

**MINUTES
CITY OF FARMINGTON HILLS
FARMINGTON HILLS CITY COUNCIL
STUDY SESSION
CITY HALL – COMMUNITY ROOM
JUNE 9, 2025 – 6:00PM**

The study session meeting of the Farmington Hills City Council was called to order by Mayor Rich at 5:30pm.

Councilmembers Present: Aldred, Boleware, Bridges, Bruce, Dwyer, Knol and Rich

Councilmembers Absent: None

Others Present: City Manager Mekjian, Assistant City Manager Mondora, City Clerk Lindahl, Directors Brockway, Kettler-Schmult, Schnackel and Skrobola, and City Attorney Joppich

DISCUSSION ON ZONING TEXT AMENDMENT 3, 2025 INCLUDING REVISIONS TO OS-4 OFFICE RESEARCH DISTRICT AND OFF-STREET PARKING STANDARDS FOR MULTI-FAMILY RESIDENTIAL AND OFFICE USES

City Manager Mekjian introduced this item, explaining that the City is entering a new era where redevelopment, rather than greenfield development, will be the primary focus. The text amendment is intended to support redevelopment by updating zoning regulations in the OS-4 district, making it more attractive to developers. The Council had previously reviewed this amendment and was familiar with its general scope.

Director of Planning and Community Development Charmaine Kettler-Schmult provided an overview of the top five goals of the proposed text amendment:

- Promote innovative redevelopment and reuse of large office structures, particularly along the 12 Mile corridor
- Introduce new and expanded use categories, including mixed uses
- Offer incentives for public space creation in exchange for increased building height
- Update off-street parking standards for offices and multi-family residential developments
- Respond to current patterns of hybrid work and underutilized large parking lots

Planning Consultant Jill Bahm, Giffels Webster, explained that the zoning text amendment grew out of the recently updated Master Plan. The Plan encourages flexible, mixed-use development and highlights a shift from single-use zoning (residential, office, or commercial) to multifunctional districts. The 12 Mile corridor is currently heavily office-oriented, and there is a need to adapt regulations in response to market changes, including the decline of single-use office demand. The vision for the area also includes improving connections to The Hawk, the library, providing public facilities for pedestrians and bicyclists, and improving safety for all modes of travel along 12 Mile Road.

Planning Consultant Bahm discussed phased redevelopment strategies as envisioned in the Master Plan:

- Phase 1: Add small-scale commercial buildings
- Phase 2: Introduce residential uses alongside commercial with increased tree planting
- Phase 3: Include public and quasi-public spaces with increased tree planting and landscaping

The end result will be a combination of all components—commercial, residential, public space, and landscaping.

Planning Consultant Bahm emphasized the need for realistic, incremental development and stressed that the new zoning regulations will accommodate transitional growth; the expectation was not for immediate large-scale redevelopment.

Key highlights of the OS-4 district amendment include:

- Allowance for mixed-use buildings and innovative reuse of office structures, including live-work units, artisan manufacturing and small-scale, hand-crafted fabrication, commercial uses within mixed-use buildings, retail businesses, banks, veterinary clinics, etc.
- Increased building height (from 50 to 65 feet, or up to 80 feet within 400 feet of the I-696 right-of-way)
- Height bonus of 20 feet when 15% of the lot is allocated for public open space and includes at least one public art installation
- Elimination of maximum lot coverage limits
- Improve stormwater management
- Maintenance of a 50% front yard open space requirement
- Modernization of parking requirements and promotion of shared or reduced parking strategies, including decked parking
- Coordination with pending non-residential design standards regulating façade materials, scale, and window placement
- The ordinance will encourage restaurants, but all drive-throughs will require special land use approval, as they will be limited due to not being pedestrian oriented.

Planning Consultant Bahm presented visual references to illustrate the proposed building heights and design compatibility. She explained that the height bonuses tied to proximity to the I-696 right-of-way would not apply to OS-4 zoned areas along Haggerty. A visual comparison showed the Mercedes building at 55 feet, with potential new construction reaching up to 100 feet still fitting within the character of the corridor.

