

**MINUTES
CITY OF FARMINGTON HILLS
ECONOMIC DEVELOPMENT CORPORATION
March 18, 2015 – Regular Meeting**

The Economic Development Corporation of the City of Farmington Hills held its Regular Meeting on Wednesday, March 18, 2015, in the Community Room at City Hall. Chairman Anhut called the meeting to order at 8:03 a.m.

Members present: Anhut, Brock, Elliott, Gatewood, Hartsock and Johnson

Members absent: Jacknow, Sarafa and Marcellino

APPROVAL OF AGENDA

Chair Anhut suggested adding to the agenda Superintendent George C. Heitsch and Ms. Diane Bauman from the Farmington Public Schools.

MOTION by Brock, support by Elliott, to approve the agenda as amended.

Motion carried unanimously.

APPROVAL OF MINUTES

MOTION by Hartsock, support by Elliott, to approve the regular meeting minutes of January 21, 2015 as published.

Motion carried unanimously.

CHAIRMAN'S REPORT

Chair Anhut deferred his time to the speakers.

NEW BUSINESS / OLD BUSINESS

GERALD MOORE (SBA MICHIGAN DISTRICT DIRECTOR)

Mr. Moore spoke about his experience at the SBA since he began in 2011. He discussed how he and the SBA connect with stakeholders and small businesses in Michigan's 83 counties. Mr. Moore emphasized that many businesses were not connected to the potential services of the SBA, nor with what it takes to connect with economic development directors.

Mr. Moore said the goal of the Michigan District Office is to create an environment within Michigan where small business can grow and prosper. He said they do this by providing:

- Free business counseling through the Michigan Small Business and Technology Development Centers, SCORE, Women Business Centers, and U.S. Export Assistance Centers.
- Government contracting assistance
- Low-cost training
- Loan guaranty programs (SBA does not provide grants to individuals to start businesses).

Mr. Moore provided the following financial information relative to the SBA:

- In fiscal 2013, SBA guaranteed 1,831 loans to Michigan small businesses through the 7(a) loan guaranty program for a total of \$573 million. The Michigan District was the number two 7(a) lender in fiscal 2013 and second in the nation for all SBA loans.
- Under the 504 program, they approved 259 loans for \$143.6 million. This was the second largest number of 504 loans approved in Michigan. Over the past eight years SBA has provided guaranties on 18,337 loans worth nearly \$5 billion.
- For fiscal 2014, SBA guaranteed 2,145 loans to Michigan small businesses through the 7(a) loan guaranty program for a total of for \$602.7 million. This is an increase of 17.1% over fiscal 2013. Under the 504 program, they approved 205 loans for \$91.4 million, a 21% decrease from 2013 in numbers. The Michigan District is second in the nation for both 7(a) loans and all SBA loans.

Mr. Moore said the SBA emphasizes three things: counseling services; the contracting phase; and capital.

Mr. Moore said recently, the SBA Michigan District Office conducted a pilot program called Getting to Yes. The initiative was a result of his travel to Michigan's 83 counties where he heard countless times that small business could not access financing. He challenged the SBA staff to develop a program that addressed the issues faced by small business owners who were seeking financing. Getting to Yes met that challenge by combining education, consultation, pitch practicing, and access to lenders in a four stage process.

JIM MUIR (SCORE DETROIT CHAPTER CHAIR)

Mr. Muir said that SCORE Chapter 18 Detroit is a nonprofit association dedicated to entrepreneur education and the formation, growth and success of small business in Southeast Michigan. SCORE is a resource partner of the U.S. Small Business Administration (SBA); and they also have another resource partner at the Lansing SCORE Branch. He said SCORE is a resource partner, and the largest volunteer-based economic development entity in the county. He said everyone involved there is a volunteer.

Mr. Muir discussed SCORE's free mentoring program, comprised of active and retired business men and women, provide clients with free and confidential business counseling. Counseling can be conducted at the client's place of business, at our chapter headquarters, by telephone or via email

Mr. Muir spoke about SCORE mentors and representatives from the local business community who conduct a variety of regularly scheduled, low-cost educational workshops that provide valuable information and techniques necessary for establishing and managing a successful business. He said their purpose is to building and teach confidence, help small businesses succeed, and make them better owners, not just operators.

Mr. Muir said that with access to a wide variety of documents, templates and tools to assist businesses in starting or growing their business, the information provided covers a wide range of subjects including initial business planning, capital sources, government agencies, and much more.

Discussion took place on scheduled mentoring, the Detroit chapter, and their contact information.

Discussion ensued as to how SCORE is funded (primarily through the SBA), their budget, and they receive some gifts and grants from different institutions.

Discussion was held regarding how the assistance unfolds, i.e. through workshops, connections through their website, meetings, and developing a relationship in the program. Mr. Muir said they do not have a defined program; but the businesses work with SCORE to define what they need.

