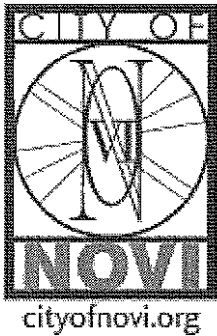


# MEMORANDUM



**TO:** PLANNING COMMISSION  
**FROM:** MARK SPENCER, AICP, PLANNER *Mark Spencer*  
**SUBJECT:** ADDITIONAL MASTER PLAN INFORMATION FOR SPECIAL PLANNING PROJECT AREA 1 STUDY AREA  
**DATE:** MAY 6, 2010

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At the Planning Commission's April 28, 2010 meeting, the Commissioners discussed the proposed future land use designations for the Special Planning Project Area 1 Study Area and they indicated that they would like additional information regarding the following subjects:

- retail floor space vacancy rates;
- floor space demand;
- local industrial and office vacancy rates;
- citizen questionnaire responses regarding the study area;
- public comments regarding the study area; and
- the planning history of the property.

Retail centers described in this memo include the following types of shopping destinations:

- **Local Serving Shopping Centers** - neighborhood and strip retail centers often anchored by a drug store or super market and usually containing less than 100,000 sq. ft. of floor area;
- **Community Serving Shopping Centers** - community and strip centers usually containing more than 100,000 sq. ft. of floor area;
- **Malls** - retail centers with covered common connecting walkways;
- **Lifestyle Centers** - commercial developments that combine the traditional retail functions of a shopping mall with leisure amenities oriented towards upscale consumers; and
- **Power Centers** - retail centers primarily occupied by "category killing" big box tenants.

### **Retail Floor Space Vacancy Rates**

The March 25, 2009 City of Novi Retail Center Vacancy Rate Review stated that the estimated February 2009 retail center vacancy rate was 9.7% for all retail centers, 10.9% for local and community serving retail centers and 9.3% for regional serving malls, lifestyle centers and power centers (page 45, 2010 Master Plan for Land Use Review Appendices).

### **Floor Space Demand**

The City's 2007 Market Assessment, performed by the Chesapeake Group and the 2009 Retail Demand Forecast prepared by myself, both estimated that each dwelling unit would generate a demand for 214 square feet of retail floor space (page 27, 2010 Master Plan for Land Use Review Appendices). This retail floor space demand is for all forms of retail floor space, local, community and regional. It would take an additional 467 dwelling units to generate demand for 100,000 square feet of retail floor space. Last year, building permits were issued for 64 new dwellings. At this rate of construction, it would take 7 years to generate 100,000 square feet of retail floor space demand.

The above demand forecast may be higher than the true retail floor space demand since the existing retail center floor space per household in Southeast Michigan is 63.1 square feet. The table below compares available retail center floor space between Novi and Southeastern Michigan. Since a substantial amount of retail floor space is not within a retail center and in stand alone buildings, this comparison does not show the complete comparison of the supply of local and community retail floor space. In addition, this comparison assumes that a balance between local/community serving and

regional serving centers exists within the region. The comparison assumes that the retail center floor space from 2008 and 2009 is the current amount of retail center floor space.

Area	Estimate Dec.2009 (SEMCOG)	Local & Community Retail Centers		Regional Serving Malls, Lifestyle Centers and Power Centers		Total Retail Centers	
		Floor Space (sq. ft.) % of Retail Centers	Floor Space Ratio (sq. ft. per person and household)	Floor Space (sq. ft.) % of Retail Centers	Floor Space Ratio (sq. ft. per person and household)	Floor Space (sq. ft.)	Floor Space Ratio (sq. ft. per person and household)
Novi	50,776	1,344,100 25.5%	26.5	3,928,500 74.5%	77.4	5,272,600	103.8
Novi	20,888	(Feb. 2009)	<u>64.3</u>	(Feb. 2009)	<u>188.1</u>	(Feb. 2009)	<u>252.4</u>
South east Mich.	4,775,765	69,700,000 (61.6%)	14.6	43,361,000 38.3%	9.1	113,061,100	23.7
South east Mich.	1,791,378	(June 2008)	<u>38.9</u>	(June 2008)	<u>24.2</u>	(June 2008)	<u>63.1</u>

Sources: City of Novi, SEMCOG and COSTAR Group Inc.

The above table demonstrates that the City of Novi has 65% more local and community serving retail center floor space per household than the average for Southeastern Michigan. The table also indicates that the City is a strong regional shopping destination with 777% more regional serving retail center floor space per household than the average in the region.

#### Local Industrial and Office Vacancy Rates

Grubb & Ellis, a national commercial property broker, reports that at the end of last year the industrial property vacancy rate by square footage in southwestern Oakland County was 15.7%. They also reported that the office property vacancy rate for Novi was 20.9% (reports attached).

#### Industrial and Office Floor Space Demand

The Industrial and Office Floor Space Demand report dated March 30, 2009, that was prepared for the City's Master Plan review (page 53, 2010 Master Plan for Land Use Review Appendices), indicates that 1,200 acres of vacant property is currently zoned or planned for office and industrial uses. The report also states that based on projected population growth in the City and County and with capturing 20% of Oakland County's office and industrial growth, that the City has between a 19 and 48 year supply of combined office and industrial land.

#### Citizen Input Questionnaire Responses Regarding the Study Area

During the Master Plan Review process, citizen input was solicited in several ways, including the use of a questionnaire linked from the City's web page and available on a paper copy in the City Administration building and during the Master Plan open house. This non-scientific survey generated 58 responses. The results from the questions asked for the Special Planning Project 1 Study Area are listed in the attached tables.

Although the response rate was small, some significance can be placed on responses that are nearly two to one in one direction or the other. The significant responses follow below:

Over twice as many respondents:

- Disagreed that residents want additional shopping choices near their homes including a new supermarket.
- Agreed that the development along the east side of Novi Road similar to the existing development along the west side of Novi Road would be acceptable. and
- Disagreed with placing retail, personal services, restaurants or entertainment uses in the Study Area.

### **Public Comments Regarding the Study Area**

During the Master Plan review process, citizen comments were solicited with a comment box in City Hall, at a link on the City's web page and at the Master Plan open house event. Generally comments were split about having retail uses in the Special Planning Project Area. There was some interest in creating a mixed use area with a residential component in the area. A few residents stated they did not want any development in the area (see attached comments)

### **The Planning History of the Property**

Before 1999, this property was designated with an office and industrial future land use designation (1993 Future Land Use Map attached). During the 1999 update, the northern and western portion of the land was designated for community commercial uses. In 2001, the Novi Road Corridor Plan was adopted as an amendment to the Master Plan. In this amendment, the area was designated for future study because it had not been determined if the area should continue to designated commercial.

In 2004, the property owner submitted a PRO rezoning petition to rezone a portion of the property to B-2. Action on the proposal was postponed.

Later that same year, recommended Master Plan amendments went before the Planning Commission. The area was proposed by staff and the Master Plan and Zoning Committee for office and light industrial. After receiving public comment and comments from the property owner, the full Planning Commission decided to designate the area for future study and included the Special Planning Project Area 1 designation in the adopted Master Plan for Land Use.

The issues discussed during the Master Plan process continued to be related to traffic impacts on Ten Mile and Novi Roads and the desire of citizens to see new commercial areas only along Grand River Avenue and existing planned and zoned commercial areas. Traffic concerns centered around access points, intersection service and the overall increase of traffic on Novi and Ten Mile Roads (see attached Planning Commission minutes).

### **Conclusion**

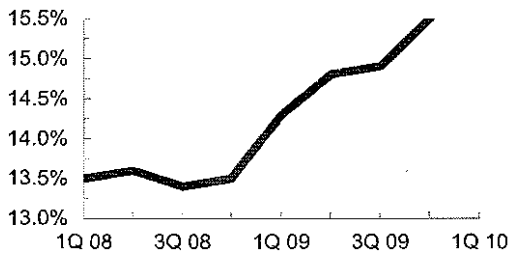
The Planning Staff believes that the above information and supporting documents attached, provide support to continue to not recommend commercial retail land uses for Special Planning Project Area 1 Study Area.

If you have any questions on this memo, please feel free to contact me.

**Industrial Trends Report**



**Vacancy Rate**

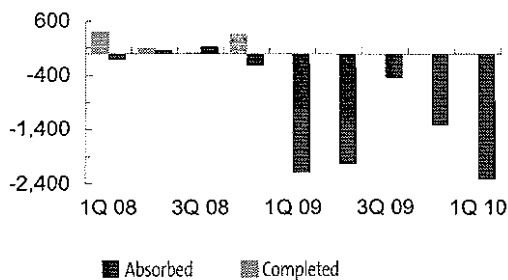


## 2010 Could Be a Turning Point For Metro Detroit's Industrial Market

The lagging effects of the weak economy continued to bruise the Metro Detroit industrial market during the first quarter of 2010. The overall vacancy rate increased 80 basis points to 16.3 percent from the previous quarter as over 2.2 million square feet became vacant. The Western Wayne County submarket had the greatest share of negative absorption as a 779,000-square-foot facility became vacant.

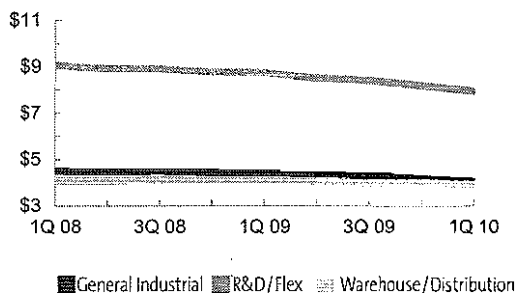
Despite the increase in vacant space, there are some indications that the downward pressure on the metro industrial market will ease, as many signs point to a local economy turnaround in the near future. The preliminary unemployment rate for the Detroit MSA in February was 14.8 percent, compared to a high of 16 percent in December. Additionally, the main driver of the local economy, namely the automotive industry, posted significant sales gains. In March, General Motors sales were up 20 percent while Ford saw its sales increase 40 percent compared to a year ago.

**Completions vs. Absorption**  
(in Thousands of SF)



Furthermore, according to Wayne State University, the Southeast Michigan Purchasing Managers Index (PMI) climbed to 64.1 in March which is up from 57.6 in February indicating economy activity is improving and at a faster rate. The report points to positive news for landlords in that "factors pointing toward economic improvement in March were increases in new orders, production and inventories." It further added, "The increase in new orders is a good sign for the economy in Southeast Michigan... it's likely that the rise in new orders and an expected growth in orders in the near future prompted the surge in production and inventories." Such a trend would lead to sustained increases in demand for industrial space.

**Asking Rental Rates**  
(\$/SF/Yr. Triple Net)



As new automotive and advanced-battery industries continue to migrate to the area, Southeast Michigan is beginning to rebuild its industrial base. According to the Free Press, billions of dollars in incentives from federal, state and local governments have jump started projects in Holland, Midland, Livonia, Romulus and Brownstown Township. The projects, which include five battery-cell plants, could make Michigan one of the largest clusters of advanced battery production outside Asia.

### FORECAST

- In the near term vacancy rates will climb as the industrial real estate market lags behind the economy.
- Demand is likely to climb for Class A manufacturing and warehouse facilities that can support the nature of advanced battery production.

# Industrial Trends Report—First Quarter 2010

## Detroit, MI



**GRUBB & ELLIS.**  
From Insight to Results

By Submarket	Total SF	Vacant SF	Vacancy %	NET ABSORPTION		Under Construction SF	ASKING RENT	
				Current	Year To Date		WH/Dist	R&D/Flex
Ann Arbor	4,806,403	457,361	9.5%	(23,442)	(23,442)	-	\$11.41	\$10.66
Detroit	43,644,576	11,329,322	26.0%	49,547	49,547	-	\$2.33	\$4.14
Livingston County	13,034,919	1,276,138	9.8%	(2,914)	(2,914)	-	\$6.76	\$7.90
Macomb	74,717,699	8,415,244	11.3%	(333,888)	(333,888)	-	\$3.06	\$6.89
SE Oakland	62,297,473	12,239,979	14.9%	(419,337)	(419,337)	-	\$4.40	\$7.79
Southern Wayne	54,381,419	10,709,196	19.7%	(282,303)	(282,303)	-	\$4.03	\$7.60
SW Oakland	31,308,901	4,900,323	15.7%*	(418,854)	(418,854)	-	\$5.33	\$5.33
Western Wayne	63,645,324	10,655,831	16.7%*	(858,681)	(858,681)	-	\$4.01	\$6.49
<b>Totals</b>	<b>367,836,314</b>	<b>59,982,394</b>	<b>16.3%</b>	<b>(2,289,872)</b>	<b>(2,289,872)</b>	<b>-</b>	<b>\$3.93</b>	<b>\$7.96</b>

By Property Type	Total SF	Vacant SF	Vacancy %	NET ABSORPTION		Under Construction SF	ASKING RENT	
				Current	Year To Date		WH/Dist	R&D/Flex
General Industrial	201,633,554	31,876,249	15.8%	(1,012,852)	(1,012,852)	-	\$4.06	
Incubator	1,979,085	184,025	9.3%	(35,533)	(35,533)	-	\$5.37	
R&D/Flex	69,782,466	6,360,840	16.0%	18,373	18,373	-	\$7.96	
Warehouse/Distribution	124,431,209	21,561,280	17.3%	(1,259,860)	(1,259,860)	-	\$3.93	
<b>Totals</b>	<b>367,836,314</b>	<b>59,982,394</b>	<b>16.3%</b>	<b>(2,289,872)</b>	<b>(2,289,872)</b>	<b>-</b>	<b>\$4.47</b>	

## Grubb & Ellis - Detroit Industrial Professionals

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<b>Mike Davidson</b> Senior Vice President 248.357.6599 mike.davidson@grubb-ellis.com	<b>Dan Labes</b> Senior Vice President 248.357.6578 dan.labes@grubb-ellis.com	<b>Giancarlo Pinterpe</b> Senior Vice President 248.350.1192 giancarlo.pinterpe@grubb-ellis.com	

## INDUSTRIAL TERMS AND DEFINITIONS

**Total SF:** Industrial inventory includes all multi-tenant, single tenant and owner-occupied buildings at least 10,000 square feet.

**Industrial Buildings Classifications:** Industrial buildings are categorized as warehouse/distribution, general industrial, R&D/flex and incubator based on their physical characteristics including percent office build-out, clear height, typical bay depth, typical suite size, type of loading and typical uses.

**Vacancy and Availability:** The vacancy rate is the amount of physically vacant space divided by the inventory and includes direct and sublease vacant. The availability rate is the amount of space available for lease divided by the inventory.

**Net Absorption:** The net change in physically occupied space over a period of time.

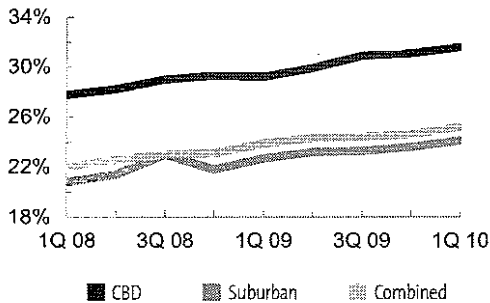
**Asking Rent:** The dollar amount asked by landlords for available space expressed in dollars per square foot per year in most parts of the country and dollars per square foot per month in areas of

California and selected other markets. Industrial rents are expressed as triple net where all costs including, but not limited to, real estate taxes, insurance and common area maintenance are borne by the tenant on a pro rata basis. The asking rent for each building in the market is weighted by the amount of available space in the building.

\* Grubb & Ellis statistics are audited annually and may result in revisions to previously reported quarterly and final year-end figures.

## Office Trends Report

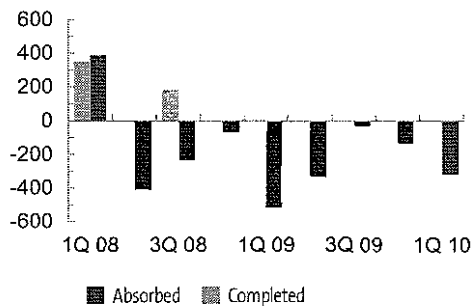
**Vacancy Rate**



# A Better Economy in Store for the Office Market in 2010

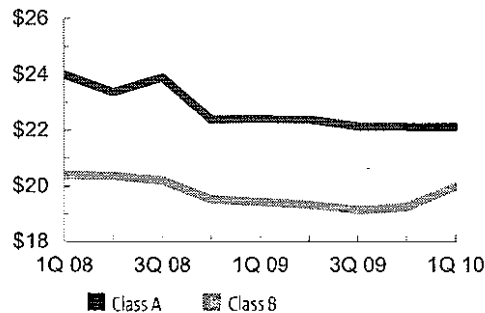
During the first quarter of 2010 the overall vacancy rate climbed 60 basis points to 25.2 percent. Despite the increase in vacant space, there are some indications that the downward pressure on the metro office market will ease, as the local economy is poised for a turnaround in the near future. The preliminary unemployment rate for the Detroit MSA in February was 14.8 percent, compared to a high of 16 percent in December. Additionally, the main driver of the local economy, namely the automotive industry, posted significant sales gains. In March, General Motors sales were up 20 percent while Ford saw its sales increase 40 percent compared to a year ago.

**Completions vs. Absorption**  
 (in Thousands of SF)



The first quarter had several leasing highlights. The Michigan Department of Human Services took 47,000 square feet in Pontiac. In Southfield, Automotive Credit Corporation took 30,000 square feet and Atwell-Hicks leased 22,000 square feet. These sizable deals led to positive absorption for both Pontiac and Southfield. Meanwhile, in one of the largest relocations in recent history, R.L. Polk & Company announced it is moving from First Center Office Plaza on Northwestern Highway into 125,000 square feet in Travelers Tower II, located on Evergreen Road. R.L. Polk is set to take occupancy in the Travelers Tower in September of 2010.

**Asking Rental Rates**  
 (\$/SF/Yr. Full Service)



Looking ahead, Metro Detroit's office market is poised for significant new development activity in 2010. The most noteworthy is the construction of a new 125,000-square-foot office building located east of Halstead Road and south of Twelve Mile in the Farmington Hills submarket. With the exception of Market Strategy's 100,000-square-foot headquarters building, completed in early 2009, new office construction has been non-existent in Metro Detroit for nearly four years. Set to break ground in April of 2010, the new office building in Farmington Hills will be the headquarters for the nonprofit credit counseling agency Greenpath Inc. Meanwhile, Saab Cars recently announced it will invest \$2.4 million to locate its North American Headquarters to Royal Oak, proving the continued attractiveness of the Metro Detroit area for automotive manufacturers.

**FORECAST**

- The substantial amount of vacant office space will continue to keep asking rate increases at bay.
- Improved unemployment figures and increased auto sales will ease downward pressure on the office market, resulting in a 2010 bottoming of the leasing market.



# Office Trends Report—First Quarter 2010

## Detroit, MI



**GRUBB & ELLIS.**  
From Insight to Results

By Submarket	Total SF	Vacant SF	Vacant %	NET ABSORPTION		Under Construction SF	ASKING RENT	
				Current	Year To Date		Class A	Class B
CBD	11,144,881	3,526,801	31.6%	(91,643)	(91,643)	-	\$23.89	\$20.56
CBD North Central	1,209,188	186,592	15.4%	-	-	-	-	\$17.84
<b>CBD Total</b>	<b>12,354,069</b>	<b>3,713,393</b>	<b>30.1%</b>	<b>(91,643)</b>	<b>(91,643)</b>	<b>-</b>	<b>\$23.89</b>	<b>\$20.23</b>
Ann Arbor Briarwood	1,753,101	216,664	12.4%	5,550	5,550	-	\$22.64	\$20.35
Ann Arbor CBD	1,237,427	112,279	9.1%	6,123	6,123	-	\$25.05	\$21.28
Ann Arbor Northeast	1,729,999	255,724	14.8%	(82,875)	(82,875)	-	\$22.92	\$20.79
Auburn Hills	2,110,080	287,625	13.6%	(34,749)	(34,749)	-	\$19.24	\$19.43
Birmingham	404,654	26,262	6.5%	890	890	-	\$30.75	\$25.45
Birmingham CBD	843,289	129,700	15.4%	1,898	1,898	-	\$31.78	\$28.22
Bloomfield Hills	2,974,823	405,004	13.6%	(62,381)	(62,381)	-	\$26.90	\$21.76
Dearborn	3,223,720	912,155	28.3%	(92,152)	(92,152)	-	\$17.81	\$18.76
Farmington Hills	6,000,773	1,285,376	21.4%	3,069	3,069	125,000	\$22.19	\$19.12
Livonia	2,992,247	675,152	22.6%	(10,289)	(10,289)	-	\$23.05	\$20.71
Novi	1,575,736	328,638	20.9%*	9,837	9,837	-	\$21.12	\$20.65
Pontiac	1,904,370	822,520	43.2%	47,334	47,334	-	-	\$15.29
Southfield	16,547,425	4,236,786	25.6%	37,656	37,656	-	\$22.19	\$19.22
Troy	13,144,247	3,912,898	29.8%	(59,407)	(59,407)	-	\$22.01	\$18.14
West Bloomfield	554,440	145,169	26.2%	3,824	3,824	-	-	\$19.47
<b>Suburban Total</b>	<b>56,996,331</b>	<b>13,751,952</b>	<b>24.1%</b>	<b>(225,672)</b>	<b>(225,672)</b>	<b>125,000</b>	<b>\$21.75</b>	<b>\$18.78</b>
<b>Totals</b>	<b>69,350,400</b>	<b>17,465,345</b>	<b>25.2%</b>	<b>(317,315)</b>	<b>(317,315)</b>	<b>125,000</b>	<b>\$22.09</b>	<b>\$18.98</b>

By Class	Total SF	Vacant SF	Vacant %	Current	Year To Date	Under Construction SF	AVAILABLE FOR SUBLEASE	
							CBD	Suburban
Class A	25,587,649	5,299,581	20.7%	(127,534)	(127,534)	125,000	41,694	769,887
Class B	34,245,545	9,589,557	28.0%	(4,975)	(4,975)	-	40,115	795,401
Class C	9,517,206	2,576,207	27.1%	(184,806)	(184,806)	-	5,000	10,375
<b>Totals</b>	<b>69,350,400</b>	<b>17,465,345</b>	<b>25.2%</b>	<b>(317,315)</b>	<b>(317,315)</b>	<b>125,000</b>	<b>86,809</b>	<b>1,575,663</b>

## OFFICE TERMS AND DEFINITIONS

**Total SF:** Office inventory includes all multi-tenant and single tenant buildings at least 20,000 square feet. Owner-occupied, government and medical buildings are not included.

