

# 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, Steven Siedlarz, Stephan Slavik, Tony Vernaci

Thursday, July 17, 2025 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, Tony Vernaci, Greg Doyle, James Schwarz and Steven Siedlarz

Excused 1 - Matthew McDaniel

Absent 2 - Stephan Slavik and Eunice Jeffries

# **Others Present:**

- Sara Roediger, Planning and Economic Development Director
- Pamela Valentik, Economic Development Manager
- Joe Snyder, Chief Financial Officer/LDFA Treasurer
- Bill Fritz, DPS/Engineering Director
- Michelle Carley, Economic Development Specialist/LDFA Recording Secretary

Matthew McDaniel provided prior notice that he was unable to attend and was excused.

# **PUBLIC COMMENT**

None.

# **APPROVAL OF MINUTES**

2025-0310 Approval of Meeting Minutes - April 24, 2025

Attachments: 2025-04-24 LDFA Minutes.pdf

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

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

Siedlarz

Excused 1 - McDaniel

Absent 2 - Slavik and Jeffries

**Resolved**, that the Local Development Finance Authority hereby approves the meeting minutes of April 24, 2025 as presented.

#### COMMUNICATIONS

Chairperson Kaszubski announced that a new member was joining the LDFA, and welcomed Mr. Steven Siedlarz to the board. He invited Mr. Siedlarz to take a moment to introduce himself.

Mr. Siedlarz stated that he has been with Avondale Schools for about a year and has been in school finance for approximately 10 years. He commented that schools are his passion, and mentioned that he is married with three children and resides in Sterling Heights.

The board members welcomed Mr. Siedlarz.

# **NEW BUSINESS**

<u>2025-0311</u> Extension of the Rochester Hills LDFA

Attachments: Agenda Summary LDFA Extension Update.pdf

Chairperson Kaszubski noted that this item for discussion is relative to the extension of the Rochester Hills Local Development Finance Authority.

Pamela Valentik stated that the LDFA has been in existence dating back to 1994. She explained that tax increment financing districts have existed in Michigan for a number of years and stated that there are downtown development authorities, corridor improvement authorities and local development finance authorities. She pointed out that the beauty with the LDFA within the legislation is that it does focus on the high tech manufacturing industrial corridors of a community versus a downtown main street like other TIFs do. She mentioned that the City actually started the process and created the LDFA in 1994, and noted that there have been a number of amendments to the LDFA over the years. She said that the most recent plan that the LDFA operates under was adopted in 2009.

Ms. Valentik explained that in 2018, the Public Act was changed and it created a number of different ways of how to work with an LDFA. She said that as the City has known that this expiration is coming upon the LDFA and they have initiated conversations with the State to get some direction on what the process is to continue the lifecycle of an LDFA, with the results of these conversations being a lack of direction and a process that is incredibly difficult.

Ms. Valentik stated that as the Board knows, the City issued a request for proposal for consultants to help with the process of creating a scope of work to look at the big picture and develop a long-game strategy of what will work for the City and its partners, and the businesses as a whole. She said that the

responses to the RFP taught staff a lot about the process, the requirements, and the expectations within the act. She noted that the City is looking to move forward and has hired Dickinson Wright, an attorney that specializes in working with municipalities with the TIFs and following the requirements of the Act as legal counsel in place of a consultant to ensure that the City is following all of the guidelines.

Ms. Valentik stated that the City will be requesting a 20-year extension on the current LDFA plan. She mentioned that they will not be changing any of the boundaries or adding any new properties, and it will still be very focused on those industrial tech parks that are concentrated in the area. She explained that staff is in the process of updating the development plan and tax increment financing plans.