She presented examples of similar developments:

- Zen City Center, Troy: 100 feet tall, 8 stories, mixed-use including 286 residential units
- Apex, West Bloomfield: 5 stories, 60 feet tall, 212 units, set back from Orchard Lake Road
- Town Court, West Bloomfield: 4 stories, 55 feet tall, 192 units
- Birmingham Pointe: 4 stories, 75 feet tall, adjacent to historic neighborhoods with bulk of height set back
- Forum Flats in Troy and The Perennial in Corktown: 3 to 7 stories, with newer residential and mixed-use infill

Planning Consultant Bahm also referenced case studies from Alexandria, Virginia, and Durham, North Carolina, where communities successfully shifted from single-use zoning to vibrant mixed-use redevelopment through zoning modernization and transportation network reprioritization.

A public hearing on new design standards is scheduled for the next Planning Commission meeting, after which design standards will come before City Council.

Council discussion

- The ordinance needs to clarify that stand alone restaurants are encouraged under the right circumstances; these should be listed with other primary uses.
- Self-storage is not a permitted use under the current or proposed ordinance.
- Newer residential buildings have taller ceiling heights, especially when the first floor is used for commercial purposes. This contributes to overall building height but aligns with modern design standards.
- Council expressed support for the presentation, noting that the proposed uses and flexibility within the OS-4 district presented a vision for a vibrant, mixed-use community that could accommodate single-family attached housing, salons, credit unions, restaurants, and entertainment uses. Council emphasized the need for the City to remain competitive and aggressive in attracting redevelopment.
- Councilmember Bridges questioned whether a 100-foot building near I-696 was truly appropriate given the lack of nearby structures of similar height. Planning Consultant Bahm acknowledged the concern but reiterated that the proposed bonus height would apply only to parcels adjacent to I-696, where there would be minimal impact on residential areas. She suggested that visibility from the freeway could actually attract interest.
- Councilmember Bridges also inquired about improved connectivity to nearby public facilities such as the library and HAWK community center. Bahm explained that enhancing sidewalk networks and pedestrian crossings would support this goal and contribute to calming traffic by adding road friction.
- Councilmember Bridges asked whether there had been preliminary interest from property owners. Director Kettler-Schmult confirmed that three property owners along the corridor had expressed strong interest in redeveloping under the proposed guidelines and had already engaged in preliminary discussions with staff.
- Council Member Knol supported the mixed-use vision but expressed concern about permitting 100-foot buildings along 12 Mile Road. She explained that the context—surrounded by one- and two-story buildings—would make such structures stand out dramatically, especially to nearby residential neighborhoods. She advocated for a transitional approach, recommending a gradual increase in allowable building height over time. She suggested that the City start with 80- or 85-foot limits and consider amending the ordinance to allow 100 feet only after other taller structures had been developed in the area to provide context. Incremental increases would give the City time to evaluate market conditions and public sentiment.
- Council Member Knol also emphasized the importance of quality design in any office-to-residential conversions. She stressed that the exterior must reflect a residential appearance and include amenities such as pools, trails, or courts to attract residents. Without such considerations, projects could devolve into low-quality apartment conversions that lack appeal.
- Council Member Knol also distinguished between downtown environments and suburban corridors like 12 Mile Road, arguing that taller buildings may be more appropriate in denser downtown settings but not near lower-density residential areas.
- Council Member Boleware thought that the topography along 696 may reduce the visual impact of taller buildings. Bonus height structures would be limited to properties near 696, which sit lower in elevation. She also noted that appearances can be deceptive; some developments that look unappealing to her still command high rents.

