



Wednesday, October, 2 2019 Farmington City Hall

The October 2nd meeting was called to order by Todd Craft at 6:04 p.m.

1. Roll Call

Present: Todd Craft, Tom Pascaris, Micki Skryzcki, Tom Buck, Kathy Griswold, Stephanie Clement, Steve Schneemann, Rachel Gallagher, Sean Murphy
Others Present: David Murphy, Kate Knight, Jessica Westendorf
Public Present: Greg Cowley, Joe LaRussa (6:41)

2. Approval of Items on Consent Agenda

- a. **Minutes: September 4, 2019 DDA Regular Meeting**
- b. **Minutes: August 14, 2019 Public Art Committee Meeting**

Correction: mark Sean Murphy as present to the 9/4 meeting minutes.

Motion to approve items on the consent agenda

Result: Approved [Unanimous]

Moved: Buck

Seconded: Micki

3. Approval of Regular Agenda

Motion to approve items on the regular agenda

Result: Approved [Unanimous]

Moved: Buck

Seconded: Micki

4. Public Comment

Public comment from Greg Cowley. Two things to share.

Spent last 6 months refinancing building. Not using any bank in the state of Michigan. Banks have been redlined by the FDIC and are not financing any restaurants. Having to go to California for financing.

Trying to attract restaurants and this is a challenge. Building has appraised and come back to 2002 levels, which is good, but would be 30-40% more if it was across the 12 mile line (3-4 miles down the road). We need to attract restaurants. Owners are A) entrepreneurial, and B) know their numbers and need to assess risk. ie Is there enough parking, etc.

Here to answer the TIF question from last night as Greg thought it was a fumble in the panel discussion last night [10/1/19].

Birmingham grew from TIF. Value of our building is \$8000, value today is \$48K. 40K goes to DDA, the rest goes to the city, Incremental tax capture. This should be the number one priority. Number one priority should be to grow the TIF on Maxfield Training Center. Think about the math as you prioritize your money.

Need new projects. The only way to grow the TIF is to have new construction downtown.



Wednesday, October, 2 2019 Farmington City Hall

Think about the TIF strategy. There are no TIF projects on Farmington Road. None in the works, none in the future. Think hard before spending money on this. Prioritize Maxfield Training Center. Farmington Road should be the Number 2 priority. 13 million to 15 million in Birmingham is driven by TIF.

Comment by Craft- on behalf of email received from Maria Taylor
Public comment closed at 6:13

5. Executive Director Update

Harvest Moon- great turnout! 150 volunteers! Gained volunteers and interest downtown. Tap grant app and streetscape to consider tonight.

Celebrated Mural Installation- including homecoming selfies- Feedback has been tremendous, and we are excited to add this piece to our growing collection of public art. We've captured the installation with time lapse photography.

Knight has accepted a nomination to the Main Street Oakland County Board of Directors, representing Main Street Managers and our needs as a select level community. 2020 is the 20th anniversary of MSOC, (also Oakland County's bicentennial), and there is emphasis at the county level in promoting our downtowns. Opportunities for advocacy include legislative representation, technical grants, professional development training for our downtown businesses and more. We expect that Downtown Farmington will be featured at the forefront. MSOC DDA refresh- Knight and Craft attended. Learned more about TIF law PA 57 reporting requirements, updating and strengthening our TIF Plan, Board Training and other best professional practices

11/7-11/8 Event in Downtown Holland. Knight will send a link.

Panel Discussion 10/1- Went well, 75 attendees. An important community outreach for the work we're doing here at the DDA. A Design Discussion Downtown will bring current Mayor Steve Schneemann, as well as local and national urban design experts Susan Grissim and Mark Nickita, to the FCT for a chat on how we consider designing great public space.

6. Lighting Fixture Purchase

Typical design standard downtown. Upgrade to LED on per unit basis concrete truck through downtown wiped out South-East Corner of the Streetscape. This is a replacement of inventory. Total is \$16,077 for three poles and three luminaires.

Motion to approve the authorization of MLS King Luminaire and decorative light pole fixtures purchase, allocated from Maintenance and Repair 248-759.00-930.000 for \$16,077.00.

