



City of Rochester Hills
AGENDA SUMMARY
NON-FINANCIAL ITEMS

1000 Rochester Hills Dr.
Rochester Hills, MI 48309
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Legislative File No: 2016-0058

TO: Mayor and City Council Members

FROM: Ed Anzek, Director of Planning and Economic Development, ext. 2572

DATE: February 12, 2016

SUBJECT: Request for sale of 1544-1600 W. Hamlin Rd.

REQUEST:

Authorize Mayor Barnett to sign the attached purchase agreement to sell property owned by the City of Rochester Hills located at 1544 W. Hamlin Road (15-21-376-010) and 1600 W. Hamlin Road (15-21-376-011) to Jenoptik Automotive.

BACKGROUND:

In 1999, City Council approved the purchase of 22 acres on W. Hamlin Road, known as 1544, 1600, 1700 and 1750 W. Hamlin Road with the purpose of a joint development with local school districts. Operational details/conflicts made it difficult to pursue the development, leaving the City to rethink its plans for the property. Over the years, parcels 1700 and 1750 were sold, leaving 1544 and 1600 left to sell (comprising 15.6 acres collectively). Recognizing the zoning within the Master Plan (ORT), proximity to Clinton River Trail and residential beyond the trail and neighboring businesses, it has been the mission of City Administration to sell the remaining property to a company that will:

- Meet the zoning requirements for the property
- Compliment the business community and respect the neighbors
- Appreciate a long term investment plan in the City and make a positive economic impact by creating good paying jobs
- Pay market value for the property

Jenoptik Automotive develops customized optical, optoelectronic and mechatronic system solutions. Jenoptik Automotive has operated within Rochester Hills for over eight years. Jenoptik is consolidating its three Michigan divisions and thus needs to build a Technical Campus to accommodate its joint engineering operations.

Working with City Administration, Jenoptik identified the City-owned property on Hamlin Road as a viable site to construct its' Michigan Technical Campus and thus has provided a purchase agreement to acquire the full 15.64 acres. The campus will be developed in three phases with an overall planned investment of \$19 million for the first 2 phases while the extent of Phase 3 is undetermined at this time. When the entire site is completed it will result in the creation of upwards of 400 jobs with an average salary of \$90,000.

Jenoptik has offered a price of \$3.50 per square foot, which is above market rate according to sales records in neighboring communities for comparable vacant land. By agreeing to sell this property to

Jenoptik, this brings the property back on the tax rolls and allows the City to begin to collect tax revenue on property that has not generated revenue in 17 Years.

RECOMMENDATION:

Approve the sale of 1544 and 1600 W. Hamlin Road to Jenoptik Automotive.

APPROVALS:	SIGNATURE	DATE
Department Review		
Department Director		
Mayor		
Deputy Clerk		