

FARMINGTON CITY COUNCIL  
SPECIAL MEETING

A special meeting of the Farmington City Council was held on Monday, February 6, 2006 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 7:24 p.m. by Mayor McShane.

**COUNCIL MEMBERS PRESENT:** Buck, Knol, McShane, Sutherland, Wiggins.

**COUNCIL MEMBERS ABSENT:** None.

**CITY ADMINISTRATION:** Clerk/Treasurer Cantrell, City Manager Pastue, Attorney Schultz.

**APPROVAL OF AGENDA**

**02-06-020** MOTION by Sutherland, seconded by Wiggins, to approve the agenda as submitted. MOTION CARRIED UNANIMOUSLY.

**PUBLIC HEARING – HISTORIC DISTRICT STUDY COMMITTEE**

Dr. William Lindblad, Chairman of the Historic District Committee, reviewed the process undertaken by the Committee over the last 6-8 months to determine the benefits and public interest in creating a formal historic district under the Local Historic Districts Act (LHDA), Public Act 169.

Mayor McShane opened the public hearing and invited public comment.

Hank Borgman, 34011 Grand River, expressed opposition to the review process of the proposed ordinance for modifying Historic District homes and in his opinion the negative impact it would have on home values.

Lindblad responded that the review process would remain the same as it is currently. He advised that an architectural drawing would not be required for review by the Historic District Commission and that reviews would be done locally. He further advised that plans are approved 95% of the time in Michigan, however, Lansing reviews five to six cases per year due to the appeal process. He stated that studies have shown that the value of Historic District homes exceed those outside of the District by about thirty to forty percent.

Donald Wingard, 33718 Oakland Street, expressed his opposition to the proposed changes to the Historic District Ordinance.

Rick Gundlach, 23700 Warner Street, discussed the value of preserving the historic character and value of homes and businesses in the Historic District. He further discussed the review process he experienced when he put additions onto two of his

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historic homes. He stated that the process included a review by the Historical Commission which he welcomed in his effort to preserve the historical character of his homes. He stated that it is important that the City supports the preservation of all historic homes in order to ensure their continued value. He noted the value of a tax incentive program that provides relief to owners who want to fix up their historic homes. He expressed support for the proposed changes to the Historic District Ordinance.

Betty Borgman, 34011 Grand River, expressed opposition to the proposed changes citing concerns regarding the legal fees required to establish the ordinance and the delays that would be caused by the two binding reviews required.

Jim Mitchell, 23211 Floral Street, referred to a four page letter submitted to the City Manager outlining his concerns regarding the proposed change in ordinance. He stated that the tax incentive for residential properties would be minimal. He further stated that his primary concern is the control of property and who would benefit. He pointed out that the review process of the proposed ordinance may require a homeowner to make a greater financial investment than originally intended due to higher standards for historic home preservation. He stated that in some cases homeowners may not be able to meet the increased financial burden, and therefore, property improvements may not be made.

Mitchell stated that, as a former City Councilmember, he would not have supported the proposed ordinance unless it was supported by the majority of the property owners affected. He noted that in Farmington Hills participation is on a voluntary basis in that each property becomes its own Historic District.

Doug Peterson, 33209 Oakland, a member of the Historic District Study Committee, discussed his concerns regarding the Historic District and the positive impact an ordinance change would have on his own renovations in terms of the assistance he might gain through the review process. He stated that, on balance, a change to the ordinance is better than no change at all. He requested that Council make a definitive decision regarding change to the ordinance. He questioned how the City would ensure the preservation of the Historic District if Council voted against the proposed ordinance. He asked about the administration of the ordinance if it is approved. He asked Council for their careful consideration of both sides of the issue.

Diane Cassidy, Farmington Hills resident and part owner of an historic commercial property, stated that a decision regarding any renovation to her building should be hers alone.

Responding to a question from Councilmember Buck, Lindblad confirmed that there were one hundred thirty-three Historic District properties in the City as provided by the Assessor's office. He confirmed that the survey was mailed to Historic District properties only. He stated that a survey of historic properties outside the District would have been a huge undertaking.

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Councilmember Buck asked about the number of properties in the Historic District that have genuine historic character. Lindblad responded that determining genuine historic value is not a straightforward process, noting that the significance may not be in the structure

but rather the person of interest who lived there. He stated that if the City continued its effort to establish a Certified Local Government (CLG), the Commission would have to survey all of the historic structures and determine which ones are contributing and which ones are noncontributing.

Buck questioned how such a survey would be funded. City Manager Pastue responded that the survey could be accomplished through community volunteers, use of an intern or hiring an outside consultant.

Buck asked if the concern regarding the maintenance of historic properties was a driving force to change the ordinance. Lindblad responded that the concern was less about properties falling into disrepair and more about alternations that would cause them to lose their historic nature.

