

**MINUTES
CITY OF FARMINGTON HILLS
FARMINGTON HILLS CITY COUNCIL
CITY HALL – COMMUNITY ROOM
OCTOBER 28, 2024 – 6:00PM**

The study session meeting of the Farmington Hills City Council was called to order by Mayor Rich at 6:00pm.

Council Members Present: Aldred, Boleware, Bridges, Bruce, Dwyer, Knol and Rich

Council Members Absent: None

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

DISCUSSION ON ZONING TEXT AMENDMENTS

Council Member Rich introduced this agenda item, and City Manager Mekjian provided a brief overview, noting that Draft Zoning Text Amendment 2, 2024 had been discussed at the September 16, 2024 joint meeting with the Planning Commission.

Background

Referencing her October 28, 2024 memorandum, Director of Planning and Community Development Kettler-Schmult outlined the purpose of ZTE 2, 2024, emphasizing that the text amendments will help the Planning Commission consider opportunity cost, and provide the Commission with tools to be more selective and require higher quality development, to pressure the market to redevelop vacant or underutilized property, reduce blight, enhance community appearance, and provide a stronger basis for zoning enforcement.

The zoning text amendments primarily affect B-3 zoning classifications, transitioning several uses—such as automotive repair, drive-in restaurants, gasoline service stations, vehicle rental spaces, and car washes—from principal uses to those requiring special approval.

On October 17, the Planning Commission moved to recommend approval of the zoning text amendment with two changes:

- 1) To reduce the minimum number of outdoor seats for drive-through restaurants from eight to six.
- 2) Add language that would allow the Planning Commission to waive the outdoor seating requirement under certain limited circumstances.

The text amendment is part of a series of forthcoming updates to the Zoning Ordinance, to bring the ordinance more in line with the newly adopted Master Plan.

Council discussion

In response to questions, Director Kettler-Schmult gave the following information:

- Businesses legally operating under current zoning would maintain their legal conforming use status. Any new development will have to conform to the updated zoning ordinance.

- The term “drive-in restaurant” traditionally applies to both drive-in and drive-through establishments, such as A&W and McDonald’s. The definition is being updated to better reflect the intent of the ordinance. For instance, the definition should not include every restaurant that offers carry-out services.
- There were only two drive-in restaurants in the City.
- Regarding potential redundancy in the ordinance relative to the classification of coin-operated amusement devices, Director Kettler-Schmult clarified that the separate regulations reflected that such uses could serve as either primary or accessory functions, depending on the establishment.
- Regarding those uses that are transitioning to special uses, the change is designed to provide higher scrutiny while allowing existing businesses to continue operating under their current approvals. The Special Approval process ensures public notification and evaluation of impacts on neighboring properties.
- The intent behind limiting certain land uses, such as gas stations and repair shops, is to promote diverse, vibrant businesses while avoiding saturation of specific uses at key locations.
- Staff had conducted a study of the number of gas stations and car washes in nearby communities as well as in Farmington Hills; this information will be provided to Council.
- Opportunity cost is a way of explaining trade-offs in decision making. Filling prominent locations with certain businesses limits opportunities for other potential developments, impacting the city’s ability to attract new businesses.
- Design standards are still to be determined. The standards will be incorporated directly into the zoning ordinance.

City Attorney Joppich provided context on the broader process of implementing the Master Plan through incremental zoning amendments. The current amendments are the initial step, with additional amendments expected to follow, providing a phased implementation of the Master Plan.

DISCUSSION ON PUBLIC ART FUNDING

City Manager Mekjian summarized prior discussions and the City’s current contributions, including:

- Public art projects funded through the general fund, including the planned public art installation at 696 and Orchard Lake Road, and landscaping at the roundabout between 13 Mile and 14 Mile Roads (~\$350K project), which will prep that area for public art.
- Collaboration with developers to incorporate public art in new developments, particularly Planned Unit Developments.

Background - Director Kettler-Schmult

Director Kettler-Schmult provided an overview of positive community feedback during the recent Master Plan update process and research on funding mechanisms, noting various approaches used by other municipalities:

- Public funding through general funds or capital improvement projects.
- Private investment, including donations and grants.
- Rental/loan agreements with artists.
- Hybrid models, such as dedicated public art funds supported by developer contributions.

Public Art Examples and Case Studies – Planning Consultant Bahm, Giffels Webster

Utilizing a PowerPoint presentation, Planning Consultant Bahm elaborated on public art funding models from across the U.S. In 2023, \$4.4 billion of public art was commissioned by corporations, cities, airports, hospitals, churches, and other organizations.

