

MINUTES
CITY OF FARMINGTON HILLS
CITY COUNCIL STUDY SESSION MEETING
CITY HALL – COMMUNITY ROOM
AUGUST 28, 2017

The Study Session meeting of the Farmington Hills City Council was called to order by Mayor Massey at 6:05pm.

Council Members Present: Bridges, Knol, Lerner, Massey and Rich

Council Members Absent: Bruce and Steckloff

Others Present: City Manager Boyer, City Clerk Smith, Assistant City Manager Mekjian, Director Stephens and City Attorney Joppich

DISCUSSION ON TAX ABATEMENT FOR HITACHI

Economic Development Director, Khalfani Stephens, explained that Hitachi is going through a major expansion, the second expansion since purchasing the property in Farmington Hills. He noted that the city supported their first expansion through tax abatement. He noted that the current expansion will consist of 41,000 square feet of additional office space, renovating 52,000 square feet of existing office and eventually the purchase of adjacent property for additional lab and garage space. The expansion will add 129 new employees.

Mr. Stephens noted that Hitachi can qualify for a grant through the State of Michigan for approximately \$1,290,000 but in order to qualify, Hitachi needs the City to also participate. He stated that the city's portion would be approximately \$170,000 over a 4 year period.

Mr. Stephens commented on Hitachi's support in the community and stated that if Council is supportive of the proposed tax abatement, he will work with Hitachi and the City Clerk's Office to process the request through City Council and to forward it to the State for final approval.

Mayor Massey mentioned that the tax abatement granted in 2008 helped to keep Hitachi in Farmington Hills.

Mr. Stephens noted that Hitachi has met and exceeded the requirements of the 2008 abatement to date. He stated that there are more employees working in Farmington Hills from Hitachi than ever before so this expansion is needed. Hitachi was being persuaded by their headquarters in Japan to move and expand in Louisville but ultimately after working with them for over 2 years, Hitachi has decided to remain in Farmington Hills.

Councilmember Rich stated that she had some environmental questions which she posed to Mr. Stephens earlier with regard to material in landfills and sustainability efforts and Mr. Stephens noted that he would provide that information. She commented that Hitachi is a major company in Farmington Hills and she would love to see representation from their company on some of the city's boards and commissions.

Mayor Massey discussed the criteria for tax abatement.

Councilmember Bridges inquired if they were seeking abatement by Farmington Public Schools. Mr. Stephens replied that public schools are held harmless from any abatement. He added that the \$170,000 over 4 years includes personal property taxes.

Councilmember Bridges stated that he supported the previous tax abatement and is glad to hear that they have met all of the obligations.

Councilmember Knol stated that is supportive of the request as they are very involved in the community and Farmington Hills is lucky to have them in the city.

The consensus of City Council was to have staff move forward with the necessary steps for a tax abatement as proposed.

IT UPDATE:

Kelly Monico, Director of Central Services, stated that she views IT as a customer service tool for both the public and employees. She reviewed the focus of the Department for FY 2017/18 that included:

- Network Security and educating/training for staff on potential threats
- Rolling out new PC's and network router replacement
- Replacing notebooks used for electronic poll books for the Clerk's Office
- Email archival software
- Virtual private network – measured roll-out to key staff members
- Update/expansion of GIS access
- Expand use of Laserfiche – electronic forms, archival, routing
- Establish a Unified Communications Committee

In response to Councilmember Rich, Director Monico stated that the city gets a lot of their data from the County and having the system “speak” to each other is the next step.

Councilmember Bridges commented that he likes the forward approach to technology.

Mayor Massey inquired if City Council would also go through the security training. Director Monico confirmed that they would.

ADJOURNMENT:

The study session meeting adjourned at 6:45pm.

Respectfully submitted,



Pamela B. Smith, City Clerk