

FARMINGTON CITY COUNCIL  
SPECIAL MEETING

A special meeting of the Farmington City Council was held on Monday, May 15, 2006, in Council Chambers, 23600 Liberty Street, Farmington, Michigan. Notice of the meeting was posted in compliance with Public Act 267-1976.

The meeting was called to order at 6:01 p.m. by Mayor McShane.

**COUNCIL MEMBERS PRESENT:** Buck, Knol (arrived 6:10 p.m.), McShane, Sutherland, Wiggins.

**COUNCIL MEMBERS ABSENT:** None.

**CITY ADMINISTRATION:** Clerk/Treasurer Cantrell, Director Gushman (arrived 7:05 p.m.), Assistant City Manager Richards, City Manager Pastue.

**STATE HISTORIC PRESERVATION OFFICE**

Present: Bryan Lijewski, Tax Credit Coordinator; Mary Bush, Dick Carvell, Nancy Leonard

Bryan Lijewski provided a brief overview of incentive programs offered through the State Historic Preservation Office including state and federal tax credit programs. He advised that the federal program applies only to income producing properties that are listed on the National Historic Register.

Lijewski stated that the state program provides a 25% income tax credit or in other words 25% of what property owners spend on rehabilitation of their historic structure. He stated the resource must be fifty years or older and retain its historic integrity as a result of the rehabilitation. He discussed other provisions of the incentive program.

Responding to a question from Councilmember Buck, Lijewski confirmed that homeowners could add projects to an application over a five-year period. Responding to an additional question, Lijewski stated that in most cases individual properties would not qualify as true historic districts. Discussion followed regarding qualifications of a National Registered Historic District.

Lijewski discussed eligible expenditures under the state program including: mechanical, plumbing, electrical work, roof work, painting, professional fees and updates. He discussed the three-part application process. He advised that the state application review is separate from local reviews and he pointed out the differences between them.

Councilmember Sutherland asked if the historic value of interior modifications must be maintained in order to receive a tax credit. Lijewski responded that interiors could be updated, however, there should be an effort to retain historic value where possible, such as in the trim work.

SPECIAL MEETING -2-  
May 15, 2006

City Manager Pastue confirmed with Mr. Lijewski that interior work would not need to be reviewed by the local Historic District Commission, but would require review by the state in order to receive a tax credit.

Discussion followed regarding the application process and time frame for approval. Lijewski noted that a credit can be carried forward up to ten years and the state can reclaim credits under certain circumstances.

Sutherland asked regarding the additional cost of repairs in order to maintain the historic character of the home. Lijewski responded that the most frequent claim is for a new roof and in that case, historic integrity is not always maintained, but still qualifies as an eligible expense. Discussion followed regarding repairs that require additional expense in order to maintain the historic character of the home and available funding resources.

Responding to a question from Councilmember Wiggins, Lijewski stated that repairs that fall under the "not recommended" list established by the state could still be eligible expenses, depending on the circumstances. He further confirmed that the local Historic District Commission uses the same standards as the state.

Responding to a question from Mayor McShane, Lijewski discussed the advantages to the program and the importance of education in making it successful. He noted disadvantages of the program may include the length and review time of the application and applicable fees.

Responding to a question from Sutherland, Lijewski advised that for emergency repairs it is usually easy to certify the work after it is completed.

Buck asked for advice on how to gain support from homeowners for a prospective district. Lijewski responded that "knocking on doors" is an effective tool and also to ensure that people who are promoting it live in the district. He emphasized the importance of education in achieving support.

Responding to a question from Councilmember Knol, Lijewski stated that the number of projects not approved is very low.

Mary Bush, Farmington resident, noted the perception of some people that establishing a certified historic district would take away property rights. Lijewski emphasized the positive tax incentives of this program.

Discussion followed regarding the pros and cons of a tax incentive program and the issue of property rights.

