

CITY OF ROCHESTER HILLS
BROWNFIELD REDEVELOPMENT AUTHORITY

BROWNFIELD PLAN
FORMER CARDINAL/VETERAN'S LANDFILL SITE

Approved by the City of Rochester Hills Brownfield Redevelopment Authority
on _____, 2004
Approved by the City of Rochester Hills City Council
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Prepared by:

Jill Ferrari, Esq.
Applied Science & Technology, Inc. (ASTI)
10448 Citation Drive
Brighton, Michigan 48116
(810) 225-2800
Fax: (810) 225-3800
Email: jferrari@asti-env.com

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FORMER CARDINAL LANDFILL SITE

INTRODUCTION

The City of Rochester Hills Brownfield Authority and City of Rochester Hills City Council have considered and adopted this Brownfield Plan to encourage the redevelopment of the former landfill site located on the southeast corner of Hamlin Road and Adams Road in Rochester Hills. The plan describes the site conditions and redevelopment plan which are to be implemented by the proposed new owner and user of the property pursuant to the Michigan Brownfield Redevelopment Financing Act, Public Act 381 of 1996, as amended.

SITE DESCRIPTION

The Proposed Madison Park Project is comprised of the former Cardinal Landfill and Veteran's Landfill parcels and adjoining properties located at the southeast corner of Hamlin Road and Adams Road in Rochester Hills, Oakland County, Michigan, identified as tax parcels 15-29-151-008, 15-29-151-011, 15-29-151-012, 15-29-151-015, 15-29-151-017, 15-29-176-004, 15-29-176-006, and 15-29-176-008. A legal description of each parcel is attached as Exhibit A to this Plan. The project consists of the preparation of a baseline environmental assessment, additional response activities and due care. The proposed redevelopment of the Property will include approximately 500,000 square feet of commercial retail space and approximately 1.5 million square feet of commercial office space. The property currently has flexible zoning designations as more fully set forth in that certain Amended Consent Order and Judgment dated February 12, 2004, entered in the action entitled *REI Brownstown LLC v. City of Rochester Hills, et al.*, Oakland County Circuit Court Case No. 81-226225-CZ, Hon. Richard D. Kuhn. A site location map of the property is included as Exhibit B.

SUMMARY OF EXISTING CONTAMINATION

The subject property was licensed as a sanitary landfill from at least 1968 to 1978. The Property was licensed to accept general refuse and industrial waste. There is no evidence that the site was ever properly closed, however, it is evident that the site stopped accepting waste and a limited cover was constructed in 1978. The Property was purchased in 1984 by the current owner, and has been used as an outdoor recreation facility since that time, housing eight softball diamonds and a clubhouse. Correspondence exists between the Michigan Department of Environmental Quality (DEQ) and the current owner of the Property indicating that several environmental conditions exist at the Property, including methane and leachate outbreaks. The redevelopment of the site will ensure proper management of the environmental concerns that have been unmanaged for years.

ELIGIBILITY

Previous environmental investigations indicate that contaminants exist at the main parcel (15-29-151-012) in excess of DEQ Generic Residential Cleanup Criteria contained in the applicable rules promulgated pursuant to Part 201 of the Michigan Natural Resources and Environmental Protection Act of 1994, as amended. Therefore, that parcel is a “facility” within the meaning of Part 201 and an “eligible property” pursuant to Act 381. All other parcels are either adjacent or adjoining parcels **and their development as anticipated will increase the captured taxable value of the main parcel**, and are therefore also “eligible property.”

PLAN ASPECTS

1. Description of Costs to Be Paid for With Tax Increment Revenues and Summary of Eligible Activities (MCL 125.2663(1)(a)&(b))

Tax increment revenues will be used to reimburse the Developer and the Authority for the cost of eligible activities permitted under Act 381. No costs shall be reimbursed through school tax capture unless they are for activities implemented pursuant to a DEQ approved Work Plan.

As of the date of the adoption of the brownfield plan and based upon information known at this time by the Developer, it is expected that future eligible activities will consist of the following, provided that the Authority is authorized to approve any eligible activity without amendment of this plan. The following costs are estimated to amount to 30 Million Dollars:

A. Site Assessment - The proposed project activities include conducting a Phase I Environmental Site Assessment, Phase II Environmental Site Assessments, Subsurface Investigations, geo-technical surveys, Category “N” Baseline Environmental Assessments (BEAs) and Preliminary Waste Characterization;

B. Additional Response Activities – Additional Response and Due Care activities will involve the removal of solid and hazardous wastes (if encountered), installation and operation of leachate controls, backfilling, design and engineering of the new landfill cap, installation of the new cap, methane management, onsite monitoring and maintenance, and other additional response activities;

C. Due Care – Due Care at the site will involve some of the aforementioned activities, as well as long term methane and groundwater monitoring; site inspections, or any other activities identified in future 381 Work Plans approved by the Michigan Department of Environmental Quality.

