

**BIRMINGHAM TRIANGLE DISTRICT
CORRIDOR IMPROVEMENT AUTHORITY
MINUTES OF NOVEMBER 26, 2014**
Municipal Building Commission Room
151 Martin, Birmingham, Michigan

Minutes of the regular meeting of the Corridor Improvement Authority (“CIA”) held Wednesday, November 26, 2014.

1. MAYOR STUART SHERMAN CALLED THE MEETING TO ORDER AT 8:30 A.M.

2. ROLL CALL

Present: Mayor Stuart Sherman (left at 9:10 a.m.), J.C. Cataldo (arrived at 8:32 a.m.), Kip Cantrick, Jr., Edward Fuller, Curtis Hays (arrived at 8:33 a.m.), Victor Saroki (arrived at 8:47 a.m.), Robert Ziegelman

Absent: None

Others Present: Lauren Chapman, City Planner
Kathleen Duffy, LSL Planner
Jana Ecker, Planning Director
Mark Gerber, Asst. Finance Director
Pat McGow, Bond Counsel
Paul O'Meara, City Engineer
Joe Valentine, City Manager
Carole Salutes, Recording Secretary

3. APPROVAL OF MINUTES OF MAY 9, 2014

Motion by Mr. Ziegelman

Seconded by Mr. Fuller to approve the Triangle Corridor Improvement Authority Minutes of May 9, 2014 as presented.

Motion carried, 4-0.

VOICE VOTE

Yeas: Ziegelman, Fuller, Cantrick, Sherman

Nays: None

Absent: Cataldo, Hays, Saroki

4. NEW BUSINESS

a. Proposed Schedule for Adoption of Development Plan and Tax Increment Financing ("TIF") Plan

Ms. Ecker advised that based upon projections received from Oakland County Equalization, the 2014 Taxable Values for the Triangle District area are projected to decline by \$320,050, or approximately three quarters of one percent, compared to the 2013 values. This decline is the result of several factors, including determinations by the Board of Review and the Michigan Tax Tribunal. The single largest cause of the decline is the demolition of the former funeral home site, which "went on the books" effective with the December 31, 2013 property valuation. The new development proposed for this site, All Seasons, has an estimated value of \$18 million, so once completed the project will represent a significant development within the district. It is estimated that the project will be completed in either 2014 or early 2015.

Ms. Ecker advised that in light of the projected decline in values within the district for 2014, one option would be to not take any action at this time with respect to the TIF Plan. However, given the relatively small decline projected, it may be worthwhile to set the base year as 2014 given that the All Seasons project is nearing completion and thus a significant jump in values may occur in 2015. It would be beneficial for the CIA to capture this notable increase in taxable value.

In order to use the 2014 values as the base year in the TIF district, the plan would need to be approved by the City Commission no later than its first meeting in May 2015, prior to the December 31, 2014 values going into effect on May 25, 2015. If the plan is not approved by the City Commission by May 25, 2015, the base year would be based on the 2015 Taxable Value.

Ms. Ecker laid out the proposed timeline to set the 2014 tax values as the base year for the TIF district. Mayor Sherman explained the goal of this board is to capture as much revenue as possible from TIF sufficient to pay for the largest percentage of the parking facility. This can go on for 30+ years. The captured tax increase coming in from the Triangle District (estimated \$180 thousand just from All Seasons) would normally go into the general fund, but in this case it will go into a separate account for parking purposes only.

As the board has previously discussed, Oakland County has an opportunity to opt-out of the TIF collection. They may also negotiate with the City to determine the extent to which they do participate in the capture of TIF funds. Their participation increases the annual capture and shortens the length of time necessary for the TIF capture to be in place.

Mr. McGow noted the original assumption was that a parking deck could be built in 2028, but that is not the assumption today. Ms. Ecker said it will be up to the

City Commission to determine what money source(s) to use to construct public parking, and when.

b. Review of Draft Development Plan and Tax Increment Financing ("TIF") Plan

The Birmingham Triangle District Corridor Improvement Authority ("CIA") was established to facilitate the provision of public parking facilities that will serve the Triangle District.

According to the Corridor Improvement Authority Act, P.A. 280 of 2005, as amended, the City of Birmingham's CIA must establish a Development Plan for any improvements that are proposed to be funded through Tax Increment Financing. Incremental taxes on real property included in the CIA district boundary will be captured under the TIF Plan to reimburse eligible activity expenses.

Ms. Duffy walked the board through the contents of the Development and Tax Increment Financing Plan. Today this board will determine what kind of revisions they want to make to the Plan before it goes to a public hearing in January, acknowledging the fact that a new ad hoc Parking Committee study will be made.

Mr. McGow noted it is the money part of the plan that needs to be changed, based on what is known now. Everyone agreed that projections should be ultra conservative, especially for purposes of budgeting. Mr. McGow said for planning purposes a 4% bond interest rate could be assumed. There is the possibility to refinance if the rate goes down. If a new tax must be authorized for a bond issue, a vote of the people is needed. If there are other sources of funds and a new tax is not needed, a vote of the citizens is not required.

Ms. Ecker said that according to a parking study done in 2007 there is a potential deficit of 1,542 future parking spaces in the Triangle District. Mayor Sherman noted that the deficit may actually be larger as a result of the need from Downtown and from the north side of Maple Rd. Ms. Ecker advised that the intent is to package up all of the overall parking needs and take them to the City Commission.

At this time, Mayor Sherman left the meeting. Mr. Saroki was nominated as temporary chair and everyone was in favor.

Ms. Ecker went through updates to the Plan that will be needed prior to the January public hearing:

- Page 2 - Acknowledgments and board members
- Pages 5 and 6 - Maps
- Page 18 - Tables - 2014 base property values stay the same until the updated numbers are provided by the Board of Review in December.

- Page 19 - Estimated Value Chart,
- Page 22 - Update bonding chart based on estimated revenue from the Funeral Home.
- Page 23 - Estimated Tax Capture, same thing.

Mr. Cantrick added:

- Page 11 - Preliminary Parking Cost Estimates.

Motion by Mr. Fuller

Seconded by Mr. Hays to make the changes to the Plan discussed today in preparation for a public hearing on January 22 at 8:30 a.m.

Motion carried, 6-0.

VOICE VOTE

Yeas: Fuller, Hays, Cataldo, Cantrick Saroki, Ziegelman

Nays: None

Absent: Sherman

c. Update on Ad Hoc Parking Study Committee Activities

Mr. O'Meara reported the Triangle District study would have been further along had it not been for Kroger redeveloping. Therefore, LSL Planning is waiting until January to begin the study. They are being asked to also study the parking demand from the commercial properties that have frontage on the north side of Maple Rd. with the idea of perhaps expanding the downtown parking assessment district or creating a new Triangle parking assessment district. Then those properties could benefit from a parking garage in the north end of the District.

Ms. Ecker said there is not significant development anticipated for the north side of Maple. A parking deck would not be built on that side of Maple Rd, so it is not necessary to change the boundaries of the CIA, even if that area was included in a parking assessment district to allow the benefit of public parking.

5. COMMENTS FROM THE PUBLIC (none)

6. ADJOURNMENT

No further business being evident, the board members motioned to adjourn the meeting at 9:38 a.m.

Jana Ecker
Planning Director