



CITY OF AUBURN HILLS CITY COUNCIL AGENDA

MEETING DATE: SEPTEMBER 14, 2020

AGENDA ITEM NO. .

CITY OF AUBURN HILLS DOWNTOWN DEVELOPMENT AUTHORITY MEETING

August 10, 2020

LOCATION: Virtual Meeting

CALL TO ORDER: Chairman Young called the meeting to order at 5:31 PM.

ROLL CALL

Present:	Young, Volk, McDaniel, Rasmussen, Jernigan, Wise
Absent:	Gliniecki
Also Present:	Brandon Skopek, Director of Authorities
Guests:	Michael Wayne, Detroit Riverside Capital

PERSONS WISHING TO BE HEARD

None.

APPROVAL OF MINUTES

A. Regular Meeting Minutes – June 10, 2020

Moved by Mr. Volk to approve the DDA Regular Meeting Minutes from June 10, 2020 as presented.

Seconded by Ms. Jernigan

Yes: Young, Volk, McDaniel, Rasmussen, Jernigan, Wise

No: None

Motion carried by roll call vote

FINANCIAL REPORT

A. FY 2019 Adopted Budget and YTD Summary – July 29, 2020

Mr. Skopek reviewed the financial report for period ending July 29, 2020. He stated that the DDA has received approximately 70% of budgeted property tax revenue to date for a total of \$126,130 and 30% of budgeted expenditures have been utilized to date. The total net position of the DDA is approximately \$230,173.

Moved by Ms. Jernigan to receive and file the financial report for period ending July 29, 2020.

Seconded by Mr. Volk

Yes: Young, Volk, McDaniel, Rasmussen, Jernigan, Wise

No: None

Motion carried by roll call vote

UNFINISHED BUSINESS

None.

NEW BUSINESS

None.

CORRESPONDENCE AND PRESENTATIONS

A. 2021 – 2025 Budget Presentation

Mr. Skopek presented the DDA Board with its 2021 – 2025 budgets. He reviewed that the DDA has budgeted extremely conservatively over the last several years in order to build its fund balance for future projects and downtown events. Currently, the only projected revenue for the DDA is tax increment revenue which conservatively increases each year by the rate of inflation which increases around the 2% mark annually over the next five years. Staff has continued to budget revenues conservatively due to the unknown impacts from the COVID-19 pandemic. The DDA continues to improve its overall cash position with conservative budgeting.

Mr. Skopek reviewed the 2020 expenditures compared to 2021 expenditures noting that the budgeted increase of \$37,437 is mostly attributed to budgeting for SeptemBEERfest, additional pop-up events, and for a brand marketing campaign for downtown. He added that the debt service payment to the TIFA of approximately \$43,000 continues in 2021, which will continue through 2023.

Chairman Young noted that Mr. Glinecki had inquired about the debt service payment and whether it made sense to pay off the debt at one point in time rather than in annual installments.

Mr. Skopek stated that because the loan agreement is between the TIFA Board and the DDA Board, the TIFA Board would need to approve an early payment and staff would need to research what type of interest would be due with the payment since interest was determined prior to the loan being administered. He added that the Board has budgeted conservatively since its inception to increase the fund balance and the DDA is now in a good position financially with the fund balance and a steady revenue stream. Approving an early payoff of the loan would significantly decrease the DDA's fund balance and may impact the DDA's ability to finance larger events and/or projects in the future. He recommended continuing with the annual payments.

Ms. Jernigan stated she agreed with the recommendation to continue with payment plan as approved. She added that given the situation with the COVID-19 pandemic, we are not sure what finances will look like in the future.

The consensus of the Board was to proceed with annual payments.

Vice Chairman Volk asked if there was a targeted fund balance the DDA was looking to meet.

Mr. Skopek stated that the DDA does not have a policy on their fund balance, but added that a healthy fund balance allows for the financing of larger events and/or projects in the future if necessary that are outside the TIFA district.

Ms. Jernigan asked for a breakdown of the "Other Expenses" outlined in the budget.

Mr. Skopek noted that this account classification consists of the budgets for SeptemBEERfest, pop-up events, marketing and promotions, and membership fees for professional organizations. He discussed the budget amounts for each.

Vice Chairman Volk requested that these line items be broken out for the Board's review in future budget presentations.

Mr. Skopek will break these line items out in future budget presentations.

Chairman Young asked if the proposed advancement to the Select Level status with Main Street Oakland County had any additional costs aside from the membership dues for joining the National Main Street organization.

Mr. Skopek stated there are no additional costs.

Ms. Jernigan moved to approve the Downtown Development Authority 2020 Projected Budget and 2021 Proposed Budget as presented. Furthermore, recommend to the City Council the inclusion of these budgets for adoption in the City's overall budget documents.

Seconded by Ms. Wise

Yes: Young, Volk, McDaniel, Rasmussen, Jernigan, Wise

No: None

Motion carried by roll call vote

EXECUTIVE DIRECTOR UPDATE

Mr. Skopek provided an update on the proposed mural for the MIL building downtown. The developer has stated that they will be proceeding with the original design as approved by the City Council during the site plan review process.

Mr. Skopek reminded the Board of the Movie Nights in the Park in August. Movies will take place at the Knight Amphitheater.

BOARD MEMBER COMMENTS

Ms. Wise asked what had been installed on the property located at 3180 Auburn Road.

Mr. Skopek stated that these are monitoring wells installed by the Brownfield Redevelopment Authority's environmental consultant. With the confirmed release of contents from the underground storage tanks discovered during demolition of the property, additional soil and groundwater testing is being conducted.

Ms. Wise asked for a development update at 3250 Auburn Road.

Michael Wayne of Detroit Riverside Capital stated that the foundations have been poured and the masonry tower for the elevator is currently under construction. They are expecting a certificate of occupancy in June 2021.

Vice Chairman Volk asked which restaurant would be occupying space in their building.

Mr. Wayne stated that Bucharest Grill has signed a lease to occupy one of the spaces in the building. He noted their popularity in Detroit and their expansion efforts into Oakland County.

Vice Chairman Volk expressed his appreciation for setting up the Public Square for additional seating downtown. He noted that he has seen many people utilizing the space.

Mr. Skopek stated that the Tax Increment Finance Authority has purchased some additional seating for the Public Square which will be installed next week.

ANNOUNCEMENT OF NEXT MEETING

The next Downtown Development Authority Board of Directors meeting will be held on Monday, September 21, 2020, at 5:30 PM at City Hall in the Administrative Conference Room.

ADJOURNMENT

Moved by Mr. Volk to adjourn the DDA Board meeting.

Seconded by Ms. Jernigan

Yes: Young, Volk, McDaniel, Rasmussen, Jernigan, Wise

No: None

Motion carried

The DDA Board of Directors meeting adjourned at 6:07 p.m.

Respectfully submitted,
Brandon Skopek
Executive Director