



**Special Joint City Council & DDA Meeting  
6 p.m., Tuesday, August 9, 2022**

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**JOINT MEETING AGENDA**

- 1. Roll Call**
  - a. City Council**
  - b. Downtown Development Authority**
- 2. Approval of Agenda**
- 3. Presentation of Proposed the DDA's Tax Increment Financing (TIF) Assistance Application Packet and related Policies, Procedures, and Guidelines by CIB Planning and Director Knight**
- 4. Consideration by DDA to approve the Tax Increment Financing (TIF) Assistance Application Packet and related Policies, Procedures, and Guidelines and recommendation to City Council**
- 5. Consideration by City Council to approve the Tax Increment Financing (TIF) Assistance Application Packet and related Policies, Procedures, and Guidelines**
- 6. Consideration for City Council to establish a Social District Commons Area that will be utilized exclusively for the Harvest Moon Festival during the effective period of the Special License**
- 7. Other Business**
- 8. Public Comment**
- 9. Board & Council Comment**
- 10. Adjournment**

*The City will follow its normal procedures for accommodation of persons with disabilities. Those individuals needing accommodations for effective participation in this meeting should contact the City Clerk (248) 474-5500, ext. 2218 at least two working days in advance of the meeting. An attempt will be made to make reasonable accommodations.*

<b>Farmington City Council Agenda Item</b>	<b>Joint DDA &amp; Council Meeting Date: August 9, 2022</b>	<b>Item Number 4&amp;5</b>
<b>Submitted by:</b> David M. Murphy, City Manager		
<b>Agenda Topic:</b> <ol style="list-style-type: none"> <li>4. Consideration by DDA to approve the Tax Increment Financing (TIF) Assistance Application Packet and related Policies, Procedures, and Guidelines and recommendation to City Council</li> <li>5. Consideration by City Council to approve the Tax Increment Financing (TIF) Assistance Application Packet and related Policies, Procedures, and Guidelines</li> </ol>		
<b>Proposed Motions:</b> <ol style="list-style-type: none"> <li>4a. Consideration for DDA to approve the proposed Tax Increment Financing (TIF) Assistance Application Packet to implement a program for the use of TIF funds to assist with project costs for economic development projects on properties in the Downtown District for the purposes authorized by the Development and Tax Increment Financing Plans, dated April 5, 2021, and all applicable laws and ordinances.</li> <li>4b. Motion for DDA to recommend that City Council approve the proposed Tax Increment Financing (TIF) Assistance Application Packet to implement a program for the use of TIF funds to assist with project costs for economic development projects on properties in the Downtown District for the purposes authorized by the Development and Tax Increment Financing Plans, dated April 5, 2021, and all applicable laws and ordinances</li> <li>5. Consideration for City Council to approve the DDA’s Tax Increment Financing (TIF) Assistance Application Packet, including the related policies and procedures therefor adopted by the DDA, for the use of TIF funds to assist with project costs for economic development projects on properties in the Downtown District for the purposes authorized by the Development and Tax Increment Financing Plans, dated April 5, 2021, and all applicable laws and ordinances</li> </ol>		
<b>Background:</b> The DDA adopted its Amended and Restated Development and Tax Increment Financing (TIF) Plans in October 2007, and the City Council approved that document in April 2021. The DDA Plans as amended and restated contemplate the possible use of TIF funds to assist developers looking for help financing projects that fit within the City’s vision for development/redevelopment throughout the Downtown area. The DDA has created application materials designed to identify worthy projects, including policies and procedures for the submission and review of applications and guidelines for scoring applications. The materials were prepared with the assistance of CIB Planning. <p>At the August 9, 2022 Joint Meeting of the DDA and City Council, CIB and DDA Director Knight will present the “packet” of application materials and policies, procedures, and guidelines for consideration. The intention is for the DDA to act first to review and approve the packet and then recommend approval by the City Council—since the financial assistance contemplated for any given application and project is intended to be subject to final approval by the City Council.</p> <p>If the DDA recommends approval of the TIF Assistance Application Packet and recommends it to the City Council, and if Council finds the materials acceptable, Council would move to approve the packet as well, with the above proposed motion.</p>		
<b>Materials Attached:</b> Final version of the TIF Funding Application Packet and related “Guidelines for scoring Tax Increment Financing Assistance Applications.”		



