



CITY OF AUBURN HILLS
CITY COUNCIL AGENDA

MEETING DATE: AUGUST 13, 2018

AGENDA ITEM NO. .

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

July 10, 2018

CALL TO ORDER: Chairman Hassett called the meeting to order at 4:00 PM.

ROLL CALL: Present: Dolly, Goodhall, Hassett, Kneffel, Molnar, Price, Roberts, Waltenspiel
Absent: Thornton
Also Present: Samantha Seimer, Director of Authorities; Don Grice, Assistant City Manager;
Aaron Stahly, Deputy Director of Public Works; Ron Melchert, Director of Public
Works; Tim Juidici, OHM Advisors
Guests: none

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

PERSONS WISHING TO BE HEARD

None.

CORRESPONDENCE AND PRESENTATIONS

A. From 5176

Ms. Seimer presented the Board with the annual Form 5176 Request for State Reimbursement of Tax Increment Finance Authority Personal Property TIF Loss. She reminded the Board that these reports are submitted to the state annually to help the state calculate how much the TIFA has lost in personal property tax revenue over the last year. Ms. Seimer cautioned that the calculation the state uses does not always directly correlate to the actual amount of reimbursement received. In 2017, some districts received less than predicted while others received more than indicated in the original reimbursement spreadsheet. Ms. Seimer indicated that when finance and she go through the budget process, typically we reduce the anticipated amount for each district by 25% to be conservative in our calculations. Here is the breakdown for the following districts per the 5176 Report:

TIF District A (Avondale and Pontiac School Districts combined):	\$157,936
TIF District B (Pontiac School District):	\$144,984
TIF District D (Pontiac School District):	\$317,864

APPROVAL OF MINUTES

A. Regular Meeting Minutes – June 12, 2018

In addition to the presentation of the meeting minutes, Ms. Seimer added that at the July 9th City Council Meeting, the Council approved the installation of the art piece by Mr. Gorges at Riverside Park. Chairman Hassett added that he thinks that a large boulder would be a good choice for a base to secure the artwork. It would deter people from climbing as well as fit with the natural elements of the Park. He asked Mr. Melchert how large of a rock DPW might be able to move. Mr. Melchert stated that he was not sure, but DPW would be able to help find the proper mechanism to secure the artwork.

**Moved by to Mr. Goodhall approve the Regular TIFA Minutes from June 12, 2018 as presented.
Supported by Mr. Molnar.**

**Yes: Dolly, Goodhall, Hassett, Kneffel, Molnar, Price, Roberts, Waltenspiel
No: none**

Motion carried

FINANCIAL REPORT

A. Period ending June 30, 2018

Ms. Seimer presented the financial report for period ending June 30, 2018. She reviewed the investment accounts stating that district A has \$1.58 million cash and \$1.2 million invested between three separate accounts including Investment Pooling, Cutwater and MiClass, District B has \$2.22 million cash, and \$7.85 million invested with Cutwater and District D has \$883,500 cash on hand and \$1.29 million invested with Cutwater.

TIF A has received 64% of its budgeted property tax revenue and utilized 29% of its expenditures. TIF B has received 66% of its budgeted property tax revenue and has only utilized 2% of its anticipated expenditures. TIF D has received 17% of the budgeted interest revenue for investments and utilized 24% of its budgeted expenditures, which is a 6% increase over the last month.

Ms. Seimer added that as of the time the financial report was produced, it did not include water payments, making the utility expenditures look low. Large increases are expected as billing for peak summer hours will take place in the next several months.

There was no additional discussion about the financial report.

