



Rochester Hills

Minutes

Local Development Finance Authority

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Peter Arbour, Greg Doyle, Eunice Jeffries, Michael Kaszubski, Matthew McDaniel, Gloria Pagliarella, Rophin Paul, Ryan Price, James Schwarz, Stephan Slavik, Daniel Trudel, Tony Vernaci

Thursday, March 14, 2024

8:00 AM

1000 Rochester Hills Drive

CALL TO ORDER

Chairperson Michael Kaszubski called the Local Development Finance Authority regular meeting to order at 8:04 a.m.

ROLL CALL

- Present** 7 - Peter Arbour, Michael Kaszubski, Stephan Slavik, Tony Vernaci, Greg Doyle, Matthew McDaniel and Dan Trudel
- Excused** 4 - Gloria Pagliarella, Ryan Price, Eunice Jeffries and James Schwarz
- Absent** 1 - Rophin Paul

Others Present:

- Sara Roediger, Planning and Economic Development Director, City of Rochester Hills*
- Pamela Valentik, Economic Development Manager, City of Rochester Hills*
- Joe Snyder, Chief Financial Officer/LDFA Treasurer, City of Rochester Hills*
- Keith Depp, Project Engineer, City of Rochester Hills*
- Michelle Carley, Economic Development Specialist/LDFA Recording Secretary, City of Rochester Hills*

Eunice Jeffries entered at 8:26 a.m.

Gloria Pagliarella, Ryan Price, and James Schwarz provided prior notice that they were unable to attend and were excused.

PUBLIC COMMENT

None.

APPROVAL OF MINUTES

[2024-0125](#) Approval of Meeting Minutes - October 12, 2023

Attachments: [2023-10-12 LDFA Minutes.pdf](#)

A motion was made by Slavik, seconded by McDaniel, that this matter be Approved. The motion carried by the following vote:

Aye 7 - Arbour, Kaszubski, Slavik, Vernaci, Doyle, McDaniel and Trudel

Excused 4 - Pagliarella, Price, Jeffries and Schwarz

Absent 1 - Paul

Resolved, that the Local Development Finance Authority hereby approves the meeting minutes of October 12, 2023 as presented.

COMMUNICATIONS

Pamela Valentik shared that she is working on 2024 Economic Development Strategy and conference list. She attended SXSW at the Civic IO conference located in Austin, TX, with Mayor Barnett. SXSW focused on futuristic ideas including government, technology, entrepreneurship, and workforce. Key highlights included technology trends in running and planning for city government. One of the FCC Commissioners attended and discussed data privacy and initiatives being made in that area. Ms. Valentik continued to say the session she enjoyed the most was with Gabe Klein, Executive Director for the Joint Office for Energy and Transportation, who shared updates regarding the status of the EV infrastructure, the resources being made available to communities and companies, and new technologies that can speed up that charging process not just in North America, but in the global market. It was relayed that transition to EV adoption, even though it is slowed down a bit in the United States, is going full speed in other parts of the world. She will continue to work on some other targeted industry events that follow along with existing industries in the community and support the supply chain as well as events that allow the City to be able to attract international movers and shakers.

Ms. Valentik said one event of interest is organized by a fellow LDFA Board member, Mr. Vernaci, who runs the Aerospace Industry Association of Michigan. They will host their AEROone Conference later this fall and it will be located in Rochester. Efforts are being made to line up great speakers, attendees, and exhibitors representing the Rochester Hills business community.

Ms. Valentik also shared information about the sale of the Jenoptik building, located in the LDFA district. There was a potential for that building to sell in November 2023. TA Systems, an existing business in Rochester Hills, officially purchased the building from Jenoptik. TA Systems occupies two buildings around the corner from Jenoptik. TA Systems had already bought land in Auburn Hills and were starting to put together site plans to leave Rochester Hills and construct a new facility in Auburn Hills. When the opportunity arose with the Jenoptik building, it fit perfectly with their footprint needs and their plans for growth. With the price negotiation and sale of the building, it uncapped the building's taxable value which from a financial standpoint was a great benefit for the City and the LDFA district. TA Systems also plans to invest another one million dollars in improvements to the building. Jenoptik had six years remaining on the existing 12-year tax abatement that had originally been approved, and City Council approved the transfer of the remaining six years on that tax abatement to TA Systems.