# TAX INCREMENT FINANCING (TIF)

## ASSISTANCE

Application Packet

Dear Prospective Developer,

Welcome to The City of Farmington! Farmington is a community opportunity and embraces prime development that supports the mission and vision of the Farmington DDA and the community as a whole. The City Council is working with the members of the Farmington Downtown Development Authority to bring quality redevelopment to the Farmington DDA District. As such, we've developed robust programs to incentivize appropriate development projects, including the availability of Tax Increment Financing (TIF).

Please review the contents of this document, which includes the qualifications, process, and application to request TIF funding through our DDA.

For further information about the City's goals and other incentives, please utilize the links provided below.

Thank you for your potential investment in our Community!

Sincerely,

## **Downtown Development Authority, Economic Development**

Dear Applicant:

This packet contains information and materials necessary for submitting an application for Tax Increment Financing (TIF) assistance from the City of Farmington Downtown Development Authority.

This packet includes the following:

- ➔ TIF Assistance Application Approval Process Overview
- ➔ TIF Application
- ➔ Personal Profile Form
- ➔ Sources & Uses of Funds, Detailed Pro Forma and Revenue Projection Worksheets

Please complete every section of this application as incomplete applications will not be accepted. If any of the aforementioned items are missing from your packet, please feel free to contact Kate knight,

The Farmington DDA adopted a Tax Increment Finance and accompanying Development Plan (Plan) which captures new incremental tax revenues beginning in 2020 and concluding in 2039. Over the past few years the economy has shifted significantly, and the City has identified Downtown Farmington as:

- a critical redevelopment area;
- an area with specific plans for growth and investment;
- having parcels with environmental contamination that pose as a threat to human health and the environment and are barriers to support safe and economical redevelopment;

Further, the Farmington DDA and has identified specific projects within the DDA District (District) that need funding. These projects will help position Downtown Farmington toward becoming a great downtown destination and place to live, shop and work. These priorities are within the Development Plan and accompanying attachment for this application, and will be the basis from which proposed projects are funded, should those projects meet specific criteria.

Projects meeting or exceeding the scoring criteria driven by the priorities above could potentially qualify for project specific Tax Increment Financing to assist with the successful implementation of the project(s).

# **City of Farmington DDA Tax Increment Financing (TIF) Application Approval Process Overview**

A committee established by the DDA reviews all applications for Tax Increment Financing (TIF) assistance. The process outlined below usually takes at least 30-90 days, although more complex projects typically require more time to review and approve.

## 1. Convene Introductory Meeting Prior to Formal Submission of TIF Application

Prior to preparation of a formal TIF application, prospective applicants should request a meeting with the committee to discuss the concept of the potential project and its scope as well as to obtain general information.

## 2. Submission & Review of TIF Application \*

The DDA requires submission of a formal application for TIF assistance in order to consider an applicant's request for TIF assistance. TIF assistance may only be used to pay for eligible costs in accordance with the Applicable Michigan Statutes. An application must include the items referenced in the TIF application checklist, (see the enclosed application) and applicants are required to demonstrate a financial need or TIF assistance as well as the public benefit of the payment.

The submission will be reviewed by the committee for conformance with the guidelines of the Tax Increment Finance Assistance Program. An application will be considered complete after it has been signed, finances have been reviewed, an assessor's report has been issued and the committee has reviewed and authorized the application for scoring by the entire DDA Board of Directors.

*\*Application information will be considered confidential except as disclosure may be required under the Michigan Freedom of Information Act (FOIA), which applies to the DDA and City. The DDA shall advise an applicant of any FOIA request it receives for application documentation before disclosing the same under the FOIA.*

## 3. Present Proposed Developer Scope/Project to DDA

## 4. DDA Scores Project and Votes to Recommend Full Approval, Partial Approval or Denial of the Project Application.

## 5. City Council Reviews Recommendation from the DDA and Votes to Approve or Deny the Application

## 6. Execute Development Agreement

## 7. Implement Project / Payout Funds



# City of Farmington

## DDA TIF Application Checklist

*Please Include This Checklist When Applying For TIF Assistance.*

### General Project Information

- Summary Letter
- Copies for DDA
- Project Narrative
- Site Map(s)

### Detailed Project Information

- List of Parcel Identification Numbers (PIN's)
- Affordable Housing
- Table of Residential Unit Mix
- Renderings of Project
- Project Timeline
- Public Benefits
- Residential Displacement
- Evidence of Site Control