**Office Building Classifications:** Grubb & Ellis adheres to the BOMA guidelines. Class A properties are the most prestigious buildings competing for premier office users with rents above average for the area. Class B properties compete for a wide range of users with rents in the average range for the area. Class C buildings compete for tenants requiring functional space at rents below the area average.

**Vacancy and Availability:** The vacancy rate is the amount of physically vacant space divided by the inventory and includes direct and sublease vacant. The availability rate is the amount of space available for lease divided by the inventory.

**Direct Vacant:** This is the vacancy rate in space offered on the market directly by the landlord in single and multi-tenant buildings. This excludes vacant space offered for sublease and vacant space that is not offered on the market, for whatever reason.

**Net Absorption:** The net change in physically occupied space over a period of time.

**Asking Rent:** The dollar amount asked by landlords for available space expressed in dollars per square foot per year in most parts of the country and dollars per square foot per month in areas of California and selected other markets. Office rents are reported full service where all costs of operation are paid for by the landlord up to a base year or expense stop. The asking rent for each building in the market is weighted by the amount of available space in the building.

\* Grubb & Ellis statistics are audited annually and may result in revisions to previously reported quarterly and final year-end figures.

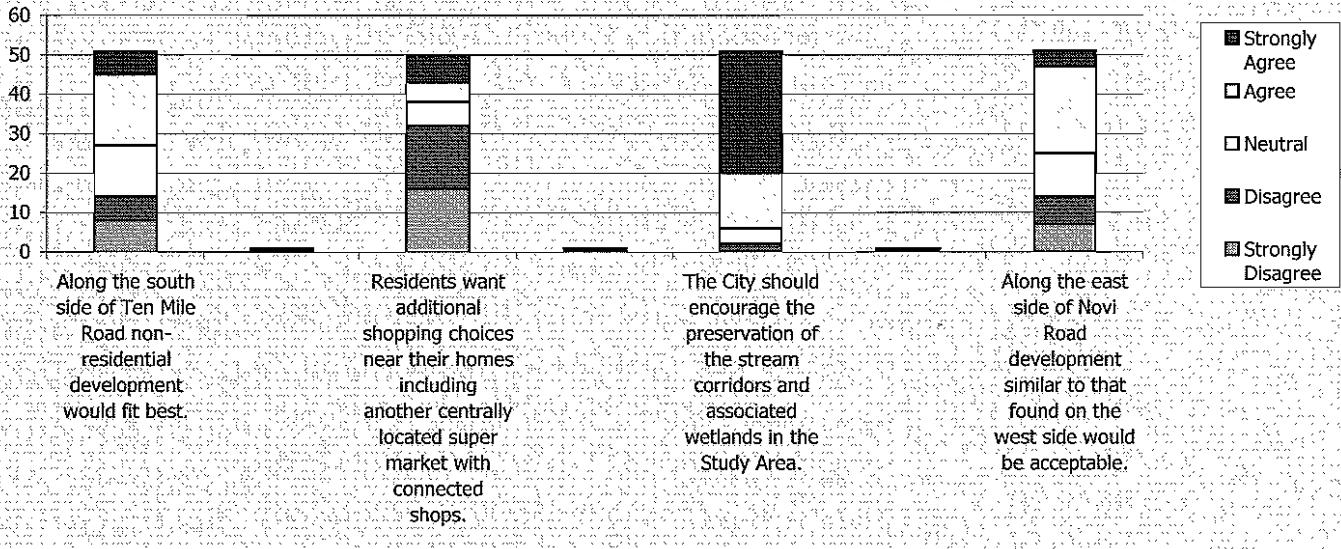
**2009 Master Plan for Land Use Review Survey Recap**

**Special Planning Project Area 1 Study Area**

**General Special Planning Project Area 1 Study Area questions. Please indicate your opinion of the following statements.**

Answer Options	Strongly Agree	Agree	Neutral	Disagree	Strongly Disagree	Response Count
* Along the south side of Ten Mile Road non-residential development would fit best.	6 11.8%	18 35.3%	13 25.5%	6 11.8%	8 15.7%	51 100.0%
* Residents want additional shopping choices near their homes including another centrally located super market with connected shops.	7 14.0%	5 10.0%	6 12.0%	16 32.0%	16 32.0%	50 100.0%
The City should encourage the preservation of the stream corridors and associated wetlands in the Study Area.	31 60.8%	14 27.5%	4 7.8%	2 3.9%	0 0.0%	51 100.0%
* Along the east side of Novi Road development similar to that found on the west side would be acceptable.	4 7.8%	22 43.1%	11 21.6%	7 13.7%	7 13.7%	51 100.0%
<i>answered question</i>						<b>51</b>
<i>skipped question</i>						<b>7</b>

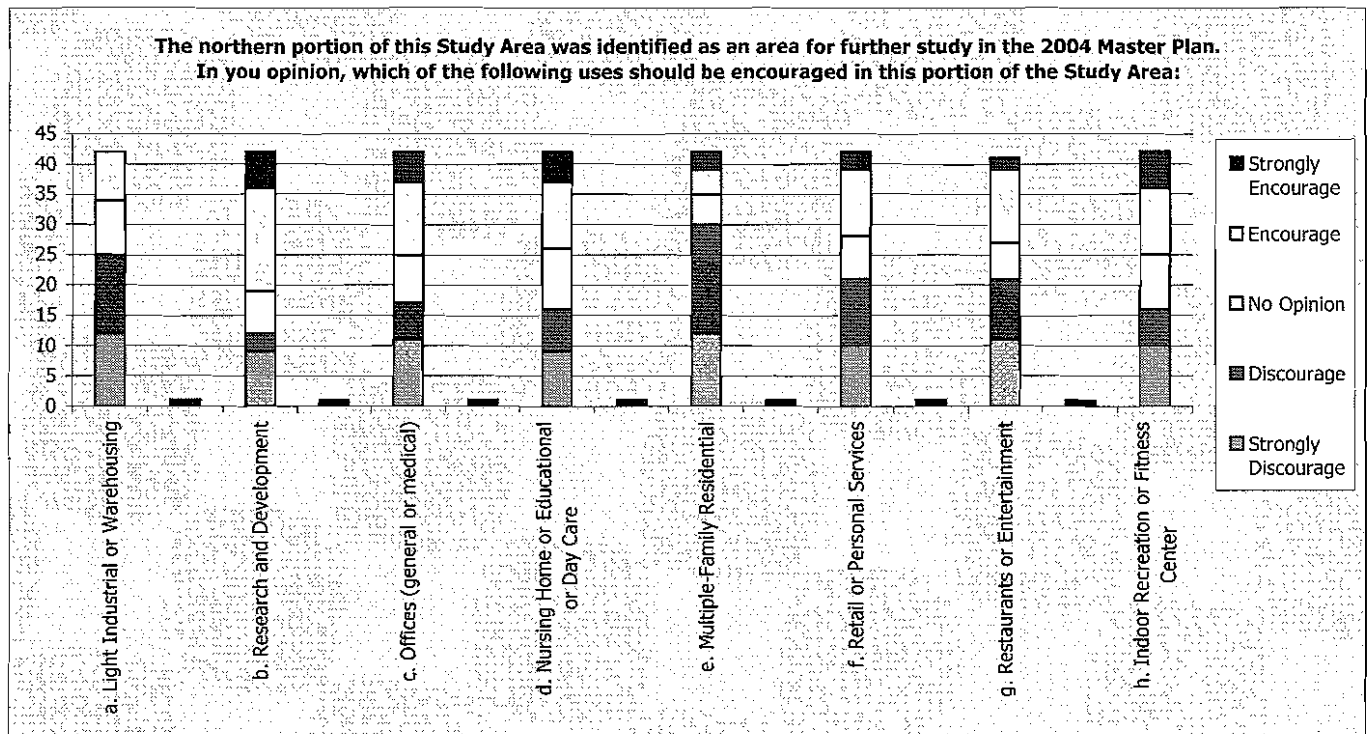
**General Special Planning Project Area 1 Study Area questions. Please indicate your opinion of the following statements.**



### Special Planning Project Area 1 Study Area

The northern portion of this Study Area was identified as an area for further study in the 2004 Master Plan. In you opinion, which of the following uses should be encouraged in this portion of the Study Area:

Answer Options	Strongly Encourage	Encourage	No Opinion	Discourage	Strongly Discourage	Response Count
a. Light Industrial or Warehousing	0 0.0%	8 19.0%	9 21.4%	13 31.0%	12 28.6%	42 100.0%
b. Research and Development *	6 14.3%	17 40.5%	7 16.7%	3 7.1%	9 21.4%	42 100.0%
c. Offices (general or medical)	5 11.9%	12 28.6%	8 19.0%	6 14.3%	11 26.2%	42 100.0%
d. Nursing Home or Educational or Day Care	5 11.9%	11 26.2%	10 23.8%	7 16.7%	9 21.4%	42 100.0%
e. Multiple-Family Residential	3 7.1%	4 9.5%	5 11.9%	18 42.9%	12 28.6%	42 100.0%
f. Retail or Personal Services *	3 7.1%	11 26.2%	7 16.7%	11 26.2%	10 23.8%	42 100.0%
g. Restaurants or Entertainment *	2 4.8%	12 28.6%	6 14.3%	10 23.8%	11 26.2%	42 100.0%
h. Indoor Recreation or Fitness Center	6 14.3%	11 26.2%	9 21.4%	6 14.3%	10 23.8%	42 100.0%
Other (please specify)						5
<b>answered question</b>						<b>42</b>
<b>skipped question</b>						<b>16</b>



**Other**

Competition compatible pool (25 yds or meters, or 50 meters)

Please leave the land alone, there is enough empty warehouse, retail, office space in Novi, we do not need any more. Our family would prefer that orchard area remain untouched. We could tolerate R&D as it would generate jobs.

It's also hard to hate a nursing home. Everything else - NO!NO!NO! as we have an overabundance of those options already.

Super Market (Kroger?); farmers market in summer

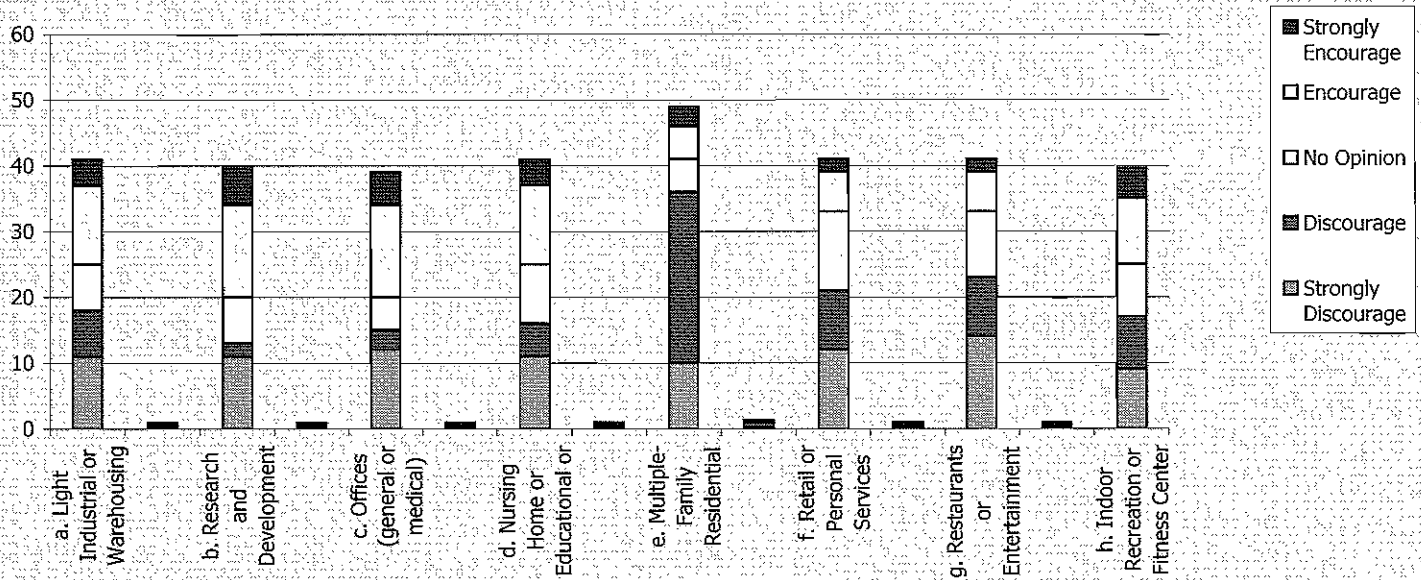
Left natural

**Special Planning Project Area 1 Study Area**

The southern portion of this Study was identified as an area for office & light industrial uses in the 2004 Master Plan. In you opinion, which of the following uses should be encouraged in this portion of the Study Area:

Answer Options	Strongly Encourage	Encourage	No Opinion	Discourage	Strongly Discourage	Response Count
a. Light Industrial or Warehousing	4 9.8%	12 29.3%	7 17.1%	7 17.1%	11 26.8%	41 100.0%
b. Research and Development	6 15.0%	14 35.0%	7 17.5%	2 5.0%	11 27.5%	40 100.0%
c. Offices (general or medical)	5 12.5%	14 35.0%	5 12.5%	3 7.5%	12 30.0%	40 100.0%
d. Nursing Home or Educational or Day Care	4 9.8%	12 29.3%	9 22.0%	5 12.2%	11 26.8%	41 100.0%
e. Multiple-Family Residential	3 7.7%	5 12.8%	5 12.8%	26 66.7%	10 25.6%	39 100.0%
f. Retail or Personal Services	2 4.9%	6 14.6%	12 29.3%	9 22.0%	12 29.3%	41 100.0%
g. Restaurants or Entertainment	2 4.9%	6 14.6%	10 24.4%	9 22.0%	14 34.1%	41 100.0%
h. Indoor Recreation or Fitness Center	5 12.5%	10 25.0%	8 20.0%	8 20.0%	9 22.5%	40 100.0%
Other (please specify)						5
						<b>answered question</b> 41
						<b>skipped question</b> 17

The southern portion of this Study was identified as an area for office & light industrial uses in the 2004 Master Plan. In you opinion, which of the following uses should be encouraged in this portion of the Study Area:



**Other**

Left natural

Please leave the land alone, there is enough empty warehouse, retail, office space in Novi, we do not need any more

Please leave the land alone, there is enough empty warehouse, retail, office space in Novi, we do not need any more

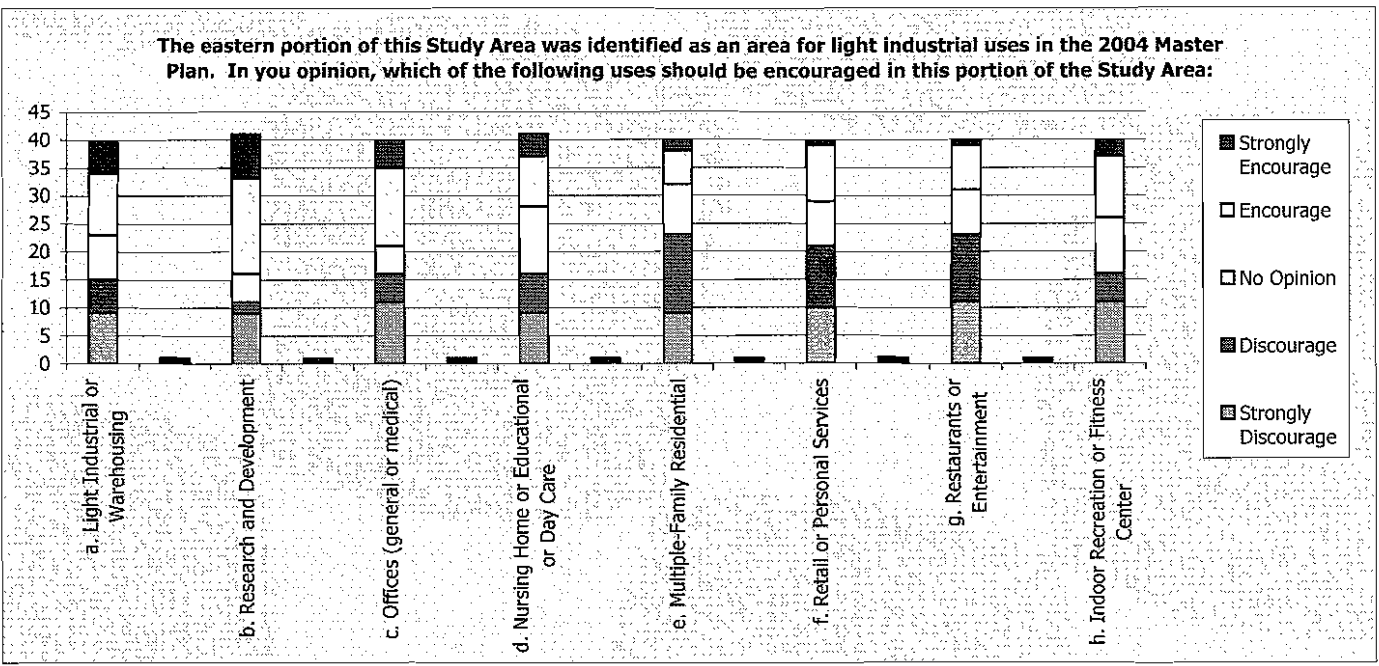
Pool - 25 yd/meter or 50 meter

Our family would prefer that orchard and wooded area to remain untouched. Although that area already backs up to industrial, it also backs up to homes. there better be a huge buffer between any development and the homes.

**Special Planning Project Area 1 Study Area**

The eastern portion of this Study Area was identified as an area for light industrial uses in the 2004 Master Plan. In you opinion, which of the following uses should be encouraged in this portion of the Study Area:

Answer Options	Strongly Encourage	Encourage	No Opinion	Discourage	Strongly Discourage	Response Count
a. Light Industrial or Warehousing	6 15.0%	11 27.5%	8 20.0%	6 15.0%	9 22.5%	40 100.0%
b. Research and Development	8 19.5%	17 41.5%	5 12.2%	2 4.9%	9 22.0%	41 100.0%
c. Offices (general or medical)	5 12.5%	14 35.0%	5 12.5%	5 12.5%	11 27.5%	40 100.0%
d. Nursing Home or Educational or Day Care	4 9.8%	9 22.0%	12 29.3%	7 17.1%	9 22.0%	41 100.0%
e. Multiple-Family Residential	2 5.0%	6 15.0%	9 22.5%	14 35.0%	9 22.5%	40 100.0%
f. Retail or Personal Services	1 2.5%	10 25.0%	8 20.0%	11 27.5%	10 25.0%	40 100.0%
g. Restaurants or Entertainment	1 2.5%	8 20.0%	8 20.0%	12 30.0%	11 27.5%	40 100.0%
h. Indoor Recreation or Fitness Center	3 7.5%	11 27.5%	10 25.0%	5 12.5%	11 27.5%	40 100.0%
Other (please specify)						4
						answered question 41
						skipped question 17



**Other**

Pool 25 yd/meter or 50 meter

Please leave the land alone, there is enough empty warehouse, retail, office space in Novi, we do not need any more Tue, Oct 13, 2009 6:26 AM Fird...  
 The east area is adjacent to Novi Road which already has industrial to additional non-retail development would be tolerated,  
 but we still would prefer the area to remain untouched.  
 Left natural

**2009 Master Plan Review Public Comments related to Special Planning Project  
Area 1 Study Area**

**2009 Master Plan Review Public Comments related to Special Planning Project Area 1 (in addition to comments received on the citizen questionnaire)**

The special project area near the corner of Ten and Novi Roads is in a commercial area already, and multiples are also right near. That's a great site for apartments and a Kroger store and other shops, if the community needs more commercial.

We don't want to overbuild commercial so that we have vacant retail which cannot survive especially in these tougher economic times. Vacant storefronts breed civic decay.

Staff has raised concerns about the amount of commercial development proposed for this location and I share those concerns. Before we add more commercially zoned property, I would like to see the city work on redevelopment opportunities at the 10 Mile and Meadowbrook intersection where there are a number of older commercial developments that could support additional and improved commercial business. I don't know if the Master Plan committee has had a chance to review that area but I would encourage the consideration of strategies to encourage improvements to that area. If the Planning Commission is in favor of adding more retail development at Ten Mile and Novi Road, I would ask that the Commission ask staff and the Master Plan committee to review the potential for more mixed-use development at this location. A mixed-use development at this location would be more appealing than the traditional strip center with large parking areas.

Please keep development to a minimum.

What is the point of developing more areas? To put another strip mall in, with another video store and pizza joint? Who is this really benefitting? I think if you asked, most people would rather drive a little further, hold onto the undeveloped areas, and keep the population and associated traffic down. Look at the westward expansion that occurred over the last 40 years in metro Detroit. The main reason this happened to the extent that it did was because people wanted a little bit of nature surrounding them. Developed areas already exist for those that enjoy that; where will undeveloped areas exist for those of us who enjoy that, if the current trend of unabated development continues?

I understand that we currently live in a time of great unemployment in this region, and construction projects will help reduce that; however, the long view must be the prevailing view, in this instance, because once undeveloped areas are gone, they're gone forever.

As for development bringing in tax dollars to the city: I believe that studies have shown that the influx of money is pretty much equalled by the money that must be spent to develop and maintain these areas (e.g., due to water and sewer, telephone and power lines, roads, etc.).

Natural areas are emotionally helpful for people. And of course, they're helpful to the associated wildlife, which will die without it. They also provide the additional benefit of cooling the region in summer.

Thanks for the opportunity to share my views; I hope to see a minimal amount of development, when the Novi Master Plan is unveiled in its final form.

