

**REGULAR MEETING OF THE COUNCIL OF THE CITY OF NOVI
MONDAY, SEPTEMBER 23, 2019 AT 7:00 P.M.
COUNCIL CHAMBERS – NOVI CIVIC CENTER – 45175 TEN MILE ROAD**

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

PLEDGE OF ALLEGIANCE

ROLL CALL: Mayor Gatt, Mayor Pro Tem Staudt, Council Members Breen, Casey, Mutch, Poupard, Verma

ALSO PRESENT: Pete Auger, City Manager
Victor Cardenas, Assistant City Manager
Thomas Schultz, City Attorney

APPROVAL OF AGENDA:

CM 19-09-162 Moved by Casey, seconded by Poupard; CARRIED UNANIMOUSLY

To approve the Agenda as presented.

**Roll call vote on CM 19-09-162 Yeas: Staudt, Breen, Casey, Mutch, Poupard, Verma, Gatt
Nays: None**

PUBLIC HEARING:

1. Request to Establish an Industrial Development District for Bluewater Technologies Group, Inc.

Opened at 7:02 p.m. and closed at 7:03 p.m. with no public input.

2. Request to approve an Industrial Facilities Tax Exemption Certificate for Bluewater Technologies Group, Inc.

The public hearing opened at 7:03 p.m.

Colleen Crossey said she lives in Novi. She noted that she has been consistent in objecting to tax abatements regardless of the company. She said that her opinion on tax abatements still stands. She mentioned she could think of other ways we can use taxpayer money. She believed that tax abatements are over used. She said that the original purpose of tax abatement was to encourage companies to locate in cities that needed businesses. She didn't think Novi needed to encourage businesses. Some say it brings jobs, but if they can't hire the people who live in Novi it is not beneficial to Novi.

Gary Becker said in November he will have been in Novi for 43 years. When he read the details his first thought was, why would Novi want to give up taxes to add a building. He did more investigation and research. You can't lose what you don't have. We don't have that amount in taxes right now. What we do have is \$5,000 in taxes on an empty unimproved parcel. What do we lose? We lose \$5,000 a year or \$30,000 over six years.

When you take money you do have and invest it to make more money in the future. That's what this proposal does. He said the magic starts on the first day of year seven. Do you know how long it takes pay back our \$30,000 dollar investment that we made over six years? It will take eight months and ten days. We are the ones bringing in \$43,167 a year to do with as we see fit. He wanted to bring up the elephant in the room called Assembly Park. A mile and a half west of where they want to build in Novi is a big, huge field and the city would love to have a \$43 million dollar corporate facility built there. If they do, the State of Michigan will get the taxes, Oakland County gets the taxes they are entitled to, Walled Lake Schools get the school tax, and we get \$5,000 and a few trees on a parcel of land on 12 Mile. This is the investment Novi has always made, wisely so and needs to continue to make. He said Bluewater Technologies is the perfect company to join us in Novi. They are a high tech company. The project is exactly the building we want, a global headquarters. It is \$34 million of investment. The place they want to build is where we want that type of building. No rezoning. No complaining about parking lots and lights. It is a perfect investment opportunity.

Ginger Barrons, a Novi resident said she was opposed to giving tax abatements regardless of whom. She thought that development is moving fast. She thought it was unrealistic that a parcel will sit for long. She said for the past several years with development in the City, that isn't realistic. She was proud of our City, and we don't need to give away money to get them here.

The public hearing closed at 7:10 p.m.

PRESENTATIONS: None

MANAGER/STAFF REPORT: None

ATTORNEY REPORT: None

AUDIENCE COMMENT:

Michel Duchesneau, 1191 S. Lake Dr., Novi said he wanted to address a project coming to public hearing at the Planning Commission on Wednesday. He wanted to sensitize people to this project. He had an approved video to show the audience. He said the proposed area was depicted on the map. He showed a video of drainage concerns. They are asking to not put a sidewalk where it belongs. The video shows chip seal road. It has no drainage other than natural drainage. He said they are asking developer to put sidewalk where it belongs. As it continues to rain, the water flows to the west, and accumulates along end of Pembine Road. He said the residents are concerned about drainage because of flooding every year. The water is over flowing and drains naturally on the site being built. There is a lot of concern going on with that development. He wanted to get it out to the public that there are issues there.

