



**City of Rochester Hills
AGENDA SUMMARY
NON-FINANCIAL ITEMS**

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Legislative File No: 2008-0593

TO: Mayor and City Council Members
FROM: Ed Anzek, Planning and Development (248-841-2572)
DATE: May 14, 2009
SUBJECT: Brownfield Incentives Policy

REQUEST:

Review and approval of a Brownfield Incentives Policy that will establish a guide for future brownfield development in the City.

BACKGROUND:

On November 24, 2008, City Council held a joint meeting with the Brownfield Redevelopment Authority to discuss the development of a Citywide brownfield policy. City Council had previously identified the development of a policy to guide future brownfield development as one of its goals and objectives.

Based on the parameters outlined and discussed at the joint meeting, the City's Brownfield Redevelopment Authority met with the City's consultant, ASTI Environmental, and developed the attached policy. The City's Environmental Oversight & Cleanup Technical Review Committee also met to review a draft of the policy and to provide input in its development.

The Minutes of the February 19, 2009 and April 16, 2009 Brownfield Redevelopment Authority meetings provide an in-depth recap of the thoughts, concerns and comments of the Authority Members (copies attached). The highlights of that discussion include:

- Any City Policy should be developer-friendly
- Eligibility criteria
- Submittal of Baseline Environmental Assessment to MDEQ for affirmation
- Standardization of review procedures
- Beneficial effect of the project on the surrounding area
- Interest costs are not considered eligible expenses
 - Unless the applicant demonstrates a need to City Council for interest

The Brownfield Authority discussed whether an ancillary document should be prepared indicating:

- suggested language for a Reimbursement Agreement
- required provisions to be included in the Reimbursement Agreement
- the types of credit and/or bond requirements of the City
- that should the developer challenge their tax assessment before the Michigan Tax Tribunal, they would lose their Tax Increment Financing

The Brownfield Authority concluded those items listed above are legal in nature because they are included in a legal document (Reimbursement Agreement) typically prepared by the attorneys for the developer and the City. Also, based on the fact that brownfield projects vary and any agreement would be dependent on the details of the project, trying to create a "one size fits all" draft Reimbursement Agreement might not be practical. Therefore, the Brownfield Authority determined that any decision about a draft Reimbursement Agreement or an outline of expected language/provisions should be discussed by Council and the City Attorney, and not included in the Brownfield Policy document itself.

The draft Brownfield Incentives Policy was forwarded to City Attorney John Staran, who made some language revisions to the document. Attorney Staran's version of the Policy has been included in this packet.

In conjunction with the Brownfield Incentives Policy, the Brownfield Authority also reviewed an updated Brownfield Program Application form, which is attached. The information now required in the Application form is more detailed because it complies with the requirements of the Michigan Business Tax application and information the majority of communities request at the start of the application process.

RECOMMENDATION:

City Council's review and adoption of the Brownfield Incentives Policy as a guide for future brownfield development.

- Attachments: Brownfield Incentives Policy (dated April 2009)
 Brownfield Program Application Form
 11-24-08 CC/BRA Joint Meeting Minutes
 02-19-09 RHBRA Meeting Minutes
 04-16-09 RHBRA Meeting Minutes

RESOLUTION

NEXT AGENDA ITEM

RETURN TO AGENDA

APPROVALS:	SIGNATURE	DATE
Department Review		
Department Director		
Mayor		
City Council Liaison		