



CITY OF AUBURN HILLS
CITY COUNCIL AGENDA

MEETING DATE: NOVEMBER 26, 2018

AGENDA ITEM NO. .

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

November 13, 2018

CALL TO ORDER: Vice-Chairman Molnar called the meeting to order at 4:05 PM.

ROLL CALL: Present: Goodhall, Kneffel, Thornton, Waltenspiel, Dolly, Price, Molnar
Absent: Roberts, Hassett
Also Present: Brandon Skopek, Director of Authorities; Thomas Tanghe, City Manager; Don Grice, Assistant City Manager
Guests: Mark Larco & Mike Larco, Larco Bros. Pizzeria

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

PERSONS WISHING TO BE HEARD

None.

CORRESPONDENCE & PRESENTATIONS

None.

APPROVAL OF MINUTES

A. Regular Meeting Minutes – October 9, 2018

Ms. Thornton asked if Larco Brothers II, LLC should read as Larco Brothers II, LLC.

Mark Larco, Larco Bros. Pizzeria, stated it is Larco.

**Moved by Mr. Goodhall to approve the Regular TIFA Minutes from October 9, 2018 as amended.
Supported by Ms. Price.**

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

Motion carried

FINANCIAL REPORT

A. FY 2018 Adopted Budget and YTD Summary – October 31, 2018

Mr. Skopek presented the financial report for period ending October 31, 2018. He reviewed the investment accounts stating that district A has \$1.5 million cash and \$1.23 million invested between three separate accounts including Investment Pooling, Insight and MiClass, District B has \$2.25 million cash, and \$5.58 million invested with Insight. TIF District D has \$698,478 cash on hand and \$1.29 million invested with Insight.

TIF A has received approximately 99% of its budgeted property tax revenue and utilized 52% of its expenditures. TIF B has received 98% of its budgeted property tax revenue and has utilized 93% of its anticipated expenditures, which is 4% greater than previous reporting.

TIF D has received 100% of the budgeted interest revenue for investments and utilized 89% of its budgeted expenditures, which is a 12% increase since the previous reporting.

Mr. Molnar stated that he attended the City Council meeting on November 12, 2018 to hear the presentation given by the City's investment consultant on the third quarter investment report.

Ms. Thornton asked if the Board would revert back to the previous template used for the financial statement.

Mr. Skopek stated that he is unsure what the previous template was, but that he would look through previous files and incorporate that template moving forward.

There was no further discussion on the financial report.

**Moved by Ms. Thornton to receive and file the financial report for period ending September 30, 2018.
Supported by Mr. Waltenspiel**

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

Motion carried

OLD BUSINESS

None.

NEW BUSINESS

A. Consider Approval of Liquor License Transfer

Mr. Molnar invited Mark Larco and Mike Larco of Larco Bros. Pizzeria to give the Board a background on the history of Larco Bros. Pizzeria

Mark Larco gave the Board a brief history on how Larco Bros. Pizzeria came to fruition. He further stated that he is serving in a support role for his son, Mike Larco, who will run the day to day operations of Larco Bros. Pizzeria in Downtown Auburn Hills.

Mr. Molnar asked if the restaurant would be geared more toward a family establishment.

Mark Larco stated that it would be geared more toward a casual experience for guests.

Mr. Molnar stated that the timing for Larco Bros. Pizzeria could not be better as Downtown Auburn Hills is growing and that City Council approved of a large residential development on November 12, 2018 in downtown.

Thomas Tanghe, City Manager, stated that the development approved by City Council on November 12, 2018 is the fifth development featuring a residential component approved in the downtown in recent years.

Mr. Waltenspiel asked what type of ovens would be used to bake the pizza.

Mark Larco stated that they will be utilizing stone deck ovens.

Mr. Molnar thanked the Larcos for taking the time to give the Board a background on their restaurant.

Mr. Tanghe asked what work has been completed on the interior of the building.

Mark Larco stated that new flooring, furniture, and fixtures have been installed. He further stated that the paint has been updated and that they have updated the restrooms. Lighting still needs to be updated.

