



BOARD OF DIRECTORS MEETING

November 19, 2018

5:30 P.M.

Auburn Hills City Hall, Administrative Conference Room • 1827 N. Squirrel Road, Auburn Hills, MI 48326
Minutes of the DDA Board Meeting will be on file in the City Clerk's Office • 248-370-9402

MEETING CALLED TO ORDER

- 1) ROLL CALL
- 2) PERSONS WISHING TO BE HEARD
- 3) CORRESPONDENCE & PRESENTATIONS
 - a) Introduction of Brandon Skopek, Director of Authorities
- 4) APPROVAL OF MINUTES
 - a) Regular Meeting Minutes – August 20, 2018
- 5) FINANCIAL REPORT
 - a) FY 2018 Adopted Budget and YTD Summary – October 31, 2018
- 6) OLD BUSINESS
 - a) None
- 7) NEW BUSINESS
 - a) 2018 Accomplishments
 - b) Overview of 2019 Proposed Events
 - c) Adoption of 2019 Meeting Schedule
- 8) BOARD MEMBER COMMENTS
- 9) DIRECTOR UPDATES
 - a) 2019 Goals
- 10) ADJOURNMENT



CITY OF AUBURN HILLS CITY COUNCIL AGENDA

MEETING DATE: AUGUST 27, 2017

AGENDA ITEM NO. .

CITY OF AUBURN HILLS DOWNTOWN DEVELOPMENT AUTHORITY MEETING

August 20, 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 5:49 PM.

ROLL CALL

Present:	McDaniel, Travnikar, Wise, Volk, Young
Absent:	Gliniecki, Jernigan, Spurlin
Also Present:	Samantha Seimer, Director of Authorities
Guests:	None.

PERSONS WISHING TO BE HEARD

None.

APPROVAL OF MINUTES

A. DDA Meeting Minutes from July 9, 2018

There was no additional discussion of the minutes.

**Moved by Mr. Volk to approve the DDA Minutes from July 9, 2018 as submitted.
Support by Mr. Travnikar.**

**Yes: McDaniel, Travnikar, Wise, Volk, Young
No: None**

Motion carried

FINANCIAL REPORT

A. Financial Report for period ending July 31, 2018

Ms. Seimer reviewed the financial report for period ending July 31, 2018. She stated that the DDA has received \$71,790 in tax increment revenue over the last several months. This is 63% of the budgeted tax revenues for the year. Ms. Seimer stated that this is on par with what all of the TIF Districts have received in tax increment revenue to date.

The DDA has utilized 30% of its budgeted expenditures for the year, specific to administrative and interfund charges as well as payments and marketing for the downtown concert series.

The Board now has a cash position of over \$145,000.

**Moved by Mr. Travnikar to receive and file the financial report for period ending July 31, 2018.
Supported by Ms. Wise.**

**Yes: McDaniel, Travnikar, Wise, Volk, Young
No: None**

Motion carried

CORRESPONDENCE AND PRESENTATIONS

A. 2019 – 2023 Budget Presentation

Ms. Seimer presented the DDA Board with its 2019 – 2023 budgets. She reviewed that the DDA has budgeted extremely conservatively over the last several years in order to build its coffers for future capital improvement projects and potential incentives. Currently, the only projected revenue for the DDA is tax increment revenue which conservatively increases each year by the expected rate of inflation

which overs just above 2% over the next five years. When completing the budget process, new construction is not taken into consideration. Staff cannot accurately predict when tax increment revenue from new builds may affect the tax rolls. However, with the amount of planned development within the DDA District in the next two years, staff anticipates that the cash position will increase more than the budget predicts.

She reviewed the 2018 compared to 2019 expenditures noting that the budgeted increase of \$17,700 is due to supplies and community relations. There is additional dollars budgeted for marketing and printing of materials and additional programming of the amphitheater. Ms. Seimer added that the increase allows the DDA Board to be flexible in the next year, choosing different projects to support, host, or sponsor.

At the end of 2018, the projected fund balance of the DDA will be just under \$200,000 and expected to increase at a rate of 20% annually if the budget remains consistent.

The only change that will occur to the DDA Budget as presented to City Council is the addition of the \$160,000 transfer from TIF B to the DDA in 2019, with the corresponding loan repayment for four years beginning in 2020.

