



Rochester Hills

Minutes

Local Development Finance Authority

1000 Rochester Hills Dr
Rochester Hills, MI
48309
(248) 656-4600
Home Page:
www.rochesterhills.org

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

Thursday, July 11, 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 9 - Peter Arbour, Michael Kaszubski, Gloria Pagliarella, Rophin Paul, Ryan Price, Stephan Slavik, Tony Vernaci, Greg Doyle and Eunice Jeffries
Excused 2 - Matthew McDaniel and James Schwarz

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
- Bill Fritz, DPS/Engineering Director, City of Rochester Hills
- Keith Depp, Project Engineer, City of Rochester Hills
- Michelle Carley, Economic Development Specialist/LDFA Recording Secretary, City of Rochester Hills

Matthew McDaniel and James Schwarz provided prior notice that they were unable to attend and were excused.

PUBLIC COMMENT

None.

APPROVAL OF MINUTES

[2024-0341](#) Approval of Meeting Minutes - March 14, 2024

Attachments: [2024-03-14 LDFA Minutes.pdf](#)

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

Aye 9 - Arbour, Kaszubski, Pagliarella, Paul, Price, Slavik, Vernaci, Doyle and Jeffries
Excused 2 - McDaniel and Schwarz

Resolved, that the Local Development Finance Authority hereby approves the meeting minutes of March 14, 2024 as presented.

COMMUNICATIONS

Jordan VonZynda from SMART provided information about the new bus routes serving Rochester Hills and specifically discussed the routes in the LDFA district. Items shared included:

- SMART is the primary transit in the tri-county area serving upward of a million people within a quarter mile of a route and provides access to tens of thousands of businesses and jobs.*
- Two new routes will serve Rochester Hills: Route 492 along Rochester Rd. from Oakland University to the Jason Hargrove Transit Center, the former state fairgrounds; and Route 790, the Eastern extension of the Pontiac Crosstown which connects neighborhoods east and west in Pontiac, Auburn Hills, and Rochester Hills, circling around the Marketplace Blvd. shopping area just to the west of the LDFA district.*
- Ridership in the summer is usually slower, but in June 2024 there were over 6,000 total monthly riders for both routes in Rochester Hills.*
- A study is in place to look at what the future holds for transit for Rochester Hills, considering all services SMART offers to ensure the best service can be provided to the area.*

Peter Arbor asked how much it costs to ride the bus.

Mr. VonZynda said the standard fixed route fare is \$2.00 which includes a three-hour transfer.

Eunice Jeffries asked if, as in the past, there is a bus pass for those that just start a job and need transportation.

Mr. VonZynda responded that he was not aware of any such pass, but knows there are several employers who offer that type of benefit to their employees.

Ms. Jeffries asked Mr. VonZynda to share how the Flex Ride service works.

Mr. VonZynda explained that the Flex Ride service is like an Uber or Lyft, but is intended to be used for the first mile/last mile if a rider is not near a bus stop. It can also be used within City limits from one point to another.

Sara Roediger stated that she has been involved with the bus service in Rochester Hills since inception. The Flex Ride is being proposed to City Council in the near future. She added that OPC Social and Activity Center is very supportive of the SMART services to the area.

Ms. Valentik thanked Mr. VonZynda for sharing the information with the LDFA Board.

NEW BUSINESS

2024-0338

DPS Capital Project Update

Attachments: [2024-06-26 DPS Updates on LDFA-Funded Projects.pdf](#)

Bill Fritz offered his appreciation to the LDFA Board for the projects that were approved by the Board. This is his first time in front of the LDFA Board since Paul Davis retired in May. He shared updates to some of the over 20 DPS projects currently planned for the year. Pertaining to the LDFA district, projects include Adams Rd. Pedestrian Crossing at Marketplace Circle (which loops off Adams Rd. where Meijer and Walmart are located, south of M-59), Auburn Rd. at Technology Dr. signal modernization, and the water and sanitary sewer down Leach Rd. which had already been in place. There are storm sewer improvements that are necessary due to the curb and gutter section. A water main routing needed to be put in place in order to make way for a new storm water treatment system. A new curb and gutter have been installed, as well as some driveway approaches.

