



CITY OF AUBURN HILLS
CITY COUNCIL AGENDA

MEETING DATE: JULY 6, 2020

AGENDA ITEM NO. .

**CITY OF AUBURN HILLS
TAX INCREMENT FINANCE AUTHORITY MEETING**

June 9, 2020

CALL TO ORDER: Vice Chairman Kneffel called the meeting to order at 4:03 PM.

ROLL CALL:

Present:	Kneffel, Goodhall, Dolly, Moniz, Klemanski, Roberts, Price, Waltenspiel (Arrived at 4:09 p.m.)
Absent:	Thornton
Also Present:	Brandon Skopek, Director of Authorities; Thomas Tanghe, City Manager; Steve Cohen, Director of Community Development; Ron Melchert, Director of Public Works
Guests:	Mark Schovers, Designhaus Architecture

LOCATION: Virtual Meeting

PERSONS WISHING TO BE HEARD

None.

APPROVAL OF MINUTES

A. TIFA Regular Meeting Minutes – March 10, 2020

Moved by Ms. Price to approve the TIFA Regular Meeting minutes from March 10, 2020 as presented.

Seconded by Dr. Klemanski

Yes: Kneffel, Goodhall, Dolly, Moniz, Klemanski, Roberts, Price
No: none

Motion carried by roll call vote

CORRESPONDENCE AND PRESENTATIONS

A. Personal Property Tax Reimbursement Form 5176

Mr. Waltenspiel arrived at 4:09 p.m.

Mr. Skopek presented the Board with the annual Form 5176 Request for State Reimbursement of Tax Increment Finance Authority Personal Property TIF Loss. The breakdown for the following districts per the 5176 Report are as follows:

TIF District A (Avondale and Pontiac School Districts combined):	\$49,787
TIF District B (Pontiac School District):	\$0
TIF District D (Pontiac School District):	\$906,352

Dr. Klemanski asked when the reimbursement occurs.

Mr. Skopek stated that reimbursements happen once per year and typically are received in the third or fourth quarter.

Secretary Goodhall asked if the COVID-19 pandemic will affect the reimbursement amounts.

Mr. Skopek stated he does not have any insight as to how the pandemic will affect the payment, but he added that staff has received word that PPT reimbursement is expected into the future. Originally staff had stopped projecting reimbursement payments in 2024.

FINANCIAL REPORT

A. FY 2020 Adopted Budget and YTD Summary – May 31, 2020

Mr. Skopek presented the financial report for the period ending May 31, 2020.

Dr. Klemanski asked why the revenues in TIF-D were significantly lower than the other TIF districts.

Mr. Skopek stated that property taxes have not yet been received for 2020 and the numbers reflected are for the 2019 tax season. Numbers are expected to increase July – December.

Moved by Dr. Klemanski to receive and file the financial report for period ending February 29, 2020.

Seconded by Dr. Klemanski

Yes: Kneffel, Goodhall, Dolly, Moniz, Klemanski, Roberts, Price, Waltenspiel

No: none

Motion carried by roll call vote

UNFINISHED BUSINESS

None.

NEW BUSINESS

A. Bid Award for the Demolition of the Seyburn Mansion

Mr. Skopek presented a memo dated May 26, 2020. He noted that the Board approved a budget amendment at the March 10 TIFA Board meeting for the demolition of the Seyburn Mansion. Since that time the Community Development Department has prepared and issued an invitation to bid where eight bids were received. Falcon Demolition, LLC was the low bid in the amount of \$38,166. At the May 18 City Council meeting, the City Council authorized staff to proceed with the demolition of the Seyburn Mansion and directed staff to work with the contractor on retaining some amenities from the mansion.

Dr. Klemanski asked if the Board should set a not-to-exceed amount for the demolition.

Mr. Skopek recommended that the Board not set a not-to-exceed amount and allow staff discretion for cost exceedances to a certain percentage. The budgeted amount for the work approved by the Board was in the amount of \$150,000, which also includes internal work associated with the demolition of the building. Staff will keep the Board updated on any additional work necessary and potential cost exceedances.

