



**Special Study Session City Council Meeting
7:00 PM, MONDAY, MARCH 4, 2013
Conference Room A
Farmington City Hall
23600 Liberty St
Farmington, MI 48335**

FINAL

SPECIAL STUDY SESSION MEETING MINUTES

A Special Study Session meeting of the Farmington City Council was held on March 4, 2013, in Conference Room A, Farmington City Hall, Farmington, MI. Notice of the meeting was posted in compliance with Public Act 267-1976.

The meeting was called to order at 7:00 PM by Mayor J.T. Buck.

1. ROLL CALL

Attendee Name	Title	Status	Arrived
J.T. Buck	Mayor	Present	
Greg Cowley	Councilmember	Present	
William Galvin	Mayor Pro Tem	Present	
Kristin Kuiken	Councilmember	Present	
JoAnne McShane	Councilmember	Present	

City Administration Present

Director Christiansen
City Clerk Halberstadt
City Manager Pastue
Attorney Schultz

2. APPROVAL OF AGENDA

RESULT:	APPROVED [UNANIMOUS]
SECONDER:	Kristin Kuiken, JoAnne McShane
AYES:	Buck, Cowley, Galvin, Kuiken, McShane

3. BUSINESS ITEMS

A. Consideration to Accept and File the Financial Reports for the City of Farmington Brownfield Redevelopment Authority for the Flagstar and TCF Projects

Pastue advised the city is required to submit an annual financial report to the State Tax Commission on properties under Brownfield Redevelopment Authority.

Move to accept the Financial Reports for the City of Farmington Brownfield Redevelopment Authority for the Flagstar and TCF Projects for the year ending June 30, 2012 and authorize that they be filed with the State Tax Commission.

RESULT:	APPROVED [UNANIMOUS]
MOVER:	JoAnne McShane, Councilmember
SECONDER:	Kristin Kuiken, Councilmember
AYES:	Buck, Cowley, Galvin, Kuiken, McShane

B. Consideration to Approve Amendment to the DDA Budget

Pastue reviewed proposed amendments to the DDA budget.

Move to approve amendment to the Downtown Development Authority Budget, as presented. [SEE ATTACHED AMENDMENT].

The votes were taken in the following order: Cowley, Galvin, Kuiken, McShane, Buck.

RESULT:	APPROVED [UNANIMOUS]
MOVER:	Kristin Kuiken, Councilmember
SECONDER:	Greg Cowley, Councilmember
AYES:	Buck, Cowley, Galvin, Kuiken, McShane

4. DOWNTOWN DEVELOPMENT AUTHORITY UPDATE - ANNETTE KNOWLES

A. Work Plan Update and Main Street Evaluation Report

DDA Executive Director Knowles provided an update on DDA work plans related to Core Themes of: Walkability, Downtown Marketing and Business Development.

McShane asked about parking plans and directional signage. She pointed out that concern was expressed at the recent Visioning Session that the downtown still lacks proper directional signage and lighting for some parking areas. She stated the DDA had previously developed plans for more wayfinding signs and better lighting.

Knowles responded current parking initiatives are focused on Dimitris parking and lighting. She stated the DDA had discussed the need for comprehensive wayfinding signs in the downtown but it has not yet been funded. There is no specific plan at this time.

McShane stated she hoped that in the future the DDA will find funds to support the parking plans.

Kuiken asked about improvements for Los Tres Amigos.

Knowles responded that most of the improvements will be done on the interior of the restaurant. Outdoor seating will be added and some modifications made to the facade.

Gavin asked about feedback from the market regarding the temporary relocation.

Knowles responded there will always be issues with a temporary relocation, however, she pointed out the new temporary site will be larger than the pavilion area. She stated

the issue will be finding parking.

Responding to a question from Cowley, Pastue confirmed construction traffic would not interfere with the market.

Cowley asked how many DDA Boardmembers attended the Visioning Session and what role does the DDA play in that process. He expressed concern there is an absence from the DDA Board in participating in the sessions. He recommended committing one of the DDA committees to the vision planning.

McShane supported the importance of involving the DDA Board in the visioning process. She pointed out that business owners at the first session shared their ideas about the downtown including their concern regarding parking.

Galvin suggested Director Christiansen chair the DDA Business Development Committee. Knowles responded the by-laws require that position be filled by a boardmember. She stated City staff acts in an advisory capacity.

Discussion followed regarding the expansion of the market analysis beyond just demographics.

Responding to a question from McShane, Knowles stated not all DDA boardmembers serve on a committee.

Knowles advised their Main Street Program was recently evaluated by Oakland County and received a perfect score of 10. She discussed the criteria on which they were judged.

Discussion followed regarding a review by Main Street Oakland County of the DDA's event calendar.

B. Review of Intergovernmental Draft Agreement

Pastue reviewed an intergovernmental agreement between City of Farmington and Farmington Downtown Development Authority.

Responding to a question from McShane, Pastue stated the DDA Board and structure will remain pretty much the same except he will act as DDA Director and there will be changes to economic development.

Responding to an additional question from McShane, Pastue stated that in terms of compensation it is not an even trade. It will be approximately \$25,000 additional cost to the City.

McShane stated the DDA needs to look at downsizing its number of employees. She noted Main Street Oakland County (MSOC) in their previous evaluation stated the DDA was overstaffed.

Knowles pointed out elimination of an administrative assistant position is proposed in the next budget.

Cowley suggested moving the termination clause in the agreement from 4 to 6 months.

Responding to a question from Cowley, Schultz stated with these changes there is no increased liability to the City relative to the events.

Galvin asked if Oakland County had a problem with the proposed changes. Knowles responded initially they did, but came to realize the need to make the changes.

Galvin stated that perhaps the City can serve as an example of how to make a DDA more efficient.

Cowley commented Main Street Oakland County does not know anything about events. He does not support impacting events in any negative manner. He stated MSOC will not assist the DDA relative to events because they believe events are a detraction to economic development.

McShane pointed out businesses have complained about the events because it takes away parking from their customers.

5. REVIEW OF BIDS, ENGINEERS RECOMMENDATION AND FINANCING

A. Review of Bids, Engineers Recommendation and Financing for Grove and Warner/Oakland Project

Matthew Parks from the City's Engineering Firm, OHM, was present to review bids and respond to questions.

Pastue advised bids came in higher than originally budgeted for the projects. He discussed the source of the funding: Major Street Fund, Local Street Fund, Municipal Street Fund and Capital Improvements Fund.

Pastue presented four project alternatives that would not put the city in a cash strapped position: 1) proceed with Grove Street and Warner from Grand River to Thomas only; 2) spread project over two construction seasons; 3) proceed with the projects in their entirety during the 2013 construction season; and 4) reject the bids and re-bid the projects separately.

Pastue advised contractors expressed willingness to hold their prices into 2014 if any of the construction needed to be delayed.

Pastue reviewed a proposed 5-year budget that reflects funding for the major street projects.

Pastue recommended moving forward with Grove Street and Warner and "audibilize" as construction proceeds. In other words, as construction progresses it will be determined if there is enough funding to proceed further with the Warner project from Thomas to Shiawassee and evaluate the Oakland Street project from Warner to Farmington Road. He discussed contingency funds built into both projects that may or may not be used. He also noted contingencies in the quantity estimates.

Pastue stated if Council is comfortable with this approach, the contracts would need to be modified accordingly.

Pastue advised this is a quality based contractor selection process.

Discussion followed regarding Pastue's recommended alternative.

McShane asked if it is critical for Oakland Street to be done. Pastue responded it is a street that the City has identified to be replaced.

Responding to a question from Galvin, Pastue stated the difference between the actual bid and what was budgeted is \$150k.

Cowley recommended taking the three low bids and ask those contractors to rebid them to lower costs. He described this as value based re-engineering which is common in the private sector. He did not support two construction periods.

Pastue expressed concern about transparency in government and the City's desire not to show favoritism.

Parks discussed the criteria for selecting a contractor.

Galvin discussed merits of completing both projects at same time versus over two years.

Pastue expressed confidence that most of the construction: Grove Street, Warner from Grand River to Shiawasse, and Oakland from Warner to Farmington Road can be completed this year.

Discussion followed regarding the merits of re-bidding.

Parks advised that with value re-engineering it is likely the contractors will come back with three different ways to cut costs which forces the City to make a decision that is more arbitrary than comparing apples to apples. He suggested looking at value re-engineering options to present to the contractors.

Discussion followed regarding the context in which the original budget was set for the projects.

Kuiken expressed support for a quality-based selection.

Pastue stated the city will attempt to renegotiate with contractors. He advised it is unlikely the project will start April 1st as originally planned. They will make every effort to move forward as soon as possible.

6. OTHER DISCUSSION WITHOUT ATTACHMENT

Council took a 5 minute break at 9:00 pm.

Civic Theater Digital Projection Equipment Financing

Pastue advised the Theater needs to move from 35mm to digital films which has become the industry standard. He stated the cost will be approximately \$130k - \$150k for both theaters. The city will contemplate a short term debt obligation (5 year) to cover the cost. He stated this will not be a bid situation.

Responding to a question from Buck, Pastue advised the city would consider vendor financing.

Pastue confirmed as part of an effort to cover the cost of the equipment, theater ticket prices would be increased .50 to \$4.00.

Cowley suggested raising the ticket price to \$5.00.

Pastue confirmed the sound system would be part of the purchase package.

Liquor Licenses and Special Land Uses

Pastue advised the Liquor Control Commission (LCC) has changed its requirements for approval of licenses by local governments. As a result, he stated communities have contemplated going to special land use. He discussed the conditions under which the City of Birmingham approves liquor licenses. He stated tying liquor license to land use makes a lot of sense.

Schultz advised what is driving this need to make a change to license approval is a change by LCC in how they handle transfers. He stated LCC no longer requires local approval on liquor license transfers.

Discussion followed regarding the merits of tightening control over licenses through special land use and what is happening in other communities.

Christiansen spoke about how other communities regulate liquor licenses through special land use.

Schultz explained the City's options in how to regulate the transfer of liquor licenses.

Council supported addressing applying special land use to liquor license transfers.

Multi-Family Unit Rental Inspections

Pastue advised the City is looking to put together a multi-family residential inspection program. He discussed development of the program. The City will do an analysis regarding fire runs to determine the need. He discussed aging buildings with deficient wiring that are becoming fire hazards.

Responding to a question from McShane, Pastue stated the focus of the program would be apartment rentals. The program could be expanded if it becomes necessary.

Responding to a question from Kuiken, Pastue confirmed this program is for fire safety purposes.

7. PUBLIC COMMENT

No public comment was heard.

8. COUNCIL COMMENT

Galvin read the following comments:

Over the last several years we have heard about the challenges our community faces. At the Farmington City Council Meeting on February 4th I discussed some of those challenges. I talked about finding funding sources for new ideas that come from our Visioning Plan ideas; the inability to replenish our capital improvements fund and the increasing pace of costs to provide city services.

I concluded with a notion I dubbed "Re-Farmington" which was my way of explaining that we need to seek modern ways to increase taxable values and property tax revenue without increasing our millage rate. Re-Farmington is the repurposing, redevelopment and redeployment of publically owned property to increase the tax base. Economists refer to this as sustainability. It is nothing more than an efficient use of our resources.

Tonight, March 4, 2013, we have continued discussing that same nagging theme - expenses continue to rise at a faster rate than property tax revenue. The issue of sustainability emphasizes the importance of taking significant and innovative action.

As a result, "Re-Farmington" needs to be stepped up and discussed as a part of our community wide Visioning Plan.

I have met with Project Innovations, our Visioning Plan facilitator. I shared ideas about repurposing, redeveloping and redeploying the public parcels such as: Farmington City Hall, the Farmington Community Library, the Maxfield Training Center, the Farmington Department of Public Works facility on Nine Mile Road, the previous Flanders School property, the Farmington Public Schools facilities on Raphael and lastly the previous 47th District Courthouse on Ten Mile Road.

At my request city administration prepared a taxable equivalency analysis. As contributors to the property tax base these properties could generate an estimated \$250,000 or more and increase every year thereafter. To put that in perspective, one millage generates about \$300,000.

I believe this innovative strategy is well timed for several reasons.

- As leaders in our community we need to provide innovative solutions that will help permanently solve the financial challenges in the present and future. Redeploying these assets to the tax base will generate ongoing and increasing property tax revenue forever.
- Economic development opportunities and interests have restarted.
- Our public schools are going through their own Facilities Study.
- Most importantly we in Farmington are going through our own Visioning Plan and community wide civic engagement of idea sharing for the betterment of Farmington's future.

These innovative solutions will also provide other valuable benefits. New housing brings new citizens and students for our school district. More people spend more money in our local economy. We would see job growth and the

benefits associated with employing new workers and new business' on main street. And lastly, returning City Hall and the Public Library to the private market would literally expand the size and scope of our Downtown and result in more TIF revenue for the DDA.

Where would we relocate City Hall, the Public Safety Dept. And our Public Library? We can look at several locations such as the property next to Cloverdale school on Freedom Rd. That site is large enough for a new City Hall, Public Safety Dept. and Library, if configured properly. It is not far from the current City Hall and is centrally located within the City boundaries. We could also look at consolidating any of these properties or potentially look to private partnerships within the city. The funding to build new facilities would come from the sale of these municipal assets and have a positive or zero impact on the City's budget.

There is no doubt our future vision will be great. The ideas I have put on the table need to be vetted, discussed, shaped and refined within our Visioning Plan to position Farmington for long term success.

Discussion followed regarding the next visioning session.

Buck, referring to Galvin's comments, stated the city has worked on the sale of the courthouse property for years. The city has urged the schools to move forward on the disposition of their properties. The city has great hope for redeployment of the Maxfield Training Center and Flanders properties. He stated all of these things have been on the drawing board for quite some time. He noted there have been discussions about city hall and the library properties as well. He stated Council always needs be mindful of opportunities with public properties. He thanked Galvin for his energy in addressing this issue. He noted Galvin, as a member of the joint taskforce, is in an ideal position to motivate progress on these properties.

9. CLOSED SESSION

Motion to enter closed session to discuss land acquisition and labor negotiations.

RESULT:	APPROVED [UNANIMOUS]
MOVER:	William Galvin, Mayor Pro Tem
SECONDER:	Greg Cowley, Councilmember
AYES:	Buck, Cowley, Galvin, Kuiken, McShane

The votes were taken in the following order: Galvin, Kuiken, McShane, Buck, Cowley.

Council entered closed session at 10:00 PM.

Motion to exit closed session.

RESULT: **APPROVED [UNANIMOUS]**
MOVER: Kristin Kuiken, Councilmember
SECONDER: JoAnne McShane, Councilmember
AYES: Buck, Cowley, Galvin, Kuiken, McShane

Council exited closed session at 10:42 PM.

10. ADJOURNMENT

Motion to adjourn the meeting.

RESULT: **APPROVED [UNANIMOUS]**
MOVER: JoAnne McShane, Councilmember
SECONDER: Kristin Kuiken, Councilmember
AYES: Buck, Cowley, Galvin, Kuiken, McShane

Meeting adjourned at 10:42 pm

Mayor J.T. Buck

Susan K. Halberstadt, City Clerk

Approval Date: _____