Mr. Slavik asked if TA Systems purchased the adjacent land.

Ms. Valentik responded that another buyer purchased the adjacent property in June 2023. She said the City is excited to retain the 120 jobs in the district on top of the 20 new jobs TA Systems plans to create. Ms. Valentik also learned that TA Systems was recently acquired by a private equity firm that has big plans to acquire other robotics and automation companies. Hopefully, the Rochester Hills location will become the campus for all those new acquisitions.

Mr. Doyle congratulated the City for having a great win to keep TA Systems in Rochester Hills, understanding a great deal of effort goes into such a process.

Ms. Valentik appreciated Mr. Doyle's sentiment. She also wanted to share that Rochester Hills was awarded \$75 million from the State of Michigan as an EGLE Remediation Grant to clean up contaminated sites in the City. None of those sites are specifically within the LDFA district. The project is moving along very well and City Council has already approved a few assessments for a couple of properties in the community. It is anticipated that an application will come in soon for Madison Park, located at the corner of Hamlin Rd. and Adams Rd. (referred to as Suburban Softball), to start a full assessment of the contamination and what can be done on that site. Sara Roediger is leading that project.

Sara Roediger stated that this grant is a big win for the City, as the Madison Park property is on such a visible corner. She explained that the only reason it has not developed is because of the contamination. It is a large sum of money, so the City is working with the property owners and EGLE to come up with a win-win solution and get good businesses there with high paying jobs. The goal is to seek a national company, if not a world headquarters, which would add to our business community.

Ms. Valentik shared that the City has kicked off the Master Plan process, noting that each Board member received a Master Plan postcard with a QR code that will direct people to the part of the City's website where updates can be viewed. It is a 15-month process, but there are a few questions that will need feedback, and Ms. Valentik asked Ms. Roediger to discuss how the process works and specifically where the LDFA might play a role.

Ms. Roediger said that the State requires that every five years municipalities update their vision for the future. The City of Rochester Hills last adopted the plan in 2018, and there will be about a 15-month process expected to terminate in July of 2025. The first phase has kicked off and the City is seeking feedback. Ms. Roediger shared with each board member the purpose of the postcard, noting that this is the first phase - wanting to hear back from not just those who live in the city, but those who work here as well as the businesses here. Five general questions were rolled out on social media over the course of the last two weeks and are available through the web link provided on the postcard. The questions asked are 1) does your age limit your independence in Rochester Hills; 2) how can we build a more sustainable Rochester Hills; 3) how can

Rochester Hills improve alternative modes of transportation; 4) is Rochester Hills a healthy community that supports healthy people; and 5) how does Rochester Hills support the social health of the community. This phase will continue for a few days. She encouraged the Board that if they have some quick thoughts, to respond to the questions and stressed that responses are anonymous. On April 1st, the second phase will begin where public involvement will include a digital comprehensive survey. These questions will be more specific, asking for input such as uses in the community, transportation, environment, and what the public likes or does not like about the community. In addition, small group stakeholder meetings will be held and the LDFA Subcommittee is being asked to be one of those groups. In wanting a more holistic, neighborhood approach, the community will be divided into five districts based on school districts, essentially the high schools. There are four high schools in the community, with Rochester High School being the largest, so that was split into two districts. It will be a commitment of three meetings scheduled for April 2024, September 2024, and February 2025.

Ms. Valentik said that is all the communications to share with the Board.

ELECTION OF OFFICERS

2024-0130

Request for Election of Officer - Chairperson for a one-year term to expire at the first meeting in April 2025

Attachments: [2024 LDFA Election of Officers Memorandum.pdf](#)

Mr. Arbour nominated Mr. Kaszubski to continue as Chairperson.

