

**REGULAR MEETING OF THE COUNCIL OF THE CITY OF NOVI
MONDAY, JULY 13, 2015 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 Casey, Markham, Mutch, Poupard, Wrobel

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

APPROVAL OF AGENDA:

CM 15-07-89 Moved by Casey, seconded by Wrobel; CARRIED UNANIMOUSLY:

To approve the Agenda as presented.

Roll call vote on CM 15-07-89 **Yeas: Staudt, Casey, Markham, Mutch,
Poupard, Wrobel, Gatt**
Nays: None

PUBLIC HEARING

1. Huntley Manor Special Development Option (Gateway East Zoning District) for Woodland and Wetland permits associated with the submitted Preliminary Site Plan

Public hearing opened at 7:01 p.m. No audience comment, closed at 7:01 p.m.

2. Establishment of an Industrial Development District – 13 Mile Road and Haggerty Road.

Public hearing opened at 7:02 p.m.

Andrew Sarpolis, 31036 Beachwalk Dr. Apt. 1506, spoke about the research he had to do to get an understanding of the law. He felt It wasn't clear to him exactly what this was after reading the City documents. He would appreciate more information provided to the public. City staff helped him but he found it challenging to find the information. He heard this referred to as an abatement of taxes, but he felt it doesn't seem to qualify as such. He is in favor of it because it seems to be a tax break for redevelopment and he hoped Council considers the Community benefits.

Public hearing closed at 7:03 p.m.

PRESENTATIONS

REPORTS:

1. MANAGER/STAFF – None
2. ATTORNEY – None

AUDIENCE COMMENT:

Stacey Rose, 23940 Forest Park Dr., expressed his appreciation to Council for their attention to residents concerns regarding the issues with the Valencia South Development proposed easement. He explained there should be true benefits to the City without a detriment to neighboring residents and subdivisions.

Gerald Harris, 23918 Forest Park Dr., wished to make comments about the proposed Valencia South Development. He borders the development property and has lived there for 34 years. He believes the developer is attempting to maximize his benefits at the expense of the neighbors. He noted there is an area within the proposed plan that could make it a situation where everyone could win. It was obvious the developer wanted to keep the parcels together. He appreciated Council asking the developer to come up with a revised plan. He felt the developer has created the conflict by not coming to the border residents and associations with true earnest. He felt they have not reached out to the residents. He thought it was about perspective and everyone believes they are right. He is asking Council to listen to what the citizens have to say. His perspective is that there should be a reasonable buffer of 50 feet. He said the setback from the right of way to their houses is 120 feet. It is the nearest any of the sites would be. He explained there are setbacks of 35 feet from the R-1 and a 35 foot setback for the proposed R-3 PRO which equals 70 feet with a 50 foot gap.

CONSENT AGENDA REMOVALS AND APPROVALS:

CM 15-07-90 Moved by Casey, seconded by Poupard; CARRIED UNANIMOUSLY:

To approve the Consent Agenda as presented.

- A. Approve Minutes of:
 1. June 22, 2015 – Regular meeting
- B. Enter Executive Session immediately following the regular meeting of July 13, 2015 in the Council Annex for the purpose of discussing City Manager and City Clerk performance evaluations, and privileged correspondence from legal counsel.
- C. Approval of two resolutions authorizing termination of portions of an existing water main easement (recorded at Liber 40666, Page 297 Oakland County Records) and an existing sanitary sewer easement (recorded at Liber 40754, Page 543 Oakland County Records) at the request BCP Novi, LLC., as part of the

American Tire Distributors site located at 25250 Regency Drive (parcel 22-24-276-023).