Moved by Mr. Volk to approve the Downtown Development Authority 2018 Amended Budget and 2019 Proposed Budget and recommend to the City Council the inclusion of these budgets for adoption in the City's overall budget documents.

Supported by Mr. Travnikar.

Yes: McDaniel, Travnikar, Wise, Volk, Young

No: None

Motion carried

OLD BUSINESS

None.

NEW BUSINESS

None.

BOARD MEMBER COMMENTS

The Board asked about the status of projects forthcoming in downtown. Ms. Seimer stated that tree removals began today at Primary Place. The MiL and The Residences at Thirty Two 50 are still moving forward to the best of her knowledge. Mayor McDaniel added that the MiL will definitely be moving forward soon, they have negotiated to lease the vacant space next to Auburn Village Family Dental, formerly Waterhouse Photography, to use as their leasing office. Robertson Brothers plans to break ground this fall and there is a new condo development off of Old Adams Road as well as at the Mound and Superior Site. Ms. Seimer stated that she plans to reach out to Terry Bailey with The Residences of Thirty Two 50 this week for a status update. She added that his site plan does expire in October and he is aware.

Ms. Wise asked about the green building at 3180 Auburn Road. Ms. Seimer stated that is still caught up in litigation and has since gone to the Michigan Supreme Court. Staff hopes to have a determination by the end of the year on the ownership of the building.

ANNOUNCEMENT OF NEXT MEETING – The next Downtown Development Authority Board of Directors will be Monday, November 19, 2018, at 5:30 PM at City Hall in the Administrative Conference Room.

ADJOURNMENT

There being no objections, the meeting was adjourned at 6:15 p.m.

Respectfully submitted,

Samantha R. Seimer

Executive Director



TO: Chairman Young and Members of the DDA Board of Directors

FROM: Brandon Skopek, Director of Authorities, DDA Executive Director

DATE: November 19, 2018

SUBJECT: FY 2018 Adopted Budget and YTD Summary – October 31, 2018

Attached for your review are the financial statements for the period ending October 31, 2018.

DDA STATEMENT OF REVENUES AND EXPENDITURES

- Approximately 93% of budgeted property tax revenue has been received for the DDA in 2018 for a total of \$114,444.
- Approximately 79% of budgeted expenditures have been utilized to date. This is a 49% increase from the last reporting period in July 2018.
- Largest expenditures for the period ending October 31, 2018 are due to summer irrigation costs and maintenance along Parkways Boulevard, and payments for the summer concert series.

The cash position continues to increase due to conservative spending in the previous two years, bringing the cash position of the DDA to \$177,908.

ADDITIONAL NOTES

The financial statements will be presented for approval at the Board meeting on Monday, November 19, 2018. You are welcome to contact myself or Finance Director Michelle Schulz prior to the meeting to discuss particular budget line items, budget capital items or any of the documents mentioned in this memo.

An appropriate motion is:

Move to receive and file the Financial Report for Period Ending October 31, 2018.

11.19.18

**City of Auburn Hills
DDA Statement of Net Position
For the Period Ending October 31, 2018**

<u>ASSETS</u>	<u>DDA</u>
Cash and Cash Equivalents	177,908
Taxes Receivable	-
Total Assets	<u><u>177,908</u></u>
<u>LIABILITIES</u>	
Accounts Payable	-
Due to Trust and Agency	
Due to Taxpayers	2,849
Deferred Revenue	
Total Liabilities	<u><u>2,849</u></u>
<u>NET POSITION</u>	
Beginning Net Position 1/1/2018	82,992
Excess of Revenues over Expenditures as of July 31, 2018	<u>92,691</u>
Net investment in capital assets	0
Unrestricted	175,059
Total Net Position	<u><u>175,059</u></u>
Total Liabilities and Total Net Position	<u><u>177,908</u></u>

City of Auburn Hills
Statement of Revenues, Expenditures, and Changes in Net Position-DDA
For the Period Ending October 31, 2018