Mr. Moniz asked if the utility lines have been located and moved.

Mr. Skopek stated staff has been working with the IT contractor and other utility companies on relocating utility lines that are located within the building, but a final plan has not yet been determined. He added that OHM Advisors has supplied staff with a layout of all utility lines on the Municipal Campus and MISSDIG will be called to ensure lines will not be impacted during the demolition process.

Mr. Moniz asked if the Fire Department will be conducting training at the building.

Mr. Cohen stated that staff has been in contact with the Fire Department about search and rescue training within the building.

Moved by Dr. Klemanski to award the bid for the demolition of the Seyburn Mansion to Falcon Demolition, LLC in the amount of \$38,166. Funding for this project is available as budgeted in account number 251-737-970.000-SEYBURN_MNSN.

Seconded by Ms. Roberts

Yes: Kneffel, Goodhall, Dolly, Moniz, Klemanski, Roberts, Price, Waltenspiel
No: none

Motion carried by roll call vote

B. TIFA Budget Amendments

Mr. Skopek presented a memo dated May 29, 2020. He stated that annually the Department of Public Works creates a concrete maintenance plan for general concrete repairs throughout the City that are bid as a complete package to generate economies of scale to produce a cost-effective solution. At the May 18 City Council meeting, City Council awarded the 2020-2021 Concrete Maintenance Contract to DiLisio Contracting, Inc. The contractor offered a \$30,000 credit against their bid to complete the work in 2020 instead of the two-year program. To complete the project this year, budget amendments would be necessary in the TIF-A fund and the TIF-D fund. The projects include maintenance on the Auburn Road and N. Squirrel Road bridges, Seyburn Drive, and Pontiac Road.

Mr. Moniz asked what maintenance is required on Pontiac Road.

Mr. Melchert noted that the concrete apron that connects to University Drive will require maintenance.

Vice Chairman Kneffel asked how the credit from DiLisio Contracting was determined.

Mr. Melchert stated that the contractor was ambitious and sought to complete the project in one year rather than over a two-year period and, therefore, offered a \$30,000 credit to complete the project over a one-year period.

Mr. Skopek noted another amendment in TIF-D for the construction of a storage building on the Municipal Campus. He stated that the Board approved a budget amendment for this project at the March 10 TIFA Board meeting in the amount of \$100,000, however, conversations with City staff have indicated the cost of the project will be closer to \$150,000. Therefore, an additional amendment in the amount of \$50,000 is recommended.

Moved by Dr. Klemanski to amend the 2020 Tax Increment Finance Authority Budget as presented.

Seconded by Ms. Price

Yes: Kneffel, Goodhall, Dolly, Moniz, Klemanski, Roberts, Price, Waltenspiel
No: none

Motion carried by roll call vote

C. Use Agreement Extension for 27 S. Squirrel

Mr. Skopek presented a memo dated May 28, 2020. He noted that in March 2019 the TIFA Board approved a request from Designhaus Architecture to utilize 27 S. Squirrel Road for staging of equipment and material during construction of the MIL. The agreement was in effect until May 1, 2020. Due to construction delays caused by the COVID-19 pandemic, Designhaus has requested to utilize the property for construction staging until the end of July 2020. Staff administratively approved an extension of the Agreement until June 9 when the TIFA Board may consider an extension beyond that date.

Vice Chairman Kneffel asked what was proposed to be installed over the plywood panels on the building.

Mr. Schovers stated that a composite, pre-finished stained wood would be placed on the plywood panels currently seen on the building.

Vice Chairman Kneffel asked for an update on when construction is anticipated to be completed on the MIL.

Mr. Schovers stated that tenants are expected to move into the building mid-September to early October.

Mr. Moniz asked if there was a tenant identified for the first floor.

Mr. Schovers stated that they are in negotiations with the owners of the Meeting House in downtown Rochester for a restaurant on the first floor.

