

**REGULAR MEETING OF THE COUNCIL OF THE CITY OF NOVI  
MONDAY, JANUARY 26, 2009 AT 7:00 P.M.  
COUNCIL CHAMBERS – NOVI CIVIC CENTER – 45175 W. TEN MILE ROAD**

Mayor Landry called the meeting to order at 7:00 P.M.

**ROLL CALL:** Mayor Landry, Mayor Pro Tem Gatt, Council Members Burke, Crawford, Margolis, Mutch, Staudt

**ALSO PRESENT:** Clay Pearson, City Manager  
Pamela Antil, Assistant City Manager  
Tom Schultz, City Attorney  
Glenn Lemmon, City Assessor

**APPROVAL OF AGENDA**

**CM-09-01-008      Moved by Crawford, seconded by Gat; CARRIED  
UNANIMOUSLY: To approve the agenda as presented.**

**Roll call vote on CM-09-01-008      Yeas: Gatt, Burke, Crawford, Margolis,  
Mutch, Staudt, Landry  
Nays: None**

**PRESENTATION**

**1. Results from 2008 Novi National Citizen Survey – Dr. Miller, National Research Center**

Matt Pegouskie, Community Relations Coordinator, introduced Dr. Tom Miller, President of the National Research Center in Boulder, Colorado, who executed the 2008 national citizen survey.

Dr. Miller thanked Mr. Pegouskie, Ms. Arold and City Staff for their assistance. He commented that the surveys were an opportunity for local governments to get a sense of what their residents thought about service delivery. Dr. Miller said this was a part of a performance tracking system. He said looking at the results of the survey they saw that about 25% of the residents they talked to said they had been to a public hearing in the prior twelve months, which means 75% of them had not been to a public hearing. He said the surveys brought in the voice of a different group of people than typically heard from. Dr. Miller thought they could feel good that the surveys had to do with accountability. He said they measured, evaluated and noted change and they were building a foundation of information. In 2008 a survey was sent to 1,200 residents and received a 33% response rate, which gave them a margin of error, which meant close to 400 people were representing thousands and thousands of people. Dr. Miller said when surveys were done well they were really quite accurate.

Dr. Miller said the perceptions of community were quite high with strong ratings and similar to 2006. He said they were above both sets of benchmarks looking at Novi as a place to live, the overall quality of life in Novi's neighborhoods as places to live. He said

when looking at community design they were looking at transportation, land use planning and housing. He said ease of auto traffic was above the benchmark and trending up significantly from 50% to 64%. The alternate modes of travel, being biking, walking, etc., were below comparisons and there was no bus in Novi. He said regarding planning and zoning, ratings for overall quality of new development had not changed with a very high percentage of positive ratings, which were above the benchmark comparison. He said the rating for land use planning itself was much improved. He said the rating for quality new development was not as positive for long time residents, which was something they tended to see. Regarding Code Enforcement, more residents talked about run down buildings as a problem in the community. He said there were very high ratings in economic stability but residents thought job growth was too slow and yet the trends had stayed stable for shopping opportunities, Novi as a place to work and employment opportunities. Dr. Miller said Novi was a very safe place to live and residents felt safe in commercial areas and downtown. However, lower income residents felt less safe in their neighborhoods at night, which was common. The ratings for public safety services were all above the benchmarks and were stable. Dr. Miller said residents felt positively about the cleanliness of the City, quality of overall natural environment and the preservation of green spaces were above the benchmark for other communities the size of Novi. Dr. Miller said while 78% of residents recycled the rating of the quality of recycling was below the comparison areas.

Dr. Miller stated there were high ratings for recreational opportunities and facilities, parks and recreation programs were similar to the benchmark of places of similar size and the recreation facilities were above. He said 80% of residents gave an excellent or good rating for arts and culture. He said the sense of community increased and Novi as a place to retire was similar to the benchmark comparison and residents over age 55 gave higher ratings. He noted services to youth, older adults and low income residents were also above the benchmark. He said regarding civic activities, residents felt there were opportunities to volunteer, participate in community matters and long time residents had stronger feelings in this area and gave higher ratings. He noted newcomers were less involved in the community. He said about 50% of residents had interaction with a City employee prior to the survey. Dr. Miller said comments had been generally positive but not nearly this high. Dr. Miller said regarding the image of Novi, residents gave very high ratings to the value of services for taxes paid but it was still below the benchmark.

Dr. Miller said the rating for State government declined considerably. He said that didn't happen for Novi but it could happen for governments and just when you think everyone might be finding the same trends, the rating for State government declined from 44% to 34% of residents who had given an excellent or good rating. He thought it was a great call to every local official to understand that coasting didn't work and that there were ways to do the wrong thing and it would be noticed.