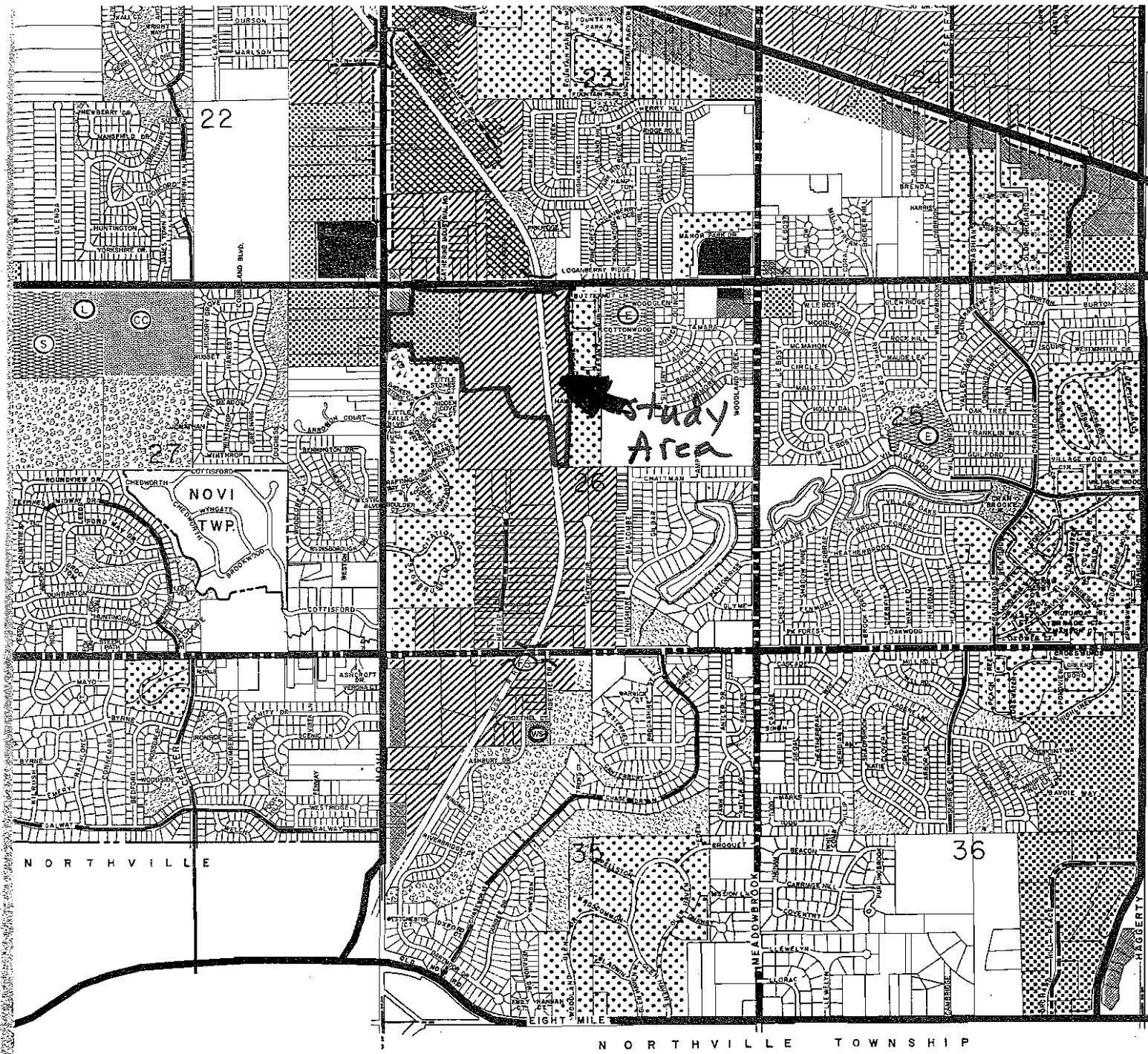


Our family doesn't want any more retail space in Novi. We already have an excess.

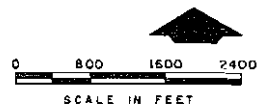
Regarding Special Planning Project Area 1 we prefer option #2 (commercial on north portion) we hate option #1 (office and industrial on north portion). Removing that beautiful old orchard and the undeveloped areas running south is hard to accept. If it is going to come down, we would rather see it serve the public than a nameless, for profit corporation/company.

Study Area #1 should include the Rouge River. Create a riparian setback along the river. Install pathways along Ten Mile. Create mixed use district: office, light industrial and commercial.

**1993 Future Land Use Map Excerpt**



NORTHVILLE TOWNSHIP



# MASTER PLAN FOR LAND USE

CITY OF NOVI MICHIGAN

MAY 1993  
 BRANDON M. ROGERS & ASSOCIATES, P.C.  
 community planning consultants

**Planning Commission Minutes**

**May 19, 1999**

**August 15, 2001**

**October 13, 2004**

**October 27, 2004**

**December 1, 2004**

## REGULAR MEETING OF THE NOVI PLANNING COMMISSION

### Excerpts

**WEDNESDAY, MAY 19, 1999 AT 7:30 P.M.**

**PRESENT:** Members Canup, Capello, Churella, Csordas, Koneda, Mutch, Piccinini and Chairperson Weddington

**ABSENT/EXCUSED:** Member Watza

**ALSO PRESENT:** Planning/Traffic Consultant Rod Arroyo, Engineering Consultant David Bluhm, Assistant City Attorney Paul Weisberger, Landscape Architect Linda Lemke, Environmental Specialist Debbie Thor, Senior Environmental Specialist Aimee Kay, Director of Planning & Community Development Jim Wahl, and Planning Assistant Kelly Schuler

### MATTERS FOR CONSIDERATION

#### **1. CITY MASTER PLAN FOR LAND USE**

Consideration for the proposed updated City Master Plan for Land Use, pursuant to requirements of Act 285 of Public Acts of 1931.

Chairperson Weddington announced this was a continuation from the last meeting where it was postponed in order for the Master Plan and Zoning Committee to take a look at six (6) individual parcels.

Mr. Arroyo briefly reviewed the May 12, 1999 Memorandum which summarized the recommendations from the Master Plan and Zoning Committee. Items 1 and 2 were recommended changes to the draft plan from the Committee. 1) The southeast corner of Grand River and Wixom Road is proposed to be changed to Community Commercial. 2) The intersection of Haggerty Road and Nine Mile Road is proposed to be changed from Multiple Family Residential to Office. In recommending this change, the Committee also recommended that some text be added to the discussion. It would specify that Office uses at the northwest corner of Nine Mile Road and Haggerty Road should be limited to the single parcel due the unique characteristics and location, it should not be extended further to the north or west of the parcel. Also access for the Office parcel and the Multiple Family parcel to the north should be combined to provide a single driveway on Haggerty with appropriate separation from the Haggerty/Nine Mile Road intersection. In addition, the Committee recommended the following amendments: 3) the DPW site; 4) the parcels at Dixon and Twelve Mile Road changing from Office to Community Park; 5 & 6) clean up amendment dealing with places of worship and cemetery; 7) dealt with the slight location of the existing Fire Station on Thirteen Mile Road; 8) Non-residential collectors which include Magellan Drive and the Market Street extension down to Trans-X Drive.

Mr. Arroyo stated the Committee looked at proposals to some of the other properties, including the Arkin parcel at the northeast corner of Novi Road and Nine Mile Road and no change was recommended at this time, nor were there any changes to the text that discuss the Grand River and Meadowbrook parcels in the northeast and southeast corners.

In regard to the southeast corner of Novi Road and Ten Mile Road, there were three different alternatives based upon discussions. 1) Make no changes; 2) To allow some local Commercial along the Ten Mile Road and Novi Road frontage. Office and Light Industrial uses would front on Arena Drive and local Commercial would front on Ten Mile Road; 3) Make all of the frontage along Ten Mile Road between Novi Road and the Railroad, Local Commercial which would provide for about 26 acres of Commercial property. To the south of the watercourse, allow for Office fronting on Novi Road and Light Industrial wrapping around the north and east of Arena Drive. Mr. Arroyo stated if this is the recommendation of the Planning Commission, the Committee suggested adding text to clarify the intent of what was to occur on the property and this text is stated in page two of his memorandum.

Paul Weisberger, Assistant City Attorney clarified Item 4 indicated two parcels on the northwest corner and a change to one other parcel. He stated when the motions are made, they need to be specific. He stated the parcels referred to in item 4 were on a map provided at the last Public Hearing.

Member Capello asked what the parcels were currently zoned?

Mr. Arroyo answered, RA.

**PM-99-05-173 TO APPROVE THE CITY'S MASTER PLAN FOR LAND USE AS PROPOSED AT THE LAST MEETING INCLUDING ITEMS 1 THROUGH 8 IN MR. ARROYO'S MEMORANDUM DATED MAY 12, 1999**

Moved by Capello, seconded by Piccinini.

Mr. Weisberger recommended that the Commission amend the draft to include the items and then move on to the next section and then vote on the whole plan.

**PM-99-05-174 TO AMEND THE DRAFT MASTER PLAN FOR LAND USE FROM THE LAST MEETING TO REFLECT THE CHANGES REFERENCED IN ITEMS 1 THROUGH 8 IN MR. ARROYO'S MAY 12, 1999 MEMORANDUM**

Moved by Capello, seconded by Piccinini, CARRIED UNANIMOUSLY: To amend the draft Master Plan for Land Use to reflect the changes referenced in Items 1 through 8 in Mr. Arroyo's May 12, 1999 memorandum.

**VOTE ON PM-99-05-174 CARRIED UNANIMOUSLY**

Yes: Churella, Csordas, Koneda, Mutch, Piccinini, Weddington, Canup, Capello

No: None

**PM-99-05-175 TO AMEND THE CITY MASTER PLAN FOR LAND AS AMENDED THIS EVENING IN REGARD TO THE AREA IN THE SOUTHEAST CORNER OF NOVI ROAD AND TEN MILE ROAD AS DESCRIBED IN ALTERNATIVE "C" IN MR. ARROYO'S MAY 12, 1999 MEMORANDUM**

Moved by Capello, seconded by Churella.

**DISCUSSION**

Member Piccinini asked Member Capello to amend his motion to make the entire section Local Commercial.

Member Capello stated he would not have a problem with it if there was a way to make it work. In regard to map C, Member Capello stated it looked like a section line traveled through the property and was the eastern boundary of Multiple Family. He asked Mr. Arroyo if the section line could be brought down and Master Planned the western section of the Light Industrial to bring the Commercial down to Arena Drive.

Mr. Arroyo stated it would be an option as long as the crossing was feasible. It would be encouraged by having the same uses. He stated it could still happen with Light Industrial because it is under one property owner, but the probability of the connection would be increased if it were under the same use.

Member Csordas stated he walked the property and clarified that the section line goes down pretty deep, it was wet and there are woodlands located there. He did not know that it was even developable. He thought that a bridge would have to be built over the wetlands.

Member Piccinini reported that at the last meeting, the owner indicated that he would be willing to put an access through there.

Mr. Arroyo addressed the three alternatives in his memorandum. He pointed out the location most likely for an access point. He stated it would make sense to bring the Commercial line down creating another option "D", which would be to follow the stream.

Member Piccinini asked if this would give the access point to Arena Drive?

Mr. Arroyo answered, yes.

Member Koneda stated it seemed that the real question was what to do with the land south of the creek. He stated he could support Option D, however, what would be done with the 12 acre site? He thought it needed to be discussed and stated he could not support rezoning the area Commercial and putting a bridge across the creek because he did not think it made sense.

Member Koneda asked when a Master Plan is adopted and it contains Provisions for future zoning, it is open for rezoning at any time. He asked if the petitioner could come in with a rezoning request or could the Commission put a condition on it that ties it in with road traffic improvements?

Mr. Arroyo clarified that an applicant could come forward for a rezoning request at any time. It is to have a long range focus. He stated the Commission needed to look at each rezoning application on its merits and he thought if the Commission were challenged, they would look to the Master Plan as a guide.

**PM-99-05-176 TO AMEND THE MOTION TO AMEND THE DRAFT MASTER PLAN FOR LAND USE TO REFLECT THE CHANGE AS DESCRIBED IN MR. ARROYO'S MAY 12, 1999 MEMORANDUM. A MODIFICATION OF ALTERNATIVE C WHICH WOULD DESIGNATE THE FRONTAGE ALONG TEN MILE ROAD NORTH OF THE CHAPMAN CREEK FROM NOVI ROAD TO CSX RAILROAD AS LOCAL COMMERCIAL AND THAT LOCAL COMMERCIAL WOULD ALSO DROP DOWN ALONG THE WEST SIDE OF THE PARCEL ALONG NOVI ROAD FOR A DISTANCE OF APPROXIMATELY 500' AND BE SQUARED OFF AT APPROXIMATELY A DISTANCE OF 450' FROM AREANA DRIVE NORTH, OTHERWISE FOLLOWING THE CHAPMAN CREEK. THE AREA SOUTH OF THE CHAPMAN CREEK**

**WOULD BE DESIGNATED LIGHT INDUSTRIAL AND EXCEPTED WOULD BE THE EXISTING COMMERCIAL PARCEL, THIS WOULD BE CONFIRMED BY THE DRAWINGS PROVIDED BY MR. WEISS AND VERIFIED BY MR. ARROYO**

Moved by Capello, seconded by Churella, CARRIED (7-1): To amend the motion to amend the draft Master Plan for Land Use to reflect the change as described in Mr. Arroyo's May 12, 1999 Memorandum. A modification of Alternative C which would designate the frontage along Ten Mile Road north of the Chapman Creek from Novi Road to CSX Railroad as Local commercial and that Local Commercial would also drop down along the west side of the parcel along Novi Road for a distance of approximately 500' and be squared off at approximately a distance of 450' from Arena Drive North, otherwise following the Chapman Creek. The area south of the Chapman Creek would be designated Light Industrial and excepted would be the existing Commercial parcel, this would be confirmed by the drawings provided by Mr. Weiss and verified by Mr. Arroyo.

**DISCUSSION**

Member Mutch addressed the question of access from Arena Drive. He did not think the room existed to run the road at that point, he did not think it would work as he recalled the creek was pretty close to the property. He asked if it were to remain Light Industrial as it is currently on the Master Plan versus changing it to Commercial with the language, from a legal standpoint, which would be more defensible in court?

Mr. Weisberger stated when dealing with a rezoning, the infrastructure needs to be looked at. He stated when someone comes in with a principal permitted use and it is developed under Light Industrial, unless there is some type of ingress/egress traffic problem, the Commission is obligated to approve the project.

Member Mutch did not support the idea at this time. He recommended leaving it as it is currently, wait for the road improvements to come on line and then see whether it is realistic. He thought it was premature, there is no infrastructure in place for this type of development and until there is, he could not support it.

Member Csordas understood that there was funding available for Ten Mile Road through the County provided by the Federal Government. He asked Mr. Arroyo what was in line for Ten Mile Road?

Mr. Arroyo believed the funds had been approved for preliminary design. He understood that the issue was to go back before Council within the next few months for them to make a decision. Based on what he has heard, he thought the soonest the City would likely see the construction dollars would be in the five year range.

Member Koneda stated a grocery store shopping center was really needed on the west side of the City. He expressed concern with taking the property and rezoning it Commercial which would make it the most desirable place for someone to build a shopping center and it would happen at that location first rather than at the west end. He thought it would defeat the whole purpose of trying to put Commercial zoning on the west end of the City where it is really needed. Member Koneda could not support Option C or D, he thought it was premature and thought it should be taken up at the next Master Plan update.

Member Capello stated the problem with not rezoning it was that it was planned to be developed as Light Industrial. He did not want to see that area developed as Light Industrial because it did not look very nice and it would bring more traffic onto Ten Mile Road during the peak hours. He did not think it was good planning to say that the roads were not ready for development,



therefore, the future will not be planned for what should be developed once the roads are ready to handle the traffic.

**VOTE ON PM-99-05-176 CARRIED**

Yes: Csordas, Koneda, Piccinini, Weddington, Canup, Capello, Churella

No: Mutch

**REGULAR MEETING OF THE NOVI PLANNING COMMISSION**

**Excerpts  
WEDNESDAY, AUGUST 15, 2001 AT 7:30 P.M.**

**PRESENT:** Members Canup, Churella, Kocan, Koneda, Mutch, Nagy, Piccinini, Richards

**ABSENT/EXCUSED:** Member Landry (absence excused)

**ALSO PRESENT:** Planning/Traffic Consultant Rod Arroyo, Staff Planner Beth Brock, Planning Director David Evancoe, City Attorney Gerald Fisher, Landscape Architect Linda Lemke, Wetland Consultant David Mifsud, Engineering Consultant Victoria Weber

**NOVI ROAD CORRIDOR PLAN**

A proposed amendment to the City of Novi Master Plan for Land Use. The amendment was prepared to identify improvements and possible land use recommendations for the Novi Road Corridor. Corridor planning is a tool that permits the City to closely examine an area that is in need of a more intense planning focus.

David Evancoe re-introduced the Commission to the plan. He noted that much of the document pertained to existing conditions. He directed the Commission's attention to page 29, which identified the recommendations for the Plan.

**DISCUSSION**

Member Nagy question if the Planning Commission action would be a recommendation or an approval.

Mr. Arroyo explained that it would be an amendment to the Master Plan for Land Use and an action made by the Planning Commission. He added that it required six (6) affirmative votes to amend the Master Plan.

Member Nagy stated that the plan was very well done. However, she questioned if the infrastructure or finances were available to implement the plan. She felt that the plan was premature.

Member Mutch noted the changes in the plan indicate reductions in impact. One major change was the recommendation for the Land Use on the East Side of Novi Road to change from Heavy

Industrial to Light Industrial. Likewise, the area along Main Street (the Singh Project with adjacency of Heavy Industrial) is recommended to become Light Industrial to reduce impacts. The integration of access roads into the re-development will help address some of the impacts on the surrounding roads. A Master Plan is a long-term land use recommendation, which the implementation of some of the elements, (such as the design elements proposed by Ms. Lemke) would not occur tomorrow. Although the financing would need to be addressed, a vision needs to be put in place. He gave the example of the Novi Main Street area, which has taken twenty (20) years to this point and has a long way to go. However, the area has a vision to help guide the decisions being made for that area. He noted that the plan is not a new vision for the area. Some of the changes may occur soon, some long-term and some possibly never.

#### **PM-01-08-231 IN THE MATTER OF NOVI ROAD CORRIDOR PLAN TO APPROVE THE AMENDMENT TO THE CITY OF NOVI MASTER PLAN**

Moved by Piccinini, seconded by Mutch, CARRIED (6-2): In the matter of Novi Road Corridor Plan to approve the amendment to the City of Novi Master Plan.

#### **DISCUSSION**

Member Koneda recalled the comments from the Novi Ten Development at the last Public Hearing regarding the property located east of Novi Road and south of Ten Mile Road. The last Master Plan update adopted a couple of years ago had a recommendation of rezoning the land to a commercial usage. At that time there was a lot of discussion, Arena Drive was put in place and developments occurred. The Community Credit Union requested to construct a bank on the corner of Arena and Novi Road and there was discussion of a road connection to the development. He noted that the Credit Union development was approved and due to difficulties the road connection did not occur. As a result of those actions, the Master Plan and Review Committee began to question the utilization of the corner lot. In the updated plan, the area is designated as a special planning area. The reasoning is because it has not been determined if the area should continue to belong as commercial and would need to be further explored. The area did not develop in the manner that they had once anticipated and therefore, it may not be an appropriate zoning for the area. He clarified that there is not a recommended zoning change for this area. Instead it would be reviewed more closely.

In reference to Member Nagy's comment regarding the finances and the pre-maturity of the plan, Member Koneda stated that the Master Plan is the vision of the future. He felt that the Master Plan was a pro-active action that the Planning Commission in the step of being visionaries. He felt that it would be appropriate for the commission to adopt the change at this time.

Member Kocan spoke in regard to the Special Planning Project Area. She noted its designation of SP. She did not feel comfortable moving the document forward with the SP documentation included. She suggested removing the SP and changing it to commercial.

Mr. Arroyo explained that the SP referred to Special Planning and does not mean commercial. He stated that the SP indicates Special Planning Area.

Member Kocan noted this as her point. If there is not a proposed zoning change due to further review, then she did not feel it was appropriate to include the SP. Instead, it should remain commercial or its current zoning.

Member Mutch stated that the property is not zoned commercial.

Member Kocan stated that she was referring to the Master Plan zoning.

Member Mutch restated that there is no commercial Master Planned for that area. He referred to the zoning document pointing out that the area remains zoned as it was under the old Master Plan. Therefore, they are not taking away zoning.

Member Kocan noted the additional information other than zoning recommendations. She noted the Land Use recommendations. She questioned if these would be concrete with the approval of the plan. She pointed out the addition of three (3) lights on Novi Road, the addition of entryway signs, Access Management plan, which may or may not be feasible. She questioned if the document in its entirety went with the Master Plan.

Mr. Evancoe stated that all the contents in the Plan would be adopted. Therefore, the Access Management would also be adopted.

Member Kocan agreed with the Land Use. However, she did not agree with several of the peripheral items, such as an entry sign at every intersection of the City. She felt that four (4) or six (6) locations should be determined on the outskirts of the City that are the actual entries. She did not agree with the addition three (3) light on Novi Road between Grand River and Ten Mile Road. Although the City Park is a good idea, she questioned who would be able to utilize it. She questioned if it would tap into Churchill Crossings. She added that she is not a visionary and therefore, has a lot of questions. She did not agree with the recommendation of five (5) lanes south of Ten Mile Road because it is ninety percent (90%) residential.

Member Nagy questioned if there were capital improvement funds.

Member Mutch stated that "we" do not have any funds.

Member Nagy questioned if there was a specific amount of money that should be designated for Capital Improvements.

Mr. Fisher was not aware of any actual Capital Improvement Plan with a schedule. He was aware of the Road Bond for Capital Improvements in terms of road infrastructure.

Member Nagy did not believe there was a Capital Improvements Fund.