### Project Financial Information

- Sources and Uses of Funds
- Employer Personnel Needs
- Request for TIF Assistance
- Budget of TIF Eligible Expenses
- Pro Forma Income & Expense Schedule
- Analysis of Financial Need
- Financial Commitment
- Most Recent Property Tax Bills
- Appeal of Property Taxes
- Other

### Professional Studies

- Market Studies/ Demonstration of Need
- Environment Studies & Reports
- Other Studies & Reports
- Traffic Impact
- Appraisal

### Developer Information

- Ownership Structure
- Financial Statement
- Resumes & Experience of Principals
- Principal Profile Information
- Developer License Number

### Compliance Information

- Development Budget
- Affidavit & Escrow Agreement
  - o Affidavit/Escrow agreement filled out in its entirety  
(Affidavit must be signed and notarized by both buyer & seller)
  - o Copy of most recent Violation Notice
  - o Itemized contractor's proposal from licensed contractor
  - o Proof of contractor's licensing

**City of Farmington**  
**Downtown Development Authority**  
**Tax Increment Financing (TIF) Assistance**  
**Application Requirements**

The committee reviews all applications for TIF assistance. In order for the committee to effectively evaluate a request for TIF assistance, the Applicant must:

- Provide all applicable items in a single submission
- Organize the submission and present the required information in the manner indicated below
- Provide five (5) copies of the submission

Failure to provide all the required information in a complete and accurate manner, could delay the processing of your application. The committee reserves the right to reject or halt the processing of applications that lack all required items.

**The Following is a General Overview of the Items Referenced In The TIF Application Checklist:**

**General Project Information**

**Summary Letter**

Provide a summary of the project in the form of a letter addressed to the Downtown Development Director. The letter should not exceed two (2) pages in length and should include only the following essential information about the project:

- |   |  |
|---|--|
| → Description of site(s) or building(s), including address and TIF District | → Overview of private-sector financing                   |
| → Current and proposed uses   | → Amount of TIF assistance requested                     |
| → Description of end users  | → Statement regarding why TIF is essential               |
| → Project start and end users   | → Summary of increment projections                       |
| → Name of developer and owner   | → Profitability  |
| → Total development costs   | → Description of public benefits, including job creation |

**Project Narrative**

Provide an in-depth overview of the project in narrative format. The narrative must include a description of the following aspects of the project:

- Current condition of the site and historical overview that includes the size and condition of any existing structures, environmental conditions, and past uses of the site.
- Proposed use(s) or project (e.g, commercial, retail, office, residential for sale or for rental, senior housing, etc.)
- Construction information about the project including size of any existing structure to be demolished or rehabbed; sized of any new construction; types of construction materials (structural and finish); delineation of square foot allocation by use; total number and individual square footage of residential units; type of residential units (e.g. for-sale, rental, condominium, single-family, etc.); number and type of parking spaces provided; and construction phasing.
- Confirm that this project is consistent with goals and objectives identified in the City’s Comp Plan.

**Site Map(s)**

Provide a map that shows the location of the site. Also provide a map that focuses on the project and its immediate surroundings. Both maps should be no longer than 11x17.

## **Detailed Project Information**

### **List of PINs**

Identify the specific Parcel Identification Numbers (PINs) included in the proposal. Also include the “base” SEV for each of these PINs. This information can be obtained in the TIF District Redevelopment Plan and from the Oakland County Assessor’s Office.

### **Table of Residential Unit Mix**

Provide a detailed overview of the residential units in the project. Details must include: the number and type of unit (i.e. number of bedrooms and bathrooms), unit size measured in square feet, construction cost per square foot, base sales price, “write-down” for affordable units, and the projected amount of total sales revenue.

### **Renderings of Project**

Provide preliminary architectural elevations, plans and renderings for the project. These drawings should be no larger than 11x17 inches.

### **Project Timeline**

A comprehensive project timeline is required. Include anticipated dates for site acquisition, project start and completion, as well as other project milestones. Multi-phase projects must include details for each phase. The timeline should also identify any critical or time-sensitive dates as well as any time constraints facing the applicant.

### **Public Benefits**

Fully describe the public benefits that can be realized by the completion of this project. Projects with a high degree of public benefits are typically more likely to receive TIF assistance. Examples of public benefits include, but are not limited to the following:

- Positive Property Value Impacts
- Re-occupancy of a vacant building
- Elimination of blight
- Creation of new retail choices
- Rehabilitation of a historic building
- Increased sales tax revenue
- Job-training opportunities

This statement should include qualitative examples of public benefits as well as quantifiable and measurable outcomes of the short-term and long-term benefits to the neighborhood and to the City of Farmington. Support documentation for the estimates of public benefits can be included in the Professional Studies Section.