Dr. Miller said they looked at how the ratings of these services correlated with the overall quality of City of Novi services. He said they identified three key drivers or services that correlated most highly with residents overall perspective about the quality

of services in Novi. He said those three were Code Enforcement, Police services and City parks. He said knowing what the key driver was could be helpful in focusing in on where Council might want to expend their limited resources, in terms of making sure they were shoring up things that might be going in the wrong direction and keeping high those things that were really important. Dr. Miller said sometimes the survey revealed services that were not typically considered core services, life and safety services. In this case police service was both a core service and a key driver and Code Enforcement was the only one where the trend was going down but it still remained above the benchmarks. However, it signaled a place to pay attention and be thinking about. Dr. Miller said they asked residents to rate how important the following priorities should be to the City over the next five years. He said investments in municipal infrastructure rated 85% and was the top percent gathered. He said making annual investments in facilities and equipment for police and fire was 72%. Preserving natural areas rated 65%, adjusting services to the changing demography as the community aged was rated 55%. Dr. Miller said more than half or half of residents felt that working cooperatively with other entities and promoting programs for seniors was very important for the City to pay attention to. He said just below half, 49%, was investing in parks, recreation and cultural facilities and expanding recreation and cultural programs was about 39%.

Dr. Miller thought it was important to mention economic future even though there had been remarkable stability in Novi about resident's personal perceptions, about their own economic future. He said while it was not glowing, and was not glowing anywhere in the Country, but it had not declined in Novi so there was roughly stable personal optimism. He said a fairly low percentage of people felt job opportunities were excellent or good and he thought an increase in the percentage of people who said job growth was too slow was already at 69% the last survey and was now at 76%. He said these were not simple problems.

Mayor Pro Tem Gatt asked if the 33% response rate was good, average, above average, etc. Dr. Miller said it was about in the middle as they were usually between 25% and 40%. Mayor Pro Tem Gatt thought the Council recognized that they were a little below their standard when it came to the walking and bike paths. He said they were taking great strides to bring that up and had a mission to put sidewalks in wherever there was new construction. Mayor Pro Tem Gatt said it was mentioned that the residents felt safe and he said they felt safe because they were safe as Novi had the best Police Department in the State, followed by full-time and paid on call firefighters. He said the impression of interaction with employees was excellent at 89% and better, which was a testimony to great employees and Mr. Pearson and Ms. Antil who work hard at honing that response. He said he was proud to be a part of this group of elected officials working with the City Administration and employees who would garner results like that.

Member Margolis said she was a huge proponent of doing this on a regular basis because the information received really helped them focus going into goal setting. She said she was very interested in the key driver information. She asked if the three areas identified as key drivers were the only three that were statistically significant or was

there a certain level of percentage of contribution that they went by. Dr. Miller said the first threshold was whether or not they were statistically significant and those three were the only ones that were statistically significant. Member Margolis said Dr. Miller was meeting with staff tomorrow and she requested information from that meeting about speculation of some of the questions he asked. She thought it would help them in goal setting.

Member Mutch said the last survey had a geographic distribution of the responses and asked how it got left out of the process this time. Dr. Miller said the National Research Center made a mistake and as a result they had given them the Demographic Cross Tabulation Report free. Member Mutch asked, regarding key drivers, in terms of the results they received, how did they identify the ones that were statistically significant. Dr. Miller replied that the intention was to say that Code Enforcement, City parks and Police services tended to be more highly correlated with what people thought and had an influence on what people thought about Novi overall in terms of its service delivery. He said these particular services were most closely linked with what people thought about the City in general. Dr. Miller said let's think together how they could make sure that these services were provided in a way that people continued to like because they were certainly getting good ratings now. Member Mutch said this process was helpful in showing Council the City's strengths and weaknesses. Member Mutch noted it was important for the public to feel that the Council was listening to and incorporating their feedback.

Member Burke asked about the 10% difference reduction on the neighborhood category as well as the downtown regarding safety between day and night and asked if it was typical. Dr. Miller said generally they saw a much greater decline in peoples feeling of safety during nighttime and daytime everywhere in their community. Member Burke asked what drove the quality of recycling to be so far below the benchmark. Dr. Miller noted he would need to talk with staff about; he said it was the quality of recycling that had decreased.

## **REPORTS**

### **MANAGER/STAFF**

#### **1. 2009 Property Tax Base Primer**

Mr. Pearson said Council had agreed in December to schedule an extra part of the pre-budget process. He said they would spend a little time hearing about the projections for the tax base and property tax evaluation numbers. He said those evaluations would close as of December 31 and today they had a very good bead about what they would be for 2009 as it funded the majority of the upcoming budget. He thought it would be helpful to get comfortable with the numbers and projections with the Assessor who had been working on this. Mr. Pearson said the aim of this was to provide context for the upcoming goal setting session and provide framework for the budget in April.

