



**Regular City Council Meeting  
7:00 PM, TUESDAY, JANUARY 3, 2017  
City Council Chambers  
23600 Liberty Street  
Farmington, MI 48335**

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**REGULAR MEETING AGENDA**

**1. CALL TO ORDER**

**Roll Call**

**2. APPROVAL OF AGENDA**

**3. PUBLIC COMMENT**

**4. NEW BUSINESS**

**A. Consideration to Renew the Principal Shopping District (PSD) Special Assessment**

**B. Consideration to Approve Resolution Approving Small Winemaker License for Farmington Underground Canning and Kegging, LLC, Located at 33200 West Nine Mile Road, Suite B&C, and Related Agreement Permitted the Use of Such Premises.**

**5. DISCUSSION**

**A. Code Enforcement**

**6. COUNCIL COMMENT**

**7. ADJOURNMENT**

**Farmington City Council  
Staff Report**
**Council Meeting Date:**  
January 3, 2017

**Reference  
Number**
**Submitted by:** David Murphy, City Manager

**Description:** Consideration to Renew the Principal Shopping District (PSD) Special Assessment

**Requested Action:**

Move to adopt the Resolution to Renew the Principal Shopping District (PSD) Special Assessment as presented.

**Background:**

The Principal Shopping District (PSD) special assessment is scheduled to expire in June 2017. The PSD currently generates \$216,000 in the DDA District and is critical to their operations. The DDA formed a committee to review the PSD renewal and a total of three meetings were held. DDA Executive Director Annette Knowles has prepared a report regarding the proposed renewal. In addition, she was present at the December 19, 2016 meeting to discuss the renewal and answer any questions the Council may have.

City Administration is requesting that the City Council adopt the first resolution to initiate the renewal process. The first resolution simply instructs the City Manager and DDA Director to provide a report, which would be submitted at the February 21 meeting. There are a total of five resolutions before the assessment can be renewed. Attached is a proposed schedule to renew the special assessment so that it can be included in the July 2017 tax bill.

**ALTERNATIVES**

1. Approve resolution #1 to initiate the Principal Shopping District (PSD) renewal process.
2. Do not approve resolution #1. The PSD renewal cannot take place without following the special assessment process. The longer the delay, the less likely it would be on the July 2017 tax bill.

**FINANCIAL IMPACT**

One of the recommendations was to decrease the PSD assessment but reinstate the 2-mill levy throughout the DDA District. Ms. Knowles discussed this as part of her presentation.

**RECOMMENDATIONS**

Move to approve Resolution #1 instructing the City Manager and DDA Executive Director to prepare a report for the City Council to consider regarding the renewal of the Principal Shopping District special assessment.

**ATTACHMENTS**

1. Summary of PSD Renewal Process
2. Resolution #1 for PSD Special Assessment Renewal
3. Proposed schedule for PSD Renewal

**Agenda Review****Review:**

David M. Murphy Completed 12/29/2016 10:01 AM  
City Manager Completed 12/29/2016 10:01 AM  
City Council Pending 01/03/2017 7:00 PM

**RESOLUTION NO. (ID # 2334)**

**STATE OF MICHIGAN**

**COUNTY OF OAKLAND**

**CITY OF FARMINGTON**

**RESOLUTION TO PROCEED WITH PREPARATION OF  
PROJECT PLANS AND COST ESTIMATES FOR  
PRINCIPAL SHOPPING DISTRICT SPECIAL ASSESSMENT**

*(Resolution 1)*

Minutes of a \_\_\_\_\_ Meeting of the City Council of the City of Farmington, County of Oakland, Michigan, held in the City Hall in said City on January 3, 2017, at 7:00 o'clock P.M., Prevailing Eastern Time.

PRESENT: Councilmembers \_\_\_\_\_  
\_\_\_\_\_

ABSENT: Councilmembers \_\_\_\_\_  
\_\_\_\_\_

The following preamble and Resolution were offered by Councilmember \_\_\_\_\_ and supported by Councilmember \_\_\_\_\_.