- Council Member Aldred proposed capping the height at 85 feet as a possible compromise, allowing for 65 feet plus a 20-foot bonus. The 15% public space requirement might not be enough to justify a 100-foot building and suggested more public benefit might be necessary to warrant maximum height.
- Council Member Aldred also highlighted the importance of preserving green space between Drake and Halsted, where there is a stretch of undeveloped woodland along 12 Mile. He encouraged a balanced approach where redevelopment targets parking lots while protecting wooded areas, noting that preserving tree cover aligns with resident values as expressed during branding feedback sessions.
- Council Member Bruce expressed overall support for the mixed-use approach, citing examples from other cities. He supported efforts to reduce visual starkness and revitalize the corridor, while also echoing concerns about isolated tall buildings. He encouraged a thoughtful approach to massing and transitional building heights; visual harmony would help avoid jarring contrasts.
- Mayor Pro Tem Dwyer expressed strong support for the text amendment, which was something he felt had been needed for many years. He encouraged Council not to become overly focused on the 100-foot height figure, suggesting that a better understanding of visual impacts would help eliminate concerns.
- Council Member Bridges supported the proposed hybrid approach, allowing 100-foot buildings near I-696 where elevation is lower, but restricting such heights closer to 12 Mile Road.
- Mayor Rich echoed the urgency to move forward and commended the Planning Commission for its work. She requested renderings to help assess the visual impact of tall buildings from nearby homes. She thought starting with an 85-foot cap might restrict developer interest and limit staff as they promoted development opportunities.
- Planning Consultant Bahm clarified that the ordinance allows buildings up to 100 feet only within 400 feet of the I-696 right-of-way. A tall building set back behind lower scale outlots would not dominate the view from 12 Mile Road.
- Director Kettler-Schmult confirmed that the 20-foot bonus height is contingent on providing public space on the developer's property. The space must meet specific requirements, including public access and minimum square footage as a percentage of the total lot area.
- Council Member Knol was concerned about requiring general public access to corporate properties, noting that companies with R&D or sensitive operations may not welcome public presence on their sites.
- Economic Development Director Brockway described parallels to Troy's Big Beaver redevelopment, noting that process took 15 years and followed a similar planning and zoning approach. She shared that property owners along the 12 Mile corridor are enthusiastic about redeveloping surface parking and underutilized outlots. Four- to six-story buildings are most financially viable in the current market but including 100-foot options helps position the City for future opportunities and long-range growth. The 100-foot provision allows the City to remain competitive as the market evolves over the next 15 to 20 years. As redevelopment progresses, demand for taller structures and parking decks may grow, reinforcing the benefit of zoning flexibility.
- Planning Consultant Bahm emphasized that Farmington Hills is built out, so future growth must come vertically rather than horizontally.
- City Manager Mekjian noted that although 100 feet may sound tall, it is only a quarter the height of Southfield's Town Center.
- Council Member Knol remained concerned that a 100-foot height is too tall for this area.

Mayor Rich noted that the proposed zoning text amendments would return to Council in July. She asked that visual renderings showing the perspective of nearby neighborhoods in relation to potential 100-foot buildings be presented at that time.

DISCUSSION ON THE OAKLAND COUNTY PARKS AGREEMENT

Special Services Director Schnackel and Deputy Director Farmer were present for this discussion, as was Oakland County Parks Director Ward. Others present included Oakland County Parks Operations Manager Dunleavy and Oakland County Parks Planner Folland, as well as Farmington Hills staff including Park Supervisor Heyer, Nature Center Supervisor Smith, and Steve Simpson, who serves on both the Planning and Parks and Recreation Commissions.

Director Schnackel explained that tonight's conversation was to introduce an Interlocal Partnership Agreement between the County of Oakland and the City of Farmington Hills, made possible by the Oakland County Parks Millage that passed in 2024 and ongoing conversations between the City and the County.

Director Schnackel emphasized the significance of Heritage Park as a regional destination, noting that the park received 750,000 visitors in 2024, approximately 60% of whom were non-residents. She outlined a proposed interlocal agreement between Farmington Hills and Oakland County that would formalize a shared operational model for the majority of Heritage Park, excluding the Longacre House and the area encompassing the playground and splash pad, which the City is separately pursuing grant funding to improve.

Oakland County's initial contribution would be a \$4 million investment, along with a projected annual contribution of \$500,000 to \$1 million to assist with ongoing operations. The City currently spends approximately \$1.8 million annually to operate Heritage Park and generates about \$500,000 in revenue from shelter rentals, Nature Center programming, and archery programs. The partnership with Oakland County would enable capital projects funded by the County, freeing up City parks millage funds for other projects, such as scoreboards, new playgrounds, or cricket fields.

Director Schnackel described the potential for leveraging Oakland County's equipment, purchasing power, and marketing reach to enhance operations and services. Specific areas of collaboration would include shared governance, communications, building and grounds maintenance, program operations, ecological management, and improved park safety, particularly within the ranger program. A 30-year partnership agreement is proposed, with Council review targeted for July 2025 and public engagement to take place throughout the second half of the year.

Council discussion

In response to a question from Mayor Pro Tem Dwyer, staff confirmed that the full \$4 million investment would be provided by Oakland County upon finalization of the agreement. Mayor Pro Tem Dwyer requested clarification on the nature of the partnership beyond the financial contribution.

Oakland County Director Ward described the County's strategic use of partnerships to improve park equity and access, emphasizing that the strategy provides a win-win structure by allowing the County to invest in exemplary existing parks rather than acquiring new land.

