

**PROCEEDINGS OF VILLAGE OF FRANKLIN
VILLAGE COUNCIL SPECIAL MEETING
MONDAY, DECEMBER 8, 2008, 7:00 P.M.
FRANKLIN VILLAGE HALL - BROUGHTON HOUSE
32325 FRANKLIN ROAD, FRANKLIN, MICHIGAN 48025**

I. CALL TO ORDER

The meeting was called to order by President Pro Tem Coyer at 7:05 p.m. at the Franklin Village Hall, Franklin, Michigan.

II. ROLL CALL

Present: Mark Jahnke, Dominick Schiano, Brian Coyer, Bill Lamott, Amie Saltzman, Alan Harnisch (arrived at 7:35 p.m.)

Absent: Fred Gallasch

Also Present: Jon Stoppels, Administrator
Eileen Pulker, Clerk
John Staran, Hafeli Staran Hallahan Christ & Dudek, PC - Village Attorney
Chris Doozan, McKenna Associates, Inc. - Village Planner
Tom Morrow, Treasurer

III. ADOPTION OF AGENDA

Motion by Schiano, supported by Lamott, to approve the agenda as submitted.

Ayes: Jahnke, Schiano, Lamott, Saltzman, Coyer

Nays: None

Absent: Gallasch, Harnisch

Motion carried.

IV. PUBLIC HEARING

A. Proposed Corridor Improvement Authority

Stoppels introduced Eddie Delbridge to the Council who is the new Downtown Main Street Director.

Doozan gave a PowerPoint presentation (attachment #1) which provided an overview of the development of the strategy to revitalize Franklin's village center and reviewed different options including the Corridor Improvement Authority (CIA). He explained that the Planning Commission established a committee to work on a strategy to revitalize the village center. The Committee decided upon a three step approach, one being participate in Main Street Oakland County, hire a half time Coordinator and create a Corridor Improvement Authority. Doozan stated that a Corridor Improvement Authority is intended to correct and prevent deterioration in commercial corridors as well as encourage historic preservation. He then explained all the details of the Corridor Improvement Authority and what it would mean to the Village.

Coyer requested public comments.

Marvin Shwedel, 32710 Franklin Road, asked for clarification on what happens to business owners when their property value increases if the CIA is in place.

Doozan assured him that he would not notice any difference as his tax bill will be the same as before and he will be taxed the same amount. He clarified that what happens at the assessment end would be that the CIA would capture the property value increase.

Tom Morrow, 30115 Oakleaf Lane, Village Treasurer, referred to the presentation, which showed 13 mils and commented that approximately 6 of the mils are the Village's and the CIA allows the Village to capture the remaining 7 mils and return it to the Village rather than it going to the other taxing jurisdictions. He asked if anyone had done a budget as to how much revenue this would provide to the CIA.

Doozan answered yes, as described in the Planning Commission report and explained that initially there would not be a lot of money, but that it would increase each year.

David Bird, 32744 Franklin Road, representing Escapades, commented that it is interesting that the Village can own, acquire, lease or dispose of real property. He opined that if the CIA improves the downtown, it will improve the Village as a whole and stated that he is in favor of approving the CIA.

Pam Hansen, 32820 Wing Lake Road, Planning Commission Chairman, voiced her support for the formation of the CIA.

Janice Seror, 32654 Franklin Road, property owner, asked what the timeframe was for this to be up and running and noted her support of the CIA.

Doozan explained that the earliest this could be approved by Council would be sixty days from this meeting, adding that there would be a second step of the process which would be the formation of the development plan and tax increment financing plan, all of which would take another three months to complete.

Bill Finnicum, 25885 German Mill Road, stated that the CIA is being put into place to facilitate taking advantage of the Main Street program and opined that it would be advantageous for Council to form the committees based on people who are on committees or head committees based on the four points of the Main Street program.

Coyer pointed out that the statute defines the composition of the Board but beyond that it is within the prerogative of the resolution of Council to determine how the committee will be set up.

Finnicum then asked if it was the Board that determines the boundaries of the corridor or is it Council and was answered that Council determines the boundaries.

Janet Mooney, Southfield Township Treasurer, asked if Southfield Township was on the list of the millage amounts to be accessed and stated that they should be on the list and asked for verification that the schools are not included and that they will continue to see every dime that they see currently. Doozan answered that yes the Township would be included in the millage amounts noted, and the schools are not included or affected by the CIA.

