



CITY OF AUBURN HILLS CITY COUNCIL AGENDA

MEETING DATE: SEPTEMBER 14, 2020

AGENDA ITEM NO. .

CITY OF AUBURN HILLS TAX INCREMENT FINANCE AUTHORITY MEETING

August 11, 2020

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

ROLL CALL:

Present:	Kneffel, Goodhall, Moniz, Klemanski, Roberts, Thornton, Waltenspiel, Price (Arrived at 4:23 p.m.)
Absent:	Dolly
Also Present:	Brandon Skopek, Director of Authorities; Michelle Schulz, Finance Director; Ron Melchert, Director of Public Works; Stan Torres, Manager of Municipal Properties
Guests:	None

LOCATION: Virtual Meeting

PERSONS WISHING TO BE HEARD

None.

APPROVAL OF MINUTES

A. TIFA Regular Meeting Minutes – July 14, 2020

Moved by Mr. Goodhall to approve the TIFA Regular Meeting minutes from July 14, 2020 as presented.

Seconded by Mr. Waltenspiel

Yes: Kneffel, Goodhall, Moniz, Klemanski, Roberts, Thornton, Waltenspiel
No: none

Motion carried by roll call vote

FINANCIAL REPORT

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

Mr. Skopek presented the financial report for the period ending July 29, 2020.

Dr. Klemanski had noted the property tax revenues for TIF District D are still shown to be in a negative capture. He asked when revenues were expected to be received.

Mr. Skopek stated that staff had originally budgeted a positive TIF capture in 2020 and in projections due to new developments, however, that has turned out to not be the case. He added that the only projected revenue for TIF District D in 2020 and in projections is from personal property tax reimbursement and from fees collected from electric vehicle charging stations.

Chairman Kneffel asked if the investment management account company was the same as years prior.

Mr. Skopek confirmed that the City is utilizing the same investment management company.

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

Seconded by Ms. Roberts

Yes: Kneffel, Goodhall, Moniz, Klemanski, Roberts, Thornton, Waltenspiel

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 2021-2025 budget for each TIF District to the Board. He reviewed revenues and expenditures for each district separately. It is anticipated that property tax revenues will hover around 2% inflationary increases over the next five years. He added that staff has continued to budget revenues conservatively due to the unknown impacts from the COVID-19 pandemic. Staff has prepared budgets for the three TIF districts that transition from large capital projects to place more of a focus on maintenance of existing infrastructure, however, there are a few capital projects budgeted in projections. TIF District D is expected to reflect a negative tax capture in 2020 and into the future with personal property tax reimbursement and fees collected from electronic vehicle charging stations being the only revenue projected.

TIF-A experiences a net decrease in expenditures in the amount \$129,408 from 2020 to 2021. He noted that the salaries and wages line item is projected significantly lower in 2020 than previous years due to the DEN being closed due to the pandemic. Capital expenditures for 2021 include the construction of the Public Square and updates to the DEN. Staff will be meeting to discuss a future use of the DEN as its current use as a study and co-working space is not its highest and best use. Repair and maintenance projects include funding for façade enhancements along Squirrel Court, decorative light pole maintenance, and pathway and sidewalk maintenance. Contractual services include the TIFA business recruitment grant and the site improvement grant, as well as additional funding for a new sidewalk café furniture grant. Tax increment revenues remain relatively stable at approximately \$1.4 million annually.

Chairman Kneffel asked if there were any proposed uses for the DEN.

Mr. Skopek stated that there are not currently any proposed uses for the DEN and that staff will be meeting to brainstorm ideas for future uses.

Ms. Price arrived at 4:23 p.m.

Mr. Moniz asked if the vehicle charging station in the DEN parking lot will be relocated during the construction of the Public Square.

Mr. Skopek stated that the vehicle charging station will be relocated and staff will work to include this in the overall plan with OHM.

Mr. Moniz asked if the vehicle charging station on Auburn Road was still active.

Mr. Skopek stated that this was removed during the Auburn Road reconstruction and is currently in storage.

TIF-B experiences a net increase in expenditures in the amount of approximately \$1.13 million from 2020 to 2021. Capital expenditures for 2021 include pathway maintenance and funding for a watermain connection under M-59 to Executive Hills. \$1.5 million has been allocated for strategic property purchases, which is an increase from \$800,000 in FY 2020. \$100,000 has been allocated for an Emerging

Technologies Grant opportunity for building improvements and site readiness. The fund balance remains healthy with TIF-B collecting approximately \$1.4 million in tax increment revenue annually.

Chairman Kneffel expressed his support for additional funding toward strategic property purchases.

Dr. Klemanski asked if there were projects identified in the future to assist with reducing the fund balance. He cautioned spending frivolously, but noted the large fund balance in the district.

Mr. Skopek stated that there are projects identified in years beyond 2025, but there are no large projects identified in this budget presentation. He added that staff is paying attention to the fund balance and working to identify other projects that the TIFA may be able to assist with.

TIF-D experiences a net decrease increase in expenditures in the amount of \$632,289 from 2020 to 2021. There is \$100,000 carried over from 2020 to 2021 for the renovation of the Community Center kitchen – this project comes from a partnership with Oakland University. Oakland University is creating a Bachelor and Master of Nutrition program and seeks to utilize the Community Center’s kitchen as a community kitchen to teach classes where students would be preparing healthy foods. The other large capital expense in TIF District D is for the construction of a new pavilion on the Municipal Campus. TIF District D will continue to experience a negative tax capture into the future and, therefore, staff has transitioned to maintenance of existing infrastructure in TIF District D.

Mr. Skopek stated that overall, TIF Districts A and B continue to see growth in their cash positions despite large capital projects in previous years. The magnitude of projects in TIF-A and TIF-D has led to some cash depletion in the investment accounts, but the cash position is anticipated to increase in TIF-A in 2021 and beyond.

Moved by Dr. Klemanski to approve the Tax Increment Finance 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. Roberts

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

No: none

Motion carried by roll call vote

EXECUTIVE DIRECTOR UPDATE

Mr. Skopek updated the Board that Eveonne Roberts will be joining the Auburn Hills Team as the new Downtown Engagement Specialist. In this position, Ms. Roberts will assist the Director of Authorities with event planning and day-to-day operations. He noted that an offer of employment was made to Ms. Roberts at the end of February, but the COVID-19 pandemic moved her start date back well into August.

The Board congratulated Ms. Roberts on her new position.

Mr. Skopek updated the Board that the furniture for the pop-up Public Square and the splash pad plaza will be installed on August 17.

Ms. Roberts noted that the turf in the Public Square has some areas that are not flat to the ground and asked if this could be fixed prior to the installation of the furniture.

Mr. Skopek stated that this will be addressed prior to the furniture installation.

BOARD MEMBER COMMENTS

Mr. Waltenspiel asked if the City has explored allowing marijuana dispensaries in the community.

Mr. Moniz stated that the City Council has opted out of allowing dispensaries in the City.

ANNOUNCEMENT OF NEXT MEETING

The next regularly scheduled TIFA Board of Directors meeting is scheduled for Tuesday, September 8, 2020 at 4:00 PM at Auburn Hills City Hall Administrative Conference Room, 1827 N. Squirrel Road, Auburn Hills, Michigan 48326.

ADJOURNMENT

Moved by Ms. Price to adjourn the TIFA Board meeting.

Seconded by Ms. Thornton

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

No: none

Motion carried by roll call vote

The TIFA Board of Directors meeting adjourned at 4:50 p.m.

Respectfully submitted,

Steve Goodhall
Secretary of the Board

Brandon Skopek
Executive Director