Oakland County Director Ward acknowledged Heritage Park's status as a regional destination, praised the reputation of the Nature Center, and stated that the park could serve as the County's flagship hub in southern Oakland County. He noted this would be the first agreement enacted since the approval of the recent millage, affirming the County's commitment to allocating those funds back to communities. The goal is for the public to experience a seamless transition and see service improvements without disruption.

Mayor Pro Tem Dwyer expressed concern about resident access, noting that 60% of park users were already non-residents. This park belonged to Farmington Hills residents, and he did not want them "shut out." Director Schnackel clarified that this pattern of non-resident use already exists and has not led to disadvantaging residents.

Deputy Director Farmer added that the agreement would encourage coordination to effectively divide tasks like mowing and programming, creating efficiency and clear cost-sharing practices.

Council Member Aldred stated strong support for the partnership in general but requested clarification on the nature of the \$4 million investment. Oakland County Director Ward explained that the funds would be provided as a lump sum to the City following a staff-led transition process, and the City would determine how to allocate the money.

Council Member Aldred also raised concerns about financial equity, estimating that Farmington Hills residents would contribute over \$47 million through the increased millage over 30 years, adjusted for inflation. He noted this estimate greatly exceeds the County's initial investment and requested reassurance that the return would be proportionate. Oakland County Director Ward responded that the County would fund at least half of ongoing park operations and pay the City for staff services related to the County's responsibilities, freeing up City funds. He acknowledged that while a full return to each city cannot be guaranteed, the agreement strives to provide a strong and equitable investment.

Council Member Knol expressed overall support for the partnership with Oakland County but raised concerns regarding control and governance. She questioned whether the County would have final decision-making authority over features like the Spicer House, the sledding hill, and event scheduling, and whether existing plans—such as converting the Spicer House into a museum—would be honored. She also inquired whether covenant restrictions from the original land donors had been reviewed for compliance. Additionally, Knol asked about the rationale for excluding the splash pad and playground areas from the partnership arrangement.

Director Schnackel assured Council that the City Attorney and County legal teams are reviewing deed covenants and DNR grant conditions. She emphasized that operational decisions would remain collaborative and continue to be presented to the Planning Commission and City Council for approval. She clarified that the City intends to maintain control over key programming and site decisions, ensuring continued community input.

Oakland County Director Ward added that the formal agreement will include mutual approval of both the park operations plan and capital improvement plan. Regarding the playground and splash pad exclusion, Director Ward explained the intention was to preserve distinct experiences, with the County focused on natural areas and the City continuing to manage active recreation zones.

Deputy Director Farmer described examples of program collaboration, including shared concert series and enhancements to summer camp programming through County resources. He affirmed that all program registrations, shelter rentals, and contacts would continue to go through the City, to maintain a streamlined experience for residents.

Council Member Bridges asked for further clarification on the \$4 million initial investment. Oakland County Director Ward reiterated this would be a direct cash payment to the City, not in-kind services. He also noted that staffing details, including the presence of County employees in uniform at the park, will be resolved during the transition period. Director Ward acknowledged that the estimated 30-year investment range (\$19–\$34 million) reflects variability in annual contributions between \$500,000 and \$1 million.

Mayor Rich responded that a \$19 million County investment was a non-starter. The investment needed to be on the higher end to be attractive to the City.

Oakland County Director Ward confirmed that the agreement allows either party to exit in the future, with reimbursement for depreciated investments if applicable. The goal, however, is a sustained, long-term partnership that appears seamless to the public.

In response to a question from Council Member Bridges, Director Schnackel emphasized that the immediate financial support from Oakland County would accelerate improvements like trail repairs, signage upgrades, and potentially the expansion of the Nature Center, which is currently undersized. These enhancements might otherwise be delayed for years due to limited City resources.

Council Member Bridges recalled earlier discussions at the Council goal session regarding using excess fund balance to invest in parks, including Heritage Park. He questioned how this new \$4 million investment aligns with those prior plans.

City Manager Mekjian emphasized that the proposed \$4 million investment from Oakland County aligns with Council's prior goal session discussions to increase funding for park improvements. He explained that the funding will reduce the City's reliance on general fund subsidies for the Special Services Department.

Director Schnackel clarified that while the funds are not yet fully earmarked, they are expected to stay within Special Services and provide broad operational and capital support.

