

of you who know Jay, you know he is passionate about our park system, and he leads the Park Commission with great energy. If you engage with him on a discussion about our park programs or services, especially monarch waystations you will quickly find that out to be true. He said he is one of the greatest Novi Park citizen advocates and it was an honor to present Jay with this award that evening. He said on behalf of mParks in recognition and acceptance of outstanding contributions and unselfish devotion to the Novi Parks, Recreation and Cultural Services, that you for recognizing Jay that evening. He gave Jay an opportunity to speak for a moment.

Jay Dooley said when your department called to say that he was the award winner, he was humbled, but he was also very shocked. He said if you look at his award, Mayor and City Council, and Brian, you can attest it as being on Parks, Recreation and Cultural Services, the real recipients, in his humble opinion are Jeff and his department, led by someone who is tremendous as PRCS Director Muck. He said he would accept this award and he was truly humbled by it. Thank you.

Mayor Gatt said there was nothing you said that surprised him, because he thought he was the humblest person he has ever known. He commented that he did more for the community, more for the Parks, Recreation and Cultural Services, more for the kids in this town than any other five people combined. He said he was always shifting the praise to somebody else, whether it is somebody helping you do whatever you do, you are the catalyst behind it all. He said if you look up the word Novi Resident No. 1 resident in the dictionary, your picture will appear. He said on behalf of the City Council and the City Administration, and the 65,000 people that call Novi their home, thank you from the bottom of our heart for everything that you do, please do not stop because you are what make Novi. Jay thanked everybody and wished everyone Happy Holidays and Merry Christmas.

2. Annual Report - Julie Farkas, Library Director

Library Director Farkas thanked the Mayor and City Council for the opportunity to be there that evening. She said you have a very busy Agenda, and she provided you the information of our 2021 Report, which was done by Dana Brateniec who is her communications manager at the Library, she said they had an amazing year. She highlighted a couple of things, circulation was almost 1 million items, that was our highest ever, and with a pandemic and thinking that maybe people are not connecting with our Public Library, that is not the case in this great city. She said earning 96% quality services from the City of Novi survey, we truly appreciate that and the opportunity to be part of that survey and received information. She thought our biggest accomplishment was the Lake Shore Lending Library opening in Lake Shore Park. She thanked Jeff Muck and Rob Petty, two partners from the City that worked with her and gave them the opportunity to bring that Kiosk into the park. She said they were excited to be connecting park visitors and bringing a literacy component to your parks. She said they will be working in marketing and building that usage, and with winter coming, trying to think of some unique ways that we can get people out there we are finding that the north end is connecting, circulating, and checking out materials. She wanted to build that service as

much as possible. She noted that just being able to open back in July and stay open with the hours that we normally provide to our community, opening safely, and weathering some of the COVID. She stated that they did very well doing that. She gave a huge shout out to her wonderful staff, they are amazing, she said she could not do the incredible things that we do without their amazing talents and without their commitment to this community, she appreciated all of them, and the management leadership team that City Manager Auger has. She said it was great to bounce things and ideas, and to have other resources to go to, which she appreciated from this great community. She thanked everyone for all their support. She wished everyone a wonderful Holiday Season and was happy to answer any questions if you have any.

Mayor Gatt said he gets to go around and talk about Novi all the time and he always praises all the beautiful jewels that we have in our city. He said from the bottom of his heart, there is no jewel that shines brighter than our Library. Director Farkas thanked him for the opportunity. She hoped he enjoyed reading and if he needed anything through the holidays, you know here to find us. Thank you and have a great Thanksgiving.

3. Comprehensive Annual Financial Report ending June 30, 2021 – Carl Johnson, Finance Director

Finance Director Johnson thanked the Mayor and City Council. He said it is that time of year again how our Audit is completed, we have the final Audit Report, which you should have received that evening, that blue binder, the booklet with usually just under 200 pages, which we expect to know and memorize and there will be a quiz for the next Council meeting. He said in lieu of that, as always, the Mayor asked that he give you the highlights. He stated that this has been a good year, believe it or not for COVID year and his actual presentation, despite urging from several 100 of his closest friends will be slightly longer than usual, but he said he would talk as fast as he could. He said when we started this budget, for this July 1 through June 30, 2021 we just come out of the COVID shutdown. He said March through June, we were shut down, the whole country was shut down, and we were just beginning to get on our feet. He said the budget that was passes at that time, had five open positions which we said do not fill, we had five other positions that we said that we thought were going to come up and then we said we would not fill those positions, we reduced our revenue assumptions, we reduced property taxes, reduced all those things, we were conservative in our costs. He said it was very troublesome time and there was a lot of uncertainty out there. He stated the financial results came in outstanding given what we had there. He said there are actual pages from the audit report you may want to go back and check. He said starting with the General Fund where did we end up there though, that square that we put a budget together that said we were going to be balanced, we were not going to dip into our Fund Balance and with the revenues you had, we were going to make a breakeven the Budget was amended during the year for various things up and down, it was amended, he thought the most we have ever emended in the last six or seven years. He stated he got to a 931, a lot of that was positive, it was a lot of the grant monies that were coming in for the CARES Act and ARPA where we ended up with \$3,079 million to the good. He said that is a \$3 million number, \$2 million better than we thought we were. He stated that \$2 million

