

**MEETING MINUTES
ECONOMIC DEVELOPMENT CORPORATION
August 10, 2016 – 8:00AM
CITY OF FARMINGTON HILLS– COMMUNITY ROOM
31555 ELEVEN MILE ROAD, FARMINGTON HILLS MI
(248)871-2506**

CALLED TO ORDER BY: Chair John Anhut at 8:05 am

MEMBERS PRESENT: Anhut, Elliott, Hartsock, Johnson, Mayor Massey and Zachos (8:30)

MEMBERS ABSENT: Gatewood, (Jacknow-resigned), Sarafa (excused), and Beiermeister (excused)

OTHERS PRESENT: Khalfani Stephens, Economic Development Director;

#	AGENDA ITEM	DISCUSSION SUMMARY/PERTINENT INFO	FORMAL MOTIONS:
3	APPROVAL OF AGENDA		Move: Elliott Second: Hartsock All Ayes Motion Carried
4	APPROVAL OF MINUTES June 16, 2016		Move: Elliott Second: Hartsock All Ayes Motion Carried
5	AGENDA ITEM: Current Activities	Mr. Anhut asked Mr. Stephens to give an update on activities before beginning the strategy discussion. Mr. Stephens began by announcing that Ms. Jacknow had informed him of her resignation. Mr. Stephens Noted that over the course of the past year he had made approximately 120 business calls. He gave the example of DG Technologies (Mr. Zachos' company) which he had recently visited and connected with the State of Michigan Economic Development Corporation for the purpose of receiving a grant to expand their international sales activities. He also noted that he is currently working with the business condominium at 13 mile and orchard Lk Rd. They are having difficulty finding the funding to make property improvements and Mr. Stephens was able to connect them with Access Bidco, an alternative lender from the Lansing area. Mr. Stephens also spoke about Cooper Standard. The building that they occupy has been sold and the company must therefore find new space. Mr. Stephens explained that he is currently working with them to identify suitable space in Farmington Hills and that he has also called on assistance from his counterparts at Oakland County to assist in the search. He mentioned as well that Cooper standard expressed	

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		<p>that they were not interested in purchasing, only leasing at this time. Mr. Stephens noted that another company is currently considering a moving into the Cooper Standard space and that he is working with the State and County to secure a state grant and potential city assistance as well.</p> <p>Mr. Stephens also noted that he had worked with an olive oil producer (the company that licenses B. Smith Olive Oil) to bring their production to Michigan from Iowa. He noted that as of yet they had not found a bottling facility and Mr. Massey told him that there was a facility in Brighton that had flex capacity and should be able to accommodate the need.</p> <p>Mr. Massey also connected Mr. Stephens with Body Beautiful (Laser hair removal), which needed assistance with obtaining their certificate of occupancy.</p> <p>A final current project of note is a new massage parlor. Mr. Stephens noted that he was working with an existing Farmington Hills company that was looking to open a second location in the city. He stated that he has redirected them from property that did not meet the correct zoning classification to property that would allow their desired use.</p>	
<p>5 A, B, D,</p>	<p>Incorporation and purpose Activities Allowed Challenges before the business Community</p>	<p>Mr. Stephens shared highlights from Article II of the articles of Incorporation. He noted that the EDC had been created to combat unemployment, retain and grow local businesses, and to strengthen the local economy. He noted also that the EDC was not to take any action that would be in conflict with the Industrial and Economic Development Commission. Mr. Stephens asked if there was even still a commission and Mr. Massey stated that to the best of his knowledge there was not. There was general discussion over what the current mission of the EDC should be and if the agency was even still necessary. Mr. Massey stated that City Council was in the process of reviewing every existing board and commission to make that determination and that he believed it would be a good idea for the EDC to come to City council and explain why they were still needed. Mr. Stephens asked the board what they saw as the goal of the EDC, what assistance they were looking to provide to the business community. Everyone agreed that they wanted to help retain existing businesses and to grow the tax base.</p> <p>Mr. Stephens noted that there are many programs at</p>	

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		<p>the Federal, State, County, and to some extent local levels that really focused on medium to large sized businesses, but that these programs for the most part excluded retail operations and largely were not of general assistance to very small businesses. He stated that in his experience, the assistance gap that needed to be bridged was how to connect these small business owners and retailers with the resources needed to keep up their building facades, etc. He referenced the business condominium that he spoke of at the beginning of the meeting. He noted that there was no incentive for owners of “cash cow” properties to reinvest until they were actually losing customers and that even at that point the property may not be in bad enough condition for the City to enact any code enforcement. He also asked the board members if there were other specific areas where they believed there were deficiencies in providing the business community with the assistance that they needed to thrive in Farmington Hills. Mr. Elliott noted that he had served on sight selection committees and that when executives saw areas that looked as if they were “tired” they marked those cities off of their potential lists because they believed that the future outlooks would not be good there. Mr. Elliott seconded that idea and added that infrastructure was an issue. Mr. Anhut noted that Daifuku and Harmon both recently announced moves out of the City. Mr. Stephens stated that in both cases the companies in question wanted purposed built buildings and because the City of Farmington Hills is “built out” they were not able to find the land for the projects and therefore went outside of the community to do so. More specifically, they could not find the land at the price point they desired.</p> <p>Mr. Stephens also noted that the EDC had many powers that it could exercise. He explained that they were a separate legal entity from the City and therefore could do things that perhaps the city may not. For example they could purchase, sell, or lease property (as a landlord or tenant). They could sell bonds, make loans, and grants. Mr. Massey asked about the ability to sell bonds and if the EDC were a separate entity from the city how that would work. Mr. Stephens explained that although the EDC had the power to sell bonds, they would still need to be underwritten and that without the full faith and credit of the City behind them, it was not likely that such bonds would be authorized at this time, but it was none-the-less a power, which the EDC possessed.</p>	

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		<p>Mr. Hartsock stated that there were many functioning EDCs and that we do not need to reinvent the wheel. Mr. Elliott agreed and specifically pointed to Ann Arbor Spark, Grand Rapids, and Traverse City as potential models. Mr. Hartsock stated that the EDC needed to decide “who we are, what we do and how we do it”. Mr. Zachos stated that if the EDC were a business it would need a budget. Mr. Stephens stated that once the board determined what activities it wanted to carry out, the EDC could approach the business and philanthropic community for assistance in raising funds. Mr. Johnson noted that the Bosch foundation generally only supported educational activities and therefore may not be a good target. The board agreed that they wanted Mr. Stephens to research 4 “high functioning” EDCs in cities similar to Farmington Hills and to bring back an operating model for them to follow.</p>	
6	<p>AGENDA ITEM: CHAIRMAN’S REPORT</p>	No report	
7	<p>AGENDA ITEM: NEW /OLD BUSINE</p>	None	
8	<p>AGENDA ITEM: COMMITTEE REPORTS:</p>	None	
8	<p>AGENDA ITEM: TREASURER’S REPORT – SEPTEMBER, 2015</p>	None	
9	<p>AGENDA ITEM: BOARD MEMBER COMMENTS</p>	None	
10	<p>AGENDA ITEM: PUBLIC COMMENTS</p>	There were no public comments.	

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11	ADJOURNMENT	No date was set for the next meeting, but a doodle poll will be done. Adjourned at 9:39	Move: Massey Second: Johnson All Ayes Motion Carried
	MINUTES PREPARED BY	Khalfani Stephens, Economic Development Director	