

2025-0311

Extension of the Rochester Hills LDFA

Chairperson Kaszubski noted that this item for discussion is relative to the extension of the Rochester Hills Local Development Finance Authority.

Pamela Valentik stated that the LDFA has been in existence dating back to 1994. She explained that tax increment financing districts have existed in Michigan for a number of years and stated that there are downtown development authorities, corridor improvement authorities and local development finance authorities. She pointed out that the beauty with the LDFA within the legislation is that it does focus on the high tech manufacturing industrial corridors of a community versus a downtown main street like other TIFs do. She mentioned that the City actually started the process and created the LDFA in 1994, and noted that there have been a number of amendments to the LDFA over the years. She said that the most recent plan that the LDFA operates under was adopted in 2009.

Ms. Valentik explained that in 2018, the Public Act was changed and it created a number of different ways of how to work with an LDFA. She said that as the City has known that this expiration is coming upon the LDFA and they have initiated conversations with the State to get some direction on what the process is to continue the lifecycle of an LDFA, with the results of these conversations being a lack of direction and a process that is incredibly difficult.

Ms. Valentik stated that as the Board knows, the City issued a request for proposal for consultants to help with the process of creating a scope of work to look at the big picture and develop a long-game strategy of what will work for the City and its partners, and the businesses as a whole. She said that the responses to the RFP taught staff a lot about the process, the requirements, and the expectations within the act. She noted that the City is looking to move forward and has hired Dickinson Wright, an attorney that specializes in working with municipalities with the TIFs and following the requirements of the Act as legal counsel in place of a consultant to ensure that the City is following all of the guidelines.

Ms. Valentik stated that the City will be requesting a 20-year extension on the current LDFA plan. She mentioned that they will not be changing any of the boundaries or adding any new properties, and it will still be very focused on those industrial tech parks that are concentrated in the area. She explained that staff is in the process of updating the development plan and tax increment financing plans.

She continue by sharing a snapshot of the major capital projects that the LDFA has funded, and highlighted a couple of economic development success stories that came because of these projects. Projects mentioned included the Austin Avenue extension, which was a direct correlation to the City being able to attract A Raymond's North American headquarters and manufacturing facility, Rayconnect, which she noted was the second largest private employer in the city; and Hamlin Road, which allowed the City to attract Molex. She mentioned the RHISE Cup, which she said was another example of working with

companies to support their workforce needs. She commented that over the years, the City has invested \$17 million into the district which would not have happened without access to the LDFA.

Ms. Valentik also shared projects that are planned for the future, noting that these projects include new technology and maintenance to the infrastructure. She commented that obviously the last couple of years have been a bit of a stall for automotive suppliers looking to construct large industrial facilities; however, once the intelligent infrastructure upgrades and infrastructure maintenance take off with the LDFA's guidance, they anticipate these projects will come to fruition. She added that they have been incredibly mindful over the last five years to ensure that they are not just focusing on capital projects, but are looking at projects that also align with the mission and needs of the strategic partners, whether it is Oakland County, Oakland Community College, or the schools. She stated that at the end of the day, these projects are what the Public Act is all about, supporting business development and job creation.

She highlighted the next steps, noting that the LDFA will need to approve an amended plan. She stated that the plan is to secure a date for a Special Meeting in August. Subsequent to that meeting, a public hearing will be scheduled with notice to go out to the taxing jurisdictions. She explained that staff is already working with some of the taxing jurisdictions to understand their process; and she mentioned that they have a meeting scheduled with Mr. Doyle and his team to understand the process of getting Oakland County's approval and are working to schedule a meeting with Ms. Jeffries for Oakland Community College and the Library, as these are the three taxing jurisdictions from which the LDFA collects. She noted that while the LDFA does not collect from Avondale or Rochester Community Schools, they want to work with them to ensure they are getting a good return on investment.

Ms. Valentik explained the timeframe, noting that the process of opting in or opting out happens during the Public Hearing period, which is what they plan to take before City Council in September. She noted that is a 60-day process during which time any taxing jurisdiction will have to opt out if they do not wish to participate in the LDFA. Ultimately, the full plan will be taken to City Council in November for their review and approval, and then subsequently the approved plan will be forwarded to the State in December.

Board members asked a number of questions regarding the planned future projects. Details on proposed upgrades to Industrial Drive were mentioned.

Chairperson Kaszubski stated that City staff has done an incredible job behind the scenes to prepare for the discussions before decisions come to the LDFA Board. He asked if there are any anticipated barriers that the Board members can assist with or any discussions that need to occur to help aid the City's progress. He commented that he would be willing to sit down and explain to anyone the benefits as the community improves, business comes in, economic investment comes in, and businesses benefit.

Ms. Valentik expressed appreciation for Chairperson Kaszubski's support, and

commented that the team is always aware of the fiscal responsibility to the district and the taxpayers. She stated that to lose the LDFA district would highly impact not only the City, but also Oakland County because of the draw of economic development, the State, and all of the school districts. She commented that this district is where the high paying jobs are happening and where international companies are coming that are bringing highly advanced technologies. She added that these companies are bringing collaborations with the schools.

Chairperson Kaszubski suggested coordinating a date for the Special Meeting so that the members could get it on their schedules.

Ms. Valentik suggested August 14, noting that August 18 would be a deadline for sending out the first public hearing notice, and if the LDFA wished to make any changes to the proposed plan, they could be done before the notice is sent out.

After the board considered the date, it was agreed that the Special Meeting would be set for August 14 at 8 a.m.

Discussed