Rophin Paul asked about the type of traffic signaling planned for Leach Rd. between Auburn Rd. and Adams Rd. and the speed limit of that area.

Mr. Fritz responded that the speed is currently 25 mph. When the road is paved, it will be submitted to become a major road. At that point, a change in speed limit may be considered. There has been no discussion as to a signal for Leach Rd.

Mr. Paul shared that his business is on Technology Rd. and sees police officials placing speed signs in the area, thinking there may be some complaints about speeding. There is a chance Leach Rd. could be used as a cut-through between Auburn Rd. and Adams Rd.

Ms. Roediger asked for an update on the Adams Rd. HAWK pedestrian signal.

Mr. Fritz shared that there is a contractor already under contract. The City is waiting for DTE to provide power to the signal. In addition, two streetlights will be shifted to provide better lighting for the HAWK signal crossing. The wait is for DTE to move to the next step. The portion of the project that DPS needs to complete will take less than a month.

2024-0339

LDFA 2Q 2024 Proposed Budget Amendment

Attachments: [2024 Budget Amendment Memorandum Marketplace MP.pdf](#)
[2024 = LDFA 2Q BA Proposed Budget.pdf](#)

Joe Snyder said the Proposed 2025 Budget is close to being completed. He reviewed the summary given to the LDFA Board. There is a proposal to increase the LDFA revenue by \$157,000 in the 2Q24 Budget Amendment. There was a much higher level of interest and dividend earnings. On the expense side, one item is a reallocation of \$7,500 from the Economic Development Pilot Program to Travel/Seminars for additional travel that Ms. Valentik has been doing. In addition, the Leach Rd. Capital Improvement Project came in \$600,000 under budget, which was very positive. There are two items

that are being requested: 1) \$25,000 to conduct an LDFA Master Plan Update: since the LDFA is scheduled to sunset December 31, 2025, there is interest to do a study of other projects that may be on the radar of what the LDFA can accomplish; and 2) Marketplace Circle: as mentioned in the DPS Update, a request of no more than \$400,000. Being that the project is coming to an end, the final cost will not exceed the requested amount. If these two items are approved, they would result in an increase in LDFA revenue of \$157,000, a combined decrease in LDFA expenditures of \$174,000, and a net positive to the LDFA Fund Balance of \$33,000 between the higher revenues and lower expenditures.

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

Aye 9 - Arbour, Kaszubski, Pagliarella, Paul, Price, Slavik, Vernaci, Doyle and Jeffries

Excused 2 - McDaniel and Schwarz

Resolved, that the Rochester Hills Local Development Finance Authority hereby approves the amended 2024 budget to include the Marketplace Circle Rehabilitation and LDFA Master Plan Study projects in the amount of \$425,000.

2024-0340

LDFA 2025-2027 Proposed Budget

Attachments: [2024 Budget Memorandum.pdf](#)
[2025-2027 = LDFA Proposed Budget Notes.pdf](#)
[848 = LDFA Fund \(2025-27\).pdf](#)
[2024-07-11 = LDFA Long-Term Financial Forecast.pdf](#)

Mr. Snyder continued to share that the LDFA Fund is proposed to draw roughly \$2.6M out of the Fund Balance. That number would drop to only \$2.2M out of Fund Balance. Since the LDFA always runs an operational profit, these one-time capital projects include \$400,000 for Marketplace Circle and approximately \$500,000 for the Adams Rd. HAWK Signal.

Mr. Paul asked why there was a decrease in the reconstruction and paving of Leach Rd.

Mr. Snyder responded that the project came in under budget.

Mr. Paul asked what was the total value of the project?

