

MINUTES
CITY OF FARMINGTON HILLS
CITY COUNCIL STUDY SESSION MEETING
CITY HALL – COMMUNITY ROOM
OCTOBER 10, 2016 – 6:00PM

The Study Session meeting of the Farmington Hills City Council was called to order by Mayor Massey at 6:00pm.

Council Members Present: Bridges, Knol, Lerner, Massey, Rich (arrived 6:50pm) and Steckloff

Council Members Absent: Bruce

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

DISCUSSION ON BROWNFIELD REMEDIATION OF PROPERTY

Economic Development Director, Khalfani Stephens, stated that he was here to discuss a specific Brownfield remediation project but since it has been a while since a Brownfield project has been before City Council, he provided some information to Council on the Brownfield Act and the city's Brownfield Authority. He noted that the developer and consultant for the proposed project are also present should Council have any questions of them. He explained that the Act allows for the creation of a Brownfield Authority that would operate to remediate contamination on properties in the community. The City established a Brownfield Redevelopment Authority (BRA) in 2000 and one of the main tools for the BRA is tax increment financing. Mr. Stephens explained that a tax increment is the difference in the amount of property tax generated before a base value and the amount of tax generated going forward.

With regard to the proposed Brownfield project, he explained that the property is located at 28975 Orchard Lake Road and is proposed to be an EZ Storage facility with the same owner as the existing EZ Storage facility next door.

Mr. Stephens outlined the eligible activities in which TIF funds could be used and pointed out that there are known environmental factors or contamination on the property. The total eligible funds amounted to \$602,370.

He further discussed the capture of funding by the State and local Authorities and explained that if the remediation is not done on this property, it cannot be used as is.

Tom Wackerman, Consultant from ASTI Environmental, stated that Oakland County does not approve the remediation plan and it would go directly to the State. He stated that PCB's have been identified on the property, which must be remediated no matter what is done with the property.

Councilmember Bridges inquired if there was a contamination issue or concern for surrounding residents.

Mr. Wackerman explained that the PCB's are immobile and adhere to the soil so he would not be concerned with any groundwater contamination; but if someone were to go on the property and was touching the soil that would be of concern.

Councilmember Bridges inquired how long the property has been vacant. City Manager Boyer responded that the property has been vacant for approximately 10 years but the issue is once the ground is disturbed for development purposes the contamination becomes an issue and has to be remediated.

Mr. Stephens went on to explain the economic impact and next steps if the project were to move forward. He stated that a public hearing would be held at a future City Council meeting and that meeting would have to be advertised as a public hearing. If the project was approved by Council at that time, an agreement for reimbursement would be entered into between the parties and staff would administer the plan as proposed.

Discussion was held on how funding would be captured. It was noted that the project would assume full capture of funding over 19 years.

Councilmember Lerner inquired what would happen if after 10 years, EZ Storage defaults on paying taxes. Mr. Stephens stated that if no taxes are being paid, there would be nothing to capture and therefore there would be nothing to reimburse; and that all of this would be spelled out in the agreement for reimbursement.

Councilmember Bridges inquired if MDEQ had the power to deny the project and if any further studies were being done by the consultant or developer or if they rely on the studies already conducted.

Mr. Stephens stated that the MDEQ could deny their portion of the capture but upon preliminary discussion they are on board with the project.

Mr. Wackerman stated that they rely on the studies conducted, but as the soil is removed more testing will be done at that time to make sure all PCB's are removed and they have assumed that all of the property is contaminated at this time so do not expect to find anything that they do not already know.

Councilmember Steckloff commented that about a year ago, this property did not qualify for Brownfield remediation.

The Developer noted that there was further testing done on the site and the PCB's came as a surprise to them.

The consensus of City Council was to have staff schedule this matter at a regular meeting as a public hearing item for consideration.

DISCUSSION ON ECONOMIC DEVELOPMENT

Mayor Massey stated that he asked for this item to be discussed as he saw this topic at the National League of Cities and discussion was held on Council's responsibility in economic development and how the city can be sure it is ready for economic growth.

Mr. Stephens explained that the Brownfield Redevelopment Authority is a tool that can help cities with economic development. He explained that there is not one definition for economic development but there is a common set of objectives, which includes an increased tax base, increased worker income, job retention and the creation of new jobs.

Councilmember Lerner inquired if the city actually audits or reviews if these objectives are being met based on what the companies claim they will do as far as new jobs, etc. Mr. Stephens confirmed the city does review those objectives.

Councilmember Bridges expressed concern with the future revenue for the city being affected by offering tax abatements.

Mr. Stephens stated that while some may claim the programs do not help, he commented that if other states are offering incentives and Michigan is not, businesses will go out of state. He added that the city's program outlines that any tax abatement granted can't have a negative effect on the tax revenue.

Mr. Stephens mentioned that a new company, Teledyne, is coming into the city and staff has been helping them through the process as far as obtaining permits and signage, etc.

(Councilmember Rich arrived at 6:50pm)

Mr. Stephens reviewed what Farmington Hills does as far as assisting with economic development that includes retention visits, best practices and being flexible, tax abatements and authorities to assist with development such as the BRA, Corridor Improvement Authority (CIA) and Economic Development Corporation (EDC). He added that the city is being recognized for its activity with Teledyne due to their flexibility and helping them through the process to locate their business in Farmington Hills.

Councilmember Bridges inquired about the status of the economic development in the area of Orchard Lake and 13 Mile Roads. He feels Orchard Lake Road is behind in economic development for as much traffic as this area has.

City Manager Boyer stated that redevelopment for 13 to 14 Mile Roads is being reviewed but Orchard Lake Road from 12 to 13 Mile he believes is still as ways out.

Mr. Stephens added that the nature of the area of between 12 and 13 Mile Roads is a bit different as the traffic is mainly people getting on and off the freeway.

Mr. Bridges felt this was a good point and that there was a need to create a situation where people wanted to stop.

Further discussion was held on the redevelopment of this corridor and Mr. Boyer added that there has been a lot of investment into the 12 Mile/Orchard Lake Corner.

Mayor Massey asked that staff advise Council if there are things that need to be addressed from a policy standpoint.

Mayor Pro-tem Knol suggested updates from Mr. Stephens during the updates provided by Mr. Gardiner for the Planning and Community Development Department so that Council is apprised of potential developments in the community.

ADJOURNMENT:

The study session meeting adjourned at 6:30pm.

Respectfully submitted,



Pamela B. Smith, City Clerk