Mr. Tanghe asked when the transition from Jo'Angela's Pizza and Deli to Larco Bros. Pizzeria takes place.

Mark Larco stated that they have officially changed the name and switched to a new menu on Friday, November 9, 2018.

Mr. Tanghe asked for information on the restaurant so the City could share the news on social media.

Mr. Skopek stated that he was been in contact with Mike Larco about social media outreach and that information is proposed to be shared this week.

Mr. Waltenspiel asked if delivery is an option.

Mark Larco stated that they currently deliver through a third party, but are working on in-house delivery.

Mr. Molnar stated that staff has prepared a motion that approves of recommending to the Michigan Liquor Control Commission that the TIFA owned liquor license be transferred to Larco Brothers II, LLC to utilize at their restaurant at 3329 Auburn Road. He further stated that the motion prepared allows for additional protections for the TIFA in the event the Michigan Liquor Control Commission keeps the liquor license in TIFA's name while still transferring it to Larco Brothers II, LLC and that the City Attorney assures the agreement protects the Board from any liability.

Mr. Waltenspiel asked if Larco Brothers II, LLC would have to transfer the license back to TIFA if they did meet the requirements to remain in good standing with the City.

Mr. Kneffel stated that the agreement states the license would be transferred back to TIFA if the requirements of the agreement are not met. He further stated that the license can only be utilized at 3329 Auburn Road as stated in the agreement.

Mr. Tanghe stated that the City Attorney has drafted agreements in the past like the one presented for a City owned liquor license and that the City has not had any issues.

Moved by Mr. Kneffel to approve the motion as presented in the Tax Increment Finance Authority memo dated November 13, 2018 for the transfer of the Tax Increment Finance Authority owned liquor license to Larco Brothers II, LLC.

Supported by Mr. Waltenspiel

Yes: Goodhall, Kneffel, Thornton, Waltenspiel, Dolly, Price, Molnar

No: none

Motion carried

Ms. Thornton asked how long it would take to transfer the liquor license.

Mr. Tanghe stated it should not take long after Larco Brothers II, LLC submits the necessary information to the Michigan Liquor Control Commission.

Mr. Kneffel thanked staff for their work on the liquor license transfer agreement.

B. University Center Construction Update

Mr. Skopek stated that the project is on schedule and within budget. The plan review by the state has not yet been completed, however, the states has assured the Department of Public Works that the review will take place soon and that they are just backlogged. Demolition has been completed and they are currently in the restoration phase.

BOARD MEMBER COMMENTS

Mr. Molnar stated that he attended the City Council meeting on November 12, 2018 to hear the presentation given by the City's investment consultant on the third quarter investment report. He further stated that he spoke with Finance Director Michelle Schulz about the TIFA investment accounts.

Mr. Molnar stated that Insight presented to City Council and that the presentation given explained that there are only certain investments that government agencies can participate in such as banks, and government bonds. Insight's goal is to have no investment longer than four years due to changes in the money market. He further stated that the City will start to see a larger return on investment in the next few years as bonds mature. Mr. Molner concluded by stating Finance Director Schulz has made herself available to talk to the Board about the investments in January 2019 if requested.

Mr. Molnar stated that the December TIFA Board meeting will contain 2019 meeting dates for approval and the election of officers. He stated that he will not be a candidate for an officer position as he will be retiring from the Board when a replacement for him is found.

DIRECTOR UPDATES

Mr. Skopek reminded the Board that the City's annual tree lighting ceremony is November 30, 2018 at 6:00 p.m. downtown.

ANNOUNCEMENT OF NEXT MEETING

The next regularly scheduled TIFA Board of Directors meeting is Tuesday, December 11, 2018 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.
Supported by Ms. Thornton**

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

Motion carried

The TIFA Board of Directors meeting adjourned at 4:56 p.m.

Respectfully submitted,

Steve Goodhall
Secretary of the Board

Brandon Skopek
Executive Director