of that is the ARPA Funds that we got the very end of May that we did not spend, so \$2 million of that, \$800,000 in Rollover Funds. He said each year to the extent we have a project going on, or a fire truck, or at a very expensive DPW truck that takes months and months to come in, we have ordered them, but we had not received the goods so that amount was rolled over each year. He said outside of that we were within \$200,000 of where we thought we were going to be and again on a \$36 million budget that is really outstanding, and again, cannot be done without the leadership of the City Manager and ACM, as well as the department heads, every single department, you know has to chip in otherwise we were not as successful as we are. He stated what we did with the ARPA funds is we set them aside, because as we talked about it, it came in one month to go in the year. He said if you look in the Audit Report in our Fund Balance, it was recognized as a revenue, but if you recall, a month or so ago, you had a Council resolution before you that said we want these funds segregated so we figured out exactly how we want to spend them. He said you can see in the Audit Report it is flagged that \$1.993 million of our \$2.5 million of ARPA funds are in the General Fund and are ready to be assigned with what you are going to do with them. He stated the other \$500,000 we are going to do the SOS Program. He said we created a new fund in the current year for the \$500,000 for the SOS Program. He stated we can complete one of the three playgrounds that we had planned to do with those funds before June 30. He said there is money still sitting there. He thought the other two, one was about done and the other one is in the works so we will be spending that money as well. He said that is where the other \$500,000 came from. He explained that although COVID was a very unusual occurrence, it was not a costly pandemic. He said it was a revenue loss pandemic, and he highlighted what he meant by that. He said our conservative property tax estimate that very first yellow orange line in the report, we were right on with that, in that circle, as the federal dollars that we received. He said you see there originally, we thought we were going to get about \$3.13 million. He said the variance there of almost \$2 million is the ARPA monies that came in very late, but we got about a \$1.5 million from the County and the other \$1.5 million from the State Cares Funds. He said the big hit came from licenses and permits, so that is our building development, our normal years, about \$4.9 million our conservative budget was \$4.2, you can see we came in at \$3.13 million. He said that is almost \$1.7 to \$1.8 million less than our normal year so that is where we were impacted and we still have not seen that rebound very much because supply chain issues still exist. He said we have seen in our development, there is some uncertainty as building retail. He stated those kinds of things we had that with our property that we were trying to sell, there is a lot of uncertainty out there. He said the biggest hit we took; we took the one underneath that, which is the second orange bar on the Report, which is the State Revenue Sharing that we get, crazy enough, that set records at the State level. He said we were shut down forever, and we set records as far as sales tax collection. He said people stopped going to places where sporting events, professional services, those kinds of things, and that online thing and that order thing, those are all taxable events. He said suddenly, we were getting sales tax on things that we did not have before that money was just redirected elsewhere. He stated in addition to that we in Michigan, we were number one during the pandemic in marijuana consumption, and believe it or not, that helps subsidized the roads and subsidized revenue sharing significantly. He said the revenue sharing money that we received was substantial. He said you could see there a

\$1.5 than what we originally budgeted; it was under budget right there only because we still to date have not received our census adjustment that are coming. He stated our population went up 20%. He said our additional revenue, which could be up to three quarters of a million dollars is supposed to come this February, that was delayed by almost eight months because of COVID as well. He said that is good news, as far as this year goes. He said annually he always talks about our pension. He stated the funding percentage increased from 63% to 65%, so he did not go into a lot of the details. He said the issue there still is even though we had a decent return in our pension system over the last couple of years, the actuarial assumptions that MERS is using still are not to where the State needs them to be if you use the State as mandatory assumptions, we are under that 60% threshold, which require a formal plan being sent to the state. He said the liability you see there and for years went from \$99 million to \$114,000 million for our pensioners again, the pension plans are closed, that is just the increased liability for people living longer and our rate of return not being what we thought it was going to be or not according to the assumptions. He stated over the last three years, really our funding level has remained constant, about \$39 million underfunded, \$114 million liability, and \$75 million set aside. He said the pensioners are going to get their paychecks, absolutely, we have \$75 million set aside, it is just our goal to get 100% or more. He said our contribution related to that, one of the items was even though we set those conservative COVID budgets, we wanted to keep contributing extra money to the pension systems. He said historically we take \$300,000 or \$400,000 of the remaining budgets in each of the departments and contributed toward the pension. He said we did not do that in 2020, obviously, because of COVID. He said that hit us hard in the last quarter, but the goal was to increase that to \$600,000, we exceeded that we were able to kick in an extra \$600,000 over the actuary required a \$4.2 million. He pointed out the 2015 required contribution was \$2.6 million are required are required for 2021 was \$4.2 million. He said these are huge increases in our contribution for the year, we announced \$5 million, and the contribution for 2022 is going to be \$5.4 million, so it has more than doubled in eight years. He said we are still only 60% funded, so obviously it is still an area of concern that we want to keep focusing on. He said we are doing our best to do it outside of additional dumping some substantial amount of funds in there, that funding level is going to stay at 60% for at least 10 years probably. He said on the good side, our retiree health care benefits pretty much lead the entire State, we have become self-insured in our healthcare insurance, which meant you can see there in the Report, our healthcare costs for our retirees actually went down by \$75,000 during the last year, everybody else has seen a 6% to 8% increases in overall we actually went down and our investment return there that skyrocketed this year, we saw almost a 30% return on our funds. He said as a result, our funding level went from 108% to 131% for retiree health care. He said we are this close to not having any contribution related to that which has been key is as you can see here, this is what our contribution was in 2017, which was not that long ago, we were paying \$600,000 a year towards retiree health care, and in 2021 it is \$36,000. He thought we were paying \$36,000 this years and our new actuary reports are due out any day and those should be close to zero. He stated the goal is if that gets to 140% our contribution was zero and anything more than that we can use that to offset other healthcare costs, which will, again be another benefit to the City. He highlighted the CIP Fund which captured about \$3.8 million last year. He explained that we prefunded a lot of that stuff, so we still have a