Mr. Arroyo indicated that the Planning Commission does have a Capital Improvements Program prepared by the Planning Commission annually. This is a recommendation and there is not an appropriation of money. The program is a prioritization of Capital Funds, which the Commission makes recommendations to the City Council on an annual basis. Generally this is a six (6) year term. Therefore, items that may be needed to implement a plan such as the proposed may not be in the Capital Improvements Program because it may be beyond the six (6) year horizon. However, next year a plan and recommendation, the Commission may consider incorporating some of the items that they feel may fall within that six (6) year horizon.

Member Nagy acknowledged the amount of work that has gone into the proposed plan. However, she did not feel that every intersection was in need of identification. She agreed with the water well but she did not feel it was affordable. She stated that she would not be supporting the motion.

Chairperson Churella noted his participation with the Committee. He felt that the plan should be passed because if the funds available then the plan and changes could move forward. He noted his support of the plan. He commended the Planning Department and the Consultants for their excellent work.

**VOTE ON PM-01-08-231 CARRIED**

Yes: Canup, Churella, Koneda, Mutch, Piccinini, Richards

No: Kocan, Nagy

**PLANNING COMMISSION  
REGULAR MEETING**

**Excerpts**

**WEDNESDAY, OCTOBER 13, 2004 7:30 P.M.**

**Present:** Members Andrew Gutman, Victor Cassis, Lynn Kocan, David Lipski, Mark Pehrson, Lowell Sprague, Wayne Wrobel

**Absent:** Members John Avdoulos (excused), Richard Gaul (excused)

**Also Present:** Barbara McBeth, Director of Planning; Tim Schmitt, Planner; Darcy Schmitt, Planner; Lance Shipman, Landscape Architect; Ben Croy, Civil Engineer; Dr. Don Tilton, Wetland Consultant; Doris Hill, Woodland Consultant; Bill Stimpson, Traffic Consultant; Tom Schultz, City Attorney

**3, ZONING MAP AMENDMENT 18.641**

The Public Hearing was opened on the request of Siegal, Tuomaala & Associates for possible recommendation to City Council for rezoning on property located in Section 26 south of Ten Mile and east of Novi Road. The Applicant is proposing to rezone 8.089 acres from OS-1 (Office Service District) to B-2 (Community Business District) and 17.275 acres from I-1 (Light Industrial District) to B-2 (Community Business District).

**See Agenda Item 4.**

**4. WEISS COMMERCIAL PLANNED REZONING OVERLAY (PRO), SITE PLAN NUMBER 04-41**

The Public Hearing was opened on the request of Siegal, Tuomaala & Associates for a Planned Rezoning Overlay, in conjunction with rezoning request 18.641. The subject property is located in Section 26 on the south side of Ten Mile and east of Novi Road and is zoned both OS-1 (Office Service) and I-1 (Light Industrial). The Applicant is proposing 141,384 square feet of commercial space and four out lots. The subject property is approximately 31.449 acres.

Planner Darcy Schmitt located the subject property on an aerial map. In total, the rezoning request is for 25.4 acres. To the west of the property is Walgreens. To the east is the CSX railroad. To the south are Arena Drive and River Oaks Apartments and the Novi Sports Club. Across Ten Mile to the north is a general industrial area. The current zoning on the property is partially light industrial to the east. To the west it is OS-1, office service, and then business to the far west. To the south is OS-1 and also I-1, light industrial. To the north is I-1 and I-2, light and general industrial.

The current Master Plan for Land Use lists the property as a Special Planning Project Area. The property to the south is master planned light industrial. To the west the property is master planned local commercial. To the north the property is master planned light and heavy industrial. The subject property is proposed to be light industrial in the new Master Plan.

The property has a small amount of wetlands in the southeast corner of the property, and in the central south portion of the property. There are medium woodlands on the property.

Planner Tim Schmitt explained the PRO, Planned Rezoning Overlay. There are two steps in this process. There is a land use request covered by the rezoning. This request is for an area measuring slightly less than thirty acres. The PRO covers slightly more land – it also covers two outlots. There is a road proposed to run from Novi **Road** to the north, eventually connecting to Ten Mile, near Catherine Industrial Drive and further to the east near the railroad tracks.

The land use issue is one request this evening. The second is the PRO request. This is the second PRO to come before the Planning Commission. This subject property has been vacant and not used for several years, since the orchard ceased doing business. The proposal is for a shopping center, anchored by a 60,000 square foot grocery store on the far eastern end of the development. There is a small strip center proposed to the west, totaling approximately 70,000 square feet. There are four proposed outlots. The first is adjacent to the CSX railroad tracks, is the largest of the lots and houses the creek on the south eastern portion of the site. The second lot is adjacent to Walgreens and is slightly less than one acre. The third lot is south of Walgreens. The fourth is just north of the Community Federal Credit Union on Novi Road.

The PRO is a concept plan. Much like the previous process known as the Development Agreement, the City receives a plan and a list of conditions associated with the site that the Applicant is willing to do above and beyond the Ordinance requirements. Mr. Schmitt gave the example of a residential agreement that provided a certain number of homes in exchange for the preservation of high quality woodlands and wetlands. The PRO codifies the Development Agreement process. It is a give and take between the Applicant and the City. The Planning Commission gives their recommendation on the PRO to City Council. The Planning Commission should include any conditions in their motion that they think are important.

The Planning Department reviewed the plan under the Ordinance Section 3402, and does not recommend approval at this time for the reason that the submittal does not go above and beyond the Ordinance. The City's interpretation is that the PRO was not put into effect merely to approve conceptual plans, but to approve developments above and beyond what can be achieved under the Ordinance. There must be something unique and a substantial public benefit about the plan. There are elements of the PUD and RUD found in the PRO process. There are flexibility and discretion in approving these plans.

Mr. Schmitt said that the Staff isn't recommending the plan because it is a bad plan; in fact, there are very few issues with the plan as it relates to the B-2 zoning. Their position is something additional must be done in order for the City to consider this PRO. Certainly, if the Planning Commission and ultimately City Council have discussion of a public benefit, they can make that finding if they so choose.

The Birchler Arroyo Traffic Review, prepared by Bill Stimpson, analyzed trip generation. The PRO Traffic Review does not recommend approval due to driveway spacing issues. The Staff and the City Attorney, Tom Schultz, have discussed this and agree that the driveway spacing issues should be reviewed at the time **of** Preliminary Site Plan submittal. The Planning Commission should not make a finding on the spacing issues at this time.

Mr. Stimpson indicated that he needed information from a traffic study. This ~~is~~ will be done at the time of Preliminary Site Plan submittal, and will come before the Planning Commission. The process is typical for a PRO once the PRO plan and agreement are approved.

The Wetland and Woodland Reviews indicated that more information is needed on the natural features on the site. Since there is a creek that runs through the property, there will be wetland issues associated with that area. The Applicant has already taken that into account somewhat on their conceptual plan. There is not a great deal of regulated woodlands on the site (based on the trees' size), but this will be reviewed in greater depth at the time of Preliminary Site Plan submittal. Mr. Schmitt noted that the wetland and woodland permits are not being sought this evening.

Mr. Schmitt said that the Conceptual Plan does not "approve" the Preliminary Site Plan. There is flexibility in reviewing the Concept Plan and the Preliminary Site Plan.

The Planning Review suggested that the access management could be discussed. The Staff recommends that the outlots be accessed through this development's main road. They will still have visibility from the main road, but their curb cuts would not be on the main road.

Mr. Schmitt said there are sidewalk issues on this site. This is an issue that was discussed at length in the recent Master Plan update.

The ownership issue on this site pertains to the fact that the grocery store will want ownership of their own parcel and that creates setback deficiencies. This concept of parcel ownership is standard in the current retail market. The Planning Department does not have a problem with approving this plan with separate ownerships. It is still an integrated shopping center. The separate parcels are a taxation issue.

Mr. Schmitt said that the outlot on the northwest corner, adjacent to Walgreens, will be approximately .97 acres. The B-2 district requires two-acre parcels. Obviously this lot is deficient and there is no real way to increase the size of that lot without making alterations to the overall shopping center. The Planning Department does not have a major problem with waiving that two acre requirement; the Planning Commission and City Council should consider this issue.

Mr. Schmitt said that the Planning Review mentioned several design issues. The Planning Department would like to see this shopping center pushed up toward Ten Mile, to give the property a street-wall feel – something along the lines of Walgreens. There could be a row or two of parking in the front. The majority of the parking should be in the rear. This is something that can be seen in other communities and promotes a different kind of development. It can be done, the request is not impossible. It is just a little different from a retail perspective. Sometimes tenants don't like that. From the Planning Department's perspective it is important to discuss this now since the PRO provides for discretionary approval.

The Novi Road Corridor Plan is the genesis of the "Special Planning Project Area" found on the current Master Plan. At the time of that plan, this property was designated for commercial uses. There was no consensus of what to do with this property. At the time, the Planning Commission and the planners (Birchler Arroyo) agreed to deem this area a Special Planning Project Area because it is an important intersection of the City, based on the amount of traffic and the road improvements that are currently underway. At the time, it seemed important to study this corner further before taking action on its master planning. The PRO fits nicely into that idea because it provides everyone with the opportunity to take a closer look at the corner. It seems appropriate to attempt a PRO for this site.

Mr. Schmitt said that the future Master Plan designates this property as office and light industrial.

Mr. Schmitt said that page seven of his review outlines the three items that are the Applicant's burden under the PRO Ordinance. Although this is not a Special Land Use, City Council will ultimately need to make the finding (as described on page eight) that the plan meets some or all of the criteria of the Special Land Use requirements.

Ms. Schmitt told the Planning Commission that the Planning Department does not recommend approval of the rezoning for some of the reasons mentioned. There are no current plans to upgrade Ten Mile going east. This could be further studied. Prior to 1990, this site was master planned for light industrial. The plan after 1990 changed it to commercial. With the understanding that the roads were not up to standards to accommodate commercial, the property was placed into a Special Study Area until further plans were determined to do upgrades to the roads in that area. Today, the Novi/Ten Mile corner is being improved, but there are no future plans for Ten Mile's widening or upgrades going east.

The site was reviewed by the Master Plan and Zoning Committee. The Committee looked at the citizen surveys that indicated the residents are adamant about not wanting any more commercial use, other than on Grand River and in the existing commercial areas. The Committee looked at the fact that there is a substantial amount of vacancy in the commercial area. When this plan did come before the Committee, the Committee was interested and thought it was a good idea at first glance. They felt if the Applicant could present a plan in PRO form that would make up for the fact that this is really not where the community wants more commercial, i.e., it provides a community benefit, the Committee would be open to reconsidering the designation of this property on the Master Plan. Their openness to this idea was based on their review of the PRO. Currently the Master Plan draft shows this area as light industrial. Ms. Schmitt said that this was a controversial area in the Master Plan. City Council and the Planning Commission were going both ways in their opinions of this area.

Chair Kocan asked what would be allowed in the OS-1 zoning. She was looking at outlots one and two, which are slated to remain OS-1. Ms. Schmitt replied that general office and medical uses are acceptable. Ms. Schmitt said that no restaurants would be allowed. Restaurants would be allowed in the B-2. No gas stations would be allowed, except for in the B-2 as a Special Land Use.

Chair Kocan asked about the B-1 zoning and whether there was any Staff-related information regarding that option. The B-1 would allow a grocery store but not the other uses that they are interested in providing.

Matt Quinn represented Dan Weiss, the property owners. Mr. Weiss, Lonnie Zimmerman (architect and site designer) and David Paul (traffic consultant) were present.

Mr. Weiss has owned this property for over thirty years. In 1997 he donated 18 acres valued at 3.2 million dollars to the City for the ice arena. He was honored by Mayor Clark with the proclamation of being a Novi good citizen. That donation was limited to recreational and children's uses, and that was part of Mr. Weiss's stipulation on the donation. Later the City came forward and asked Mr. Weiss about adding a cell tower to that property to raise money to keep the ice arena operational. Mr. Weiss complied with the request. Mr. Weiss is currently working with the City's Parks and Recreations Department to develop a park around the ice arena.

Mr. Quinn said that Mr. Weiss has been working with the City on this property since 1990. This is part of the old Erwin Orchard which has been defunct for years. He owned the land even when it was used as an orchard. In 1993 the land was master planned for commercial purposes. That Master Plan was quite significant. At that time there were outside planning consultants and an in-house planning staff. There was a nine-member Planning Commission. It was unanimous at that

time to master plan that property for community commercial purposes. It has really been that same designation since 1993.

Mr. Quinn said that in 1997 the Master Plan went back under review and in 1999 the Novi 2020 plan was approved. This area was again kept as community commercial on the Master Plan. Mr. Quinn displayed the Master Plan at that time. The Novi Road was community commercial, and so was the Ten Mile frontage, all the way to the railroad track. The rest of the area was light industrial. In the text of the Master Plan it stated that the Master Plan for Land Use includes new local retail sites for a possible grocery store and similar related development at the southeast corner of Novi and Ten Mile, the northwest corner of Beck Road and Grand River (Westmarket Square shopping center with Kroger) and the southwest corner of Wixom and Grand River (Novi Promenade – which was master planned for community commercial and the rezoning was denied. There was a lawsuit and now the land is developed community commercial under a consent judgment).

Mr. Quinn said the subject property is the only location of the three that has not been developed for the purposes it was intended for in 1993. If the 1999 Master Plan was left alone, this Applicant would be rezoning the entire Novi Road frontage for community commercial as well as the Ten Mile frontage. However, the Novi Road Corridor Plan came out in July of 2001. Mr. Quinn questions whether this plan is a true amendment to the Master Plan, because the Master Plan has never been changed to his knowledge. There is text in the Plan that suggests it is a Master Plan amendment. Under that assumption, Mr. Quinn said that the plan somehow marks the subject area as a Special Project Area. He said there is no definition in the text that explains what a Special Project Area is.

Mr. Quinn said that both he and Mr. Weiss were present at the time of these discussions. Leonard Siegal from the architectural firm was also there. They met with subcommittees of the Planning Commission and with the Planning Commission as a whole when this was adopted. The idea at the time was since all of this property was under single ownership, it was a unique opportunity to consider how its development could be coordinated together – both the commercial aspects of it and the office aspects of it. This Special Project Area talks about a mixed use development. As the Planning Commission will find, the proposed PRO is just that – office and commercial.

Mr. Quinn said that it was interesting to note that the Novi Plan cites the subject property under its architectural recommendations as a location suitable for a brick shopping center with EIFS fascia and tile accents. He said the City's design is more of a strip center and less attractive than what the Applicant has proposed. He reiterated that this was the City's recommended plan and Master Plan for the subject property, which is in fact, a community shopping center.

In April 2004 this Applicant went before the Master Plan and Zoning Committee with their proposal. There was a 4-0 unanimous vote in support of recommending this plan to be rezoned as requested by the Applicant. So from 1993 to 2004, Mr. Quinn said that there has not been a change in the City's position on this piece of property. It is to be commercial use.

Mr. Quinn posed the question of why hasn't the Applicant come in and requested this rezoning earlier. His answer was that the City told him not to do so. In 1999 and in 2001 (when the Novi Corridor referenced the property as commercial) the Applicant was told not to build it yet because the road infrastructure was not available yet. Mr. Weiss said okay, he would wait.

Now, the roads are being upgraded in that area, and Mr. Weiss is coming forward with his request. At the end of 2003, beginning of 2004, Mr. Weiss noted the City Manager's quarterly report listed the subject intersection as being scheduled for expansion. It described a 1,000-foot



widening in different directions and five lanes being provided. Mr. Weiss said that now is the time to come forward, as the City asked.

Mr. Quinn said that the traffic is going to be further alleviated. One of the things mentioned, and as a contractual part of the PRO, this Applicant will add a third lane the entire frontage of his property along Ten Mile, from where the County is stopping, east to the railroad tracks. Mr. Quinn felt that concession alleviated any traffic concerns. It is a huge expense. That is not a requirement from Oakland County. They reviewed a preliminary plan and what they would require from this development is a partial center turn lane for a small distance, and accel and decel lanes. It was this Applicant's idea to remove that hodge podge and build one new strip all the way across the property line.

Mr. Quinn said that currently in Novi there are two grocery stores serving this community of 50,000+ residents. There is a 1970 vintage Farmer Jack store that is less than 30,000 square feet. The first modern store is the Kroger Store across from Providence. Its footprint is smaller than the Kroger store proposed for this site. Mr. Quinn said that people want to grocery shop in their own community rather than battle the traffic of a regionally located Meijers. Mr. Quinn said his own wife was overjoyed at the prospect of a grocery store that wasn't the Farmer Jack or Meijers.

Mr. Quinn noted the demarcation line that separated the B-2 from the OS-1 on an aerial map. The Applicant is proposing to rezone a portion of the OS-1 to B-2, and Mr. Quinn pointed out that portion, which is along Novi Road. It is about eight acres. On the side closer to the railroad track, the I-1 to B-2 is approximately 17 acres.

Mr. Quinn showed a map of the current zoning of the property. The west side is OS-1. Without anything, this property could be developed as an 85,000 square foot office building fronting Ten Mile, and a 40,000 square foot office building on Novi Road, and up to 281,000 square foot light industrial warehouse which would generate truck traffic. The total development that could be proposed by this Applicant is 407,000 square feet, but this PRO is proposing 179,000 square feet, which includes the outlots. This is 228,000 less square feet. It represents less than half of what could be developed.

Mr. Quinn said that the Applicant has proposed that 25% of their traffic in a.m. and afternoon peak traffic times will be pass-by traffic. In the morning the peak hours will yield 166 traffic trips. With I-1, it would generate 409 morning traffic trips. In the afternoon, the Applicant suggests 685 trips will be generated by their proposal; I-1 would generate 414 trips. In the morning, the difference of 243 is in favor of the shopping center. In the afternoon the difference is 271 in detriment to the shopping center. This is a difference of 18 trips when the two peak traffic times are combined.

Member Lipski asked Mr. Quinn for clarification. He asked whether Mr. Quinn was suggesting that with the traffic relating to retail as compared to the other uses that could go on this property, there would be less impact during peak drive times with the retail use. Mr. Quinn responded that was true for the morning peak hours, and in the evening the retail would generate somewhat more, but the combination of the two numbers, the difference is roughly 18 trips. Therefore, the difference is almost nil. The difference is the 25% pass-by calculation. Even if the 25% was removed from the calculation in the morning, the shopping center is still significantly less than the I-1 and office uses.

Mr. Quinn said that the Weiss family is asking the City to implement the completion of its own eleven years' worth of Master Plan study. The City has performed a sound study with good analyses. The Applicant wants the City to carry their plan through. The City has looked at

traditional, well-developed principles of urban planning over these eleven years. The Applicant is asking the City to implement those years of planning.

Lonnie Zimmerman summarized the plan. He said that the plan was designed in four phases. The first phase is the supermarket site, and represents a little over 6.5 acres and is about 63,000 square feet. Landscaping proposed on that site is for the front and sides, and is over 15,000 square feet – the Ordinance requires 8,300 square feet.

Mr. Zimmerman said that the second phase is the adjacent two retail buildings. They are housed on 7.2 acres and represent about 53,000 square feet. Over 15,000 square feet of front landscaping is proposed versus the Ordinance requirement of just under 8,000 square feet.

Mr. Zimmerman said that the third phase would also be neighborhood retail located on 4.3 acres and is proposed to be 25,200 square feet. The landscape would be about 4,800 square feet, which is very close to the Ordinance requirement.

The four outlots are located in the OS-1 (two lots) and B-2 (two lots).

The Applicant hired Strategic Edge to perform market studies on this site. Two of the studies were forwarded to the Planning Commission. The first study was performed in January 2004 and was a commercial opportunity study. The bottom line of that report determined that a shopping center of this size and nature is supportable at this location, based on the economic and demographic data they collected.

In September 2004 another study was performed and it has some interesting results. First, convenience was listed as the primary factor in consumer choice for a grocery and neighborhood shopping center. Mr. Zimmerman reiterated the term "neighborhood" and said that they were not proposing big box users. Second, the study provided a definitive "yes" to the question of whether the Novi community would patronize this shopping center. The study sums up that this would be an economically viable center.

Mr. Zimmerman said that the building location is an important issue. This is a hot-button issue all over the country, and certainly in this area. The concern is how to improve the streetscape. Mr. Zimmerman said that this site must be looked at in context with its location and the nature of its use. When streetscapes are discussed in planning, issues other than the development itself are considered. Street parking is an example, as is public transit and access to the site. These are integral components that favor the building being moved closer to the front of a site.

Mr. Zimmerman said that moving this building forward causes significant problems. First, this is a serious supermarket problem – they do not like parking behind their store. It is a safety issue because the loading is performed behind the building. Shoppers then have to come into a back door. There is a convenience to the shopper when the door is located in the front. This allows the shoppers to park and orient themselves easily, as they can see the entrance from the main road rather than having to go behind the store to park and enter. This opinion is also held by supermarkets other than Kroger.

Mr. Zimmerman said that there is also a problem with bringing the neighborhood retail forward on the site. This creates access issues for the stores. Again, the convenience factor is paramount and when there is no access via street parking or public transit, the shoppers must enter through the rear of the store if that is where the parking is located. This means that doors must be in the rear, or people will have to walk around a whole group of buildings to gain entry. For some uses this may be okay – in nice weather. This is Michigan. Some stores would not be able to accommodate a rear entrance easily. If rear entry is provided, then store layout becomes a major problem. Where is the storage area located? Typically, stores with rear entries have difficulty with

this design. Usually, rear entry stores are designed as such by necessity in the sense that there is already an existing development and the store must be placed with the parking in the rear. It is not a customer-friendly design. It is not preferred by retailers. It becomes a significant problem. In spite of all the good planning principles, Mr. Zimmerman said that there are too many missing pieces to make this concept work on many suburban sites. This is one site that it isn't going to work on. The Applicant would prefer to focus their efforts on providing additional landscaping, wide sidewalks, an acceptable streetscape, small store design, small store frontage, extra perimeter landscaping, etc. He said that it did not make sense to provide the alternative streetscape design against a road (Ten Mile) where the speed limit is 45+ mph. He recommended providing the streetscape in an area where benches can be placed where the traffic is not so fast and loud and confusing.

