City of Rochester Hills
AGENDA SUMMARY
NON-FINANCIAL ITEMS

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Legislative File No: 2025-0377

TO: Mayor and City Council Members

FROM: Sara Roediger, Planning & Economic Development Director

DATE: October 31, 2025

SUBJECT: Approval of 2025 Restated LDFA Plans and Tax Capture Agreement with Oakland County

REQUEST:

City Council is requested to consider the approval of the 2025 Restated Local Development Finance Authority (LDFA) Development and Tax Increment Financing Plans which include a 20 year extension to the Rochester Hills LDFA. City Council will also be requested to authorize the Mayor to execute on behalf of the City of Rochester Hills, the proposed tax capture agreement with Oakland County.

BACKGROUND:

Established under Michigan Public Act 281 of 1986 (now PA 57 of 2018), the primary mission of the LDFA is to encourage local development, prevent unemployment, and promote economic growth. The LDFA aims to achieve these goals by providing for the financing and construction of public facilities, infrastructure and programming necessary for projects that foster new economic growth and development, leading to the creation of new employment opportunities within Rochester Hills.

In 1995, the City of Rochester Hills created a LDFA to support the infrastructure and business development needs of its high-tech business community. The opportunity to accumulate designated tax increment revenue to reinvest in the LDFA district is a valuable financial and economic development tool. Over its duration, the LDFA has funded over $13.6 million in economic development investments.

The current LDFA plan, adopted in 2009 is set to expire on December 31, 2025. On August 14th, the LDFA Board approved the 2025 Restated LDFA Development and Tax Increment Financing Plans that include a 20 year extension of the LDFA and updated project list within the Development Plan. The extension will not involve any changes to the existing boundaries and will allow the LDFA to maintain its current base year and fund balance. The updated Development Plan removes all completed projects, retains remaining projects, and includes new general project sections for future opportunities. Projects are grouped under the following seven categories:

1. Road Construction & Maintenance
2. Infrastructure/Utilities Enhancements
3. Multimodal Transit Projects
4. Placemaking Investments
5. Strategic Planning & Stakeholder Economic Development Initiatives
6. Program Development/Marketing/Promotions: Business Attraction & Retention
7. Program Development/Marketing/Promotions: Talent Attraction & Retention

The Tax Increment Financing Plan includes updated tables and appendices from the 2009 plan, Parcel Identification and Initial Assessed Valuation, and Millage Rates. The Rochester Hills LDFA currently has no debt and does not own any property. Currently, it captures tax revenue from the City of Rochester Hills, Oakland County, Oakland Community College, the Rochester Hills Public Library and Huron-Clinton Metroparks Authority.

The City has hired Dickinson Wright to assist with the extension process, ensuring compliance with PA 57 of 2018 and any other legal and/or policy requirements. On September 8th, City Council held the required public hearing for the 2025 Restated LDFA Development and TIF Plans, which began a required 60 day review period before City Council may act on the plan. All required public hearing notifications have been published and mailed to taxing jurisdictions. The City has not received any communications from the proposed taxing jurisdictions to opt out of the LDFA extension.

The City was required per Oakland County's TIF Policy to negotiate an approved tax capture and such an agreement has been reached and provided for City Council review. Overall, the agreement allows for Oakland County to still participate in the LDFA tax capture assuming:

- Contributions of 75% of the general millage minus Transit and Parks
- An Oakland County tax capture will not exceed $3,755,458 over the duration of the LDFA plan, assuming a 2.50% annual increase in Taxable Values of the district
- The County will require prevailing wage requirements on LDFA funded projects that exceed $10,000

Once approved, the restated plans will be provided to the Secretary of State by the December 31, 2025 expiration date, ensuring the continuation of the LDFA for another 20 years.

<u>**RECOMMENDATION:**</u>

City Council is recommended to approve the 2025 Restated Local Development Finance Authority (LDFA) Development and Tax Increment Financing Plans which include a 20 year extension to the Rochester Hills LDFA and authorize the Mayor to execute the tax capture agreement with Oakland County on behalf of the City.

APPROVALS:	SIGNATURE	DATE
Department Review		
Department Director		
Mayor		
City Clerk		

Contract Reviewed by City Attorney ☒ Yes ☐ N/A