deficit in there. He mentioned on the Agenda that evening is the annual deficit elimination plan that we send to the State once our audit is complete. He said the deficit is \$10.3 million. He said that will take another three years of captures to get us back to breakeven and there is approximately \$8 million left in the CIP Fund before this year's land sale. He said we are right on track with where we thought we were going to be that. He shouted out Parks and Recreation we really thought they were going to be in big trouble, because they were the most impacted by the COVID shutdown with needing to double their staff and only see half the kids because of the social distancing and all that kind of stuff. He stated annually, there is about a \$1.5 million of property taxes we receive and \$1.5 million dollars for the program revenues. He said last year, they had \$1 million dollars of program revenues, and that was only because we had a strong spring. He said 1/3 of their programming revenues was lost because of COVID. He hoped that they were breakeven, and they cut the cost, then buckled down and ended up increasing their fund balance by more than \$300,000. He noted that not only were they not below their 12% required minimum, but they are substantially more than that, kudos to them. He noted the Internal Service Fund he highlighted, if you recall a year and half ago, we went self-insured for the employees and retirees who elected HAP. He explained that means the premiums that we would have paid this \$3 million number you see in the report, we did not pay HAP, we paid ourselves, and we set that aside. He said we used that to pay health insurance claims and we always thought, and our experts had told us that we were a good group to insure and so annually, last year, we generated revenues over expenses, meaning our claims were less than what the premiums were that we would have paid on the health care costs, so those are being set aside the half year before that was \$296,000. He said we have almost a million dollars set aside for reserves and to help stabilize future rate increase on that side as well as our goal is to get this funded. He stated that if this doubles in another year, we are hoping to reduce the amount that our employees must contribute towards their health care costs, as it is right now most contributed 20% towards their health care monthly premiums, so we are hoping to drop that down. He said we are very proud of how little debt we have here a community of this size usually has \$50 to \$100 million worth of debt. He said we have three debt issuances, the Ice Arena, which again is paid by fees, the Senior Meadowbrook Commons is paid by fees. He noted there are no voter millage or anything like that. He noted the balance in the Ice Arena is \$1.5 million and in three more years that will be paid off, about \$500,000 annually. He said Meadowbrook Commons the annual payments are about a \$1 million dollars, we have until 2026 and that will be paid off. He said we have the only one that is supported by a voter authorized millage, which is the Library and that is about \$7.6 million, which will be paid off in fiscal year 2027. He stated what little debt we have is going to be paid off completely, very soon, so many things are going well here. He said lastly, you think COVID, you think cutbacks, you think everything else, the City continues to invest in everything. He highlighted our Water and Sewer Fund, and noted that last year, we spent a little over \$15 million dollars in capital, so that is new lines, sewers, meter replacements, machinery, etc. He said anything related to the Water and Sewer Fund, so we spent over \$15 million in new purchases in the Water and Sewer Fund. He noted on the governmental side, that is roads, fire trucks, and everything else, we spent \$15.8 million, just in that 12-month period we spent \$15.8 million on those kinds of things. He said we are continuing to invest in our city to make sure that

we have state of the art everything. He said that is unheard of everywhere else. He said he was available if anyone had any questions.

Mayor Gatt commented that Finance Director Johnson is saying the same thing, he would imagine that every city within 50 miles of Novi would die to have that comprehensive balance sheet report you just gave us. He said Novi is doing extremely well, he thought that our City Management, our City Directors, and certainly the City Council should all receive some kudos for that because we have a goal in mind, and we do not take our eyes from that goal. He said he did have any questions, so he asked Council if they had any questions? He said there were none. He told Finance Director Johnson he was doing a great job, to keep it up.

Finance Director Johnson said he appreciated that. He turned it over to Nate Baldwin, our auditor with Rehmann. He said he says all these nice things, but City Council hire independent third party to make sure that his very fast talking, the numbers are what they are. He said he will report on what they found.

4. Comprehensive Financial Audit for year-end June 30, 2021 – Rehmann

Nate Baldwin said he would try to be quick, he thanked Mayor and City Council for their time. He said the audit went very smoothy again this year. He gave a quick update, like last year, this year, when he came to do what we the audit, we did the financial audit issued an unmodified opinion, a clean opinion, it is what you are looking for when you are doing an audit. He said we also did not have any internal control deficiencies to report. He stated a clean report card in that regard. He said the one thing that is still outstanding like it was last year, which is a single audit, once again, you have some funding that uses the ARPA funding that did that did get included in and will be tested as part of the single audit. He stated they have done preliminary procedures on that as well. He said the Feds are behind once again and have not issued their guidance on that. He said they are waiting for that guidance to be issued before we can complete a single audit. He said it has been a pleasure to work with the City. He echoed Carl and said they are in a very great place to be very solid financial position, as well as in terms of the internal controls, the things that we look at, everything is solid as well. He thanked them for their time and welcomed any questions.