Member Lipski asked whether the setback was an issue for this meeting. Mr. Schmitt responded that it is an issue in the context that it was in the Planning Review. Member Lipski wanted to confirm that for the purpose of this meeting, the rezoning and overlay were the issues at hand. Mr. Schmitt replied that it could be an issue relating to the overlay question, if the Planning Commission so chooses.

Member Lipski asked whether there were safety issues (fire, EMS, etc.) that should be addressed at this time. Mr. Zimmerman responded that he would need to give the subject some thought before answering. He thought that there must not be any fire or EMS issues because the Fire Department did not comment as much. He said that they have not spoken with public safety regarding any police issues.

Member Lipski said he made the point because if the buildings are placed closer to the road, this type of design would require the emergency vehicles to scoot back around the building. He thought that the entrances would also be located in the rear of the building. He did not think that moving the building closer to the road is helpful from a public safety point of view. Mr. Zimmerman said that to his knowledge they have never had a safety issue relating to having the buildings sit back from the road. This alternative design is something that would have to be given consideration.

Mr. Lipski was reminded of a development at the northwest corner of Orchard Lake and Fourteen Mile. He was not familiar with a lot of retail that is being developed close to the front of their parcel and wrapping around back. He noted that Fountain Walk is in Chapter Eleven and their parking arrangement is unique in terms of accessing the mall. He did not know whether there was another value to moving the design forward other than cosmetic.

Mr. Zimmerman said that he has just received the new elevation prototype for Kroger. He said that the design does not look like a big box and has nice architectural elements. The subsequent submittals to the City will have the elevations. He said the look provides a true neighborhood feeling.

Mr. Quinn said that the Applicant submitted the plan under the PRO because it coordinates the existing OS-1 uses with this plan. They also thought that the contractual agreement on installing the third lane on Ten Mile was a beneficial stipulation. This could not be a City requirement, but the Applicant can voluntarily offer this as a term of their agreement. The Applicant would also agree to limit uses – no gas stations or automobile uses. They would provide fewer curb cuts. He noted that the shopping Center at Grand River and Beck Road has four curb cuts along Grand River. This development proposes the same number, when the two outlots are considered. He said the Applicant is still willing to consider design alternatives.

Mr. Quinn said that this design provides the coordination of the Novi Road's entrance as a method to remove customer traffic from the Novi Road/Ten Mile intersection. The trucks that

travel north on Novi Road could also use this entrance to proceed directly to the loading area. The Applicant will also agree to include greater landscaping provisions in their PRO Agreement. The sidewalks will be provided throughout the process and will be agreed to in writing.

Mr. Quinn said that the coordination of the site drainage will help save the wetlands and will pretreat the run-off before it reaches the wetlands. He said that Chattman Creek is very sensitive and the Applicant is sensitive to that statement. They want ensure that the natural features are preserved as much as possible.

Mr. Quinn said that the Applicant could just go forward with the rezoning. They felt that the PRO provided a safety net for the City so they would know what they would be getting with the rezoning.

Member Sprague read the correspondence into the record:

Sharon Schwarz, 42700 W. Ten Mile: Objected to the rezoning and PRO because Novi does not need more commercial areas. There are already too many vacant stores and restaurants within a mile of this site. She said there was already too much traffic.

Glen Lowery, 43455 W. Ten Mile: Approved of both the rezoning and PRO.

Chair Kocan closed the Public Hearings after determining no one from the audience wished to speak.

Chair Kocan said that she was on the Planning Commission in 2001 when the Novi Road Corridor Plan came forward. ***She read and excerpt from the Novi Road Corridor Plan that states that this area was deemed a Special Planning Area because the City wanted to determine whether there is a need for commercial on this property, in light of what has happened elsewhere in the City.*** The sitting Planning Commission was told that this area was deemed a Special Planning Area because the City wanted to determine whether there was a need for commercial on this property, in light of what has happened elsewhere in the City. It was her understanding that the Corridor Plan was approved as an amendment to the Master Plan.

Member Wrobel said that he would like to see another supermarket in Novi but not another strip mall. He said there were a lot of homes in that area and this would provide those residents with a choice.

Member Wrobel said that he would prefer to see what happens at the Novi Road/Ten Mile intersection after the construction is complete. He is tired of being stuck in traffic between Meadowbrook and Novi Road heading west. He thought that the supermarket might draw more traffic from the east to the west.

Member Wrobel understood Mr. Schmitt's concern regarding streetscapes. He said the concept intrigued him. He said that he grew up in Detroit where the parking was located in the back of stores. He also understood the practicality of situation. He said that the traffic lane just five feet from the entrance is dangerous. Member Wrobel also said he does not like big box stores.

Member Wrobel did not think that Novi needed any more vacant storefronts. He said that he often hears complaints that half of Novi's stores are empty and people wonder why more stores are being built. On the other hand he also hears people say that want closer supermarket options.

Member Cassis has thought a great deal about this project. He said the crucial question is whether the area is ready and capable of handling this huge project. The one factor that weighs

against approval of this plan is adequacy of the infrastructure. He said that several crucial decisions have been made in this community. The first is the decision to make Ten Mile a three-lane road. He remembered when the County and State had a cashier's check for Novi for the widening of Ten Mile to four lanes. The City said no, thanks. The intersection has been widened, but the full widening of Ten Mile is just an "if". Novi Road is still a two-lane road south of Ten Mile, where many of the customers for this project would come from. Member Cassis is already concerned about the traffic issues relating to parents lining up along Novi Road near the Montessori school across from the subject property.

Member Cassis said that several years ago this community concluded that commercial should be contained in the Twelve Oaks and Grand River area. He recalled that the last Kroger store wanted to be on Ten Mile and Beck Road but ended up on Grand River. A long debate accompanied that decision.

Member Cassis said that this community has also spoken that our current level of commercial services is adequate. The people have said that no more commercial is necessary. Member Cassis does acknowledge the need for a Novi grocery store. He said that he could be supportive of this plan if it didn't include thousands more square feet of commercial, mainly because of the infrastructure inadequacy and the health and safety concerns that accompany that.

Member Cassis said that the City has seen an oversaturation of commercial services and commercial service districts over the last couple of years. He said there are thousands of vacant square feet at the Novi Town Center, a bankruptcy at Fountain Walk, the sad story of Main Street, and rumors of more empty buildings in Main Street.

Member Cassis asked whether this City is rushing into new development, thus cannibalizing existing development. He has heard from businessmen who are teetering in their business health and worrying about more competition across the street. A recent Detroit New article chronicled how some suburban areas are struggling with retail vacancies. He wished to ask the Applicant if he is sure this project is economically viable.

Member Cassis said that it was his understanding that this plan will someday include a multiple-family element. It includes seven curb cuts on two sides of the development. He questioned whether the traffic generated might be overwhelming to the infrastructure.

Member Cassis said that on the other hand, the generosity of and the contributions made by Mr. Weiss to this community should be given consideration. He said that this community is indebted to Mr. Weiss.

However, Member Cassis said that he still questions whether this much development should be built on a two-lane Novi Road and a two-lane Ten Mile. He concluded that he would be more supportive of this request if the design was scaled down in size. He did not think that this was the right time to develop such a large development.

Member Pehrson said that the Planning Commission is not just a group of approvers, but a group of planners looking to plan the City's growth in the best manner. He said that there are arguments both for and against this project.

Member Pehrson said there is nothing aesthetically pleasing about the design; it is a sea of parking lots. He appreciated that the Applicant has offered additional landscaping, but he did not see where this plan meets with the intent of what the City wants.

Member Pehrson said he would rather see a scaled down version of this plan. There are too many other strip malls in the City that remain unoccupied. He said that good economic times are

going to justify the occupancy of this center, but now it will be faced with the same occupancy levels as the other strip malls in the City.

Member Pehrson said that he even questioned whether the grocery store is really required. He said that buying habits have changed. He said that it can't be discounted that there are big box stores in and around the City. Local convenience stores now carry the necessity items – milk, diapers, etc. There will be a Sam's Club in the City not too far in the future.

Member Pehrson said that if a PRO Agreement were to be entered into, he would like to see something offered that is more aesthetically pleasing with less asphalt. He was also concerned about the traffic flow. He said he was concerned about the infrastructure, and he agreed that the third lane would certainly help. He was still concerned about Novi Road, because this center could draw more people from the south. More people will also be drawn from the west. He did not think the infrastructure was in place to accommodate this plan. He thinks that a better plan could be offered.

Member Lipski thought the comments presented were valid. He said that he was tired of hearing about this City's reputation in the real estate community and its being sued for millions of dollars. He felt his role on the Planning Commission was to act reasonably. He felt that the Novi Staff does an exceptional job compared with other communities.

Member Lipski did not think there was enough of a reason not to approve this plan. He said he keeps hearing comments about the increase in traffic and the vacant store fronts, and asked which of the two scenarios was accurate. He concluded that no one know exactly what it's going to be.

Member Lipski thought that widening Ten Mile was a big offer. He thought that excluding gas stations from the site was also a big offer. He did not think that a citizens' survey suggesting that there was too much shopping in Novi was a specific enough analysis. He understood that this City has many regional centers in the I-96/Novi Road corridor. He did not think that the current levels of shopping in Novi addressed grocery stores.

Member Lipski did not necessarily disagree with the comments made about strip malls housing mom and pop stores. He thought that a lot of the apprehension comes from the fact another mall with little aesthetic value can have a high rate of turnover.

Member Lipski asked about the strip portion of the proposal. Mr. Quinn responded that they would not be big box users. The store fronts will be offset and each will have a different texture. One could be brick, the next one stone, etc. The PRO will propose a pallet of façades. He apologized that the Kroger façade was received too late to include in the Planning Commission packet. Mr. Quinn said that the outlots are intended to be moved forward as some previous comments have suggested. These buildings are proposed to be built in line with Walgreens. They will also have secondary access from the internal roads. Those customers can park on the side or in the back.

Mr. Quinn addressed the vacancy issue. He said the Applicant purchased a very expensive market study to determine what his risks are in spending the millions of dollars necessary to build this development. Mr. Weiss is comfortable with the fact that the market study is convincing enough that there is a need for various types of stores in the Novi market.

Mr. Quinn said that when a new center comes forward, it forces older centers to upgrade. He said that the citizens of Novi would like nothing more than the centers along Novi Road and Meadowbrook Road to upgrade their appearances. Those landowners have not put any money into those stores, which may explain why there are vacancies. New centers bring a vivacious

attitude toward the community, and it makes people rethink their own marketing plans, and consider what they might be doing wrong.

Mr. Quinn said that a Kroger in this location would be a draw from all four directions. He thought that the traffic would not be that much of a concern based on the traffic study. He expected that this corner would do well, and it would improve traffic flow for the center on the northwest corner as well.

Member Lipski asked whether Mr. Weiss would retain any ownership in the center. How would the center be marketed to solvent tenants? Mr. Quinn said that Kroger would purchase their own land, but that Mr. Weiss would retain ownership of the center. The outlots would likely be sold. Member Lipski said that a man who invests this kind of money again into this City is going to feel a certain accountability. He also conceded that there is a risk with retail.

Member Lipski felt the location was ideal for an upscale grocery store. He did not think that traffic was a problem. He thought the extra lane would be useful, though some may think that preserving the natural features is more important. He thought the development of this corner is inevitable. He felt the crisis of Main Street was caused by Vic's using the wrong model for the area. He created something for which there was no demand. He noted that the Main Street area is filling up, slowly but surely.

Mr. Lipski said that Mr. Weiss has a right to develop the property consistent with its zoning. He said the alternative to Mr. Weiss' plan is industrial and office, and he did not understand why a more aggressive use is more attractive than this commercial use, which Member Lipski considers a less offensive use, with regard to both the environment and cosmetics. He also thought that light industrial would flood the morning and evening traffic. Retail would provide a full-day traffic, not as likely during the peak a.m. and p.m. times, and it would also spread to the weekends. His opinion on what he has heard about the traffic is that it may be a concern, and he did not think that was a strong enough position to deny this Applicant's attempt to develop. He supported the rezoning, and with clarification, he would support the PRO.

Member Sprague said there are few developments that illicit such a passionate response from both sides. Member Sprague considers this intersection to be the center point of Novi. He always passes through this intersection.

Member Sprague said that the rezoning is not a question of saying no, but a question of determining why the City should say yes. A rezoning request is more discretionary. Overall, Member Sprague thought this City needs a new grocery store. He did not know what the economic impact was relating to this City's residents going to other cities to do their grocery shopping. He did have concern about the other "strip" retail.

Member Sprague said that the Master Plan and Zoning Committee also discussed the property south of this land being rezoned for multiple family (the original discussions on this property included both commercial and residential elements). Ms. Schmitt responded the multiple family element would be an issue presented at a later time. Member Sprague said that at the Committee level, the multiple family issue was an integral part of the discussion. From his recollection, the multiple family was the controversial element of the plan.

Member Sprague said that the additional lane was a good thing. Member Sprague said that the question cannot be answered with saying the City likes the property undeveloped and it should stay that way. The question is what can be built now, and how do the choices compare. Member Sprague thought that B-1 might be a better alternative, because of its restriction of restaurants. He thought the City had enough restaurants.

Member Sprague asked what the natural feature impacts were. Is there more exposure to risk associated with one particular zoning? Ms. Schmitt said that with either zoning, a developer would have to adhere to the terms of the Ordinance.

Member Sprague asked why it is being said that the Master Plan and Zoning Committee is recommending office and light industrial use. His recollection of the Committee discussions was that they recommended this type of use but wanted to consider it a Special Land Use, especially with the housing element. Ms. Schmitt said that when it was discussed in the Committee, the vote was if the Planning Commission and City Council determined that the change in use would be more appropriate than light industrial, then they would be in favor of changing the Master Plan if the plan came with a PRO and warranted that the change would work on this corner. The Special Planning Area was designated as such because there was concern at the time of the Novi Road Corridor Plan, that this corner as commercial in the Master Plan may or may not be the best use. It was already master planned for commercial at the time. There was a reason for changing that. Ms. Schmitt said the Planning Commission should be aware of that when looking at this plan today, because it is a difficult piece of property.

Member Sprague asked whether this was a timing issue of keeping the zoning map in sync with the Master Plan. Ms. Schmitt said that what was determined at the time of Master Plan and Zoning Committee review, there was concern that the area wasn't ready for commercial. Because the property across the street is light and heavy industrial, and because the property is adjacent to the railroad track, because of the topography change, the Committee decided that it (industrial) would be an adequate use at the time.

Member Sprague said that, in general, he supports the rezoning. He would prefer B-1 over B-2.

Member Sprague asked what the Applicant is getting from the PRO. Mr. Quinn responded that the Applicant receives a "definiteness" of a maximum square footage number for the site. They also get an overall site coordination between the Novi Road frontage and the Ten Mile frontage. He said that Kroger is demanding the Novi Road access point. The PRO coordinates the OS-1 and the commercial site. The rest of the benefits are to the City.

Member Sprague asked whether the PRO is necessary to get the road. Mr. Schmitt replied that the road is not something the City could require outside of a PRO. Member Sprague clarified that he meant the Novi Road access point. Mr. Schmitt said that offering that access point is just good site planning practice. They would be able to provide that Novi Road access even without the PRO, as long as they owned the land.

Member Sprague had a concern relating to the other developments. He said that the City invested a lot into Main Street and that area has not done as well as anyone had hoped. Fountain Walk has come in, competed with Main Street, and has not really done that well. Now the Gateway East Ordinance will also compete with Main Street. The Novi Town Center has a lot of vacancies. There is a reluctance on Member Sprague's part to encourage something else that competes with Main Street and Novi Town Center. On the other hand, he wondered whether that onus should be placed on this Applicant.

Member Sprague said that the uses have to be considered. A smaller grocery store could go into Main Street. A grocery store is not appropriate for the Novi Town Center – it doesn't fit in a center like that. The grocery store in this proposed location makes sense because it doesn't compete with the other projects.

Member Sprague said that infrastructure and "Grand River as the commercial corridor" are significant concerns for the City. However, if this property were developed as it is zoned, it will provide all the same impacts. The concern for vacant store fronts just becomes a concern for



vacant office space. Short of telling the property owner not to build anything, what can the Planning Commission tell him? The Planning Commission does not have the right to tell a property owner not to build anything on his property.

Member Sprague said that the level of commercial services is probably adequate for the City, but if someone wants to build something and compete in the marketplace, that is the way this country runs. Overall, Member Sprague supports the rezoning, and he likes the conditions listed in the PRO. He prefers a B-1 zoning. He would prefer less square footage, and he said that the PRO Agreement should include any other stipulations that would also be to the City's advantage. This is an important corner of the City. He doesn't want another strip mall on the corner and then ten years from now the Novi residents will comment that it is a great corner, bad strip mall.

Member Sprague thought the sidewalks should be done right off the bat. Member Sprague would prefer a streetscape over a street wall. He said that back is going to be better. He can appreciate the street wall look, but it would be out of character there. If commercial is across the street that is set back a little, and the Walgreens that sits there, if this plan starts there and moves back that is going to be a much better look than having some buildings pushed up on Ten Mile when nothing else is pushed up on Ten Mile.

Member Gutman agreed with much of Member Sprague's comments. He appreciated the impassioned beliefs held by the other Planning Commission members on how certain things should be. He weighs his own family's needs in his review of this development. He does not look forward to another industrial center on this site. He thought that would bring the same challenges a retail use would bring.

Member Gutman thought that historically, the City has looked at this parcel to become the zoning that is being requested by this Applicant. To some extent the Planning Commission is still uncertain as to what that use is. He said it would behoove the City to rezone this property to B-2.

Chair Kocan said the first things she reviewed were the density issue and the traffic impacts. She was a firm supporter of this Ten Mile corridor being considered residential from Haggerty to Meadowbrook and to the railroad track, and from Novi Road all the way to Napier Road. She expects to slow down in a residential area, no differently than she slows down to travel through downtown Plymouth. When she sees this size of development come forward, she considers the traffic. She has a great concern about this size development; she does not believe it belongs in the middle of a residential neighborhood, being fed by more residential roads.

Chair Kocan said that it has been policy that Ten Mile should be, at most, three lanes, to allow traffic to get in and out of the residential area. Chair Kocan asked Mr. Stimpson to comment on the chart from page two of his review. She cited the proposed B-2 shopping center new trips of 7,396, assuming a statistically unsupported percentage of 25% pass-by p.m. peak hour traffic and recommended for use by professionals in review of a shopping center of this size. Mr. Stimpson said that it is an assumption used on the part of traffic consultants. In this case there are actually the questions of both pass-by and diverted traffic. Some people are currently traveling these two lane sections away from this area going to supermarkets and other related stores, and might result in an actual pass-by percentage of this site greater than 25%. There is no way of really knowing this number.

Chair Kocan said that with the existing zoning of OS-1 and I-1, the total number of 24-hour trips is 3,184. She said the commercial use causes 2.33 times more traffic on a daily basis. She questioned the ability of a road that is already bogged down with 20,000-21,000 cars in each direction to handle more traffic - an additional 3,000 would be added by industrial, and another 3,000 would be added by commercial. Mr. Stimpson said it is really only a peak hour phenomenon. The daily number means nothing in terms of congestion. It is the p.m. peak hour

that is important. He also said that traffic numbers can't be reviewed by adding the peak hours together. He said that the shopping center would generate 65% more traffic in the p.m. peak hour, or 271 new trips in all four directions.

Mr. Stimpson said that there is an issue of the intersection itself, and the immediate site frontage along the Ten Mile and Novi Roads. Even with the site traffic added, operations in the immediate area will actually be better than they are prior to the construction to start, with enough additional road capacity being added. Things will be better in that immediate area. The other issue that hasn't been addressed is what happens at points further away on the two-lane roads to the west, south and east. To the north, Novi Road will be widened to five lanes before too many years pass. No one knows what the traffic impacts to the west, south and east will be. No one has tried to estimate that. The question is how much traffic is already using those sections of the roads to go to other stores, that will now not have to go that far. They will stop in this area where the road improvements have been made. It is a complicated issue.

Mr. Stimpson explained the area's road improvements. He said this information should be shown on the next plan submittal. The Ten Mile and Novi Road intersection will be five lanes from Arena Drive to some distance north of Ten Mile, and ultimately to Grand River Avenue. On Ten Mile, there will be a two-way left turn lane with a dedicated left turn lane west bound and a two way left turn lane will be constructed east to just east of Catherine Industrial Drive. The Oakland County Road Commission has asked for some extension of that. Mr. Stimpson said that in his review they had asked for this width be extended all the down to the edge of this property's frontage. They have agreed to that. Westbound, in front of this site, there will be two travel lanes from just east of Catherine Drive. That will sort out as two lanes to proceed through the intersection. The intersection will function better in this manner.

Chair Kocan maintained the size of this development is too big and there are too many curb cuts. They are not conducive to the area. Although the intersection is being upgraded, the residents know that there are grocery stores on the fringes of the city (Haggerty at Eight Mile, Wixom and Grand River, etc.). The people of Novi have stated that they want their commercial shopping on a commercial road like Grand River. That is what Chair Kocan is basing her position on. Town Center is an excellent location to have traffic. The roads are being widened there, and it gets the destination traffic.

Chair Kocan did not like this location. When the Master Plan was approved in either 1993 or 1998, she was concerned about this corner. Therefore, she agreed with the corner being tagged as a Special Planning Area during the Novi Road Corridor Study discussion. She did not feel this corner was appropriate for a grocery store.

Chair Kocan said that Vic's Market would have fared better had it been moved closer to the road. The parking should have been behind. She understood the Applicant's comments about not wanting the pedestrian traffic alongside the truck traffic behind the store. She understands Staff's recommendation to bring it forward. Realistically, she was not sure that was the best thing to do.

Chair Kocan said that the fringe shopping centers must be considered. Although they are not within the City's limits, they are used by Novi residents. This City has an overabundance of other retail. This is a give-and-take situation; a City can't have an overabundance of retail and then try to meet all of the needs of its residents, because this maxes out the roads, services and utilities. She is not as concerned with having the "right amount" of grocery stores within the City. She knows the regional aspect of Novi's shopping draws traffic from all other areas.