Moved by Mr. Moniz to approve the request by Designhaus to extend the use of the Tax Increment Finance Authority owned property at 27 S. Squirrel Road for construction staging, contingent upon administrative approval of all required documentation. Furthermore, authorize the Executive Director to sign all documents related to the use of the property by Designhaus.

Seconded by Mr. Waltenspiel

Yes: Kneffel, Goodhall, Dolly, Moniz, Klemanski, Roberts, Price, Waltenspiel

No: none

Motion carried by roll call vote

D. Pop-Up Public Square Furniture

Mr. Skopek presented a memo dated June 3, 2020. He stated that in 2017 the City placed a pop-up Public Square on the surface lot near the DEN for events, public gatherings, etc. in downtown. Further, the pop-up Public Square was the home of the 2018 Summer Concert Series while construction of the Knight Amphitheater was underway. Due to capacity limitations placed on restaurants and bars during the COVID-19 pandemic, staff has again moved forward with rolling out the pop-up Public Square to encourage patrons to order takeout/delivery from downtown establishments and enjoy the Public Square as an additional seating area. He added that the City Council has approved the consumption of beer and wine at the pop-up Public Square with conditions. Staff proposes to issue a request for proposals for temporary café seating at the Public Square and to provide furniture to downtown merchants in the form of a grant for their own sidewalk cafes.

Vice Chairman Kneffel asked what type of furniture was proposed.

Mr. Skopek stated that the RFP would provide options for selection. He added that the RFP would request commercial grade furniture that compliments the features of downtown.

Dr. Klemanski asked if the space was currently being utilized.

Mr. Skopek stated that there have been some patrons utilizing the space. He added that both Michigan By The Bottle and Blue Skies Brewery have assisted with promoting the pop-up Public Square and generating interest in the space.

Mr. Waltenspiel recommended adding lawn games to the space.

Mr. Skopek stated that staff has had conversations on this topic and that there are some leftover lawn games from SeptemBEERfest that may be able to be utilized. Staff will need to determine how to best set this up and if it is feasible.

Ms. Roberts asked if there have been considerations for installing shade structures.

Mr. Skopek stated he is currently requesting quotes from tent companies for shade structures. He added that tents would likely remain in place until seating with umbrellas could be installed.

Ms. Roberts asked if there would be sanitation stations.

Mr. Skopek stated that this has not been discussed. He added that he can check with the Recreation Department to see how sanitation measures are being handled in City parks.

Ms. Roberts asked if there were trash receptacles installed.

Mr. Skopek stated that the Department of Public Works has installed additional trash receptacles around the pop-up Public Square.

Vice Chairman Kneffel asked if the downtown restaurants would be able to choose their own furniture.

Mr. Skopek stated that the goal is to ensure that there is consistent sidewalk café furniture throughout downtown. He added that he will seek input from downtown restaurants on the type of seating they would like.

Moved by Ms. Roberts to authorize the Executive Director to issue a Request for Proposals for the procurement of outdoor furniture.

Seconded by Mr. Goodhall

Yes: Kneffel, Goodhall, Dolly, Moniz, Klemanski, Roberts, Price, Waltenspiel

No: none

Motion carried by roll call vote

E. Public Square Design

Mr. Skopek presented a memo dated May 28, 2020 and provided a brief history on the project. Staff executed a scope of services with OHM Advisors that included plan development and bidding, the preparation of contract documents, and bid evaluation. OHM worked with staff to develop permanent improvements to support the Public Square which include the removal of existing asphalt pavement and concrete curb, installation of an underdrain system for site drainage, base improvements for the artificial turn already acquired, site lighting, and landscape elements. The plan before the board represents approximately \$250,000 - \$300,000 in construction costs, depending on final material selections. Staff is seeking a determination from the Board on what proposed elements are appropriate for the area.

Mr. Moniz stated there has been conversations about relocating the MOMs Memorial asked if it would be will be relocated.

Mr. Skopek stated that there have been conversations, but there has never been a determination made on relocating the memorial. For the purposes of the design proposed, the memorial remains in place.