CONSENT AGENDA REMOVALS AND APPROVALS:

- A. Approval of Minutes of September 9, 2019 - Regular Meeting
- B. Approval to award replacement of the Novi Ice Arena front entry and locker room doors to FBH Architectural Security, in the amount of \$40,674.
- C. Acceptance of an Open Space Preservation Easement from Pulte Homes of Michigan, LLC for the remaining woodlands, woodland replacement trees, remaining wetlands, wetland mitigation areas, and landscaped open space, offered as a part of the Villas at Stonebrook development, located on the east side of Wixom Road, north of Eleven Mile Road, in Section 17 of the City.
- D. Approval of a Street Light Purchase Agreement with Detroit Edison Company for the installation and ongoing operation cost of one (1) street light at the entrance of Valencia South Estates Phase III off of Ten Mile Road, and approval of an agreement with the Valencia South Estates Condominium Association for the sharing of installation and ongoing operation costs per the City's Street Lighting Policy.
- E. Approval of Claims and Accounts – Warrant No. 1044

CM 19-09-163 Moved by Casey, seconded by Poupard; CARRIED UNANIMOUSLY

To approve the Consent Agenda as presented

Roll call vote on CM 19-09-163

**Yeas: Breen, Casey, Mutch, Poupard, Verma,
Gatt, Staudt**

Nays: None

MATTERS FOR COUNCIL ACTION

- 1. Consideration of approval of resolution to establish an Industrial Development District by its owner for applicant Bluewater Technologies Group, Inc. for parcel 50-22-16-226-003, located at 45833 W. Twelve Mile Road.

City Manager Auger said both Items 1 and 2 deals with the applicant, Bluewater Technologies Group, Inc. They proved audio/visual integration, meeting & event technology, interactive engagements, and fixtures & displays for its growing customer base. They will actually help diversify our economic footprint. He said the facility will be used as its corporate headquarters having employees relocated from its Southfield and Farmington Hills locations. The building will consist of approximately 90,000 square feet, having approximately 30,000 square feet of two-story office space, and remainder for shop purposes. He said the applicant is requesting six-year abatement, and has signed the city's incentive agreement which requires the additional two (2) years of business residence after the certificate expires. The tenant actually signed a 15-year lease, which more than covers the abatement incentive certificate period and the city's business residence requirement. He noted that this project will result in an expected 193

new jobs created at this site and will result in an increase in the tax base of the city and should bring increased economic benefits to the city and to other service oriented businesses. The annual increase in tax revenue will be approximately \$256,000, over the term of six years, and then the tax increase will be approximately \$512,000 as this abatement sunsets. He knew that there were some questions expressed about the schools losing money with tax abatements, but the schools are made whole thru an appropriation process at the state level, and their per pupil allotment is not affected. He said the Chief Executive Officer, John Tracy and Director of Excellence & Managed Services, Jaime McAlear was there from Bluewater Technologies Group and Scott Cave, Director Project Management CBRE were there to answer any questions you may have.

John Tracy, CEO of Bluewater Technologies Group, Inc. appreciated the feedback from the audience. He explained Bluewater was a 34 year old family owned start-up company. It started with two brothers out of a garage providing simple audiovisual services. It's remarkable. They took TV's, speakers, VCRs, and starting peddling those so they could hold meetings with audio and visual content. The company grew. They didn't have a lot of money so they borrowed them during the day from family and friends. It is still family owned, Bluewater is a female owned business and they are proud of that. They started this business out of a garage in Redford Township. They want to stay in Michigan. They have grown immensely. They have over 250 employees, seven offices, in four states. They have four complementary unique business units that work cohesively together to create cohesive and memorable moments. He said they have a very impressive client list. One of their clients is the City of Novi, GM, Ford Motor Company, Walmart, Wells Fargo, Carhartt, Flagstar Bank; he said he could go on. What differentiates Bluewater is their culture. When he came to company two years ago he wanted to figure out the culture and the people. He defined it quickly. It is truly a people caring culture. That comes from being family owned. He said that their 250 employees are treated like family. They work hard to create an environment that is unique and filled with energy that it is felt the moment they walk into the door to the moment they leave. He said their vision is representative of what they are. To make people smile. It seems simple, but it is not. Any time we communicate with someone, if the person is smiling, they have been successful. Their culture has less than 2 percent voluntary attrition rate. For most corporations a healthy voluntary attrition rate is between 5 and 10 percent. They've won several awards for great places to work. They have won several technology awards, both locally and nationally. The scope of work could be anywhere in the world. This is not a typical public company. They are a family owned company with very humble beginnings. He has a tremendous amount of respect for the owners today and what they created. He stated that their goal with this move is to consolidate three offices from Detroit, Southfield, and Farmington Hills. They want to come to Novi and bring their 190 employees. We have incredible growth projections, simple, and realistic. He said 15 to 20 percent over the next three years. He said they will need more than 190 employees to be doing this. He stated that they will be bringing more jobs to the city of Novi. They will spend money whether they live here or not. They are a family owned business and they are growing, but in order for them to make continued investments in their growth it is imperative that we received this tax

abatement. It will support their relocation to Novi. We don't want to look at less desirable and less expensive locations. They love it here. He highlighted why he believed Bluewater makes sense for the City. In addition to bringing additional revenue dollars, they will also help diversify the overall Novi business landscape. They are an incredibly unique and high tech. He said that you won't find it anywhere in the country, you won't find it. They will also have a very large impact on broader Novi community through charity and community involvement. They love making a difference in the community they live and work in. He stated that they've given millions away through volunteer work, through donation of labor and material, and financial contributions. They want to be here for 15 years and beyond. They are here for the long haul. He said Novi is the right city for them, and he believed that Bluewater was the right fit for us too.