Mr. Snyder replied that the project would be approximately \$2.4M. The higher budget is due to a large effort to get designs completed for the construction projects. With the incredible inflation a year ago now 10-20% higher. It was decided to get all the engineering done as quick as possible. It was also decided to bundle projects to be as cost-effective as possible. It is not just Leach Rd., but other City projects in a bid to get contractors to have economies of scale and be attractive for them to consider bidding. This has worked out for the City this year, and therefore, many projects are under budget.

Ms. Roediger added that with the direction of City Council, Mayor Barnett, and Mr. Snyder, the budgets are very conservative. It is better to be under budget

than over budget. She also said that for a point of reference, the shopping plaza where the Panera Bread and Tractor Supply are located off Adams Rd. has several vacancies. The plaza is under new ownership and they are aggressive to fill those vacancies. Aldi is a new tenant in one of those areas. Restaurants will be more carry-out style.

Mr. Snyder continued that there are no funds being requested from the Fund Balance over the next three years for LDFA Funds. He also stated that in the LDFA Professional Services account, conversations have started regarding a streetscape enhancement plan in the LDFA District. Mr. Snyder asked Ms. Roediger to elaborate.

Ms. Roediger shared that there was a study done of the M-59 corridor a while ago and it recommended adding pathways and sidewalks as much as possible. Subsequently, the pathway on Technology Dr. was constructed. There are several other items that can be done in these areas to help make them more walkable and enticing, especially with the new SMART transit in this area. New ideas include bus stop infrastructures, additional crossings, lighting enhancements, additional trees and benches-anything that might seem desirable for the businesses in that area. For the motion, it is a whole line item, and if it passes, the City will look at specifically what can be done with those funds.

Mr. Snyder added that the other item in the budget will simply be carried forward. This is the RHISE program with a \$25,000 allotment. He asked Ms. Valentik to elaborate on RHISE.

Ms. Valentik said that the funds are for implementation of the Economic Development Strategy, specifically launching the RHISE Cup, a program the Economic Development team is developing and shared with the LDFA Board in May. This friendly competition between companies located in Rochester Hills will have teams compete in various challenges that will get their workforce engaged in the community. It also offers the opportunity for them to connect with other people that work in Rochester Hills. Details are currently being planned. The companies being targeted to participate are mainly in the Mayor's Business Council, which tend to be in the corporate parks. The RHISE Cup will be one of the specific items using funds in the Economic Development Strategy. There is a separate line item for this program going forward. The goal is to have at least 10 companies compete. When RHISE Cup was announced in May, there were 11 companies that verbalized their interest.

Mr. Paul asked if the tax increased projected is about \$49,690.

Mr. Snyder responded that it is on the revenue side, based on the growth or higher tax value of the district, which is very strong.

Mr. Paul asked what is the percentage of growth.

Mr. Snyder replied it is approximately 15%.

Mr. Paul inquired if it would be growing \$50,000 every year.

Mr. Snyder explained that it would not be \$50,000 every year. It could be \$50,000 next year, and then maybe \$5,000-10,000 the year after. The hope that it is higher than what is projected because the goal is to project on the conservative side. New development, even though it is minimum, could make a difference in the numbers.

Ms. Valentik added that there is no new development in the foreseeable future, but what did occur was the property at 1500 Hamlin Rd. between Livernois Rd. and Crooks Rd. (Jenoptik originally constructed the building) that was sold to TA Systems this year. The sale uncapped the property value, which is in the LDFA District.

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

Aye 9 - Arbour, Kaszubski, Pagliarella, Paul, Price, Slavik, Vernaci, Doyle and Jeffries

Excused 2 - McDaniel and Schwarz

Whereas, in accordance with the provisions of Public Act 2 of 1968, Public Act 621 of 1978, the Uniform Budgeting and Accounting Act for Local Government, the Special Appropriations Act pursuant to PA 493 of 2000, and Section III of the Charter for the City of Rochester Hills, the Mayor, as the Chief Executive Officer, prepared the proposed budget for the ensuing year and submitted it to the LDFA Board for its July 11, 2024 meeting; and

Resolved, that the following Local Development Finance Authority budget for the City of Rochester Hills is approved and ready for submittal to the City Council for final adoption for Fiscal year 2025.

