

MINUTES
CITY OF FARMINGTON HILLS
CITY COUNCIL AND GRAND RIVER CORRIDOR
IMPROVEMENT AUTHORITY BOARD
JOINT STUDY SESSION
CITY HALL – COMMUNITY ROOM
AUGUST 25, 2014 – 6:00PM

The Joint Study Session meeting of the Farmington Hills City Council and Grand River Corridor Improvement Authority Board was called to order by Mayor Brickner at 6:05pm.

Council Members Present: Brickner, Bridges, Bruce, Knol, Lerner, Massey and Steckloff

CIA Improvement Authority Board Members Present: Brown, Gendjar and Planning Commission Liaison Schwartz

Others Present: City Manager Brock, City Clerk Smith, Assistant City Manager Boyer, Assistant to the City Manager Geinzer, Director Randle, Planning Consultant Arroyo and City Attorney Joppich

REVIEW OF GRAND RIVER CORRIDOR IMPROVEMENT AUTHORITY DEVELOPMENT AND TAX INCREMENT FINANCE PLAN AND IMPLEMENTATION PROCESS:

Assistant to the City Manager Geinzer explained that the Corridor Improvement Authority (CIA) is ready to move forward and request City Council to schedule a public hearing on the CIA Development and TIF Plan, which was approved by the CIA Board and forwarded to City Council by way of resolution. He stated that the meeting tonight is to inform City Council of the plan and engage conversation with both Council and the CIA Board members so that Council understands what will be presented to the public.

Mr. Geinzer provided a history from the formation of the CIA Boards to where they are today. He noted that while the CIA Board has approved the Development and TIF Plan and is recommending the plan to Council, only City Council has the authority to adopt and implement the plan. He discussed the ongoing activities of the CIA and content of the website, where the draft Development and TIF Plan can be found.

He explained that staff met with each taxing jurisdiction to discuss the plan and they will be notified of the Public Hearing. He stated that staff has also hired Clearzoning to review the Michigan Department of Transportation (MDOT) scoping and Grand River Corridor area. He reviewed the funding options, noting that both the Farmington and Farmington Hills CIA's focused on the Tax Increment Financing (TIF) option. He noted that the proposed plan sets the baseline from 2014 so the amount will be capped based on this year's taxable value. Mr. Geinzer mentioned that when this proposal was previously discussed, it was suggested by staff to propose a 75% TIF capture by the CIA with the other taxing jurisdictions capturing the other 25% over a 30 year period. He further discussed projections and the impact on the city's budget. Mr. Geinzer commented that after meeting with the taxing jurisdictions, it was felt that perhaps one may opt out of the plan.

Mayor Pro-Tem Bruce inquired what would happen if a taxing jurisdiction were to opt out. Mr. Geinzer responded that the process would still move forward. He stated that the intent is for City Council to schedule and hold the required Public Hearing and notice would be provided to the taxing jurisdictions. There is then a 60 day window for taxing jurisdictions to opt out. He added that he feels the CIA and staff have proposed a solid plan, which has adopted many of the county standards.

Councilmember Bridges inquired the incentive for other taxing jurisdictions to be a part of the plan. Mr. Geinzer responded that the incentive is economic growth. If nothing is done, stagnant or declining property values can be expected.

Attorney Joppich added that the benefit is that 25% of the incremental increase would remain with the taxing jurisdictions rather than receiving nothing if property values decline.

Councilmember Lerner inquired what would happen if property values decline under the Plan. Mr. Geinzer stated that this is a possibility; however, staff and the CIA Board feel as confident as they can with the proposed plan and projections.

Jill Bahm, Clearzoning, commented that the TIF plan would also benefit the surrounding area.

In answer to Councilmember Bridges, Mr. Geinzer stated that the MDOT has been engaged in this process since 2011 and has had staff attend the CIA meetings and they seemed supportive. He stated that staff with work with Clearzoning to put some ideas on paper with regard to the problem areas to present to MDOT.

Mayor Brickner commented that staff held back on setting the baseline pending what was happening with the Personal Property Tax legislation.

Mr. Geinzer added that there will still be some impact from Personal Property Tax, but nothing significant so staff chose to move forward at this time.