She continued by sharing a snapshot of the major capital projects that the LDFA has funded, and highlighted a couple of economic development success stories that came because of these projects. Projects mentioned included the Austin Avenue extension, which was a direct correlation to the City being able to attract A Raymond's North American headquarters and manufacturing facility, Rayconnect, which she noted was the second largest private employer in the city; and Hamlin Road, which allowed the City to attract Molex. She mentioned the RHISE Cup, which she said was another example of working with companies to support their workforce needs. She commented that over the years, the City has invested \$17 million into the district which would not have happened without access to the LDFA.

Ms. Valentik also shared projects that are planned for the future, noting that these projects include new technology and maintenance to the infrastructure. She commented that obviously the last couple of years have been a bit of a stall for automotive suppliers looking to construct large industrial facilities; however, once the intelligent infrastructure upgrades and infrastructure maintenance take off with the LDFA's guidance, they anticipate these projects will come to fruition. She added that they have been incredibly mindful over the last five years to ensure that they are not just focusing on capital projects, but are looking at projects that also align with the mission and needs of the strategic partners, whether it is Oakland County, Oakland Community College, or the schools. She stated that at the end of the day, these projects are what the Public Act is all about, supporting business development and job creation.

She highlighted the next steps, noting that the LDFA will need to approve an amended plan. She stated that the plan is to secure a date for a Special Meeting in August. Subsequent to that meeting, a public hearing will be scheduled with notice to go out to the taxing jurisdictions. She explained that staff is already working with some of the taxing jurisdictions to understand their process; and she mentioned that they have a meeting scheduled with Mr. Doyle and his team to understand the process of getting Oakland County's approval and are working to schedule a meeting with Ms. Jeffries for Oakland Community College and the Library, as these are the three taxing jurisdictions from which the LDFA collects. She noted that while the LDFA does not collect from Avondale or Rochester Community Schools, they want to work with them to

ensure they are getting a good return on investment.

Ms. Valentik explained the timeframe, noting that the process of opting in or opting out happens during the Public Hearing period, which is what they plan to take before City Council in September. She noted that is a 60-day process during which time any taxing jurisdiction will have to opt out if they do not wish to participate in the LDFA. Ultimately, the full plan will be taken to City Council in November for their review and approval, and then subsequently the approved plan will be forwarded to the State in December.

Board members asked a number of questions regarding the planned future projects. Details on proposed upgrades to Industrial Drive were mentioned.

Chairperson Kaszubski stated that City staff has done an incredible job behind the scenes to prepare for the discussions before decisions come to the LDFA Board. He asked if there are any anticipated barriers that the Board members can assist with or any discussions that need to occur to help aid the City's progress. He commented that he would be willing to sit down and explain to anyone the benefits as the community improves, business comes in, economic investment comes in, and businesses benefit.

Ms. Valentik expressed appreciation for Chairperson Kaszubski's support, and commented that the team is always aware of the fiscal responsibility to the district and the taxpayers. She stated that to lose the LDFA district would highly impact not only the City, but also Oakland County because of the draw of economic development, the State, and all of the school districts. She commented that this district is where the high paying jobs are happening and where international companies are coming that are bringing highly advanced technologies. She added that these companies are bringing collaborations with the schools.

Chairperson Kaszubski suggested coordinating a date for the Special Meeting so that the members could get it on their schedules.

Ms. Valentik suggested August 14, noting that August 18 would be a deadline for sending out the first public hearing notice, and if the LDFA wished to make any changes to the proposed plan, they could be done before the notice is sent out.

After the board considered the date, it was agreed that the Special Meeting would be set for August 14 at 8 a.m.

#### Discussed

#### 2025-0312 LDFA 2026-2028 Proposed Budget

Attachments: 2025 Budget Memorandum.pdf

848 - LDFA Proposed Budget (2026-28).pdf

2026-2028 = LDFA Proposed Budget (Significant Notes).pdf

LDFA Long-Term Financial Chart.pdf

Chairperson Kaszubski invited Joe Snyder to present the proposed LDFA

Budget for 2026.