Mayor Gatt confirmed that Item 1 is to just to establish a district, not granting the abatement. City Attorney Schultz replied yes, that was correct.

CM 19-09-164 Moved by Staudt, seconded by Gatt; MOTIONED CARRIED: 4-3

Approval of resolution to establish an Industrial Development District by its owner for applicant Bluewater Technologies Group, Inc. for parcel 50-22- 16-226-003, located at 45833 W. Twelve Mile Road.

Member Casey said she wanted to disclose that she works for General Motors in vehicle sales and marketing group. Her role does not include involve the selection of or use of companies in event management or brand activation through retail experience. She also noted that she was a former colleague of one of the Vice Presidents at Bluewater who is on the west side of the state. She hasn't seen him for about 12 years. Regardless she could be objective on the question. She followed up with the impact to the schools. The packet for Item 2 clearly states that the MEDC has abated the 6 mil taxes for the school district to the tune of \$277,000. Doing some research it is well documented that the State does not refund the whole amount. How is the school not impacted by this abatement? City Manager Auger explained that even if the State didn't reimburse the schools to the 100 percent, the tax base alone growing in the City of Novi gives the school more money than they have today. There is chatter on social media that claims the schools lose money. Even if they were treated the same as the City, their tax base grows from the day they put the shovel in the ground and they start paying taxes in Novi. He said that in the audience participation one of the residents said we currently collect \$5,000 right now in taxes on this parcel and the school gets their portion of those taxes so that will automatically jump with any investment in that property. Even if what is being said on social media, that the schools are not being reimbursed, their tax value will still grow and they will receive more money than they are receiving today. Member Casey said she was not a school funding expert and she would continue to dig into that. She understood that the 6 mill goes into what she believed was a general fund. They are required a local millage of 18 mills. If state abates 6 mills, do they get 18 mills? City Manager Auger said it was his understanding

at the appropriation process at the State level that the school district is made whole. Member Casey said she would hold any other further comments for another round.

Mayor Gatt asked Finance Director Johnson how much impact does a tax granted by the City of Novi have an effect on our school system. Mr. Johnson said we have touched on that. The 6 mills SET is the amount that goes on homestead tax bill. That goes into the pot at the State of Michigan that partially funds the per pupil allowance each district gets. Whether we have new tax abatement or whether we have no taxes what so ever, every student gets fixed amount, period from the State of Michigan. The MEDC waived that is irrelevant to funding of schools. They get the same amount. The 18 mills is the non-homestead SET dollars. The concept is the same. That goes up to State of Michigan and is included as part of pot that funds schools, there are also appropriations as well. A few thousand dollars of our abatement does not impact the amount schools get. This is new development, there are new taxes that will get there and help funding into the future. Mayor Gatt repeated, whether we grant or not, the schools are made whole, the schools are paid per pupil, a set amount. He said the State of Michigan makes up any differences, not the taxpayers in the City of Novi. Mr. Johnson replied yes, that was correct.

Member Mutch said Mr. Johnson touched on local school millage levies part of the tax bill and that any property tax owner in the City of Novi is paying. He mentioned the 6 mill state education tax, as well as the 18 mill non-education tax. In addition to that all local property tax payers pay a school debt millage which is currently 7 mills, a school sinking fund which is almost 0.5 mills, a school supplemental millage which is almost 1 mill and another supplement millage which is 1.35 mills. Some of these are specific to commercial property owners. He said there is a total of 9.85 mills. He wondered is any of these are reimbursed through the State of Michigan when they are abated through the abatement process. Mr. Johnson explained that debt mills are established just like our Library and Senior Housing mills are established. The debt mills are whatever their debt service payment is; the millage rate is calculated to cover the debt service. In this case here those aren't abated. This new development would have new taxes and that would actually end up decreasing the mill rates overall for all of those mills that Member Mutch had talked about earlier. Member Mutch said when we grant abatement, that debt millage is not abated. Mr. Johnson replied yes, that was correct. Member Mutch asked about the supplemental millage and the sinking fund millage? Mr. Johnson said he believed those were abated. He said certain ones are and certain ones are not, but he didn't have that all before him. Member Mutch wanted to make it clear that when you say there is no impact on schools district from a funding view point, but some are abated, and that does have an impact. He said we can't say it's zero. Mr. Johnson said it is not a negative, just less of a positive. There is no detrimental impact. He said any new development for all those mills would be an increase. Member Mutch said he understood why some folks say 50 percent is better than nothing. We don't have challenges getting new development. If the question is, long term is the City foregoing tax dollars by allowing new development. Clearly businesses want to be here. What would a new development pay in taxes to the City of Novi with or without abatement? We have to be fair, and clear on the impact. It does have an impact. The new business

