



CITY OF AUBURN HILLS CITY COUNCIL AGENDA

MEETING DATE: JUNE 11, 2018

AGENDA ITEM NO. .

CITY OF AUBURN HILLS TAX INCREMENT FINANCE AUTHORITY MEETING

May 8, 2018

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

ROLL CALL:

Present:	Goodhall, Hassett, Kneffel, Molnar, Roberts, Thornton, Waltenspiel
Absent:	Dolly, Price
Also Present:	Samantha Seimer, Director of Authorities; Steve Cohen, Director of Community Development, Ron Melchert, Department of Public Works Director
Guests:	John Young, DDA Chairman.

LOCATION: City Hall Administrative Conference Room, 1827 N. Squirrel Road, Auburn Hills, Michigan 48326

PERSONS WISHING TO BE HEARD

None.

CORRESPONDENCE AND PRESENTATIONS

None.

APPROVAL OF MINUTES

A. Regular Meeting Minutes – April 10, 2018

There was no additional discussion about the meeting minutes.

Moved by Mr. Goodhall to approve the Regular TIFA Minutes from April 10, 2018 as presented.

Supported by Mr. Molnar.

Yes: Goodhall, Hassett, Kneffel, Molnar, Roberts, Thornton, Waltenspiel

No: none

Motion carried

FINANCIAL REPORT

A. Period ending April 30, 2018

Ms. Seimer presented the financial report for period ending April 30, 2018. She reviewed the investment accounts stating that district A has \$1.2 million invested between three separate accounts including Investment Pooling, Cutwater and MiClass, District B has \$7.83 million invested with Cutwater and District D has \$1.29 million invested with Cutwater. The investment funds have seen a slight increase since the previous month

TIF A has received 62% of its budgeted property tax revenue and utilized 24% of its expenditures. TIF B has received 65% of its budgeted property tax revenue and has only utilized 1% of its anticipated expenditures. Ms. Seimer explained that expenditure utilization will increase as water main replacement begins on Opdyke Road in the next several months. TIF D has no budgeted property tax revenue due to the loss of personal property tax. Over the last month 13% of budgeted expenditures have been utilized, majority of these expenditures have been for utilities and administrative charges.

There was no additional discussion about the financial report.

TIFA 85-A	\$ 26,966,567	Available Cash (TIF-A)	\$ 3,890,556
TIFA 85-B	\$ 18,601,218	Available Cash (TIF-B)	\$ 10,063,269
TIFA 86-D	<u>\$ 27,243,693</u>	Available Cash (TIF-D)	<u>\$ 2,202,930</u>
	\$ 72,759,286		\$ 15,158,755

**Moved by Mr. Molnar to approve the Financial Report of April 30, 2018 as submitted.
Supported by Ms. Thornton.**

**Yes: Goodhall, Hassett, Kneffel, Molnar, Roberts, Thornton, Waltenspiel
No: none**

Motion carried

NEW BUSINESS

A. RCOC Opdyke Road Agreement

Mr. Melchert presented a memo dated May 2, 2018 for an approval request for Cost Participation Agreement Construction Opdyke Road, Auburn Road to Perry Street, Board Project No. 51471. Mr. Melchert reviewed that the Board of Road Commissioners for the County of Oakland (RCOC), City of Auburn Hills and the Auburn Hills Tax Increment Finance Authority are all party to the watermain replacement. The watermain will be increased from 12 inches to 16 inches along a 2 mile stretch of road.

Ms. Seimer stated that the TIFA has \$2,000,000 budgeted for the watermain replacement and \$600,000 for pathway improvements from TIF-B specific to this project. Mr. Melchert added that the City Council approved their portion of the Cost Participation Agreement on Monday May 7. He also stated that the bid numbers have not come back yet. The TIFA Board will know final numbers when they are available.

Mr. Molnar asked if there is more that the TIFA Board could contribute. Mr. Melchert stated that there is nothing more needed with the Opdyke Road project, however we will keep TIFA's assistance in mind for future projects.

Counsel and staff have reviewed the agreement and find it satisfactory from a legal standpoint. Therefore staff recommended approval of the Cost Participation agreement for Opdyke Road Construction with other associated improvements.

**Moved by Ms. Thornton to authorize the expenses associated with the Cost Participation agreement with the Board Road of Commissioners for the County of Oakland and the City of Auburn Hills for Construction of Opdyke Road, Auburn Road to Perry Street, Board Project No. 51471.
Supported by Ms. Roberts.**

**Yes: Goodhall, Hassett, Kneffel, Molnar, Roberts, Thornton, Waltenspiel
No: none**

Motion carried

OLD BUSINESS

A. Dream Vacation Sweepstakes

Ms. Seimer reviewed a memo date May 2, 2018 discussing the Dream Vacation Sweepstakes. She reviewed the list of discussion topics noting that the Board should come to a consensus on each item before moving to the next. The item which requires a motion is the determination of the grand prize for the sweepstakes.