Mr. Lemmon, City Assessor, said the property taxes were the largest contributor to the annual budget. He said the things that make Novi a desirable place to live and work, such as police and fire protection, library, parks and recreation and schools were funded in large part by property taxes. However, Novi was not immune to the economic problems that face the Detroit area. Mr. Lemmon said Oakland County had experienced approximately 15,000 foreclosures in the past year and according to deeds and property transfer affidavits, Novi had less than 200 properties affected in that same time period. However, the Assessing Department was obligated to consider the impact of foreclosures and the subsequent sales of foreclosures on surrounding properties. In addition to the expected arms-length transactions, many neighborhoods had experienced a foreclosure, a sale from foreclosure or a relocation sale during 2008. Mr. Lemmon said while the foreclosures and sales from foreclosures accounted for less than 200 properties they were actually making up 21% of the 2009 Sales Study for residential properties. In order for those to be included in the study, the foreclosures and sales from foreclosures were reviewed by the staff. He said they had sent out real property statements to every parcel that had been purchased from a foreclosure. He said those statements ask the condition at the time of the sale and whether the price was affected by the physical condition of the property. He said if the foreclosure was influenced by a previous owner's damage or the statement was not returned, that sale might not be included in the study. Mr. Lemmon said in inflationary times, assessors typically used a 24 month study and that helped the taxpayer because the older sales helped buffer out the newer sales and prevented sharp increases. However, in a declining market they used the 12 month study that reflected more recent sales. He said Novi used the 12 month study in 2008 and in 2009. The recommended timeframe from the State Tax Commission for that 12 month study was October 1, 2007 through September 30, 2008. He said because of the declining market, the Assessing Department also considered the 118 sales that had happened since September 30, 2008, the sales that had occurred between October 1, 2008 and December 31, 2008, which was tax day. He said this allowed them to gauge any additional changes in the market occurring before tax day. Mr. Lemmon said using the 12 month study was a necessary, responsible approach, but the problem with using the 12 month study was that they immediately had half of what they would normally have with a 24 month study. He said in a declining market there weren't as many transactions taking place to begin with. So, they had to have a lot more scrutiny than they normally would because of that. Mr. Lemmon said even with the inclusion of the foreclosures and extending the study until tax day the 2009 ratio, as projected now, was less than 50% and they were very pleased with the adjustments they were making. Mr. Lemmon said he liked assessed values but Council was more concerned with taxable values and how they would affect the budget. Mr. Lemmon said for 2009 the residential assessments would be down an average of 9.18% but that was not to say every parcel would go down 9%. Some neighborhoods would go down 2% and some could go down 20% but the average would be around 9%. He said commercial/industrial properties would be down about 2.34% and without new construction the total assessments would have gone down 6.44%. He said no one had been fortunate to maintain the same millage rate of 10.5416 for the last ten years and one of the reasons it had been possible was the new construction that Novi had enjoyed. He said it was anticipated that the economy would

have an affect on the future new construction and its contribution to future taxable values. He said without the benefit of new construction that occurred during 2008 the 2009 taxable value would have gone down 3.64% but the \$86 million of new construction meant that the taxable value would only go down 1.24%. He said Novi was very fortunate to have new construction still going on in Novi and sometimes it took two to three years for the full value to come on because the construction period was longer than it would be for a house. Mr. Lemmon said they still expected new construction in the next year or two. He said in the taxable value history they were also trying to project into the future. He said he had projected on taxable value, on commercial and industrial, there would be no growth in taxable value but \$35 million in new construction. He said they were looking at a 6% decline in residential and \$15 million in new construction. He said they were looking at an overall decline of about 3% for 2010 and for 2011 they were projecting a 1% decline in the commercial/industrial taxable value, and about \$20 million in new construction to supplement that. Mr. Lemmon said residential would be down about 4% and \$10 million to supplement that. He said overall it would be 2.4% down from the 2010 figures. Mr. Lemmon said Oakland County Equalization Manager David Hieber was projecting an average for next year of 12 to 14% decline in residential properties county wide. Mr. Lemmon said he was projecting an 8% decline with a 2% decline in commercial/industrial properties and new construction would be reduced but they were expecting to add \$50 million to the rolls. If his projections were accurate, taxable value reductions should be around 3%. He said that's down 1.24% this year and 3% next year, but if Mr. Hieber was correct, it would be closer to 6% down. He said the good news was that Novi was in much better shape than most communities. He said many communities were struggling with aging property and infrastructure, Novi had a wide variety of relatively new residential, commercial and industrial properties and they were located in a very desirable area. Mr. Lemmon said in the appraisal world, Novi was still considered to be in the growth stage and considering what Novi had to offer this community should rebound quicker than most communities.

Member Mutch asked if there was an area where foreclosures were hitting hardest and what part of the City was getting hit the hardest by the fall off in residential values. Mr. Lemmon said the foreclosures were in all areas. He said there were very few neighborhoods that had activity that had not exhibited a foreclosure, sale from foreclosure or relocation sale. He said those things were not typical to the market but they had seen a lot of them and they're wide spread. Member Mutch asked what areas had the heaviest fall off in residential values. Mr. Lemmon responded there was heavier activity in the Island Lake area and other condo areas had taken pretty good hits but it was fairly wide spread. Member Mutch said in the past they might have seen properties where their SEV fell but their taxable value went up but it sounded like now that almost all of the properties were at the point where as the values fell the taxable value also fell. Mr. Lemmon said there were still properties that the assessed and taxable value had a gap between them. However, the 4.4% consumer price index that was in effect for 2009 ate up quite a bit of that. The amount of properties that were remaining where there was some gap was fairly limited. Mr. Lemmon said the properties that had a lot of gap left were properties where they were vacant, or created subdivision lots where the assessed and taxable were wildly different because they were still under the ownership

of the developer. Those properties would continue to keep a sizable gap because the taxable values were based on when it was a large tract of land. Member Mutch said going forward they wouldn't have a lot of residents in a situation where they would see their taxable value go up as their SEV went down. However, from the City's viewpoint, as those assessed values went down it would go down pretty much across the board. Mr. Lemmon said if they saw, whether his 8% decline or Mr. Hieber's 12 to 13% decline, it would get to a point where it would be almost a dollar for dollar reduction. He said they weren't there yet but would be pretty soon. Member Mutch said in the memo it was noted that based on the reduction in the taxable value his projection for 2009, if they used the current millage rate, it would result in a \$214,000 reduction in the General Fund Property Tax Revenue over last year. He asked if that was a solid number at this point. Mr. Lemmon replied that it was a projection using last year's millage rates for General Fund and for the total 10.5416. He said they had been living off of new construction and they had to be careful about that.