### **Demonstration of Need (GAP Analysis)**

Provide a detailed statement that accurately and completely explains why TIF assistance is needed. This statement should provide the reasons why the project would have unacceptable financial returns without TIF.

## **Project Financial Information**

### **Sources & Uses of Funds**

Identify the sources of funds used to finance the project. Typical sources include equity, lender financing, mezzanine financing, other anticipated types of public assistance, and any other types or methods of financing. Describe the sources of equity and include a term sheet for lender financing, if available.

Beware that TIF assistance is generally available as a reimbursement after the project is complete. Thus, the project budget must identify the up-front sources intended to finance the development costs of the project. If determined, specify the specific line items of the project budget that each source will finance.

Summarize the uses of funds. General categories to be identified include: acquisition and related site costs, hard construction costs, and a breakdown of soft costs.

All projects must include for the construction phase a monthly or quarterly cash flow (i.e. sources or “cash in” by source and uses or “cash out” by use).

Note: a performance guarantee may be required by the City to ensure property improvements are completed.

For-sale housing developments must show income from the rental or sale of commercial space, the sale or rental of parking spaces, and unit upgrades must be included. Clearly identify all assumptions (such as absorption, sales prices, taxes, etc.). Identify the profit expected at the completion of the project.

Applicants are advised that to the extent possible, sales contracts for land acquisitions should not be executed until DDA and the Applicant have agreed on an amount of TIF assistance to be provided. This is because the purchase price of a development site to be acquired or recently acquired will be reviewed to determine acquisition costs that will be considered in the estimation of TIF assistance. The committee will review any market value appraisal submitted in support of an acquisition, and the department may obtain its own appraisal or review appraisal.

#### **Development Budget**

Provide an accurate and detailed development budget for the project that includes a detailed breakdown of significant line item costs consistent with the sample included in the application packet. The budget should be arranged to identify acquisition and site related costs, hard costs, and soft costs. Also, identify all line items that are performed by the developer, owner, or related entities.

#### **Request for TIF Assistance**

Specifically state the amount of TIF assistance that is necessary to make this project possible. Also specify the terms of payment (e.g. pay-as-you-go or developer note) and how the developer will fund project costs that will be reimbursed with TIF increment after those project costs have been incurred. For example, will the developer provide additional equity or borrow additional funds to “front-fund” the TIF assistance?

#### **Budget of TIF Eligible Expenses**

Identify which of the development budget costs are eligible for reimbursement as allowed by the City of Farmington DDA Development Plan.

#### **Pro Forma Income & Expense Schedule**

Applicants whose projects involve the rental of commercial, retail, industrial, or dwelling space must submit pro formas that identify income and expenses projections on an annual basis for an eleven-year period. A hypothetical property reversion is to be assumed. Clearly identify all assumptions (such as absorption, vacancies, debt service, operational costs etc.) that serve as the basis for the pro forma. Two sets of pro formas are to be submitted. The first set should show the project without TIF assistance and the second set with TIF assistance.

For owner occupied industrial and commercial projects, detailed financial information must be presented that supports need for financial assistance (see following page).

## **Analysis of Financial Need**

Each application must include financial analyses that demonstrate the need for TIF assistance. Two analyses must be submitted: one without TIF assistance and one with TIF assistance. The applicant must indicate the minimum return or profit the applicant needs to proceed with the project and rationale for this minimum return or profit. The analyses will necessarily differ according to the type or project that is being developed.

**For Sale Residential** – Show profit as a percent cost (minus developer fee and overhead and minus sales commissions and closing costs, which should be subtracted from gross sales revenue). Other measures of profitability may be submitted, such as profit as a percent of sales revenue.

**Mixed Use Commercial / For-Sale Residential** – Provide either separate analyses for each component of the project or include in the revenue sources for the for-sale portion, the sale value of the commercial component based on the net operating income of the commercial space at stabilization. Indicate how the sale value was derived.

**Owner-Occupied Commercial** – For projects, such as “big-box” retail projects, provide copies of the analyses that the company used to determine the amount of TIF assistance that would be needed to allow the company to meet or exceed the company’s minimum investment threshold(s) for proceeding with the project.

**Competitive Projects** – In instances where the City is competing with other jurisdictions for the project (e.g. corporate headquarters, new manufacturing plant), present detailed analyses that demonstrate the capital and operating cost differential between the proposed location(s) in the city and locations outside the city that are being seriously considered by the applicant.

