



# CITY OF AUBURN HILLS CITY COUNCIL AGENDA

MEETING DATE: MARCH 1, 2021

AGENDA ITEM NO.

## CITY OF AUBURN HILLS TAX INCREMENT FINANCE AUTHORITY MEETING

**February 9, 2021**

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

**ROLL CALL:**

Present:	Kneffel (Auburn Hills, MI), Klemanski (Auburn Hills, MI), Price (Auburn Hills, MI), Moniz (Romulus, MI), Hawkins (Pontiac, MI), Thornton (Arrived at 4:03 PM)(Charlevoix, MI), Goodhall (Arrived at 4:21 PM)(Auburn Hills, MI)
Absent:	Dolly, Waltenspiel
Also Present:	Brandon Skopek, Assistant to the City Manager
Guests:	None

**LOCATION:** Virtual Meeting

### PERSONS WISHING TO BE HEARD

None.

### APPROVAL OF MINUTES

#### A. TIFA Regular Meeting Minutes – January 12, 2021

Moved by Dr. Klemanski to approve the TIFA Regular Meeting minutes from January 12, 2021 as presented.

Seconded by Mr. Hawkins

Yes: Kneffel, Klemanski, Price, Moniz, Hawkins  
No: none

Motion carried by roll call vote

### CORRESPONDENCE AND PRESENTATIONS

Ms. Thornton arrived at 4:03 PM

#### A. 2020 TIFA Annual Report

Mr. Skopek presented the Auburn Hills Tax Increment Finance Authority 2020 Annual Report. He noted that this report will be submitted to the City Council along with all other departments of the City. The report highlights TIFA's history, a summary of 2020 accomplishments, fund balances, revenue trends, expense breakdowns and a future outlook for the TIFA Board.

### FINANCIAL REPORT

#### A. FY 2021 Adopted Budget and YTD Summary – January 31, 2021

Mr. Skopek presented the financial report for the period ending January 31, 2021.

There was no discussion on the financial report.

Moved by Mr. Hawkins to receive and file the financial report for period ending January 31, 2021.

Seconded by Ms. Price

Yes: Kneffel, Klemanski, Price, Moniz, Hawkins, Thornton  
No: none

Motion carried by roll call vote

**UNFINISHED BUSINESS**

None.

**NEW BUSINESS**

**A. Downtown Bar and Restaurant Stabilization Loan Program**

Mr. Skopek summarized a memo dated February 2, 2021. Staff is proposing a loan program sponsored by the Tax Increment Finance Authority and Downtown Development Authority to support eligible bars and restaurants in downtown Auburn Hills. Many bars and restaurants continue to experience significant financial hardships due to the COVID-19 pandemic and the associated emergency orders issued by the Michigan Department of Health and Human Services. Proposed general parameters of the loan are the following:

- Up to \$25,000 available in loans at 0% interest
- Businesses must be operating their indoor dining room, as allowed by public health orders
- Loan funds shall be used for operating costs (Rent/mortgage payments, utilities, payroll expenses, etc.)
- If an application is approved, checks are expected to be distributed in April
- Repayment of the loan begins July 1, 2021 (24 to 36-month repayment)
  - If payments are made on time and in full, the lending entity *may* consider forgiving a small portion at the end of the payment schedule
- Businesses shall be prepared to enter into an agreement with the lending entity
- Application deadline of March 31, 2021

Mr. Skopek concluded by stating the TIFA legislation provides for financial assistance by way of loans or grants to further the cause of economic development. The City Attorney has reviewed and accepted the general parameters of the proposed loan and would review and approve the final loan agreements.

Vice Chairman Klemanski asked how loan defaults would be handled if applicants were unable to make their payments.

Mr. Skopek noted that this has not yet been addressed, but language could be included in the final loan documents. He added that the City Attorney would review the language.

Mr. Moniz asked why a loan program was being proposed instead of a grant program.

Mr. Skopek noted that grants would be a significant draw down on the TIFA's fund balance. With a loan there is an expectation that those funds would be repaid over a reasonable time. He added that this is a nice partnership between the TIFA and downtown establishments.

Mr. Moniz asked if other businesses would be eligible.

Mr. Skopek stated that the loan program will only be made available to eligible bars and restaurants. The reasoning behind this decision is that bars and restaurants have been most affected by the MDHHS orders and have had to close their doors to the public or operate at a reduced capacity, whereas retail, office, and personal service establishments have been able to operate at a higher level.

Mr. Hawkins asked if this program would apply to all TIFA districts.