A motion was made by Arbour, seconded by Doyle, that this matter be Approved. The motion carried by the following vote:

Aye 7 - Arbour, Kaszubski, Slavik, Vernaci, Doyle, McDaniel and Trudel

Excused 4 - Pagliarella, Price, Jeffries and Schwarz

Absent 1 - Paul

Resolved, that the Rochester Hills Local Development Finance Authority hereby appoints Michael Kaszubski to serve as its Chairperson for a one-year term to expire in April 2025.

2024-0131

Request for Election of Officer - Vice Chair for a one-year term to expire at the first meeting in April 2025

Attachments: [2024 LDFA Election of Officers Memorandum.pdf](#)

Mr. Arbour nominated Mr. Slavik to continue as Vice Chairperson.

A motion was made by Arbour, seconded by Doyle, that this matter be Approved. The motion carried by the following vote:

Aye 7 - Arbour, Kaszubski, Slavik, Vernaci, Doyle, McDaniel and Trudel

Excused 4 - Pagliarella, Price, Jeffries and Schwarz

Absent 1 - Paul

Resolved, that the Rochester Hills Local Development Finance Authority hereby appoints Stephan Slavik to serve as its Vice Chair for a one-year term to expire in April 2025.

2024-0132

Request for Election of Officer - Secretary for a one-year term to expire at the first meeting in April 2025

Attachments: [2024 LDFA Election of Officers Memorandum.pdf](#)

Chairperson Kaszubski nominated Ms. Carley to continue as Secretary.

A motion was made by Kaszubski, seconded by Arbour, that this matter be Approved. The motion carried by the following vote:

Aye 7 - Arbour, Kaszubski, Slavik, Vernaci, Doyle, McDaniel and Trudel

Excused 4 - Pagliarella, Price, Jeffries and Schwarz

Absent 1 - Paul

Resolved, that the Rochester Hills Local Development Finance Authority hereby appoints Michelle Carley (*representing Rochester Hills Planning and Economic Development*) to serve as its Secretary for a one-year term to expire in April 2025.

2024-0133

Request for Election of Officer - Treasurer for a one-year term to expire at the first meeting in April 2025

Attachments: [2024 LDFA Election of Officers Memorandum.pdf](#)

Chairperson Kaszubski nominated Mr. Snyder to continue as Treasurer.

A motion was made by Kaszubski, seconded by Arbour, that this matter be Approved. The motion carried by the following vote:

Aye 7 - Arbour, Kaszubski, Slavik, Vernaci, Doyle, McDaniel and Trudel

Excused 4 - Pagliarella, Price, Jeffries and Schwarz

Absent 1 - Paul

Resolved, that the Rochester Hills Local Development Finance Authority hereby appoints Joe Snyder (*Rochester Hills Chief Financial Officer*) to serve as its Treasurer for a one-year term to expire in April 2025.

(Eunice Jeffries entered at 8:26 a.m.)

Present 8 - Peter Arbour, Michael Kaszubski, Stephan Slavik, Tony Vernaci, Greg Doyle, Matthew McDaniel, Eunice Jeffries and Dan Trudel

Excused 3 - Gloria Pagliarella, Ryan Price and James Schwarz

Absent 1 - Rophin Paul

NEW BUSINESS

2023-0460

Leach Rd. Reconstruction

Ms. Valentik stated that Mr. Slavik may be the only one on the Board that was around when the LDFA plan was originally written, over 20 years ago. At that

time, potential capital projects were identified and the paving of Leach Rd. was on the list. This project is officially moving forward and Ms. Valentik asked Keith Depp, Rochester Hills Project Engineer, to share an update how the project will move forward.

Mr. Depp shared the bid opening came in \$600,000 under budget and was bundled with a smaller road connector project in the area. Pro-Line was the only bid received; and they have done many projects for the City, always doing a great job. It will go to City Council on March 18 to be approved. Once approved, there will be a pre-construction meeting and Pro-Line should start the project sometime in April. At this time, utilities are being relocated before the contractor starts.