Mayor Landry said in a declining market where property values were decreasing, once SEV and taxable value are the same, if the market continued to decline, would Prop A become irrelevant. Member Lemmon said yes. Mayor Landry asked if he understood correctly that there were 25% of the number of properties that still had a Proposition A gap but only about 5% of value was affected. Mr. Lemmon said correct. Mayor Landry said for 2009 putting all of this together, the new construction, and decline in property values, it's estimated to be about \$214,000 less income in the General Fund. Mayor Landry said they were extremely lucky in Novi because there was a 40% non residential tax base and Novi continues to grow. Mr. Lemmon agreed. Mayor Landry said those communities that were 80 to 90% residential were having real problems in this economy. Mr. Lemmon agreed. Mayor Landry said the projections he had seen were simply projections and it looked like it leveled off about 2012. Mr. Lemmon said they were hoping there would be some kind of an uptick. He said the difficult thing was that this was the first correction they have had since the late 70's early 80's. Mr. Lemmon said they didn't know how long or how difficult it would be and hoped things would start pulling out in 2011-2012. Member Staudt said related to school bonds, the amount that was paid for taxes on school bonds was set and those bonds had to be paid. He said millages increase proportionately as the property values decrease. He asked Mr. Lemmon to explain how that worked and how would the school districts deal with their debt. Mr. Lemmon said they would have to sit down with the school board and decide what their potential revenue would be and how it should be spent. He had not been involved with the schools budget and was not sure how they would deliberate. Member Staudt said his understanding was that as property and taxable values dropped they would have to increase their millage to cover those bonds.

## **2. ATTORNEY – None**

## **AUDIENCE COMMENT - None**

**CONSENT AGENDA REMOVALS AND APPROVALS (See items A-P)**

**CM-09-01-009**      **Moved by Margolis, seconded by Gatt: CARRIED UNANIMOUSLY: To approve the Consent Agenda as presented.**

**Roll call vote on CM-09-01-009**      **Yeas: Burke, Crawford, Margolis, Mutch, Staudt, Landry, Gatt**  
**Nays: None**

- A. Approve Minutes of:
  - 1. January 5, 2009 – Regular meeting
  - 2. January 12, 2009 – Special meeting
  
- B. Enter Executive Session immediately following the regular meeting of January 26, 2009 in the Council Annex for the purpose of discussing pending litigation, land acquisition and privileged correspondence from legal counsel.
  
- C. Approval of award of banking services proposal to Fifth Third Bank with an estimated annual cost of \$20,500 for a three year period with two one-year renewal options.
  
- D. Approval of Zoning Ordinance Text Amendment 18.233, to amend Ordinance No. 97-18 as amended, the City of Novi Zoning Ordinance, at Article 25, General Provisions, Subsection 2516 “Site Plan Review” and Subsection 2520 “Exterior Building Wall Façade Materials;” in order to provide for administrative approval of façade waivers when existing non-conforming facades are upgraded. **Second Reading**
  
- E. Approval of Zoning Ordinance Text Amendment 18.234, to amend Ordinance No. 97-18 as amended, the City of Novi Zoning Ordinance, at Article 14, B-2 Community Business District, Article 15, General Business District and Article 17, Regional Center District in order to modify the standards for outdoor sales of produce and seasonal plants. **Second Reading**
  
- F. Approval of Ordinance 09-120.10 amending Chapter 20 Massage Ordinance, Sections 20-51 and 20-52 to revise the requirements for submission of applications for massage therapist permits. **Second Reading**
  
- G. Approval of Resolution to Amend the Agreement between the Michigan Department of Natural Resources and the City of Novi for the Michigan Natural Resources Trust Fund Grant number TF 05-165 (Village Wood Lake/Orchard Hills West Acquisition) to extend Project Agreement to March 31, 2009.
  
- H. Approval to award bond consulting services for General Obligation and Revenue Bonds for a three-year term to PFM Group (financial advisor), and Butzel, Long (bond counsel).



