



CITY OF AUBURN HILLS CITY COUNCIL AGENDA

MEETING DATE: AUGUST 13, 2018

AGENDA ITEM NO. .

CITY OF AUBURN HILLS DOWNTOWN DEVELOPMENT AUTHORITY MEETING

July 9, 2018

LOCATION: Auburn Hills City Hall, Administrative Conference Room, 1827 N. Squirrel Road, Auburn Hills, MI 48326

CALL TO ORDER: Chairman Young called the meeting to order at 5:36 PM.

ROLL CALL

Present:	Gliniecki, Jernigan, McDaniel, Spurlin, Travnikar, Wise, Volk (5:39 PM), Young
Absent:	none
Also Present:	Samantha Seimer, Director of Authorities; Thomas Tanghe, City Manager; David Benoit, Management Assistant
Guests:	Tim Loughrin and Paul Robertson, Robertson Homes

PERSONS WISHING TO BE HEARD

None.

NEW BUSINESS

A. Resolution – Agreement by and Between the Auburn Hills Tax Increment Finance Authority & the Auburn Hills Downtown Development Authority

Ms. Seimer presented a memo dated July 3, 2018 for the consideration of a resolution between the Tax Increment Finance Authority and the Downtown Development Authority. She reviewed the inherent legislative goal of both the DDA and TIFA is to encourage economic development and neighborhood revitalization. Excerpts of the legislation of each board was included in the memo.

It was noted that over the last several years, many projects have been approved within both the DDA and TIF districts, but have struggled with the economic feasibility of the project. Ms. Seimer introduced City Manager Tanghe. Mr. Tanghe spoke about a proposed development next to Riverside Park in Downtown. The current financial gap was identified as approximately \$20,000 per unit, or \$280,000 total. Mr. Tanghe included a memo for the DDA Board in their packet.

Mr. Loughrin and Mr. Robertson reviewed their project and excitement for building in downtown. They are currently building a similar product in Ferndale, which will serve as a model for the Auburn Hills project. They provided data about the cost of construction for such a small site, and showed their passion for all of the work that has happened and is happening in Downtown Auburn Hills.

The request before the DDA Board is consideration of a loan from the Tax Increment Finance Authority District B to the DDA in the amount of \$160,000 to be paid back by the DDA over four years at 3% interest. Ms. Seimer added that the DDA currently has a cash balance of \$139,947. The loan will be granted to Robertson Brothers only after the first building is framed. Mr. Tanghe made a recommendation to change the motion and resolution to reflect a payback period of 2020 through 2023, instead of 2019 through 2022. The Board and representatives from Robertson Brothers agreed that timeframe is more realistic given the time it will take to begin construction.

Ms. Seimer added that the resolution has been reviewed by the City attorney and recommends approval of the attached resolution.

Moved by Ms. Jernigan to adopt the attached Resolution Agreement by and Between the Auburn Hills Tax Increment Finance Authority & the Auburn Hills Downtown Development Authority for a Loan from TIF District B in the amount of \$160,000 to the Downtown Development Authority to be provided to Robertson Bros. Builders as a cash grant incentive for fourteen townhomes located within the DDA District of the City of Auburn Hills. The Loan is to be paid back beginning the first quarter of 2019 through 2022 at a 3% interest rate for a total payback of \$169,992. Furthermore, recommend resolution to the Tax Increment Finance Authority.

Supported by Mr. Gliniecki.

Yes: Gliniecki, Jernigan, McDaniel, Spurlin, Travnikar, Wise, Volk, Young
No: None

Motion carried

BOARD MEMBER COMMENTS

None

ANNOUNCEMENT OF NEXT MEETING – The next Downtown Development Authority Board of Directors will be Monday, August 20, 2018, at 5:30 PM at City Hall in the Administrative Conference Room.

ADJOURNMENT

There being no objections, the meeting was adjourned at 6:19 p.m.

Respectfully submitted,

Samantha P. Seimer

Executive Director