## **TIF Performance Measures**

Identify the performance outcomes of the requested TIF assistance. Actual performance will vary from project to project. Typical performance measures of TIF assistance include:

- |  |  |
|--|--|
| ➔ TIF assistance as a percentage of total project costs                            | ➔ Ratio of public (TIF) to private investment          |
| ➔ TIF assistance as a percentage of increment generated by the development project | ➔ TIF assistance per Full Time Equivalent job created  |
|  | ➔ TIF assistance per Full Time Equivalent job retained |

## **Financial Commitments**

Submit commitment letters and/or term sheets from all lenders for proposed debt (such as construction, mezzanine, permanent, and government financing) and all other financial sources of the project (such as grants, and tax credits). Commitment letters must clearly specify the nature and terms of the obligations.

## **Most Recent Property Tax Bills**

Submit a copy of the most recent second installment property tax bill for each PIN in the project.

## **Appeal of Property Taxes**

Provide a statement, signed by the developer/owner, that the property has not received a City of Farmington real estate tax reduction, and that such a reduction has not and will not be applied for if TIF assistance is awarded to the project.

## **Other Available Subsidies**

Identify all other forms of public assistance that will be applied for to support this project.

## **Professional Studies**

### **Market Studies**

Applications for commercial and residential projects must include a comprehensive market study. Market studies are not required for industrial projects. The market study must identify target markets, analysis of competition, demographics, market rents, letters of intent/interest from prospective tenants, or for housing developments sale prices or rental rates of comparable properties.

### **Appraisal**

All projects that involve the transfer of land must include a recent appraisal. Projects that include land as a form of equity or collateral must also submit a recent appraisal. The appraisal must value the property “as is”, and the impact on value must be considered for such items as demolition, environmental remediation, relocation of utilities, lease buy-outs and other work necessary to make the site developable. The property must be valued assuming that the highest and best use is the proposed use.

### **Environmental Studies and Reports**

Submit a copy of the Phase I environmental report/study performed on the property. If there is probable or potential contamination on the project site, then a Phase II report/study or evidence that the site has been or is being enrolled in a EGLE No Further Remediation Program must be also be included.

### **Other Studies and Reports**

Include as appropriate other reports in support of information that is presented in the application.

## **Developer Information**

### **Ownership Structure**

Submit an organizational chart and narrative description of the ownership structure of the development and ownership entities, which includes information on individuals involved in each. The financial relationship of each entity must be clearly and accurately described. Where applicable, also identify the relationship between the developer/owner and the operating entity. Indicate the entities that will serve as construction manager and general contractor for the project.

### **Financial Statements**

Provide year-end historical (prior 3 years) and interim financial statements of the Applicant and owning and/or operating entity if different from the Applicant. Financial Statements should include accountant an audited or compiled Balanced Sheet, Income Statement, and Statement of Cash Flows.

### **Resumes and Experience of Principals**

Submit resumes for each of the principals of the developer, owner, and operator. Also include a brief history that identifies the development entity’s experience and previous involvement in developing similar projects and the ownership or operating entity’s experience or ability in managing similar projects.

### **Principal Profile Information**

Submit the requested information for each of the principals and business entities involved in this project. This information will be used to verify that the applicants and related associates do not have any outstanding debts to the City or recipients of child support payments. All outstanding City debts and child support must be paid in full in order for the committee to proceed with processing any application for TIF assistance.

## **PRINCIPAL PROFILE**

The following information must be provided for each individual that is an owner, partner, investor, director or officer of the applicant entity or of any entity holding an interest in the applicant. The information will be provided only to the Director of Finance the purpose of determining whether any of the listed persons have outstanding water bills, traffic or parking tickets, child support payments, or other obligations. All outstanding obligations must be satisfied before the committee will proceed with the application.