Peter Arbour asked about the two areas needing easements and if they were completed.

Mr. Depp answered that they were four easements on the west side of the road and all were received, approved by City Council, and can now move forward.

Ms. Roediger added that this project is moving forward even more quickly than the pedestrian signal.

Ms. Carley shared that Ms. Eunice Jeffries arrived and has joined the Board at the dais at 8:26 a.m.

Mr. Snyder shared a slide showing the LDFA Fund as of March 31, 2024. He said the Leach Rd. project is one of the last big projects the LDFA Board planned to complete. In reviewing the financial slide, Mr. Snyder remarked the revenues for the LDFA district brings in approximately \$1M every year tied to tax values. The expenditures show spikes representing the projects. The LDFA district contributed \$2M for the Hamlin Rd. reconstruction project on the north end of the district. In 2022, the Waterview project was completed. In 2024, the Leach Rd project will be completed. There is a LDFA project to be completed involving the traffic light on Auburn Rd. and Waterview Dr. He explained that as the Chief Financial Officer, this is the time of the year the City calls for new projects to build into the 2025-2030 Capital Improvement Plan (CIP). There are many projects to consider, especially on the major roads, such as Rochester Rd., for approximately \$5-6M. There is another \$5-6M for the Auburn Corridor. This is brought to the LDFA Board's attention because he asked them to consider, as the LDFA Budget is \$600,000 under budget for the Leach Rd. project, supporting projects such as Marketplace Circle which could be an eligible LDFA project. Mr. Snyder is asking if the LDFA Board would consider contributing \$400,000 for the Marketplace Circle project that came in at \$400,000. It would be alright if the LDFA Board chose not to support this project. However, with the LDFA's assistance, it would free up \$400,000 on the Major Road Fund that would go towards Adams Rd. and Rochester Rd. Mr. Snyder added that he will put together a synopsis of the Marketplace Circle project for the LDFA Board to review during the second quarter budget meeting.

Mr. Arbour asked what the Marketplace Circle project involves.

Mr. Depp responded that the project is a 1.5-inch mill and repavement overlay rehabilitation of the road. It was Pacer rated at a condition where the City wanted to address the rehabilitation now, adding a fresh layer of pavement, which will make it last another 15 years.

Mr. Snyder added that this project was bundled with a larger local street rehabilitation program and received a great price on the bid.

Ms. Jeffries asked if there was a precedent for this project.

Mr. Snyder answered that there is a precedent. In 2018, the City asked for help with the Hamlin Rd. corridor project and at least half of the road lies in the LDFA district, so the LDFA was asked for a \$2M share. The project was much larger than that. It was a shared commercial project. Now, looking where there are balances, the LDFA has a balance with a very healthy capital fund, usually saved for projects.

Ms. Jeffries asked were the steps that were taken for the previous project to make it happen from the City.

Mr. Snyder responded that he presented a very similar request six years ago to the LDFA Board. At the time in 2017, two of the worst major roads in the City were Hamlin Rd. and Livernois Rd., which both needed immediate attention. Being that a portion of Hamlin Rd. project was in the LDFA district, the LDFA Board did approve funds to go towards the Hamlin Rd. project. This funding from the LDFA directed for the Hamlin Rd. project freed up City Major Road monies previously directed toward Hamlin Rd. to be re-directed elsewhere in the City, ultimately towards the Livernois Rd. project.

The project was completed two years early and then the City received the reimbursement funding back.

Ms. Roediger added that Hamlin Rd. serves many businesses and employers in the Hamlin Rd. corridor. Marketplace Circle, as it has been indicated, is within the LDFA district and is a loop road that connects from two parts of Adams Rd. It is in a shopping district, but it also serves the businesses of the LDFA district. However, the LDFA does not capture any commercial tax base from the commercial uses on Marketplace Circle.

