



CITY OF AUBURN HILLS CITY COUNCIL AGENDA

MEETING DATE: AUGUST 26, 2019

AGENDA ITEM NO. .

CITY OF AUBURN HILLS TAX INCREMENT FINANCE AUTHORITY MEETING

August 13, 2019

CALL TO ORDER: Chairman Hassett called the meeting to order at 4:12 PM.

ROLL CALL:

Present:	Hassett, Kneffel, Klemanski, Goodhall, Roberts
Absent:	Dolly, Thornton, Waltenspiel, Price
Also Present:	Brandon Skopek, Director of Authorities; Thomas Tanghe, City Manager; Heather Farmer, Deputy Finance Director/Deputy Treasurer; Aaron Stahly, Deputy Director of Public Works
Guests:	None

LOCATION: Fieldstone Golf Course Board Room, 1984 Taylor Road, Auburn Hills, MI 48326

PERSONS WISHING TO BE HEARD

None.

APPROVAL OF MINUTES

A. Regular Meeting Minutes – July 9, 2019

Dr. Klemanski noted a typographical error in the spelling of his name.

Moved by Dr. Klemanski to approve the Regular TIFA Minutes from July 9, 2019 as amended.

Supported by Mr. Kneffel.

Yes: Hassett, Kneffel, Klemanski, Goodhall, Roberts
No: none

Motion carried

FINANCIAL REPORT

A. FY 2019 Adopted Budget and YTD Summary – July 31, 2019

Mr. Skopek stated that TIF District D is now projected to capture property tax revenue in fiscal year 2019. He added that there are not significant changes from the last reporting period with the exception of additional property tax revenues received and a slight increase in budgeted expenditures for each TIF district. He will review the finances in detail during the budget presentation.

Moved by Ms. Roberts to receive and file the financial report for period ending July 31, 2019.

Supported by Mr. Kneffel

Yes: Hassett, Kneffel, Klemanski, Goodhall, Roberts
No: none

Motion carried

OLD BUSINESS

None.

NEW BUSINESS

None.

CORRESPONDENCE & PRESENTATIONS

A. 2020 – 2024 Budget Presentation

Mr. Skopek presented the 2020-2024 budget for each TIF District to the Board. He reviewed revenues and expenditures for each district separately. It is anticipated that property tax revenues will hover around 2% inflationary increases over the next five years. There was a large increase in capital expenditures for TIF District A for 2019 as many projects from 2018 were carried over, in addition to new expenditures such as the acquisition of 3346 Auburn Road. TIF Districts A and B continue to see growth in their cash positions despite capital projects from FY 2018 and 2019. TIF District D is anticipated to begin capturing tax increment revenues beginning in 2019 and beyond.

TIF-A expenditure increases for 2019 are due to the acquisition of 3346 Auburn Road and capital projects that were carried over from 2018 such as the amphitheater and splash pad, and the downtown pedestrian alleyway. Capital expenditures for 2020 include the replacement of the Riverside Park play structure, the Riverside Park boat launch pushed from 2019 to 2020, and seating for the splash pad plaza. Repair and maintenance projects include light pole painting in Riverside Park, funding for façade enhancements along Squirrel Court, and pathway and sidewalk maintenance. Contractual services remain the same as FY 2019, which includes the TIFA business recruitment grant and the site improvement grant. Tax increment revenues remain relatively stable at approximately \$900,000 annually.

Dr. Klemanski asked if the proposed seating for the splash pad plaza would also serve the amphitheater.

Mr. Skopek stated that the seating could also serve the amphitheater as you can view the stage from the plaza area.

TIF-B witnesses a slight decrease in expenditures from 2019 to 2020. In 2020, there are no planned capital expenditures with the exception of maintenance. \$800,000 has been allocated for strategic property purchases, which is an increase from \$500,000 in FY 2019. \$100,000 has been allocated for an Emerging Technologies Grant opportunity for building improvements and site readiness. The fund balance remains healthy with TIF-B collecting approximately \$1.4 million in tax increment revenue annually.