Mr. Moniz asked if there was room for a stage at the Public Square.

Mr. Skopek stated that the design depicts an area where some limited live entertainment could be conducted, but noted that staff does not want to take away acts from the Knight Amphitheater. He further noted that the TIFA and City has invested heavily in Riverside Park and would like to ensure most events and entertainment remain at Riverside Park. The Public Square would serve an addition to downtown for some small events.

Ms. Roberts discussed the addition of more landscaping elements to add more greenspace.

Vice Chairman Kneffel concurred.

Vice Chairman Kneffel asked if the appearance of the Public Square would be similar to the pedestrian alleyway.

Mr. Skopek stated that the design of the Public Square will be uniform with the other hardscaping elements of downtown, as well as the pedestrian alleyway.

Mr. Moniz recommended relocating the MOMs memorial based upon the significant amount of work to be conducted at the Public Square. He expressed concern with investing heavily in the area to have the memorial be relocated at a later date once the Public Square has been installed.

Mr. Skopek stated that the relocation of the memorial will ultimately be a City Council decision. He added that the TIFA would likely not be able to assist financially as the authority can only spend funds within the district. He will speak with the City Manager's Office on the relocation of the memorial.

Mr. Tanghe stated that there have been conversations about relocating and expanding the existing memorial, but funding would need to be determined.

The Board discussed desired landscaping elements of the Public Square and the proposed installation of the proposed pergola. The Board recommended seeing what a \$200,000 design looks like.

Mr. Skopek will reach out to OHM on creating a \$200,000 design and Mr. Tanghe will speak with City Council on the relocation of the MOMs memorial

F. Election of Chairperson

Mr. Skopek called for nominations for Chairperson for the TIFA Board of Directors for the remainder of 2020. Mr. Kneffel was nominated by Mr. Goodhall. Nomination seconded by Dr. Dolly. Mr. Skopek called roll, there were no objections or further nominations.

Yes: Kneffel, Goodhall, Dolly, Moniz, Klemanski, Roberts, Price, Waltenspiel
No: none

Motion carried by roll call vote

EXECUTIVE DIRECTOR UPDATE

None.

BOARD MEMBER COMMENTS

Mr. Moniz asked if the next TIFA Board meeting will held virtually or in-person.

Mr. Skopek stated that the intent is to meet in-person for the next TIFA Board meeting.

Mr. Waltenspiel stated for the record that he was disappointed in the lack of “Quarantine Beards” amongst Board members.

Secretary Goodhall asked what demolition was being conducted at 3180 Auburn Road.

Mr. Skopek stated that this is a City-owned parcel and current brownfield project. The Brownfield Redevelopment Authority has funded the building and site demolition and associated environmental clean-up of the site to prepare it for redevelopment.

Chairman Kneffel thanked staff for completing the PPT reimbursement forms.

Chairman Kneffel asked is there was any concern from staff on the large amount of revenue received by the TIF districts and limited number of projects.

Mr. Skopek stated that TIF District B is on staff’s radar as far as infrastructure projects are concerned. He noted a large fund balance in TIF District B and a limited number of projects. Staff continues to explore projects for the TIFA Board to consider.

ANNOUNCEMENT OF NEXT MEETING

The next regularly scheduled TIFA Board of Directors meeting is scheduled for Tuesday, July 14, 2020 at 4:00 PM at Auburn Hills City Hall Administrative Conference Room, 1827 N. Squirrel Road, Auburn Hills, Michigan 48326.

ADJOURNMENT

Moved by Mr. Waltenspiel to adjourn the TIFA Board meeting.
Seconded by Ms. Price

Yes: Kneffel, Goodhall, Dolly, Moniz, Klemanski, Roberts, Price, Waltenspiel
No: none

Motion carried

The TIFA Board of Directors meeting adjourned at 5:11 p.m.

Respectfully submitted,

Steve Goodhall
Secretary of the Board

Brandon Skopek
Executive Director