Pastue suggested inviting an expert on the establishment of a Certified Local Government (CLG) to a future Council meeting.

SPECIAL MEETING -3-  
May 15, 2006

Buck recognized the need to provide further education to residents regarding the benefits of a certified historic district.

Wiggins concurred that more information is needed regarding a CLG to better understand the process.

Mayor McShane asked Mr. Lijewski to discuss federal tax credits.

Lijewski discussed the requirements for a federal tax credit, noting that it goes through a similar process as the state credit. He stated that his office reviews the applications and then forwards them to the National Park Service where they are certified. He stated the federal credit is generally for major rehabilitations of commercial buildings. He advised that the minimum expenditure requirement relates to the adjusted basis of the property. He stated that one of the advantages of having a local historic district, in conjunction with a national registered district, is that it allows property owners to apply for both federal and state tax credits. He noted that the federal tax credit can be syndicated and assigned to a partner. He discussed other features of the federal tax credit program.

Responding to a question from Mayor McShane, Lijewski stated that the federal tax credit has been utilized the most in the Grand Rapids and Detroit areas.

Discussion followed regarding the feasibility of downtown businesses using the federal tax credit and eligibility for tax credits outside a national registered district.

Council thanked Mr. Lijewski for a very informative presentation.

**FARMINGTON AREA FOUNDERS FESTIVAL (FAFF)**

Present: Jim Mitchell, President, Dick Tupper, Executive Director

Dick Tupper discussed major changes planned for the festival this year including the relocation of crafters to Farmington Road and the addition of a Miss Farmington pageant. He discussed the importance of the crafters to the festival, noting that their numbers have increased from 44 in 2004 to over 200 this year.

Tupper advised that the "kids" events have been scaled back this year due to low participation last year and limited space this year. He stated that the "kids" events will be located in Riley Park. He noted that there will be an abbreviated parade this year due to the construction on Grand River. He stated traditional events would continue, including Kids Day in the Park and the Chamber Raffle.

Jim Mitchell discussed changes in the parade; the heavy emphasis on crafters; and that the carnival will not be held in Shiawassee Park as originally planned. He stated that to ensure the success of "Art on the Grand" and that it has its own venue, FAFF has contracted with the Masons to lease their property during the festival. He noted that changes for this year's festival have been limited in order to avoid confusion. Discussion followed regarding the closing of Farmington Road and a detour plan.

SPECIAL MEETING -4-  
May 15, 2006

Mitchell advised that the Farmers' Market would be open during the festival. Pastue advised that special provisions would need to be made to ensure the vendors are set up prior to the beginning of the parade on Saturday.

Mayor McShane suggested providing a shuttle or wagons for use by customers at the market.

Discussion followed regarding the logistics of an abbreviated parade and accommodating the crowds in less space.

Tupper expressed concern that due to the Farmers Market held during the festival the pavilion would be empty on Friday and after 3:00 p.m. on Saturday. He stated they are attempting to find ways to fill that uncommitted time. He requested that Council ask the Downtown Development Authority to develop guidelines for use of the pavilion.

Discussion followed regarding rerouting traffic, parking, and location of specific activities.

Discussion continued regarding filling the pavilion during the time it is not occupied by the market. Mitchell expressed optimism that the downtime would be filled.

Tupper noted that the Founders Café would continue as last year and expressed concern regarding the financial arrangement.

Mayor McShane asked whether "Grapes on the Grand" would be brought back sometime in the future. Mitchell responded that the FAFF Board would welcome anyone who wished to sponsor this event.

Council thanked Mr. Tupper and Mr. Mitchell for their efforts towards making the Founders Festival a success.

**ADJOURNMENT**

Council concurred to adjourn the meeting at 7:45 p.m.

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JoAnne M. McShane, Mayor

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Patsy K. Cantrell, City Clerk/Treasurer

APPROVED: June 19, 2006

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Susan K. Halberstadt, Recording Secretary