Mr. Slavik suggested that with the City having acquired temporary parking on the south side of Hamlin Rd. near Innovation Hills and the crossing that is used for pedestrians is not located close to that parking area, the City could possibly relocate that crossing for safety reasons.

Ms. Roediger responded the City knows that parking is an issue for Innovation Hills. As part of the EGLE Grant, staff is working with the property owners of that development, looking at a more permanent solution for parking and for the crossing of Hamlin Rd. It will be incorporated into negotiations with the property owners. There is already is a \$75 million carrot for the property developers, so

there needs to be a balance of incentives with the actual project needs.

Mr. Slavik suggested adding temporary signage for the walkway area.

Ms. Roediger said she will share that suggestion with the Engineering Department.

Mr. Kaszubski asked if there was a packet being given to the LDFA Board to be discussed and what exactly what the ask would be to the LDFA Board.

Mr. Snyder answered he will prepare a packet to be given to the LDFA Board at the July meeting.

Mr. Kaszubski commented that having a healthy fund, leaving funds to sit does not benefit anyone. He then asked the Board if they had any further concerns at this point. There were none.

Discussed

2023-0476

DPS Capital Project Update

Mr. Depp shared updates on a few of the DPS projects. For the Adams Rd. crossing, DTE is currently adding service to the light poles and the HAWK signal which will finish in approximately three weeks. The contractor will then finish the work they had on their scope. It is estimated to be completed summer 2024. He also added that a resident informed the City that at Waterview Rd., a pedestrian light had a line that was cut at the light pole. Engineering is coordinating with the contractor to repair it. This project adds to the twelve other water, sewer, and roads projects in DPS.

Ms. Roediger shared an update to the Adams Rd. study being done in conjunction with the Road Commission and Oakland University. The City has been working with consultants and the different agencies for the last year on alternatives for potentials for Adams Rd. between Walton Blvd. and Hamlin Rd., north of the LDFA district. A public meeting is being scheduled for May where the various options will be unveiled to the community, showing the pros and cons of each alternative. The goal is to decide on a preferred alternative that can be developed into a project within the next ten years. She added that this type of road project takes time, but the initial phase is to determine options and see what the community thinks. The LDFA Board will be invited to that public meeting once the date and location it is confirmed.

There was no other discussion of DPS capital project updates.

Discussed

2024-0138

Update from Economic Development Strategy Subcommittee

Attachments: [2024.02.08 LDFA Subcommittee Meeting Notes.pdf](#)

Ms. Valentik mentioned the Subcommittee notes shared in the packet. She

said PED staff has been diligent in tracking job postings for Rochester Hills via LinkedIn and Indeed. New positions have declined significantly. Internship positions are also down, which was an area the Subcommittee was interested in promoting. The meeting focused on 3 key questions.

1. What data is of interest to collect regarding workforce, such as what companies are hiring and what positions are they looking to fill. Just as insightful is where is that workforce traveling from and where are they coming from when they're coming to fill a job in Rochester Hills.
2. What options are there to increase the labor participation rate, whether it is working with our businesses, our partners at Oakland County and MEDC, or the school districts.
3. What data would our businesses like to know about the available workforce and what programs and tools that are available.

Ms. Valentik shared that the Subcommittee conversations were in regards to connecting the business community, helping them with recruiting, marketing, and brand visibility, particularly for some of our smaller businesses. A tier-two or tier-three company may not be as visible to soon-to-be graduates. Graduates tend to think of company names they are familiar with, from a consumer standpoint. The goal needs to be determining how to bring more visibility to our smaller companies. Another factor Ms. Valentik mentioned was the consideration of what role community businesses and workforce play as the City works on updating the Master Plan. The initial focus will be collecting input from the residents; but in addition, Rochester Hills businesses and workforce are customers, too, and they will drive a lot of what the future of Rochester Hills will look like. Businesses and the workforce will also be encouraged to share their thoughts of what makes Rochester Hills an attractive place for them to work. There are several tools that can help in collecting some of that data and making that data available to businesses, whether it is it is made available on the City's website or through reports that are made available to businesses. This is the direction moving forward.