Chair Kocan did not understand why this request wasn't for B-1 instead of B-2. Chair Kocan noted that this plan calls for a grocery store and 179,000 square feet of other retail area, including some space designated for restaurants. Again, restaurants will multiply the traffic in this area. The

restaurants in the Town Center are in a perfect location. It's a destination location. It's a regional type of need.

Chair Kocan said the Planning Commission's efforts at this meeting is to determine their recommendation to send to City Council on the rezoning of this property. Chair Kocan said she was aware that in April the Master Plan and Zoning Committee voted 4-0 in favor of a development like this. She also said that this item was again reviewed at a more recent Committee meeting, and concern was expressed for the size of this development.

Ms. Schmitt said that the Master Plan was shown to City Council, and there was a split opinion on the site. When the Master Plan and Zoning Committee voted 4-0 to approve this concept for the site, they requested more detail and suggested a PRO to limit the intensity of the site. They were not looking at the request as though commercial belonged on this corner, rather, if commercial is allowed on this site it should be restricted.

Chair Kocan asked about the upcoming Master Plan. Ms. Schmitt said that the land is master planned for light industrial and office. There will no longer be a Special Planning Area for this property. Ms. Schmitt said that only the Public Hearing will be on October 27, 2004. The Planning Commission will have to determine what they want this property master planned.

Chair Kocan understood that some benefits are the result of this site coming forward as a PRO. This also provides the City with insight into how the property will be developed. The developer has a feel for what has conceptually been approved. The PRO process and the RUD process both require a detailed review. Suggestions have been made. There has been controversy between the Planning, Engineering and Traffic recommendations with regard to the curb cuts. Planning states that all the curb cuts should be removed from the outlots. Engineering agreed, but Traffic suggested keeping three curb cuts on Ten Mile. Chair Kocan did not support additional Ten Mile curb cuts for the outlots.

Chair Kocan said that the design must be sensitive to the pedestrian walkways in front of the grocery store. She was not sure that this plan accommodates that idea. She said this was a dangerous situation. There were recommendations regarding widening the entrances to forty feet from the Planning Department. These access management issues should be specifically listed in any motion made.

Chair Kocan noted the suggestion that the sidewalk plan be installed with the first phase. She would recommend the Applicant consider a crossing over the railroad track. The sidewalks should be eight-foot wide bike paths. She noted that the property ownership issues should be handled prior to site plan submittal.

Chair Kocan was concerned that approving this PRO approves of the wetland and woodland impacts. The Consultants want more information and better preservation. If this concept plan is approved, is the layout cast in stone? Now, nothing additional will be preserved because the Applicant will say that the plan was already approved. This plan has not been reviewed with a magnifying glass; she does not want to be caught again by this double-edged sword.

Chair Kocan did not support this proposal or the rezoning. The PRO, while there are enhancements, she can't support because of the size of the development. She would consider a B-1 zoning. She still has traffic concerns. She said that the Traffic Review has requested a revised Traffic Study. This is critical information to Chair Kocan. To say that everything is on the up and up, approving this concept for this intersection is not in its best interest.

Ms. McBeth commended everyone for their open dialogue. She thought the Planning Commission as a whole has offered suggestions on what they envision for a possible PRO for

this property. These items – road improvements, the center turn lane, building façades, landscaping improvements, use restrictions, traffic considerations, access points, internal traffic circulation, first phase sidewalks – are currently not listed on the plan. Ms. McBeth suggested that the Planning Commission make the recommendation on the rezoning and hold off on the PRO question until these issues have been clarified, or hold off on both recommendations.

Mr. Schultz added that the PRO is split from the rezoning, because it allows a way for the City to consider (in this instance) what elements of a commercial use would be acceptable on a specific property. This method can prohibit certain possibilities that the City might want to preclude from a property. Mr. Schultz said that these items should be listed on the PRO because what has been submitted is not a PRO in the true sense. They have made indications of what they want to do, but it needs to be incorporated into a plan showing all the concessions, with notes about what is going to happen. Mr. Schultz said it makes no sense to forward a recommendation of any kind on to City Council at this time. The Applicant should have the opportunity to return with a plan that shows all of these things so the Planning Commission can move forward at that time. The Planning Commission should indicate in their motion whether they are or are not interested in seeing another plan. Even though City Council is the ultimate decision maker, this Commission should want to be on the record with what they think a PRO for this site should look like.

Member Sprague said that the Planning Commission members range from enthusiastic to possibly having luke warm support for this type of development on this property. What ultimately gets approved must be more specific than what has been presented. Member Sprague asked what direction everyone should take. Should the Applicant continue to work with Staff? Should Staff and the Master Plan and Zoning Committee meet? Which parties are involved in a postponement of the matter, such that when the plan is resubmitted, it returns and the City has a comfort level. This is complex issue and it is important that the concept be thoroughly reviewed prior to its going before City Council.

Ms. McBeth suggested that the Applicant continue to work with the Staff. The minutes of this meeting would be sent to the Applicant along with the Staff notes, and then the Applicant can resubmit for the Planning Commission's review. Ms. McBeth said that the Master Plan and Zoning Committee can call for the return of this plan to their Committee, but she felt that Staff was comfortable in working on these issues.

Member Sprague suggested that the Master Plan and Zoning Committee look at the resubmittal after Staff and the Applicant have worked out the plan and prior to its return to the Planning Commission. As a Planning Commission member, he relies on specific Committees to review issues prior to their getting on an Agenda because many times the issue is complex.

Member Lipski asked whether the Planning Commission is governed by the competent material and substantial evidence standard, or does that pertain to the ZBA? Mr. Schultz responded that any decision made by the Planning Commission would be governed by that standard. The decision is governed by the terms of the Ordinance. This is a discretionary Ordinance, essentially, a PUD. If the Applicant were before the Planning Commission with a standard rezoning and nothing else, that would be a legislative decision, a rational-basis standard, a very deferential review. The offer presented tonight is for a discretionary land use decision, and the Planning Commission has the right to say they need more time. This is a big decision and covers a large piece of land that affects the Master Plan. Ultimately, if the Planning Commission makes a decision, the court is going to review it on a competent material and substantial basis test.

Member Lipski said that Member Sprague had raised the question as to what is best for the City, as opposed to the plan not being bad enough to prevent it. Member Lipski felt that what is best for the City is that the Planning Commission evaluate the plans that come before them based on standards that govern them, based on repercussions, cosmetics, safety and those kind of issues with regard to the City. All are components of what's best for the City. \$40,000,000 is a big

judgment, and Member Lipski's taxes are \$12,000 per year. He said people are paying more than they need to. If this Planning Commission can come to a conclusion with this particular Applicant that complies with the standards and makes everyone satisfied that the plan won't be endangering the public trust and welfare at the same time, then a rational decision can be made that is supported by reason and the plan will not be prevented based on fear.

Member Lipski said the Chair Kocan has real issues with this area being a residential road, the speed limits, etc. He did not agree with her stance as he did not think there were a lot of house in this area. He therefore asked Mr. Stimpson, the Traffic Consultant, to comment professionally on whether this plan was bad for the public from a traffic perspective, given the variables of the new road design and 100% occupancy. Mr. Stimpson did not think so. He said that earlier they discussed the p.m. peak hour having about 270 new trips in total. The distribution was roughly equal in all four directions. That is not very much new traffic in a given peak hour. On the flip side, the two-lane roads abutting the site – to the east and south – are carrying about 21,000 vehicles per day. That is a little more than what is preferred. He said he has been studying Ten Mile for at least five years and these numbers have not changed. The conflicts may be at Novi Road, and the congestion there has changed, but the use of Ten Mile to the east has not. The traffic numbers have stabilized. He thought the system would handle the traffic. From a general standpoint, it is good planning to put larger traffic generators at or near crossroads of two arterial roads. Whether it is a high school or a shopping center, this helps spread the traffic.

Member Lipski asked if Mr. Stimpson was referring to curb cuts. He responded that he was referring to having access to two major roads.

Member Lipski said that the Planning Commission needs to focus and it needs to move on. He said the Planning Commission has just proposed a list of twenty items for the Applicant to consider. He suggested that Mr. Quinn state the Applicant's intention now about what concessions they are willing to propose, and this will allow the Planning Commission and Staff to be comfortable with a date certain that a new PRO plan can be presented containing all of the facts.

Mr. Quinn said that it seems the request is to postpone for sixty days and bring in more information, including a traffic study. He asked whether this will change anybody's mind on the Planning Commission, of the basic concept of this rezoning. He said the Planning Commission has been given a choice of voting on the rezoning all by itself, voting on the rezoning and the PRO, or to deny. He said that the Planning Commission is asking the Applicant to invest more money into the plan over the next sixty to ninety days that will satisfy their requests, with the exception of the B-1. This plan will include curb cuts, phase one sidewalks, bike paths, the lane in the woodlands and wetlands, etc.. Mr. Quinn asked whether there is a Planning Commission member who is currently not in favor of the rezoning who is willing to change his mind. That, he said, is the issue.

Member Lipski confirmed that the Applicant would still have to get a site plan approved even if the B-2 rezoning was approved. Mr. Schultz had a different view. He said that the Applicant has brought this plan forward and it has been noticed publicly as such. The Planning Commission must react to the B-2 rezoning request. If the Applicant is serious about this plan being a PRO, they will offer things to assure the City of the finality of the plan. Mr. Schultz does not believe the submitted plan meets the requirements of a PRO that can be approved. If the comments discussed at this meeting are incorporated into the plan, then it could be considered. The Ordinance is pretty specific about requiring a plan that shows the incentives – on the plan. If the Applicant wants to submit this plan as a PRO, they must return with a more complete plan.

Mr. Schultz said the Planning Commission could make a recommendation and attach the 18 stipulations. However, this is a big site and a big development, and it would be pretty unusual for

it to be approved in a single sitting. The Planning Commission can move forward on just the rezoning if they would like to, as Mr. Quinn said. The PRO plan is missing requirements.

Chair Kocan asked whether the next phase could be accomplished with a letter submitted by the Applicant outlining the incentives, or would a whole new set of plans be required. Mr. Schultz responded that the PRO Ordinance requires a physical document of the PRO plan. A separate PRO Document will list the incentives that may not fit on a plan, things that cannot be physically depicted. This plan will be administered over a number of years, and therefore the plan needs to be a manifestation of the plan, similar to what the Staff is used to seeing. He felt that Ms. McBeth's comments suggested that a resubmittal of the plan was in order.

Mr. Quinn said that once the final plan and final document are submitted, there will be some minds changed about this project, based on what they have heard at the meeting. Mr. Quinn did not want the plan to be prejudged by its return to the Planning Commission after the Master Plan adoption. If he could have the agreement of the Planning Commission that they would not be prejudiced against the resubmittal, the Applicant would agree to the postponement.

Chair Kocan told Mr. Quinn that it was a point well taken.

Member Lipski asked Mr. Quinn to offer a solution. He felt the Applicant was asking the Planning Commission to either vote or provide a date certain for the return of the plan, reserving their ability to change what is currently planned in the Master Plan. He would be willing to make the motion for the B-2 rezoning if there was enough support on the Planning Commission, but he agreed that if there is not enough information submitted on the PRO the consideration should probably be postponed.

Moved by Member Cassis, seconded by Member Pehrson:

**Motion to postpone Zoning Map Amendment 18.641 and the Weiss Commercial PRO, SP04-41, to a date the Applicant would accept.**

## **DISCUSSION**

Member Cassis believed that Mr. Quinn and Mr. Weiss have gleaned enough information from tonight's proceedings. He said that they would have the opportunity to review and discern the minutes of this meeting, and he said that they may want to get together and discuss new and innovative ideas that might enhance this project that will persuade the majority of this Planning Commission to agree with the concept.

Secondly, Member Cassis has most decidedly detected that the planners are not really apprised of all of the ramifications and the necessary ingredients that were supposed to be in the whole PRO package. Therefore, they are hesitating before the Planning Commission. Member Cassis did not think it would be advantageous for either side for this project to proceed rather recklessly. He thought that both sides were experiencing confusion.

Mr. Schmitt injected that the rezoning is not really going to change. There will not be additional information forthcoming on the rezoning. What will change is the PRO and its agreement. Mr. Schmitt is the project manager of this plan and he would expedite the resubmittal. He could have the plan ready for the December meeting. He said it relies on the Applicant's ability to turn the plan around in short order, by the first week in November. It relies on the plan not returning to the Master Plan and Zoning Committee, which would require Mr. Schmitt to turn the plan around in about one week's time.

Member Cassis said that a project of this nature is so important that a one or two week delay is not going to make much difference. He noted that the PRO is new to the Planning Commission. He said that everyone has now had the chance to hear everyone's comments. It is more important that time is taken to deliberate this matter. He encouraged the Applicant to work with the planners. Member Cassis did not wish to provide a date certain.

Chair Kocan read the Ordinance: *"In order to be eligible for the proposal in review of a rezoning with planned rezoning overlay, a property owner must propose a rezoning of property to a new zoning district classification and must, as part of such proposal, voluntarily offer certain site specific regulations to be set forth on a PRO plan and in a PRO agreement, to be prepared, which are in material respects, more strict or limiting than the regulations that would apply to the land under the proposed new zoning district."*

Chair Kocan said the PRO plan precedes the PRO agreement. She said the Planning Commission does not necessarily need the Pro agreement, nor would they need additional fees between the City and Applicant because the agreement is going to be developed after City Council gives direction. Mr. Schultz said that would be the typical process.

Member Sprague asked Mr. Quinn what he would accept as a reasonable time frame.

Mr. Quinn said that a resubmittal would have to include a landscape plan that proves the design is greater than the requirements. Mr. Zimmerman said that optimistically, the landscape plan could be ready in two weeks. Mr. Quinn said that having a resubmittal complete by November 1, 2004 would be pushing it. He said that January would be acceptable.

**Member Sprague asked that the motion reflect a postponement to the first meeting in January 2005.**

Mr. Schmitt said that he did not wish to back the City into a corner by providing a date certain in the motion. Mr. Schmitt said that 25 days is a typical review, and if a landscape plan is required, Lance Shipman has not yet reviewed the plans. If additional detail like this will be forthcoming, Mr. Schmitt said that he would prefer to have at least the full 25 days. He was under the impression that the Planning Commission was looking for a submittal plans that reflected the items discussed. If the Applicant can submit the plans in November then the Staff will be prepared for a January return. Mr. Schmitt asked that the plans be submitted before Thanksgiving.

**Member Sprague asked that the "no prejudice provision" be included in the motion,** as Mr. Quinn had requested. He was an advocate for the project, he just wanted to ensure that it is the right project.

Mr. Schultz said that the "no prejudice provision" did not need to be in the motion because the reality is the plan is coming back to the Planning Commission and City Council as a rezoning request.

Member Cassis rejected the "no prejudice provision" but accepted the time frame. Member Pehrson agreed.

Member Pehrson asked whether the Master Plan and Zoning Committee should see the resubmittal before the Planning Commission.

Chair Kocan felt that the Master Plan and Zoning Committee would review the rezoning more so than the specifics of the PRO. She was not sure whether sending it to the Master Plan and

Zoning Committee was a necessary step, so she deferred to the Committee. Planner Darcy Schmitt, the liaison for the Master Plan and Zoning Committee, did not see why the Committee should have to re-visit the PRO because they already voted 4-0 to recommend this possibility. Chair Kocan noted that three of the four Master Plan and Zoning Committee members have changed since that approval.

Member Cassis agreed that it did not need to come back to the Committee.

Member Sprague's issue was he felt the Applicant needed a good sounding board before the return to the Planning Commission, to avoid finding out too late that there are ten other things that they would also like to see on the plan.

Ms. McBeth offered to inform the Committee if there seems to be an impasse regarding the Applicant's resubmittal.

**ROLL CALL VOTE ON POSTPONEMENT OF WEISS REZONING 18.641 AND PRO. SP04-04-41, MOTION MADE BY MEMBER CASSIS AND SECONDED BY MEMBER PEHRSON:**

**Motion to postpone Zoning Map Amendment 18.641 and the Weiss Commercial PRO, SP04-41, to the first meeting in January 2005.**

**PLANNING COMMISSION  
REGULAR MEETING**

**Excerpts  
WEDNESDAY, OCTOBER 27, 2004 7:30 P.M.  
COUNCIL CHAMBERS - NOVI CIVIC CENTER  
45175 W. TEN MILE, NOVI, MI 48375  
(248) 347-0475**

**CALL TO ORDER**

The meeting was called to order at or about 7:30 p.m.

**ROLL CALL**

**Present:** Members John Avdoulos, Victor Cassis, Richard Gaul (arrived late), Lynn Kocan, David Lipski (arrived late), Mark Pehrson, Lowell Sprague, Wayne Wrobel

**Absent:** Member Andrew Gutman

**Also Present:** Barbara McBeth, Director of Planning; Tim Schmitt, Planner; Darcy Schmitt, Planner; Lance Shipman, Landscape Architect; Ben Croy, Civil Engineer; Dave Gillam, City Attorney



## **PUBLIC HEARINGS**

### **1. MASTER PLAN FOR LAND USE**

The Public Hearing was opened to hear comments on the City of Novi's Updated Master Plan for Land Use.

Chair Kocan said that the Public Hearing is being heard at this meeting, and Staff has recommended that the Planning Commission hold the actual adoption of the Master Plan at a subsequent meeting, after the members have had a chance to consider the Public Hearing

- Matthew Quinn, Novi: Represented the Wizinsky/Profile Steel parcels and stated that the R-T zoning does fall within the single family designation. He said that the Master Plan and Zoning Committee said they would state a 4.8 density in the written text of the plan. He said these property owners have submitted their rezoning request, which will remove the heavy industrial steel use in that area. Mr. Quinn said he was also representing the Dan Weiss property at the southeast corner of Ten Mile and Novi Road. He said that the property along Novi Road has been re-designated from Office to Commercial, and the Novi Corridor Plan noted the property as a Special Project Area. The rear of the property near the creek was recently proposed to be a multiple family attached condo use as part of the Weiss development package. However, they withdrew that portion of their proposal. Mr. Quinn asked that the Planning Commission consider that property for an R-M use so that in the future they can return with a multiple family project.

- 

Chair Kocan asked whether the various descriptors for commercial were steadfast or if they were flexible terms that allow for the various business zonings. Ms. Schmitt said that it provides some flexibility. Chair Kocan suggested that perhaps the Master Plan should not indicate different levels

The Planning Commission took an informal vote to hold a special meeting for the Master Plan review and adoption on December 1, 2004 at 7:30 p.m. The adoption will require a majority vote (City Attorney David Gillam later said a vote of six). There will be a Public Notice because it will be a special meeting.

## **PLANNING COMMISSION SPECIAL MEETING**

**Excerpts  
2004 MASTER PLAN ADOPTION  
WEDNESDAY, DECEMBER 1, 2004 7:30 P.M.  
COUNCIL CHAMBERS - NOVI CIVIC CENTER  
45175 W. TEN MILE, NOVI, MI 48375  
(248) 347-0475**

### **CALL TO ORDER**

The meeting was called to order at or about 7:30 p.m.

### **ROLL CALL**

**Present:** Members John Avdoulos, Victor Cassis (arrived late), Richard Gaul, Andrew Gutman, Lynn Kocan, David Lipski, Mark Pehrson, Lowell Sprague

**Absent:** Member Wayne Wrobel (excused)

**Also Present:** Barbara McBeth, Director of Planning; Tim Schmitt, Planner; Darcy Schmitt, Planner; David Gillam, City Attorney

## **MASTER PLAN FOR LAND USE**

Adoption of the City of Novi Updated Master Plan for Land Use.

Planner Darcy Schmitt displayed a diagram that outlined where changes were made to the Master Plan. These changes are the result of analyzing and applying the input from citizens, Planning Commission and Committee members, City Council members, Staff and Consultants. This is a guide for future development. Balancing land use to establish a diversified tax base that adequately supports facilities and services was considered. The infrastructure capability was considered. Natural features and protection of open space was considered. Establishing and preserving Community Character was also paramount.

A community attitude study was completed for Novi by Eastern Michigan University in 2002. These results provided the starting point. There were two public input meetings (September 29, 2003 and January 24, 2004). Public opinion surveys were available at the meetings, City Hall and on the website.

In May 2004 City Council gave its approval to send the draft Master Plan to the surrounding communities, utility companies and to the County. In August the Oakland County Planning Department prepared a report and endorsed the Master Plan as consistent with the surrounding communities' plans.

The Public Hearing was held on October 27, 2004. There are three main issues that the Planning Commission identified for further discussion. First, the northerly properties in Section 18 are designated in the current plan for Office, and in the updated plan for industrial. The owners of those properties have requested residential zoning. Oakland County reviewed this area for Light Industrial and found no conflicts with the uses north of Grand River in Wixom (where the existing uses are a Light Industrial complex and Multiple Family units).

Ms. Schmitt said the far east corner of the section is the Paragon property, which was recently approved for Single Family Residential land use. Directly to the east of that property is the Lakeside Oakland Development property. East of that property is the Morrisette property. Further east is the Goodman property. The lower property is Cadillac Asphalt.

The area to the north is Single Family Residential acreage. Just to the south is R-1, Single Family Residential. The section to the right is also residential acreage. The small sliver to the right of that property is also residential acreage. To the right is Light Industrial, then B-2 community business, B-3 general business, and then Heavy Industrial. Then there is Catholic Central, which is Single Family Residential.

The request from the property owners is for these properties to be master planned for Multiple Family land use instead of the current Office and the proposed Light Industrial. The Growth Management Plan, which is under development, looks at the costs and benefits of different land

uses. Ms. Schmitt said that the City has done an excellent job of providing a mixture of land uses to provide a strong tax base with quality services. The Master Plan and Zoning Committee was very conscientious when making these land use decisions. It is the Planning Department's position that the Light Industrial land use designation is appropriate for these properties and the Planning Department would not support a Multiple Family designation. If the Planning Commission is not comfortable with adopting the Plan at this time, with these properties designated as Light Industrial, the Planning Department recommends that the land be designated as a Special Planning Area for future research, to determine another appropriate land use designation.