Result: Approved [Unanimous]

Moved: Buck

Seconded: Micki

7. Farmington Road Streetscape



Wednesday, October, 2 2019 Farmington City Hall

- a. **Capital Improvement Plan FY 2020-25**
- b. **DDA Work Plan**
- c. **DDA Projection**
- d. **Opinion of Probable Cost**
- e. **Bond Rate**
- f. **Streetscape Presentation**

KNIGHT: The Farmington Road Streetscape is a project long anticipated and almost completely bid ready, with construction documents at approximately 75 percent completion. Previously awarded a TAP grant, the project was rescinded prior to acceptance, due to market conditions which rendered match funding unrealized. The streetscape project has remained at the top of DDA work planning prioritization for the several years since. It has concurrently remained a primary priority for Capital Improvement Planning for the city.

City Council has just voted to authorize (this week) submission of a new application for the TAP grant, which must be completed by the October 16, 2019 deadline. The City Council's motion recommended a 50% split between the City and DDA. Supporting financial projection and analysis is provided with this packet. The DDA must consider authorization of partnership with the City in this important downtown capital project.

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Parking lots & Farmington Road Streetscape discussion

Gallagher- How many parking spaces did we end up with on Oakland.

Knight: 16-24- we can verify when it's completed

Facilitation of Farmington Road Streetscape is one of our goals.

Reviewed TIF and 2 mills Levey projection with relation to streetscape spreadsheet.

Overview by Craft who was present in the meeting- Weber's goal was- what is the most we can pay but still be able to finance project.

Reviewed scenarios of paying more vs paying less. Number was \$1.5 Million (roughly half the project).

Extremely conservative growth rate projected (2%) compared to 10.8% in 2017, 5.1% in 2019, 6.4% in 2019.

Discussion of conservative growth rate:

Schneeman- why use 2%, can we use an average again.

Murphy- Goal was to keep it conservative

Schneeman- what was the growth during the recession? Murphy- Negative.

Schneeman expressed concern that 2% seems arbitrary.

Craft- explained 2% was based on tax increase if nothing new happened. No sales, no new builds, no development.

Pascaris: Question regarding Total Revenue projection



Wednesday, October, 2 2019 Farmington City Hall

Knight: DDA administration and City Administration reviewed together, numbers, work plan priorities and what we can pay for. This is what we believe to be a fair split.

Buck: What do we anticipate the tax capture for Glen Oona to be? Caution to be careful that we don't rely on things that haven't happened yet.

Knight/Murphy: Confirmed that the Glen Oona deal has closed. Murphy: \$13.5 TIF growth not reflected in the estimate

Buck: Question on legal agreement

Knight: if moving forward with the streetscape, the first two years, safe to say we wouldn't have a lot. Bid: Fall of 2020/winter 2021, Construction begins: 2021

Discussion of Timeline

Gallagher: regarding bank easements and CVS, & How many parking spaces does this gain?

Knight: Bank is investing in that location and seem amenable to project.

CVS has retracted out of right of way, improved the lot, property owner is interested.

Buck: Question regarding payment detail. \$3M @ 2.75% for 3 years. Coming up with payments that would be 244?

Reviewed scenarios 30 year bond vs 15 year bond.

Murphy: Question regarding clarification on Page 20 Table A2.

Pause this conversation to review context.

Reviewed Farmington Road Streetscape Graphics, History, Cost Overview.

Discussion of Cost overview engineering fee

- Gallagher: Do we ever put OHM out to bid.
- Knight: We do put it out to bid every 4 years.
- Schneemann: We would have to start from scratch if we put it out to bid again. This is finishing the design and managing construction, not just engineering.

Discussion of potential of construction to come in overbid.

- Buck: Just as Oakland street came in over bid- there could be other factors that increase the bid as well. Probably won't be \$3.9, will be higher. Other projects have gone over. Every year construction costs go over.
- Schneemann: Disagrees. The hope is the engineers have taken construction cost increases into account. If bids come in 10% high, you would VE it to get it back into budget.
- Murphy: Question if this project will need less design tweaking than prior?
- Schneemann: There won't be major design costs.

Discussion of contingency.

