

Welcome mat always out for new businesses

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Every now and then, someone asks Frank Clappison, "Why can't you recruit certain businesses?"

"It's difficult to recruit businesses effectively," explained Clappison, a member of the Farmington Downtown Development Authority. "It's difficult for the DDA to do. You can't order up a mix of two restaurants, two apartments, two less insurance agencies."

Speaking at a recent meeting between the DDA and Farmington City Council, he said that in reality, if a landlord has a vacancy and some tenant comes in and wants to pay the rent, he really doesn't care what the DDA wants. "We have tried to market downtown Farmington but in terms of a mix, we can have a wish list."

The city isn't facing concerns about encroaching commercial development, according to City Manager Frank Lathoff. But while holding steady, Farmington always keeps the welcome mat out.

Farmington DDA Director Judy Downey agreed. "We don't have a problem with encroaching development," she said.

Hopes are high for the development of a community pavilion, a new site for the Farmer's Market and events designed to attract people to the Downtown Farmington Center at Grand River and Farmington Road. Once at the center, the hope is that people will visit nearby shops and restaurants.

As a community gathering place, the pavilion's uses will range from a more central location for the Farmer's Market to a place for merchants to hold events. Marie Norman could hold a free makeup demonstration or Farmington Florist could have a spring flower display. Groups like the Boy Scouts could sell Christmas trees, she said. Because of its open-ended design, it will not take away from parking when it is not in use, she said. The cost is

\$160,000 to develop with restrooms.

Downey expects the market to continue on Saturdays from 9 a.m.-2 p.m. "There's a tremendous amount of Saturday traffic," she said. Vendors drive from Coldwater, Armada and Menchester. The market attracts residents from Farmington, Farmington Hills and Livonia.

"There's a lot of enthusiasm and interest created," Clappison said. "The fund-raising will be tough." The pavilion is funded through private donations.

The renovated and historic Farmington Civic Theatre located on Grand River east of Farmington Road received a prestigious award from the Michigan Municipal League last year. It continues to build attendance.

Joyce Cornwell, a Realtor and downtown landlord who also serves on the DDA board, believes the authority can do more to recruit businesses proactively. A community pavilion isn't the total answer, she said.

"When you look at Plymouth, Northville, Birmingham, there are people who seek out these communities because they have good restaurants," Cornwell said.

Two good opportunities are the vacant Shoe Carnival at the downtown center and Mrs. Lovell's Tea Cozy, which is for sale, she said. The tea room is located east of the center.

"Every DDA director says the same thing, that they would like to see the mix of businesses which everyone desires," Downey said. "That's very difficult. Many businesses require the numbers of people who walk by their store if they are in the mall."

As of next summer the downtown center will have no vacancies, Downey said. Though Kinco Realty, who owns the vacant Shoe Carnival, Gold Loft and Mike's Cleaners isn't ready to announce the tenants, even to the city, the understanding is all three businesses will be leased by summer, Downey said. "It's their goal, too. They aren't getting any money in there if the space isn't leased."

Lathoff is satisfied with the city's mix of development, which follows the original master plan.

The DDA has some loan incentives for businesses, Lathoff said. Farmington is also working to create a brownfield authority, as an economic incentive for redeveloping properties that may be blighted or contaminated.

"Cities only have so many ways to make it financially easier for companies to come into a community," Lathoff said. "Larger cities have gotten into tax incentives. Farmington has never found itself in a position to do that. We have no tax abatements. That's not to say it would never occur. But, that has been the practice to date."

The everyday attention to maintaining a good infrastructure with equally good services will automatically attract businesses, he said. "Businesses don't want to locate in a run-down city, where roads are falling apart, or with bad public services," Lathoff said.

Standard Construction Company has long been one of Farmington's top taxpayers. The company owns Kmart Center, Jamestown and Drake'shire Apartments and Drake'shire Plaza, with a total taxable value of about \$16 million. The second biggest taxpayer is Bezos Realty, which owns Muirwood. Its taxable value is more than \$6 million. About 60 percent of Farmington is developed for single family homes, with 15 percent commercial and the remainder in industrial, multiple family and utilities, Lathoff said.