Ms. Schmitt said that the second area in question is near the corner of Ten Mile and Novi Road. This is the "Weiss Property" and has been under the microscope for many years. Ms. Schmitt said that the land owners are comfortable with the Office designation along the front portion (#16), but they would like to see a commercial designation for the balance of item #16 and item #17. The existing Novi Corridor Plan designated the area as a Special Project Study Area. That is the current Master Plan designation for that area. The Master Plan and Zoning Committee looked at the area and changed it to a Light Industrial designation (#17) and Office for #16. In light of the PRO that has been presented, and the Applicant and property owner has worked with the community to design a plan that may work for this area, the Planning Department recommends that this continue to be listed as a Special Project Planning Area. This is due to the controversy surrounding the site, and the lack of substantial evidence that this is not a good site for commercial. The previous plan that designated this land for a Special Project Planning Area had the same concerns that everyone has today. Is commercial appropriate for this area? How much commercial is appropriate for this area? What about the updates to the current infrastructure?

The third area in question (#11) is the area north of Grand River Avenue and west of Novi Road. This area is designated on the updated Master Plan as West Downtown. This designation is destined for further study, for development as a commercial-entertainment-cultural connection to the core shopping area. The citizen surveys indicated that this was a desire, to have more cultural, art and entertainment in the City. This designation will allow the City to study the feasibility of these uses and what benefits it would bring to the community. This designation will not create nonconforming uses, and it will not change the existing zoning. It will give the City a future land use that complements the core shopping area. The City can do more research on culture and art, and how to bring it to the community. The size of this area is appropriate for the designation. The Planning Department recommends keeping the West Downtown designation, both in terms of its size and location.

The other changes proposed have not appeared to cause any conflicts with the Planning Commission or the City Council.

## **AUDIENCE PARTICIPATION**

Bill Bowman, Thompson Brown Realtors, 30180 Orchard Lake Road, Farmington Hills: Spoke on behalf of the land owners in Section 18. He said it was extremely important for the Planning Commission to understand that this is not the location for Light Industrial. He said he spoke from experience of developing countless properties. He noted that there are multiple residential units across the street in Wixom, with a density of twelve units per acre. The Paragon property will be developed at the density of about five units per acre. The mobile home park is developed at about eight units to the acres. He said that his client gave some property to Catholic Central, not knowing that it would need to be zoned residential for the placement of the high school. Mr. Bowman proposed that the B-2 and B-3 properties be buffered. He noted the Light Industrial and Heavy Industrial sites in the area. He said that the properties he represents are completely surrounded by a variety of residential densities. Mr. Bowman that the Light Industrial limits the property for "Office-type" uses. It requires a 12-15 foot berm adjacent to the residential. That saddles the land owner. This represents about fifteen acres of land being used for berms. The

cost of the berm and landscaping and irrigation is economically impractical. The Planning Commission has the opportunity to name the appropriate density for these properties, and Mr. Bowman asked them not to force an inappropriate industrial classification on the area. It is not good planning and the area cries out for common sense.

Matthew Quinn, 21995 Meridian, Novi: He commented that the area discussed by Mr. Bowman does deserve more study and planning. The Lakeside-Oakland people (#2) and the property to its east should be considered for a special study project area. Mr. Quinn encouraged the Planning Commission to study the area, and remember that the area is complicated but is a key area to the west side of the City. Mr. Quinn then encouraged the Planning Commission to review items #16 and #17. He said he found it unusual that the Walgreens does not show as commercial for that corner. He hoped that was a color typo. The Master Plan for Office along Novi Road is acceptable to Mr. Quinn and his clients, but only to the extent that it goes from Walgreens to the south. The credit union is OS-1, a bank is proposed next to the credit union, and then there is a medical Office next to Walgreens that is being considered. The Master Plan for Office along Novi Road is reasonable, and to a certain depth the landowner would agree. Mr. Quinn encouraged the City to put the commercial designation back on the Walgreens piece. Mr. Quinn said that the Ten Mile frontage is currently under review for commercial, from Walgreens to the railroad track, and south to the natural buffer of Chatman Creek. The Special Project designation was meant to allow time for the road improvements. Mr. Quinn said that the work is now underway and will be complete in spring. The PRO landowner will add a third lane to Ten Mile, along the south side to the railroad track. Mr. Quinn said that the communication between the landowner and the City is still ongoing; they are discussing the appropriate mixture of office and commercial. Mr. Quinn concurred with the Planning Department that the area should remain as a Special Project Area.

Dan Mancuso, 24855 Novi Road: Owns 24 acres south of the post office on the west side of Novi Road. Mr. Mancuso built the infrastructure for Twelve Oaks and really liked Novi. He bought this parcel to house the family business – a Heavy Industrial use. The property has 800 feet of frontage, with a depth of about 1,300 feet. He said that the current Master Plan designates his land for Office. He said that the property is buffered on the north by future park property owned by the City and land owned by the post office. It is buffered on the west by a residential community. To the south are wetlands. His property should be considered for residential use. He noted that someone has recently expressed interest in his land for this purpose. The office market is weakened at this time, and the offices along Twelve Mile and Novi Road are competing factors. A well-known residential developer has expressed interest in this site for residential, as it will keep cohesion with the current downtown Main Street development. Residential rooftops will enhance the trade of local businesses and add millions to the tax base. This property is the only property zoned Office on either side of Novi Road from Ten Mile to the northern limits of the City. There are two other Office parcels – a wetland parcel near Twelve Mile and the post office. Mr. Mancuso asked the Planning Commission to reconsider this designation, and allow time for this landowner to meet with the City.

Andrew Mutch, 24740 Taft Road, Novi: Thought that public input benefited this process. He said that he hoped the Master Plan reflected that input. He thought there were three themes. First, the citizens want the City to manage growth. Second, the citizens want open spaces protected. Third, the citizens want the City to plan proactively. Mr. Mutch did not think that the build-out population increase of nearly 4,000 people was properly addressed in the Master Plan. He said that these additional 4,000 people would impact the City but this impact was not discussed. The impact will be on police, fire, library, roads, etc. He said this would not be considered planned growth. The west side of the City has low water pressure. The sewer system capacity has been exceeded based on the new projects underway. He said the levels should return to the proposed numbers of the previous Master Plan. He said this may be impossible. He said that the City should look for density reductions, but not by a parcel-by-parcel basis. Mr. Mutch did not think that this Master Plan addressed more opportunities for open space. He said he agreed with Mayor Csordas' comment questioning why the City would want Tollgate Farms to develop. He said that the City

should work with MSU to preserve this land long term. Mr. Mutch said that not all of the core reserve near the Links of Novi is preserved. He said a goal should be to preserve all of it. Mr. Mutch said that this Master Plan does not pinpoint locations where more park land should be, and the City is running out of land. Mr. Mutch said that Twelve Mile west of the CSX railroad is not designated as a boulevard, but that concept is warranted with the new Beck Road exchange. Mr. Mutch said that while the scenic drive designation is nice, it is actually detrimental. Mr. Mutch did not think that it made sense to bring Office further south on the west side of Novi Road.

Terry Sever, 34436 Beachwood Drive: Agreed on the change to Office for those parcels on the west side of Novi Road. He said that he represented the owners of the parcels south of the Montessori school. He said it does not make sense to consider the land for residential. There are wetland and floodplain issues. Office would not likely have basements. He encouraged the City to keep the Office designation.

## **RETURN TO MATTERS FOR CONSIDERATION**

### Master Plan for Land Use, cont'd

Chair Kocan thanked previous Planning Commission members Tim Shroyer, Gwen Markham, David Ruyle and Larry Papp for their contribution to this plan.

### #16 Weiss Property in Section 26: Light Industrial and Local Commercial to Office

Chair Kocan said this is the parcel east of Novi Road, south of Ten Mile. She had a note in her paperwork to remind her that this designation should not include the Walgreens property. Chair Kocan said this has been a Special Study Area. The developer is on the record as agreeing with the Office Designation. There was consensus from the Planning Commission so Chair Kocan moved on.

### #17 Weiss Property in Section 26: Local Commercial to Light Industrial Land Use

Chair Kocan said this was the area east of Walgreens, which runs to the railroad track along Ten Mile. It had been designated as a Special Study Area via the Novi Road Corridor Plan. The recommendation for this property is now Light Industrial. There have also been suggestions to leave the land designation as Special Study. The developer would ideally like this land master planned for commercial.

Member Lipski confirmed that this is exclusively a Planning Commission discussion. Member Lipski asked if anyone could recall what exactly was the developer's wishes. Were they requesting the Special Study designation for this and the #16 talking point? (end of tape)

Ms. Schmitt said it was configured but did not finish her statement. Mr. Schmitt stated that #16 included both Ten Mile and Novi Road frontage. Ultimately, the Special Project area that was previously in place was the entire Ten Mile frontage. By leaving the Special Project Area in place, the boundaries would have to be modified for both #16 and #17.

Chair Kocan said that the developer did accept the Office designation along Novi Road. Mr. Schmitt agreed. Mr. Quinn, representing the land owner, said that for the purpose of the Master Plan, it would be from the east boundary line of Walgreens to the south. The rest, he requested, could return to the Special Planning designation. He also offered that the entire parcel could be returned to Special Planning.

Member Cassis asked Mr. Quinn whether the one hundred feet or so adjacent to the railroad tracks really wasn't better suited for industrial. Member Cassis was trying to say, for the advantage of the petitioner or developer, it would be more practical to place industrial along the railroad track.

Mr. Quinn disagreed. He said the river runs through that area. Right along there, there is a natural buffer between the track and the first outlot, the driveway and the grocery store. Mr. Quinn said that the area Member Cassis is asking about is the area for the grocery store.

Member Cassis asked how much space was between the little road and the railroad track. Mr. Quinn said about sixty or one hundred feet. It is part of the Weiss property. It will remain natural. The first outlot abuts that natural area, then comes the driveway, then the grocery store.

Member Lipski said that it is on the record that he is in favor of the development that has been proposed for this property. He wished to make it clear, what items #16 and #17 represented. Mr. Quinn said that the Master Plan prior to the Novi Road Corridor Plan listed all of Ten Mile frontage as commercial. All of the Novi Road frontage was commercial. The Special Project Area included all of that area. Their rezoning request was turned in for "Special Project Area." At the time it was placed there, the thought was to coordinate the Office with the commercial and make sure that the infrastructure could handle it. Then, the decision could be made on how much commercial was necessary. Mr. Quinn and Member Lipski agreed that was for #16.

Mr. Quinn said that #17, the Commercial and/or Special Project designation, runs along the entire frontage from the railroad tracks to the Walgreens. The landowner would accept the removal of commercial from the Novi Road frontage. Member Lipski asked if that was what Chair Kocan was stating earlier, and Mr. Quinn said that it was, except that the width of the property was not shown correctly. He said that the "blue" area should be flush with Walgreens' easterly property line. The rest should be commercial or Special Planning Project.

Member Lipski thought this was complicated, and he did not know what could be done at this meeting to sever the property and make the Master Plan consistent with the landowner's request.

Moved by Member Lipski, supported by Member Gutman:

**Motion to designate Items #16 and #17 as Special Project Areas.**

## **DISCUSSION**

**Member Sprague said that in general, he would support the motion, but he would rather see that section of land south of Walgreens be designated as Office.** He thought that would be acceptable to the landowner, and it gave the Planning Commission the flexibility it needed to move forward, while providing the right use along Novi Road. Member Lipski agreed to the change, as did Member Gutman.

Chair Kocan asked if parcel ID numbers were required. Mr. Schmitt said that this is one of the few areas of Novi that is all under one tax ID. **Mr. Schmitt suggested that the Office designation be placed on the land within Novi Road and the boundary that would run south of the southeast corner of the Walgreens property to the northeast corner of the credit union.** Member Lipski and Member Gutman agreed to that description.

Member Avdoulos said the zoning map indicates that Item #17 is Light Industrial. #16 is zoned as Office. Walgreens is zoned B-1. Member Avdoulos was unsure how it was that the Planning Commission was in position to barter to accept one section as commercial and one section as

Office. Ms. McBeth showed Member Avdoulos an old Master Plan for Land Use Map and explained that the lighter pink was Light Industrial and the darker pink was Heavy Industrial. Member Avdoulos said that the default zoning is what is there presently. He said it may have been at that time the idea was the corner would be viable for a commercial entity. Things change. He knew what the proposal was for this site, and he looked at where shopping is already located in proximity to this land. He said the community is surviving with a Kroger and Grand River and Beck, a Hillers in downtown Northville, a Farmer Jack at Ten Mile and Meadowbrook and Meijers at Eight Mile and Haggerty and Grand River and Wixom. Even with the construction in this area, Ten Mile is going to stay one lane in each direction. There is concern about having a driveway close to the intersection. There is concern for left-hand locks. Although commercial seemed viable at one time, things have evolved. Member Avdoulos said that he has seen developments lately that have not been thought through. He said that some of the Planning Commission members have discussed something like this happening on Novi Road, just further up. Because of the location of this site and the trains that go by, Member Avdoulos would prefer to leave the designation as is. It's zoned the way it is. The Planning Commission can work through the plans to see how the project develops. He was comfortable leaving the Master Plan designation in sync with its current zoning. He said this project will add congestion. The traffic is not getting better. It is getting worse. He said that the City is creating a situation where they should be careful. People are moving into the area because of the homes and the schools. The City should alleviate some of the traffic concerns but as the City gets built out it is becoming more evident that traffic is an issue. He was not comfortable leaving this land as a Special Project.

Member Sprague said that his idea was not to review the proposal for this land at this meeting. This is a complicated parcel and there is a lot going on there and it is important for the City to give it timely consideration. To him, leaving it the same does not change the Master Plan to match the zoning. He meant it should stay as a Special Planning section. It said it is a matter before them and it will be resolved fairly soon. Further, on that matter, the Planning Commission makes a recommendation to City Council. From what he has heard, the proposal is not a slam dunk at the City Council level. Member Sprague said it was important to give the City Council the flexibility it needs to make their decision.

Member Cassis said he was prepared to give a certain decision at the onset of this meeting, but now certain revelations have been revealed. He was confused about what the previous designations were for that site. Then, Ms. McBeth showed the map with the commercial. Member Cassis said that Mr. Quinn made a presentation at a previous meeting. The Planning Commission can not go around now and tamper with shuffling commercial from one side to the other. Those parties will come back and say that is not legal. Member Cassis asked if he was conveying something, and whether he could have an answer.

Mr. Gillam responded that Mr. Quinn had previously expressed his concern that the pending Master Plan review might prejudice his application for this site. It was Mr. Gillam's recollection that the Planning Commission had agreed not to hold any change on the Master Plan against the Applicant.

Chair Kocan said that the previous discussion acknowledged that his point was well taken, but it was not part of the motion. Chair Kocan said the Planning Commission wanted to remove the Master Plan from consideration at future discussions. She did not agree.

Mr. Gillam said that the Planning Commission is always free to change the designation on the Master Plan, as long as there is no showing of bad faith to the Applicant, i.e., that something is done in particular to prejudice the individual. That is a general rule. He said he was not at the meeting, but the minutes would speak for themselves.

Member Cassis said that the Planning Commission can designate and master plan. There were previous Master Plans. He asked if it was fluid enough for the Applicant to contest anything in the future. Mr. Gillam did not know whether he understood the question.

Member Cassis said he has seen lawsuits all over the place. He said that Mr. Quinn intimidated to that. Now, Member Cassis sees that there once was commercial planned for the site. It has been changed from commercial to industrial. Also, a request for a change to B-2 is coming before the Planning Commission for the land across the street. He said that the Master Plan and Zoning Committee went along with that request, against his wishes. He asked if the corner was in a fluid situation.

Chair Kocan said that she thought Member Cassis was saying that he wanted to ensure that the Planning Commission's rationale is steadfast to substantiate their desire in designating the land. He was asking whether past history sets a precedent? Everything in the City has been master planned. Chair Kocan knew that the property next to Meadowbrook Lake was planned for Light Industrial. The residents were told it didn't matter because the Master Plan is a changing document. It essentially holds no weight. It depends on who you have fighting for you at the time.

Mr. Gillam said that was accurate. The Master Plan is fluid and can be changed at any time. It provides a guide or basis for zoning decisions. Under certain circumstances zoning can be changed contrary to what the Master Plan says. As Member Cassis indicated, anyone with \$100 can sue anyone he wants. That is the bottom line.

Member Cassis asked Ms. Schmitt a question regarding the spirit of the City Council's review of this parcel. Ms. Schmitt responded that she felt it was an even split. Some thought it was okay to change it to commercial. Others were adamant about keeping it Light Industrial.

As a fail-safe situation, which is a change from how Member Cassis came to this meeting, he would now agree with Member Sprague. He said that the City should try to keep the situation open, rather than having it develop without the input of the Planning Commission. The Planning Commission can limit the project and make it amenable to them, rather than having the plan go in a different direction and then the plan comes back in a combative manner between the Applicant and the Planning Commission. The Planning Commission then might not be able to get what it wants. He did not know if he was making himself clear, but he would prefer to keep this fluid, and try to get as many concessions and things that make them comfortable as the Planning Commission can. He wished to hear from his colleagues.

Chair Kocan said she would not support the Special Study because she believes that Light Industrial is the way to go. There is always the option for the Applicant to come in and request a change. Whenever people discuss Light Industrial, they discuss warehousing. Does the City want warehousing on Ten Mile? The Ordinance for Light Industrial includes a ton of designations: Office, research and development, manufacturing, data processing, industrial office sales, small shop repairs, a host of businesses. She would not support commercial, which was a request of the developer at one time, because the size of the property is too expansive for that particular location in the City on Novi Road. The traffic in that area is significant. The impact on the properties to the east must be considered. They can't get out of their residences now. One of the biggest concerns she has is the number of vacancies throughout Novi. She hoped that she wasn't crossing the line in discussing a site plan at this time. She asked whether the Planning Commission was charged with limiting a developer from taking risks? Should they look out for his best interests? On the other hand, the Planning Commission needs to look out for the best interests of the existing businesses in the City, to ensure that they remain healthy and viable. She supported Light Industrial next to the railroad track. Commercial is preferred to be on Grand River. This has come up numerous times. The question has been whether there should be a grocery store at Beck Road and Ten Mile. It got shot down; Beck and Eight Mile – shot down. The



people wanted it on Grand River. Chair Kocan said she was going to support the designation that is proposed on the Master Plan.

Member Lipski said he chose to join the Planning Commission, partly because he felt the City shouldn't be doing things that were geared toward one agenda through the wrong medium. His motion was pretty simple. He asked this Planning Commission if they would vote to keep the Special Project designation and then they could move on to Item #18. He was not interested in debating a site plan that has been offered by a particular group. The Planning Commission may do so if they wish. He advised them, as a citizen of this community and having some legal background, that the Planning Commission told these people at the last meeting that their plan was being postponed. They were told that they would not be prejudiced by the decision made at this meeting. This would mandate that the Planning Commission push "pause" on items #16 and #17 today, and address them at a later time. He did not think that the Planning Commission could back peddle now, with the discussions of traffic, when the Traffic Consultant told the Planning Commission last time that there would be more than enough space on Ten Mile, and that it was being widened. Member Lipski did not know if Member Avdoulos was present at the last meeting, but if the Ten Mile information changed in the interim, Member Lipski would like to see the information. An expert told the Planning Commission that traffic wouldn't be a problem. All that the Planning Commission needs to decide at this meeting is whether this parcel should move forward as recommended on its face, or whether this area should be made a Special Project Area - so that it is temporarily put on pause - or some other alternative that is not on the floor. Member Lipski said that the Planning Commission has not yet voted on the motion to make it a Special Project Area, and at this point he would like that to happen.

Chair Kocan said she would not call for the vote until everyone has had an opportunity to discuss the issue.

Member Sprague said he supported the motion, but he wanted to be clear for the record that he agreed with Chair Kocan, that the Planning Commission did not make a formal commitment to the Applicant of support or prejudice. It was brought up and recognized as a good point. He actually put that in the motion and it was taken out. He did not think the Planning Commission was in a position of backtracking on the Applicant, if the Planning Commission were to agree with Member Avdoulos' and Chair Kocan's position. Either way the Planning Commission goes, they will not be renegeing on any promises or backtracking on any commitments.

Member Avdoulos said that the motion has been made, it has been seconded and discussed. The Planning Commission is going to vote upon it. Discussion can be made on whether there is something on the table on the Master Plan and the Planning Commission has a request to change it. The Planning Commission is putting its comments forward, and whatever happens after that is going to be based on the vote. Member Avdoulos did review the documents, even though he didn't attend, and even though he is not prejudicing the project, he was looking at any type of commercial entity that can come and just basing his views on that. The vote will be forthcoming, and the Planning Commission will find out what happens after that.