Mayor Gatt thanked Mr. Baldwin for his service and his comprehensive oversight of our finances because we are very proud of them. He said we want to make sure that everything is on the up and up and asked City Council if anyone had any questions of the auditor? There were no questions. He thanked him again and said we looked forward to hearing from him again the next time he is here.

MANAGER/STAFF REPORT: None

ATTORNEY REPORT: None

AUDIENCE COMMENTS:

Kelly Moot, 20916 E. Glan Haven Circle, Northville said she lives in Country Place Condos in Court C. She came here about a month ago to voice her concerns with the repair of our service drive. She wanted to give an update on that. She stated around June 13th, big trucks drove down to access the sewer station that is at the end of our service drive. She walks down the service drive and around the corner to get to her front door. She said the trucks cracked the asphalt down the middle and there is a lot of broken up gravel. She said it destroyed her 89-year-old neighbor's bottom step, so his entire bottom step going to his front door is just rocks. She was concerned about her neighbor being safe, he could trip and fall. She said this issue has been going on for a while, she hoped it would be fixed before it gets icy. Thank you for everything you do for our community.

Julie Maday said she had a few words that she wanted to say. She said she ran for City Council this November because she believed in Novi and all the amazing work the City employees and the City Council put forth for the good of all of its citizens. She ran a positive campaign letting the citizens know what her priorities were. She stated that Novi City Council and Mayor are nonpartisan positions. She said unfortunately, this election was more partisan and was more divisive than any she could remember in Novi's history. She stated instead of being an election based on what you have done and what you will do for our community, it became an election of who is a Republican and who is a Democrat. She thought this is unfortunate for our community. She said while volunteering for our city over the last 15 years in various capacities, she has always put her politics aside to do what is right for our community. She said every candidate told the community they will work together, and they will not encourage or support divisiveness, that is great for our community. She hoped that every one of our current Council Members puts their politics aside and governs for the greater good of Novi. She said unfortunately, there is a group of people who refer to themselves as Novi Dems, and who consistently practice negative personal and, in most cases, slanderous rhetoric. She said aside from social media posts, there were mailers sent to nearby community members with ridiculous slanderous accusations about herself, as well as other Council Members and our beloved Mayor. She said this group's sole purpose and platform is about smearing the other side. She said it is okay to disagree and propose alternative views that the community should consider but is not what this was about for them. She said this is not the Novi that she knows, and she assumed it is not the Novi that any of us want to live in. She said hopeful in two years during the next election cycle, this rhetoric will be a thing of the past, and Novi can continue down the path of being the greatest place to live and raise a family in this entire country. She said she will continue to be active and involved in our community, and she will support our City and City Council with whatever they may ask of her. She hoped that Andrew would be there that evening because she wanted to thank him. She hoped he was out in TV land. She thanked Andrew for the countless hours and the many years he has given for the greater good of Novi citizens. She said his involvement in Novi is truly a testament to his selfless personality of wanting to serve others. She said they only sat on Council together for nine months, she valued his input. She said they also worked together in the Walkable Novi Committee for a couple of years. She said she said it back then and she will say it again, his efforts, along with the rest of City

Council and getting our sidewalks connected in the ITC Trail are so greatly appreciated. She said however, she would be lying if she did not tell you how disappointed she has been with Andrew over the last several months, specifically in his role as one of the leaders of the Novi Dems. She said she expected more from Andrew as a community leader. She said hopefully in the future we can all work together for the betterment of the city of Novi, without all the negative and personal attacks. Thank you.

CONSENT AGENDA REMOVALS AND APPROVALS:

CM 21-11-147 Moved by Crawford, seconded by Casey; MOTION CARRIED: 6-0

To approve the Consent Agenda as presented.

- A. Approve Minutes of:
November 8, 2021 - Regular Meeting
- B. Approval to award an invasive species removal contract to Monster Tree Service of West Bloomfield, the low bidder, in an amount of \$24,994.00.
- C. Approval of unit price contract with Cintas for uniform rentals through the Omnia Partners cooperative purchasing contract #R-BB-19002, in an estimated annual amount of \$24,824.28. The contract term is for three years.
- D. Approval to purchase a 2021 Mitsubishi LP Pneumatic Tire Forklift from Morrison Industrial Equipment Co. through the MiDeal Cooperative Purchasing Contract in the amount of \$68,931.60.
- E. Approval of the 2021-2022 Winter Maintenance Agreement between the City of Novi and the Road Commission for Oakland County for snow and ice control on selected county roads in Novi; and adoption of resolution authorizing Novi to provide winter maintenance of selected county roads.
- F. Adoption of a resolution to rename an existing public street from Industrial Spur Road to Lambert Drive. The street is located on the northwest side of Crescent Boulevard, west of Novi Road and north of Grand River, in Section 15.
- G. Approval of claims and warrants – Warrant 1096

Roll call vote on CM 21-11-147

**Yeas: Casey, Crawford, Smith, Thomas, Gatt,
Staudt
Nays: None
Absent: Fischer**

MATTERS FOR COUNCIL ACTION:

- 1. Final Approval of Zoning Ordinance Text Amendment 18.291 to establish the Pavilion Shore Village Zoning District, for consideration to rezone 1.61 acres of property at the intersection of Old Novi Road and Thirteen Mile Road from B-3 General Business to PSV Pavilion Shore Village. SECOND READING**