Council Member Bridges sought confirmation that the \$4 million would not be diverted to general fund usage and would remain within Special Services. Staff explained that the department is already subsidized by approximately \$4 million annually from the general fund, so the County's contribution will help offset that expense. They also confirmed the existing parks millage generates approximately \$2.1 million per year.

Council Member Boleware voiced her support for the partnership and suggested using saved funds to invest in inclusive amenities such as adult playground equipment. She raised concerns about possible name changes to the park and asked whether renaming it "Heritage Oaks" was required. Oakland County Director Ward acknowledged the symbolic importance of the name and stated that "Heritage Oaks" would likely refer only to the nature and preserve portion of the park.

Mayor Rich urged the County to consider investments in accessible restroom facilities. Oakland County Director Ward stated that initial capital improvements should reflect Council priorities.

Council discussed the upcoming review process. Staff clarified that the intergovernmental agreement will be presented for a study session in July. If Council is satisfied, the agreement may be approved that same night during the regular meeting. If more discussion is needed, the item can be removed from the agenda.

City Attorney Joppich emphasized that while the agreement will outline key terms, it includes a transition period through December 31 or six months (whichever is later) to finalize implementation details. Council retains the ability to withdraw during the transition period.

INCENTIVE DISCUSSION FOR CORRIDOR IMPROVEMENT

Director of Economic Development Brockway and Ryan Haguchi of AKT Peerless presented an overview of economic development incentives currently relevant to redevelopment projects, with a focus on the Brownfield Tax Increment Financing Act (Act 381) and Public Act 210, the Commercial Rehabilitation Act.

- **Brownfield Tax Increment Financing (Act 381) – Key Provisions**
 - A Brownfield site may be defined as contaminated, functionally obsolete, blighted, adjacent to a qualifying parcel, or a historic resource.
 - Recent changes to the Act allow both core and non-core communities, such as Farmington Hills, to access expanded benefits. These include infrastructure improvements and site preparation costs for housing projects, such as water main upgrades, road modifications, or public right-of-way enhancements.
 - Residential housing at 120% Area Median Income (AMI) or below is now eligible, including housing components in mixed-use redevelopment.
- **Housing TIF Subsidies**
 - The updated Act permits developers to recover losses incurred by offering below-market-rate rents. For example, if the market will not support the high rental rates tied to the AMI ceiling, developers may claim the difference between actual and potential rental income as a reimbursable cost.
 - A studio apartment in Oakland County has a capped rate of approximately \$2,478/month at 120% AMI. If a developer can only charge \$1,500, the \$978 monthly difference may be claimed as an eligible expense under a Brownfield TIF.
 - To remain eligible, developments must meet long-term affordability criteria. Non-compliance invalidates the subsidy.
- **Application to 12 Mile Corridor**
 - Many properties along 12 Mile Road have potential for redevelopment using these tools. Mixed-use developments that include residential components and new infrastructure would qualify.
 - The updated statute enables office-to-residential conversions while maintaining commercial uses, thus supporting the zoning amendment goals for the OS-4 district.
- **Commercial Rehabilitation Act (PA 210)**
 - PA 210 provides tax abatement for commercial properties that have operated within the last 15 years and are being renovated for continued commercial use. Eligible improvements include interior and exterior renovations, asbestos removal, partial demolition, and reconstruction of parking areas.

- The primary benefit is the freezing of a property's taxable value for up to 10 years, as approved by Council. For example, a tax liability of \$5 per square foot could remain unchanged for a decade if approved.
- Relevance to Farmington Hills
Director Brockway emphasized that many parcels along 12 Mile Road are likely to require infrastructure upgrades to support redevelopment, making them suitable for these incentives. The tools would be especially effective for mixed-use developments, which combine housing with office or retail. There is the possibility for developers to combine (or "stack") Brownfield TIF with PA 210. An existing example includes the Emerson development on Northwestern Highway, which has an established PA 210 district.

The city is currently seeing interest from developers considering housing-based Brownfield TIF proposals. These incentive tools can help the city remain competitive with neighboring municipalities and encourage developers to undertake costly retrofitting and infrastructure upgrades. Post-construction infrastructure could benefit future users as well.

Mayor Rich thanked staff for the informative overview and asked Councilmembers to direct follow-up questions through City Manager Mekjian.

ADJOURNMENT

The Study Session meeting was adjourned at 7:23pm.

Respectfully submitted,

Carly Lindahl, City Clerk