Ms. Roberts inquired why the administrative charges increased significantly in TIF-B.

Ms. Farmer stated that staff will need to review the calculation to determine why the charges increased.

Mr. Skopek stated he will report back to the Board with an answer.

Chairman Hassett inquired what capital projects are projected in future years for TIF-B.

Mr. Skopek stated that capital projects anticipated for 2021 are a watermain connection under M-59 to Executive Hills and a complete reconstruct of Innovation Drive.

Mr. Stahly added that as funding changes externally, some projects move to different years. Although there are not many major projects currently budgeted for TIF-B, that may change depending on funding availability.

Mr. Skopek stated that TIF-D will begin capturing tax increment revenues beginning in 2019 and beyond due to new development within this district. TIF-D witnesses an increase in expenditures from 2019 to 2020 due to funding allocated for ADA crosswalk enhancements and new capital expenditures. There is \$100,000 budgeted in 2020 for the renovation of the Community Center kitchen – this project comes from a partnership with Oakland University. Oakland University is creating a Bachelor and Master of Nutrition

program and seeks to utilize the Community Center's kitchen as a community kitchen to teach classes where students would be preparing healthy foods.

Mr. Tanghe added that Oakland University will also be looking for corporate assistance for this program and the City will be seeking grant funding for the project. The allocation on behalf of the TIFA may go unspent if Oakland University and the City are successful in gathering outside funding.

Mr. Skopek stated that overall, TIF Districts A and B continue to see growth in their cash positions despite large capital projects. The magnitude of projects in TIF-A has led to some cash depletion in the investment accounts, but the cash position is anticipated to increase in 2021 and beyond. TIF-D will begin to see a slight increase in tax increment revenues. Mr. Skopek noted that due to ongoing projects, the Board will likely see a few changes to the budget at its September Board meeting where the Board will adopt the 2019 amended and 2020 proposed budget. These changes include a few ongoing capital projects and an increase in salaries and wages for TIF-A. The increase in salaries and wages comes from staff looking to hire a permanent part-time employee beginning in 2020 for downtown events. Although there is currently funding allocated for this position, staff believes that the position requires a slightly higher rate in order to attract and retain the right candidate for the position.

Vice-Chairman Kneffel asked what responsibilities the new part-time position would have and who the position reported to.

Mr. Skopek stated that the position would mainly be focused on event planning and event management, with other responsibilities in support of the Director of Authorities. The position reports to the Director of Authorities.

Vice-Chairman Kneffel stated that it would be beneficial to have a position supporting downtown and downtown events.

Ms. Roberts asked if there were any plans for permanent wayfinding signage downtown.

Mr. Skopek stated that the Department of Public Works has been installing new wayfinding signage both in the downtown, as well as on the boundaries of downtown directing visitors downtown.

Ms. Roberts stated she would like to see a consistent wayfinding system downtown that directs visitors to different downtown amenities.

BOARD MEMBER COMMENTS

Vice-Chairman Kneffel stated he is pleased with the direction downtown is heading.

DIRECTOR UPDATES

None.

ANNOUNCEMENT OF NEXT MEETING

The next regularly scheduled TIFA Board of Directors meeting is Tuesday, September 10, 2019 at 4:00 PM at Auburn Hills City Hall Administrative Conference Room, 1827 N. Squirrel Road, Auburn Hills, Michigan 48326.

ADJOURNMENT

Moved by Mr. Goodhall to adjourn the TIFA Board meeting.

Supported by Dr. Klemanski

Yes: Hassett, Kneffel, Klemanski, Goodhall, Roberts

No: none

Motion carried

The TIFA Board of Directors meeting adjourned at 5:30 p.m.

Respectfully submitted,

Steve Goodhall
Secretary of the Board

Brandon Skopek
Executive Director