CM 21-11-148 Moved by Casey, seconded by Gatt; MOTION CARRIED: 5-1

Final Approval of Zoning Ordinance Text Amendment 18.291 to establish the Pavilion Shore Village Zoning District, for consideration to rezone 1.61 acres of property at the intersection of Old Novi Road and Thirteen Mile Road from B-3 General Business to PSV Pavilion Shore Village. SECOND READING

Member Casey thanked the Administration for adding in language related to screening when we have a one-story building that is going to be abutting a built two-story building, so she appreciated that. She was curious that there was now language added that says Planning Commission will make a determination. She asked City Attorney Schultz if he had the history of that comment and wondered if it was called out in the memo. City Attorney Schultz said that question would be better addressed to City Planner McBeth. City Planner McBeth said they were looking for a possible solution to the valid question that you raised. She stated that they could not think of a phrase that would better accommodate the various situations that might occur with a two-story building. She said potentially it could be a combination of landscaping, and some maybe a lack of windows on a particular side of a building. She said they thought it would be better to leave the individual situation to the Planning Commission. Member Casey thanked City Planner McBeth for the background, she was just surprised to see it pop up.

Roll call vote on CM 21-11-148

**Yeas: Crawford, Smith, Thomas, Gatt, Casey
Nays: Staudt
Absent: Fischer**

- 2. Approval of Zoning Map Amendment 18.735 to rezone property in Sections 2, 10, and 11, located on east and west of Old Novi Road near Thirteen Mile Road, from B-3 General Business to PSV Pavilion Shore Village. The subject area to be rezoned is approximately 1.61 acres. FIRST READING**

Member Smith said there were a couple of things that were mentioned about environmental issues there, the MDEQ review of the pond behind the bar. He asked if that was for remediation purposes, or was that something else going on in there? City Planner McBeth clarified that he found something in the papers that indicated some wetland behind the location of the restaurant, was that correct? Member Smith replied yes. She stated that one she believed has been addressed with the development by Robertson Brothers of the Lakeview Homes. She said they have addressed any environmental concerns with that area. Member Smith thanked her for the clarification. He said he had another question regarding the old gas station. He asked if there is going to be any remediation issues required for gas tanks and oil leaks. City Planner McBeth

replied yes, she thought any older gas station, whoever purchases the property would need to check into that and find out if there were remediation that would need to be done. Member Smith thanked her for her response.

CM 21-11-149 Moved by Casey, seconded by Gatt; MOTION CARRIED: 5-1

Approval of Zoning Map Amendment 18.735 to rezone property in Sections 2, 10, and 11, located on east and west of Old Novi Road near Thirteen Mile Road, from B-3 General Business to PSV Pavilion Shore Village. The subject area to be rezoned is approximately 1.61 acres. FIRST READING

This motion is made because the proposed Pavilion Shore Village (PSV) zoning district is consistent with recommendations of the Master Plan for Land Use, and because:

- 1. The new zoning district will remove the more intense uses permitted in the B-3 district while permitting those uses that are more appropriate for the site;**
- 2. The standards of the new district will allow flexibility with meeting the dimensional challenges of this site;**
- 3. The project is consistent with the Master Plan goal to retain and support the growth of existing businesses and attract new businesses to the City of Novi; and**
- 4. Compared with the current development potential of the site, no negative impact is expected on public utilities.**

Roll call vote on CM 21-11-149

**Yeas: Smith, Thomas, Gatt, Casey, Crawford
Nays: Staudt
Absent: Fischer**

- 3. Initial review of Planned Rezoning Overlay (PRO) eligibility of the request of Grand River Show, LLC, for Holiday Inn, JZ19-24, to rezone from I-1, Light Industrial to TC, Town Center on land located on the south side of Grand River Avenue, east of Beck Road in Section 16. The applicant is proposing utilize the Planned Rezoning Overlay option to rezone and develop a mixed-use project to include a four-story 117-room hotel and an approximately 16,400 square foot commercial building on approximately 5.5 acres of land. Under the new PRO Ordinance, this initial review by City Council is an opportunity to review and comment on the eligibility of the proposal.**

Mayor Gatt pointed out that this is brand new for City Council, for years members of City Council requested that the City Council get involved in the PRO process at an earlier stage that had happened in the past. He said after much deliberation at Ordinance Review, the Committee came up with some language that the whole Council voted on and passed and no it is part of the new ordinance. He wanted to point out the conflict tonight, this is not an action item, we are not making any votes. He said we are not doing

anything but expressing an opinion. He said developers have some idea what Council is thinking at this very early stage in this process. He explained from here it goes back to the Planning Commission and through the normal process before it ever goes back to us, if indeed it ever does. He asked City Attorney Schultz if he was right on that. City Attorney Schultz said he was 100% correct. Mayor Gatt he did not want to debate this for hours that evening, this not the time to do that. He commented that this is just the opportunity for us to tell them kind of what we are thinking. He asked City Manager Auger if he wanted to add to his comments.

City Manager Auger reiterated what the Mayor said and what he went over since this is the first time that we are seeing this under the new Planned Rezoning Overlay (PRO) arrangement, there will be no motion on this item. He mentioned that Council is supposed to share their thoughts on the project, what they like, or maybe what they do not understand, what areas might be of concern, on pages five and six of your memos, or pages 333 and 334 of the PDF packet, staff lifted a chart there with some conditions on this project that may be more strict or limiting than what is in the zoning as examples of comments of sort of items that probably be appropriate at this meeting.