going in down the street is paying 100 percent in taxes, and they pay significantly more. He said this isn't specific to Bluewater, he wasn't picking on them. Anyone who has requested abatement is paying significantly less. This is consistent with what he has said. Of thousands of businesses located in the City, very small portions are granted abatements. To him that strikes him as a fairness question in terms of asking corporate residents about what they are paying in their share of tax burden that is asked of everybody in the community. He didn't think it was unreasonable to expect everybody to pay their share of taxes. It comes down to fairness, and asking folks to pay the same amount as everyone else.

Member Breen appreciated those questions. She said she shared the same sentiments. This has nothing to do with Bluewater. It is just the company we want. The problem is with the abatement process itself. When we talk about the school districts getting the funds back from State, does it come from the General Fund or the School Aid Fund? Mr. Johnson replied that he wasn't sure; he thought it was the combination of the two. Every school district in the entire state of Michigan, all students receive fixed amount per student. Member Breen said she understood that. It is not the same across state and some districts get more than others. Her problem is that when the school district is reimbursed it comes from the School Aid Fund. That was her understanding of the process. If that's the case, and this is information, not from social media, but her info comes from organizations such as the Citizens Research Council. She noted that when you take money out of the school aid fund that means less money to go around to the other districts in the state. Mr. Johnson clarified that there is no money being taken out. We are talking about increases. This abatement generates new money. There is not a negative to be found in this entire scenario. He said what Member Breen was talking about; there is no money to be made up. This is all new development. So whether it's abated or not abated, it is all still new money. There is no money to be made up from any fund. It is a matter of how much new money there will be. They set it annually throughout the State. Member Breen was concerned about the money they would otherwise be paying, the State reimburses. Mr. Johnson reiterated that it is new money that goes into their pot when they figure out how much they are going to figure out what they are going to give each school district each and every year. There is no reimbursement, there is no loss.

Mayor Prom Tem Staudt said he could not a statement made by the City Manager not go answered. He wondered if Novi faces no new challenges in getting new development. He mentioned Detroit was giving 100 percent tax abatements in renaissance zones, and tax credits. We have a company that moved out already. Every major development that comes to Novi has their hand out, but more importantly everybody around us is offering far more than what we are offering. Is that a fair statement to say that there are no challenges to new development in Novi? City Manager Auger said there are challenges every day in getting companies to locate across the State. That's why the State created these rules for municipalities to use to help land these companies, keep these companies, especially the companies that have growth projection in the future. Other states have different rules that we are up against, and fortunately this company wants to stay here in Michigan. They are being

recruited across the Midwest and we cannot compete with those other communities and what they are offering. They take this as a good faith gesture so they can invest in the capital of the new construction. He thought it would be a misnomer to state that we have no issues recruiting especially high tech companies because they can go anywhere they want. Mayor Pro Tem Staudt said there are significant challenges in Novi, Oakland County, and Michigan. Other companies are leaving the State. This company is the perfect example of what the tax abatement was written for. That is a company that wants to be in our City. They want to grow, want to add employees, want to use our resources, and want to be part of the fabric of our community. We are trying to create this false narrative of we are going to hurt the schools. Everybody who has spoken, he said he can show you things that came from the State of Michigan that says very clearly. The money that goes into a fund, it is new money, it is not lost money. We have people come up and talk about writing checks to developers, people are perpetuating this myth, and it is time to stop. Let's take schools out of the equation. Is this a good company to come into Novi, is this what we want. Do we want to create a district for this company? Do we want them to be here, will it be a yes or a no? He thought the answer was very clear. Clearly we will have resistance every time a development, abatement like this, there will always be the same resistance. He hoped his colleague see through this.

Mayor Gatt thanked Finance Director Johnson and City Manager Auger. He said for the first time in his mind, and hopefully the audiences mind, it's become so clear that we aren't losing anything. Tax abatement doesn't take money from taxpayers or schools. Tax abatements are new money, more money. It's not negative, it's positive. It is less positive than if we didn't grant it. He said the schools are not losing a penny and then the argument turned into fairness. That is an argument that he can agree with, but these are the rules we playing by today. Other communities offer these and more. We are a desirable community. It doesn't mean the companies won't do what's best for them. He said that Mayor Pro Tem Staudt brought up Detroit; you can go there and for 12 years not pay a penny in taxes. That is where you see all of this building going on. Other communities around us want Bluewater and they want the other business too. We are a desirable community. Thank you for making everything so clear. He is in favor. It's a prestigious company to have here. Hopefully we can get Oakland County to do something with 12 Mile Road. We want 12 Mile developed. He appreciated their efforts.

Roll call vote on CM 19-09-164

Yeas: Poupard, Verma, Gatt, Staudt

Nays: Breen, Casey, Mutch

2. Consideration of approval of resolution authorizing application from Bluewater Technologies Group, Inc. for an Industrial Facilities Tax Exemption Certificate for new improvements to a parcel of existing vacant land located at 45833 W. Twelve Mile Road and related Agreement concerning Industrial Facilities Tax Abatement.

Member Breen understood they said they will bring about 190 employees to Novi. Mr. Tracy confirmed that was correct, they are consolidating three offices. Member Breen asked if he knew how employees might relocate to the Novi itself. He said no he didn't know how many would relocate. He said they do have some residents here, and the majority of employees are on west side. Member Breen asked how many more jobs they expect in the coming years. He said another 40 new jobs over three years. Member Breen asked if the employees work in the building or from home. He said either, they are a progressive company. Member Breen appreciated that. She wondered if he knew what charitable organizations they would help as a public benefit. He said he wasn't sure at the point. He said right now they focus on the communities they are in. He stated that if they move to Novi that will open new opportunities. Member Breen said she understood that they signed a 15 year lease. He said that was a conditional lease based on the abatement, he can walk away from that. They are also in talks with other communities. They would like to stay in Michigan; they are also talking to another community near Novi. Member Breen asked City Manager Auger about 12 Mile Road. She wondered if there have been any updates on whether or not 12 Mile Road will be on the list for any repairs in the near future. City Manager Auger said that right now they are doing general maintenance. They are in first stage of an environmental assessment which they have to do before it's added to the plan to reconstructed and widen. Member Breen was concerned because 12 Mile Road is a mess. She stated whatever we can do to get 12 Mile Road up to speed by working with Oakland County she thought would be tremendous. It is almost impassable especially during rush hour.

CM 19-09-165 Moved by Staudt, seconded by Gatt; MOTION CARRIED: 4-3

Approval of resolution authorizing application from Bluewater Technologies Group, Inc. for an Industrial Facilities Tax Exemption Certificate for new improvements to a parcel of existing vacant land located at 45833 W. Twelve Mile Road and related Agreement concerning Industrial Facilities Tax Abatement.

Member Casey clarified that her question earlier regarding the school taxes was primarily driven by the fact that it was clearly called out in the application. It was the first time that we have had an abatement come in front of Council that has marked yes on Line 8 on the application. She explained that Line 8 on the application had a question about the school district seeing tax abatement. Generally when abatements come in front of Council she looks at our policy. She said one of the keywords that we have in the policy is exceptional. It might have come across as her thinking they aren't exceptional. When you compare the project to how it fits the policy, in terms of goals, preserving natural resources, and capital investments, she didn't see that they fit with the goals they have set. That's why she voted no to the district. It wasn't due to the school funding. She said she didn't feel it met the goal of the abatement policy.

Member Mutch followed up on 12 Mile Road. He mentioned that this was the only access to that site and adding this building with have impact on traffic. When this went