ANY OTHER BUSINESS

Ms. Valentik shared other programs and projects the Planning and Development department has done. There is a consistent push in Economic Development to implement anything in the area of "Welcoming a Talented Workforce." In May, the first Diversity of Thought meeting was held to bring together Human Resource Directors of businesses in the Mayor's Business Council (i.e. global companies, tech companies, larger employers). The purpose was to share and network with fellow Human Resource Directors to discuss advancements in workforce initiatives. The gathering was set in a party-planning theme, as the Human Resource Directors are usually the party planners for their companies. The event started with fun ice-breaking games and then went into a series of TED Talks from a variety of City resources. Avondale Schools and Rochester Community Schools shared their programming to connect companies with their business students. SMART shared their new bus routes as well. This will be an annual gathering, as many showed positive interest.

Ms. Valentik stated that another effort being made is to be a Community Partner with AIAM for their annual conference, AeroOne. It will be held at Royal Park

Hotel in September. She asked Tony Vernaci to elaborate on the conference, as he is the President of Aerospace Industry Association of Michigan (AIAM).

Tony Vernaci shared that AeroOne has been held for the last three years. The goal of the conference is to bring the industry to Michigan to highlight the opportunity for growth in the state and that Michigan is not just about the automotive industry. AeroOne was held in Grand Rapids two years ago to attract companies from outside Michigan. The conference was at maximum capacity with over 300 people from 25 states and six countries. Last year, AeroOne was held in Detroit's Renaissance Center. The conference almost filled the venue. This year, it is being held at the Royal Park Hotel with AeroOne being the only event in the venue for the three days. Again, it is to bring global attention of aerospace in Michigan. Some of the larger companies attending include AirBus and GE Aerospace. A few keynote speakers include Dick DeVos, Lockheed Martin from Department of Defense, and Rick Snyder, as well as Mayor Bryan Barnett from Rochester Hills who will be introducing Mike Cicco from FANUC. Tony continued to say that it is very exciting to have the City of Rochester Hills be a Community Partner for the event, as it will showcase the area and all the great things it offers for the business community.

Ms. Valentik added that the City is very fortunate to be a Community Partner with a conference of this scale and caliber of attendees. Every executive in the aerospace industry attending the conference will walk away talking about the Rochester Hills area, the community, the industries and potential for collaboration, and the talent available here. She also conveyed that one initiative with AirBus is to share with them information about the French Corner, located in the LDFA district, which is a soft-landing space for French companies looking to establish a presence in the United States. Many opportunities for discussion and showcasing the City are being made available at the AeroOne conference.

Mr. Vernaci said that AirBus specifically reached out to their government affairs from Washington DC to attend with the intention to speak to state and local officials. The Department of Defense is sending delegates to speak with companies because they are in dire need of suppliers and willing to pay well. It is important to get a one-on-one meeting with the Department of Defense AirBus and other delegates, which is great enticement for the business community to attend.

Ms. Jeffries requested to share a great experience she had with Ms. Valentik. A senator's chief-of-staff contacted Ms. Jeffries about a company that was looking to hold training for their highly specialized organization. The chief-of-staff reached out to the Michigan Community College Association (in Lansing) who connected them with Oakland Community College because it is near Rochester Hills. In talking with Ms. Valentik, Ms. Jeffries said Pamela knew about said company. It was great to have real-time information. Ms. Jeffries wanted to share her appreciation for Ms. Valentik being so responsive and helpful.

NEXT MEETING DATE

October 10, 2024.

ADJOURNMENT

There being no further business to discuss, it was moved by Doyle and seconded by Price to adjourn the meeting at 9:08 a.m.

Minutes prepared by Michelle Carley.

Minutes were approved as presented at the October 10, 2024 Regular Local Development Finance Authority meeting.

Michael Kaszubski, Chairperson