TIFA 85-A	\$ 26,924,098	Available Cash (TIF-A)	\$ 2,808,086
TIFA 85-B	\$ 18,616,877	Available Cash (TIF-B)	\$ 10,069,928
TIFA 86-D	<u>\$ 27,212,331</u>	Available Cash (TIF-D)	<u>\$ 2,173,568</u>
	\$ 72,692,113		\$ 15,051,582

**Moved by Molnar to receive and file the financial report for period ending June 30, 2018.
Supported by Ms. Roberts.**

**Yes: Dolly, Goodhall, Hassett, Kneffel, Molnar, Price, Roberts, Waltenspiel
No: none**

Motion carried

OLD BUSINESS

A. Alleyway Easement Agreement

Ms. Seimer presented a memo dated July 5, 2018 for the approval of an Alleyway Easement Agreement between Capri Investments, Astoria Park and the Tax Increment Finance Authority. Ms. Seimer reviewed that in early 2018, the TIFA Board initiated a project to improve the alleyway between Astoria Park and Birmingham ballroom with the goal of drawing pedestrians from the park to Auburn Road through a uniquely improved alleyway. Since that time, OHM Advisors, and our Attorney have been working to draft the legal easement agreement and update land survey descriptions.

As of July 5, the document has been executed by Capri investments and Astoria Park Homeowners Association had preliminarily reviewed the document. At the meeting, Ms. Seimer added that Astoria Park HOA would like to include a release of liability for the improvement. Ms. Seimer stated that she ran this past attorney Beckerleg and he though the change was fine from a legal standpoint.

Moved by Ms. Price Move to approve the Easement Agreement between Capri Investments, Astoria Park Homeowners Association and the Auburn Hills Tax Increment Finance Authority and authorize Chairman Hassett to execute Easement Agreement. Authorize executive director to record fully executed Agreement with the Oakland County Register of Deeds.

Supported by Dr. Dolly.

**Yes: Dolly, Goodhall, Hassett, Kneffel, Molnar, Price, Roberts, Waltenspiel
No: none**

Motion carried

B. Pedestrian Alleyway Final Design and Construction estimates

Ms. Seimer presented a memo dated July 5, 2018 with support from OHM Advisors. She reviewed two items in the packet are specific to the pedestrian alleyway project; builders plans specific to the items requested by the TIFA Board in April, and estimated costs associated with the project. Mr. Juidici and Mr. Seimer stated that the goal of the project is to have the improvements made coincide with the Auburn Road construction project in order to experience some anticipated savings

by using the existing unit pricing and crews already familiar with downtown. Pamar, the general contractor downtown plans to move to the third phase of construction by mid-august and work on the alleyway improvements around the same time. At this time, Astoria Park residents and business owners will be able to access the building with the new sidewalk along North Squirrel.

Mr. Juidici added that Pamar is responsible for obtaining pricing on the gateway. The shop drawings are not finalized, or indicative of the final design of the gateway feature. The TIFA Board will be able to have input of the alleyway's aesthetic elements. Mr. Juidici stated that the gateway feature will take time to fabricate, and may not be installed until later in the fall.

Ms. Seimer stated that in order to facilitate a timely execution of the Pedestrian Alleyway project, staff is asking that the TIFA Board approve the final design and authorize up to \$150,000 for the project. Therefore, when the contractor is ready for a change order, it can be executed immediately.

Moved by Mr. Molnar to approve Pedestrian Alleyway design and authorize executive director to authorize associated Change Order and final contract costs to Pamar Enterprises for Auburn Road Construction in the not-to-exceed amount of \$150,000.

Supported by Mr. Kneffel.

Yes: Dolly, Goodhall, Hassett, Kneffel, Molnar, Price, Roberts, Waltenspiel

No: none

Motion carried

NEW BUSINESS

A. University Center Emergency Maintenance

Mr. Stahly presented a memo dated July 10, 2018 for urgent maintenance required on the second story of the University Center. He provided a sample of the floor where there were recent complaints concerning soft spots in the floor that the DPW found upon inspection. The subfloor was made of particle board, the weakest type of fiberboard, which is not typically used for subfloors. The subfloor appears to be original, predating TIFA's ownership of the building.