- Schneemann: The goal is for competition with the bid.
- Buck: Problem for DDA is these number are totally maxing out. If project comes in overbid, and the expectation is 50% participation, this will not be possible.
- Schneemann: If that happens we can re-evaluation the project. With another year of revenue and a better understanding of where the economy is. Can VE it. More options with a larger project to VE. Tonight



Wednesday, October, 2 2019 Farmington City Hall

is approval for the tap grant. Council will review again, DDA will review again after bid comes in.

- Griswold: How long is the grant good for. A: 2 years.

Discussion of waiting to apply for the grant until next year.

- Knight: Need to know we get the grant prior to paying to finalize the drawings and grant deadline has been moved up.
- Schneemann: if we would have done this 5 years ago, we would have already been experiencing TIF growth
- Buck: We already are experiencing TIF growth. If we apply for the grant- we need to be ready to go. Can't apply twice and then back out.
- Pascaris: Important to understand the full aspect of the project.
- Discussion ensued.
- Griswold: Every project has increased exponentially, Fear is that once we get into the project and go to bid, it is going to be much more than anticipated cost. What Steve is saying that since it's a much bigger project, there is more opportunity to VE. What would we end up cutting out.
- Steve: what would the alternative be.
- Griswold: Wait until the actual bids come back and review in with confirmed tap grant.
- Buck: We have other options. Our motion could be that we are ready to support 1.2 or 1.4M, not up to 50% supply. Personally believes we should be doing MTC first.
- Murphy: What would our participation in MTC be?
- Buck: Infrastructure cost, improvements to site...
- Schneemann: suggesting that if we do Farmington Rd, MTC won't happen? If the city pays for something in the DDA, wouldn't that be a good thing.
- Buck: Our role is to grow business, develop business, grow TIF. That project is the quickest way to get there.
- Schneemann: Public parking, direct connection to park- not a TIF growth. If we do Farmington Rd Streetscape, MTC will still happen.
- Knight: Timing of the revenue was part of the consideration. If MTC went forward top speed, it would be 5 or 6 years until we realize growth.
- Schneemann: If we don't do this now, I don't see this happening.
- Buck: Disagrees. Do not like open ended numbers
- Schneemann: Can't do a project without going out for bid.
- Craft: to go back to what Kathy said- is your recommendation to get the documents done, put it out for bid and get numbers before approving.
- Schneemann. Doesn't think this is possible. If we blow the number, going over 20%, we will need to VE it. If it's 5% over, we can use contingency...
- Pascaris: What type of participation would the city expect from the DDA on the MTC project?

Discussion of TIF growth on streetscape project.

Discussion of MTC timeline



Wednesday, October, 2 2019 Farmington City Hall

Discussion of MTC cost- Varies on condos vs apt, unit size etc. Not sure specific numbers, but significant increase in capture. At Least 13M

- Griswold: MTC TIF would roll in 5 or 6 years, and would pay for streetscape.
- Murphy: The best time to plant a tree was 20 years ago, the second best time is now!

Craft: Easy to think about what may or could be, but agree with Steve that we don't do it now, it likely will not happen. This is part of our mission as a DDA. Not getting less expensive if we take an approach to set a number and work backwards. If more discussion is needed, let's have it, but if there's time to make a motion.

Discussion of motion up to \$1.5M commitment

- Knight: These growth numbers are extremely conservative numbers, we still have concert series and other programming planned, lots of activities downtown.
- David Murphy added: All along this has been very conservative.
- Buck: Is residential property excluded from TIF? Gallagher: No, changed 2 years ago because of Maxfield.
- Knight: Review of Streetscape promotion materials from Grand River. Compelling argument for the streetscape from DDA president at the time from Greg Cowley.

Discussion regarding: amending motion that council has passed and legal ramifications of changing it.

- David Murphy clarifies with attorney: if you are going to cap, you can make the motion, council will review it and could decide to not do it all, but they will need to review at a later date anyway. Can proceed as is, go forward with the tap grant, put it out to bid, etc, move forward with the process.
- Schneemann called Tom (lawyer)- to clarify. There will be more formality to the arrangements after the bids come back. No reason why city manager would do nothing other than what the city council has directed.