D. Contingency. A 20% contingency factor has been provided due to the likelihood of encountering unexpected conditions during the renovation of an aged facility.

All of the costs identified in this section will be eligible for reimbursement only if incurred after approval of this Plan, with the exception of those costs incurred by the City of Rochester Hills prior to the adoption of the Brownfield Plan in accordance with Section 16 of the Brownfield Redevelopment Financing Act, which states that “A Brownfield Authority may reimburse reasonable and actual administrative and operating expenses that include...baseline environmental assessments, due care activities, and additional response activities, related directly to work conducted by the Authority on prospective eligible properties prior to approval of the Brownfield Plan...only from capture local taxes not to exceed \$75,000 for each authority in each fiscal year.” Therefore, the eligible activities listed under Site Assessment, Additional Response Activities and Due Care may be conducted prior to the approval of the Brownfield Plan and reimbursed through local taxes.

The estimated cost of the activities described in paragraphs A through D, is estimated at 30 Million dollars plus interest. The costs of all eligible activities will be advanced by the developer or through a separate funding source, **arranged by the Developer** and be reimbursed from tax increment revenues available under this Plan, as received by the Authority.

2. Estimate of Captured Taxable Value and Tax Increment Revenues (MCL 125.2663(1)(c)).

See attached combined Schedule 1. It is the intention of the Authority to collect only so much tax increment revenues as necessary to reimburse the eligible activities incurred by the Developer pursuant to this Plan, **plus interest** and the amounts to be deposited into the Local Site Remediation Revolving Fund as described in Paragraph 12 below.

3. Method of Financing and Description of Reimbursements by the Municipality (MCL 125.2663(1)(d)).

The Authority, the City and the Developer intend to enter into a Reimbursement Agreement that will establish their respective obligations to reimburse costs of the response activities and interest implemented on the eligible property. The reimbursement of any interest will be at a rate negotiated through the reimbursement agreement. Reimbursement to the Developer for eligible activities ~~and~~ **plus accrued** interest ~~incurred~~ will be from tax increment revenues generated from the eligible property ~~only~~ **identified in Exhibit A as such tax increment revenues are collected and received by the Authority**. During the time period for reimbursement of eligible activities, the City may collect tax revenue generated from local taxes to be deposited into the Site Remediation Revolving Fund, and for an additional five years after all eligible activities are reimbursed, pursuant to Section 13(5) of Act 381, as stated in the Reimbursement Agreement. The amount of taxes levied for school operating purposes that will be used to reimburse the costs of implementing eligible activities at this site will be limited to the cost of eligible activities approved by the MDEQ.

4. Maximum Amount of Note or Bonded Indebtedness (MCL 125.2663(1)(e)).

~~The total indebtedness with respect to this project shall not exceed 30 Million Dollars.~~

Neither the Authority nor the City expects to issue any notes or bonds related to the Project. A portion of the tax increment revenues generated from the Project are expected to be used to reimburse the Developer for costs it incurs for eligible activities plus interest as will be provided in the reimbursement agreement.

5. Duration of Brownfield Plan (MCL 125.2663(1)(f)).

The Plan will remain in effect for as many years as required to fully reimburse all eligible activities, interest as provided in the Reimbursement Agreement, and deposits to the revolving fund, or for 30 years, whichever is less. It is the intention of the Authority to collect only so much tax increment revenues as are required to pay all obligations of the Authority incurred and approved pursuant to this Plan and the revolving fund deposits as stated in the Reimbursement Agreement.

6. Estimated Impact of Tax Increment Financing on Revenues of Taxing Jurisdictions (MCL 125.2663(1)(g)).

See attached combined Schedule 1. It is the intention of the Authority to collect only so much tax increment revenues as are required to reimburse the eligible activities costs incurred by Developer and interest thereon pursuant to this Plan and the Reimbursement Agreement, and the amounts to be deposited into the Site Remediation Revolving Fund as described in Paragraph 12 below and the Reimbursement Agreement, as well as administrative costs as allowed under Act 381. In the event that eligible activities and interest exceed 30 Million Dollars, this Brownfield Plan may be amended by the Rochester Hills City Council in accordance with Act 381.