- Benefit of percent for art programs
 - Provides a stream of funding, assuring public art projects will be planned each year.
 - Leverages private investment
- Michigan Programs
 - Southfield: CIP and private development, per formula
 - Marquette: General Fund \$30,000
 - Sterling Heights, General fund \$100,000
 - East Lansing: 1% of CIP, 1% site plan approvals
 - Ann Arbor: Allocates a percentage of its CIP budget per project.
 - Traverse City: Operates through its Downtown Development Authority with general funds, grants, and mini-grant programs.
- Programs throughout US – variety of funding methods:
 - Washington DC, Charlotte NC, Oklahoma City OK: 1% of CIP
 - States of Florida, Illinois, Minnesota: a percentage of construction/capital costs for state buildings
 - Tampa FL, Nashville Metro Area TN: percentage of CIP
 - Houston TX: Hotel/motel tax
 - Phoenix AZ: General Fund, public art funds, lottery revenue, regional and federal grants
 - Napa CA and Tampa FL: % of private development costs committed to art installation or contribution to public art fund
- Incentives and Zoning Tools
 - Density bonuses.
 - Overlay districts that support mixed-use development, specifically provide bonuses to developments that provide artist live/work space (Lowell MA).
 - Artist overlay districts and relocation programs to revitalize certain districts (Nashville TN & Paducah KY used this to revitalize historic districts).
 - Provide flexibility in land uses through Arts, Culture, and Small Business Overlay (Phoenix AZ).

Takeaway: There are different models of funding. As Council thinks about the kind of program you want to create, start to think about what you want, and what you don't want.

Takeaway: Who will approve and oversee the installation of public art? A formalized process could ensure consistency and equity in public art approvals.

Takeaway: Think about zoning tools and incentives that can be used in Farmington Hills

Council discussion:

Council Member Boleware shared her experience of repeat visits to Paducah, Kentucky, noting the success of its artist residency program in revitalizing the historic district.

Discussion focused on funding possibilities:

- CIP Contribution: Farmington Hills' CIP could allocate approximately \$50,000 annually to public art at 1%.
- Private Sector Involvement: Businesses like Mercedes-Benz are contributing to public art voluntarily.

- PUD Public Art Requirements: Council supports including public art in PUDs with a formalized evaluation process.
- Public art ordinances and/or policy could consider decommissioning or rotating some art to maintain vibrancy.
- Arts Commission Role: Emphasis on involving the Arts Commission and community members in public art decisions. Guidelines should be developed, such as no political advocacy.
- Southfield Case Study: Southfield's public art program has shown economic and community benefits.
- Council requested more information on how the City of Farmington funds its public art (Riley Park, the Raven), specifically whether it uses DDA funds or CIP allocations.
- What kind of art is Council looking for? Murals? Paint? Space? Sculpture?
- Can Tax Increment Financing (TIF) funds be used?

Guest Comments

Economic Development Director Brockway introduced guests from the development community and local DDAs, including Tony Antone, Kojaian Company; Gavin Beckford, Canton DDA; Matt Schiffman, CEO of PA Commercial; and Scott Elliott, Signature Associates.

Comments included:

- Developers need to know upfront what is important to a community. Requiring participation in public art is not a deterrent as long as costs are reasonable, and would not keep businesses from investing in Farmington Hills, but developers need clear guidelines and focused implementation, similar to understanding that trees are important to the City and there are rules about that.
- Businesses need to retain some control over the type of art installed so that it aligns with their business character.
- It is important to have landmarks in the City. Planning where public art is wanted, on what corridors, is important.
- ArtPrize in Grand Rapids has been immensely successful and has brought a lot of attention and business to that city.
- Developers partner with the communities where they operate. Being a partner for public art aligns with that philosophy.

Takeaway: Public art is generally supported by developers if guidelines are clear and costs reasonable.

Gavin Beckford, Economic Development and Downtown Development Authority Manager for Canton Township:

- Described Canton's partnership with the Midwest Sculpture Initiative, which rotates sculptures annually, funded by the DDA.
- Stressed the importance of a strategic, fair, and well-communicated plan for public art to avoid deterring businesses.
- Highlighted the need for comprehensive agreements with businesses, including provisions for maintenance of the art.

Equity and Small Business Concerns

There was a need for fairness when considering contributions from small businesses, which may operate on tighter budgets compared to larger corporations. A framework for private developer contributions could consider small and large businesses differently.

Next steps

City Manager Mekjian will come back with a recommendation:

- City's contribution to be based on public facility improvement.
- Develop a private contributions framework, acknowledging that private art contributions should be balanced, considering the financial capacity of small businesses.

On the question of offering incentives for developers contributing public art, City Attorney Joppich emphasized caution when using public art as a trade-off for zoning concessions like density or setback reductions, as this could undermine zoning regulations that are in place for a purpose.

Attorney Joppich also highlighted the importance of equity. Businesses must be treated fairly under any public art funding policy. He referred to Southfield's ordinance, which sets a \$1 million threshold for construction projects, with 1% of the project cost allocated to public art, capped at \$25,000. Projects below the threshold are exempt, providing a fair and balanced approach.

Planning for Public Art

- A Master Plan for Public Art, specifically to identify locations for art installations, could be considered.
- The Arts Commission should be involved in selecting art for designated locations. The Corridor Improvement Authority (CIA) could create its own plans for specific areas.
- Tax Increment Financing (TIF) funds could potentially be used for public art in the Grand River Corridor.
- Planning Consultant Bahm suggested starting with a pilot project on public properties and expanding based on the success of initial installations.

Mayor Rich thanked the participants, staff and Council for their contribution.

ADJOURNMENT

The Study Session meeting was adjourned at 7:18pm.

Respectfully submitted,

Carly Lindahl, City Clerk