through plan review process, this building was approved back in May. He questioned the right-of-way in that location. He said they proposed a 60 foot right-of-way. He said a resident at that meeting questioned future right-of-way and he indicated 60 foot right-of-way is sufficient for our future plans for 12 Mile Road. Understanding the right-of-way east of the railroad track, where there is the current boulevard design, is the expectation that we aren't doing boulevard on 12 Mile west of the railroad tracks. City Manager Auger replied that it is an Oakland County Road Commission Road. We can ask and request. He said that we are requesting it be a boulevard that is similar to the other portion of 12 Mile. He stated that it is our understanding that the Oakland County Road Commission will design that as one of the options because the cost difference between a five lane road which was their initial design and the boulevard are not that far off. He explained that the right-of-way that the planning folks have gained through this process is sufficient to do either five lanes or the boulevard. Member Mutch clarified that a 60 foot path right-of-way is sufficient to do a boulevard comparable to what we have done east of the railroad tracks. Mr. Auger said that was correct because we would have 120 feet because it is 60 feet from the middle of the road to the property line. He said he would like something from administration addressing those future right-of-way needs for 12 Mile from the railroad tracks west. He thought for the projects that he has seen east of the railroad tracks, he thought 60 feet for a 120 foot right-of-way seemed really tight. He hoped we are on same page with the Oakland County Road Commission. As we move forward, it's impossible to retrofit a design that we may want. He understood it is not our road. If we front money, we should have some say in that. City Manager Auger stated that we have had several conversations, and we are on same page. He said the 120 feet is a standard for boulevard. They know we want a boulevard there instead of 5 lanes as a solution. Member Mutch said as far as tax abatements, any new development coming to Novi will generate new tax dollars. That is a given, do we offer these abatements to entice them to come here for whatever reason. What is that tradeoff? We aren't writing checks to anyone, but we aren't giving them their full bill. We are giving them 50 percent of a bill. If abatements are so great, why don't we give them to everybody? We do we make these companies jump through all of these hoops. We only give them to very select companies. The reality is most companies that come to Novi never qualify or ask for tax abatement, and pay 100 percent of the taxes that we as a city levied. He hoped it has positive impact on the 12 Mile Corridor. That is where we want to continue to see development. He hoped that our friends at the Oakland County Road Commission to recognize the value of future investment in that Corridor. He said 12 Mile is struggling to support current levels of traffic much less anything new from future development.

Mayor Gatt said one of the Councilmembers said they didn't think the company was exceptional. He strongly disagreed; he thought the company was very exceptional. He said the former speaker asked why we don't give it to everyone. We have a very strict policy on who can apply for tax abatement. There have only been a dozen tax abatements ever granted. We don't give them to everybody. It calls for an exceptional company. We are in the game of granting this because otherwise they go somewhere else and he didn't want that. It doesn't happen every day for every company. It's a way to keep Novi fresh and a great City. He hoped people learned that tax

abatements don't cost the city or taxpayers a penny. It is an additional to the tax base. We don't write checks. If this is successful, he wished them the best. He mentioned that he met today along with City Manager Auger and Oakland County officials for 2.5 hours. They talked about a lot of things including 12 Mile Road. It's not that we aren't trying, but we don't own the road.

Roll call vote on CM 19-09-165

**Yeas: Poupard, Verma, Gatt, Staudt,
Nays: Mutch, Breen, Casey**

3. Consideration of approval to purchase two (2) 2020 International single-axle dump trucks and one (1) 2020 International tandem-axle swaploader truck from Tri- County International through the State of Michigan MiDeal contract; and the upfits to be completed by Truck and Trailer Specialties through the City of Rochester Hills RFP contract, in the amount of \$785,113.

CM 19-09-166

Moved by Staudt, seconded by Casey; CARRIED UNANIMOUSLY

Approval of resolution authorizing application from Bluewater Technologies Group, Inc. for an Industrial Facilities Tax Exemption Certificate for new improvements to a parcel of existing vacant land located at 45833 W. Twelve Mile Road and related Agreement concerning Industrial Facilities Tax Abatement.

Roll call vote on CM 19-09-166

**Yeas: Poupard, Verma, Gatt, Staudt, Breen,
Casey, Mutch,
Nays: None**

4. Consideration of approval to award the construction contract for the DPW Facility Stormwater Management Compliance Project (Vactor Station and Site Improvements) to Fonson Company, Inc., in the amount of \$1,497,418.10.

Member Mutch said the City has been going through the process of upgrading the DPW facility and expanding that and asked why this piece was not done at that time. City Manager Auger replied that portions of this project were cut from the original budget as Council drew the budget back. We found out we needed to put this stormwater management portion in, as required by State of Michigan, so we could be consistent with the requirements. We added other portions of the project back into it to correct all the stormwater deficiencies on the site. Member Mutch assumed this was coming from Capital Improvement Fund. City Manager Auger said it would come from the Water and Sewer budget. Member Mutch asked what the total investment into the DPW was. City Manager Auger replied it was \$11 million. Member Mutch said with state requirements to make those investment for the vactor facility, it's not something we can disregard. He believed it was coming in under budget significantly, almost \$300,000. That is good to see.

CM 19-09-167

Moved by Mutch, seconded by Casey; CARRIED UNANIMOUSLY

Approval to award the construction contract for the DPW facility Stormwater Management Compliance Project (Vactor Station and Site Improvements) to Fonson Company, Inc., in the amount of \$1,497,418.10.

Roll call vote on CM 19-09-167

Yeas: Verma, Gatt, Staudt, Breen, Casey, Mutch, Poupard

Nays: None

5. Consideration of approval of Zoning Ordinance Text Amendment 18.289 to amend the City of Novi Zoning Ordinance at Article 3, Section 3.10 "B-1, B-2 and B-3 Business Districts Required Conditions." The amendment would allow building height to be increased to 52 feet or four stories in the B-2 District under certain conditions. FIRST READING

CM 19-09-168

Moved by Staudt, seconded by Mutch; CARRIED UNANIMOUSLY

Approval of Zoning Ordinance Text Amendment 18.289 to amend the City of Novi Zoning Ordinance at Article 3, Section 3.10 "B-1, B-2 and B-3 Business Districts Required Conditions." The amendment would allow building height to be increased to 52 feet or four stories in the B-2 District under certain conditions. FIRST READING

Roll call vote on CM 19-09-168

Yeas: Gatt, Staudt, Breen, Casey, Mutch, Poupard, Verma

Nays: None

6. Consideration of approval of the request of Cambridge of Novi, LLC for the First Amendment to the previously-approved Planned Rezoning Overlay (PRO) Plan, JSP 17-52, Terra, formerly known as Villa D'Este, associated with Zoning Map Amendment 18.718. The applicant proposed a 41-unit single-family ranch housing development on approximately 30.14 acres on the north side of Nine Mile Road, east of Napier Road. The current amendment is requested to allow greater flexibility for construction of individual homes, to allow alternate pavement material for sidewalks and driveways, and for other minor changes.

City Manager Auger noted there are actually two recommended actions in the packet. It is the first recommended action, the longer one that is the correct recommended action. He stated that we are using new software and it duplicated the title to the second recommended action. The recommended action is the one with the numerals 1 through 3.

Member Breen said there a lot of the proposed changes are basically visual nature, not substantive. She questioned the removal of two trees that were put in for accessory unit. She said now staff is recommending three trees be removed per unit. Is there any

plan to replant or pay into fund? Mr. Guidobono said they would either plant more or pay into the Tree Fund if we removed trees around one of these sites. He would expect it to be very rare. He said they wanted to give the homeowner the in case they wanted a pool. He said there may be a total of 15 trees. It is very minimal. They pulled their tree fencing really tight to the units because they want to save trees. He didn't think they would have many requests. Member Breen wondered if there is any way we can ensure that the removal of up to three trees be removed be put into the PRO Agreement. City Attorney Schultz replied yes.

Member Mutch commented on two of the items in the request. First, was the issue regarding the aggregate surface change. He understood that they were moving away from their standard concrete sidewalk and driveways. He asked if he was replacing it with the aggregate surface. Mr. Guidobono replied yes. It is exposed aggregate, it is still concrete. He explained that once it sets up they go back with a power washer and remove the top surface to expose the aggregate. We do not lose any strength, then they will color it with a light color and it blends in better with the nature feel that they are trying to achieve. He thought white, stark concrete would stand out. It is double the price, for a courtyard, entry, and driveway aggregate. Member Mutch much asked about the change in Unit 6 because it looked like they removed a unit within development. Mr. Guidobono said these are two separate issues. He said they had room there and adding 10 feet of width had a nicer appearance to the front of the home. It doesn't impact anything, but it was an appearance thing and they thought why they didn't think about this in the beginning. He said that is why they dropped one unit; they are hoping by doing that it will attract some more dramatic houses, more dramatic elevations. They are taking a chance; most developers don't drop a lot. Member Mutch asked about the expansion on Unit 10 and wondered if it would have any impact on woodlands. Mr. Guidobono replied no, you will lose one tree. Member Mutch said they were retain the option to essentially fit another unit back in if the circumstance comes up. Mr. Guidobono said if they cannot command that dollar, then they have the ability to put back that one unit. Mr. Guidobono said that was correct, it would go back to the same plan that was approved by City Council. Member Mutch said he was fine with the changes that were proposed.

CM 19-09-169

Moved by Staudt, seconded by Casey; CARRIED UNANIMOUSLY

Tentative approval at the request of Cambridge of Novi, LLC for Tentative approval of the First Amendment to the previously-approved Planned Rezoning Overlay (PRO) Plan and Agreement, JSP 17-52 Terra PRO, based on the following findings, City Council deviations, and conditions, with the direction that the City Attorney's Office shall prepare the required First Agreement and work with the applicant to return to the City Council for Final Consideration pursuant to the PRO Ordinance:

1. This approval is subject to all conditions listed in the original PRO agreement recorded April 9, 2019, unless otherwise amended with this approval.
2. Approval includes the following ordinance deviations:
 - a. Engineering deviation from Section 7.4.2(d) Engineering Design Manual to allow exposed aggregate as an alternate material for sidewalk pavement in lieu of concrete for the entire development;
 - b. Planning deviation from Section 3.32.8. to allow for additional encroachment for roof overhangs into the required side yards (A maximum of 15 inches is allowed per the current side yard setbacks, a minimum of 9 feet between the roof overhangs at fascia is proposed). This approval shall be subject to building designed with Prairie-style architecture, subject to the City's Façade Consultant approval at the time of building permit review.
3. The following conditions shall be made part of the PRO Agreement:
 - a. For Units 7 through 36, covered decks shall be allowed to extend up to 15 feet into the "Accessory Unit Boundary" from the rear façade. "Accessory Unit Boundary" refers to the area beginning at the rear Unit Boundary and is within the side lines of the Unit Boundary, and extending twenty-five (25) to the rear, as shown on the approved final Concept Plan.
 - b. No more than three (3) regulated woodland trees may be removed from the Accessory Unit Boundary to accommodate the construction or installation of any pool, or other accessory use.
 - c. A minimum of 15 feet shall be maintained between two buildings, with the exception of roof overhangs and wing walls as noted below:
 - i. A minimum of 9 feet shall be maintained between the roof overhangs between two buildings at fascia as shown in the 'Overhang Projection Areas' exhibit on revised PRO Concept plan dated 7-25-19 , subject to the house being designed with Prairie architecture style and subject to the City's Façade Consultant approval at the time of building permit review;
 - ii. A maximum of 4.5 feet of on-ground projection shall be allowed as shown in the 'Wing wall/planter projection area' exhibit on revised PRO Concept plan dated 7-25-19, subject to the City's Façade Consultant approval at the time of building permit review.
 - d. The elevations shall comply with the Ordinance requirements and conditions of the PRO agreement, subject to the

limitations set forth in the Master Deed as determined at the time of individual building permit review.

- e. Additional updates to the PRO agreement shall be as follows:**
- i. The ITC comfort station shall be completed within 6 months from the substantial completion date of the ITC trail along the subject property's frontage;**
 - ii. The compensating cut areas in the approved PRO Agreement shall be updated to be consistent with the MDEGLE permit approval dated 4-9-19.**

Roll call vote on CM 19-09-169

Yeas: Staudt, Breen, Casey, Mutch, Poupard, Verma, Gatt

Nays: None

7. Consideration to Introduce Ordinance 19-120.13, an ordinance to amend the City of Novi Code of Ordinances, Chapter 20, "Massages," in order to amend certain sections to update the regulations of massage establishments within the City. FIRST READING

CM 19-09-170

Moved by Staudt, seconded by Gatt; CARRIED UNANIMOUSLY

Approval of Ordinance 19-120.13, an ordinance to amend the City Of Novi Code Of Ordinances, Chapter 20, "Massages," in order to amend certain sections to update the regulations of massage establishments within the City. FIRST READING

Member Casey said she fully supported the changes. In Section 20-27, Item C, there is reference to "not of suitable character". Member Casey wondered how we define suitable character. City Attorney Schultz explained that one of the things they have done with this amendment is that is the recommendation through Police Department investigation. In Section 20-29 lays out more detail what City Clerk would determine. Member Casey said they can look in Section 20-29 to find out what is considered suitable character. City Attorney Schultz replied yes.

Member Breen said she was happy to see there is some tightening of language here. She thought it gives City Council more oversight in the event that something would go awry with an applicant's process. She mentioned that Ordinance Review Committee requested planning staff review the current zoning as well as a special land use permit criteria process and there might be additional changes that are recommended with this ordinance. City Attorney Schutz said he didn't expect changes to this ordinance, but you will see making massage business a special land use in the in the zoning ordinance. This is probably set, but additional language in zoning ordinance comes forward. Member Breen expressed her gratitude that there is some movement on this especially in regards to human trafficking. This will help any prevent wrong doers from coming here.

Roll call vote on CM 19-09-170

**Yeas: Breen, Casey, Mutch, Poupard, Verma,
Gatt, Staudt,
Nays: None**

8. Consideration of approval of resolution to authorize Budget Amendment #201920

CM 19-09-171 Moved by Staudt, seconded by Breen; CARRIED UNANIMOUSLY

Approval of resolution to authorize Budget Amendment #201920.

Roll call vote on CM 19-09-171

**Yeas: Casey, Mutch, Poupard, Verma, Gatt,
Staudt, Breen,
Nays: None**

AUDIENCE COMMENT: None

COMMITTEE REPORTS: None

MAYOR AND COUNCIL ISSUES: None

CONSENT AGENDA REMOVALS FOR COUNCIL ACTION: None

ADJOURNMENT – There being no further business to come before Council, the meeting was adjourned at 8:22 P.M.

Cortney Hanson, City Clerk

Robert J. Gatt, Mayor

Transcribed by Deborah S. Aubry

Date approved: October 7, 2019