



Rochester Hills

Minutes - Draft

Economic Development Corporation

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Kurt Dawson, Leo Mendez, Johnathan Muenk, Vince Mungioli, Joe Snyder, Samuel Seabright, Charles Tischer, Pamela Valentik

Thursday, April 27, 2017

6:00 PM

Conference Room 221

CALL TO ORDER

Chairperson Pamela Valentik called the Annual Meeting to order at 6:01 p.m. in Conference Room 221.

ROLL CALL

Present 5 - Kurt Dawson, Leo Mendez, Johnathan Muenk, Charles Tischer and Pamela Valentik

Excused 3 - Samuel Seabright, Vince Mungioli and Joe Snyder

Quorum present.

Also present: Sara Roediger, Director of Planning and Economic Dev.
Maureen Gentry, Secretary

APPROVAL OF MINUTES

[2017-0197](#) May 18, 2016 Special Meeting

A motion was made by Tischer, seconded by Muenk, that this matter be Approved as Presented. The motion carried by the following vote:

Aye 5 - Dawson, Mendez, Muenk, Tischer and Valentik

Excused 3 - Seabright, Mungioli and Snyder

COMMUNICATIONS

Chairperson Valentik announced that it would be Mr. Dawson's last EDC meeting, as he would be retiring in July. She commented that everything he had done for the EDC was appreciated.

Chairperson Valentik introduced Sara Roediger, the City's new Director of Planning and Economic Development. She had been with the City for almost three years, and was given the position about a month ago. Ms.

Roediger added that prior to this position, she was at the City of Novi and West Bloomfield Township, and she spent the majority of her career as a consultant with LSL Planning. She recently moved her family to Rochester Hills, and she was committed to living, working and raising a family in Rochester Hills. She indicated that there were a lot of things going on in the City, and she was very busy out of the gate. She noted that the sites that were left to develop were not the easy ones. She suggested that there might be some opportunities for the EDC Board moving forward. The Brownfield Redevelopment Authority (BRA) might become a lot busier, and the Local Development Finance Authority (LDFA) had been working steadily with projects. Developers were looking for financial incentives and tools. She said that she looked forward to working with everyone.

Chairperson Valentik identified the City's new Chief Financial Officer, Joe Snyder, who could not attend the meeting. Mr. Keith Sawdon was the former Finance Director, and he had retired. The Mayor recently selected Mr. Snyder, who had been with the City as a Senior Financial Analyst. With that came the transition of Treasury, which was moved under the Fiscal Department. Mr. Snyder was also recently appointed by City Council to the EDC.

NEW BUSINESS

2017-0195

Request for Election of Officers - Chairperson, Vice Chairperson, Secretary and Treasurer for a one-year term to expire at the Annual Meeting in April 2018

MOTION/NOMINATION by Dawson, seconded by Muenk, the Rochester Hills Economic Development Corporation hereby re-appoints Pamela Valentik to serve as its Chairperson for a one-year term to expire at the annual meeting in April, 2018.

MOTION/NOMINATION by Tischer, seconded by Muenk, the Rochester Hills Economic Development Corporation hereby re-appoints Vince Mungoli to serve as its Vice Chairperson for a one-year term to expire at the annual meeting in April, 2018.

MOTION/NOMINATION by Valentik, seconded by Mendez, the Rochester Hills Economic Development Corporation hereby re-appoints Maureen Gentry to serve as its Secretary for a one-year term to expire at the annual meeting in April, 2018.

MOTION/NOMINATION by Dawson, seconded by Tischer, the Rochester Hills Economic Development Corporation hereby appoints

Joe Snyder to serve as its Treasurer for a one-year term to expire at the annual meeting in April, 2018.

Voice Vote:

Ayes: Dawson, Mendez, Muenk, Tischer, Valentik

Nays: None

Absent: Mungioli, Seabright, Snyder

MOTION CARRIED

Approved

2017-0196

Request for Approval of the 2018-2020 EDC Budget

Chairperson Valentik advised that each year, the City began its three-year budgeting process in June, with the process to take the budget to City Council in August. She was requesting that the members approved its budget prior to that. She noted that the EDC was created with the idea that it would provide the mechanism to be able to grant industrial development revenue bonds or bond financing for projects. The last bond the EDC did was in 1985 for Peachwood Apartments. Throughout the duration of the bond, the EDC had to be maintained. That bond retired last summer, so there were no outstanding projects with the EDC. The only thing in the budget was funding to pay for meetings.

Ms. Valentik stated that as Ms. Roediger said, there were some interesting projects coming. There could be opportunities to use financing in their development. The City had hired a new government strategist, Midwest Strategy, and it was her plan to meet with them to talk about whether there were other opportunities for which the EDC could be utilized.

Mr. Tischer assumed that the budget could be adjusted if there were special meetings held. Mr. Dawson advised that Mr. Snyder would do a budget amendment.

MOTION by Tischer, seconded by Muenk, that at the April 27, 2017 Annual Meeting, the Rochester Hills Economic Development Corporation hereby approves the 2018-2020 EDC Budget.