- I. Approval of the revised *City of Novi Investment Policy* (to update List of Approved Financial Institutions).
- J. Approval of Resolution authorizing participation in the Road Commission for Oakland County's 2009 Tri-Party Program for Road Improvements dedicating Novi's 2009 allotment of Tri-Party funds to the Novi Road Link project between Ten Mile Road and Grand River Avenue.
- K. Approval of the final balancing change order and final payment to Restoration Dredging, Inc. for the Meadowbrook Lake Streambank Stabilization project in the amount of \$1,000.00.
- L. Approval to award a contract for design engineering services for the West Oaks Regional Detention Basin Improvements project to Spalding DeDecker, for a not-to-exceed fee of \$9,100.
- M. Approval to award heating, ventilation, and air conditioning (HVAC), Maintenance and Professional Services Contract to Tech Mechanical Inc., the low bidder, based on estimated annual inspection fees and hourly charges, estimated to be \$59,000 annually.
- N. Approval to award construction contract for Power Park Grinder Pump Station and Force main Replacement to D&D Water and Sewer Inc, the lowest qualified bidder, in the amount of \$25,927.06.
- O. Approval of Re-adoption of Resolution vacating City Interests, including highway or right-of-way interests, in property located at the intersection of West Lake Drive and South Lake Court.
- P. Approval of Claims and Accounts – Warrant No. 785

#### **MATTERS FOR COUNCIL ACTION – Part I**

- 1. **Consideration of City Code Amendment 08-125.21, to amend City of Novi City Code at Chapter 37 Woodland Protection Ordinance, and adopt the updated Regulated Woodland Map. First Reading**

Mr. Pearson said they had hired extra expertise and the Planning Commission reviewed this item. He noted the Woodland Ordinance was one of the guiding documents for all of the development that went on and helped define the character of how the community built out. The ordinance had served the City well for a number of years; however, after review, this cleaned up a lot of things that had built up over the years.

Member Mutch said on page 9 it talked about providing citizens with a form to nominate historic or specimen trees but it was worded in a way that required the City to provide a form for one but not for the other. He thought they should provide a form for both. On

page 10 at the bottom, it talked about designating trees as specimen saying they had to be at least 36 DBH but the entire section before that listed all the different trees sizes that were much smaller than 36DBH. He asked if they could just remove that language and make it a little less confusing. Member Mutch said on page 15, subsections F and G, seemed to say the exact same thing and asked that it be checked to see if it was redundant. Member Mutch said in subsection H it talked about plantings taking place on public City property and he wondered if a limitation was needed for City, in case there was some question of placing it on County or School owned property. He said that didn't need to be answered tonight and could be addressed in a follow up. Member Mutch thought the changes suggested were good and it was useful and important for the staff to make a number of these changes because it made the ordinance better. He said it also made the ordinance easier for those who had to deal with regulated woodlands to follow. Member Mutch thought it would be helpful to create a map of the regulated woodlands and conservation easements, which would help residents and developers to avoid problems down the road. He asked staff to consider that before it came back for a second reading.

**CM-01-09-010 Moved by Margolis, seconded by Gatt: CARRIED  
UNANIMOUSLY: To approve City Code Amendment 08-125.21,  
to amend City of Novi City Code at Chapter 37 Woodland  
Protection Ordinance, and adopt the updated Regulated  
Woodland Map. First Reading**

**Roll call vote on CM-09-01-010 Yeas: Crawford, Margolis, Mutch, Staudt,  
Landry, Gatt, Burke  
Nays: None**

- 2. Approval to award the second one-year contract extension to Brien's Services, Inc., to perform the City's 2009 Lawn Maintenance Services, for an estimated annual amount of \$267,000.**

**CM-09-01-011 Moved by Crawford, seconded by Mutch; CARRIED  
UNANIMOUSLY: To approve second one-year contract  
extension to Brien's Services, Inc., to perform the City's 2009  
Lawn Maintenance Services, for an estimated annual amount  
of \$267,000.**

- 3. Appointment of City of Novi Representative to the Walled Lake Lake Board.**

Mayor Landry said now that the City had approved a resolution to create a Walled Lake Lake Board it had an obligation according to the statute to appoint a representative to the board. He said that person could be a member of Council or a member of the Administration. He asked if he was correct and Mr. Pearson said that was his understanding. Mayor Landry said it was also his understanding that the Administration was recommending that it be a member of the Administration. Mr. Pearson replied that he thought it deserved serious consideration.

Mayor Landry said if it were a member of Council the motion would be to nominate a specific member of Council. However, if Council was going to leave it up to the Administration, would they move to have the Administration appoint someone or was a name necessary. Mr. Schultz said a name would be needed. Mayor Landry asked who they had in mind. Mr. Pearson said they had Brian Coburn, a member of the engineering staff, would be very qualified. Mr. Pearson said Mr. Coburn had experience with SAD's, Novi's stormwater and environmental plans and also project management, generally. Mr. Pearson thought he would be the most appropriate staff person, if Council chose to go with Administration.

**CM-09-01-012 Moved by Gatt, seconded by Burke; CARRIED UNANIMOUSLY:  
To appoint Brian Coburn as the City of Novi Representative to  
the Walled Lake Lake Board.**

**DISCUSSION**

Member Mutch stated he was willing to support the motion but his personal preference would be to have a Council member sitting in the position. He said Mr. Coburn, with his expertise, was much more qualified to sit in the position but one of the primary considerations of the Lake Board would be an assessment upon the property owners in Novi and Walled Lake. He thought an elected official would be sitting in that position and making that decision. He said it was a difficult position to put a staff person in, especially if there was any controversy or concern about that. He thought it could be problematic in terms of the lines of communication because the staff person would report to the City Manager and not to the Council and he thought it complicated it for residents who had concerns. Member Mutch said the Lake Board through the Water Resources Commission, formerly the Drain Commission, as well as through the individual cities had the ability to tap into those people on staff who were available to assist with that. However, if it was Council's preference to appoint a staff person he would support the motion.

