



Planning and Economic Development

Sara Roediger, AICP, Director

From: Pamela Valentik, Economic Development Manager
To: LDFA Board Members
Date: August 11, 2025
Re: Approval of 2025 Revised LDFA Development and Tax Increment Financing Plans

Established under Michigan Public Act 281 of 1986 (now PA 57 of 2018), the primary mission of the Local Development Finance Authority (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 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.

The City of Rochester Hills is seeking approval from the LDFA Board for a 20-year extension of its Development Plan and Tax Increment Financing Plan. The current LDFA plan, adopted in 2009, is set to expire on December 31, 2025. 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 of Rochester Hills LDFA: Business Attraction & Retention
7. Program Development/Marketing/Promotions of Rochester Hills LDFA: 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. 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. Rochester Hills' staff have met with designated staff members that oversee Oakland County's TIF participation policy and have also been in conversation with representatives from Oakland Community College.

The City hired Dickinson Wright to assist with the extension process, ensuring compliance with PA 57 of 2018 and any other legal and/or policy requirements. Legal counsel has indicated that a simple extension of an LDFA is generally straightforward, requiring approval from the LDFA Board and City Council.

Following adoption of the plans by the LDFA, the Rochester Hills City Council will hold a public hearing on September 8, 2025. Following the public hearing, a required 60-day public notice requirement begins, at which time taxing jurisdictions will have the opportunity to opt out. The updated LDFA Development and TIF Plans will then go before

City Council for approval in November. To ensure the continuation of the LDFA, the approved plans must be provided to the Secretary of State by the December 31, 2025 expiration date.

MOTION by _____, seconded by _____,

WHEREAS, the City of Rochester Hills (the “City”) previously established the LDFA pursuant to Act 281, Public Acts of Michigan, 1986, as amended and recodified by Act No. 57, Public Acts of Michigan, 2018, as amended (collectively, the “Act”), for the purpose of facilitating projects that foster new economic growth and development and lead to the creation of new employment opportunities within the City and with all the powers and duties of a local development finance authority as set forth in the Act; and

WHEREAS, pursuant to the Act, the LDFA and the City Council of the City (the “Council”) adopted various proceedings for approval of amendments to the LDFA’s Development Plan and Tax Increment Financing Plan, and, subsequently, to the LDFA’s Restated Development Plan and Tax Increment Financing Plan (collectively and as amended, the “Plan”), and which Plan sets forth the projects within the Authority District (as defined in the Act and the Plan) for which tax increment revenues collected by the LDFA may be expended; and

WHEREAS, the Plan designates and provides for, among other things, road, utility, and other infrastructure improvements within the Authority District (the “Improvements”); and

WHEREAS, the Plan is expected to expire by its terms on December 31, 2025; and

WHEREAS, it is necessary to extend and update the Plan in order for the LDFA to continue making the Improvements as well as new, additional improvements within the Authority District; and

WHEREAS, there has been presented to this meeting a proposed 2025 Restated Development Plan and Tax Increment Financing Plan (the “2025 Restated Plan”), and the LDFA desires to approve the 2025 Restated Plan and recommend its approval by the Council.

NOW, THEREFORE, BE IT RESOLVED that:

1. The 2025 Restated Plan, in substantially the form presented to this meeting, is hereby approved, together with such changes as are determined by the Chair, the Vice Chair, the Secretary, or an authorized designee of any of them, to be necessary or advisable in furtherance of this resolution or the extension and approval of the 2025 Restated Plan and not materially adverse to the LDFA.
2. The LDFA hereby requests that the Council hold a public hearing on the 2025 Restated Plan at its meeting to be held on September 8, 2025 and to provide notice of such public hearing pursuant the Act.
3. Following the public hearing, the LDFA hereby recommends and requests that the Council approve the 2025 Restated Plan and extend the 2025 Restated Plan through December 31, 2045 pursuant to the Act.
4. All resolutions and parts of resolutions insofar as they conflict with the provisions of this resolution are rescinded.

Ayes:
Nays:
Absent: