

FARMINGTON CITY COUNCIL  
STUDY SESSION  
NOVEMBER 7, 2011

A special study session of the Farmington City Council was held on Monday, November 7, 2011, in Council Chambers, 23600 Liberty Street, Farmington, Michigan. Notice of the meeting was posted in compliance with Public Act 267-1976.

The meeting was called to order at 8:07 p.m. by Mayor Buck.

**PRESENT:** Buck, Galvin, Knol, McShane, Wright.

**ABSENT:** None.

**CITY ADMINISTRATION:** Recording Secretary Murphy, City Manager Pastue, City Attorney Schultz.

**DISCUSSION - ECONOMIC/REDEVELOPMENT ISSUES**

Mayor Buck explained the purpose of this study session is to gain knowledge and recommendations regarding economic development from the present Council that can be carried forward in discussions with the newly elected Council.

Pastue advised a few of the commercial centers would likely be the largest economic issue facing the City in the next couple of years given their current dilapidated condition. He initiated discussion on how to develop a process to address this issue. In order to conduct a thorough analysis of these centers, he is currently assembling data on the centers regarding when they were built, square footage, floor plans, tax information, contacts, etc.

Responding to a question from Wright, Pastue indicated that the Downtown Development Authority (DDA) was conducting a similar analysis of their centers. His focus is on centers outside of the DDA District, but he has included a couple of DDA structures as well.

Mayor Buck pointed out that Pastue is the only professional resource on staff allocated to economic development.

Galvin asked regarding the process for seeking development opportunities. Pastue stated he is usually approached by a prospective business interested in moving into Farmington. He cited the industrial facility exemption given to Roush Manufacturing as an incentive to move into the City. He stated the exemption cut their personal property tax in half, but provided 100 new job opportunities. Wright suggested that a detailed review of the Roush incentive plan and the resulting impact on the community would be very beneficial. He pointed out that

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making the commercial and industrial market aware of available properties in the City would be one way of generating interest in Farmington.

Knol cited another option available to the City is the Commercial Rehabilitation Act (CRA) that allows a community to cap property value at the existing level prior to any rehab work being done.

Pastue concurred that brokers and interested parties need to be reminded of properties available in Farmington. He advised there have been some significant changes to the CRA, particularly with regard to land value. He will work with Attorney Schultz to leverage CRA to the greatest benefit.

Wright pointed out that being smarter than your competition would give the City an advantage.

Knol noted some communities aren't interested in the CRA as they are not willing to give up the tax revenue.

Pastue advised the City must determine how much tax revenue it is willing to forego in order to see significant changes in some of the commercial centers. He noted some of these centers are less than representative of our residential base.

Buck noted the benefit of commercial office space that creates jobs for residents who would both work and shop in the community.

Pastue indicated the centers that are struggling the most were built in the '50s, '60s and '70s, yet those built in the '80s are doing very well. He cited the Crossroads Shopping Center at Nine Mile and Farmington as a good example of viability even without an anchor store.

Discussion continued regarding supply and demand and how to increase demand to fit supply.

Buck stated the Master Plan redefined key areas in the city as mixed use to allow and promote different business applications rather than be 100 percent retail and to reinforce development opportunities that might exist.

Galvin stated the City needs a focused marketing plan that identifies the types of industries and businesses that would best serve this community as well as an inventory of available properties. He stated feedback from residents would be helpful as well. He further stated developers and landlords should be informed of the emphasis on mixed use areas in the Master Plan.

Wright advised the DDA is currently undertaking this type of marketing strategy. He felt it is a failed and dangerous approach to only look at developing the core of the City and hoping it radiates out. He stated a marketing plan should be city-wide and not restricted to the downtown only.

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McShane indicated that since the June 2009 meeting she had hoped a commission or group would be formed comprised of community members with backgrounds that would help the City in its development and marketing efforts.

Wright pointed out that two of the most successful retailers this year, Panera and Starbucks, are already located in Farmington.

McShane suggested having a point person, someone the City Manager can depend on, perhaps a contract person to go after opportunities and help the City achieve its goals. She expressed a concern regarding the economics of the City and State in the coming years, noting maintenance of building and shopping centers will be difficult.