**Roll call vote on CM-09-01-012 Yeas: Mutch, Staudt, Landry, Gatt, Burke,  
Crawford, Margolis  
Nays: None**

**4. Approval of resolution to authorize Budget Amendment # 2009-5.**

**CM-01-09-013 Moved by Margolis, seconded by Gatt; CARRIED  
UNANIMOUSLY: To approve resolution to authorize Budget  
Amendment #2009-5.**

**Roll call vote on CM-01-09-013 Yeas: Staudt, Landry, Gatt, Burke, Crawford,  
Margolis, Mutch  
Nays: None**

**AUDIENCE COMMENT - None**

**COMMITTEE REPORTS - None**

**MAYOR AND COUNCIL ISSUES**

**1. Council Committee Appointments - Mayor Landry**

Mayor Landry said former Mayor Pro Tem Capello was on the Ordinance Review Committee and his departure had left a vacancy. He said it was his request if Member Margolis was willing to do so, to move her from the Consultant Review Committee to the Ordinance Review Committee. He asked Member Burke if he would be willing to sit on the Consultant Review Committee. There were no objections to Mayor Landry's suggestions.

**2. Discussion of the City's Landing Property (13 Mile Road and Old Novi Road), initial thoughts and potential course of action - Mayor Landry**

Mayor Landry said he placed this on the agenda because Council had allowed for dollars for a study of the Landing Property in this budget. He realized they were just entering the third quarter of the fiscal year but he wanted to raise discussion among the City Council and Administration regarding their thoughts on what they expected the Administration to do with the study.

Member Staudt said during the goal setting session this past year Council discussed long term plans for the 11 acres of City owned property, called The Landings, at Old Novi Road and Thirteen Mile Roads. He commented that as part of the budget approved this past year, \$30,000 was provided to conduct a study and potentially a land use study for that property. He said the land was acquired during a ten year period beginning in the early 1980's and while that land was being acquired there was no specific use or long term plans for that land. Member Staudt said it was currently zoned B-3, however it appeared on the Master Plan as Parks and Open Space and there had been no formal designation as parkland, at this point, and this provided Council the maximum flexibility to consider all uses for this property. The parcel of land to be studied would provide Council with information necessary to consider a long term use of the property. He said the process would include research on the history of the property, the environmental nature of it and the potential uses, and hopefully the study would include large doses of public input. He said there were a lot of things that had gone on in the background in reviewing the legal standing and deed of the property and all those would incorporate into the study. Member Staudt said the scope of the study would be to identify all the potential uses, to vet each of those uses and provide feedback to Council for making a decision on this. He noted one thing he wanted to see in the study was a thorough analysis of public uses of the land potentially including recreational uses, conservation, community events, historically and archeological setting there and infrastructure, including anything relating to construction, maintenance, operations and funding opportunities. Member Staudt asked that Council approve that staff put together an RFP and move forward to bring this information back to Council so they could make

an informed decision. He wasn't sure this particular study, at this point, would provide them with the plan that they would ultimately follow but it would be a great guideline in making some decisions.

Mayor Landry said he understood Member Staudt was suggesting that they ask the Administration to come back to Council with a proposal to conduct a study that would include all potential uses of the Landing Property. Member Staudt agreed as the property was acquired at a significant cost, probably \$600,000 or \$700,000 range, and he felt they owed it to the citizens. He said it was important to look at every single use and make a good long term decision. He said the land had been there for 20 to 25 years.

Mr. Pearson said they would draft the RFP and suggested that they would circulate it for Council input before it was sent out so, if needed, it could be brought back to Administration for tweaking.

### **3. Potential dates for 2009 Mayor and Council Mobile Workshop to Orland Park, Illinois – Mayor Landry**

Mr. Pearson thought they had all felt good about their past mobile workshops and last year they had gone to Dublin, Ohio. He said they had looked for comparable City's and Orland Park was roughly the same size, suburban upscale, retail center and very professional. Mr. Pearson talked with the Manager of Orland Park and he had some Novi history and was excited about this. He said if Council was willing he asked for extra time in May to spend time with staff and elected leaders in Orland Park. Mr. Pearson suggested Sunday, May 10th through Sunday, May 11th.

Mayor Landry asked if anyone disagreed with those dates and no one disagreed.