Fund 248-728		Amended	Year-	Fav / (Unfav)
		Annual	To-Date	
<u>REVENUES</u>		<u>Budget</u>	<u>Actual</u>	<u>Budget</u>
20	402.000 Property Taxes	\$ 123,187	\$ 114,444	\$ (8,743)
	Total Revenues	<u>123,187</u>	<u>114,444</u>	<u>(8,743)</u>
<u>EXPENDITURES</u>				
55	729.000 Supplies	500	-	500
60	800.199 Landscape/General Maintenance	-	-	-
76	817.000 Consultant Services	1,000	-	1,000
<u>Other Expenses</u>				
85	885.000 Community Relations	12,000	9,725	2,275
85	901.000 Marketing	-	-	-
85	958.000 Membership Dues	550	515	35
85	960.001 Conferences and Workshops	1,475	758	717
85	998.000 Miscellaneous	-	-	-
	929.000 Irrigation Water & Maintenance	500	6,371	(5,871)
59	927.000 Utilities	5,000		
73	999.004 Administrative Charges	4,336	3,198	1,138
88	999.007 Interfund Services	2,336	1,185	1,151
	Total Expenditures	<u>27,697</u>	<u>21,753</u>	<u>5,944</u>
	Excess of Revenues over Expenditures as of July 31, 2018	95,490	92,691	\$ <u>(2,799)</u>
	Beginning Total Net Position (1/1/2018)	<u>82,992</u>	<u>82,992</u>	
	Ending Total Net Position	<u>\$ 178,482</u>	<u>\$ 175,683</u>	



TO: Chairman Young and Members of the DDA Board of Directors

FROM: Brandon Skopek, Director of Authorities, DDA Executive Director

DATE: November 19, 2018

SUBJECT: 2018 Accomplishments

Contained within this memo is a brief description of accomplishments of 2018 pertaining to the Downtown Development Authority and Downtown Auburn Hills. These accomplishments range from events held, to new developments and businesses. A more robust and comprehensive report will be delivered as part of the 2018 Annual Report in February 2019.

2018 Downtown Events

- Perennial Exchange (May 19)
- Memorial Day Parade (May 28)
- Paddlepalooza (June 2)
- Fishing Derby (June 9)
- Downtown Music Series (June 15, 29, July 13, 27, August 10, 24)
- Summerfest (June 22 & 23)
- Strolling Groundbreaking Ceremony (October 4)
- Spooktacular (October 27)
- Small Business Saturday (November 24)
- Tree Lighting Ceremony (November 30)

Proposed Developments

- Residences at Thirty-Two 50 (3250 Auburn Road)
 - o Estimated investment: \$7.5 million
 - o Groundbreaking ceremony held on October 4, 2018
 - o Four-story mixed-use building containing 3,900 square feet of commercial space on the ground floor and 48 market-rate apartments
 - o Spring construction start is proposed



- Riverside Townes (3321 Squirrel Court)
 - o Estimated investment: \$3.25 million
 - o Groundbreaking ceremony held on October 4, 2018
 - o Three townhouse style condominium buildings totaling 14 units. Each unit is approximately 1,184 square feet in size and will have an attached one car garage
 - o Site work has been initiated

- Primary Place Townhomes (3431 Primary Street)
 - o Estimated investment: \$3 million
 - o Groundbreaking ceremony held on October 4, 2018
 - o 18-unit townhouse development. Each unit is approximately 1,500 square feet in size and call for two-car garages
 - o Site work has been initiated

- Midwest Innovation Lofts (The MiL) (3300 Auburn Road)
 - o Estimated investment: \$2.5 million
 - o Groundbreaking ceremony held on October 4, 2018
 - o Four-story, 25,243 square foot mixed-use building proposed to accommodate a restaurant on the first floor, private office space on the second and third floors, and six loft-style apartments on the fourth floor. Designhaus intends to utilize the third floor of the building as their new corporate offices, moving from Downtown Rochester
 - o Spring construction start is proposed

- Fountain Circle of Auburn Hills (3505 & 3507 Auburn Road)
 - o Estimated investment: \$20 million
 - o City Council approved the site plan on November 12, 2018
 - o A luxury apartment community featuring 258 residences in seven buildings with a clubhouse, pool, and park areas. Residences will consist of one, two, and three bedroom units ranging in size from 575 square feet to 1,375 square feet. Parkways Boulevard is proposed to be extended from Squirrel Road to Adams Road as part of this development, meeting a goal of the City's Downtown Master Plan
 - o Construction is anticipated to begin spring 2019 with completion of the entire project anticipated by December 31, 2021