Mayor Gatt asked the developers if they wanted to address City Council first and give us some of your thoughts.

Brian Bisknew, Powell Engineering, the engineer on the project said he was there with Carmine Avantini, Planner and Mike Shammami, the owner was there as well. He gave a thumbnail sketch and a little history of the project. He said they were there to get input from City Council, and to answer any questions for you to make sure we go away from here with your concerns, questions, etc. He said they began the process around 2018 when they first started having meetings with City Planner McBeth, and Senior Planner Bell and he thanked them for their guidance up to this point. He stated they have been extremely helpful, and they have worked with him many times. He said they learned that the Zoning Ordinance and the Master Plan has these properties in the area Master Plan for City West, so they knew they were working on that. He said they kept things in a conceptual state and worked on our plan and worked with the City at a slower pace, seeing where City West was going so it got to a point where we had to move on to another approach. He said they worked with Lindsay and Barb and other staff to come up with the PRO with the TC, Town Center. He explained the purpose for that was TC, Town Center was the closets zoning we could get that more closely resembles City West and with the PRO with some flexibility there were able to craft the development in a way that it can look as much like City West and the Master Plan going forward. He stated the underlying zoning is I-1, Light Industrial, we could do a motel under I-1, Light Industrial so that kind of gets us halfway there, but nobody is doing motels anymore. He said to do a Hotel Mixed Use like this, we must come up with the PRO with the TC, Town Center option. He said some design elements that we have added into this not only looking at the City West apparently that is a trend, but there is also the Grand River Corridor has some design elements as well. He said they get to incorporate design elements that they think they are going to see in City West and the Grand River Corridor has design elements like a signature sign, a larger sign of larger letters, particle walls and the Master Plan also

envisions landscaping in front of their property in the future as part of their streetscape. He said they have changed their landscaping to look more according to the Master Plan as well. He said an attempt to have the PRO or the TC, Town Center rezoning look as much like City West as they can. He said he would hand it over to Carmine, their planner.

Carmine Evan Avantini, CIB Planning said they are primarily community planning consultants, but they on occasion will work with private applicants helping them such as with this case with a PRO application to make things a little easier. He said this is an important project and he was going to go through the Zoning and Master Plan because it is so important. He stated it is currently zoned industrial, some of the uses allowed in that district was warehousing, manufacturing, and greenhouses. He said some of the special land uses were metal plating, buffing, and polishing, automobile service establishments. He said one of the more popular uses right now is self-storage facilities, and storage facilities for building materials, such as sand, gravel, and stone. He stated you have seen these operations before, so those are allowed currently in that district. He said the City of Novi Master Plan calls for this as Brian indicated to be the City West. He said it calls for a mixture of uses and a walkable setting, including housing, retail, hotel, entertainment, and restaurant uses. He said you can envision what this would be a vibrant, active type place, very different from the industrial zoning. He said they are intended to build upon the Suburban Collection Showplace and its role is one of the premier event venues in the region, if not the State. He said the proposed hotel and retail space we are discussing that evening clearly supports the Suburban Collection Showplace and extensive work that was done in the City's Master Plan. He said the desired direction is clear. He stated at the public hearing before the Planning Commission, one concern was that a hotel would be built, and then be surrounded by other industrial uses. He said timing was the big issue, because zoning district that supports the City West plan is not in place yet. He said they are coming up on five years since the Master Plan was adopted and really the only avenue for us to do a City West plan for this type of project was the PRO. He said that was their only option, so that is why they were there that evening. He said in his opinion, which is 38 years of experience in planning and development, this hotel and retail project will encourage similar City West type uses if it is developed here. He stated if this site is developed as an industrial site, it will encourage other industrial properties to locate along that southern side of Grand River and have industrial uses and will not support or take advantage of the Suburban Collection Showplace. He said if we are all supportive of the City West District in the Master Plan, and the transition to these newer uses, then this project should be approved. He said you may want to consider a moratorium on industrial uses in this district, give an opportunity for these, the City West Zoning District to be put in place regardless of whether this is approved, put that in place and give other similar uses an opportunity to develop there, because it is a strong industrial market out there right now. He said they are getting a lot of demand, for example in the City of Wixom, a lot of industrial demand, much of which is not being met, especially for smaller industrial buildings. He said they fully anticipate that will spill over into surrounding communities. He said this area is really at risk right now, so this is either a great opportunity, or there is a potential to lose a great opportunity. He stated they have one shot at this right now and this is a good project to get that kick started. Thank you.

Mayor Gatt said he would go down the line, every Councilmember, you had an opportunity to not only read the packet, hopefully review some of the Planning Commission Minutes. He said we have heard these gentlemen, and he said that it is too premature for him to nod yes, or no. He said he had some concerns regarding one isolated project in the middle of what you happily and correctly describe as an industrial zone, piece of property area and he did not know what is going to happen there. He said he was not sure he wanted to see a beautiful hotel like that built, and then have an industrial building on either side of you but it is food for thought. He said he listened very intently when you had your Planning Commission meeting and he listened to the concerns of some of the Planning Commissioners. He thought they were all right on target. He said there are some concerns. He noted on the other hand, there is a need in our city for something like this, and you are correct, the Suburban Collection Showplace is probably the most prolific business in the City, if not the State and something like your project would he believed benefit them. He said he was all ears, and he was going to be following this very closely as it goes through the process.