- D. Approval to purchase Courts and Law Enforcement Management Information System (CLEMIS) and Fire Records Management System (FRMS) fees and services from Oakland County for the 2015-16 fiscal year in the amount of \$63,445.
- E. Approval to enter partnership with Crime Stoppers of Michigan for \$2,500 from State Forfeiture Funds.
- F. Approval of Ordinance 15-104.10 to amend the City of Novi Code of Ordinances Chapter 21, "Nuisances" Article II, "Related to Property" Division 1, "Lot Clearing" in order to amend the title and the definition of plant materials affected.
SECOND READING
- G. Approval of Resolution regarding Cooperative Agreement for provision of Recreation Fields with Temporary Parking Opportunity.
- H. Approval of Resolution regarding Temporary Michigan State Fair Promotional Signage allowing city-wide temporary relief from the Sign Ordinance from August 31 through September 7, 2015.
- I. Approval of Resolution Authorizing "2015 Michigan State Fair" to occur on the Suburban Collection Showplace property at 46100 Grand River Avenue.
- J. Approval of the Parks, Recreation & Cultural Services Department donation acknowledgment and acceptance of the naming rights agreement with Tom Holzer Ford for a three (3) year period in the amount of \$10,000 payable in two (2) equal installments of \$5,000 per year on or before October 31, 2015 and October 31, 2016.
- K. Approval of an Accounts Receivable Agreement with Detroit Edison Company for the relocation of power poles located outside of the existing right-of-way in the amount of \$15,513.19, as part of the 11 Mile Road Pathway Construction project; and approval of a resolution authorizing the rollover of FY14-15 funds in the amount of \$15,520 for this budget line item.
- L. Approval to award an amendment to the engineering services agreement with Orchard, Hiltz & McCliment for construction engineering services for the Catherine Industrial Drive Cul-de-sac Reconstruction project in the amount of \$23,037.
- M. Approval to award an amendment to the engineering services agreement with Orchard, Hiltz & McCliment for construction engineering services for the NC-1 Neighborhood Connector Pathway (East Lake Drive to Novi Road) project in the

amount of \$49,677; and approval of a resolution authorizing the rollover of FY14-15 funds in the amount of \$29,960 for the pathway engineering budget line item.

- N. Approval to award an amendment to the engineering services agreement with URS Corporation for construction engineering services for the 2015 Sidewalk Construction and ADA Compliance project in the amount of \$29,947.
- O. Approval of request to waive Liquor License Application fee for the ownership transfer from Epoch Catering, LLC to Epoch Hospitality, LLC as a Co-Licensee at Suburban Collection Showplace.
- P. Approval of the "Second Amendment to the Planned Rezoning Overlay (PRO) Agreement Novi Real Estate, LLC" for Medilodge to amend the Exhibit B Document to provide for an additional 34 parking spaces on the north side of the existing development located on the north side of Eleven Mile Road between Beck and Wixom Roads in Section 17. The project consists of the development of a 120 bed, 78,560 square foot convalescent (nursing) home building.
- Q. Approval of Claims and Accounts – Warrant No. 943

Roll call vote on CM 15-07-90

**Yeas: Casey, Markham, Mutch, Poupard,
Wrobel, Gatt, Staudt
Nays: None**

MATTERS FOR COUNCIL ACTION:

- 1. Approval of the request of GR Meadowbrook, LLC for approval of a Special Development Option (SDO) Agreement for the Huntley Manor development, consisting of a 210-unit multiple family gated community. The property is located on the south side of Grand River Avenue, west of Meadowbrook Road in the Gateway East (GE) District.

CM 15-07-91

Moved by Wrobel, seconded by Casey; CARRIED UNANIMOUSLY:

To approve the request of GR Meadowbrook, LLC for a Special Development Option (SDO) Agreement for the Huntley Manor development, consisting of a 210-unit multiple family gated community, subject to final review and approval as to form, including any required minor and non-substantive changes, by the City Manager and City Attorney's office. The property is located on the south side of Grand River Avenue, west of Meadowbrook Road in the Gateway East (GE) District. This motion is made for the reason that the Agreement meets the spirit and intent of the tentative approval granted by the City Council at the meeting of March 23, 2015.

Roll call vote on CM 15-07-91

**Yeas: Markham, Mutch, Poupard, Wrobel,
Gatt, Staudt, Casey**

Nays: None

2. Approval of the request of GR Meadowbrook, LLC for Huntley Manor, Site Plan JSP 14-56 for a Preliminary Site Plan, Phasing Plan, Wetland Permit, Woodland Permit and Stormwater Management Plan approval in the GE, Gateway East District, with a Special Development Option. The property is located on the south side of Grand River Avenue, west of Meadowbrook Road, consisting of 26.62 acres. The applicant is proposing a 210-unit multiple family, gated community.

CM 15-07-92

Moved by Casey, seconded by Poupard; CARRIED UNANIMOUSLY:

Approval of the request of GR Meadowbrook, LLC for Huntley Manor, Site Plan JSP 14-56 for a Preliminary Site Plan, Phasing Plan, Wetland Permit, Woodland Permit and Stormwater Management Plan approval in the GE, Gateway East District, with a Special Development Option, subject to the following conditions to be addressed on the Final Site Plan:

1. Additional detail being provided on the Final Site Plan regarding the pedestrian scale street lighting along the Grand River Avenue frontage, including lighting specifications and location of the proposed fixtures.
2. Applicant shall provide full cut-off lighting fixtures throughout the development (unless the City Council approves this deviation, as recommended for consideration of approval in the SDO Agreement).
3. Applicant shall provide a sidewalk/boardwalk on the south side of Midtown Circle east of Building 7 (unless the City Council approves this deviation, as recommended for consideration of approval in the SDO Agreement).
4. Applicant shall provide additional detail to the satisfaction of the City's Landscape Architect at the time of Final Site Plan review regarding existing vegetation near the south property line, and shall provide supplemental planting and screening to generally meet the City's opacity standards.
5. The Applicant's compliance with the conditions and items listed in the staff and consultant review letters being addressed on the Final Site Plan.

This motion is made based on the following findings:

- a. The project results in a recognizable and substantial benefit to the ultimate users of the project and to the community, where such benefit would otherwise be unfeasible or unlikely to be achieved by a traditional development;
- b. In relation to a development otherwise permissible as a Principal Permitted Use under Section 3.1.16.B the proposed type and density of development does not result in an unreasonable increase in the use of public services, facilities and utilities, and does not place an unreasonable burden upon the subject and/or surrounding land and/or property owners and occupants and/or the natural environment;
- c. Based upon proposed uses, layout and design of the overall project, the proposed building facade treatment, the proposed landscaping treatment and the proposed signage, the Special Development Option project will result in a material enhancement to the area of the City in which it is situated;
- d. The proposed development does not have a materially adverse impact upon the Master Plan for Land Use of the City, and is consistent with the intent and spirit of this Section;
- e. In relation to a development otherwise permissible as a Principal Permitted Use under Section 3.1.16.B, the proposed development does not result in an unreasonable negative economic impact upon surrounding properties;
- f. The proposed development contains at least as much useable open space as would be required in this Ordinance in relation to the most dominant use in the development;
- g. Each particular proposed use in the development, as well as the size and location of such use, results in and contributes to a reasonable and mutually supportive mix of uses on the site, and a compatibility of uses in harmony with the surrounding area and other downtown areas of the City;
- h. The proposed development is under single ownership and/or control such that there is a single person or entity having responsibility for completing the project in conformity with this Ordinance;
- i. Relative to other feasible uses of the site, the proposed use will not cause any detrimental impact on existing thoroughfares in terms of overall volumes, capacity, safety, vehicular turning patterns, intersections, view obstructions, line of sight, ingress and egress, acceleration/deceleration lanes, off-street parking, off-street loading/unloading, travel times and thoroughfare level of service;
- j. Relative to other feasible uses of the site, the proposed use will not cause any detrimental impact on the capabilities of public services and facilities, including water service, sanitary sewer

- service, storm water disposal and police and fire protection to service existing and planned uses in the area;
- k. Relative to other feasible uses of the site, the proposed use is compatible with the natural features and characteristics of the land, including existing woodlands, wetlands, watercourses and wildlife habitats;
 - l. Relative to other feasible uses of the site, the proposed use is compatible with adjacent uses of land in terms of location, size, character, and impact on adjacent property or the surrounding neighborhood;
 - m. Relative to other feasible uses of the site, the proposed use is consistent with the goals, objectives and recommendations of the City's Master Plan for Land Use.
 - n. Relative to other feasible uses of the site, the proposed use will promote the use of land in a socially and economically desirable manner; and
 - o. Relative to other feasible uses of the site, the proposed use is (1) listed among the provision of uses requiring special land use review as set forth in the various zoning districts of this Ordinance, and (2) is in harmony with the purposes and conforms to the applicable site design regulations of the zoning district in which it is located.

Member Mutch said several residents had voiced objections in correspondence for the Public Hearing. They were concerned with the density of the project and the impact the development will have for those whose properties back up to the property. He asked to have the concerns incorporated in the language for the Special Development Option agreement that the City standards would be followed for the area and reflected in the site permit approval also. City staff will apply City ordinances to provide sufficient landscaping. He assured residents the buffer will provide sufficient screening year round. He thought it will provide some off-set to the new development going in. The impact of the development is no more than what was previously approved by City Council.

Roll call vote on CM 15-07-92

Yeas: Mutch, Poupard, Wrobel, Gatt, Staudt, Casey, Markham

Nays: None

- 3. Approval of Resolution to establish Industrial Development District for Magna Seating of America, Inc. at the northwest corner of 13 Mile Road and Haggerty Road.

City Manager Auger said this is an exciting new project coming forward. He said this is the first step of the tax abatement. This project will retain and increase jobs. This will be their North American Headquarters and will house their Research and Development.

Member Mutch asked what will happen to their existing facility. City Manager Auger said their lease is up and they are vacating the property. It is about a 300,000 square foot building. The City is working with some people in the region to repurpose the building. Member Mutch said Magna will get a combination of the City tax abatement and the State of Michigan funds. City Manager Auger said the State will give them a grant based on new hires. The City can abate local property taxes through State Law. Member Mutch noted it is a multi-step process and after the district is established, there will be an agreement addressing the abatement terms and if they don't meet those targets. City Manager Auger said that there will be claw-back language in the agreement. It will be a long term commitment because they have a 20 year lease. Magna has been a good local partner and they have said they will continue that. They do a lot of work through STEM at the High School to educate younger people for the jobs of the future. Member Mutch said that it was good to see they are going to continue that commitment. He will support establishing the District because Magna has met the criteria but will not support the tax abatement request. He does not think it is the roll of local governments to abate taxes in this way for businesses. The City absorbs the bulk of the abated taxes and the State reaps the majority of the revenue that comes in from these kinds of new development.

Member Wrobel said he will support it and the abatement. Magna is going to invest \$48 million in Novi. They have been a good business partner. These kinds of investments do not take a lot of the City's resources.

Member Markham thought Magna was a great corporate citizen in Novi. She said she was glad they were working to expand their world headquarters in Novi. She appreciated that City staff has listened during previous discussions on the subject of tax abatements. She commented that the information provided was helpful. She explained the City's policy for tax abatement, "The applicants must bear the quantitative proof to demonstrate that exceptional economic benefit will accrue to the City of Novi as a result of a tax abatement approval." She appreciates that Magna is supportive of the robotics team, but she is not sure it is enough to compensate for the tax abatement that is being asked to consider. She has had a number of small business owners in town come to her to say they didn't have any consideration when they moved into Novi. We need to be careful why we are considering this and the message being sent to the rest of the community who are paying their full complement of taxes. She will be supporting the development of the district, but would like further conversation of how the tax abatement fits in the process. She said Magna has nine subsidiaries or companies that already get this kind of incentive from the State. She understood the reality of it and the way business is done across the United States but as a citizen and a member of City Council she felt taxpayer dollars should be spent on roads.

Mayor Pro Tem Staudt thought conversation helps to differentiate the mindset of the other Council members. This business is being built in the United States when they could have built in another country. He felt proud to support these types of businesses and

these opportunities in Novi. He has a very long business background and works for a company that had a small tax abatement in Plymouth Township. It did have some bearing on their decision to move there. It is important to know the real facts about the abatements. One of the facts, in this situation, is that the abatement will be \$4.6 million over the course of 12 years but the City will be receiving \$4.6 million. There are substantial financial benefits of having this company in our community. One of the big issues is that future development in Novi will be more difficult. Everyone wants headquarters including Harman Becker and different companies in the region. We are fortunate to have a situation where there is a great City government, a great place to live and great infrastructure. The money raised as a result of property taxes, especially the millage that is dedicated to roads, would not have occurred if this business did not locate here. The concept that the City is giving money away that we could have spent on roads; he felt it is the other way around. If this business doesn't locate here there will be zero dollars going towards roads. He said the City is proud to have them here. As long as good strong companies coming in are willing to make big investments, he will support them. He hopes the voters watch what is discussed and companies will not come here unless the City participates in working with the County, State and taxpayers. He is looking forward to seeing them build.

Member Casey was in favor of establishing the District but didn't want it interpreted she was in support of the abatement because she made the motion.

CM 15-07-93 Moved by Casey, seconded by Wrobel; CARRIED UNANIMOUSLY:

To approve the Resolution to establish Industrial Development District for Magna Seating of America, Inc. at the northwest corner of 13 Mile Road and Haggerty Road.

Mayor Gatt commented that right now there is a vacant piece of property at the northwest corner of Haggerty and 13 Mile where a proposed \$46 million investment will bring us \$4 million a year for some time then it will double to \$8 million. It doesn't make sense that people say money is being given away. There have been only 3 or 4 abatements voted on in the 12 years he has been on Council. He said we are not giving away anything because we don't own it. What money comes in is what we use for services in the City. We don't have to give much for that money. They don't require much in the way of City services. He has been here for forty years and there was a time when they didn't offer abatements. Those days are over. Today we are competing with the world. This company looked at locations in the United States, Canada, and Mexico. They are all offering abatements. If we don't give abatements, there will not be building in our City that cost us nothing and also brings in a lot of money. He stressed that the abatement is just for a short time before the City will get 100%. He couldn't understand how some can support the zone and not vote for the abatement. He will support both.

Roll call vote on CM 15-07-93

Yeas: Poupard, Wrobel, Gatt, Staudt, Casey, Markham, Mutch
Nays: None

4. Approval of an ownership transfer of 2014 B-Hotel and SDM Licensed business, substituting Epoch Hospitality, LLC for Epoch Catering, LLC, as a Co-Licensee with BOCO Enterprises, Inc. for the location at 46100 Grand River Avenue, Novi, MI 48374 (Suburban Collection Showplace).

CM 15-07-94 Moved by Wrobel, seconded by Casey; CARRIED UNANIMOUSLY:

To approve the ownership transfer of 2014 B-Hotel and SDM Licensed business, substituting Epoch Hospitality, LLC for Epoch Catering, LLC, as a Co-Licensee with BOCO Enterprises, Inc. for the location at 46100 Grand River Avenue, Novi, MI 48374 (Suburban Collection Showplace) to allow existing operation of the licensed facility at the Suburban Collection Showplace to continue as currently provided.

Roll call vote on CM 15-07-94

Yeas: Wrobel, Gatt, Staudt, Casey, Markham, Mutch, Poupard
Nays: None

5. Approval for the Parks, Recreation & Cultural Services Department to receive \$118,000 under the Novi Parks Foundation Naming Rights Agreement towards construction of phase 1A of the ITC Corridor Pathway.

CM 15-07-95 Moved by Staudt, seconded by Wrobel; CARRIED UNANIMOUSLY:

To approve the Parks, Recreation & Cultural Services Department to receive \$118,000 under the Novi Parks Foundation Naming Rights Agreement towards construction of phase 1A of the ITC Corridor Pathway.

Roll call vote on CM 15-07-95

Yeas: Gatt, Staudt, Casey, Markham, Mutch, Poupard, Wrobel
Nays: None

6. Approval to award a construction contract for Catherine Industrial Drive Cul-de-sac Reconstruction project to Fonson Company, Inc., the low bidder, in the amount of \$187,698, subject to final review and approval of form of agreement by City Manager's office and the City Attorney.

resolution authorizing the rollover of FY14-15 funds in the amount of \$263,728 for these budget line items.

CM 15-07-97 Moved by Mutch, seconded by Poupard; CARRIED UNANIMOUSLY:

To approve an award of a construction contract for 2015 Sidewalk Construction and ADA Compliance project to Audia Concrete Construction, Inc., the low bidder, in the amount of \$224,417, subject to final review and approval of form of agreement by City Manager's office and the City Attorney; and approval of a resolution authorizing the rollover of FY14-15 funds in the amount of \$263,728 for these budget line items.

Member Mutch pointed out that this was the last remaining gap on the north side of 10 Mile Road, where the old Timberlane Company was located. A lot of people in that area have been looking for the connection. He felt it was nice that it was getting completed.

Roll call vote on CM 15-07-97

**Yeas: Markham, Mutch, Poupard, Wrobel,
Gatt, Staudt, Casey**

Nays: None

AUDIENCE COMMENT – None

COMMITTEE REPORTS:

Mayor Pro Tem Staudt reported that the SWOCC agreement task force met with the School District in the past week. Mayor Gatt, Member Wrobel and himself had a very constructive conversation. As a SWOCC Board Member, there will be a study coming out that will be shared amongst Council to give some additional background prior to getting into any more conversation. They got a consensus that there were some areas they could work on together.

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 7:42 P.M.

Maryanne Cornelius, City Clerk

Robert J. Gatt, Mayor

Transcribed by Jane Keller

Date approved: July 27, 2015