

**City of Rochester Hills
Department of Planning**

STAFF REPORT TO THE BROWNFIELD REDEVELOPMENT AUTHORITY
September 21, 2006

HAMLIN /ADAMS BROWNFIELD REDEVELOPMENT PLAN	
APPLICANT	Frank Aragona Trust & Tienken Properties, LLC. 37020 Garfield, Suite T-1 Clinton Twp., MI 48036
LOCATION	Northeast Corner of Hamlin and Adams
SIDWELL	15-29-101-022 & 023
FILE NO.	03-013
ZONING	Single Family/Consent Judgment <i>Commercial & Office</i>
STAFF	Derek Delacourt
REQUEST	Brownfield Redevelopment Plan First Phase 381 Work Plan

SUMMARY

The applicant is requesting approval of a Brownfield Redevelopment Plan for the capture and utilization of tax increment revenue generated by the proposed development. The BRA previously approved a plan for the site; however, that plan was never reviewed or approved by City Council. The approval by the Authority of the previous plan was conditioned on resolving issues pertaining to the zoning of the property and the proposed land uses identified in the plan. The applicant and City Council have now resolved those issues through a Consent Judgment, (please refer to the Consent Judgment included as an attachment to the 381 Work Plan).

The Brownfield Plan, as submitted, is consistent with the Consent Judgment. The plan proposes \$4,590,000 in eligible activities; 168,000 square feet of office and retail development, with \$19,300,000 of overall investment in the development. The plan estimates generating enough TIF to repay eligible activities in the 15th year of the plan. However, the Consent Agreement does afford the City the opportunity to capture only 75% of the TIF and allow 25% to continue to move to the normal taxing jurisdictions. If the Council determines to capture only 75% of the total TIF, it will extend the payback period of the plan approximately 4 years.

The applicant is proposing, and both Staff and the DEQ have agreed, that the 381 Work Plans for the site should be phased. Each Work Plan shall require acceptance by the Authority prior to submittal to the DEQ. Included with this submittal is an initial 381 Work Plan outlining additional investigation proposed for the site. The investigation will be conducted to determine

what will be required for full remediation of the site as identified in the Consent. Each iteration of the 381 Plan will be reviewed by Staff and the City's Environmental Consultant prior to any recommendation to the Authority.

SITE DESCRIPTION

The site consists of two parcels approximately 28 acres in size and located on the northeast corner of Hamlin Road and Adams Road. The site is currently vacant. The landfill/dump site and location of the most extreme contamination is located on the eastern parcel although separate spots of contamination and potential additional locations are possible.

ISSUES

The applicant is also requesting that the City approve reimbursement of interest related to eligible activities. Staff recommends that interest be considered only if the DEQ approves the capture of school tax for repayment of interest. Repayment of interest is not reflected in the tax tables provided. If the BRA and City Council agree to the repayment of interest, a revised tax table and the rate of interest repayment will be required to be determined and agreed to as part of a reimbursement agreement. If interest is approved, it will extend the payback period identified in the tables.

Staff is recommending a cap be placed on the number of years the plan may extend. The current plan extends until the amount of eligible activities is paid or the full 30 years allowed by the Act. Staff recommends that the reimbursement agreement identify an acceptable time frame, consistent with the Consent Judgment, for the life of the plan. A condition to that effect has been included in the potential motion.

RECOMMENDATION

The proposed plan, with conditions, meets all of the requirements for approval of a Brownfield Redevelopment Plan by the Authority. The subject site is a known source of contamination within the City and continues to be a concern to the City and the DEQ.

Based on the above information and attached STS review letter, Staff recommends the BRA approve the proposed plan subject to conditions that shall be addressed prior to the review of the plan by City Council. Any plan approved by the BRA requires the subsequent review and approval of City Council.

Any additional information and a motion regarding submission of the proposed 381 Work Plan shall be provided the night of the meeting.

POTENTIAL MOTION

MOTION by _____, seconded by _____, in the matter of City File No. 03-013 (Hamlin / Adams Brownfield), the City of Rochester Hills Brownfield Redevelopment Authority **APPROVES** the **BROWNFIELD REDEVELOPMENT PLAN** based on the Plan dated received by the Planning Department on August 18, 2006, with the following findings and subject to the following conditions:

FINDINGS

1. The submitted plan meets the requirements for a Brownfield Redevelopment Plan under State Act 381 and the City of Rochester Hills.
2. The subject parcels are the site of a former landfill/dump and a source of known contamination within the City.
3. If implemented, the Plan provides a reasonable course of action for the remediation of a known contaminated site.
4. If implemented, the amount, pay back period, and use of tax increment financing is reasonable for the eligible activities proposed.

CONDITIONS

1. That all 381 Work Plans for the site are required to be reviewed and accepted by the City's Brownfield Redevelopment Authority prior to submittal to the Department of Environmental Quality (DEQ).
2. That the applicant and City Council enter into a reimbursement agreement prior to the utilization of TIF captured for eligible activities.
3. That a cap regarding the life of the plan be imposed by City Council and identified in a reimbursement agreement to be entered into between the applicant and City Council prior to the utilization of any TIF captured for eligible activities.
4. That if the extent of Due Care activities related to the subject site is altered or revised due to a change to the proposed development plans or proposed use of the site the applicant shall submit an amended BRA Plan to the Brownfield Redevelopment Authority.
5. That all remaining issues identified in the attached STS letter dated September 6, 2006 be addressed and approved by Staff prior to approval by City Council.