"If you get into significantly higher residential of 80 or 90 percent, you are reducing your possibility for commercial and industrial areas and taxes," Lathoff said. "You need this mix to maintain this lower tax base regardless of the services you are trying to provide."

Farmington fares well when comparing the operating tax rates among Oakland County cities. At the beginning of 2001, 16 of 30 cities had a higher operating tax rate than Farmington, Lathoff said.

Mix

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payer."

Allowing commercial development near homes is a delicate dance that city officials must do every year in Farmington Hills. Working out a compromise with residents in planned unit developments is not always easy, as was evident by the expansion of the San Marino golf course.

It took the city three years to reach a compromise for the expansion that included input from nearby residents.

"We're in the business of changes," said Dale Coutagne, director of planning for the Hills. "And there are challenges with it. What we can do is build appropriate transitions (between residential and commercial)."

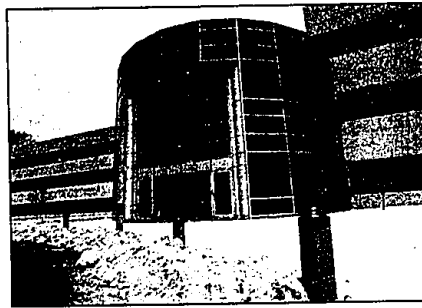
New commercial development and redevelopment appears on an upswing locally, despite the lagging economy.

Economic Development Corporation chairman John Annett told the Hills city council recently that the city has much for which to be thankful.

"We should count our blessings," he said.

Annett noted several developments and redevelopments in the works:

■ A new Motorola Automotive and Industrial Electronics Group headquarters is being



A first: The Motorola building is one of the first constructed on the site.

built on 12 Mile and Halsted. It will be a three-story 125,000 square-foot building.

■ A Home Depot and more developments are proposed for the Triangle project on the south side of Northwestern Highway, east of Orchard Lake.

■ A new, three-story, 33,000-square-foot medical office building is planned for the vacant site of the old National Boatland building on the northeast corner of Grand River and Waldron Avenue.

■ An 80-unit condo project is planned for the nine-hole expan-

sion of the San Marino golf course.

■ DaimlerChrysler is moving its financial arm into the old Michigan National Bank headquarters on Inkster by I-96.

Steve Schafer, secretary treasure of Phoenix Land Development in Farmington Hills, said the Hills is a desirable place to work and live.

His company has done several residential developments in the Hills.

"It's a viable community," he said of the residential and commercial mix.

Commercial

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trends and forecast seminar sponsored by several real estate/property management firms.

■ Nate Forbes, president, Forbes-Cohen Properties, on retail.

"The holiday season was better than expected for most retailers. More people stayed home and did a lot of their buying, spending."

"I think the market is pretty healthy. I see fall-out in the first quarter that will need absorption. New development will be very conservative the first half of this year."

"Location, creditworthiness of tenants and points of difference in product will be key to success in 2002."

■ Jim Ketat, vice president, Etkin Equities, on office.

"Office has been hit pretty hard. Rents have flattened out and dropped. Incentives have increased. It's much more challenging to be a landlord now."

"Vacancies obviously have increased. Occupancy was gradually dropping during 2001. Sept. 11 made it that much worse. The overall vacancy rate now is 12-13 percent. A healthy rate? Opti-

mal, 5 percent.

"I'd say Farmington Hills - 12 Mile - and the I-275 corridor are hit the hardest now. Troy is probably still strongest."

■ Roy Annett, senior vice president, DeMattia Group, on industrial.

"Geographic expansion is slowing as tenants stay closer to home. Overall vacancy rate at year end was 10.5 percent, up 2 percentage points for the year," he said.

Annett attributed the increase to more space coming on line and tenants cutting back. The suburban Detroit industrial market consists of some 340 million square feet, he said.

"Vacancy ranged from 3 percent in Auburn Hills to 20 percent in Romulus and VanBuren," Annett said.

"Incentives are making their way back into negotiations," he added.

Annett's general conclusion?

"Growing vacancies, but moving forward conservatively with limited speculative development. We're still seeing good activity. It's exciting to report all is not doom and gloom out there."

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