Stoppels noted a few fears that tend to occur in communities when this item is brought to the table and reassured Council that CIA is not absolutely necessary to participate in Main Street Oakland County and that there are state laws in place to prevent property values from being artificially increased.

Jahnke asked how the boundaries of the CIA were determined.

Doozan explained that there is a provision in the act that states that one of the criteria is that more than one half of the existing ground floor square footage in the development area must be classified as commercial real property, which was a prime determinant of what the boundaries were. Doozan further clarified that the Ravines were included as the required high density residential use, as stated in the statute.

Discussion ensued regarding the boundaries and possible limitations.

Coyer asked if there is a possibility for a joint CIA with Bloomfield Township under the statute.

Staran answered that yes there is and Bloomfield Township would need to create their own CIA and then, through an intergovernmental agreement, a joint entity could be created.

V. ADJOURNMENT

Motion by Lamott supported by Schiano to adjourn the meeting.

Ayes: Jahnke, Schiano, Lamott, Saltzman, Harnisch, Coyer

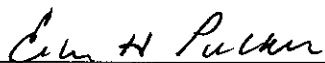
Nays: None

Absent: Gallasch

Motion carried.

There being no further business, the meeting was adjourned at 7:59 p.m.

Respectfully Submitted,



Eileen H. Pulker, Clerk

Brian Coyer, President Pro Tem

ATTACHMENT #1
STRATEGY TO REVITALIZE FRANKLIN'S VILLAGE CENTER
VILLAGE OF FRANKLIN

December 8, 2008

Three-Pronged Approach

1. Participation in the Mainstreet Program
2. Appointment of a half-time coordinator
3. Creation of a Corridor Improvement Authority (CIA)

CIA Alternatives Considered

Downtown Development Authority (PA 197 of 1975)

- Similar powers as a CIA
- Must be able to demonstrate property value deterioration
- Ability to levy a 2 mill ad valorem tax in the district

Principal Shopping Districts and Business Improvement Districts (PA 120 of 1961)

- Oriented toward larger downtowns
- Funding would come largely from the Village
- May only be available in cities, according to State website

Nonprofit Corporation (PA 162 of 1982)

- Not specifically tailored to economic development
- Lacks defined structure
- No specific funding mechanisms

Why Is Creation of a CIA so Important?

1. Provides legal structure and organization
2. Focuses planning and economic development efforts
3. Takes downtown revitalization to the next level
4. Demonstrates that the Village is serious
5. Provides a small, but worthwhile, funding mechanism
6. Achieves success through public-private partnership
7. Taps into the leadership available in retail community

How Does the Village Council Maintain Control Over the CIA?

1. Appointment of CIA Board
2. Village President is voting member on CIA Board
3. Village Council approves Development and Tax Increment Financing Plans
4. CIA can only work on projects in the Development Plan

Examples of Projects the CIA Can Work On

•General Mainstreet operations

•Streetscape

•Pathways

- Kreger farmhouse relocation
- Parking

Logistics – Establishing and Making the CIA Operational

Two Phase Process:

1. Village Council Creates Authority by resolution
 - a. Village Council approves appointment of Board members
 - b. Village Council approves rules of procedure
2. Village Council Approves Development Plan and Tax Increment Finance Plan by resolution

How Does Tax Increment Financing Work?

1. When TIF plan is adopted, base taxable value in the district is recorded.
2. Every year thereafter, the increase in taxable value within the district is determined.
3. The tax revenue generated on this increase is the tax increment that gets funneled to the CIA

How Does Tax Increment Financing Work?

A few key facts. . .

- Involves no tax increase.
- Does not affect school taxes at all.
- Does not affect debt millage.
- Depends on increase in property value in the district.

Generators of Property Value Increase

- New investment and major renovation
- General increase in property values in revitalized district
- Increase in surrounding areas due to desirability of living near Village Center.

•What Taxes Are Affected by the Tax Increment Capture?

- Oakland County General Property Tax Millage
- Oakland County Parks & Recreation Millage
- Village of Franklin General Property Tax Millage
- Huron-Clinton Metropark Authority
- Oakland County Community College Millage
- Oakland County Public Transportation

TOTAL: 13.4554 mills

•Next Steps

If the Village Council is ready to establish a CIA. . .
then the next step is adoption of a

Resolution Establishing the Authority and Designating the Boundaries of the Development Area.