Mr. Snyder noted that the proposed budget assumes a straight renewal of the LDFA, with the LDFA proposed to continue as it is. He explained that the proposed revenues are from the taxing jurisdictions, including the City's share, Oakland County, Oakland Community College, and the Library. He noted that the budget proposes a moderate growth in tax values, with an interest income amount budgeted conservatively low, based on the possibility of the Fed cutting rates in the second half of the year.

He reviewed the proposed expenditures, noting that while there are not a lot of significant changes, he would touch on one or two of them. He explained that the Salaries line shows an increase due to the reallocation of a portion of Ms. Carley's time dedicated to the LDFA. He stated that Ms. Carley works hand-in-hand with Ms. Valentik, so this request will allow the coding of a little bit of Ms. Carley's time to the LDFA for the work she does to support the authority. He mentioned that the other larger change is the increase in Professional Services, primarily due to the RHISE event. He mentioned that the numbers have almost doubled in terms of participants. (Ms. Valentik interjected that last year there were 12 teams and this year there are 22).

Mr. Snyder noted that there is an allocation for the LDFA legal consultant, as if questions arise they would like to have an on-call attorney that can be consulted for guidance. He pointed out that the Professional Services line is projected to drop in 2028 from \$232,000 down to \$132,000 as this is the planned conclusion of the three-year LDFA streetscape plan. He noted that any funds allocated for this year would be carried over to next year. He commented that the streetscape enhancements will beautify the LDFA district and make it even nicer than it appears today. He mentioned that Mr. Fritz may be able to comment on a traffic signal upgrade at Technology and Auburn coming in late summer or fall. He noted that Ms. Roediger did a great job getting an access to transit grant from Oakland County, which includes pathway improvements and realigning some pathway network in the LDFA district. He explained that the amount requested from the LDFA for that project next year would include a 20 percent match, with 80 percent covered by Oakland County through this grant.

Sara Roediger noted that this grant will be for pathways so that they will exist on both sides of Adams Road. She mentioned that right now there is a midblock crossing in front of the Walmart-Panera area, and there will be pathways that connect all the way down to the Clinton River Trail. She explained that the new car wash put in their pathway frontage; however, there are still significant gaps on both sides of Adams along that area. She commented that they are excited to be receiving this grant money from Oakland County. Ms. Roediger showed a map and described where the pathway enhancements would occur. She also shared some of the new development happening in and near the LDFA district and along the pathway. In answer to a question regarding trees along the pathways, she noted that most of the trees that screen the view of some businesses accessed along Industrial Drive will remain. She mentioned that the landscaping company will be upgrading their facility and that area will have some significant changes including a berm and a change in the topography. The

landscaping company has also committed to making their property look nice, as it will reflect on their business.

Ms. Valentik added that the City will be taking over jurisdiction of the private section of roadway at Industrial Drive and that also means doing the utilities that will correlate. She mentioned Kostal and noted that they worked with Oakland County to take over the section of Old Adams that Kostal would need for access. She noted that Kostal originally had a start time right around the time of Covid and was put on hold; and although Kostal still confirms that the project will be done, a new timeline hasn't been provided.

Mr. Snyder displayed the LDFA Fund Balance chart, noting proposed revenues, expenditures, and the growth in taxable value over the years. He mentioned the significant projects undertaken during those years. He pointed out that fund balance has grown over the years and noted that these funds could go to do Industrial Drive, go toward Forester, future railroad repairs, and a rehabilitation of projects that were undertaken 15 or 20 years ago. He stressed that one of the first steps will be an LDFA Master Plan that will help define projects that will be undertaken over the next 20 years.

Seeing no board members with questions, Mr. Snyder requested a motion to approve the budget, noting that a draft motion was provided in the meeting packet.

Chairperson Kaszubski thanked Mr. Snyder for his work in preparing the proposed budget.

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

Aye 9 - Arbour, Kaszubski, Pagliarella, Paul, Price, Vernaci, Doyle, Schwarz and Siedlarz

Excused 1 - McDaniel

Absent 2 - Slavik and Jeffries

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 17, 2025 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 2026.