**RECITATIONS:**

The City established a Principal Shopping District (PSD) pursuant to Act 120 of 1961, being MCL 125.981, *et seq*, in 1993. Under the authority of such act, the City may engage in a PSD project or business improvement project, and finance the costs thereof through the levying of special assessments against land or interests in land within the district. If a project is financed by special assessments, the governing body of the City is required to review the special assessment every five years.

Resolution (ID # 2334)

Meeting of January 3, 2017

The City as part of the initial establishment of the PSD created a development plan for a district that includes that area described in Section 11-31 of the City Code.

Since the establishment of that development plan, the City has been engaged in various projects to improve the downtown shopping area-through its master plan, through the Main Street Oakland County and National Trust for Historic Preservation Programs, and through the investment of substantial public funds.

The City has, as part of that overall plan, determined that it is appropriate to continue in place the PSD, for any and all purposes permitted under the above-referenced statute and to fund the same through special assessments. Following the initial establishment of the PSD in 1993, the City in 1998 established Special Assessment District No. 98-81, following its five year review of the initial principal shopping district. In 2004, the City renewed the SAD for the three-year period from 2004 through 2006 inclusive; in 2007, the City renewed the SAD for a five-year period from 2007 through 2011 inclusive; and, in 2012, the City renewed the SAD for a five-year period from 2012 through 2016 inclusive.

The City Council has now determined that it is appropriate to consider renewing the establishment of a Special Assessment District (SAD) as part of the funding for the Downtown Development Authority. Specifically, the City Council desires to proceed to the next step of having marketing and development plans and cost estimates prepared for the Project.

NOW THEREFORE, IT IS HEREBY RESOLVED AS FOLLOWS:

1. The City Manager shall, in conjunction with the Executive Director of the Downtown Development Authority, prepare or cause to be prepared marketing and development plans and specifications for the PSD Project, a cost estimate for the Project, an estimate of the life of the Project, a description of the proposed SAD, and other pertinent information that will permit the City Council to determine the estimated cost, extent, and necessity of the Project,

Resolution (ID # 2334) Meeting of January 3, 2017  
 including the portions to be paid by special assessments upon the properties that are especially benefited by the Project and the portion (if any) to be paid by the City. Such information shall be filed with the Clerk, along with the City Manager's recommendations with respect to the Project.

2. No contract or expenditure, except for the cost of preparing such plans, specifications, and estimates of cost described above, shall be made for the Project, nor shall any improvements or activities be commenced until the City Council confirms the special assessment roll to defray the costs of the Project.

AYES

NAYS

ABSTENTIONS:

ABSENT:

### CERTIFICATION

It is hereby certified that the foregoing Resolution is a true and accurate copy of the Resolution adopted by the City Council of the City of Farmington at a meeting duly called and held on the \_\_\_ day of \_\_\_\_\_, 2017.

CITY OF FARMINGTON

BY: \_\_\_\_\_  
 SUSAN K. HALBERSTADT, Clerk

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### **Principal Shopping District Renewal Schedule**

|                   |  |
|-------------------|--|
| December 19, 2016 | Presentation regarding renewal and proposed changes to PSD District - Annette Knowles  |
| January 3, 2017   | Resolution #1 – Initiate process and direct City Manager to prepare report   |
| January 17, 2017  | Resolution #2 – Schedule public hearing for February 21, 2017 regarding necessity of special assessment  |
| January 18, 2017  | Mail notice of public hearing to property owners in the district   |
| February 9, 2017  | Publish notice of public hearing in Farmington Observer  |
| February 21, 2017 | Council holds public hearing regarding necessity<br><br>Resolution #3 - Finding of necessity and instructing City Assessor to prepare assessment roll. |
| March 20, 2017    | Resolution #4 – Review of Assessor’s preliminary roll and schedule public hearing for April 17, 2017   |
| March 21, 2017    | Mail notice of public hearing to property owners in the district along with the preliminary assessment roll  |
| April 6, 2017     | Publish notice of public hearing in the Farmington Observer  |
| April 17, 2017    | Council holds public hearing regarding Assessor’s roll<br><br>Resolution #5 – Council adopts special assessment district and assessment roll           |