7. Legal Description, Property Map, Statement of Characteristics That Qualify the Property as Eligible Property and Statement as to Personal Property (MCL 125.2663(1)(h)).

Attached as Exhibits A and B to this Plan. Personal property of the Developer ~~is not~~ **shall be** included as part of the eligible property.

8. Estimates of Residents and Displacement of Families (MCL 125.2663(1)(i)).

There are no persons residing on the eligible property to which this Plan applies, and therefore there are no families to be displaced.

9. Plan for Relocation of Displaced Persons (MCL 125.2663(1)(j)).

There are no persons residing on the eligible property to which this Plan applies, and therefore there is no need for a relocation plan.

10. Provisions for Relocation Costs (MCL 125.2663(1)(k)).

There are no persons residing on the eligible property to which this Plan applies, and therefore there is no need for the provision of relocation costs.

11. Strategy for Compliance with Michigan's Relocation Assistance Law (MCL 125.2663(1)(l)).

There are no persons residing on the eligible property to which this Plan applies, and therefore there is no need for compliance with Act No. 227 of the Public Acts of 1972, being Sections 213.321 to 213.332 of the Michigan Compiled Laws.

12. Description of Proposed Use of Local Site Remediation Revolving Fund (MCL 125.2663(1)(m)).

The Authority intends to capture the maximum amount permitted by Act 381 for deposit into a Site Remediation Revolving Fund to be utilized as approved by the Authority in accordance with Act 381. No funds from the Site Remediation Revolving Fund will be applied to this project without approval by the BRA.

13. Other Material that the Authority or Governing Body Considers Pertinent.

This project involves the redevelopment of a landfill that has been mismanaged for over twenty years. The Michigan Department of Environmental Quality indicates that the site is currently noncompliant with Due Care requirements set forth in Part 201 of the Natural Resources and Environmental Protection Act (NREPA). This project will alleviate a known eyesore, and potential threat to public health and the environment. Documentation exists that indicates that leachate outbreaks have occurred in the nearby Gabler Drain and that methane outbreaks have occurred at the facility. The new development will include re-engineering the cap on the landfill to prevent methane and leachate outbreaks. The project will provide an enormous economic and environmental benefit to the community.

The project proposes to create thousands of new jobs, and will significantly increase the local tax base. Economic development in surrounding areas will be spurred by this development, and it will provide environmental controls that will ensure public health and safety.

LIST OF EXHIBITS AND SCHEDULE

EXHIBIT A	Legal Description
EXHIBIT B	Site Location Map
SCHEDULE 1	Tax Capture Table

Exhibit A

Legal Descriptions

15-29-151-008

T3N, R11E, SEC 29 PART OF W ½ OF NW ¼ BEG AT PT DIST S 01-57-30 W 999.28 FT & N 78-57-00 E 317.29 FT FROM NW SEC COR, TH N 78-57-00 E 208.71 FT, TH S 00-20-00 W 212.41 FT, TH S 78-57-00 W 208.71 FT, TH N 00-20-00 E 212.41 FT TO BEG, EXC BEG AT PT DIST S 00-03-36 E 999.28 FT & N 76-56-09 E 317.29 FT FROM NW SEC COR, TH N 76-56-09 E 208.71 FT, TH S 00-37-44 W 33.68 FT, TH ALG CURVE TO LEFT, RAD 11384 FT, CHORD BEARS S 74-35-24 W 162.63 FT, DIST OF 162.63 FT TH S 74-10-51 W 48.46 FT, TH N 00-37-44 E 42.93 FT TO BEG 0.82 A9-27-95 CORR

15-29-151-011

T3N, R11E, SEC 29 PART OF E ½ OF NW ¼ BEG AT PT ON N & S ¼ LI DIST N 610 FT FROM INTER OF SD N & S ¼ LI & NLY LI OF GTW RR RW, TH N 417 FT, TH N 86-11-00 W 343.45 FT, TH S 417 FT, TH S 86-11-00 E 343.45 FT TO BEG EXC BEG AT PT ON N & S ¼ LI DIST N 04-53-11 E 610 FT & 04-53-11 E 417 FT & N 81-17-34 W 142.60 FT FROM INTER OF N & S ¼ LI & NLY LI IF GTW RR RW, TH N 81-17-34 W 200.85 FT, TH S 04-53-11 W 51.09 FT, TH N 84-13-54 E 203.92 FT TO BEG 3.17 A8-2-02 CORR