Motion to Authorize DDA Director to proceed in accordance with the DDA's recommendations to include:

- **Authorizing the TAP Grant application to be submitted to the State by October 16, 2019.**
- **Approving DDA's recommendation that the City and the DDA split the cost of the Farmington Road Streetscape project on a 50% basis for each entity, up to 1.5M provided by the DDA.**
- **Authorizing DDA to work with City Engineers to prepare the project for bidding and to bring back the bid results to City Council and the DDA Board for discussion and appropriate action, once the TAP Grant is approved.**

Result: Motion Passes 8:0:1

Ayes: Todd Craft, Tom Pascaris, Micki Skryzcki, Tom Buck, Kathy Griswold, Stephanie Clement, Steve Schneemann, Sean Murphy

Nayes: Rachel Gallagher

Moved: Buck

Seconded: Pascaris



Wednesday, October, 2 2019 Farmington City Hall

11. Committee Updates:

- a. **Design Committee** no updates
- b. **Public Art Committee**

Knight: mural successful execution, another grant application (for matching grant installing sculpture by Michigan artist in Downtown Douglas, Blue Dog), consider a public event at Legato Salon for next time.

- c. **Promotions Committee** No meeting since last meeting
- d. **Harvest Moon Committee** Overview by Westendorf. We are waiting for expenses to shake out to know profit, but overall we saw growth over 30% compared to last year, with Friday being the largest Friday in Harvest Moon History. Thursday was flat, to slightly smaller than LY and Saturday was larger than Thursday. Overall positive sentiment on three nights. Additional comments by chairs Sean Murphy and Kathy Griswold on well organized event. Kudos to Westendorf.

12. Other Business

Knight and David Murphy Overview: Driveway improvement for 33104 Grand River Avenue. Discussion of agreement.

Motion to authorize DDA director to allocate funding from 248-767.11-976.111, Capital Outlay, Buildings, toward the function improvement of the driveway at 33104 Grand River Avenue.

Result: Motion Passed unanimously

Moved: Gallagher

Seconded: Clement

Founders festival update from Buck: Reviewed handout of Advisory on what the DDA would like to see happen with the Founders Festival.

Gallagher: Suggestion to change the date- hottest weekend of the year and it's the same weekend of the Ann Arbor art fair.

Discussion of the date- Consider changing to the 9th, 10th, 11th. First full weekend after the 4th of July.

Discussion of history of Founders Festival.

The DDA board authorizes Knight to send overview from Buck to council, chamber director, and city manager.

13. Board Comment

Schneemann: Thank you for having the confidence to move forward with this very long planned [streetscape] project. We are going to be happy we did it. Looking forward to other projects.

Thanks again for all the great discussion while I called the attorney.

Chair yoga for the first time on Saturday at Boot Camp by commander Morche at DPW. One request was to have DDA cornstalk decorations at the Farmington place entrance.

Murphy: Nice job to our president, director, and mayor at the panel discussion last night. Lots of younger people present. Now we can say we are making Farmington Road happen!



Wednesday, October, 2 2019 Farmington City Hall

Craft: Would have like to see more people at the panel discussion. Attended training at with Kate. DDA director from Rochester with economic development director and realized that the DDA was paying for all kinds of things like we do. Rochester decided they were going to take on things that the DDA was doing to free up funds for the DDA to spend elsewhere. Effect-incredible projects with synergy between the city and the DDA. IE stopped paying for streetlights. Throwing it out for thought, because we are stuck in a paradigm that we have been in for a while. The way to get along further is to work with our partners, city, DPW. Look at other cities IE downtown Rochester to see the success they have had. Yes, we have a mission and a TIF capture agreement, but there is grey area, but the city realized that once they freed up the funds from the DDA, they found they could get even more done. It can be done differently and have a different outcome. It could be something to consider. These trainings are extremely valuable!

Appreciate the time tonight. Appreciate the efforts for Harvest Moon, and appreciate the volunteers at harvest moon!

14. Adjournment

Motion to adjourn.

Result: Motion Passed unanimously

Moved: Gallagher

Seconded: Schneemann