Councilmember Knol asked about other communities that have both complied with Public Act 169 and have contiguous historic districts similar to Farmington. Lindblad responded that some of those communities included: Plymouth, Franklin, Huntington Woods, Northville, Ann Arbor and Birmingham.

Councilmember Sutherland asked whether it is necessary to have a contiguous area designated as an historic district or might individual districts be established similar to Farmington Hills in order to obtain grants under the CLG. Lindblad responded that Farmington Hills is a unique situation and presently there is litigation to overturn that arrangement. He confirmed that Farmington Hills is a CLG approved district.

Sutherland asked if there would be an advantage in allowing individual properties to establish their own districts rather than establishing one central district.

Attorney Schultz advised that the statute permits noncontiguous districts such as in Farmington Hills, however, any plan must receive approval at the state level.

Knol stated that Farmington is unique in that it already has a contiguous district and it was originally set up to preserve its historical nature and character. She further stated that if individual districts were established, the City would lose the character of an historical downtown district.

Councilmember Wiggins asked Lindblad to comment on Mitchell's earlier comments regarding the minimal tax credits that would be realized under the CLG.

Lindblad reviewed the tax credit provision under the CLG, noting that they are not only for exterior changes but also for interior modifications. He stated that a homeowner could easily realize thousands of dollars in credits.

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Attorney Schultz noted that the tax credit is unrelated to the ordinance or district designation, but rather it is a state statute that is at the pleasure of the legislature and can be taken away at any time.

Responding to a question, Lindblad confirmed that the federal tax credits are for residential income properties only. He confirmed that a commercial property in the Historic District would be eligible for federal tax credits.

Mayor McShane asked if a commercial property in the Historic District would qualify for both state and federal tax credits. Lindblad responded that they would, but would be offset by each other to a certain extent.

Mayor McShane questioned whether the proposed changes would help or hinder a disabled or senior individual who needed to replace a roof or boiler. Lindblad stated that there would be no impact on a boiler purchase and probably not on the roof either because of the lower cost of an "historic" roof replacement. He confirmed that credits might be available for these purchases.

Discussion followed regarding what properties on Grand River are included in the Historic District.

McShane asked if the proposed ordinance changes are more for historic preservation or tax relief. Lindblad stated that the Committee found that residents in the Historic District are interested in maintaining the historic flavor of the district and that tax relief is secondary.

Sutherland questioned why the City did not take advantage of Public Act 169 when the Historic District was established in 1977. Mayor McShane responded that there was limited public input and the requirements were much more stringent at that time.

Knol, in referring to comments regarding the limited response to the Historic District Committee's survey, noted that in many elections proposals are passed with much lower percentages.

McShane noted that no previous city survey has had the effort and follow-up as the one from the Historic District Committee. She stated that their survey response of thirty-one percent was tremendous.

Buck noted that only one hundred thirty-three properties are involved in the Historic District, but he recognized the amount of effort put forth by the Committee in surveying them. He stated that he would feel more comfortable moving forward if a majority of those property owners were in support of the ordinance changes. He stated that he would also like to garner opinions from some of the residents outside the District.

Mayor McShane thanked Chairman Lindblad and the Committee for all of the time and effort they have put into this issue.

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Pastue noted questions that need to be answered as a result of the public hearing, including clarification on federal and state tax credits. He stated that Council would have to provide direction to the Committee on whether to move forward with a final report and consider whether to prepare an ordinance. He further stated that there is still time for further discussion and response to questions.

Attorney Schultz noted that in the Ann Arbor case regarding individual districts and the inclusion of its entire boundary, the court looked at the lack of a creation of the history of the proposed district. He stressed the importance of determining the assets of the Historic District.

Mayor McShane asked Lindblad to provide any suggestions or comments from the meeting to City Manager Pastue.

**02-06-021** MOTION by Knol, seconded by Wiggins, to close the public hearing. MOTION CARRIED UNANIMOUSLY.

**PUBLIC COMMENT**

Jeff McGowan, 21052 Larkspur, asked Council to proceed with caution regarding the implementation of an ordinance that might affect property rights and increase costs to homeowners.

**COUNCIL COMMENT**

Buck noted Councilmember Knol's participation in the relief efforts of Hurricane Katrina victims. He thanked the Historic District Committee for their efforts and the Gundlachs for their involvement in the District.

**ADJOURNMENT**

**02-06-022** MOTION by Knol, seconded by Wiggins, to adjourn the meeting. MOTION CARRIED UNANIMOUSLY.

The meeting adjourned at 8:45 p.m.

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JoAnne M. McShane, Mayor

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Patsy K. Cantrell, City Clerk/Treasurer

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Susan K. Halberstadt, Recording Secretary

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