15-29-151-012

T3N, R11E, SEC 29 PART OF NW ¼ BEG AT PT ALG N & S ¼ LINE DIST S 547.31 FT FROM N ¼ COR, TH WLY ALG CEN LINE OF HWY TO W 1/8 LINE, TH S 05-10-20 E 1572.43 FT TO NLY LINE OF GTWRR R/W, TH NELY ALG SD NLY R/W LINE TO N & S ¼ LINE, TH N ALG SD N & S ¼ LINE & NLY LINE OF TWRR R/W, TH N 417 FT TO CEN LINE OF HAMLIN RD, TH N 86-11-00 343.45 FT, TH S 417 FT, TH S 86-11-00 E 343.45 FT TO BEG, ALSO THAT PART OF FOL DESC PARCEL WHICH LIES N OF RELOCATED M-59 HWY DESC AS BEG AT PT DIST S 01-57-30 W 999.28 FT & N 78-57-00 E 526 FT FROM NW SEC COR, TH S 02-20-20 W 1737.10 FT TH N 69-22-40 E ALG RR R/W 1079.60 FT, TH N 05-10-20 E 1572.43 FT, TH S 78-57-00 W 1101.60 FT TO BRG X8.82 A4/9/85 FR 006 & 010

15-29-151-015

T3N R11E, SEC 29 PART OF NW ¼ BEG AT PT DIST S 00-10-00 E 998.59 FT & N 76-50-00 E 205.26 FT FROM NW SEC COR, TH N 76-50-00 E 112.02 FT, TH S 00-13-20 W 260 FT, TH S 76-50-00 W 90.72 FT, TH N 00-10-00 W 95 FT, TH S 89-50-00 W 18.99 FT, TH N 00-10-00 W 160.20 FT TO BEG 0.60 A12-6-91 FR 013 8-24-94 CORR

15-29-151-017

T3N, R11E, SEC 29 PART OF W ½ OF NW ¼ BEG AT PT ON N LINE OF M-59 HWY RELOCATION DIST S 01-57-30 W 999.28 FT & N 78-57-00 E 205.26 FT & S 00-10-00 E 1082.70 FT FROM NW SEC COR, TH N 00-10-00 W 023.11 FT, TH N 78-57-00 E 110.21 FT, TH N 00-20-00 W 47.59 FT, TH N 78-57-00 E 208.71 FT, TH S 00-20-00 W TO NLY LI OF RELOCATED M-59 HWY, TH NWLY ALG NLY LINE OF M-59 HWY RELOCATION TO BEG, EXC THAT PART LYING SLY OF LINE DESC AS BEG AT PT DIST S 02-40-23 E 1775.59 FT & N 87-19-37 E 100 FT FROM NW SEC COR, TH S 43-12-41 E 243.36 FT, TH S 68-32-20 E 270 FT TO PT OF ENDING 5.25 A7-22-94 FR 009

15-29-176-004

T3N, R11E, SEC 29 PART OF NW ¼ BEG AT PT ON NLY LINE OF M-59 HWY DIST N 03-25-16 E 316.26 FT & S 84-23-51 W 607.52 FT FROM CEN OF SEC, TH S 84-23-54 W 292.09 FT TH ALG CURVE TO RIGHT, RAD 2094.83 FT, CHORD BEARS N 83-16-16 W 894.71 FT, DIST OF 901.66 FT TO SLY LINE OF GTW RR, TH N 65-25-07 E 287.75 FT, TH S 24-34-53 E 20.00 FT, TH N 65-25-07 E 1040.00 FT, TH S 03-25-16 W 611.55 FT TO BEG 9.43 A06/09/87 FR 002 & 003

15-29-176-006

T3N, R11E, SEC 29E 600 FT OF NW ¼ LYING SLY OF S LINE OF GTW RR EXC THAT PART LYING SLY OF LINE DESC AS BEG AT PT DIST N 03-25-16 E 367.20 FT FROM CEN OF SEC, TH S 84-23-54 W 707.41 FT, TH N 05 36-06 W 50 FT, TH S 84-23-54 W 203.40 FT, TH ALG CURVE TO RIGHT, RAD 2291.83 FT, CHORD BEARS N 83-56-22 W 926.55 FT, DIST OF 932.98 FT, TH N 72-16-38 W 500 FT TO PT OF ENDING 9.26 A4-28-99 FR 005

15-29-176-008

T3N, R11E, SEC 29 THAT PART OF ABANDONED GTW RR R/W LYING IN N W ¼ OF SEC 29 6.84A 2-7-01 FR ABANDONED RR R/W

Exhibit B

Site Location Map

Schedule 1

Tax Capture Table