**ROLL CALL VOTE ON ITEMS #16 AND #17 SPECIAL PROJECT AREAS MOTION MADE BY MEMBER LIPSKI AND SECONDED BY MEMBER GUTMAN:**

**Motion to designate Items #16 and #17 as Special Project Areas, and designate the land within Novi Road and the boundary that would run south of the southeast corner of the Walgreens property to the northeast corner of the credit union as Office.**

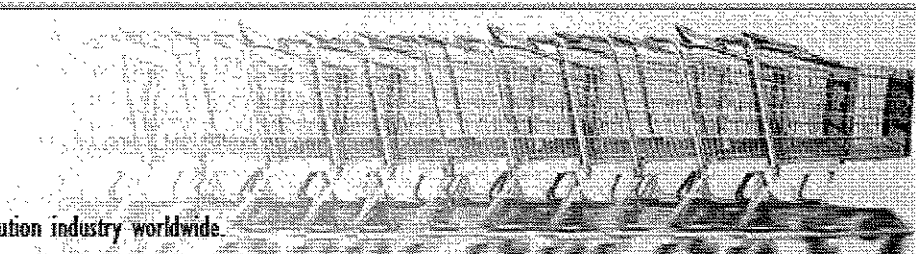
***Motion carries 5-3 (Yes: Cassis, Gaul, Gutman, Lipski, Sprague; No: Avdoulos, Kocan, Pehrson).***

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Number of employees- 2002	3.4 million
Total supermarket sales-2009	\$556.973 billion
Number of supermarkets--2009 (\$2 million or more in annual sales)	35,812
Net profit after taxes, 2007/2008	1.84% TREND
Median Average Store Size in Square Feet-2008	46,755 TREND
Median Average weekly sales per supermarket 2008	\$333,535
Percentage of disposable income spent on food--USDA figure for 2008 food-at-home food away-from-home	5.7% 4.0 TREND
Weekly sales per square foot of selling area-2008	\$11.39
Sales per customer transaction-2008	\$27.61
Sales per labor hour-2008	\$145.51
Average # of trips per week consumers make to the supermarket-2008	2.0
Average # items carried in a supermarket in 2008	46,852

- [Consumer Price Index-All Urban U.S. City Average](#)
- [Supermarket Store Sales BY Department \(% of total supermarket store sales\)](#)
- [Weekly Household Grocery Expenses](#)

Sources: U.S. Department of Labor, U.S. Department of Agriculture, *Progressive Grocer* magazine, U.S. Census Bureau, and Food Marketing Institute

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## Grocery Store Trends

# GROCERY STORE TRENDS AND STRATEGIES FOR ARLINGTON, VIRGINIA

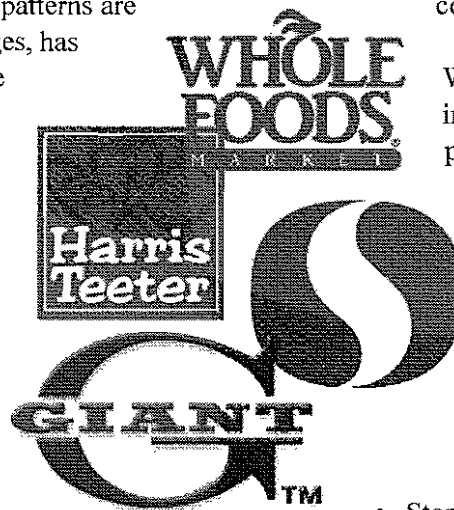
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The food retailing industry has changed dramatically over the past several decades. Grocery store formats are constantly being reinvented, with community serving stores getting ever larger, conventional stores being customized for niche markets, and new brands and formats entering the market. At the same time, buying patterns are also changing as the population ages, has fewer large households and more single people, grows more diverse, and is more affluent. A “return to the city” and the urbanization of older suburbs through infill development has required innovative responses to store design. These trends and others have influenced the grocery market in Arlington, requiring a new strategy to ensure that the needs of local consumers as well as the physical infrastructure of Arlington’s urban villages are accommodated.

## *Changing formats, customized market niches and innovative designs*

With so many different store types all competing for market share, the food retailing industry is changing dramatically. Although food sales have

long been the purview of conventional supermarkets, these once impenetrable retailers are now facing intense competition from other store types/formats. Studies suggest that sales by traditional food retailers, which accounted for 52 percent of the market in 2004, will only comprise 40 percent by 2013.<sup>1</sup>



What trends in the grocery industry have caused a significant portion of sales to shift from traditional retailers?

- Supercenters and wholesalers, which operate with higher volumes and can undercut competitors, have moved aggressively into food retailing.
- Stores are getting bigger, with the average store size increasing from 35,000 square feet in 1994 to nearly 50,000 square feet today.
- Restaurants offering expanded takeout and delivery options pose a threat by catering to time-pressed and convenience-driven consumers.
- Traditional food retailers are pulling out all the stops to expand their product selection and differentiate themselves from tired store formats.

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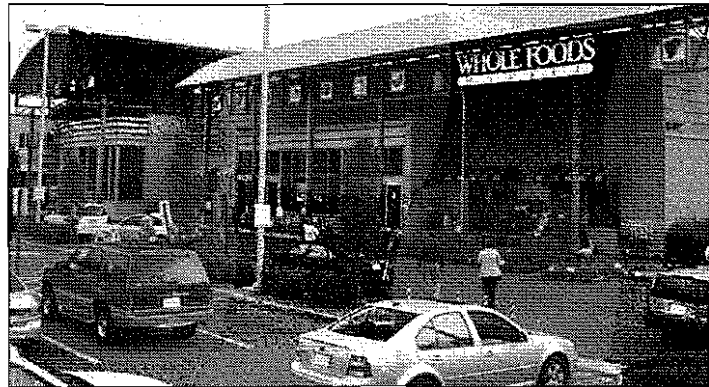
<sup>1</sup> Fusaro, Dave, *Nontraditional Retailers May Overtake Supermarkets*, Food Processing Magazine, Feb. 28, 2006.

- Grocery stores are exploring new opportunities in urban markets, wooed by the demographics of “returning-to-the-city” middle- and high-income singles, young professionals, and empty-nesters.
- Large format specialty ethnic stores are capturing market share in areas with high immigrant populations and “ethnic foodies”.
- Food retailers are taking notice of the fast-growing organic foods market, expanding their selection of organic products and actively marketing them to consumers.

Traditional stores have been forced to respond to urban markets growing in both population and affluence. Urban areas are coming alive again as high-earning singles, young professionals, and empty nesters weary of suburban traffic and eager for convenient amenities return to major cities. Grocery stores hoping to capitalize on the return of these higher-income households are moving back along with them, but are finding they must adapt their traditional suburban models to be successful in the urban marketplace.

Developing a grocery store in an urban area has challenges, including costly and time-consuming land assemblage, zoning and land use issues, and neighborhood opposition to suburban store designs. Even the inventory in urban supermarkets is different from the items suburban stores carry. For example, given that families with children are less likely to live in urban areas, urban groceries can remove less profitable paper-goods items (e.g. diapers) and instead stock the shelves with more high margin specialty items that cater to busy professionals (e.g. take-out food).<sup>2</sup>

Some supermarkets have begun partnering with commercial and residential developers to plan mixed-use projects with ground-floor grocery stores and offices or apartments/condos above. While such projects face many of the challenges mentioned above, grocery stores and developers are employing new strategies to make such projects feasible. For example, a Safeway in Seattle, WA, added a truck delivery zone under the store to accommodate deliveries without disrupting street traffic. Built underneath a 51-unit condominium complex, the developer took extra care in routing ventilation and providing adequate sound barriers to prevent disturbances to residents.<sup>3</sup> To make an



*Whole Foods Market, Clarendon*

18,000 square-foot store work in Charlotte, NC, Harris Teeter made some changes to its normal model, shrinking the size of its aisles and using carts one-third smaller than the typical size. Rather than stocking large quantities of food necessitating more square-footage, the store receives more deliveries.<sup>4</sup>

Arlington has experienced similar innovations in form to accommodate local infill requirements. The Whole Foods in Clarendon and the Harris Teeter in Ballston have mezzanine levels in order to decrease the footprint of the stores. Harris

<sup>2</sup> ELeinberger, Christopher B., *Turning Around Downtown: Twelve Steps to Revitalization*, The Brookings Institution Metropolitan Policy Program, March 2005.

<sup>3</sup> Engleman, Eric, *Shop at Home*, Puget Sound Business Journal, Vol. 24, No. 31 (Dec. 5-11, 2003)

<sup>4</sup> *Uptown Harris Teeter Offers Down Home Charm*, Harris Teeter



*Harris Teeter, Potomac Yards*

Teeter has also provided an innovative design for their Potomac Yards store in order to incorporate it within a residential condominium project. The same firm has built a smaller than standard 24,000 square foot store in Shirlington. Despite these examples, the predominant grocery chains in the region – Giant and Safeway – have been slow to accept anything but suburban models for new stores.<sup>5</sup>

### *Arlington's population and purchasing patterns*

Age, income, and household size all play a significant role in determining where and when consumers shop and also give insight into the types of products they buy. For example, certain grocery store types and formats attract and cater to particular demographic groups more so than others. High-earning singles and young professionals are more likely to shop at supermarkets and organic/specialty stores than low-income households and families with children (who in contrast

shop more frequently at supercenters). Men are more likely than women to buy food at a convenience store, and minorities who live in urban areas are the most likely to shop at ethnic markets.

Arlington's demographics are unique. With higher than average levels of household income and educational attainment, small household size, and a young and diverse population, Arlington households exhibit different shopping patterns and habits from the typical U.S. shopper. Nor is the Arlington market, with its dense commercial corridors, typical in terms of the form of development. While retail in many localities surrounding Washington, D.C. is concentrated in strip centers, much of Arlington's retail is located in intensely developed urban village centers, two enclosed malls, and the ground floors of commercial and residential buildings. These demographic and physical characteristics affect buying patterns.

Shoppers in the Washington, D.C. metro area go to the grocery store more often than the average American shopper. According to the Food Marketing Institute (FMI), the average shopper visits a grocery store 2.1 times per week, whereas consumers in the D.C. area go 2.9 times. However, for the national shopper, 1.6 of those visits will be to their primary store (i.e. the one store where consumers spend the majority of their grocery budget), with other supermarkets, warehouse clubs, discount stores, and specialty stores making up the difference. In the Washington, D.C. metro region, 2.3 grocery visits (of the total 2.9) are made to the primary store. With a high percentage of small households, Arlington shoppers likely have fewer weekly grocery trips, but a greater proportion of primary trips.

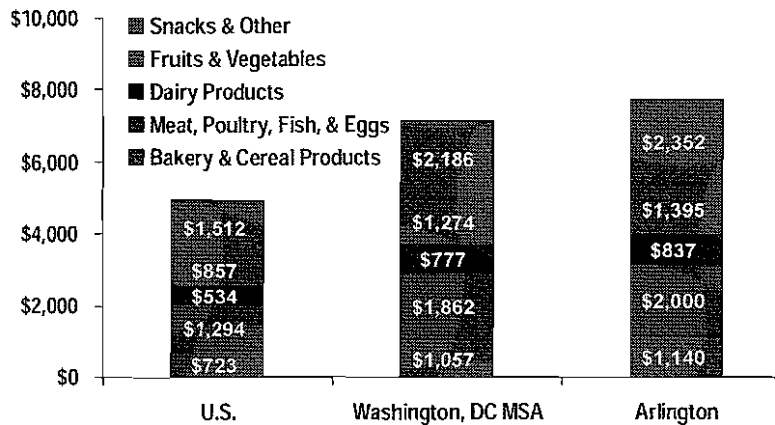
<sup>5</sup> Giant has incorporated a new store into a mixed use project on Columbia Pike, but was reluctant to compromise on many aspects of their suburban store format.

Arlington households eat ready-made meals at home considerably more often than their national counterparts. Forty-three percent of FMI survey respondents in the D.C. area reported choosing take-out or delivery foods 1-2 times per week, while nationally only 18 percent reported similar habits. In Arlington, this difference could be attributed to a number of factors including:

- High household incomes:** The Arlington median household income is \$84,800. Consumers with greater disposable income have less of a need to buy raw ingredients and spend time cooking at home versus buying more expensive ready-to-eat meals at their convenience.
- Small household size:** The average Arlington household size is 2.15 people, but 42 percent are single-person households. The costs of buying groceries versus buying ready-made meals may be comparable, but the time and effort involved with cooking at home can be excessive compared to simply “picking something up”.
- Workaholics and time-pressed shoppers:** The convenience of pre-made foods may appeal to those with limited time to shop. People who work long hours or spend little time at home may fear perishables going to waste in their absence.
- Younger population:** Over one-third of Arlington’s population is between the ages of 18-34. Some younger residents may not know how to cook, may be adverse to cooking or, lacking substantial financial commitments (e.g. mortgage, childcare), may be able to allocate a higher percentage of disposable income towards pre-made food.

Arlington households spend approximately 60 percent above the national average as it relates to total food expenditures (purchases on food eaten at home and dining out). As shown in Figure 1, the average Arlington household spends \$7,723.23 on food at home, compared to \$7,156.28 spent by shoppers in the region and \$4,920.42 spent by shoppers nationally. Some of the difference in spending could be attributed to variations in cost of living; however, Arlington households still spend 8.2 percent over what others in the region spend.

Figure 1: Average Annual Expenditures on Food at Home by Category



Source: ESRI Business Analyst, Retail Goods and Services Expenditures. 2006

While Arlington shoppers purchase more than the average American shopper in every category of food, the greatest spread is in fruits and vegetables, where in 2006, Arlington households spent 63 percent (\$1,394.75) more than the national average (\$856.87) and 10 percent more than regional shoppers (\$1,273.97).



## *There is a need to better match grocery store formats and brands with opportunities*

Given Arlington's demographics and household spending habits, it would seem the County would not lack for food retailers. However, it can be challenging to attract and retain the right number and types of stores which accomplish both the County's economic and placemaking goals. Small specialty/ethnic stores provide uniqueness and diversity in an industry dominated by impersonal supermarkets and supercenters, but they face challenges in finding suitable and affordable space. Convenience stores have a strong place in the market, but vary in terms of how they contribute to placemaking. Larger-format conventional supermarkets struggle with development limitations, all the while trying to hold onto market share as the

Certain areas of the County, notably Rosslyn and Crystal City, are underserved both by conventional supermarkets and specialty/ethnic stores, which are desperately needed as part of an effort to introduce more interesting retail into the community and foster a sense of place in what are predominately office-oriented neighborhoods. Arlington has not had much penetration among smaller specialty stores like Balducci's and Dean and DeLuca given that these retailers tend to want to locate in already established and thriving retail markets, but there may be opportunities for local businesses or independents in other locations. Given the space requirements, Arlington is unlikely to ever accommodate a supercenter or a large-format Wegmans-type store.

Arlington has added grocery stores in all its urban villages, but it still must recruit certain store types and formats if the County hopes to capture leaking sales and create and sustain attractive and livable communities. There is a need for conventional supermarkets – particularly urban models that can be successful in mixed-use projects and multi-storey formats. Harris Teeter and more recently Giant have begun introducing new types and formats in Arlington, but there still may be unexplored and improved means of facilitating grocery stores in new development and redevelopment. Convenience stores are well-represented in Arlington; given their ability to fare successfully in a variety of market conditions (e.g. leasing space in ground floor retail versus occupying their own properties along major roadways), it does not seem the County needs to make a special effort to attract and



low prices of supercenters/discount stores and the specialized product lines of gourmet specialty and ethnic markets lure away customers. Supercenters are generally excluded from entering urban markets due to a lack of large developable parcels and inherent community opposition.

retain these types of food stores. On the other hand, if placemaking is to be a priority, the County will need to consider creative ways of attracting and retaining specialty/ethnic stores – both the larger 10,000-20,000 square-foot Trader Joe's-type formats and smaller independent retailers.

## *There is substantial leakage of grocery sales to surrounding communities*

As of September 2006, Arlington had 986,190<sup>6</sup> square feet of food store space. Multiplied by \$352.50 (median food sales/sf<sup>7</sup>), Arlington's total food expenditures were \$347,631,975. With an estimated food demand of \$610,767,248<sup>8</sup>, AED estimates that Arlington could support an additional 746,483 square feet of food retail for a total of 1,732,673 square feet of grocery store space.

On a scale of -100 to 100, where -100 represents a total surplus or oversupply and 100 represents total leakage or unmet demand, Arlington scores a 20.9 in the food and beverage store industry.<sup>9</sup> Where are those sales going? For food retailers, trade areas are not defined by jurisdictional boundaries. Given Arlington's small size, it is easy for residents who live near the border of Fairfax County or the City of Alexandria, or those who have easy access to major roadways such as I-66 and Route 50, to shop elsewhere. Stores right over the Arlington County line may be on a shopper's way home from work, have easier parking, or carry a better selection of products than an equidistant Arlington location.

Nationally, there is an average of one grocery store for every 8,500 people.<sup>10</sup> According to a study by Delta Associates, the Alexandria/Arlington market is vastly underserved (surpassed only by the District of Columbia),

with one grocery store for every 17,900 people. As mentioned above, while Arlington may in fact be underserved, it may not in reality be underserved to the extent the Delta Associates data portrays. Delta's data looks at jurisdictional boundaries only and compares the number of stores to population; food retailers looking at the same market may likely consider their trade areas covered, e.g. that a Fairfax County location may cover areas of Arlington.

However, despite the amount Arlington households spend on food, recent data suggests the County is leaking approximately \$260 million in food expenditure dollars to other jurisdictions.

Partly, this can be attributed to a shortage of large



*Arlington County is leaking approximately \$260 million annually in food expenditure dollars to other jurisdictions.*

<sup>6</sup> Arlington County Commissioner of Revenue

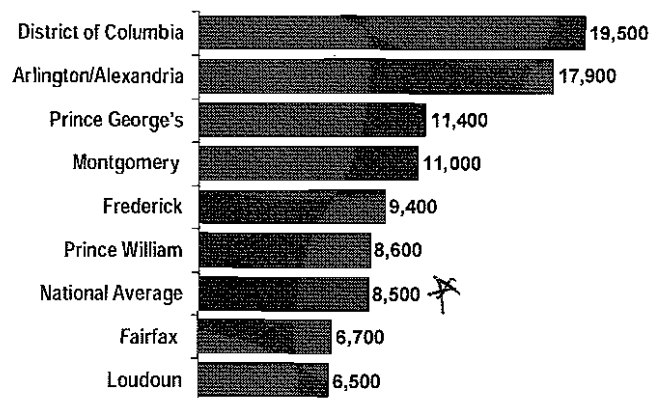
<sup>7</sup> Median food sales per square-foot includes all types of food sales formats (e.g. supermarkets, health food stores, specialty food, bakeries, etc.); *Dollars & Cents of Shopping Centers®/The SCORE® 2006*

<sup>8</sup> ESRI Retail Goods & Expenditures

<sup>9</sup> ESRI Retail Goods & Expenditures

<sup>10</sup> Includes only grocery stores with over \$2 million in sales.

Figure 2: Persons per Grocery Store\*  
Washington Metro Jurisdictions



\* Includes only grocery stores with more than \$2M in sales.

Source: Food World, Claritas, Delta Associates, 2007

grocery store formats, but it may also be a result of Arlington's "invisible borders" and the fact that it may sometimes be closer and easier for Arlington residents to go to grocery stores in neighboring jurisdictions.

While the County has worked aggressively to create a favorable business climate for both large chains and new small businesses, certain private sector limitations related to the urban environment (including the high cost of space, a limited amount of developable land, and challenges relating to parking and deliveries) may necessitate new creativity in exploring methods of capturing the leaking sales. Grocery stores are used to receiving low rents, even subsidies, to anchor retail projects.

### *There is a need to better match products – store formats and brands – with opportunities*

With its diverse population, small households, and high household incomes, Arlington is uniquely positioned to take advantage of many of the industry's new trends and opportunities. As of January 2007, there were 143 food stores in

Arlington, including neighborhood and community supermarkets, specialty/ethnic markets, convenience stores (both stand-alone and gas station-affiliated), commissaries, wholesalers, and farmers' markets. In 2006, Arlington households spent significantly more than the average U.S. household on both food at home and food away from home, and spent even slightly more in each category than our regional counterparts.

At present, Arlington has the greatest grocery need – excluding the need for convenience stores – in Rosslyn and Crystal City. Rosslyn is served primarily by a 24,750 square-foot Safeway, built in 1973. There has been no conventional supermarket in Crystal City since Safeway closed its doors in 2005, although there is a 50,000 square-foot Harris Teeter at Market Square on Center Park, south of Crystal City in National Gateway.

Both areas are densely-populated areas with an aging building stock and a daytime office population that has dominated the character of local retail. For years, the retail in both urban villages has been primarily-oriented to serve workers and not the people who live there, creating a void of after-hours activity and offering little reason for people to shop or dine past five o'clock. New retail along Crystal Drive, including notable chains such as Morton's Steakhouse, Caribou Coffee, and the local bookstore Olsson's, has drawn more people to Crystal City, but the area is still far from having the character and defining sense of place that other Arlington urban villages enjoy. Rosslyn also lacks interesting after-hours type retail – while 10,000 people live there, its identity is tied to its towering office buildings.

Both Rosslyn and Crystal City are primed for substantial additional development. Rosslyn has Waterview and Turnberry Tower under construction, Central Place approved, and several potential new projects on the drawing board. Crystal City is in the process of planning extensive redevelopment

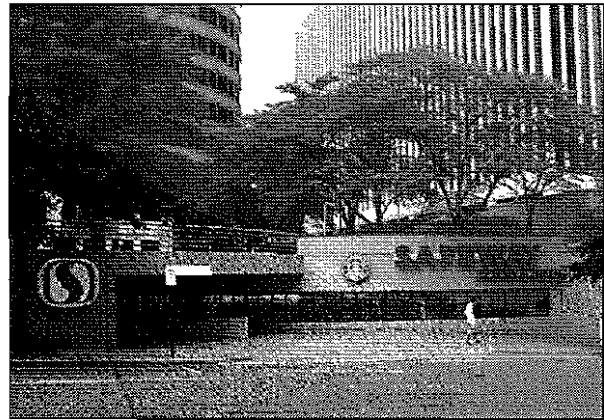
which would add as many as 17,000 additional residents and 18,000 workers, supporting another 700,000 square feet of retail space. There is a substantial existing and growing demand for grocery stores in both markets.

## *Strategy Recommendations*

The current County Grocery Store Policy adopted in 1985 has resulted in many successes. New community serving grocery stores have been built in many of the urban villages including Clarendon, Virginia Square, Ballston and Pentagon City. Arlington has supported a substantial number of small groceries serving specialty needs such as ethnic and organic markets. Important land use decisions were essential in most cases. To continue to effectively serve public needs, and to continue to focus on grocery stores as fundamental building blocks of both placemaking and economic sustainability, the following strategies are offered for consideration:

- Provide a land use preference for grocery stores that meet identified shortages or special needs (in Rosslyn or Crystal City for instance) through density or parking concessions;
- Advocate for context-sensitive design of new stores, using urban formats suitable for infill development on constricted sites;

- Recruit new formats and brands to augment the more traditional products, suggesting that Arlington's demographics and current sales leakage makes the community an ideal and low risk test market for new products;
- Provide continued small business assistance to permit small specialty stores to thrive as the market continues to become more expensive and upscale;



*Safeway, Rosslyn*

- Support farmer's markets and continue to work on the eventual development of a more permanent market as a focal point in Clarendon; and
- Consider possible locations for large format or supercenter stores within the context of Arlington's urban environment.

*This study was prepared by Jennie Gordon of Arlington Economic Development.*