<b>Name:</b>	
<b>Home Address:</b>	
<b>Date of Birth:</b>	
<b>Social Security Number</b>	
<b>Driver's License Number</b>	
<b>License Plate Number</b>	

<b>Name:</b>	
<b>Home Address:</b>	
<b>Date of Birth:</b>	
<b>Social Security Number</b>	
<b>Driver's License Number</b>	
<b>License Plate Number</b>	

<b>Name:</b>	
<b>Home Address:</b>	
<b>Date of Birth:</b>	
<b>Social Security Number</b>	
<b>Driver's License Number</b>	
<b>License Plate Number</b>	

<b>Name:</b>	
<b>Home Address:</b>	
<b>Date of Birth:</b>	
<b>Social Security Number</b>	
<b>Driver's License Number</b>	
<b>License Plate Number</b>	

**(NOTE: This Profile Must Be Typed)**

# SOURCES AND USES OF FUNDS, DETAILED PRO-FORMA, AND REVENUE PROJECTIONS

Project Name: \_\_\_\_\_

Date: \_\_\_\_\_

Developer: \_\_\_\_\_

## SOURCES AND USES OF FUNDS

### I. Sources of Funds

Equity			
Developer Equity	\$ _____		
<b><u>% of total project costs</u></b>			
_____ % Other Equity ( )	\$ _____	_____ %	
<b>Total Equity</b>	\$ _____		_____ %
<b>Loans</b>		<b>Rate</b>	<b>Term</b>
Construction Financing	\$ _____	_____ %	_____ %
Permanent Financing	\$ _____	_____ %	_____ %
Government Assistance (_____)	\$ _____		_____ %
Other (_____)	\$ _____		_____ %
<b>TOTAL SOURCES OF FUNDS</b>	\$ _____		_____ %

### II. Uses of Funds

#### \$ Per SF of Building Area

Land Acquisition	\$ _____	\$ _____
Demolition	\$ _____	\$ _____
Site Clearance and Preparation	\$ _____	\$ _____
Soft Costs/Fees	\$ _____	\$ _____
Soft Cost Contingency	\$ _____	\$ _____
Hard Construction Costs	\$ _____	\$ _____

### III. Detailed Pro Forma (must correspond to line times for Uses of Funds on previous page)

Land Acquisition	\$ _____
Demolition	\$ _____
<b>Site Clearance and Preparation</b>	\$ _____
Infrastructure	\$ _____
Utilities/removal	\$ _____
Utilities/relocation	\$ _____
Utilities/installation	\$ _____
Hazardous Materials Removal	\$ _____
Other (_____)	\$ _____