**Farmington City Council  
Staff Report**
**Council Meeting Date:**  
January 3, 2017

**Reference  
Number**

**Submitted by:** David Murphy, City Manager

**Description:** Consideration to Approve Resolution Approving Small Winemaker License for Farmington Underground Canning and Kegging, LLC, Located at 33200 West Nine Mile Road, Suite B&C, and Related Agreement Permitted the Use of Such Premises.

**Requested Action:**

Move to approve Resolution of Local Approval for Small Winemaker License at 33200 West Nine Mile Road and the related Agreement limiting use of the premises to production only, subject to final review and approval as to form by the City Manager and City Attorney.

**Background:**

In 2016, the City granted local approval to Jason Schlaff, Gary Schlaff, and Jason Hendricks, and the Farmington Brewing Company, to use the premises at 33200 West Nine Mile Road for production in connection with the Brewing Company's Grand River Avenue premises, as well as for storage of materials in connection with the Grand River use. The off-site production use required a so-called "on-premises" license from the State, but the Nine Mile building does not meet the requirements in the City's Code of Ordinances for a use that includes the consumption of alcohol on-premises. The parking is limited, and the zoning does not fit the use. Because the intention of the Brewing Company was to use the building only as a production facility, however, the Council resolution approved the use with a limiting agreement preceding certain activities that would otherwise be allowed (e.g., on-premises consumption).

The City has now received an additional application in connection with the Brewing Company -- Farmington Underground Canning and Kegging, LLC -- to make wine and cider under a small winemaker license at the Nine Mile facility. The representations from the Applicant are similar-to be used as a production facility only, with no on-premises consumption and no retail sales from the Nine Mile facility. The intention is to offer the product made at the Nine Mile facility for consumption at the Grand River premises (and presumably for sale off-site).

The City Administration has no objection to the approval, provided the same limitations apply as applied to the micro brewing activities approved last year. The City has prepared a similar Resolution and Agreement as the Council approved last time for such purpose.



**Agenda Review****Review:****David M. Murphy Pending****City Manager Pending****City Council Pending 01/03/2017 7:00 PM**

**RESOLUTION NO. (ID # 2337)****STATE OF MICHIGAN  
COUNTY OF OAKLAND  
CITY OF FARMINGTON****RESOLUTION REGARDING USE OF PROPERTY  
FARMINGTON BREWING COMPANY****RESOLUTION NO. \_\_\_\_\_**

At a regular meeting of the City Council of the City of Farmington, County of Oakland, State of Michigan, held on the 3rd day of January, 2017, at 7:00 p.m., with those present and absent being,

PRESENT:

ABSENT:

the following resolution was offered by Councilperson \_\_\_\_\_ and supported by Councilperson \_\_\_\_\_:

**WHEREAS**, Jason Schlaff, Gary Schlaff, and Jason Hendricks (the "Applicants"), currently operate the Farmington Brewing Company, which is located at 33336 Grand River Avenue, Suite B&C, as approved by the City and licensed by the State of Michigan as a microbrewery; and

**WHEREAS**, the Applicants have space in the building located at 33200 Nine Mile Road, which has \_\_\_\_\_ also been licensed by the State and approved by the City, under the name Farmington \_\_\_\_\_ Underground Canning and Kegging, LLC, for purposes of additional brewing activities \_\_\_\_\_ and storage of materials; and

