of this complex by private youth and adult sports groups during the spring/summer brings a needed asset to our community and a potential revenue stream for the College; and
 - b. The cash will reduce the College's need for a seasonal line-of-credit by providing additional working capital.
- 3) It is expected the Pulte development plan for the site will provide an attractive option for faculty/staff housing. This new asset, located within walking distance of campus, will both be an attractive option for current faculty/staff and will be an attraction in recruiting new faculty/staff.

Thank you for your time and consideration of this request. We look forward to receiving the Planning Commission's feedback and comments.

Sincerely,

Tom Rellinger
Executive Vice President and Chief Financial Officer