**Total Site Clearance and Preparation** \$ \_\_\_\_\_

**Soft Costs/Fees**

Project Management (\_\_\_\_\_%) \$ \_\_\_\_\_

General Contractor (\_\_\_\_\_%) \$ \_\_\_\_\_

Architect/Engineer (\_\_\_\_\_%) \$ \_\_\_\_\_

Developer Fee (\_\_\_\_\_%) \$ \_\_\_\_\_

Appraisal \$ \_\_\_\_\_

Soil Testing \$ \_\_\_\_\_

Environmental Testing \$ \_\_\_\_\_

Market Study \$ \_\_\_\_\_

Legal/Accounting \$ \_\_\_\_\_

Insurance \$ \_\_\_\_\_

Title/Recording/Transfer \$ \_\_\_\_\_

Building Permit \$ \_\_\_\_\_

Mortgage Fees \$ \_\_\_\_\_

Construction Interest \$ \_\_\_\_\_

Commissions \$ \_\_\_\_\_

Marketing \$ \_\_\_\_\_

Real Estate Taxes \$ \_\_\_\_\_

Other Taxes \$ \_\_\_\_\_

Other (\_\_\_\_\_ ) \$ \_\_\_\_\_

Other (\_\_\_\_\_ ) \$ \_\_\_\_\_

**Sub-Total Soft Costs/Fees** \$ \_\_\_\_\_

Soft Cost Contingency \$ \_\_\_\_\_

# REVENUE PROJECTIONS – RENTAL PROJECT

	SF	AVG	YEAR 1	YEAR 2	>>>YEAR 11
<b>INCOME</b>					
Commercial Rent	_____	\$ _____	\$ _____	\$ _____	
Commercial Expense Recoveries	_____	\$ _____	\$ _____	\$ _____	
Residential Rent – market rate units	_____	\$ _____	\$ _____	\$ _____	
Residential Rent – affordable units	_____	\$ _____	\$ _____	\$ _____	
Parking Revenue (per space)	_____	\$ _____	\$ _____	\$ _____	
Other Revenue (_____)		\$ _____	\$ _____	\$ _____	
<b>Gross Potential Income</b>			\$ _____	\$ _____	
Commercial Vacancy	_____ %		\$ _____	\$ _____	
Residential Vacancy	_____ %		\$ _____	\$ _____	
<b>EFFECTIVE GROSS INCOME (EGI)</b>			\$ _____	\$ _____	
<b>EXPENSES</b>					
Maintenance & Repairs			\$ _____	\$ _____	
Real Estate Taxes			\$ _____	\$ _____	
Insurance			\$ _____	\$ _____	
Management Fee			\$ _____	\$ _____	
Professional Fees			\$ _____	\$ _____	
Other Expenses (_____)			\$ _____	\$ _____	
Other Expenses (_____)			\$ _____	\$ _____	
<b>TOTAL EXPENSES</b>			\$ _____	\$ _____	
<b>NET OPERATING INCOME (NOI)</b>			\$ _____	\$ _____	
Capital Expenses (reserves, tenant improvements, commissions)			\$ _____	\$ _____	
Debt Service			\$ _____	\$ _____	
<b>NET CASH FLOW (before depreciation)</b>			\$ _____	\$ _____	
<b>REVERSION IN YEAR 10:</b>					
Year 11 NOI before Debt & Capital Expenses		\$ _____			
Capitalization Rate:		_____ %			
Gross Reversion:		\$ _____			

# REVENUE PROJECTIONS – FOR-SALE PROJECT

**GROSS SALES VALUE**

<b>HOUSING UNITS:</b>	<u>Unit Type</u>	<u>Number</u>	<u>Price</u>	
	_____	_____	\$ _____	\$ _____
	_____	_____	\$ _____	\$ _____
	_____	_____	\$ _____	\$ _____
	_____	_____	\$ _____	\$ _____
	_____	_____	\$ _____	\$ _____
	_____	_____	\$ _____	\$ _____
	_____	_____	\$ _____	\$ _____
	_____	_____	\$ _____	\$ _____
	_____	_____	\$ _____	\$ _____
	_____	_____	\$ _____	\$ _____
<b>Total Housing Sales</b>				\$ _____
*Indicate Affordable Units				\$ _____
<b>Housing Unit Upgrades</b>				\$ _____

<b>PARKING SPACES:</b>	<u>Type</u>	<u>Number</u>	<u>Price</u>	
	_____	_____	\$ _____	\$ _____
	_____	_____	\$ _____	\$ _____
<b>Total Parking Sales:</b>				\$ _____

<b>COMMERCIAL SPACE:</b>	<u>Unit Type</u>	<u>Size-SF</u>	<u>Price Per SF</u>	
	_____	_____	\$ _____	\$ _____
	_____	_____	\$ _____	\$ _____

Total Commercial Sales: \$ \_\_\_\_\_

**TOTAL GROSS SALES REVENUE** \$ \_\_\_\_\_

**COSTS of SALES**

Commission	_____ %	\$ _____	
Marketing	_____ %	\$ _____	
Closing	_____ %	\$ _____	
Other Costs (_____)		\$ _____	

**TOTAL COSTS of SALES** \_\_\_\_\_ % \$ \_\_\_\_\_

**NET SALES REVENUE** \$ \_\_\_\_\_

## **HARD COST CATEGORIES**

*It is not necessary to provide a detailed cost breakdown, but the hard construction costs indicated in the pro forma must include the items listed below, if applicable.*

### ***Site-work***

Shoring & Underpinning  
Erosion Control & Earth Retainage  
Curbing  
Paving  
Drainage Control  
Fencing  
Accessories

### ***Concrete***

Concrete  
Formwork  
Reinforcement  
Grout

### ***Masonry***

Masonry, Stone, Granite, Slate, Glass Block  
Mortar/Grout  
Reinforcing Accessories

### ***Metals***

Structural Framing  
Metal Decking  
Ladders & Rungs  
Grates & Trench Covers  
Stairs & Railings  
Expansion Control

### ***Wood***

All lumber  
Connections & Fasteners  
Architectural Woodwork  
Cabinetry  
Hardware

### ***Thermal & Moisture Protection***

Water/Damp Proofing  
Water Retardants & Repellents  
Roofing  
Siding  
Flashing  
Sealants

### ***Finishes***

Suspended Ceilings  
Lath & Plaster/Gypsum Board  
Flooring  
Acoustical Treatment  
Wall Finishes & Covers

### ***Specialties***

Toilet Partitions  
Fireplaces & Stoves  
Flagpoles  
Signage  
Lockers  
Awnings  
Movable Partitions  
Toilet Accessories  
Shelving