**WHEREAS**, the Applicants and the City recently entered into an agreement dated \_\_\_\_\_, 2016, indicating that the Nine Mile facility will be for the limited use as described-brewing production and storage of goods and materials as described by the Applicant and that it will not serve any of its products or other alcohol from the Nine Mile location; and

**WHEREAS**, Applicants now have requested City Council's approval for an additional license, a small winemaker's license, as that term is defined in MCL 436.1111(10), subject to the same representations-that the Nine Mile facility will be used for production only, and that no products will be sold at retail from the premises nor sold or provided for on-premises consumption, and that there will be no consumption on premises by the general public; and

**WHEREAS**, the City Council has no objection to that limited use of the Nine Mile facility.

**NOW, THEREFORE, BE IT HEREBY RESOLVED**, that City Council approves of the use of the structure at 33200 Nine Mile Road, Suite B&C by Applicants and/or by \_\_\_\_\_ for the limited purpose of conducting small winemaker production-only activities, with the express understanding and limitation that no sale of alcohol for consumption

Resolution (ID # 2337) Meeting of January 3, 2017  
on the premises, or "retail" sale to the general public, or service of alcohol to the general public shall occur at such site, and subject to a written agreement consistent with the terms of this approval being executed by the City, the Applicants, and \_\_\_\_\_.

AYES:  
NAYS:  
ABSENT:  
ABSTENTIONS:

RESOLUTION DECLARED ADOPTED.

STATE OF MICHIGAN     )  
  )ss.  
COUNTY OF OAKLAND  )

I, the undersigned, the duly qualified and acting City Clerk of the City of Farmington, County of Oakland, State of Michigan, do hereby certified that the foregoing is a true and complete copy of a resolution adopted by the City Council of the City of Farmington at a regular meeting held on the \_\_\_\_ day of \_\_\_\_\_, 2017, the original of which resolution is on file in my office.

IN WITNESS WHEREOF, I have hereunto set my official signature, this \_\_\_\_ day of \_\_\_\_\_, 2017.

\_\_\_\_\_  
SUSAN K. HALBERSTADT, City Clerk

## AGREEMENT REGARDING USE OF LICENSED PREMISES

### [INSERT NAME OF BUSINESS]

This Agreement made as of the date of the last signature, by and between the CITY OF FARMINGTON, a municipal corporation with offices located at 23600 Liberty Street, Farmington, MI 48335, hereinafter known as the "City," and JASON SCHLAFF, GARY SCHLAFF, JASON HENDRICKS, and Farmington Underground Canning and Kegging, LLC whose address is 33200 Nine Mile Road, Suite B&C, Farmington, MI 48335, hereinafter collectively known as the "Applicant."

### RECITALS

A. The City Council of the City, at Applicant's request, approved a Resolution granting local approval for the use of property located at 33200 Nine Mile Road, Suite B&C Farmington, MI 48335, hereinafter known as the "Premises" for certain activities in connection with the operation of a small winemaker as defined in MCL 436.1111(10).

B. The local approval was conditioned, however, on the Applicant's representations that were made to and relied upon by the City Council of the City stating that the Applicant will not, now or in the future, sell alcohol from the Premises for consumption on the Premises, or serve alcohol to the general public, and that the sole purpose of seeking local approval from the City was for use of the Premises only for production in connection with its operations as a small winemaker. Such representations are similar to those made by Applicant (and/or related entities) in connection with its request to use the same facility for microbrewing production and storage in connection with its operation of the Farmington Brewing Company.

C. Notwithstanding the foregoing, this Agreement is not intended to preclude the Applicant from seeking, in the future, the City's approval to use the Premises for other purposes allowed under the

#### IT IS THEREFORE AGREED:

1. Applicant shall not, at any time, sell alcohol—including alcohol produced under a small winemaker's license— from the Premises for consumption on the Premises, or serve or sell alcohol to the general public from the Premises. The Premises may be used, under the City's existing zoning, for the production in connection with operations as a small winemaker for sale and consumption elsewhere. This limitation shall not preclude normal consumption by Applicant or its employees or agents in connection with the production process or in connection with the sale of its product to wholesale clients (i.e., not the general public). Retail sales of products (even for consumption off-premises) is not permitted. No tasting room is permitted or authorized on the Premises.