Wright inquired if it would be possible to join with the DDA to create such a role, redefining the current DDA role and expanding it to include the City.

Knol stated that is not possible as those are dedicated funds used by the DDA that can not be spent outside of their district. She also expressed concern that the cost of a paid staff member would not be within the budget.

Buck indicated that he and Pastue recently attended a South Oakland County Mayors Association Meeting and compared notes with a couple other cities that had taken that track. He stated they indicated positive results from this approach.

Discussion continued regarding marketing efforts and a point person.

Galvin suggested that perhaps one of the first steps would be to appoint a committee or commission of volunteers who have expertise in this area and hire a director later in the process to facilitate the plan.

Wright suggested the concept of "build it and they will come" is a better investment model. He suggested that moving Saturday events to another location would enhance the main business district.

McShane stated funding would be a major issue.

Knol stated that it couldn't hurt to reiterate the City is open to mixed use, CRA, and that we're flexible and willing to work with prospective businesses and developers. She noted the strip malls, developed in the '50s and '60s, look tired and outdated with unmotivated owners. She pointed out there's a lot of competition in neighboring communities where there are brand new strip malls that are difficult to compete with.

Wright advised that if retailers had better demographics with increased revenue, the cost per square foot wouldn't be an issue.

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Buck indicated Farmington has businesses that are selling more per square foot than surrounding stores such as Starbucks. He stated the City needs to build on those success stories and become better business recruiters.

McShane suggested the City needs to identify barriers to development that exist and work to eliminate them. She stated this would be beneficial in making us more attractive to potential opportunities.

Knol stated studying the competition and understanding what opportunities are available would be helpful.

Galvin stated a collaborative effort between residents, business owners, developers, etc. and City government would be helpful in studying the issue.

McShane noted volunteers are the City's greatest asset and this would be a wonderful opportunity for them to become involved.

Wright pointed out that the DDA already has a subcommittee in place that is charged with that mission. He suggested this subcommittee should be broadened to a city-wide function in order not to duplicate efforts.

Pastue stated it must be a collaborative effort and perhaps the city devotes too much land to commercial use, more than we can serve with our primary markets.

McShane advised the needs of Farmington are different than Livonia and Novi where there is greater land mass. She suggested the City should look at increasing redevelopment and transforming shopping centers into other uses.

Wright pointed out that the City could accommodate a Wal-Mart or some other big box store at either the Grand River and Orchard Lake location or the K-Mart site. He advised the City must maintain realistic expectations, noting the turn-around in the real estate market is still probably 4-5 years away.

Mayor Buck requested a wrap-up on the discussion.

McShane stated the input from Knol and Wright was very helpful and would like to continue this discussion in the future with not only them, but the new Council as well.

Knol indicated one of the first steps with the new Council would be to get them up to speed on the city-wide and downtown master plans and how to continue implementation of those plans.

Wright stated a good next step is the formation of an economic development committee or commission. Knol added it should be comprised of volunteers.

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McShane expressed the importance of drawing on the expertise available in the community.

Wright indicated that Pastue and his team have worked very hard to bring ideas to Council, but perhaps they should not be accepted at face value. He stated questioning their ideas does not necessarily mean criticism, but rather a way of gathering additional information and promoting further investigation.

Knol commended Pastue on his efforts to stay in touch with landowners, but going forward the landowners should be involved in the process of economic development by keeping an open dialogue with them and sharing the city's interest in redevelopment. She stated code enforcement on landowners should continue.

McShane reiterated the city should be proactive in their economic development efforts.

Galvin stated the discussion on this topic should continue and be kept on the forefront.

Knol advised the city should not get discouraged in its efforts, but look at the positive results that have already taken place such as an increase in foot traffic in the downtown and overall increased vibrancy in the city.

**PUBLIC COMMENT**

No public comment was heard.

**ADJOURNMENT**

Council concurred to adjourn the meeting.

The meeting adjourned at 8:50 p.m.

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J.T. (Tom) Buck, Mayor

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Susan K. Halberstadt, City Clerk

APPROVED: December 19, 2011