### ***Appliances & Equipment***

Window Washers  
Kitchen Appliances  
Audio/Visual  
Laundry  
Waste

### ***Furnishings***

Window Treatments  
Furniture  
Special Construction

### ***Conveying Systems***

Elevators  
Lift  
Pneumatic Tubes

### ***Mechanical***

Sprinkler System  
Plumbing Fixtures  
HVAC

### ***Electrical***

Conduit & Cabling  
Lighting

**This Completes Your Application!**

**Please Return To:**

**Kate Knight  
Downtown  
Development Director**

<b>Farmington City Council Agenda Item</b>	<b>Council Meeting Date: August 15, 2022</b>	<b>Item Number 6</b>	
<b>Submitted by:</b> Kate Knight, DDA Director			
<b>Agenda Topic:</b> Establishing Social District Commons Area that will be utilized exclusively for the Harvest Moon Festival during the effective period of the Special License			
<b>Proposed Motion:</b> Approve a Resolution Establishing Social District Commons Area That Will Be Utilized Exclusively For The Harvest Moon Festival During The Effective Period Of The Special License			
<b>Background:</b> MCL 436.1551 creating the "Social District Permit," has recently been amended to allow permittees with Special Licenses for events to sell alcohol within the Social District if an exclusive area within the Commons Area is designated for that event alone. The DDA has proposed to designate a separate area within the Syndicate Commons Area for the Harvest Moon Festival as shown in the attached drawing. The DDA must document this designated area for the MLCC in accordance with the requirements of Subsection 3 of Section 551 of the Act. The City Attorneys' Office has prepared a Resolution for this purpose.			
<b>Materials Attached:</b> Resolution Establishing Social District Commons Area that will be utilized exclusively for the Harvest Moon Festival during the effective period of the Special License and Exhibit			
<b>Agenda Review</b>			
<b>Department Head</b>	<b>Finance/Treasurer</b>	<b>City Attorney</b>	<b>City Manager</b>

**STATE OF MICHIGAN**  
**COUNTY OF OAKLAND**  
**CITY OF FARMINGTON**

**RESOLUTION ESTABLISHING SOCIAL DISTRICT COMMONS AREA THAT WILL BE UTILIZED EXCLUSIVELY FOR THE HARVEST MOON FESTIVAL DURING THE EFFECTIVE PERIOD OF THE SPECIAL LICENSE.**

**RECITATIONS:**

**WHEREAS,** the Michigan Liquor Control Code permits was recently amended by 2020 Public Act 124 (the Act) to allow the governing body of a local governmental unit to designate social districts and commons areas which may be used by qualified licensees to obtain a social district permit from the Michigan Liquor Control Council (MLCC) to utilize expanded areas for the consumption of alcohol; and

**WHEREAS,** the City of Farmington established a Social District with a commons area in accordance with the Act; and

**WHEREAS,** the Act provides that the Michigan Liquor Control Commission issues a special license to a special licensee whose event is to be held within a commons area located within a social district, for the effective period of the special license, and subject to the Commission's approval, the governing body of the local unit of government shall delineate the portion of the commons area to be utilized exclusively by the special licensee and the portion of the commons area to be used exclusively by social district permittees.

**WHEREAS,** the Farmington Downtown Development Authority has applied for a special license under the Michigan Liquor Control Code for the Harvest Moon Event scheduled for September 15,16,17, 2022. The special license application requests a license to be issued to the Farmington Downtown Development Authority be used between the hours of 6 pm and 11 pm within a portion of the Social District Commons Area.

**WHEREAS,** in accordance with Subsection 3 of Section 551 of the Act the City Council hereby designates the portion of the commons areas shown in the attached Exhibit A as that portion of the Social District Commons Area that shall be utilized exclusively for the Harvest Moon Festival.

***NOW THEREFORE BE IT RESOLVED THAT,*** that the City Council hereby designates Exhibit A as District Commons Area that shall be utilized exclusively for the Harvest Moon Festival as required by Section 551 of the Michigan Liquor Control Code, as amended, during the hours of 6pm and 11 pm on the dates of September 15,16,17, 2022.

***BE IT FURTHER RESOLVED THAT*** the City will notify all holders of a social district permit in writing providing notice of the closure, and will additional post signage in the social district and information on the City and DDA webpages during the closure.

**AYES:**

**NAYS:**

**ABSTENTIONS:**

**ABSENT:**

**CERTIFICATION**

I hereby certify that the foregoing Resolution was adopted by the City Council of the City of Farmington at a meeting duly called and held on \_\_\_\_\_, 2022.

CITY OF FARMINGTON

\_\_\_\_\_  
MARY MULLISON, CLERK