Member Smith echoed the Mayor on this one. He said being a new person on City Council he was still learning the ropes. He will be watching and listening and seeing what comes out of this.

Member Casey said she echoed the Mayor also and said you might hear this a lot. She said she thought you are going to hear a bit more about the timing concerns and she thought that is a real serious issue, you could be the lead of what is to come. She said it could be that the timing is too early, but she did keep an open mind in terms of what it is that will continue to see this process go through to the applicant, assuming that you get all the approvals that you need to get from Planning Commission and City Council She asked when they thought you might be opening the doors to the hotel, are we talking 2023-2024, do we have a gauge? Mike Shammami said they are thinking if they get a green light, the times are a little bit difficult right now for everything as far as supply chain trades. He said it was very difficult right now, but they thought next year, they will settle down a little bit. He said if they get a green light in 2021-2022, we have built a few of these in the past and he has an existing property in the city of Novi, it is the Holiday Inn Express on 12 Mile east of M-5. He said they built that in 2009 and that was zoned light industrial, and that property was rezoned and they built the hotel there and it has been very successful. He said they ran great numbers for nine years up to COVID. He said they took a lot of decline. He said the gentlemen earlier mentioned that it was a revenue loss, not a disaster loss where you close the door, so thank God it is coming ack and we had a good run this summer. He said the Suburban Showplace is a great feeder for not just the city of Novi, Wixom, and Livonia, he has a hotel in Farmington, any big event that goes on there we get overflow all the way there. He thought if they could break ground in 2022, it could go max, maybe two years, it is a big project. He said it would be 2023 or maybe late 2024, or early 2025. It just depends how fast we move. Member Casey appreciated that insight. She said the reason she asked the question was when we look at the PRO's we asked for specific public benefits to be listed and one of the ones that she noticed was listed was the parking spaces for the EV vehicles. She said the reason she asked about the timing when you thought you might be opening the doors is that it might

be at the time in a couple more years. She said the EV vehicle adoption is increasing, it can lead the way that all the automotive or the community auto manufacturers are bringing EVs in, and eight spots might not be enough for the public and the hotel. She suggested that they consider the option of putting some sports for the hotel dedicated if you are going to have these true public spots, otherwise, they will not be public benefit, they might be as much hotel benefit as public benefits. She explained that was the reason behind her question. She commented that she appreciated the use of native species, she did not know that she would consider a 6% increase over the ordinance enough of a public benefit, so she might suggest seeing what you might be able to do in that space to increase native plantings. She stated those are her opinions, and that is what they were asked to do that evening. She thanked him for coming out. She said she will continue to watch this again with the rest of us with an open mind. She said she looked forward to hopefully seeing some success come through.

Mayor Pro Tem Staudt said this is our first opportunity to weigh in on a project like this. He said they had many PRO Agreements come in front of them over the years, and most of them were well along the way before they ever got to City Council. He said this gives them an opportunity to give you an idea of some of the concerns they have, or whether we like it or not. He said going back to the previous speaker, there are no public benefits to this at all. He said that is a big problem for PRO Agreements. He said he was not buying those electrical stations; this is a cut and dry site. He said a retail establishment, a hotel, we usually ask for a lot more public benefit. He hoped that the Planning Commission listens to this or reads our Minutes because, frankly, he had a hard time supporting this at the current level of public benefit. He said they need to be more imaginative and come up with something much better. He said this area has a lot of little parcels around it. He agreed this could turn into a hotel with a retail establishment surrounded by who knows. His concern was with that, especially when he saw the property, it is kind of a keyhole, some of the stuff that is a budding a residential development. He said we set up here a lot and listen to residents talk about having things built right up to their property and we can empathize with them many times. He said this is another situation where perhaps your property is not the one, but the ones next to it are the ones that could cause the problem long term. He said it is nice to have an opportunity to at least get a few words in prior to this being way down the road. He said it sounded like in 2022 you are going to go back to the Planning Commission, talk about what is available, what you are going to do. He said at some point, it comes back to City Council, and we are the yea or the nay, and he did not speak on behalf of anybody else, but this needs to find a much better public benefit, because if this is all it is he is a nay. Thank you.

Member Crawford agreed with all the previous comments. He did have a question about the commercial building, what are some intended uses for that? He said he did not see any parking there. He said maybe he was missing something, but there is the parking for whatever is going to be in that building. Brian Bisknew went over the plans and highlighted the commercial area and said there is a shared front, we did a shared parking study based on the square footage and what this ordinance could possibly allow into this commercial space. He explained we have shared parking between this use and the uses here. He said in the shared parking study it essentially looks at when hotels fill up

