



**CITY OF NOVI CITY COUNCIL  
DECEMBER 21, 2020**

**SUBJECT:** Consideration of a request by Manchester 13 Mile Road, LLC for waiver of the requirement for a completion agreement and the requirement to maintain financial guarantees for the commercial portion of the Manchester Development otherwise required under 26.5 of the City Code.

**SUBMITTING DEPARTMENT:** Community Development

**BACKGROUND INFORMATION:** The Manchester project located south of 13 Mile Road and east of Novi Road was approved in a single phase of construction comprised of 21 acres including 172 residential units and 8800 square feet of retail on the north portion of the site along 13 Mile road. The Stamping Set for Site Plan SP15-0052 was approved March 30, 2017 with site development and construction of the apartment housing beginning thereafter. As construction progressed, the developer chose to transfer ownership of the commercial portion of the project to the owner of the adjacent Sunshine Market. A revised site plan, SP18-0073, was reviewed and approved to accommodate the separate parcel. This was approved administratively on October 12, 2020.

Currently, the site development for the overall site including the public utilities, drives, mass grading, perimeter sidewalks, and the construction of the residential apartments and clubhouse are complete. The entire site has also been stabilized against erosion. The commercial portion along with the related parking lot, drives, private storm sewer, and building are incomplete. Building permit documents have been submitted and reviewed in anticipation of construction. The purchaser of the commercial portion intends to move ahead with the development however, at this time, the market demand is not sufficient to warrant the financing and development. Likewise, adding to the City's inventory of retail space at this point may simply compete with existing developments already losing tenants due to covid related market changes.

As the overall project was not phased, Chapter 26.5 requires a completion agreement approved by City Council and posting of financial guarantees equal to 150% of the cost of the incomplete commercial building site work including the

parking lot storm system, curbs, paving, signage, walks, and landscaping. The developer is requesting a waiver from these requirements.

Staff supports this request. Future commencement of the commercial portion of the development will require a new soil erosion and sedimentation permit and inspection fees, a specific pre-construction meeting, payment of all inspection fees and escrows as well as contractor specific information. All worksite work would need to be done in advance of any occupancy; with the exception of any landscaping and final lift of asphalt, which could be secured with specific financial guarantees at the time.

**RECOMMENDED ACTION:** Approval of a request by Manchester 13 Mile Road, LLC for waiver of the requirement for a completion agreement and the requirement to maintain financial guarantees for the commercial portion of the Manchester Development otherwise required under 26.5 of the City Code.

## MANCHESTER 13 MILE ROAD, LLC

December 11<sup>th</sup>, 2020

Charles Boulard  
4175 Ten Mile Road  
Novi, MI 48375

Re: Encore at Manchester Completion Agreement Waiver

Dear Mr. Boulard and City Council,

Manchester 13 Mile Road, LLC requests waiver of the requirement for a Completion Agreement and to maintain financial guarantees in place for the commercial portion of the Manchester Development otherwise required under 26.5 of the Novi City Code, until such time as the commercial building is ready to be constructed. This request is for the Commercial portion of the project which was not separated from the residential portion of the development in the approved Site Plan, has been sold to the developer of the adjacent Sunshine Market. Because work on the residential portion of the project commenced more than two years ago, the commercial portion is also required to be completed within the same time frame, or a Completion Agreement provided. However, since the commercial portion of the development is not dependent upon the residential portion and has been sold to a separate developer for future completion and no physical improvements are currently outstanding and will be completed in connection with the commercial building at the time it proceeds forward, Section 26.5-5(c) and Section 26.5-12 allow City Council to authorize this exception based in part on economic events and conditions. At this point in time covid related issues have severely impacted commercial and retail real estate and this portion of the project is not financially viable. The site is currently stabilized, and Building Permits are ready for pickup. At the point the developer moves forward the project will require a new Soil Erosion and Sedimentation Control and other related Permit, a new Pre-Construction Meeting and payment of all related financial guarantees, fees and bonds.

Sincerely,

MANCHESTER 13 MILE ROAD, LLC



Michael S. Furnari, Authorized Member