Councilmember Lerner agreed that the area is in need of improvements and doing nothing is not an option; however, he is concerned with getting participation from MDOT. He feels there are still many hurdles to overcome to make that happen.

Planning Commissioner Liaison, Steven Schwartz, stated that there are several things being proposed simultaneously such as ordinance amendments for this area and the development by Botsford. He added that the bankrupt shopping center may be the next focus of the Planning Commission and that some of these larger projects may provide some revenue in the short term until TIF money can be captured.

Mr. Geinzer explained that the plan mentions a number of projects with priority levels and the plan provides flexibility and incentives to spur economic growth.

Jill Bahm, Clearzoning, added that the proposed plan is just one part of the proposal and can be used as leverage to obtain other funding.

Mr. Geinzer stated that before City Council this evening on the regular agenda is a recommendation to set the public hearing date for September 22, 2014 to move forward with this plan has proposed this evening.

It was the consensus of City Council to move forward with consideration of setting the public hearing for the CIA Development and TIF Plan as proposed.

DISCUSSION ON THE RESOLUTION SUPPORTING ACCELERATED DEVELOPMENT AND ENACTMENT OF REPLACEMENT LEGISLATION FOR PA295:

City Manager Brock mentioned that the City received a resolution that was asked to be considered by Council, which has been provided to Council this evening. This resolution was modified by staff to focus on the work currently being done at the State level to develop replacement legislation for PA295 that created the energy Optimization Program and Renewable Portfolio Standard and to support efforts that the City has been encouraging over the years with regard to energy efficiency. He stated that

consideration of the resolution was postponed by City Council at their July 14th meeting to a study session meeting this evening. He stated that any action on the resolution is at the discretion of City Council.

Councilmember Knol explained that she spoke with the bi-partisan work group that has been discussing this issue at the State level. She updated Council on the process the work group has taken, which has included 4 meetings and over 16 hours of review and discussion on the issue of energy efficiency and how utility companies interact with customers. She mentioned that the group has another meeting scheduled for tomorrow and that they will next be discussing renewable energy standards and current Act in effect through 2015. She stated that by the end of September or early October the group should have developed some proposed language regarding energy efficiency.

Mayor Brickner clarified that the proposed resolution and wording was modified from that submitted to the City by the Sierra Club as it was felt that the original resolution was politically one-sided. He added that the resolution was amended to encourage energy efficiency efforts and was not meant to take political sides.

Councilmember Knol felt that the modified resolution was better, but she still had concerns with some of the language in the last paragraph. She did not like the wording “. . . *by increasing the State’s renewable portfolio standard*”. She stated that if the city is encouraging a higher percentage, they need to know that it is attainable and she feels that the work group has a better handle on that. She also suggested using the language “*clean*” energy rather than “*renewable*” energy as she feels it is important to have a balanced portfolio and that using that language would accomplish that. She also expressed concern with the language about enacting more efficient building codes as the City just had a discussion about requiring LEED Certified standards and the costs involved. She feels that more discussion is needed on this issue and that the work group has this information.

Councilmember Bridges stated that while he feels Councilmember Knol has some valid points, he believes the proposed resolution provides for some balance. He commented that energy efficiency is critical from a residential standpoint and that renewable energy is important to the economy as it produces jobs and provides taxes to local jurisdictions. He is supportive of the resolution as an overall concept.

Councilmember Steckloff stated that the Council needs to be consistent and if they are going to urge the State to encourage energy efficiency, they should be looking at what they are doing as a City.

Councilmember Massey suggested that rather than debating over verbiage, to follow what the State is currently doing through their work group as it appears they are moving forward on this issue.

Mayor Pro-Tem Bruce stated that he does not have an issue with the proposed resolution. He believed that the discussion Council had on the LEED Certified standards was asking developers to go above and beyond the current building codes; but that this resolution suggests changing building codes. He agrees with the intent of the resolution and feels it is a good idea to encourage the State to move forward.

ADJOURNMENT:

Mayor Brickner adjourned the study session meeting at 7:25 pm.

Respectfully submitted,



Pamela B. Smith, City Clerk