and empty out compared to maybe a restaurant and their uses, and how many parking spaces would be needed to share based on traffic patterns, the parking patterns. He said the commercial building has a parking lot for 30 spaces and some shared parking out in front of the hotel, they are meant to have a synergy, they are supposed to work together. He explained there will probably be a restaurant in this area or some type of food establishment. He said he wanted to make a note about the public benefit, he said there is a plaza that they are putting in. He said that would be for the public as well, it is right off the path. He said it will have seating, bike racks, a canopy, and other things like that is meant for the public as well, it was not just for the EV vehicles. He said the point was well taken on the public benefit, but that is the parking is meant to be shared between the two. Member Crawford asked what else is in the building besides maybe a restaurant? Mr. Shammami replied that he was not sure just yet. He said he knew they will get some, once we market it, once we know, what is going to happen. He cannot market the site right now; they have a lot of real estate agents that they work with. He said they have a lot of commercial properties, but they think they can probably get a sandwich shop, coffee shop, or maybe a family type restaurant, or whatever they want to be brought to market, maybe a pizza place in the surrounding area. Member Crawford asked if there was some adjacent parking right there, he did not see 30 spaces. Mr. Bisknew said there are 30 spaces exactly. He stated there are 18 spaces, there is two parking islands here with landscaping, one with 18 spaces, and there are 12 spaces in the other. He explained these are built as part of Phase 1 with the hotel. He mentioned Phase 2 there will be 14 with handicap will be built at a time of the building. Member Crawford said he could see them on the other plan, and that he hoped if this comes to fruition, and there is a restaurant or shopping there that there is enough parking, you certainly do not want to walk from way over where the hotel is to go to the restaurant. Member Crawford said he agreed will all the comments made that evening. He would like to know what is planned for that building. He said hopefully next time around if there is one, you can tell us that.

Member Thomas said she wanted to discuss the parking and said that she had concerns about having adequate parking for if the commercial property were in use. She was concerned about deviating from making exceptions or deviations from a normal parking requirement, just since we know that area is very like right now if you are at this, if you go to the Suburban Collection Showplace, it is always packed and there is not enough parking there. She stated if you do not have enough parking across the street, especially if you are servicing that area, she felt like it would just be concerned to make sure that there is room because once you build it, if you do not have enough parking, it creates problems, which we see over there. She believed part of what they were discussing is that this would be able to service for instance the Suburban Collection Showplace. She wondered how these people are going to get across Grand River which is a very busy street. She asked how they were going to make sure that they have safe crossing. She said it is kind of a little ways to get down to the light, but that is another consideration. She just wanted to make sure that we are considering that. She said taking that into account we are going through our plan. She said if we have that traffic going back and forth, how are we going to safely get people there without impeding traffic. She said you do not want to drive across the street because the parking is bad across the street when

there is an event going on at the Suburban Collection Showplace. She asked if that was a private road on the west side. Mr. Bisknew said that his company did this about 18 years ago, it is a 30-foot glide easement for the building in the back, it was a road or drive, just gravel path that had been there for many years, they decided to put an easement over it. Mr. Shammami said they have done this in the past, sharing with the hotel, the hotel use of the parking is at night, when the guests leave in the morning, pretty much the parking lot for the hotel is pretty much empty until evening when the guest come back to sleep. He said the retail end of it during the day is when they are going to be most of those shops will be closed in the evening or early evening. He stated when the usage for the hotel was there for the parking spaces, so they work hand in hand, just because a lot of those shops would be closing early hours, probably around dinner. Member Thomas said she is also new to the City Council, and she said this is just something that stood out to her. She was looking towards our wonderful Planning Commission to give her further instruction on it if she has concerns. She worried about these things, just because there are so many places where we said we really do not need the parking and then it turns out there are cars piled up on top of each other, and there is not a place to put the vehicles. She stated again, she was new to this, but she will be reaching out and paying close attention to all the notes as you proceed through the process with the Planning Commission and what they provide them.

Mayor Gatt thanked them very much for coming before City Council and he wished them the very best and said he looked forward to seeing them again.

4. Consideration of approval of the final payment to Anglin Civil, LLC, for the ITC Trail – Phase 2 project (from 9 Mile Road at Garfield Road to 11 Mile Road) in the amount of \$134,404.50, plus interest earned on retainage.

CM 21-11-150 Moved by Staudt, seconded by Casey; MOTION CARRIED: 6-0

Approval of the final payment to Anglin Civil, LLC, for the ITC Trail – Phase 2 project (from 9 Mile Road at Garfield Road to 11 Mile Road) in the amount of \$134,404.50, plus interest earned on retainage.

Member Smith said he had a question about items two and six. He said it is approximately \$100,000 that are due to changes in the Terra site plan, he wondered if that is something that the City should be paying for or is that something that Terra development caused. City Manager Auger said to his recollection on this, it was due to the Nine Mile sewer project in some of the delays and the work done in that area, so it was not caused by the developer.

Roll call vote on CM 21-11-150

Yeas: Thomas, Gatt, Staudt, Casey, Crawford, Smith
Nays: None
Absent: Fischer

5. Approval of deficit elimination plan for the Capital Improvement Fund as of June 30, 2021.

CM 21-11-151 Moved by Crawford, seconded by Staudt; MOTION CARRIED: 6-0

Approval of deficit elimination plan for the Capital Improvement Fund as of June 30, 2021.

**Roll call vote on CM 21-11-151 Yeas: Gatt, Staudt, Casey, Crawford, Smith, Thomas,
Nays: None
Absent: Fischer**

CONSENT AGENDA REMOVALS FOR COUNCIL ACTION: None

MAYOR AND COUNCIL ISSUES: None

AUDIENCE COMMENT: None

COMMITTEE REPORTS: None

ADJOURNMENT – There being no further business to come before Council, the meeting was adjourned at 8:07 P.M.

Cortney Hanson, City Clerk

Robert J. Gatt, Mayor

Transcribed by Deborah S. Aubry

Date approved: December 6, 2021