### **4. Redevelopment Area Liquor Licenses – Member Mutch**

Member Mutch added this item for direction on how to proceed. He said in November 2008 Council had received a letter from the City Attorney on this topic and there was a letter in the current packet from Mr. Topouzian on the same topic. Mr. Topouzian stated he saw the potential of utilizing additional liquor licenses available under a recent change in State law as a tool to bring in additional businesses or businesses that were already in the community. He thought they were all well aware there had been a number of applicants for the very limited Class C Liquor Licenses that Novi had. Member Mutch said they had to turn some of them down, not because they had any objections to the businesses, because they were trying to hold on to the few remaining licenses. He said under the change in State law, it would open up some additional licenses that could be awarded to businesses. He said they would be restricted to a particular area that Council would define a development area and they would be limited to use in the City so they wouldn't have to worry about the licenses leaving the City. Member Mutch said if the business went out of business, the license would have to be surrendered. He said there were a lot of positives but would obviously require some

changes in the ordinances if they wanted to implement it. He thought now that Administration had weighed in on this topic, it was time for Council to give some direction. He said he would like to pursue it and have the Administration bring forward recommendations on how this could be implemented.

Mayor Landry asked if he wanted it to go to Ordinance Review, or ask the Administration to work it up, and asked what he was proposing. Member Mutch believed Ordinance Review would be where it should go and thought Administration had done an initial analysis. However, in terms of identifying all that needed to be done, because it would need more than ordinance changes, he said Mr. Lemmon would have to make determinations regarding property values because that determined how many licenses the City would be eligible for. Mayor Landry said Administration would do the background and then he thought it would start at ORC and ultimately come to Council.

Member Margolis said she was all for economic development but had never seen liquor licenses as encouraging of the kind of economic development that she was looking for. She said she was not in favor of this and thought if they followed the ordinance there would be opportunities to transfer things in, but she thought this sent a message that this was the type of economic development they were trying to attract. Member Margolis commented that wasn't the message she wanted to send, in terms of economic development. She thought OST, high tech and office service were what she wanted to attract.

Member Crawford said she was surprised to see this on the agenda. She said she had read the staff information that was there and she was looking for more from staff, if that was something that seemed to really be necessary. She commented she agreed with Member Margolis and didn't understand why they would want to go into this if there had not been a huge request for it. She said she was not in favor of it either.

Mayor Pro Tem Gatt said he wasn't for or against it and thought it was a policy decision that the Council would have to make. He didn't think they were prepared to make that decision tonight. He said the way he understood it was they would have to create a district, and he would call it an Entertainment District, where they would set aside a part of the City that would be designated as the redevelopment area that these liquor license would go towards. Mayor Pro Tem Gatt said he wasn't sure he wanted to see that district in Novi but was open to discussion with Administrative staff, police and fire and etc. He thought there were similar circumstances in the City without calling it an "Entertainment District."

Member Staudt thought he was a little less ambiguous from the standpoint of sitting here, in this community, with a group of empty restaurants, if there was something they could do to encourage them to be filled with good tax paying tenants. Member Staudt said he just saw it as another tool and not as making a commitment to building a huge entertainment district. He thought it was something they should consider.

Member Burke said he understood this as just another avenue for someone to be able to purchase a liquor license. He said they would be buying it directly from MLCC and would not get it from the City providing they showed they were unable to get one on the market. He said this had been on the books since 2006 and this might not be the area it was targeted for. He thought this might be for someone in another community that had already built out and had no quota licenses left, and in a county where there wasn't a lot moving around and someone needed an additional license. Member Burke thought they needed to identify a redevelopment area. He commented he would be interested to hear from the City Attorney about how that would work out and what was associated by identifying a particular area as a redevelopment area and would there be any other repercussions. He said he didn't have a problem with someone getting a license they otherwise couldn't get as long as what Council had to do to meet the criteria through MLCC didn't create more problems.

Mayor Landry said he was ambivalent about this as well. He thought its intent was more for built out cities that were having redeveloped areas rather than the growth cities. However, if it's a tool and they could get some use out of it they might as well use it. Mayor Landry said, as he understood it, Council would have to designate a redevelopment area and it would only be businesses in that area that would be able to utilize that tool after they proved to the State of Michigan that the City denied them a quota license and they were not able to purchase a license on the market. Mr. Schultz agreed. Mayor Landry said only after that would they be eligible to go to the MLCC and obtain such a license. He said the problem he would have would be deciding what areas of the City they would want to designate it as. Mayor Landry thought they had areas similar to this such as Fountain Walk, Main Street but how do you designate those areas and not designate the Town Center, which truly could use some redevelopment. He said the trick would be how to designate an area of the City without appearing as if they were playing favorites. He said rather than sending it to Ordinance Review, he would like to see something from the Administration regarding proposed areas of the City this would pertain to as redevelopment; then they could discuss this again.

Member Mutch agreed with Mayor Landry. He thought the first step was to see if there was enough Council support to spend the time on it. He thought it sounded like they were half way there. Member Mutch said in terms of information the Administration could provide to Council, it would be how many applicants requested liquor licenses, how many of those were denied or obtained a liquor license from another city over the last three years. He said Council had told applicants they had a great restaurant and they wanted them to come to Novi but they would not give them a liquor license. He said it wasn't that Council didn't want to give them a license, they just wouldn't give them one of the ones available in Novi. He thought if Administration could submit that information it might address some of the concerns of Council.