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

Aye 5 - Dawson, Mendez, Muenk, Tischer and Valentik

Excused 3 - Seabright, Mungioli and Snyder

Chairperson Valentik stated for the record that the motion had passed unanimously.

ANY OTHER BUSINESS

Chairperson Valentik shared some economic development project updates. She mentioned the Mayor's recent State of the City address at Adams High School. He told an exciting story about what was going on in the community. Last year, the City welcomed 12 new, high-tech companies. Between those companies, 900 jobs were created or retained. The City's SEV had been growing. Mr. Dawson added that it was over \$4 billion. Chairperson Valentik stated that was higher than 60 other counties in Michigan. That was good from a revenue, attraction and investment standpoint. Mr. Dawson advised that it was just under 1% of the entire SEV of the State of Michigan. Chairperson Valentik shared that the City's vacancy in the industrial parks was .6%. When she was hired, she was tasked with trying to fill buildings, and now there was not enough inventory for all the requests and inquiries she was getting. The highest vacancy rate the City was at was about 13% in 2010. She had been tracking sales activity in the industrial and technology parks. The average price per square foot was \$98. The five-year average had been \$49 for industrial. For all of the City, between commercial, retail and industrial, the City was at a 2.9% vacancy rate. Forecasts showed that in 2019, that could get down to 1%. Sales prices all across the City were averaging \$123 per square foot. The five-year average had been \$77. Properties were selling, buildings were getting filled, and lots of jobs were being created. Building permits were up, and there was a lot of new construction happening. Last year she had announced that the City had just closed on the sale of 15 acres of land it owned on Hamlin, west of Livernois. The buyer was getting ready to move into that building in the next couple of weeks. They sold all 15 acres to JENOPTIK, which was currently across the street on Hamlin in about 50,000 square feet. They needed to expand and build a larger campus. They were completing the first phase, which was 100,000 square feet, and they had plans to do a phase II and III.

Chairperson Valentik advised that the former VW building on Hamlin, west of Adams sold in the past year to Molex. They were moving their global headquarters into that facility, which was about 123,000 square feet, and they would be adding a 15,000 square-foot addition. There would be lab and engineering space on the first floor and executive offices on the top two floors. They planned to grow to 400 jobs within two years. She was starting to see interest in other properties in the community. Suburban Softball at Hamlin and Adams was getting some

interest. They were waiting for plans to come in for the former Kmart building, and they had some other retail properties poised for redevelopment. They had been very busy working with companies and supply chains where they knew they already had a competitive advantage in attracting companies. They were working with property owners and developers to make sure there was a diverse basket between retail, office and industrial.

Chairperson Valentik noted that in the last month, Ms. Roediger had launched a new development map. Ms. Roediger explained that a lot of people came in or called asking what was going on with a particular site. She developed a map, which was user-friendly and transparent, which could be seen on the City's website. It was called a Development Status Map, and it showed a map of the entire City with thumbnails for every project in review, approved or completed. It gave a brief summary of a project and showed elevations. If interested, the whole site plan could be viewed. Mr. Tischer agreed that it was a great tool.

Chairperson Valentik noted that before City Council recently, a company called ARaymond Tinnerman requested a tax abatement. It was a French company that had a number of subsidiaries, including Rayconnect, ARaymond Tinnerman Industrial, ARaymond Tinnerman Automotive and Raynet. ARaymond Corporate had been a long time investor in the community - for about 20 years. They planned to build a North American headquarters to put the subsidiaries under one roof. Currently, the head team was in rented office space on Livernois. They had operations in Ohio and Michigan. She worked with the MEDC to put together a competitive package to try and entice them to stay in Michigan, and they were hoping to make a decision soon. The real property tax abatement approved was for a site on Devondale. If they decided to construct a 22,000 square-foot facility as their headquarters there, it would be a \$5 million investment. The City would provide a 50% reduction in the tax liability for the building only for 12 years. She hoped that they selected Michigan over Brunswick, Ohio. She related that the land on Devondale was across the street from Rayconnect. In 2009, when Rayconnect was considering building a facility, Austin Ave. did not connect to Devondale. The City worked with them to pave and extend Austin to Devondale with the idea that it would attract more high-tech companies to develop in the area.

NEXT MEETING DATE

Chairperson Valentik reminded the EDC Board that the next Annual Meeting was scheduled for April 26, 2018. She mentioned that Oakland

County offered bond financing across the County through its Economic Development Corporation, and sometimes, a company would elect to do a project through the County. The City appreciated having an EDC, because it was a great tool to have in the tool box. When they owned the land on Hamlin, the City wanted be able to directly offer that financing as an incentive, although JENOPTIK did not use it.

ADJOURNMENT

Hearing no further business to come before the EDC Board, Chairperson Valentik adjourned the Annual Meeting at 6:25 p.m.

Respectfully submitted,

*Pamela Valentik, Chairperson
City of Rochester Hills
Economic Development Corporation*

Maureen Gentry, Secretary