a.i. Final Determination of a Grand Prize

Ms. Seimer reviewed that the Board has discussed a grand prize for the Dream Vacation Sweepstakes ranging from \$3,000 to \$10,000. In order to generate the rules for the program and print marketing materials, there must be a consensus and motion from the board about the final grand prize. Chairman Hassett led the Board in a roundtable discussion about the grand prize. Each present board member discussed his or her own preferred grand prize amount. Ms. Seimer tallied an average of \$6,416 after considering each Board Member's position. Chairman Hassett then asked each Board Member to consider the average amongst all and determine if they would prefer to increase or decrease from the average. Ultimately the consensus of the Board to set the grand prize total towards a dream vacation of the winners choosing at \$5,000. The Board also determined that a cash payout may be permissible in lieu of a vacation, but the cash should be at a reduced

cost. Ms. Seimer stated she would check with Exposure Marketing and Promotions to see if there are parameters for what the reduced rate should be for a cash payout.

Moved by Mr. Kneffel to set the total grand prize of the Tax Increment Finance Authority Dream Vacation Sweepstakes at \$5,000.

Supported by Mr. Molnar

Yes: Goodhall, Hassett, Kneffel, Molnar, Roberts, Thornton, Waltenspiel

No: none

Motion carried

a.ii. Secondary Drawing Details

Chairman Hassett stated that Fieldstone Gold Club has agreed to donate 2 free rounds of golf for the secondary drawings of the Dream Vacation Sweepstakes. The Tax Increment Finance Authority will contribute \$100 to each of the secondary drawings. These drawings will keep momentum for the sweepstakes for the duration of the promotion.

a.iii. Eligibility Criteria

The Board discussed who should be eligible or ineligible to participate in the Dream Vacation Sweepstakes. Ms. Seimer reviewed that the first draft of rules were written to make employees of Exposure Marketing and Promotions employees and immediate family members ineligible. The Tax Increment Authority agreed that Auburn Hills Employees, Board Members, Councils and Commissions as well as their family members should also be ineligible from winning. Ms. Seimer added that at the last TIFA meeting, the issue surrounding the eligibility of foreign nationals came up during discussion. Ms. Seimer stated that she reached out to Kirk at Exposure Marketing and Promotions, he stated that it would not be possible to run an international sweepstakes due to the legal, and logistical issues an international sweepstakes poses. Mr. Young also stated that opening up the sweepstakes internationally would cause problems for the winner and proving and claiming their winnings. He suggested that a legal opinion be provided to substantiate any decision. The Board requested that Ms. Seimer obtain a legal opinion about opening up the sweepstakes to foreign nationals from City Attorney Beckerleg.

a.iv. Promotional Materials

Ms. Seimer reviewed the following promotional items on the television screen: Save On Advertisements, Logos, Billboard concepts from Mike Kneffel and Auburn Hills, final phase 1 billboards, concepts for both Save On and Phase 2 of billboards. The Board noted that they would like to see some brighter colors. The City's traditional branding concepts do not attribute to the intent of the dream Vacation sweepstakes. Mr. Cohen stated that he believes it would be okay if the design of the billboards and marketing materials went off brand to meet the Boards purpose of attracting people downtown and promoting the sweepstakes. The Board recommended changes to the Save On advertisement including removing the stamp with the Auburn Hills Logo and making the ad look less like a post card and more focused on selling the dream vacation destination with bright colors. The ad should look more like a ballot so people know to bring their ballots to a participating merchant to enter to win.

a.v. Marketing Timeline and Email Blasts

Mr. Kneffel stated that he is working directly with the Auburn Hills Chamber of Commerce on the email blasts utilizing the Chamber's constant contact email list. They have also agreed to promote the event via social media. Ms. Seimer reviewed the timeline for marketing the sweepstakes. She noted that the first phase of billboards are posted now. Staff anticipates phase 2 to begin the week of May 14 and the final billboard phase throughout the duration of the Sweepstakes from June 1 – August 31. All of the additional marketing and print materials will be available before June 1. Save On advertisements for May have been submitted and subsequent Save On advertisements in June, July and August will include a ballot for entry.

a.vi. Potential for Additional Sweepstakes Assistance

Ms. Seimer reviewed that the DEN staff will be assisting in counting ballots. She stated that there are currently four members on staff, and approximately three people available as a substitute for vacations. She added that the hours could be extended of some of the shifts to be sure that there is always somebody at The DEN and someone can take the time to collect ballots. The Board agreed to see how the turnout for the physical ballots is at each merchant and make a determination as the event progresses. Mr. Kneffel added that it is important to have our method of data collection in writing and established so there are no questions as to the integrity of the sweepstakes.

BOARD MEMBER COMMENTS

None.

ANNOUNCEMENT OF NEXT MEETING

The next regularly scheduled TIFA Board of Directors meeting is Tuesday, June 12, 2018 at 4:00 PM at Auburn Hills City Hall Administrative Conference Room 1827 N. Squirrel Road, Auburn Hills, MI 48326.

ADJOURNMENT

There being no objections, the TIFA Board of Directors meeting adjourned at 5:15PM.

Respectfully submitted,

Steve Goodhall

Secretary of the Board

Samantha Seimer

Executive Director