Mr. Stahly added that DPW is seeking to get the floors fixed before the school year begins and have the room functional towards the end of August. A not-to-exceed amount of \$24,000 is being requested which included demolition of the second story floor, installation of a new subfloor and carpet.

Mr. Molnar stated that it is important that the building is structurally sound. The Board suggested authorizing more money in the instance the extent of the damage is worse than anticipated. Ultimately, the consensus was to wait, and if more funding is necessary due to a different structural deficit, that project will come back before the Board

Moved by Ms. Roberts to authorize funding in the not-to-exceed amount of \$24,000 to perform all-inclusive flooring maintenance on the second level of the University Center

Supported by Mr. Waltenspiel.

Yes: Dolly, Goodhall, Hassett, Kneffel, Molnar, Price, Roberts, Waltenspiel

No: none

Motion carried

B. Resolution – Agreement by an Between the auburn Hills Tax Increment Finance Authority & The Auburn Hills Downtown Development Authority

Ms. Seimer reviewed a memo dated July 3, 2018 for a resolution agreement between the Auburn Hills Tax Increment Finance Authority and the Auburn Hills Downtown Development Authority for a developer incentive. Ms. Seimer added that Mr. Tanghe attended the June Board meeting to talk about the opportunity for a loan incentive to be paid from TIF-B to the DDA for a new for-sale product in downtown.

Ms. Seimer stated that it is a legislative goal of both the DDA and TIFA to encourage economic development and neighborhood revitalization. Over the last several years, many projects slated to occur in downtown have been halted due to the difficulty of the economic feasibility of the project. Ms. Seimer stated that the DDA Board reviewed and approved the document on July 9. The loan agreement has been reviewed by staff and city attorney for controlling legislation and

recommends approval of the attached resolution. Ms. Seimer stated that there needs to be one change to the motion, 2019 should be 2020 and 2022 should be 2023.

Moved by Ms. Price 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 2020 through 2023 at a 3% interest rate for a total payback of \$169,992.

Supported by Mr. Molnar.

Yes: Dolly, Goodhall, Hassett, Kneffel, Molnar, Price, Roberts, Waltenspiel

No: none

Motion carried

DIRECTOR UPDATES

A. Dream Vacation Sweepstakes Update as of July 5, 2018

Ms. Seimer provided the Board with an update as to registrants for the Dream Vacation Sweepstakes as of July 5, as well as current marketing and promotional initiatives. She stated that as of July 5, there were 778 registrants, 1,361 entries, 606 people have opted into future marketing which represents 52.6% of entries. Upon speaking with Exposure Marketing, they typically see an opt-in rate of 20-30%, stating that we are reaching our goal of obtaining email lists for ourselves and the merchants.

Ms. Seimer stated that the July Save on which includes a ballot entry will be in mailboxes next week. The Board discussed a variety of ways to increase engagement in the sweepstakes. It was decided to brighten up the marketing materials by utilizing the orange background, bigger font, the picture of the girl scuba diving and adding \$5,000 to all materials. Additionally, it was decided that all the banners should be moved around downtown where traffic backs up during rush hour. The Board authorized a \$500 budget for facebook promotional advertising, which Ms. Seimer will work on with Ms. Mathes of marketing and communications. Mr. Waltenspiel spoke to some of the parameters that can be set for marketing and promotional audience reach and budgeting.

BOARD MEMBER COMMENTS

None.

ANNOUNCEMENT OF NEXT MEETING

The next regularly scheduled TIFA Board of Directors meeting is Tuesday, August 14, 2018 at 4:00 PM at Fieldstone Golf Club Board Room, 1983 Taylor Road, Auburn Hills, MI 48326.

ADJOURNMENT

There being no objections, the TIFA Board of Directors meeting adjourned at 5:32.

Respectfully submitted,

Steve Goodhall

Secretary of the Board

Samantha Seimer

Executive Director