Discussion took place regarding business plans; how SBA loan guarantees work; processing centers in other states; and the SBA 504 partners.

Mr. Elliott said the presentation was an impressive overview. He asked what type of business SCORE typically assists.

Mr. Moore said from a volume perspective, it would be retail businesses. From a dollar perspective, it would be manufacturing. He said they want to see more small businesses received these benefits, to communicate the tools and resources, instead of “working on their business, they are working in their business.” Mr. Moore said they work closely with chambers to access the community because it is all about job creation.

Discussion took place regarding equity financing.

Mr. Johnson recalled working with SCORE in the past. He said he found them to be extraordinarily helpful for people with ideas, but don’t know what to do with them. He complimented the SBA and SCORE and said he could see why they are rated the highest in Michigan. He said they were the best bang for the tax dollar we can get, and he would vouch for the effectiveness and efficiency of SCORE.

Chair Anhut recalled George Romney, who he called the granddaddy of the SBA.

Discussion ensued regarding the speed of the process.

Chair Anhut thanked both Mr. Moore and Mr. Muir for their information.

GEORGE C. HEITSCH Ed.D
and
DIANE BAUMAN

Superintendent Heitsch addressed the Economic Development Corporation and said on Tuesday, May 5, 2015, voters in the District will be asked to consider a 20 year bond proposal which will be issued in two phases to limit interest expense. This bond addresses critical needs in core facility improvements, learning technology, buses and equipment, updates and improvements as well as safety and security.

Mr. Heitsch spoke in detail about the upcoming bond proposal, and distributed a brochure available on their website at www.farmington.k12.mi.us.

Mr. Heitsch discussed why people should support the upcoming bond proposal and detailed the figures contained within the proposal. He spoke about the aging infrastructure of the school buildings; the computer and network upgrades to accommodate classroom learning opportunities; that schools are a community asset, and maintaining them can help protect property values.

Mr. Heitsch spoke about key elements of the bond; the \$131.5 million amount is based on needs determined critical by a Capital Planning Advisory Committee of parents, community leaders and other taxpayers; a 20-year bond will be issued in two phases to limit interest expense and move closer to a “pay as you go”

reducing long-term liability; an independent citizens oversight team will monitor bond funds and bond work performed; every K-12 school is scheduled to see improvements within two years, with work to begin this summer.

Mr. Heitsch detailed information regarding core facility improvements, safety and security, learning technology, buses and equipment, and updates and improvements. He spoke about what was different in this proposal, compared to previous proposals; he spoke of changes, where there were cuts and why. He addressed how technology has changed, the need for video surveillance, with more secure entrances without brand new construction to manage that. He spoke about the media center furnishings to be changed, to be remodeled, but no new roofs would be included. He discussed the need to remodel the high school auditorium in updates; safety items will be replaced; the outdoor athletic surfaces will be replaced; and 20 buses will be replaced.

Discussion took place regarding the following:

- vocations, robotics, and students' interest in health care;
- the current debt load for FPS, and City Manager Brock said it was relatively low compared to other school districts;
- the oversight committee;
- ways to get the message out to the residents;
- State support;
- facilities upgrade, LED lighting, the importance of incorporating waste reduction through energy efficiencies being built into the specification;
- the sustainability policy
- schools being involved with the Georgetown competition

Discussion ensued regarding the opposition's concern regarding operations.

Mr. Heitsch said FPS will employ fewer people than last year, their footprint is being shrunk, and there is a lot of transitioning on the labor side.

City Manager Brock said he was in full support of the proposal, and as a resident and taxpayer, he would be submitting a letter of support to the newspaper. He said this is the time, and there is no plan B.

Mr. Hartsock concurred and said the proposal was critical. He said he hoped the network for communication was open.

Mr. Elliott suggested volunteers be sought through the local newspaper. Ms. Gatewood suggested the use of social media wherever possible.

Chair Anhut thanked Mr. Heitsch and Ms. Bauman for their information.

TREASURER'S REPORT

MOTION by Hartsock, support by Elliott, to accept the financial report for January and February, 2015, as published.

Motion carried unanimously.

City of Farmington Hills
Economic Development Corporation
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Approved 4-15-2015
as published

Chair Anhut said the next Economic Development Corporation meeting is on April 15th.

Discussion took place regarding the former Alexander Hamilton site, and the potential for a phased hotel plan going in.

ADJOURNMENT

There being no further business, Chairman Anhut adjourned the meeting at 9:18 a.m.

Respectfully submitted, City Manager Steve Brock
Secretary, Economic Development Corporation

[gray/pbs/shared/boards and commissions/edc/2015 / regular meeting minutes/03-18-15](#)