

FARMINGTON CITY COUNCIL
STUDY SESSION
April 16, 2012

A study session of the Farmington City Council was held on Monday, April 16, 2012, 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 6:00 p.m. by Mayor Buck.

COUNCIL MEMBERS PRESENT: Buck, Cowley, Galvin, Kuiken, McShane.

COUNCIL MEMBERS ABSENT: None.

CITY ADMINISTRATION: City Clerk Halberstadt, City Manager Pastue, Attorney Schultz, Treasurer Weber.

APPROVAL OF AGENDA

04-12-071 MOTION by Kuiken, seconded by Cowley, to approve the agenda as presented. MOTION CARRIED UNANIMOUSLY.

ECONOMIC REDEVELOPMENT UPDATE

Pastue spoke about recent discussions with the City's bond attorney regarding improvements to a number of sites in the city including Drakeshire Plaza. He reviewed the provisions of the Commercial Rehabilitation Act (CRA). He stated this Act is very attractive to large redevelopments. He advised there are a couple of commercial property owners interested in rehabilitating their properties under this Act.

Pastue stated he will ask Council in an upcoming meeting to adopt resolutions to establish Commercial Rehabilitation Districts for Grand River-Halsted Shopping Plaza and Drakeshire Shopping Center.

Responding to a question from Cowley, Pastue confirmed the CRA can happen in conjunction with Tax Increment Financing (TIF).

Discussion followed regarding the history of CRA and how it functions.

Responding to a question from Buck, Pastue confirmed a policy would need to be in place that sets forth the parameters of the rehabilitation districts in terms of zoning, design, use, etc. He confirmed the maximum abatement is 10 years.

Responding to a question from Kuiken, Pastue stated there is very little experience with a CRA because only a handful of municipalities have taken advantage of it.

Discussion followed regarding the need for the city to provide tax incentives.

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Galvin asked if it wouldn't be better to provide tax incentives after someone has expressed interest in a property. He questioned whether the City risks giving away a lot of tax dollar revenue before it even knows if an incentive is necessary to redevelop a property. He cautioned the City should not give away all of its negotiating tools.

Cowley suggested administration put together the top five properties for redevelopment and work up the math.

Discussion followed regarding the importance for Farmington to be business friendly.

Buck concurred with Cowley regarding the City targeting five properties for potential redevelopment.

McShane suggested putting together a stat sheet for marketing to potential businesses that would include available incentives. It would be part of an economic development package.

DISCUSSION – PHASE III ECONOMIC VITALITY INCENTIVE PROGRAM (EVIP)

Pastue spoke about the May 1st requirements of the EVIP, including a change in the pension multiplier. He noted the City has four union contracts expiring at the end of 2013, therefore not much can be done in that regard until negotiations begin. He advised the EVIP resolution will be on the April 23rd meeting agenda.

Responding to a question from Cowley, Weber stated actuarial valuations would have to be done to determine the effect from benefit reductions.

FISCAL YEAR 2012-13 PROPOSED BUDGET

Pastue distributed the FY 2012-13 proposed budget to Council. He noted a review of the budget would take place on the April 23rd and May 7th meetings. He suggested Council read the transmittal letter to gain an overview of the budget. He spoke about the need to establish a visioning plan given the changing demographics of the City.

PUBLIC COMMENT

No public comment was heard.

COUNCIL COMMENT

Pastue discussed some changes to the regular meeting agenda.

Council discussed moving public comment on the regular agenda prior to the vote on dispatch consolidation.

Council expressed the importance of explaining the changes to the proposed intergovernmental agreement before action is taken.

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Buck advised Councilmembers would have the opportunity to make comments as they cast their vote on the dispatch issue.

ADJOURNMENT

04-12-072 MOTION by McShane, seconded by Galvin, to adjourn the meeting. MOTION CARRIED UNANIMOUSLY.

The meeting adjourned at 6:52 p.m.

J.T. (Tom) Buck, Mayor

Susan K. Halberstadt, City Clerk

APPROVED: May 21, 2012