# **ANY OTHER BUSINESS**

Ms. Valentik stated that she wanted to give the Board a report on the upcoming RHISE Cup participation, and noted that last year saw 12 teams, with 22 companies competing this year. She commented that Ms. Carley and she are elated and excited to get this kick started, and expressed her appreciation that

all of the companies are taking the time right now to engage their workforce within the community. She mentioned that 13 of the participating teams are physically in the LDFA, which truly represents the largest employers in the community, the movers and shakers, and the international businesses that are investing in the county, state and particularly the City of Rochester Hills.

She distributed a poster that included the schedule of events and invited the board members to attend one or any of the events as a supporter of the RHISE Cup. She commented that while not as exciting as a road project, it is the people and talent element so important to the mission of economic development and the LDFA.

Ms. Valentik reported that there are two companies that are looking to move into the LDFA district, one moving from Madison Heights, and another a California company in the autonomic vehicle sector wanting a Michigan location.

Chairperson Kaszubski commented that while the meeting started with a discussion of the value of the LDFA, this is what separates the City from some of the others. He stated that to spur involvement by the companies, having contests and interactions is a unique approach. He thanked Ms. Valentik for the update and for all the hard work.

Ms. Roediger stated that she had exciting news to share on this year's Creative Challenge for the RHISE Cup and the investment in the Adams Road area. She explained that in recognizing the iconic Bebb Oak tree in the City, the Creative Challenge will incorporate a more permanent artwork along the Clinton River Trail that can be enjoyed by employees and everyone using the Trail and can highlight information about the City's businesses that people may not be aware of within the community. She commented that while some of the details are still being worked out, they think that they will include a public voting element which can look toward getting some publicity for not only the LDFA and the companies, but to do something next level with the challenge this year.

Tony Vernaci shared that with his background in aerospace and defense, there is discussion on the state level about a SCIF, or a Sensitive Compartmented Information Facility, noting that companies that want to have confidential discussions about this industry have to do it in a SCIF and there are none in Michigan. He suggested that this is something that the City may want to consider for development. He mentioned that companies will actually fly to Washington DC to hold a meeting in a SCIF. He commented that automotive has always been cyclical, but this would be of interest to future business attraction in a variety of industries.

Ms. Valentik thanked Mr. Vernaci for his input, stating that this is excellent information to know. She mentioned that the Economic Development Strategy is on the plate to update this year, and one of the things that they are looking at right now for focus for the next four or five months is what some of the trends and needs are for growth of various industries that are not just automotive. She stated that while they will never leave automotive behind, they want to ensure that they can develop resources to be able to support diversification. She

commented that she will definitely follow up on this topic.

Mr. Vernaci stated that he would not suggest leaving automotive, as it is what gives the area strength; yet there are a lot of crossover skills and technologies. He commented that this could be where some of the companies need to pivot because they are being impacted by the fluctuation and changes in automotive. Should they want to get into diversification and into some classified-type work, it would give a point of access. He stated that he will let everyone know as he learns more.

Ms. Valentik commented that she is always looking for those things where Rochester Hills is positioned greatly, and mentioned the recent announcement by the President for the installation at Selfridge. She stated that this will present a lot of opportunities for the whole region and a supply chain that will be built and created with thousands of needs and jobs and opportunities.

# **NEXT MEETING DATE**

- Special Meeting, August 14, 2025, 8:00 a.m.
- Regular Meeting, October 9, 2025, 8:00 a.m.

Chairperson Kaszubski adjourned the meeting at 9:04 a.m.

# **ADJOURNMENT**

There being no further business to discuss, it was moved by Peter Arbour and
seconded by Gloria Pagliarella to adjourn the meeting.

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Minutes prepared	d by Michelle Carle	y.	
	proved as presente ance Authority Mee		Regular Local
 Michael Kaszubs	ki, Chairperson	_	