Ms. Jeffries asked about internships, if there is no need for them or just not able to afford them. She explained that at Oakland Community College, there is a work study where students can participate in private industries. The federal government would assist in subsidizing the money that the intern earns and this is being regulated through OCC's financial aid department. They hired someone specifically to make connections with companies on behalf of the students for that very purpose. Then, it is not a cost to the student, as it comes through the work study award. Ms. Jeffries will follow up with information to be sent to Ms. Carley.

Ms. Valentik thanked her for that information, as it brings internship positions to companies which is a long-term strategy, and is looking forward to sharing the information with the LDFA Board as well as the Rochester Hills business community.

Mr. Kaszubski expressed that there is much discussion that goes into the

Subcommittee and shared appreciation for the staff for what the LDFA Board and Subcommittee asks of the staff once meetings are held and what happens behind the scenes. This is an important committee. He asked if there were further questions.

Mr. Arbour asked about new projects in/near the LDFA district that the Board should be made aware of, including the planned new car wash and a distillery.

Ms. Roediger responded that the distillery in question is Bitter Toms, which is a manufacturing facility. Bitter Toms tasting room is in downtown Rochester. The car wash in question (Whitewater Car Wash on Adams Rd. near Marketplace) was approved. She explained that the Marketplace property is governed by a consent judgment. Also, there is discussion for a volleyball complex on the property. This area consists mostly of businesses moving in and out of existing buildings, but not much development of buildings. There are some uses that have moved in to the employment/light industrial areas. During the time of recession, many communities, including Rochester Hills, opened the industrial areas to allow for more recreational-type uses, moving in many gymnastic studios, cross-fit, and dance studio businesses. People enjoy the industrial feel of those types of buildings for athletic purposes. Ms. Roediger continued to share that Ms. Valentik has been vigilant to encourage the industrial areas to stay industrial. With the economy back in an upswing and traditional industrial and engineering markets being very strong, the availability of industrial spaces is very low. Last year, the Planning Department's effort was to tighten up those uses, so the recreational uses are no longer being allowed in industrial/employment center zoning. Recreational businesses are being redirected to other spaces, which will open space for companies.

Ms. Valentik clarified that Rochester Hills welcomes dance studios or training facilities to the City, but the intention is to direct those businesses to areas such as the Marketplace Circle, retail space, or neighborhood district properties where they align better with their customers.

Mr. Kaszubski inquired about the former Humane Society property.

Ms. Roediger responded that the property was purchased. It is a split-zone property because it has frontage down a residential street to the west. The new property owners proposed a lot split. It was approved, so houses will be built on the west side of the property facing the residential street. A local contractor group purchased the building and will move in their custom cabinetry business. This is a win-win for the property owner and the City.

Ms. Valentik shared that there is a Mayor's Business Council meeting on Friday, March 22, being hosted by Prefix, located on Livernois, south of Avon Rd. Many may not know what Prefix does, but they are involved in some incredible projects. Prefix will provide a tour of their facility and share a glimpse of many of their amazing projects being manufactured here in Rochester Hills.

Discussed

ANY OTHER BUSINESS

NEXT MEETING DATE

Ms. Valentik also said that the next LDFA Board meeting is scheduled for April 11. Being that the February 8 meeting was pushed back due to the bids coming in for Leach Rd., the April 11 meeting may be cancelled. It will be kept on the calendar until it is confirmed that no action is needed by the Board by that date.

ADJOURNMENT

There being no further business to discuss, it was moved by McDaniel and seconded by Slavik to adjourn the meeting.

Chairperson Kaszubski adjourned the meeting at 9:06 a.m.

Minutes prepared by Michelle Carley.

Minutes were approved as presented at the July 11, 2024 Regular Local Development Finance Authority Meeting.

Michael Kaszubski, Chairperson