- Downtown Utility Upgrades
 - o Over \$3 million invested on new streets, landscaping, sidewalks, and underground utilities
 - o All lanes are now open to traffic, with only restoration work remaining. Restoration work will continue in spring 2019

- Riverside Park Amphitheatre and Splash Pad
 - o Amphitheatre has been constructed and seating has been installed. Splash pad and stage construction began the week of November 12, 2018
 - o Due to temperatures, work will slow down and will be completed in spring 2019

New Businesses

- You, Me, and Bubble Tea (3395 Auburn Road)
 - o A family-friendly food establishment offering something for everyone ranging from tea and smoothies, to sweets.
 - o Owners: Cathy Darling and Stacey Beane

- Larco Bros. Pizzeria (3329 Auburn Road)
 - o Italian restaurant recently opened in the former Jo'Angela's location serving minestrone soup, salads, sandwiches, pizza, and deserts.
 - o Owner: Mike Larco



TO: Chairman Young and Members of the DDA Board of Directors

FROM: Brandon Skopek, Director of Authorities, DDA Executive Director

DATE: November 19, 2018

SUBJECT: Overview of 2019 Proposed Events

Contained in this memo for your review is a brief outline of preliminary events pertaining to the Downtown Development Authority for FY 2019. This outline will guide the Board through a deeper discussion at the meeting on November 19, 2018. The DDA has allocated \$23,500 in the Community Relations line item to support the Downtown Music Series and other downtown events in 2019, which is an increase from \$15,000 allocated in FY 2018.

The desired outcome of the meeting on November 19 is to update the Board on downtown events proposed for 2019, as well as seek input on new events.

Proposed events taking place in Downtown that the DDA can be more present and involved

- Perennial Exchange (May 18)
- Memorial Day Parade (May 27)
- Paddlepalooza (June 1)
- Fishing Derby (June 8)
- Summerfest (June 21 & 22)
 - Amphitheatre Ribbon Cutting (Kick-off to Summerfest)
- Downtown Music Series (June 28, July 12, 19, 26 August 2, 9, 23)
- New Downtown Signature Event (September – Date unknown)
 - Staff has met internally to brainstorm entertainment, activities, and location
- Clinton River Clean Up (September 21)
- Spooktacular (October 26)
- Small Business Saturday (November 24)
- Tree Lighting Ceremony (December 7)



TO: Chairman Young and Members of the DDA Board of Directors

FROM: Brandon Skopek, Director of Authorities, DDA Executive Director

DATE: November 19, 2018

SUBJECT: Adoption of 2019 Meeting Schedule

In preparation for the publication of the 2018 Auburn Hills calendar, the Downtown Development Authority must set its formal meeting schedule for the upcoming year.

In 2018, the DDA Board met a total of five times, including the November meeting.

In an effort to keep DDA meetings robust, productive, and effective, staff recommends that the Board continue to meet quarterly as approved for 2018. Each meeting would continue to take place at 5:30 PM the third Monday of each quarterly month proposed. Staff understands the sensitivity to every board member's time and believes that continuing a quarterly meeting schedule will produce greater efficiency with the Board. As you are aware, the DDA is an active board. The other time spent in your Board Member role may be used in the community, whether volunteering for a DDA event or talking to residents and businesses.

Please keep in mind that the date, time, and location may be modified from time to time to accommodate the needs of the Board and our constituents. If there is a need for a special meeting, or a workshop, the Board can elect to add meetings throughout the calendar year. Per guiding legislation, if there is a change to the meeting, the City Clerk must post the change 18 hours prior to the meeting.

The following dates for the 2019 Auburn Hills Downtown Development Authority Board of Directors meetings are proposed:

- February 18
- April 15
- August 19
- November 18

An appropriate motion is:

Move to approve the 2019 Auburn Hills Downtown Development Authority Board of Directors meeting schedule as the Third Monday of each quarterly month as presented at 5:30PM in the City Hall Administrative Conference Room.