Mr. Pearson said Mr. Topouzian put together a memo so he could get up to speed on the bare bones of the legislation. He said as he understood it, it was intended for places that had exhausted their quota licenses and there might be an argument made

that if they were denied, they could go this route. He said in terms of time and effort it was not talked about in the Economic Development priorities for the year. He said they could do a write up, etc., but since people weren't excited about this, he didn't know if that would be the greatest thing they could spend their resources on. He said there were licenses out there that were bought and sold every day. He said if Council was interested in promoting this as one piece of it, they might want to revisit the quota license criteria.

Mayor Landry asked Administration to put together a report for the off week packet that gave a history of the quota applicants and who was granted and denied. He said more importantly who of those denied actually bought a license so they could see what the effect if the denial was. He said he'd like to know how many people were denied in the last four years and of those people denied a quota liquor license, what did they do. Then maybe Council could come back to that. He understood that they were coming up on budget and goal setting so this was not something he was really anxious to see in the next 30 days. He said it wouldn't bother him if they didn't see this until May or later. He asked that a report come back to them and then Council could pursue it from there.

#### **5. Jurisdiction over County Roads (12 Mile, Grand River and Novi Roads) – Member Mutch**

Member Mutch requested Council approval to make an information request of the Administration. He commented one of the issues they had been grappling with as a City was dealing with the road improvements they needed to make around town. He said they had successfully dealt with the ones on the City roads. However, one of the areas they had some successes and some real challenges was the County roads within the City. He thought that roadways like Novi Road, which was still in process and trying to get an upgrade and Grand River Avenue, which they learned was not even on the County's timeframe for the next six years and he said he drove Grand River from Haggerty to Novi Road today. He said the entrance they give to residents and businesses for that roadway in the community was pothole alley because it was not a priority for the road commission. He said one of the items he wanted to look at during goal setting was whether it would make sense to look at the City taking over some of the major County roads within the City. He thought there were both benefits and challenges to that and requested, for purposes of goal setting discussion, a pros and cons type of information from Administration regarding this. Member Mutch thought Council couldn't give it a fair consideration because there wasn't enough information. He said he would like information about what the process was in terms of the City taking over some of the County roads and what the benefits and costs would be.

Member Crawford asked if she was wrong in thinking that Mr. Pearson would have come to Council to seek that kind of permission if he had thought it was necessary to take on these roads. Mr. Pearson said they try to bring items up if it was obvious to them but they were also willing to look at new things if someone requested they do so. Member Crawford said there was something about this that didn't seem quite normal to her. It didn't seem to be the usual process; if it was just brought up for discussion or so



that it could be a topic at goal session, fine. Member Crawford said if they were looking for a motion to direct the Administration to bring in an analysis of whether it was necessary or not, she didn't agree with that.

Member Mutch said this was a policy discussion and a decision that the Council, either by its action or if the Administration had brought this forward, would require Council to decide whether it was something they wanted to do, and if they did, how to go about doing it. He thought the most appropriate way for those policy discussions to happen was for Council members to bring these ideas forward and allow Council to have that discussion. He said if there wasn't Council support for an idea, what that did by having the discussion now was not to have Administration gathering a lot of information and then Council getting to the table and saying "nobody wanted this, why did you do this". He said that had happened in the past with previous Councils. He thought this was the appropriate way to bring this forward and if there wasn't Council support for this idea, that's fine and the idea wouldn't go forward. He said if there was a willingness to consider this at goal setting, all he was doing was giving fellow Council members notice that this was something that would require Administrative action. He said that was the intent of bringing this forward. He said it would require someone on staff to do some amount of work and whether it was an issue that was important to him or any other Council member, it was not appropriate for an individual Council member to go directly to the Administration and ask for this to be done. He thought it was appropriate for it to come from the Council.

Mayor Landry thought the spirit of what Member Mutch talked about was this might be or might not be something Council should consider. He said if they could do it better and could afford to do it better, then they should do it. On the other hand, Member Mutch recognized that he didn't want everybody to be spending a lot of time on this if it wouldn't be fruitful. Mayor Landry suggested this was a perfect item for goal setting, regarding whether they want to set as a goal. He said this had something for Council to look into taking over the jurisdictions. However, he thought they needed some information. Therefore, Mayor Landry asked if the Administration could put a thumbnail together and get it to Council in their budget documents so Council could have an intelligent discussion at the goal setting session as to whether they wanted to pursue this in fiscal 2009-2010 or not. Mayor Landry said the first thing he would do would be to ask Mr. McCusker if they really wanted to do this. Mayor Landry said plowing them was one thing but paving, widening, easements, etc. He said a question he would ask would be if the City acquired jurisdiction, would the City have to pay for the easements. Mayor Landry asked for a list of things Council should consider if they were thinking about taking over the jurisdiction. Mr. Pearson said they could provide that information. He suggested that at the February 2nd meeting they should have an item to prep up the format for that when they met on the 14th, so everyone had an idea of expectations. Mayor Landry said they would talk about that at the next meeting.

**CONSENT AGENDA REMOVALS FOR COUNCIL ACTION - None**

**COMMUNICATIONS**

**AUDIENCE COMMENT – None**

**ADJOURNMENT**

There being no further business to come before Council, the meeting was adjourned at 8:43 P.M.

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David Landry, Mayor

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Maryanne Cornelius, City Clerk

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Transcribed by Charlene Mc Lean

Date approved: February 2, 2009