2. In the event the Applicant ceases use of the Premises as a small winemaker, the City's local approval shall cease to have any force and effect, and Applicant agrees that its operation of the Premises as a licensed Premises shall cease.

3. Applicant agrees that the recommendation of approval agreed upon by the City is not a property right, and was approved on the express and continuing condition that the requirements set forth in this Agreement shall be maintained and not violated by the Applicant.

4. Applicant agrees that, after notice and opportunity for Applicant to be heard, a finding by the City Council that a violation of a requirement or condition set forth in this Agreement has occurred shall be grounds for the City Council to request revocation and/or object to renewal of any license by the Michigan Liquor Control Commission in accordance with the Michigan Liquor Control Act, if applicable.

5. Applicant acknowledges that the agreements contained herein are unique, and in the event it violates one or more of those agreements the City would not be adequately compensated by damages or resorting to the remedies described in paragraph 5, and therefore Applicant agrees that the terms and conditions of this Agreement shall be specifically enforceable by the City by action for such relief in the Oakland County Circuit Court for the State of Michigan, and that if the City prevails in such action, it shall be entitled to an award and judgment that Applicant pay the City's costs and attorney fees incurred.

6. Applicant agrees that this Agreement is binding on Applicant's heirs, successor, and assigns as to the Premises, and runs with the land.

APPLICANT

\_\_\_\_\_  
By: JASON SCHLAFF

\_\_\_\_\_  
By: GARY SCHLAFF

\_\_\_\_\_  
By: JASON HENDRICKS

The foregoing Agreement was acknowledged before me by Jason Schlaff, Gary Schlaff, and Jason Hendricks, , on the \_\_\_\_ day of \_\_\_\_\_, 2017.

\_\_\_\_\_  
Notary Public  
\_\_\_\_\_ County, Michigan  
Acting in \_\_\_\_\_ County, Michigan  
My Commission Expires: \_\_\_\_\_

[INSERT ENTITY NAME]

\_\_\_\_\_  
By:  
Its:

**ACKNOWLEDGEMENT**

STATE OF MICHIGAN     )  
  ) ss  
COUNTY OF OAKLAND    )

The foregoing Agreement was acknowledged before me by \_\_\_\_\_, the duly authorized \_\_\_\_\_ of \_\_\_\_\_, on the \_\_\_\_ day of \_\_\_\_\_, 2017.

\_\_\_\_\_  
Notary Public  
\_\_\_\_\_ County, Michigan  
Acting in \_\_\_\_\_ County, Michigan  
My Commission Expires: \_\_\_\_\_

Attachment: Agreement Re Winemaker [Revision 1] (2337 : Small Winemaker License for Farmington Underground Canning and Kegging, LLC)

CITY OF FARMINGTON

\_\_\_\_\_  
By: Bill Galvin  
Its: Mayor

\_\_\_\_\_  
By: Susan Halberstadt  
Its: City Clerk

**ACKNOWLEDGEMENT**

STATE OF MICHIGAN     )  
  ) ss  
COUNTY OF OAKLAND    )

The foregoing Agreement was acknowledged before me by Bill Galvin and Susan Halberstadt, the duly authorized Mayor and City Clerk, respectively, of the City of Farmington, on the \_\_\_\_ day of \_\_\_\_\_, 2017.

\_\_\_\_\_  
Notary Public  
\_\_\_\_\_ County, Michigan  
Acting in \_\_\_\_\_ County, Michigan  
My Commission Expires:\_\_\_\_\_

Attachment: Agreement Re Winemaker [Revision 1] (2337 : Small Winemaker License for Farmington Underground Canning and Kegging, LLC)