Mr. Skopek stated that this will apply only to the downtown TIFA district to support our downtown bars and restaurants. He added that this program would be a partnership between the TIFA and DDA, pending DDA Board approval.

Chairman Kneffel thanked staff for continuing to think outside the box. He added that this program is just another example of the progressiveness of Auburn Hills.

**Moved by Ms. Price to authorize the creation of a downtown bar and restaurant stabilization loan program based upon the general parameters presented.**

**Seconded by Ms. Thornton**

**Yes: Kneffel, Klemanski, Price, Moniz, Hawkins, Thornton**

**No: none**

**Motion carried by roll call vote**

#### **B. Sidewalk Café Furniture Loan Agreement**

Secretary Goodhall arrived at 4:21 PM.

Mr. Skopek presented a memo dated February 3, 2021. He noted that in July 2020, the TIFA procured café furniture for the pop-up Public Square in downtown Auburn Hills. The intent was to grant the furniture to downtown merchants for their own sidewalk cafes once the pop-up Public Square was disassembled for the season; any remaining furniture that was not utilized by downtown merchants was proposed to be distributed to City facilities rather than sit in storage. Of the 23 sets that were procured, only 10 sets were requested by downtown merchants. Therefore, the remaining furniture sets were distributed to Fieldstone Golf Course and to Hawk Woods Nature Center for use at the new Hawk Woods Lodge. The Tax Increment Financing Act does not allow for the donation of furniture or equipment for use outside of the authority's district; however, in order to avoid the furniture from not being used at all, the TIFA may loan the furniture to entities outside of the TIFA district, with the understanding that if the furniture is needed within the TIFA district, the entity would have to immediately return the loaned furniture to the TIFA. Staff has prepared a loan agreement that would allow for the disbursement of furniture to City facilities.

Mr. Moniz asked if the restaurants proposed in two new buildings downtown would benefit from sidewalk café furniture.

Mr. Skopek stated that there is room on the sidewalk for a few pieces of furniture if outdoor seating was desired. He added that if the request is made, the furniture could be granted to these restaurants.

Mr. Moniz asked about placing some of the furniture in storage rather than distribute all the remaining furniture to City facilities.

Mr. Skopek stated that the reasoning behind loaning the furniture is that they would be put to use rather than be placed in storage.

**Moved by Mr. Hawkins to approve the Loan Agreement authorizing the loan of sidewalk café furniture. Furthermore, authorize the Executive Director to execute the Loan Agreement.**

**Seconded by Mr. Moniz**

**Yes: Kneffel, Klemanski, Price, Moniz, Hawkins, Thornton, Goodhall**

**No: none**

**Motion carried by roll call vote**

#### **EXECUTIVE DIRECTOR UPDATE**

Mr. Skopek provided an update on the pedestrian alleyway project, the Public Square project, and the proposed development at 27 S. Squirrel Road.

#### **BOARD MEMBER COMMENTS**

None.

**EXECUTIVE SESSION**

**A. Discussion of the Acquisition of Real Estate**

**Moved by Ms. Price to adjourn the Regular Session and enter into Executive Session to discuss the acquisition of real estate at 4:38 PM.**

**Seconded by Ms. Thornton**

**Yes: Kneffel, Klemanski, Price, Moniz, Hawkins, Thornton, Goodhall**

**No: none**

**Motion carried by roll call vote**

*Filed under separate cover*

**Moved by Ms. Price to adjourn the Executive Session regarding the discussion of the acquisition of real estate and return to Regular Session at 5:03 PM.**

**Seconded by Ms. Thornton**

**Yes: Kneffel, Klemanski, Price, Moniz, Hawkins, Thornton, Goodhall**

**No: none**

**Motion carried by roll call vote**

**ANNOUNCEMENT OF NEXT MEETING**

The next regularly scheduled TIFA Board of Directors meeting is scheduled for Tuesday, March 9, 2021 at 4:00 PM at Auburn Hills City Hall Administrative Conference Room, 1827 N. Squirrel Road, Auburn Hills, Michigan 48326.

**ADJOURNMENT**

Ms. Thornton and Secretary Goodhall did not return to the regular session.

**Moved by Mr. Moniz to adjourn the TIFA Board meeting.**

**Seconded by Mr. Hawkins**

**Yes: Kneffel, Klemanski, Price, Moniz, Hawkins**

**No: none**

**Motion carried**

**The TIFA Board of Directors meeting adjourned at 5:04 PM**

Respectfully submitted,

Steve Goodhall  
Secretary of the Board

Brandon Skopek  
Assistant to the City Manager